



European Latitudes

Perspectives on Europe, Italy, and the world.

The press review connecting the key socio-political and economic developments shaping today's debate.

 The non-English articles present in the Europe and International section are translated to English.

Friday, 21 August 2026

Europe

Why Europe can't escape the fallout from \$40 trillion US debt woes, *POLITICO Europe*

The US debt stock exceeding \$40 trillion is raising borrowing costs globally as governments compete for savings amid war, ageing populations and unprecedented AI-related capital demand. Germany's 10-year yield reached its highest level since 2011, while the US 30-year Treasury yield hit a 19-year high. Eurozone public debt has risen from 66 per cent of GDP in 2007 to almost 88 per cent, increasing refinancing risk as old low-cost bonds mature. France is particularly exposed: annual interest expenditure is projected to rise from €30 billion in 2020 to €124 billion by 2030. Further ECB tightening could intensify fiscal pressure, forcing governments to reconcile debt sustainability with defence, welfare and investment priorities ahead of politically sensitive elections.

<https://www.politico.eu/article/why-europe-cant-escape-the-fallout-from-us-debt-woes/>

NATO's next nightmare: The French presidential election, *POLITICO Europe*

France's 2027 presidential election could materially weaken NATO if a NATO-sceptic candidate takes power. Marine Le Pen advocates leaving the alliance's integrated military command, while Jean-Luc Mélenchon supports full withdrawal. Internal polling indicates only 54 per cent of French voters would choose to remain in NATO, the second-lowest share among its 32 members. Withdrawal from integrated command could affect the 1,200-strong French-led battlegroup in Romania, intelligence and satellite cooperation, nuclear coordination and access to major French naval capabilities. Around 1,000 French officers are permanently assigned to NATO structures, while France contributes about 10 per cent of the alliance's €5.3 billion annual operational budget. Such a move would also reduce French influence and potentially strengthen Germany's leadership role as US forces in Europe decline.

<https://www.politico.eu/article/nato-next-nightmare-the-french-presidential-election/>

Brussels wants 'Buy European' but voters lean domestic, poll shows, *POLITICO Europe*

EU plans to favour European products in public procurement face a political tension between continental industrial strategy and voters' preference for nationally produced goods. Public procurement represents around 17 per cent of EU economic output and is central to the proposed Industrial Accelerator Act, intended partly to counter Chinese dominance in clean technologies. A survey of 26,283 adults across 24 EU countries and the UK found that respondents in 23 of 25 countries surveyed preferred advantages for domestically made products over broader European preferences. Average support for national preference exceeded 50 per cent, while European preference remained below half. Support also falls when protection increases prices: only 35 per cent backed tariffs on Chinese technology when warned of higher costs, underscoring the cost-of-living constraints on EU industrial policy.

<https://www.politico.eu/article/brussels-buy-european-eu-industrial-accelerator-act/>

EU moves to ease subsidy rules for small media, *POLITICO Europe*

The European Commission is preparing to exempt certain subsidies for small and medium-sized press organisations from prior Brussels approval under a revised General Block Exemption Regulation. Eligible measures would support objectives including media pluralism, linguistic and cultural diversity, digitalisation and the preservation of print publications, reflecting concerns over declining readership and reduced referral traffic from online platforms. The broader reform also expands exemptions relating to SMEs, innovation, training and disadvantaged workers. However, more narrowly specified exemptions could encourage governments to design support schemes around regulatory categories rather than companies' actual needs. State aid remains economically significant: EU governments spent €168.2 billion in 2024, led by Germany, France and Italy, while GBER-based exemptions now account for nearly 70 per cent of active exemption measures.

<https://www.politico.eu/article/eu-moves-to-ease-subsidy-rules-for-small-media/>

Secret outperformer: Dispelling the 'myths' about an unloved stock market, *CNBC*

European equities are proving more resilient than their longstanding reputation for weak growth suggests. The Stoxx Europe 600 has gained about 10 per cent in 2026, compared with 13.5 per cent for the S&P 500, while European banks have substantially outperformed the US "Magnificent Seven" since 2022. Exposure to Chinese import competition is also concentrated: automobiles represent only around 1 per cent of European market capitalisation, although the sector remains under severe pressure, with the Stoxx Autos index down 16 per cent this year, Volkswagen 27.6 per cent and Stellantis 51.9 per cent. Europe's relative weakness in frontier AI and data centres creates productivity and security risks, but may simultaneously offer investors diversification from expensive AI-linked assets and allow traditional sectors to benefit from adopting the technology.

<https://www.cnbc.com/2026/08/16/goldman-stock-market-outperformance.html>

Italy

Meloni and Maga: a cautionary tale, *Financial Times*

Giorgia Meloni's attempt to serve as a political bridge between Donald Trump's MAGA movement and Europe illustrates the limits of ideological affinity when national interests diverge. Relations deteriorated after Italy refused to allow US forces to use Italian bases for operations against Iran, exposing broader disagreements over tariffs, energy costs, NATO spending and Middle East policy. Trump's criticism of Pope Leo XIV further forced Meloni to distance herself from Washington. Her evolution in government, including greater pragmatism towards the EU and expanded legal migration to address labour shortages, has also alienated some MAGA figures. The episode highlights a structural contradiction in transnational nationalist cooperation: access to Washington does not guarantee protection from America First policies, requiring Rome to preserve institutional US ties independently of personal relations with the president.

<https://www.ft.com/content/41e4528d-0d87-4be3-9c59-46f37cec8136>

Chimica, Hormuz e concorrenza cinese: è un 2026 ancora in negativo, // Sole 24 Ore

La chimica italiana dovrebbe registrare nel 2026 un calo produttivo del 3%, dopo una contrazione cumulata del 13% tra 2021 e 2025, penalizzata da energia costosa, instabilità nello stretto di Hormuz e concorrenza cinese. L'incidenza dell'energia sul valore della produzione è salita dal 14% nel 2021 al 18% nel 2024 e potrebbe raggiungere il 23%; i costi diretti e indiretti per l'emissione di CO2 dell'industria chimica superano €600 milioni annui e potrebbero arrivare a €1,5 miliardi entro il 2030. Gli investimenti europei in nuova capacità chimica sono diminuiti del 90% dal 2021 al 2025. La Cina, sostenuta da incentivi pubblici stimati tra tre e otto volte quelli Ocse, ha raggiunto una quota mondiale del 46%. Nel 2025 il comparto italiano valeva €59,9 miliardi, con €40,1 miliardi di esportazioni.

<https://www.ilsole24ore.com/art/chimica-prezzo-hormuz-e-concorrenza-cinese-e-2026-ancora-negativo-AJcG1Sq>

Migranti, dall'Olanda alla Svezia: «Trasferimento dei dublinanti in Italia». Parigi e Madrid: no, Il Sole 24 Ore

Olanda, Svezia e Finlandia intendono riprendere o proseguire i trasferimenti verso l'Italia dei richiedenti asilo per i quali Roma risulta responsabile, applicando il nuovo Regolamento sulla gestione dell'asilo e della migrazione entrato in vigore il 12 giugno nell'ambito del Patto Ue. Germania, Austria e

Svizzera hanno assunto orientamenti analoghi, mentre Francia e Spagna privilegiano per ora cooperazione e meccanismi europei di solidarietà anziché trasferimenti bilaterali. Resta incerto se le procedure italiane riguarderanno esclusivamente gli arrivi successivi al 12 giugno. La questione ha alimentato lo scontro politico sulla sospensione dei controlli Schengen con la Spagna, ma il ministro dell'Interno Piantedosi sostiene che i fenomeni siano distinti: su circa 50 richieste ricevute, soltanto tre persone sarebbero effettivamente giunte in Italia in due mesi.

<https://www.ilsole24ore.com/art/finlandia-come-germania-svizzera-e-austria-in-preparazione-trasferimento-dublinanti-italia-AJ95wXq>

International

‘There is no breaking point’: The problem with Trump’s plan to economically strangle Iran, *POLITICO*

Washington’s strategy of forcing Iran into concessions through unprecedented economic pressure faces doubts over whether Tehran has any politically decisive “breaking point”. Six months of war, a naval blockade, sanctions on oil buyers and the shadow fleet, and restrictions on financial networks have contributed to Iranian inflation of 88 per cent, fuel rationing and food prices more than doubling. Yet the regime regards the conflict as existential and may transfer economic hardship to the population rather than concede. Possible US escalation includes targeting major Chinese banks, widening secondary sanctions and confiscating Iranian assets. Meanwhile, oil prices near \$90 a barrel, rising US borrowing costs and domestic political pressure constrain Washington’s endurance: Trump’s approval stands at 33 per cent, while roughly 80 per cent of Americans expect prolonged involvement in Iran.

<https://www.politico.com/news/2026/08/18/there-no-breaking-point-problem-with-trumps-plan-teconomically-strangle-iran-01040781>

Iran: President Massoud Pezeshkian wants to end the war with the United States, judging Tehran to be “in a position of strength”, *Le Monde [translated]*

Massoud Pezeshkian has called for an end to the war with the United States while arguing that Iran is negotiating from a “position of strength”, despite

Tehran's continued restriction of traffic through the Strait of Hormuz and the US naval blockade. He has defended the June memorandum of understanding with Washington against domestic criticism, although Supreme Leader Mojtaba Khamenei has publicly signalled reservations. Despite the restrictions, reportedly secret US-protected tanker convoys are allowing between 5 million and 10 million barrels of oil to pass through the southern part of the strait each day, showing that some energy flows continue amid the confrontation. Washington is increasingly shifting from large-scale military operations towards maximum economic pressure. China, which accounted for more than 80 per cent of Iranian oil exports before the war, opposes further sanctions, while the United Arab Emirates has suspended trade and financial transactions with Iran.

https://www.lemonde.fr/international/article/2026/08/21/iran-le-president-massoud-pezeschkian-veut-mettre-fin-a-la-guerre-avec-les-etats-unis-jugeant-teheran-en-position-de-force_6752285_3210.html

Turkey issues an international arrest warrant for Benjamin Netanyahu, who responds by calling Recep Tayyip Erdogan an “antisemitic dictator”, *Le Monde* [translated]

Turkey has requested the issuance of Red Notices targeting Benjamin Netanyahu and Afek Moskovitch as part of the investigation into the interception in international waters of a flotilla bound for Gaza. The Israeli prime minister is being prosecuted by Ankara for crimes against humanity, genocide, torture, aggravated deprivation of liberty, violence and destruction of property, among other charges. Around 430 activists travelling on approximately fifty vessels had been intercepted, forcibly transferred to Israel, detained at Ktziot prison and then expelled in May. Their aim was to draw attention to the humanitarian situation in Gaza and break the Israeli maritime blockade. The episode intensifies an already profound diplomatic and judicial confrontation between the two countries.

https://www.lemonde.fr/international/article/2026/08/21/la-turquie-emet-un-mandat-d-arret-d-international-contre-benjamin-netanyahou-dans-le-cadre-de-l-enquete-sur-la-flottille-pour-gaza-il-repond-en-traitant-recep-tayyip-erdogan-de-dictateur-antisemite_6752275_3210.html

Curated by Sergio Pablo Belis