

# The Economist

The lesson from rising bond yields

Gaza ceasefire. Now what?

Hard truths about MBAs

India's Faustian pact with Russia

JANUARY 18TH-24TH 2025



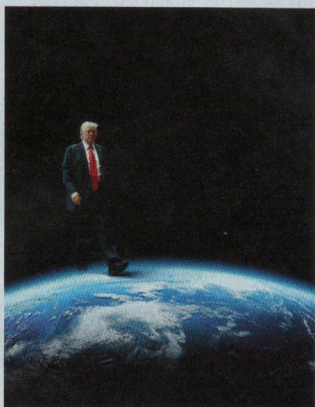
## THE TRUMP DOCTRINE

America's new foreign policy



Australia.....	AS\$16.99(Inc.GST)	Hong Kong.....	HK\$120	Korea.....	Won16.000	New Zealand.....	NZ\$19.99	Sri Lanka.....	Rs.2450
Bangladesh.....	TK850	India.....	₹550	Malaysia.....	RM40.00	Pakistan.....	PKR1900	Taiwan.....	NT\$360
Cambodia.....	US\$14.00	Indonesia.....	Rp155.000	Myanmar.....	US\$14.00	Philippines.....	Pesos700	Thailand.....	Baht400
China.....	RMB120	Japan.....	¥1.635+Tax	Nepal.....	NR1000	Singapore.....	S\$18.50 (Inc. GST)	Vietnam.....	US\$14.00

# Contents



### On the cover

A superpower's approach to the world is about to be turned on its head: leader, *page 13*. America's neighbours must deal with a president who wants to control them, *page 41*. The good ship Europe is navigating rough waters. Now for the Trumpnado: Charlemagne, *page 54*

### The lesson from rising bond yields

They should spur governments to go for growth: leader, *page 14*. Why bond markets everywhere are convulsing, *page 67*

**Gaza ceasefire. Now what?** After 15 months of hell, Israel and Hamas agree to a fragile ceasefire, *page 44*. Will Donald Trump seek a new grand bargain in the Middle East? *Page 45*. The Houthis are running an extortion racket in the Red Sea, *page 58*

**Hard truths about MBAs** Why America's business-school graduates are struggling to find jobs, *page 61*

**India's Faustian pact with Russia** The relationship is deepening, *page 25*

### The world this week

- 10 A summary of political and business news

### Leaders

- 13 **America**  
The Trump doctrine
- 14 **Climate change**  
Lessons from Los Angeles
- 14 **Bond yields**  
Outrun the vigilantes
- 15 **Trade and security**  
Houthi Inc
- 16 **Medicine**  
Moving the needle

### Letters

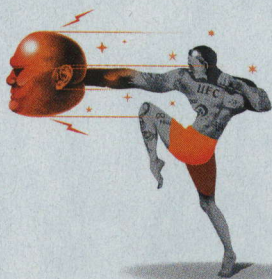
- 18 On Greenland and Canada, flooded homes, problematic oldies, the axolotl

### Briefing

- 21 **The right under Trump**  
Courtiers with ideas



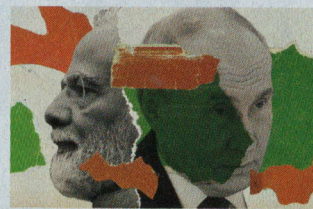
**Schumpeter** The UFC, Dana White and the rise of bloodsport entertainment, *page 66*



→ The digital element of our subscription means that you can search our archive, read all of our daily journalism and listen to audio versions of our stories. Visit [economist.com](http://economist.com)

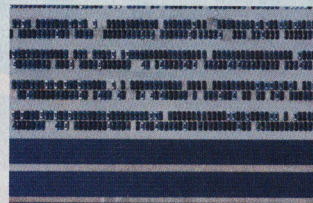
### Asia

- 25 Indo-Russian ties
- 26 North Koreans in Russia
- 28 Football in Turkmenistan
- 28 Yoon Suk Yeol's arrest
- 30 **Banyan** America's Asian alliances



### China

- 31 The success of Made in China 2025
- 32 Foreign law firms exit
- 33 Detention and torture



### United States

- 35 LA's fires
- 36 The perils of smoke
- 37 Running the Pentagon
- 38 Gabbard and a hostage
- 40 **Lexington:** Biden's MAGA-lite



### The Americas

- 41 Trump's ambitions
- 42 El Salvador's crypto coup
- 43 Assisted dying in Canada



### Middle East & Africa

- 44 A ceasefire in Gaza
- 45 What will Trump do next?
- 46 Syria's frustrated jihadists
- 47 West African spirits
- 48 Sudan's civil war



# Contents

## Europe

- 49 Germany's rising AfD
- 50 France leans left
- 51 Mussolini on TV
- 51 Ukraine's botched brigade
- 52 Spain's housing crunch
- 54 **Charlemagne** Trumpnado alert



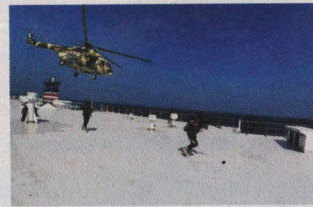
## Britain

- 55 Labour's shaky start
- 56 Fixing the Foreign Office
- 57 **Bagehot** Incredible Rachel Reeves



## International

- 58 The Houthis' Red Sea protection racket
- 60 **The Telegram** Only business



## Business

- 61 Peak MBA?
- 62 The Gulf's tech ambitions
- 63 America's LNG superstar
- 64 Tesla stalls in Mexico
- 64 Germany goes nuts for chocolate
- 65 **Bartleby** A CEO's new-year memo
- 66 **Schumpeter** Dana White and the UFC



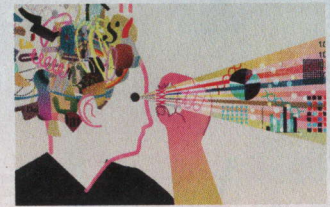
## Finance & economics

- 67 Wild bond markets
- 68 Trump and Wall Street
- 70 Iran's vulnerability
- 71 An Ethiopian stockmarket
- 71 Are big cities overrated?
- 72 **Buttonwood** Catastrophe-bond limitations
- 73 **Free exchange** Reality TV



## Science & technology

- 74 Down's and Alzheimer's
- 75 Huntington's disease
- 76 Is obesity a disease?
- 77 **Well informed** Strength training



## Culture

- 78 Conservative comedy
- 79 **The Economist** Reads: presidential biographies
- 80 LA's lost architecture
- 81 What firms are for
- 81 Astrology's boom
- 82 **World in a dish** Matcha



## Economic & financial indicators

- 83 Statistics on 42 economies

## Obituary

- 84 Peter Fenwick, expert on near-death experiences

### Volume 454 Number 9431

Published since September 1843 to take part in "a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress."

**Editorial offices in London and also:** Amsterdam, Beijing, Berlin, Brussels, Cape Town, Chicago, Dubai, Lagos, Madrid, Mexico City, Montevideo, Mumbai, Nairobi, New Delhi, New York, Paris, San Francisco, São Paulo, Shanghai, Singapore, Taipei, Tokyo, Washington DC

### Subscription service

For our full range of subscription offers, including digital only or print and digital bundled, visit: [Economist.com/offers](https://www.economist.com/offers)

If you are experiencing problems when trying to subscribe, please visit our Help pages at: [www.economist.com/help](https://www.economist.com/help) for troubleshooting advice.

To manage your account online, please visit [my.economist.com](https://my.economist.com) where you can also access our live chat service which is available 24/7. To call us, contact our dedicated service centre on:

Asia: 001800 7711 2711  
Singapore: +61 2915 75069



**PEFC certified**  
This copy of *The Economist* is printed on paper sourced from sustainably managed forests, recycled and controlled sources certified by PEFC  
[www.pefc.org](https://www.pefc.org)