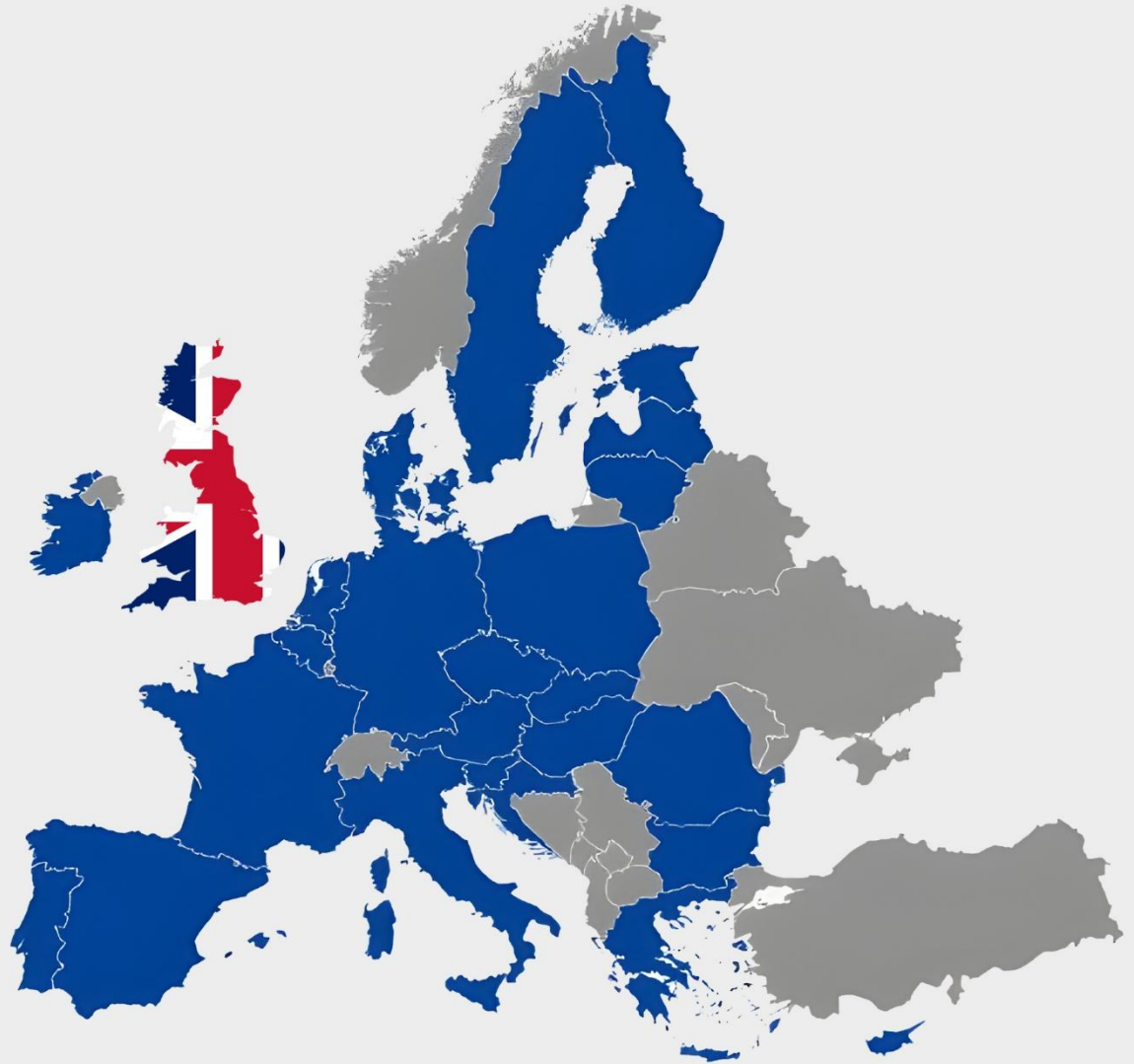


CLAWS Newsletter



Europe in Focus | Volume I | Issue No. 03

by Khushboo Sen Dhuruv

Europe in Focus: July 2026- Elections, Defence Buildup, and Leadership Shifts

This July, France, Germany, Italy, and the UK have been focused on election-year positioning, defence expansion, and leadership change. France saw Le Pen launch her 2027 presidential bid despite her embezzlement conviction, Macron mark his final Bastille Day, and Paris deepen Ukraine support through Rafale jets and missile production deals, while strengthening NATO commitments in Finland and facing fiscal deficit pressures ahead of 2027. Germany grappled with the AfD's growing influence and mass protests, raised its national security threat level, overhauled defence procurement toward start-ups and drones, agreed to buy US Tomahawk missiles, and proposed record 2027 borrowing for defence and infrastructure. Italy saw Meloni's coalition suffer a parliamentary defeat on electoral reform, posted modest GDP growth amid weak real wages, expanded defence exports (Fincantieri frigates to Portugal), and pursued diplomatic roles in Ukraine and Israel-Palestine talks. The UK underwent a leadership transition as Andy Burnham replaced Starmer as PM, unveiling cost-of-living relief, naval investment at Faslane, and a contentious restructuring of its technology department.



Internal affairs

8 July ([The Guardian](#)): Marine Le Pen Launches 2027 French Presidential Campaign After Appeal Court Ruling. French far-right leader Marine Le Pen launched her 2027 presidential campaign after an appeal court reduced her electoral ban despite upholding her embezzlement conviction. She plans to appeal to France's highest court, temporarily suspending her sentence. The legal proceedings have intensified political debate, while Le Pen continues campaigning on issues including inflation, security, deindustrialisation, and immigration.

15 July ([Le Monde](#)): Macron Marks Final Bastille Day with National Tribute. French President Emmanuel Macron commemorated his final Bastille Day in office by leading a military parade in Paris and honouring the 86 victims of the 2016 Nice terror attack. During a ceremony in Nice marking the attack's 10th anniversary, he reaffirmed the nation's commitment to remembering the victims and pledged continued state support for survivors and their families.

22 July ([Le Monde](#)): France Plans Harsher Penalties for Election Disinformation. France has proposed tougher laws against election interference ahead of the 2027 presidential vote. The bill would increase penalties for spreading disinformation affecting election integrity to up to three years in prison and a €45,000 fine, rising to six years if linked to a foreign power. It also expands fast-track judicial powers to remove false online content across all elections.

Economic, Finance, Trade & Commerce

7 July ([Reuters](#)): France's 2026 Deficit Target at Risk as Growth Forecast Declines. France may miss its 2026 public deficit reduction target as weaker economic growth reduces tax revenues and increases spending pressures. Finance Minister Roland Lescure lowered the growth forecast to 0.7% and warned additional savings may be required. The government plans further spending cuts while managing rising debt concerns ahead of the 2027 budget and upcoming presidential election.

22 July ([IMF](#)): IMF Urges France to Accelerate Fiscal Reforms. The IMF said France's economy remains resilient despite slowing growth, rising energy prices, and spillovers from the Middle East war. It projects GDP growth to ease to 0.6% in 2026 and urged the government to pursue expenditure-led fiscal consolidation, structural reforms, and targeted energy support. The IMF also highlighted the need to strengthen labour markets, maintain financial stability, and reduce the fiscal deficit below 3% of GDP by 2029.

23 July ([Reuters](#)): French Business Confidence Hits Four-Month High Despite Risks. French business confidence rose to a four-month high in July, reaching 97 points as firms remained resilient despite Middle East tensions and severe heatwaves. Manufacturing sentiment improved on stronger output and orders, while services and retail also gained confidence. Retailers recorded the biggest jump, supported by better outlooks and demand expectations. However, supply constraints increased and construction confidence stayed unchanged amid cautious views on activity.

External Affairs & Diplomacy

3 July ([Élysée Palace](#)): UK, France and Oman Strengthen Maritime Security in the Strait of Hormuz. France and the United Kingdom announced enhanced cooperation with Oman to ensure safe navigation through the strategically important Strait of Hormuz. Both countries expressed readiness to deploy a wider multinational military mission supporting freedom of navigation. The declaration reaffirmed commitment to regional stability, state sovereignty,

international law, and collective efforts to safeguard global trade and maritime security in the Gulf.

6 July ([Reuters](#)): France Softens Opposition to Potential SAMP/T Air Defence Sale to Turkey. France has reportedly eased its opposition to a possible sale of the Franco-Italian SAMP/T air defence system to Turkey, reviving discussions stalled by past political tensions. The move follows improved France-Turkey relations and reflects NATO's evolving defence priorities. Any agreement would likely involve the upgraded system and require diplomatic assurances to Greece and Cyprus before approval.

6 July ([Reuters](#)): Macron Becomes First EU Leader to Visit Syria After Assad's Ouster. French President Emmanuel Macron became the first EU head of state to visit Syria since Bashar al-Assad's removal in 2024. The visit aims to strengthen diplomatic ties, support Syria's reconstruction, and promote an inclusive political transition. Macron also stressed respect for Syria's diversity, discussed regional security, and warned against any Syrian military involvement in neighbouring Lebanon.

8 July ([Élysée Palace](#)): France Joins NATO's Forward Land Forces Battlegroup in Finland. France, Sweden, and Finland announced France's participation in NATO's Forward Land Forces (FLF) Finland battlegroup, established in June 2026. France will deploy ground forces, integrate battle units into FLF rotations, and train critical enablers as required. The move strengthens NATO's deterrence in the High North and reflects the partners' commitment to European security and collective defence

10 July ([Élysée Palace](#)): France and Poland Launch First Nuclear Steering Group Dialogue. France and Poland held their inaugural Nuclear Steering Group meeting in Paris to strengthen bilateral strategic cooperation on European security. Building on France's forward deterrence initiative, senior defence and foreign affairs officials discussed regional security challenges and adopted a joint roadmap. The dialogue aims to deepen defence collaboration, enhance strategic coordination, and contribute to a safer and better-defended Europe.

13 July ([Élysée Palace](#)): Coalition of the Willing Reaffirms Support for Ukraine and Pushes for Lasting Peace. Meeting in Paris, the Coalition of the Willing reaffirmed unwavering support for Ukraine, urging an immediate ceasefire and negotiations involving Ukraine and European partners. Members pledged increased military aid, stronger sanctions on Russia, action against the Russian shadow fleet, and legally binding security guarantees.

They also confirmed readiness to deploy the Multinational Force for Ukraine after hostilities cease.

14 July ([Élysée Palace](#)): France and Ukraine Expand Defence Partnership with Rafale Jets and Air Defence Cooperation. France and Ukraine strengthened defence cooperation through agreements on Rafale fighter aircraft, advanced air defence systems, and licensed production of AASM bombs, SCALP, and Aster 30 missiles in Ukraine. France will train Ukrainian personnel, accelerate deliveries of SAMP-T systems and radars, and support Ukraine's missile development, reinforcing European defence integration and Ukraine's long-term security capabilities.

15 July ([Le Monde](#)): French PM Visits Morocco to Strengthen Bilateral Relations. French Prime Minister Sébastien Lecornu began his first official foreign visit in Rabat, accompanied by 12 ministers, to deepen cooperation with Morocco. The talks aim to strengthen political, economic, and strategic ties following renewed relations between the two countries. The visit also sets the stage for a planned state visit by King Mohammed VI to France later this year.

17 July ([Élysée Palace](#)): France and Germany Deepen Strategic, Defence, and Economic Cooperation. At the 26th Franco-German Ministerial Council, France and Germany strengthened cooperation on European defence, industrial collaboration, economic competitiveness, and strategic sovereignty. Leaders coordinated positions on key international issues, addressed macroeconomic challenges, and promoted initiatives against disinformation, online harms, and foreign interference. The meeting also reinforced cross-border cooperation and youth exchanges, enhancing bilateral ties and European resilience.

Science and Technology

17 July ([ANSA](#)): France and Germany expand cooperation in AI, space and advanced technology. France and Germany have agreed to strengthen cooperation in key technology sectors, including artificial intelligence, space exploration, nuclear fusion and quantum technology. The partnership, announced at the Franco-German Council of Ministers meeting, includes the creation of a joint high-level working group for the space sector. The initiative aims to boost Europe's technological leadership and competitiveness in strategic scientific fields.

GERMANY

Internal affairs

4 July ([Reuters](#)): Thousands Protest as Germany's AfD Re-elects Leaders Amid Rising Political Influence. Around 15,000 protesters demonstrated in Erfurt against Germany's far-right Alternative for Germany (AfD) during its annual conference. The party re-elected co-leaders Alice Weidel and Tino Chrupalla and reaffirmed its hardline stance on immigration. With the AfD leading national opinion polls and targeting regional election victories, the protests underscored growing concerns over its expanding political influence.

16 July ([The Guardian](#)): Germany Warns US Against Election Interference Over MAGA-Linked Grant Scheme. German Chancellor Friedrich Merz warned the United States against interfering in Germany's democratic process after the US State Department announced grants of up to \$3 million for Europe-based organisations supporting issues linked to the MAGA agenda. Berlin expressed concerns that the initiative could influence domestic politics, underscoring the importance of respecting national sovereignty and electoral independence.

18 July ([Reuters](#)): Germany raises national security to "high threat level". Interior Minister Alexander Dobrindt announced that Germany had upgraded its national security posture to a high threat level after intelligence agencies reported growing security risks. The decision strengthens surveillance, critical infrastructure protection and coordination among federal and state security authorities in response to an increasingly complex threat environment.

22 July ([The New York Times](#)): Germany Overhauls Defense Strategy by Embracing Start-Ups and Advanced Weapons. Germany is transforming its military procurement system as threats from Russia grow and reliance on U.S. support declines. The country is moving beyond traditional arms manufacturers, investing in defence start-ups developing drones, artificial intelligence and autonomous weapons. Billions are being allocated for new technologies, though critics warn about risks from untested systems. The shift aims to modernize Germany's armed forces for future warfare.

Economic, Finance, Trade & Commerce

3 July ([Reuters](#)): Germany's 2027 Budget Draft Projects Over €203 Billion in Borrowing. Germany's draft 2027 budget proposes borrowing over €203 billion to boost investment, defence, and infrastructure while supporting its struggling economy. Total spending is set at €555.4 billion, with investments of €117.5 billion and defence spending rising to €109.8 billion.

The budget also warns that prolonged Middle East disruptions could adversely affect Germany's economy through energy supply shocks.

8 July ([The Guardian](#)): German Auto Industry Warns of Major Job Cuts. Germany's automotive industry has warned that Europe faces major job losses unless bold action is taken to counter Chinese competition and weak demand. Volkswagen is expected to propose up to 100,000 job cuts by 2030 and may consider foreign ownership of some plants to preserve employment. Industry leaders say excess production capacity threatens factories and the sector's long-term competitiveness.

7 July ([Deutsche Welle](#)): Germany's Debt Surge Signals Major Shift Toward Defence Spending. Germany's 2027 budget plans raise spending to €555 billion, with record borrowing and a major increase in defence funding. The government is prioritizing military modernization and infrastructure through debt-financed funds, while social programs and development aid face cuts. Rising debt, economic weakness, and pressure on the debt brake mark a significant policy transformation.

External Affairs & Diplomacy

3 July ([Reuters](#)): Germany Defends Defence Spending After Trump's Criticism. German Chancellor Friedrich Merz defended Germany's increased defence spending after U.S. President Donald Trump criticised the country's past NATO contributions. Merz said Germany will double its defence budget within four years and achieve NATO's 3.5% GDP defence spending target by 2029, ahead of schedule. The remarks come before the NATO summit amid tensions over European security and transatlantic relations.

3 July ([Reuters](#)): Germany Seeks Urgent Talks with China Over Alleged Training of Russian Soldiers. Germany summoned China's ambassador for urgent talks following reports that China trained Russian soldiers with approval from Russia's defence leadership. Berlin said any support enabling Russia's war against Ukraine directly threatens European security. China denied the allegations, calling them unfounded. The development highlights growing diplomatic tensions over Beijing's alleged role in supporting Russia's military efforts.

8 July ([German Federal Foreign Office](#)): Germany's Foreign Minister Wadephul Strengthens African Partnerships. German Foreign Minister Johann Wadephul is visiting Mauritania, Nigeria, and South Africa to deepen cooperation on security, trade, energy, and development. The trip highlights Germany's commitment to stronger Africa-Europe ties amid

global challenges. Discussions focus on regional stability, economic opportunities, renewable energy, and engaging young generations to shape future partnerships between Germany and key African nations.

9 July ([Deutsche Welle](#)): Germany to Buy US Tomahawk Missiles, Closing Strategic Defence Gap. German Chancellor Friedrich Merz announced that Germany has agreed to purchase and station US Tomahawk cruise missiles following the NATO summit in Ankara. He said the deal would close a major defence gap while Germany develops its own European weapons systems. Merz highlighted NATO unity but stressed Europe must strengthen its independent security capabilities. The agreement comes amid rising concerns over regional threats and defence readiness.

13 July ([Reuters](#)): Germany's Merz Calls on China to Allow Freer Yuan Exchange Rate. German Chancellor Friedrich Merz urged China to engage in talks over its currency policy, arguing that the European Union cannot compete fairly if Beijing artificially manages the yuan's value. Speaking in Cologne, Merz said Germany and the EU want China to allow its currency to float freely, particularly in capital markets, to ensure fairer global competition and address economic imbalances.

17 July ([Deutsche Welle](#)): Merz and Macron Showcase Franco-German Unity Amid Political Uncertainty. German Chancellor Friedrich Merz and French President Emmanuel Macron highlighted renewed cooperation through meetings and joint events, despite disagreements over energy and defence projects. Their partnership is driven partly by concerns over a possible Marine Le Pen victory in France's 2027 election, which could challenge European integration and strain long-standing Franco-German ties.

Science and Technology

3 July ([Deutsche Welle](#)): German AI Combat Drones Tested on Ukraine's Front Lin. Germany's Helsing is supplying Ukraine with AI-powered HX-2 combat drones, which are being tested against Russian forces near Pokrovsk. While soldiers report advantages in speed, manoeuvrability and autonomous targeting, technical issues and electronic warfare challenges remain. The drones are also expected to enter German military service as Berlin expands defence capabilities.

14 July ([Reuters](#)): EU approves €659 million German aid for semiconductor projects. The European Commission has approved €659 million in German state aid to support four advanced semiconductor facilities in Germany. Reuters reported that the projects are designed to strengthen Europe's chip supply chain, boost technological independence and turn the EU Chips Act goals into reality. The investment targets key areas of semiconductor production and supports Europe's efforts to compete in the global technology sector

16 July ([Deutsche Welle](#)): Germany Expands Federal Police Powers With AI Surveillance and Drone Controls. Germany has approved a major expansion of federal police powers, allowing greater use of artificial intelligence, facial recognition, surveillance tools and drone defences. The government says the reforms are needed to address modern security threats and technological changes. Critics warn the measures could weaken privacy rights, enable mass surveillance and face constitutional challenges. Human rights groups also raise concerns over expanded deportation and search powers.

ITALY

Internal affairs

8 July ([ANSA](#)): Italy's Government Proposes Tougher Migration and Citizenship Rules. Italy's ruling parties have introduced bills to increase migrant deportations and tighten citizenship laws. The proposals target non-EU nationals convicted of serious crimes and expand grounds for citizenship revocation. Supporters say reforms strengthen security, while opposition parties warn they risk violating constitutional equality and promoting discrimination.

14 July ([ANSA](#)): Italy's Ruling Coalition Advances New Election Law Reform. Italy's governing coalition has reached agreement on a proposed electoral law overhaul, including voter preferences for candidates and bonus seats for coalitions securing 42% of votes. The opposition criticizes the reform as politically motivated, while concerns remain over gender representation and the potential impact on women's participation in parliament.

15 July ([The Guardian](#)): Meloni Faces Setback Over Electoral Reform. Italian Prime Minister Giorgia Meloni's coalition suffered a parliamentary defeat after lawmakers rejected a key electoral reform amendment by one vote, exposing divisions within the governing alliance. Opposition parties demanded snap elections and Meloni's resignation, while her government

pledged to continue pursuing reforms, insisting the coalition remained stable despite an internal rebellion by several lawmakers.

16 July (ANSA): Nicaragua Moves to Cut Diplomatic Ties with Italy After Tajani Criticism. Nicaragua announced plans to sever diplomatic relations with Italy after Foreign Minister Antonio Tajani criticized its government as “extremist.” Tajani also accused Nicaragua of protecting former Red Brigades member Alessio Casimirri. The dispute has prompted a formal protest from Managua and heightened tensions between the two countries.

Economic, Finance, Trade & Commerce

7 July (ANSA): OECD Forecasts Decline in Italy's Real Wages. The OECD projects Italy's real wages will fall by 0.9% in 2026 before rising marginally by 0.2% in 2027. Although wages grew 1.3% year-on-year in early 2026 due to lower inflation, they remain 6.1% below 2021 levels, the widest gap among major OECD economies. Rising energy prices, limited contract renewals and labour market slack are expected to continue weighing on workers' purchasing power.

8 July (ANSA): UniCredit Raises Commerzbank Stake to 47.59%. Italian banking giant UniCredit said it now owns 47.59% of Commerzbank after acquiring an additional 17.60% through its takeover offer, exceeding its initial expectations. CEO Andrea Orcel described the move as a step toward long-term control, though not immediate ownership. The bid remains opposed by Commerzbank's management and the German government, which holds about 12% of the bank.

16 July (ANSA): Hormuz Blockade Reshapes Global Energy Market: Eni CEO. Eni CEO Claudio Descalzi warned that Iran's renewed blockade of the Strait of Hormuz has fundamentally altered the global energy landscape. He said oil prices remain relatively contained due to the release of OECD reserves but cautioned that prolonged disruption will increase risks, insurance costs and investment expenses. Descalzi added that Europe can no longer rely on the pre-crisis energy model centred on Russia and the Middle East.

17 July (ANSA): Italy's GDP Grows 0.4% in Q2, Inflation Eases. Italy's economy expanded by 0.4% in the second quarter of 2026, while inflation is expected to ease to 2.5% in July, according to retail association Confcommercio. Despite renewed Middle East tensions, the group forecasts GDP growth close to 1% for 2026, supported by resilient consumer

spending, stronger demand for services and tourism, and improving household purchases, though growth could slow in 2027.

20 July (ANSA): Portugal Orders Italian-Built Frigates, Boosting European Defence Cooperation. Portuguese Prime Minister Luís Montenegro announced the purchase of three Evo-class frigates built by Italy's Fincantieri, according to Italian Prime Minister Giorgia Meloni. She said the deal highlights Italian industrial excellence and shows Europe can strengthen strategic autonomy by investing in its own defence technology and capabilities.

External Affairs & Diplomacy

6 July (ANSA): Italy Stresses Need to Maintain US Alliance Despite Trump-Meloni Tensions. Italian Defence Minister Guido Crosetto said relations with the United States must remain strong despite personal disputes between leaders. He downplayed US President Donald Trump's criticism of Prime Minister Giorgia Meloni, emphasising that alliances are more important than individual political figures and highlighting Italy's commitment to cooperation with Washington.

8 July (ANSA): Meloni Reaffirms Italy's Support for Ukraine at NATO Summit. Italian Prime Minister Giorgia Meloni met Ukrainian President Volodymyr Zelensky during the NATO summit in Ankara, reaffirming Italy's commitment to Ukraine. Meloni pledged continued assistance, including support for strengthening Ukraine's energy infrastructure damaged by Russian attacks, while backing efforts toward a just and lasting peace.

22 July (ANSA): UK and Italy Aim to Strengthen Ties Under New Prime Minister Burnham. British Ambassador Stephen Hickey said relations between Italy and the UK will remain strong under Prime Minister Andy Burnham and Giorgia Meloni. He highlighted shared priorities, including NATO security, Russia's threat, AI, and European defence cooperation. Hickey also expects closer UK engagement with Europe amid global challenges and changing transatlantic relations.

22 July (ANSA): Rome to Host Global Talks on Israeli-Palestinian Two-State Solution. Italy will host a Global Alliance meeting on the Israeli-Palestinian two-state solution on July 28-29, Foreign Minister Antonio Tajani announced. The talks, co-chaired with Saudi Arabia, will focus on peace efforts and interfaith dialogue. Rome will also host Lebanon talks in August, as Italy seeks a diplomatic role in regional conflicts

Science and Technology

1 July ([ANSA](#)): Italian Astronaut Luca Parmitano to Carry National Flag on Artemis III Mission. Prime Minister Giorgia Meloni presented Italy's flag to astronaut Luca Parmitano ahead of his Artemis III mission, scheduled for 2027. Parmitano, selected as the mission's pilot by NASA, will help test systems for future lunar exploration. The assignment highlights Italy's growing role and achievements in the global space sector.

14 July ([ANSA](#)): Italian media watchdog urges human responsibility in AI era. Italy's communications authority Agcom warned that technology must remain guided by human values as artificial intelligence becomes more powerful. President Giacomo Lasorella said AI systems reflect the choices of their designers, regulators and users, stressing the need for accountability. He also highlighted the importance of protecting online information pluralism to preserve democratic debate amid rising AI-generated content and manipulation risks.

23 July ([Euronews](#)): Florence Opens Italy's First Digital Addiction Centre. Florence will launch "Discover – Out of the Shell," Italy's first specialist centre for digital addiction, aimed at helping people aged 10–25 develop healthier technology habits. Rather than imposing bans, the centre will focus on prevention, guided disconnection, counselling, workshops, and media education. The initiative comes as several European countries introduce stricter measures to protect minors from excessive social media use.

UNITED KINGDOM

Internal affairs

1 July ([BBC](#)): UK Proposes Asylum Cost-Recovery Scheme Under New Immigration Bill. The UK's proposed Immigration and Asylum Bill requires employed refugees granted asylum to repay about £10,000 towards government-funded accommodation and support before permanent settlement. The legislation also introduces faster appeals, stricter asylum rules, and expanded safe legal migration routes. The government says it ensures taxpayer fairness, while critics argue it imposes undue financial burdens on vulnerable refugees.

6 July ([Reuters](#)): UK Tightens Political Donation Rules to Curb Foreign Influence. The UK has introduced stricter rules on political donations to prevent foreign influence in elections. Candidates must disclose significant pre-candidacy donations, major overseas donors must

meet stricter residency requirements, and company donations will be assessed using post-tax profits. The reforms follow concerns over foreign interference and investigations into political funding linked to Reform UK leader Nigel Farage.

7 July ([Reuters](#)): Nigel Farage Resigns as MP to Recontest Seat Amid Funding Scrutiny.

Reform UK leader Nigel Farage resigned as a Member of Parliament to trigger a by-election and seek a fresh mandate amid scrutiny over undisclosed gifts and political funding. Farage described the move as a challenge to the political establishment. The by-election comes as investigations continue into his financial disclosures, testing his political credibility and voter support.

8 July ([The Guardian](#)): Marine Le Pen's Presidential Gamble. The Guardian argues Marine Le Pen's decision to run for France's 2027 presidency despite her embezzlement conviction is a high-risk political gamble. It says she is using legal appeals to remain eligible while potentially portraying judicial action as political persecution. The editorial warns her candidacy threatens democratic norms and urges mainstream parties to mount a stronger, united response before the election.

14 July ([BBC](#)): UK Announces £15 Billion Upgrade of Faslane Naval Base. The UK government unveiled a £15 billion modernisation of Faslane naval base under Project Royal Oak to enhance Royal Navy warfighting readiness. The programme includes upgraded infrastructure, training, engineering, and research facilities, supporting thousands of jobs. Additional investments in Portsmouth, Devonport, fuel storage, and marine infrastructure aim to strengthen Britain's nuclear deterrence and overall defence capabilities over the next decade.

14 July ([The Guardian](#)): Starmer Receives France's Highest Honour. Outgoing UK Prime Minister Keir Starmer became the first serving British premier to receive France's Légion d'honneur from President Emmanuel Macron. The award recognised Starmer's leadership in establishing the UK-France-led Coalition of the Willing supporting Ukraine and strengthening European security. Macron praised his reliability, leadership and commitment, highlighting improved Anglo-French relations during his premiership.

21 July ([BBC](#)): Andy Burnham Assumes Office as UK Prime Minister, Outlines Domestic Priorities. Andy Burnham became the United Kingdom's Prime Minister, replacing Keir Starmer and announcing priorities including ending rough sleeping, reducing living costs, expanding council housing, and reforming education. He appointed a new cabinet, pledged

adherence to fiscal rules while boosting defence spending, and promised a 10-year national development plan aimed at economic renewal, public welfare, and political stability.

21 July (BBC): John Healey Appointed UK Chancellor Under Prime Minister Andy Burnham. Prime Minister Andy Burnham appointed John Healey as the United Kingdom's Chancellor, replacing Rachel Reeves. A veteran Labour politician and former Defence Secretary, Healey previously resigned over inadequate defence funding. Known for advocating economic growth, reindustrialisation, and higher defence spending, he now assumes responsibility for national fiscal policy, balancing economic stability with investment in defence and public services.

8 July (The Guardian): Asylum Seeker Criticises 'One In, One Out' Policy. An asylum seeker brought to Britain under the UK's "one in, one out" scheme has criticised the policy as unfair because another migrant was deported to France in exchange for his entry. While grateful for safe, legal passage, he opposed returning others with similar claims and criticised restrictions preventing asylum seekers from working or studying while awaiting decisions.

Economic, Finance, Trade & Commerce

13 July (BBC): UK and Switzerland Sign Landmark Services Trade Agreement. The United Kingdom and Switzerland signed a landmark services trade agreement eliminating roaming charges, enabling British travellers to use Swiss airport e-gates, and permanently allowing professionals to provide services without work permits for up to 90 days. The deal also eases employee transfers, strengthens bilateral trade, and is expected to boost UK service exports to Switzerland by £5.2 billion annually.

22 July (Euronews): UK PM Burnham Unveils Cost-of-Living Relief Measures. New UK Prime Minister Andy Burnham has announced a package to ease living costs, including scrapping the 5% VAT on household electricity bills from October and capping single bus fares in England at £2 from January 2027. The measures aim to reduce household expenses while supporting public transport, though questions remain over funding and long-term fiscal sustainability.

23 July (Reuters): UK Prime Minister Burnham cuts business rates for pubs and venues. Britain's new Prime Minister Andy Burnham announced a 20% business rates reduction for pubs, clubs and live music venues from April. The measure will benefit around 32,000 businesses, saving a typical pub about £1,100 annually. The £100 million policy aims to support

local businesses, boost confidence and reduce operating costs, though restaurant and hotel groups urged the government to extend similar relief across the wider hospitality sector.

External Affairs & Diplomacy

6 July ([The Gurdian](#)): Debate Intensifies Over UK Defence Spending Priorities. A public debate in the United Kingdom questioned plans for increased defence spending, arguing that Europe's existing NATO defence budgets already exceed Russia's. Commentators stressed that stronger political resolve and strategic coordination, rather than higher expenditure alone, are essential to address security challenges. The discussion also highlighted concerns about balancing defence investments with domestic development priorities and public welfare.

7 July ([Reuters](#)): UK and Netherlands Sign \$3.2 Billion Maritime Defence Partnership. The United Kingdom and Netherlands signed a \$3.2 billion maritime partnership to develop new amphibious transport ships for their armed forces. The agreement combines British industrial expertise with Dutch naval design capabilities and aims to strengthen NATO's defence capabilities. The deal was announced during the NATO summit in Turkey, highlighting closer European security cooperation amid rising regional threats.

8 July ([The Guardian](#)): UK and France Boost Border Staff to Reduce Travel Delays. The UK and France will increase staffing at Channel border crossings to reduce expected summer travel disruption caused by the EU's new Entry/Exit System requiring fingerprint and facial recognition checks. Britain has pledged £20 million to improve processing capacity, while French authorities plan additional border officers as officials seek to prevent long queues and congestion during peak holiday travel.

14 July ([BBC](#)): Keir Starmer Becomes First Serving UK Prime Minister to Receive France's Legion d'Honneur. Outgoing UK Prime Minister Keir Starmer became the first serving British premier to receive France's Legion d'Honneur, the country's highest civilian distinction. President Emmanuel Macron honoured his leadership, commitment to European security, support for Ukraine, and strengthening UK-France relations. The award was presented during the Coalition of the Willing meeting, with tributes from Ukrainian President Volodymyr Zelensky and European leaders.

Science and Technology

18 July ([The Guardian](#)): UK tech leaders oppose plan to scrap technology department.

Andy Burnham's proposal to abolish the Department for Science, Innovation and Technology (DSIT) has sparked criticism from MPs, officials and technology experts. They warn the move could weaken the UK's AI and innovation strategy by causing disruption during a crucial period for technological growth. Critics argue that merging responsibilities into a larger business department would waste time and reduce focus on science and digital development.

20 July ([The Guardian](#)): Jeff Bezos backs CuspAI's AI materials mission. Jeff Bezos and the UK government have invested in CuspAI, a Cambridge-based AI startup valued at \$2.6bn after raising \$450m. The company launched the AI Materials Foundry coalition with firms including Nvidia and Meta to develop AI-driven software for discovering new materials. CuspAI aims to reduce reliance on rare metals and speed breakthroughs in semiconductors, batteries and energy technologies while expanding its global operations internationally.

22 July ([Politico](#)): UK Restructures Tech Department, Sparking Industry Concerns. UK Prime Minister Andy Burnham has dismantled the Department for Science, Innovation and Technology (DSIT), redistributing its responsibilities across new government departments. While ministers say the overhaul will improve coordination and embed technology policy across government, industry groups warn it could slow AI reforms, weaken dedicated tech expertise, and create uncertainty. The government insists the changes will strengthen innovation, business growth, and AI leadership.

About the Author

Khushboo Sen Dhuruv is currently serving as Research Assistant at the Centre for Land Warfare Studies (CLAWS), New Delhi. She completed her Ph.D. and M.Phil. from the Centre for European Studies, School of International Studies, Jawaharlal Nehru University. She also holds a Master's degree in Politics (specialization in International Relations), JNU, and a Bachelor's degree in Political Science, University of Delhi. Her academic and research interests focus on Europe, EU Foreign, Security and Defence Policy, Russia, Transatlantic Partnership, and India-EU relations. Through her work, she engages with contemporary geopolitical and strategic issues shaping European and global affairs.

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