

Politics



Xi Jinping tightened his grip on power in **China** by promoting allies to top government jobs. Wang Qishan, who has led Mr Xi's crackdown on corruption, was made vice-president, a hitherto ceremonial position that may now be beefed up to oversee relations with America. Liu He, Mr Xi's economic adviser, was named as one of four deputy prime ministers and given the brief of supervising the People's Bank of China and other regulatory bodies. The PBOC, in turn, will be headed by Yi Gang, another new appointment, who, like Mr Liu, has studied in America.

China's aircraft-carrier entered the **Taiwan Strait** again. This was probably as a show of defiance to America, which has angered Beijing by passing a law that encourages contacts between American and Taiwanese officials. Taiwanese ships tracked the vessel.

The diplomatic effort to ease tensions on the Korean peninsula continued apace. Moon Jae-in, the president of **South Korea**, held open the possibility of three-way talks with America and **North Korea** if a summit planned for April between the South and North is productive. Meanwhile, the Pentagon announced that South Korea and the United States will resume joint military exercises that were postponed during the Winter Olympics.

Myanmar's president, Htin Kyaw, resigned with immediate effect. Rumours have swirled for months that he is in poor health. Htin Kyaw was the country's first civilian

president since the early 1960s and is a confidant of Aung San Suu Kyi, who is the de facto head of Myanmar's government, even if the president is constitutionally in charge.

A suicide-bomber targeted crowds at a shrine celebrating the Persian new year in Kabul, **Afghanistan's** capital, killing at least 31 people.

Out of captivity

Most of the 110 **Nigerian** schoolgirls who were recently abducted by Boko Haram in the town of Dapchi were freed. The government insists that it did not pay a ransom for their return. The jihadists warned the girls' parents not to put them back in school.

Dozens of **African** leaders signed an ambitious free-trade deal. All 55 members of the African Union negotiated the agreement, but 11 did not sign, including Nigeria, the continent's largest economy.

For the first time **Israel** admitted to bombing a suspected nuclear reactor in **Syria** in 2007. Binyamin Netanyahu, the prime minister, said the attack showed that Israel will prevent its enemies from developing nuclear weapons.

Turkey captured the northern Syrian region of Afrin after a two-month battle with **Kurdish** fighters. Meanwhile, Syrian government forces took back more territory in besieged Eastern Ghouta, the last rebel stronghold near Damascus.

He's gone

Pedro Pablo Kuczynski resigned as **Peru's** president after 20 months in office. The country's congress was threatening to impeach him based on evidence that a company he founded had worked with Odebrecht, a Brazilian construction company that bribed officials across Latin America. He had served as finance minister and prime minister in an earlier government that awarded contracts to Odebrecht. Mr Kuczynski will be succeeded by the vice-president, Martín Vizcarra.



Tens of thousands of **Brazilians** protested against the execution-style murder of Marielle Franco, a left-wing city councillor in Rio de Janeiro. Ms Franco, who was black and gay, had accused the police of abuses and was a critic of the decision by Brazil's government to put the army in charge of security in the state of Rio.

America toughened sanctions against **Venezuela's** authoritarian regime. It added four current and former officials to the list of 49 whose American assets are frozen. Donald Trump signed an executive order barring Americans from buying or selling the petro, a crypto-currency issued by Venezuela's government. Only the most risk-hungry investors were buying it in the first place.

Cruel and unusual punishment

The sacking of **Andrew McCabe** at the FBI, where he was deputy director until January, was seen by many as an attempt to discredit him as a witness in Robert Mueller's investigation into Russian meddling. Mr McCabe was on paid leave and was fired for an alleged lack of "candour" in dealings with the media. He had been the target of much of Donald Trump's invective. Last December the president tweeted that Mr McCabe was "racing the clock" to retire with a full pension. He was sacked 26 hours before he was due to receive that pension.

Congress hurried yet again to pass a bill that would avoid a government **shutdown**.

The suspect behind several explosive devices, mostly contained in packages, that left two men dead and injured several other people in or near

Austin, Texas, blew himself up during a police chase. Police are investigating the motive.

Quelle surprise

Vladimir Putin easily won a fourth term as **Russia's** president, taking more than 77% of the vote. However, there were widespread allegations of stuffed ballot-boxes, and the main opposition candidate, Alexei Navalny, was not allowed to stand. Despite this, Mr Putin was congratulated by Donald Trump and by Jean-Claude Juncker, president of the European Commission.

Nicolas Sarkozy, a former president of **France**, was placed under formal investigation as part of a probe into allegations that he received millions of euros in illegal election funding from the regime of the late Libyan dictator, Muammar Qaddafi.

In **Slovakia**, the government headed by Robert Fico collapsed in the face of widespread protests over the murder of a journalist who was investigating government corruption.



British and European Union negotiators approved the details of the **Brexit** transition proposals that were agreed in December. Britain will formally leave the EU in March 2019, but be bound by its regulations until the end of 2020. During the transition trade deals can be negotiated with other countries. But the Irish border question remains unresolved; the "backstop" solution that keeps Northern Ireland in the EU customs union is in the document, for now. In Britain Leavers said the deal betrayed the fishing industry, and threw fish into the River Thames outside Parliament in protest.

Business

Facebook was embroiled in a crisis over its privacy policies, after it emerged that data on 50m users had been harvested from an app for psychological tests and then shared with **Cambridge Analytica**, a political data-mining firm. Cambridge Analytica allegedly used the data to create voter profiles during the 2016 presidential election in America, enabling the Trump campaign to craft messages to potential supporters. Facebook banned the app in 2015. It said it had been “deceived” and promised to tighten up its rules on data. Politicians in America and Britain called for tighter regulation of social media. Facebook’s share price swooned.



Investors worried about **Alphabet**, the parent company of Google, being caught up in any regulatory blowback about data privacy also sent its share price down. That helped **Amazon**, which has seen its share price rise by a third since the start of the year, pass Alphabet to become the world’s second-most-valuable listed company. Amazon is worth \$770bn (still some way behind Apple, at \$870bn).

The European Commission proposed levying a 3% tax on revenues of big **technology companies**, such as Google and Facebook, that operate in Europe, but have “little or no physical presence” in the region. The proposal is an interim measure and requires unanimity among the EU’s member states to be adopted.

Amid strong demand, **Dropbox** raised the price of its IPO on the NASDAQ exchange

to between \$18 and \$20 a share, from the \$16 to \$18 it had initially announced.

Blockbuster trial

The district court in Washington, DC that will decide the fate of **AT&T’s** proposed \$85bn takeover of **Time Warner** started proceedings in the case. AT&T argues that Facebook, Amazon, Apple, Netflix and Google (the **FAANGs**) have completely transformed the relationship between content providers and distributors, and that it needs to buy Time Warner and its stable of broadcast programming to stay in the game. The Justice Department is challenging the deal on antitrust grounds, an unusual move given that the merger is a vertical one, combining two businesses that do not compete directly.

Salesforce, the world’s fourth-largest software company, made its biggest acquisition to date by agreeing to buy **MuleSoft** in a deal valued at \$6.5bn. MuleSoft provides a platform for businesses to integrate data from the cloud as well as from in-house servers.

The **Federal Reserve** raised the range for its benchmark interest rate by a quarter of a percentage point, to between

1.5% and 1.75%. The Fed signalled that rates may increase more than expected over the medium term because of the strengthening economy, but stuck to its expectations of two more rate rises this year.

Britain’s inflation rate fell sharply, to 2.7%, but wages grew by 2.6%, the fastest pace in nearly two-and-a-half years.

Lloyd’s reported an annual pre-tax loss of £2bn (\$2.6bn), its first since 2011. Lloyd’s, an insurance market based in London, was hit by £4.5bn in claims related to natural disasters in 2017, including the worst hurricane season in years, earthquakes in Mexico and wildfires in California.

A tragic first

A **driverless car** being tested by Uber killed a **pedestrian** in Tempe, Arizona. It is not the first fatal collision involving autonomous cars, but it is the first accident resulting in the death of a pedestrian. Police and federal safety agencies launched investigations, and Uber suspended all driverless testing. Critics raised concerns that safety has been compromised in the rush to get autonomous vehicles on the road. Many American states allow testing but require a

person to be in the car, as happened in this instance, in the event that anything goes wrong.

Ivan Glasenberg, the boss of Glencore, said that Western carmakers were falling behind China in stockpiling supplies of **cobalt**, one of the key elements in the batteries that power electric cars. Glencore has signed a contract to provide a Chinese firm with a third of its cobalt output over the next three years. Mr Glasenberg suggested he was prepared to sell Glencore’s cobalt mines to China if the price was right, and warned that China would use the material to boost its own electric-vehicle industry.

Let us pay

The Church of England decided to give parishioners the choice of making **contactless payments**. Faster ways of paying for events like weddings and christenings may appeal to younger people, who tend to be less keen on cash. But offerings in the aisles have yet to move with the times. A collection plate passed among worshippers is still quicker than a debit card.

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

