European Latitudes

Perspectives on Europe, Italy, and the world.

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

Friday, 26 June 2026

Europe

European leaders pledge stronger role in NATO before Trump-Rutte talks, POLITICO
Leaders from Germany, France, Italy, the United Kingdom and Poland pledged to strengthen NATO's European pillar ahead of the Ankara summit and a meeting between Mark Rutte and Donald Trump. The E5 group called for Ukraine support to be placed first on the alliance agenda, including stronger sanctions on Russia and increased military assistance. They also committed to deeper European defence cooperation, including joint development and procurement of deep precision strike capabilities. The meeting reflected renewed optimism after Trump signalled stronger backing for Kyiv following the G7 summit. However, questions remain over who represents Europe in any future Russia-Ukraine negotiations, with Poland and Italy pressing for broader inclusion alongside frontline and Nordic states.
https://www.politico.eu/article/european-leaders-e5-stronger-role-nato-donald-trump-mark-rutte-talks/

Inside the EU's latest plan to keep would-be members close, *POLITICO*
The European Commission is developing a gradual integration model to give EU candidate countries selected economic benefits before full membership, while withholding political rights until accession conditions are met. Possible incentives include access to EU funding programmes, preferential trade arrangements and partial single-market participation, calibrated case by case according to reform progress and regulatory alignment. The approach aims to keep Ukraine, Moldova, Montenegro and other candidates engaged despite

long accession timelines, while reassuring sceptical member states that standards will not be diluted. EU leaders may discuss a broader framework in October or December. The model marks a shift from all-or-nothing enlargement towards conditional economic integration, backed by safeguards against democratic or rule-of-law backsliding.
https://www.politico.eu/article/inside-the-eus-latest-plan-to-keep-would-be-members-close/

Ex-Dutch defense minister named EEAS secretary general, POLITICO
Former Dutch Defence Minister Kajsa Ollongren has been appointed secretary-general of the European External Action Service, replacing Belén Martínez Carbonell from 1 September. The decision signals a stronger defence orientation in EU foreign policy amid continued support for Ukraine and efforts to build closer EU-NATO coordination. The appointments follow internal tensions over the redistribution of senior EEAS responsibilities and a failed attempt to install Martin Selmayr. Further management changes are expected, including the replacement of the agency's human resources chief after 1 October.
https://www.politico.eu/article/ex-dutch-defense-minister-kajsa-ollongren-named-eeas-secretary-general/

EU-US trade deal to take effect before Trump deadline, *The Straits Times*
EU member states have given final approval to a transatlantic tariff agreement before the July 4 deadline set by Donald Trump, clearing the way for implementation after earlier parliamentary approval. The accord imposes 15 per cent tariffs on most EU exports to the United States while removing EU tariffs on US industrial goods and granting preferential access for some seafood and agricultural products. Delays followed political tensions over Greenland and a US Supreme Court ruling against many Trump tariffs. EU lawmakers added safeguards allowing suspension if Washington fails to meet commitments or disrupts trade and investment, and inserted an expiry date at the end of 2029 unless renewed.
https://www.straitstimes.com/world/europe/eu-us-trade-deal-to-take-effect-before-trump-deadline

VW weighs up to 100,000 job cuts, four plant closures in biggest overhaul yet, sources say, *Reuters*
Volkswagen is considering its most radical restructuring to date, with up to 100,000 job cuts and possible closures of plants in Hanover, Zwickau, Emden and Audi's Neckarsulm site. The closures alone could endanger more than 45,000 jobs, adding to 50,000 already planned reductions. The plan reflects severe pressure from Chinese electric-vehicle rivals, US tariffs and weak European demand, with investment potentially cut by about 15 per cent to just over €130 billion over five years. Supervisory board discussions are expected

on July 9, but unions, works councils and Lower Saxony's ownership role pose major barriers. The restructuring would test Germany's industrial model, labour governance and capacity to adapt to global automotive competition.
https://www.reuters.com/business/autos-transportation/volkswagen-ceo-aims-cut-up-100000-jobs-next-years-manager-magazin-reports-2026-06-26/

The era of the central banker superhero is no more, POLITICO
Central banks are losing their dominance over economic policymaking as Europe confronts challenges that monetary policy cannot resolve alone, including war, rearmament, trade fragmentation, energy insecurity and industrial competition. For decades, independent central banks were credited with lowering inflation, stabilising markets and managing crises, from Paul Volcker's anti-inflation strategy to Mario Draghi's eurozone intervention. However, recent shocks have shown the limits of interest rates when inflation is driven by supply disruption, tariffs or geopolitics. Governments are now reclaiming responsibility through fiscal policy, industrial strategy, defence spending, energy security and state aid. The shift does not diminish central banks' importance, but restores them to narrower roles focused on monetary stability and institutional credibility.
https://www.politico.eu/article/era-central-banker-superhero-no-more/

Fincantieri chief urges Europe to standardize before defense mergers, *POLITICO*
Fincantieri's leadership argues that Europe should agree common requirements and standards for key naval systems before pursuing large-scale defence-industry consolidation. The position reflects a broader EU challenge: member states are raising defence budgets in response to Russia and possible US disengagement, but fragmented national certifications and procurement rules create duplication, extra testing and higher costs. The Commission is preparing measures to deepen the defence single market, while EU schemes such as the €150 billion SAFE loans programme encourage joint procurement and limit non-EU participation to 35 per cent of system value. Fincantieri points to the European Patrol Corvette, with Navantia and Naval Group, as a coordination model. Its 2025 revenue reached €9.2 billion and net profit €117 million.
https://www.politico.eu/article/fincantieri-chief-urges-europe-standardize-defense-mergers/

EU countries eye setting up migrant 'return hubs' in Rwanda and Uzbekistan, POLITICO
Several EU countries are considering return hubs in Rwanda and Uzbekistan for rejected asylum seekers who have exhausted legal routes to remain in the bloc. The initiative follows new EU rules allowing offshore centres in third countries that respect human rights and international law, with Denmark, Austria,

Greece, Germany and the Netherlands among the main proponents. Some governments aim to conclude initial agreements in 2026 and make facilities operational in 2027. Rwanda, Uzbekistan and Uganda are under discussion, while nearby countries such as Egypt and Libya have been ruled out over smuggling concerns. Critics, including France, Spain, UNHCR and Greens lawmakers, warn of legal, operational and fundamental-rights risks despite proposed monitoring by international organisations.
https://www.politico.eu/article/eu-countries-eye-setting-up-migrant-return-hubs-in-rwanda-and-uzbekistan/

France's record heat wave burns Le Pen's National Rally, *POLITICO*
France's record heat wave has elevated climate adaptation into a central political issue before the 2027 presidential election, complicating the National Rally's previous efforts to downplay climate risks. The party is promoting wider air-conditioning access, including a possible state-backed interest subsidy for household and business loans, with an estimated but unconfirmed cost of about €20 billion. Yet polling suggests two-thirds of voters see air conditioning only as a short-term remedy and prefer measures that avoid worsening urban heat. Public criticism of government preparedness is also high, with 53 per cent saying France is not ready for such events. The debate exposes the fiscal and policy challenge of climate resilience amid debt exceeding €3.5 trillion.
https://www.politico.eu/article/frances-record-heat-wave-burns-le-pens-national-rally/

Hungary aims to meet euro entry conditions by around 2030, PM Magyar says, *The Straits Times*
Hungary aims to meet the conditions for adopting the euro by around 2030, although it currently satisfies none of the formal criteria. Prime Minister Peter Magyar said reducing public debt would be the hardest requirement, after pre-election spending under Viktor Orban left the deficit far above original plans and pushed the country close to a downgrade below investment grade. Magyar, who ended Orban's 16-year rule in April, estimated this year's deficit could reach 6.8 per cent of GDP, compared with the 3 per cent euro-entry threshold and an initial 5 per cent target. A public-finance review will underpin a revised 2026 budget by August, while anti-corruption reforms and a pro-EU pivot aim to unlock frozen EU funds.
https://www.straitstimes.com/world/europe/hungary-aims-to-meet-euro-entry-conditions-by-around-2030-pm-magyar-says

Italy

Italy to join US-led Pax Silica AI initiative despite Trump row, The Straits Times
Italy is set to join the US-led Pax Silica initiative on artificial-intelligence supply chains, signalling continuity in strategic technology cooperation despite recent tensions between Giorgia Meloni and Donald Trump over Italy's role in the Iran war. A memorandum of understanding between Antonio Tajani and Marco Rubio is expected at the first available opportunity. Pax Silica seeks to coordinate allied supply chains across energy, critical minerals, advanced manufacturing and AI models. Italy attended the Washington summit as an observer and signed a joint declaration on AI opportunities alongside partners including Britain, Germany, Japan, India and South Korea. The decision places Italy within an emerging US-aligned framework for secure AI infrastructure and industrial resilience.
https://www.straitstimes.com/world/europe/italy-to-join-us-led-pax-silica-ai-initiative-despite-trump-row

*** **Supplementary information:** Pax Silica is a US State Department-led economic-security framework to build an international network for AI and semiconductor supply chains. In practice, it is meant to coordinate access with the members to the key inputs needed for artificial intelligence, including advanced chips, critical minerals, energy, high-end manufacturing capacity and AI models. The aim is to make these supply chains more secure and less dependent on strategic rivals, especially China. It may involve memoranda of understanding, investment co-ordination, export-control alignment, supply-chain mapping, incentives for trusted suppliers, and joint projects. The European Commission, Germany, Sweden, Finland, Netherlands and Greece have already joined.

Meloni electoral plan 'authoritarian' Italy's opposition says, The Irish Times
Giorgia Meloni is advancing an electoral reform that would introduce proportional representation combined with a majority prize of up to 17.5 per cent of parliamentary seats for the coalition winning the most votes, provided it reaches a 42 per cent threshold. Participating parties would need a common programme and named prime ministerial candidate, reviving elements of her abandoned push for a directly elected premier. Supporters argue the change would deliver five-year government stability; opponents describe it as authoritarian, unconstitutional and reminiscent of the 2005 "Porcellum" law struck down in 2013. A proposed rule requiring smaller parties to collect 500,000 signatures before they can run in elections could make it much harder for new or minor parties to get on the ballot. Critics say this may limit political competition and strengthen concerns that the electoral system is being changed before the 2027 vote in a way that benefits the current government.

https://www.irishtimes.com/world/2026/06/26/meloni-electoral-plan-authoritarian-italys-opposition-says/

Italy allowed US planes to use bases in Iran war, NATO's Rutte says, POLITICO
NATO Secretary-General Mark Rutte said 500 US military aircraft took off from American bases in Italy during US and Israeli strikes on Iran, reigniting scrutiny of Rome's role in Operation Epic Fury. He also claimed 4,000 to 5,000 aircraft departed European bases in support of the campaign, describing Europe as a platform for US power projection. Italy's government had previously stated that only logistical and technical flights permitted under bilateral treaties would use Italian airbases. Defence Minister Guido Crosetto rejected Rutte's account as fallacious, while opposition figures demanded parliamentary clarification. The controversy highlights political sensitivities around alliance burden-sharing, US basing rights and Europe's exposure to Middle East military operations.
https://www.politico.eu/article/nato-mark-rutte-italy-us-bases-iran-war/

Nuovi mercati e bilanci solidi: i distretti arginano le difficoltà, Il Sole 24 Ore
I distretti industriali italiani mostrano una tenuta significativa nonostante dazi, rallentamento globale e tensioni geopolitiche. L'analisi su oltre 22mila imprese indica vendite complessive in calo dello 0,6% nel 2025, ma ancora superiori di 16 punti ai livelli pre-Covid, con Ebitda all'8%. Escludendo l'anomalia dell'oro aretino, l'export cresce dello 0,9% e genera un avanzo superiore a 97 miliardi, pari all'85% del surplus manifatturiero nazionale. Emirati Arabi, Polonia e Spagna compensano in parte il calo del 3,5% verso gli Stati Uniti. Una maggiore solidità patrimoniale, con il patrimonio netto pari al 36,6% del passivo e la liquidità al 9% dell'attivo, rafforza la capacità delle imprese di finanziare nuovi investimenti, in particolare nei settori dell'energia, dell'intelligenza artificiale e della cybersicurezza.
https://www.ilsole24ore.com/art/nuovi-mercati-e-bilanci-solidi-distretti-arginano-difficolta-AIrKlkoD

Corte conti: deficit 2025 sopra attese per Superbonus. Irpef, 82% da dipendenti e pensionati, Il Sole 24 Ore
Il rendiconto generale dello Stato segnala un deficit 2025 al 3,1% del Pil e un debito al 137,1%, valori superiori alle attese autunnali soprattutto per l'emersione inattesa di nuovi crediti edilizi legati al Superbonus. Il disavanzo, pari a 69,4 miliardi, migliora rispetto al 2024 grazie a un avanzo primario di 17,8 miliardi, ma la spesa per interessi sale a 87,1 miliardi. La pressione fiscale aumenta al 43,1% del Pil, mentre l'Irpef resta concentrata su dipendenti e pensionati per l'82%. La Corte evidenzia rischi esogeni, necessità di controllo

della spesa, revisione delle priorità, slittamenti Pnrr per 24,2 miliardi e frodi Ue con danni potenziali per 28,71 miliardi.
https://www.ilsole24ore.com/art/corte-conti-deficit-2025-sopra-attese-emersione-inattesa-superbonus-AIHHIYqD

Riserve idriche, Anbi: «Nord sull'orlo di una crisi. Nel Sud si registra sovrabbondanza», Il Sole 24 Ore
Il quadro idrico italiano del 2026 risulta fortemente squilibrato: il Nord è vicino a una crisi, mentre il Sud dispone di riserve abbondanti dopo oltre due anni di emergenza. I cicloni mediterranei dei primi quattro mesi hanno aumentato le riserve del 65% in Sicilia, 60% in Puglia, 59% in Basilicata e 42% in Sardegna; il bacino campano di Conza è al 98%. Nel Nord-Est, invece, le piogge sono crollate: -39% in Trentino-Alto Adige nei primi cinque mesi, -23% in Piemonte nell'anno idrologico e -29% in Lombardia tra dicembre e maggio. Anbi chiede una cabina di regia, mentre gli eventi estremi crescono del 40% e manca un monitoraggio climatico nazionale coordinato.
https://www.ilsole24ore.com/art/riserve-idriche-anbi-nord-sull-orlo-una-crisi-sud-si-registra-sovrabbondanza-AInqbNoD

Caldo, boom di richieste di acqua dal mondo agricolo al Consorzio Emilia Centrale: 200-300 chiamate al giorno, Il Sole 24 Ore
L'ondata di caldo estremo sta aumentando rapidamente la domanda irrigua nell'Emilia Centrale, dove il Consorzio di bonifica riceve 200-300 richieste al giorno dalle aziende agricole e stima un fabbisogno stagionale superiore di circa il 20% alla media. La rete resta operativa, ma sotto forte pressione: alla presa di Boretto sul Po sono derivati circa 30 metri cubi al secondo con 13 pompe attive, mentre a Castellarano sul Secchia la portata è di circa 1,2 metri cubi al secondo; più critica Cerezzola, sotto i 200 litri al secondo. Lo scioglimento anticipato di nevi alpine ridotte del 66% accentua la scarsità. Invasi, Pnrr e Pni diventano quindi strumenti strutturali di resilienza agricola.
https://www.ilsole24ore.com/art/caldo-boom-richieste-acqua-mondo-agricolo-consorzio-emilia-centrale-200-300-chiamate-giorno-AI1b8srD

I robot iniziano a uscire fuori dalla fabbrica, mercato Italia a 3,5 mld di euro, AI4Business
La robotica in Italia vale 2,2 miliardi di euro, o 3,5 miliardi se si includono anche i costi di gestione. Oggi il 28% delle imprese usa robot, e questa quota dovrebbe salire al 36% entro il 2028. Il settore è ancora dominato dai robot industriali tradizionali, che rappresentano l'82% delle macchine installate. Tuttavia, stanno crescendo robot più avanzati, capaci di usare intelligenza artificiale, sensori e apprendimento automatico. Nel 2026, il 29% delle aziende che investiranno in robotica punterà su queste tecnologie. Cobot, robot mobili e umanoidi dovrebbero diffondersi di più. Le imprese li usano per aumentare

produttività, qualità e sicurezza, e per rispondere alla carenza di lavoratori. Restano però ostacoli: regole poco chiare, costi alti, poche competenze e poche startup forti nel settore.
https://www.ai4business.it/intelligenza-artificiale/robotica-mercato-italiano-da-35-miliardi-inizia-a-uscire-fuori-dalla-fabbrica/

International

Venezuela reveals $240B debt pile in world's largest restructuring, Crypto Briefing
Venezuela has formally launched what may become the world's largest sovereign debt restructuring, disclosing obligations of about $240 billion after nearly a decade of default and exclusion from global capital markets. The core workout covers an estimated $150 billion to $170 billion in sovereign bonds and PDVSA-linked debt, with the wider total including domestic obligations. Centerview Partners has been appointed lead financial adviser, while a macroeconomic strategy and debt sustainability analysis is expected by June 2026. US Treasury General License 58 enables authorised advisory engagement despite sanctions. The creditor landscape includes China, Russia, bondholders and asset-related litigation, especially around Citgo. No digital-asset mechanism is included, despite Venezuela's failed Petro experiment.
https://cryptobriefing.com/venezuela-240-billion-debt-restructuring/

Iran reasserts its right to control shipping in Strait of Hormuz after ship hit near Oman, *The Straits Times*
Iran has reasserted its right to control shipping through the Strait of Hormuz, rejecting a US-Gulf statement demanding free, unconditional navigation without tolls or attempts at control. Tehran warned Gulf states against siding with Washington and said passage must account for Iran's coastal-state role. The confrontation intensified after a Singapore-flagged vessel was hit near Oman, with US officials attributing the attack to Iran, and Iranian state media later claiming three foreign tankers were turned back for unauthorised passage. The strait normally carries about one-fifth of global oil and liquefied natural gas supplies, making maritime governance central to energy security. An interim Iran-US framework now faces disputes over navigation, nuclear inspections, incentives and regional conflicts.
https://www.straitstimes.com/world/middle-east/iran-insists-on-right-to-control-shipping-in-strait-of-hormuz-after-ship-hit-near-oman

First global rules adopted for self-driving cars, says UN, The Straits Times

The first global regulatory framework for fully autonomous vehicles has been adopted at the UN World Forum for Harmonisation of Vehicle Regulations in Geneva, creating uniform safety requirements for vehicles equipped with automated driving systems. The rules exclude assisted-driving technologies and are intended to reduce fragmented national regulation, strengthen public trust and support international deployment. Manufacturers will need credible testing, audited safety governance across the system lifecycle, evidence that vehicles pose no unreasonable risk, continuous performance monitoring and storage of safety-relevant data. Major markets, including the US, China, the EU, Japan and Britain, backed the framework, expected to enter into force in January 2027. The move comes as robotaxi fleets expand rapidly, with IEA forecasts of 700,000 to three million vehicles by 2035.
https://www.straitstimes.com/world/europe/first-global-rules-adopted-for-self-driving-cars-says-un

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