



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, 8 September 2026

Europe

Who is voting for the far-right Alternative for Germany?, *Financial Times*

The far-right Alternative for Germany (AfD) secured a historic 44% in Saxony-Anhalt's regional elections, a state of 2.1 million, reflecting broader national trends where it now leads polls at 28%, overtaking Chancellor Friedrich Merz's CDU. The party mobilised 170,000 former non-voters, representing 30% of its 576,000 votes, predominantly from rural areas and small towns. Socio-economic grievances in former East Germany, including lower incomes, a 25% population decline since 1990, and weaker traditional party integration, fuel its support. Migration fears persist despite only 8% foreign residents, while economic anxieties in manufacturing sectors facing Chinese competition and high energy costs further bolster the AfD. Its success underscores a pronounced urban-rural divide, with depopulation and economic decay in eastern states amplifying discontent, particularly among working-age men aged 35–59, aligning with its anti-migration, pro-Russian stance.

<https://www.ft.com/content/4dde2b92-eadb-41e3-9fad-c9bf0636010a>

Merz's CDU in crisis after far-right victory in Saxony-Anhalt, *Financial Times*

German Chancellor Friedrich Merz's Christian Democratic Union (CDU) suffered a historic defeat in Saxony-Anhalt, securing just 17.2% of the vote, its worst result since reunification, while the far-right Alternative for Germany (AfD) triumphed with 44%. Nationally, the CDU has slipped to 20% in polls as the AfD rises to 28%, becoming Germany's most popular party. Merz, who in 2018 pledged to halve AfD support, now faces an existential crisis, with former Chancellor Angela Merkel calling the result a "rupture" in postwar history. The election has reignited debates over the "Brandmauer" firewall against the AfD, with one CDU member already abstaining rather than oppose the AfD's candidate for state premier. Options for Merz include pressing ahead with reforms, forming a minority government, or stepping aside, though he has vowed not to resign.

<https://www.ft.com/content/4dde2b92-eadb-41e3-9fad-c9bf0636010a>

EU trade chief to meet CEOs over China strategy, *Politico*

EU trade chief Maroš Šefčovič will meet CEOs from machinery, auto, electronics, and chemicals sectors on September 18 to discuss diversifying critical supply chains away from China, a key step before proposing a formal "diversification tool." The push comes as the EU seeks to address its €1 billion-a-day trade deficit with China and reduce dependence on a single supplier for critical imports. Šefčovič aims to secure industry buy-in and understand companies' willingness to bear diversification costs. Following technical talks with Beijing, he will engage with Chinese officials in mid-September and early October. If these efforts fail, national leaders have urged the Commission to devise new measures to tackle China's industrial overcapacity by the mid-October EU summit.

<https://www.politico.eu/article/eu-trade-chief-maros-sefcovic-meet-eu-ceos-over-china-strategy/>

EU resists Mario Draghi's competitiveness cures, *Financial Times*

The European Union has implemented only 15.7% of the 383 recommendations from Mario Draghi's 2024 competitiveness report, with 41.3% partially adopted, highlighting a gap between ambition and action. The most critical reforms, integrating capital markets, removing single market barriers, and reducing strategic dependencies, remain trapped in national

politics, despite EU leaders' pledges. Progress has been confined to areas where the Commission can act alone, such as cutting regulatory burdens and accelerating permits for clean technologies. A digital declaration system for posted workers, meant to streamline cross-border operations, was watered down by member states adding national reporting requirements. Analysts warn that national resistance and a lack of political courage continue to stall deeper integration, with Ireland's EU presidency now aiming for a political agreement by year-end to push the agenda forward.

<https://www.ft.com/content/c1029e47-7487-4bd7-8ed4-7512b76f1834>

Cbam and unfair competition: European manufacturing protests against the EU, *Il Sole 24 Ore* [translated]

A hundred representatives of the European manufacturing industry, led by Eurometal, protested in Brussels with ten trucks loaded with empty bars to denounce unfair competition threatening 13.6 million jobs in the steel sector. European producers already bear the costs of carbon emissions, trade defence measures, and tariffs, while many imported products enter the EU without equivalent obligations. The protest aims to extend the Carbon Border Adjustment Mechanism (Cbam) to the entire manufacturing supply chain, citing an 80% price differential between Chinese and European semi-finished products. Industrialists demand equal competition rules for all, without subsidies, to preserve European know-how and production capacity.

<https://www.ilsole24ore.com/art/cbam-e-concorrenza-sleale-manifattura-europea-protesta-contro-l-ue-AJUUYF7>

5 things to know from POLITICO's interview with Teresa Ribera, *Politico*

Teresa Ribera, European Commission Vice President for green transition and competition, emphasised climate action as her top priority, citing this summer's extreme heat waves, wildfires, and droughts as a wake-up call. She advocated for a windfall tax on fossil fuel companies to fund climate disaster protection, arguing that profits are privatised while costs remain socialised. Ribera also proposed requiring Big Tech to invest in renewable energy for their data centres to prevent grid strain. On competition, she stressed the EU's independence in deciding on Google's potential breakup, despite US pressure. Regarding China, she balanced dialogue with firm trade measures to address industrial imbalances, insisting the EU must defend its interests without rolling over on core principles.

<https://www.politico.eu/article/5-things-to-know-from-politicos-interview-with-teresa-ribera/>

France calls for new EU taxes to raise €60B, *Politico*

France has proposed that new EU-wide taxes should generate over €60 billion for the bloc's next seven-year budget, aiming to reduce national contributions and fund priorities like defence and competitiveness. While most governments support new own resources, specific proposals face resistance. The European Commission's plan includes five new levies, potentially raising €66 billion, but only the Carbon Border Adjustment Mechanism (CBAM) and electronic waste taxes, expected to yield €1.64 billion and €17.9 billion annually, have gained traction. Ireland's EU presidency aims to narrow acceptable options at an October 15 summit, though other proposals targeting tobacco, corporate turnover, and emissions trading revenues have met opposition, highlighting the challenge of securing unanimous support.

<https://www.politico.eu/article/france-calls-for-new-eu-taxes-to-raise-e60b/>

EU pursues closer Israel ties on air defense and space, *Politico*

The EU is deepening ties with Israel on high-tech air defence and space capabilities, with Israel Space Agency chief Shimrit Maman meeting EU Commissioner Ekaterina Zaharieva to discuss AI, robotics, and early warning systems. This follows a push for an EU-funded air defence shield, now advancing as Israeli firm Rafael opens an Iron Dome factory in Germany and Greece finalises a €3 billion deal for a multilayered air defence network. The collaboration focuses on dual-use technologies, including satellite imaging and AI modelling, to address growing hostilities and the need for Europe to strengthen its space presence. Maman highlighted Israel's expertise in early warning systems, proven effective during recent missile strikes, as a model for EU-Israel cooperation.

<https://www.politico.eu/article/eu-closer-ties-israel-air-defense-space/>

Europe needs corn. Ukraine has it. But US farmers are poised to get the business, *Politico*

Europe faces a corn shortage, with EU imports expected to rise to 25 million tons between July 2026 and June 2027, up from 19.3 million, after domestic production fell by 10 million tons due to drought. Ukraine, typically supplying half of the EU's imported corn, has seen its Black Sea export routes

effectively closed by Russian attacks, leaving it unable to export an estimated 30 million tons worth over \$10 billion. With road and rail transport adding €41 per ton in costs, US corn, already gaining market share due to competitive pricing, is poised to fill the gap. In July and August, US corn accounted for over 40% of EU imports, ahead of Ukraine, highlighting how geopolitical disruptions and climate challenges are reshaping trade flows.

<https://www.politico.eu/article/europe-needs-corn-ukraine-has-it-american-farmers-may-get-the-business/>

Europe's largest carbon capture facility opens in the Netherlands, *The Straits Times*

Europe's largest carbon capture and storage facility, developed by Norwegian fertiliser company Yara International, has opened in Sluiskil, Netherlands, aiming to capture and liquefy up to 800,000 tonnes of CO₂ annually from 2026. Over 15 years, the project expects to remove 12 million tonnes, with captured carbon transported to Norway and stored 2.6 km beneath the seabed by operator Northern Lights. Norwegian Prime Minister Jonas Gahr Støre hailed the initiative as both scientifically advanced and commercially viable, addressing industrial emissions where low-carbon alternatives are lacking. The EU views such technology as crucial for its 2050 net-zero target, particularly for sectors like chemical manufacturing, though critics argue it may enable continued fossil fuel production under the guise of future emissions capture.

<https://www.straitstimes.com/world/europe/europes-largest-carbon-capture-facility-opens-in-the-netherlands>

Germany asks UN top court to throw out Israel arms export case, *The Straits Times*

Germany has asked the International Court of Justice to dismiss a case brought by Nicaragua, which accuses Berlin of violating the 1948 Genocide Convention by supplying arms to Israel. Germany argues that Nicaragua failed to exhaust proper diplomatic channels and that much of the claim falls outside the court's jurisdiction under the treaty. Although Germany temporarily suspended weapons exports to Israel in 2025, it has since resumed them. The case builds on South Africa's separate genocide allegations against Israel, with the ICJ ruling in 2024 that it was plausible Israel had violated some rights under the convention. Nicaragua, which severed ties with Israel

in 2024, will present its arguments, with a jurisdiction ruling expected later this year, though a final decision would take years.

<https://www.straitstimes.com/world/europe/germany-asks-un-top-court-to-throw-out-israel-arms-export-case>

Italy

Porti, dalla digitalizzazione agli investimenti Zes: il bilancio a fine Pnrr, *Il Sole 24 Ore*

Il Ministero delle Infrastrutture e dei Trasporti ha superato gli obiettivi del Pnrr per i porti italiani. Per l'elettificazione delle banchine (cold ironing), sono stati realizzati 22 impianti in 17 porti, superando il target di 15 in 10, con una potenza complessiva oltre i 220 MW e risorse assegnate per 317,6 milioni. Negli investimenti infrastrutturali nelle Zone economiche speciali (Zes), sono stati completati 50 dei 52 interventi finanziati, per una spesa di 888,8 milioni. La digitalizzazione della catena logistica, con 176 milioni di stanziamento, ha finanziato la Piattaforma logistica nazionale (30 milioni), la digitalizzazione delle Autorità di sistema portuale e degli interporti (45 milioni), e il bando Login Business (101 milioni), che ha sostenuto 850 imprese con 83,3 milioni di incentivi per sistemi gestionali interoperabili.

<https://www.ilsole24ore.com/art/porti-digitalizzazione-investimenti-zes-bilancio-fine-pnrr-AJzBtd3>

Bankitalia non segue la Banca centrale olandese: nessun trasferimento delle riserve d'oro, *Il Sole 24 Ore*

La Banca d'Italia ha confermato di non aver effettuato alcun trasferimento delle sue riserve auree, che ammontano a 2.452 tonnellate per un valore di circa 280 miliardi di euro, posizionando l'Italia al quarto posto mondiale. Le riserve sono distribuite tra Roma (44,86%), Stati Uniti (43,29%), Svizzera (6,09%) e Regno Unito (5,76%). La decisione contrasta con quella della Banca centrale olandese, che tra marzo e agosto 2026 ha spostato 86 tonnellate d'oro da Stati Uniti e Canada verso la Bank of England per migliorare liquidità, negoziabilità e resistenza alle crisi. Bankitalia sottolinea che la diversificazione geografica delle riserve, frutto anche di motivazioni storiche, mira a minimizzare i rischi, garantendo un accesso rapido in caso di necessità e fungendo da presidio contro inflazione e crisi valutarie.

<https://www.ilsole24ore.com/art/bankitalia-non-segue-banca-centrale-olandese-nessun-trasferimento-riserve-d-oro-AJvZXa4>

Elettricità, come programmare i consumi e tagliare i costi in bolletta, // Sole 24 Ore

La flessibilità della domanda elettrica in Italia potrebbe ridurre i costi dal 5% al 69%, con un taglio del prezzo all'ingrosso di 30-50 euro al MWh (10-30%) nelle ore di picco, secondo stime di Flexit. Uno spostamento dei consumi dalle fasce più care a quelle centrali della giornata, con una riduzione aggregata di 2-5 GW (5-10% del carico italiano), permetterebbe di appiattire i picchi e ridurre il rischio di taglio della produzione rinnovabile. In Francia, il meccanismo NEBCO ha già permesso riduzioni fino a 60 euro al MWh. In Italia, quattro progetti pilota testano mercati locali della flessibilità, ma serve un framework normativo comune per creare un mercato scalabile, come previsto dalle direttive UE 2019/944 e 2019/943.

<https://www.ilsole24ore.com/art/elettricit%C3%A0-come-programmare-consumi-e-tagliare-costi-bolletta-AJhIrm2>

International

Israel to close British consulate in East Jerusalem after UK, France and Canada ban imports from West Bank settlements, *The Straits Times*

Israel will close Britain's consulate in East Jerusalem in retaliation for UK, French, and Canadian plans to ban imports from Israeli settlements in the West Bank. Foreign Minister Gideon Saar condemned the move as morally distorted and interference in Israel's sovereignty, also banning former Labour leader Jeremy Corbyn and other nationals from entering Israel. The three countries' leaders framed the trade measures as protecting the two-state solution, with UK Foreign Secretary Ed Miliband accusing Israel of ethnic cleansing in parts of the West Bank. While the US will not block such imports. The measure targeting agricultural products like dates and wine, are largely symbolic. They form part of broader efforts to reinforce support for Palestinian statehood, even as Israel announces 1,000 new West Bank homes.

<https://www.straitstimes.com/world/europe/israels-foreign-minister-says-it-is-closing-british-consulate-in-east-jerusalem>

Iran turns to crypto to get around sanctions, *Financial Times*

Iran is increasingly using cryptocurrencies, particularly Tether and Bitcoin, to circumvent US sanctions and maintain trade flows, with the central bank quietly relaxing foreign currency controls to encourage fund repatriation. In 2025, nearly \$10 billion in crypto transactions passed through Iran, as businesses seek alternatives to the global financial system. The central bank now allows traders to use export proceeds to directly finance imports without channeling earnings through official systems. Tether's role is notable, though it froze \$344 million linked to Iran's central bank earlier this year. Iran also leverages its cheap domestic energy for bitcoin mining, accounting for 4.5% of global activity, generating hundreds of millions in cryptoassets to bypass sanctions and purchase imports.

<https://www.ft.com/content/22eacb3c-6cab-490d-a117-75ba90a2d35c>

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