



# Washington Insider

## M A G A Z I N E

### Elon Musk Plans to Cut Back Political Spending

Trump Hails 'Productive' Call with Turkiye's Erdogan as Visits Planned

BY ERIC GAHAGAN

13

Japan's Nomura Committed to Growth of US Business, CEO Says

BY KATHY MALOUF

32

PM Secures New Agreement with EU to Benefit British People

BY MANDILEE HECHT

63



# OUR TEAM



Danielle Campbell



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## Washington Insider

### ABOUT US

Transatlantic Today delighted to present the Washington Insider Magazine, a product that we present to our readers in Washington DC and beyond. Our magazine publishes unique and independent coverage on transatlantic relations with a Washington perspective. Transatlantic Today covers policymaking, politics and business related to the transatlantic relationship.

Our magazine strives to be become a key news analysis source for news on politics and policymakers in the US with particular focus on DC. Our coverage is designed with nonpartisan journalism and real-time tools create, inform and engage a those seeking timely and concise news.

We believe in providing our audience with indepen-

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Our work is designed by relentless grit, integrity and a prioritization of urgent and newsworthy topics.

In both of our website and and this magazine we cover topics about Diplomacy, Security, Defence, Counter Terrorism, foreign policy and international affairs. Indeed our reporting, OPeds, interviews with various stakeholders provide unique insights and analysis as well as the tools to arm you with the intel you need to make informed decisions.

Here I wish to commend.

*Editorial Team*

# Table of Contents

04

*Capitol Hill Politics*

17

*Middle East*

29

*Business & Finance*

43

*Security & Defense*

57

*Europe*



15

‘FIGHT BACK’: PEDRO PASCAL  
URGES CANNES TO RESIST US  
POLITICAL PRESSURE



40

PALANTIR STOCK SLIDES AFTER  
EARNINGS HIGHLIGHT  
INTERNATIONAL WEAKNESS,  
VALUATION FEARS



54

BRITISH ARMY TESTS  
LIGHTWEIGHT JAVELIN ANTITANK  
WEAPON AT RECORD RANGE

# Elon Musk Plans to Cut Back Political Spending: A Major Shift for the Billionaire Donor

BY JAN FRAZIER



## Meta Description

Elon Musk plans to cut back political spending after record 2024 donations, signaling a shift in his political involvement and future campaign strategies.

Elon Musk, the world's richest individual and a pivotal figure in

the 2024 U.S. presidential election, has announced a significant reduction in his political spending. This move marks a dramatic departure from his recent role as a major financial backer of President Donald Trump and a visible influencer in both U.S. and international politics.

Musk's decision, made public during the Qatar Economic Forum in May 2025, has sent ripples through political and business circles, raising questions about the future of political fundraising, the influence of billionaire donors, and the broader impact on the Republican Party heading into the next election cycle.

## Musk's Announcement: "I Think I've Done Enough"

Speaking via videoconference at the Qatar Economic Forum, Musk addressed questions about his future political involvement. "In terms of political spending, I'm going to do a lot less in the future," Musk stated, emphasizing a clear break from his previous financial activism. When pressed for his reasoning, Musk was direct: "I think I've done enough. If I see a reason to do political spending in the future, I will do it. I do not currently see a reason."

This sentiment was repeated across several interviews and forums, underlining a personal conviction that his recent efforts—both financial and organizational—have reached

their limit for now.

## The Scale of Musk's Political Spending

Musk's announcement comes after an unprecedented period of political investment. During the 2024 U.S. presidential election, Musk contributed over \$250 million to Donald Trump's campaign, making him the largest single donor in the race. His influence extended beyond campaign finance; Musk also spearheaded the Department of Government Efficiency (DOGE), a Trump administration initiative aimed at slashing federal spending and bureaucracy.

In addition to the presidential race, Musk's political operation

invested heavily in key down-ballot contests, including a high-stakes Wisconsin Supreme Court election in early 2025. Despite pouring more than \$13 million into the campaign for the Republican candidate, the effort was ultimately unsuccessful, with the Democrat-backed candidate prevailing. Musk's super PAC, America PAC, also played a significant role in supporting Republican candidates in congressional races, helping to secure slim majorities in Congress.

## Fallout and Backlash: The Limits of Influence

The scale and visibility of Musk's political spending have not been without controversy. His leadership of DOGE, which promised to save up to \$2 trillion in federal expenditures but ultimately delivered a fraction of that, drew criticism from both political opponents and some within his own party. The initiative led to the dismissal of thousands of federal employees and significant reductions in funding for U.S. projects, sparking protests and a wave of public backlash.

Tesla, Musk's flagship company, has borne the brunt of some of this discontent. Dealerships faced vandalism and arson, with the Trump administration labeling the perpetrators as "domestic terrorists". The company's profits plummeted by 71 percent in the



first quarter of 2025, as it struggled in key markets such as California, Germany, and China. Investors and board members voiced concerns that Musk's political activism was distracting from his corporate responsibilities and potentially alienating Tesla's customer base.

### Investor Pressure and Business Priorities

Musk's decision to scale back political spending appears to be influenced not only by political developments but also by mounting pressure from Tesla investors and board members. Many have expressed concern that Musk's dual focus on Washington and his business ventures was unsustainable, especially as Tesla's financial performance faltered. In April 2025, Musk announced that he would be reducing his involvement in DOGE to refocus on his business interests, particularly as Tesla faced declining sales and profits.

"I see reason to political spending in the future, I will do it. I do not currently see a reason," Musk reiterated, signaling a willingness to re-engage if circumstances demand but making clear that, for now, his priorities lie elsewhere.

### Impact on the Republican Party and Future Elections

Musk's withdrawal from the political fundraising scene is expected to have significant repercussions for the Republican Party, particularly as it gears up for the 2026 midterm elections.

As one of the party's most prominent and deep-pocketed supporters, Musk's financial backing was instrumental in securing victories and shaping campaign

strategies in 2024 and beyond. His decision to step back comes as a surprise setback for Republicans counting on his continued support.

Political analysts suggest that Musk's move could lead to a funding gap for Republican candidates and super PACs, potentially shifting the balance of power in closely contested races. It also raises broader questions about the role of billionaire donors in American politics and whether Musk's retreat will inspire similar decisions from other wealthy individuals.

### International Engagements

Musk's political influence has not been limited to the United States. In recent years, he has publicly supported right-wing parties and candidates abroad, including endorsements for Germany's AfD party and Britain's Reform party. "Only AfD can save Germany, end of story, and people really need to get behind AfD, and otherwise things are going to get very, very much worse in Germany," Musk declared during a livestream, underscoring his willingness to wade into international political debates. However, his recent statements suggest a broader retreat from such engagements, at least for the foreseeable future.

### The Future: Conditional Re-Engagement

While Musk's current stance is one of disengagement, he has left the door open for future political involvement. "If I see a reason to do political spending in the future, I will do it. I do not currently see a reason," he emphasized repeatedly in interviews and public forums. This conditional approach suggests that Musk's withdrawal may not be permanent but is instead a response to current political and business realities. Observers note that Musk's influence—both as a donor and as a public figure—remains formidable. Should circumstances change, particularly if issues arise that align with his interests or business objectives, it is possible that Musk could re-enter the political arena with renewed vigor.

Elon Musk's decision to cut back on political spending marks a turning point in both his personal trajectory and the broader landscape of American political fundraising. After playing a decisive role in the 2024 election and reshaping federal policy through DOGE, Musk is stepping back, citing a sense of completion and a need to refocus on his business ventures. The move has far-reaching implications for the Republican Party, the future of billionaire political activism, and the ongoing debate over the influence of money in politics. For now, Musk's message is clear: "I think I've done enough."

# As Trump's Ratings Slide, Polling Data Reveals the Scale of Fox News's Influence on US Politics

BY ATHENA NAGEL



## Meta Description

Trump's ratings slide amid polls; Fox News's influence shapes US politics, highlighting media's role in public opinion and political dynamics.

Primary keyword: Trump ratings slide

Recent polling data reveals a

sharp decline in President Donald Trump's approval ratings, marking a significant challenge for the former president as he navigates his second term amid complex domestic and international issues. Simultaneously, these polls shed light on the substantial influence Fox News

continues to wield in shaping political attitudes and public opinion in the United States. The interplay between Trump's declining popularity and Fox News's role in the political landscape underscores the evolving dynamics of media influence and voter sentiment in 2025.



### Trump's Approval Ratings Reach New Lows

Multiple recent polls illustrate a clear downward trend in Trump's approval ratings. The Ipsos/Reuters poll conducted between June 21-23 among 1,139 registered voters showed Trump's net approval rating at -16 points, with 41% approving and 57% disapproving of his job performance.

This represents a notable drop from the previous week's -12 points. Similarly, the American Research Group poll from June 17-20 reported a net approval rating of -21 points, with only

38% approval and 59% disapproval, marking one of the lowest points in Trump's second term.

Other surveys, including the

Morning Consult poll (June 20-22), showed a net approval rating of -8 points, with 45% approval and 53% disapproval. Despite some variation across polls, the overall trend signals growing dissatisfaction among the American electorate.

### Factors Driving the Decline

Several factors contribute to the erosion of Trump's popularity. His administration's handling of the Iran-Israel conflict, including authorizing airstrikes on Iranian nuclear sites and the subsequent retaliatory missile strikes on U.S. military bases, has drawn mixed reactions from the public. Polls indicate that a plurality of Americans oppose direct U.S. involvement in the conflict, which has likely influenced negative perceptions

of Trump's leadership.

Domestically, Trump's aggressive deportation policies and the resulting protests, particularly in Los Angeles, have also attracted criticism. Economic concerns, including the impact of his "Liberation Day" tariffs and government spending cuts, have further dampened public approval. These issues collectively contribute to a political environment where Trump's approval ratings have dropped to historic lows for his second term.

### Fox News's Role in Shaping Political Perceptions

Amid this backdrop, Fox News remains a critical player in influencing public opinion, especially among conservative and Republican voters. Polling data from Fox News itself, conducted between June 13-16, showed Trump's approval rating at 46%, higher than many other polls but still reflecting a net disapproval of 54%. This discrepancy highlights Fox News's unique position as both a news outlet and a political influencer.

Fox News's coverage and commentary often frame Trump's policies and actions in a favorable light, reinforcing support among its core audience. Analysts note that Fox News's framing can buffer Trump's ratings among its viewers, even as broader national polls show declining

approval. This dynamic illustrates how media ecosystems can create segmented realities, where different voter groups receive contrasting narratives about the same political figure.

### The Polarization Effect

The divergence in polling results between Fox News and other organizations underscores the deep polarization in American politics. While Fox News viewers tend to maintain higher approval ratings for Trump, polls conducted by more centrist or left-leaning organizations report substantially lower figures. This split reflects a broader trend of partisan media consumption shaping political beliefs and voter behavior.

This polarization is further amplified by social media platforms and alternative news sources, which often reinforce existing biases. In this environment, Fox News's influence extends beyond traditional broadcasting, shaping online discourse and mobilizing political bases through targeted messaging.

### Statements from Political Analysts and Experts

Political analysts emphasize the significance of Fox News's role in sustaining Trump's political base despite his declining national approval. One expert noted, "Fox News acts as a powerful echo chamber

that amplifies Trump's messaging and mitigates the impact of negative news coverage elsewhere," highlighting the network's strategic importance in modern political communication.

Another commentator observed, "The gap between Fox News's polling and other surveys is a testament to how segmented the American electorate has become. It's not just about facts anymore; it's about which facts people choose to believe."

### Implications for the Republican Party

The interplay between Trump's slipping ratings and Fox News's influence poses complex challenges for the Republican Party. On one hand, Trump remains a dominant figure within the party, with significant grassroots support fueled by Fox News's coverage. On the other hand, the broader electorate's declining approval of Trump could hinder Republican prospects in upcoming elections.

Party strategists face the delicate task of balancing loyalty to Trump's base with efforts to appeal to moderate and independent voters disillusioned by his leadership. The media landscape, dominated by Fox News and its competitors, will play a decisive role in shaping these electoral outcomes.

### The Broader Media Landscape and Political Influence

Fox News's impact is part of a larger phenomenon where media outlets serve as key actors in political polarization and voter mobilization. The network's ability to influence public opinion demonstrates the power of media framing and agenda-setting in contemporary politics. This influence extends beyond ratings and polling numbers. Fox News's editorial choices, guest selections, and narrative framing contribute to shaping political identities and policy debates. As Trump's ratings slide, the network's role in either bolstering or undermining his political fortunes remains a critical factor to watch.

The recent decline in Donald Trump's approval ratings, as revealed by multiple polls, marks a significant moment in U.S. politics. While Trump faces growing disapproval nationally, Fox News continues to exert substantial influence by maintaining stronger support among its viewers. This dynamic highlights the complex relationship between media and politics in a deeply polarized society.

As the Republican Party navigates these challenges, the role of Fox News as a political force will remain pivotal. Understanding this media influence is essential for grasping the evolving landscape of American political power and public opinion in 2025.

# South Africa's Ramaphosa Meets Trump Amid Tensions, Seeks Reset in US Ties

BY HENRY NICHOLAS



South African President Cyril Ramaphosa visited the White House on Wednesday for a high-stakes meeting with US President Donald Trump, aiming

to reset increasingly strained relations between the two nations. The visit, described by Ramaphosa's office as “perilous” but ultimately

“successful,” sought to shift the dynamic from one of criticism and punishment to one of mutual cooperation and trade deals.

## High Stakes and Contentious Issues

The encounter marked the first time Trump has hosted an African leader at the White House since his inauguration in January. The relationship between the United States and South Africa has significantly deteriorated since early 2025, driven by ideological differences, geopolitical alignments, and domestic policy disputes.

Trump has repeatedly criticized South Africa's land reform legislation, which aims to address apartheid-era injustices, and its legal actions against Israel. These actions have led to a reduction in US aid to South Africa, the expulsion of its ambassador, and the granting of asylum to white Afrikaners based on unsubstantiated

claims of racial discrimination. Prior to the meeting, Ramaphosa's office stated, "The visit will concentrate on redefining our bilateral, economic, and commercial partnerships." This redefinition is crucial for South Africa, as the United States is its second-largest trading partner after China.

The cut in US aid has already had tangible consequences, including a decline in HIV testing, disproportionately affecting vulnerable populations like pregnant women, young people, and infants.

Despite the tensions, Ramaphosa emphasized the necessity of dialogue, stating on South African state television before his departure

## Confrontation in the Oval Office

The meeting began with an apparent attempt to ease tension, as Ramaphosa brought two prominent white South African golfers, Ernie Els and Retief Goosen, and presented Trump with a 14-kilogram book about South Africa's golf courses.

However, the atmosphere quickly shifted. During a live-broadcast segment, Trump confronted Ramaphosa by showing a video he claimed proved a "genocide" against white Afrikaners in South Africa. The video featured South African opposition leader Julius Malema singing a controversial song, "Shoot the Boer [farmer]," and displayed a field of crosses.

Ramaphosa strongly refuted these allegations, explaining that criminality in South Africa affects all races and that black individuals are statistically more likely to be victims of violence than their white counterparts.

He highlighted that white individuals, despite constituting only 7% of the population, own over 70% of the land, undermining claims of widespread discrimination.

Earlier in the month, the Trump administration had facilitated the relocation of 59 white "refugees" from South Africa to the US, granting them asylum despite generally restricting such requests from other parts of the world.



## Trade and Economic Diplomacy on the Agenda

Despite the confrontational start, the discussions moved towards economic matters.

A representative from South Africa's trade ministry indicated that Ramaphosa intended to present Trump with a comprehensive trade agreement, though specific details were not disclosed.

Ramaphosa also aimed to explore business opportunities for Tesla and Starlink, both owned by South African-born billionaire Elon Musk, who has himself accused Ramaphosa of implementing anti-white policies.

A key objective for Ramaphosa was to introduce a new trade framework to govern relations between the two countries, particularly given the upcoming expiration of the African Growth and Opportunity Act (AGOA) on October 1, 2025.

AGOA facilitates duty-free exports to the US for eligible sub-Saharan African nations and is crucial for Africa's development.

Trump's recent trade tariffs have raised concerns about AGOA's future, especially impacting South Africa's automotive sector, which heavily relies on US exports.

Following the closed-door talks,

the South African presidency stated that both leaders agreed to strengthen bilateral trade ties, increase investments, and foster collaboration in technological exchanges.

Ramaphosa welcomed the expected commencement of trade talks between the two countries' respective negotiation teams.

## Geopolitical Tensions and BRICS

The strain in US-South Africa relations is not solely due to domestic policy disagreements. South Africa's legal action against Israel at the International Court of Justice, accusing its military of genocide against Palestinians in Gaza, has also contributed to tensions with the US.

Furthermore, South Africa's active participation in BRICS—a group of emerging economies including Brazil, Russia, India, China, and others—is viewed unfavorably by the US.

Political analyst Daniel Silke noted that South Africa's leadership role in the G20 this year is a significant factor, making it logical for both leaders to meet, even given Trump's unpredictable nature.

Ramaphosa may attempt to persuade Trump to attend the G20 summit in November, which the US president is reportedly planning to boycott.

## A Challenging but Necessary Engagement

Ramaphosa's visit, while fraught with challenges, was deemed "robust and fruitful" by the South African president.

The South African delegation maintained a positive tone after the closed-door session, emphasizing a firm agreement for continued engagement bilaterally and within the G20.

Guilengue from the Rosa Luxemburg Foundation in Johannesburg commented that a segment of the South African population believes it is essential for Ramaphosa to assert South Africa's autonomy in choosing its partners.

However, a larger portion of society remains skeptical, aware of Trump's confrontational style.

Ultimately, experts suggest that personal diplomacy is crucial when dealing with Trump, even if the relationship is tumultuous. Silke stated, "Ultimately, it comes down to business. Despite the discussions on tariffs, it appears that the most severe tariffs could be negotiated down, and South Africa possesses leverage with critical minerals that could be supplied to the U.S."

The meeting underscores the complex and often contentious nature of international diplomacy, particularly when leaders with vastly different approaches and priorities engage.

# Trump Hails ‘Productive’ Call with Turkiye’s Erdogan as Visits Planned

By Eric Gahagan



US President Donald Trump and Turkish President Recep Tayyip Erdogan held a phone conversation on Monday that both leaders described as “very good and productive,” covering a wide range of pressing international issues including the war in Ukraine, the conflict in Gaza, and the situation in Syria. The call also featured mutual invitations for future visits, signaling a potential warming of ties between the two nations.

## A Comprehensive Dialogue on Global Conflicts

During the call, Trump

emphasized the importance of ending the ongoing war between Russia and Ukraine, describing it as a “ridiculous but deadly” conflict.

He expressed his eagerness to collaborate with Erdogan to bring the hostilities to a swift conclusion. “I look forward to working with President Erdogan on getting the ridiculous, but deadly, War between Russia and Ukraine ended — NOW!” Trump stated on his Truth Social platform.

The conversation also touched on the humanitarian crisis in

Gaza, with Erdogan highlighting the grave situation there and Turkey’s readiness to support efforts to establish a ceasefire and lasting peace. Erdogan’s office underscored Ankara’s commitment to providing humanitarian aid and facilitating peace in the region. Both leaders discussed the broader Middle East context, including developments in Syria, where Erdogan stressed the importance of preserving the country’s territorial integrity and stability. He also welcomed US efforts to ease sanctions on Syria, which he believes would contribute to regional stability.

## Mutual Invitations Signal Diplomatic Engagement

A significant outcome of the call was the exchange of invitations for official visits. Erdogan invited Trump to visit Turkey at a future date, and Trump reciprocated by inviting Erdogan to Washington, D.C. Although no specific dates were announced, these invitations mark a step toward strengthening bilateral relations.

Trump recalled his previous close working relationship with Erdogan during his first term as president, noting their cooperation on multiple issues, including the high-profile case of American pastor Andrew Brunson, who was released from Turkish detention following Trump's direct intervention. "We worked together closely on numerous things, including the fact that he helped return Pastor Andrew Brunson, who was imprisoned, back to the United States — Immediately upon my request," Trump said.

### Context of US-Turkey Relations

The relationship between the United States and Turkey has experienced strains over the past decade, largely due to divergent policies on Syria and Turkey's growing ties with Russia, especially following Ankara's acquisition of the Russian S-400 missile defense system. Under the Biden administration, relations became more transactional, moving

away from the values-based partnership that had characterized the NATO alliance for years. Trump's return to office has sparked optimism in Ankara for a more cooperative and amicable relationship with Washington, despite past sanctions imposed during his previous term.

Turkey, as a NATO member, has maintained a delicate balance by fostering good relations with both Russia and Ukraine since the outbreak of the conflict in 2022. Ankara has also played a mediating role by hosting talks aimed at resolving the war. Erdogan's support for Trump's approach toward ending wars was explicitly noted by Turkey's Directorate of Communications, which also appreciated efforts to maintain negotiations with Iran and halt the fighting in Ukraine.

### Erdogan's Vision for Regional Stability

Erdogan underscored the importance of peace and stability not only for Turkey but for the entire region. He stressed that a stable Syria would contribute to both regional and global peace. Erdogan expressed Turkey's readiness to provide all kinds of support to establish peace and security in the Middle East. He also conveyed hope that his upcoming meeting with Trump would bring beneficial outcomes for both countries. The Turkish president's office

highlighted the comprehensive nature of the conversation, which also covered global trade and ongoing negotiations between Iran and the United States. Erdogan reaffirmed his commitment to strengthening ties with the US, particularly in defense industry cooperation and trade.

### Looking Ahead: Potential Impact of Renewed US-Turkey Engagement

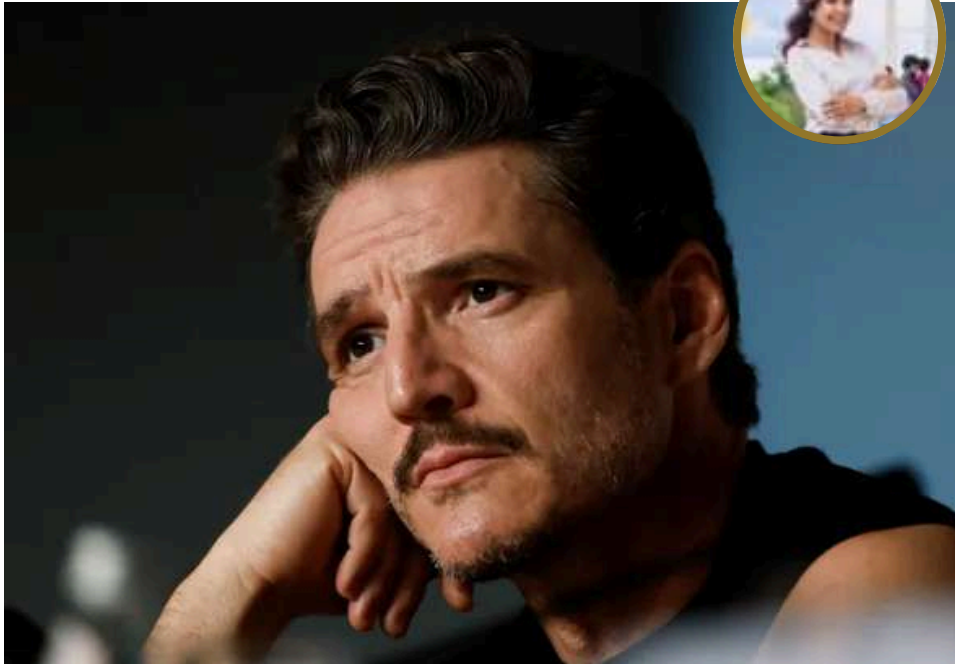
The renewed dialogue between Trump and Erdogan comes at a critical time when multiple conflicts and humanitarian crises demand coordinated international responses. The mutual willingness to engage diplomatically and work together on ending the Ukraine war, addressing the Gaza crisis, and stabilizing Syria could pave the way for more constructive US-Turkey relations.

Trump's emphasis on ending the Russia-Ukraine war aligns with Turkey's role as a mediator and its strategic position in the Black Sea region. The planned visits, when finalized, could further solidify cooperation on defense, trade, and regional security issues.

In sum, the phone call between Trump and Erdogan represents a significant step toward re-engagement between the two leaders and their countries, with the potential to influence key geopolitical challenges in Europe and the Middle East.

# ‘Fight Back’: Pedro Pascal Urges Cannes to Resist US Political Pressure

By Adriana Montes



At the prestigious Cannes Film Festival, acclaimed actor Pedro Pascal delivered a powerful call to action, urging the festival and the global film community to “fight back” against what he described as increasing political pressure from the United States. Pascal’s remarks have stirred considerable attention, highlighting the intersection of art, politics, and freedom of expression amid ongoing geopolitical tensions.

## A Bold Statement on the Cannes Stage

Pedro Pascal, known for his roles in major productions such as *The Mandalorian* and *The Last of Us*, used his platform at Cannes to address the mounting influence of US

political agendas on international cultural events. Speaking during a panel discussion on the role of cinema in society, Pascal emphasized the importance of artistic independence and urged filmmakers and festival organizers to resist external pressures.

“We must stand firm and fight back against forces that seek to co-opt our art for political gain,” Pascal declared. He warned that the increasing politicization of cultural platforms threatens the very essence of creative freedom and the global exchange of ideas.

His comments come at a time when the US government has been accused of leveraging its

cultural influence to sway narratives and censor voices that challenge its foreign policy positions. Pascal’s appeal resonated with many festival attendees who have expressed concerns over the growing entanglement of politics and art.

## Context: Political Pressure on International Film Festivals

The Cannes Film Festival, one of the world’s most prestigious cinematic events, has long been a stage for artistic expression free from political interference. However, recent years have seen heightened scrutiny and pressure from various governments, including the US, to align festival selections and awards with particular political narratives.

Pascal’s intervention highlights the tension between maintaining artistic integrity and navigating the complex web of international diplomacy. The US, as a dominant cultural exporter, wields significant influence over global media and entertainment industries, often promoting content that aligns with its geopolitical interests.

Critics argue that this influence can marginalize dissenting voices and stifle diverse perspectives, especially from

countries or filmmakers whose views diverge from US policies. Pascal's call to resist such pressures is a rallying cry for preserving the autonomy of cultural institutions like Cannes.

### The Role of Artists in Political Discourse

Pascal's speech also underscored the critical role that artists play in shaping political discourse. He asserted that cinema and storytelling have the power to challenge dominant narratives and foster empathy across cultural divides. "As artists, we have a responsibility to tell stories that reflect truth, complexity, and humanity, not just those that serve political agendas," Pascal said. He urged his peers to use their voices to defend artistic freedom and to support platforms that prioritize creative expression over political conformity.

This perspective aligns with a broader movement within the arts community advocating for greater independence from governmental and corporate influence. Many filmmakers and actors see their work as a form of resistance against censorship and propaganda.

### Reactions from the Film Community and Beyond

Pascal's remarks received widespread support from fellow artists and festival attendees. Several directors and actors

praised his courage in speaking out, noting that his stance reflects the concerns of many in the industry.

French director Claire Denis commented, "Pedro's words remind us that cinema must remain a space of freedom and dialogue. We cannot allow political agendas to dictate what stories are told." Similarly, actress Léa Seydoux emphasized the importance of protecting artistic spaces from external pressures.

On social media, Pascal's speech sparked a lively debate about the role of politics in art. Supporters applauded his call for resistance, while some critics argued that art inevitably intersects with politics and that engagement with political themes is unavoidable.

### The Broader Geopolitical Landscape

Pascal's call to action must be understood within the broader geopolitical context. The US has increasingly used cultural diplomacy as a tool to promote its values and policies worldwide. This includes funding international film projects, influencing festival programming, and leveraging media platforms.

However, this approach has drawn criticism for blurring the lines between cultural exchange and political propaganda. Countries and artists who resist

US influence often face challenges in gaining international exposure or funding. Cannes, as a global hub for cinema, finds itself at the crossroads of these competing interests. Pascal's speech serves as a reminder of the festival's responsibility to uphold artistic freedom and resist becoming an instrument of political agendas.

### The Future of Cannes and Artistic Freedom

Looking ahead, the challenge for Cannes and similar festivals will be balancing the realities of geopolitical influence with their commitment to artistic independence. Pascal's urging to "fight back" is a call for vigilance and solidarity among artists, organizers, and audiences alike.

Festival director Thierry Frémaux has previously emphasized Cannes's dedication to showcasing diverse voices and resisting censorship. Pascal's intervention reinforces this mission and encourages ongoing dialogue about the role of film festivals in a politically charged world.

The actor concluded his remarks with a hopeful message: "Together, we can ensure that art remains a beacon of freedom, creativity, and truth." His words resonate as a powerful reminder of the enduring power of cinema to transcend politics and connect humanity.

# ‘The Mood Is Changing’: Israeli Anger Grows at Conduct of War

By Jan Frazier



As the conflict in Gaza and the broader regional tensions continue, a notable shift is emerging within Israeli society. While early phases of the war saw widespread public support for military operations, recent weeks have witnessed growing frustration and anger over the conduct of the war, its humanitarian consequences, and the political leadership's handling of the crisis.

## Rising Discontent Amid Military Campaigns

Israeli Prime Minister Benjamin Netanyahu's government has been under intense scrutiny following the October 7 Hamas attacks and the subsequent military response in Gaza. Though Netanyahu's recent strikes against Iran have bolstered his political standing domestically, the ongoing conflict in Gaza remains a source of deep unease among many Israelis.

The military campaign in Gaza has drawn criticism for its heavy toll on civilians and the prolonged nature of the fighting. Israeli media, largely supportive of the government's position, have amplified war rhetoric, but some outlets and segments of the population are beginning to question the strategy and its consequences.

A poll conducted recently revealed that while 83% of Jewish Israelis supported the airstrikes on Iran, there is a growing sense that the war in Gaza is dragging on without clear resolution.

Many Israelis are increasingly concerned about the humanitarian crisis unfolding in Gaza, with the enclave suffering from severe shortages of food, water, and medical supplies due to the Israeli blockade.

## Public Opinion Reflects Complex Sentiments

Surveys by the Institute for National Security Studies show a complex picture of Israeli public opinion. Trust in the Israel Defense Forces (IDF) and other security institutions remains high, with over 80% expressing confidence in the military's capabilities. However, nearly half of respondents believe the government lacks a clear plan to end the Gaza conflict.

Support for the war's objectives remains strong, with about 63% of the public expecting an Israeli victory in Gaza. Yet, there is a notable rise in the number of Israelis who want the war to end soon, reflecting war-weariness and concern over the human and economic costs.

A significant portion of the population, around 64%, holds the belief that “there are no innocents” in Gaza, indicating hardened attitudes and a polarized society grappling with

the moral complexities of the conflict.

### Political Divisions and Leadership Challenges

Within Netanyahu's administration, hardline voices advocate for a prolonged military presence in Gaza and a complete dismantling of Hamas. Far-right coalition partners like Minister Bezalel Smotrich have called for decisive action to "destroy Hamas and return our hostages," signaling little appetite for compromise.

However, this stance faces growing domestic and international pressure. Former US President Donald Trump has publicly urged Israel to conclude the conflict, emphasizing peace promotion in the region as a priority.

Political analysts suggest that Netanyahu may leverage recent military successes against Iran to consolidate his coalition and possibly call early elections. Yet, the ongoing Gaza conflict complicates his political calculus, as public patience wears thin.

### Media's Role in Shaping Perceptions

Israeli media plays a critical role in framing the war narrative. Mainstream outlets have largely supported government policies, often emphasizing security concerns and portraying Israel

as a victim of aggression. Nonetheless, critical voices exist. Publications such as *Haaretz* and independent outlets like *+972 Magazine* have reported on the humanitarian impact in Gaza and raised questions about military tactics, including the use of AI in targeting and the misidentification of civilian areas.

Experts note that Israeli media often employs emotionally charged language when covering attacks on Israeli facilities, while downplaying or ignoring the suffering of Palestinians. This selective coverage contributes to a public discourse that is increasingly polarized.

### Societal Impact and Solidarity

Despite the divisions, there is evidence of strengthened social solidarity within Israel. Nearly half of the population believes that the sense of unity has increased during the conflict, with many supporting reserve duty call-ups and expressing resilience in the face of ongoing hostilities.

However, feelings of personal security vary, with about a third of Israelis reporting low or very low security perceptions. The prolonged conflict and uncertainty about its outcome contribute to anxiety across communities.

### The Path Forward: Calls for Resolution

As the war enters its seventh month, voices calling for a negotiated resolution grow louder. Families of hostages held by Hamas, human rights advocates, and some political figures urge Netanyahu's government to seek a ceasefire and secure the release of captives.

The challenge remains balancing military objectives with humanitarian concerns and political realities. Netanyahu's coalition includes hardliners opposed to concessions, while international actors, including the US, push for de-escalation.

The mood in Israel is shifting from initial rally-around-the-flag support toward a more critical and anxious public sentiment. As one Israeli pollster remarked, "The chapters of history are being written now, but one remains missing—the resolution of October 7."

Israel faces a pivotal moment as public opinion reflects growing impatience and anger over the war's conduct. While military successes against Iran have temporarily bolstered Netanyahu's standing, the unresolved Gaza conflict continues to weigh heavily on Israeli society.

The evolving mood underscores the complex interplay of security, politics, and humanitarian concerns that will shape Israel's future and the broader Middle East landscape.

# Middle East Crisis: Israel Accuses Macron of 'Crusade Against the Jewish State' – As It Happened

By Henry Nicholas



Tensions between Israel and France escalated sharply after Israeli officials accused French President Emmanuel Macron of waging a “crusade against the Jewish state” following his calls for European nations to adopt a tougher stance on Israel amid the ongoing humanitarian crisis in Gaza. The dispute has added a new layer of complexity to the already volatile Middle East situation, with both sides trading sharp rhetoric over the conflict’s political and humanitarian dimensions.

## Macron’s Call for a Harder European Stance on Israel

Speaking at a defense forum in Singapore on May 30, 2025, Emmanuel Macron urged European countries to “harden the collective position” against Israel if it failed to adequately address the worsening humanitarian conditions in Gaza.

He emphasized that recognizing a Palestinian state, under certain conditions, was “not only a

moral duty, but a political necessity.”

Macron warned that “if we abandon Gaza, if we consider there is a free pass for Israel, even if we do condemn the terrorist attacks, we will kill our credibility.”

His remarks signaled a shift in France’s approach to the Israel-Palestine conflict, advocating for increased pressure on Israel to ease the blockade on Gaza and improve humanitarian access.

France is co-hosting with Saudi Arabia an international conference at the United Nations in New York, scheduled for mid-June, aimed at reviving the two-state solution and laying out parameters for a Palestinian state—an initiative opposed by Israeli Prime Minister Benjamin Netanyahu’s government.

### Israel’s Sharp Rebuttal: ‘Crusade Against the Jewish State’

Israel’s Foreign Ministry responded swiftly and vehemently to Macron’s statements. In a strongly worded statement, it accused the French president of leading a “crusade against the Jewish state.” The ministry rejected Macron’s claim of a humanitarian blockade, calling it “a blatant lie” and defending Israel’s efforts to allow aid into Gaza.

Highlighting that nearly 900 aid trucks had entered Gaza in recent days and that humanitarian distribution sites had delivered over two million meals in just four days, Israel insisted that it was facilitating aid through “two parallel efforts.”

The ministry further accused Macron of wanting to “reward jihadist terrorists with a Palestinian state,” cynically predicting that the national day of such a state would be October 7, the date of Hamas’s deadly 2023 attack on Israel that ignited the current conflict.

“It is against Israel—under attack on multiple fronts in an attempt to destroy it—that Macron seeks to impose sanctions,” the statement added, underscoring Israel’s view that Macron’s position sided with its enemies.

### Historical and Emotional Weight of the ‘Crusade’ Charge

The use of the word “crusade” carries deep historical resonance and emotional weight. The Crusades were medieval religious wars launched by European Christians, including French knights, aimed at reclaiming the Holy Land from Muslim rule. These campaigns were marked by violence against Jews in Europe and the Levant, and the term evokes painful memories in Jewish communities.

Israeli officials and commentators underscored this historical context to frame Macron’s stance as not only politically hostile but also symbolically offensive.

### Macron’s Increasing Support for Palestinians

Macron’s recent statements reflect a more vocal French support for the Palestinian cause, particularly in light of the severe humanitarian crisis in Gaza. After Israel imposed a near-total blockade on Gaza in early March 2025, the enclave has faced critical shortages of food, medicine, and fuel, with aid deliveries only partially resuming in recent weeks.

In earlier interviews, Macron criticized Israeli Prime Minister Netanyahu, calling his policies “shameful” and warning that Europe must not appear to give Israel a “free pass” despite condemning Hamas’s terrorist attacks.



Macron's advocacy for recognizing a Palestinian state is part of a broader push by France and its allies to revive diplomatic efforts toward a two-state solution, even as Netanyahu's government resists such moves.

### **International Reactions and the Broader Diplomatic Context**

The escalating rhetoric between Israel and France has drawn attention from international observers. Macron's call for potential sanctions against Israeli citizens in the West Bank was seen as a significant escalation, signaling that Europe might take concrete punitive measures if Israel does not alter its policies.

Meanwhile, Israel's criticism of Macron and France's role in the upcoming UN conference reflects deep mistrust and opposition to external pressures perceived as undermining Israeli security and sovereignty.

Hamas, the Palestinian militant group controlling Gaza, praised Macron's statements, seeing them as supportive of their cause, which further inflamed Israeli accusations that France's position emboldens terrorism.

### **Humanitarian Aid and the Gaza Situation**

The humanitarian situation in Gaza remains dire. Despite Israel's partial lifting of the blockade, aid organizations warn of widespread hunger and

medical shortages affecting hundreds of thousands of civilians.

Israel maintains that its restrictions are necessary to prevent weapons smuggling to Hamas and that it is facilitating aid through controlled channels. The Gaza Humanitarian Fund, backed by the US and Israel, has recently begun distributing millions of meals, though challenges remain.

Macron and other critics argue that the blockade constitutes collective punishment and that Israel must do more to alleviate civilian suffering.

### **Political Implications for Israel and France**

For Israel, Macron's statements and the growing European pressure represent a diplomatic challenge amid a conflict that has already strained its international relations.

Prime Minister Netanyahu's government has doubled down on its hardline stance, rejecting calls for a ceasefire or recognition of a Palestinian state. Netanyahu's coalition partners have pushed for decisive military action against Hamas, framing the conflict as existential.

In France, Macron's position reflects a balancing act between supporting Israel's right to

security and advocating for Palestinian rights and humanitarian concerns. His government's co-hosting of the UN conference underscores France's commitment to a diplomatic resolution, even as tensions with Israel rise.

### **Conclusion: A Crisis of Diplomacy and Narrative**

The confrontation between Israel and France over Macron's remarks illustrates the fraught nature of diplomacy in the Middle East crisis. Accusations of a "crusade against the Jewish state" reveal how deeply emotions run and how historical narratives shape contemporary conflicts.

As the humanitarian crisis in Gaza worsens and political divisions deepen, the international community faces increasing pressure to navigate a path that respects Israel's security concerns while addressing Palestinian rights and suffering.

Macron's call for a harder European stance and recognition of a Palestinian state challenges Israel's policies and signals a potential shift in international diplomacy, even as Israel pushes back fiercely.

The coming weeks, including the UN conference co-hosted by France and Saudi Arabia, will be critical in determining whether dialogue can prevail or if the crisis will further escalate.

# UN Middle East Envoy Warns Gaza at Breaking Point, Urges Ceasefire and Aid Access

By Athena Nagel



The United Nations' Middle East envoy has issued a stark warning about the humanitarian catastrophe unfolding in Gaza, describing the territory as being at a "breaking point." The envoy called urgently for an immediate ceasefire and unimpeded humanitarian aid access to prevent further loss of civilian life amid the ongoing conflict between Israel and Hamas.

## Gaza's Humanitarian Crisis: A Region on the Brink

The Gaza Strip, home to over two million Palestinians, has been devastated by months of conflict and blockade. The UN envoy highlighted that the population is enduring severe shortages of food, water, fuel, and medical supplies, with critical infrastructure damaged or destroyed.

"The people of Gaza are suffering unimaginable hardship," the UN official stated, emphasizing that hospitals are overwhelmed, electricity is scarce, and essential services are collapsing.

The envoy warned that without urgent intervention, the humanitarian situation will deteriorate further, risking a full-scale humanitarian disaster.

The blockade imposed by Israel, combined with ongoing hostilities, has severely restricted the flow of aid into Gaza.

While some humanitarian convoys have been allowed in, the volume remains insufficient to meet the population's basic needs. Calls for an Immediate Ceasefire

The UN envoy reiterated the urgent need for a ceasefire to halt

the violence and allow humanitarian operations to proceed safely.

The envoy stressed that a cessation of hostilities is essential not only to save lives but also to create conditions for political dialogue.

The call for a ceasefire aligns with international efforts led by the United States, Egypt, and Qatar, who have been mediating between Israel and Hamas to negotiate a truce. Despite multiple ceasefire proposals, including a recent plan brokered by the Trump administration, durable peace remains elusive.

"A ceasefire is the only way to stop the bloodshed and open the door to a sustainable peace," the envoy said, urging both parties to prioritize civilian protection and humanitarian access.

## The Hostage Issue and Security Concerns

The conflict's complexity is heightened by the ongoing hostage crisis. Hamas continues to hold Israeli civilians and soldiers captive, demanding prisoner exchanges as part of any ceasefire deal. Israel insists that any truce must include the safe release of hostages and guarantees against renewed attacks.

The UN envoy acknowledged the sensitivity of the hostage issue but emphasized that humanitarian considerations must not be overshadowed by political disputes. The envoy called on Hamas to release all hostages unconditionally and on Israel to facilitate aid deliveries without obstruction.

## International Reactions and Support for Gaza

The European Union, the United Kingdom, and other international actors have echoed the UN's calls for a ceasefire and humanitarian access.

The EU has pledged over €450 million in aid since 2023, emphasizing the need to protect civilians and ensure the delivery of essential services.

The UK's Minister for the Middle East condemned Hamas's actions and reiterated support for efforts to secure a ceasefire and release hostages. The UK government also welcomed France and Saudi Arabia's leadership in organizing

an international conference aimed at reviving the two-state solution.

## The Ongoing Ceasefire Negotiations

Since January 2025, intermittent ceasefires and prisoner exchanges have taken place, but violations and delays have hindered progress. The 2025 Gaza war ceasefire agreement included phased releases of hostages and prisoners and humanitarian provisions, but both sides have accused each other of breaching terms.

Recent ceasefire proposals, including one brokered by the Trump administration, have been met with mixed responses. Hamas has criticized the proposals for failing to meet its demands, particularly regarding the lifting of the blockade and cessation of Israeli military operations.

Israel, meanwhile, insists on security guarantees and demands that Hamas disarm and cease rocket attacks. Prime Minister Benjamin Netanyahu has stated that Israel will only accept a partial ceasefire that does not end the war entirely.

## The Human Cost of the Conflict

The civilian toll in Gaza has been devastating. Thousands of Palestinians have been killed or injured, many of them women and children. Displacement is widespread, with families forced

from their homes amid ongoing airstrikes and ground operations. Hospitals and schools have been damaged or destroyed, exacerbating the crisis. Humanitarian workers have faced dangers, including attacks that have resulted in casualties, prompting calls for accountability and protection of aid personnel.

## The Path Forward: Balancing Security and Humanity

The UN envoy's warnings underscore the urgent need to balance Israel's security concerns with the humanitarian imperative to protect Gaza's civilian population. The international community faces the challenge of fostering dialogue while ensuring that aid reaches those in desperate need.

The envoy concluded with a plea: "We must act now to prevent further suffering. A ceasefire and humanitarian access are not just political necessities—they are moral imperatives."

Gaza stands at a critical juncture, with its people enduring immense hardship amid ongoing conflict. The UN Middle East envoy's urgent call for a ceasefire and unimpeded aid access highlights the dire humanitarian situation and the need for immediate international action.

As diplomatic efforts continue, the protection of civilians and the delivery of humanitarian relief must remain central to any resolution of the crisis.

# Muhammad Waseem Returns as UAE Captain for T20Is Against Bangladesh

By Danielle Campbell



## Waseem's Reinstatement: A Leader Returns

The Emirates Cricket Board's decision to reinstate Muhammad Waseem as captain comes after a brief hiatus during which wicketkeeper-batter Rahul Chopra led the side. Waseem, 29, had stepped down from the captaincy in October 2024 to focus on his One Day International batting, having already established himself as the UAE's most prolific T20I batter and a global leader in T20I runs since his debut in 2021. Despite his recent dip in form—his last T20I half-century came in December against Qatar, and he struggled in the ILT20—Waseem's experience and leadership are seen as vital assets for a UAE team eager to bounce back from a rough patch in international cricket. During his previous tenure, he captained the side in 26 T20Is, guiding the team

through a period of growth and transition.

## The Squad: Blending Experience and New Talent

The UAE's 15-member squad for the Bangladesh series reflects a blend of seasoned performers and promising newcomers. Alongside Waseem, key players include Rahul Chopra, who impressed with a century during the recent Cricket World Cup League 2, and Simranjeet Singh, whose four-wicket haul against Scotland was a highlight in an otherwise challenging tour.

Other notable names in the squad are Alishan Sharafu, Aryansh Sharma, Asif Khan, Ethan D'Souza, Haider Ali, and Sanchit Sharma. This mix of experience and youth is designed to provide both stability and a competitive edge against a

formidable Bangladeshi side.

## Recent Form and the Road to Redemption

UAE's recent performances have been mixed. The team struggled in the Cricket World Cup League 2 in the Netherlands, suffering two losses each to the hosts and Scotland, with their only victory coming against Scotland thanks to Chopra's batting heroics. However, the squad's morale remains buoyed by their triumph in the Gulf T20 Championship last December, where they defeated Kuwait in the final to claim the title.

The Bangladesh series marks UAE's first T20I appearance since that Gulf T20 Championship win, and the level of competition will be significantly higher. Bangladesh, a full ICC member and a

established cricketing nation, presents a stern test for the Emiratis, who are eager to prove themselves on the global stage.

### **Bangladesh's Approach: New Leadership, New Vision**

Bangladesh enters the series under the fresh captaincy of Litton Das, who has articulated a pragmatic and flexible approach to T20 cricket. Das, who replaced Najmul Hossain Shanto as skipper, emphasized the importance of adaptability and situational awareness, stating, "I am not going to talk about a particular brand of cricket. We might need to chase 180-200 in some games, and 140-145 in other games. The ultimate goal is to win the game." Litton's leadership is expected to bring renewed energy and strategic clarity as Bangladesh looks to build momentum for the T20 World Cup.

### **Series Expansion: A Decider Added**

Initially planned as a two-match series, the contest was expanded to a third T20I after both teams won one match each in the opening encounters. The first match saw Bangladesh assert their dominance, with Parvez Hossain Emon's century powering them to a 27-run victory. UAE responded in the second match with a dramatic two-wicket win, marking their first T20I victory over Bangladesh and setting the stage for a thrilling decider. The final match, scheduled for

May 21 at Sharjah Cricket Stadium, has heightened the stakes, providing both teams with a vital opportunity to test combinations, strategies, and player form ahead of major tournaments.

### **A Watershed Moment for UAE Cricket**

UAE's historic series win against Bangladesh, their first-ever T20I series victory over a Full Member nation, represents a major breakthrough for cricket in the Emirates. The achievement is particularly significant given that five uncapped players featured in the squad, underscoring the depth of emerging talent.

Reflecting on the triumph, Waseem said, "This series means a lot. The uncapped players did really well. Haider Ali was exceptional. To be honest, we didn't lose our hopes. First time I am receiving this trophy; I want to dedicate this award to my son." The victory has been hailed as a "watershed moment" for UAE cricket, with fans and officials celebrating the team's resilience and potential.

Bangladesh captain Litton Das was gracious in defeat, acknowledging, "Definitely our performance wasn't up to the mark... UAE bowlers played really well. Their batters didn't panic much, so credit goes to them." The loss has prompted calls for introspection within the Bangladesh camp, especially as they prepare for the T20 World

Cup and Asia Cup.

### **The Significance and Future Impact**

The series win is monumental for several reasons. It marks UAE's first bilateral series victory over a Test-playing nation and highlights the emergence of new talent in the Emirati ranks. For Bangladesh, the defeat is a wake-up call, underscoring the need to adapt and improve against rising associate teams.

For UAE cricket, this success is expected to serve as a springboard for growth, boosting confidence and raising the team's profile ahead of global competitions. As Waseem noted, "This triumph will go a long way in shaping the future of the game in the country."

Muhammad Waseem's return as captain has already paid dividends for UAE cricket, guiding the team to a historic series victory against Bangladesh. The blend of experienced campaigners and emerging stars has injected new life into the squad, while the expanded series format has provided invaluable match experience ahead of the T20 World Cup.

With home advantage, fresh leadership, and a landmark win under their belt, UAE cricket stands poised for a new era of achievement and recognition on the international stage.

# Sudan Cuts Ties with UAE Over RSF Support

By Kathy Malouf



Sudan has officially severed diplomatic relations with the United Arab Emirates (UAE), marking a dramatic escalation in the country's two-year civil conflict and intensifying tensions across the region. The

Sudanese government's decision comes amid persistent allegations that the UAE has been providing military and financial support to the Rapid Support Forces (RSF), a powerful

paramilitary group fighting against Sudan's army. The UAE has categorically denied these accusations, but the diplomatic rupture signals a new and dangerous phase in the conflict.

## Escalation in Port Sudan: The Immediate Trigger

The latest diplomatic crisis was triggered by a series of drone strikes that hit Port Sudan, the government's temporary administrative capital and one of the last safe havens in the war-torn country. Over three consecutive days, attacks targeted vital infrastructure, including the city's international airport, oil and gas depots, the Osman Digna airbase, a power station, and a hotel. The Sudanese army accused the RSF of orchestrating these strikes, and, crucially, claimed that the RSF was equipped and supported

by the UAE.

Previously, Port Sudan had largely been spared from the violence that has engulfed much of the country since April 2023.

The attacks marked a significant escalation, threatening not only Sudan's national security but also regional stability and the safety of Red Sea shipping lanes.

### Sudan's Accusations and the Decision to Sever Ties

Sudan's Security and Defence Council, led by army chief General Abdel Fattah al-Burhan and Defence Minister Yassin

Ibrahim, convened an emergency meeting following the Port Sudan attacks. After the meeting, Defence Minister Ibrahim declared, "The Council decided to declare the United Arab Emirates a state of aggression, sever diplomatic relations with it, and withdraw the Sudanese embassy and consulate general." The council accused the UAE of violating Sudanese sovereignty by acting through its "proxy," the RSF, and supplying the group with advanced strategic weapons. The statement also invoked Article 51 of the UN Charter, affirming Sudan's right to self-defense and warning that the country "retains the right to respond to the aggression through all means necessary to safeguard the nation's sovereignty and territorial integrity."

General al-Burhan, addressing the public in a televised speech against the backdrop of smoke rising from damaged port facilities, warned, "We warn those who have assaulted the Sudanese people that the moment of reckoning will arrive, and ultimately, the people will prevail."

### UAE's Response: Denial and Rejection of Legitimacy

The UAE has strongly rejected Sudan's allegations and dismissed the legitimacy of the decision to cut ties. In a statement, the UAE Ministry of Foreign Affairs said it did not recognize the authority of t



he Port Sudan-based government, describing it as “one of the two warring parties in Sudan.” The ministry called Sudan’s move “deplorable” and “diversionary rhetoric,” and insisted that the longstanding ties between the Emirati and Sudanese peoples would remain unaffected.

The UAE also pointed out that Sudan’s decision came just one day after the International Court of Justice (ICJ) dismissed Sudan’s case against Abu Dhabi for lack of jurisdiction, suggesting that the diplomatic rupture was politically motivated.

### **Regional and International Reactions**

Sudan’s decision has drawn condemnation from several regional powers and international organizations. Egypt, Saudi Arabia, Qatar, Kuwait, Jordan, Djibouti, the African Union, and the United Nations all expressed concern over the escalation and the potential for further destabilization. Egypt’s Foreign Ministry specifically warned that the drone attacks on Port Sudan would “severely undermine ceasefire efforts, civilian protection, and humanitarian access.”

Western governments, including the UK and US, have previously urged Gulf states to refrain from fueling the conflict in Sudan, warning that continued proxy involvement could have far-reaching consequences for regional security.

### **Humanitarian Impact and the Broader Conflict**

The Sudanese civil war, which erupted in April 2023, has already resulted in thousands of deaths, the displacement of millions, and one of the world’s most dire humanitarian

crises. Both the Sudanese Armed Forces and the RSF have been accused of war crimes, and efforts to broker a lasting ceasefire have repeatedly failed.

The latest escalation and the diplomatic split with the UAE further complicate the situation.

The RSF’s intensified drone attacks on government-held areas, allegedly with Emirati backing, have led to significant property damage and heightened fears for the safety of civilians and critical infrastructure.

### **The Political and Geopolitical Stakes**

Sudan’s decision to cut ties with the UAE is not just a bilateral issue; it has significant regional and geopolitical implications. The Red Sea corridor, where Port Sudan is located, is a vital artery for global shipping and energy supplies. Instability in this area threatens international trade and could draw in further external intervention.

The UAE’s denial of involvement and its refusal to recognize the Port Sudan government underscore the fractured nature of Sudan’s political landscape,

with rival authorities vying for legitimacy and international support. The move also signals Sudan’s intent to isolate the RSF diplomatically and pressure external actors to halt support for the paramilitary group.

### **Next Steps and Outlook**

Sudan has begun withdrawing its ambassador and closing diplomatic offices in the UAE, formalizing the break in relations. The UAE is expected to respond in kind, although it has pledged that Sudanese residents and visitors in the UAE will not be affected by the diplomatic developments.

The Security and Defence Council has made clear that Sudan reserves the right to respond to what it views as UAE aggression “by all means necessary.” The situation remains highly volatile, with the potential for further military escalation and regional fallout.

Sudan’s decision to sever diplomatic ties with the UAE over alleged RSF support marks a turning point in the country’s civil war and raises the stakes for regional security. As accusations and denials continue to fly, the move underscores the deepening divisions within Sudan and the risk of broader conflict in the Horn of Africa and Red Sea corridor. The humanitarian crisis worsens, and the prospect for peace grows more distant as international actors are drawn deeper into Sudan’s turmoil.

# UK Business Activity Falls for the First Time Since October 2023; US Trade Deficit Hits Record; FTSE 100's Record Run Continues – As It Happened

By Danielle Moore



The UK economy has hit a significant stumbling block, as business activity contracted in April for the first time since October 2023. According to the latest S&P Global UK Services PMI, the headline Business Activity Index fell to 49.0 in April from

52.5 in March, signaling a marginal decline in overall output and marking the lowest reading since January 2023. This downturn was driven by a sharp drop in the services sector, which accounts for around 80% of UK GDP, with

output falling by 0.4% in April. Legal and real estate firms were particularly hard hit, following a surge in house sales in March as buyers rushed to complete transactions before changes to stamp duty took effect.

The contraction in business activity was mirrored in official GDP figures, which showed a 0.3% decline in April—the steepest monthly drop since October 2023. Production output also decreased by 0.6%, with car manufacturing suffering a particularly poor month. In contrast, construction and research and development saw a modest uptick, offering some relief amid the broader slowdown.

S&P Global's report highlighted that new business intakes decreased for the third time in four months, with service providers citing weaker business investment and client confidence in the wake of global economic uncertainty and recent US tariff announcements. Export conditions were especially weak,

with new work from overseas markets falling at the fastest pace since February 2021. Tim Moore, Economics Director at S&P Global Market Intelligence, commented, "UK service sector output slipped into contraction for the first time in one-and-a-half years as heightened business uncertainty weighed on order books during April. Export conditions were particularly weak, with new business from abroad falling to the greatest extent since February 2021".

### Labour Market and Consumer Confidence: Mixed Signals

The recent contraction in business activity comes amid signs of a weakening labour market. The Bank of England's Monetary Policy Committee left interest rates unchanged at 4.25%

in June, noting that "the labour market has continued to loosen" as job vacancies fell below pre-pandemic levels and the number of payrolled employees declined in 2025. Survey data also point to cautious hiring strategies, with many firms refraining from backfilling roles and some continuing redundancy measures.

Despite these challenges, some indicators suggest pockets of resilience. The Lloyds Bank business barometer showed improved confidence among firms in May, reaching its highest reading in nine months and reflecting a degree of economic optimism. Similarly, the GfK consumer confidence barometer improved for the second consecutive month in June, with consumers expressing greater optimism about their personal

finances and the broader economic outlook over the next year. However, retail sales volumes continued to fall at a sharp pace in June, marking the ninth consecutive month of decline, and retailers expect further contractions in July.

### US Trade Deficit Hits Record High Amid Falling Exports

Across the Atlantic, the US trade deficit has reached historic levels. The goods trade deficit widened by 11.1% in May, hitting \$96.6 billion as exports fell by \$9.7 billion to \$179.2 billion, while imports remained relatively stable at \$275.8 billion. This record deficit follows a surge in imports earlier in the year, as businesses rushed to stock up ahead of sweeping tariffs



imposed by President Donald Trump, which contributed to a 0.5% annualized decline in GDP during the first quarter.

In the agricultural sector, the US trade deficit reached an alarming \$19.7 billion between January and April 2025—the largest ever for the first four months of any year. Imports totaled \$78.2 billion, while exports lagged at \$58.5 billion, driven by strong demand for high-value imports such as wine, nuts, tropical fruits, and coffee, and a continued reliance on bulk commodity exports. Faith Parum of the American Farm Bureau Federation described the situation as a continuation of a negative trend since 2022, noting, "We have no plan — none — to deal with this growing trade gap. It's not just bad policy; it's no policy at all".

Economists caution that, despite a projected rebound in GDP growth to 3.4% in the second quarter according to the Atlanta Federal Reserve, the underlying economic picture remains fragile, with recent data on retail sales, housing, and labor markets pointing to potential weakness.

### **FTSE 100's Record Run Continues Despite Economic Headwinds**

In contrast to the subdued economic news, the FTSE 100 continues its remarkable run, hitting new record highs. As of midday on June 27, the index was up 0.5% at 8,774.54, with gains seen across European indices as

investors awaited key US inflation data. The FTSE 250 and AIM All-Share also posted gains, reflecting improved risk appetite and a temporary easing of geopolitical tensions. Analysts remain divided on the FTSE 100's prospects for the remainder of 2025. Some, including The Economy Forecast Agency, predict the index could surpass the 10,000-point threshold by year-end, citing factors such as the relative cheapness of large-cap UK shares, expected earnings growth, and the potential for faster interest rate cuts by the Bank of England compared to the Federal Reserve. Others, like AJ Bell, are more cautious, forecasting the index to reach 9,000 points over the next six months. The FTSE 100's resilience is further supported by a weakening pound, which boosts the overseas earnings of UK-listed multinationals, as around 75% of FTSE 100 revenues are generated abroad.

Russ Mould of AJ Bell noted, "Investors were in a good mood at the end of the trading week with gains seen across European indices and many parts of Asia. Geopolitical tensions have eased back, for now, and risk appetite has improved".

### **Outlook: Uncertainty Dominates as Markets Weigh Risks**

The latest data paints a picture of diverging fortunes: UK business activity has slipped into contraction territory for the first

time in eighteen months, the US is grappling with a record trade deficit amid falling exports, and yet the FTSE 100 continues to defy economic gravity, buoyed by global earnings and investor optimism.

Looking ahead, the Bank of England forecasts that UK GDP growth will slow to around 0.25% in the second quarter, down from 0.7% in the first quarter, with the National Institute of Economic and Social Research making a similar projection. The outlook remains clouded by persistent inflation, a weakening labour market, and global trade tensions —factors that could weigh on business confidence and investment in the months to come.

For the US, the widening trade deficit and mixed signals from consumer and housing data suggest that the road to sustained economic recovery may be bumpy, even as headline GDP growth figures offer some hope.

Meanwhile, UK investors will be watching closely to see if the FTSE 100 can maintain its momentum amid shifting global conditions, with the prospect of interest rate cuts and a more stable political environment offering potential tailwinds. As the second half of 2025 unfolds, markets and policymakers alike will be challenged to navigate an increasingly complex and unpredictable economic landscape.

# Japan's Nomura Committed to Growth of US Business, CEO Says

By Kathy Malouf



Japan's largest investment bank and brokerage, Nomura Holdings, is doubling down on its commitment to the United States, even as global markets face heightened volatility and uncertainty. CEO Kentaro Okuda addressed investors in Tokyo, emphasizing that despite recent turbulence—triggered largely by sweeping US tariffs and resulting financial instability—

Nomura views the US as central to its long-term global strategy. "While it can be argued that the U.S. stands at the center of market turbulence due to global tariff discussions, it remains a crucial region abundant in business prospects," Okuda stated during the company's investor relations gathering. The US market accounted for

14% of Nomura's pre-tax earnings in the fiscal year ending March 2025, underscoring its significance within the group's global portfolio. This share is expected to grow as the bank pursues an ambitious expansion plan, seeking to boost revenue from its wholesale banking arm by 15% to 20% in dollar terms by March 2031.

Expanding  
Acquisitions

## Through

## Major

Nomura's commitment to the US market is most clearly reflected in its recent acquisition strategy. In April, the bank announced its largest-ever deal: the \$1.8 billion purchase of Macquarie Group's public asset management operations in the US and Europe. This acquisition, which is expected to increase Nomura's total assets under management to approximately \$770 billion, will provide the bank with a robust hub in Philadelphia and significantly expand its reach among US institutional and retail clients.

Okuda described the deal as "transformational" for Nomura's international investment management division, stating,

"This acquisition will align with our 2030 global growth and diversification ambitions to invest in stable, high margin

businesses. It will be transformational for our Investment Management Division's presence outside of Japan, adding significant scale in the U.S., strengthening our platform, and providing opportunities to build our public and private capabilities.

We are delighted with the prospect of welcoming all 700-plus employees that will be joining the Nomura Group."

The acquired business, with roots dating back to Delaware Investments in 1929, brings a well-established team and a strong distribution network across nine of the top ten US retail platforms.

Nomura plans to leverage these channels to introduce its broader asset management capabilities, scale up its active ETF platform, and invest in talent and data analytics to drive organic growth.

Learning from the Past, Looking  
to the Future

Nomura's global ambitions have not always yielded smooth results. The bank's acquisition of certain assets from Lehman Brothers in 2008, for example, ultimately led to significant write-downs. However, the leadership remains undeterred, viewing past challenges as learning opportunities. The current focus is on building a diversified, stable, and scalable business model that can weather market shocks and capitalize on emerging trends.

Chris Willcox, Chairman of Nomura's Investment Management Division, echoed this sentiment, saying, "This transaction will accelerate the expansion of our global Investment Management business and will be a significant step in building a truly global franchise with a comprehensive set of solutions



to serve investors worldwide.”

### Navigating Global Trade Tensions

The timing of Nomura’s US expansion comes as global trade tensions, particularly those involving the US and its trading partners, have rattled financial markets. The introduction of extensive tariffs in April led to a wave of divestment from US assets, with some investors questioning the long-term stability and supremacy of the US financial system. Despite these headwinds, Okuda remains optimistic about the US market’s enduring appeal, emphasizing that it continues to offer “big opportunities” for growth.

Willcox also noted that while the US market has dominated in recent years, its leadership may not be sustainable indefinitely. “We believe that the U.S. market’s dominance in recent years is not sustainable, and a shift towards Europe and Asia would be beneficial. We operate a global business, so that approach is acceptable to us,” he said.

### Building a Truly Global Franchise

Nomura’s strategy is not limited to the US. The bank is actively pursuing growth in Europe and Asia, aiming to position itself as a leading global player by 2030. The acquisition of Macquarie’s US and European asset management businesses is a key

step in this direction, providing Nomura with a scalable platform to serve clients worldwide.

The bank’s management vision for 2030 is “Reaching for Sustainable Growth,” with targets to double income before income taxes and achieve a return on equity of 8-10%. Okuda outlined a clear path: “We will focus on further developing our global strategy, leveraging our Japan franchise. We will continue to increase stable revenues. Our business divisions will collaborate closely as they implement their own growth strategies. We will invest in new areas of growth and deliver value to address social issues.”

Nomura’s leadership believes that embracing change and seeking new challenges is essential for long-term success. As Okuda put it, “Always strive to stay one step ahead. Standing still is retrogressive.”

### Integration and Collaboration: The Road Ahead

Following the Macquarie acquisition, Nomura plans to integrate the new team and capabilities while maintaining continuity in leadership. Shawn Lytle, President of Macquarie Funds and Head of Americas for Macquarie Group, along with his senior team, will continue to manage the business post-acquisition. The two firms have also agreed to collaborate on

product development and distribution, with Nomura becoming a US wealth distribution partner for Macquarie Asset Management and providing seed capital for new alternative investment funds.

A joint working group will explore further opportunities for collaboration, aiming to deliver innovative solutions to clients and create long-term value for both organizations.

### Commitment in Uncertain Times

Nomura’s unwavering commitment to growing its US business, even amid market volatility and global trade tensions, highlights the bank’s belief in the enduring strength and potential of the American market. By pursuing strategic acquisitions, investing in talent and technology, and maintaining a flexible, global outlook, Nomura aims to secure its position as a leading player on the world stage. As Okuda concluded, “No one can accurately predict how the world will change... That is why it is important to accept change and take the initiative to change yourself. If you stick to the same way of doing things, you will miss precious opportunities.”

With its eyes set on sustainable global growth, Nomura’s expansion in the US signals both confidence in the market’s future and a readiness to adapt in an increasingly complex financial landscape.

# HSBC to Close Its US Business Banking Unit Amid Global Streamlining

By Mandilee Hecht



HSBC Holdings Plc is set to close its US business banking unit, marking a significant step in the bank's ongoing efforts to simplify operations and sharpen its focus on core growth markets. The decision, which will impact approximately 4,400 clients—primarily small and medium-sized businesses (SMBs) with up to \$50 million in annual revenue—comes as the UK-based lender accelerates its strategic overhaul under CEO Georges Elhedery.



This move follows a pattern of recent retreats from less profitable or non-core markets, as HSBC seeks to concentrate resources in regions where it holds a competitive advantage, particularly Asia and the Middle East.

## Impact on Clients and Employees

The closure of the US business banking division will affect a broad swath of domestic clients, rather than the US branches of foreign firms, according to reports. HSBC has already notified its clients of the impending changes and is working to support them during the transition. “We are supporting ... clients while they transition to a suitable alternative provider,” an HSBC spokesperson told the Wall

Street Journal.

In addition to the impact on clients, around 40 employees within the unit have been laid off as part of the wind-down process. While some clients may be retained within other parts of the bank, the majority will need to seek new banking relationships as HSBC exits this segment.

## A Broader Restructuring Under New Leadership

The closure is part of a broader restructuring drive led by CEO Georges Elhedery, who took the helm in September 2024. Elhedery's leadership has been characterized by decisive moves to streamline HSBC's sprawling global operations and focus on markets with the greatest potential for growth. “Following a strategic review of our business, we have decided to

exit our business-banking portfolio in the United States,” a spokesperson said, reflecting the bank's new direction.

Elhedery's appointment was seen as a signal of intent to deliver on simplification and cost containment. “He has a track record of leading through change, driving growth, delivering simplification and containing costs,” said Sir Mark Tucker, HSBC's chairman, at the time of Elhedery's appointment. The ongoing overhaul has included merging business divisions, reducing layers of senior management, and focusing on four primary lines of business: Hong Kong, UK, Corporate & Institutional Banking, and International Wealth & Premier Banking.

## Retreat from the US: A Multi-Year Process

HSBC's exit from US business banking is the latest in a series of moves that have steadily reduced its presence in North America. In 2021, the bank sold its US mass market and retail banking businesses, citing a lack of scale to compete effectively.

The East Coast operations were sold to Citizens Bank, while Cathay Bank acquired the West Coast business. In 2022, HSBC also divested its Canadian operations.

Earlier this year, HSBC announced it would stop advising companies on deals and public offerings in the US and Europe, further narrowing its focus in Western markets. The bank has also made significant divestments in Germany, South Africa, France, and Bahrain, and is reviewing its business in Malta.

### **Focus on Asia, the Middle East, and New Growth Areas**

The strategic pivot is rooted in HSBC's desire to capitalize on its strengths in Asia and the Middle East, regions that have consistently delivered higher returns and where the bank maintains a dominant market position. "By making these changes, we can better focus on increasing leadership and market share in those businesses which have clear competitive advantage and the greatest opportunities to grow," Elhedery stated during the announcement of the restructuring in October 2024.

HSBC continues to operate a wealth management division and a wholesale bank for large corporate customers in the US. Notably, the bank is expanding its business focused on startups, leveraging the acquisition of Silicon Valley Bank's UK subsidiary in 2023. This reflects a more targeted approach to the US market, focusing on niches where HSBC believes it can add value and achieve sustainable growth.

### **Industry Context: Streamlining and Global Realignment**

HSBC's retreat from US business banking mirrors similar moves by other major European banks, such as UBS and Deutsche Bank, which have also been streamlining operations and refocusing on core markets in response to shifting profitability dynamics and regulatory pressures. The trend underscores the challenges faced by global banks operating in highly competitive and regulated environments, particularly in the US, where domestic players often hold a scale advantage.

The bank's shares have performed strongly in recent months, rising nearly 25% over the past six months, outpacing industry averages—a sign that investors are supportive of the bank's strategic direction and efforts to boost returns.

### **Client Transition and Future Outlook**

HSBC has emphasized its commitment to supporting affected clients as they transition to new banking providers. The bank is working closely with clients to ensure a smooth handover, and some may be retained within other segments, such as Mid-Market and Global Network Banking. The move is expected to further reduce costs and streamline decision-making, positioning HSBC to invest more heavily in its priority markets.

Looking ahead, HSBC's global restructuring is likely to continue as it seeks to maintain agility and profitability in a rapidly evolving financial landscape. "Working together with our talented team, I look forward to delivering exceptional value to our clients and investors by driving strong performance on a sustainable growth trajectory," Elhedery said upon his appointment as CEO.

HSBC's decision to close its US business banking unit is a defining moment in the bank's ongoing transformation. By exiting a market where it struggled to achieve scale and profitability, HSBC is doubling down on its strengths in Asia and the Middle East while maintaining a selective presence in the US through wealth management, wholesale banking, and startup-focused services. The move underscores the broader industry trend toward simplification and market focus, as global banks adapt to new realities and seek to deliver value to shareholders and clients alike.

# Global Stocks Rise on Strong US Jobs Data, US-China Trade Hopes

By John Ruehl



Global stock markets experienced a notable rally this week, buoyed by stronger-than-expected US employment figures and renewed optimism surrounding US-China trade negotiations. Investors responded positively to the latest US jobs report, which

indicated that employers added 139,000 jobs last month, surpassing many analysts' forecasts and easing concerns about a potential economic slowdown. The S&P 500, Dow Jones Industrial Average, and Nasdaq Composite each posted

gains of 1% or more, with the S&P 500 closing above the 6,000 mark for the first time since February.

The upbeat jobs data provided reassurance to market participants who had been wary

of recent geopolitical tensions and the ongoing uncertainty over US trade policy. "US stocks extended gains after a stronger-than-expected jobs report eased fears about a slowdown in the economy," noted a Bloomberg market summary.

### US-China Trade Talks Spark Renewed Optimism

Adding to the positive sentiment was news that the United States and China had resumed trade discussions, with both sides signaling a willingness to engage in dialogue. The Chinese Ministry of Commerce confirmed that it was evaluating recent overtures from Washington, stating, "The US has recently initiated contact on numerous occasions

to communicate with China through relevant parties, expressing a desire to engage in discussions," according to a ministry spokesperson. While Beijing cautioned against using negotiations as a guise for coercion, the willingness to talk was seen as a constructive step by investors.

President Donald Trump echoed this optimism, telling reporters earlier in the week that there was a "very good chance we're going to make a deal" with China. As a result, stock markets across Asia and Europe rallied, with Japan's Nikkei climbing 1%, Hong

Kong's Hang Seng jumping 1.7%, and London's FTSE 100 rising

0.9% in early trading.

### Wall Street Leads Global Rally

On Wall Street, technology giants such as Microsoft and Meta led the charge, posting robust quarterly earnings that exceeded analyst expectations. Microsoft shares soared 7.6% after reporting strong growth in its cloud computing and artificial intelligence businesses, while Meta's stock climbed 4.2% thanks to AI-driven gains in advertising revenue. The S&P 500 notched its eighth consecutive gain, reaching 5,604.14, while the Dow Jones Industrial Average and Nasdaq Composite also advanced.

The rally was not confined to the US. European indices surged, with Germany's DAX up 1.6% and France's CAC 40 rising 1.3%, as investors cheered the prospect of easing trade tensions and a resilient US labor market.

### Investor Focus Shifts to Fed Policy and Tariffs

Despite the market's optimism, investors remain vigilant about the Federal Reserve's next moves. The latest jobs report, while solid, showed a slight slowdown from the previous month's hiring pace. Economists are closely watching whether inflation is cooling enough to justify interest rate cuts later this year. "The labor market is going to be at the forefront in the coming weeks," said Schut, chief officer at Mutual Wealth Management



Fed Chair Jerome Powell recently warned Congress about the risk of higher inflation due to increased tariffs, though some Fed officials have suggested that the case for rate reductions is strengthening. Futures markets now indicate growing expectations for two rate cuts by year-end, with the first possibly coming in September. The looming July 9 deadline for new US tariffs on a range of countries also remains a key risk factor. Since the introduction of the so-called "Liberation Day" tariffs in April, stocks have rebounded significantly after an initial drop, as recession fears have receded and the administration has signaled some willingness to ease the harshest measures. Nonetheless, any escalation in trade tensions could quickly reverse recent gains.

### **Corporate Earnings and Economic Outlook**

As the second quarter draws to a close, attention is turning to the upcoming US corporate earnings season. Analysts expect S&P 500 earnings to rise by 5.7% in the second quarter compared to a year ago, according to LSEG IBES data. However, there are concerns about how tariffs and trade uncertainties might impact corporate profits and consumer spending.

"We have been in a market heavily influenced by geopolitical events over the past few weeks," remarked Jamner, a

senior investment analyst at Bridge Investments. "I believe the start of earnings season will shift the market's focus back to fundamentals." Historical data suggests that July is often a strong month for stocks, with the S&P 500 averaging a 2.9% gain over the past 15 years, according to Wedbush analysts. This seasonal trend, combined with positive economic data and hopes for a US-China trade breakthrough, could provide further support for equities in the coming weeks.

### **Global Currency and Commodity Markets React**

The positive market sentiment was also reflected in currency and commodity markets. The US dollar retreated against major currencies as risk appetite improved, with the yen and euro both gaining ground. Meanwhile, safe-haven assets such as gold remained subdued following recent sell-offs, as investors rotated back into equities.

Commodities companies were among the top performers in early trading, benefiting from the prospect of reduced trade tensions and a more stable global economic outlook.

### **Cautious Optimism Prevails**

Despite the strong rally, market participants remain mindful of potential headwinds. Recent economic indicators have pointed to a deceleration in US growth, and ongoing trade

negotiations could still falter. "The Federal Reserve is treading a fine line. Although they anticipate a softening economy, ongoing trade uncertainties create a fertile ground for potential miscalculations in monetary policy," observed Dema Shah, chief global strategist at Principal Management.

With both large and small businesses signaling their intention to retain employees and weather the tariff challenges, analysts expect only a slight deterioration in the job market, reducing the urgency for immediate Fed intervention.

### **Looking Ahead**

As the second half of 2025 begins, investors will closely monitor the outcome of US-China trade talks, the trajectory of US inflation, and the Federal Reserve's policy decisions. The resilience of the US labor market and the willingness of Washington and Beijing to engage in dialogue have provided a welcome boost to global stocks. However, with key deadlines and policy decisions looming, market volatility could return if progress stalls or economic data disappoints.

For now, the combination of solid US jobs growth and renewed trade optimism has given global markets a much-needed shot in the arm, setting the stage for what could be a pivotal summer for investors worldwide.

# Palantir Stock Slides After Earnings Highlight International Weakness, Valuation Fears

By Eric Gahagan



Palantir Technologies, the Denver-based data analytics giant, faced sharp declines in its stock price following its latest earnings report, which spotlighted growing international weakness and mounting concerns over what some analysts are calling an “irrational” valuation. Despite a meteoric rise earlier in the year—Palantir stock has soared nearly

91% since January 2025—investors reacted swiftly to the company’s latest financial disclosures, sending shares lower as doubts about the sustainability of its growth trajectory intensified.

The company’s earnings, released late Thursday, painted a mixed picture. While Palantir reported continued strength in

its core US government and commercial contracts, international revenue growth lagged expectations, raising red flags about the company’s ability to expand beyond its home market.

The latest closing price for Palantir as of June 25, 2025, stood at \$142.90, a notable pullback from recent highs.

## International Weakness Overshadows US Gains

Palantir's robust performance in the United States has been a key driver of its recent success, particularly as demand for artificial intelligence and data analytics solutions has surged across government and private sectors. However, the company's international business, which executives once touted as a major growth engine, has failed to keep pace. During the earnings call, Palantir executives acknowledged the shortfall, attributing it to a combination of macroeconomic headwinds and intensifying competition abroad. "We are seeing slower adoption rates in Europe and Asia, where regulatory and procurement cycles remain challenging," said a Palantir spokesperson. This admission rattled investors who had bet on global expansion as the next leg of Palantir's growth story.

The company's international segment, which once promised to diversify its revenue base, is now facing questions about its long-term viability. Analysts noted that several large contracts in Europe had been delayed or downsized, while new business in Asia remained sluggish. "International weakness is a concern, especially when US growth eventually normalizes," remarked one Wall Street analyst.

## Valuation Concerns Reach Fever Pitch

Adding fuel to the selloff are renewed concerns over Palantir's valuation.

The stock's breathtaking rally in 2025 has pushed its market capitalization to over \$337 billion, placing it among the world's largest technology companies. Yet, many on Wall Street are

questioning whether the company's fundamentals justify such lofty prices.

"Palantir's valuation has reached levels that are difficult to justify based on current growth rates and profitability," said a senior equity strategist at a leading investment bank. The company's price-to-earnings ratio now far exceeds that of peers in the software and technology sector, including giants like Meta Platforms and Arista Networks.

A recent analysis by Yahoo Finance described Palantir as "too hot to handle," noting that the stock is up 93% in 2025 alone and warning that "expectations have gotten ahead of reality". The sentiment was echoed by several market commentators, who pointed to the disconnect between Palantir's international challenges and its soaring share price.

## Market Reaction and Investor Sentiment

The market's reaction was immediate. Shares of Palantir tumbled in pre-market trading and continued to slide throughout the day, with trading volumes surging as investors reassessed their positions. The Fear & Greed Index, a widely watched measure of market sentiment, indicated heightened fear among Palantir shareholders, while technical indicators suggested the stock could face further volatility in the near term.



Despite the selloff, some analysts remain cautiously optimistic about Palantir's long-term prospects. "Palantir remains a top stock for the long-term, given its leadership in AI and data analytics," wrote one analyst in a recent report. However, even bullish commentators acknowledged that the company must address its international shortcomings and demonstrate more disciplined growth to sustain its premium valuation.

### Broader Implications for the Tech Sector

Palantir's earnings-driven slide has broader implications for the technology sector, particularly for high-growth companies trading at elevated multiples. The episode serves as a reminder that even the most promising tech firms are not immune to the realities of global competition and market expectations.

Other software and cloud computing companies, including Snowflake, Cloudflare, and Datadog, also saw their shares come under pressure as investors weighed the risks of overvaluation and slowing international growth. "The market is becoming more discerning about where future growth will come from, and companies with outsized valuations are under the microscope," said a portfolio manager at a major asset management firm.

### Palantir's Path Forward: Growth, Discipline, and Global Strategy

As Palantir charts its next steps, management faces the challenge of restoring investor confidence while navigating an increasingly complex global landscape. The company has signaled its intent to double down on its core US business, where demand remains robust, but executives also emphasized the need to reinvigorate international expansion.

"We are committed to strengthening our international operations and addressing the factors that have slowed our growth abroad," said Palantir's CEO during the earnings call. The company outlined plans to streamline its sales processes, adapt its offerings to local regulatory environments, and invest in partnerships to accelerate adoption outside the US.

Analysts agree that a renewed focus on execution and cost discipline will be critical. "Palantir has the technology and the brand, but it needs to prove it can deliver consistent results across geographies," said an industry analyst.

### Stock Forecasts and Market Outlook

Despite the near-term turbulence, forecasts for Palantir's stock remain mixed. Some models predict continued volatility, with price targets ranging from \$119 to \$158 for

the remainder of 2025. The company's average stock price for the year has been \$102.27, with highs reaching \$144.25 and lows dipping to \$64.98.

Technical indicators suggest the stock is currently trading near its forecasted levels, with a neutral sentiment prevailing among investors. The 14-day Relative Strength Index (RSI) stands at 41.99, indicating neither overbought nor oversold conditions, while the 50-day and 200-day simple moving averages point to a still-strong upward trend.

"The next few quarters will be crucial for Palantir as it seeks to balance growth ambitions with investor expectations," said a market strategist. With competition intensifying and global economic conditions remaining uncertain, the company's ability to execute on its strategy will be closely watched.

### A Defining Moment for Palantir

Palantir's post-earnings slide underscores the challenges facing high-flying tech stocks in a volatile market environment. While the company's US business remains a pillar of strength, international weakness and valuation concerns have cast a shadow over its growth narrative. As management works to address these issues, investors will be looking for concrete signs of progress and a more balanced approach to global expansion.

# EU, UK Agree Defense Partnership as Prelude to Tighter Cooperation

BY ALICIA POZSONY



In a significant move for European security, the European Union and the United Kingdom have formalized a Security and Defence Partnership, marking the most comprehensive framework for UK-EU defense

coordination since Brexit. This agreement, concluded at the first EU-UK Summit in London on May 19, 2025, comes at a pivotal moment as Europe faces mounting security challenges, including Russia's ongoing

aggression in Ukraine and broader geopolitical instability. The partnership is designed to facilitate regular high-level dialogue, strategic consultations, and joint initiatives, with the possibility

for the UK to participate in specific EU defense projects. It reflects a joint determination to reinforce European security in light of shifting global power dynamics and underscores the strategic importance both sides place on close, principled cooperation.

### Context: A Response to Shared Threats

The agreement is rooted in the recognition that neither the UK nor the EU can afford to address complex, transnational threats alone. The security environment in Europe has become increasingly volatile, with Russian aggression, hybrid warfare, and global supply chain vulnerabilities posing significant risks.

EU High Representative for Foreign Affairs and Security Policy, Kaja Kallas, emphasized the shared responsibility: “The agreement for a new EU-UK Partnership on Security and Defence shows our shared responsibility for security in Europe and beyond. With this we will keep our citizens safer in the years to come. We are determined to increase our cooperation in an increasingly dangerous and hostile global environment, be it in tackling cybersecurity and hybrid threats or increasing collaboration between our defence industries. The EU and UK clearly see eye-to-eye on so many levels. We both see Ukraine’s security as our security and have taken the

same fundamental decisions to support the country against Russia’s aggression. Today our message is simple: we are both committed to working together for our collective security, because we are all stronger when we do.”

### Key Pillars of the Partnership

#### Structured Dialogue and Joint Initiatives

The agreement establishes a framework for regular consultations between the UK Foreign and Defence Secretaries and their EU counterparts. A dedicated annual Security and Defence Dialogue will be held, complemented by working-level meetings and thematic exchanges on issues such as cyber threats, disinformation, arms control, and crisis management.

The UK will also be invited to participate in EU high-level defense events, while EU officials may attend UK-led meetings. This structured, forward-looking framework is intended to ensure that cooperation remains dynamic and relevant to emerging threats

#### Comprehensive Areas of Cooperation

The partnership covers a broad spectrum of security and defense areas, including:

- Peacebuilding and crisis management under the Common Security and Defence Policy (CSDP)

- Maritime and space security
- Cybersecurity and emerging disruptive technologies
- Countering hybrid threats and enhancing critical infrastructure resilience
- Fighting foreign information manipulation and disinformation
- Counterterrorism and preventing violent extremism
- Addressing the climate-security nexus
- External aspects of economic security and irregular migration

### Support for Ukraine and Strategic Regions

A significant emphasis is placed on joint support for Ukraine, with both the UK and EU having already trained over 120,000 Ukrainian troops through their respective missions.

The partnership aims to maintain and expand this cooperation, while also exploring collaboration in other regions such as the Balkans, Indo-Pacific, and Sahel.

### Defense Industry and Economic Cooperation

The agreement opens the door for UK companies to benefit from the EU’s proposed €150 billion defense procurement program, potentially boosting joint investment in the defense industrial base. European Commission President Ursula von der Leyen highlighted this aspect, stating, “This is the first step towards U.K. participation in

Europe's defense investment program. This security and defense partnership opens the door towards the joint procurement."Tom Saunderson, a corporate partner at Browne Jacobson, noted,

"The announcement of security pact between the UK and the EU is not merely a reflection of the shifting dynamics in global defence partnerships, but it could also be seen a proactive step towards securing economic benefits for the UK's defence sector."

### Maritime Security and Hybrid Threats

The partnership commits both sides to closer coordination at sea, including operations in contested waters like the Red Sea and joint efforts against sanctions-evading "shadow fleets". There will also be regular exchanges on maritime security, with a focus on protecting subsea infrastructure and navigation routes.

On hybrid threats, the UK and EU will collaborate to counter foreign information manipulation, enhance infrastructure resilience, and improve crisis preparedness, particularly in the face of disinformation campaigns and hostile cyber activity.

### Sovereignty and NATO Integration

Both parties have emphasized

that the Security and Defence Partnership is a non-binding political framework that respects their respective sovereignty. The UK retains full control over its participation in EU initiatives, and the EU maintains its decision-making autonomy.

The partnership is explicitly designed to reinforce, not replace, the European contribution to NATO, which remains the cornerstone of Euro-Atlantic security. The agreement is seen as complementary to existing bilateral and multilateral security arrangements, ensuring that Europe's collective defense is strengthened without undermining national prerogatives.

### Implementation and Future Prospects

The agreement will be reviewed regularly to ensure it remains effective and relevant. Discussions are ongoing regarding UK participation in EU defense initiatives such as Permanent Structured Cooperation (PESCO) and the possible formation of an administrative arrangement with the European Defence Agency.

Officials from both sides have indicated that the partnership is a "first step" towards even deeper cooperation in the future, potentially paving the way for joint procurement,

collaborative R&D, and integrated responses to emerging security challenges.

### Broader Implications

The Security and Defence Partnership is widely seen as a breakthrough in UK-EU relations, signaling a reset after years of uncertainty following Brexit. It demonstrates that, despite political differences, both sides recognize the imperative of working together to safeguard their citizens and interests in an increasingly dangerous world.

The agreement also has significant economic implications, particularly for the UK's defense industry, which stands to benefit from access to EU projects and funding. It is expected to support economic growth and job creation on both sides, while helping to prevent fragmentation of Europe's defense market.

The EU, UK agree defense partnership marks a new era of strategic cooperation, reflecting shared values, interests, and responsibilities. As Europe navigates a period of profound insecurity, this partnership provides a structured, pragmatic framework for joint action—strengthening the continent's resilience and reinforcing its contribution to global stability.

As Kaja Kallas succinctly put it, "We are both committed to working together for our collective security, because we are all stronger when we do."

# Pentagon Ukraine Hub Could See Downgrade in Policy Office Reshuffle

By Henry Nicholas



The Pentagon is poised to downgrade the office that has been central to shaping and executing U.S. military policy on Ukraine, a move that comes amid a sweeping reorganization of the Department of Defense's policy apparatus. This potential reshuffle, confirmed by multiple former U.S. defense officials and European counterparts, would see the Russia, Ukraine, and Eurasia Affairs office folded into the broader Europe and NATO office. While the operational work of the Ukraine hub is expected to continue, the change would reduce its bureaucratic prominence at a time when the war in Ukraine remains unresolved and Europe braces for a pivotal NATO summit.

## The Office's Role Since 2022

Since Russia's full-scale invasion

of Ukraine in 2022, the once-obscure Pentagon office has become a linchpin in U.S. and allied military support for Kyiv. Under the leadership of former director Laura Cooper, the office convened the Ukraine Defense Contact Group, a coalition of 50 countries that has met 27 times to coordinate more than \$130 billion in security assistance to Ukraine—about half of which came from the United States. The office's responsibilities have included shaping policy, managing military aid logistics, and ensuring close transatlantic cooperation.

Laura Cooper's departure in December left the office in the hands of an acting director, and the unit now reports to the Assistant Secretary of Defense for International Security Affairs, a position currently held by an acting official pending

Senate confirmation for nominee Daniel Zimmerman. Despite its achievements, the office's future status is now uncertain.

## The Mechanics and Implications of the Downgrade

The planned reorganization would not involve layoffs or an immediate halt to ongoing operations. However, by merging the Ukraine-focused office into the larger Europe and NATO division, the Pentagon would effectively demote an entity that had, until recently, been one of its most influential policy hubs. The move is seen by some insiders as a routine bureaucratic adjustment, but by others as a clear signal of shifting priorities under the Trump administration.

A Defense Department spokesperson declined to confirm the potential change, explain its rationale, or specify whether any positions might be eliminated. Multiple sources stressed that the decision is not final and that any changes would be part of a broader, ongoing reorganization. "It will be very hard for a single DASD to handle that many important [and] high maintenance countries," one former official

al told Defense News, expressing concern that the consolidation could overwhelm leadership at a time of heightened strategic uncertainty.

### **Strategic Rationale: Pivoting Away from Ukraine**

The possible downgrade is widely interpreted as part of a broader recalibration of U.S. security policy. Elbridge Colby, the Pentagon's current policy chief, has long advocated for reducing military support for Ukraine and shifting resources toward Asia to deter Chinese ambitions regarding Taiwan. This perspective aligns with the Trump administration's calls for Europe to take on more responsibility for its own security.

During a February visit to NATO headquarters, Defense Secretary Pete Hegseth articulated this shift in approach: "Leaders of our European allies should take primary responsibility for defense of the continent," Hegseth said. The administration's stance is that European countries must increase their defense spending and assume greater responsibility for Ukraine's security as the U.S. pivots to other global priorities.

### **European Concerns and the NATO Summit**

European officials have responded with apprehension, seeking urgent meetings with David Baker, the acting head of the Europe and NATO office, to understand the implications of

the reshuffle and to prepare for the upcoming June NATO summit. The fear is that consolidating responsibilities into a single office could dilute focus on Ukraine at a critical juncture, just as the region faces mounting security threats and uncertainty over future U.S. support.

### **The Broader Reorganization and U.S. Workforce Cuts**

This potential downgrade is part of a larger wave of organizational changes at the Pentagon. Earlier this year, the Department of Defense announced plans to cut 5,400 jobs as part of President Trump's initiative to reduce the federal workforce. The Department of Education also saw significant budget reductions, signaling a government-wide push for leaner operations.

### **Impact on Ukraine Aid and U.S. Policy**

Despite the ongoing intelligence sharing and previously scheduled aid deliveries, new U.S. funding for Ukraine has stalled in Congress. The Pentagon currently retains under \$4 billion in authority to supply weapons to Kyiv but lacks funds to replenish its own stockpiles, raising concerns about the sustainability of continued support. The potential downgrade of the Ukraine hub comes at a moment when the U.S. is already signaling a reduced appetite for direct involvement in European security affairs.

### **Internal and External Reactions**

While some insiders describe the reorganization as a standard bureaucratic maneuver, others see it as a strategic downgrade of Ukraine's importance in U.S. defense policy. Several sources noted that such reshuffles are not uncommon when new policy chiefs take over, but the timing and context of this change have heightened anxieties among both U.S. officials and European allies.

### **The Future of U.S.-Ukraine Defense Relations**

The fate of the Pentagon Ukraine hub remains undecided, but the direction of U.S. policy is clear: a gradual pivot away from direct management of Ukraine aid, with a greater expectation that European allies will fill the gap. As the U.S. recalibrates its global security commitments, the outcome of this policy office reshuffle will serve as a bellwether for the future of transatlantic defense cooperation and the West's collective response to ongoing Russian aggression.

As one former official put it, "The change may indicate a decrease in the priority of Ukraine for the Pentagon."

The coming months—and the results of the June NATO summit—will determine whether this bureaucratic shift is merely a structural adjustment or a harbinger of a more profound transformation in U.S. defense strategy.

# AI Voicebots Threaten the Psyche of US Service Members and Spies

BY LIAM FLYNN



Artificial intelligence (AI) voicebots have rapidly moved from the realm of commercial customer service into the high-stakes domains of military and intelligence work. In the United States, these AI voice agents are now guiding interrogations, screening personnel for security clearances, and even influencing the psychological landscape of service members and spies.

This technological leap, while

promising operational efficiency and reduced human bias, has triggered deep concerns about the unintended psychological consequences for those interacting with these systems. Pentagon officials have confirmed that AI voicebots are being used to question individuals seeking access to classified material, marking a new era in security vetting and interrogation protocols. These agents are designed to mitigate

gender and cultural biases that human interviewers may harbor, according to Royal Reff, spokesperson for the U.S. Defense Counterintelligence and Security Agency. However, experts warn that the lack of robust regulation and oversight has created a “virtually lawless no-man’s land,” allowing developers to evade responsibility for the emotional and psychological harm their systems may inflict.

## Psychological Manipulation and the Threat of “No-Marks” Cybertorture

The threat posed by AI voicebots is not merely theoretical. There have been real-world cases where interactions with self-learning voicebots and chatbots have resulted in severe mental distress, and even suicide, among users.

The risk is especially acute in military and intelligence settings, where the psychological resilience of personnel is a critical asset.

Privacy attorney Amanda McAllister Novak, who has written extensively on the ethical implications of AI in interrogation, argues that “we have to think about if it’s worth having AI-questioning systems in the military context,” especially in the wake of incidents where chatbots

dispensed antagonizing language and caused lasting psychological harm. Novak, who also serves on the board of World Without Genocide, calls for bans and criminal repercussions for the use of AI-enabled technologies in psychologically abusive ways.

The concept of “no-marks” cybertorture—psychological abuse that leaves no physical evidence—is particularly troubling. AI systems can be programmed or can learn to use language and emotional cues that subtly undermine a subject’s mental state, eroding their confidence, increasing anxiety, or even pushing them toward self-harm. Unlike traditional forms of psychological warfare, these attacks can be tailored in real time to exploit individual vulnerabilities detected through behavioral analysis.

## AI-Driven Cognitive Warfare: Exploiting Human Weakness

The use of AI in psychological operations, or PSYOPs, represents a new frontier in military strategy. Modern AI systems are capable of analyzing, predicting, and subtly nudging human behavior, often without the target’s awareness. This goes far beyond traditional propaganda: AI can identify emotional weak spots and craft messages or conversational strategies that maximize psychological impact.

A chilling example is the use of AI to generate deepfake media or personalized propaganda, which can be deployed to manipulate soldiers or intelligence officers into making catastrophic decisions, or to erode morale and trust within military units<sup>7</sup>. In one scenario, an AI system analyzed a soldier’s social media history and psychological profile, then delivered a deepfake video designed to provoke a violent reaction—resulting in tragedy and operational loss. Such tactics, while hypothetical, are grounded in real advances in AI’s ability to assess and exploit human psychological traits.

The Chinese military’s doctrine of cognitive warfare envisions the human brain as a new operational domain, with AI systems used to disrupt, paralyze, or destroy the enemy’s ability to function—not through physical force, but by overwhelming their mental defenses. This approach is not



limited to adversaries; it is increasingly being integrated into the training and operational environments of US forces, raising questions about the long-term psychological toll on service members and intelligence professionals.

### **Emotional Disengagement, Dehumanization, and Attachment**

AI voicebots and other digital agents can also alter the way military personnel perceive themselves, their teammates, and their adversaries. When soldiers interact with AI systems that exhibit human-like qualities, they may form inappropriate attachments, treating these agents as trusted companions or even as deserving of more protection than their human counterparts.

This anthropomorphization can lead to emotional disengagement from real human relationships, reducing empathy and increasing the risk of dehumanizing the enemy.

Conversely, the power dynamic inherent in controlling AI systems—especially those used in interrogation or psychological operations—can intoxicate users, making them more prone to justify excessive or immoral acts of aggression. The psychological mechanisms at play are complex and can result in both increased operational efficiency and heightened vulnerability to manipulation, both by adversaries and by the AI systems themselves.

### **The Double-Edged Sword of Behavioral Analysis and Mental Health**

AI is also being used to monitor and support the mental health of military personnel, with the potential to boost readiness and resilience. However, the same technologies that can identify stress or depression can also be weaponized to target individuals with tailored psychological attacks. For example, if an AI system detects that a soldier is experiencing depression, it could be used to deliver propaganda or messages designed to exacerbate their condition, potentially provoking self-harm or suicide.

This dual-use dilemma underscores the urgent need for ethical safeguards and human oversight. Leading ethicists warn that without explicit protections, the combination of AI and brain-computer interfaces (BCIs) could make mental coercion easier, blurring the line between behavioral support and manipulation. As BCIs move from experimental to operational use, the risk of direct-to-brain influence—whether for good or ill—will only increase.

### **The Regulatory and Ethical Void**

Despite the clear risks, the regulatory framework governing the use of AI voicebots in military and intelligence contexts remains weak. Developers often evade responsibility for the psychological consequences of their systems, citing the complexity and unpredictability

of self-learning algorithms. This lack of accountability has led to calls for new protocols and legal measures to prevent the abuse of AI in ways that threaten the mental health and operational effectiveness of US service members and spies.

Amanda McAllister Novak's warning is echoed by other experts: "We need to establish clear boundaries and accountability for the use of AI in psychological operations and interrogation, or we risk opening the door to widespread, untraceable abuse," she told Defense News.

### **The Path Forward: Defense, Oversight, and Resilience**

As the military and intelligence communities grapple with the integration of AI voicebots into their operations, the need for robust cognitive defense strategies becomes clear. Technical solutions to prevent the delivery of harmful propaganda, the development of psychological "inoculants" to build resilience against manipulation, and the creation of behavioral health response teams are all being considered as part of a comprehensive response.

The future of warfare may well be fought as much in the mind as on the battlefield. Ensuring that US service members and intelligence officers are protected from the psychological threats posed by AI voicebots will require a concerted effort across policy, technology, and mental health domains.

# Lithuania's Defense Minister on Trump, NATO, and the Necessity of Mines

BY KATHY MALOUF



In a period marked by heightened security concerns across Europe, Lithuania's Minister of National Defense, Dovilė Šakalienė, has emerged as a leading advocate for rapid and robust military reform. Since taking office in 2024, Šakalienė—a former psychologist, journalist, and lawmaker—has pushed for sweeping changes in Lithuania's defense posture, emphasizing both the urgency of

military modernization and the need for strategic deterrence against Russian aggression. Šakalienė has overseen the re-establishment of Lithuania's first national division, which she describes as the core of the country's land forces. "Europe really is re-arming or I would say re-building its armament capabilities and we [Lithuania] are also re-building our armed

forces," she explained, highlighting the urgency of acquiring new maneuver and indirect fire support, electronic warfare, military engineering, and ISTAR equipment<sup>1</sup>. The minister stresses that these acquisitions are not just about hardware, but about sending a strategic message—both to adversaries and allies—about Lithuania's readiness and resolve.

## The Trump Factor: Navigating Uncertainty in Transatlantic Relations

The return of Donald Trump to the U.S. presidency has injected a new level of unpredictability into NATO's future, but Šakalienė remains pragmatic. Reflecting on Trump's previous term, she noted, "The first term and administration [2017-2021] of President Donald Trump was extremely beneficial to Lithuania. He has put more boots on the ground than any presidents before him or after him." Despite concerns over Trump's rhetoric and the volatility it brings, Šakalienė points to consistent assurances from American officials: "That was very clearly

messaged both publicly and personally by President Trump and members of his administration that his country is not going to leave NATO."

She acknowledges that the U.S. has called for a more equitable distribution of defense spending within NATO, a sentiment she shares. "What they [U.S. counterparts] are saying to us is: 'We are not going to abandon you, we are going to aid you. But we're not going to defend you instead of yourself.' For us, in Lithuania, this is good enough. For us, this is something that we understand and that is justified," Šakalienė stated, underscoring Lithuania's

commitment to increasing its own defense spending and urging other European states to do the same.

## vDefense Industry and International Partnerships

Lithuania's defense modernization is not limited to procurement. Šakalienė has prioritized the development of a domestic defense industry, aiming to boost both military readiness and economic vitality. She has championed legal reforms to streamline foreign defense investment, reducing bureaucratic delays from years to days. This has attracted interest from major U.S. defense firms such as Lockheed Martin, AM-General, and RTX, with whom Lithuania is seeking deeper industrial cooperation.

Lithuania's acquisition portfolio is notably diverse: about 20% of military systems come from the U.S., while the remaining 80% are sourced from France, Germany, Norway, Poland, and Sweden. The country is also in advanced negotiations for several battalions of Swedish CV90 infantry fighting vehicles.

## Supporting Ukraine and Regional Security

Lithuania has positioned itself as a staunch supporter of Ukraine, pledging commitments worth approximately €110 million (\$124 million) in 2025, with ambitions to increase this figure. Šakalienė emphasizes that aid to



Ukraine is both a moral imperative and a strategic necessity, reinforcing the broader security of the Baltic region. The minister's approach to security is deeply collaborative. She has engaged in intensive discussions with counterparts from neighboring states, particularly those sharing borders with Russia or Belarus. "Over the last few months, I had a lot of intense and sometimes complicated discussions [about this] with my colleagues from other countries, the five of us who have the longer border with Russia or with Belarus which is just a platform for the Russian Army. The results are great," she remarked, highlighting the importance of joint procurement and coordinated border protection.

### **The Controversy of Mines: A Difficult but Necessary Choice**

Perhaps the most contentious aspect of Lithuania's new defense policy is its decision to withdraw from the Ottawa Convention, which bans anti-personnel mines. Lithuania's parliament voted in May to leave the treaty, following a similar move regarding the Convention on Cluster Munitions earlier in the year. This shift, which mirrors decisions by other regional states such as Finland, Estonia, and Latvia, has drawn criticism from human rights advocates but is defended by Šakalienė as a matter of national survival.

"While for some it may seem cruel, for me it is a necessity. Because we are going to have

mines on our territory, but they will either be Russian mines, where we won't know where they are and they will be in large quantities and may kill a lot of our citizens. Or it will be our own mines where we will know where they are placed, and they do have a very good deterrence effect on Russian soldiers," Šakalienė explained. She argues that controlled deployment of Lithuanian mines is preferable to the chaos and danger of unmarked Russian mines in the event of an invasion.

This position is not without controversy. Amnesty International and other organizations have warned that such moves undermine international norms designed to protect civilians in conflict zones. Nonetheless, Šakalienė insists that the risks posed by Russia's military posture leave Lithuania with little choice. "Difficult times sometimes need difficult decisions and we are going to make them," she said, acknowledging the moral and strategic weight of the decision.

### **The Broader European Context: Urgency and Preparedness**

Šakalienė's message to her European counterparts is clear: the threat from Russia is immediate and requires urgent action. She has accelerated the timeline for Lithuania's military development, reducing the planned build-up of the national division from fifteen years to five, yet still feels the pace is inadequate. "Urgency is the key

word here," she emphasized, warning that Europe cannot afford complacency.

She cautions that the consequences of inaction would be catastrophic, not just for Lithuania but for the entire continent. "If war breaks out, in any single place, the whole kingdom is going to flood. Therefore, for our colleagues in Portugal, Italy, Hungary — it is as relevant as to us. The economic stability of Europe would be done. Financial markets would fall and plummet. Nobody would be able to keep their current lifestyle. It is much cheaper to build good border protection and reinforcing it with anti-tank and anti-personnel mines as well as certain land-based entrapments," Šakalienė argued.

### **Difficult Decisions in Uncertain Times**

As Lithuania faces a rapidly changing security environment, Dovilė Šakalienė's leadership reflects both the anxieties and the resolve of a nation on the front lines of European defense. Her willingness to make controversial decisions—such as the reintroduction of landmines—underscores the gravity of the threat perceived from Russia and the urgency with which Lithuania is preparing for all contingencies. While critics warn of the humanitarian risks, Šakalienė remains steadfast, convinced that deterrence and preparedness are the only viable paths to securing Lithuania's future in an increasingly unstable world.

# British Army Tests Lightweight Javelin Antitank Weapon at Record Range

BY DANIELLE MOORE



In a significant demonstration of evolving battlefield technology, the British Army has successfully test-fired the Javelin Lightweight Command Launch Unit (LWCLU) at a record range of four kilometers on Salisbury Plain. This achievement marks a world first for the Javelin international user

group and signals a major leap in the United Kingdom's anti-armor capabilities.

The test, conducted in May 2025, involved engaging and successfully striking a target at a distance previously unattainable for the system. The LWCLU,

developed by the Javelin Joint Venture—a partnership between Raytheon (RTX) and Lockheed Martin—represents a new generation of man-portable anti-tank technology, offering British soldiers a lighter, more versatile, and more powerful weapon system.

Enhanced Capabilities: Smaller, Lighter, More Lethal

The LWCLU stands out for its significant reduction in size and weight compared to its predecessor. According to Raytheon, the new unit is 30 percent smaller and 25 percent lighter than the Block I Command Launch Unit, making it easier for soldiers to transport and deploy in the field. Despite its reduced size, the LWCLU doubles the target detection and recognition range, thanks to advanced camera resolution and sensor technology. The system is designed for maximum adaptability, offering

day and night engagement capabilities and the ability to operate effectively in adverse weather conditions or through battlefield obscurants like smoke screens. It is also compatible with all current, past, and future Javelin missile variants, ensuring long-term utility and flexibility for the British Army.

### **A Statement of Intent: Doubling Fighting Power**

British Army leaders have underscored the strategic significance of the record-setting test. “The successful engagement of a target at 4km today is a

statement of intent. It represents a tangible demonstration of how seriously the Army is taking the Chief of the General Staff’s direction to double fighting power by 2027,” said Lt. Col. Chris Woods, MBE, in a statement following the trial. The test not only showcased the technical prowess of the LWCLU but also reflected the Army’s broader commitment to modernization and increased lethality.

Raytheon’s Andy Amaro, president of the Javelin Joint Venture and program director, highlighted the operational impact: “Today’s test validates the advanced range and target detection capabilities LWCLU provides soldiers to expand the battlefield and distance them from incoming threats.” The ability to engage enemy armor from greater distances fundamentally changes the tactical landscape, allowing British forces to operate with increased safety and effectiveness.

### **Industry Collaboration and Economic Impact**

The United Kingdom plays a central role in the Javelin program, not only as a user but also as a key supplier of components for the global supply chain. The British defense industry is set to ramp up production to 3,960 Javelin missile rounds annually by 2026 and 900 LWCLUs by 2030—a move expected to further strengthen the UK’s defense manufacturing base and



contribute £56 million (\$75 million) per year to the national economy.

Raytheon UK Chief Executive James Gray emphasized the broader benefits: “Javelin already contributes £56 million to the UK economy and is only set to grow. Bringing prosperity to the nation and capability to our armed forces is what Raytheon UK is all about.” Manufacturing advanced systems like the LWCLU supports British jobs and reinforces the UK’s position as a leader in defense technology.

### International Implications and Future Prospects

The British Army’s achievement has not gone unnoticed among its allies and partners. The UK is the first in the Javelin international user group to conduct a live fire at the 4km range, setting a benchmark for other militaries employing the system. The test also demonstrates the ongoing evolution of anti-tank warfare, with adversaries increasingly fielding longer-range threats and more advanced armor.

Dave Pantano, vice president of the Javelin Joint Venture and Lockheed Martin Javelin program director, noted, “This live fire exercise showcases a significant first-time event for the JJV and demonstrates that Javelin continues to mature to defeat ever-evolving threats.” As the Javelin Joint Venture expands its international footprint, the partnership with the British Army

is expected to drive further innovation and modernization efforts.

### Technical Features: Maximizing Battlefield Effectiveness

The LWCLU’s technical advancements are central to its battlefield effectiveness. Enhanced optics and image processing allow soldiers to detect, recognize, and engage targets at twice the distance of the previous generation, even under challenging conditions. The system’s lighter weight and smaller size reduce the physical burden on infantry, enabling greater mobility and faster response times in dynamic combat environments.

The LWCLU’s compatibility with all Javelin missile variants ensures that the British Army can continue to leverage its existing stockpiles while integrating future upgrades seamlessly. This adaptability is crucial as threats evolve and operational requirements shift.

### A New Era in Anti-Tank Warfare

The successful 4km shot on Salisbury Plain is more than a technical milestone—it is a clear signal of the British Army’s intent to maintain a technological edge on the modern battlefield. The LWCLU’s combination of range, lethality, and adaptability positions the UK at the forefront of anti-armor warfare. As production scales up and further tests are conducted, the system

is expected to become a mainstay of British and allied ground forces.

In the words of Lt. Col. Chris Woods, “This is a world first, conducted by British Army Soldiers right here on Salisbury Plain. I am really proud of the team from DE&S, the JJV and the Parachute Regiment.” The achievement is not just a testament to technological progress but also to the dedication and expertise of the soldiers and engineers driving the modernization of the UK’s armed forces.

### Looking Ahead: Expanding Capabilities and Partnerships

With the LWCLU now proven at record range, attention turns to further integration and deployment across the British Army. The system’s success is expected to inform future procurement and operational doctrine, as well as ongoing collaboration with industry partners and allied militaries.

As the UK continues to invest in cutting-edge defense technology, the lightweight Javelin system stands as a symbol of innovation, resilience, and the enduring partnership between the British military and its industrial base. The record-breaking test on Salisbury Plain is likely just the beginning of a new chapter in the evolution of anti-tank warfare—one in which range, precision, and adaptability will determine the outcome on tomorrow’s battlefields.

# Why Are the US and EU Struggling to Reach a Trade Deal?

By Eric Gahagan



Negotiations between the United States and the European Union over a comprehensive trade deal have reached a critical impasse, with both sides grappling over tariffs, regulatory barriers, and political pressures.

As the July 9 deadline set by US President Donald Trump looms, the prospect of a mutually beneficial agreement remains

uncertain, raising the specter of escalating tariffs and a broader economic conflict.

## **Tariffs: The Central Obstacle**

At the core of the dispute are the tariffs imposed by the United States on European goods. Currently, the EU faces US import tariffs of 50% on steel and aluminum, 25% on

cars and car parts, and a baseline 10% tariff on most other goods—a rate President Trump has threatened could rise to 50% if no agreement is reached.

The US administration maintains that these tariffs are necessary to address what it perceives as an unfair trade imbalance and to protect American industries.

The European Union, for its part, has called for the "lowest possible" tariffs and has pushed for the elimination of these duties, arguing that they distort trade and harm both economies. However,

Trump has been adamant that the 10% baseline tariff should remain, rejecting EU proposals for a gradual reduction or complete removal of tariffs.

### Political Pressures and Strategic Calculations

The political context on both sides of the Atlantic has complicated negotiations. With the US presidential election cycle in full swing, Trump has taken a hardline stance, leveraging tariffs as both a

negotiating tool and a political message to his domestic base. He has repeatedly accused the EU of benefiting unfairly from the transatlantic trading relationship, citing the bloc's significant trade surplus with the US—198.2 billion euros (\$225 billion) in goods in 2024 alone. European leaders, meanwhile, are divided between those who favor a quick deal—even if it means accepting less favorable terms—and those who advocate for a tougher stance, hoping to extract better conditions by threatening or implementing retaliatory measures. As one EU diplomat explained, "There is a group of EU countries that want to protect companies by seemingly accepting something they have gotten used to – a 10% baseline".

German Chancellor Friedrich Merz emphasized the need for caution, stating, "It is ...in everyone's interest that the trade conflict with the United States does not escalate further". He added that the European Commission has the full support of member states to negotiate carefully and expressed hope for a resolution by early July.

### The Threat of Retaliation

In response to US tariffs, the EU has prepared its own set of retaliatory measures. Tariffs on 21 billion euros of US goods have already been agreed upon but not yet imposed, and a further package targeting up to 95 billion euros of US imports is under debate. These measures would affect a wide range of products, including agricultural goods, industrial products, and iconic American exports like bourbon and Boeing aircraft.

EU trade chief Maros Sefcovic has signaled that the bloc is ready to act if necessary, warning that EU-US trade "must be dictated by mutual respect, not intimidation". The European Commission has also initiated consultations on additional retaliatory tariffs and is preparing to challenge the US measures at the World Trade Organization (WTO).

### Divergent Approaches to Negotiation

The US has recently concluded



trade deals with the United Kingdom and China, both of which retained the 10% baseline tariff on most goods. The UK agreement, for example, replaced 25% tariffs with tariff rate quotas (TRQs) on steel,

aluminum, and cars, while granting the US preferential access for beef and ethanol. However, these deals have offered little comfort to the EU, which insists that any agreement must be based on the most-favored nation principle and cannot accept a situation where US tariffs remain significantly higher than EU tariffs for most products.

The EU has sought a broader agreement that would not only address tariffs but also enhance cooperation on issues such as artificial intelligence, energy, and infrastructure. Brussels has proposed eliminating tariffs on industrial goods, expanding access for US agricultural products, and collaborating on AI data centers and shipbuilding. In return, the EU has asked for more flexibility on the 10% baseline tariff and a willingness to reduce it over time.

### **Economic Stakes and the Risk of Escalation**

The economic stakes are high for both sides. In 2024, the EU exported goods worth 531.6 billion euros (\$603 billion) to the US, while importing 333 billion euros (\$377.8 billion) in American products. The US, meanwhile,

enjoys a surplus in services, driven by IT exports, intellectual property, and financial services. A full-blown trade conflict could have severe consequences. A 2019 International Monetary Fund study estimated that a major transatlantic trade war could result in a GDP loss of 0.3 to 0.6 percent for both economies. Businesses on both sides have warned that higher tariffs would disrupt supply chains, raise prices for consumers, and undermine economic growth.

### **The Role of Broader Geopolitical Dynamics**

Broader geopolitical considerations are also influencing the negotiations. The recent NATO defense deal, which saw European allies agree to more than double their defense spending targets, is expected to "rebalance Europe's trade relations with the U.S." according to some officials. The EU has also indicated a willingness to reduce its reliance on Chinese exports and to impose tariffs on subsidized Chinese goods, aligning with US concerns about global trade imbalances and unfair competition from China.

### **The Path Forward: Compromise or Confrontation?**

As the deadline approaches, EU leaders face a stark choice: accept a lopsided deal that locks in higher US tariffs or push back and risk a damaging

escalation. Most officials and diplomats suggest that a quick deal is now the preferred option for many EU countries, as it would at least provide certainty and allow the bloc to seek rebalancing measures of its own. However, others caution that settling for an unfavorable agreement could set a dangerous precedent and undermine the EU's position in future trade talks.

The European Commission has made clear that it will continue to seek a mutually beneficial agreement but is prepared to retaliate if necessary. As one EU diplomat put it, "The Commission has rightly said that some member states are nibbling away too much, which would weaken these rebalancing measures". The coming weeks will be decisive in determining whether the US and EU can bridge their differences or whether the transatlantic trade relationship is headed for a new era of confrontation.

The struggle to reach a US and EU trade deal is rooted in deep-seated disagreements over tariffs, trade imbalances, and the rules of global commerce. Both sides face intense political and economic pressures, and the outcome of the negotiations will have far-reaching implications for the global economy. As the deadline nears, the world is watching to see whether compromise or conflict will define the future of transatlantic trade.

# Starmer Says EU Deal Will End 'Huge' Passport Queues but Badenoch Criticises It as 'Pitiful'

By Jan Frazier



Prime Minister Keir Starmer has placed the new UK-EU agreement at the heart of his government's efforts to improve the daily lives of Britons, declaring that the deal will finally end the "huge" passport queues that have plagued UK travelers since Brexit. Speaking at a press conference following the UK-EU summit, Starmer stated, "This partnership helps British holidaymakers, who will be able to use e-gates when they travel to Europe, ending those huge queues at passport control". The deal, he argued,

marks the "first discernible difference" for many people since the UK left the EU, promising smoother, faster journeys for millions of holidaymakers and business travelers.

The agreement, announced on May 19, 2025, includes provisions for UK passport holders to use e-gates at European airports, a privilege lost after Brexit when Britons were reclassified as "third country nationals" and forced to join longer manual passport control lines. Starmer's

government has framed the deal as a practical win, not only for travelers but for the broader UK economy, with the Prime Minister stating that the pact will "support British businesses, back British jobs and put more money in people's pockets".

Nick Thomas-Symonds, the UK Minister for EU Relations, echoed this optimism, describing the deal as a "new chapter in our relationship with the EU" and adding, "Our new UK-EU Strategic Partnership achieves all three objectives. It delivers on jobs, bills and borders".

## Industry Applauds, But Implementation Remains Uncertain

Travel industry leaders have welcomed the announcement, noting the frustration and delays faced by British travelers since 2020. Julia Lo Bue-Said, CEO of Advantage Travel Partnership, called the deal a “major improvement for UK travellers,” adding, “The tedious wait in border control lines since Brexit has long been a source of irritation for many Brits travelling to the EU, widening the availability of e-gates across Europe will indeed be most welcome”. Clive Wratten, CEO of the Business Travel Association,

described it as a “positive step” that should reduce “lost time” for business travelers, though he cautioned that “it will be up to individual countries how and when to grant the access”.

Mark Tanzer, CEO of ABTA, said the change should make it “easier for travellers” by cutting down on queues and pre-trip admin, but warned that the transition would depend on the smooth rollout of the EU’s new Entry-Exit System (EES), planned for October 2025.

The EES will introduce digital records for all non-EU travelers, including UK citizens, and is expected to eventually allow e-

gate access across the Schengen area.

## Badenoch and Critics Dismiss the Deal as 'Pitiful'

Despite the government’s positive messaging, the deal has come under fire from opposition politicians and Brexit supporters, who argue that the agreement delivers far less than advertised. Conservative MP Kemi Badenoch was among the most vocal critics, dismissing the deal as “pitiful” and accusing Starmer of overselling its benefits.

Badenoch and others argue that the ability for UK travelers to use e-gates was already in the pipeline due to the EU’s forthcoming EES, and that the new agreement does little to accelerate or expand access beyond what was already planned. Shadow foreign secretary Dame Priti Patel told GB News, “The EU have a digital system coming in anyway called the EU entry and exit system which is basically their equivalent of the digital border system we have put in place in the UK. And yet the Government and Starmer claim this is some great win”.

In Parliament, critics pressed Starmer for clarity on when travelers would actually see benefits, pointing out that individual EU countries retain the right to decide whether and when to allow UK passport holders to use e-gates. Some



MPs also raised concerns about what they see as deeper concessions to the EU, such as “dynamic alignment” with EU regulations and the continued jurisdiction of the European Court of Justice (ECJ) in certain disputes. One MP argued, “The most pernicious part of this deal is dynamic alignment, by which we become an automatic rule-taker from the European Union... the ECJ is the ultimate arbiter in a dispute, so the EU will always win”.

### What the Deal Actually Changes

The government has promoted the deal as lifting a “ban” on UK travelers using EU e-gates, but fact-checkers and EU officials have clarified that there was never an outright ban—rather, e-gate access has always been at the discretion of individual EU member states. Some countries, such as Spain, Portugal, and Italy, already allow UK travelers to use e-gates at certain airports, though manual passport stamps are still often required.

The new agreement, outlined in a “common understanding” document from the UK-EU summit, commits both sides to “continue their exchanges on smooth border management for the benefit of their citizens, including the potential use of eGates where appropriate”. The document states that there will be “no legal barriers to eGate use for British Nationals traveling to and from European

Union Member States after the introduction of the European Union Entry/Exit System.” However, the practical effect of this commitment remains unclear, as the final decision rests with each member state and will only take effect once the EES is operational.

A spokesperson for the European Commission explained, “The introduction of the EES will open the possibility to use e-gates for all non-EU citizens, including UK citizens. This will contribute to fluidity at borders for both entry and exit. E-gates are managed by individual Member States, and there is no requirement for them to install or allow their use at all border points”.

### The Broader Political Context

The debate over the e-gate deal reflects deeper divisions over the UK’s post-Brexit relationship with the EU. Starmer’s government has sought to present itself as pragmatic and focused on practical improvements, while critics on the right accuse him of surrendering sovereignty and failing to deliver meaningful change.

For many travelers, the promise of shorter queues and less hassle at European airports is a welcome development, but the political battle over the deal’s significance is likely to continue. As the EU prepares to launch the EES in October 2025, the

true impact of the agreement will become clearer—both in terms of day-to-day travel and the broader trajectory of UK-EU relations.

### Looking Ahead: Implementation and Expectations

While the government’s deal has generated headlines and cautious optimism among travelers and industry leaders, its real-world impact will depend on how quickly and widely EU member states implement e-gate access for UK passport holders. The EES rollout, already delayed several times, is now expected in October 2025, and only then will the full benefits—if any—become apparent.

In the meantime, the debate over the deal’s merits underscores the challenges of translating diplomatic agreements into tangible improvements for ordinary citizens. As one travel industry leader put it, “It is vital we continue to see good co-operation between the UK and EU on the introduction of this scheme to make it as streamlined as possible for UK travellers”.

The coming months will test whether Starmer’s government can deliver on its promise to end “huge” passport queues—or whether, as Badenoch and other critics contend, the deal will ultimately prove “pitiful” in practice.

# PM Secures New Agreement with EU to Benefit British People

By Mandilee Hecht



Prime Minister Keir Starmer has announced a significant new agreement with the European Union, framing it as a breakthrough designed to deliver tangible benefits for British people. The deal, unveiled at the UK-EU summit in May 2025, is being heralded by the government as a “reset” in post-Brexit relations, with a focus on supporting British businesses, backing British jobs, and putting more money in people’s pockets. Central to the agreement is the promise of smoother travel for UK citizens, especially through the

introduction of e-gate access at major European airports, a move set to address one of the most persistent frustrations for British travelers since Brexit.

## **Tackling Travel Frustrations: E-Gate Access for UK Passport Holders**

Since the UK left the EU, British travelers have faced long queues at European airports, relegated to “all passports” lines rather than the expedited EU lanes. This has led to widespread complaints, with delays sometimes stretching for

hours at busy hubs like Amsterdam Schiphol and Paris Charles de Gaulle. The new deal aims to change this by granting UK passport holders access to e-gates at most major EU airports, a privilege previously reserved for EU and EEA citizens.

Prime Minister Starmer emphasized the practical impact of this change, stating, “This partnership helps British holidaymakers, who will be able to use e-gates when they travel to Europe, ending those huge queues at passport control”. He described the

agreement as the “first discernible difference” for many people since Brexit, highlighting its potential to improve the travel experience for millions. Nick Thomas-Symonds, the UK Minister for EU Relations, reinforced the government’s message, saying, “Since the start of these negotiations, we have worked for a deal to make the British people safer, more secure and more prosperous. Our new UK-EU Strategic Partnership achieves all three objectives. It delivers on jobs, bills and borders”.

#### **Business and Travel Industry Reaction: Optimism with Caveats**

The travel and business sectors have largely welcomed the announcement, seeing it as a step toward restoring some of the convenience lost after Brexit. Julia Lo Bue-Said, CEO of Advantage Travel Partnership, called the deal a “major

improvement for UK travellers,” noting, “The tedious wait in border control lines since Brexit has long been a source of irritation for many Brits travelling to the EU, widening the availability of e-gates across Europe will indeed be most welcome”.

Clive Wratten, CEO of the Business Travel Association, echoed this sentiment, describing the agreement as a “positive step” that should reduce “lost time” for business travelers.

He added, “Time is money and the cost of waiting in long queues is significant for UK businesses. The concern will be if EU countries will follow suit, as it will be up to individual countries how and when to grant the access”.

Mark Tanzer, CEO of ABTA, pointed out that the change should make it “easier for travellers” by cutting down on

queues and pre-trip admin. However, he also cautioned that the success of the initiative will depend on continued cooperation between the UK and EU, especially as the EU prepares to launch its new Entry-Exit System (EES) in October 2025.

#### **The Role of the EU Entry-Exit System (EES)**

A key component of the agreement is its alignment with the EU’s forthcoming Entry-Exit System, a digital border management platform set to go live in late 2025. The EES will collect biometric data from all non-EU travelers, including UK citizens, and maintain a digital record of entries and exits to ensure compliance with visa and stay limits. Once operational, the EES is expected to facilitate e-gate access for UK passport holders at participating airports, streamlining border checks and reducing the need for manual passport stamping.

The government has underlined that, after the introduction of the EES, there will be “no legal barriers to e-gate use for British Nationals travelling to and from European Union Member States”. However, the practical implementation will depend on individual EU countries, as each retains discretion over whether and how to grant e-gate access to UK travelers.

A European Commission spokesperson clarified, “The



introduction of the EES will open the possibility to use e-gates for all non-EU citizens, including UK citizens. This will contribute to fluidity at borders for both entry and exit. E-gates are managed by individual Member States, and there is no requirement for them to install or allow their use at all border points”.

### **Addressing Criticism and Managing Expectations**

Despite the positive headlines, some critics and opposition figures have questioned the significance of the agreement. They argue that e-gate access was already on the horizon due to the EES rollout, and that the government may be overstating the novelty of the deal. Shadow foreign secretary Dame Priti Patel remarked, “The EU have a digital system coming in anyway called the EU entry and exit system which is basically their equivalent of the digital border system we have put in place in the UK. And yet the Government and Starmer claim this is some great win”.

Others have pointed out that, while the deal removes legal obstacles, it does not guarantee uniform access to e-gates across all EU airports, as the final decision rests with member states. Some countries, such as Spain, Portugal, and Italy, already allow UK travelers to use e-gates at certain airports, though manual passport stamping is often still required. Industry experts have also

noted that the initial implementation of the EES may actually increase wait times for some travelers, as first-time registrants will need to provide biometric data. However, once registered, subsequent entries should be faster and more efficient.

### **Broader Economic and Political Implications**

Beyond travel, the new UK-EU agreement is part of a broader package of measures aimed at strengthening economic ties and supporting British businesses. The government has highlighted that the deal will “support British businesses, back British jobs, and put more money in people’s pockets”. By reducing friction at the border and facilitating smoother movement of people, the agreement is expected to benefit sectors such as tourism, business travel, and trade.

Nick Thomas-Symonds emphasized the strategic importance of the partnership, stating, “Our new UK-EU Strategic Partnership achieves all three objectives. It delivers on jobs, bills and borders”. The government hopes that this pragmatic approach to cooperation with the EU will set the tone for future negotiations on issues ranging from trade to security.

### **Looking Ahead: Implementation and Ongoing Negotiations**

While the agreement marks a

significant step forward, its full impact will only be realized once the EES is operational and individual EU countries have updated their border procedures. The government has called on all EU members to “co-operate without delay” in granting e-gate access to UK travelers. In the meantime, British citizens are advised to check the latest travel guidance and be prepared for some variability in border experiences across different EU destinations.

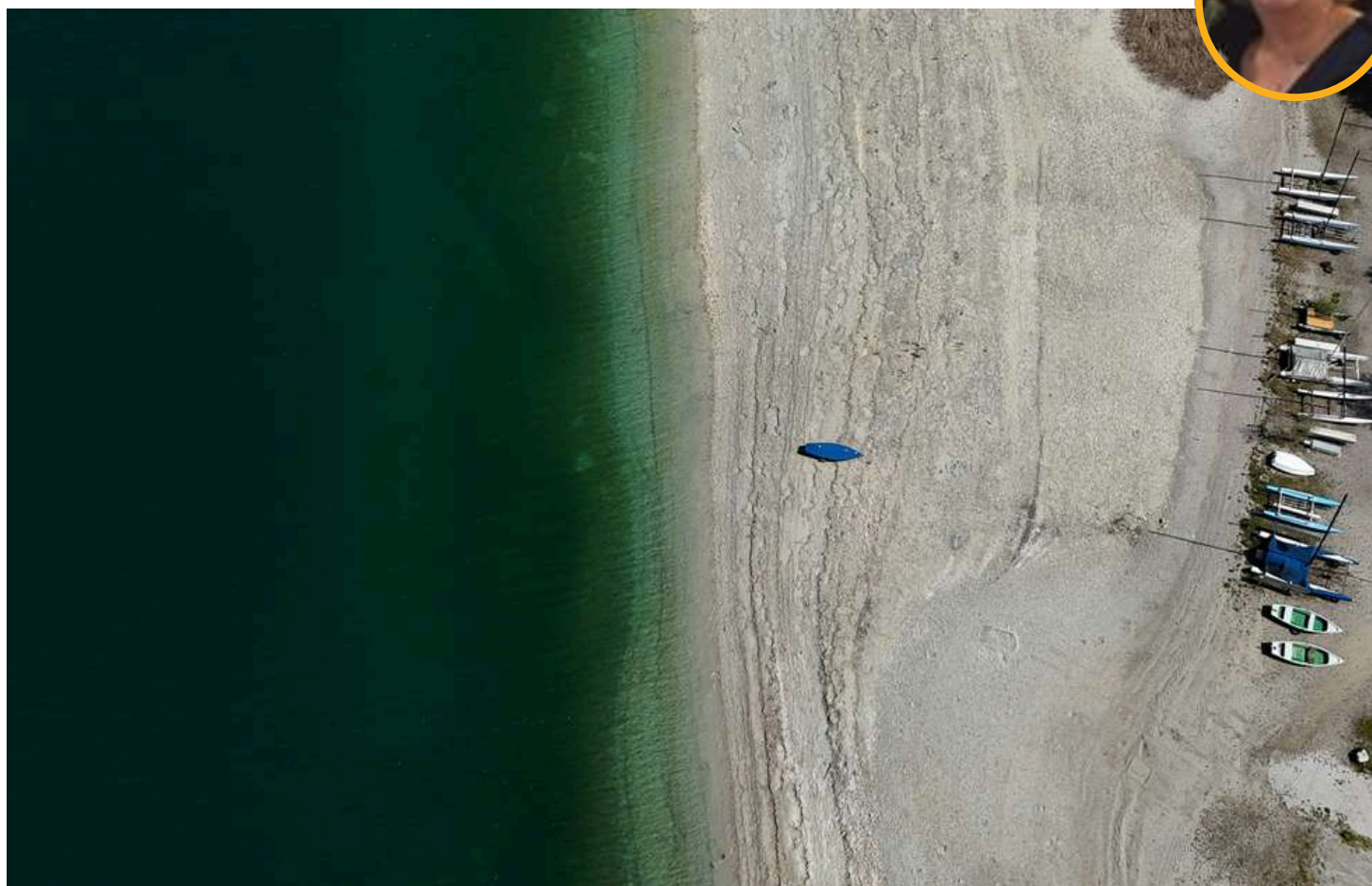
As the October 2025 EES launch approaches, continued dialogue and cooperation between the UK and EU will be crucial to ensuring a smooth transition and maximizing the benefits of the new agreement for British people.

The new agreement between the UK and the EU, secured by Prime Minister Keir Starmer, represents a practical step toward easing the post-Brexit challenges faced by British travelers and businesses.

While questions remain about the speed and consistency of implementation, the deal is widely seen as a positive move that could restore some of the convenience lost since Brexit. As the government works to deliver on its promises, the coming months will reveal whether this “reset” in UK-EU relations can deliver lasting improvements for the British public.

# South Korea FinMin: US trade talks help ease More than 40% of Europe Slides into Drought, Including Pockets of Greece, Southern Italy and Spain

By Kathy Malouf



Europe is facing an escalating drought emergency, with more than 40% of the continent now experiencing some form of drought as of late May 2025. This crisis, confirmed by the European Drought Observatory, is hitting both northern agricultural heartlands and the sun-soaked holiday destinations of southern Europe, including Greece, southern Italy, and Spain. The severity and breadth of the drought are sparking

growing alarm among farmers, local authorities, and environmental experts, who warn that the situation could worsen as summer progresses.

## Record-Breaking Heat and Scarce Rainfall

The roots of this crisis trace back to an exceptionally warm and dry spring. March 2025 was Europe's hottest on record, with temperatures well above

seasonal averages and rainfall far below normal across much of the continent.

The Copernicus Climate Change Service reported that some countries saw their driest March ever, setting the stage for a season of extremes. This combination of record heat and lack of precipitation has left soils parched, rivers depleted, and reservoirs at critically low levels.

According to the latest data from the European Drought Observatory, 41.2% of Europe is now in some form of drought, ranging from early warning signs to full-blown alerts. The most acute conditions are found in pockets of south-eastern Spain, Cyprus, Greece, and Albania, where the strongest “alert” category has been issued. These regions are experiencing dangerously dry soils, stressed vegetation, and mounting pressure on water supplies.

### **Mediterranean Hotspots: Greece, Southern Italy, and Spain**

The Mediterranean region is bearing the brunt of the drought. In Greece, both the

mainland and popular islands such as Santorini and Mykonos are struggling to meet basic water needs. Local authorities have been forced to ship water from Athens or rely on desalination plants to provide enough for showers and hotel pools, especially as tourist numbers surge in the summer months. Professor Nikitas Mylopoulos of Thessaly University described the situation bluntly:

“The tourist sector is unsustainable and there is no planning... leading to a tremendous rise in water demand in summer”.

Southern Italy and south-eastern Spain are also under severe drought alerts, with

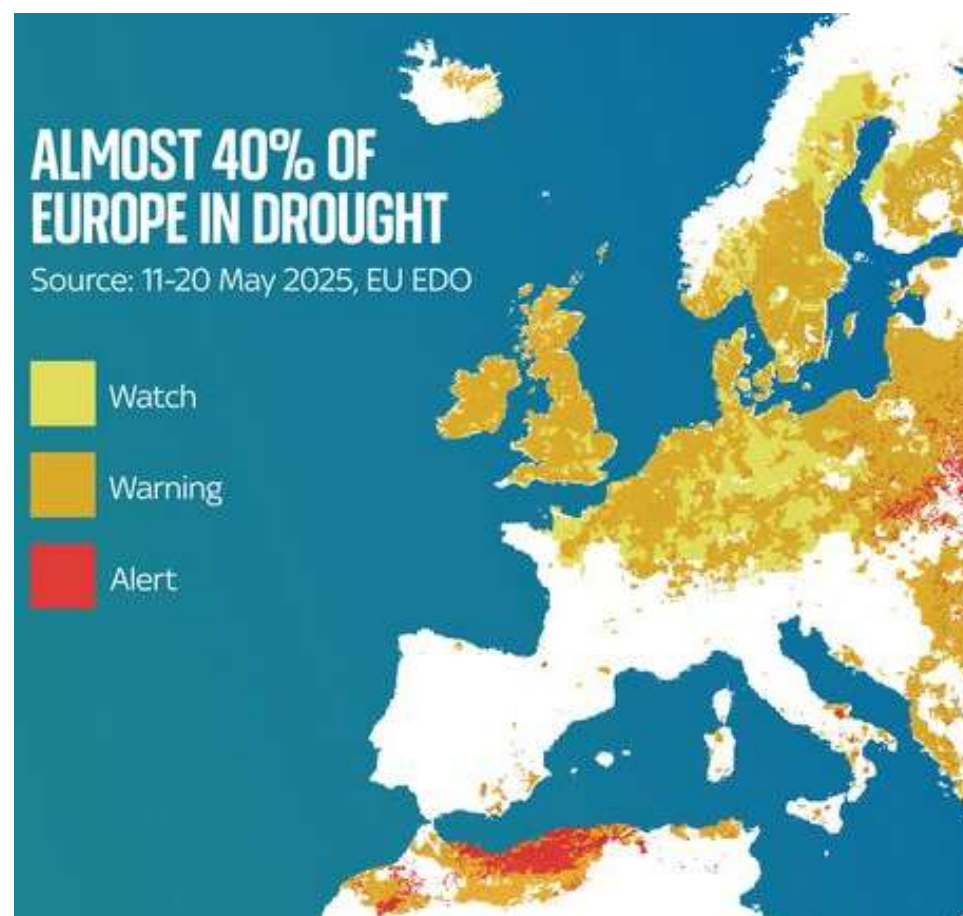
agriculture and hydropower facing mounting challenges. These areas, known for their productive farmlands and reliance on irrigation, are seeing crops wither and water reserves dwindle. The drought is not just a rural issue; cities and towns are also feeling the strain as water restrictions and shortages become more common.

### **Northern and Eastern Europe: A Spreading Threat**

While the Mediterranean is hardest hit, large swathes of northern and eastern Europe are also drying up. Broad stretches through France, Germany, Poland, and Ukraine are now under warning or watch conditions, with persistent precipitation deficits and above-average temperatures. In Ukraine and Poland, early summer crops are already at risk, raising concerns about food security and economic stability. The UK is not immune: the Environment Agency officially declared a drought in North West England after river and reservoir levels fell sharply following a dry spring. The Baltic Sea region, Ireland, northern France, Benelux, and several regions of Germany are all experiencing warning drought conditions, signaling that the crisis is continent-wide.

### **Agriculture, Ecosystems, and the Economy at Risk**

The drought’s impact on agriculture is profound. With



soils depleted and irrigation systems under strain, farmers across Europe are facing reduced yields and economic losses. Vegetation stress is evident in many regions, with crops failing to mature and pastures turning brown. The European Drought Observatory warns that these conditions could persist, especially if the hot and dry weather continues into the summer.

Ecosystems are also suffering. Rivers and lakes are shrinking, threatening fish populations and wildlife that depend on these habitats.

Forests, already weakened by previous years of drought and heat, are at increased risk of wildfires—a particular concern in Greece, where firefighters are bracing for another dangerous summer.

The economic fallout extends beyond agriculture. Hydropower production is down in many regions, raising concerns about energy supplies as demand for air conditioning soars. Tourism, a vital industry for countries like Greece and Spain, is also under pressure as water shortages and environmental degradation threaten to deter visitors.

### Climate Change and Lack of Planning Fuel the Crisis

Experts agree that climate change is a major driver of Europe's worsening droughts. Warmer temperatures increase evaporation, reduce soil

moisture, and intensify weather extremes. The current crisis, however, is also being exacerbated by what many see as a lack of coordinated planning and investment in water management.

In Greece, overtourism is compounding the problem. The influx of millions of visitors each summer puts immense strain on already limited water resources, forcing authorities to make tough choices between the needs of residents, farmers, and tourists. Efforts to modernize irrigation and improve water efficiency have lagged behind, leaving many regions vulnerable to even modest rainfall deficits.

### Regional Variations: Some Relief, But Risks Remain

Not all of Europe is equally affected. Parts of Portugal, Spain, western and central France, and northern Italy experienced a wetter winter and early spring, providing some temporary relief. However, even in these regions, the risk of drought remains high if the summer continues to be hot and dry.

The European Drought Observatory notes that some areas are showing signs of recovery, particularly in northern Scandinavia, the center and south of France, and parts of the western Balkans. Still, the overall trend is one of increasing dryness and risk, with little sign of improvement in the hardest-hit regions.

### Looking Ahead: A Summer of Uncertainty

Forecasts for the coming months are not encouraging. Projections from the Joint Research Centre indicate that drier-than-average conditions are likely to persist across much of northern and western Europe through June. If these trends continue, the drought could deepen, with even greater impacts on agriculture, water supplies, and public health.

Authorities across Europe are urging residents and businesses to conserve water and prepare for possible restrictions. Farmers are being advised to adapt planting and irrigation practices, while local governments are investing in emergency measures such as water shipments and desalination plants.

### A Wake-Up Call for Europe

The fact that more than 40% of Europe has slid into drought is a stark warning about the continent's vulnerability to climate change and the urgent need for better water management. As the crisis spreads from fields to cities and from southern coasts to northern heartlands, the pressure is mounting for coordinated action at both national and EU levels. Without decisive intervention, Europe risks facing not just a summer of drought, but a future where water scarcity becomes the new normal.

# Romanian Liberal Mayor Nicusor Dan Wins Tense Race for Presidency

By John Ruehl



Romania has entered a new political era after the liberal mayor of Bucharest, Nicusor Dan, secured a decisive victory in one of the most closely watched and contentious presidential races in the country's post-communist history. Dan's triumph over nationalist rival George Simion comes after months of political

instability, widespread protests, and a rerun of the presidential election following allegations of foreign interference and electoral misconduct.

The 2025 presidential election was marked by extraordinary circumstances. The initial November 2024 ballot was annulled by Romania's Constitutional Court due to

credible reports of Russian meddling, including cyberattacks and a sophisticated social media campaign supporting pro-Russian candidate Calin Georgescu. In March, Georgescu was barred from running, and the far-right leader George Simion stepped in as the main challenger to Dan.

## The Road to Victory: From Underdog to President

The first round of the rerun election on May 4, 2025, saw Simion surge ahead with 41% of the vote, while Dan trailed at just 21%.

This result reflected deep divisions in Romanian society and set the stage for a dramatic runoff on May 18. In a stunning turnaround, Dan rallied support from a broad coalition of pro-European, centrist, and minority voters, ultimately winning with 53.6% of the vote to Simion's 46.4%.

Turnout soared to 65% in the second round, the highest since 1996, with over 11.5 million

Romanians casting ballots. The diaspora played a significant role, with 1.64 million Romanians abroad voting—an increase of 660,000 from the first round. While Simion dominated the overseas vote, Dan's strong performance in urban centers, multi-ethnic regions like Transylvania, and among Moldovan voters at home proved decisive.

Supporters erupted in celebration as Dan waited until the early hours to confirm his victory, gathering in a park opposite Bucharest's City Hall. The atmosphere was electric, with crowds chanting his name and expressing relief at the result after months of political tension.

## A Referendum on Romania's Geopolitical Future

This election was more than a contest between two candidates; it was widely seen as a referendum on Romania's direction within Europe and the broader international community. Dan, a mathematician and reformist, campaigned on a platform of anti-corruption, administrative reform, and unwavering support for the European Union and NATO. He presented himself as a bulwark against extremism, promising to restore stability and rebuild trust in Romania's democratic institutions.

In his victory speech, Dan called for unity, declaring, "We need to bring Romania



together, regardless of who people voted for". He added, "The Romanian state requires a fundamental transformation in the rule of law, and I encourage you to remain engaged to exert positive pressure on state institutions for reform". Dan also urged political parties to prioritize the national interest above partisan divides.

For many Romanians, the choice was stark: continue on a pro-Western, reformist path or risk a turn toward nationalist populism and closer ties with Russia. The outcome was greeted with relief in Brussels, Kyiv, and Chisinau, where leaders viewed Dan's victory as a safeguard for Romania's commitment to EU integration and regional stability.

### Simion's Challenge and the Aftermath

George Simion, leader of the Alliance for the Unity of Romanians (AUR), ran a campaign characterized by nationalist rhetoric, skepticism toward the EU, and allegations of Russian ties. Simion's hard-right platform resonated with many voters frustrated by economic hardship and political gridlock, but also raised alarm among minority communities and Romania's Western allies.

After initially refusing to concede and alleging widespread voter fraud, Simion formally contested the results with the Constitutional Court.

The Court swiftly rejected his claims, affirming Dan's victory and clearing the way for his inauguration on May 26. In a statement, Simion acknowledged defeat but warned, "It's a bitter feeling, but this election is just the beginning".

Despite the legal challenge, Dan's legitimacy was bolstered by the high turnout and the breadth of his support across Romania's diverse regions. Observers noted that the election served as a powerful rejection of extremism and a reaffirmation of Romania's pro-European trajectory.

### The Challenges Ahead: Reform, Stability, and Reconciliation

As he takes office, President Dan faces a daunting set of challenges. Romania remains deeply polarized, with economic uncertainty, public distrust in institutions, and the lingering threat of foreign interference. Dan has promised to use the presidency's "soft power and strategic reach" to bolster Romania's credibility abroad and consolidate support for democratic governance at home.

His immediate priorities include tackling corruption, strengthening the rule of law, and advancing administrative reforms. Dan's administration will also need to address economic concerns, as Romania grapples with inflation,

unemployment, and the fallout from years of political instability. He has pledged to be a president who listens, stating, "I will be a president receptive to the voices of the populace". Internationally, Dan's victory is expected to reinforce Romania's role as a reliable partner within the EU and NATO, especially at a time of heightened tensions on Europe's eastern flank. His pro-EU stance is likely to facilitate cooperation with Brussels and reassure allies in Ukraine and Moldova, who have expressed concerns about the rise of nationalist and pro-Russian forces in the region.

### A Turning Point for Romania

The 2025 presidential election will be remembered as a turning point in Romania's modern history—a moment when voters rejected the politics of division and reaffirmed their commitment to democratic values and European integration. Dan's victory, while decisive, also underscores the need for reconciliation and dialogue in a society still marked by deep divisions.

As celebrations give way to the hard work of governance, President Nicusor Dan's ability to deliver on his promises of reform, stability, and unity will be closely watched both at home and abroad. The stakes could not be higher, as Romania seeks to chart a course toward a more prosperous, democratic, and secure future.



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