

POLITICS

The European CBAM carbon customs duty has been in effect since January 1. Following last year's amendments, a limit of 50 tons of goods per year is being introduced, which is intended to help micro-companies. CBAM currently concerns the iron and steel production sectors, and certain related products such as aluminum, fertilizers, electricity and hydrogen.

Ambassadors of EU Member States have backed the long-negotiated trade agreement between the EU and the South American trade bloc Mercosur. This paves the way for final ratification of the agreement, which has taken more than 25 years to negotiate. However, the European Parliament decided to request the European Court of Justice to assess whether the EU-Mercosur agreement is in conformity with the EU treaties.

The European Commission has approved a €3 billion German State aid scheme to support strategic investments that add clean technology (cleantech) manufacturing capacity in line with the objectives of the Clean Industrial Deal. This measure will contribute to the transition towards a net-zero economy. The scheme was approved under the Clean Industrial Deal State Aid Framework (CISAF) adopted by the Commission on 25 June 2025.

India and the European Union have signed a free trade agreement. Indian Prime Minister Narendra Modi has called it the "mother of all deals". The agreement, the largest ever signed by the two sides, comes after nearly two decades of stalled negotiations and at a time when both India and the EU are seeking to reduce their dependence on volatile relations with the United States. The agreement covers about 25% of global GDP and about a third of world trade.

The United States could gain sovereignty over the territory where US bases are located, as part of an agreement with NATO on the future of Greenland. This was reported by the media after President Donald Trump lifted 10 percent tariffs on eight European countries that supported the territorial integrity of Greenland and Denmark and rejected any attempt by the United States to acquire the world's largest island.

The European Parliament and the Council of the EU have agreed to regulate new genomic techniques in plants.

These should enable the development of

varieties that are more resistant to drought, disease or extreme weather, and as a result contribute to the continent's food sovereignty. The new techniques are intended to allow changes in plant DNA, but this will only apply to plants classified in the NGT-1 category, where the modifications correspond to what could happen in the natural evolution of plants.

ECONOMY

In the fourth quarter of 2025, seasonally adjusted GDP increased by 0.3% in the EU, compared with the previous quarter. Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 1.4% in the EU in the fourth quarter of 2025. Lithuania (+1.7%) recorded the highest increase compared to the previous quarter, followed by Spain and Portugal (both +0.8%). Ireland (-0.6%) was the only Member State that recorded a decrease compared to the previous quarter.

On 1 January 2026, 22 out of 27 EU countries had national minimum wages, all except Denmark, Italy, Austria, Finland and Sweden. Of these countries, 8 had minimum wages below €1 000 per month: lowest in Bulgaria (€620) and Latvia (€780). In 8 others, minimum wages ranged from €1 000 to €1 500 per month. In the remaining 6 countries, minimum wages were above €1 500 per month: highest in Ireland (€2 391) and Luxembourg (€2 704).

The EU annual inflation was 2.3% in December 2025, down from 2.4% in November. A year earlier, the rate was 2.7%. The lowest annual rates were registered in Cyprus (0.1%) and France (0.7%). The highest annual rates were recorded in Romania (8.6%) and Slovakia (4.1%). Compared with November 2025, annual inflation fell in eighteen Member States, remained stable in three and rose in six.

In the third quarter of 2025, the seasonally adjusted general government deficit to GDP ratio stood at 3.2% in EU.

At the end of the third quarter of 2025, the general government gross debt to GDP ratio in the EU increased from 81.9% to 82.1%. The highest ratios of government debt to GDP were recorded in Greece (149.7%) and Italy (137.8%), and the lowest ratios were recorded in Estonia (22.9%) and Luxembourg (27.9%).

SECTORS

In 2024, EU countries produced 4.4 million pairs of skis and snowboards, a 19% decrease compared with 2023.

Almost 40% of these items (1.7 million) were produced in Austria.

The Czech group CSG has successfully entered the stock market. Shares of the arms group Czechoslovak Group rose by more than 30% upon its listing on the Amsterdam Stock Exchange and the Prague Stock Exchange's unregulated market segment. The company raised more than CZK 90 billion through the sale of shares, and it intends to use the money for its development. Owner Michal Strnad will be at the top of the list of the richest Czechs.

Passenger car sales in the EU increased by 1.8% last year, with pure battery vehicles (BEVs) reaching a 17% share. The share of mild-hybrid cars in the EU has already risen to 35%, while that of petrol cars has fallen to 27%.

FOCUS ON ENERGY

In 2024, 12 EU countries with nuclear electricity production generated 650 terawatt hours (TWh) of electricity, an increase of 4.8% compared with 2023. This was the second consecutive year with a rise since the 2022 decrease (609 255 GWh). Nuclear power plants accounted for 23.3% of the total electricity production in the EU. The EU's largest nuclear producer, France, generated 58.6% of the EU's nuclear power (380 451 GWh). Spain followed with 54 510 GWh (8.4%), ahead of Sweden (50 665 GWh; 7.8%) and Finland (32 599 GWh; 5.0%). The EU countries most reliant on nuclear electricity in 2024 were France (67.3% of all electricity generated) and Slovakia (61.6%). In Hungary, Bulgaria, Belgium, Finland and Czechia, around 40% of all electricity generated was nuclear.

The use of renewable energy sources in heating and cooling continues to increase in the EU, with the share reaching 26.7% in 2024, the highest value since the time series started in 2004 (11.7%). The share increased by 0.5 percentage points (pp) compared with 2023 (26.2%), but was below the average annual increase from 2004 to 2024 (0.75 pp).

EU CALENDAR

Meetings of EU institutions

- Foreign Affairs Council on 11 February
- Eurogroup on 16 February
- Economic and Financial Affairs Council on 17 February
- General Affairs Council on 24 February