



European Latitudes

Perspectives on Europe, Italy, and the world.

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

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

Friday, 28 August 2026

Europe

EU budget must bankroll Europe's independence, von der Leyen says, *Politico EU*

Ursula von der Leyen has stated that the EU's next seven-year budget must finance the bloc's independence from foreign powers, as it seeks to reduce reliance on Chinese supply chains, American technology, and imported fossil fuels. The Commission's proposed €2 trillion budget faces opposition from Germany and five allies - Austria, Denmark, Finland, the Netherlands, and Sweden - who demand cuts of several hundred billion euros, while Italy and Spain advocate for a larger budget. The budget's size will determine funding for von der Leyen's economic agenda, including strategic industries, energy, and artificial intelligence. She emphasised that "Europe cannot set new ambitions without providing the means to finance them," with over €450 billion earmarked for competitiveness and innovation.

<https://www.politico.eu/article/ursula-von-der-leyen-eu-budget-independence-germany-cuts/>

Merz unites EU budget-cutters as Costa gropes for deal, *Politico EU*

German Chancellor Friedrich Merz is leading a push by six EU countries to cut hundreds of billions of euros from the bloc's near-€2 trillion budget proposal for 2028-2034. Merz, facing domestic pressure from the far-right AfD, has convened leaders from Austria, Denmark, Finland, the Netherlands, and Sweden to advocate for substantial reductions, while European Council President António Costa tours capitals seeking compromise. The group seeks to shift spending from agriculture to defense and security, and impose conditions on funding for countries breaching democratic standards. Ireland will propose compromise figures in October ahead of a leaders' summit, with the aim of reaching a deal by year-end.

<https://www.politico.eu/article/friedrich-merz-antonio-costa-eu-budget-2028-2034/>

Climate and AI to loom large in von der Leyen's State of the Union, *Politico EU*

Climate and artificial intelligence will feature prominently in Ursula von der Leyen's State of the Union address on 16 September, as the speech is drafted to set the course for the next phase of the Commission. The climate focus follows devastating summer floods and wildfires, with the Commission defending its 2040 emissions-cutting target amid pressure from industry and national capitals to limit the economic cost of the green transition. AI's impact on jobs will be addressed with fresh statistics requested from DG Connect, while migration, particularly the crisis in Ceuta, and social policy around the 10th anniversary of the European Pillar of Social Rights are also expected to feature. Commissioners are lobbying for inclusion, as a mention can elevate a policy's political priority.

<https://www.politico.eu/article/climate-migration-ai-ursula-von-der-leyen-state-of-the-union-speech/>

Trump's trade chief invited to Ireland for EU talks, *Politico EU*

U.S. Trade Representative Jamieson Greer has been invited to attend an EU trade ministers meeting in Dublin on 22-23 October, organised by Ireland's Council Presidency. The meeting will focus on ongoing EU trade negotiations and provide strategic direction for the bloc's trade policy. This follows last year's visit by Greer and U.S. Commerce Secretary Howard Lutnick, who sought a commitment from the EU to loosen its tech rulebook. The invitation comes amid renewed U.S. pressure on the EU's regulatory framework,

including Trump's threat to investigate Brussels' digital regulations after the EU fined Google for breaching the Digital Markets Act, and criticism of the bloc's climate and sustainability rules.

<https://www.politico.eu/article/greer-invited-to-ireland-for-eu-trade-talks/>

EU industrial push strains ties with Switzerland and Norway, *Financial Times*

The EU's increasingly protectionist industrial policies, including subsidies, tariffs, and "Made in Europe" requirements, are straining ties with its closest economic partners Switzerland, Norway, Iceland, and Liechtenstein. Switzerland has protested EU steel safeguards that treat it less favourably than EEA members and raised concerns over the Industrial Accelerator Act, arguing that excluding Swiss supply chains could undermine EU competitiveness. The EU is Switzerland's largest trading partner, and Bern contributes CHF130 million annually to EU cohesion programmes, a figure set to rise to CHF350 million. Norway, too, has been caught by EU trade restrictions on steel alloys, prompting debate over its EEA agreement and relationship with the bloc, as both countries find themselves without a seat at the table where key economic decisions are made.

<https://www.ft.com/content/fd88ca7f-b6a7-493e-9c04-d2dc9234a041>

***Supplementary information: The Industrial Accelerator Act is an EU proposal published by the European Commission on 4 March 2026 to strengthen industrial competitiveness and resilience. It would increase the share of industrial manufacturing in EU GDP to 20% by 2035 (from 14.3% in 2024) and focuses on measures like faster permitting, "Made in EU" preferences in public procurement, and Industrial Acceleration Areas.

Mélenchon tosses a debt bomb into France's presidential debate, *Politico EU*

Jean-Luc Mélenchon has proposed that the European Central Bank cancel a significant portion of France's public debt, arguing it would address the country's financial challenges. With public debt exceeding €3.5 trillion (117.5% of GDP), the proposal has sparked fierce criticism from politicians and economists, with Prime Minister Sébastien Lecornu calling it a "scam" and far-right leader Jordan Bardella deeming it "nonsense." Mélenchon, polling at 17%, is positioned strongly for the presidential election's second

round. However, the plan faces legal hurdles, as EU treaties prohibit ECB bailouts. Critics warn it could destabilise financial markets, while Mélenchon frames debt as an excuse to roll back social rights, succeeding in putting fiscal orthodoxy up for debate.

<https://www.politico.eu/article/jean-luc-melenchon-tosses-a-debt-bomb-into-frances-presidential-debate/>

No signs Russia prepping military attack on NATO countries, says EU official, *The Straits Times*

European intelligence agencies have detected no evidence that Russia is preparing a military attack on NATO countries, according to a senior EU official, who stated that this assessment remains unchanged despite U.S. reports that CIA Director John Ratcliffe warned Moscow against such an action. While the EU official downplayed the risk of a direct attack, they acknowledged Russia's active efforts to destabilise European countries through hybrid warfare, including drone incursions, cyberattacks, and disinformation, with eastern member states most exposed.

<https://www.straitstimes.com/world/europe/no-signs-russia-prepping-military-attack-on-nato-countries-says-eu-official>

Airbus considers sale of US satellite business, according to report, *Air Data News*

Airbus is considering the sale of its U.S. small-satellite manufacturing business in Florida as part of a strategic review of its space activities. The facility at Merritt Island, employing over 200 people and generating several hundred million dollars in annual revenue, is under evaluation, though no decision has been made. This review is separate from Airbus's planned combination of its European space operations with Leonardo and Thales, which aims to create a new venture employing 25,000 people and generating €6.5 billion in revenue. Airbus, which took full control of the OneWeb Satellites joint venture in 2024, is shifting production of next-generation OneWeb satellites from Florida to Toulouse, aligning with Europe's push for sovereign satellite capabilities.

<https://www.airdatanews.com/airbus-considers-sale-of-us-satellite-business-according-to-report/>

Italy

Manovra, cos'è lo scostamento di bilancio e quali sono le posizioni nella maggioranza, Il Sole 24 Ore

Il vicepremier Matteo Salvini ha proposto uno scostamento di bilancio per finanziare la manovra, stimando la necessità di almeno 20 miliardi, di cui 6-7 solo per il ministero delle Infrastrutture per compensare l'aumento dei prezzi negli appalti. Il ministro dell'Economia Giancarlo Giorgetti ha annunciato l'attivazione della clausola di salvaguardia nazionale (Nec), con la Commissione UE che valuterà la richiesta entro settembre. Lo scostamento permetterà di discostarsi dagli obiettivi di finanza pubblica, concentrandosi su sicurezza energetica (0,6% del PIL) e difesa (0,9% cumulativo fino al 2028). Il Parlamento ha approvato la risoluzione, ma persistono divergenze all'interno della maggioranza sul ricorso al programma SAFE per la difesa, con la Lega più scettica.

<https://www.ilsole24ore.com/art/manovra-cos-e-scostamento-bilancio-e-quali-sono-posizioni-maggioranza-AJH045u>

Alla fine l'Italia userà buona parte dei fondi europei per il riarmo, Il Post
L'Italia ha deciso di utilizzare parte dei fondi del programma SAFE (Security Action for Europe), che offre prestiti agevolati per investimenti comuni nella difesa, con una richiesta iniziale di 8 miliardi di euro su un assegnato di 14,9 miliardi. La decisione, dopo settimane di dibattito interno, segna un compromesso tra le posizioni del ministro dell'Economia Giancarlo Giorgetti, favorevole a finanziare spese militari già pianificate, e il ministro della Difesa Guido Crosetto, che spingeva per destinare l'intera somma a nuove spese. I prestiti SAFE, con tassi bassi e scadenze fino a 45 anni, offrono anche flessibilità nei conti pubblici per la difesa, fino a un massimo di 1,5 punti di PIL all'anno per tre anni. L'Italia è tra gli ultimi paesi a presentare la richiesta, insieme all'Ungheria.

<https://www.ilpost.it/2026/08/26/italia-usera-safe-fondi-europei-riarmo/>

Ousted Ukrainian defense chief Fedorov takes advisory role with Italy, Politico EU

Former Ukrainian Defense Minister Mykhailo Fedorov has accepted an advisory role with Italy's Defense Minister Guido Crosetto, focusing on defense innovation. Fedorov, dismissed in July after six months amid

tensions with Ukraine's military leadership, will combine this role with establishing a defense investment fund in Ukraine. He remains critical of President Zelenskyy, advocating for wartime elections despite Russia's invasion. Crosetto, who offered the position in July, praised Fedorov as an innovator who transformed battlefield dynamics, while Fedorov stressed his primary focus remains in Ukraine.

<https://www.politico.eu/article/mykhailo-fedorov-adviser-italy-defense-minister-guido-crosetto/>

Carburanti, anticipo d'imposta sui dividendi delle big energetiche, // Sole 24 Ore

Il governo ha prorogato fino al 5 settembre il taglio delle accise sul diesel, finanziando la misura con un anticipo d'imposta del 39% sui dividendi 2025 delle grandi società energetiche con ricavi superiori a 20 miliardi di euro e operanti nei settori petrolifero e del gas. Il meccanismo, analogamente a quanto già applicato alle banche, trasforma l'anticipo in un credito d'imposta utilizzabile per ridurre ritenute e imposte sostitutive, senza concorrere alla formazione del reddito. Il decreto introduce inoltre una stretta sulle sponsorizzazioni del gioco legale, rendendo non deducibili le spese per pubblicità e comunicazione. Il costo complessivo della misura ammonta a circa 130 milioni di euro per il 2026, 25,4 milioni per il 2027 e 1,2 milioni per il 2028.

<https://www.ilsole24ore.com/art/carburanti-anticipo-d-imposta-dividendi-big-energetiche-AJgl52v>

***Informazioni aggiuntive: anticipo del 39% sulle somme destinate alla distribuzione dei dividendi per l'esercizio 2025 non è un pagamento definitivo, ma una misura provvisoria che viene poi trasformata in un credito. L'anticipo versato non è una tassa aggiuntiva, ma viene convertito in un credito d'imposta: Questo credito può essere utilizzato dalla società per ridurre le ritenute e le imposte sostitutive. Il credito non viene incluso nel calcolo del reddito imponibile.

Tromba d'aria e grandine: Cremona in ginocchio. Danni a 10 chiese e 10mila auto, // Sole 24 Ore

Una violenta tromba d'aria accompagnata da grandine ha colpito Cremona, causando gravi danni al Duomo e al Palazzo Comunale, con il crollo della

copertura di una guglia della Cattedrale e del tetto della torre civica. L'evento ha provocato oltre quaranta feriti, decine di edifici scoperchiati e l'evacuazione di otto famiglie, oltre a danni a almeno dieci chiese, migliaia di alberi abbattuti e diecimila automobili danneggiate. Intanto, la quinta ondata di calore del 2026 ha portato temperature record, con picchi di 45°C in Sardegna, Sicilia e altre regioni del Centro-Sud, e nove città in allerta rossa per il caldo. Il fine settimana porterà un lieve miglioramento termico, ma l'anticiclone africano è atteso tornare all'inizio di settembre, prolungando le condizioni estreme.

<https://www.ilsole24ore.com/art/caldo-oggi-picco-punte-fino-45-grad-weekend-miglioramento-tromba-d-aria-cremona-danneggiati-duomo-e-palazzo-comunale-AJ3Fucx>

International

Zero-sum thinking will fuel resentment and scarcity (*opinion*), *Financial Times*

Zero-sum thinking, the belief that one group's gain must come at another's expense, is increasingly shaping public discourse, from immigration and wealth inequality to gender and employment. This mindset, particularly prevalent among younger generations, undermines cooperation and fuels resentment, as evidenced by rising cynicism towards institutions and declining volunteerism. Economic stagnation since the 2008 crash and housing shortages have exacerbated this trend, with many viewing resources as scarce. While the postwar order thrived on interdependence, globalisation's uneven benefits and demographic pressures have reinforced zero-sum attitudes. The author warns that this perspective risks entrenching managed decline, as it is linked to support for government redistribution and immigration restrictions, rather than fostering policies that expand prosperity for all.

<https://www.ft.com/content/492134e9-49eb-4f13-b70a-b2b595ed0e2a>

How the Iran war has made the US more vulnerable, *Politico*

The Iran war is undermining the Pentagon's ability to project power globally, as resources are diverted to the Middle East, with key air defenses and the last aircraft carrier pulled from the Pacific. The U.S. has halted maritime

missions in the South China Sea and limited fighter jet rotations in Europe, reducing its presence in both regions. This, coupled with Trump's conciliatory approach to Russia and North Korea, has led allies to question U.S. deterrence. The Pentagon's inability to subdue Tehran and dwindling munitions stockpiles have further eroded confidence. While the U.S. maintains over 50,000 troops and hundreds of aircraft in the Middle East, its distancing from allies and shift to economic pressure on Iran risk damaging its global credibility.

<https://www.politico.com/news/2026/08/28/iran-war-us-allies-military-influence-01052631>

Trump says US is taking partial control of Venezuela's vast oil reserves, Reuters

President Donald Trump has announced an unprecedented U.S. move to take majority control of over 65 billion barrels of Venezuela's proven oil reserves through a partnership with private business. The deal, welcomed by Venezuela's interim leader Delcy Rodríguez, aims to revive the country's battered energy industry and secure crude for U.S. refineries, potentially lowering gasoline prices. The move is projected to create \$100 billion in private investment for Venezuela and stable oil supplies for the U.S. However, the legal and financial structure remains unclear, with analysts questioning its basis under Venezuelan law and its ability to attract significant investment, given political uncertainty and infrastructure challenges.

<https://www.reuters.com/business/energy/us-enters-into-oil-agreement-with-venezuela-trump-says-2026-08-28/>

***Supplementary information: The agreement is structured as a joint venture between the U.S. government and private operators, with the U.S. government controlling 55% of the venture. In addition, it establishes the US right to obtain oil at production cost. Earlier reports indicated a lease model was under consideration, with fields in the Orinoco Belt and Lake Maracaibo regions potentially auctioned to U.S. producers. However, this arrangement faces legal and constitutional challenges, as Venezuela's state retains ultimate control over core oil industry activities.

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