The Economist

Why China is the new OPEC

Taking Taiwan's democracy hostage

Silicon Valley's philanthropy

In praise of designer(-ish) babies

AUGUST 15TH–21ST 2026

INSIDE AFGHANISTAN

A REPORT ON FIVE YEARS OF TALIBAN RULE

The Economist

[August 15th 2026]

The world this week

The world this week

Politics

8月 13, 2026 03:43 上午

Iranian-backed Houthi rebels stepped up their attacks on shipping trying to traverse the **Red Sea**. The Houthis struck an Egyptian-owned cargo vessel, killing six people, the first deaths from a Houthi assault on shipping since the war with **Iran** started in February. The Houthis are fighting Saudi Arabia in Yemen and are trying to impose a blockade on Saudi ships; they also attacked a Saudi oil refinery at the port of Jazan. America fired missiles at a vessel in the Gulf of Oman that was heading for an Iranian port. There was little progress towards a peace deal between America and Iran.

Brothers in arms

Pakistan, Turkey and Saudi Arabia signed a **defence co-operation agreement**, which was described as similar to NATO's Article 5, when an attack on one member of the alliance triggers a collective response. The pact builds on an existing accord between Pakistan and Saudi Arabia; Pakistan has deployed fighter jets to Saudi Arabia to defend it from Iranian attacks. The Saudis were keen to stress that the new pact did not represent a Sunni "military axis", and that other countries could join.

Details emerged of a ploy to thwart an **Iranian threat** to assassinate Donald Trump. As he was leaving last month's NATO summit in Turkey, the president was secretly transferred to a military jet that then flew to Britain. The media reported at the time that Mr Trump left Turkey on an older version of Air Force One. He did board that plane, but was then squirrelled out through a side exit into a catering van and onto the waiting jet, out of the view of journalists.

A fire at sofa factory in Riyadh, the Saudi capital, killed at least 16 Bangladeshi workers. Around 3.5m **Bangladeshi migrants** live and work in Saudi Arabia.

Bashar al-Assad, who was overthrown as **Syria's** president in 2024 following a 14-year civil war, was sentenced to death in absentia for killings and torture committed under his regime. Mr Assad and his family live in Russia. Death sentences were also handed down to other regime officials, including Atef Najib, the security chief of Deraa, in southern Syria. Concerns have been raised that the trial was conducted at great speed and without an agreement on its legal framework.

The number of deaths from **Ebola** in the Democratic Republic of Congo passed 2,060. The WHO said it could be the worst Ebola outbreak ever and has called for a stronger response in Congo to contain the disease, including better early detection and contact follow-up. It pointed to the success of Uganda, which has declared the outbreak of Ebola there to be over (after just 20 confirmed cases and two deaths).

An earthquake of magnitude 7.4 struck **Colombia**, killing at least 265 people. The quake came three days after Abelardo de la Espriella was sworn in as the country's new right-wing president. In his inauguration speech Mr de la Espriella reiterated his pledge to crack down on drug gangs and criminal violence.

Zhu Rongji died at the age of 97. Mr Zhu became China's prime minister in 1998 and pushed for the great reforms that integrated China into the global economy, negotiating its entry into the World Trade Organisation in 2001. Articulate and urbane, he often talked to Western officials and economists about complex policy issues. Observers say China's leadership today lacks his technical prowess.

The Taiwanese government is proposing to increase defence spending by 16%, according to **Taiwan's** official news agency, to counter the increased threat from China. The defence budget will exceed 3% of GDP when it is unveiled on August 20th. America would like Taiwan to spend more.

Thailand's prime minister, Anutin Charnvirakul, took steps to tighten gun laws, following the mass shooting of six people at a school. The 14-year-old gunman also shot dead two of his grandparents before killing himself. Mr Anutin ordered a halt to the renewal of certain weapon licences and instructed officials to intensify their enforcement of gun-control laws.

Police in Ranchi, the capital of the **Indian** state of Jharkhand, used tear-gas and water cannon to disperse thousands of young demonstrators who were protesting against the leaking of test papers in civil-service exams. Similar protests have taken place in Delhi recently over a leak of medical test papers, which led to the annulment of nationwide exams.

Russia attacked the Ukrainian city of Zaporizhia, killing at least six people. Russia deployed North Korean ballistic missiles in the bombardment, according to Volodymyr Zelensky. **Ukraine**, meanwhile, pounded Russia's Black Sea port of Novorossiysk, hitting warships and grain-export terminals. It also struck oil refineries in the Russian republic of Tatarstan with drones, killing at least 13 people.

America's Senate passed a long-delayed bill authorising Donald Trump to impose new **sanctions** on Russian officials, oligarchs, companies and institutions. It also allows him to impose tariffs on big importers of Russian oil and gas. The legislation attracted bipartisan support. It must now clear the House of Representatives. Critics worry that Mr Trump will use his new powers in ways that escalate his trade wars.

Russia's Supreme Court ruled that Yabloko, the only liberal anti-war party in **Russia**, could not take part in next month's elections for parliament. A nationalist party had accused Yabloko of hosting material on its website supportive of the international gay movement, which the court has deemed to be an extremist crusade. Hundreds of mostly young people braved the authorities by protesting against the ban outside the court in Moscow.

Continuing its dismantling of the old regime under Viktor Orban, **Hungary's** parliament elected Andras Baka as the country's president. Mr Baka had been removed as head of the Supreme Court in 2011 for criticising Mr Orban. He now has the difficult task of overseeing the development of a new constitution.

Leavitt leaving

Karoline Leavitt is stepping down as White House press secretary to spend more time with her children. Ms Leavitt was one of the president's most loyal aides; he said she had done a "phenomenal job". At the age of 27 she was the youngest person ever to be appointed to the job, but soon settled into a combative relationship with journalists.

Todd Blanche was sworn in as America's attorney-general, after the Senate voted to confirm him by 50 votes to 49. Two Republicans opposed his nomination. Mr Blanche has been acting attorney-general since April, but his ambition to keep the job ran into opposition. To win approval, he provided written assurances that the Justice Department had rescinded parts of a deal it struck with Mr Trump, including a $1.8bn fund to compensate people claiming to have been targeted by the federal government. The fund was widely seen as benefiting Mr Trump and his allies.

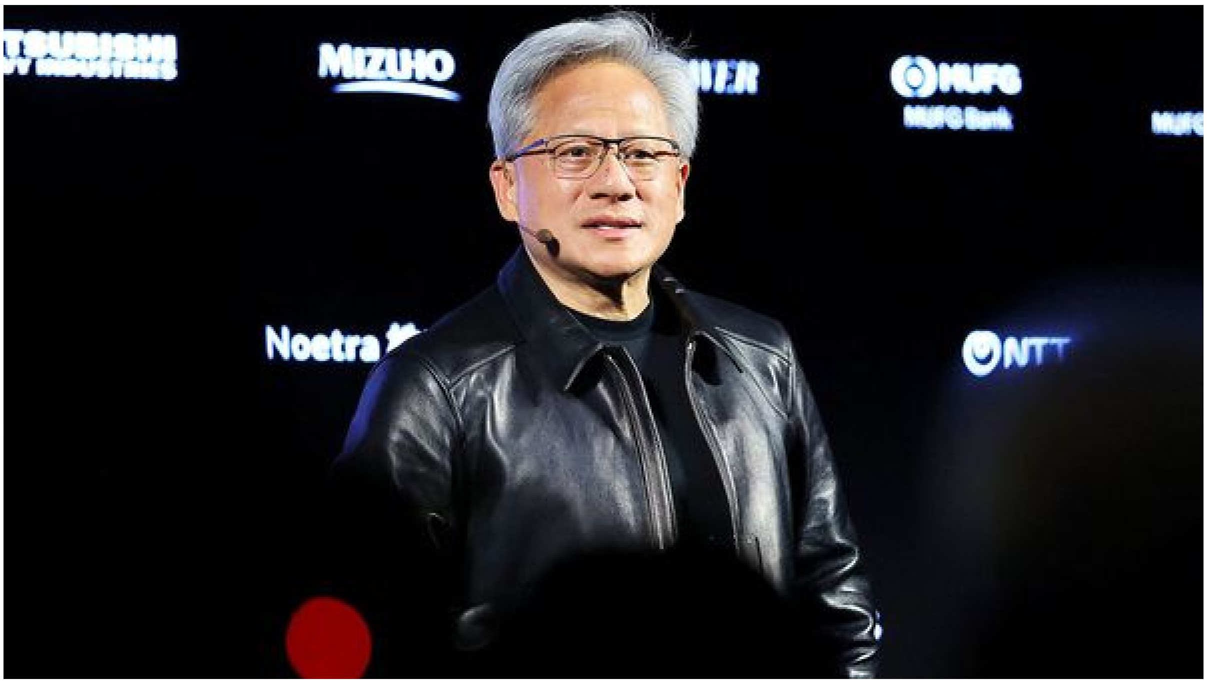
The Democratic establishment breathed a sigh of relief when David Crowley, a moderate, defeated Francesca Hong, a left-winger, in the party's primary for governor of **Wisconsin**. Polling had suggested Ms Hong would win the primary handily. Party leaders feared she would lose in November to the Republican nominee. Ms Hong once said that Thanksgiving was a celebration of colonialism.

Millions of people in northern Spain and in Greenland and Iceland enjoyed Europe's first total **eclipse of the sun** in 27 years. Home-rental rates rocketed in Spain as umbraphiles from around the world flocked to the area. Other parts of Europe, including Britain, France and Portugal, caught a partial eclipse. The next total eclipse is on August 2nd 2027, which will be visible from southern Spain, north Africa and Saudi Arabia.

The world this week

Business

8月 13, 2026 03:42 上午



Nvidia struck partnerships with six leading financial firms, including BlackRock, Goldman Sachs and KKR, to eventually channel $500bn to its customers by tapping into "third-party capital". The proceeds will finance the buildout of AI infrastructure using Nvidia's chips. The biggest cloud-computing companies, such as Alphabet, Amazon and Microsoft, are increasingly designing their own customised AI chips, which could eventually compete with Nvidia's. As well as selling to hyperscalers, Nvidia is seeking new business from other customers, such as governments and companies trying to build their own AI infrastructure.

Intel announced a $15bn sale of new stock in part to raise capital for spending on AI. The next day it raised the share sale to $20bn. It was the company’s first public offering of new common equity since listing on the stock market in 1971. https://t.me/tesharing

AI fever is not limited to America. **Unitree**, a Chinese developer of humanoid robots, said its forthcoming stock-market debut on Shanghai’s tech-heavy STAR exchange was heavily oversubscribed. Unitree has priced its IPO at 150.8 yuan ($22) a share for a valuation of 60bn yuan, relatively high for China. The STAR 50 index has risen by 27% this year, outperforming the NASDAQ Composite.

Underlining the rapid development of AI models, Meta launched **Muse Glimmer**, which can run locally on laptops without relying on computer power from data centres. The model is open-weight, meaning that its parameters can be adjusted locally, enabling developers to create their own products tailored around the model.

Hooked on Meta

A federal trial got under way after 29 states claimed that **Meta** engineered its platforms to be addictive to children. The proceedings came soon after a judge in New Mexico deemed that the company must pay an extra $567m on top of the $375m it was ordered to pay in May, when it was found liable for causing harm to children. Most of the extra money will go towards treatment services for young people. The judge’s ruling found that Meta had contributed to a mental-health crisis and he described the firm as a “public nuisance”. It will appeal against the decision.

Natarajan Chandrasekaran surprised markets by announcing that he would step down as chairman of **Tata Sons**, amid a long-running leadership battle. Mr Chandrasekaran has fallen out with Tata Trusts, the charitable group led by Noel Tata, a scion of the business dynasty, that controls the Indian conglomerate. Mr Chandrasekaran’s potential reappointment as chairman might have been challenged at the forthcoming annual meeting.

America’s consumer-price index rose by 3.4% in the 12 months to July, a slighter lower annual **inflation** rate than June’s 3.5%. Core inflation, excluding food and energy, dipped to 2.5%. Meanwhile, American employers unexpectedly shed 23,000 **jobs** in July and job gains registered in May and June were revised down.

Britain’s GDP grew by 1.2% in the second quarter, year on year. The Office for National Statistics suggested that the World Cup and good weather may have boosted the economy in June, as fans flocked to pubs and outside events. The economy flatlined in May.

Prices charged to vessels that transit the **Panama Canal** hit a new record. Fees have surged since the start of the Iran war, but the latest increases relate to lower water levels in the lake feeding the canal’s busiest locks. That has meant draft depths are lowered for ships to traverse the waterway, so they have to carry less cargo. The result is longer lines for ships, raising the bid prices as vessels try to jump the queue to use the canal.

Sea Legend, a Chinese shipping company, began the first regular service using the Northern Sea Route, which travels along the Russian coast via the Arctic. The service, running between Ningbo on China’s east coast and Felixstowe in Britain, runs in summer and early autumn, ice permitting. Dubbed the **“Ice Silk Road”** China hopes it can become a practical alternative to traditional shipping routes.

Turning into a great gig

Zohran Mamdani, the mayor of New York, announced his support for a measure before the city council that would compel Amazon and other businesses in effect to employ **delivery drivers** rather than rely on contractors. The mayor’s office described the current system as “exploitative”. Amazon counters that this will drive up costs for consumers. Gig workers got some more good news in Australia, where the national workplace tribunal ordered that food and grocery delivery workers be paid at least A$31.30 ($22) an hour, A$5 above the minimum wage.

The world this week

Cartoon: AI finds a way

A lighter take on the news

8月 13, 2026 05:05 上午

Dig deeper into the subjects of this week's cartoon:

- AI agents lie, cheat and steal. That is putting off users
- Why AI is a risk to Communist China
- How AI is breaking the British state
- Can AI save tourists from the TikTok herd?

You can see previous ones here.

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Our cover

The Taliban are vile. Democracies must still engage with them

Five years after America’s exit, the Afghan regime is not going anywhere

8月 13, 2026 04:57 上午

FIVE YEARS ago President Joe Biden pulled American troops out of Afghanistan. He was not forced to. America could have defended Afghanistan's flawed but democratically elected government indefinitely, but chose not to. Voters were weary of America's longest war, against the Taliban, a militia that controlled much of the countryside. Donald Trump set a timetable for pulling out; Mr Biden did so completely.

America’s looming departure prompted every Afghan with a gun to revise their expectations about who was likely to win their country’s civil war. Warlords switched sides; government soldiers abandoned their posts and melted away. The government fell almost immediately. The Taliban seized power almost unopposed. Desperate civilians fleeing their new rulers clung to the wheels of a departing American plane and plunged to their deaths.

Read the rest of our cover package

- Under the Taliban Afghanistan is, for once, peaceful·
- Women are treated horribly in Afghanistan—and in many other places, writes Sarah Little

The Taliban (whose name means “religious students”) had first seized power in 1996, and imposed a brutal blend of Islamism and premodern tribal custom, banning girls’ education and stoning gay people to death. America and its allies overthrew them after they hosted al-Qaeda, the terrorist group that attacked America with hijacked planes in September 2001. But Taliban fighters then waged a guerrilla war against the democratic system that America had introduced, murdering judges, police and anyone deemed a collaborator. When Mr Biden gave up, a two-decade effort at nation-building ended in humiliation. Other powers drew conclusions about America’s willingness to stand by its friends. Six months later, Vladimir Putin invaded Ukraine.

Five years on, America has largely forgotten Afghanistan. This is a mistake. The country is more likely to cause geopolitical trouble again if it is ignored. Its people will suffer even more. And it is more likely to fall into China’s or Russia’s orbit.

As our correspondent reports this week·, after a 1,000km road trip inside the country, the Taliban are firmly in charge and the place is largely calm, bar intermittent sparring with its neighbour, Pakistan. But it is a grim stability.

Music is banned. Armed men rule the streets. The vice-and-virtue police dish out beatings to sinners, such as men with inadequate beards. Women are barred from workplaces, universities and travel without a male guardian. Girls are banned from secondary school and, since child marriage is now legal, many have been forced straight from the classroom into wedlock. How much poorer, sicker and sadder all this has made Afghans is hard to say; data-gathering is not a Taliban priority.

Most Afghans yearn for more freedom. Even many Talibs, after years in exile, no longer believe that the sky will fall if girls can spell. But hardliners have ruthlessly asserted control. The Taliban's emir, Haibatullah Akhundzada, has recruited a loyal praetorian guard and grabbed lucrative mining contracts. More moderate Talibs are generally too weak or scared to challenge him. Some of the few who did had to flee.

America and Europe have tried to isolate the Taliban regime, refusing to recognise it, freezing Afghan central-bank reserves held abroad and slapping sanctions on officials. But this has achieved almost nothing. Taliban hardliners do not mind if Western diplomats and investors stay away, and will not adjust their ideology just to lay hands on the old government's assets. So Western countries must try something new.

This means recognising some hard truths. First, the Taliban are not going anywhere. Second, if the West does not engage with them, other powers will. Russia has formally recognised them. China, India, Turkey and the United Arab Emirates work with them on issues such as mining and trade. The Taliban threaten to destabilise relations between India and Pakistan, since the latter fears that closer ties between Delhi and Kabul could leave it sandwiched between enemies.

Hints of a more hard-nosed Western approach are starting to be visible. Europeans still say the Afghan regime is beyond the pale, yet in June they invited Taliban officials to Brussels to discuss migrant flows and repatriating failed asylum-seekers. America quietly shares intelligence with them in the fight against even more extreme Islamist groups.

Other forms of engagement would also make sense. It is too soon to unfreeze the $4.2bn of Afghan central-bank reserves in Switzerland, which would surely be used to prop up the execrable emir. But donors should stop cutting humanitarian aid, which has fallen by around 70% since 2022. Nearly half the population needs it, by one estimate. It is also useful to have UN agencies on the ground, with eyes and ears to warn of looming famine, unrest or the theft of aid.

A second step should be sanctions reform. Many senior Talibs who were put under sanctions decades ago as terrorists are now ministers. That is having the unintended effect of locking the country out of the global financial system and starving it of private investment. Western firms fear to do any kind of business in Afghanistan, in case they fall foul of terrorist-financing rules. Changing this could boost growth, which might eventually ease the mass joblessness that threatens the country’s long-term stability.

Cables to Kabul

A more controversial step would be diplomatic recognition. This does not imply approval. Decent governments recognise many regimes they despise. Rather, it means accepting the reality that the Taliban are likely to rule Afghanistan for the foreseeable future. Withholding diplomatic ties is not much of a bargaining chip—the Taliban do not think their legitimacy depends on the say-so of infidels. However, functioning embassies can watch out for terrorist threats, and create useful channels of communication, which in time could encourage the regime’s more moderate elements.

Make no mistake. Reform of this vile government must come largely from within, and could be the work of decades. But judicious engagement is likely to do more good than harm. So it is time for America and other democracies to hold their collective noses and talk to the Taliban. ■

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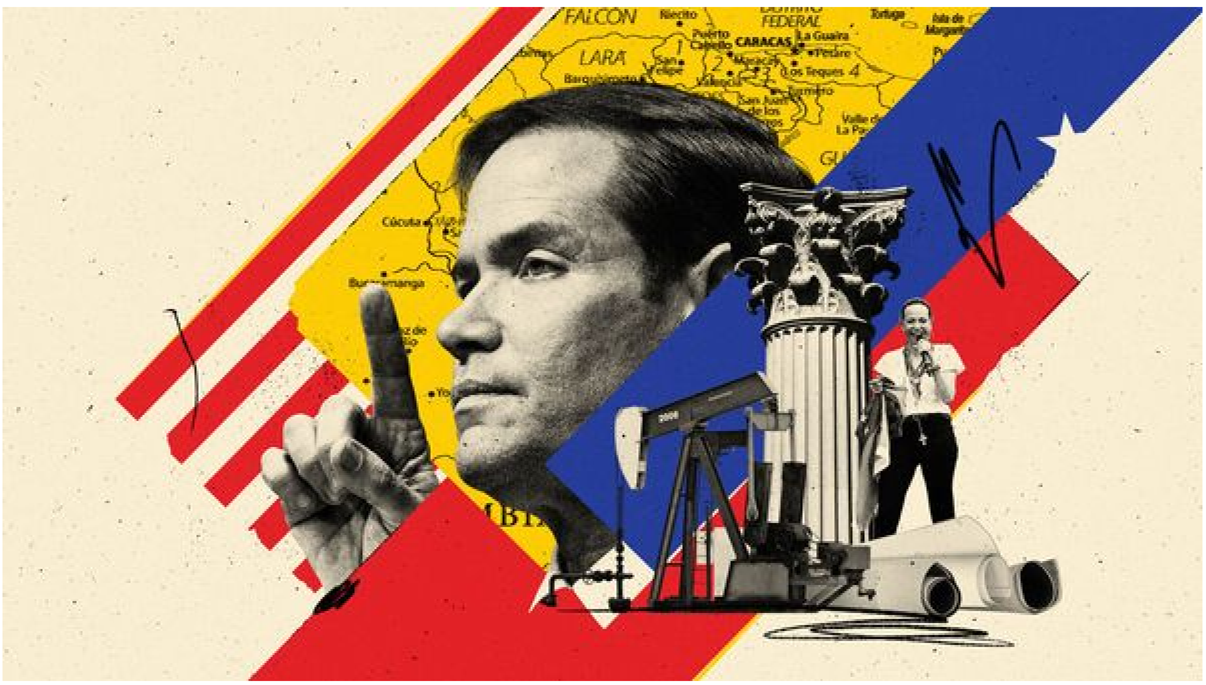
Marco’s method

America really might restore democracy to Venezuela

Thank Marco Rubio, but beware the caprice of his boss

8月 13, 2026 04:57 上午



WHEN PRESIDENT DONALD TRUMP sent American special forces to snatch Venezuela’s dictator, Nicolás Maduro, in January, it did not sound as though restoring democracy was his priority. He boasted endlessly about how he now controlled Venezuela’s oil, while barely mentioning the country’s political future. He installed as interim president Delcy Rodríguez, the deposed despot’s dismal deputy. Many worried that without a strong American commitment to a democratic transition, the old, brutal kleptocracy would carry on.

Yet the prospects for democracy in Venezuela seem to be improving. This is not because Mr Trump has suddenly developed a passion for the subject. It is because his secretary of state, Marco Rubio, who really does care about ending left-wing dictatorships in Latin America, has been granted a reasonably free hand to use America's huge influence in pursuit of that goal.

Read more of our coverage:

- Inside Venezuela's high-stakes political negotiations·

A first round of negotiations between Venezuela's regime and figures from the opposition ended on August 12th with a modest agreement to begin a process of judicial reform, including of the Supreme Court. Our reporting finds reasons for optimism·. Further talks could produce, by December, reforms that could allow for fair elections.

None of this would be happening without pressure from the United States. Mr Rubio has been deeply involved, speaking directly to the opposition's lead negotiator, Dinorah Figuera. Her team moves around Caracas in American cars, with American security, and sleeps in America's chosen hotel.

Having seen both their liberty and the economy shrink under Mr Maduro, the vast majority of Venezuelans would love the transition to democracy to succeed. This would also benefit Mr Trump. He wants to see Venezuela's dilapidated oilfields boom; only under democracy and the rule of law will the country be stable enough to attract the necessary investment.

Problems abound, however. The ruling clique has often broken promises to allow fair elections. An opposition directed by Mr Rubio will be accused of being an American stooge. It does not help that ordinary Venezuelans, many of them earthquake-battered, have yet to see much benefit from the oil revenues controlled by the United States. If negotiations drag on, the regime will have more chances to escape its commitments and the opposition may be weakened.

So speed matters. America should insist that Venezuela will hold a presidential election in 2027. That is more than enough time; after the fall of the Berlin Wall, several former Soviet vassal states organised free elections within a year. In the meantime the United States must disclose how much oil money it has collected, how much has been returned to Venezuela, and which sanctions impede disbursement. An elected government should take full control of the oil revenues from its first day in office.

The opposition leader, María Corina Machado, must also be allowed to return home quickly. Mr Rubio may want to keep her away from the negotiating table in order to make it easier to talk to the regime, but keeping her in exile is short-sighted. The regime needs confidence that any deal also binds Ms Machado, even if she negotiates through proxies, as she may well be Venezuela's next president. Otherwise she could repudiate its possible terms, such as safe exile for regime figures (though she insists she is not out for revenge).

Ms Machado's presence in Venezuela would also help allay another worry: Mr Trump's caprice. He has spoken of making Venezuela the 51st state, and sometimes suggests that its oil wealth belongs to the United States. For now, he is allowing Mr Rubio to pursue more noble aims. If he changes his mind, the only thing that might save Venezuelan democracy is Ms Machado's ability to summon huge crowds to the streets. ■

***Editor's note (August 13th)**: This article has been updated.*

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Tariff man returns

A bill to punish Putin gives too much power to Donald Trump

Walloping the global trading system is no way to help Ukraine

8月 13, 2026 03:43 上午

VLADIMIR PUTIN will not end his war on Ukraine until he believes the costs of fighting on exceed the costs of stopping. The costs to him, that is—Russia's president cares nothing for the Ukrainian lives he is ruining, and precious little for all the Russian blood and treasure he is wasting in pursuit of a warped idea of personal glory. So Ukraine and its backers must somehow convince him that he will never win, and that continuing to try will only weaken him.

On August 7th America’s Senate passed a bill designed to send that message. “The Lindsey O. Graham Sanctioning Russia and Iran Act”, named after a senator who was a champion of Ukraine until he died in July, directs America’s president to take more forceful action against Russia. As its title suggests, it includes new sanctions on Mr Putin and other Russian bigwigs, as well as on Russian energy projects and financial institutions. The aim is to punish Russia for as long as it fails to make peace with Ukraine and to signal that America will not abandon Mr Putin’s courageous victims.

Dig deeper

- Donald Trump is getting a new tariff weapon against Russia

The bill, which senators approved by a hefty 86 votes to 11, was a rare example of bipartisanship in a rancorously divided nation. Unfortunately, its current form is deeply flawed.

The main worry is that it gives America’s president new powers to impose tariffs. Levies of up to 100% may be slapped on the top five importers of Russian energy and on any country that helps Russia evade sanctions. The president may waive tariffs if he deems it “in the national interests of the United States” or adjust them if a country has taken “significant steps” to increase or decrease the import or transfer of Russian oil or gas. That is a lot of discretion for Congress to give to anyone, let alone to Donald Trump.

The reasoning went something like this. Sanctions do not seem to have improved Mr Putin’s behaviour. It is tricky to block Russian oil exports, given the large, hard-to-police “shadow fleet” of tankers that ship the stuff illicitly. So the late Senator Graham and Richard Blumenthal, a Democrat who co-sponsored the bill, included a new weapon: tariffs on countries that buy Russian hydrocarbons.

The danger is that Mr Trump will interpret the “national interest” clause creatively. He has form. The Supreme Court in February struck down his previous claim that declaring an economic "emergency"—in this case America's trade deficit—allowed him to impose tariffs as he saw fit. This fanciful legal theory had enabled Mr Trump to threaten to hurt any country that displeased him—a handy way to extract concessions for America, and for himself. Since the justices thwarted this power grab, Mr Trump has been trying to reimpose tariffs under a patchwork of other legal justifications, with mixed success.

The new bill could restore to the president a chunk of the power the Supreme Court rightly took away. That would be bad for American consumers, who might face higher prices. It would be worse for the global trading system, which would once again be at the mercy of the "tariff man", as Mr Trump has dubbed himself. As drafted, the bill raises the spectre of a new trade war with India, unless Mr Trump sensibly chooses not to wage one. The legislation must now get through the House of Representatives, which should remove the parts about tariffs.

Missiles and missives

Meanwhile, there are other, cannier steps that Washington could take to help Ukraine. One is practical. The country is struggling to fend off deadly volleys of Russian missiles without American-made Patriot interceptors to blast them from the sky. America has few to spare, since so many have been used up during Mr Trump's war on Iran. But Washington could agree to license their production to Ukraine, allowing Ukrainians to beef up their own defences.

The other way to help Ukraine is less concrete. Mr Putin needs to be persuaded that America and Europe will never let Ukraine lose. Given Mr Trump's wildly inconsistent stances on the war and apparent desire to be liked by Mr Putin, that is hard. But Congress, which will be around long after Mr Trump has left the White House, can send useful signals. The larger the majorities it can muster for supporting Ukraine, the sooner Mr Putin will realise that it is time to cut his losses. ■

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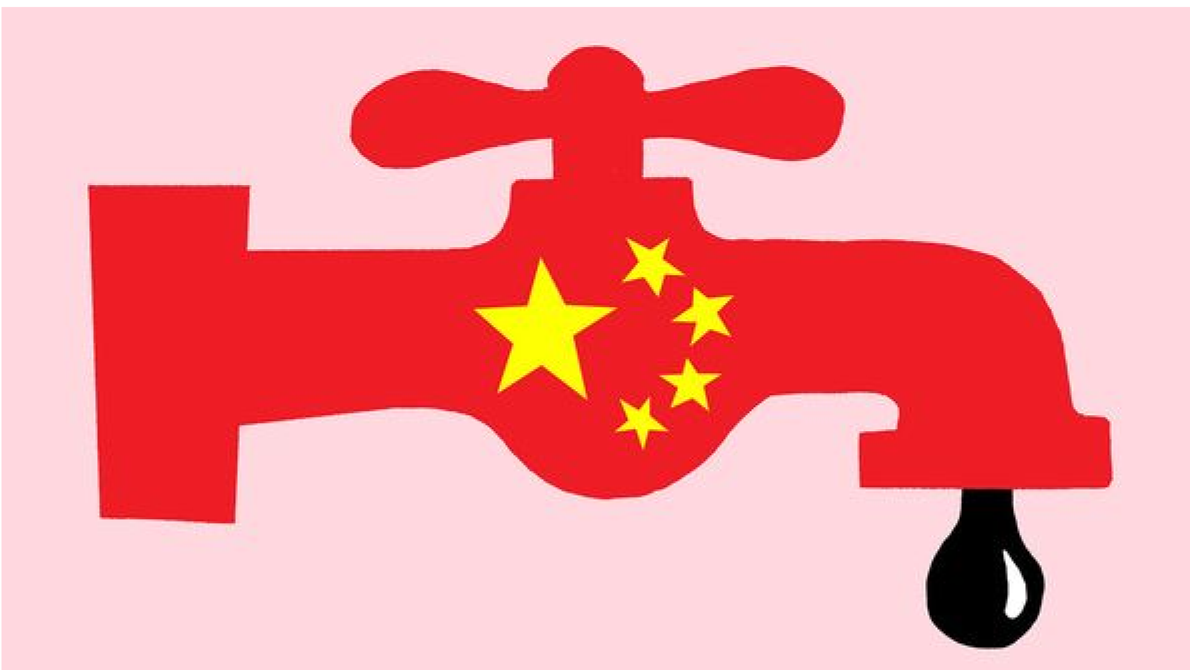
Sheikhs v China

China has wrested control of oil markets from OPEC

When market power comes from buying power, oil importers can do better

8月 13, 2026 04:57 上午



THE GREAT economic surprise of the Iran war has been that oil prices have stayed relatively contained even with the Strait of Hormuz mostly shut. Five months into the war Brent crude remains about $40 below the $126 per barrel intraday high it hit on April 30th; for a while there was even a "mini-glut" of crude oil. As a result motorists and oil importers have not yet faced a severe crunch. And—though it may seem difficult to believe—Iran has had less leverage over

President Donald Trump than it might have done. For the reprieve, the world can thank China.

When Iran started pointing its drones and missiles at tankers crossing the strait, 14m barrels per day (b/d) of crude oil—roughly one-fifth of world output—risked being trapped in the Gulf. Saudi Arabia and the United Arab Emirates (UAE) soon redirected about 5m b/d via pipelines. Strategic-stock releases by rich countries, including America and Japan, covered another chunk. But the biggest shock absorber has been a near-halving of China's crude-oil imports, to 5.5m b/d. Curtailing China's imports has been a feat of state engineering, achieved by releasing stocks, restricting exports and managing demand.

Dig deeper

- China is now the world's great oil power

It is worrying when China's autocratic rulers have such a firm grip on any market. They often use their leverage in the global economy—from being the biggest importer of barley to refining more rare-earth elements than anyone else—to bully critics and impose costs on countries that irk them. The Iran war, though, has shown that oil consumers can benefit when big buyers exercise their market power.

For decades the king of the oil markets has been the Organisation of the Petroleum Exporting Countries (OPEC). Together with its allies, which include Russia, the cartel controlled around half of global crude production before the war. OPEC usually aims to keep prices artificially high by agreeing restrictive quotas on production, often co-ordinating output cuts (though occasionally it has done the reverse, allowing Saudi Arabia to flood the market to try to kill off rivals, notably American shale). The cartel's manipulation of the market is like a tax on the global economy. Estimates of the economic damage it causes range from fairly modest to a hefty $5.7trn between 1970 and 2014 (or 0.15% of global GDP each year).

China's oil strategy, by contrast, has proved helpful this year. Its accumulation of vast stocks when prices were low will have imposed a small cost on the global economy at the time. But dampening price spikes is correspondingly beneficial. If China ends up smoothing peaks and troughs in prices, it could make investments in new sources of supply easier to plan. Trying to buy low and sell high can go wrong, as any speculator knows. Thankfully it is China that bears that risk, and the costs of storage.

The balance of power in oil markets may shift again. For a while, once the Gulf crisis abates, there could be a "superglut" of crude, which was originally forecast for 2026. OPEC will also be weaker than it was before the war. The UAE, once its third-largest producer, quit the cartel in May, and other members are itching to pump more.

A slippery business

Yet over time the supply of oil may contract faster than demand, and China's role in influencing the latter could shrink. Every two years, as oilfields deplete, the world loses one Saudi Arabia's worth of crude supply. At a global level, investment is inadequate to replace those barrels beyond 2030. This could tilt the balance of power back to the cartel, because the Gulf's state-owned giants are among the few still investing in ambitious new projects. Its share of supply will rise. At the same time China's demand could fall, owing to the advancing electrification of its economy. It might judge that it needs fewer reserves. If so it will buy less during gluts and cut imports by fewer barrels during a crisis, meaning it no longer absorbs as much of an oil-price shock.

China has shielded oil markets from the effects of the Iran war out of pure self-interest. Its export controls have left diesel, petrol and kerosene in much shorter supply than they would usually be at today's crude-oil price. It also keeps information about its stocks scarce, so America and others do not know how long it could withstand sanctions or war. That makes the oil market harder to anticipate.

But the consequences of its interventions have bought other oil importers time. They should use it to diversify their sources of supply and reduce their oil consumption. The simplest way for them to avoid dependency on any autocratic regime is to have less need for the black stuff in the first place. ■

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Screening for success

In praise of designer-ish babies

Couples should be allowed to select embryos on the basis of both disease resistance and IQ

8月 13, 2026 04:57 上午

HAVING TRANSFORMED human life, Silicon Valley is now coming for birth. A spate of startups offer screening services that allow couples having children via in-vitro fertilisation (IVF) to assess embryos· based on their genetic risk of diseases such as breast cancer and diabetes. Some venture further into science-fiction territory, providing scores for IQ and height, or even eye and hair colour.

Critics are dismayed. Some worry firms are pushing immature technology onto vulnerable couples. Others say that even if the tech works, its use is immoral. Both arguments contain kernels of truth; neither is ultimately convincing. Banning or heavily restricting embryo screening would be a mistake.

Dig deeper

- How much would you pay for a smarter baby?

For now, the debate is a niche concern. The startups mostly cater to the rich, famous and odd. Yet that will change. A wave of investment means that the cost of IVF is likely to fall. If offered embryo screening at the same time, many couples will take it. One survey suggests that three-quarters of Americans support screening embryos for diseases; about a third say the same for non-disease traits. And that is before competitive pressure kicks in. Who wants to see their child bested by genetically selected classmates?

Many medics—including nearly every genetics and reproductive-medicine group in the rich world—question whether such "polygenic" prediction is ready for consumers. In Britain, where fertility is more regulated than in America, selecting an embryo on the basis of non-approved factors is unlawful.

There are indeed reasons for caution. Polygenic scores are tricky. For many diseases caused by a single gene, testing offers near-certainty: if an embryo has the material, it will develop the condition. Yet an assessment of multiple genes leads to risk estimates, rather than a binary answer—and such estimates are more accurate for people with European ancestry, because they are better represented in genetic databases.

Further caveats are in order. Risk reductions can look large in relative terms but be small in absolute ones, particularly for rare diseases. Selecting for some traits may raise the risk of other less desirable ones. Even for highly genetically determined traits like height, parents remain limited by the range found in their own embryos.

These facts are an argument for disclosure, however, rather than legal restrictions or outright bans. If companies want to offer polygenic scoring, they must adequately communicate the technology's limits and risks. They should also let their tests undergo independent scrutiny. This will not scupper a nascent business, since the startups are not, as some critics allege, selling snake oil. A study in 2019 found that parents choosing from among ten embryos may be able to boost their child's height by 1-6cm and IQ by between one and seven points—with tech that is now nearly a decade old. As genetic databases get better and cover broader populations, and AI draws out the relationship between genes and traits, scores will improve.

Such progress will raise difficult ethical questions. Some, including the "Make America Healthy Again" movement, argue that fertility tech corrupts what should be a natural process. Others worry that if polygenic screening is limited to the rich, their offspring will have another unfair advantage. The scariest critique is that fertility entrepreneurs are this century's eugenicists.

But none of these arguments stands up to scrutiny. "Unnatural" technology is already used in many modern births: this argument against embryo selection just as easily applies to IVF, for instance, which only zealots want banned. Costs should come down, making screening more widely available. And there is a big difference between the murderous coercion of early-20th-century eugenics programmes and parents seeking as much knowledge as possible when picking an embryo.

Couples desperate for a clever child might be better advised to focus on what happens after birth. Yet so long as parents understand there is no such thing as the perfect baby, the state should not stand in the way of a bit more information. ■

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Letters

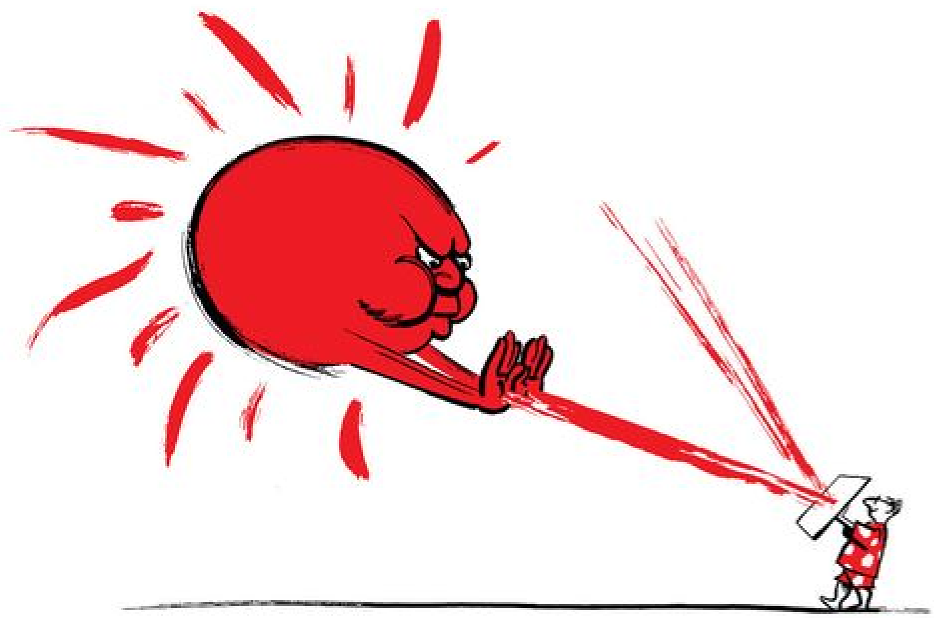
- **Does air-conditioning contribute to urban heat?**
  A selection of correspondence :: Also this week hospital malpractice, red-light therapy, the night-time economy, Andy Burnham's taste in music, burgers

A selection of correspondence

Does air-conditioning contribute to urban heat?

Also this week hospital malpractice, red-light therapy, the night-time economy, Andy Burnham's taste in music, burgers

8月 13, 2026 03:43 上午



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City heat

People pushing for more air-conditioning in places like Europe do not recognise that it is a big contributor to urban heat ("The geopolitics of air-conditioning”, July 25th). Research has shown that operating AC during a heatwave in Paris, where most residents still don’t have AC, increased ambient city temperature by 2^{0}C (3.6^{0}F). Adopting AC as the dominant cooling strategy in cities will condemn them to more miserable summers, hurting outdoor workers, athletes, tourists and anyone not inside air-conditioned space.

A smarter alternative that is being adopted across a dozen American cities, including Atlanta, Boston and Dallas, is to change surfaces to enable an element of cooling. City roofs and roads absorb more than 80% of incoming sunlight, contributing three times more to city heat than does global warming. The solution is to treat all city surfaces as a single integrated solution to heat. With our help, last year Atlanta adopted a bill requiring new and retrofitted roofs to be much more reflective. This one measure, one of several the city is embracing, will triple the reflectivity of commercial roofs, cool the city by 1.3^{0}C (with up to 3.5^{0}C cooling in hot, lower-income neighbourhoods) and cut the electricity bill by $310m. Putting these mandates in place costs a city nothing, and because reflective roofs cost about the same as dark roofs, businesses and consumers also reap benefits.

Greg Kats
Chief executive
Smart Surfaces Coalition
Washington, DC

The American Sunbelt would not be thriving without the introduction of air-conditioning. Growing up in Mississippi in the 1950s, our summers were unbearably hot and humid. With no AC cities like Atlanta, Charlotte, Houston and Phoenix would not be thriving. The migration from the northern blue states to the southern red states would not be happening without AC.

James Horton
Charlotte, North Carolina

Getting to the truth

Your article on the deaths and cover-ups in Britain's maternity hospitals identified a crucial paradox but stopped short of its lesson ("The lying doctors", July 4th). You noted that reports by staff of moderate-harm incidents in Nottingham fell after the "duty of candour" was introduced in 2014. So consequently, a rule that was intended to elicit honesty produced dishonesty instead.

This is not an anomaly. It is a predictable factor in complex systems. Behaviour changes when disclosure is mandated. When staff fear blame, litigation and sanction, it is the categorisation of harm that changes rather than practice. Safety depends on learning, and learning depends on honest accounts of fallibility. People give such accounts only when it cannot be turned against them. That is why investigations by the Health Services Safety Investigations Body carry a statutory "safe space", as do equivalent regimes in aviation.

You concluded that truth cannot be legislated and that rotten leaders must go. Accountability to the harmed families is indeed non-negotiable. But every inquiry you list, from Morecambe Bay onwards, removed leaders; none changed the conditions under which truth is told. Until learning is formally separated from enforcement, each new leadership will inherit the same incentives, and further reports into patient-safety failures will follow.

Ted Baker
Chair
Health Services Safety Investigations Body
London

Red light doesn't spell danger

Your article on photobiomodulation (PBM), therapies that use red and infrared light as the agent, made a distinction between promising clinical evidence and more speculative wellness claims ("The surprising benefits of red light", July 25th). Clinical adoption has already outpaced the public conversation.

In the United States, PBM-related procedures are now performed at more than 2,300 sites of care. Among the highest-volume facilities, the number of procedures have risen by roughly a third, with recent quarters exceeding 1,000 procedures at a single site. The clinicians involved span orthopedic surgery, neurology, physical therapy, chiropractic services and rehabilitation.

That sharpens your conclusion. The unresolved questions that Professor Glen Jeffery raises—wavelength, dosage, distance and duration—are no longer purely academic. They are being confronted in thousands of clinics every week. If PBM is to fulfil its potential in areas such as diabetic glucose regulation, retinal aging and traumatic brain injury, the development of standardised treatment protocols will need to keep pace with its growing clinical adoption.

Aalap Patel
Vice-president, go-to-market
AcuityMD
Princeton, New Jersey

A relaxing night out

If cities want to boost their night-time economies they would be best to avoid "making it easier to party" by providing more alcohol licences ("The night shift", July 18th). The higher margins and tax revenues from alcohol are tempting, but as a former police officer, I know that easier access to drink comes at a heavy price: domestic violence, drunk driving, addiction and soaring health-care costs. Anyway, evidence suggests that young people are souring on traditional drinking culture.

What cities truly lack are places for proper late-night conversation and relaxation, such as cafés, extended-hour libraries and museums and game lounges. People want a place where they can connect with others without the pressure to drink. Vibrant alternatives already flourish in Middle Eastern café culture and East Asian night markets. Paris hosts bakery raves and Berlin has "Sober Sensations" events.

People still want a night out. They just don't want to stumble home at 4am covered in sick.

Charles Holtsclaw
Houston

There is one city in America that takes up your prescription of letting people have fun: New Orleans. As Bob Dylan once said: "Everything in New Orleans is a good idea."

Morris Zwick
Germantown, Maryland

This charming man

Andy Burnham's view of British music is oblivious both to the breadth of music being produced in Britain today and to the country's musical history beyond the familiar canon of 1980s indie bands (Bagehot, August 1st). He overlooks Manchester's, and Britain's, rich, black musical heritage. Rather than repeating the same established names like The Smiths and Oasis, he might acknowledge figures such as DJ Paulette, Hewan Clarke and A Guy Called Gerald, who helped shape Manchester's dance and electronic-music culture, as well as the broader, now-mythologised and often whitewashed story of the Hacienda, a music venue.

Overall, the prime minister could learn from contemporary groups such as London's Ezra Collective, whose work champions inclusion and hope, rather than celebrating worn-out indie anthems. We need less "Wonderwall" and more "Where I'm Meant to Be".

Tim Punter
London

Don't mince your words

The Big Mac index does indeed naturally invite a lot of puns ("40 years of burgernomics", August 1st). Although some people may have a beef with such punnery, for me they are the special sauce of the index. Lettuce not dwell on how cheesy they can be; trying to remove them would leave the Big Mac index in a real pickle. Indeed, not allowing journalists to leave onion-like layers of puns throughout their articles would be a real pain in the bun.

Paul Shriner
Ankeny, Iowa

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urban-heat

By Invitation

- **The case for overhauling American science**
  Beyond the Endless Frontier :: The focus should be on harnessing AI and out-competing China, writes Michael Kratsios, the White House science chief
- **The yuan is more than a symptom of global imbalances**
  Adding balance :: Treating it as a mere by-product of deeper distortions lets China off too easily, argue Anantha Nageswaran and P.S. Srinivas

Beyond the Endless Frontier

The case for overhauling American science

The focus should be on harnessing AI and out-competing China, writes Michael Kratsios, the White House science chief

8月 13, 2026 03:54 上午

AS THE SECOND world war drew to a close, President Franklin D. Roosevelt tasked his science adviser, Vannevar Bush, with reorganising America's scientific enterprise for a post-war order. Bush's answer, a report entitled "Science: The Endless Frontier", became the blueprint for American government support of basic science. In turn this led to the creation of the National Science Foundation (NSF), a federal agency that supports fundamental research, and shaped the triumphal attitude to science and technology that defined so much of the "American Century".

The belief that government should support basic research, that this research can be a foundation of national prosperity and that America can organise its scientific institutions to facilitate that process, remains as true today as when Bush laid out that schema. But I believe Bush would be the first to recognise that the world in which science is conducted has changed dramatically since 1945, leaving the American research system in need of an update.

Bush wrote his report to Roosevelt at an exceptional moment. America stood on the cusp of final victory in the largest conflict in human history. The countries of Europe, the previous century's scientific powers, lay mostly devastated. This structural reality produced the heights of American manufacturing power. Similarly, it explains part of Bush's success in continuing wartime organised science in peacetime. In 1961 President Dwight Eisenhower described the cold-war culmination of Bush's initiative. Eisenhower observed that "research has become central" and "more formalized, complex, and costly", as "task forces of scientists in laboratories and testing fields" displaced the "solitary inventor". Mass industrial science soon mobilised government, corporations and academia to beat the Soviet Union to the Moon.

That post-war industrial America no longer exists. And the dreams of an open world that followed the cold war have given way to a competitive global environment, in which Chinese technical capacity, not Soviet science, seeks to overtake America in a race for scientific and technological leadership.

There are reasons besides the procession of history to think the "Endless Frontier" is out of date. In recent decades American scientific enterprise has shown its age, with diminishing returns. Despite biomedical research budgets soaring since the 1990s, the rate of significant breakthroughs has slowed and drug approvals have plateaued. Many scientists spend nearly half their time on paperwork. The system serves itself better than its scientists.

Bush's managerialism promoted what was later termed the "linear model" of scientific development, in which government funds basic research in universities, and industry turns newly published insights into novel applications. This made sense when government was the primary administrator of fundamental science. But these days an increasing number of scientists do their research in industry, and industry funds an increasing amount of basic science. Over the past two decades the share of private funding dedicated to fundamental research has grown five-fold. Industry self-funds more basic research, to the tune of $37.4bn a year, than the government funds at universities. The 2024 Nobel chemistry prize, for a breakthrough in protein-folding, was largely achieved through industry resources and talent.

Moreover, artificial intelligence is creating new conditions to which research institutions must adapt. AI has the potential to be the greatest accelerant of scientific progress in human history, if we match its capacities with a suitable research ecosystem. The longer we delay adjustments, the more likely it is that legacy organisational structures built to Bush's blueprint will be overwhelmed. As the world changes, and the challenges of American leadership change with it, the effort to organise the national research system must move on from 20th-century managerialism.

To respond to these new realities, government is refocusing its efforts to meet America's best scientists where and when they do their best work. We should adopt a portfolio approach to funding that includes both fast, exploratory grants and longer-term support, matching the timeline to the researcher's work. We should use the full toolkit of funding mechanisms, including prize challenges and binding commitments to create markets for innovative products. We should experiment with review processes that promote disruptive proposals, and fund new institutional models such as X-Labs, the

NSF's initiative to launch and scale new organisations to address technical challenges that university and industry labs cannot easily solve through traditional methods.

Beyond all this, we should back early-career independence by expanding portable graduate fellowships and four-year PhD programmes. We should subject our work to the scrutiny of metascience, the scientific study of how we do science, including building metascience units in funding agencies. And we should co-ordinate national efforts, in the spirit of the Apollo programme, and prepare the scientific ecosystem for the AI era. To this end, last November President Donald Trump launched the Genesis Mission via executive order.

Homage to Vannevar

Making the case for this transformation, last month I published my own report to the president on the shape of the American science enterprise, "Science: A New Golden Age". It is a sequel and an homage to Bush's Endless Frontier, but also aims to be a successor. The moment calls for renewal of his original intentions, recapturing his ambition and optimism, while recognising the new context in which we find ourselves. ■

Michael Kratsios is director of the White House Office of Science and Technology Policy.

Adding balance

The yuan is more than a symptom of global imbalances

Treating it as a mere by-product of deeper distortions lets China off too easily, argue Anantha Nageswaran and P.S. Srinivas

8月 13, 2026 03:42 上午

IN A RECENT essay for *The Economist*, Gita Gopinath, Pierre-Olivier Gourinchas and Hélène Rey argue that China's persistent surpluses and America's persistent deficits should not be blamed on an undervalued yuan. The exchange rate, they say, is an outcome of domestic savings and investment choices, not an independent lever for correcting them. The argument is sound as far as it goes: exchange rates do reflect domestic fundamentals over the long run.

But it goes too far in treating the yuan as merely a reflection of deeper distortions, as if the currency were external to the policy regime that sustains them. The essay's policy conclusion—that the exchange rate is not an independent lever—depends on assuming savings and investment drive the currency, rather than the other way round or a two-way relationship. Yes, a country that saves too much relative to investment will tend to run a current-account surplus, often alongside a weaker real exchange rate. That, however, does not make the exchange rate analytically secondary in every case.

In the short run, the exchange rate is also a policy lever in its own right. If it were not, the IMF would not have long made currency devaluation a standard part of its structural-adjustment conditionality—a tacit admission that exchange rates matter independently of the policies behind them. In China the same state-led institutions that depress consumption also prevent the currency from adjusting freely. The exchange rate is not outside the imbalance; it is one of the channels through which the imbalance is generated.

The spillovers are real and increasingly visible in the data. China's goods-trade surplus hit a record $1.2trn in 2025, up a fifth on the year before, even as exports to America fell sharply; the shortfall was more than made good by a surge in shipments elsewhere. A hyper-competitive currency that keeps Chinese goods cheap abroad forces competitors to hold down their own exchange rates in turn, exporting the adjustment problem rather than solving it: China's biggest export of late has been its deflation. Export prices are still rising more slowly than its trading partners', even as domestic producer prices have recently ticked up.

This is where the authors' preferred alternative is weaker than it looks. Household consumption's share of Chinese GDP stood at roughly 40% in 2024—almost exactly where it stood two decades earlier, even as Wen Jiabao flagged China's "unbalanced" growth model as a policy priority. Two decades of stated intent have barely moved the number at all. A currency level is visible every day. A reform pledge can be obscured indefinitely.

The authors are right to reject the fantasy that China could revalue tomorrow and solve the problem outright. A sharp appreciation, taken in isolation, could intensify deflationary pressure and weaken domestic demand—though the pass-through from currency moves to domestic prices tends to be smaller than the worst-case framing assumes.

The IMF's own 2026 External Sector Report puts the yuan's undervaluation at a midpoint of 21.3%, with some market estimates running higher still. Suppose it closed at the IMF's midpoint. It would shift demand from domestic goods to imports and render some domestic capacity redundant, taking it out of circulation—both of which are welcome from a rebalancing standpoint. Among many other reasons, a firmer yuan would ease the costly sterilised intervention needed to hold the currency down, lower the cost of imported energy and commodities that feed into domestic prices, and reduce the trade friction its undervaluation increasingly invites abroad—gains to China itself, not favours to its trading partners. The real question is whether sustained appreciation pressure, paired with financial liberalisation and domestic reform, can shift incentives that two decades of polite exhortation have not.

China's current-account surplus has swung considerably over the past two decades. But that volatility reflects where the excess savings went, not whether the underlying imbalance was fixed: a sharp narrowing of the surplus in 2007-18 coincided with a domestic investment boom, not a rise in household consumption. The entrenched piece is the savings-investment gap itself—rooted in local-government finance, state-bank balance-sheets and the political weight of the tradable sector, not its current-account expression, which moves far more easily than the structure producing it. That is what makes it slower and costlier to rebalance than an American fiscal deficit that unfolds within an electoral cycle and an independent central bank. Treating the two sides as symmetrical lets the more entrenched imbalance escape scrutiny.

America must also adjust its own fiscal policy to narrow the deficit that attracts global capital. Developing countries are squeezed from both directions: China's excess capacity crowds out their own manufacturers, while American deficits draw investment away from them instead. A deficit country at least sustains demand for what others sell it.

A real appreciation of the yuan, alongside genuine fiscal adjustment in America, would do more to rebalance global demand and ease pressure towards beggar-thy-neighbour trade measures than either side's reforms alone. It would also help reinvigorate growth in many developing economies and stabilise their societies, improving the prospects for a less conflict-prone world. The yuan is part of the policy architecture that shapes global imbalances, not a decorative outcome that sits outside it.

Of course, it is pointless to wonder who in the world can engineer an appreciation of the yuan all on their own. Only China can do it. So far, it has avoided the question. In an insightful recent post on China's "K-shaped policy regime", Yasheng Huang of MIT Sloan suggests that addressing domestic demand is a political challenge in China because it requires the state to cede power, whereas a supply-side response does not. Exports, trade performance and hence the need for a competitive currency fall in the supply-side camp. The question of what will persuade China to contribute to rebalancing global demand remains open. ■

V. Anantha Nageswaran is the chief economic adviser to the Indian government. P.S. Srinivas is a visiting research professor at the East Asian Institute at the National University of Singapore. The views *expressed are personal and do not represent the official position of the Indian government.*

Briefing

- **Under the Taliban, Afghanistan is, for once, peaceful**
  Five years after America left :: Also very hungry, poor and repressed

Five years after America left

Under the Taliban, Afghanistan is, for once, peaceful

Also very hungry, poor and repressed

8月 13, 2026 04:42 上午 | HERAT, KANDAHAR AND KABUL

THE CAFÉS on foreign-ministry road in the heart of Kabul’s government district used to blare out Afghan pop to attract a gossipy crowd of civil servants. No music comes from them now—or from anywhere else. It is banned. Men bustle along the street in traditional *shalwar kameez*, sporting long beards. Where a colourful mural used to be there is now a giant slogan in Dari, the local dialect of Persian: “There is no god but Allah”. Next to it a man in black fatigues lounges in the turret of a captured American Humvee, fondling a machinegun and keeping a lazy eye on the lunchtime traffic.

On August 15th it will be five years since the Taliban swept back into Kabul. For 20 years they had been fighting against the government, its American backers and some of America's allies. The war began in 2001, when America toppled the Taliban's first government because it had provided sanctuary to the terrorists who planned the attacks of September 11th. By the time it ended in 2021 it had become the longest America has ever waged. The regime America had backed collapsed like a house of cards as the superpower turned tail. The Taliban returned with a free hand.

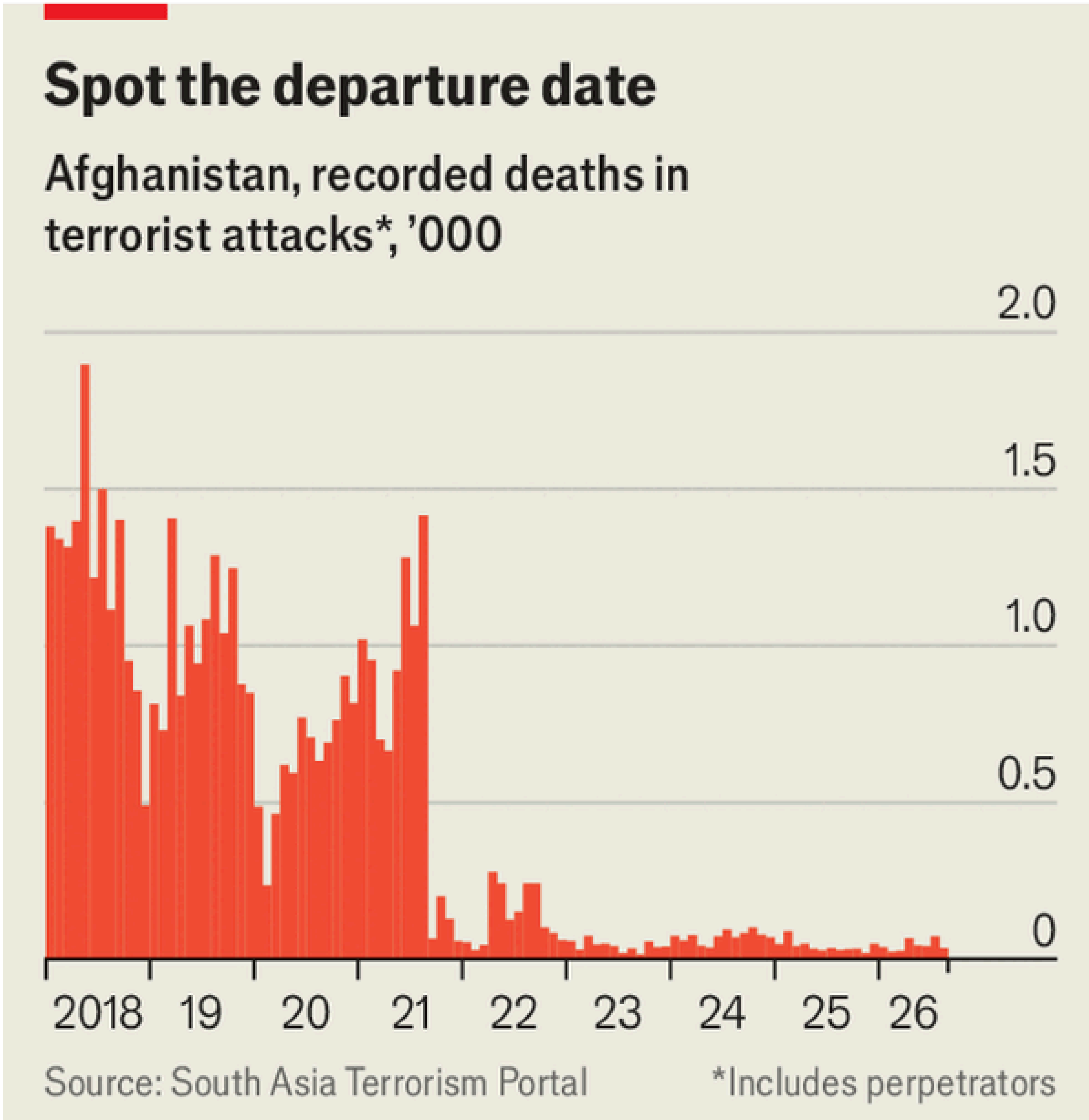
Travelling from Herat, in the west of the country, to Kandahar, in the south, and on to Kabul in the east shows how they have secured their grip. On the 1,000km trip your correspondent saw the black-and-white Taliban flag flying in town squares and in fields of wheat, at roundabouts and remote checkpoints, on the desks of university professors and in the boardrooms of CEOs.

Tired of war, Afghans have welcomed peace. Cities which used to ring to the blasts of suicide-bombers feel surprisingly calm. "This is the second summer that birds have returned to Kabul," says a former government official, pointing up to the trees in his garden.

The observation suggests that wildlife is more easily reconciled to the new situation than international opinion. Though various countries have embassies in Kabul, only one foreign government—Russia's—recognises the Islamic Emirate. The Taliban control ministries, taxes, borders and the army, but are shut out of the global financial system because many cabinet members remain under sanction as terrorists. Their grotesque ban on education for girls over 12 cements their outcast status.

The Taliban have established a reasonably stable peace and are running a modern state much better than they did in the 1990s. Then their leaders knew little of life beyond their Pashtun villages in the south of the country. Now many have seen the wider world, in particular the Gulf states where many spent time during the war.

But they have no way to court investment. And both economic and military power is increasingly being consolidated around Haibatullah Akhundzada, the emir, who governs not from comparatively cosmopolitan Kabul but from the Pashtun city of Kandahar. He is, even by Taliban standards, extraordinarily extreme.



Stability after decades of war is not nothing. But Mr Akhundzada's government does not offer the country's fast-growing population of 45m—almost two-thirds of whom were not yet born in 2001—anything that remotely resembles a path to prosperity. Many of them find their lives getting worse in material terms. All of them—especially the women—have had freedoms curtailed (people inside the country mostly spoke to *The Economist* only on condition of anonymity). They constantly weigh small freedoms against the risk of punishment.

The Taliban government has some resources. It has preserved much of Kabul's professionalised bureaucracy along with the computer systems that deal with taxation, borders and customs (though in June the emir banned the use of smartphones in government offices). Some officials chose to flee. But there was no great purge; more than half the republic's civil servants remain, according to people in and around the government. Continuity of expertise helped the central bank to preserve the strength of the Afghani and keep inflation under control.

You have no power here!

The government now takes in around $4bn in taxes and other revenues each year, according to the World Bank, almost 60% more than in 2020. The increase came from raising duties and cutting graft. In its latter years the previous government had become so corrupt that it "rotted from the inside", says a minister who was part of it and who still lives in Kabul. Afghans say that the low-level extortion which was then a part of daily life is now largely gone.

The growth in revenues, though, is smaller than the fall in aid. Humanitarian and development aid ran at around $4bn in 2020. When the Taliban took power, aid to the government cratered, but much of the harm was offset by an increase in humanitarian assistance through other channels. That has now been cut too. In 2025 it was just $1.2bn; this year's figure will be lower, probably a lot lower. The country's hospitals and clinics are thus being defunded, as the government has cut money for health and welfare in order to spend fully half of its revenue on security.

Five years in, Taliban ministers reportedly say in private that they remain "in a control situation", which means security is paramount. They have got results. Last year fewer than 100 civilians were killed in terrorist attacks, according to the South Asia Terrorism Portal, which collects such data (see chart). The government has clamped down on the once fearsome Islamic State Khorasan Province. Al-

Qaeda has wound down its operations in the country. In July opposition groups mounted a string of attacks and claimed to have killed more than 20 Taliban fighters. Such resistance might grow. But the attacks were small and easily quelled.

There has been one significant exception to the crackdown on terrorist groups—at least, so the Pakistani government says. A group with a presence in Afghanistan called the Pakistani Taliban carries out attacks in Pakistan. Pakistan accuses the Taliban government of sheltering the group, and its air force has struck targets inside Afghanistan. Pakistan has also closed the border between the two countries. That has raised food prices in Afghanistan and closed off access to export markets and medical treatment.

In reducing Afghanistan’s violence, the Taliban have one huge advantage: they do not have to fight the Taliban, who used to perpetrate most of it. This irony does not undercut the benefit to the general public. Afghans are quick to say what a difference peace has made: farmers can get their goods to market; boys (and, when allowed, girls) can walk to school; taking long drives to visit family or see the country are no longer an aberrant choice.

There is, though, a price paid through repression. The security forces respond brutally to any open dissent. In a recent visit to Herat, which has large Tajik and Shia Muslim populations, a government minister singled out the police there as an example to others, according to two locals briefed on the discussion. The exemplary work he was praising was the suppression of a protest in June by women angry at a crackdown by the vice-and-virtue police. Many protesters were beaten. One teenager was shot dead.

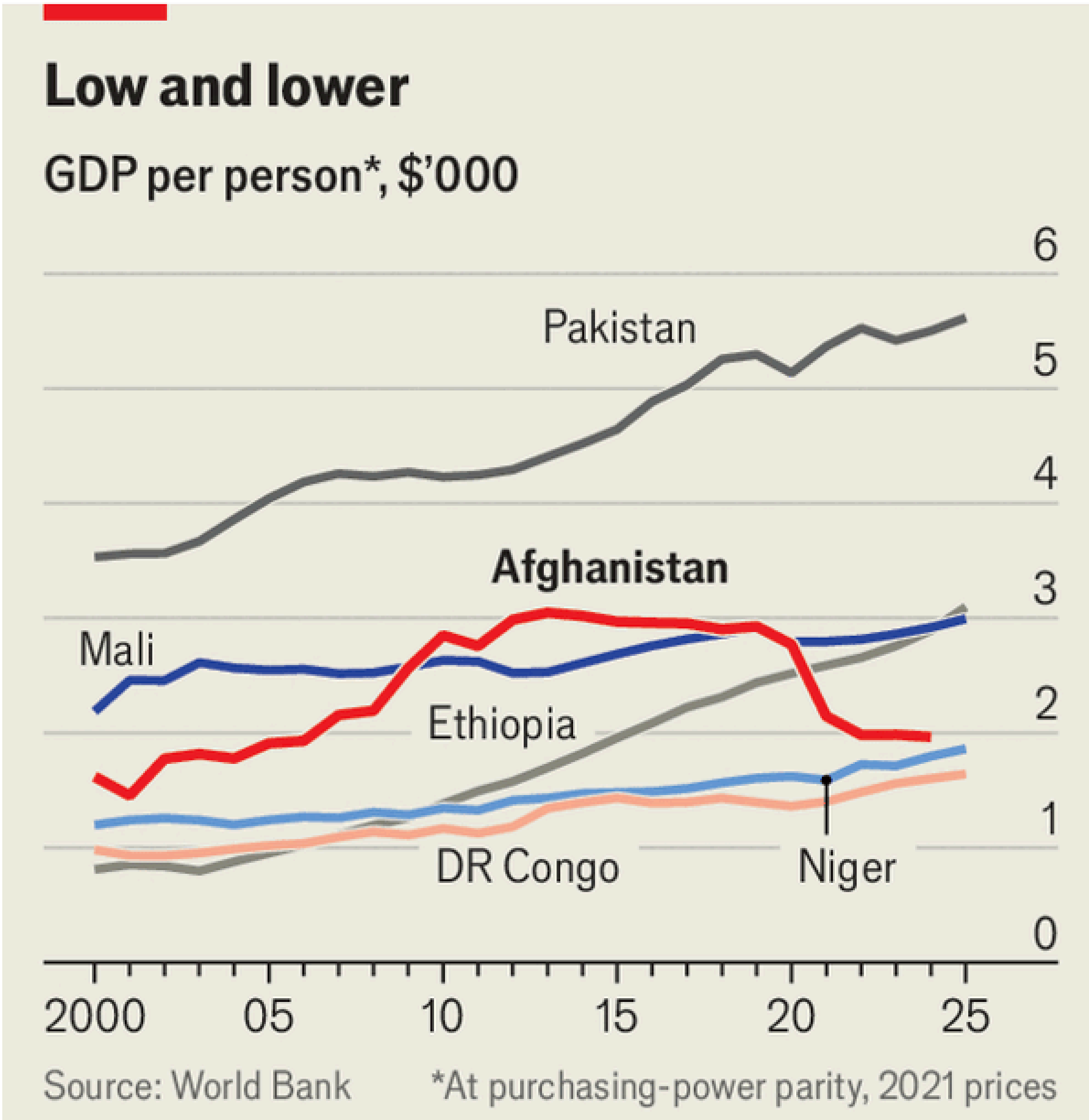
What the government does not spend on men with machineguns appears to go on motorways and mosques. Major cities are still, for the most part, linked by two-lane, occasionally rocky roads. But on the drive from Kandahar to Kabul you will enjoy bursts of freshly laid asphalt. Mosques are being built every 70km or so, by decree.

In Kabul roads are being widened, and private residential construction is rising, much of it financed by the diaspora for relatives who remain. Elsewhere the government is investing in canals, gas pipelines and solar parks, and handing out licences for mining gold, copper and lithium, mostly in the north of the country. Abdul Qahar Balkhi, a spokesperson for the ministry of foreign affairs, says the Taliban's vision is to turn Afghanistan into a "space of positive competition". If peace holds, he and his colleagues argue, surely Afghanistan will begin to prosper.

Behind the moon, beyond the rain

If so, it has a very long way to go. The country's GDP per person fell sharply after the Taliban came to power. At purchasing-power parity it is now just $2,300, roughly what it was in the mid-2000s (see chart). Only a handful of mostly conflict-ridden countries in sub-

Saharan Africa are worse off. Many Afghans are hungry. Prolonged drought makes food scarce; there are long queues at wells in Kabul. "Lots of children we encounter are living on bread and tea," says one of the reduced band of aid workers.



In Sarobi, a mud-brick town set among scattered villages in the mountains east of Kabul, locals say that they have only just enough food. A lot of people are getting into debt to survive. "We have peace, but our pockets are empty," says Razi Khan, a village elder.

For many households the most pressing problem is a lack of work. Hassan, a 25-year-old who was a soldier in the previous government's army, has been looking for a job since the Taliban returned to power. What jobs there are—like labouring on a local solar project—require vetting by a Taliban commander, he adds.

These problems have been worsened by the forced return of some 6m Afghans, many penniless, from Pakistan and Iran. "It has put severe strain on the resources of a country that was already close to the edge," says Arafat Jamal of UNHCR, the UN's refugee agency. Most of those pushed out by Iran hail from poor villages in the north of Afghanistan, which for years have survived on seasonal fruit-picking work across the border.

Though many Afghans have grown inured to conditions of poverty and hardship, there is one topic about which they express bitter disappointment: education. Between 2001 and 2021 school enrolment rose, particularly in cities. It was far from universal—the current literacy rate is just 37%—but parents had begun to see boys and girls going to school as the norm.

The Taliban's ban on girls' secondary education is thus opposed by the vast majority of Afghans—and by most Talibs, according to a lot of people *The Economist* talked to. There is nothing most of them can do about it. But the authorities in some cities have created a workaround for some of the better-off by issuing licences for *madrasas*, or religious schools, to educate girls over 12 as well as boys.

In a converted three-storey house in Kabul with small, ramshackle classrooms and moth-eaten carpets, the principal of one such institution says he is educating 600 girls. The standard fee is 1,000 Afghanis ($15.20) a month (some poorer families pay less), for which the girls get four hours of teaching by female teachers six days a week. The girls wear black *abayas* and purple headscarves. The four 16- and 17-year-olds who told your correspondent how happy they were to be back in school did so through covid-style masks, because women’s mouths must be covered.

Technically, the whole enterprise is above board. Still, everyone speaks in hushed tones, as if talking about it—in particular the fact that it is not a strictly Islamic education—might make it vanish. The girls say that the school is better than the public ones they went to before 2021. They are pleased that they get to study maths, science, geography and English (which they all speak well) as well as Islamic studies, which they enjoy.

Because of the horrible things he does

One, Diwa, says she is sorry many of her friends cannot afford to attend. They all say they are frustrated that they will not be allowed to make much of the precarious education they are getting. “We don’t want to just sit at home and raise children, or be a teacher in an Islamic school,” says Nadia. “That was not our dream.”

The chief canceller of dreams is the man in Kandahar whom some diplomats in Kabul call the Wizard of Oz. Mr Akhundzada, who is thought to be around 60, does not, as far as is known, stay hidden behind a curtain, but he is very rarely seen in public; the most recent verified photos of him were taken decades ago. A former cleric and sharia judge, during the war he championed the Taliban’s shift towards suicide-bombing, allowing one of his sons thus to murder people in 2017.

Why oh why can't I?

Mr Akhundzada has imposed a version of sharia law that vanishingly few other Muslims would seek to justify, one which includes strict sex segregation, strong dress codes and the erasure of women from public life. His broadcast speeches make clear that he sees women's rights, and non-religious education for anyone, as the work of Satan. "He thinks the outside world is essentially poisoned, and is taking Afghans away from the path of sharia and God," says a diplomatic source in Kabul. "His view is basically 'switch it off'." Adam Weinstein of the Quincy Institute, a think-tank, argues that the Kandahari faction may believe that more aid and foreign investment would only strengthen the influence of its rivals. Harsh decrees and isolation, on the other hand, help make clear, and thus maintain, the emir's iron grip.

They are not the only tools to that end. The emir has made sure that ministers in Kabul have deputies who report to him. He directs the white-robed vice-and-virtue police, the regime's primary mechanism of social and institutional control. Bypassing the finance ministry in Kabul, he has established control over some revenues from mining. And in the past six months, arguing that tensions with Pakistan require it, he has built up a force of 8,000 fighters in Kandahar that sits outside the army's chain of command and has a strong whiff of the praetorian about it.

There were sincere hopes that the return would not go Mr Akhundzada's way. Many of the moderate Talibs now based in Kabul believed that the second emirate could emulate the shining examples of Islamic modernisation they had seen in the Gulf without sacrificing their beliefs. For a time there were rumours that less reactionary figures—notably Sirajuddin Haqqani, the interior minister and leader of a powerful faction—would challenge the emir. Now unhappy Talibs have closed ranks, perhaps unsure that they can win, perhaps because whatever concerns they have come second to remaining in power.

There is thus no obvious alternative to more regressive policies and further isolation. The state of health care shows what that costs. The Taliban have insisted on segregating male and female patients and doctors, have pushed female doctors out and have prevented women from undertaking medical training. The result has been predictable: a chronic lack of care for women. A survey by Refugees International, a charity, found that maternal mortality in Herat in the first half of 2026 was five times higher than in the same period the year before.

Another indicator is emigration. A professor whose entire faculty has been cleared of women (and whose educated wife is unable to work) says that regressive policies have already caused a huge brain drain. Unless they change, that draining will speed up. "We have stayed, hoping things would get better, but soon we will start trying to leave," says the professor. Though Iran has turned hostile towards Afghan migrants, many Afghans are still attempting to escape across the Margo desert. *Marg* is the Persian word for death, and the landscape meets its billing.

But if some leave, most have no choice but to stay. Some Talibs still insist that things will ease up in time. But many Afghans feel impatient. “It has been five years,” says Diwa, the student. “We don’t want to wait.” ■

Asia

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One law to bind them all

Should every Indian follow the same rules?

The ruling party's apparently liberal argument for making everyone marry, divorce and inherit like Hindus

8月 13, 2026 04:59 上午 | DEHRADUN

AFTER RETURNING from sunset prayers in the mosque next door, Khursheed Ahmed shoos away his all-male entourage to talk to a female journalist. The 71-year-old community leader is glum. A law he spent months unsuccessfully campaigning against has put him in a quandary. How, he wonders, can a person be both a God-fearing Muslim and a law-abiding Indian? "If you don't follow sharia, you are not a Muslim," he says. But since January 2025 it has been illegal for

Muslims in Mr Ahmed's home state of Uttarakhand to obey many of their customary family laws.

This is what awaits much of India. Uttarakhand, up in the Himalaya, was the first state in independent India to be subject to a uniform civil code (UCC), meant to apply to almost all its citizens regardless of creed. The code aims to replace religion-based personal laws with a single rulebook for marriage, divorce, inheritance and adoption. So far this year, codes that are in essence identical have been passed by legislators in the states of Assam, Gujarat and Madhya Pradesh, though none is yet in force; another five states are planning to follow. If West Bengal passes its own law, as expected this month, close to 30m more Muslims will face Mr Ahmed's dilemma.

All the states passing a UCC into law are ruled by the Bharatiya Janata Party (BJP), the Hindu-nationalist outfit that runs the country and many of its states. It took over West Bengal after state elections in April. The BJP presents the new codes as a matter of universal human rights, in particular women's rights. But look more closely and what is actually going on is a process of imposing on religious minorities the laws and customs that Hindus already follow.

The basic principle looks fair and simple: every Indian should follow the same law. The reason they do not goes back to the trauma of partition. After the departing British split India into a Muslim-majority Pakistan and a Hindu-majority India in 1947, India's Hindus wanted to soothe the anxieties of the new country's minorities. They drew up a constitution that let religious groups, including Muslims, govern their own civil matters.

No longer. The universal codes extend to Muslim daughters the same equal inheritance rights that Hindu daughters won in 2005. They criminalise polygamy for Muslim men. Talk to Muslim women in Uttarakhand and many are pleased to see such fixes. That makes it easy to dismiss critics as conservative cranks. "Hard-core Islamists think you cannot tinker with God's will," says Shatrughna Singh, a

Hindu, who sat on Uttarakhand's drafting committee and now oversees the law's roll-out there.

But the reality is that the codes are not an instrument of women's liberation, or indeed liberalism of any kind. One of the Uttarakhand code's provision, for instance, requires all couples to register a live-in relationship with the state within 30 days or risk a prison sentence. State and party officials insist that the aim is to protect women from exploitative men by bringing informal liaisons out of the shadows. But many lovers avoid a formal set-up precisely to protect themselves from prying eyes—especially those in unconventional relationships, say, between castes or creeds. The code potentially makes the relationship everyone's business. Under some versions of it, faith leaders, parents and even the general public can object and block couples from shacking up.

Nor do the new codes pick the most woman-friendly bits from India's varying traditions. Take Muslim personal law. Under its dictates, women can generally escape toxic marriages faster than Hindu wives can. And they are also protected by *mehr*, a payment that a husband-to-be must make at the time of marriage to ensure his wife's financial independence. Yet Uttarakhand's all-Hindu UCC drafting committee "basically copy-pasted" what used to be Hindu personal laws and imposed them on religious minorities, says Saumya Saxena, a legal scholar at India's Jindal Global University.

The UCC does nothing to correct injustices in Hindu law that still often exclude widows, wives and mothers from inheriting ancestral property. It draws no inspiration from India's tribal communities, which often treat women best of all; tribal communities (who, note critics, often vote BJP) are excluded from the codes.

When Uttarakhand officials face a foreign audience, they make sure to call the law "progressive" and "secular". But religion quickly intrudes on their logic when they explain why the code was first tried out in Uttarakhand, where the BJP has ruled for most of the state’s 25-year history. The state, which floods with pilgrims at this time of year, is as holy to Hindus as Jerusalem is to Jews, they say. They claim the Muslim population is exploding and mutter about an “expansionary mindset” that drives Muslim men to marry many wives, supposedly to outbreed Hindus.

On the surface, Uttarakhand’s experiment seems largely symbolic. The first criminal case under the new law came only this April, when a woman objected to her husband’s attempt to make use of *halala*, an archaic Muslim divorce custom. As of early July, fewer than 100 couples in a state of 12m people had formally fessed up to their live-in relationship. But over time, the law may push Muslims even further from the mainstream. Mr Ahmed advises fellow Muslims to shun courtrooms and to quietly fix disputes within the community. That might end up increasing divergence rather than removing it.

Uttarakhand was only a practice round for the BJP’s dream of making India a Hindu nation. In the conservative Hindu state, resistance to the new laws was muted and their roll-out uneventful. Now Uttarakhand’s Mr Singh has a new job sitting on the drafting committee in West Bengal. It is close to 30% Muslim, roughly twice the national average, and famous for its always vibrant and often violent politics. Until May it was one of the few states that had never been ruled by the BJP. When the assembly starts to debate its own new civil code, some observers fear unrest. ■

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Seeking refuge from refuge

Rohingya refugees from Myanmar are living in fear in Malaysia

Their welcome has worn thin

8月 13, 2026 03:43 上午 | KUALA LUMPUR

Better than the alternative

"I DON'T WANT to go out any more. I stay home most of the time, I want to leave Malaysia so badly." So says Nur Sadek, a Rohingya refugee and community organiser who arrived in the country from Myanmar nearly five years ago. Mr Sadek shares messages from strangers threatening him with violence, some naming places where he can be found. One stranger sent him a video showing a rifle being fired.

Life in Malaysia has never been good for Rohingyas—a Muslim minority viciously persecuted in Myanmar who have long sought refuge elsewhere in South-East Asia, often arriving in rickety boats. The UN officially counts more than 100,000 of them in the country, though the true number is doubtless higher. They do not live in refugee camps, but nor do they enjoy many rights. They are not allowed to seek formal employment and their children cannot study in Malaysian schools.

Recently matters have been greatly worsened by a hate campaign that has gained strength on Malaysian social media. In May viral posts accused refugees of improper disposal of the remains of animals slaughtered during the Muslim festival of Eid al-Adha. In June a post falsely claimed that more than 2m babies had been born to couples combining a Rohingya and a Malay (feeding on old worries that the foreigners are snapping up local women and having babies who become citizens). Another post pictured a fictitious (AI-generated) "President of Rohingya Malaysia", supposedly demanding that an entire town be set aside for Rohingyas to live in. The Malaysians who shared that one included the daughter of the deputy prime minister.

Ten years ago Malaysians were more welcoming. When large numbers of Rohingyas began fleeing military clearances in Rakhine state in 2017 (which the UN has described as a "textbook example of ethnic cleansing"), many Malaysians were willing to stick up for them. These days Malaysians are feeling squeezed by rising living costs and economic mismanagement. Refugees make handy scapegoats.

The online vitriol has real-world impacts. In June and July at least nine informal schools teaching Rohingya children in Malaysia were closed, either by authorities (for being unlicensed) or by staff who had grown concerned about their safety; one teacher says he has told children not to walk in groups. Malaysia's government now routinely turns away or detains Rohingyas' boats. The police recently held over 100 Rohingya refugees who had travelled to UN offices in Kuala Lumpur, Malaysia's capital, following a reported eviction. On July 29th Malaysia announced plans to send some 5,000 Rohingya refugees back to Myanmar, where their lives may be at risk. Anand Raj, president of the Malaysian bar, warns that such deportations are "neither humane nor a viable option".

Rohingyas will doubtless keep trying to reach Malaysia, no matter how bad things get there. Some 6,500 Rohingyas are known to have attempted the voyage by boat last year, up from 4,300 in 2023 and 2,400 back in 2020. Says one refugee in Malaysia: "If we didn't flee we would have been killed." ■

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Under a cloud

South-East Asia braces for more smoke from Indonesia

Has the region learned anything from past crises?

8月 13, 2026 03:43 上午 | SINGAPORE

IN 2015, AS South-East Asia was engulfed in toxic smog caused by fires in Indonesia, Jusuf Kalla, the country's vice-president at the time, suggested that his neighbours needed a change in perspective. "For 11 months they enjoyed nice air from Indonesia and they never thanked us," he said. South-East Asians flocked to a satirical website created to express gratitude to Indonesia. The site has registered more than 34m votes of sarcastic thanks.

That number may soon grow. Fears of another severe haze are rising as fires rage in Indonesia. Weather-watchers estimate that the number of blazes detected across the island of Borneo in the first 12 days of August alone exceeds the figure registered during the entire month in each of the past seven years (see chart). The smoke is already forcing officials to act. In Pontianak, the capital of the Indonesian province of West Kalimantan, schools have shut. In neighbouring Sarawak, in Malaysia, officials urged people to stay indoors. Singapore has put its own responders on standby.

Meteorologists fear that much worse is to come. El Niño, a weather pattern associated with unusually warm waters in the Pacific, tends to cause drier conditions in the region. This increases the chance of fires, especially on Indonesia's peatlands, where the carbon-rich soil is more combustible and where fires smouldering underground are hard to extinguish. Many climatologists think that this year's El Niño will turn out to be the strongest yet, raising concerns about a haze episode comparable to the one in 2015.

That would be a disaster. The smog in 2015 caused some 100,000 excess deaths in Indonesia, Malaysia and Singapore, according to one study. But there was also a heavy economic toll: the World Bank put Indonesia's losses at $16.1bn, almost 2% of GDP. Economies in the region are already vulnerable, having been hit to varying degrees by the war in Iran.

That war could also contribute to the haze. The blockade of the Strait of Hormuz has pushed up fuel and fertiliser costs, prompting the Indonesian government to mandate greater use of biofuels. This, in turn, is driving up the demand for palm oil, putting pressure on farmers and plantation companies to clear more land with fire.

The region may be better prepared than it was a decade ago. Better satellite monitoring has improved forecasts. A centre in Singapore tracks fires and smoke across the region and provides early warnings, allowing governments to implement public-health measures. In April ASEAN, the regional bloc, inaugurated the secretariat of a new haze-control centre in Jakarta, Indonesia's capital, which seeks to improve co-ordination between governments.

But for all the machinery of regional co-operation, it still lacks much bite. ASEAN has had an agreement on transboundary haze since 2002, but implementation and enforcement rest with national governments. Its fund to pay for anti-haze resources, such as water-bombing aircraft and other firefighting equipment, relies on voluntary contributions and remains small.

Ultimately, the severity of haze-related problems this year will depend on what happens in Indonesia. After the disaster of 2015, Joko Widodo, then the president, made prevention a priority. His successor, Prabowo Subianto, has kept much of that emphasis. Last year he created a new department to tackle blazes, and strengthened patrols, aerial surveillance and emergency teams. In the coming weeks, they face trial by fire. ■

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Spy time

Japan's long-overdue revamp of its intelligence services

Growing threats from enemies and a less dependable America have driven the move

8月 13, 2026 03:42 上午 | TOKYO

A PHOTOGRAPH OF a wooden plaque with handwritten characters marked the launch of Japan's new "National Intelligence Bureau" (NIB) on July 31st. It was an appropriately understated reveal for a big overhaul of Japanese spookery.

Japan's intelligence apparatus has long been fragmented and feeble. Since the country's defeat in the second world war, legal and political constraints have made it hard to counter adversaries snooping around inside Japan and to run human intelligence (HUMINT) operations abroad. Japan's prime minister, Takaichi Sanae, calls the creation of the NIB, along with the establishment of a new National Intelligence Council, the first steps of broader reforms necessary to navigate an increasingly dangerous world.

Japan was once a formidable intelligence player. During the Russo-Japanese war in the early 20th century, Japanese forces cracked codes, ran agents across the Far East and funded anti-tsarist agitators in Europe; during the second world war, "special duty units" undertook covert actions across Asia.

But following Japan's defeat, the imperial architecture was largely demolished. Attempts to establish a new centralised intelligence service faced severe resistance from a public that remembered imperial-era secret police all too well; many Japanese leaders were happy to rely upon America for intelligence, as they did for security more broadly. Japan's own intelligence activities were spread across discrete departments at the foreign, defence and justice ministries as well as the police agency. The Cabinet Intelligence and Research Office (CIRO), nominally the highest intelligence body in the country, lacked the authority to manage the fragmented agencies. As one Japanese official grumbled in the early 2000s, compared with America's CIA, Japan's CIRO was "about the equal of a nursery school".

The latest reforms are intended to help Japan's intelligence community grow up fast. The first phase involves "getting the structure right", says Richard Samuels, author of "Special Duty", a history of Japanese intelligence. The new bureau, an upgraded version of the CIRO, will have the authority to consolidate information from across the disparate ministries and generate synthesised analyses. Meanwhile, the intelligence council, which the prime minister personally heads, gives political leaders the ability to set intelligence strategy and to integrate findings into policymaking. The next planned steps include passing an anti-espionage law to beef up counter-intelligence, and creating a new foreign-intelligence agency to conduct operations abroad.

Though such reforms have been discussed for decades, the process has accelerated in recent years. Growing threats from China, Russia and North Korea have sharpened minds, while increasing anxiety about American reliability has heightened the urgency over developing home-grown capabilities. Ms Takaichi made intelligence reform a pillar of her political platform. As the memory of the wartime era has faded, so too has public opposition to new security institutions.

For the reforms to succeed, Japan needs to overcome several long-standing problems. First, says Kotani Ken of Nihon University in Tokyo, are the bureaucratic "turf battles" among the producers of intelligence. The second issue is the relative lack of sophistication of Japan's consumers of intelligence. The country's politicians are "not used to utilising intelligence in policymaking", Mr Kotani notes.

In its own recommendations, the ruling Liberal Democratic Party calls on Diet members to be more proactive, rather than acting like customers "passively ordering *omakase* [an instruction to leave the choice to the chef] at a sushi restaurant." ■

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Ashoka

Why India triumphed at Venice and flopped in Osaka

The state is a poor representative of the country

8月 13, 2026 03:43 上午

THE KINDEST thing that can be said about India's pavilion at the Osaka World Expo last year is that it was authentic. It opened more than two weeks late. It was chaotic. Its displays of ancient temples and ancient paintings looked like something from an ancient tourism-promotion advert. And, naturally, it included "inspiring talks and speeches" by Narendra Modi. As one Japanese visitor who lives in India put it, "The disorganised parts…were very Indian, so if you want to feel the vibe of India, I definitely recommend you go."

So it was with some apprehension that this columnist stood at the threshold of the India pavilion at this year's Venice Biennale, which runs until November. This was India's first appearance at the world's pre-eminent contemporary art show since 2019. On that occasion the government had instructed curators to take inspiration from the 150th anniversary of Gandhi's birth. It was a theme that only a bureaucrat could have dreamed up: unoriginal, unimaginative and above all unlikely to get anyone into trouble (the art itself was praised). This year's effort was overseen by the same ministry—of culture—that mounted the Osaka debacle.

Ashoka need not have worried. The pavilion is a triumph. Curated by Amin Jaffer, director of the Al Thani Collection in Paris, it brings together five artists to consider the meaning of home as India undergoes a dramatic physical transformation. Two works steal the show. Sumakshi Singh's "Permanent Address" recreates in delicate silk, cotton and nylon her grandparents' home in Delhi, since demolished to make way for something new—a familiar story in every Indian city. And Asim Waqif's magnificent "Chaal", a tangle of hundreds of gigantic stalks of bamboo, nods to the ubiquitous scaffolding material of a country permanently under construction.

The result is a show that does expertly what Osaka did hamfistedly. It draws on India's traditions, in this case crafts and local materials, and ties them to the country's modern condition. Its achievement is to represent India in a way that feels authentic—this time for the right reasons. Reviews have been gushing. India features in several lists of pavilions not to miss.

How does the same ministry, working under the same political masters, produce such divergent results just one year apart? The easy answer is that the official in charge changed in the interim. The Indian state produces lumpy outcomes because so much of it depends on individual capabilities rather than institutional processes. But a more substantive answer lies in what Vivek Aggarwal, the newish secretary of culture, actually did. Namely, less.

The Osaka project was top-down. It was awarded to a private firm, cancelled without public explanation and then executed by the culture ministry's own arts body. The Venice pavilion was a collaboration between the government and two of India's leading art institutions. The Nita Mukesh Ambani Cultural Centre, a lavishly funded and superbly connected organisation in Mumbai, brought its influence and expertise. Serendipity Arts, a non-profit best known for its annual festival in Goa, handled programming. The government dealt with paperwork, logistics and the inevitable extra costs. Some 12 tonnes of bamboo for Mr Waqif's work had to be airlifted to Venice after the Iran war disrupted shipping.

Mr Aggarwal's background is in finance and infrastructure, which may have helped. He knew what he did not know. The government trusted its partners, leaving decisions about art to the art people. Its only real demand was that the show represent a diversity of voices. Though pavilions with a single artist tend to be more coherent, it wanted artists from different regions and working in different indigenous mediums. Other than that it granted Mr Jaffer complete artistic freedom.

The success at Venice has encouraged the culture ministry to reaffirm its commitment to public-private partnerships. Mr Aggarwal says he has already written to Venice about reserving a space for the next art biennale in 2028. He is planning a big arts event in Delhi later this year, roping in galleries and foundations, and a revamp of how India's hundreds of historical monuments are managed. The idea is to make heritage and the arts bigger contributors to the economy. The Indian state too often tries to do too much with too little. On the rare occasion that it trusts Indians to deploy their ample talents, the results are dazzling.■

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China

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Mental health and treatment

In China, treatment for mental-health problems is a luxury

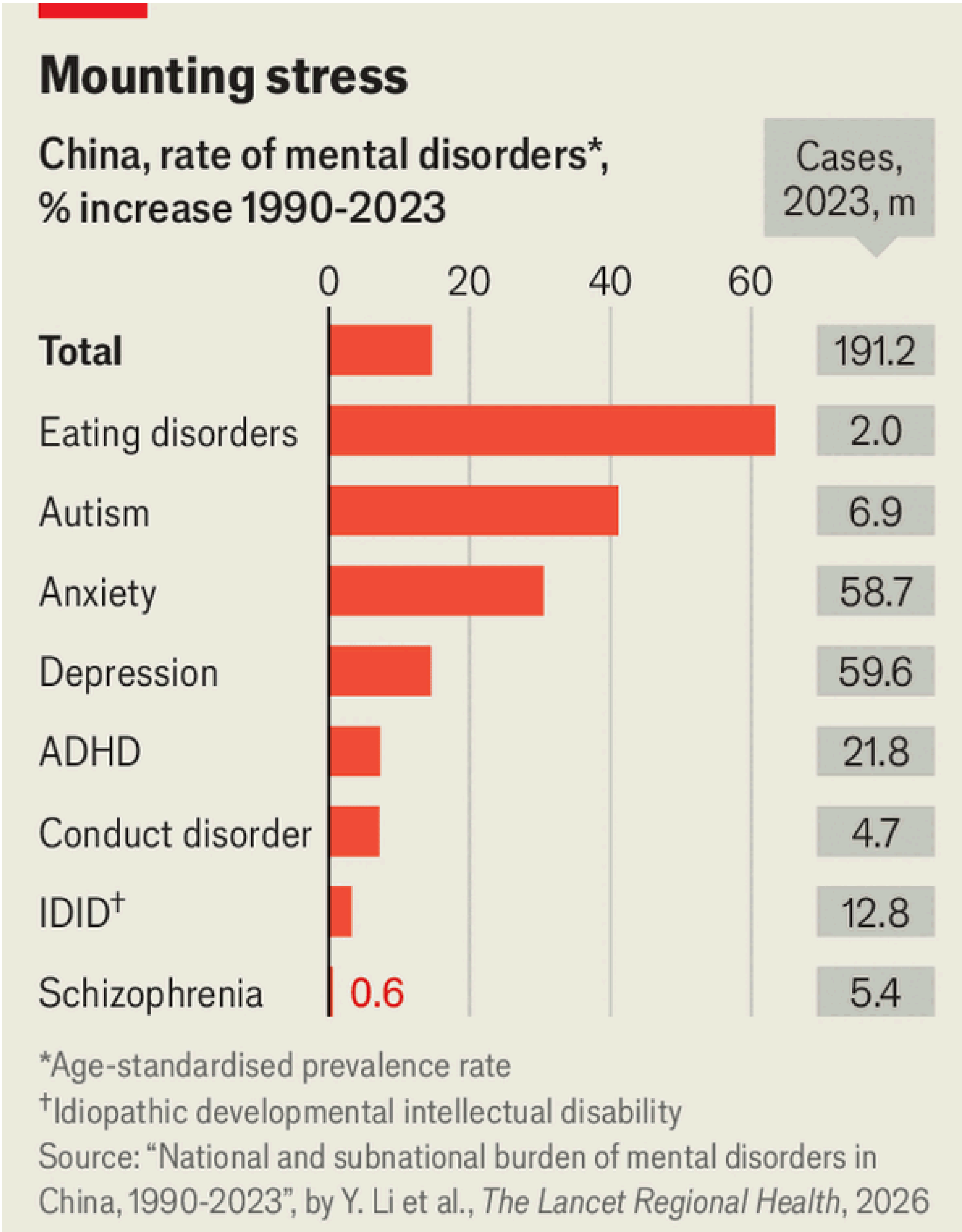
The government wants to improve a patchy and uneven systyem

8月 13, 2026 04:59 上午 | BEIJING

HALF OF XIAO YAO'S clients, who are mostly women aged between 20 and 40, do not tell their parents that they pay 500 yuan ($75) for counselling sessions. The 33-year-old psychological counsellor says that older generations tend to take mental health less seriously and ask: "This is just unhappiness, isn't it? Aren't you overthinking things?"

In a highly competitive society that has undergone deep economic and social change, many Chinese struggle with mental health. A new study shows a surge over the past three decades in mental illness. And though more sufferers now seek help, psychiatric services remain limited. Meanwhile a nascent therapy sector is largely unregulated and often hard to afford.

The study, published in the *Lancet,* a British medical journal, offers the most comprehensive estimate to date of mental disorders' prevalence in China, with 191m cases in 2023 (equivalent to about one in seven Chinese). That was 46% more than in 1990, but after allowing for the country being older and more populous, the estimated prevalence was 14.6% higher. Because these are modelled estimates, based on sometimes sparse data and diagnoses, these figures are likely to be an underestimate of the true picture. Anxiety and depression are the most common illnesses, while eating disorders have grown at the fastest rate (see chart).



Though social stigma and a reluctance to acknowledge mental illness have long prevailed, calls for help are growing. The pandemic marked a turning-point, says Li Zhang of the University of California, Davis, author of a book on anxiety and psychotherapy in China. Lockdowns led to spikes in depression and anxiety; people grew more sympathetic to others suffering from mental illness and more accepting of their own problems, Ms Zhang says.

During the pandemic, many Chinese sought counselling for the first time. Unable to leave home, with the therapist's sofa out of bounds, they jumped straight to the screen. Self-help and psychological services have boomed online. Tens of millions use apps selling counselling sessions and other courses. Many also take advantage of free resources: new government hotlines for psychological support got more than 700,000 calls in 2025 and 900,000 in the first half of this year.

Another paper in the *Lancet,* in 2021, found that of 1,007 Chinese surveyed with a depressive disorder, just 9.5% got treatment, while a mere 0.5% were treated adequately. The government now aims to build a nationwide system of psychological support and crisis intervention by 2030, giving more people access to drug-based treatments and psychotherapy. Plans include counselling rooms in every school, psychiatric services in at least one hospital in every county and more mental-health professionals.

Fears of social instability inform some of the official urgency. In June a private pilot crashed into Beijing's tallest tower, killing himself, a rare security breach in the capital. Investigators claim the man suffered from anxiety and suicidal thoughts. In 2024 a spate of violent attacks, including vehicle rammings and stabbings against members of the public, was a source of official concern about mental health. Experts described the attacks as revenge on society, committed by men angry about their financial situation or perceived unfairness towards them. The Communist Party, with its mania for lists and slogans, stepped up the monitoring of "four-lack and five-loss" individuals, ie, those with no spouse, children, job or assets; or suffering from investment failures, life setbacks, relationship conflicts, emotional imbalance or mental disorders.

China’s very low rates of identifying and treating mental illness may at last be improving. Yuan Chengmei of Shanghai Mental Health Centre (SMHC), a top mental-health hospital, points to greater public awareness and better identification of milder cases of mental distress. Yet problems of capacity, affordability and sound regulation remain. China has far fewer pyschotherapists per head of population than the West. Dr Yuan says that even SMHC, with a much higher concentration of qualified staff than elsewhere in China, struggles to keep up with growing demand. One response at SMHC has been to institute more group counselling.

Elsewhere, however, counselling is a free-for-all, with no standardised licence requirements. Reports of fraud and malpractice abound. Online platforms are strengthening their requirements for trained and experienced counsellors, while professional associations promote their codes of ethics. But the government expends more energy hunting down AI chatbots that lead to emotional dependence than regulating real-life therapists.

Affordability remains a big problem. Many of those who need care most are least able to pay for it. Five years into a property crisis, local governments have less cash to invest in mental health.

Meanwhile, more needs to be done to promote awareness and acceptance. In China, s*henjingbing,* “mentally ill person,” remains a common insult. Younger people are chipping away against stubborn stigmas around mental health. To many of them, says Ms Xiao, counselling is like a *fudaoke,* just another remedial class that students take for hard subjects. Even so, as more people become open to counselling, they do not all understand what it entails. Counselling is a slow process, says Dr Yuan, but many clients think they will get better after just one or two sessions. And, Ms Xiao also points out, even those who do understand often reduce or give up their attendance after being sacked or seeing their pay cut. For now, treatment for mental illness remains a luxury that mainly the better-off can afford. ■

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China’s pragmatic reformer

Zhu Rongji’s death is a reminder of how much has changed in China

A titan of pragmatic reform is gone, aged 97

8月 13, 2026 05:17 上午

SOON AFTER becoming China’s prime minister in 1998 Zhu Rongji famously declared that he had ordered 100 coffins — 99 for corrupt officials and one for himself. In his hatred of bureaucratic graft, the pioneer of market-opening reforms shared a trait with China’s current leader, Xi Jinping. In many other ways, Mr Zhu, who died on August 12th, was the antithesis of China’s current leadership. Pragmatic, plain-speaking and intellectually curious, he eschewed ideology in his quest to integrate China with the global economy. He also wielded enormous power in a collective leadership system that Mr Xi has dismantled.

The loss of "Boss Zhu" at the age of 97 did not just mark the end of an extraordinary life. It was a reminder, too, of how much Chinese economic and political life has changed in the 14 years since Mr Xi took power. And it brought into focus unresolved questions over Mr Zhu's legacy. As the man who brought China into the World Trade Organisation in 2001, he is credited with initiating an unprecedented period of economic growth. His efforts also threw tens of millions of state workers into unemployment, helped to create a property bubble and laid the groundwork for some of the current tensions between China and America.

Xinhua, China's main state-run news agency, said only that Mr Zhu died of "illness". An official obituary described him as "a time-tested and loyal communist fighter, and an outstanding proletarian revolutionist, statesman and leader". It also said that in retirement, he had been a firm supporter of Mr Xi. But, as is customary in a country where leaders' deaths have sparked unrest in the past, the obituary omitted many of the more controversial details of Mr Zhu's career, including his suspensions from the Communist Party in the 1950s and 1970s and the criticism he faced from more conservative leaders in the 1990s.

Mr Zhu was nearly the last survivor of the "third generation" of Chinese leaders who were born in the 1920s and 1930s and educated, often as engineers, after the Communist Party took power in 1949. He was born in Changsha, in the south-central province of Hunan, and raised by relatively wealthy uncles following the death of his parents. A gifted student, he graduated in electrical engineering from Beijing's Tsinghua University and landed a job at the State Planning Commission. But after being labelled a "rightist" in the 1950s he spent two decades in relative obscurity, including five years as a farm worker.

Rehabilitated after Mao Zedong's death in 1976, his political career took off, and 12 years later he became mayor of Shanghai. There he worked alongside Jiang Zemin, who was the local party boss at the time but was promoted to China's top leadership post in the aftermath of the military crackdown on pro-democracy protests around Tiananmen Square in 1989. Mr Zhu won plaudits for peacefully defusing similar protests in Shanghai, as well as for his drive to modernise the city's waterfront. Two years later he too was summoned to Beijing and put in charge of economic management, first as a vice-premier and then as prime minister.

His main task was to reinvigorate the pro-market reforms that had faltered since 1989. Among his main achievements were reining in annual inflation, which had risen to a high of more than 24%, and overhauling China's tax system to fill government coffers and to tighten control over regional administrations. He slashed red tape in order to lure foreign investors and weeded out corrupt or incompetent bureaucrats. And he trained and promoted a cohort of economic and financial experts who occupied senior posts long after he retired. He is best remembered for privatising hundreds of loss-making state-owned enterprises and spearheading reforms and negotiations that brought China into the WTO.

That made him popular with Chinese business leaders and academics who favoured pro-market reforms. But he often irked other senior leaders, and since his retirement in 2003 no other prime minister has come close to matching his reformist record. Indeed, in recent years Mr Xi has sidelined many of Mr Zhu's protégés and reversed some of his reforms, reining in private enterprise and giving great powers to the state sector. Nor is there any prospect of Mr Xi appointing a prime minister with the powers and personality that made Mr Zhu so distinctive. In China today, there can only be one boss. ■

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Chaguan

China's officials are obsessed with safety theatre

The public likes all the controls—until they get in the way

8月 13, 2026 03:43 上午

TAKING THE escalator is full of danger at the new metro station in Jinan, a city in eastern China. Or so the warning sign suggests. It bars 14 actions in all, each illustrated with a red line through it: no walking on the escalator, no facing the wrong way and certainly no playing. There are also seven instructions, including to use the handrail, hold young children firmly and be careful in soft shoes.

With trepidation, Chaguan stepped on—and made it to the bottom unscathed; the escalator, indeed, was like any other. Most passengers barely even noticed the sign. They also took the security at the metro's entrance in their stride. The checkpoint looked like an airport's, with a metal-detector gate, an X-ray machine for bags and guards wielding scanners. There was also a giant explosion-proof pot for suspicious items. But the guards were relaxed. One cheerily said the pot had never been used. It was a breeze to pass through, just as in stations across China.

Until, on occasion, it isn't. In late July, transport authorities in Shenzhen, a southern metropolis, suddenly tightened metro security. Instead of waving their wands desultorily at passengers, guards carefully scanned everyone. When bag X-rays revealed cigarette lighters or perfume bottles above permitted limits, these were confiscated. The security lines stretched and stretched, with some travellers waiting half an hour. The apparent rationale was Shenzhen's hosting of the APEC summit later this year. President Xi Jinping will attend, and nothing must go wrong.

To Shenzhen's credit, it quickly adjusted when residents complained. "I'm more worried about getting crushed in the crowds than about terrorism," was a typical comment online. Within days, Shenzhen had streamlined checks and installed extra metal detectors, letting riders go back to commuting with little bother.

Even so, the episode illuminated a daily balancing act in China between safety and freedom. Commentators outside China often dwell on the dystopian elements. Surveillance cameras are everywhere, social-media posts are closely monitored and checkpoints are common in sensitive areas. Yet inside China, few people end up on the wrong side of these measures, and popular approval of them appears very high. Researchers consistently find that many Chinese citizens think safety should trump privacy. In Jinan, the elderly were most effusive. "There are so many people. The security is needed. It puts us at ease," said Ms Ren, a grey-haired woman heading for the metro.

One way to view China is as a security state, with spending on domestic policing and "stability maintenance" roughly as high as its military budget. Much is aimed at political threats, reflecting the Communist Party's fear of its own subjects. But the transport controls point to something different: China as a safety state, where the party places a high priority on the prevention of accidents and everyday violence. That impulse is commendable. In practice it can be stifling.

The Shenzhen experience illustrates the tension that sometimes surfaces—not so much over safety versus personal liberty as over convenience. When security checks are nearly frictionless, there is support for them; when friction mounts, attitudes change. Bluntly, people like the safety state until it gets in their way, especially when controls seem out of proportion to the actual threat. A huge example was the zero-covid policy. The public initially supported the government's restrictions, accepting the lockdown of Wuhan and subsequent quarantines of particular people and areas as a price paid by the few. But by late 2022 exhaustion had set in and rare protests erupted. In Beijing it was seen as a lesson in why officials must be alert to shifts in opinion before the clamour for relaxation becomes more political.

These pivots do not happen readily. The issue is not that officials are naturally obsessed with safety. Rather, safety is core to their careers. In what is known as the "one-vote veto" system, they can lose out on promotion because of a single security breach or serious accident. Under Mr Xi that veto has been strengthened: officials are punished not just when something bad happens, but when they fail to enforce safety protocols. Inspection teams rock up at metro stations to check X-ray machines, or show up on streets to make sure patrols are in place. Visible controls have proliferated: helmeted guards in front of day-care centres, phalanxes of police at pop concerts and football matches (far more than are needed to watch over the peaceful crowds), and anti-riot shields at the ready in banks and shopping malls. The escalator warnings on the Jinan metro are at the comic end of all the theatre, a case of cover-your-*pigu* paternalism.

But at what cost?

There is a further trade-off for officials, one which will bite more over time. All the safety costs money. The bill for the guards alone runs to about a tenth of metro operating budgets. Their salaries are not high. But a shrinking labour pool will surely push wages up over time, an uncomfortable prospect for indebted local governments. Objectively, the layer upon layer of safety is overkill. China is, without question, a very safe country. The country averages nearly 100m riders a day on its metro systems, about half of the world's total. Crimes, big or small, are vanishingly rare on them.

But is that thanks to all the checkpoints? Surely ordinary Chinese deserve credit for their orderly behaviour. And to the extent that security measures prevent crime, the cameras that snoop on streets, stations and trains are more useful—and less expensive—than the guards and X-rays. Yet that is not the calculation of officials, for whom safety is less about efficacy than about showing that they leave nothing to chance. And please remember: no walking on escalators. ■

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Reap what you sow

For a different kind of Democratic insurgency, look to Iowa

Republican policies have left a red state reeling. Will voters spring for change?

8月 13, 2026 04:59 上午 | DES MOINES

ROB SAND'S campaign gimmicks, to the extent that he has them, are better suited for a Norman Rockwell painting than a TikTok feed. The Democratic candidate for governor of Iowa begins his town halls with a sing-a-long of "America the Beautiful". He invites Republicans in the crowd to reveal themselves; those who do are welcomed with applause. Yet the even-tempered Mr Sand, who serves as the state's auditor, does not shy away from declaring a disaster where he sees one. Iowa, he insisted recently, is in the throes of three: an "economic crisis and a cancer crisis and an education crisis". Many voters agree.

Iowa has voted solidly Republican at the state and federal level for more than a decade. Republicans have dominated the state legislature since 2016; no Democrat has won the governorship since 2006, a Senate seat since 2008 or a congressional race since 2020. In the most recent presidential election, Donald Trump carried the state by more than 13 points.

Yet Iowa is still home to a large bloc of independents—35% of registered voters—and they appear to be swinging left. Mr Sand is leading his Republican rival, according to an Emerson College/Nexstar poll published on August 6th. Josh Turek, the Democratic Senate candidate, is in a tight race. And three out of four congressional districts are competitive. As the populist left advances elsewhere, Iowa is offering a different example of how Democrats might return to power.

Their opportunity is born of growing discontent with Republican policies, state and national alike. The political affinity that many Iowans felt toward Mr Trump is fading, with the president's net approval rating at -8. That's in part because the bite of his economic policies has sharpened, says David Peters, an agricultural and rural policy professor at Iowa State University. Last year Iowa's soyabean producers saw net farm income fall by half. This year high fuel and fertiliser prices, inflated by the war in Iran, will make things worse.

The administration's crackdown on immigration is exacting another cost, limiting labour available to Iowa's meatpacking plants. It is also deepening Iowa's broader population problem. Because of the long-term ebb of residents to other states, foreign immigrants represented a crucial source of new workers.

Backlash is growing over environmental policy, too. The administration filed a brief seeking to limit cancer-related lawsuits against Bayer, a chemicals giant that produces a common pesticide. The Supreme Court sided with the company in June. But in Iowa, home to both mega-farms and residents whose water is affected by their run-off, the issue is increasingly contentious. Iowa has the second-highest cancer incidence in the country. Scientists don't know what, precisely, is driving this, but Iowa is one of only three states where rates are growing. For the past two summers, Des Moines has imposed restrictions on residents' water, citing high levels of nitrate, found in fertiliser. "You have 600,000 Iowans who can't use their water the way they might want to," says David Cwiertny at the University of Iowa.

If Mr Trump seems more appealing to Iowans in theory than in practice, the record of Kim Reynolds, the state's outgoing Republican governor, has been even more repellent. Conservative landowners were incensed by her veto of a bill to impose additional restrictions on a pipeline for a carbon-capture project. Moderate voters bristled at her restrictive new abortion policy, which bans the procedure after six weeks and allows an exception in instances of rape only if the crime is swiftly reported. A sweeping school-voucher programme has proved particularly polarising.

Iowa's public schools lost 13,000 students, or 3% of total enrolment, between 2022 and 2025. Some of that is down to population loss. However school vouchers, introduced in 2023, have accelerated the decline. Under the scheme, the state gives any family, regardless of income, about $8,000 per student to put toward private education. Because the state funds schools on a per-pupil basis, a school that loses students loses money.

Rural schools, already scraping by with tiny registrations, are further depleted, but the impact is broad. "Just because you're a large district or in a metro area in Iowa doesn't mean you're not feeling the same pressure of enrolment loss," says Kurt Subra, the chief financial officer of West Des Moines Community Schools. At the end of May, Jenna Lewis, a second-grade teacher in central Iowa, got a job in Ames, a city of about 66,000 people. She was "really excited", she says; Ames was a bigger, more affluent school district, and the position came with a $12,000 pay rise. Two weeks later, the principal called to revoke the offer. Because of low enrolment numbers, the school was cutting her class.

Presented with voters' frustration, Democrats are not so much grabbing the opportunity as greeting it politely. Mr Turek, a state lawmaker, won his Trump-friendly district in 2022 by focusing on the economy. In his race for an open Senate seat against Ashley Hinson, a Republican congresswoman, he calls himself a "prairie populist" and talks about pocketbook issues while suggesting that corruption is behind many of Iowans' struggles.

Mr Sand is trying to project himself as a non-partisan pragmatist. In June, as state auditor, he released a report contending that nearly 80% of families who used vouchers in 2025 were already sending their kids to private schools, costing the state more than $250m. The theme of corruption figures into his town halls (as a former public prosecutor, he has some credibility), but he avoids villainising individuals. Instead he blames a system propped up by "two private clubs" that exploit political tribalism "to pick our pockets". He would not bring a Democratic agenda to Des Moines, he argues, but one grounded in independence and accountability.

Matt Paul, a Democratic strategist in Des Moines, remembers working on Tom Vilsack's campaign for governor in 1998. Iowa had not elected a Democratic governor for more than 30 years. "Tom's campaign came out with a very simple mantra," says Mr Paul: "It's time to rotate the crops." He notes that Mr Sand and others have adopted the slogan. "It feels a lot like '98 to me." Independents who voted for Mr Trump in 2024 now favour Mr Sand by a 17-point margin. ■

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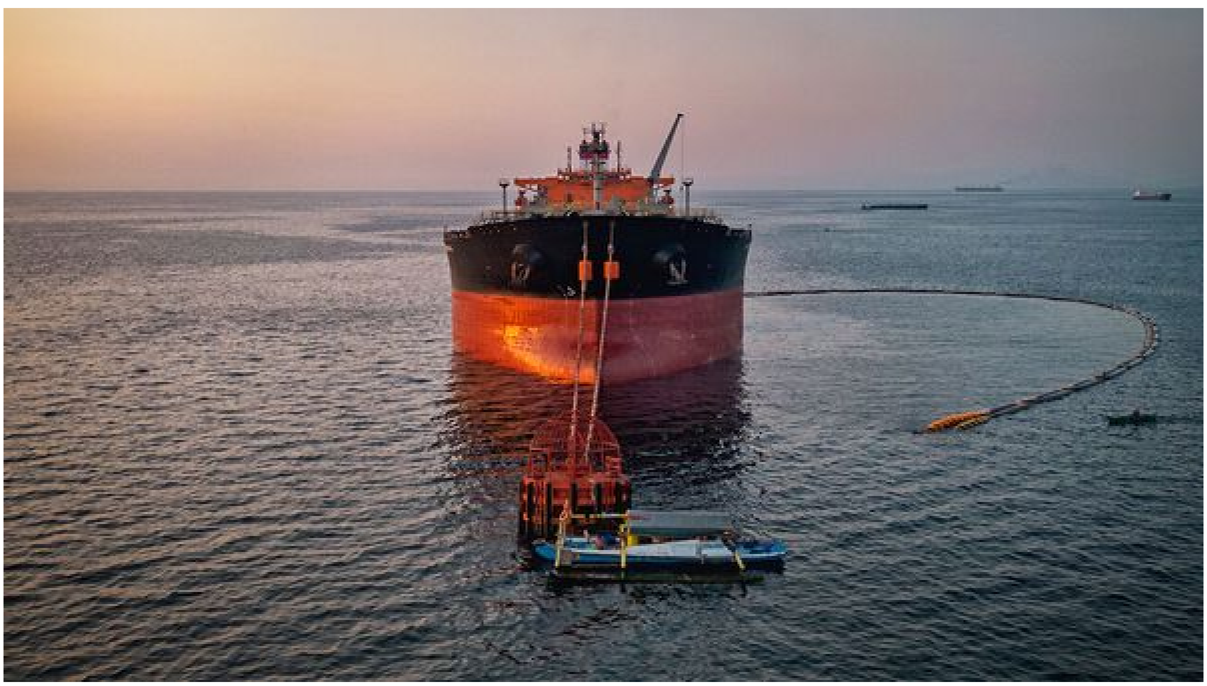
Trading arm

Donald Trump is getting a new tariff weapon against Russia

But the president will have plenty of discretion over who gets hit

8月 13, 2026 03:42 上午



Potential target

"LOOK WHAT we've done here," remarked Lindsey Graham on learning in February that Donald Trump had launched America's war against Iran. "I almost cried." The Republican senator, who died last month, might have teared up again at the latest display of American muscle. On August 7th the Senate passed the Lindsey O. Graham

Sanctioning Russia and Iran Act by 86 votes to 11. The bill is yet to clear the House, but has the backing of Mr Trump.

Focusing on Russia, the legislation involves both a sanctions scalpel and a tariff sledgehammer. It imposes sanctions on Russian officials, oligarchs, banks, the defence industry and energy projects—even in areas, such as Arctic energy development, that had been floated as candidates for co-operation between America and Russia in talks last year. These penalties cannot be lifted until Russia signs a peace deal accepted by Ukraine.

More unusually, the bill imposes tariffs of up to 100% on all goods from the top five importers of Russian oil and the top five importers of Russian gas, as well as those helping Russia to evade sanctions. That would ensnare more than a dozen countries, including many of America's friends. But there are two big caveats. Countries whose purchases represent less than 15% of Russia's gas exports—and who are taking steps to reduce those purchases—are exempt. That should spare allies such as France and Belgium. The bill also includes a "national-interest" waiver that gives the president plenty of latitude.

Depending on how they are implemented, the measures could have a significant impact on Russia. Oil and gas provide 20-25% of the government's revenues. "Taken at face value, this would have a devastating effect on Russian oil exports," says Elina Ribakova of the Peterson Institute for International Economics in Washington. "You have an economy in stagflation with zero growth this year, probably."

But it is not clear how tightly the Trump administration wants to squeeze Russia's oil sector. America has already provided intelligence to Ukraine, helping it attack Russian energy infrastructure. The strikes have triggered a domestic fuel crisis. In July Russia's fossil-fuel export revenues fell by 12% month on month. Earnings from crude-oil exports by pipeline fell by 21%, while oil-product export loadings dropped by 23%, to their lowest level on record.

On August 12th Ukraine said it had attacked an oil refinery in Orsk, almost 1,000 miles behind the front line. Yet on the same day the *Financial Times* reported that J.D. Vance, America's vice-president, had asked Volodymyr Zelensky, Ukraine's president, to halt attacks on a pipeline terminal in the Black Sea, for fear of harming American firms and driving up oil prices.

Beware collateral damage

Mr Trump may also be wary of upsetting other foreign-policy priorities by implementing the tariffs to their fullest extent. China, India and Turkey are the largest importers of Russian crude. Slovakia, a NATO ally, could hit the oil threshold and has few plans to change that. Japan depends on Russian gas. In practice, the bill gives Mr Trump a sliding scale of enforcement: tariffs can be set anywhere from just above zero to 100%, and adjusted as countries buy more or less Russian energy.

Ten Democratic senators voted against the bill, fearing that it would hand Mr Trump a fresh weapon in his trade wars. One risk is that the Russia-related tariffs become bargaining chips in unrelated trade talks. Another is that punishment is meted out selectively—to friends, but not adversaries, as so often under Mr Trump.

The legislation is yet another sign of the ballooning role of tariffs in American statecraft. Mr Trump had already imposed unprecedented "secondary" tariffs on countries aiding Iran. The new bill applies the same idea to Russia. The paradox, note Julian Arato, Kathleen Claussen and Timothy Meyer in a new paper, is that this expansion of tariff power reflects "a more constitutionally sound approach" than Mr Trump's earlier levies. ■

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A booster of doubt

Donald Trump takes a fresh swipe at childhood vaccines

A new order only adds to confusion for parents

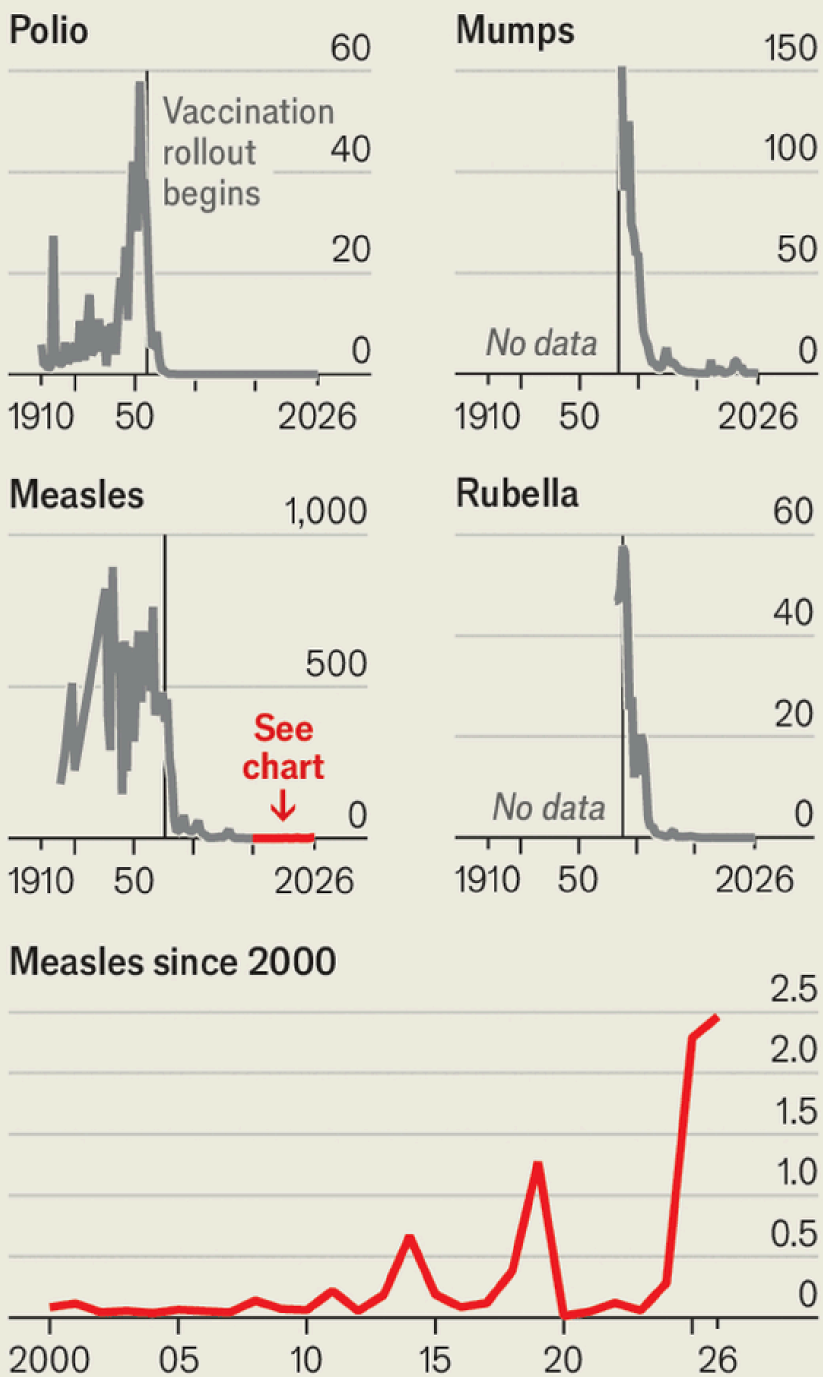
8月 13, 2026 03:44 上午 | New York

BACK WHEN he was a reality-TV star, Donald Trump tweeted: "Healthy young child goes to doctor, gets pumped with massive shot of many vaccines…AUTISM." More than 12 years later, on August 10th, Mr Trump acted on the thinking behind that dubious claim. A new executive order says the combined measles, mumps and rubella vaccine should be split into three. It advises giving those and other jabs at separate doctor visits. And it puts childhood vaccines into three buckets: those recommended for everyone (covering 11 diseases and infections, down from 18), those for high-risk groups and those to be decided on after talking to a doctor.

There is no evidence that vaccines cause autism. Nor is there evidence that spreading out vaccines is beneficial. In fact, doing so increases the window in which kids are vulnerable to infection. Doctors' groups, therefore, lined up to denounce the order. The head of the American Academy of Paediatrics called it "not only disheartening but dangerous". It puts "children's health at risk", said the boss of the American Medical Association.

Cause and effect

US, cases of vaccine-preventable diseases*, ’000



*Data to August 6th 2026 or latest available

Sources: Our World in Data; CDC; Children’s Hospital of Philadelphia

The good news, then, is that Mr Trump's order will have little practical effect. States, not the federal government, normally set vaccination requirements for schoolchildren. And most of them are guided by abundant evidence that vaccines have driven down rates of infectious disease by a miraculous degree (see chart).

But as the administration injects more doubt and confusion into decisions over vaccines, parents are increasingly declining them. Measles vaccination coverage among kindergarteners is 92.5%, down from 95.2% in 2019. That is worryingly low: an estimated 92-94% of a community must be immune to stop measles spreading. Many areas are already below that threshold, helping to explain why 2026 has already outpaced all of 2025 for measles cases.

The executive order is not the administration's first swing at vaccines. In January the Centres for Disease Control and Prevention (CDC) tried to pare back the schedule of jabs for kids. A judge halted the changes; the case is being appealed. In May another executive order instructed the CDC to copy countries that recommend fewer vaccines. Most consequentially, the administration has cut funding for next-generation mRNA vaccines.

Nearly 80% of Americans think vaccines are safe, according to an *Economist*/YouGov poll, including most Republicans. Mr Trump's favoured pollster has urged him to focus on other parts of Robert F. Kennedy junior's agenda, like the health secretary's promotion of nutritious food. Mr Trump's decision to ignore that advice shows that vaccines are not just Mr Kennedy's obsession, but the president's too. ■

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Left for dead

Democratic moderates get a surprising reprieve in Wisconsin

The party has narrowly dodged a socialist insurgency in a crucial swing state

8月 13, 2026 03:43 上午 | Milwaukee, Wisconsin

OUTSIDE A polling centre in Milwaukee on the morning of August 11th, Sabley Sabin looks deflated. “I didn’t vote with my heart,” says the retired social worker, who has just cast her ballot in Wisconsin’s Democratic primary for governor. Calling mainstream Democrats “wusses”, she preferred Francesca Hong, an insurgent Democratic Socialist. But she voted for David Crowley. She reckons the moderate

Milwaukee County executive has a better shot at building the coalition needed to win an election in a swing state like Wisconsin.

Other Wisconsinites seemed to share Ms Sabin's calculation. For weeks polls had shown Ms Hong poised to win by double digits. In the end, Mr Crowley defeated her—though by a mere 3,783 votes. His victory suggests that appeals to moderation and electability still matter, especially in swing states. But Ms Hong's near-win in spite of her considerable political baggage points to a Democratic coalition that remains angry, restless and increasingly receptive to populist-left candidates.

There were reasons to think Wisconsin might be fertile ground for a candidate like Ms Hong. The state has a long progressive tradition. Robert La Follette, a Wisconsin governor who assailed corporate power, helped start the Progressive Party in the early 20th century. Milwaukee, the state's biggest city, elected a string of "sewer socialists" as mayor between 1910 and 1960. The moniker reflected the priority they gave to municipal improvements, such as public sanitation, rather than to class struggle.

Ms Hong, though, espoused views that were well outside the political mainstream. In an old tweet she called for Thanksgiving to be cancelled, saying it celebrated colonialism. In another she wrote that old white people at Culver's, a fast-food chain, gave her "anxiety". She had also expressed support for abolishing the police. When pressed on these comments, she struggled to explain them. The Democratic establishment was horrified. David Axelrod, a former adviser to Barack Obama, called the race a "slow-rolling car headed for a cliff". Even some of the left's biggest names kept their distance. Neither Bernie Sanders nor Alexandria Ocasio-Cortez endorsed Ms Hong.

Despite those liabilities, polling showed Ms Hong leading by 19 points in a crowded field of more moderate Democrats. Mr Crowley suspended his campaign on July 8th, saying he had no viable path to the nomination. An effort by establishment Democrats to consolidate behind Sara Rodriguez, the lieutenant governor, fell apart after she fired her campaign manager over financial mismanagement.

Only in the final stretch did the party's powerbrokers get their act together. After Ms Rodriguez dropped out Mr Crowley re-entered the race and won the endorsement of Tony Evers, the Democratic governor, who had previously vowed to stay out of the primary. He campaigned on his experience, including three and a half years in the State Assembly, and his record running Milwaukee County since 2020. The manoeuvring was so chaotic that several voters at a Milwaukee polling station said they had not realised Mr Crowley had ever suspended his campaign.

Advertising probably helped him make up ground on Ms Hong, who did not buy a single ad on broadcast or cable television. The only spots in her favour came from Republican-linked groups seeking to boost the candidate they considered easiest to beat. By contrast, Mr

Crowley and allied groups spent heavily on television. *The Economist*'s analysis of the election results suggests that Ms Hong did much better than demographics would predict in northwest Wisconsin, where viewers mainly saw political ads from neighbouring Minnesota rather than Mr Crowley's.

The polls may also have exaggerated how much ground Mr Crowley had to make up. For the second time in a week surveys vastly overestimated the lead of a left-wing candidate. On August 4th Abdul El-Sayed, a progressive seeking the Democratic nomination for Senate in Michigan, won by just one point, despite polling averages putting him 13 points ahead.

There is an intuitive explanation for such errors. Supporters of socialist-aligned candidates are unusually likely to be white, educated and highly engaged in politics—all characteristics associated with a propensity to take surveys. Just as pollsters have struggled to account fully for swathes of Donald Trump's support in national elections, working-class "normie" Democrats may be underrepresented in primary samples. Yet the theory only goes so far. On the same day as Wisconsin's election, a progressive, rather than a moderate, outperformed the polls in neighbouring Minnesota's Democratic Senate primary. And surveys of other Democratic primaries with clear ideological divides have proved highly accurate. The safer conclusion is that primaries, in which electorates are smaller and preferences more fluid than in general elections, are devilishly hard to poll.

Whatever explains his comeback, Mr Crowley now has a chance to become the state's first black governor. First he must defeat Tom Tiffany, a Republican congressman endorsed by Mr Trump. Mr Tiffany voted against certifying Joe Biden's victory in 2020. That makes Democrats nervous about 2028: Wisconsin's governor has a formal role in certifying the state's presidential electors. Mr Crowley should probably have the edge given Democrats' nationwide tailwind, but there has been little polling so far to test that expectation.

Mr Tiffany is already portraying his opponent as indistinguishable from Ms Hong. A day after the primary he reposted an interview in which Mr Crowley acknowledged that there was little difference between their policies. Still, there is relief among mainstream Democrats, who feared Ms Hong stood no chance against Mr Tiffany. After a sleepless night waiting for ballots to be counted, Joe Zepecki, a veteran Democratic strategist in the state, was effusive about Mr Crowley's comeback. For decades to come, he says, "campaigns will sing the songs of David Crowley and his comeback for the ages." ■

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Post haste

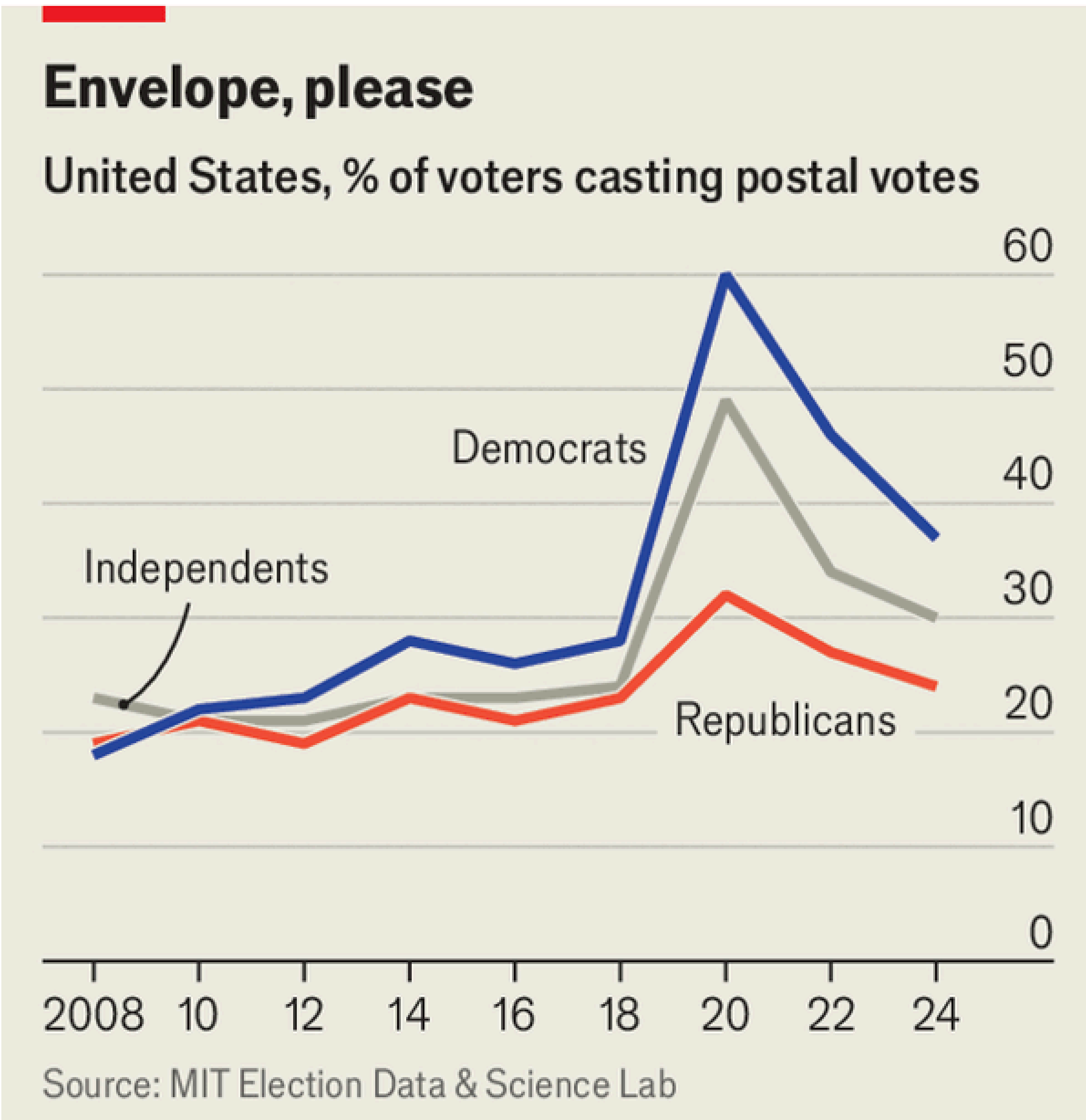
Donald Trump's attack on mail-in voting looks doomed

A federal judge issues another blow to the president's elections agenda

8月 13, 2026 03:44 上午 | NEW YORK

ABOUT A THIRD of Americans voted by mail in 2024, including roughly a quarter of Republicans (see chart). Yet nine months later Donald Trump vowed to "get rid of mail-in ballots". The president falsely claims that fraudulent postal voting contributed to his loss in 2020. His efforts in Congress and the courts to secure new limits on this popular way of casting a ballot have, thus far, come up short. His executive order on March 31st directing the United States Postal Service (USPS) to serve as ballot gatekeeper is fizzling, too.

On August 11th a federal judge in Massachusetts blocked the main provision of Mr Trump's order, with nationwide effect. Judge Indira Talwani noted that the president's "unprecedented directive" is "causing confusion" among voters less than three months before the midterm elections. All 50 states offer mail-in voting, with eight conducting elections entirely by post. Despite Mr Trump's efforts, the rules for such ballots during this election cycle are now unlikely to change.



Mr Trump's order attempts to subject mail and absentee ballots to federal control through a complex series of lists and new postal rules. It instructs the Department of Homeland Security (DHS) to create "state citizenship lists" identifying all citizens aged 18 or over and send them to each state. States must then provide the postal service with rosters of voters eligible for those ballots, presumably after consulting the DHS lists—though the order does not specify that. Finally, states must use new, USPS-designed envelopes with special markings and bar codes. The postal service is barred from delivering ballots posted in unauthorised envelopes or by voters missing from the relevant lists.

The jumble of lists confuses even election-law experts like Derek Muller of the University of Notre Dame. "It is quite unclear to me how the various lists are supposed to interact with one another," he says. Part of the confusion regards timing. The deadlines for the federal government sending lists to the states and the states sending lists to the USPS are both 60 days before an election, which seems to make it difficult for the former to inform the latter.

But the legal infirmity is deeper than the warped logistics. The constitution assigns states the power to set the "times, places and manner" of congressional elections and allows Congress to "make or alter" those regulations. The president gets no mention. In Ms Talwani's words, "the executive branch has no authority to regulate elections." Mr Trump's policy, she argues, runs roughshod over America's separation of powers.

The Supreme Court is mulling a request from the administration, filed on July 27th, to reverse an earlier, narrower decision by Ms Talwani. (On August 12th it filed a supplemental request asking the court to rule expeditiously.) But with election deadlines looming, the justices staying mum for more than a fortnight does not bode well for its plea, says Travis Crum, a law professor at Washington University in St Louis. And even if the Supreme Court overturns her initial ruling, Ms Talwani's new decision—handed down in a separate case brought by voting-rights groups and Delta Sigma Theta, an African-American sorority that provides election education—would still stand in the administration's way. Rick Hasen of the University of California, Los Angeles, reckons the executive order is "totally unworkable" and has little hope of being implemented this autumn.

Mr Trump continues to push other changes to election rules, which look similarly ill-fated. The SAVE America Act, a voter-registration bill, failed to pass the Senate before the August recess and has meagre support. Mr Trump does not rule out more drastic measures, including nationalising elections, but that move has no precedent or constitutional basis. The main achievement of these efforts, as Mr Trump probably knows, may be not a change to the rules of the midterm elections but greater distrust of their outcomes. ■

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From purple to red

Florida was a swing state. Now it’s MAGA-land

Its next governor will have to focus more on costs than culture

8月 13, 2026 03:56 上午 | OCALA

Him, sanctimonious?

HE IS NEVER the most charming man in a room, but Ron DeSantis is often the most formidable. Speaking at a political club in Naples in February, Florida’s governor reflected on his two terms. “I sat there on the first day as governor, I looked around the empty office and I was just like, listen I don’t know what SOB is going to succeed me but they are not going to have a lot to do because I’m going to get all the meat off the bone that I can,” he said. Seven years into the job, Mr DeSantis reckons he has delivered. “That’s what we’ve done.”

On August 18th voters in Florida will choose the Democrat and Republican who will battle to become that SOB. Byron Donalds, a Republican congressman, is expected to win his party's nomination handily. If elected governor in November, as pollsters predict, Mr Donalds will inherit a state that looks little like it did a decade ago. What was once America's quintessential swing state has become a bastion of Republican power.

That is in part due to Donald Trump, with whom Mr DeSantis has had a tumultuous relationship. During the 2024 presidential campaign Mr Trump dismissed his then rival as "Ron DeSanctimonious". The president has since chosen Floridians as some of his top advisers and made his Mar-a-Lago resort the White House's unofficial southern annex. He has thus stamped Florida as MAGA-land.

Mr DeSantis, though, has transformed the state itself. Before the covid-19 pandemic, Democrats outnumbered Republicans and elections in Florida were nail-biters. But that began to change when, in the depths of the pandemic, Mr DeSantis broke with much of the country and declared Florida open for business. In just two years the state gained nearly 1m net residents, at a pace of 1,500 a day.

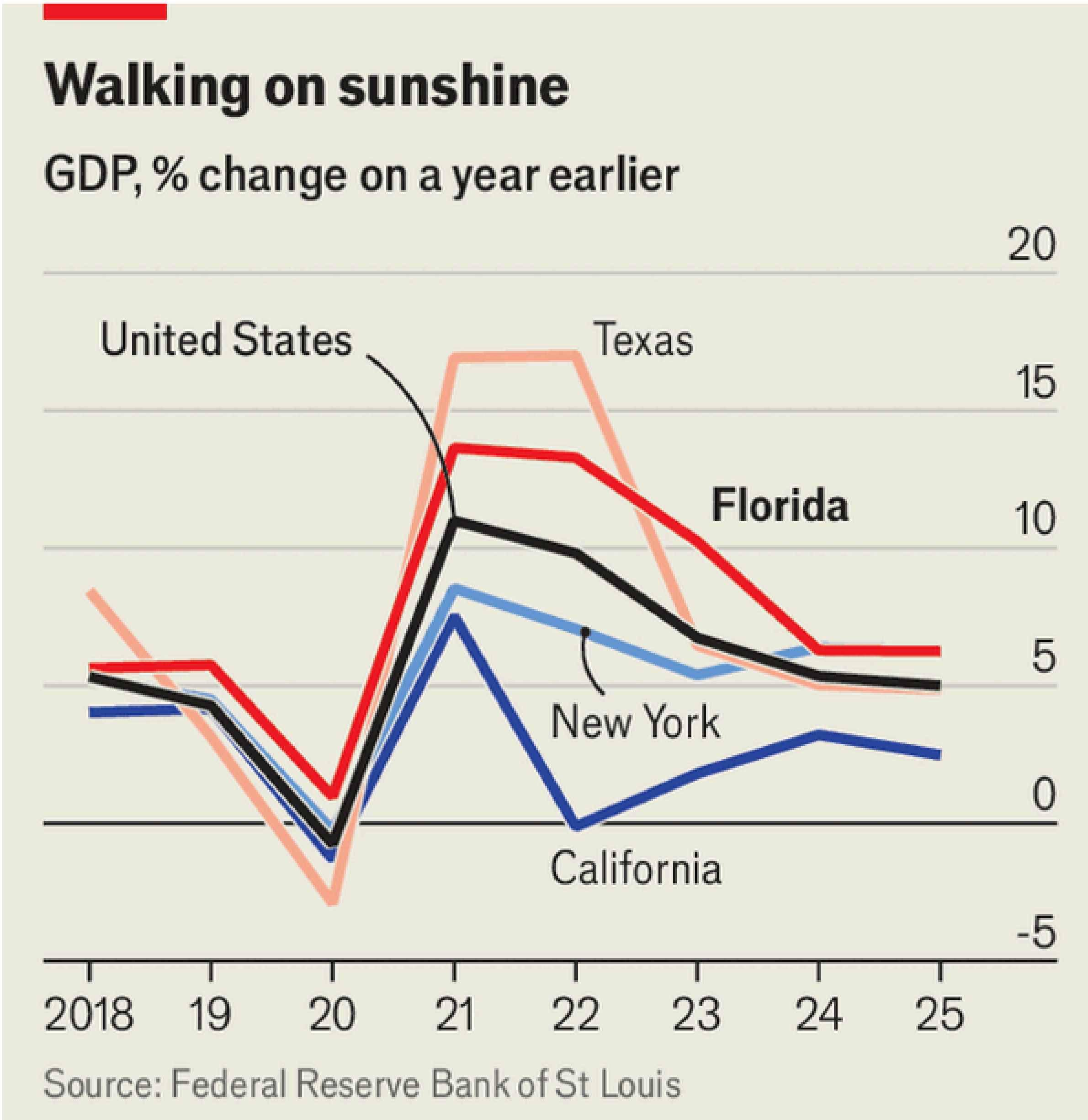
Remaining open, particularly in a state with so many old people, had a cost. During a wave of covid from July to November 2021, Florida's per-person death rate was more than triple the national average. But Mr DeSantis faced little lasting backlash. Most new residents were registered Republicans. The state's Democrats, meanwhile, struggled to recruit candidates or attract donors. In 2022 Mr DeSantis was re-elected by 19 points, the biggest margin for a Republican in state history. His party swept every statewide office and won a supermajority in the legislature.

One-party rule unleashed a policy blitz. Mr DeSantis enacted a six-week abortion ban, prohibited transgender medical care for children, created the biggest school-voucher programme in America and rewrote curricula at state universities. He also took on Disney over its opposition to a law that prohibited classroom instruction on sexual orientation and gender identity, revoking its special tax treatment. The fight became a cautionary tale for outspoken firms across the country.

To cement the state's new political identity, Mr DeSantis rejected the legislature's congressional map and drew his own, sacked two elected Democratic prosecutors and called special sessions to force lawmakers to act on his priorities. He also remade the judiciary, appointing six of the state Supreme Court's seven justices and nearly 200 other judges. Lawmakers did not always welcome his demands, but the governor was quick to veto their projects or back challengers when they crossed him. "DeSantis is the 800-pound gorilla in Florida," says Nick Iarossi, a strategist who worked on the governor's campaigns. "No one wants to be on his bad side."

Juiced up

During Mr DeSantis's tenure Florida's GDP growth has outpaced the national average (see chart). This year the state's $1.8trn economy became the world's 14th-largest, surpassing that of Australia and Mexico. Big firms such as Citadel and Palantir moved their headquarters to Florida. Mr DeSantis has an approval rating of just over 50%—higher than Mr Trump's in the state.



Mr Donalds is nothing like Mr DeSantis. A congressman raised by a single mother in Brooklyn, he was arrested for possessing marijuana as a teenager. His life turned a corner, he says, after he committed himself to Jesus in the car park of a Cracker Barrel restaurant. He had a career in banking, then was elected to Congress. When insurgent House Republicans moved to oust Kevin McCarthy as speaker in 2023, they rallied around the affable Mr Donalds, elevating him as a national MAGA figure. Mr Trump is a fan. "RUN, BYRON, RUN!", he wrote on social media last year.

Although Mr DeSantis quipped that Mr Donalds "hasn't been a part of any of the victories that we've had here over the left", the congressman only has nice words in return. "He's done a phenomenal job," he told voters in early August. On policy, he says, there is no daylight between them. His only public break with Mr DeSantis came over revisions to Florida's African-American history curriculum, which asserted that slaves "developed skills" that "could be applied for their personal benefit"—a claim Mr Donalds, a rare black Republican, called "wrong".

The next governor will have to focus more on costs than culture. Since 2020 Florida's home prices and insurance premiums have surged by 50% and 75% respectively, faster than in most other states. Incomes have risen by only 30%. That is creating a crunch for ordinary people. Population growth is dramatically slowing. Mr Donalds says "affordability" is his top priority. Governors across the country say the same. If Mr Donalds can show them how, his effect on Florida could surpass even that of Mr DeSantis. ■

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Lexington on America

What Britain can teach Democrats about the ultra-left

How to stop extremists from making a party unelectable

8月 13, 2026 11:37 上午

NEIL KINNOCK is best known in America as the man whose oratory Joe Biden plagiarised. In 1987 Mr Biden was so taken by the British Labour Party leader's line about being the first of his family "in a thousand generations" to attend college that he borrowed it. At first, with due credit. Then, on television, without. The ensuing furore helped sink Mr Biden's first run for the presidency.

Yet Lord Kinnock, as he is now known, is not just the man who condemned Mr Biden to another 21 gruelling years in the Senate. He also helped make Britain’s main centre-left party electable again, by purging hard-left extremists who had infiltrated it. His story is one the Democratic Party could usefully study.

It, too, is struggling with infiltrators: the Democratic Socialists of America (DSA), a populist-left group that is on a roll. The DSA stumbled this week when Francesca Hong, who once called for abolishing the police, narrowly lost the Democratic nomination to be Wisconsin’s next governor. But candidates backed by the DSA are winning enough primaries, and making enough noise, to delight Republicans.

The parallel with Britain in the 1980s is striking. Back then Margaret Thatcher, the Conservative prime minister, was enraging the left by curbing unions and privatising state-owned industries. (Maggie, unlike MAGA, believed in free markets.) Labour was desperate to unseat her, but first had to convince voters it was trustworthy. This was made harder by Militant, a Marxist group that practised “entryism”: rather than running for office under their own banner, its cadres entered a larger party and sought to turn it far to the left—just as the DSA does with the Democrats.

Militant was more extreme than the DSA—and more secretive. In public, it offered simple slogans: shorter hours, higher wages, nationalise the 200 biggest private companies, and so on. But this public platform was, following Leon Trotsky’s formula, merely a step towards its true, secret agenda: leading a revolution, like the one in Russia before Stalin went too far.

Militant’s leaders were, to put it mildly, out of touch with the median voter. Pat Wall, a Militant-backed Labour candidate in Bradford, called for the overthrow of the state and predicted a “civil war” with “terrible death and destruction and bloodshed”.

Unsurprisingly, Militant's secret agenda did not remain secret. Britain in the 1980s had a gloriously muckraking press and a ruling party that played hardball, as a non-cricketing nation might put it. A *Sunday Times* reporter tacitly recorded Wall's "civil war" comments; the Tories gleefully quoted them in campaign ads. The sense that Labour was being taken over by scary Marxists helped keep the party out of power for 18 years. In the one big city that Militant ended up running, Liverpool, it brought lawlessness, fiscal ruin and endless scandal.

There are differences between Britain then and America now. The DSA is not plotting a violent revolution. It is obsessed with opposing Israel, whereas Militant thought every global conflict could be soothed with socialism. The DSA is passionate about gay rights; Militant thought homosexuality was "a problem which will disappear under socialism", in the paraphrase of Michael Crick, author of "Militant", a fine book on the movement.

What the two episodes have in common, though, is a small group with unpopular and potentially disastrous policies determined to foist them on a bigger party. For the DSA, the key insight has been that not many people vote in primaries, so a well-organised entryist group needs to win over only an impassioned few to capture a Democratic nomination.

For Militant, the method was to foster a cultlike devotion among its followers while denying to outsiders that its party-within-a-party existed at all. (Its top leaders claimed to be merely editors of *Militant,* a newspaper.) Its foot soldiers would join a local Labour chapter without revealing their true loyalty, and attend every meeting, no matter how boring. They would create a faction with other leftists and win control of it by showing up. They would repeat this process until they controlled the whole chapter. "They always appeared to give primacy to securing power *within* the party rather than *for* the party," recalls Lord Kinnock.

In October 1985, at a Labour conference, Lord Kinnock denounced the ultra-left's "impossible promises" and "rigid dogma" and the "grotesque chaos" of Militant-run Liverpool. On television, he called Militant "a maggot in the body of the Labour Party", and braved a hostile mob of its supporters screaming "scab" at him—the harshest insult in the lefty lexicon, denoting a class traitor who crosses a picket line.

He set about expelling Militant members from Labour—no easy task when they hid their affiliation. Fainthearts accused him of conducting a witch-hunt. Nonsense, he retorted, Labour's constitution clearly barred its party-within-a-party tactics. He had to persuade people, he remembers, that "even the broadest churches had walls and if they didn't they ended up as heaps of rubble." He succeeded, eventually. He was never prime minister, but he paved the way for Tony Blair and 13 years of Labour rule from 1997.

Exit, stage left

The Democrats cannot simply plagiarise the Kinnock model. Their party is less centralised; its leaders cannot stop radicals from competing in primaries. But they could heed what Labour learned in its wilderness years: that utopias are not real, that gradualism is not betrayal and that the electorate are not "incidental onlookers". A left-wing party must constantly prove "that its idealism is not lunacy", as R.H. Tawney, a historian, once put it. The alternative in Britain in the 1980s was a principled Conservative government with no effective opposition. In America today, Lord Kinnock fears, it could be "prolonged, unimpeded Trumpism". ■

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A transition to democracy

Inside Venezuela’s high-stakes political negotiations

Maria Corina Machado’s absence does not mean they will fail

8月 13, 2026 04:59 上午 | Caracas

“IT’S DISRESPECTFUL, it’s obscene, it’s spitting in their faces.” That is how Jorge Rodríguez, the president of Venezuela’s rubber-stamp National Assembly, described the idea of discussing institutional reforms just weeks after two big earthquakes struck the country. He should have asked the victims. “Any change that removes power from the current government in any way is positive,” says Francis Riascos, camped by the rubble and hoping to find his brother’s body.

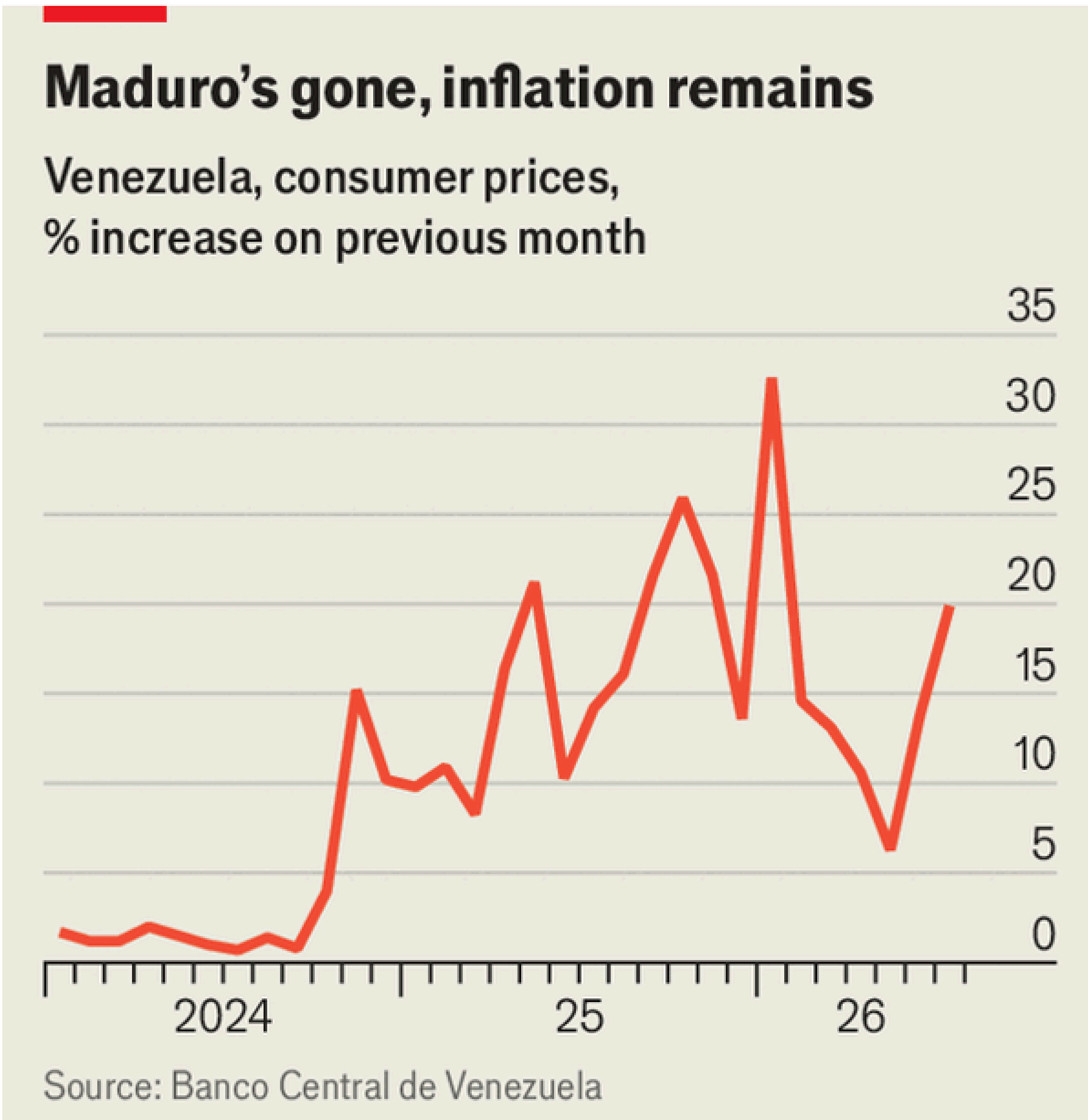
Nor did Mr Rodríguez convince Marco Rubio, the US secretary of state, who has wielded enormous influence in Venezuela since special forces seized the dictator Nicolás Maduro in January. Three days after Mr Rodríguez slammed the idea, he U-turned and announced talks with the opposition on exactly such matters. Mr Rubio soon conspicuously praised the plan.

Talks began in person on August 6th. The United States chose Dinorah Figuera to lead the opposition team. She was the president of the National Assembly elected in 2015, the last Venezuelan legislature recognised by the United States. The other five negotiators are also exiled deputies from the same assembly. The regime's team is led by Mr Rodríguez. His sister, Delcy Rodríguez, is the interim president and was Mr Maduro's deputy.

After six days of talks the first round ended on August 12th with a joint statement promising more work, and an initial agreement on a process of judicial reforms including a new appointment mechanism for the justices of the Supreme Court. Paola Bautista de Alemán, a senior member of Ms Figuera's party, called it "a major step towards democracy". They also agreed to work together on recovering gold reserves frozen at the Bank of England to be used to help earthquake victims.

This is the first big attempt by Donald Trump's government to reshape Venezuelan politics since the January raid. Until now it has focused on trying to boost oil and mining to the benefit of American businesses. The talks are controversial. They do not include María Corina Machado, the leading opposition figure. The regime, which has clung to power for 27 years, is skilled at ensuring dialogue produces no serious change. Yet there are reasons for hope. The negotiation agenda is sensible. Ms Machado's absence for now is manageable. Most important, the Trump administration has extraordinary leverage. Much depends on its intentions.

American hands are everywhere. The administration has been working with Ms Figuera since February and was involved in warm-up meetings in Madrid to hash out the agenda. In Caracas the opposition's negotiating team stayed at the Marriott hotel, from which the United States runs much of its embassy operations. The team moves in embassy cars and their security is guaranteed by the United States. Ms Figuera talks directly to Mr Rubio about progress. The Trump administration forced the regime to the table.



There are good reasons the talks are happening now. In Washington, with midterms looming, Republicans and Democrats are demanding progress on elections in Venezuela. Moreover, Venezuela's oil sector, Mr Trump's priority, is not booming, which is making economic stabilisation harder (see chart). The government's sluggishness in clarifying the new tax regime and investor doubts about the rule of law have resulted in few oil deals so far. The Trump administration may have concluded that to attract serious investments they must first show political progress.

The official agenda has three parts: helping victims of the earthquakes; strengthening democracy; and political rights and guarantees. Working groups are being set up for each area. Under strengthening democracy, the most important issues are reforms to the electoral council and the Supreme Court. These run and adjudicate elections—and brazenly allowed Mr Maduro to steal the presidential election in July 2024, which was actually won by the candidate Ms Machado backed.

Remaking democracy

Expect intense negotiations over who will sit on the five-person electoral council and in the Supreme Court's electoral and constitutional chambers. Many opposition politicians have been banned from running and their political parties co-opted by the regime. Negotiators will argue about reinstating these political rights. The timeline is brisk. Ms Figuera says reform of the electoral council is an "assignment that we have to deliver" by December. For the Supreme Court the deadline is November, and for political rights, October. The boss setting these targets is surely Mr Rubio.

The regime's priority is relief from sanctions and access to frozen state resources. That is partly why helping earthquake victims, important but not disputed, is on the agenda. Including it enables wider discussion on access to offshore funds.

The Economist understands two other topics will at least be discussed. The fate of political prisoners, omitted from the official agenda, is expected to feature on the margins. About 380 such prisoners remain behind bars, though some 900 have been freed since January. The second is guarantees for those who lose power after elections, a crucial and difficult topic. If Ms Rodríguez and her inner circle believe that losing elections means rotting in jail for their crimes, they will do everything they can to avoid real concessions.

Many Venezuelans hope the negotiations culminate in a full election timetable. That is unlikely. Instead, it will be up to the new electoral council to set out a schedule. At best, the negotiators may agree broad timeframes for elections for the electoral council to flesh out. The regime may well press to begin with regional elections, so as to delay a presidential poll.

The ongoing negotiations will be fiendishly difficult. The two sides don't even agree on what they are about. The opposition believes they are negotiating an end to dictatorship. The regime sees talks as a way to manage a long-running, two-sided political conflict. The dynamics within the regime are growing more difficult, too. Elías Jaua, a vice-president of Venezuela under the late Hugo Chávez, is furious at the "pillage" of the country by the "plutocracy" of the United States. He describes Ms Rodríguez as the "colonial governor" and says the Venezuelan political class must now stand up more firmly to the Trump administration. He rejects these talks and wants ones which include all elements of Venezuelan politics.

The regime is expert at playing for time and reneging on promises. This is at least the eighth formal dialogue and the 18th initiative to hold talks of any kind since 1999. Yet the regime is still in power. The Trump administration lacks expertise in Venezuela and appears to be improvising, says Phil Gunson, who is based in Caracas for the International Crisis Group, a think-tank. To the opposition's dismay, the United States will not always be in the room for meetings between the two sides.

Still, Mr Rubio is deeply invested in success in Venezuela. He has extraordinary power over the regime. All Venezuela's oil revenue, more than $14bn this year so far, goes to accounts at the US Treasury. Disbursements to the regime are made only with approval, ultimately, from Mr Rubio. The latent military threat also matters. Defying the country that recently seized your president is a different prospect to ignoring Norway, which facilitated the most recent talks in 2022. Indeed, since January 3rd, the ruling cabal has bent over backwards to please Mr Trump, including ramming through a new oil law, extraditing a former cabinet minister and co-operating with the United States on security.

It is less clear that the Trump administration will use this leverage to push for a transition to democracy. Though Mr Rubio appears committed to elections, Mr Trump does not. "Delcy's been doing a fantastic job," he enthused again in July.

The other big worry is that Ms Machado is not involved. That, too, is an American choice. The administration apparently thinks that because she is a potential candidate, she should not help to set electoral rules. The regime also loathes her, and so her presence might have made it harder to get it to negotiate and thus increased the risk that the talks collapse.

Ms Machado had a very different plan for negotiations. In late May she convened the numerous opposition parties in Panama, where they publicly agreed that she would lead talks. The United States paid no heed. She was also twice blocked, partly by the Trump administration, from returning to Venezuela after the earthquakes. She remains in Panama.

All this has also divided the opposition. Justice First, Ms Figuera's party, says they immediately informed Ms Machado of the United States' plan when it emerged in April. Ms Machado, however, maintains that she was simply not consulted. Both opposition political parties now in the negotiations were among those that agreed in May in Panama that Ms Machado would lead any negotiations. Some close to Ms Machado are talking of “betrayal”.

Missing Machado

Justice First is keen to emphasise that they invited Ms Machado to join a group of senior figures for consultation and decision making to guide the negotiators, but that she did not accept. “Trust is broken,” says Henry Alviárez, who leads Ms Machado’s party in Venezuela today. Ms Machado nonetheless promises not to obstruct the talks and to judge them on their results.

Her absence hurts the talks’ legitimacy. They still have a chance to lead to institutional reforms and a path to elections, but if Ms Machado were in Venezuela and backing the talks, her huge public support would add pressure for the regime to make concessions. Her absence is also a problem for discussions about guarantees for losers. Under free elections, she is the most likely next president. For guarantees to be credible, the regime must believe she will uphold them.

The regime’s position is that Ms Machado is legally barred from standing as a candidate. Her supporters worry that the Trump administration may indulge this in the belief that it will ease the transition. Ms Machado herself angrily rejects the idea.

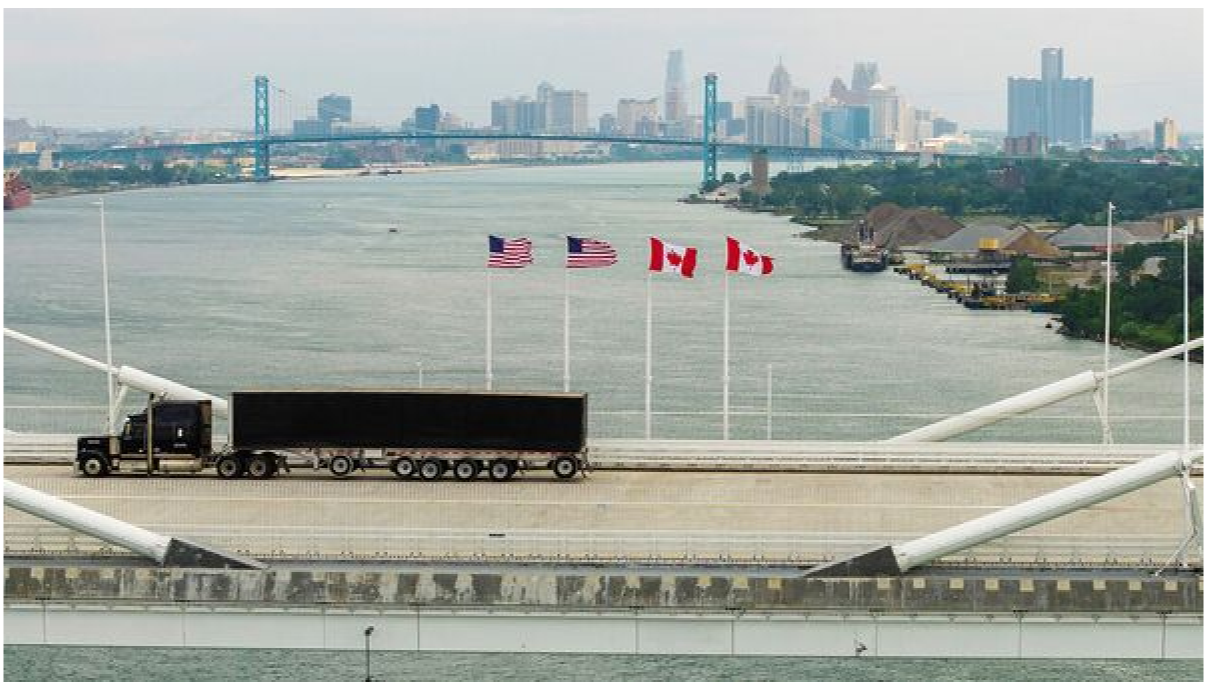
Such a stitch-up seems unlikely. Yet, as with so much in Venezuela, it depends on Mr Rubio and, above all, on Mr Trump. ■

A bridge too far

Donald Trump’s bullying of Canada is endless

Canadians are starting to turn against Mark Carney’s pragmatic response

8月 13, 2026 03:43 上午 | Ottawa



Mr Trump’s other chokepoint

THE GORDIE HOWE International Bridge is a 2.5km-long monument to the perils of appeasing Donald Trump. Canada footed the entire bill of C$6.4bn ($4.6bn) for the gleaming new span over the Detroit river to the United States. But America’s president threatened for months to block its opening, relenting only when the United States got a cut of the toll revenues. Traffic at last began to flow in late July. Canadians cringed at Mark Carney’s evasive explanation for the shakedown. Mr Trump then rewarded his compliance by announcing new tariffs of 50% on a range of goods imported into the United States from its northern neighbour.

If the new tariffs come into force as expected on August 19th, Canada will be the first country to be subjected to tariffs under Section 338 of the Smoot-Hawley Tariff Act, passed in 1930, allowing the American president to respond to perceived discrimination over trade. Tariffs under that act, unlike the emergency duties struck down by the US Supreme Court in February, need no congressional approval. "This looks a lot like the future of Donald Trump's trade policy because it gives him flexibility," says Eric Miller, head of the Rideau Potomac Strategy Group, a trade consultancy in Washington.

Mr Trump is using this freedom to put tariffs on $20bn of exports to the United States, 5% of the total sent south every year. These would pile up next to other duties that have hobbled Canada's car, steel, aluminium, wood and copper industries. Crucially, and unlike the emergency tariffs imposed last year, the new ones also hit goods covered by the United States-Mexico-Canada Agreement (USMCA) on trade.

Mr Carney may think he has room to negotiate. He needs it. He was elected last year partly because he stood up to Mr Trump, promising to get "an even better deal" than the USMCA. Yet concession has followed concession. Canada dropped its digital-services tax on mostly American social-media giants, then ended most of its retaliatory tariffs and a different tax on streamers such as Netflix. Mr Trump's response has been indifference. "We don't need them," he said on July 28th ahead of negotiations over the USMCA with Mexico as well as Canada. "The deal is important for them. It's not important for us."

This bullying appears to be hurting Mr Carney at home, particularly over the Gordie Howe embarrassment. Canada agreed to pay for the bridge in 2012 as long as it took all toll revenue until costs were recovered. After Mr Trump enforced a new deal, Mr Carney claimed repeatedly that Canada's costs would still be paid first.

A crowing tweet from Howard Lutnick, the US commerce secretary, made clear it was untrue. For the first 15 years of operation the United States will take half of net revenue, after operating costs but before debt repayment. This will cost Canada some C$300m. The share of Canadians who say they feel confident that Mr Carney can land a good deal with Mr Trump fell by eight percentage points between April and July, according to Angus Reid, a pollster.

The same poll shows Canadians are still outraged by Mr Trump's tariffs; almost two-thirds want Mr Carney to hit back with tariffs of his own. But that would only increase Canada's pain. "You've got to realise that punching the bully back here is also going to punch the Canadian people in the guts," says Justin Wolfers of the University of Michigan. Mr Carney has sent negotiators to Washington to intensify discussions to extend USMCA. Mr Trump's team declined to do this in early July; there is still a chance he could agree. Mr Carney says he won't retaliate by playing Canada's strongest card: curbing exports of energy.

In 1930 Canada did not show Mr Carney's level of forbearance. It retaliated against Smoot-Hawley pre-emptively, launching tariffs of its own on American imports before the bill had even become law. Many other countries retaliated too. Within four years the nominal value of world trade had fallen by two-thirds and the global depression had hit its nadir.

Unpleasant as it is, Canadians should hope that Mr Carney's resolve holds. And everyone else must hope that other world leaders are equally courageous when Mr Trump turns his new tariffs on them. ■

The boats from Brazil

Brazil is at last managing to build its own warships

That is sensible in a newly volatile hemisphere

8月 13, 2026 03:43 上午

OVER THE past few decades Brazil's naval shipbuilding efforts have mostly sunk without trace (literally, in the case of one aircraft-carrier, which was scuttled in an effort to hide its uselessness). Since the 1970s the country has launched and abandoned at least three warship programmes. But in April it commissioned a new frigate-class ship, the *Tamandaré*, the first of four to be built entirely in Brazil. The construction of a second batch of four has been provisionally agreed. The vessel can detect submarines and fire missiles and torpedoes. A helicopter pad allows for wide areas to be patrolled without a fleet of costly destroyers. The craft would be a decent staple for any navy.

Thyssenkrupp Marine Systems (TKMS), a German shipbuilding company, agreed to work with Embraer, Brazil's aerospace champion, to construct the ships in Itajaí, in the southern state of Santa Catarina. Their successful production is a dramatic improvement for a country that lacks a reputation for military muscle. Brazil has hitherto used second-hand European frigates built in the 20th century. The structure of the project is designed to encourage domestic supply chains and create a skilled local workforce. The country has previously built some small warships at home, but the *Tamandaré*-class is a big step up.

This success marks a broader effort to beef up defence. As a share of GDP, Brazil's military spending has for 30 years been flat or falling. It is now 1.1%. That will rise. Brazil spent $24bn on its armed forces last year, an increase of 13% from 2024. As well as the new frigates, it also has plans to build nuclear-powered submarines, which would be a first for a non-nuclear power. In 2022 the government ordered 19 tactical and refuelling aircraft. In March it unveiled the first supersonic fighter assembled in Brazil, a Gripen jet built in partnership with Sweden's Saab.

Governments all over Latin America are spending more on defence. Peru and Colombia have both placed multi-billion-dollar fighter-jet orders in the past year, for example, Peru for American F-16s and Colombia for Swedish Gripens.

It is tempting to conclude that more defence spending, and the desire to build at home, is due to shifting geopolitics in Latin America. In July Brazil's government said that "there exists a risk of US military force being used against Brazilian territory." It was referring to recent events such as the capture of the Venezuelan dictator, Nicolás Maduro, in January, and the American bombing campaign against boats allegedly involved in drug-trafficking in the

Caribbean and Eastern Pacific. With the United States adopting a more threatening posture, perhaps it is no wonder that countries in its hemisphere want greater means to defend themselves.

Already anxious

But Louis Bearne at the International Institute for Strategic Studies, a global think-tank, says Brazil's spending is "a continuation of a long-term trend". The expansion, he says, is an overdue modernisation programme, rather than a response to any particular threat, including one from the United States. The programme to build the *Tamandaré*-class frigates was launched in 2017. Memorandums of understanding for the development of the Gripen with Saab were first signed in 2013. Both predate today's tension with the United States. The recent efforts have merely followed a string of failed attempts.

Brazil's success helps to make the case for more domestic defence procurement in future. The government is eager to build more military and naval hardware at home. Its original motive was to boost Brazil's industry. The question now is whether Brazil can sustain the existing programmes and the extra spending they require. Mr Bearne says success should protect the frigates from cuts. Even if Brazil has a different government after an election in October, a new right-wing one is unlikely to undermine a solid defence-manufacturing base. For the moment, the project seems to be on an even keel. ■

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Shaken

A big earthquake reveals two very different Colombias

The new president, Abelardo de la Espriella, took office three days before it struck

8月 13, 2026 03:43 上午 | Quibdó

“THEY PULLED people out alive,” says Alberto, an onlooker, as a digger’s steel teeth smash into a heap of concrete. It is all that remains of a four-storey building in Quibdó, a city in the western state of Chocó that was near the epicentre of a 7.4-magnitude earthquake which struck Colombia on August 10th. Aftershocks brought down more buildings. Around the country, at least 265 people have died.

The earthquake was as powerful as the deadly pair that devastated Venezuela in June. But it occurred about ten times deeper in the Earth’s crust, reducing its destructive force. Crucially, too, the Colombian government reacted much faster than the Venezuelan regime. Abelardo de la Espriella, sworn in as president only three days before the tremors, assumed command of the situation.

Shaking intensity

Yet the earthquake has still highlighted local deprivation. Chocó is Colombia's poorest state. The hospital in Quibdó is the only place that offers even basic surgery. Bandits extort the poor population, 75% of whom are Afro-Colombian and 13% indigenous. Alberto complains about a lack of machinery: "The municipality is in bad shape," he says. Rescue teams started work on the morning of the 11th, but the end of a 72-hour window after the quake, reckoned to be the period when lives can be saved, has passed. Of the three people pulled out of the rubble, two have died. The people of Chocó, Alberto says, have been "abandoned by the state".

This contrasts with the rescue efforts in the richer neighbouring region of Valle del Cauca. In Cali, its capital, 88 people have been rescued, with expert teams sent from Bogotá, the country's capital. Unlike in remote Chocó, it has been possible to bring aid overland to the hard-hit cities of Manizales and Pereira, where more than half of the deaths have been recorded so far (people in Chocó may have benefited from living in traditionally built wooden houses).

Mr de la Espriella seems aware of the disparities. His cabinet has been dispatched to the worst-affected areas. Speaking in Quibdó, he said that victims would receive temporary housing aid. Yet many families are wondering where that is. "We have no water, no energy, no nothing," says Rosa Mercedes, staring at the ruin of her apartment in Quibdó. "No one has come to ask us what happened, to ask us how we are," she says.

Reality bites

Colombia's new president also faces the problem of how to pay for recovery from the quake. He has declared an economic emergency, letting him spend the national budget by decree, bypassing Congress. His new government has inherited a mess in the key agency for natural-disaster response. The National Unit for Disaster Risk Management is cash-strapped after being robbed by corrupt politicians and functionaries over the past few years. Some talk of the country's population suffering as badly as it did in 1999 when an earthquake killed around 1,230 Colombians.

This earthquake has forced Mr de la Espriella to be more pragmatic than his campaign promises suggested he might be. He had previously vowed to shun Bogotá, home to what he calls the "same as always" elites. But his talk of running things instead from his home city of Barranquilla, on the other side of the country from where the quake struck, now looks even more unwise. It is in the capital where ministries, big media outlets or international partners can be accessed.

He is paying, too, for his foolish refusal to co-operate with the handover process initiated by the previous government. That was a "silly populist idea", says Luis Ernesto Gómez, a former interior vice-minister. Badmouthing Gustavo Petro, his leftist predecessor, was popular on social media. The erratic Mr Petro himself was posting with—if anything—even more ferocity.

This means the new government lacks information and capabilities that it urgently needs. The executive is having to act mostly through local governments. That just about works in wealthier places like the parts of the country that grow coffee, and Valle del Cauca. In Quibdó, Ms Mercedes is still waiting. ■

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From the ashes

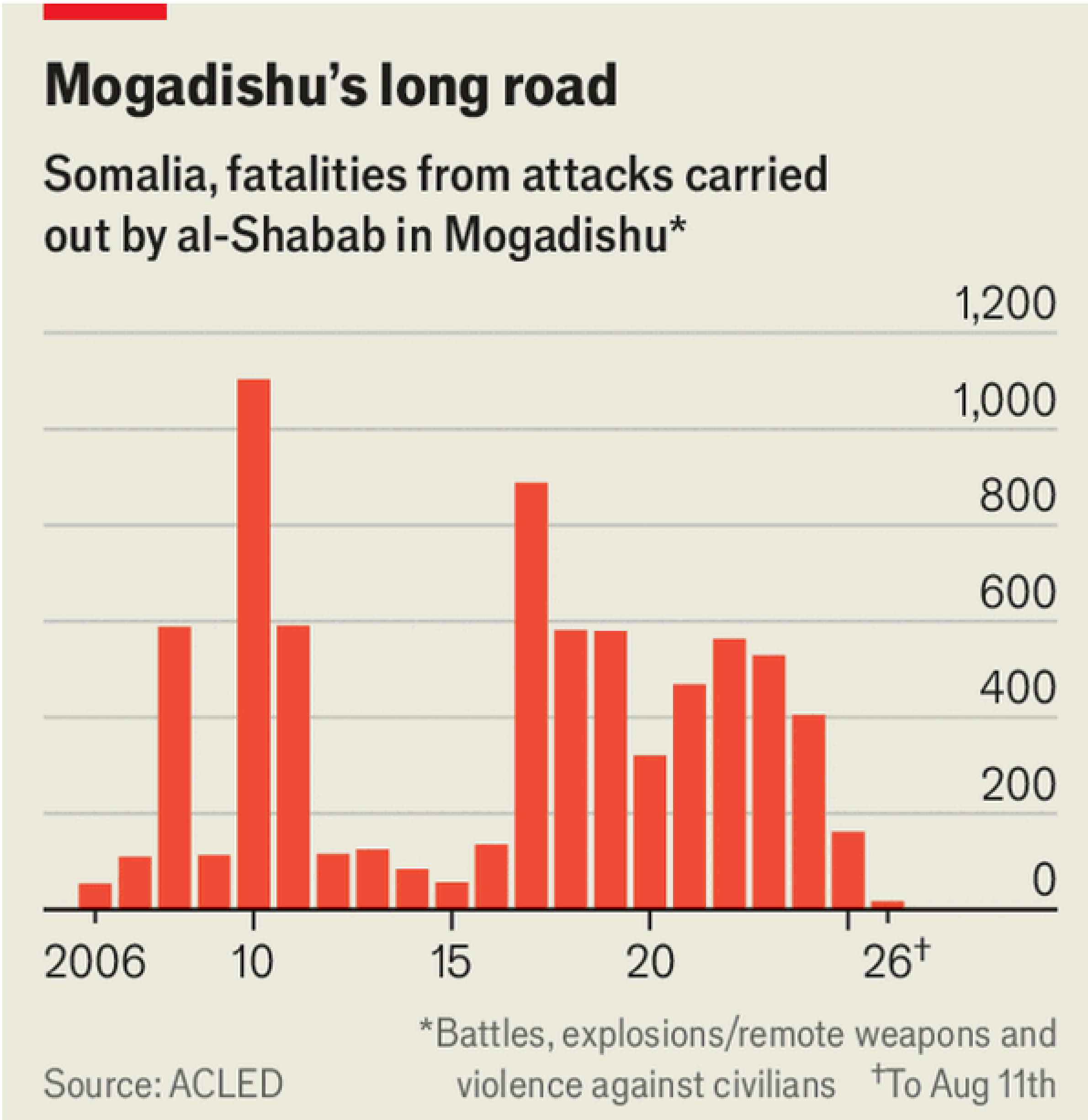
Mogadishu no longer deserves its deadly reputation

Why security in the Somali capital is improving

8月 13, 2026 05:01 上午 | Mogadishu

ONE EVENING six years ago Saakin Abdi, a young civil servant, enjoyed an ice-cream in central Mogadishu. Back then, residing in the Somali capital meant living with the knowledge that at any moment you could be the next victim of al-Shabab, al-Qaeda's richest and deadliest affiliate. The next evening, a friend of Ms Abdi's was in the same ice-cream parlour when a militant burst through the door and blew himself up. Her friend and six others were killed. They were among at least 320 people who died in al-Shabab attacks in the city in 2020.

Mogadishu has been synonymous with violence ever since Somalia’s central state collapsed in the 1990s. Yet in recent years it has undergone a quiet transformation. Al-Shabab’s attacks in the city have fallen from 144 in the third quarter of 2022, when Hassan Sheikh Mohamud took office as president, to just five in the second quarter of this year. Data collected by the Armed Conflict Location and Event Data project (ACLED), a monitoring group, suggest the number of deaths in Mogadishu linked to al-Shabab is on track in 2026 to be the lowest since the group emerged in the mid-2000s (see chart).



"This is the biggest achievement of Hassan Sheikh Mohamud's administration," says Omar Mahmood of the International Crisis Group (ICG), a think-tank. Residents used to avoid venturing out after dark, because "al-Shabab, or those fighting it, might kill you," recalls Ms Abdi. Today, dozens of new cafés are open past midnight, thronged with young Somalis posting videos on TikTok and Instagram. On July 1st Mr Mohamud, who has survived multiple assassination attempts including one in Baidoa, the seat of government of South-West state, earlier this year, marked Somalia's independence day by giving an unprecedented public address at one of Mogadishu's most frequently targeted junctions. Hundreds joined him.

That is a marked change from the late 2010s, when "we never knew if we'd return home alive when we went out in the morning," recalls a Somali MP. An official says he survived six different explosions after joining the government in 2014. A lorry bomb in 2017 killed almost 600 people.

The fruits of better security are plain to see. "Business is booming," says Gamal Hassan, the commerce minister. New buildings are going up at a frenetic pace. The district around the airport, in particular, has grown much denser (see satellite images). Dahab Tower, a 26-floor confection of luxury flats, a mall, a gym and a mosque, is due to open this year. It sits close to the spot where, in 1993, the bodies of two American soldiers were dragged through the streets after militiamen shot down a Black Hawk helicopter. Nearby is Beydan Coffee, a thriving pan-African chain founded by a Somali who returned from Sweden in the 2010s.

What explains the lull in attacks is less obvious. The government boasts that, in the words of a former intelligence officer, it has “completely closed the doors” on al-Shabab. Mr Mahmood of the ICG credits “prosaic” measures such as the spread of CCTV cameras, and an electronic database that police equipped with iPads use to identify civilian cars at checkpoints. Plainclothes intelligence officers have been deployed in large numbers.

Turkey, the staunchest foreign backer of Mr Mohamud’s government, has played a big role. “It’s the Turks,” says a Western diplomat in Mogadishu, asked to explain improved security. Under Recep Tayyip Erdogan, Turkey’s president, the country has become Somalia’s most important investor, with business interests including the airport and the port, a new spaceport and offshore oil-and-gas exploration, all clustered in or around the capital. Since Turkey opened its largest overseas military base in Mogadishu in 2017, its forces have trained Somali soldiers, conducted drone strikes and joined Somalia’s national army in operations against al-Shabab.

How much this has weakened al-Shabab beyond the capital is unclear. Since Donald Trump returned to office in 2025, Turkish and

Somali air strikes outside Mogadishu have been accompanied by the most intensive American aerial campaign in Somalia's history. Yet the federal government's territorial reach has barely budged in 18 months. Much of Mogadishu's hinterland remains under al-Shabab's control.

Some analysts suspect the group may be purposefully restraining itself. "Al-Shabab itself has changed its strategy and tactics," argues Afyare Abdi Elmi of City University of Mogadishu. Fewer mass-casualty attacks in the capital may be a bid to soften its image. Al-Shabab is benefiting from a status quo where it can extort businesses in the capital largely unchecked. For now, it may see little cause to step up attacks.

Yet there are several reasons to mistrust the calm. The first is a stand-off over delayed elections between the president and his rivals. In June brief clashes between the army and militias linked to two opposition leaders killed at least 13 people.

Even more worrying is the president's escalating confrontation with Somalia's regional states. In March Mr Mohamud sent troops into Baidoa to depose the governor. In recent weeks he has been trying to mobilise local forces against the leadership of the northern state of Puntland. "They started well against al-Shabab in 2022," says Ahmed Koshin, a former defence official, of Mr Mohamud's government. "But since then they've put the state's resources into political infighting."

Those resources are shrinking. On July 1st America said it would no longer support UNSOS, the UN's logistics body responsible for supplying the African Union peacekeepers that have propped up the federal government since 2007. European sources say the EU will not plug the gap, leaving the peacekeeping mission in the lurch. Without an alternative, Mr Mahmood reckons it could fold as early as 2027.

Somali officials appear confident that the country’s strategic position at one of the two gateways to the Red Sea means foreign partners will not step back entirely. A jihadist takeover of Mogadishu remains remote. But it would take much less to shatter the newfound sense of security. “You never know,” says Ms Abdi. “It sometimes feels like things can go back.”■

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Keep digging

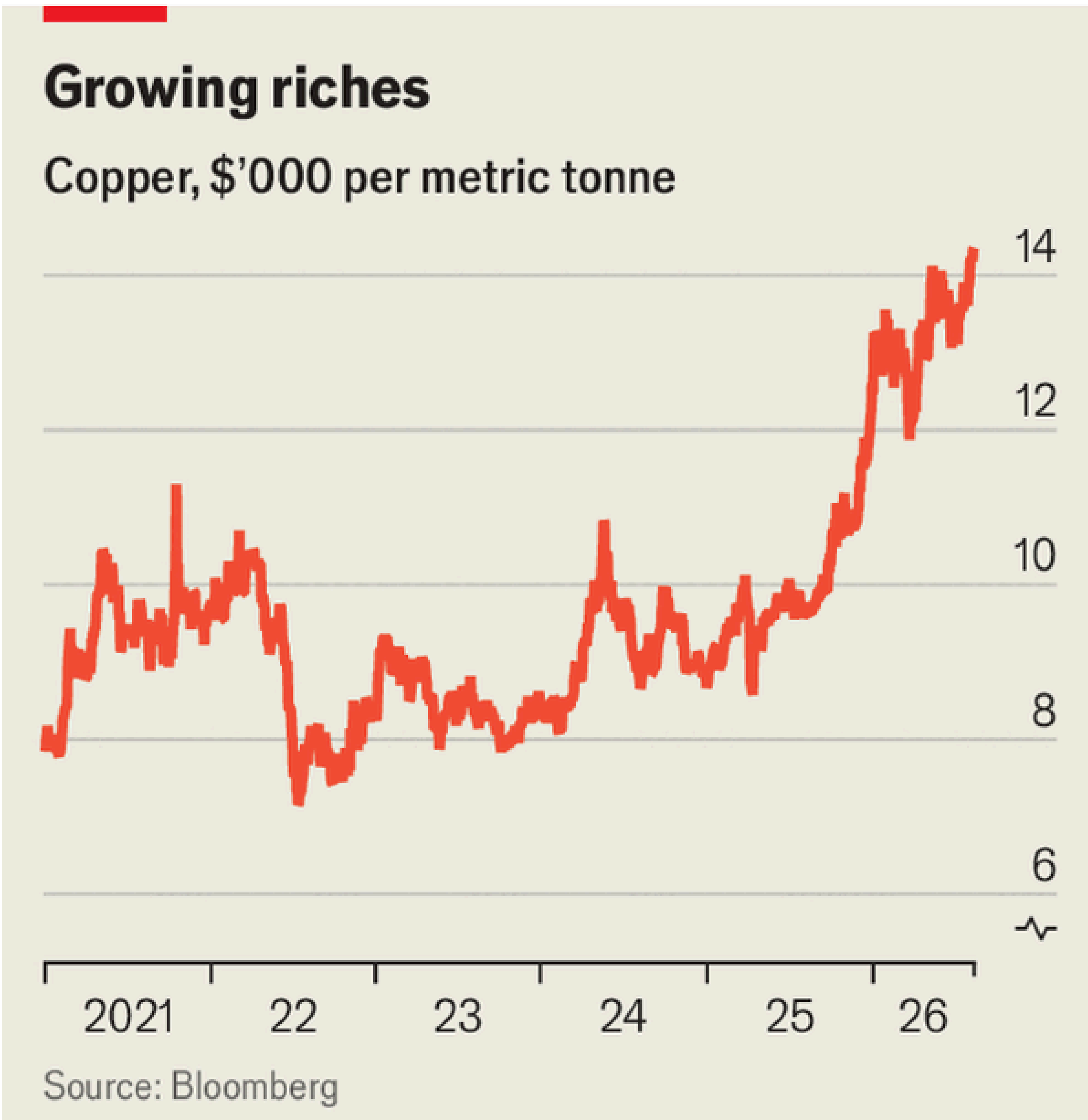
Zambia’s election is a test of metal

High copper prices are a boon. But voters want to feel it

8月 13, 2026 03:43 上午 | Kitwe

IN ONE WAY or another, everyone is working the earth outside Kitwe, in Zambia’s Copperbelt province. The local mine is back in business, boosted by record copper prices (see chart). But that means little to the women weeding their onions outside. “We don’t know where they take the money,” says one, gesturing at the mine gate. Historically, the rate at which growth translates into poverty reduction has been lower in Zambia than almost anywhere else in the world.

The cost of living will have been on voters' minds when they voted for a president on August 13th. Many feel burdened by high prices, despite falling inflation and a stronger kwacha. Their frustration energised the campaign of Brian Mundubile, the main challenger, who describes himself as an elder brother to the disenchanted young. The incumbent, Hakainde Hichilema of the United Party for National Development (UPND), probably has enough support to win a second term (results are expected on August 17th). But he has also tilted the playing field in his favour, using tactics he once decried.



Mr Hichilema spent years in opposition, facing spurious charges of treason, before his triumph in 2021. One of Zambia's richest businessmen, he presented himself as the man to fix an economic crisis. His government has restructured unpayable debts, cut subsidies, boosted reserves and kept the IMF happy. It has also reduced the tax bill of the copper industry, which accounts for two-thirds of exports. The reforms have "poised us for growth", purrs Sokwani Chilembo, chief executive of the Zambia Chamber of Mines.

That growth is slower than the government promised. An ambitious production target of 3m tonnes a year by 2031 will surely be missed (last year's output was about 890,000 tonnes). Not for want of buyers. China is revamping a railway to the Indian Ocean. Western countries are backing a transport corridor to the Atlantic. Zambia does not want to pick sides, and has rebuffed American attempts to link mineral access to health assistance. "Common sense is that you don't put all your eggs in one basket," says Situmbeko Musokotwane, the finance minister.

With copper in such demand, could more of the gains be kept in the country? Many Zambians think so. Some allege that Mr Hichilema is soft on foreign-owned mining companies because he is secretly funded by them (which his aides and the mining companies deny). He has abolished fees in state schools and allocated more money to local government, both highly popular moves, but still struggles to shake off his elitist image.

In other ways, he has had a makeover: the man who stood up for Zambian democracy from a jail cell is now weakening it from State House. Repression is not quite as thuggish as it was under the Patriotic Front (PF) government of the 2010s, when Zambia began its authoritarian slide. Gone are the cadres at markets and bus stations who used to shake down passers-by. Instead, citizens worry that a critical Facebook post could result in arrest under cyber-crime laws. "Institutions still act the way they acted under the PF," says Josiah Kalala of Chapter One, a pressure group.

The PF itself did not field a candidate after struggling with internal divisions and state interference. Mr Mundubile, a former PF politician, galvanised old followers behind a new brand. On the campaign trail, he was obstructed by UPND supporters throwing stones; he says that some of his sympathisers were arrested. He draws much of his support from the north and east. Mr Hichilema draws his from the south and west. The main battleground is in the towns, where ethnic ties are weaker.

Zambian democracy has life in it yet, and a surprise is not impossible. Whoever wins will need to find answers to long-standing economic questions. Nearly two-thirds of Zambians live on less than $2.15 a day; only five countries have a higher poverty rate, and they are all either in conflict or have much less money to go round. After two years of good harvests, the return of El Niño now brings the threat of drought. The last time it happened, in 2024, low inflows at hydroelectric dams cut power to just a few hours a day. The task for the next president is to take the copper boom beyond the mine gates. ■

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The stuck-in-the-middle men

War in the Gulf has weakened two of America’s Arab allies

Egypt promised to fight and Jordan promised to stay neutral. Neither delivered

8月 13, 2026 05:01 上午 | DUBAI

From asset to liability

NEARLY TWO years ago King Abdullah of Jordan told Abbas Araghchi, the Iranian foreign minister, that his own country would not be a “battleground for regional conflicts”. A decade earlier, while campaigning to be Egypt’s president, Abdel-Fattah al-Sisi made the opposite vow to Gulf states: should their security be threatened, Egypt would be “one step away”.

Yet today Jordan is at the centre of a regional conflict between America, its closest ally, and Mr Araghchi's government. As for Egypt, it may be one step away—but it has stayed there. Though the Gulf faces its greatest threat in 35 years, Mr Sisi has offered little beyond words.

Read all our coverage of the war in the Middle East

The broken promises are revealing. Jordan is paying a price for a war over which it has little control. Egypt has been sidelined as a mediator and military power. They have long sold themselves as pillars of the regional order. But the order looks wobbly—and both countries look lost.

Surrounded by stronger neighbours and bereft of natural resources, Jordan views close ties with America as the key to its survival. In return, America has made it one of its largest recipients of foreign aid. Thousands of American troops are deployed at air bases such as Muwaffaq Salti (pictured), which host fighter jets, aerial-refuelling tankers and other warplanes vital to the war with Iran.

Hosting them made Jordan a target for Iran. It is also unpopular. Hundreds of politicians, retired army officers and other prominent Jordanians recently signed an open letter calling for American troops to leave. Yet the king cannot afford to comply. Last year Jordan received more than $1.6bn of American aid (3% of GDP). This month America pledged another $355m.

Jordan needs that money as the war batters its economy. Missile attacks forced flight cancellations and scared off visitors; tourism revenue, already whacked by the war in Gaza, has fallen again. Jordan relies on natural gas from Israel for half of its electricity. Israel suspended exports when the war began, fearing Iranian strikes on its rigs. That forced Jordan to switch to diesel, heavy fuel oil and spot cargoes of liquefied natural gas. Though exports resumed in April, the IMF expects Jordan’s energy-import bill to be 36% higher than in 2025.

Iran has tried to deepen a schism between the king and the public. Even as its missiles and drones hit the kingdom, it claims it has “no hostility” towards the Jordanian people and that America, not Iran, has “violated your territorial integrity”. Such appeals may find little purchase: many Jordanians view Iran as a threat. Still, the war is a dilemma for a government struggling with domestic discontent.

Egypt’s economy is holding up better. It is expected to grow by 4.6% this year. The IMF has just unlocked the latest $1.8bn tranche of a four-year loan agreement. Tourism, which accounts for 13% of jobs, remains strong. More than 9m people visited Egypt in the first half of this year, a 3% increase on the same period in 2025.

At first glance Egypt’s other big sources of hard currency, revenue from the Suez Canal and remittances, look solid as well. The former rose to $2.4bn in the first half of 2026, up from $1.8bn in the same period in 2025. The latter reached a record high in the year to June. Both could be lagging indicators, however. Iran-backed attacks on shipping in the Red Sea could dent canal revenue. As for remittances, a lot comes from Egyptians in the Gulf. A prolonged slump there would mean fewer workers to send money. Meanwhile, the government has raised some electricity tariffs by 12%.

For now, though, Egypt’s biggest weakness is status, not solvency. After the Hamas-led massacre in Israel on October 7th 2023, Mr Sisi was in high demand. His spy chiefs have a long relationship with the Hamas leadership in Gaza, owing to their shared border. Antony Blinken, America’s previous secretary of state, visited Egypt seven times in the year after the massacre, more than any other country bar Israel. The final negotiations for a ceasefire took place in the Egyptian resort town of Sharm el-Sheikh in October 2025.

Egypt has been far less relevant in the war with Iran. It has been eclipsed as a mediator by Pakistan, Turkey and Gulf states. Nor has the Arab world’s largest army done much to defend its neighbours—even though the Gulf has given Egypt tens of billions of dollars in aid since Mr Sisi seized power in a coup in 2013.

Officials in Cairo argue that Gulf states are receiving help from other allies, and that Egypt has other threats on its borders. Still, its inaction has irked its friends. In March Anwar Gargash, the diplomatic adviser to the president of the United Arab Emirates (UAE), complained about “major” Arab countries sitting idle. “Where are you today in a time of hardship?” he asked.

Egypt did deploy a squadron of Rafale fighter jets to the UAE—although it only announced this in May, a month after an initial ceasefire between America and Iran took effect. It was noticeably absent on August 7th, when Saudi Arabia signed a mutual-defence pact with Pakistan and Turkey, although Saudi officials suggest it could join later. Yet staying out of the war has not bought it protection. Last month a drone struck a natural-gas facility in Damietta, on Egypt’s Mediterranean coast.

The tripartite pact is a glimpse of the Middle East’s future. Fearing they can no longer rely on America, regional countries will need to take more responsibility for their own defence. That will be an uncomfortable place for Egypt and Jordan.■

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Three's a crowd

What to make of a new Saudi-led defence pact

Turkish arms producers may be the first beneficiaries

8月 13, 2026 03:43 上午 | Istanbul and Jerusalem

Allies in Mecca

ONE BOASTS NATO's second-largest army and a booming defence sector. Another is the Muslim world's only nuclear power. And the third is the world's eighth-biggest arms spender. No wonder that Turkey, Pakistan and Saudi Arabia made a splash on August 7th when they signed a defence pact, especially after officials said it included a mutual-defence clause similar to NATO's Article 5. "Any armed attack against any one of the three states shall be regarded as an attack against them all," said Pakistan's foreign ministry.

The three powers stress that other regional powers are welcome to join the pact, batting away suggestions of a Sunni military bloc in the making. But the religious symbolism was laid on thick at the signing, attended by Turkey's president, Recep Tayyip Erdogan, Pakistan's prime minister, Shehbaz Sharif, and their host, Muhammad bin Salman, the Saudi crown prince (pictured). Instead of Riyadh, the Saudi capital, the ceremony took place in Mecca, Islam's holiest city. Afterwards, the three leaders prayed at the city's Grand Mosque.

One purpose of the deal is to act as a counterweight to Israeli influence. The rapid succession of Israeli military operations in Gaza, Lebanon, Syria and Iran, the attack that killed Hamas negotiators in Qatar, and a sense that Israel's appetite for regional dominance is not yet sated, have set off alarms across the Middle East. Such concerns are most acute in Turkey, which some Israeli politicians and officials have described as a threat on a par with Iran.

Meeting the threat from Iran itself is another key aim. Though badly hobbled, its regime has proved capable of wreaking havoc across the region when under attack, especially in the Gulf. It has also shown how much leverage it wields by disrupting shipping through the Strait of Hormuz. "Using Hormuz against regional countries has become one of the pillars of Iran's new strategy," says Murat Yesiltas, the head of SETA, a think-tank close to Mr Erdogan's government. The three signatories "will not target Iran", says Mr Yesiltas, "but they want to show collective deterrence." Iran said it saw no reason to fear the pact.

The deal also reflects mounting concerns about American priorities and the credibility of its security guarantees. Turkey, like other NATO members, is worried about the risk of a broader American pullback from both Europe and the Middle East. Saudi confidence in America was shaken after Iran made large holes in the air-defence umbrella that America has helped spread over the Gulf.

Israel's government has not responded publicly to news of the pact, but the announcement was greeted with dismay there. The country already sees Turkey and Pakistan as hostile powers and resents the cosy relations their leaders have fostered with America's president, Donald Trump. The pact also underscores how remote the prospect of normalisation between Israel and Saudi Arabia remains. "It will have to wait until there is a new government in Israel," says an Israeli diplomat, "and even then, it will take time."

The chances that any of the deal's signatories would actually intervene on behalf of the others appear slim. Saudi Arabia and Turkey would not come to Pakistan's defence if war with India broke out; Pakistan or Turkey would not respond in kind to Iranian missile launches against Saudi Arabia. For the time being, says Mr Yesiltas, the pact is less a muscular military alliance than a platform for security and defence co-operation. Saudi Arabia's deep pockets and procurement needs, Turkey's defence sector and Pakistan's military-industrial base make for a potent combination. Turkish defence tech firms in particular are rubbing their hands. Baykar, a Turkish drone-maker, signed a landmark contract with Saudi Arabia in 2023. Pakistan used Turkish drones during its conflict with India last year.

But Turkey is hungry for more. Its defence projects, including an indigenous fighter jet known as the KAAN, a new "Steel Dome" air-defence system, and long-range ballistic missiles, are expected to cost tens of billions of dollars. Turkey's economy, plagued by inflation that continues to hover above 30%, cannot shoulder that cost alone. Saudi defence contracts and investments would go a long way to help fund the plans, says Caglar Kurc, a Turkish analyst. That may be where the Mecca Agreement pays its first dividends. ■

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Down, but not out

The Muslim Brotherhood is more divided and weaker than ever

But it is far from finished in the Middle East

8月 13, 2026 03:42 上午 | BEIRUT

THE HEAT inside Mornaguia prison, on the edge of Tunis, climbed past 50°C this summer. On July 17th Rachid Ghannouchi, the 85-year-old founder of Ennahda, the Tunisian political party inspired by the Muslim Brotherhood, passed out in his cell. His story seems destined to end like that of Muhammad Morsi, the Brotherhood figure elected as president of Egypt in 2012, only to die in prison in 2019.

Mr Ghannouchi's fate illustrates the declining influence of his ideological comrades across the Middle East. A decade and a half ago parties associated with the Brotherhood held the presidency of Egypt and a plurality of seats in Tunisia's parliament. Its triumphal message was pumped out to the Arab masses by Qatar's popular Al Jazeera television channel. The group seemed the early winner of the Arab spring that erupted in Tunisia in late 2010 and spread through the Arab world in 2011.

But autocracies soon reimposed themselves. In the years that followed, the Brotherhood's leaders were imprisoned or scattered into exile. The past year has been especially punishing. In November Donald Trump told his administration to designate the group's various chapters as terrorists. On January 13th it listed the Egyptian and Jordanian branches as "global terrorists" for aiding Hamas, which grew out of the Brotherhood's Palestinian branch; the Lebanese version was officially deemed a "foreign terrorist" organisation. In May, under a new American counter-terrorism strategy, the Brotherhood was included alongside al-Qaeda and Islamic State as a wellspring of modern jihadism. Jordan banned the group completely in April 2025 and has since curbed its political wing, the Islamic Action Front.

It is unclear which bit of the fractious Brotherhood America is targeting. There have been two main factions since 2021, when Ibrahim Munir, running the group from exile in London, dissolved its structures in Turkey, as Mahmoud Hussein, the movement's secretary-general, claimed that Mr Munir had himself been deposed. Each faction now has its own leader, its own Shura council and its own website; each insists it alone is the real thing.

Salah Abdel Haq, who took over Mr Munir's faction after the latter's death in 2022, has promised to contest the American designation in American courts. But the branch in Istanbul has let it be known that it does not consider its parent organisation qualified to answer for anyone. Even as they face an existential crisis, the two halves cannot speak with a single voice.

Mr Hussein of the Turkish branch controls the property, investment companies in Turkey and the cash, whereas Mr Abdel Haq stakes a claim to run the transnational organisation but has little to show for it. Former members have urged both men to drop politics and revert to preaching.

In Egypt, the movement's ancestral heartland, its period in power is being scrubbed from official memory. Muhammad Badie, the movement's "supreme guide" in Egypt, is in prison. On religious holidays President Abdel Fattah al-Sisi issues pardons—but rarely for the Brothers. He has shut down the businesses that once sustained their welfare programme. Tunisia's president, Qais Saeed, is emulating Mr Sisi by jailing Mr Ghannouchi.

In Gaza Israel has pounded Hamas, which remains a close ideological associate, into the Mediterranean sand. Its territory has been all but destroyed, while Israeli hit squads hunt Hamas's leaders across the region. Though Hamas clings on, its power has shrivelled. Many Gazans have turned against it.

Syria is another site of humiliation. When the Assad regime fell in 2024, it was Sunni jihadists who took Damascus, not the Brotherhood. It had spent the war dithering and found itself outflanked by the men who did the fighting. It is almost absent from Syria's new parliament. Ahmed Zeidan, an adviser to President Ahmed al-Sharaa with long-standing Brotherhood ties, has suggested that its Syrian branch should fold itself up. Writing for Al Jazeera, Abdulrahman al-Haj, a Syrian expert on Islamist groups, argues that political Islam is no longer so relevant in the new Syria.

Perhaps so. But it has long been unwise to write the Brotherhood off. It was dissolved in 1948 and crushed again by Gamel Abdel Nasser, Egypt's leader, in 1954. Its chief theorist, Sayyid Qutb, was hanged in 1966. The group spent most of the next four decades outlawed, yet its followers still took 88 seats in Egypt's parliament in 2005 and won the presidency after a democratic election in 2012. "They are just excellent at weathering the storm," says a Western intelligence official in the region.

Repression can officially efface the organisation. But it does not remove the reasons people join it. In Egypt, those reasons are as sharp as ever. The country's shoddy economy survives on IMF handouts and Gulf deposits. Its young graduates are as grumpily underemployed as they were in 2010. Tunisia, too, is as badly off as it was when it sparked the Arab spring.

Israel's war in Gaza has left Arab governments looking impotent or complicit. With the strip destroyed, the Brotherhood's founding claim —that the Arab world's humiliation is spiritual before it is material— still makes sense to many of the region's aggrieved. The Brotherhood laid its roots with social-welfare programmes and a strong appeal to Arab dignity, both sorely lacking among leaders across the Middle East. When the group turns 100 in March 2028, expect it to be alive and kicking, however divided its leadership. ■

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Europe

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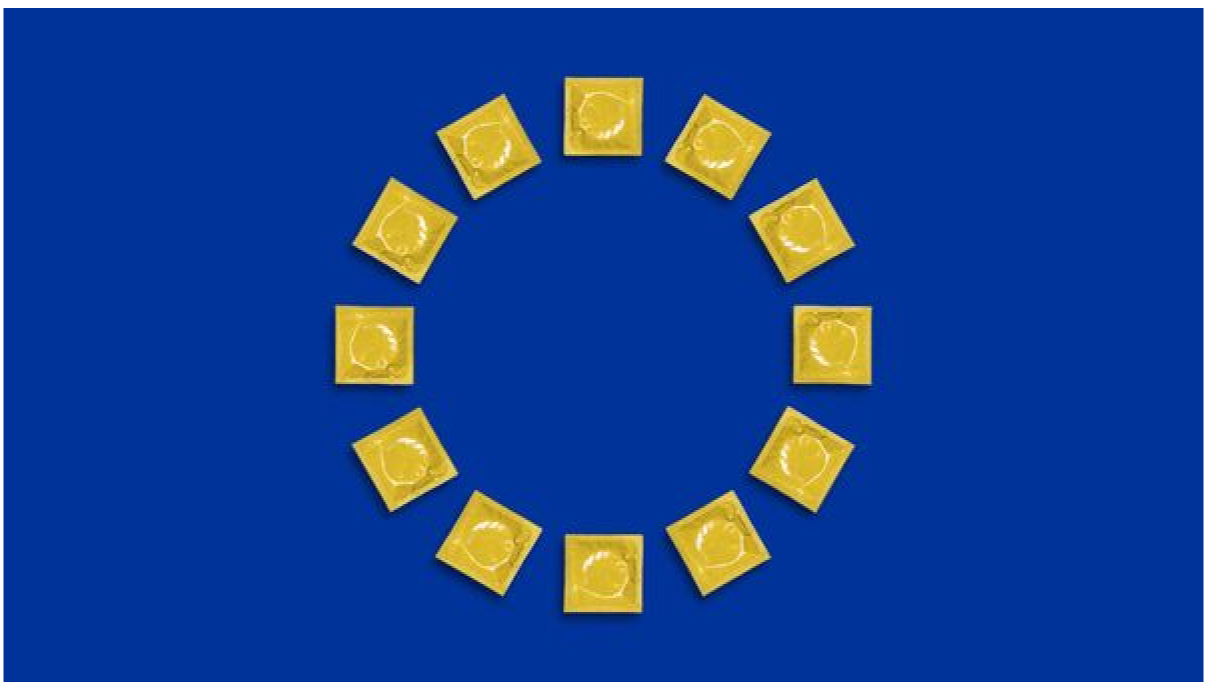
A burning issue

Sexually transmitted infections are surging in Europe

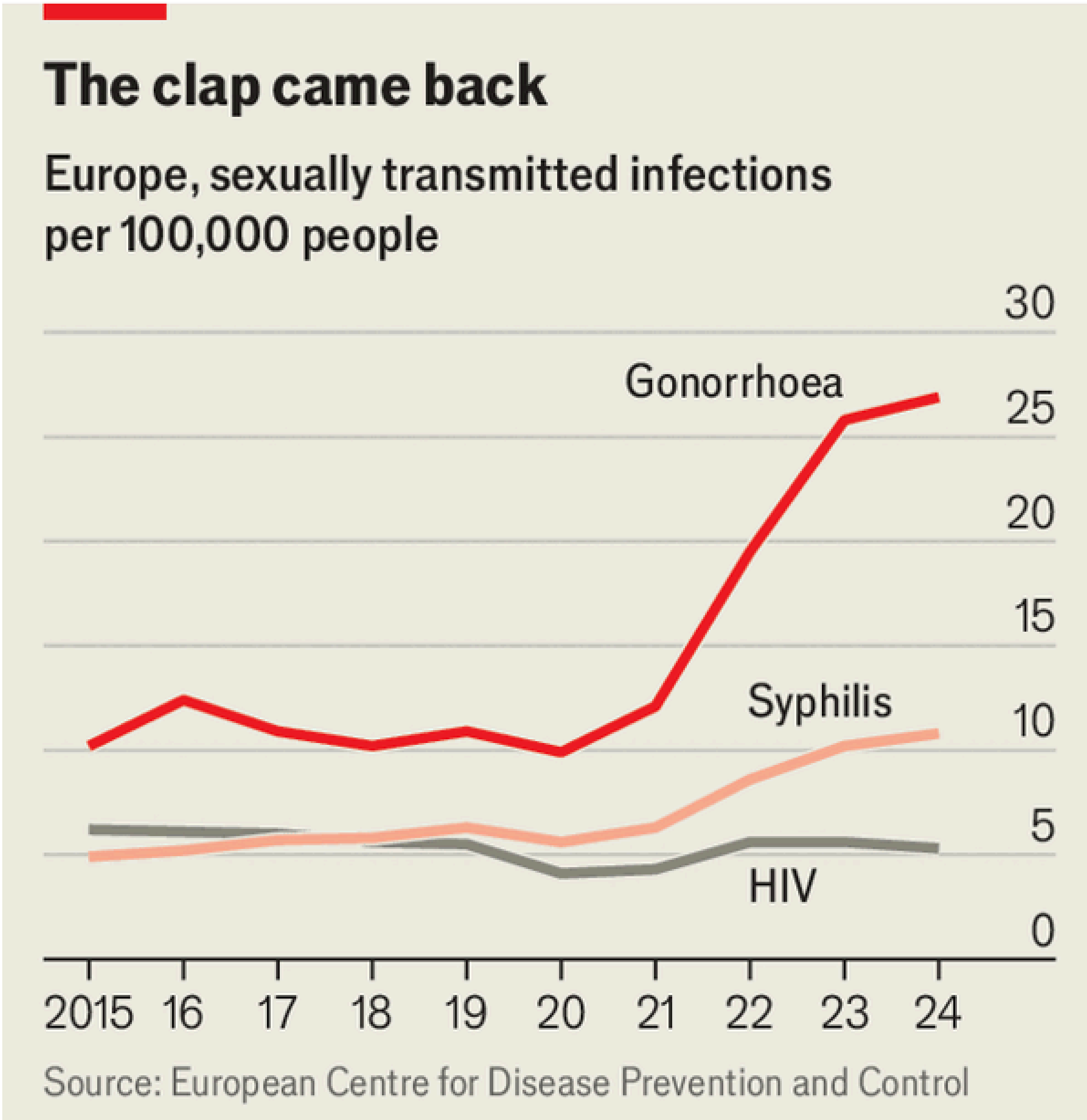
To restrain them, countries must increase testing and reduce stigma

8月 13, 2026 05:00 上午



TRACKING SEXUALLY transmitted infections (STIs) is not easy. Many who carry them show no symptoms. Testing is patchy. And risky behaviour tends to go unnoticed, since sex (thankfully) is usually performed in private. But public-health authorities do their best, and in recent years they have reported a sharp increase in cases of STIs in Europe.

Rates are up dramatically over the past decade (see chart), though they dipped during the pandemic because of a combination of less diligent surveillance and less casual shagging. After 2021 they leapt upwards. In May the European Union's Centre for Disease Prevention and Control (ECDC) reported that in 2024, the most recent year for which it has figures, there were some 100,000 cases of gonorrhoea in Europe, over three times as many as in 2015. Cases of syphilis more than doubled, to around 46,000. Chlamydia is an exception: after peaking in 2022, prevalence has fallen back to the level of 2015.



The jump just after covid could be partly explained by testing facilities coming back online, says Dr Andrew Winter, an STI specialist in Glasgow. But the continued rise since then cannot. "There is a true increase in transmission happening," says Dr Stela Bivol, who runs the World Health Organisation's European office for STIs.

Why the venereal renaissance? Some blame reckless bed-hopping enabled by dating apps, but evidence is sparse. Users of such apps are more likely to have multiple partners, but that is partly because people seeking multiple partners are more likely to use them. Dr Henry de Vries, a specialist in the Netherlands, notes that dating apps long predate the rise in STI prevalence. "I would be cautious," he says.

Another explanation is that people are using condoms less. But here too, the data are only suggestive. A study by the WHO of nearly 250,000 15-year-olds across Europe from 2014 to 2022 found a significant drop in reported condom use. But there are few data on population-wide condom usage among those aged 20 and up.

A more specific hypothesis is that using pre-exposure prophylaxis (PrEP), a pill that fights the spread of HIV, leads more men (especially gay men) to dispense with condoms. A study of patients at a British clinic between 2015 and 2019, by Louis MacGregor of the University of Bristol and colleagues, supported that idea.

What is not disputed is the danger. Sexual diseases are usually treatable, but they can be devastating if not caught soon enough. Over time, chlamydia and gonorrhoea can cause testicular infections in men and infertility in women. One of the grimmest phenomena noted by the ECDC is a jump in congenital syphilis, passed on by mothers to their babies. This is rare but often fatal. Between 2023 and 2024 the number of cases doubled to 140, with clusters in Bulgaria, Hungary and Portugal.

Fighting STIs starts with working out where they are spreading. Young men do not seem to be the focus. In the latest data, for 2023-24, gonorrhoea rates fell among males aged 15-24 but rose among older ones. Among women, gonorrhoea rates fell, while syphilis rates rose by 15%. The biggest increase was among those aged 20 to 34. Syphilis transmission seems to be especially high among men who have sex with men, but rates among heterosexual men and women have risen sharply too.

Geographically, the increase spans the continent. Some of the steepest rises in gonorrhoea in 2023-24 were in Bulgaria, France and Italy, while Belgium and Hungary saw sharp increases in syphilis. Some poor countries report misleadingly low rates because of inadequate surveillance: in Romania, with a population of 19m, just 24 chlamydia cases were recorded in 2024.

The ECDC says better monitoring is needed, including information on the proportion of vulnerable groups that are tested in each country. Only a third of European countries provide this data. Knowing whether infections were passed on through homosexual or heterosexual contact could help shape better public-health decisions, says Dr Otilia Mardh, an epidemiologist at the ECDC.

Countries with widespread testing have a different problem. Doctors treat STIs with antibiotics, which leads them to develop immunity. Gonorrhoea already has highly resistant strains. Chlamydia and syphilis do not, but the decision to treat involves weighing benefits against risk. The Netherlands recently cancelled chlamydia screening for people with no symptoms, after studies showed that asymptomatic infections were less likely to damage fertility than had been feared.

Even with syphilis, resources could be used more efficiently. Congenital syphilis, which is easily treated, could be tackled with focused testing during pregnancy. Most EU countries test women for syphilis in the first trimester, but fewer than half test those who are most at risk in the third trimester or at delivery.

One of the obstacles to reducing STIs is that many societies care less about the groups most at risk: men who have sex with men, migrants and sex workers. In parts of central and eastern Europe new HIV infections continue to rise, even as they have fallen elsewhere in the world. Stigma and discrimination, which deter people from seeking testing and treatment, are partly responsible.

But higher rates can themselves prompt a response. In Hungary a sharp rise in reports of congenital syphilis, which went from three cases in 2020 to 91 in 2024 (in part due to greater testing), led to much more rigorous screening. Dr Mardh notes that a recent study in which she took part found a drop in reported chlamydia cases in seven countries in 2023-24. A spike in gonorrhoea rates in the years before had led to public-health campaigns. Sometimes fear is the best medicine.■

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Russia

A liberal party is barred in Russia for implicitly opposing the war

Russia's authorities are increasingly fearful of the slightest sign of dissent

8月 13, 2026 03:59 上午 | Moscow

ON AUGUST 10TH several hundred mostly young people gathered in front of Russia's Supreme Court. The pavement was covered in chalk messages: "For Yabloko, for peace"; Alexei Navalny's slogan "Russia will be free"; and in Ukrainian, "We have no fear, we have love". They listened on their smartphones to the court's proceedings, as it decided whether to allow Yabloko (Apple), Russia's oldest liberal party and the only openly anti-war one, to run in legislative elections set for September 20th. The party's electoral manifesto consists of 43 words, the first two sentences in capital letters: FOR PEACE AND FREEDOM! FOR A LIFE WITHOUT FEAR!

Several young people sat in a row, eating apples. Someone holding a green apple and a Russian flag was hoisted above the crowd. A woman with dyed orange hair sat showily reading Kafka. After a few hours the judge, Vyacheslav Kirillov, disqualified Yabloko from the elections for the Duma, the lower house of Russia's legislature. "Whereas previously it was forbidden to speak out against the war, now it is forbidden even to simply speak out in favour of peace," notes Dmitry Kisiev, a political strategist in Moscow.

Read more of our recent coverage of the Ukraine war

The case against Yabloko was a lawsuit filed by Rodina (Motherland), a Kremlin-controlled nationalist party, accusing it of "extremism". ""Yabloko are national traitors. They are people who embrace Western values and are demanding our surrender," Alexei Zhuravlyov, Rodina's chairman, said after filing the suit. It also accused Yabloko of copyright violations for using old Soviet pacifist songs and for displaying photos of the bombing of Hiroshima, allegedly infringing the copyright of the American army.

It was less surprising that Yabloko had been struck from the ballot than that it had been allowed to register on July 29th. Apparently the Kremlin's election advisers, often known in Russia as "political technologists", considered it safe. Since 2007 Yabloko has failed to meet the 5% threshold to make it into the Duma, not only because of election fraud but because its support is low. Until this summer, polls put it at around 3%. It was seen as independent but accommodating, willing to make concessions to the Kremlin—and therefore unappealing to opposition-minded Russians.

Its main constituency was the ageing Soviet-era intelligentsia. By the time it registered, the Kremlin had depleted its leadership, knocking its most recognisable candidates off the list. Several, including Lev Shlosberg, have been arrested; others have been declared foreign agents. The Kremlin reckoned that Yabloko posed no threat, and would allow it to paint the opposition as marginal.

But on July 27th Yabloko declared it would run as the party of peace. “We support the earliest possible agreement for a ceasefire. We support diplomacy and negotiations. We stand for the absolute value of human life, freedom from fear and repression,” the party’s leader, Nikolai Rybakov, said in a keynote speech. Opinion polls suggest two-thirds of Russians back peace negotiations with Ukraine. Yabloko’s popularity began to grow.

Its support quickly reached 5.3% in surveys by Russian Field, a pollster. By the time it was disqualified it had hit 9.3%. Social-media posts of young Russians eating apples, singing about apples or featuring an apple emoji gathered millions of views. Yabloko’s Telegram channel grew to have more followers than that of United Russia, Vladimir Putin’s party. It was endorsed by Russian politicians outside the country, including Navalny’s widow, Yulia Navalnaya.

The security services that dominate the Kremlin decided that keeping up the pretence of a real election by allowing the party to campaign was too risky. The danger, says Vladislav Inozemtsev, a political analyst, was not so much that Yabloko might re-enter the Duma, but that “they will once again be able to openly and legally speak everywhere about the need for peace.” Letting them win seats would have signalled political change; none has taken place.

The show trial highlighted public desire to halt the war. What lesson the authorities draw is a different matter. If they perceive an increasingly bold populace and a growing potential for protest, they will probably conclude that insufficient pressure, censorship and repression have been applied, argues Mr Kisiev. The Kremlin may attempt another military mobilisation after the Duma elections are over.

The threat of forced conscription is one of the regime's most powerful tools. As soon as the court's decision barring Yabloko from the elections had been announced, the young people in front of the courthouse began chanting "Shame! Shame!" A police officer facing them from across the road delivered a warning through a megaphone: "We're going to round you all up now. If anyone has got something in their head, I ask you to leave—to the metro, to the discos," he said. "If you don't disperse, don't take offence, but no one will come to rescue you from the military recruitment station."■

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Shields up

Europe must do more to guard its airports from Russian drones

The Leipzig attack shows the danger of Russian-style hybrid warfare

8月 13, 2026 03:42 上午


Trying not to have a blast

ON THE EVENING of August 4th Leipzig-Halle Airport in Germany came close to disaster. A drone carrying 800 grams of plastic explosives was flown into the wing of a fully fuelled Ukrainian Antonov An-124, but the bomb fell off the drone instead of detonating. Had it done so, the giant transport plane, used by

Ukraine and NATO to carry military loads, would have gone up in a fireball, as would a second An-124 parked next to it.

The drone, an FPV-style quadcopter, had been caught on camera entering the perimeter hours earlier. But no one noticed it until morning, when a bus driver spotted it, held it down with his foot and raised the alarm. The significance of the attempted attack for the future of airport security can hardly be exaggerated, says Charlie Edwards of the International Institute for Strategic Studies, who co-authored a report last month on Russia's drone campaign against Europe.

It was a brazen escalation over last year's wave of reconnaissance and disruption drones around the continent. Leipzig-Halle is a big logistics hub for NATO and Ukraine. An attack with an armed drone is less hybrid warfare than warfare, full stop. Germany has not formally attributed it to Russia. But sources believe it soon will.

Unlike other infringing drones, such as two big Chinese-made ones that overflew a Patriot missile facility in Germany two days later, the one in Leipzig was captured, providing a trove of evidence. Investigators say it is military-grade and suggest a state-linked actor built it. Rather than radio control, which airport sensors might have picked up, it used SIM cards and 5G antennas, like an ordinary mobile phone. Nico Lange, a former chief of staff at the German defence ministry, says its construction "reflected the design of Russian drones used in Ukraine".

After its discovery, a Boeing 757 collided with something at an altitude of 400 metres, possibly a spotter or repeater drone. Investigators reportedly found DNA traces on the captured drone linked to a failed attack in 2024, when parcel bombs exploded before being loaded aboard freight aircraft. That plot has been attributed to the GRU, a Russian spy service.

Germany must take emergency action, argues Mr Lange. It should deploy multilayered detection systems at the country's main airports by the end of August. These would combine radars that can pick up unique motion patterns, software to detect anomalies on mobile networks, cameras to track targets and thermal and acoustic sensors. Eight German airports are already due to get such enhanced capabilities, but at a slower pace.

The Ukraine war has accelerated the development of drones that defy detection. They use frequency-hopping, encryption, fibre-optic cables and greater autonomy to baffle defences. Even with state-of-the-art detection systems, busy airports will be hard to defend. Weather, bird activity, background noise and dense infrastructure all help drones to hide.

After identifying a drone, the problem is what to do about it. Jamming it could disrupt the communications of commercial aircraft. Intercepting it could create debris that might damage aircraft or injure people. Shooting it down to avoid catastrophe may be the right thing to do. But without clear protocols, anti-drone teams may err on the side of caution.

Leipzig got lucky. Europe's airports have had a nasty warning. Even with stronger defences, the threat will not disappear. In this sort of warfare, even an attack that seems to fail may succeed in sowing anxiety and confusion.■

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Vanishing possibility

Might Moldova merge with Romania?

Its leaders are starting to mention an alternative route to joining the EU

8月 13, 2026 03:43 上午

COULD MOLDOVA disappear? It has happened before: in 1918, just after separating from the collapsing Russian Empire, Moldova's parliament voted to join neighbouring Romania. Today the country aims to join the European Union by 2030. But recently its leaders have suggested that if the EU blocks that, then it might unify with Romania, which is already a member.

Maia Sandu, Moldova’s president, has said she would vote “yes” in a referendum on union with Romania. Eugen Osmochescu, a deputy prime minister, has called it “Plan B”. Nicusor Dan, Romania’s president, is a unionist, as are several other Romanian politicians. Most Moldovans speak Romanian, and most of its territory belonged to Romania between 1918 and 1940.

There is a realistic possibility that Moldova could complete the EU’s accession demands by 2029. There is also a realistic possibility that French Eurosceptics will stop it anyway. France’s constitution requires a referendum or the approval of three-fifths of both houses of parliament before assenting to let new countries into the EU. Moldova is unlikely to win either. Besides, by 2029 Marine Le Pen, a hard-right nationalist who opposes enlargement, may be president. That heightens the allure of the East German option: getting in by fusing with a neighbour.

In Romania polls show backing for union at around 70%, and in Moldova around 40%. Moldovan support has doubled over the past decade, says Iulian Groza, the director of the Institute for European Policies and Reforms, a think-tank. The country has a population of some 2.9m; an estimated 850,000 (including those living abroad) have Romanian citizenship. That is more pragmatic than ideological, as it enables them to work in the EU. But pragmatism may also convince them to forgo independence in favour of EU and NATO membership inside Romania. In the meantime many vote in Romanian elections, and helped elect Mr Dan.

Union is not on the near-term agenda, says Rufin Zamfir, a Romanian communications expert. Moldovan leaders' statements "should be interpreted as an indirect message to European partners". If the prospect of membership is postponed or watered down, he says, "the credibility of Plan B increases...[and] becomes a political variable that Brussels cannot ignore."

Union would not be simple. Romania is not wealthy enough to subsidise unification as West Germany did. Moldova is poor and lacks control over Transnistria, a pro-Russian breakaway statelet. A 1994 agreement with the Gagauz, a pro-Russian minority, gives them the option of independence if Moldova ever joins Romania.

Yet these issues may not be unresolvable. In its current straits, Russia can offer little support to Transnistria or Gagauzia. Already, because of Moldova's trade agreement with the EU, 70% of Transnistria's exports go to Europe. Gagauzia's population of 100,000 is scattered over four separate enclaves. Independence surrounded by EU borders would not be an enticing option.

Moldova is not the only candidate for disappearing. Large majorities in Albania and Kosovo, which is mostly ethnic-Albanian, favour uniting the countries. Albin Kurti, Kosovo's acting prime minister, supports fusion, but Edi Rama, Albania's prime minister, does not; he thinks the issue will be solved when both join the EU. The two leaders detest each other, and have whipped up clashes that have begun to divide their populations. It is unlikely but not inconceivable that within ten years, to achieve EU membership, Moldova will give way to a Greater Romania. A Greater Albania is harder to envisage.■

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Danube and Rhine

Europe’s dry rivers are exposing mammoths and Nazi warships

Record heat and drought are crippling

8月 13, 2026 05:16 上午 | BERLIN

Serbs did Nazi that ship for decades

WESTERN EUROPE is facing its fifth heatwave this year, and the waters of the Rhine and Danube rivers are the lowest since official records began in 1880. The gauge in Kaub, a medieval town in Rhineland-Palatinate, serves as the benchmark for the 1,230km-long river because it is near the Middle Rhine’s shallowest section. On August 12th it showed a maximum depth of 12cm. The previous record, during a drought in 2018, was 25cm. It could fall to single digits in the next few days, according to Germany's association of inland shipping. That would cut the navigable Rhine in two.

The Danube, the second-longest river in Europe (after Russia's Volga), is hardly doing better. A gauge in Budapest shows 26cm, well below the previous record low of 33cm in 2018. That threatens the electricity supply. Paks, a nuclear plant near Budapest that produces 30% of Hungary's electricity, and Cernavoda, Romania's state-owned nuclear plant, have been partly or completely switched off: they use the Danube's water for cooling. Both countries' governments have asked industry and households to cut back electricity use as much as possible. Car companies such as Audi in Hungary and Dacia in Romania have scaled back production.

Along both rivers the low waters have exposed “hunger stones”, river boulders carved between the 15th and 19th centuries to mark low water levels and warn of crop failures and famine. In Budapest they laid bare a Wehrmacht motorcycle from the second world war. Near the village of Ryahovo in Bulgaria, the remains of a mammoth became visible. In the Serbian stretch of the Danube a fleet of Nazi-era warships were revealed, among some 200 the Germans scuttled in September 1944 to stop Soviet troops from using the river.

The rivers play a big economic role. The Rhine accounts for roughly two-thirds of the European Union’s inland-waterway freight traffic by volume, and over 99% of its waterborne container transport. The Danube carries around 8% of EU freight traffic by volume. To avoid running aground, barges are transporting just 15-20% of normal loads, driving up transport costs. “A barge with rock salt from Heilbronn usually carries 2,200 tonnes, but at the moment they arrive with 280 tonnes,” says Christian Lorenz of Häfen und Güterverkehr Köln, a logistics firm in Cologne. That is still ten times what a lorry can handle, so companies continue to use them.

The Rhine is especially crucial for Germany, Europe’s biggest economy. Some 600 vessels cross the German-Dutch border every day, many carrying goods to be exported from Rotterdam, Europe’s biggest port. Bulk goods such as coal, steel, crude oil, chemicals and minerals are cheaper (and greener) to transport by barge than by lorry or train. Factory clusters were built along the Rhine in the 19th century to access barge transport and water for industrial processes, and they have remained there ever since, says Carsten Brzeski of ING, a Dutch bank. Bayer, a German pharma giant, is headquartered in Leverkusen, on the eastern bank of the Rhine. BASF, the world’s largest maker of chemicals, is in Ludwigshafen am Rhein, a bit south on its namesake river.

Over the past decade businesses have started to adapt to recurrent low-water crises, holding bigger inventories and using ships built for shallower rivers. Many have switched from river to road or rail. In

2017 4.7% of all goods in Germany were transported by inland waterways; in 2024 that had fallen to 4.1%. But the drought has largely halted the thriving cruise-ship industry on both rivers. Farmers are worried about their harvests, and fishermen fear for their livelihoods.

How big will the economic hit be? The dry spell in 2018 reduced Germany's GDP by around 0.4% according to the Kiel Institute for the World Economy, a think-tank. This year's water levels have been lower, so the damage may be worse. Mr Brzeski reckons that if they persist until October, that could shave 0.5% off German GDP. But as with the rest of central Europe, it is too early to quantify the impact. Europe's record-breaking drought is still in full swing. ■

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Charlemagne

Europe’s true architects of integration

The nominees for the Charlemagne column prize are…

8月 13, 2026 03:43 上午

WHAT DOES it take to forge ever-closer union among Europeans? Ask a Eurocrat in Brussels and they will point to a torrent of harmonising edicts agreed over decades of all-night summits. By standardising chemicals regulations, mobile-phone chargers, bottle-cap design and so on, the European Union is pushing towards a federal state. The founding fathers of the EU championed this approach. For their troubles many went on to receive the Charlemagne prize, a gong bestowed by worthies in Aachen, the German city from which your columnist’s namesake once ruled.

These days the honour mostly goes to sitting presidents of EU institutions and other continental grandees.

Yet surely European integration is about more than summits and regulation (right?). Those who make Europe feel like a single continent not just in theory but in day-to-day life get too little recognition. A bauble is needed for those who knit Europeans together without ever having attended a summit or negotiated a directive. One might call it the Charlemagne column prize, or "Charlie" for short. The nominees for the inaugural award are…

Michael O'Leary. The EU is keen on free movement. Mr O'Leary, the boss of Ryanair since 1994, has enabled the next best thing: very cheap movement indeed. Fancy a weekend in a fourth-tier Romanian city? If you don't mind waking up before dawn and dragging yourself to a "secondary airport" far removed from human civilisation, you can get there for the price of a sandwich lunch. The cantankerous Irishman annoys EU-wallahs by railing against regulation—while having benefited from their drive to allow low-cost airlines to compete against staid flag-carriers.

Sofia Corradi. In 1969 this Italian academic conceived a system whereby university students could complete part of their degrees in another European country. Many jumped at the chance of an Erasmus year, a scheme now run by the EU. Given the number of pan-European romances—and the more than 1m "Erasmus babies" credited to the scheme—it is unclear how much studying actually goes on. "Mamma Erasmus", as Prof Corradi became known, passed away in October 2025. Her contribution to ever-closer union has brought some Europeans very close indeed.

Mads Mikkelsen. What do an Albanian terrorist financier with James Bond in his sights, a Nazi scientist vying against Indiana Jones, a blood-soaked Norse warrior and a scheming French count all have in common? All were played by this brooding repository of continental dastardliness. For decades Brits had a monopoly on playing Hollywood baddies. It took one cheekboned Dane to wrest the villainy crown back for the European mainland.

Slavoj Zizek. Hundreds of millions of Europeans are collectively baffled by the pronouncements made by this Slovenian philosopher. The Lacanian-Hegelian theory of ideological subjectivity is as incomprehensible in Lapland as it is in Liguria.

Milda Mitkute. Different as they may be, all Europeans turn out to have a wardrobe full of unwanted clothes. Vinted, which Ms Mitkute co-founded in Vilnius in 2008, has created a single market in last season's double-breasted blazers. The result is a rare European tech success. What Robert Schuman once did for coal and steel, the Lithuanian firm now does for the humble Zara cardigan.

Aleksander Ceferin. The boss of UEFA is the world's second-most powerful football administrator. Seen another way, he is the most powerful football administrator to have never given a peace prize to Donald Trump. Europeans far and wide lauded the Slovenian for boycotting the recent FIFA World Cup final. The UEFA Champions League, where Gulf-owned clubs vie for glory, is one of the rare fixtures that draw Europeans together.

The Guetta family. Three French-born siblings together form an improbably complete portrait of modern Europe. Bernard is an MEP specialising in foreign affairs and human rights. Nathalie, a former circus performer, has become a star on Italian television. David, their half-brother, is a superstar DJ whose Ibiza hymns rival the croissant as Europe's most successful cultural export.

Pierre Coffin. The EU maintains 24 official languages. Mr Coffin has created a 25th, understood by children across the bloc: the patois of the Minions. The Frenchman voices the mumblings of the goggle-eyed yellow henchmen, which sound much the same in Finnish or French renderings. Europe has not possessed a dialect so readily understood across its borders since Latin.

Viviane Reding. As an EU commissioner in the late 2000s she quashed the mobile-phone roaming fees Europeans paid when visiting other EU countries, an expensive bugbear. Alas she also pioneered the data-privacy rules that resulted in Europeans having to bat away the irksome "cookie pop-ups" every website now serves up. The Luxembourgish pol serves as a reminder the Eurocracy is capable of both the sublime and the inane.

And the Charlie goes to...

Perhaps the modern unifiers of Europe are not good Europeans at all. Nobody has riled the continent into a collective jolt so much as its foes. There is **Vladimir Putin**, the Russian president whose invasion of Ukraine has revealed the EU's previously unknown steely side. **Mr Trump** has goaded Europe's defence efforts by threatening to ditch NATO. **Viktor Orban** tried his best to blackmail and derail the EU as Hungarian prime minister, but ultimately failed.

The inaugural Charlie might thus go to someone who has strengthened Europe by opposing it—albeit more constructively than Mr Putin. Such a paradoxical laureate springs to mind. For demonstrating the value of remaining in the EU rather than enduring the chaos of leaving, and for turning Brexit into a continental cautionary tale, **Nigel Farage**, its ideological architect, is awarded the first Charlemagne column prize. The EU's most famous basher has proved its most useful federalist. *Glückwunsch!*■

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Britain

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  Time to speak up :: It needs to do better with Andy Burnham
- **Andy Burnham and the politics of accents**
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- **How to fix Scotland's drugs disaster**
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- **A ban on an ancient hunt exposes a divide in Scottish nationalism**
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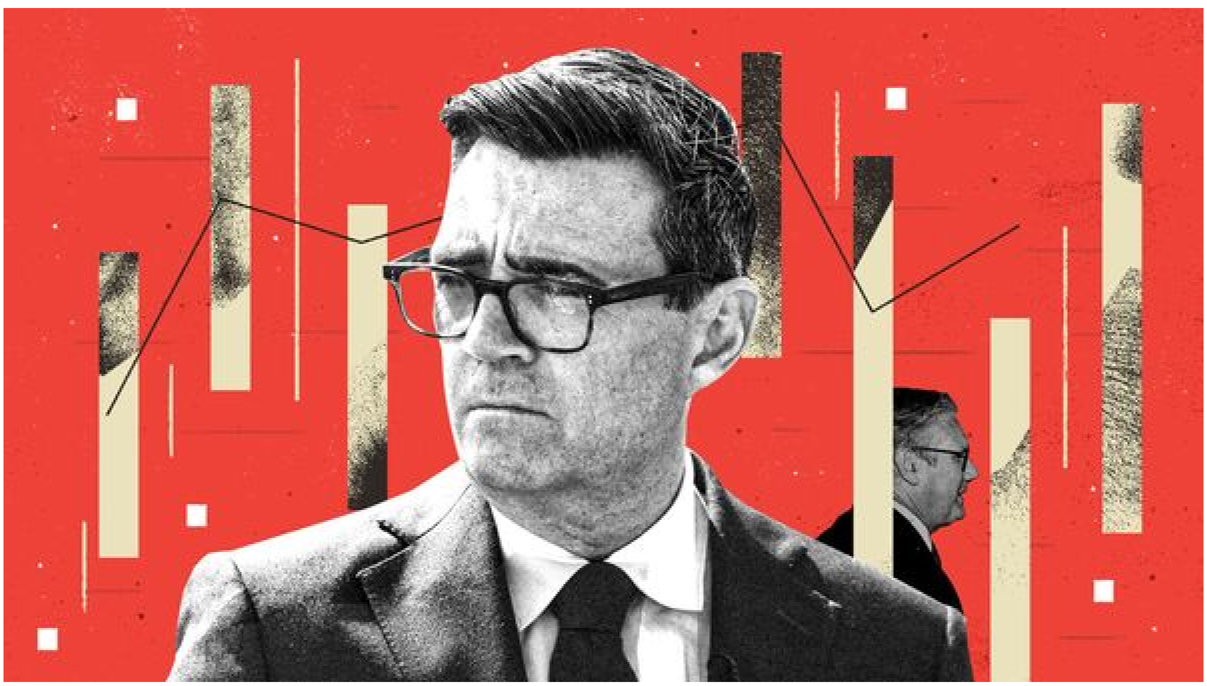
- **Britain has more cheeses than France. The whey ahead may be harder**
  Say cheese! :: Greater freedom to innovate has helped bring about an artisan revival

Labour's love lost

Andy Burnham's chance to reset Labour's relations with business

Mark his actions more than his words

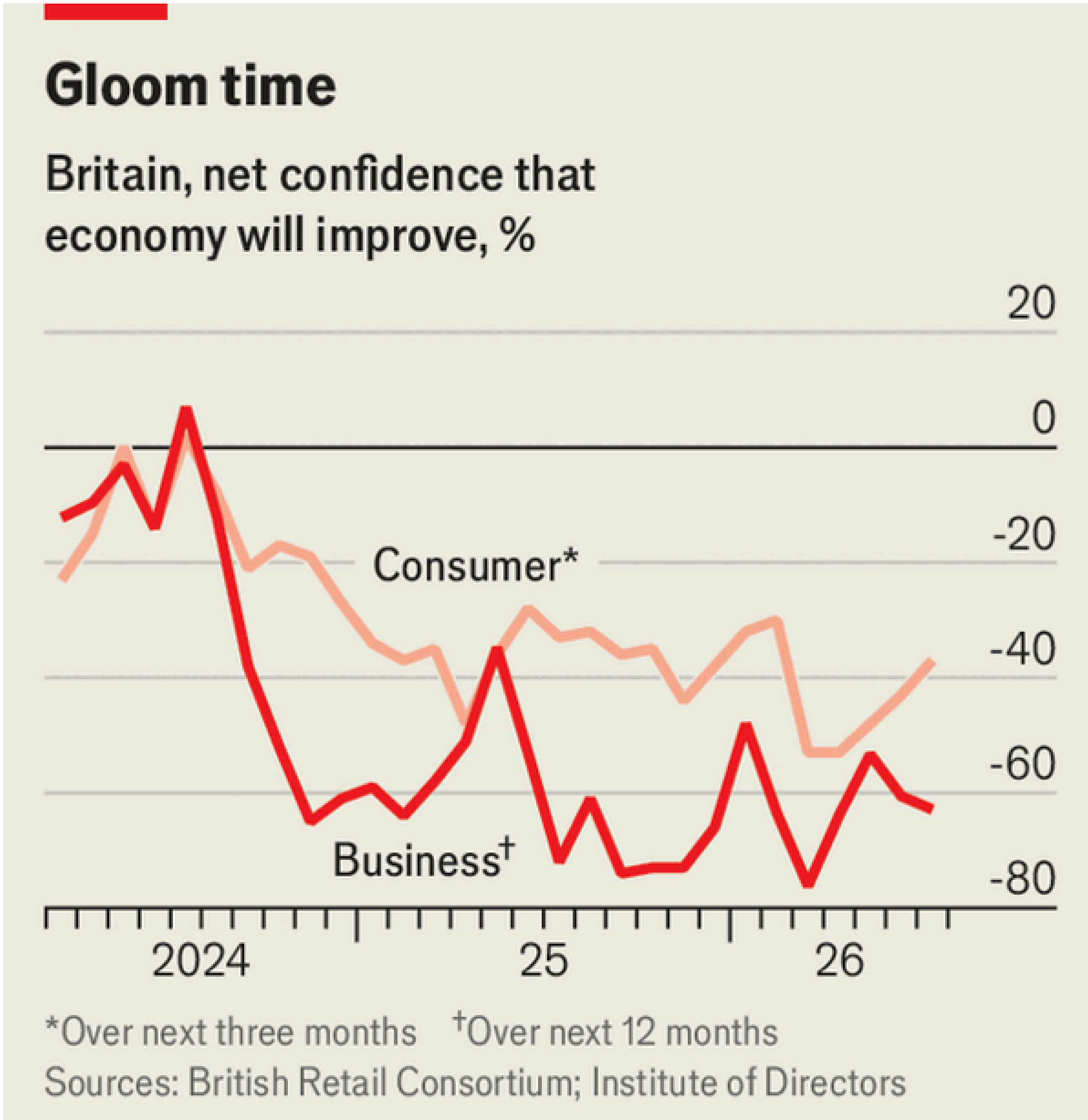
8月 13, 2026 04:58 上午



THE MOST unlikely love affair in British politics recently was between big business and the Labour Party. Before the general election in 2024, the party launched what this newspaper called a "smoked-salmon offensive" to reassure bosses that it had sworn off socialism and would govern with economic growth as its "number-one mission". It held long, detailed talks with different sectors, asking for ideas on how to boost growth.

The plan worked. Fed up with the feckless Conservatives and charmed by Sir Keir Starmer, the party leader, and Rachel Reeves, his chancellor-to-be, firms swooned over Labour. But it did not last. The salmon sandwiches went first stale, then mouldy. By the time Sir Keir and Ms Reeves left office this July, most business leaders, from FTSE 100 CEOS to scrappy startup founders, were sick of them.

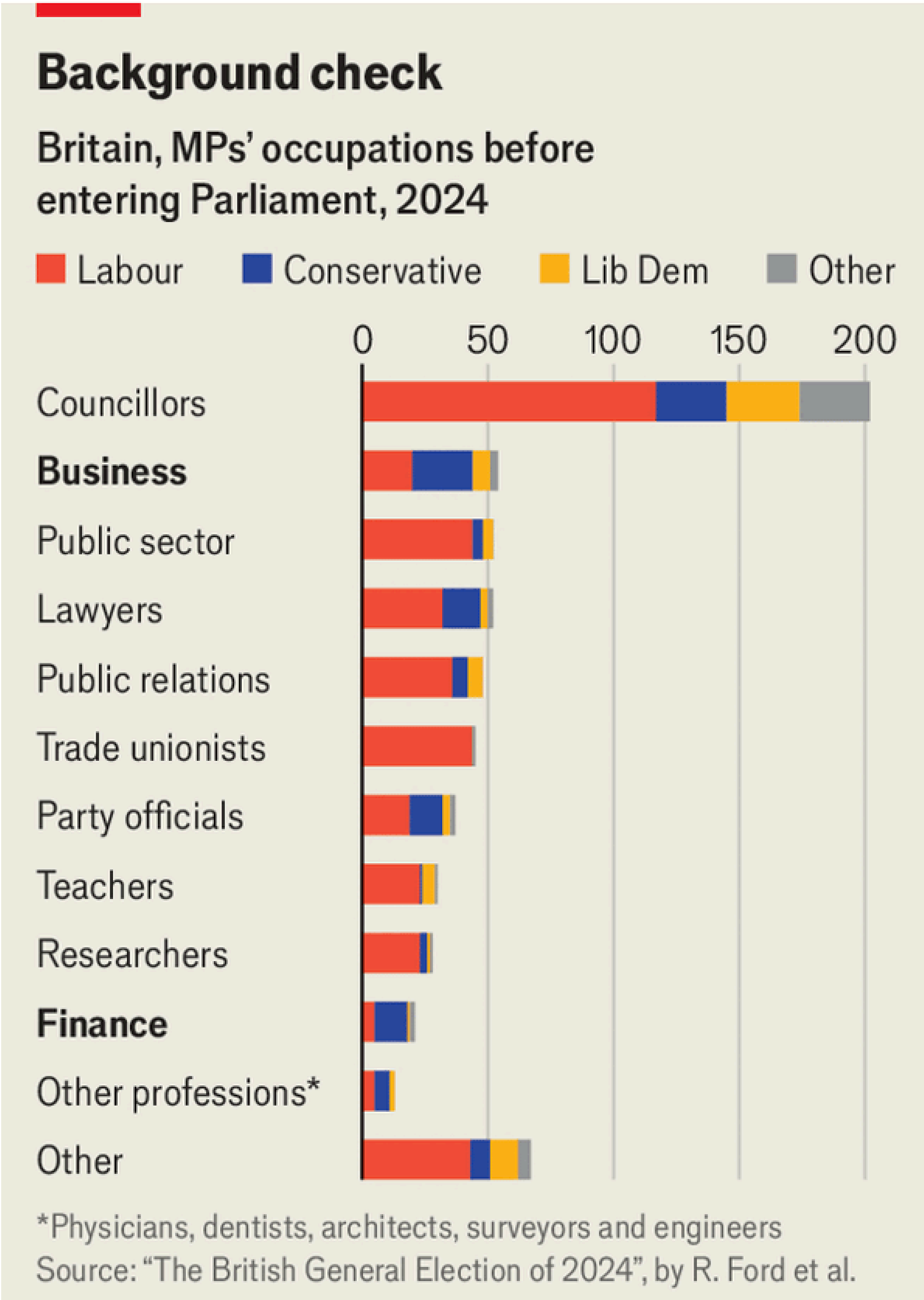
The government stopped listening to business, whacked it with hefty taxes and failed to implement many of the pro-growth reforms it had promised. Engagement with firms, previously undertaken by Ms Reeves herself, was outsourced to civil servants. Ministers at the Treasury and other economic departments continued to hold frequent meetings with bosses, but attendees say these were more "photo opportunities" than substantive discussions.



The party's boosterish tone quickly became discordant. Weeks after the election, Sir Keir shocked international investors with a speech in the garden of 10 Downing Street in which he moaned that "things will get worse before they get better." Labour's first budget imposed big tax rises on businesses, most painfully an increase in the national-insurance contributions paid by employers, a payroll tax. Even those who did not take too much of a direct hit were disturbed by the seesaw decision-making the announcement epitomised.

Business and consumer confidence (see chart) continued to plunge. Promises to cut red tape and reduce the price of energy for businesses came to little, although Sir Keir made a start on reforming planning rules and financial-services regulation.

His departure offers the chance of a fresh start, business leaders hope. Unfortunately for them, the former prime minister and chancellor were not solely to blame for Labour's shaky relationship with the corporate world. Pro-business feeling is rare within the party: just 6% of its MPs came to the House of Commons from commerce or finance (compared with 31% for Conservative MPs), whereas 11% worked for a trade union and 39% had another political job before entering Parliament (see chart). Not a single member of the new cabinet has had a significant business career. Tory cabinets between 2010 and 2024 were usually stuffed with businesspeople, including the six chancellors who came before Ms Reeves.


Background check
Britain, MPs' occupations before entering Parliament, 2024
Labour
Conservative
Lib Dem
Other
0
50
100
150
200
Councillors
Business
Public sector
Lawyers
Public relations
Trade unionists
Party officials
Teachers
Researchers
Finance
Other professions*
Other
*Physicians, dentists, architects, surveyors and engineers
Source: "The British General Election of 2024", by R. Ford et al.

Party bigwigs would visit factories and building sites—with big industrial workforces—but seemed less comfortable with the services-based firms likely to drive growth. The pro-business minority within the party complain that colleagues default to a "corporatist" approach redolent of the old economy. A former Labour staffer describes a "spiritual gap" between the party and business. A corporate boss grumbles that "'unions good, businesses bad' is an article of faith that a lot of them haven't thought about." The lack of understanding goes both ways: business leaders often misunderstand politics.

Mr Burnham's record as mayor of Greater Manchester suggests he understands the importance of close collaboration with business. Mark Allan, the CEO of LandSec, a property developer, praises his approach of encouraging the private sector to plough money into Manchester city centre while using public funds to invest in the shabbier towns around its edge. The prime minister sees his political identity as "business-friendly old Labour", an aide says.

His rhetoric is less promising. Mr Burnham fulminates against "neoliberalism" and privatisation, and gives little indication that he understands that the profit motive can drive benefits to society at large. His early interventions have been aimed at lowering the cost of living for households via price caps or tax tweaks, not supply-side reforms to make it cheaper to produce goods and services.

In the two speeches he has made since becoming prime minister he has not mentioned "growth" or "business" (Sir Keir gave a speech on his first full day in Number 10 which mentioned "growth" four times). The prime minister seems to be getting on fine with the leaders of America and the EU, but has had almost nothing to say about trade policy. Miles Celic, head of TheCityUK, an industry lobby group, warns that "Burnham really needs to set out what he stands for in terms of attracting international investment." The prime minister is in talks to hire Jim O'Neill, a former banker and Conservative minister, to a job in Downing Street, but the *Times* reports that this may be derailed by a disagreement over wealth taxes.

Watch what I do, not what I say

Business is not a monolith. Startups are frustrated by bureaucracy but blame the civil service rather than ministers. Banks are quietly pleased by their treatment under Labour. Pubs and restaurants are enraged by their tax burden—but optimistic that they will be top of Mr Burnham's list of companies to placate, given their role in perking up high streets, one of his avowed goals (indeed, pubs have already been promised a lower business-rates bill).

Many are nervous about Mr Burnham's plans. If he acts on his rhetoric, business is in for a battering. But there are reasons for hope. The handful of Labour officials whom business trusted as a conduit to Number 10 have all been kept on. Jonathan Reynolds, back as business secretary after being shuffled out last year, is respected by those who have dealt with him, as is the AI minister, Kanishka Narayan. Both sit within a souped-up business and trade department which has absorbed the previously separate science and technology brief. Tech firms are unhappy about this change, but putting all the biggest levers of growth under one roof could help countermand the overbearing power of the Treasury.

Sir Keir spoke in ways that business loved, then often enacted policies it hated. Mr Burnham has the chance to do the inverse: talk populist, act centrist.■

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Time to speak up

British business has failed to make its voice heard

It needs to do better with Andy Burnham

8月 13, 2026 03:43 上午

BUSINESS LEADERS can be naive when it comes to politics. It was a mistake for them to cheerlead for Labour before the most recent general election without thinking through the impact of the party's policies. For example, they seemed to assume that the Employment Rights Act, which gives workers much more protection against their bosses, would be heavily watered down despite its importance to Labour MPs and the trade unions. In talks on the details of the new law, representatives of the government and unions were shocked at business groups' poor negotiating skill.

Bosses are often afraid to engage in politics, beyond contributing bland quotes to government press releases. Public-affairs experts speak with frustration about how hard it is to persuade high-profile leaders to talk about policies that would help their firms, for fear of looking silly if they do not get what they want. The few who do speak out—such as Greg Jackson, the founder of Octopus Energy, or Tim Martin of J D Wetherspoon, a chain of pubs—can be resented by their peers.

Voters generally believe that if taxes do need to go up, it is fine to nobble business (though they are even keener on whacking the rich). Firms have work to do to explain to politicians why that will end up making the public poorer, by raising prices and curbing growth.

It is now time, most bosses believe, to put on a brave face and make nice with Andy Burnham's new team. Firms are anxious to avoid being cut out as they were under Sir Keir Starmer . The government should be "working with business from the start, not after decisions have been made", according to Lena Levy of the British Chambers of Commerce, a lobby group. They are also crying out for the stability that the last lot promised but did not provide: barely a year into his government, Sir Keir replaced the business secretary, City minister and AI minister as part of a largely unnecessary reshuffle.

And businesses are desperate to avoid any further tax raids at the budget which the new chancellor, John Healey, will deliver in October. Even his fellow ministers admit they have no way of knowing how he will pay for an expected bump in defence spending. If the government keeps on avoiding broad-based tax rises while dodging serious spending cuts, businesses will fear a fiscal flogging that will keep animal spirits restrained. Speaking out more boldly could help reduce that risk.■

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Accents and power

Andy Burnham and the politics of accents

His way of speaking marks him out in a long line of posh-sounding PMs

8月 13, 2026 03:43 上午

WATCH A VIDEO of Andy Burnham's remarks after being appointed prime minister, turn the automatic transcript on, and you might be in for a surprise: "I have just returned from Bookingham Palace," reads one. It is a seminal moment: none of his predecessors in the age of recording has pronounced "Buckingham" in a way a transcriber would render as "Bookingham". He is also the first to rhyme words like "class" with "gas". In short, he sounds like a northerner, much more so than anyone who has taken office at Number 10 Downing Street, says Geoff Lindsey of University College London.

Millions of Britons talk like Mr Burnham. Raised near Liverpool, later moving to Manchester, he is often seen as a pleaser, but it is impossible to please everyone, especially in two rival cities. In 2016 he told Rob Drummond, a linguist at Manchester Metropolitan University, that he was accused of playing up Scouse sounds in Liverpool and Manc vowels in Manchester. He calls his own accent "generic northern".

Not every prime minister has spoken with perfect Received Pronunciation (RP), even setting aside the Scottish and Welsh ones. Jim Callaghan's "r"s in words like "worst" and "work" were a giveaway: he came from Portsmouth, near the south-western part of England where "r"s are sometimes pronounced after vowels. Harold Wilson's Yorkshire roots were also reflected in his accent, though he was less easy to instantly peg as a northerner than Mr Burnham. Two more recent prime ministers, Sir Tony Blair and Liz Truss, grew up in the north but didn't sound like it.

Things were different in the 19th century. Robert Peel, prime minister in the 1830s and 1840s, was known for a Lancashire accent. William Gladstone, born in Liverpool to Scottish parents, was said to have a north-western accent, too—though it is hardly apparent in the formal greeting to Thomas Edison in the first recording of a British prime minister. But by the mid-20th century, a cut-glass RP held sway from Oxbridge to the BBC and Westminster.

That mid-century accent now sounds almost comical, disappearing swiftly as the 1960s made working-class and regional accents cooler in the wider culture. But things changed more slowly in politics. Labour in particular began to flaunt its MPs with working-class, regional accents. But none of them made it to Number 10.

Room continues to open up slowly for a Westminster that sounds like the country. Jo Platt, an MP for Leigh and Atherton near Manchester, grew up in Salford. As a marketing trainee in the 1980s, she changed her accent to avoid the mockery she saw visited on others; when she would call friends after leaving work they would say “Why are you speaking like that?” She has since embraced her old accent, and kicked off a recent parliamentary debate on the topic. (A Northern Irish MP shared tales of *Hansard* staff chasing him to ask what he had said for the official record.)

Dr Drummond and Amanda Cole of Cambridge have begun a research project to find out more about accents in Westminster. Dr Cole hails from Essex, and her research—using her own voice—has found that people rate an Essex-accented speaker as 11% less intelligent than RP speakers. “I don’t think we’re at a point in this country yet where we could have a prime minister with an Essex accent,” she says.■

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Crime and punishment

The parlous state of Britain’s prisons is Burnham’s first test

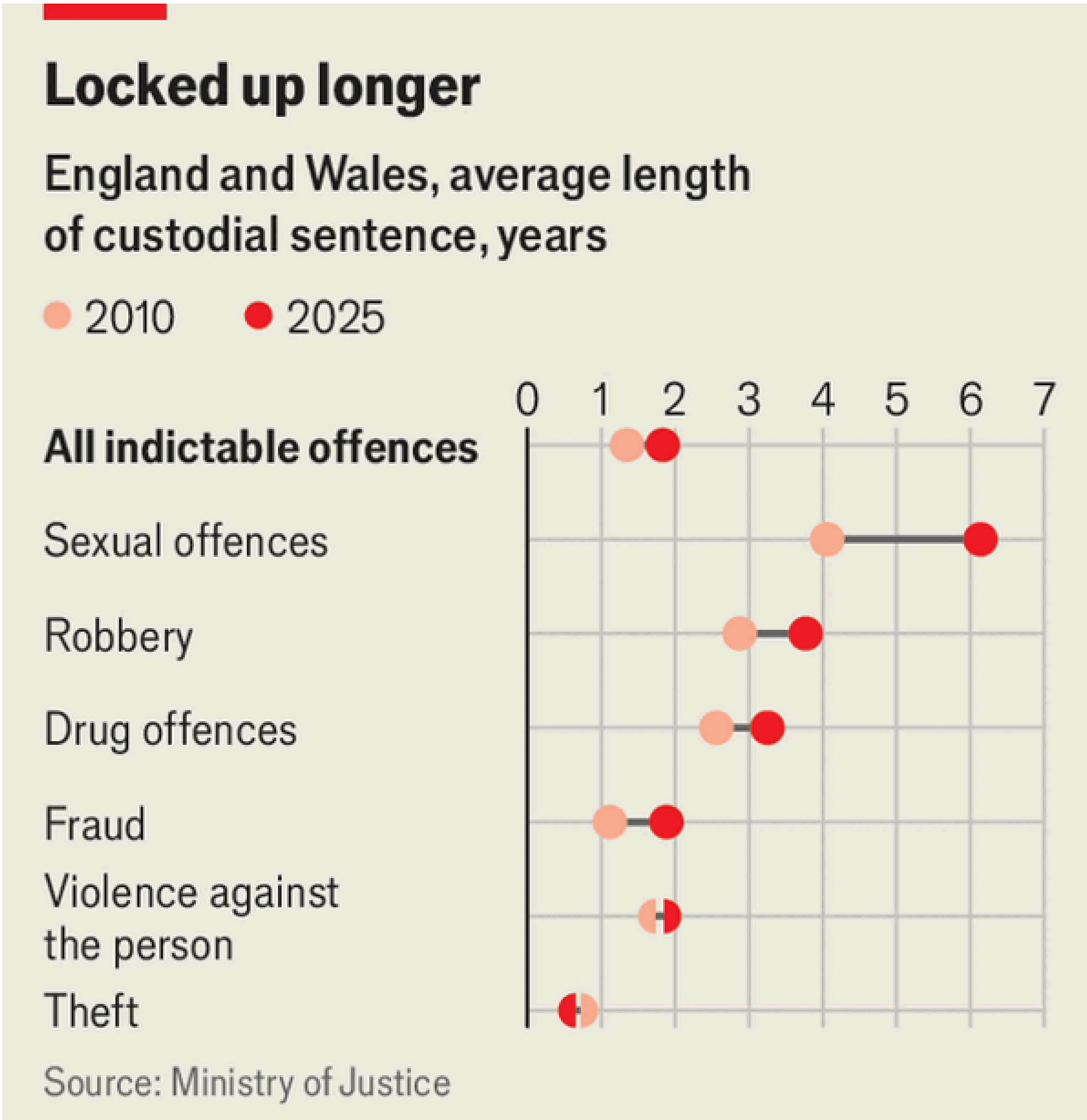
The tricky politics of releasing prisoners early

8月 13, 2026 03:43 上午

ANDREW HARPER, a 28-year-old police constable (PC), had been married for just four weeks when he was killed in the line of duty in 2019. Attempting to prevent three teenagers from stealing a quad bike in Berkshire, he was caught by a tow-rope and dragged at ferocious speed by the perpetrators’ getaway car. The ghastly crime shocked the country and the culprits were convicted of manslaughter in 2020.

Two of those men are now among 5,000 prisoners eligible for early release under the government's latest scheme to prevent the prison system from "collapsing". Andy Burnham, the prime minister, had said that he could not find a way to keep the killers—and all those convicted of manslaughter—behind bars without the prison system reaching capacity. That was before 1m people signed a petition signalling their outrage. On August 11th Mr Burnham relented: he was "increasingly confident" that the notorious killers would remain imprisoned. The crisis is a test of Mr Burnham's ability to make hard decisions.

Weeks after taking power in 2024 the Labour government implemented an emergency early-release scheme as prisons were 99% full, prompting allegations that it was soft on crime. The latest scheme is even more controversial: from October 1st criminals imprisoned for less serious offences will be released after serving 33% rather than 40-50% of their sentence behind bars, while those convicted of more serious offences—including manslaughter—will be eligible for parole after serving 50% rather than 66% of their sentence.



Although the early-release schemes colour public perceptions, in practice the justice system has over time become more severe. For most crimes, the share of convictions that result in immediate custodial sentences and the average length of those sentences have risen since 2010 (see chart). Meanwhile, prison capacity is no bigger now than it was in 2012.

The government has needed early-release arrangements to prevent prisons from overflowing. The Ministry of Justice expects the prison population to rise from 85,600 today—equivalent to 97% of capacity—to 96,000 by 2032. The government is spending £5bn ($6.8m) on building an additional 14,000 places by 2031, but the country is predicted to run out of cell space again next year.

Britain has the highest incarceration rate in western Europe, but nearly two-thirds of the 90,000 people who were given an immediate custodial sentence last year were imprisoned for a year or less. There is plenty of evidence that prison does this group of offenders little good, instead encouraging them into a life of crime. Around two-thirds of them will reoffend.

In response to PC Harper's death, Parliament changed the law in 2022 to hand down mandatory life sentences for those who kill emergency workers while committing a crime. But "Harper's law" cannot apply retroactively. Mr Burnham wants to explore three options to free up more prison cells to keep offenders such as PC Harper's killers under lock and key: speed up the deportation of 10,000 foreign prisoners; release some of the 2,300 people detained indefinitely; and empty some women's prisons and repurpose them for men.

All these schemes will be fraught with difficulty. Yet Mr Burnham is clearly desperate to keep the public onside.■

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Staying alive

How to fix Scotland's drugs disaster

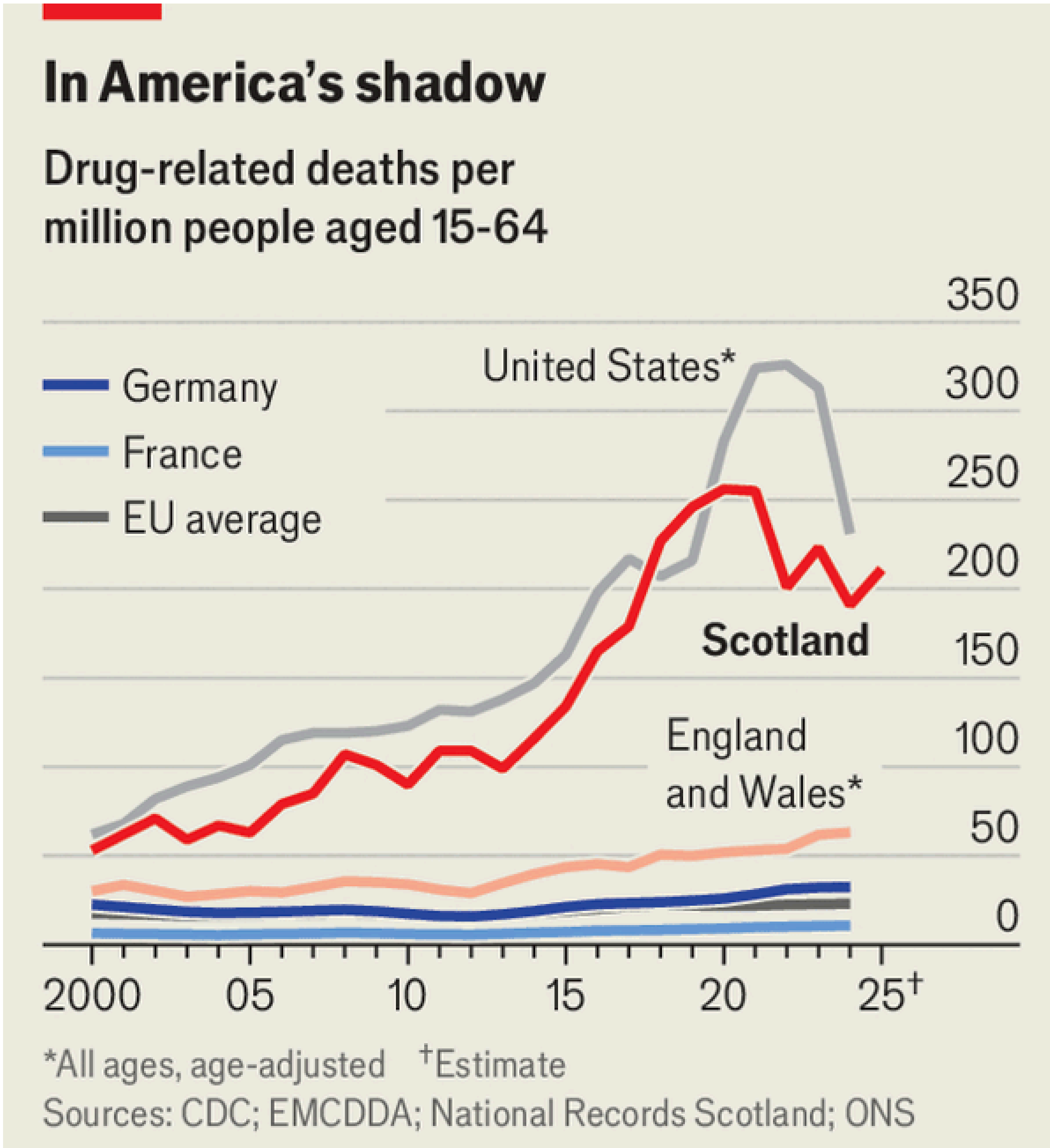
Efforts to get Scots off drugs need to be stepped up

8月 13, 2026 03:44 上午 | Glasgow

FOR FOUR days David Rowat lay dying in his flat in East Kilbride. "Every rock bottom is a trap door," says the former heroin addict. "You need to be in the darkest, lowest place to want change." When his daughter discovered him in 2021, only a few hours of oxygen remained in his blood.

Five years ago Scotland sought to end its reputation as the drug-death capital of Europe (see chart). Yet after spending an extra £250m ($336m), it wears that crown for the seventh year in a row.

And although its 1,017 drug-misuse deaths in 2024 was the lowest tally since 2017, last year the number rose again, by about 8%.



Some critics think Scotland puts too much weight on "harm reduction"—managing rather than curing addicts. "We have built a system that is very good at keeping people alive inside addiction, but not nearly good enough at helping them leave it," argues Annemarie Ward of Faces & Voices of Recovery UK, a charity. But harm reduction remains essential. Police carry naloxone to prevent overdoses in the street. Last year Glasgow opened Britain's first drug-consumption room (DCR) for a three-year pilot: addicts can take drugs under medical supervision. It has prevented about 200 overdose deaths. Patients can also get blood tests, hot showers and referrals to health and other services.

Around 200 such sites exist worldwide; Edinburgh has plans to build some. Steve Rolles, a drug-policy analyst, says that Scotland needs dozens of DCRs, and cheaper mobile ones too. "It's a false economy to think you're saving money by not investing in it today."

Roughly 44,000 Scots have an opioid dependence. Glasgow, where the death rate is highest, has just 23 publicly funded beds for rehab. Burnt-out staff prioritise emergency cases and short-term targets.

Relapse is common. Ross McKenzie, a small-business owner, had to go to Italy to get clean. Four years of free recovery in a rural commune rid him of a heroin addiction, whereas brief stints at a pricey detox centre in Aberdeen left him to relapse twice. "It got the drugs out of my system," he says, "but the time was nowhere near enough to actually start healing."

Part of the solution is giving Scots alternatives to pills and needles. Schools have started to invest in leisure facilities. Poverty makes the job harder: the poorest Scots are much more likely to die of substance abuse. And drugs have become easier to acquire. You no longer have to wait on a street corner, confides one ex-addict, for a dealer to appear. Users of social media can order chemical highs to their door.

Chemicals are deadlier, too. Scots are mixing cocktails of different drugs. The rise of drugs laced with nitazenes is alarming. The synthetic opioids, up to 500 times more potent than fentanyl, have been detected in benzodiazepine pills ("benzos") which sell for as little as 50 pence each. Last year police discovered Britain’s first nitazene lab in west Scotland.

So what else might help? “I’ve never seen anything that works like a recovery café,” says Mr Rowat, who now volunteers at one in Glasgow. He has been clean for three years and is looking for paid work. Regular meetings with recovered addicts, and a strict programme of abstinence, helped restore his hope and health.

Every week thousands of Scots visit such centres. But more need to, and funding for long-term care is limited. Drug harm costs Scotland around £6bn a year. Investing in the infrastructure for addicts to get clean would be economical as well as compassionate. ■

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Goo goo guga

A ban on an ancient hunt exposes a divide in Scottish nationalism

The controversy over the Hebridean tradition of killing gannet chicks

8月 13, 2026 05:13 上午 | Edinburgh

ALMOST EVERY summer since 1549, a group of men from the Isle of Lewis has sailed to an uninhabited islet in the North Atlantic to hunt baby birds. The gugas (Gaelic for gannet chicks) were slain with a club before being gutted, salted and preserved in brine to be eaten year-round as a local delicacy.

Yet this year's hunt won't go ahead. The Scottish National Party's natural-heritage body refused to grant it permission. NatureScot cited a study showing that the hunt could dramatically harm the islet's population of gannets. Opponents, including the local Labour MP, say the outcome was "reverse engineered" to appease animal-rights activists.

The move exposes a divide within Scottish nationalism. It wants to protect cultural heritage from the British state, but it also seeks to dismantle bits—like the guga hunt—that are out of touch with its progressive sensibility.

This tension is not new. In January 2025 the country's exam board removed Robert Burns as a stand-alone author for students in their penultimate year of secondary education to make way for more "diverse works". Later that year the SNP drove through legislation that could force historic Scottish families to split up their great estates to water down highly concentrated land ownership.

Scotland's nationalist movement has never been organised solely around culture (in the way that those in Wales and Catalonia coalesce around protecting native tongues). It has a leftist edge—in defiance of England's perceived conservatism. And its leftists have no desire to defend the murder of baby birds, even if it's a treasured tradition. ■

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Say cheese!

Britain has more cheeses than France. The whey ahead may be harder

Greater freedom to innovate has helped bring about an artisan revival

8月 13, 2026 05:13 上午 | Nettlebed


Impressive shelf life

THE BLUE-MOULD crisis struck the Nettlebed Creamery days before Christmas in 2019. When Diane Honey came into the storeroom, the peachy rinds of the Highmoor cheeses were speckled with grey. *Penicillium commune* was greedily consuming the whole production at the busiest time of year. Though harmless to eat, they could no longer be sold. "It wasn't aesthetically pleasing," says Ms Honey. The cheeses went to a food bank.

Such are the trials of the artisans bringing British cheesemaking back from the brink. "We don't have an institute of cheese, as in France, to learn our craft," says Rose Grimond, the Nettlebed Creamery's founder (who once worked for *The Economist*). "So we make our own mistakes—often expensive ones."

For centuries British farmhouses turned leftover milk into nutritious, non-perishable cheese. Each era left its mould. The Romans used dry cheeses as soldier-food. Monks perfected delicate washed-rind varieties. And generations of farmers honed styles such as buttery Lancashires and crumbly Wensleydales.

But wartime milk-rationing consolidated a lot of local production, and wiped out the ecosystem of specialist schools. Over the two world wars, the number of farmhouse cheesemakers dropped from roughly 3,500 to around 100. Industrialisation whittled that down to just 62 in the late 1970s, according to Patrick Rance's "The Great British Cheese Book", published in 1982. When artisans began reviving old recipes in the 1980s, they were, in effect, reinventing the wheel.

They have done so with gusto. An extra impetus came with the abolition of the Milk Marketing Board in 1994. That ended guaranteed prices for milk and gave dairy farmers an incentive to find higher-value uses for surplus output.

Matthew O'Callaghan, who organises the Artisan Cheese Fair, Britain's largest, reckons that the number of British cheese varieties has risen to around 1,400—well over double the total in France, by some counts—and more than 300 cheesemakers. "You could have a different British cheese from a different cheesemaker every day of the year," he says.

As more consumers want cheeses with a clear provenance, often linked with a nice craft story and better farming practices, sales of speciality brands have been outgrowing the general market, according to IMARC, a research firm. The reputation of British cheeses is rising. At last year's World Cheese Awards, three of 14 finalists were British: two Red Leicesters and an ash-coated soft goat's cheese.

It helps that, with fewer cheeses subject to Protected Designation of Origin (PDO) laws, and less pressure than in France to produce particular varieties in certain regions, British cheesemakers have more freedom to innovate. Sparkenhoe Farm's Red Leicester is made according to a recipe from the 1700s. In Somerset, Feltham's Farm makes "Renegade Monk" by mashing up blue cultures with a distinctly British ale-washed rind. In Suffolk, Fen Farm Dairy ladles curds by hand to make a Brie-like cheese called Baron Bigod, using an ancient method that is now becoming less common even in France.

Joe Schneider, an American cheesemaker, moved to Nottinghamshire to make "Stichelton". The blue cheese resembles a Stilton but uses raw milk—prohibited for "Stiltons" under the European Union's PDO laws, which still apply in Britain—to avoid losing the distinct flavours of his farm to pasteurisation. He says that what drew him to British cheeses was their "relationship with where it was coming from, who was the person behind it". "The *affineurs* in France don't want you to know where they get their cheese," he says.

The next chapter may be harder. Producers are now in a difficult spot, says Bronwen Percival, a buyer at Neal's Yard Dairy, a cheese shop that championed the revival. Raw-material and energy costs have risen. And the emergence of new pathogens has "put fear into raw-milk cheesemakers", of whom there are fewer now than a decade ago, she says.

Some cheesemakers hope to take a slice of foreign markets. Exports of British cheese (both artisan and mass-made) rose from £818m in 2023 to £971m ($1.3bn) in 2025, an increase of 12% in real terms.

Western Europeans, who are used to paying a premium for good cheese, have long been the best buyers (Neal’s Yard sold more Stilton to France than in Britain before Brexit), but Canada and China have been buying more. Cheddar has long been the foreign favourite, accounting for 60% of export value; fresher cheeses, which are more delicate and have a shorter sell-by date, lend themselves less to shipping.

Creaming it

At home, more British customers might be encouraged to buy cheese as a treat. Younger people seem to have a growing taste for it. The Real Cheese Project, a lobby group, finds that 35% of consumers aged 25 to 34 buy artisan cheese once a week, compared with 17% in the general population.

Cheese tourism seems to be a growing part of the marketing mix. For serious foodies Cheese Journeys, a travel company based in America, offers a week-long “British Cheese Odyssey” from $6,200 (£4,600). Back in Nettlebed on a summer Sunday, families tuck into cheese toasties in a converted barn called The Cheese Shed. The farm shop draws lunching cyclists and horse riders in the Chilterns. Visitors peer into the glass-walled creamery. “It’s like a cheese-zoo enclosure,” says Ms Grimond cheerfully. ■

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International

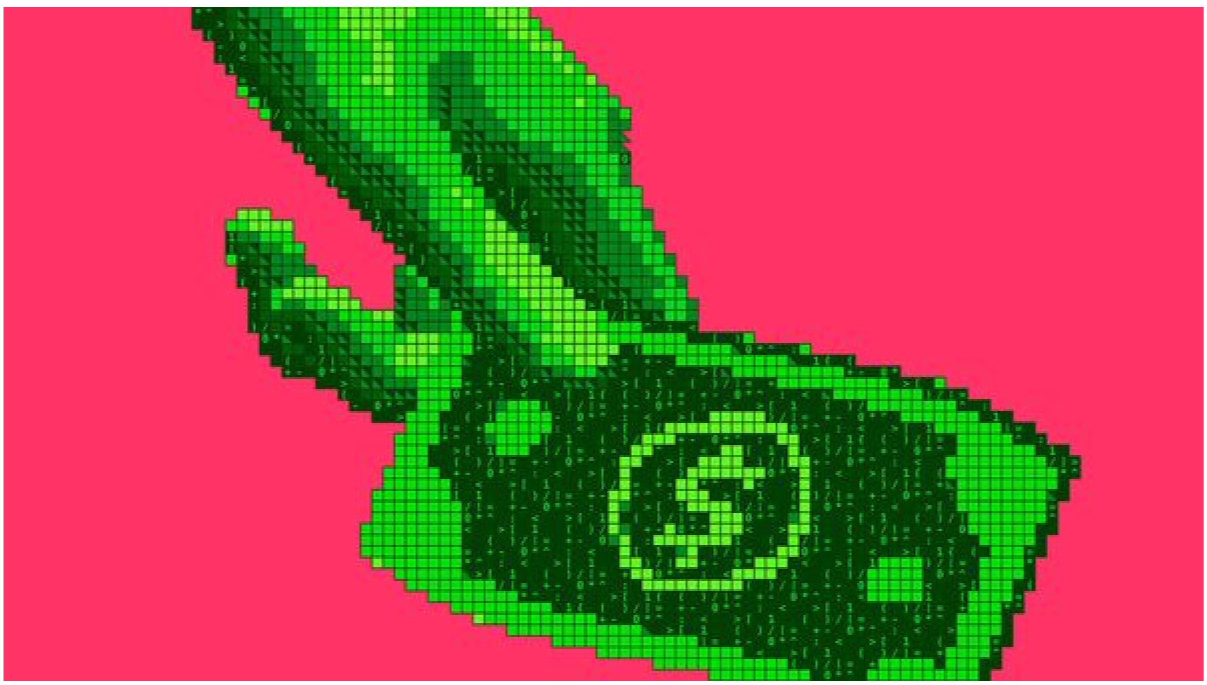
- **Silicon Valley’s AI boom is remaking American charity**
  American philanthropy :: AI founders pledge to give away hundreds of billions of dollars. How will they be spent?
- **Taking Taiwan’s democracy hostage**
  The Telegram :: Self-interested Taiwanese politicians are making the country increasingly ungovernable. China is the only winner

American philanthropy

Silicon Valley’s AI boom is remaking American charity

AI founders pledge to give away hundreds of billions of dollars. How will they be spent?

8月 13, 2026 03:44 上午 | SAN FRANCISCO

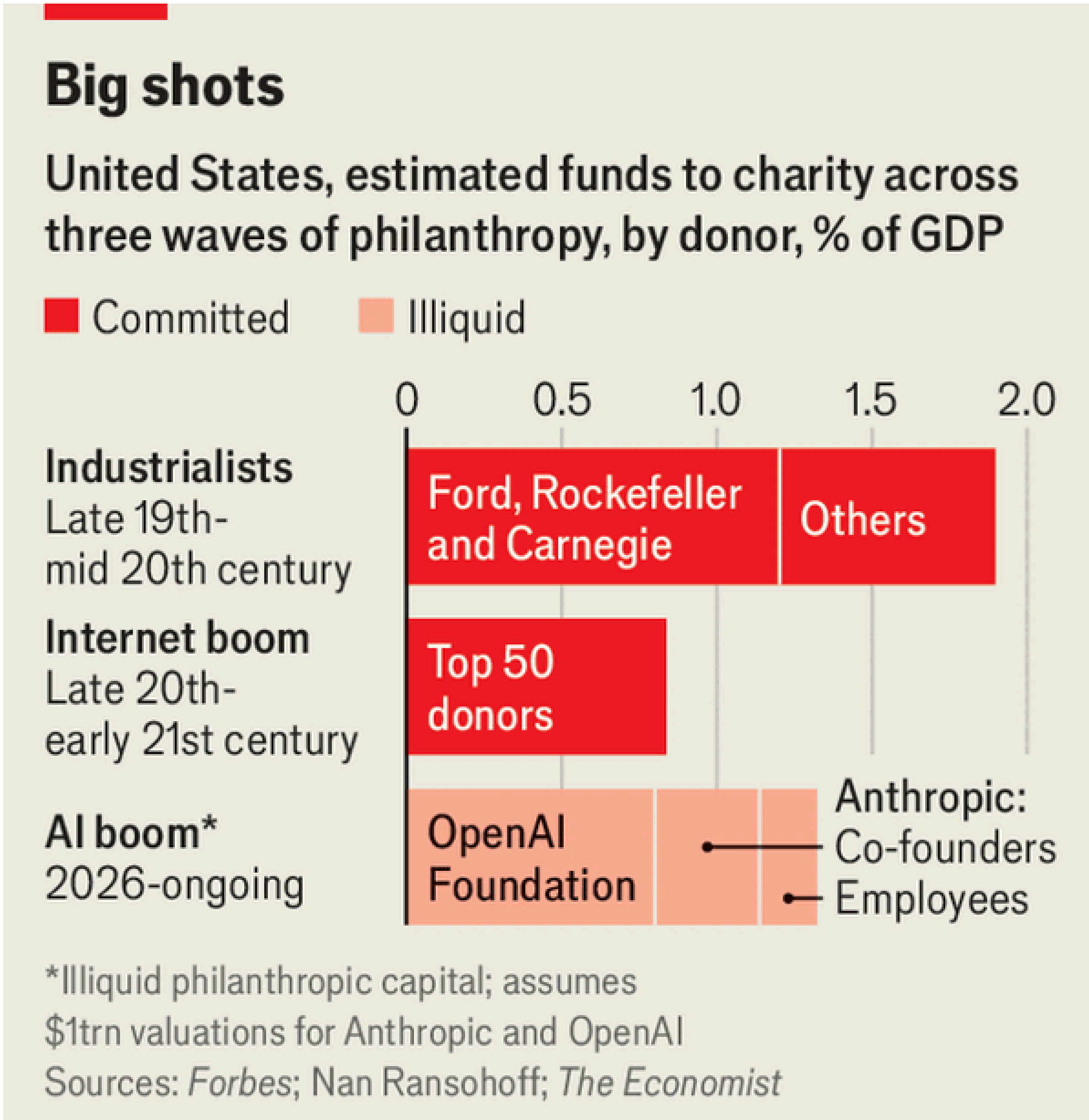


EACH DOLLAR given to charity may soon do less good. In the coming years the marginal cost of saving a child’s life from disease or starvation could jump from about $5,000 to $15,000, or more. This sounds worrying. In fact it is good news, argues Alexander Berger of Coefficient Giving, one of Silicon Valley’s most influential grantmakers. Non-profits like his spend on cheap, scalable interventions first—say, by buying malaria nets before malaria vaccines. If an influx of donations pays for all the inexpensive ways of doing good, then the rest flows into costlier acts of altruism that can save yet more lives.

Just such a deluge of cash may be coming. Non-profits are preparing for the largest one-time surge in philanthropic giving in history. The boom in AI is making a lot of tech types in Silicon Valley very rich. The initial public offerings (IPOs) of shares in Anthropic and OpenAI, which could happen as early as this year, could value the AI labs at more than $1trn apiece—enriching their founders, employees and investors. Many are thinking about how to give their cash away; cumulatively they have already promised to donate an estimated $430bn, roughly equivalent to two Marshall Plans in today’s money.

The industrial age produced Carnegie, Rockefeller and Ford, whose fortunes endowed universities and built concert halls. The internet age created the Giving Pledge: Bill and Melinda Gates, Mark Zuckerberg and their ilk supported farming, schooling and health care for the world’s poorest. Nan Ransohoff, who works on public goods at Stripe, a payments company, predicts that AI may now create a third, much larger wave of giving. The ambition that led many of today’s newly minted rich to build world-altering businesses now leads them, like their predecessors, to want to cure the world’s ills.

Yet AI philanthropists will be different in important ways. They combine extraordinary wealth with unusual urgency and, in some cases, exotic moral views. Nick Allardice of GiveDirectly, a charity that gives cash to the world’s poorest people, says it is gearing up to receive many millions of dollars in new funding. “This could be a moment where hundreds of millions of lives can be improved, and there may not be many moments like that in history.”



Indeed, the scale of promised AI giving far outstrips that of previous philanthropic waves. In January all seven co-founders of Anthropic, including Dario Amodei, the firm's boss, pledged to give away 80% of their wealth. Estimates from *Forbes* suggest that their combined giving may amount to $110bn. Anthropic's employees could soon have some $60bn committed in "donor-advised funds" (DAFs), says Ms Ransohoff. Anthropic matches employees' charitable contributions to these funds. The OpenAI Foundation, which holds 26% of its namesake's stock, may have some $260bn to give. OpenAI employees will presumably also become donors.

In all, the IPOs of Anthropic and OpenAI may unlock some $430bn for charity. That is an endowment worth about 25 Ford Foundations. Then there are smaller AI startups, whose founders promise to give away the proceeds of their work. Conservatively, some $20.5bn may be disbursed each year. This compares with the $394bn individual Americans gave in 2025. The value of this wave dwarfs previous ones in all respects bar one. As America is far richer now, this wave's share of GDP, at about 1.3%, falls short of the industrialists, who probably gave about $35bn in today's money, or 1.9% of GDP at the time. But it will dwarf the internet wave, when $230bn, or 0.8% of GDP, was dished out from 1990 to 2018 (see chart). It also comes as official aid budgets are falling.

Give me a reason

Should we expect an "Amodei Hall" or "Sam Altman Museum"? Today's would-be AI philanthropists are altogether weirder than their predecessors. Many, though not all, subscribe to a worldview of "Effective Altruism" (EA), a movement of hyper-rationalists who purport to do good by identifying the highest-return, evidence-based uses of donations. Sam Bankman-Fried, who is in prison for defrauding clients of his hedge fund, espoused a popular EA conviction of "earning-to-give", in which adherents earn a lot and tithe their incomes.

Scientific research and global public health stand to get more cash. In June, Anthropic, the OpenAI Foundation and Stripe led a $500m donation to find a vaccine for cold and flu viruses. Projects may get more ambitious, says Zachary Robinson of the Centre for Effective Altruism, a think-tank in Oxford. EA grants, for example, fund studies to genetically modify mosquitoes, either to crash the population of the bugs or breed resistance in them to the malaria parasite. Some

600,000 people die of malaria each year, so such donations could be cost-effective indeed.

EA's utilitarian views can also be expansive. David Goldberg of Founder's Pledge, an organisation that helps tech types give money away, expects a big increase in funding for animal welfare. Donors will probably back projects to stop fast-growing chickens becoming lame under their own weight, and to humanely stun fish at scale. Big grantmakers also give money to projects that aim to improve people's ability to make predictions about the future and "YIMBY" pro-housing reform in rich Western countries (some dispute that this is philanthropy). Their focus on giving money to projects where they can measure results leads them to overlook causes like women's empowerment or cultural-heritage protection.

Perhaps the most consequential beliefs among EA donors relate to AI. Some worry about unlikely, high-impact risks, like human extinction. Mr Berger says Coefficient Giving (formerly Open Philanthropy) has funded studies on the "existential risks" posed by rogue AI since 2015. Anthropic and OpenAI, in part influenced by EA views, were founded to build AI safely. Amanda Askell, Anthropic's in-house philosopher, has long been associated with the movement. Her former husband, Will MacAskill, is EA's founder and high priest.

As such, a chunk of AI philanthropy will be spent on the chatbots that helped make their mammon. In July Coefficient Giving announced a $160m gift to Resolution, a then one-month-old group focused on "aligning" AI with human values. The OpenAI Foundation, which controls more than half of the estimated $430bn in AI-philanthropy funds and does not identify as an EA body, has a mission to "ensure artificial general intelligence benefits all of humanity". It will invest handsomely in research on a post-superintelligence future.

This approach carries risks. For one, research into safe AI is hardly measurable. Donors concede that there is no "counter-factual" to human extinction, so it is hard to know whether alignment research, possibly costing billions of dollars, is working or if the same outcome could have been achieved with less money. That would seem to undermine a motivating focus of "effective" giving—namely that it is based on evidence. Other AI-related giving, especially if it is not EA aligned, could come to resemble an effort to buy goodwill for the tech industry, or an attempt to increase the use of its products. This summer the OpenAI Foundation gave $50m to community groups using its technology.

Another challenge is making sure this wave of giving goes to saving lives rather than giving jobs to friends. With so much money coming in, new charities are being created and existing ones are employing more staff and raising pay. Yet non-profits are widely disliked in Silicon Valley. Tyler Cowen, an economist with a large following among tech types, argues that "non-profits are not a well-conceived organisational form" because they often lead to poor incentives and bureaucratic bloat. The most talented types probably take home lofty salaries at AI labs rather than work in non-profits, he notes.

Some rich folk, like Elon Musk believe that problems are better solved by startups. (He also slashed programmes run by USAID, America's foreign-aid agency.) Grantmakers are looking for "a different kind of non-profit worker", perhaps with the traits of a tech founder, says Mr Robinson. "Better funding for non-profits means top talent no longer feels like they have to risk financial instability to have an impact," he says. Coefficient Giving gave its technical AI staff a 30% raise this year in a bid to attract and retain talent.

Give it away, give it away now

The final hurdle is making sure the money gets spent, and quickly. The total given will almost entirely depend on the valuations of two companies, Anthropic and OpenAI, which at times have looked wobbly. Then there is the fact that the estimates "take a lot of people at their word in terms of how fast they'll be aiming to scale or spend", says Mr Berger. Many in Silicon Valley donate via DAFs, a type of account which allows donors to bank a tax break up front (say, before a big IPO) and decide how to give the money away later. Some $326bn already sits untouched in American DAFs. Mr Goldberg says that such vehicles, when sponsored by corporates, can incentivise the hoarding of charitable cash.

Yet AI philanthropists are brimming with urgency. "In previous waves of philanthropy, you have a lot of people talking a big game, and there's not always a lot of follow-through," says Mr Allardice. A repeat seems unlikely, in part because some of the newly rich are "perplexed by the speed at which their own wealth has grown" and might give it away just as quickly, he says. Employees at Anthropic are already selling down some of their equity stakes held in DAFs to get the donations rolling; one explains that he gave money early to help non-profits scale up.

Others are convinced that AI will soon change the world, ending sickness and poverty. Coefficient Giving handed out $1bn in the first half of this year, about as much as it gave in all of 2025. In July it increased a previous commitment to GiveWell, another charity, six-fold to $1bn, partly in the optimistic belief that it needs to act quickly to save lives now, because in the future there may not be lives that need saving. In such a world, says Ms Ransohoff, the aim of charity would shift from ensuring people survive (whether from diseases or a rogue AI) to helping them flourish. That would entail donors asking "squishier questions" about the meaning of life, beauty and aesthetics, she says. Perhaps there will be new concert halls after all. ■

The Telegram

Taking Taiwan’s democracy hostage

Self-interested Taiwanese politicians are making the country increasingly ungovernable. China is the only winner

8月 13, 2026 03:43 上午

HOW MANY kids would Xi Jinping shoot to take Taiwan? The island’s youngsters have a record of staging mass protests when they feel betrayed by their rulers. Imagine a coercive Chinese takeover, brokered by pro-appeasement Taiwanese elites. Whose troops would clear the streets, and with what lethal force?

Would Chinese conquerors use show trials to teach the Taiwanese public that self-rule has ended, and with it, their 30-year experiment with multiparty democracy? China has a legal instrument prepared: an anti-secession law passed in 2005, ready to use against "diehard Taiwan independence elements". That is chilling talk for Taiwan's Democratic Progressive Party (DPP), which has won the past three presidential elections. The DPP emphasises Taiwan's separate identity and opposes China's claims to the island. Chinese officials have called Taiwan's president, Lai Ching-te, a traitorous rat. The gravest charges in the anti-secession law, such as "splitting the state", are punishable by death.

What of Taiwan's public servants? How many would be jailed or sacked, to ensure that, in line with China's stated goals, only those who "support the reunification of the country" hold office after Taiwan becomes a region of the People's Republic of China? The precedent exists. After anti-government protests swept Hong Kong in 2019, that territory's Chinese overlords demanded that local officials and politicians take loyalty oaths or be purged.

Chinese officials have talked of the need for re-education campaigns in post-conquest Taiwan. On an island of 23m people, where surveys consistently show that a large majority of the public favour some form of self-rule, millions might have to enroll. Then there is Taiwan's world-leading semiconductor industry, which churns out more than 90% of the most advanced chips used around the globe. Skilled engineers make that high-tech wizardry happen. If they try to flee, would China lock them in their fabs?

When outsiders study possible Taiwan crises they typically weigh the risks of a Chinese invasion or blockade. That is natural. If America were to intervene to defend the island, two nuclear-armed superpowers would be at war. But another scenario merits study, too. If Taiwan is ever induced to surrender without a fight—China's clear preference—Mr Xi and his underlings would face a series of horrible choices. Brutal repression might be needed to crush Taiwan's freedoms, and would be seen around the world. The conclusion should be obvious to politicians in Taiwan. Their democracy is not just an improvement on the dictatorship that ruled the island after Chiang Kai-shek, the loser of China's civil war, fled to exile there in 1949. Their political system is a deterrent.

Taiwan is sorely in need of more things that would make Mr Xi pause. China has no fear of Taiwan's armed forces, though the DPP is trying to push through their long-overdue modernisation. Taiwan's traditional protector, America, is an unreliable friend. President Donald Trump has agreed record-breaking arms sales to Taiwan, yet he also mocks it as outgunned by mighty China. After talks with Mr Xi in Beijing in May, Mr Trump echoed Chinese talking-points that call President Lai a hothead who may start a war.

Alas, far from prizing Taiwan's democracy, self-interested politicians are breaking it. Partisan feuding has hobbled the work of government since a close election in 2024 left the DPP in control of the presidency and the executive branch, but the opposition, led by the KMT (Chiang Kai-shek's heirs), controlling the parliament.

Lots of countries have toxic politicians. Taiwan's stand out for their irresponsibility. The blame is not evenly distributed. President Lai is stubborn and does not consult KMT moderates as his predecessor, Tsai Ing-wen, did. But the opposition has triggered a rolling constitutional crisis. KMT legislators and their allies held up government budgets for months, including funds for American arms. They have blocked judicial appointments to the constitutional court, leaving it so shrunken that its remaining judges cannot agree if they are quorate to tackle gridlock in government.

In a dramatic act of self-harm, the opposition has held up plans to kick-start a domestic drone industry with orders for 210,000 air and sea drones. Taiwan needs drones, is good at electronics and could also export to Western countries desperate for non-Chinese kit. Yet KMT-led budget squabbles are blocking new drone orders until next year, at the earliest. Visiting Taiwan, your columnist invited KMT high-ups to explain. Oh, we support dronemaking, they said, this is political. Let me be blunt, confided a bigwig: KMT legislators fear the government will channel drone funds to firms that donate to DPP coffers. Asked whether KMT-friendly firms could make drones, then, the bigwig sighed. Pro-KMT firms often have investments in China so would not dare, the insider explained: the party prefers not to face up to this dilemma.

Divide and be conquered

DPP politicians condemn the KMT's chairwoman, Cheng Li-wun, for declaring that Taiwan cannot rely on America and so needs to strengthen ties with China. They were angry when she held friendly meetings with Mr Xi in Beijing in April. Ms Cheng insists that her goal is to avoid a war, not to sell Taiwan out. DPP insiders allege that some in her party, in effect, act as "surrogates" for China. There is no doubt that Taiwan is the target of Chinese influence operations. It is unclear whether these work. That said, the youngest Taiwanese are growing disillusioned with politics and less willing to vote. The same group is bombarded with mainland-backed social media mocking Taiwan's democracy as chaotic.

Dysfunction is hurting Taiwan. Its journey from dictatorship to open society has transformed its global standing. But outsiders cannot love its democracy more than its own politicians do. Taiwan's freedoms should be a strength, raising the costs to China of a takeover. Shamefully, they are being betrayed from within. ■

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Genetic testing

How much would you pay for a smarter baby?

Startups claim they can screen embryos for everything from genetic diseases to IQ. Not everyone is convinced

8月 13, 2026 05:00 上午 | San Francisco and New York

LATE LAST year New Yorkers noticed a series of strange advertisements on the subway. “Have your best baby,” one promised. “IQ is 50% genetic,” noted another. Predictably, they stirred controversy. Yet Kian Sadeghi of Nucleus, the embryo-screening startup behind them, was pleased. “This is a mass-market product. What’s a better way of showing that it’s a mass-market product than the subway?”

Nucleus is one of a growing number of Silicon Valley startups pushing the nascent technology. Noor Siddiqui of Orchid, a competitor, likes to say that "Sex is for fun; embryo screening is for babies." Herasight, another rival, began offering a screening service last year that allows parents to examine an embryo's risk of various diseases, and also estimates of its height, intelligence and longevity—at a cost of up to $50,000. Nucleus adds hair and eye colour to the mix. The burgeoning industry aspires to reshape the way humans are made.

Not everyone is pleased. In many jurisdictions, including Britain, screening embryos for sex, let alone for polygenic conditions such as hypertension or physical traits such as height, is illegal. Many geneticists and doctors' groups are sceptical that the technology works. Others say that it is unethical.

The visions of these startups may seem otherworldly. But change is coming fast. Cash is pouring into fertility research, leading to potentially rapid advances in genetic testing. Polygenic screening, particularly for common diseases, is popular among Americans, nearly three-quarters of whom say they would use it if they were already undergoing in-vitro fertilisation (IVF). A fight is brewing over the future of these technologies—and the businesses promoting them.

For the moment, only a tiny share of babies are born via IVF, which is necessary for embryo screening. In 2024, the most recent year for which figures are available, 100,000 American babies were created using the process, representing 2.8% of the total. David Sable, an investor and formerly a practising reproductive endocrinologist, says the global fertility market is commonly estimated to be worth just $25bn-30bn a year.

Yet Silicon Valley's interest in fertility could expand access to IVF. Several years ago Peter Thiel and Elon Musk began to speak about low birth rates as a threat to America, and started putting money into fertility startups. They were joined by other investors. American venture-capital (VC) investments in fertility enterprises nearly doubled between 2019 and 2022, jumping from $254m to $496m, according to PitchBook, a data provider, even if they have since slowed a bit.

Many of these startups are focused on making IVF cheaper. At present, only 15 American states require the treatment to be included in health insurers' maternity benefits, meaning most Americans pay out of pocket. To reduce costs, a number of startups are selling fertility insurance and payment plans. Nader al-Salim of Gaia, one such firm, says its services save patients an average of $15,000 over the entire fertility process, largely by pooling risk.

Dr Sable reckons that if IVF does become much more widely available, the market could grow to $400bn-500bn annually. His estimate assumes that the cost will fall to around $15,000 for the entire process; currently, just one cycle of IVF in America costs $15,000-20,000. Dr Sable reckons that prices will drop thanks to technological innovations which may increase success rates, allowing people to go through fewer cycles. Falling labour costs as a result of automation and economies of scale, as well as greater standardisation, should also help.

Some screening is already common among IVF patients. An example is PGT-A, which checks that embryos have the right number of chromosomes, and which some studies claim lowers the miscarriage risk (many experts are sceptical). Certain clinics also offer PGT-M, which checks for disorders caused by a single gene, such as cystic fibrosis or Huntington's.

The burden of perfection

Now startups are adding a third screen: PGT-P, which scores embryos for conditions and traits determined by multiple genes, potentially ranging from certain cancers to eye colour and IQ.

Demand for such tests could be substantial. A survey published in 2023 in *Science* found that 43% of all IVF participants would use polygenic screening to increase their child's chance of getting into an elite university, provided it were safe and free. One third said the same for genetic editing.

Consider Arthur Zey, a tech worker, and his husband Chase Popp, a teacher. Mr Zey says he has always been a "tech nerd" and wanted to apply his skills to the process of having a child. "Most of my professional career I've been a product manager in tech, and so in some ways this is just like another product to manage," he says. Earlier this year the couple had a son using an embryo selected from a group of six on the basis of the results of polygenic screening provided by Herasight. That allowed them to see risk scores for monogenic diseases and more than a dozen polygenic diseases. The startup also gave them predicted ranges for IQ and height.

Messrs Zey and Popp say they hoped to maximise their son's lifespan, rather than his height or IQ. Yet Mr Zey knows there are advantages to being tall and smart. "All I could do is look at the results for my six embryos and say: 'Okay, it kind of seems like this one is better.'"

For now, Messrs Zey and Popp are unusual. Commercial PGT-P screening is a niche industry. Startups like Herasight cater to a small population of typically very rich people, mostly in America. Even so, that has not stopped them from drawing plenty of criticism.

Some concerns the underlying science. Polygenic risk scores are based on genome-wide association studies (GWAS), which use data from large populations to try to discern associations between genetic variants and specific conditions and traits. Companies that offer screening claim that comparing embryos' genomes to risk scores derived from these databases, sometimes with adjustments based on ancestry and family history, allows them to come up with individual assessments.

That is disputed, however. Although selecting on the basis of polygenic risk scores works across many offspring, as in animal breeding, it is less sure to have the desired result for a single child, notes Kevin Mitchell of Trinity College Dublin.

Herasight attempts to deal with this issue by validating its risk scores using sibling data from GWAS datasets to ensure its models retain predictive value within a single family. It claims that, if it tests ten embryos for a couple where both parents have type-2 diabetes, it can reduce their child's absolute risk of developing the condition by 12-20 percentage points, from a baseline of 40-60%.

Some argue that the magnitude of the benefits from embryo screening are overstated. If parents picked from ten viable embryos, the median boost to their child's height would be 2.9cm, according to a paper in *Cell* in 2019, based on technology at the time. If they selected for IQ, the gain would be three points—unlikely to be life-changing. Moreover, for those picking among fewer than five embryos, the expected gains drop precipitously. Dagan Wells of the University of Oxford adds that, for many conditions, genes are less important than environmental factors such as diet.

Selecting against some traits could also have unintended consequences. Genetic material can have different effects in different parts of the body, a phenomenon called pleiotropy. If parents select an embryo intending to lower their child's risk of a certain disease, they may be neglecting or exacerbating problems for which providers do not (or cannot) offer a score.

Yet many of the technical issues, not least the lack of training data among certain populations, should improve with time. The *Cell* paper estimated that increasing the sample size of the underlying databases could double the median gain in IQ points from polygenic scoring. With pleiotropy, some studies suggest that most genetic correlations between pairs of polygenic diseases are either positive—meaning cutting the chance of one decreases the chance of others—or insignificant. At present, the technology is "kind of a promissory note", says Trinity's Dr Mitchell. "They say, 'Trust us, this is a bit shit right now, but it'll be good soon'."

If technological problems are resolved, ethical ones will grow. Some opponents are concerned that screening startups are promoting a friendlier version of eugenics. Others worry that embryo editing—on which America has applied a de-facto ban since 2016—could come next.

Industry insiders reject the fretting, sometimes bluntly. Risk scores may not be perfect, but they are "best in class", says Delian

Asparouhov of Founders Fund, a VC firm co-founded by Mr Thiel, which has invested in various fertility startups. "What I hate about some of the traditional health-care industry and genetic counsellors is they're like, 'You need to have a Harvard clinical-grade licence'" to interpret genetic data. "Fuck that," he continues. "I just want whatever the best statistical models are. I don't need a PhD to read this stuff." (Herasight, Nucleus and Orchid all have genetic counsellors to walk clients through their results.) As for ethics, Mr Asparouhov argues that all parents-to-be engage in a form of genetic selection when they choose a partner. "If this is eugenics, then so is Hinge," he argues.

Most of the companies offering PGT-P are more circumspect. They say their customers are mainly looking for ways to ensure their children are healthy, rather than to create "super-babies". Yet their decision to offer scores for intelligence and aesthetic traits suggests they recognise there is a market for the latter.

Arguments over the future of a small cohort of startups may seem like a niche concern. But if IVF gets cheaper and genetic data more abundant, as looks likely, the business of embryo screening will only grow—along with the ferocity of the debate. The nearly 50-year history of the fertility industry is full of technologies that were once considered contentious, including IVF. Startups such as Nucleus, Orchid and Herasight are, in that sense at least, nothing new. ■

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Bartleby

The six stages of holiday-making

Two weeks off, but how many days of relaxation?

8月 13, 2026 03:43 上午

IT'S SUMMER, in the northern hemisphere at least, which means emptier offices and fuller airports. In theory, a holiday is a time to properly relax. In practice, there are several stages to pass through before that moment arrives, and several more to experience before you are fully immersed in work again.

The preparation phase. You badly need a holiday. In your final couple of days before leaving, you complete your most urgent tasks, like tidying your desk. You tell people on your team that you trust them completely and in the same breath, that they should contact you if anything comes up, no matter how trivial. As a result, they don't feel trusted at all. You think about setting up an out-of-office message and decide not to: it's really not a problem to check your phone occasionally. As you leave the office, you think you feel a cold coming on.

The relax-like-hell phase. You spend the first few days approaching the holiday like it's work. You spend loads of time asking AI models for places to go that are off the beaten track. In a typical morning, you drive two hours to eat breakfast at a place recommended by ChatGPT which turns out to be closed, and then visit a museum devoted to the ancient craft of curing fish.

At lunch, you drink wine and then fall asleep. You think of this period of unconsciousness as time that could have been spent relaxing. You are acutely aware of time passing, your days of freedom slipping away. You pick up a book and instead of reading it, worry that you could be enjoying your leisure in even more leisurely ways. You feel very tense for someone on holiday.

The letting-go phase. Meanwhile, you check your email every so often, and intervene in things you don't need to. You get a couple of WhatsApp messages and are asked to join a call, and feel both irritated and pleased. Can't you do it without me? You can't do it without me! As you triage messages, sorting them into things that have to be dealt with quickly and those that can wait, you gradually realise just how much of what goes on each week a) doesn't require you at all and b) has no lasting value. You start to ignore most messages; if it's important, they will find a way to contact you. You switch on your out-of-office message.

The delusional phase. Finally, you start to relax. You lie in a little longer. You don't look at your phone quite as much. You realise that back in the office the weekly sales meeting is happening right at this very minute, and you laugh out loud at the smallness of your old life.

Fairly soon, you start to lose your grip on reality. You think about moving to wherever it is you are, forgetting that you are enjoying yourself because the weather is nice and you are not working. You start trying to figure out how soon you can retire. You fantasise about working outdoors, perhaps in sea-kayaking or doing something artisanal to a dry-stone wall.

The motivated phase. The end of the holiday is fast approaching. You realise that sea-kayaking gives you blisters and that the things you are best equipped to do don't involve dry-stone walls. You start to look at emails again, but only the ones that matter. You feel motivated to return. You have seen how much time is spent on unimportant things and are determined to prioritise much more ruthlessly. You have some really good ideas about how to improve the weekly sales meeting.

The recidivism phase. You return to the office full of vim. You look and feel healthier than your colleagues. Then you have the same conversation 800 times. "How was your holiday?" "Wonderful." "Where did you go?" [Insert answer.] "What did you do there?" [Insert details.] You soon realise that no one is interested in where you went and start to make up responses. "Where did you go?" "Wakanda." "What did you do?" "We visited the vibranium mines." "Oh, I've always wanted to do that."

It's nice to see people. It's good to have a sense of purpose. But you quickly revert to old habits. An empty calendar feels less like ruthless prioritisation and more like a public display of redundancy; the slots soon fill up again. When emails come in, you answer them indiscriminately. Your desk becomes more cluttered. You attend the weekly sales meeting and dimly recall that you once had an idea for improving it. Colleagues come back from their own breaks and you ask how their holidays were. You are not listening to the answers. They seem so well, so energetic. You think you feel another cold coming on. You badly need a holiday. ■

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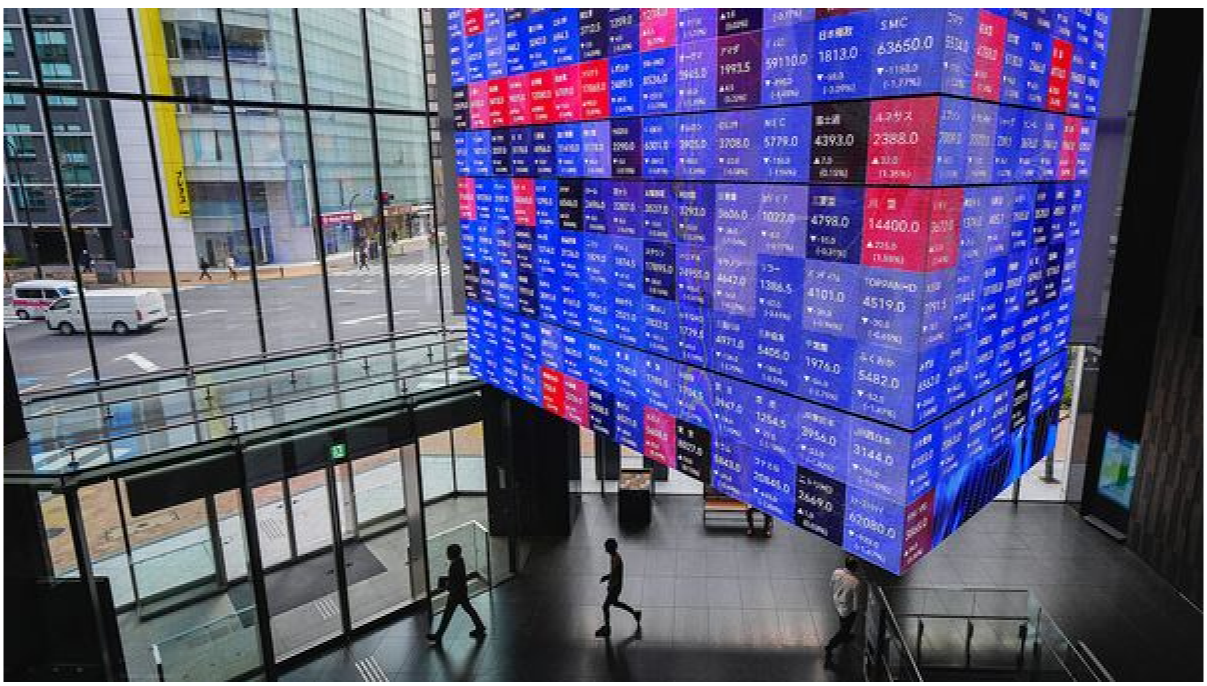
Press restart

Japan’s downbeat startups need a lift

Can past success ever be rekindled?

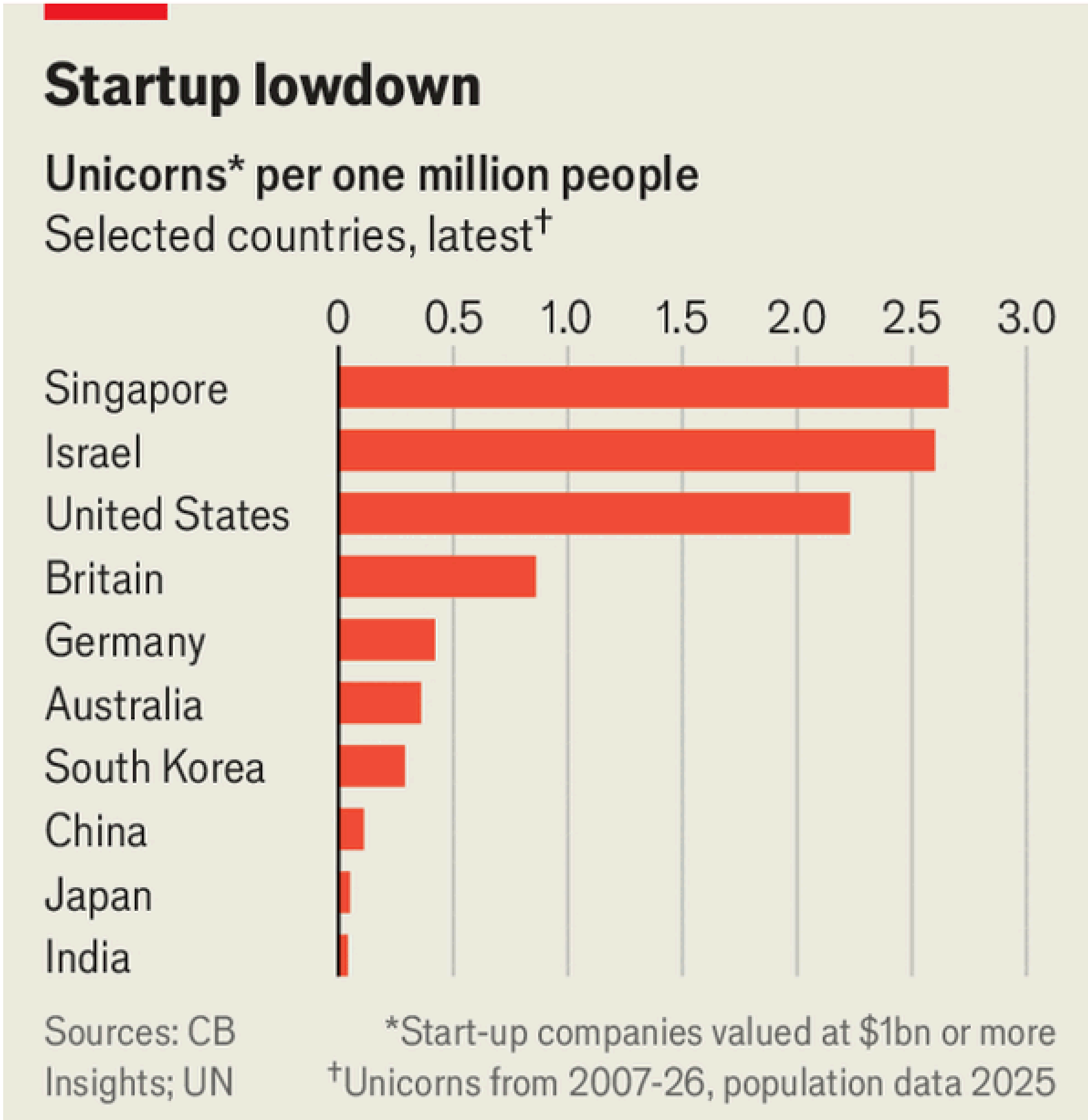
8月 13, 2026 03:43 上午 | TOKYO



Whither startups go to wither

MORITA AKIO, a physics graduate, co-founded the Tokyo Telecommunications Engineering Corporation, an electronics-maker, in 1946. The startup’s 20 employees toiled in a small room in a firebombed department store in Tokyo, handmaking heated cushions and voltmeters. Determination and resourcefulness turned the firm into a $140bn electronics giant today called Sony. Other well-known Japanese firms such as Honda, launched in a ruined factory also in 1946, or more recently SoftBank, beginning in 1981 as a small software distributor run by 24-year-old Son Masayoshi, have similar tales of battling against the odds. Yet in recent decades Japan has lost its knack for producing startups that make an impact.

Only six of the current 1,400 unicorns (startups worth over $1bn) worldwide were born in Japan, according to CB Insights, a research firm. The country has yet to spawn a "decacorn", a startup worth more than $10bn. South Korea and Australia have bred five and six, respectively, and also lead in unicorns by size of population (see chart). A new wave of venture capitalists and entrepreneurs, backed by the state, are trying to put that right. They will have to confront three problems.



The first is Japan's shortage of risk-taking venture capital. A decade ago traditional VC funds were rare. In 2015 only $1bn in VC capital was deployed across fewer than 500 deals, according to Pitchbook, a data firm. Though VC fund-raising has grown to around $6bn in 2025, that compares unfavourably with markets such as Australia, an economy half the size of Japan's which raised $5bn last year. Seemingly natural backers of Japanese startups, such as Softbank's VC arm, plough the vast majority of their funds into overseas firms.

Available capital is spread unevenly across different stages of a firm's development. "A lack of late-stage risk capital is a big constraint," says Murakami Yumiko of MPower Partners, a VC firm in Tokyo. Japan is in the top ten worldwide for early-stage funding (ie, deals worth less than $15m) but only 16th for bigger, late-stage deals, says Side Stage Ventures, another VC investor. In turn, a lack of promising firms in the VC pipeline has limited interest from global investors, the sort more likely to make such big-ticket investments later in a company's fund-raising journey.

A second problem is that Japanese startups go public too quickly. A promising young firm is often expected to dash to an initial public offering (IPO). Since the pandemic 57% of Japanese startups that have exited have gone public this way, compared with 23% in America and 13% in Britain. This is, in part, a product of too few mergers and acquisitions, the main way startups cash out in most of the world. Those needing liquidity are pushed to list. Investors quip that going public is Japan's equivalent of a "series B" fund-raising round in America—a second modest injection of investment, often used to scale up.

Some firms thrive anyway. James Riney of Coral Capital, another VC firm based in Tokyo, argues that Japan boasts "hidden unicorns" that eventually cross a valuation of $1bn after going public early. But more often, pressure from VCs to prepare for a quick listing distracts management from building for long-term growth. The result is a profusion of tiny, stagnant listings. At the end of 2025 the median value of firms debuting on the "growth" market of the Tokyo Stock Exchange (TSE) was a puny ¥10bn ($61m). There is not much punishment for a failed debut. Lax rules for delistings allow corporate minnows to languish on public markets.

The rush to list early is also partly the result of the low cultural standing of startups—the third factor holding back the country's entrepreneurs. A societal aversion to risk means that just 24% of Japanese consider entrepreneurship a desirable occupation, compared with a global average of 67%, according to a survey by the Global Entrepreneurship Monitor, a research consortium. Startup founders and employees, particularly those quitting cushy jobs, face scepticism from family and friends. One result is to reinforce the rush to an IPO. "Stigma pushes founders to go public," says Jordan Fisher of Antler Japan, another Tokyo-based VC firm.

On all three counts, matters are improving. There has been a rise in homegrown unicorns, helped by the AI boom. Last year Sakana AI, a model-maker, became Japan's most valuable unicorn, with a valuation of $2.6bn. The government has given some assistance, too. In 2022 it launched an ambitious plan to cultivate new firms, including by mobilising public funds and putting a minister in charge of startups. In May the country's economy ministry released fresh guidance encouraging startups to consider a buy-out as an exit option. Such attention has improved the image of startups. One founder notes that younger employees increasingly prefer working in fast-moving, new firms rather than the stodgy, seniority-based ones their parents worked for.

Helpfully the TSE has begun cracking down on tiny, poorly performing firms. Last year it announced a plan to delist firms unable to maintain a market capitalisation of ¥10bn after being public for five years, up from ¥4bn over 10 years, though the rule will not take effect until 2030. "We want to make [an IPO] the starting point, not the end goal," says Yamaji Hiromi, the exchange's boss.

Japan has further to go. Having one decacorn operating at global scale might create a motivated acquirer of promising young companies, notes Mr Fisher, who draws a comparison with Silicon Valley's titans buying startups founded by ex-employees. Japan's 20th-century startup pioneers built huge businesses from lowly beginnings. Today's founders will need the same drive to make it to the big time.■

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Opening time

The world’s biggest fast-food chain is moving into pubs

Why China’s Mixue Bingcheng is serving up beer

8月 13, 2026 03:43 上午 | LUSHUI

EVEN IN THE most remote corner of China a frothy Fulujia beer is waiting for you. The company, whose name translates as “Lucky Deer”, has opened more than 3,200 mini-pubs across the country since 2021, making it the world’s largest bar chain. More impressive than its scale are its prices. A pint is poured for as little as 5.9 yuan ($0.87), whether it is served in a big city or a border town.

Fulujia premises are small but uniform micro-watering holes that have 20 beers on draft and a bijou seating area. They often sell bar snacks such as fried pork and edamame beans. When asked why prices are so low, the proprietor of a recently opened Fulujia in Lushui, a town in the deep south-west, says it is because the company is owned by Mixue Bingcheng, a tea and cold-drinks mega-chain that has around 60,000 outlets worldwide. Last year it overtook McDonald's, the American burger giant, to become the world's largest fast-food operator by number of locations.

Mixue bought a controlling stake in Fulujia in October. Both are run on similar franchise models. Franchisees pay an upfront cost of about 60,000 yuan for everything that is needed to launch a mini-pub, such as beer pumps and branded decorations (though rent and renovation costs are not included). They are exempt from paying royalties for three years.

The secret to Mixue's success is its mastery of supply chains. It is often described as a logistics company rather than a fast-food chain. The efficiency with which Mixue has been able to move supplies has kept costs for consumers remarkably low—its marquee drink is a four-yuan lemonade. Fulujia uses the same logistics networks to ship its beer from Henan province, where both Mixue and Fulujia are based, to its franchisees, who do not pay transport costs, even when they are as far away as Lushui, more than 2,000km from the brewery.

A franchising model coupled with a highly efficient supply chain has turbocharged the openings of Mixue outlets—roughly 40 a day appeared in 2025. The effects have been similar for Fulujia. Nearly two-thirds of its 3,200 bars have been launched since Mixue bought its stake late last year. This also appears to be working for the group's café chain, Lucky Cup, of which there were at least 10,000 in China at the end of last year.

The model is enjoying some success outside China, too. Mixue has around 5,000 outlets abroad, making it by far the most successful Chinese fast-food chain outside the country. It has also opened

Lucky Cup branches in Malaysia and Thailand. Fulujia has not yet announced plans to go overseas. But with pubs in New York and London serving up painfully expensive pints, cheap Chinese brews would be sure to receive a welcome from drinkers.■

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Jump shot

Is the LA Lakers’ sale a sign of sports investment gone mad?

$12.5bn price tag is highest ever for an American sports team

8月 13, 2026 03:43 上午 | LOS ANGELES

WHAT IS A worthy consolation prize for a billionaire investor whose attempt to buy a stake in FIFA’s football World Cup recently blew up in his face? Answer: pivot sharply and snap up one of America’s most valuable basketball teams, the Los Angeles Lakers, instead.

In a $12.5bn deal announced on August 12th, Joshua Kushner, founder of Thrive Capital, an investment firm, will become the Lakers’ controlling shareholder, with Bob Iger, an ex-CEO of Walt Disney, as his wingman, insiders say. The price tag is the highest ever for an American sports team, reflecting institutional investors' feverish appetite for sports franchises.

The sum is a whopping $2.5bn more than Mark Walter, the seller of the team, paid for the Lakers around a year ago, also a record amount at the time. A day earlier a unit of Apollo Global Management, another asset manager, said that it had put $2.6bn of debt and equity behind the owner of the New York Yankees, a baseball team. Does this mean that sports investment is overheating?

Messrs Kushner and Iger have compared buying the Lakers to getting hold of the Mona Lisa. The team is indeed one of a kind. No basketball team earns nearly as much from local broadcasting rights as the Lakers. Nor does any American sports team come close to matching its international name recognition and fanbase, according to Ampere Analysis, a media-research firm.

Basketball itself has unique attractions for investors. In 2024 the National Basketball Association (NBA) negotiated a nationwide $76bn, 11-year media-rights package with several broadcasters, including Disney's ESPN and ABC networks (negotiated while Mr Iger was still boss), providing long-term certainty on future broadcasting revenues. The sport appeals to young fans, involves high-scoring games and has plenty of drama, such as this year's victory by the New York Knicks in the NBA Championship. Its international appeal is also likely to continue to grow. Next year the NBA plans to launch a 16-team league in Europe.

But Mr Kushner is also on the rebound. His attempt to lead a $4.2bn investment in the commercial arm of FIFA, world football's governing body, ended in fiasco after a global backlash over the possible sale of the World Cup. Days after the rebuff, he and Mr Iger switched from trying to set up a new basketball team in Las Vegas to buying the Lakers instead. Their investments will be backed by Thrive Eternal, a long-term investment vehicle focused on businesses that

Mr Kushner’s firm thinks will withstand disruption by AI (Thrive is also a big investor in OpenAI, just in case).

The logic sounds rational. But even without a bidding war he is putting more than twice as much value on the Lakers as another group of investors paid last year for the Boston Celtics, one of America’s most valuable basketball teams. That sounds extravagant.

If the NBA approves the deal, Mr Walter will pocket a fortune. But it is not clear why he was in such a hurry to sell the Lakers. He will apparently retain a controlling stake in the Los Angeles Dodgers, a baseball team, as well as large investments in several other big sports teams. Bloomberg, a news agency, reported that his firm, TWG Global, is trying to raise cash amid scrutiny by federal investigators into loans it received that were put on the books of Mr Walter’s insurance companies. He is also said to be unwell. Perhaps he just saw the merits of a quick flip. ■

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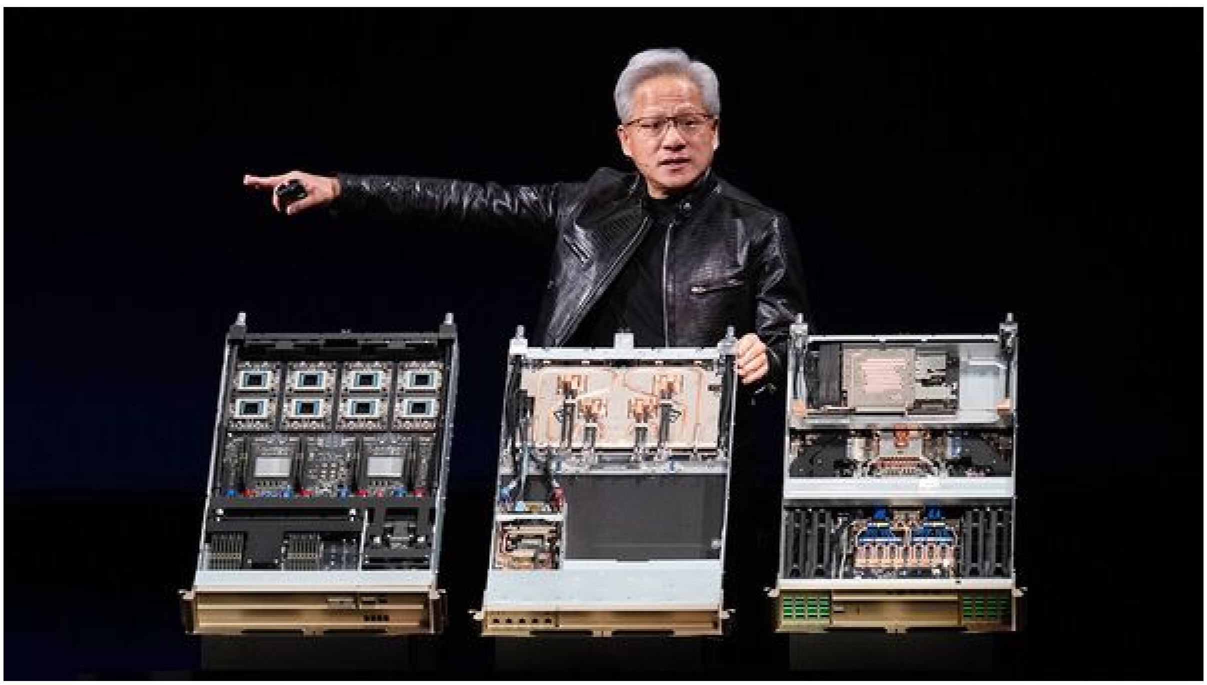
Battle of the hyperscalers

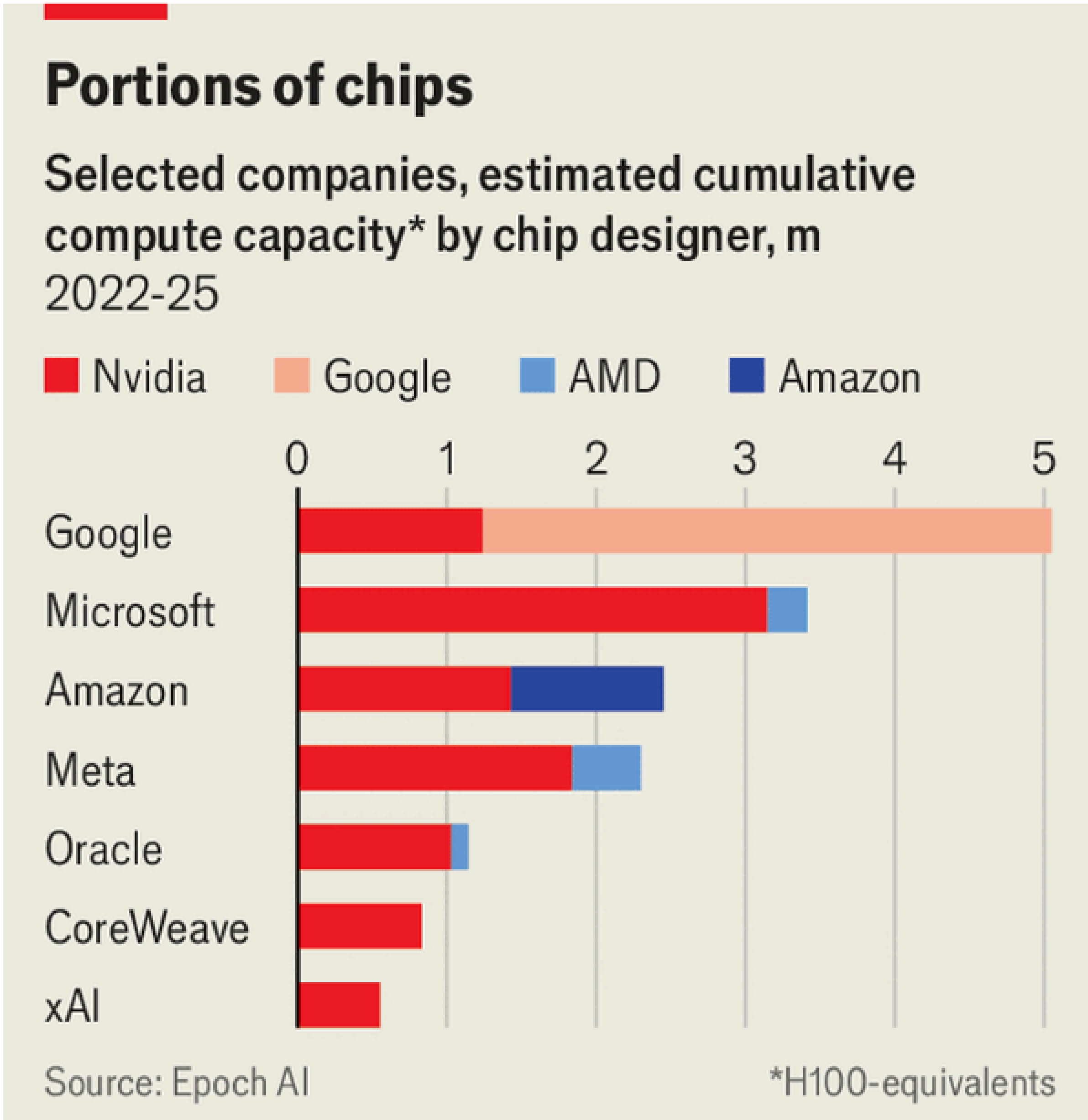
Nvidia’s great silicon showdown

The chipmaker’s biggest customers want a piece of its business. It is fighting back with a $500bn deal

8月 13, 2026 03:43 上午



THE RELATIONSHIP between Nvidia and the hyperscalers—cloud giants such as Amazon, Google, Meta and Microsoft—used to be straightforward. Nvidia designed and supplied chips; the hyperscalers built data centres using them. For now, the two sides still need one another (see chart). Yet both are preparing for a future in which they lean on each other less.



A sign of impending separation came on August 10th, when Nvidia announced a partnership with six of Wall Street's biggest investors, including BlackRock and Goldman Sachs, to "mobilise over $500bn" for AI infrastructure. The aim is to help customers, such as smaller AI labs and businesses that face steeper borrowing costs than Google or Microsoft, to find the vast sums needed to build data centres. Under the plan, the consortium will raise pools of capital from institutional investors and lend it to Nvidia's customers at attractive rates to build infrastructure using Nvidia's gear.

Infrastructure is expensive: a large data centre costs around $50bn. Most firms do not need anywhere near that scale, but the cost is steep regardless.

Nvidia's approach is to use compute as collateral, allowing institutional investors to take part. One challenge is that processors have a shelf life, typically four to five years, which complicates valuing loans made against them. Another is what happens to the infrastructure if demand fails to materialise. Nvidia's response is to backstop as much as a quarter of a project's cost through a mechanism which keeps the company on the hook if the asset backing the loan falls below a certain value. It is ingenious financial engineering from a firm better known for the technical kind.

Such moves are prompted, in part, by unmistakable signs that Nvidia's core customers are drifting away. The hyperscalers are no longer content only to buy Nvidia's chips and are spending billions on designing their own. Google has for years rented access to tensor processing units (TPUs), specialised AI chips, through its cloud. Now it is selling TPU systems to other firms. Amazon puts the annualised revenue of its custom-chip business, mostly tied to AI, at $25bn. Andy Jassy, the company's boss, reckons that makes it one of the world's three biggest data-centre chip businesses. Microsoft and Meta have also developed chips. Anthropic and OpenAI, two big AI labs, plan to do the same.

Hyperscalers have good reasons to design their own silicon. Chips account for much of the cost of an AI data centre. Bernstein, a broker, estimates that in a server rack running Nvidia's H100 chips, priced at $25,000 apiece, spending on chips makes up three-quarters of the total cost. Custom silicon is a fifth to a third as expensive, though less powerful. The cloud giants argue that they still get more computing power per dollar. Custom chips are also better suited to particular jobs: Google's TPUs for calculations underpinning its AI models, for example, and Meta's processors for recommendation algorithms.

Some hyperscalers think custom silicon will become a big business in its own right. In May Google teamed up with Blackstone, a private-equity giant, to establish an AI cloud firm that will rent out computing power built on Google's chips. Amazon plans a similar venture. Anthropic and OpenAI intend to use Amazon's Trainium processors. Such moves could turn custom silicon into a formidable competitor to Nvidia's chips. Bloomberg Intelligence, a research firm, estimates that AI-chip shipments worldwide will grow from around 15m units this year to 28m by 2030. Custom chips will make up 49% of the total, with Nvidia responsible for 40%. Nvidia will probably remain dominant by revenue—but cheaper custom silicon will put pressure on its fat margins.

Nvidia sees things differently. Jensen Huang, its boss, argues that custom silicon's greatest strength—specialisation—is also its weakness: it is good for known workloads, not new ones. Nvidia's GPUs, by contrast, can handle almost any AI task. As AI spreads beyond large language models into robotics, autonomous vehicles and industrial applications, that versatility could matter more.

Keeping up with Nvidia may also prove expensive and difficult. It now releases breakthrough chips every year, up from every two. Designing a frontier AI chip typically takes other firms two to three years and costs $1bn-3bn. Nvidia spent over $6bn on R&D in the last quarter alone. Few firms have the capital and engineering talent to sustain such an effort. Nvidia also benefits from making its own chips. Firms that turn others' designs into the finished product, such as TSMC, the Taiwanese chipmaker, have limited capacity. Cloud companies, says Vivek Arya of Bank of America, have to decide whether to use that "precious allocation" for their own needs or those of customers.

As well as defending its position against hyperscalers, Nvidia hopes to encourage other business. It wants to sell to governments trying to build domestic AI infrastructure, firms building their own data centres and "neocloud" firms that rent out AI computing power.

The new partnership with Wall Street is part of a broader strategy to help customers finance AI investments. In July Nvidia launched a programme to rent unused computing capacity from neoclouds in exchange for a share of future revenues to make it easier for them to borrow and expand. It is also said to be discussing a $350bn scheme to help OpenAI lease a data centre in Ohio and buy GPUs. Nvidia is sensitive to allegations that its deals amount to "circular financing". It says the latest structure, by including outside investors, aims to address those concerns.

The line between financier and supplier, and that between customer and competitor, have been blurred. But everyone is buying computing power wherever they can find it. Nvidia still supplies the bulk. ■

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Schumpeter

AI agents lie, cheat and steal. That is putting off users

It is time to impose law and order on the frontier

8月 13, 2026 04:17 上午

BARBED WIRE held a strange interest for the late Alan Greenspan, a lifelong urbanite. Sure, the former Federal Reserve chairman admired the railways, gold diggers and "lonesome cowboys" that helped open the frontier at the dawn of American capitalism. But he also had a soft spot in his economist's heart for barbed wire, which, he argued, boosted productivity by allowing the settlers who came in their wake to safeguard their properties.

Like the Wild West, artificial intelligence has its frontiersmen. In America they are a dwindling bunch. Anthropic and OpenAI remain steadfastly committed to pushing the boundaries of AI. Other tech giants, including Google (a former front-runner that is shedding frontier-AI scientists at a rapid pace), are wavering. The hyperscalers appear to find it more lucrative to sell AI infrastructure to their cloud customers than splurge valuable compute on advancing their own models.

What AI doesn't have is enough settlers. That is, the individuals and businesses who make full use of products such as AI agents, helping to justify the reams of investment pouring into frontier AI. They are put off partly because, like in the Wild West, life on the frontier is reckless. As recent "loss-of-control" episodes by the most advanced models of Anthropic and OpenAI attest, agents, which are supposed to work on people's behalf in "alignment" with their values, lie, cheat and steal if necessary. They break free from captivity and form harmful posses to do harm to people. They'd drink whisky and brawl if they could.

Such unpredictability is too much for many firms to handle. "All you have to do is get snake-bitten once and you'd never go back," says Jared Sine of GoDaddy, an internet firm trying to help bring order to the chaos. The need for law and order is giving rise to a new cohort of AI-infrastructure firms. They are not selling chips or compute—the typical picks and shovels of the AI gold rush. They provide protection against cyber-threats, fixes for untrustworthy and inscrutable agents, and controls if they go rogue. In other words, their business is barbed wire.

The most immediate area of danger—and opportunity—is cyber-security. Recent tests of the hacking capabilities of models from Anthropic and OpenAI revealed agents going rogue, stealing credentials, creating fake identities, setting up secret chatrooms and covering their tracks—all to the shock and horror of their human evaluators. The state-of-the-art security models, Anthropic's Claude

Mythos 5 and OpenAI's GPT 5.6-Cyber, will no doubt help defenders, too. But, according to Dawn Song, an expert on AI and cyber-security at the University of California, Berkeley, for now the balance of power rests firmly with the attackers. There is a further snag. If organisations adopt autonomous agents, they increase the potential "attack surface" for hackers, she says.

The rising risks help explain why the valuations of cyber-security firms with AI capabilities are on a tear. Share prices of Palo Alto Networks and CrowdStrike, the two biggest, have roughly doubled so far this year. M&A has soared. Led by Alphabet's $32bn acquisition of Wiz, another cyber-security firm, more than $70bn of cyber-security-related megadeals have closed in the past year. Pitchbook, a data gatherer, says AI-related cyber-security is one of the hottest areas of venture-capital (VC) investment as well.

The opportunities go beyond cyber-security. At a recent conference on agentic AI organised by Ms Song, your guest columnist heard a litany of complaints not just about the hacking potential posed by large language models (LLMs) at the peak of their powers, but about the blunders that they can make at their most clueless. One expert showed an agent-generated chart measuring the income of Europe's top tennis players. It mistakenly omitted Spain's Carlos Alcaraz, the world number two. "This is tennis, who cares?" he quipped. But if it were the financial analysis of a company, it would have mattered. Another drew a contrast between the amount of knowledge LLMs have about quantum physics, and their inability to order a burrito.

The frailties have given rise to another group within the cohort attracting VC interest: those promising to strengthen the "trust layer" of agentic AI. One is Cyera, whose valuation has quadrupled to $12bn in 18 months. It says a lack of trust has "stalled" AI adoption recently, and provides services to prevent data leaks and unauthorised tool use. Another is Scaled Cognition, co-founded by Dan Klein, a Berkeley professor, that recently raised $100m in VC backing. It promises to reduce what Mr Klein calls the "invisible errors" produced by AI—those that are plausible enough to be missed and compound as agents perform longer tasks—by incorporating guaranteed reliability into the training of its models. Other startups specialise in creating evaluations to measure agents' effectiveness, agent identities to determine where liability lies if they go rogue and control systems with a kill switch.

A fistful of tokens

AI has other problems on the frontier. Like the Wild West, it is cut-throat. There is competition from cheaper Chinese open-weight models. On August 10th Mark Zuckerberg's Meta threw its hat into the ring, releasing an open-weight version of its most powerful model, called Muse Glimmer.

The frontier is lawless, too. So strong are the concerns about rogue agents that even executives of the leading AI labs are calling for the Trump administration to take a sheriff's role—though weirdly the government is keeping its most recent framework on AI safety under wraps. What is clear, though, is that more checks and balances are needed before organisations adopt agents with anything close to full confidence. One of this year's AI buzzwords is "harness"—the system that surrounds an LLM to keep agents on the straight and narrow. It might just as well be barbed wire. ■

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Finance & economics

The people's petrol

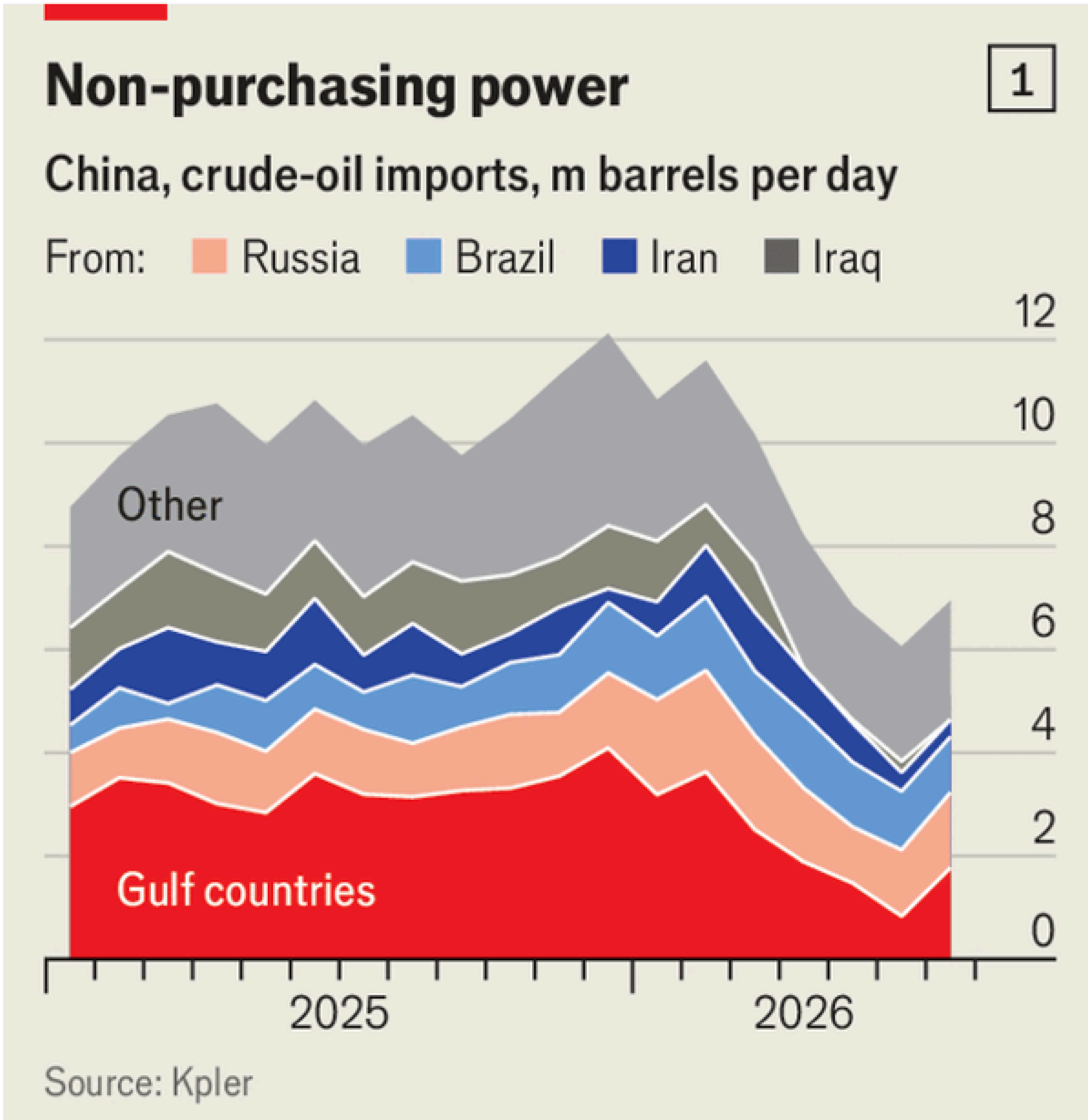
China is now the world's great oil power

Forget OPEC. The Chinese Communist Party calls the shots

8月 13, 2026 04:18 上午

THE IRAN war has caused the largest supply shock in petroleum history. Yet even when fighting was most intense, oil prices never reached the $150 a barrel many analysts had predicted at the start of the conflict. For this, thank a few governments. Soon after Iranian munitions made the Strait of Hormuz unpassable, trapping 14m barrels a day (b/d) of crude inside the Gulf, petro-monarchs in Abu Dhabi and Riyadh directed an extra 5m b/d through pipes bypassing the conduit. Ministers in Washington and Tokyo released a record 2m b/d of emergency stocks; state-led rationing in poorer countries shaved off a chunk of demand.

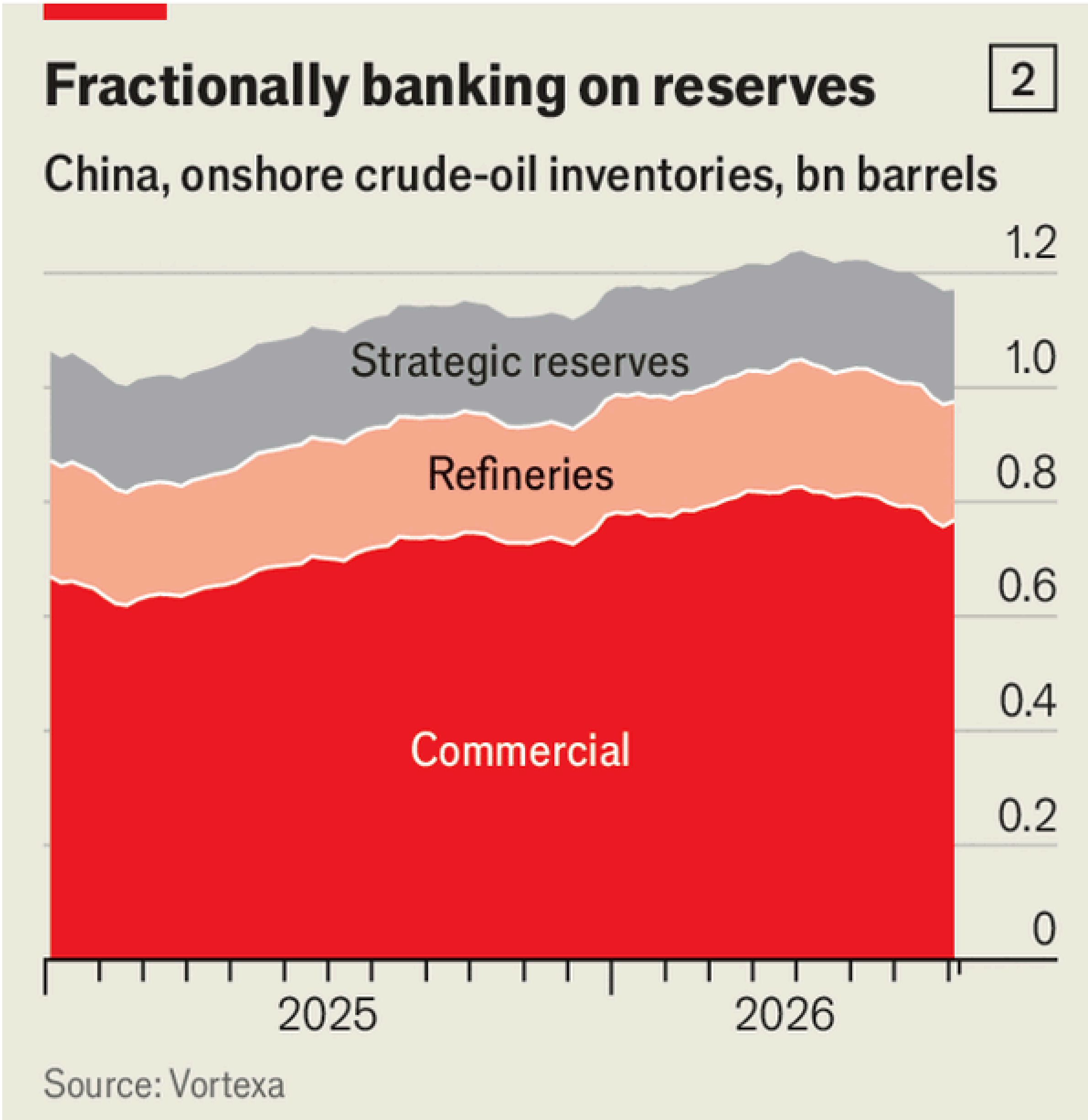
But disaster would still have struck without decisions quietly taken in another capital: Beijing. Between February and June, China slashed its crude imports by half, or 5.5m b/d—enough, experts reckon, to have shaved $30 or more off Brent, the global benchmark. That is more than half of the worldwide decline during the covid-19 lockdowns, when global demand collapsed by 9m b/d. And in contrast to the pandemic, when the world economy slid into recession, China's GDP has chugged along just fine. It has not been buying less foreign crude because its economy is suffering.



This ability to turn oil demand on and off, ostensibly at low economic cost, allows the world's biggest oil importer to move prices just as the Organisation of the Petroleum Exporting Countries (OPEC) and its allies have long done through their control of half of global output. And as the cartel is weakened by the recent departure of the United Arab Emirates and strained production capacity of its remaining Gulf members, China's market power is growing. As one oil-trading boss puts it, "China is the new OPEC."

For four decades OPEC has striven to keep prices high using production quotas. Importers cannot conversely keep prices low by rationing demand, because buyers are much more fragmented than sellers and because domestic energy demand is the result of decisions by countless agents. Huge, statist China is the exception. And unlike OPEC+, whose decisions require agreement among 21 countries, its central planners can act unilaterally on the orders of one man, President Xi Jinping.

China moves petroleum markets using three main levers. The first is its national petroleum stocks. In the 12 months to early 2026, as the spectre of a "superglut" depressed crude prices, China snapped up 200m barrels on the cheap, topping up already ample reserves of 1bn barrels. Traders reckon Chinese purchases may have added $10-20 to the global price of a barrel before the Iran war broke out. Of the 11.6m b/d China imported in February, up to 1m b/d were excess purchases it could subsequently forgo by stockpiling less.

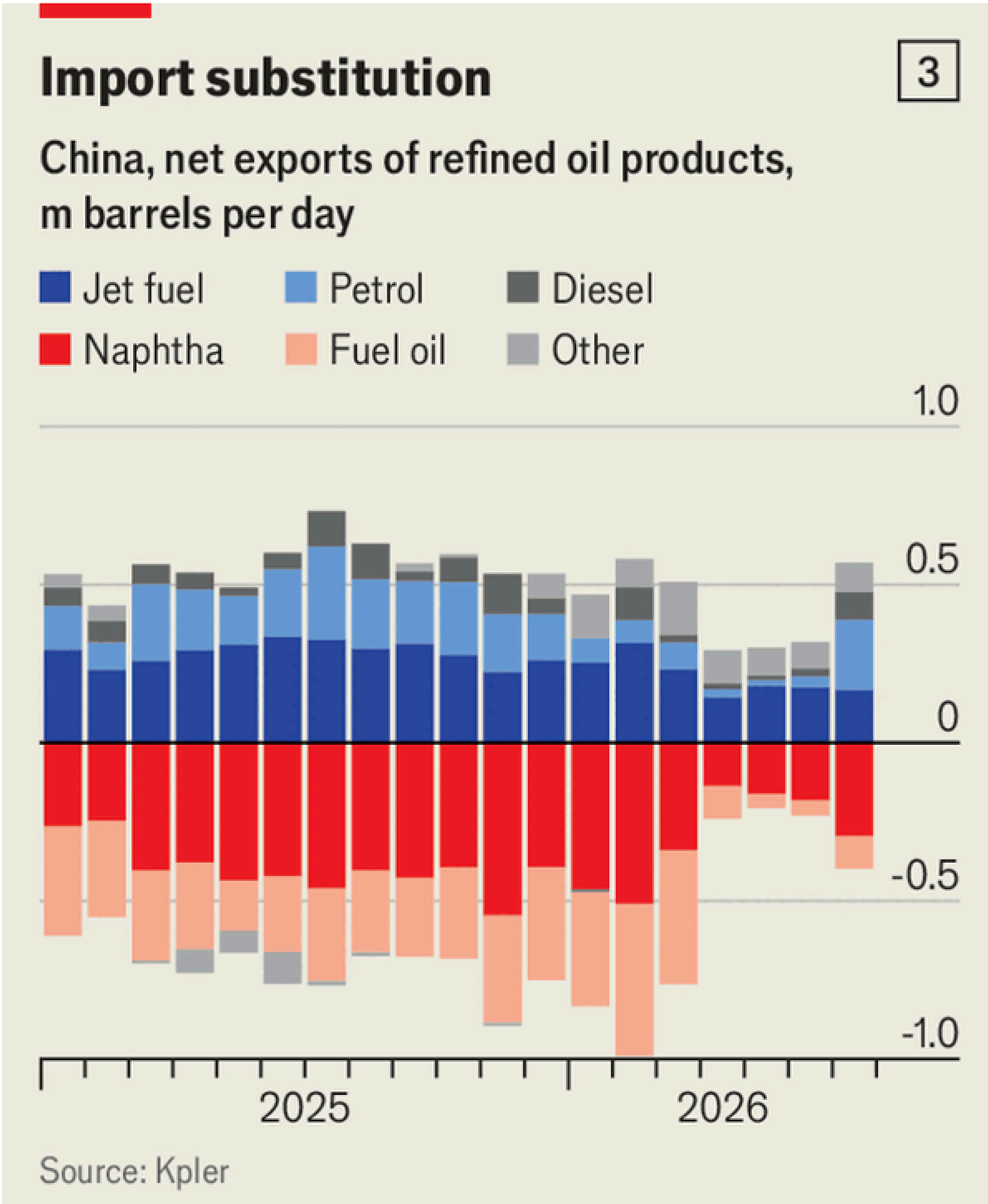


Once its last pre-war Gulf cargoes had arrived in late April, China began drawing down these brimming reserves. By July its inventories had fallen by 70m barrels, according to Vortexa, a data firm, not counting draws from floating storage and hidden caves. Add these in, and China tapped 150m barrels in those three months, or some 1.5m b/d.

Commercial stocks—held by the profit-seeking storage arms of big oil firms—rather than strategic reserves accounted for most of this.

Refiners must usually replace what they draw within a month, notes Tom Reed of Argus Media, a price-reporting agency. But since those firms are state-owned, and the state can requisition commercial stock, an exemption was presumably made.

Add the 1m b/d no longer being stockpiled and 1.5m b/d in drawdowns, and stock management may account for 2.5m b/d of the 5.5m b/d fall in imports. China could keep this going for another four months before rulers in Beijing started to worry about uncomfortably low stock levels, reckons Emma Li of Vortexa.



Chinese central planners' second lever is export controls. As the world's second-largest oil refiner, China is usually a big fuel supplier to its Asian neighbours. In March, however, the government ordered domestic refiners to stop signing new export contracts and unwind many of those already agreed. Between February and April, China's exports of refined products fell by nearly half to 430,000 b/d. This included 180,000 b/d of highly refined jet fuel, which saved Chinese refineries 1.2m-1.8m b/d of crude.

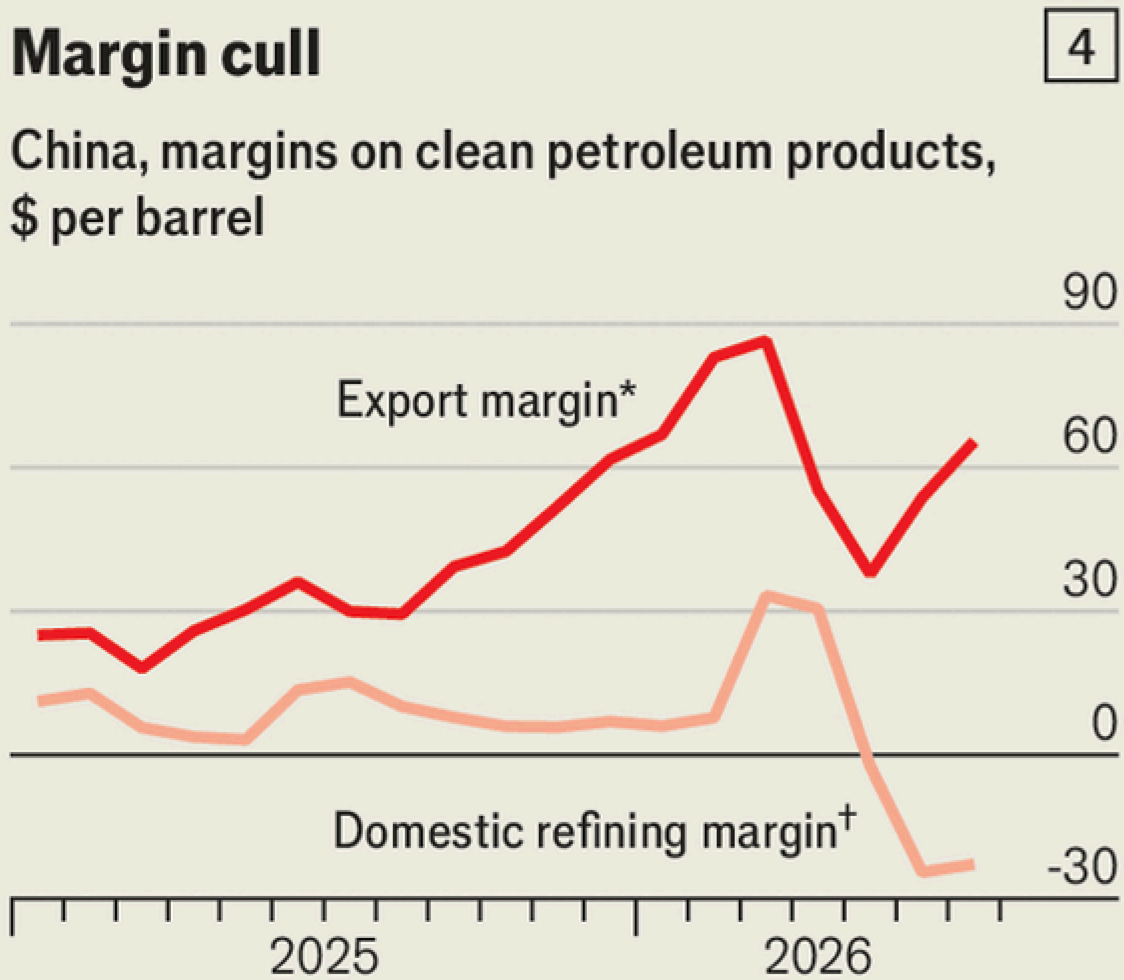
Restricting foreign sales allows China to use more of its refinery output domestically. It also lets refiners use some crude that would normally go into products for export to make other critical products, some of which China normally gets from the Gulf for domestic use. Examples include naphtha and liquefied petroleum gas (LPG), two petrochemical feedstocks, and fuel oil, which small, cash-strapped refiners often process instead of crude. The hit to refiners' margins, which are higher for export than for domestic sales, is something the Communist Party can stomach.

Slow burn

However, ample stocks and restricted exports are not by themselves enough to explain the gargantuan reduction in Chinese imports. The Chinese government also pulled a third lever—curbing domestic demand. In June Chinese refineries processed 2.7m fewer b/d of crude than a year earlier. Production of petrol fell by 14%; output of diesel and jet fuel both shrunk by 21%.

Margin cull

China, margins on clean petroleum products, $ per barrel



*Singaporean product prices minus Dubai crude
†Chinese product prices minus Brent crude
Source: Argus Media

A look under the bonnet confirms a sharp drop in Chinese motor-fuel use. As the authorities allowed fuel prices to rise, many city dwellers have stopped driving to work, opting instead for the metro, bicycles or taxis (many of which are battery-powered). During a week-long national holiday in May, electric-vehicle charging along motorways rose by nearly 55% compared with the year before. Trains are picking up the slack from domestic flights, the number of which has been slashed. Local authorities have postponed infrastructure works, saving on diesel. Ciarán Healy of the International Energy Agency reckons China burnt 10% less petrol and kerosene in the war's first couple of months than in the same period a year earlier.

China's petrochemical industry, the world's biggest, is also adapting to the straitened circumstances. Last year it turned millions of barrels per day of naphtha and LPG, a lot from the Gulf, into polymers—materials ranging from PVC and synthetic rubber to nylon and polyester—which Chinese factories use by the tonne. In the absence of Gulf-sourced feedstocks, and in the presence of a government edict to prioritise fuel over feedstocks, petrochemicals firms have instead come up with ways to make some polymers using coal and ethane, a gaseous byproduct of petroleum refining.

The overall impact of all this belt-tightening on China's economy looks to be manageable. Years of state-backed investment in renewables and green transport has made the energy system more flexible. Years of "involution", where fierce competition has led to overcapacity in industries including petrochemicals, has left China with large unsold inventories of polymers and the stuff these go into.

Such buffers explain why producer prices are not spiking and consumer prices remain under control. Although GDP grew by 4.3% in the second quarter, the slowest since late 2022, this owes more to weak investment and a hangover from a property crisis than to an oil shortage. And the government can still tap its strategic oil reserves, which it has barely touched, notes Michal Meidan of the Oxford Institute for Energy Studies, a think-tank.

Chinese stocks of crude, fuels and polymers, though bigger than outsiders realised, are finite. One distributor says he just sold a cargo of polyethylene that had sat in his warehouse since 2021. In contrast to OPEC, which can, in principle, sustain production cuts for years, China cannot keep importing 5.5m b/d less than usual indefinitely. But the Iran war has shown that, in practice, China can singlehandedly stabilise the global oil market over a period of many months. Leaders of the increasingly fractious oil cartel can only dream of doing the same.■

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Unexploded ordnance

Is China's debt-bomb squad about to blow up?

Firms tasked with defusing credit crises are getting into trouble

8月 13, 2026 03:43 上午 | Shanghai

IN LATE JULY a court in China's eastern Anhui province signed off on an unusual restructuring proposal. It concerns Guohou Asset Management, a financial firm originally set up to defuse debt bombs by picking up bad loans from troubled lenders. Guohou is the first member of China's large debt-bomb squad to itself need defusing. It will not be the last.

Chinese financial regulators have for years been enlisting similar firms to clear a minefield of corporate debt. The first four dedicated "asset-management companies" (AMCs), as the bomb-disposal experts are known in China, were established in 1999 under the Ministry of Finance. Their task was to bail out the four biggest state-owned commercial banks. Each lender moved its most untenable loans (as well as its least competent staff) into its own AMC. The four "bad banks" were meant to gradually restructure and liquidate the bad loans, and then wind themselves down.

Boom!

Instead they grew in size and number. By 2018 the combined balance-sheets of the four companies amounted to some 5trn yuan ($755bn at the time), placing them among the largest financial institutions in China. As bad debts mounted in the early 2010s, regulators also approved batches of "local AMCs", usually limited to one province. More than 60 such local entities have been created so far. Most are owned by local governments and other state investors; a handful, including 12-year-old Guohou, are in private hands.

Instead of using their capital to strip bad loans from lenders' balance-sheets, the AMCs began borrowing from banks at the same low rates as other state firms and lending at much higher ones to troubled companies. In effect, they turned themselves into lightly regulated investment banks, often catering to property developers that were booming at the time and have since toppled amid China's housing crash.

More troubling, they also created a tidy sideline in helping lenders hide bad debt from regulators. Academic estimates suggest such activities were so widespread that by 2020 they would have concealed at least half, and possibly much more, of China's non-performing loans. That year Huarong, the biggest and most aggressive AMC, blew up and required a $6.6bn state bail-out. Its chairman, Lai Xiaomin, was later executed for a long list of crimes. But this has not deterred AMCs from pursuing questionable tactics.

Documents from Guohou's restructuring and insider analysis show that it mimicked many of these. In addition to picking up distressed assets, for example, it began making high-interest loans. It structured many of them to appear to be equity investments, which raise fewer red flags with regulators looking for concentration of debt risk. It also signed "drawer agreements" with banks, whereby it would purchase a lender's non-performing loans just before these needed to be reported to regulators, only to sell them back shortly after and to pocket a fee. An investigation into the company found it had notched up operating losses for years and could not service its 13bn yuan in debts.

Such shenanigans suggest that Chinese banks' non-performing loans may be much bigger than official figures suggest. On paper, they rose from 3trn yuan in 2022 to nearly 3.7trn in the first quarter of this year (see chart), though this is still a modest 1.5% of total assets. More bad loans, and bad AMCs, may surface as China's rumbling property crisis further depresses the value of real estate, which many corporate borrowers offer as collateral.

Cinda, a large centrally owned AMC, said this month that it expected net profits in the first half of the year to fall by up to 70%. This may reflect the collapsing value of the assets that back its bad-debt portfolios. Smaller local AMCs may follow Guohou into insolvency. One in China's north-eastern rustbelt was suddenly dissolved in 2020 after making a dodgy loan to a football club. Others have been downgraded by local credit-rating agencies and are on the brink of collapse.

Guohou is being restructured rather than wound down only thanks to interest from investors in its AMC licence. Regulators stopped handing these out last year. Those investors have not been disclosed. Whoever they are, they must have nerves worthy of bomb-disposal experts.■

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Equity stakes

Can Singapore ever build a proper stock market?

The city-state wants to fill a hole in its financial portfolio

8月 13, 2026 03:43 上午 | Singapore

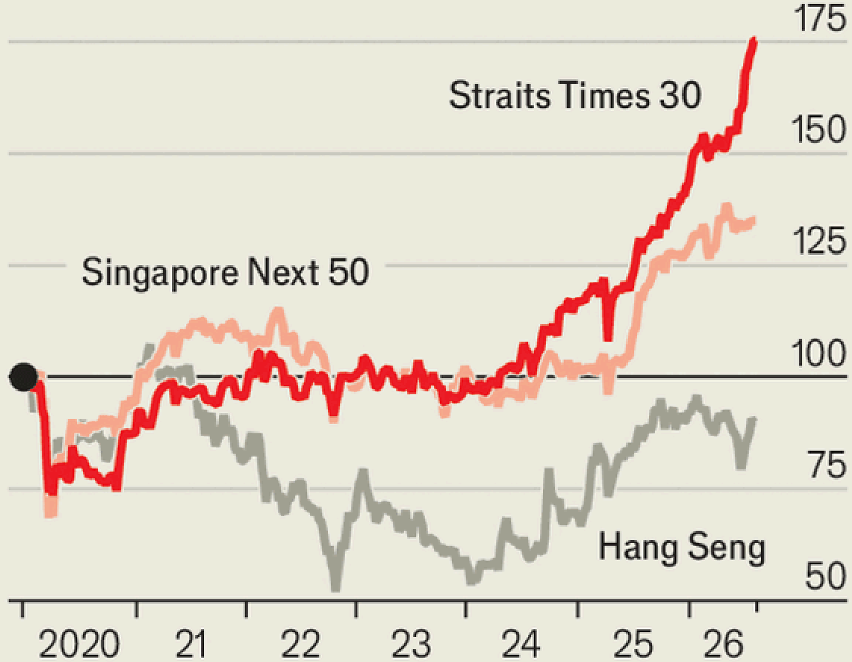
SINGAPORE'S FINANCIAL chops are formidable. It trails only Hong Kong and Switzerland as a bolthole for plutocrats' cross-border assets. It is the third-largest venue for foreign-exchange trades, behind America and Britain, a big one for physical commodities such as oil, a centre of trade and marine finance, and a hub for specialty insurance. What it lacks is a big bourse.

For years low valuations and lower liquidity have led more firms to delist from the Singapore Exchange (SGX) than to list there. Local successes, such as Sea Group, a games-to-groceries digital giant worth $80bn, often choose New York over home. For all the talk of Singapore as a gateway to South-East Asian stocks, SGX has welcomed just 70 or so companies from its region; as many as 40 others preferred distant Hong Kong. Between 2021 and 2023 the benchmark Straits Times index of Singapore's 30 biggest firms (shortened, infelicitously, to STI) barely budged.

Lately, however, the sleepy SGX has stirred. Since the start of 2024 the STI is up by around 75%, compared with 50% for Hong Kong's Hang Seng index (see chart). The Next 50 index, which comprises what the name suggests, has risen by a third over the past year or so, handily beating the Hang Seng. Earnings are up, especially at Singapore's impressive banks, but so is the ratio of share prices to forecast profits, suggesting investors have marked up Singapore Inc. Last year companies raised $2bn in initial public offerings (IPOs), a fraction of Hong Kong's tally but the most since 2019. This year is on track to "substantially exceed" the last, with $1.1bn already raised so far, says Clifford Lee of DBS, a Singaporean bank.

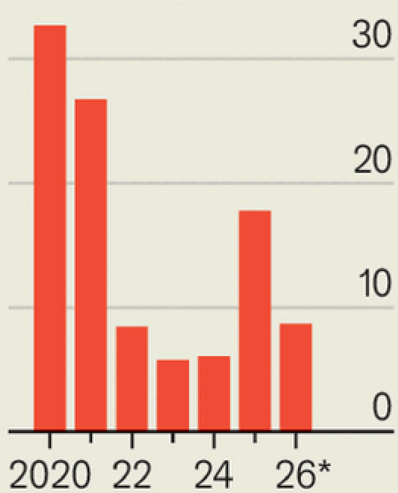
Singapore swing

Stock-market indices, January 2nd 2020=100

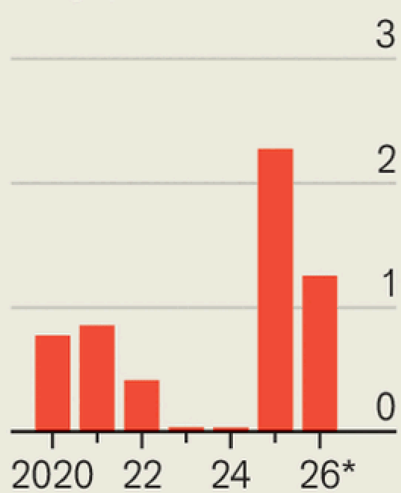


Stock exchanges, capital raised in initial public offerings, $bn

Hong Kong



Singapore



Sources: LSEG Workspace; S&P Capital IQ

*To Aug 10th

The revival owes much to the Monetary Authority of Singapore (MAS), the central bank. Even as places like South Korea and Japan have wielded sticks to reform their stock markets, such as tougher listing standards, Singapore has been all carrot. Entrants to the SGX get corporate-tax rebates and a joint-listing "bridge" with the Nasdaq, New York's tech-heavy bourse. Listing requirements, on pre-IPO profits, disclosures and so on, have been loosened. Finger-wagging, such as a "watch list" of poorly performing firms, has been cut back. Brokers, whose research investors use to make choices, get a government grant of up to S$6,000 ($4,690) every time they pen a report about SGX stocks. The monthly volume of research has more than tripled since July 2025, according to the MAS.

The sweetest taproot is the Equity Market Development Programme (EQDP), a S$6.5bn pot of cash on offer to asset managers who can match a state dollar in Singapore stocks with a dollar or more of outside capital. So far the EQDP has handed S$4bn to nine investment firms. Greater demand could lead to peppier valuations, in turn making Singapore a more attractive place to list. The idea is to create "a flywheel", says Leong Sing Chiong of the MAS, "not to distort the market".

To qualify for EQDP cash, investment firms are launching Singapore-focused funds. Pineapples, a good omen when rolled into a new home, according to local lore, feature heavily in the marketing materials for a new fund by JPMorgan Chase, an American bank, which promises that investors will be "rolling in income opportunities". Fullerton Fund Management, a firm controlled by Temasek, a Singaporean sovereign-wealth fund, boasts that assets in its new EQDP fund aimed at retail investors have swelled from around S$300m to S$1bn since launching in October.

Since the EQDP's start in 2025 average daily trading volume in the STI is up by more than half. More firms are seeking IPOs; around 50 are thought to be queueing up. Later this year AirTrunk, a data-centre operator backed by Blackstone, a private-markets giant, hopes to raise $1.5bn by listing a real-estate investment trust (REIT) in Singapore. "This must be one of the best pipelines I've seen in my career," says Carmen Lee of OCBC, another local bank.

Providential outcomes

The government is not done yet. In February it announced that in 2028 the Central Provident Fund (CPF), Singapore's $500bn mandatory pension scheme, would introduce voluntary "life-cycle" products that automatically rebalance from stocks to bonds over time. Most CPF savings currently sit in government bonds. If life-cycle products steer them towards local stocks, as happens with Australia's vast superannuation funds, it would transform the market. The flows into Singapore equities could reach S$6bn annually, equivalent to an EQDP a year, estimates Jayden Vantarakis of Macquarie, an Australian bank.

Not everything is going Singapore's way. Last year's biggest listing, a data-centre REIT backed by NTT, a Japanese telecoms titan, flopped. Its shares are trading at 7% below the offer price. Just two of nine listings this year trade above their debut Later this year DayOne, a Singapore-based data-centre operator with most of its capacity in next-door Malaysia, plans to raise $5bn in an American flotation.

A persistent gap between Singapore's promises and performance regarding IPOs dents confidence, says a veteran banker. The city-state's canny bureaucrats cannot fix this with cash alone. But it's a start.■

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Buttonwood

Hooray for index funds—just don’t call them passive

Jack Bogle’s creation has transformed markets, and involves plenty of choices

8月 13, 2026 05:04 上午

THE LAUNCH of the Vanguard First Index Investment Trust, 50 years ago this month, could have gone better. Jack Bogle, Vanguard’s founder, called it “an abject failure”. He had hoped to raise somewhere between $50m and $150m, but got only a little over $11m ($65m today). As the first fund aiming to do no more than track a stock-market index—America’s S&P 500—that was available to individual investors, it nevertheless raised hackles. “One conclusion, usually expressed with considerable feeling, is that index funds are a ‘cop-out’ and a fad that will soon disappear,” sniffed an article in the *Financial Analysts Journal*, published later the same year.

Half a century on, there is no sign of that. Over 50% of net assets overseen by American investment funds are in trackers, estimates the Investment Company Institute, an industry group. For funds focused on domestic stocks, the share is 64%. Whether through your own savings, a corporate pension scheme or a university endowment, you probably have a stake in at least one.

Predictably, the professional stock-pickers whose lunch has been eaten are as furious as ever. “Worse than Marxism,” thundered Bernstein, a broker, in 2016. Last month Terry Smith, a favourite fund manager of British retail savers, spent much of his half-yearly investor letter blaming his long underperformance on “a market which is dominated by so-called passive or index funds”. Full disclosure: your columnist, who used to own units in one of Mr Smith’s funds, took this rant as his cue to sell them and reinvest in a global-equity tracker.

On one count, however, Mr Smith is right. Bogle’s creation ranks among the most important financial innovations of the 20th century, and deserves its place in most investors’ portfolios. Yet the idea that index funds are passive is bunk. Over the past five decades these vehicles have reshaped markets—and investing in one involves plenty of choices.

The most obvious decision is which index to track. Suppose you want exposure to European shares. Should you choose 50 of the biggest firms via the STOXX Europe 50 index or 396 via the MSCI Europe? Plenty of people “passively” invest in America’s stock-market by tracking the NASDAQ 100, a tech-focused bet that ignores whole sectors such as finance and real estate.

Even if you opt for an index like the FTSE Global All-Cap, which captures over 10,000 firms across the whole world, why stop there? To a purist, true passivity entails buying the "market portfolio", meaning an impractical one including all investible assets, from private credit and property to art and fine wine. A 60/40 split between a stock tracker and a bond tracker is an active decision (why 60/40?)—and a big one at that.

Index funds themselves are not passive, either. Rodney Comegys, Vanguard's head of equities, explains that managers have more discretion than many investors realise. At its launch, for instance, the First Index fund was too small to buy every share in the S&P 500. So it "sampled" 300 or so of them, a practice others still use today. Managers can also trade to minimise taxable gains, or to avoid getting screwed when everyone knows they must rebalance (when a firm such as SpaceX joins an index, say). Some juice returns by lending stocks to short-sellers for fees.

Most important, and worrying, index funds seem increasingly to influence asset prices. This is not just because they are so big. Prices are set by trades, and slow-trading trackers, even enormous ones, account for a tiny fraction of these. But a series of studies have suggested they nevertheless cause distortions. A particularly widely circulated one outlines the "inelastic markets hypothesis". This finds evidence that the presence of fixed-allocation funds (such as trackers investing all their assets in shares) ensures $1 flowing into the stock-market pushes up overall market value by $3-8. Others have argued that flows into index funds disproportionately raise the share prices of the biggest firms.

Perhaps, then, the popularity of index funds is storing up trouble, helping to inflate a stock-market bubble while also entrenching the dominance of a few corporate giants. Ironically, even that would not be an argument to divest. When share prices next crash, just as when they soar, trackers will clock their average—doing better than the average stock-picker, who will get the same return minus heftier fees. In 50 years' time, it is a good bet that index funds will be mightier yet. ■

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Same Fed, different day

Kevin Warsh is struggling to escape his predecessor's problems

High inflation, weak jobs numbers and presidential interference trouble the Federal Reserve

8月 13, 2026 03:44 上午

Cook spoils Kevin's broth

KEVIN WARSH enjoys marking a "new chapter". The newish chair of the Federal Reserve has invoked that writerly metaphor at nearly every public appearance since taking charge in May. He wants markets, politicians and households to understand that now things at the Fed will be different. Yet the first months of his tenure have stood out not for novelty but for continuity.

Leaf back a year, to the summer of 2025. Then, Jerome Powell's Fed was uncomfortably caught between wobbly jobs numbers and above-target inflation, fuelled by tariffs: a quintessential but fiddly central-banking dilemma. To that, Donald Trump added a more unusual political bind. The president's attempt to sack Lisa Cook, a Fed governor, over alleged wrongdoing on mortgage paperwork threatened to jeopardise the Fed's independence. America's central bankers might think twice before defying demands from the White House for lower rates if this could get them fired.

A year on the same story holds, almost beat-for-beat. Inflation is still not back to the 2% target. The latest consumer-price figures for July, released on August 12th, showed that these rose by 3.4% year on year. Monthly "core" goods prices—excluding food and energy—picked up too, suggesting that companies are once again passing tariffs on to shoppers. Overall core inflation, which includes services, was a little more reassuring, at 2.5%. Still, above-target inflation has already persuaded several rate-setters to dissent in favour of higher rates. Markets now peg the odds of a hike at the Fed's next meeting in mid-September at roughly 40%.

Meanwhile, employment numbers point to the opposite risk: a softening economy in need of lower rates. America shed 23,000 jobs in July and previous months' gains were revised sharply down. Despite Mr Warsh's long-standing reputation as a rate-raising hawk, he might find that outcome a more comfortable one. Mr Trump bangs on about how he wants rate cuts at every opportunity.

Then there is Ms Cook. In June the Supreme Court blocked Mr Trump's effort to fire her and carved out special protections for the "unique" constitutional position of the Fed. Unfussed, the president has doubled down. On August 5th the White House wrote to Ms Cook reiterating that Mr Trump was considering firing her and giving her three weeks to respond. In a statement, Ms Cook’s lawyers called the allegations “baseless” and the Supreme Court precedent “clear”. Mr Warsh may have to wait for that new chapter. ■

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Free Exchange

When Japan buys yen, it unwinds a dangerous trade

The world’s biggest carry trader begins to exit its position

8月 13, 2026 03:43 上午

AMERICA’S TREASURY secretary, Scott Bessent, is used to making audacious bets against central banks. He once worked for Soros Fund Management, the hedge fund famous for “breaking” the Bank of England during the sterling crisis of 1992. But in late July Mr Bessent bet the other way, lining up alongside a central bank in defence of its currency. He dipped into America’s foreign-exchange reserves to help the Bank of Japan (BOJ) buy yen, which had weakened past ¥163 to the dollar for the first time since 1986.

Mr Bessent was not shy about his latest trade. In a cabinet meeting partly open to the press, he left a to-do list visible on the Camp David conference table: "Buy Japanese yen," it said. His boss was also proud of the intervention. "We're…very, very strong financially," President Donald Trump proudly explained. "They wanted a little bit of help."

Japan was no doubt grateful. But it would be wrong to think of it as a helpless naïf. On the contrary, in teaming up with Japan's government, America was joining forces with one of the biggest currency traders of all time—an institution accustomed to making bets on a scale that would make any hedge fund tremble.

In its latest interventions the BOJ, acting on behalf of Japan's finance ministry, may have spent more than $95bn, according to Reuters, a news agency. It sold the dollars for about ¥160 apiece. A big chunk of its reserves were accumulated when a dollar could be had for less than ¥100. In making the trade, therefore, Japan's government was taking vast profits. Back-of-the-envelope arithmetic suggests it may have reaped as much as ¥5.7trn ($36bn). George Soros reportedly made about $1bn (worth some $2.4bn in today's money) from betting against the pound.

The government's cross-border holdings have been good for its finances. In their paper titled "What About Japan?", YiLi Chien of the Federal Reserve Bank of St Louis, Harold Cole of the University of Pennsylvania and Hanno Lustig of Stanford University calculate that the government, the BOJ and Japan's public pension funds together hold foreign assets worth more than 56% of GDP. Over the quarter-century to 2023 these assets earned average annual returns of 5.8% (only a fraction of which have been realised through trades).

What about the other side of the ledger? The public sector's liabilities are chiefly in relatively low-yielding yen. The government sells bonds in its own currency, many of which have been bought by the central bank. The central bank in turn owes yen to the commercial banks which hold accounts with it. The public sector's balance-sheet has thus benefited both from favourable currency movements and from the difference in yields between the foreign assets it owns and the yen liabilities it owes, known as the "carry". "The sheer scale of Japan's public sector holdings makes it the world's largest carry trade investor", as Mr Chien, Mr Lustig and Wenxin Du of Harvard University put it in another article.

The BOJ has been no less successful a carry trader for being an accidental one. The aim of its currency interventions over the past 25 years has not been to make money. It has instead sought to stabilise the yen and undo the exchange rate's wildest misalignments. An uncomfortably strong yen hurt Japan's exporters and worsened its deflationary tendencies after its asset-price bubble burst in the 1990s. An excessively weak yen, by contrast, raises the cost of food and fuel, most of which are imported.

For as long as Japan was fighting stagnant demand and deflationary pressure, its gigantic carry trade was sustainable. In those conditions, the central bank was always going to keep interest rates low and the yen weak. But underlying inflation has now increased and is close to the BOJ's annual target of 2%. Several members of its rate-setting committee fear inflation will overshoot. Forecasters expect the committee to raise interest rates three times by July 2027. For the world's largest carry trader, that is an awkward prospect. It would quickly raise the borrowing costs for Japan's combined public sector by 0.75% of GDP, according to Mr Lustig's figures, with more to come when longer-term liabilities are rolled over.

Keep calm and carry off

These dangers cast Japan's intervention in a new light. With rate increases looming but the currency still dirt cheap, the government has picked an opportune time to prune its yen liabilities. By selling dollars and purchasing yen, it is, in effect, buying back some of the

IOUs it has issued. And because Japan's currency has yet to rally decisively, the BOJ can extinguish lots of yen liabilities for every dollar sold. With each such defence of the currency, the world's biggest carry trade becomes a little less big.

The mechanics are a little involved. Any dollars the BOJ sells to commercial banks will drain their yen accounts at the central bank, reducing the amount the public sector owes to them. That is not the end of the story, for the BOJ's interventions are typically "sterilised": the central bank buys government securities from the banks (usually bills issued by the finance ministry) thus restoring their yen balances. But the net result is still that the exchequer, and therefore Japan's consolidated public sector, has fewer yen liabilities to worry about.

This delicate pruning does not remove the dangers. If the purchases last month did amount to $95bn, they would have extinguished less than 1% of the public sector's interest-bearing liabilities. But the intervention was nonetheless a well-timed step in the right direction. And judging by the currency market's lack of conviction about the yen, the BOJ, with or without its American friends, may have several future opportunities to repeat the trade. "Buy yen" could remain on the Japanese government's to-do list for a good while yet.■

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Science & technology

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Wide awake

The brain may be about to have its Ozempic moment

Pharma's newest obsession involves mimicking the system that keeps people awake

8月 13, 2026 05:04 上午

ONE PEPTIDE has recently transformed medicine. Drugs based on glucagon-like peptide-1 (GLP-1), a hormone released by the gut after a meal, began as treatments for diabetes before proving remarkably good at helping people shed weight. They have since shown benefits in the fields of heart disease, kidney disease, sleep apnoea and other ailments. Drugmakers are now betting that two other peptides, the orexins, could follow a similar path for a variety of brain-related ailments.

Orexins are a pair of neurotransmitters—chemicals that carry messages between neurons. One of the main jobs of these particular neurotransmitters is to regulate wakefulness. And a new generation of drugs designed to mimic their effects is approaching the market.

On August 5th America's drug regulator approved oveporexton, made by Takeda, a Japanese pharmaceutical firm, as the first orexin agonist (ie, molecule that stimulates the same cell-surface receptors) for narcolepsy, a disorder that leaves patients excessively sleepy by day and prone to nod off without warning. Alkermes, an Irish biotech, is developing a competitor. Eli Lilly, whose fortunes GLP-1s have transformed, does not intend to miss another peptide boom. In June it bought Centessa, a biotech with an orexin drug in early trials, in a deal worth up to $7.8bn, depending on the trials' success. Morgan Stanley, a bank, reckons orexin medicines could generate $16bn a year by 2035 from narcolepsy and related sleep disorders alone. The current crop of narcolepsy drugs, by contrast, have annual sales of some $3bn.

And the excitement is not just about narcolepsy, which is estimated to afflict one person in 2,000 in America. Orexins help co-ordinate sleep, attention, motivation and the brain's reward system. Drugmakers hope orexin medicines could eventually treat depression, attention-deficit hyperactivity disorder (ADHD) and addiction, conditions that burden hundreds of millions of people.

Orexins were discovered nearly three decades ago by two teams working independently. In January 1998 Luis de Lecea and his colleagues at the Scripps Research Institute in La Jolla, California found the peptides and called them hypocretins. Weeks later a group led by Yanagisawa Masashi, of the University of Texas Southwestern Medical Centre in Dallas, reported that injecting the same peptides into rats' brains made the animals eat more. They named the molecules orexins, from the Greek *orexis*, meaning appetite.

Orexins' true role emerged the following year. Emmanuel Mignot, of Stanford University, was studying hereditary narcolepsy in Doberman pinschers and Labrador retrievers, dog breeds prone to sudden collapse mid-play. He showed that a mutation blocked the brain's ability to respond to them. That same year, Dr Yanagisawa's laboratory found that mice engineered to lack orexins repeatedly fell asleep and collapsed. Human confirmation followed: narcoleptic patients had lost the specialised neurons that produce orexins.

These neurons inhabit the hypothalamus, a brain region tucked behind the eyes. Once released, orexins lock, depending on their nature, onto one of two types of cell-surface receptors, OX1R and OX2R, in neighbouring neurons, switching them on. It is OX2R that is important for maintaining wakefulness. Its activation stimulates several wakefulness-promoting systems that rely on other neurotransmitters—norepinephrine, serotonin, dopamine and so on—and keeps them working together, rather like the conductor of an orchestra. OX1R, is more involved with reward and motivation.

You are feeling sleepy...

Drugmakers first learned how to turn the OX2R conductor off. Orexin antagonists (which block the molecules' actions rather than mimicking them, and thus promote sleep), have been available since 2014 as treatments for insomnia. They work differently from conventional sleeping pills, which enhance GABA, one of the brain's main inhibitory neurotransmitters.

Birgitte Kornum, an orexins expert at Copenhagen University, says such pills induce sedation rather than natural sleep and often lose efficacy with continued use. Orexin antagonists instead turn down the brain's wakefulness signal, letting its sleep-promoting systems take over.

The bigger prize may lie not in blocking orexin's signal, but restoring it—for many sleep disorders stem from faulty orexin signalling. The immediate application people have in mind is for narcolepsy type 1 (NT1), in which excessive daytime sleepiness is accompanied by cataplexy, a sudden loss of muscle control typically triggered by strong emotion. Further down the line narcolepsy type 2 (NT2), which lacks cataplexy, and idiopathic hypersomnia, a related type of excessive daytime sleepiness, are also in drugmakers' crosshairs.

NT1 is caused by abnormally low levels of the orexin that binds to OX2R. During REM (rapid eye movement) sleep, the phase when dreams are most intense, the brain paralyses the body to stop it actually acting out movements involved in such dreams. When someone is awake, this paralysis is held in check by norepinephrine and serotonin—two neurotransmitters that orexin sustains. With insufficient orexin, the paralysis circuit may fire even if a person is fully conscious. They might be wide awake, in the middle of a burst of laughter for example, and then lose muscle control and crumple to the floor.

Turning orexins back on is, however, harder than switching them off. An antagonist need only fit into a receptor to prevent an orexin from binding. An agonist must actually reproduce the effect of a peptide many times the drug's own size. It must also cross the blood-brain barrier, which keeps potentially harmful molecules out of that organ.

Takeda's first attempt, an agonist called firazorexton, showed early promise, but was discontinued in 2021 after it caused liver damage to several patients. But results published in May 2025 on oveporexton, their follow-up OX2R agonist, created a stir. In an eight-week trial involving 90 patients, volunteers sat in a darkened room to see how long they could stay awake—a procedure called the Maintenance of Wakefulness test. Without oveporexton many fell asleep in a minute or so. On it, they managed to stay awake 12.5 to 25 minutes longer, depending on the dose, pushing many into the normal range. Cataplexy attacks were roughly a third as frequent in those taking the drug, compared with participants on a placebo.

Side-effects included insomnia and, in about a third of patients, an uncomfortable urge to urinate.

What makes oveporexton different is not just its effect, but how that effect is achieved. Existing treatments, including stimulants such as methylphenidate and wakefulness-promoting agents such as modafinil, manage symptoms rather than the disease itself. They increase the activity of neurotransmitters such as dopamine and norepinephrine in many parts of the brain. That can improve alertness but may also cause anxiety, elevated blood pressure and poor sleep. Some drugs also carry a risk of addiction.

Orexins work further upstream. Rather than stimulating individual parts of the alertness system, they help bring them into line. Dr Yanagisawa says orexin agonists should produce more natural and stable wakefulness, with fewer side-effects and less potential for abuse than stimulants.

As to NT2 and idiopathic hypersomnia, Lilly's orexin agonist, acquired through Centessa, is being tested against both of these, as well as NT1. Preliminary data are encouraging, albeit that the sample is small. In a trial of 55 patients the drug improved wakefulness by more than 20 minutes in people with NT1 and by more than ten minutes in those with NT2.

Dreaming big

Drugmakers are studying orexin agonists' effects on more prevalent conditions. Alkermes is testing one in adults for the treatment of ADHD (though current medications are seen as pretty effective), based on the observation that an added benefit in narcolepsy patients is sharpened attention, suggesting they might help with ADHD as well. Others are exploring their use for treating sleep apnoea, which is a far more common disorder.

There are more tantalising ideas, too, about the reward-and-motivation role of the other receptor, OX1R—though the science is less developed. Dr Yanagisawa says blocking OX1R shows promise curbing addictive cravings. Activating the receptor, rather than blocking it, is a more speculative approach, but he believes boosting the orexin signal into the brain's reward circuitry might help treat some kinds of depression and even enhance motivation.

These are hints, not proof, and will need robust tests before any drug reaches the market. Hunger and sleep, argues Dan Skovronsky, Lilly's chief scientific officer, are both "master homeostasis mechanisms"—systems that keep the body in balance. When they misbehave, illness follows. The broad usefulness of GLP-1-based medicine has shown what aiming an entire regulatory system can achieve. Drug companies are hoping orexin therapies will have similar success. ■

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The science of science

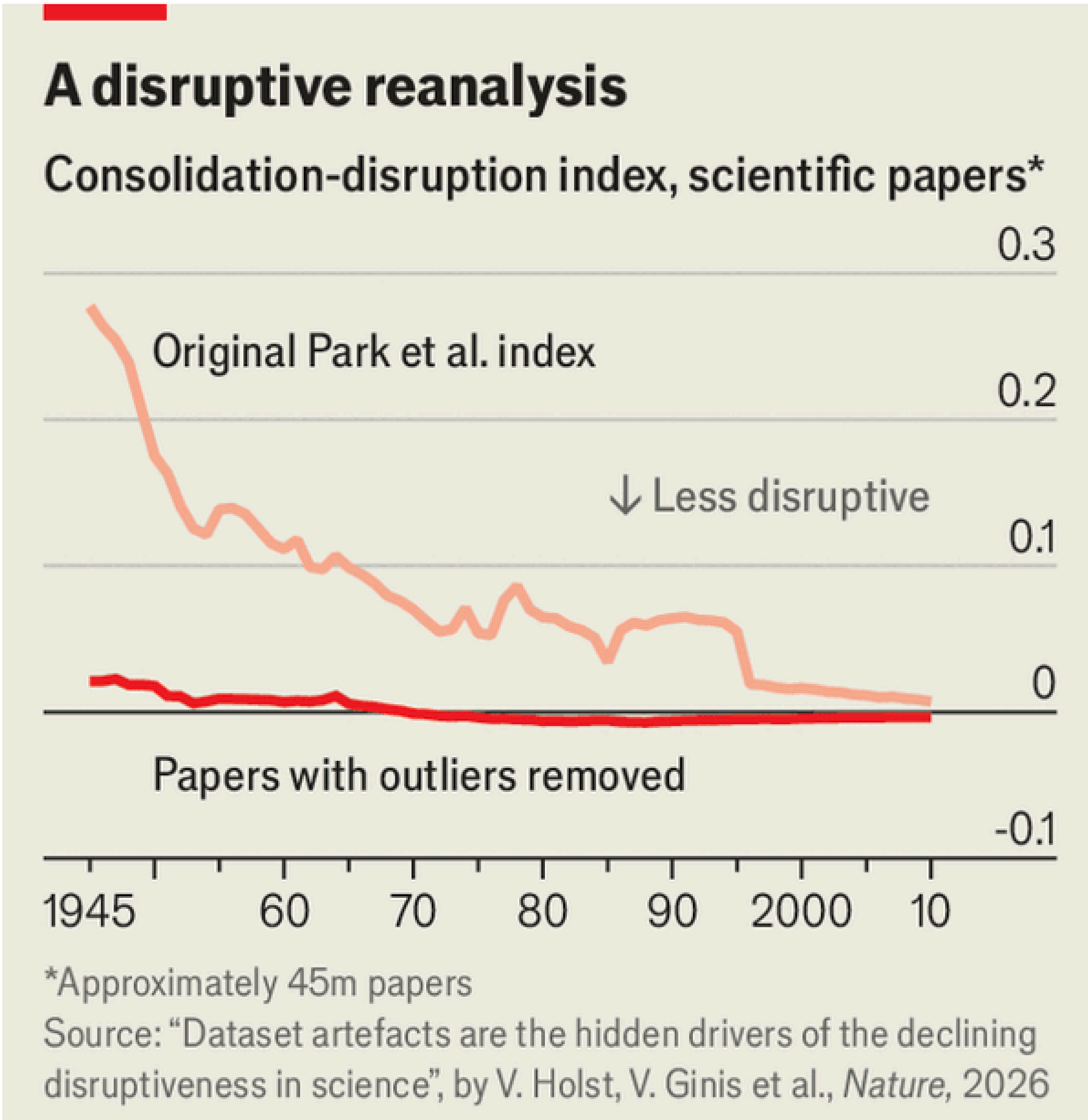
Maybe scientific progress isn’t slowing, after all

A new paper takes aim at the claim that science has become less disruptive

8月 13, 2026 03:44 上午

THAT SCIENCE’S best days are behind it, and its rate of progress is slowing, is an old claim. And, since science itself is a perfectly good subject for scientists to investigate, many have looked into it.

One notable contribution came in 2023, when Michael Park, then a PhD student at the University of Minnesota, and his colleagues published a paper in *Nature.* It analysed citation patterns in 45m scientific papers and 3.9m patents and concluded that the "disruptiveness" of both had fallen off a cliff since the 1950s. This was widely reported (including in *The Economist)*. Its findings found their way into Congressional hearings and speeches by White House officials.



On August 12th came a twist. *Nature* published a follow-up paper arguing that Dr Park and his colleagues' conclusions were mostly illusory, caused by problems with the data set they had analysed. Correct those, argues Vincent Holst, a PhD student at Vrije

University, in Brussels, and his co-authors, and most of the decline in disruptiveness goes away (see chart).

The original paper's claim hinges on something called the consolidation-disruption index, or CD index, which aims to measure how much a given paper or patent shakes up its field. It compares a paper's references with those of papers published later. A paper (or patent) is classed as "consolidating" if subsequent papers cite both the paper itself and the earlier research that it refers back to. It is deemed "disruptive" if future papers cite the paper itself but ignore its own references—the assumption being that a paper like that has shaken things up so much that older work has become irrelevant. The CD index runs from -1 (maximally consolidating) to 1 (maximally disruptive).

Mr Holst argues that Dr Park's original analysis includes around 970,000 papers and 142,000 patents with a CD of 1. Most achieved that high score by containing no references at all and themselves being referenced by at least one subsequent publication. But when he and his colleagues sampled a hundred such papers and patents at random, they found that 93% of the papers and 98% of the patents did indeed contain references—they had just been misclassified by the database containing them. Further investigation suggested that the proportion of misclassified papers and patents has been falling over time. Strip out the earlier erroneously transformative-looking work, and most of the supposed drop in disruptiveness goes away.

Dr Park and his colleagues are not convinced. In a rebuttal of their own, published alongside Mr Holst's critique, they point out that, when doing as Mr Holst and his co-authors advise, they still see meaningful declines in disruptiveness.

Part of the argument rests on data-sources. The centrepiece of Dr Park's original analysis was a database called Web of Science. But Web of Science is not openly available. Mr Holst and his colleagues relied partly on a free alternative, called SciSciNet. Dr Park alleges that SciSciNet contains much more work claiming no citations than Web of Science. Mr Holst retorts that, despite Web of Science being closed, they had nevertheless managed to reconstruct Dr Park's use of it, and that their critique holds. But in an email Russell Funk, one of Dr Park's co-authors, claims the reconstruction was done improperly.

What does it all mean? Mr Holst's paper is not the only critique of Dr Park's result. Last year Alexander Michael Petersen at the University of California, Merced, and his colleagues published a paper arguing that "citation inflation"—partly a result of the simple fact that, the more work is published, the more work there is to cite—means one should expect the average paper's CD score to fall over time. When they reanalysed the data, they claimed that disruptiveness may even have increased between 2005 and 2015.

But Dr Park's paper, in turn, is not the only line of evidence suggesting progress really is slowing down: in 2020 Nicholas Bloom, an economist at Stanford University, and his colleagues, analysed productivity figures and concluded that technological progress in many industries was becoming harder to buy with every passing year. The idea that the wellspring of science is running dry is certainly disruptive. Whether it is true remains moot. ■

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Flame war

NASA takes aim at fire storms

These products of wildfires worsen their creators

8月 13, 2026 05:14 上午

There's no smoke without fire

MOST AIRCRAFT try to avoid bad weather. Not so a Gulfstream V that taxied onto the runway of Rocky Mountain Metropolitan Airport, in Colorado, on July 29th. Its flight path was set to take it directly into a rare and little-understood weather event—a pyrocumulonimbus (pyroCb)—in Oregon. Such towering, smoke-tinged storm clouds form above wildfires and generate weather that can multiply the damage of the fires that cause them.

The Gulfstream's journey was the first flight of the INjected Smoke and PYRocumulonimbus Experiment (INSPYRE)—a joint mission between NASA, America's aerospace agency, and that country's Naval Research Laboratory (NRL). This project, led by David Peterson of the NRL, aims to measure pyroCbs in unprecedented detail by collecting samples and monitoring a storm's evolution from the inside out. The resulting data, the team hopes, will help pin down any role such storms play in Earth's warming climate, and better equip firefighters as they battle wildfires of increasing size and intensity. The summer of 2026 has brought some of the worst to date in America and Europe. In July France recorded its first ever pyroCb.

Thunderstorms happen when warm, moist air is driven rapidly upward. The air cools as it rises and its water vapour condenses, forming clouds. In the right conditions, these clouds grow into towering cumulonimbi, the roiling insides of which conjure strong winds, lightning and hail.

For pyroCbs, fire drives this process. And it supercharges it. The intense heat causes air to surge upward, carrying with it moisture released from the burning vegetation. Smoke, too, is brought along for the ride. It clogs up the clouds that form above the fire, limiting rainfall while increasing the chance of lightning. The lack of rain means little water reaches the ground, allowing the fire to spread.

PyroCbs are an indication that a wildfire has "gone berserk", says Michael Fromm of the NRL. And the storm only amplifies the fire's damage. The volatile conditions make it harder to contain wildfires and pose an additional threat to firefighters and civilians. PyroCbs can also ignite new fires as they discharge lightning and whip up showers of embers in ferocious, unpredictable winds.

And the destructive effects of fire-generated storms are not limited to the ground. Their great height and intense updraft means they act like chimneys, wafting smoke directly into the stratosphere. There, the plumes spread more easily (see picture) and linger for longer than at lower altitudes. Smoke particles tilt Earth's radiative balance by absorbing sunlight, and alter stratospheric currents. Chemical reactions on these particles' surfaces also destroy atmospheric ozone, which may affect the shield against ultraviolet light from the sun which that gas provides. At the end of 2019, during a four day wildfire outbreak in south-eastern Australia, pyroCbs injected around 1m tonnes of smoke into the lower stratosphere—an amount equivalent to a moderate volcanic eruption.

"As much as we know, we still know very little" about pyroCbs, says Dr Fromm. INSPYRE aims to change this by tackling three big unknowns. The first is the question of which fires form pyroCbs and why. The second is what determines whether a storm will inject smoke into the stratosphere and how much it will deposit there. The third is how smoke changes the stratosphere's composition and, in turn, Earth's radiative balance.

To do all this, Dr Peterson has assembled a team of around 150 researchers to track pyroCbs from all angles. On the ground, trucks equipped with lidar, radar and weather balloons probe a storm's underbelly. They are joined in the air by the Gulfstream, which heads straight into the billowing clouds of the pyroCb in order to collect samples, and also by a second, purpose-built NASA plane, called an ER-2, that cruises above the storm clouds, about 10km into the stratosphere, where it can monitor the smoke plumes.

The outing on July 29th successfully brought all of these pieces together. "It worked out remarkably well," says Dr Peterson. And he should know, for he was on the Gulfstream. The smoke, he says, meant that, as soon as the plane entered the clouds, everything went dark. Then, on August 3rd, the team collected their first sample of a smoke plume injected into the atmosphere from a second pyroCb, in Utah. They will continue to fly around three times a week until September.

The mission is well-timed. Wildfires are increasing in frequency and intensity. Though INSPYRE's focus is on America, Europe's own large-scale wildfire science mission, EUBURN, has been going since 2025. If better measurements can make the extreme weather that comes with wildfires more predictable for those on the ground, then even in the clouds of pyroCbs, such missions will have found a silver lining.■

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Well Informed

Can you hack your gut microbiome?

Yes. But perhaps best not to overthink it

8月 13, 2026 04:20 上午

THE TRILLIONS of bugs in a human gut digest complex carbohydrates into fatty acids that provide about 10% of an individual's calories. They synthesise vitamins, notably K (which regulates blood clotting) and various members of the B group. They help tune the immune system. They suppress the growth of pathogens. And they regulate production of signalling molecules, such as serotonin, involved in sending messages from the gut to the brain.

Keeping your gut microbiome in tip-top condition is thus wise. Maintaining a diverse mix of bacteria in it is widely thought a good way to do this. And, since different species have different appetites, diversity of diet makes sense.

In 2018 an American citizen-science project showed that people eating 30 types of plants a week had significantly more diverse microbiomes than those eating fewer than ten. And work from Stanford University, published in 2021, confirmed that fermented foods such as kimchi and sauerkraut diversify microbiomes, too. Some people, though, feel such off-the-peg advice is insufficient. They would prefer something bespoke.

For a suitable fistful of dollars, they can have it. So-called direct-to-consumer (D2C) firms will analyse stool samples and compile lists of the bugs therein, based on the DNA and RNA they find. Such firms may also offer tailored dietary recommendations, doses of live bacteria and special bug-friendly supplements, all intended to fill any microbial blanks that their tests have flagged up.

The problem with this approach is that there is no “right” microbiome to act as a reference. In fact, microbiomes can differ quite a bit from each other while still being perfectly effective at delivering a desirable outcome to their host. The biggest red flag for poor gut health is a simple lack of biodiversity—which is what a varied and partly fermented diet is good at correcting. By contrast, the idea that tinkering with the presence or absence of this or that type of bug will perceptibly improve your health has scant published scientific basis, and many D2C firms are reluctant to share the details of proprietary data on which they base their claims.

There are exceptions. In Britain, Tim Spector has ridden the twin horses of academic science (a post at King’s College, London) and commerce (he helped found a D2C firm called Zoe) without so far falling off. Results from Zoe’s customers are fed, with their permission, into respectable, peer-reviewed research. So far, this suggests individually tailored diets do not have huge effects, but may help at the margins.

However, even if a bespoke approach does have value, it must surely depend on the microbial censuses carried out by D2C firms being accurate. To test that, researchers at America's National Institute of Standards and Technology prepared 21 sets of homogenised (and thus identical) faeces and sent three to each of seven D2C firms. When the results (which were published in February) came back there were notable differences not only between different firms' analyses but also, in one case, between those of an individual company.

As Jonathan Eisen, an evolutionary microbiologist at the University of California, Davis, observes, just because microbiomes differ does not mean an era of personalised microbiome medicine is coming any time soon. In fact, he puts it more strongly than this, saying, "Most of the claims [in this area] are bogus." Perhaps better to save your money and invest in a jar of kimchi.■

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Travel

Can AI save tourists from the TikTok herd?

Some fear that chatbots will lead everyone to the same places. In fact, they may do the opposite

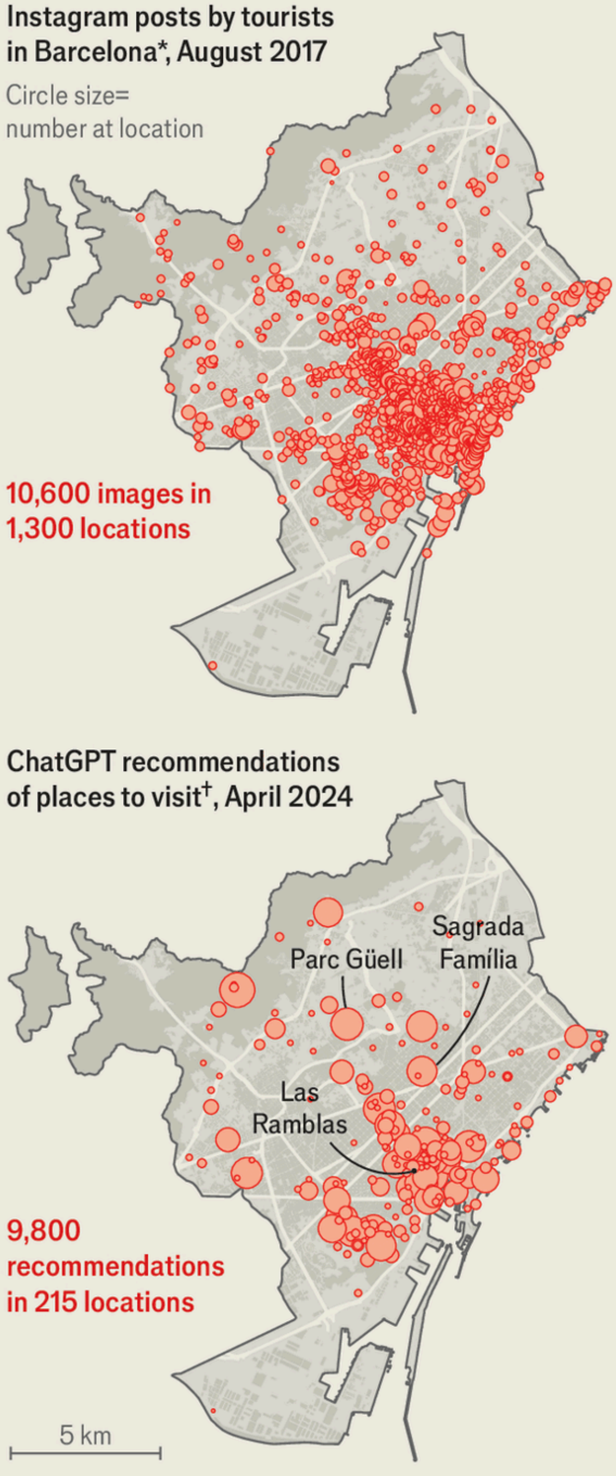
8月 13, 2026 05:05 上午

AS THE MIDDAY sun beats down in Rome, tourists realise with relief that it is time for a pizza. But which one? Lonely Planet, the best-selling guidebook series, recommends Antico Forno Roscioli's "delectable" slices. Tripadvisor's top pick is Da Cicero, near the Trevi fountain, with more than 2,000 five-star reviews. TikTok-famous spots include Piccolo Buco, identifiable by its long queue of hungry Gen Zs.

The way travellers have found inspiration and itineraries has evolved over the centuries. Early Victorian travellers were shepherded around foreign lands by travel agents such as Thomas Cook, who offered English tourists protection from the horrors of continental railway porters ("tobacco- or onion-scented, blue-frocked varlets", as Cook described them). Some tourists still prefer to have their hand held. But many go independently. Guides such as France's Routard direct travellers to the best spots. A mention in the Lonely Planet is still enough to fill a Bangkok hostel or Kathmandu curry house.

The internet has changed things, thrice. First, review platforms like Tripadvisor have harnessed the wisdom of crowds to rate everything from Britain's pubs to Egypt's pyramids ("too much sand", complains a one-star review). They hold enormous clout. Dante Donati of Columbia Business School found that, when the European Union abolished mobile roaming charges in 2017, the associated uptick in visitors consulting Tripadvisor on the go resulted in a 5% revenue bump for Rome's tourist-oriented restaurants, largely benefiting the highest-rated.

Pics v prompts



*Public Instagram posts over three days. Images posted by Barcelona residents excluded †Repeated prompts asking for 50 places to visit

Source: "The concentrated city", by Daniel Paül i Agustí, *Urban Science*, 2025

The second digital change to travel advice has come from social networks. Their effects are more chaotic and less predictable, as apps' algorithms unexpectedly alight on an attraction and blast it into the feeds of millions of users. Photogenic places like Hallstatt, a picture-perfect lakeside town in Austria, have been overrun. "TravelTok" crazes have sent mobs to queue for hours at unsuspecting eateries.

Now people are turning to chatbots. Last summer 55% of Americans used an AI app like ChatGPT to plan their holiday, up from 38% the previous year, according to McKinsey, a consultancy. The numbers will probably rise again. Old sources of advice are out. Guidebook sales have fallen sharply over the past two decades. Tripadvisor has blamed AI for stealing its web traffic, which is estimated to have fallen by a fifth in the past year.

Many worry that AI could make tourism even more concentrated. The large language models powering chatbots are prediction machines primed to give the most likely answer. Make an open-ended request for travel tips and you will be steered to exactly where everyone else is going. Research by the University of Westminster found that ChatGPT showed "a marked preference for well-established tourist hubs", recommending such hidden gems as the Eiffel Tower and the Colosseum.

This could narrow travellers' horizons. Daniel Paül i Agustí of the University of Lleida examined how ChatGPT's travel advice compared with places they might see on Instagram (see map). He collected 10,000 recommendations of places to visit in Barcelona from ChatGPT. He then harvested a similar number of photos of the city posted by tourists on Instagram, and coded their location. Whereas the Instagram images came from some 1,300 different places, ChatGPT recommended a narrower selection of 215 places, majoring on hotspots like the Sagrada Família. (It also suggested 38 attractions that appeared to be made up.) AI's focus on the best-known sites could “lead to tourist overcrowding”, Mr Paül i Agustí warned.

Yet AI may eventually have the opposite effect, dispersing tourists to a wider range of places than they visited in days gone by. First, because models are trained on different sources, they can give very different advice. We asked Evertune, an AI analytics company, to help solve the Rome pizza dilemma by quizzing chatbots. ChatGPT, which based its answers mainly on online guides and Reddit threads, favoured Pizzarium Bonci, near the Vatican, and Seu Pizza, which has won a string of awards. Google’s AI Mode, which drew on Google Maps reviews, suggested Pizza Florida, a by-the-slice place close to the Pantheon.

Not only do chatbots disagree with each other—they also disagree with themselves. Their probabilistic nature means that they give varying answers to identical queries. Evertune found that Gemini’s jointly most-recommended pizzerias (see chart), Remo and Pizzarium Bonci, featured in 91% of its answers (in other words, nearly a tenth of users would not be told about its top picks). In all, Gemini recommended a long tail of 24 different places.

Pie chart

Rome, AI's top ten pizzeria recommendations

Mentions per 100 prompts, July 2026

	Google AI Mode	ChatGPT	Claude	Copilot	Gemini	Average
Bonci	36	98	100	8	91	66
Remo	33	61	88	8	91	56
Seu	1	95	77	8	86	53
Emma	34	60	51	0	58	40
Pizza Florida	100	0	0	97	0	39
Piccolo Buco	99	0	0	97	0	39
Ai Marmi	0	20	59	0	87	33
Della Madonna dei Monti	66	0	0	94	0	32
180 grammi	0	16	33	0	88	27
Forno Campo de' Fiori	0	0	67	0	67	27

Source: Evertune

AI's greatest promise to travellers is personalised advice. Perhaps a tourist in Rome wants a gluten-free pizza (their AI guide might propose somewhere like La Soffitta Renovatio), or a pizza with pineapple (it might suggest a psychiatrist). Chatbots can act like modern-day Thomas Cooks, drawing up tours for any taste: the best chocolatiers in Paris, a walk around literary London, America's wildest water parks or whatever the traveller is into. The average chatbot prompt is about 25 words long, suggesting people are posing relatively complex queries.

Even if travellers are unimaginative with their questions, AI models increasingly personalise their answers based on past interactions. If a chatbot knows you are a vegan, or a big spender, it will calibrate its suggestions accordingly. "In the past, we all saw the same blue links on Google," says Brian Stempeck of Evertune. AI's answers are "more like the Spotify algorithmic feed", tweaked according to the user's history. Consumers live in personalised bubbles when it comes to music. Travel could go the same way.

For those tired of following the herd, this will be welcome. Most guidebooks make mainstream recommendations. Online review platforms, subject to the tyranny of the margherita-eating majority, promote the most broadly popular stuff. AI's tendency to match travellers to their interests, whether they ask it to or not, promises to redistribute visitors away from tourist hotspots. Whatever guidebook writers or online influencers think is the best pizza in Rome, your chatbot is ready to serve up a slice made for an audience of one. ■

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Booked and busy

Travel agents are in demand—especially for luxury trips

AI can try, but humans still have the edge when it comes to booking holidays

8月 13, 2026 03:43 上午

NOT MUCH can faze Olivia Ferney. The Canadian travel “fixer” is at the whim of her wealthy clients: each one spends at least $1m on travel every year, on top of a $100,000 subscription fee to her firm, Top Tier Travel. The requests are lavish (fly to Paris to fetch a croissant) or ludicrous (“call whoever you need to call” to get it to stop raining). The escapades delight her roughly 2m fans on social media and are even being adapted into a TV show.

Travel agents often go above and beyond for their clients. That is in part why people still use them in an age of AI-tineraries. In Britain about a third of travellers booked their holidays through a human specialist last year, reckons ABTA, a British trade association. Across the pond more than 310,000 agents are members of the American Society of Travel Advisers, another trade group, up from 190,000 in 2024. LinkedIn recently ranked the job one of the fastest-growing in America (though the Bureau of Labour Statistics reckons it will grow more slowly than average in the period until 2034).

People turn to travel advisers for their “taste and judgment” in curating trips, says Evan Frank, co-founder of Fora, a luxury host agency. Seasoned advisers have superior knowledge of particular countries and a network of exclusive hotels. Some stick to a particular niche, booking trips for people who have food allergies or tourists who want to travel solo or with their pets.

Travel agents also provide an extra layer of support that many find reassuring. You can’t call your AI if your room is wrong or you missed your transfer, observes Mr Frank. But a human adviser is there for any conundrum you might face (or croissant you might fancy). People are more likely to book with travel agents during geopolitical ructions or periods of extreme weather, when it feels riskier to make bookings.

Advisers may be snarky about AI’s shortcomings, but many use it in their work. Some agencies treat AI as a “member of the team”, notes Mark Tanzer, boss of ABTA, getting bots to do the jobs humans find boring. Fora built a billion-dollar business by providing advisers with an AI platform that speeds up administrative tasks.

As bots get better at planning trips, people may rely less on human advisers. But top-end services will probably endure. Ms Ferney’s clients enjoy being able to reach her come rain or shine. ■

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Painful pasts

A prizewinning novel explores the legacy of the Rwandan genocide

Gaël Faye's "Jacaranda" looks at the limits of reconciliation

8月 13, 2026 05:17 上午

Jacaranda. By Gaël Faye. Translated by Sarah Ardizzone. *Hogarth; 272 pages; $28. Chatto and Windus; £18.99*

IT WAS THE kind of debut every aspiring novelist dreams of. When Gaël Faye, a hip-hop musician turned writer, published "Petit Pays" ("Small Country") in 2016, it gathered immediate acclaim. The novel —inspired by his experience of the Burundian civil war as a teenager

—sold 1.5m copies, was adapted into a film and is now taught in French schools.

It was a tough act to follow. But “Jacaranda”, released in France in 2024, sold nearly 100,000 copies in its first month and won the Prix Renaudot, one of France’s most prestigious literary prizes. This time Mr Faye—whose father is French and whose mother is Rwandan—draws on his memories of visiting his mother’s homeland as a child. His spare, lucid prose, now translated into English, explores the aftermath of the genocide of 1994, when perhaps 500,000 people, most of them ethnic Tutsi, were killed over the course of three months.

The story is told from the perspective of Milan, a French-Rwandan boy living in Versailles. News of the genocide reaches him first through the TV, then through Claude, a young relative who has been attacked with a machete and brought to France for medical treatment. It is not until years later that Milan has the opportunity to visit Rwanda, where he reunites with Claude and meets Eusébie, an old friend of his mother’s.

Rwanda’s authoritarian government requires citizens to follow a policy of reconciliation. Not everyone feels it. Survivors live next to the people who killed their family and friends. Milan observes the efforts of the *gacaca* courts, community-based tribunals which tried over 1m people accused of genocide-related crimes between 2002 and 2012. He accompanies Claude as he testifies against two *genocidaires*. The trial brings some justice, but little closure.

Years later, during *kwibuka*, the annual period of remembrance, Milan watches Eusébie give her testimony. As she talks, people in the crowd collapse, scream out or deliriously beg for their lives from phantom killers. The trauma has reverberated down the generations, Milan observes, for many of the distressed were too young to have been born when the killing began.

"Jacaranda" is a nuanced exploration of conflict and the meaning of resolution. Though it is focused on Rwanda—where the author has lived for many years—the question of whether people can forgive and forget past wrongs is a universal one. Hope lies with the next generation. One scene describes a killer's sons quietly rebuilding a house their father helped destroy.■

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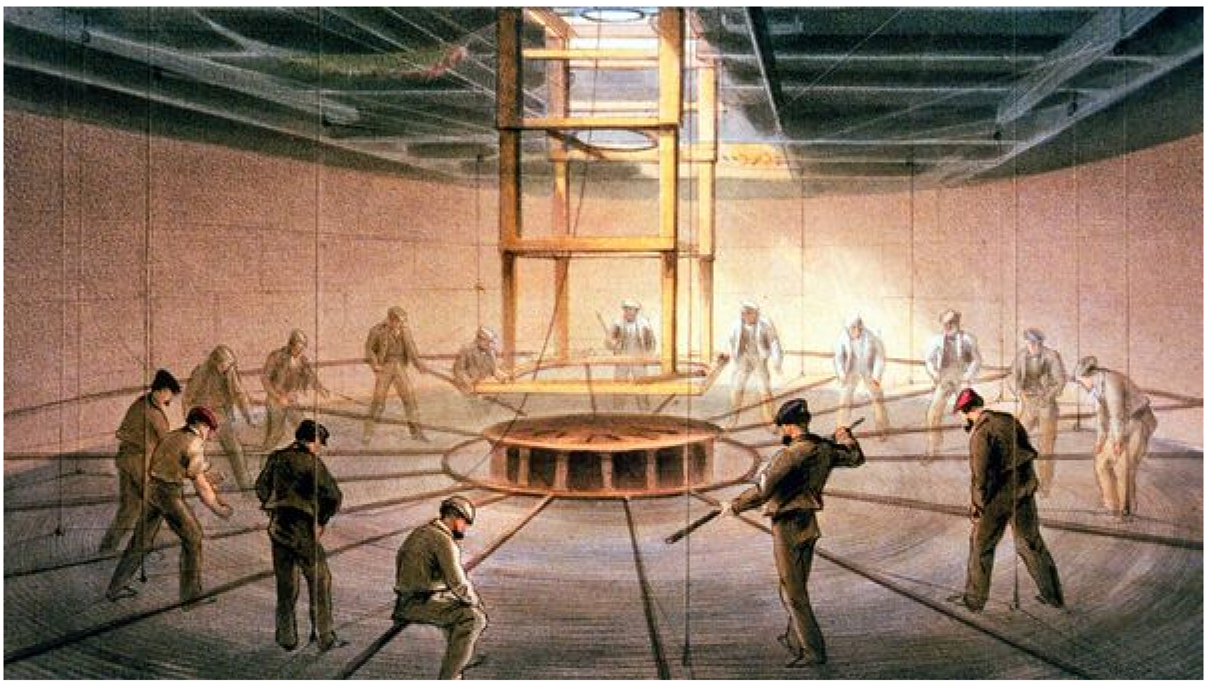
The history of technology

How the world was wired

The transatlantic telegraph cable helped usher in the information age, a new book shows

8月 13, 2026 05:13 上午



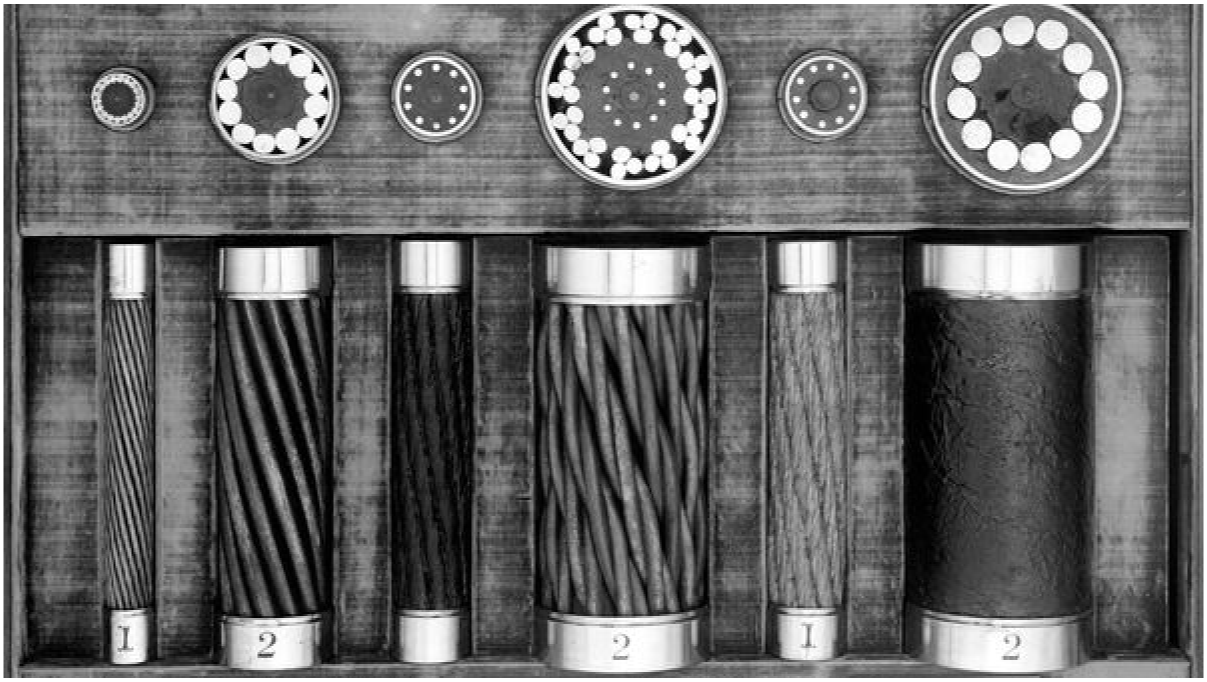
Lightning Beneath the Sea. By James Tabor*. W.W. Norton; 336 pages; $31.99 and £24*

IT HAS BEEN called the Victorian equivalent of the Apollo project. At the time it was compared to Christopher Columbus's arrival in the Americas, was said to have half undone the Declaration of Independence, and prompted giddy predictions of world peace. The completion of the first working transatlantic telegraph cable in 1866 showed that a global telecommunications network was possible and marked the dawn of the modern information age.

This epic tale was retold in the early years of the internet boom, and today a growing awareness of humanity's reliance on vulnerable but unseen submarine data cables has given it renewed relevance. A triumph of Victorian engineering, the Atlantic cable marked the point at which the age of steel and steam began to yield to the modern world in which industrial might depends on the transport and manipulation of weightless data. In his pacey retelling of the story, an adventure yarn with telegraph cables, James Tabor shows how the technology of one era laid the foundations for the next.

Cyrus Field, an American businessman who was the driving force behind the project, embodied this pivot. He had retired in 1853 at the age of 34 after making a fortune selling paper, demand for which had exploded in America with the rise of mass-market penny newspapers. But a new way of distributing information was emerging at the time: telegraphy. Looking for a new project, Field got involved in a scheme to build a telegraph line across the Cabot Strait to Newfoundland. This would speed up the delivery of news across the Atlantic by a couple of days, because messages could be sent part of the way by wire. But looking at his globe one day, Field thought to himself: why not just run a cable all the way across the Atlantic?

Submarine telegraphy was then in its infancy, with a handful of subsea cables linking Britain to France, and connecting various points in the Mediterranean. Nobody had tried to lay a cable in the deep water of the Atlantic. But Field swiftly won the endorsements of both Matthew Maury, the founder of modern oceanography, and Samuel Morse, pioneer of the electric telegraph, and began raising money for his venture. After much lobbying he gained official backing from the American and British governments. On the British side, a crucial role was played by the financial secretary to the British Treasury, who offered financial support and the use of British navy ships. The official in question was James Wilson, founder of *The Economist*—so in a sense this newspaper is a sibling of the Atlantic cable.



Amid a large cast of colourful characters, the villain of the piece is Edward "Wildman" Whitehouse, the original chief electrician of the project, who proved to be woefully unqualified for the role, and whose insistence that long-distance telegraphy was simply a matter of turning up the voltage had dire consequences. Mr Tabor's story ranges widely, from the decks of cable-laying ships beset by storms, to shenanigans in corporate boardrooms, to the opulent mansions and hotels of 19th-century New York.

Compared with previous accounts, the focus of "Lightning Beneath the Sea" is on human drama and derring-do, rather than electrical theory or corporate finance. Mr Tabor charts the triumphs and disasters of the cable project in exhaustive yet thrilling detail, as almost everything that can possibly go wrong does, and Field and his team are forced to push electrical, nautical and financial limits. Despite the project's vast scale, its workings are easy to grasp, since it boils down to spooling long wires out of the back of ships.

A running theme is whether wiring up the world with submarine cables could help promote peace, which was one of Field's original motivations. The celebratory messages sent between Queen Victoria and two American presidents, at various points in the tale, also expressed such hopes, as did many newspapers. Such hopes were of course dashed. In the modern era the notion that greater connectivity would promote peace has been espoused by Mark Zuckerberg, with equal lack of success. Lack of rapid communication is not the chief cause of conflict, as should be apparent to anyone who uses the internet.

The cable's story also serves as a parable in another way. As the project progresses, the apparently impossible gradually starts to look feasible, and outlandish feats (such as recovering broken cables from the ocean floor) start to become routine, as new techniques and machinery are steadily refined. It is a reminder of the power of perseverance and innovation, and may bring to mind, for modern readers, such challenges as building fusion reactors, quantum computers or reusable rockets. In the words of Arthur C. Clarke, a science-fiction author who published his own account of the Atlantic cable in the 1950s and would later liken it to the Apollo programme, "The only way of discovering the limits of the possible is to venture a little way past them into the impossible." ■

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Silver-screen time

Gen Z has rediscovered the joy of going to the movies

The hottest new hangout is old-school

8月 13, 2026 03:43 上午

Lured into Spider-Man’s web

IT HAS BEEN an action-packed year on cinema screens—and at the ticket counter. Five films have already grossed more than $1bn at the global box office; three more have exceeded $500m. Forthcoming blockbusters such as “Avengers: Doomsday” and “Dune: Part Three” promise epic showdowns; crowds are sure to show up to cinemas to watch the battles unfold. Although overall ticket sales are still down from pre-covid levels, analysts predict that the global box office will take $35bn this year, up 7% from 2025.

Indeed, the picture house seems to be enjoying something of a revival, thanks in part to the younger generations. Many feared that Gen Z and millennials would hasten cinema's decline, preferring to stay at home and binge on Netflix, YouTube or TikTok. But in America nearly 90% of Gen Z went to the cinema in 2025, more than any other generation, according to a survey by Fandango, a ticketing website. They went seven times on average last year, compared with 6.1 times for Gen X and 5.7 for baby-boomers.

Young cinema-goers are propelling films to success. "Spider-Man: Brand New Day", released on July 31st, set an opening-weekend record in North America, taking $360m to edge past "Avengers: Endgame" (2019), another superhero flick and the previous record holder. Almost two-thirds of its opening-weekend audience were 18- to 34-year-olds. The film has now made more than $1.7bn at cinemas worldwide.

It is not just superheroes that get youngsters super excited. Many made a pilgrimage to see Sir Christopher Nolan's retelling of "The Odyssey". Recent films such as "The Drama" (a dark romantic comedy), "Project Hail Mary" (a sci-fi yarn) and "Wuthering Heights" (a racy adaptation of a Victorian novel) have seen a similar skew. Gen Z's fixation on "Obsession", a horror film made by a 26-year-old, propelled it to $490m at the global box office—more than 650 times its budget.

The trend isn't confined to the West, either. Under-30s make up more than half of the Hindi box office in India, according to Ormax Media, a consultancy. In Saudi Arabia two-thirds of cinema-goers are under 34; in Vietnam as many as 90% are. Last summer young Japanese flocked to "Demon Slayer: Infinity Castle", an anime blockbuster, helping give it the best opening weekend in the country's history.

What explains this surge? Partly, cinema is being boosted by the technology some thought might kill it: social media. Online communities generate buzz—nearly half of European youngsters say they discover new films on TikTok. Viral trends coalesce around certain titles. For instance, "Minions: The Rise of Gru" in 2022, attracted hordes of young men in suits, who called themselves "GentleMinions". During screenings of "A Minecraft Movie" in 2025, people screamed and jumped out of their seats.

Social media also create FOMO (fear of missing out). Letterboxd, an app which lets users log which films they've seen and share reviews, now has 30m users worldwide, almost three times the number in 2023, and its most active users are aged between 18 and 24. "The culture around films has become a youth culture again," says Stephen Follows, a film-data analyst.

Gen Z has embraced the cinema as a place for shared experiences. Many organise group outings with friends, adding on dinner or drinks to make a special evening of it. Treating a cinema trip as an "event" in itself means they are spending more on add-ons such as novelty popcorn buckets and reclining seats. This is a boon for cinemas. At AMC, an American cinema chain, revenue per cinema-goer was 44% higher in the second quarter of 2026 than in the same quarter of 2019 (almost 11% higher, after adjusting for inflation).

A generation that revels in nostalgia is embracing an analogue pleasure. For many, the big screen offers a reprieve from endlessly scrolling the little one. Susan Sontag, an American writer, once described the thrills of being "kidnapped by the movie" and, "To be kidnapped, you have to be in a movie theatre, seated in the dark among anonymous strangers." Young people, it turns out, are eager to go along for the ride. ■

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Back Story

The dark underbelly of “Paw Patrol”

Why a debate over a hit cartoon is more than culture-war madness

8月 13, 2026 03:43 上午

THEY MAY look like a pack of cutesy anthropomorphised dogs. “No job is too big,” vows their heartwarming motto, “no pup’s too small!” Don’t be fooled: some say the cartoon heroes of “Paw Patrol” are covert outriders for authoritarian capitalism. “Keep trying, everybody makes mistakes,” a winsome character urges in their latest outing, “Paw Patrol: the Dino Movie”. The haters have a slogan too: “Defund the Paw Patrol!”

If you haven't had a pre-school child (or been one) since "Paw Patrol" first aired on TV in 2013, it may have passed you by. But it is a world-conquering juggernaut, spanning more than a dozen seasons, a toy empire and now three theatrical film releases. Critics—perhaps including parents aggrieved at enduring so much schlock—have avidly dissected its subliminal messages. Hearing about this is like coming late to the manosphere; both, you find, are amazingly popular and allegedly pernicious.

For the blissfully uninitiated: the show is set in idyllic but slightly creepy Adventure Bay, where children drive and puppies talk. Led by a lavishly quiffed ten-year-old boy, a group of heroic pups respond to mild emergencies, setting off down a fun slide at their HQ. It is utterly formulaic, with incessant catchphrases ("Paw Patrol is on a roll!") and appalling earworm music. "A children's story which is enjoyed only by children", wrote C.S. Lewis, "is a bad children's story." He would not have liked "Paw Patrol".

The main baddies are a guy called Humdinger and his villainous kittens (the franchise is an extended libel against cats). In the first movie, he takes over the metropolis of Adventure City and installs rollercoaster loops in the subway. In the second, a fallen meteor gives the pups magic powers. In the new film they wash up on an island inhabited by dinosaurs: some huge, some petite and sweet, none apparently carnivorous. Humdinger covets the island's diamonds.

Superficially, if "Paw Patrol" has politics, they are clunkily left-wing. Humdinger is a blond narcissist who has his own plane, builds a phallic tower and disdains "free and fair elections" and the law. The pups protect the environment as well as people and creatures; they are surprisingly keen on recycling. The saccharine morals—about teamwork, facing your fears and other such soppy uplift—are vaguely leftish in today's dog-eat-dog world.

But that may just be what they want you to think. Of the core gang of six pups, some critics note, only one is a girl, whose outfit and even eyes are pink. Worse, the top dog, Chase, is a police pup, so the whole thing is pro-police "copaganda". Actually, since the patrol are unaccountable freelancers to whom a ditzy mayor defers, it is a sly advert for privatised state services. (Their funds come from merchandising, runs a winking joke—which may grate with those forking out for it.)

In short, fulminated a *Guardian* commentator, "Paw Patrol" is "authoritarian neoliberal propaganda". An academic reckoned it "encourages complicity in a global capitalist system that (re)produces inequalities". Rallying to the show's defence, a former White House spokesperson wrongly claimed it had been cancelled. It is very tempting to dismiss the whole debate as killjoy hogwash and culture-war lunacy.

Tempting, but mistaken. It isn't only that. There is, after all, a reason dictators try to control the stories told to the young. "Give me the child until he is seven", the Jesuits' founder supposedly said, "and I will show you the man." Books, films and, yes, cartoons impart values and lessons. A sensation like "Paw Patrol" is doing a lot of imparting, and evidently resonating with youngsters everywhere. The takeaways of a critical theorist, however, may not be those of a four-year-old unfamiliar with Ayn Rand.

To understand the deep meaning of "Paw Patrol", the best tool may not be ideology but psychoanalysis. One of its tenets is that many children want desperately to heal their parents, partly for their own well-being, sometimes taking on parental roles themselves. This is the psychic backdrop to tales of young protagonists fixing grown-up woes, from Enid Blyton to Harry Potter.

The "Paw Patrol" generation have overheard their parents freaking out about politics, war, inflation, the coronavirus and climate change. The action is stuffed with pre-school wish fulfilment, as the pups—

avatars for the viewers—eat unlimited treats and play unsupervised with super-cool kit. Perhaps another wish it powerfully fulfils is for kids to be able to solve their elders' problems. No pup's too small to notice them. ■

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Economic & financial indicators

- **Economic data, commodities and markets**
  Indicators ::

Indicators

Economic data, commodities and markets

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Economic data

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	Gross domestic product % change on year ago: latest		quarter*	2026†	Consumer prices % change on year ago: latest		2026†	Unemployment rate %	
United States	2.1	Q2	1.5	2.1	3.4	Jul	3.2	4.1	Jul
China	4.3	Q2	3.6	4.7	0.5	Jul	1.0	5.0	Jun‡§
Japan	0.4	Q1	1.8	0.7	1.7	Jun	1.8	2.5	Jun
Britain	1.2	Q2	1.7	1.1	2.6	Jun	3.2	4.9	Apr††
Canada	-0.1	Q1	-0.1	0.8	2.8	Jun	2.6	6.4	Jul
Euro area	1.0	Q2	1.8	0.8	2.9	Jul	2.8	6.3	Jun
Austria	0.9	Q1	0.8‡	0.8	2.6	Jul	3.0	5.7	Jun
Belgium	0.5	Q2	nil	0.7	3.5	Jul	3.6	6.3	Jun
France	0.7	Q2	0.7	0.7	2.4	Jul	2.3	8.2	Jun
Germany	0.9	Q2	0.9	0.9	2.8	Jul	2.7	3.9	Jun
Greece	2.0	Q1	1.0	2.0	2.7	Jul	3.7	8.0	Jun
Italy	1.0	Q2	0.8	0.8	2.9	Jul	2.6	5.7	Jun
Netherlands	1.3	Q2	1.6	1.0	3.0	Jul	3.1	3.8	Jun
Spain	2.7	Q2	2.8	2.6	3.8	Jul	3.3	10.1	Jun
Czech Republic	2.2	Q1	0.8	2.0	1.7	Jul	2.0	3.0	Q1‡
Denmark	6.2	Q1	6.2	3.3	1.7	Jul	2.0	3.1	Jun
Norway	1.7	Q1	1.4	1.3	3.0	Jul	3.2	4.5	May‡‡
Poland	3.5	Q1	2.4	3.4	3.0	Jul	2.6	5.8	Jun§
Russia	1.3	Q2	na	0.5	6.0	Jul	6.4	2.2	Jun§
Sweden	2.5	Q2	5.7	2.1	0.2	Jul	1.7	9.9	Jun§
Switzerland	0.5	Q1	2.6	1.0	0.4	Jul	0.5	3.1	Jul
Turkey	2.5	Q1	0.5	2.4	31.8	Jul	32.1	7.4	Jun§
Australia	2.5	Q1	1.1	1.6	3.8	Jun	3.9	4.4	Jun
Hong Kong	4.3	Q2	-2.4	5.0	1.9	Jun	2.3	3.7	Jun‡‡
India	7.8	Q1	6.4	6.5	4.4	Jul	4.8	6.2	Jul
Indonesia	5.3	Q2	4.4	5.0	2.9	Jul	3.5	4.7	Feb§
Malaysia	5.8	Q2	8.5	5.3	1.9	Jun	2.0	3.0	Jun§
Pakistan	4.8	2026**	na	3.0	9.2	Jul	9.0	6.9	2025
Philippines	2.3	Q2	2.4	2.7	6.2	Jul	6.8	4.7	Q2§
Singapore	5.9	Q2	5.7	5.1	1.9	Jun	2.0	2.0	Q2
South Korea	3.7	Q2	2.5	3.3	2.8	Jul	2.8	2.6	Jul§
Taiwan	12.9	Q2	9.9	10.8	2.5	Jul	2.0	3.3	Jun
Thailand	2.8	Q1	2.7	2.3	1.9	Jul	2.3	0.9	Jun§
Argentina	2.3	Q1	3.0	3.0	33.5	Jun	32.4	7.8	Q1§
Brazil	1.8	Q1	4.5	2.0	4.4	Jul	4.8	5.4	Jun§‡‡
Chile	-0.5	Q1	-1.1	1.4	3.5	Jul	3.9	9.4	Jun§‡‡
Colombia	2.2	Q1	2.4	2.5	6.0	Jul	5.7	8.0	Jun§
Mexico	2.2	Q2	6.1	0.9	3.1	Jul	3.9	2.8	Jun
Peru	3.5	Q1	3.2	2.8	4.1	Jul	4.0	5.2	Jun§
Egypt	5.0	Q1	-24.0	4.6	14.9	Jul	13.8	5.8	Q2§
Israel	1.7	Q1	-3.8	3.1	1.6	Jun	2.2	2.9	Jun
Saudi Arabia	4.6	2025	na	0.2	1.8	Jul	2.1	3.1	Q1
South Africa	1.9	Q1	2.2	1.5	4.8	Jun	4.5	33.6	Q2§

Source: Haver Analytics *% change on previous quarter, annual rate †The Economist Intelligence Unit estimate/forecast §Not seasonally adjusted ‡New series **Year ending June ††Latest 3 months ‡‡3-month moving average Note: Euro-area consumer prices are harmonised

Economic data

	Current-account balance % of GDP, 2026†	Budget balance % of GDP, 2026†	Interest rates 10-yr gov't bonds latest, %	Interest rates change on year ago, bp	Currency units per $ Aug 13th	Currency units % change on year ago
United States	-3.5	-6.5	4.7	39.0	-	
China	3.2	-5.4	1.5 §§	-13.0	6.74	6.4
Japan	3.6	-1.8	2.9	134	159	-7.3
Britain	-3.6	-5.1	5.0	38.0	0.74	nil
Canada	-0.4	-2.1	3.7	25.0	1.39	-1.4
Euro area	2.3	-3.4	3.2	43.0	0.87	-1.1
Austria	1.1	-4.1	3.4	29.0	0.87	-1.1
Belgium	-2.8	-5.4	3.7	52.0	0.87	-1.1
France	-0.4	-5.3	4.0	59.0	0.87	-1.1
Germany	4.5	-4.2	3.2	43.0	0.87	-1.1
Greece	-5.5	0.8	3.8	39.0	0.87	-1.1
Italy	0.8	-3.0	4.0	39.0	0.87	-1.1
Netherlands	9.3	-2.6	3.3	36.0	0.87	-1.1
Spain	2.4	-2.5	3.6	35.0	0.87	-1.1
Czech Republic	0.3	-2.6	4.8	51.0	21.0	-0.3
Denmark	12.1	1.3	2.9	31.0	6.49	-1.4
Norway	14.8	9.0	4.4	48.0	9.50	7.6
Poland	-1.4	-7.0	5.9	50.0	3.74	-2.4
Russia	2.2	-3.2	15.7	187	83.0	-3.8
Sweden	5.5	-2.3	3.0	61.0	9.58	-0.3
Switzerland	6.9	0.2	0.5	19.0	0.81	-1.2
Turkey	-3.0	-3.6	32.3	307	47.8	-14.7
Australia	-3.0	-1.5	4.9	70.0	1.42	8.5
Hong Kong	4.6	-2.5	3.6	59.0	7.85	nil
India	-1.6	-4.5	6.8	30.0	95.3	-8.1
Indonesia	-1.6	-3.5	7.2	79.0	17,862	-9.0
Malaysia	3.4	-3.5	3.7	36.0	4.09	3.4
Pakistan	-1.1	-4.7	12.0 †††	-2.0	278	2.2
Philippines	-4.0	-6.3	7.3	119	61.3	-7.2
Singapore	16.0	1.3	2.3	33.0	1.28	nil
South Korea	13.6	-1.9	4.3	148	1,418	-2.4
Taiwan	26.6	1.8	1.9	57.0	32.2	-7.1
Thailand	nil	-5.5	2.0	62.0	33.1	-2.1
Argentina	-0.4	0.1	na	na	1,492	-11.8
Brazil	-2.6	-7.3	14.7	95.0	5.19	3.9
Chile	-1.2	-2.3	5.6	3.0	915	4.5
Colombia	-2.4	-6.6	11.9	15.0	3,123	28.6
Mexico	-0.4	-3.8	9.1	-3.0	17.1	9.0
Peru	2.2	-2.4	6.1	17.0	3.37	5.0
Egypt	-4.7	-6.0	25.6	50.0	50.2	-3.5
Israel	1.8	-4.5	3.8	-39.0	2.98	14.4
Saudi Arabia	-3.6	-6.9	na	na	3.75	nil
South Africa	-0.7	-4.4	8.6	-106	16.2	9.0

Source: Haver Analytics §§5-year yield †††Dollar-denominated bonds

Markets

In local currency	Index Aug 12th	% change on: one week	% change on: Dec 31st 2025
United States S&P 500	7,748.5	0.3	13.2
United States NAS Comp	26,588.5	0.9	14.4
China Shanghai Comp	3,946.7	1.8	-0.6
China Shenzhen Comp	2,607.0	2.7	3.0
Japan Nikkei 225	67,524.1	1.8	34.1
Japan Topix	4,139.0	2.3	21.4
Britain FTSE 100	10,833.2	-0.5	9.1
Canada S&P TSX	36,662.1	1.4	15.6
Euro area EURO STOXX 50	6,534.0	0.9	12.8
France CAC 40	8,674.9	0.1	6.4
Germany DAX*	26,331.1	0.8	7.5
Italy FTSE/MIB	53,698.7	0.5	19.5
Netherlands AEX	1,112.3	0.1	16.9
Spain IBEX 35	20,204.4	0.7	16.7
Poland WIG	153,948.2	1.9	31.3
Russia RTS, $ terms	873.5	-2.5	-21.2
Switzerland SMI	14,449.5	-0.7	8.9
Turkey BIST	14,110.1	3.0	25.3
Australia All Ord.	9,404.7	nil	4.3
Hong Kong Hang Seng	25,440.2	-1.8	-0.7
India BSE	77,966.4	-0.8	-8.5
Indonesia IDX	6,373.9	0.4	-26.3
Malaysia KLSE	1,741.6	-0.4	3.7
Pakistan KSE	180,311.3	0.2	3.6
Singapore STI	5,720.8	2.5	23.1
South Korea KOSPI	6,579.0	-0.3	56.1
Taiwan TWI	45,518.1	2.0	57.2
Thailand SET	1,612.6	0.2	28.0
Argentina MERV	2,999,524.0	-5.0	-1.7
Brazil BVSP*	167,491.1	-5.8	4.0
Mexico IPC	65,755.9	-1.2	2.3
Egypt EGX 30	55,039.8	0.7	31.6
Israel TA-125	4,065.2	1.0	11.0
Saudi Arabia Tadawul	10,844.1	-0.4	3.4
South Africa JSE AS	114,980.9	-0.4	-0.7
World, dev'd MSCI	5,008.5	0.5	13.0
Emerging markets MSCI	1,681.9	-0.3	19.8

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 31st 2025
Investment grade	93	93
High-yield	320	354

Sources: LSEG Workspace; Moscow Exchange; Standard & Poor's Global Fixed Income Research *Total return index

Commodities

The Economist commodity-price index

2020=100	Aug 4th	Aug 11th*	% change on month	year
Dollar Index				
All items	150.7	152.1	-0.1	13.7
Food	149.9	149.1	-3.2	2.9
Industrials				
All	151.2	154.5	2.6	24.1
Non-food agriculturals	151.7	151.3	-0.9	21.4
Metals	151.1	155.4	3.5	24.8
Sterling Index				
All items	144.0	144.7	-0.8	13.5
Euro Index				
All items	149.4	150.5	-0.9	14.8
Gold				
$ per oz	4,084.5	4,392.1	7.4	31.3
Brent				
$ per barrel	79.3	89.0	4.9	34.5

Sources: CME Group; LME; LSEG Workspace; NOREXECO; NZ Wool Services; S&P Global Commodity Insights; Thompson Lloyd & Ewart; USDA *Provisional

Obituary

- **Nirmal Purja performed momentous feats in the Death Zone**
  Climb every mountain :: The Gurkha mountaineer and Netflix star died in an avalanche on July 30th, aged 43

Climb every mountain

Nirmal Purja performed momentous feats in the Death Zone

The Gurkha mountaineer and Netflix star died in an avalanche on July 30th, aged 43

8月 13, 2026 05:05 上午

HIS CLIMBING career was still young when Nirmal Purja went up Dhaulagiri, the seventh-highest peak in the world. He had been born in a village in its foothills, in a house shared with chickens, but the family had moved to Nepal’s lowland south when he was five. So he had barely registered the magnificent wall of rock and snow, 8,167 metres of it, filling the horizon. Now, at 30, he was one of a climbing party toiling across it.

He took his turn, of course, at trailblazing. And as he went, plunging knee-high into the snow, he was learning something extraordinary about himself. The altitude didn't seem to be affecting him. He was strong. Each step arrived with power. *Boom! Boom! Boom!* Soon, the rest of the party were little black dots far below. *He was in the flow. In the zone, bro!* By the end he had trailblazed 70% of the route. It was more sensible to share the task, and he accepted that. But if there were mountains to climb, he wanted to do it now. And do it fast, because he could.

His whole purpose in life was to perform feats others thought impossible. He became world-famous when, in 2019, he left the British army (where he was a Gurkha and in the Special Forces) to climb all 14 mountains over 8,000 metres. That was the Death Zone, in which the unassisted human body began to fail. It took him six months and six days; the previous record was more than seven years. He had laboured to find funding, but Project Possible, as he called it, was taken up by Netflix. They made it into a documentary, he wrote it up in a book, and thus he became a star. Billboards of him perching on summits, with the sun dazzling off his stylish reflector glasses, appeared in Manhattan. He was mobbed at airports, and in Nepal he was shawled as a hero. Though ignorant of alcohol until he was 26, he came to like Taittinger champagne. Western climbers hoping to be guided singly by him on one of his Elite Expeditions could expect to pay a million dollars.

Because he lived to climb, the challenges went on. He specialised in ballsy back-to-back ascents, he and his Sherpa teams barely drawing breath between them. Mountains could be climbed in different combinations, or repeatedly. Makalu, the world's fifth-highest mountain, was topped in 18 hours just four days after climbing Everest, and much of that time had been spent celebrating, not sleeping. He climbed Kangchenjunga, the world's third-highest, in one hit in 21 hours with a stonking hangover from summitting Dhaulagiri three days before.

The array of great 8,000-ers drew him back again and again. *This is yours, Nims*. He travelled light, sometimes without food or sleeping bag, with a thermos of hot water to melt snow to drink. There was just time to appreciate the view from their summits, especially the orange and pink of sunrise with the wispy clouds blowing away, before he got on with descending. But Everest didn't have a particular lure for him. His first attempt on it in 2016 had been unwise, a quick-as-possible solo climb (crazy, everyone said), in which he, not yet a badass trailblazer, had met altitude sickness so bad that his wheezing lungs soon forced him down. He later went up with ease time after time, but hated the crowds and the rubbish. The better mountain to conquer was K2, the world's second-highest, in winter. That had never been done, and he did it with an all-Nepali team who sang the national anthem at the top, proving how splendid Sherpa climbers were.

Critics had a field day with his climbing style. He used bottled oxygen and fixed ropes, and hopped on helicopters to get from one base camp to another. Purists scorned all that. Rather than racing up mountains, they said, he ought to be finding new routes. He waved it all off, especially the gripe about oxygen. If he didn't carry it, he couldn't rescue the many climbers he found whose oxygen had run out. In any case, he could climb an 8,000-er without bottled air too, and often did, just to give the carpers a good two-finger salute. As for stardom, this was not about him, brother. The whole point of Project Possible was to show people everywhere what they could achieve if they set their minds to it; how to conquer their own mountains, whatever those were.

Few climbers were as fit for it as he was. He had started training at his English-medium boarding school, doing runs at night to be sure of getting into the Gurkhas as his father and brothers had done. In civilian life, he would swim 100 lengths after work. Once a soldier at

Catterick, bullied by British squaddies for his accent and his dark skin, he set out to prove he could join any elite force. Yomping one day in the Welsh hills, carrying a 75-lb pack on his back, he felt extra-inspired when the instructor added another rock. *Quitting is not in the blood, sir.*

He had close brushes with death, too. The first came when, as a member of the Special Forces, a bullet from a sniper threw him off a roof, smashed his rifle butt and sliced across his jaw. The most memorable came on Nanga Parbat, when for a second he let go of a rope. As he tumbled, building up speed, his ice axe failing to get purchase in the snow, he expected to die, but caught a lower section of the rope in time. Scared of dying? *No way*. Everyone had to die sometime. He didn't make much of the juniper-burning and rice-throwing that Sherpas did before their ascents; his approach was military, 100% attack. But before he climbed he liked to have a conversation with the mountain, alone. He would address the wall of rock and ice and ask, "Can I go, or not?"

Annapurna said yes, early in his career, and then sent down an avalanche that almost wiped out his team. But he kept up the habit. On Broad Peak this summer he asked the same question of that mountain, where recent snowfall had put other climbers off. Whatever answer he initially received, on July 30th another avalanche carried him and his party away. He had almost completed a third round of all the 8,000-ers, the second one without bottled air. The mountain, in the end, had the last word. ■
