

Trump touts 'done' deal with Beijing

Agreement targets rare earths, Chinese students



(L/R) US Trade Representative Jamieson Greer, US Secretary of Commerce Howard Lutnick, US Secretary of Treasury Scott Bessent, Chinese Vice Premier He Lifeng, Chinese Commerce Minister Wang Wentao, and Chinese International Trade Representative and Vice Minister of Commerce Li Chenggang, pose for a photo during trade discussions at the Lancaster House in London

● **China will supply "full magnets, and any necessary rare earths" up front**

● **The two sides agreed to reduce their tit-for-tat, triple-digit tariffs**

AFP | Washington, United States

US President Donald Trump touted ties with China as "excellent" yesterday, saying the superpowers reached a deal after two days of talks aimed at preserving a truce in their damaging trade war.

Trump said on his Truth Social platform that China would

supply rare earth minerals and magnets -- vital elements for American industries -- while Washington would allow Chinese students to remain in US universities.

His post came after top United States and Chinese negotiators announced a "framework" agreement late Tuesday following two days of marathon talks in London.

"Our deal with China is done," Trump wrote, adding that the agreement was still "subject to final approval with President Xi (Jinping) and me."

"President Xi and I are going to work closely together to open up China to American Trade," he said in a second post. "This would be a great WIN for both countries!!!"

US stock markets showed little enthusiasm despite Trump's

statements, but major indexes edged higher in early trading.

'Candid' talks

US Treasury Secretary Scott Bessent said Wednesday that it was possible to rebalance economic relations with China if Beijing proved a "reliable partner in trade negotiations."

"If China will course-correct by upholding its end of the initial trade agreement we outlined in Geneva, and I believe after our talks in London they will, then the rebalancing of the world's two largest economies is possible," Bessent told lawmakers at the House Ways and Means Committee.

The two sides agreed to reduce their tit-for-tat, triple-digit tariffs during talks in Geneva last month, but cracks appeared in the detente after Trump ac-

cused China of violating the deal.

Washington was concerned at slower supplies of rare earths after Beijing in early April began requiring domestic exporters to apply for a license -- widely seen as a response to US tariffs.



Rare earths are used in everything from electric vehicles to hard drives, wind turbines and missiles.

EU, Britain strike deal on Gibraltar's post-Brexit status

The deal will ease the flow of people and goods over the Gibraltar-Spain border



Vehicles queue at the border of the British Colony of Gibraltar

● **Britain left the EU in 2020**

● **People arriving in the territory by air or sea would undergo dual border checks at Gibraltar port and airport**

● **Around 15,000 people -- over half of Gibraltar's workforce, according to London -- cross the land border between Spain and Gibraltar every day.**

AFP | Brussels, Belgium

The European Union and Britain yesterday sealed a "historic" deal on the status of the territory of Gibraltar, five years after Brexit.

The deal will ease the flow of people and goods over the Gibraltar-Spain border, forming part of London's much-vaunted "reset" in ties with Brussels.

When Britain left the EU in 2020, the relationship between Gibraltar -- historically an important military base for Britain due to its position at the

mouth of the Mediterranean Sea -- and the bloc remained unresolved.

Talks between London, Madrid, Brussels and Gibraltar on a deal had made halting progress during several rounds of negotiations under Britain's previous Conservative government, but the arrival of Labour last summer gave new impetus.

EU trade chief Maros Sefcovic said it was "a truly historic milestone for the European Union, including Spain, as well as for the United Kingdom and Gibraltar".

"This agreement benefits everyone and will bring legal certainty and confidence to the people and businesses across the region," he said during a news conference in Brussels.

He said he was "absolutely convinced" it would be ratified by the parties because "it's a good agreement".

In a statement, the four parties said the agreement would create a fluid border between Gibraltar and Spain, with no physical barriers or checks between the territory and the border town of La Linea.

People arriving in the territory by air or sea would undergo dual border checks at Gibraltar port and airport, to be carried out by Gibraltar and Spanish officials.

Stocks rise on easing US-China trade tensions, cool US inflation

AFP | London, United Kingdom

Stock markets edged higher yesterday as investors welcomed cooler US inflation data and a China-US agreement aimed at lowering trade tensions.

After two days of talks between US and Chinese negotiators in London, US President Donald Trump said: "Our deal with China is done".

The United States and China slashed tit-for-tat tariffs after negotiations in Geneva last month, but tensions flared up again after Trump later accused Beijing of violating the pact reached in Switzerland.

The positive London talks

Key figures at around 1330 GMT

New York - Dow:	▲ less than 0.1% at 42,897.81 points
New York - S&P 500:	▲ 0.2 percent at 6,049.95
Nasdaq Composite:	▲ 0.4% at 19,787.37
London - FTSE 100:	▲ 0.2% at 8,869.36
Paris - CAC 40:	▲ at 7,806.24
Frankfurt - DAX:	▲ less than 0.1% at 24,021.05
Tokyo - Nikkei 225:	▲ 0.6% at 38,421.19 (close)
Hang Seng Index:	▲ 0.8% at 24,366.94 (close)
Shanghai - Composite:	▲ 0.5% at 3,402.32 (close)
Brent North Sea Crude:	▲ P 1.7% at \$68.01 per barrel
West Texas Intermediate:	▲ 2.0% at \$66.30 per barrel

provided some relief to markets. "Wall Street's three main indices rose as trading got underway in New York and Europe's main

indices were higher in afternoon deals.

Asian stock markets also won a lift on the China-US progress, with Hong Kong among the best performers.

As well as tariffs, a key issue in the discussions was China's export of rare earths used in smartphones and electric vehicles, while Beijing was keen to see an easing of restrictions on its access to tech goods.

The talks came as World Bank downgraded its 2025 forecast for global economic growth to 2.3% -- from the 2.7% predicted in January -- citing trade tensions and policy uncertainty.

It also said the US economy would expand 1.4% this year, half of its 2024 growth.

Meanwhile data showed little impact of Trump's tariffs on US consumer prices in May.

Between April and May, the consumer price index (CPI) rose 0.1 percent. Analysts had expected it to continue at the 0.2 rate it rose in April.

It also rose less than expected in the so-called core reading that excludes volatile food and energy prices.

"The key takeaway from the report is that both headline and core CPI were lower than expected on a month-over-month

basis," said Briefing.com analyst Patrick O'Hare.

"While these readings may not give a big boost to near-term rate cut expectations, they should also not cause the market to think that the next cut will be delayed," he added.

Investors have worried that a tariff-driven surge in inflation could hinder the Federal Reserve from lowering interest rates to counter the slowdown in growth.

Investors now see a 57% chance the Fed, which has so not reduced rates since December, will cut rates in September.