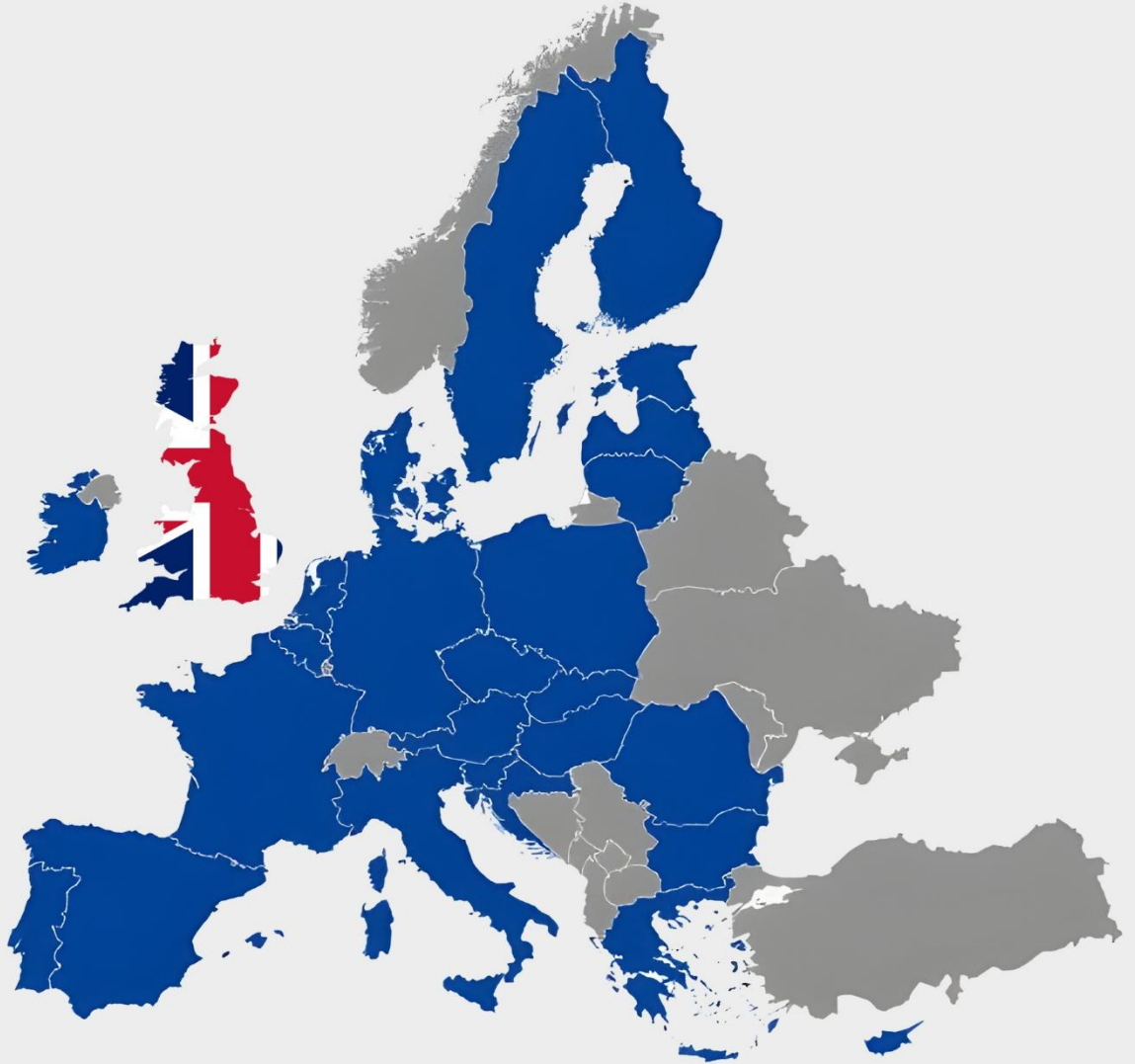


# CLAWS Newsletter



Europe in Focus | Volume I | Issue No. 02

by Khushboo Sen Dhuruv

## Europe in Focus: June 2026- Defence, Energy and Political Shifts Define Europe

June 2026 saw European diplomacy converge around two crises. The US-Iran memorandum of understanding dominated the G7 Évian summit, with France, Germany, the UK and Italy jointly welcoming the deal, pledging a defensive Strait of Hormuz mission, and reaffirming Iran must never acquire nuclear weapons. G7 leaders also unified on Ukraine, committing to increased air defence, long-range capabilities, and tighter sanctions on Russia.

France attracted €93 billion in investment at Versailles, while its private sector contraction eased. Germany's economy hit an 18-month low, and the Franco-German FCAS fighter jet programme collapsed. Britain experienced significant political turbulence, with PM Starmer resigning amid poll collapses, making him the UK's seventh prime minister in a decade. Italy navigated a Meloni-Trump rift while advancing nuclear energy legislation. Immigration, critical minerals, and AI adoption emerged as shared domestic priorities among these countries



**31 May (The Jerusalem Post): French Justice Minister Calls for Three-Year Immigration Freeze and Constitutional Reform.** Justice Minister Gérald Darmanin proposed a three-year halt on legal immigration, declaring France has "reached the limit of its absorption and integration capacity." He called for constitutional changes imposing mandatory immigration caps and ending family reunification rights for foreign workers. Darmanin also suggested a national referendum to bypass political gridlock, while signalling potential candidacy in France's 2027 presidential election.

**11 June(abcnews.com): G7 Summit Security Locks Down French-Swiss Border Region.** Ahead of the G7 summit in Évian-les-Bains, France deployed over 13,000 police while Switzerland mobilised 4,000 army personnel, with pandemic-like border restrictions affecting over 110,000 daily cross-border commuters. Geneva businesses boarded up storefronts fearing a repeat of violent 2003 protests, as anti-capitalism, environmental and pro-Palestinian groups organised demonstrations targeting leaders over tariffs, the Iran war and climate policy.

### **18 June (France24): Macron's Versailles Diplomacy: Grand Gestures, Mixed Results**

French President Macron used a lavish Versailles dinner to keep Trump engaged at the G7, securing unified declarations on Ukraine and Iran. Yet analysts note a persistent gap between Macron's bold rhetoric and concrete strategic impact — France's strained finances limiting its hard power despite intellectual leadership. His most enduring legacy may lie within the EU, where once-radical French ideas including joint borrowing, carbon border taxes and European defence autonomy have gradually become mainstream policy.

**22 June (The Guardian): UK-France "One In, One Out" Deal Patched After Smuggler Loophole.** Britain and France have amended their Channel migration treaty after people smugglers began using lorries to return deported migrants to the UK. A new "returnee case" classification allows re-entry migrants to be sent back to France regardless of how they returned. Since the deal began in August 2025, 921 migrants have been removed to France. The scheme, extended until October, has coincided with Channel crossings falling roughly a third year-on-year.



### **Economic, Finance, Trade & Commerce**

**1 June (Élysée): France Hosts 9th Choose France Summit at Versailles, Attracting Global Investors.** President Macron hosted the 9th Choose France Summit on June 1, 2026, at the Palace of Versailles, gathering over 200 foreign business leaders. Since its 2018 launch, the summit has facilitated more than 230 investment decisions totalling nearly €87 billion. Macron urged continued foreign investment to strengthen France's industrial base and European economic independence.

**11 June (Reuters): China Joins Macron-Led Video Call in Rare Economic Talks Ahead of G7 Summit.** Chinese Vice Premier Zhang Guoqing will join Macron's "Global Convergence for Growth" video conference on June 11, ahead of the G7 summit in Évian. Macron seeks cooperative engagement with Beijing before the EU decides on tougher trade measures against China's surging exports. Growing European alarm over China's record trade surplus and dominance in electric vehicles and high-tech products has intensified pressure for a unified response.

**23 June (Reuters): France's Private Sector Contraction Eases in June.** France's composite PMI rose to 47.6 in June from 44.9 in May, signalling a slower rate of contraction across both

manufacturing and services. Manufacturing edged back into growth at 50.7, while business confidence improved for the first time since January. However, new orders fell for a seventh consecutive month and export orders dropped sharply. Analysts noted cooling cost pressures but flagged ongoing uncertainty around Hormuz shipping as a risk to the outlook.

### **External Affairs & Diplomacy**

**7 June (Élysée): France, UK and Germany Reaffirm Unwavering Support for Ukraine, Set Five-Point Peace Framework.** President Macron, PM Starmer, and Chancellor Merz met President Zelenskyy on June 7, reaffirming unconditional support for Ukraine. They outlined a five-point peace framework demanding an immediate ceasefire, negotiations from the current contact line, binding security guarantees, frozen Russian assets until compensation, and European security safeguards. Leaders pledged increased military support and coordination at the upcoming G7 Évian and NATO Ankara summits.

**9 June (France diplomatie): Australia-France Upgrade Strategic Roadmap for Indo-Pacific Cooperation.** Australian Foreign Minister Penny Wong and French Minister Jean-Noël Barrot met on June 9, 2026, reaffirming their Indo-Pacific partnership built on shared values and rules-based international order. They agreed to elevate bilateral ties through an upgraded Roadmap expanding cooperation in defence, cybercrime, drug trafficking, critical minerals, and energy transition, while strengthening collaboration ahead of the 2030 French Alps and 2032 Brisbane Olympic Games.

**10 June (France diplomatie): India's G7 Role Indispensable, Rafale Deal to Follow Make in India: French Envoy.** French Ambassador Thierry Mathou, ahead of PM Modi's G7 visit to France, called India's involvement indispensable to global governance. He backed India's participation in a Strait of Hormuz defensive coalition, supported UNSC reform including India as a permanent member, and confirmed the Rafale MRFA deal will align with Make in India requirements.

**10 June (France diplomatie): Western Nations Jointly Condemn Iranian State Threats and HAYI-Linked Attacks in Europe.** France and 22 allied nations condemned Iran's Islamic Revolutionary Guard Corps for lethal plotting against dissidents, journalists, and Jewish communities across Europe, North America, and Australia. They also condemned HAYI-claimed attacks targeting Jewish communities and US interests. The joint statement demands

Iran immediately halt all malign activities, warning of further coordinated measures to protect national sovereignty and international norms.

**11 June (Reuters): Iran and Ukraine Dominate G7 Agenda as France Tailors Summit to Accommodate Trump.** France hosts the G7 summit in Évian-les-Bains on June 15–17, with Iran, Ukraine, and global economic imbalances dominating the agenda. French officials set expectations low, prioritising unity over breakthroughs while carefully crafting an agenda appealing to President Trump. Key issues include Iran's nuclear programme, stalled Ukraine peace negotiations, critical minerals supply chains, and addressing global macroeconomic imbalances linked to China's overproduction.

**12 June (Politico): UK and Canada in Talks on Defence Bank and GCAP Fighter Jet Programme.** Britain and Canada are in active negotiations over UK membership of Canada's NATO-linked Defence, Security and Resilience Bank, with former PM Gordon Brown engaging directly with Canadian PM Mark Carney. Canada is also in serious discussions about joining the GCAP sixth-generation fighter jet programme alongside Britain, Japan and Italy, citing its aeronautics industry and critical minerals supply chains as key contributions.

**15 June (France diplomatie): France, UK, Germany & Italy Welcome US-Iran Deal, Demand Hormuz Opening.** Leaders of France, the UK, Germany, and Italy welcomed the US-Iran memorandum of understanding, congratulating all mediators including Qatar and Pakistan. They called for urgent reopening of the Strait of Hormuz, pledged a defensive mission for safe navigation and mine clearance, reaffirmed that Iran must never acquire nuclear weapons, and expressed full support for Lebanon's sovereignty and ceasefire.

**16 June (France diplomatie): G7 Leaders Unite on Ukraine, Middle East and Indo-Pacific at Évian Summit.** G7 leaders pledged increased air defence and long-range capabilities for Ukraine, alongside tightened sanctions on Russia's energy sector. They welcomed the US-Iran deal secured under President Trump, backed a Franco-British defensive maritime mission to reopen the Strait of Hormuz, and reaffirmed that Iran must never acquire nuclear weapons. On the Indo-Pacific, they opposed any unilateral change to the status quo by force.

**22 June (mofa.gov.ga): Qatar-France FMs Discuss Bilateral Ties and Regional Security in Switzerland.** Qatar's Prime Minister and Foreign Affairs Minister Sheikh Mohammed bin Abdulrahman Al-Thani met French FM Jean-Noel Barrot in Switzerland's Burgenstock Resort, reviewing bilateral cooperation and regional developments. Qatar reaffirmed its support for

US-Iran negotiations, emphasising dialogue and peaceful solutions to foster regional security, stability, and prosperity for the broader international community.

### **Science and Technology**

**6 June (CNBC): Bouygues-Led Consortium Signs €20.35 Billion Deal to Acquire SFR, Reshaping French Telecoms.** Bouygues Telecom, Orange, and Free-iliad signed a €20.35 billion memorandum of understanding to acquire SFR from Altice France. If approved, the deal would reduce France's mobile network operators from four to three, marking one of Europe's biggest telecoms consolidations. Bouygues takes 52% of assets, Free-iliad 27%, and Orange 21%, with completion expected in the second half of 2027.

**16 June (Reuters Connect): France Attracts €93 Billion at Choose France Summit.** French President Emmanuel Macron announced €93 billion in investment pledges at the Choose France summit held at Versailles, including €45 billion from SoftBank. Macron highlighted France's advantage as Europe's largest electricity exporter with decarbonized energy, supporting data centre expansion. Key signatories included Mistral AI, MGX, Mubadala, and BPI France, reinforcing France's position as a top investment destination.

### **GERMANY**

#### **Internal Affairs**

**4 June (Euronews): Germany Stands Firm on Internal Border Controls Despite EU Pressure.** Germany's Interior Minister Alexander Dobrindt rejected EU calls to lift internal border checks, calling them "necessary" and effective in curbing illegal migration and smuggling. The EU Commission urged eight member states, including Germany, to gradually phase out controls following sweeping migration policy reforms. Meanwhile, the EU passed its toughest-ever migration law, enabling deportation centres outside the bloc to accelerate migrant returns.

**10 June (Euronews): Germany's Defence Resolve Is Stronger Than Headlines Suggest.** A Bundeswehr military sociologist argues that Germany's willingness to defend itself is widely underestimated. Survey data shows over 54% of German men and 23% of women aged 20–40 would take up arms if attacked — millions in absolute terms. Since 2022, self-described

pacifists have halved to just 13%, while security realists now represent nearly 70% of the population. Germany's scale, defence spending, and broad public support make it a more formidable force than its reputation suggests.

**16 June (Berlin.de): Berlin Marks 73rd Anniversary of East German Uprising.** Berlin's Governing Mayor Kai Wegner paid tribute to victims of the June 17, 1953 East German uprising, when thousands took to the streets demanding freedom and self-determination. What began as a protest against increased work quotas escalated into a popular revolt against the GDR regime, leaving over 50 dead and around 15,000 imprisoned. Wegner called the anniversary a reminder that democracy and freedom must never be taken for granted.

**17 June (indexbox): Over Four Million Refugees and Displaced Persons Reside in Germany.** German federal statistics office Destatis recorded more than 4 million refugees and displaced persons living in Germany in 2025, including 713,000 World War II-era displaced persons and 3.3 million post-1950 arrivals. Ukrainians (832,000) and Syrians (732,000) together account for nearly half of post-1950 forced migrants. Bremen recorded the highest share proportionally at 7.3%. The data, released on World Refugee Day, is drawn from the 2025 microcensus.

**22 June (Deutsche Welle): Germany's Left Party Eyes Berlin Mayoralty Amid Surging Membership.** Germany's socialist Left Party, buoyed by doubled membership exceeding 125,000 and polling nationally at over 10%, is targeting Berlin's September state election with candidate Elif Eralp. The party, predominantly young and female, is campaigning on affordable housing and social equity while opposing rearmament. New co-leader Luigi Pantisano courted controversy comparing CDU policies to fascism, later partially retracting the remarks.

### Economic, Finance, Trade & Commerce

**9 June (Euronews): German Industrial Output Ticks Up But Recovery Remains Elusive.** Germany's factory output rose 0.4% in April, its first monthly gain since the Middle East conflict began, driven largely by construction. However, analysts warn the uptick is "too little," with output still roughly 12% below pre-pandemic levels. New manufacturing orders fell 3.8%, energy prices surged over 10% annually, and the government slashed its 2026 growth forecast to just 0.5%, leaving hopes of an industrial rebound largely unfulfilled.

**10 June (bundesregierung.de): Germany Adopts New Aviation Strategy to Boost Competitiveness.** Germany's Federal Cabinet has approved a comprehensive 15-year aviation strategy, its first to address civil, military and industrial aviation together. Key priorities include economic competitiveness, technological sovereignty, resilience and sustainability. Measures include reducing air traffic control charges, lowering aviation tax from July, promoting renewable aviation fuels, and developing a new legal framework for drones by end of 2026.

**11 June (Reuters): Germany Races to Reform Before Summer Recess.** German Chancellor Friedrich Merz pledged to finalise economic reform proposals within weeks, ahead of parliament's July 11 recess. Addressing rising job losses and business closures, he stressed urgency around cutting red tape and reducing costs. Coalition tensions persist with Social Democrats over tax cuts and pension reforms. Business leaders remain cautiously optimistic, though no concrete agreements have yet been reached.

**23 June (Reuters): Germany's Business Activity Falls to 18-Month Low.** Germany's composite PMI dropped to 48.0 in June from 48.8 in May, its lowest in 18 months and well below analyst expectations of 49.6, marking a third consecutive month of contraction. Services led the decline, with the sector PMI hitting its weakest since November 2022 at 46.8. New business fell for a fourth straight month. The only bright spot was easing inflationary pressures, with input cost inflation cooling to a four-month low.

### External Affairs & Diplomacy

**28 May (Euronews): Germany and Netherlands to Bolster NATO's Eastern Flank with Baltic Command Centre.** Germany and the Netherlands will deploy a joint tactical headquarters, the 1GNC, capable of commanding up to 50,000 troops, to Estonia and Latvia this year, adding a second NATO command centre alongside the existing one in Szczecin, Poland. The move aims to strengthen deterrence against Russia, improve response capacity, and signals growing European willingness to shoulder NATO's eastern defence responsibilities amid intensifying hybrid threats.

**2 June (Euronews): Hungary's Magyar Meets Merz in Berlin, Signalling EU Reset.** Hungarian Prime Minister Péter Magyar visited Berlin for talks with Chancellor Merz, marking a fresh start after Viktor Orbán's 16-year rule. Germany expects Hungary to become a reliable, predictable EU partner, particularly on Ukraine support and bloc reforms. In return, Budapest

seeks German backing to unlock remaining frozen EU funds. Hungary's democratic shift is being watched as a cautionary symbol across Europe.

**3 June (Euronews): Germany Loses UN Security Council Bid for First Time.** Germany failed to secure a UN Security Council seat for the first time, receiving just 104 votes against Portugal's 134 and Austria's 131 in the General Assembly ballot. Analysts cited Germany's late entry into campaigning, its ambiguous stance on US and Israeli strikes on Iran, and diminished global credibility as key factors. The defeat marks a significant diplomatic setback for Europe's largest economy.

**9 June (Euronews): Europe's Most Ambitious Defence Project Collapses.** France and Germany have scrapped the Future Combat Air System (FCAS), a next-generation fighter jet programme launched in 2017 and estimated to cost €80–100 billion. Irreconcilable disputes between manufacturers Airbus and Dassault over technology sharing, intellectual property, programme leadership, and differing military requirements proved fatal. Work on the combat cloud network will continue, while Airbus seeks new partners and Dassault pursues an independent Rafale successor.

**16 June (bundesregierung.de): Germany Backs US-Iran Deal, Pledges Hormuz Mission Role.** Germany welcomed the US-Iran framework agreement, with Chancellor Merz stressing the need for full implementation, permanent Hormuz shipping access, verifiable dismantlement of Iran's nuclear programme, and an end to attacks on Israel. Alongside France, the UK and Italy, Germany committed to a defensive mission protecting merchant shipping and mine clearance, subject to Bundestag approval. Domestically, fuel taxes were cut by roughly 17 cents per litre to cushion economic impact.

**17 June (Euronews): Germany and Poland Forge Defence Pact as Europe's Power Balance Shifts.** Germany and Poland signed a new defence agreement covering Baltic security, military mobility, cyber defence and new technologies. With the US potentially scaling back its European presence, Germany aims to rebuild its military while Poland — already a heavy defence investor and key Ukraine logistics hub — seeks equal standing in major European decisions. Analysts note Poland's rising economic and military weight is reshaping Europe's strategic landscape.

**17 June (Reuters Connect): Merz Hails G7's Unified Stand on Ukraine.** Chancellor Merz declared the G7 summit at Evian-les-Bains a "very constructive" success, marking the first joint declaration on foreign and security policy since President Trump took office. All G7

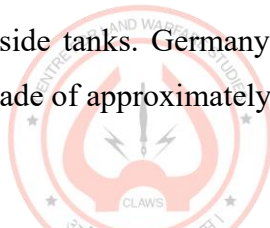
partners committed to stepping up military and financial support for Ukraine, including air defence and long-range capabilities, alongside intensified sanctions on Russia. Merz also announced an E5 format meeting in Berlin next week to prepare for the upcoming NATO summit.

**18 June (Reuters): Germany Deploys Vessels for Hormuz Mine-Clearing Mission.**

Germany is sending two ships, minesweeper *Fulda* and supply vessel *Mosel* — through the Suez Canal toward the Red Sea, ahead of a potential Strait of Hormuz operation. Defence Minister Pistorius confirmed the deployment as Trump signed a deal with Iran ending conflict that disrupted global shipping. Iran's approval remains required, and mine clearance could delay normal shipping resumption by weeks.

**23 June (Modern.az): Germany Flexes Military Muscle at NATO's Eastern Flank.**

German Defence Minister Pistorius observed the "Freedom Shield" exercises in Lithuania, near the Belarusian border, involving 2,900 soldiers and 800 vehicles from eight NATO nations — 2,300 of them German. The drills tested drone warfare and counter-drone capabilities using over 300 unmanned systems alongside tanks. Germany remains committed to permanently stationing a fully combat-ready brigade of approximately 4,800 troops in Lithuania by 2027.



**Science and Technology**

**11 June (Euronews): Germany Launches "Team Gen 6" Fighter Jet Consortium After FCAS Collapse.**

Days after the Franco-German FCAS programme fell apart, Airbus is leading an eight-company consortium — including MBDA and six German defence firms — to develop a sixth-generation fighter jet under the "Team Gen 6" banner. The German-backed initiative was unveiled at the ILA Berlin air show, with the consortium urging Berlin to award contracts by late 2026. Germany is also weighing alternatives, including purchasing additional US-made F-35s.

**11 June (Euronews): Drones Steal the Show at ILA Berlin Aerospace Exhibition.**

At Berlin's International Aerospace Exhibition, autonomous systems and drone technology overshadowed traditional fighter jets as the defining theme. Around 750 exhibitors from 37 countries showcased hardware ranging from air defence systems to satellites, with Chancellor Merz attending the unveiling of Quantum Systems' new Pulse P19, a piloted or autonomous

aircraft capable of counter-drone operations. Notably, younger defence startups and Ukrainian companies are increasingly prominent alongside established aerospace giants.

**23 June (Reuters): Germany Wins EU Backing for Advanced Semiconductor Facility.**

The European Commission approved €76 million in German state aid for Munich-based QuantumDiamonds GmbH to build a next-generation semiconductor testing facility. The project supports Germany's ambition to strengthen Europe's chip ecosystem and reduce dependence on foreign technology suppliers. The company will collaborate with universities, research institutes, and SMEs.

## ITALY

### Internal Affairs

**4 June (Politico): Is Italy's Giorgia Meloni in Trouble?** With a slowing economy, soaring energy costs and mounting defence spending pressures ahead of next year's Italian election, PM Giorgia Meloni faces significant headwinds. A small relief came as the European Commission exempted certain green investments from public spending rules. Meanwhile, Brussels is tightening pressure on Moscow, with ministers from 11 countries pushing to restrict EU tourist visas issued to Russian nationals.

**14 June (AP News): Rival Migration Rallies Draw Thousands in Rome.** Tens of thousands of people joined opposing migration demonstrations in Rome after a far-right petition calling for stricter measures against migrants secured enough support for parliamentary debate. The proposal has sparked controversy, with critics arguing it could violate anti-discrimination principles. The protests highlight growing tensions over immigration policy in Italy as the government balances tougher controls with plans to expand legal migration pathways.

**23 June (Reuters): Italy Rules Out April Election as Government Prioritises Reforms.**

Italy's Economy Minister Giancarlo Giorgetti has dismissed the possibility of a national election next April, saying it would disrupt efforts to pass key regional devolution reforms. He also expressed cautious optimism that Italy could exit the EU's excessive deficit procedure later this year if budget figures improve. Additionally, the government will allow temporary fuel tax cuts to expire, citing falling energy prices.

### Economic, Finance, Trade & Commerce

**3 June (Reuters): Italy Service Sector Faces Mounting Cost Pressures, PMI Shows.** Italy's services sector faced mounting pressure in May as input costs rose to their highest level in over three years, driven by Middle East conflict-related disruptions. The services PMI fell to 49.4, indicating a third consecutive month of contraction. Despite weaker activity, employment and business confidence improved slightly. The government also lowered growth forecasts, expecting economic expansion to remain below 1% through 2028.

**23 June (Nova. news): Tajani Warns of China's Industrial Challenge, Backs Italian Pharma Growth.** Italian Foreign Minister Antonio Tajani described China as a significant competitor in industry and critical raw materials, stressing the importance of securing supply chains. He praised Italy's strong export performance and highlighted the pharmaceutical sector's role in driving growth through innovation, research and training. Tajani also emphasized the industry's contribution to healthcare, prevention and international initiatives such as vaccine development programs.

**23 June (ANSAit): Italy Faces Deadline to Secure €15 Billion in EU Defence Funds.** Italy has roughly one month to decide whether to access nearly €15 billion available through the EU's SAFE defence programme, according to a senior European source. The €150 billion initiative offers low-interest loans for joint defence procurement and military investment. Officials warned that unused funds could be redistributed to other participating countries due to strong demand, increasing pressure on Rome to clarify its position.

### External Affairs & Diplomacy

**11 June (Reuters): Meloni Calls for Single EU Representative in Russia Peace Talks.** Italian Prime Minister Giorgia Meloni has urged the European Union to appoint a single representative for negotiations with Russia, arguing that smaller groups of countries cannot legitimately speak for the entire bloc. Speaking ahead of key EU and G7 meetings, she stressed the need for stronger EU-US coordination on Ukraine. Meloni also said the EU should be prepared to ease sanctions on Iran if Tehran demonstrates a genuine commitment to negotiations.

**19 June (Reuters): Meloni-Trump Rift Deepens, Raising Questions Over Italy's Foreign Policy.** Relations between Italian Prime Minister Giorgia Meloni and U.S. President Donald

Trump have deteriorated sharply following public exchanges at the G7 summit and disagreements over the Iran conflict. Meloni rejected Trump's claim that she sought a photo opportunity and criticized his treatment of Western allies. Analysts say the dispute undermines her strategy of maintaining close ties with Washington while positioning Italy as a bridge between the U.S. and Europe.

**23 June (Nova. news): Meloni Seeks to Ease Tensions with Trump, Stresses Strategic US Ties.** Italian Prime Minister Giorgia Meloni said she was surprised by recent remarks from Donald Trump but rejected efforts to escalate tensions, emphasizing the importance of maintaining strong US-Europe relations. Meloni expressed confidence that the dispute would not affect economic or diplomatic ties and urged a pragmatic approach to foreign policy. She also voiced cautious optimism about the US-Iran agreement and highlighted Italy's role in regional diplomacy.

**23 June (Nova. news): Italy and Tunisia Deepen Economic Ties Through Business Forum.** Italian Foreign Minister Antonio Tajani will visit Tunis to open the Italy-Tunisia Economic and Business Forum, aimed at strengthening trade, investment and industrial cooperation under Italy's Mattei Plan. The event will bring together hundreds of business and institutional representatives from both countries. Tunisia remains Italy's largest export market in Africa, with bilateral trade reaching €6.5 billion in 2025 and continuing to grow in 2026.

### Science and Technology

**4 June (ANSAit): Italy Moves Closer to Nuclear Energy Revival.** Italy's Lower House has approved legislation paving the way for the country's return to nuclear power, marking a major shift in energy policy. The government plans to use next-generation small nuclear reactors to reduce energy imports and support climate goals. The bill now moves to the Senate, where final approval is expected by the end of July, allowing implementation measures to begin later this year.

**17 June (Reuters): Italy Approves Leonardo-Baykar Drone Venture with Security Conditions.** Italy has conditionally approved a joint venture between defence group Leonardo and Turkish drone maker Baykar to develop and produce unmanned aerial vehicles. The partnership aims to strengthen Europe's drone industry and target a rapidly growing global

market. Under government conditions, drone sales and future expansion will be restricted to countries aligned with Europe and NATO, while all related technologies will remain classified.

**23 June (Reuters): Italy Signals Openness to New Partners in GCAP Fighter Jet Programme.** Italy has said more countries could join the Global Combat Air Programme (GCAP), the next-generation fighter jet project led by Italy, Britain and Japan. Defence Minister Guido Crosetto noted interest from Canada and said Italy would welcome participation from nations such as Germany or Saudi Arabia. Expanding the partnership could reduce development costs and strengthen industrial expertise as the project targets deployment by 2035.

## UNITED KINGDOM

### Internal Affairs

**5 June (BBC): UK Faces Highest Security Risks Since Cold War, Military Chief Warns.** Britain's top military officer, Sir Richard Knighton, has warned that the UK is facing its most dangerous security environment since the Cold War, citing increasing Russian military activity, cyber threats, and sabotage risks. He stressed the need for higher defence spending and faster military modernisation, including greater use of drones and autonomous systems. His comments come ahead of the government's long-awaited Defence Investment Plan, which will outline future defence funding and preparedness priorities.

**5 June (Reuters): Burnham Signals Challenge to Starmer's Labour Leadership.** Greater Manchester Mayor Andy Burnham has indicated he would enter a Labour leadership contest against Prime Minister Keir Starmer if he wins the upcoming Makerfield parliamentary by-election. Burnham argued the party needs fundamental change amid declining poll ratings and suggested potential rivals are already positioning themselves. His comments add to growing speculation about Labour's future leadership as pressure mounts on Starmer.

**16 June (The Guardian): UK Defence Funding Faces Fresh Scrutiny After Ministerial Resignations.** Former Defence Secretary John Healey has warned that the government's Defence Investment Plan falls “well short” of what is needed to address growing security threats, arguing that tougher funding decisions are required. Speaking after his resignation, Healey said the UK risks scaling back military operations without additional investment.

Defence officials have also cautioned that current spending levels may limit readiness, as concerns over national security and military preparedness continue to intensify.

**22 June (Reuters): Britain Braces for Seventh Prime Minister in a Decade.** Keir Starmer's resignation on Monday caps a turbulent decade of British politics rooted in the Brexit referendum, during which the UK cycled through Cameron, May, Johnson, Truss, Sunak and Starmer. Starmer's downfall came amid poll collapses, cabinet resignations over welfare and defence spending, and the Mandelson scandal. Greater Manchester Mayor Andy Burnham, backed by former Health Minister Wes Streeting, emerges as frontrunner to succeed him.

### **Economic, Finance, Trade & Commerce**

**4 June (Reuters): UK Signals India Trade Deal Intact Despite Steel Dispute.** Britain has sought to ease concerns over its free trade deal with India after disagreements over new UK steel trade measures. Trade Minister Peter Kyle said implementation talks are progressing well and suggested the agreement will not be renegotiated. While the rollout may be delayed beyond initial expectations, both countries remain committed to finalising the deal and advancing bilateral trade ties.

**8 June (Reuters): UK Banks seeking for Stronger Financial Ties with EU.** Ahead of the July UK-EU summit, British banks have called for closer financial cooperation with the European Union. Industry body UK Finance proposed moving beyond information sharing to greater regulatory coordination, easier cross-border professional mobility, and closer alignment on financial rules. While not seeking to reverse Brexit, the sector wants stronger collaboration to improve market access and competitiveness.

**22 June (Reuters): UK Invests £50 Million to Secure Critical Minerals Supply.** Britain is committing £50 million to boost domestic extraction, processing and recycling of critical minerals, building on over £200 million already invested in the sector. Funding is split across a rare earth magnet hub, a scaling accelerator and a demand aggregation platform. The move aims to reduce dependence on China, which controls around 70% of rare earth mining and 90% of refining globally, while strengthening supply chain resilience for technologies from EV batteries to smartphones.

**23 June (France24): Brexit at Ten: UK Economy Up to 8% Smaller, Regret Grows.** A decade after the Brexit vote, economists estimate it has shrunk the UK economy by 6–8%,

leaving the average Briton significantly poorer and costing billions in lost tax revenue. Goods trade, particularly food and cars, has been hardest hit, with UK food exports to the EU falling nearly a quarter. Nearly 60% of Britons now believe leaving was wrong, though economists warn the economic drag is likely to persist for years ahead.

### **External Affairs & Diplomacy**

**8 June (Reuters): Labour MPs Push for Ban on Trade with Israeli Settlements.** More than a third of Labour MPs have urged the UK government to ban trade with Israeli settlements in the occupied West Bank, citing concerns over settlement expansion and violence against Palestinians. The move increases pressure on Prime Minister Keir Starmer to take a tougher stance on Israel. Britain has already paused trade talks with Israel, imposed sanctions, and suspended some arms export licences.

**9 June (Government UK): UK Announces New Sanctions on Israeli Settler Networks.** The UK has unveiled a new package of sanctions targeting organisations linked to extremist Israeli settlers in the West Bank, while warning British businesses against economic activities in illegal settlements. Foreign Secretary Yvette Cooper also pledged additional humanitarian and governance support for Palestinians, including funding for aid, mine clearance and public services. The measures aim to support a two-state solution amid escalating regional tensions and ongoing humanitarian concerns.

**15 June (Reuters): European Powers Signal Readiness to Ease Iran Sanctions.** Britain, France, Germany and Italy have indicated they are prepared to lift sanctions on Iran following a U.S.-Iran agreement aimed at ending the conflict between the two countries. In a joint statement, the four nations reaffirmed that Iran must not acquire nuclear weapons and expressed readiness to work with the United States, Iran and the International Atomic Energy Agency to support the deal and regional stability.

**18 June (Reuters): UK to Supply 150,000 Drones to Ukraine in New Aid Package.** Britain has announced a £752 million (\$996 million) military support package for Ukraine, including 150,000 drones, 350 air defence missiles and radar systems to be delivered by the end of 2026. Funded through a UK-backed loan supported by frozen Russian assets, the package aims to strengthen Ukraine's defence capabilities as the conflict with Russia continues.

**22 June (Reuters): Brexit Divisions Continue to Hinder UK-EU Relations a Decade Later.**

Ten years after the Brexit referendum, relations between the UK and EU have improved but remain constrained by lingering mistrust and political sensitivities. While both sides have pursued closer cooperation on trade, defence and regulation, progress has been slow. The rise of populist parties across Europe and Britain has further limited deeper integration, highlighting the enduring political and economic challenges of rebuilding post-Brexit ties.

**Science and Technology**

**17 June (Reuters): UK AI Adoption Reaches Turning Point as Businesses Scale Up.**

Artificial intelligence adoption in the UK has reached a “tipping point,” with companies moving beyond experimentation to large-scale deployment, according to Google Cloud. Businesses and public-sector organisations are increasingly using AI to improve productivity, streamline operations and enhance services. Google estimates AI could boost productivity by around 20%, though experts stress that investment in skills, leadership and trust will be critical to sustaining growth.

**21 June (Reuters): UK Invests £50 Million to Strengthen Critical Minerals Supply Chain.**

The UK government will invest £50 million (\$66 million) to boost domestic production, processing and recycling of critical minerals used in technologies such as electric vehicle batteries and electronics. The initiative aims to reduce reliance on concentrated global supply chains, particularly China's dominance in rare earth materials. The funding will support innovation, scale-up projects and a new rare earth magnet hub to enhance economic and national security.

## About the Author

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