

POLITICS

ANO party has won parliamentary elections in the Czech Republic. ANO received just under 35% of the vote, earning them 80 seats in the 200-seat lower house – up from 72 seats four years ago.

French President Emmanuel Macron has named Minister of Defence Sébastien LeCornu as France's new prime minister.

However France's Prime Minister Sébastien Lecornu has resigned, less than a day after his cabinet was unveiled. "The conditions were not fulfilled for me to carry on as prime minister," Lecornu said on Monday morning, and criticised the unwillingness by political parties to reach compromises. The shock move comes only 26 days after Lecornu was appointed prime minister following the collapse of the previous government of François Bayrou.

European Commissioner Jessika Roswall has announced that the European Commission is postponing issuance of a directive on deforestation for yet another year. The directive would affect imports of cattle, cacao, palm oil, soybeans, wood, and rubber. Source and more information.

Circular economy could slash up to 231 million tonnes of CO₂ from heavy industry per year. A new JRC report shows how circular economy practices would contribute to substantially reducing greenhouse gas emissions in sectors such as plastics, steel, aluminium, cement and concrete.

In 2024, EU authorities in the internal market and at the EU border intercepted 112 million counterfeit goods with an estimated retail value of €3.8 billion. Customs authorities detained about 20 million articles at the EU border, with an estimated value of €1.5 billion, representing a ten-year high.

ECONOMY

In the second quarter of 2025, house prices, increased by 5.4% in the EU compared with the same quarter of the previous year. Among the Member States for which data are available, 1 country showed an annual decrease in house prices in the second quarter of 2025, and 25 showed an annual increase. The fall was registered in Finland (-1.3%), while the highest increases were recorded in Portugal (+17.2%) and Bulgaria (+15.5%).

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Sources: European Commission, Eurostat, Reuters, EurActiv, Euronews, ACEA, BBC and others.

The EU unemployment rate was 5.9% in August 2025, stable compared with July 2025 and with August 2024.

EU annual inflation was 2.4% in August 2025, stable compared to July. A year earlier, the rate was 2.4%. The lowest annual rates were registered in Cyprus (0.0%), and France (0.8%). The highest annual rates were recorded in Romania (8.5%), and Estonia (6.2%). Compared with July 2025, annual inflation fell in nine Member States, remained stable in four and rose in fourteen.

In the second quarter of 2025 the hourly labour costs rose by 4.0% in the EU, compared with the same quarter of the previous year.

In July 2025, compared with June 2025, seasonally adjusted industrial production increased by 0.2% in the EU. Compared with July 2024, industrial production increased by 1.8% in the EU.

SECTORS

In the second quarter of 2025, 54.0% of net electricity generated in the EU came from renewable energy sources, an increase from the 52.7% registered in the same quarter of 2024. This increase was mostly due to solar energy, which generated a total of 122 317 gigawatt-hours (GWh) in the second quarter of 2025, representing 19.9% of the total electricity generation mix.

The European Commission has imposed a fine of 2.95 billion euros to Google for abuse of its market position in advertising. According to the Commission, Google favored its own services in online advertising display technologies at the expense of competitors and online publishers. The company has 60 days to propose corrective measures, possibly including the divestiture of services.

In the second quarter of 2025, guests spent 245.9 million nights in short-term rental accommodation in the EU, booked via Airbnb, Booking or Expedia. As the first quarter of the year already indicated, 2025 is looking like a promising year for tourism. The total number of guest nights in the second quarter of 2025 increased by 17.8% compared with the same quarter of 2024 and by 36.8% compared with the second quarter of 2023.

The Netherlands' ASML, a European producer of machinery for manufacture of computer chips, is investing 1.3 billion euros into a French startup, Mistral, whose business is focused on large

language models. ASML thus becomes the main investor in the company.

GTCR has acquired the Czech pharmaceutical producer Zentiva from Advent International for 4.1 billion euros.

FOCUS ON AUTOMOTIVE

In 2024, 43% of the total number of cars imported into the EU were electric or hybrid, a 1 percentage point (pp) decrease compared with 2023. At the same time, for EU exports, the share was 28% of the total in 2024, up 1 pp compared with the previous year.

The share of full electric cars in 2024 was 16% for EU car imports and 12% for exports (1% and 0.8% in 2017). Plug-in hybrid cars represented 6% of car imports last year and 5% of car exports (0.6% and 1% in 2017), and the share of non-plug-in hybrid cars was 21% for imports and 11% for exports (6% and 0.4% in 2017).

Weak demand on the European market is forcing automobile makers to halt production in Europe. VW Group is suspending production of passenger cars in two German factories for two weeks due to reduced interest of its customers. Similarly, Stellantis is pausing production of its Alfa Romeo, Fiat, and Opel models in France and Italy. America's Ford has announced layoffs at its factory in Cologne, Germany. New models unveiled at the IAA Mobility auto show in Munich may hold the promise of a brighter future.

BMW will start mass-production of hydrogen-fueled cars at its Steyr plant in Austria in 2028. The new generation of fuel cells will offer higher performance and longer range. In September, BMW opened a new €2 billion electric car factory in neighboring Hungary with a capacity of 150,000 cars per year.

Mercedes tested a new type of battery with a solid electrolyte, which enabled travel of 1,205 kilometres on one charge from Stuttgart in Germany to Malmö, Sweden. Upon arrival, the car showed that it still had 137 kilometers of travel remaining.

EU CALENDAR

Meetings of EU institutions

- Eurogroup on 9 October
- Economic and Financial Affairs Council on 10 October
- Foreign Affairs Council (Defence) on 15 October
- Foreign Affairs Council on 20 October