



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.

Tuesday, 1 September 2026

Europe

France, Germany back call for faster, more efficient EU decisions in foreign and security policy, *POLITICO*

France and Germany, alongside nine other EU states, have proposed reforms to expedite EU foreign and security policy decisions, addressing repeated vetoes by Hungary under Viktor Orbán. In a letter to High Representative Kaja Kallas, they advocate for greater use of qualified majority voting (QMV) while maintaining consensus where possible. Proposals include banning unrelated linkage in debates, encouraging constructive abstentions, and exploring treaty-based options like the Passerelle clause. The reforms aim to prevent individual member states from blocking collective action, enhancing the EU's ability to respond to crises. Additionally, they suggest restructuring the European External Action Service, potentially embedding parts into the Commission to improve coherence and reduce duplication, with Kallas gaining oversight of external policy portfolios.

<https://www.politico.eu/article/eu-foreign-policy-france-germany-qualified-majority-voting/>

EU accelerates plans to break up diplomatic service, *Financial Times*

The European Commission is drafting plans to partially integrate the European External Action Service (EEAS) into its structure, responding to French and German calls for a more efficient foreign policy apparatus. The reform aims to reduce duplication, align diplomatic work with Commission powers over trade and aid, and generate budget savings amid pressures to tighten the EU's next multiyear budget. While the EEAS, led by Kaja Kallas, would not be fully absorbed, key functions could be distributed among Commission departments, with a rump EEAS retaining oversight of peacekeeping and military training. The proposal, still in early stages, may be discussed at an EU leaders' summit next month, with a potential framework agreement by December 2026 as part of the 2028–34 budget deal.

<https://www.ft.com/content/1e55d948-98e5-4c1a-8a09-51e1311fcf63>

How climate change threatens Europe's nuclear renaissance, *POLITICO*

Europe's nuclear expansion plans face growing climate-related disruptions, as record heatwaves and droughts reduce river levels, forcing reactor shutdowns in France, Bulgaria, Romania, and Hungary due to insufficient cooling water. Switzerland also halted a reactor to protect wildlife from warm water discharges. The International Atomic Energy Agency warns that 15% of global reactors currently rely on strained freshwater sources, a figure expected to rise to 25% within 20 years. Europe, the fastest-warming continent, is particularly vulnerable, with many reactors designed in the 1970s–80s. While the EU aims to boost nuclear capacity by 50% by 2050, governments are now investing in climate-resilient infrastructure, such as France's €4.3 billion adaptation plan for its plants by 2040, as shutdowns and production cuts become more frequent.

<https://www.politico.eu/article/climate-change-threatens-europe-nuclear-renaissance/>

What Iceland's snub means for the EU's place in the world, *POLITICO*

Iceland's referendum rejection of reopening EU accession talks, with 52.8% voting against, underscores the limits of the EU's appeal even amid global instability. Despite Brussels framing membership as a security shield against threats like Trump's unpredictability and Russia's war in Ukraine, Icelanders prioritised sovereignty, fishing rights, and economic considerations, as the country already benefits from the European Economic Area and Schengen.

The result deals a blow to the EU's enlargement narrative, emboldening Eurosceptics and complicating momentum for other candidates like Ukraine and Montenegro. Iceland, a NATO member with a US defence agreement, will now seek bilateral partnerships to address security concerns, signalling that the EU's attractiveness may not suffice for wealthy, already integrated nations.

<https://www.politico.eu/article/what-icelands-snub-means-for-the-eus-place-in-the-world/>

Germany is poised to enter one of its most dangerous moments yet (*opinion*), *POLITICO*

The rise of the far-right AfD in Germany, polling at 42% in Saxony-Anhalt, threatens to destabilise the country as regional elections approach. Ulrich Siegmund, the AfD's lead candidate, could become the first far-right regional leader, potentially governing alone or with the far-left Alliance Sahra Wagenknecht if mainstream parties fail to secure enough seats. His platform includes mass deportations, defunding public broadcasters, and banning "woke" symbols, while advocating for closer ties with Russia and Trump. With elections also looming in Mecklenburg-Vorpommern and Berlin, Germany faces a potential political crisis, as the AfD's ascent paralyses mainstream parties and aligns with external actors like Putin and Trump, who see the party as a strategic bridgehead. Siegmund's carefully curated image, blending youth appeal with nostalgic promises, has resonated with voters disillusioned by traditional parties.

<https://www.politico.eu/article/germany-is-poised-to-enter-one-of-its-most-dangerous-moments-yet-afd/>

Poland pivots to home-grown defence production as it builds Europe's biggest army, *Reuters*

Poland is shifting towards domestic and Central European defence production to reduce reliance on distant suppliers, as it builds Europe's largest army with over 220,000 personnel and defence spending at 4.7% of GDP. Polish procurement from domestic firms rose nearly fourfold since 2022 to €8.15 billion last year. The strategy aims to ensure supply chain independence, with investments in drones, ammunition, and other equipment. Czech-based CSG and Germany's Rheinmetall are expanding production in Poland, while PGZ partners with regional firms like Estonia's Frankenburg

Technologies. Poland's push reflects a broader European trend towards "near-shoring" military production, enhancing resilience against global disruptions and supporting NATO interoperability.

<https://www.reuters.com/business/aerospace-defense/poland-pivots-home-grown-defence-production-it-builds-europes-biggest-army-2026-09-01/>

NATO's Arctic moves pose 'direct threat' to Russia, foreign minister Lavrov says, *Reuters*

Russian Foreign Minister Sergei Lavrov has warned that NATO's increased military activity in the Arctic, including the Arctic Sentry mission launched in February, poses a direct security threat to Russia. Lavrov described NATO exercises in the region as "aggressive," raising the risk of incidents that could escalate into armed confrontation. Russia, which maintains a significant military presence in the Arctic, including nuclear-armed submarines, views the region as its sphere of influence and a critical shipping route to Asia. Norway's recent expansion of its Arctic military brigade has further heightened tensions. Lavrov's comments reflect Moscow's concern over NATO's growing focus on the Arctic, driven by tensions with Russia and US President Trump's push for Greenland's acquisition.

<https://www.reuters.com/business/aerospace-defense/natos-arctic-moves-pose-direct-threat-russia-foreign-minister-lavrov-says-2026-08-31/>

Joachim Nagel, president of the Bundesbank: "The rise in interest rates on financial markets complicates the ECB's situation", *Le Monde*, [translated]

Joachim Nagel, President of the Bundesbank, advocates for a rise in the ECB's key interest rates to 2.50% at the 10 September meeting, with eurozone inflation standing between 2.9% and 3.3%, well above the 2% target. Despite uncertainties linked to the volatility of energy prices and financial markets, he champions a cautious, meeting-by-meeting approach. A convinced pro-European, Nagel supported the suspension of Germany's debt brake and the issuance of eurobonds to strengthen European integration, while stressing fiscal stability. He acknowledges chronic underinvestment in infrastructure, digitalisation, and defence, justifying exceptional spending. Facing rising nationalism, he defends the euro, highlighting its benefits for Germany and the EU, and warns against the risks of an inflationary spiral linked to prolonged wage increases.

https://www.lemonde.fr/economie/article/2026/09/02/joachim-nagel-president-de-la-banque-centrale-allemande-la-hausse-des-taux-sur-les-marches-financiers-complice-la-situation-de-la-bce_6763943_3234.html

Spain's Sánchez accuses Russia and Israel of inflaming migrant crisis, *Financial Times*

Spanish Prime Minister Pedro Sánchez has labelled the Ceuta migrant crisis a “hybrid attack,” accusing Russian and Israeli social media actors of spreading misinformation to exacerbate divisions. Over 70,000 migrants entered the Spanish exclave from Morocco in late July, with at least 82 deaths, triggered by false claims about a Spanish Supreme Court ruling on non-refoulement. Sánchez, facing domestic criticism, asserts that foreign interference aims to undermine Spain's stance on Gaza and Ukraine. The crisis has reignited EU tensions, with Italy reintroducing border checks, prompting reciprocal measures from Spain. Sánchez calls for EU solidarity, while Israel and Russia deny the allegations.

<https://www.ft.com/content/306358c2-3597-40dd-b2cd-534073c35fde>

Italy

L'ascesa di Vannacci complica la partita della legge elettorale. Torna l'ipotesi ballottaggio, *Il Sole 24 Ore*

L'ascesa di Futuro Nazionale di Roberto Vannacci, salito all'8% nei sondaggi, spinge il centrodestra a valutare il ballottaggio nella riforma della legge elettorale per evitare la frammentazione alle prossime elezioni. Con Fratelli d'Italia al 25,4%, la Lega al 4,8% e Forza Italia al 7,3%, il centrodestra allargato a Vannacci raggiunge il 47,2%, mentre il campo largo è al 44,7%. Il ballottaggio permetterebbe di aggregare i voti al secondo turno, ma solleva questioni tecniche e di costituzionalità, come il rischio di maggioranze diverse tra Camera e Senato. In discussione anche l'alternanza di genere e il premio di maggioranza, con dubbi sulla sua legittimità se attribuito a una coalizione che non ha ottenuto più voti.

<https://www.ilsole24ore.com/art/l-ascesa-vannacci-complica-partita-legge-elettorale-torna-l-ipotesi-ballottaggio-AJ8v9dy>

Manovra 2027: dal bonus madri alle tredicesime, tutte le misure allo studio per le famiglie, *Il Sole 24 Ore*

Il Governo valuta misure fiscali per sostenere famiglie e lavoratori nella Legge di Bilancio 2027, con l'obiettivo di aumentare il potere d'acquisto in vista delle elezioni del 2027. Tra le proposte in discussione, l'estensione dell'aliquota IRPEF del 33% fino a 60.000 euro di reddito, che offrirebbe un beneficio aggiuntivo fino a 1.000 euro annuali con un costo di circa 3 miliardi. Si valuta anche la detassazione delle tredicesime con un'aliquota del 15% fino a 15.000 euro, garantendo un risparmio tra 200 e 500 euro, e la conferma del bonus per le madri lavoratrici, che potrebbe passare da 60 a 80 euro mensili per le donne con due figli e reddito inferiore a 40.000 euro. Altre misure includono la tassazione agevolata al 15% per straordinari, lavoro notturno e festivi.

<https://www.ilsole24ore.com/art/manovra-2027-bonus-madri-tredicesime-tutte-misure-studio-le-famiglie-AJSO7Dy>

International

Why Trump's trade war with Canada is poised to drag past the midterms, *POLITICO*

The US-Canada trade standoff shows no sign of de-escalation, with Canada set to impose retaliatory tariffs targeting key US states ahead of midterm elections. The Trump administration insists the US holds the upper hand and demands Canadian concessions, particularly on steel and aluminium tariffs, while Canadian Prime Minister Mark Carney resists US demands, such as maintaining a 25% tariff on heavy-duty trucks. Carney's stance has bolstered domestic support, complicating negotiations as both sides dig in. With Canada's tariffs affecting \$20 billion in US imports, 5% of total US imports from Canada, economic pressures are uneven, as the US absorbs 75% of Canada's exports. Political dynamics, including Canadian provincial elections and US congressional concerns, further entrench positions, delaying any resolution beyond the midterms.

<https://www.politico.com/news/2026/09/01/why-trumps-trade-war-with-canada-is-poised-to-drag-past-the-midterms-01059961>

Shortage of radioactive ‘rare as diamonds’ material frustrates nuclear start-ups, *Financial Times*

A global shortage of plutonium, essential for certain advanced nuclear reactors, threatens to delay the next generation of nuclear projects. Plutonium, a byproduct of spent uranium fuel, cannot be mined and is tightly controlled due to its use in warheads. With only 571 tonnes of separated plutonium stocks worldwide, mostly from defence programmes, access is limited. France's La Hague plant, one of the few reprocessing facilities outside Russia, processes 1,200 tonnes of spent fuel annually, but new large-scale facilities require €40 billion and a decade to build. Start-ups like Newcleo and Oklo are competing for scarce supplies, with the US releasing 20 tonnes of surplus plutonium for private use. However, scaling up production remains a challenge, as demonstrated by Japan's delayed Rokkasho plant, highlighting the need for significant investment in reprocessing infrastructure.

<https://www.ft.com/content/836566de-fd44-43c4-9899-28e05b4fbf33>

Oil: Chevron, Eni and other majors close to signing agreements in Venezuela, *Il Sole 24 Ore*, [translated]

Chevron, GE Vernova, ONGC, GeoPark, and Eni are set to sign final agreements with Venezuela for the exploitation of oil resources, separate from the Washington-Caracas deal that secures a share of reserves for the United States. The agreements, the result of months of negotiations, could be signed this week and aim to revitalise Venezuela's struggling energy sector. Eni, in particular, is collaborating with local authorities to develop projects such as Junin-5 and Corocoro, in addition to the agreement for gas exports from the Perla field. The news has driven up oil stocks in the market, with Eni rising by 1.5%, while crude oil prices have climbed again following new clashes in the Strait of Hormuz.

<https://www.ilsole24ore.com/art/media-chevron-eni-ed-altre-big-vicine-firma-accordi-venezuela-AJEIcaz>

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