

Politics



Italy at long last got a new government. Nominally headed by a non-political lawyer, Giuseppe Conte, it is in reality an uneasy coalition formed from the populist left-wing Five Star Movement and the nationalist Northern League. It is promising both tax cuts and benefit increases, which could rapidly clash with the EU's budget rules.

Spain got a new government, too. Its prime minister, Mariano Rajoy, was ousted by a censure motion related to old corruption charges against his party. The new prime minister is Pedro Sánchez, of the Socialist party, which controls only 24% of the seats in the lower house.

In **Slovenia**, an anti-immigrant party won the most seats in a snap election, but fell short of a majority. Forming a government may prove difficult or impossible, since other parties refuse to deal with it.

A volcanic disaster

Scores of people died and nearly 200 were missing after the eruption of the Fuego volcano in **Guatemala**. Fast-moving pyroclastic flows of gas, ash and lava engulfed nearby villages. The eruption sent plumes of ash 6km (3.7 miles) into the atmosphere. Guatemala declared three days of mourning.

Nicaraguan security forces killed nine people in the city of Masaya. That brings to at least 127 the number of people who have been slaughtered since protests began in April against the authoritarian rule of President Daniel Ortega.

A strike by lorry drivers in **Brazil**, which blocked roads and led to shortages of fuel and food, ended after ten days. The government agreed to subsidise diesel for 60 days to placate the drivers, whose strike was provoked by rises in fuel prices. Pedro Parente resigned as the chief executive of Petrobras, the state-controlled oil company, which sets fuel prices.

A **Mexican** federal court ordered the government to start a new investigation into the disappearance in 2014 of 43 students in Iguala in the state of Guerrero. The court said an earlier investigation by prosecutors, which found that police had turned over the students to drug gangs, had not been independent. The new one is to be overseen by a truth commission, which will be led by the victims' families and a human-rights group.

Taxing times



Thousands of people protested in **Jordan** against the government's plans to increase taxes and cut subsidies, part of an IMF-backed programme. King Abdullah responded by sacking the prime minister. He told the new government to review the entire tax system.

Iran is to build new centrifuges at the Natanz nuclear site, increasing its capacity to enrich uranium. But it said it would stay within the limits on enrichment set by the nuclear deal in 2015 with world powers, which America pulled out of last month. Highly enriched uranium is needed to produce nuclear weapons.

Saudi Arabia issued driving licences to ten women, weeks before a decades-old ban on

female drivers is lifted. Meanwhile, Saudi prosecutors said 17 activists had been detained, with eight released "temporarily". Some had been campaigning for women's rights.

Ethiopia's government said that it will implement a peace deal, signed in 2000, that ended a bloody two-year war with **Eritrea**. Ethiopia had refused to withdraw its troops from disputed territories awarded to Eritrea in 2002 by a border commission that was created by the deal. Abiy Ahmed, Ethiopia's new prime minister, also lifted a state of emergency, which was imposed by his predecessor following protests.

More than 1,000 people in the Democratic Republic of Congo were given an experimental **Ebola** vaccine, as health workers try to stop the spread of the disease.

The golden prize

More primaries were held to choose candidates for America's mid-term elections. **California** held a "jungle" primary, where the top two vote-getters go through to November regardless of party. Despite a crowded field that threatened to split the party's vote, Democratic candidates in the seven seats it is targeting in the state made it through. Gavin Newsom, a former mayor of San Francisco, became the Democratic candidate for governor.



In a 7-2 decision, the Supreme Court ruled in favour of a **Christian baker** who refused to fashion a same-sex wedding cake (though he offered to sell the couple any cake off the shelf). The court found that officials in Colorado had not given the baker a fair hearing.

But it did not spell out how lower courts should balance concerns about discrimination, compelled speech and religious freedom in future cases.

Getting ready for a date

North Korea removed three generals from their posts, prompting speculation that they opposed the forthcoming summit between Kim Jong Un, the country's dictator, and Donald Trump. The White House announced that the meeting will take place at a hotel on the Singaporean island of Sentosa.

Malaysia's new government appointed an attorney-general. Tommy Thomas, an ethnic Indian, is the first non-Malay to hold the job. He promised there would be "no cover-ups" in the investigation into the 1MDB scandal, in which billions of dollars were siphoned out of a development fund. Separately, the governor of Malaysia's central bank resigned.

A court in **Hong Kong** sentenced two pro-independence politicians and their three former aides to four weeks in jail for trying to barge into a meeting at Hong Kong's Legislative Council in 2016. The politicians had been elected as legislators but had been barred from taking their seats for not taking their oaths properly.

Police in the **Chinese** city of Chengdu raided an underground church and detained its pastor and several other people to prevent a planned service in commemoration of the violent suppression of the Tiananmen Square protests of 1989. America's secretary of state, Mike Pompeo, called on China to "make a full public accounting" of the massacre.

Rodrigo Duterte, the president of the **Philippines**, drew howls of protest from feminists for kissing a woman on the lips at an event for overseas Filipina workers. Mr Duterte said it was his "showbiz" style. The woman in question said "it meant nothing."

Business

China offered to buy \$70bn-worth of American goods, including oil and gas, through its state-owned companies if America ditches its plan to impose tariffs on Chinese products. It was the latest move to avert a **trade war** between the two countries, submitted after talks between Chinese and American negotiators led nowhere. Meanwhile, trade hostilities broke out between America and its allies, after the Trump administration pressed ahead with tariffs on steel and aluminium. The European Union drew up a list of American products targeted for retaliation. Mexico got a head start, levying penalties on imports from America, such as pork and bourbon.

Savvy Satya

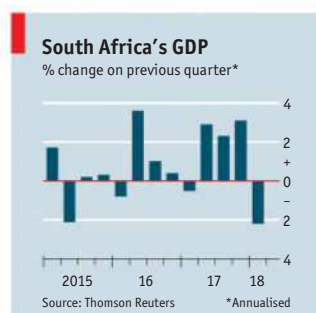
Microsoft agreed to buy GitHub, an online platform for developers to write and share code, for \$7.5bn. The deal underscores Microsoft's embrace of open-source software under Satya Nadella, something that was unthinkable under previous chief executives. Its pivot towards cloud-based computing and services has rejuvenated its share price, allowing Microsoft to use only stock to pay for GitHub.

The British government sold 925m of its shares in **Royal Bank of Scotland**, the biggest chunk it has offloaded since bailing out RBS in 2008, reducing the public's stake to 62%. The shares were sold at a much lower price than the government paid for them, representing a £2.1bn (\$2.8bn) loss to taxpayers from this sale alone. More tranches of shares are expected to be sold over the next few years.

Commonwealth Bank of Australia was fined A\$700m (\$535m) by Australia's financial-crimes agency for breaking rules on money laundering and financing terrorism. It was a record corporate penalty in the country. The bank admitted to lapses in checking 53,500 transactions at its

"intelligent" cash machines, where money can be deposited anonymously.

David Drumm, the former boss of **Anglo Irish Bank**, was found guilty of dishonestly inflating the size of the bank's deposits before its collapse and subsequent bail-out during the financial crisis. It was a rare instance of a senior executive being held to account legally for events leading to the crisis. Mr Drumm's trial lasted for 81 days. The jury took just ten hours to convict him.



South Africa's economy shrank by 2.2% at an annual rate in the first quarter, the worst contraction in almost a decade. Agriculture, mining and manufacturing all recorded big drops in output, underscoring the broad-based nature of the decline. Cyril Ramaphosa, the president, has vowed to increase investment.

Walmart reached a deal by which a private-equity firm will take an 80% stake in its Brazilian operations. The supermarket chain expects to book a loss as a result of the transaction. Walmart entered Brazil in 1995, eventually becoming the country's third-largest retailer, but it has chalked up seven consecutive years of losses there.

Continuing the pain on Britain's high streets, **House of Fraser** said it was closing 31 of its 59 department stores, causing thousands of job losses. Its flagship store on London's Oxford Street is on the list to shut shop, one of the most visible casualties of the online disruption to retail.

Ramping up

Elon Musk said that **Tesla** would probably reach its target of making 5,000 Model 3 cars a week by the end of June. Tesla's production glitches have worried investors. This week Mr Musk survived a vote at the annual shareholders' meeting to relieve him of the chairman's role, which he holds alongside the job of CEO.

SoftBank's Vision Fund unveiled a \$2.3bn investment in the division that is developing **autonomous cars** at

General Motors. The carmaker hopes to roll out its first self-driving vehicles next year.

With his health deteriorating, **David Koch** stepped down from his role at Koch Industries, one of America's biggest privately held conglomerates, where his brother, Charles, is chief executive. David Koch is also ending all his political activities. The Koch brothers are most famous for creating a network of donors for conservative causes.

Howard Schultz announced his retirement as chairman of Starbucks, ending his management ties to a company that he bought in 1987, turning it into the world's most extensive chain of coffee shops. Mr Schultz, who gave up the CEO's job in 2016, has been mentioned as a potential Democratic presidential candidate.

Environmentally friendly

Monsanto is no more. Bayer scrapped the name, which for decades invoked ire among green activists because of its development of genetically modified crops, when it completed its takeover of the company this week.

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

