Delhi Policy Group

Advancing India's Rise as a Leading Power

FOCUS EUROPE

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This monthly publication analyses strategic developments in Europe and India's relations with the EU and major European powers and is authored by Amb. Ruchira Kamboj, Senior Fellow for International Security and Global Affairs and Awantika Singh Sengar, Research Associate, DPG. Your comments and feedback may be addressed to the author at ruchira@dpg.org.in. To subscribe, please click here.

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1. *President Ursula von der Leyen presenting the conclusions of the European Council meeting held on October 15-16, 2026, at the European Parliament. Source:* European Parliament
2. *EU High Representative Kaja Kallas delivering remarks on the EU's new Arctic Strategy, on October 20, 2026. Source:* European Commission
3. *Lok Sabha Speaker Om Birla interacts with the European Parliament's Committee on Foreign Affairs delegation, led by Chair David McAllister, during its visit to India on October 27, 2026. Source:* X/Ombirlakota

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Focus Europe

by

Ambassador Ruchira Kamboj & Awantika Singh Sengar

EU leaders met in Brussels on 15-16 October for the third scheduled European Council meeting of 2026. Discussions expectedly focused on Ukraine, relations with China, competitiveness, security and energy prices. Migration, enlargement, and the next Multiannual Financial Framework (MFF) were also on the agenda. The latter covers a seven-year budget cycle and is especially crucial as Europe seeks to step up funding in response to multiple crises against the backdrop of an increasingly turbulent and uncertain world.

The crowded agenda was a reflection of the summit's importance, even if it failed to bridge key divisions. Europe today needs greater investment in defence, technology and energy infrastructure, yet its member states remain divided over spending priorities, national contributions and the distribution of costs. The dilemma is that while leaders mostly agree on the challenges, securing the required finances and political consensus remains much harder. With economic pressures and domestic political divisions growing, reaching a common position is becoming increasingly difficult. The real test going forward will be whether Europe can translate its shared ambitions into collective action.

Ukraine

During the meeting, European leaders reiterated their support for Ukraine. If any further clarity were needed, European Council President António Costa said that "the support of the European Union to Ukraine remains as strong as ever", adding that this was "no time to withdraw the support to Ukraine"[1]. Earlier in the month, the EU had adopted its largest-ever package of sanctions listings, targeting 1,569 individuals and entities involved in Russia's military-industrial complex[2], bringing the total number of listings under its Ukraine-related sanctions regime to close to 4,600. The EU and its member states have also been the biggest providers of financial, military and humanitarian support to Ukraine, mobilising €231.5 billion[3] in overall assistance since the start of the war. This includes support through the €90 billion Ukraine Support Loan, the Ukraine Facility, military assistance, and recovery and reconstruction initiatives. With US support increasingly uncertain, Europe has clearly moved to the forefront of the crisis.

[1]Remarks by Antonio Costa, *European Council*, 16 October 2026. https://www.consilium.europa.eu/en/press/press-releases/2026/10/16/remarks-by-president-antonio-costa-at-the-joint-doorstep-with-presidents-volodymyr-zelenskyy-and-ursula-von-der-leyen/

[2]EEAS website, 12 October 2026. https://www.eeas.europa.eu/eeas/eu-adopts-its-largest-ever-package-sanctions-listings-targeting-industry-behind-russias-war_en

[3]"EU Solidarity with Ukraine", *European Council Website.* https://www.consilium.europa.eu/en/policies/eu-solidarity-ukraine/

Finances, however, continue to be a contentious issue. During the summit, President Zelenskyy said that "the war will cost €155 billion next year" and requested at least €70 billion more from the EU.[4] While leaders asked the Commission to propose ways of meeting these needs, they did not agree on a new financing package at the summit. The EU itself is experiencing a budget crunch, as member states disagree over the size of the next budget and burden-sharing, so raising this amount for Ukraine is going to be a difficult task. According to reports, the EU is also seeking additional support from partners such as the UK, Canada and Japan.[5] There is also debate over the use of frozen Russian assets, but here too divisions within the EU impede progress.

China

Another hotly debated issue is Europe's rising trade imbalance, particularly with China. President von der Leyen pointed out at a press conference following the European Council meeting that the EU's approximately €360 billion trade deficit in goods with China in 2025 would increase further in 2026. European companies and industries have been struggling to compete with China, resulting in calls for stricter policies restricting China's access to European markets. Ahead of the October summit, France and Germany wrote a joint letter to von der Leyen, urging the EU to introduce a rapid-response instrument against countries that "undermine the restoration of a level playing field and fair market conditions by political or economic means, leading to severe and systematic distortions".[6] The letter did not explicitly name China, but was widely understood to be directed primarily at it.

Earlier this month, China and the EU reached a preliminary understanding to "moderate" Chinese exports of hybrid and plug-in hybrid cars to the bloc[7]. European Trade Commissioner Maroš Šefčovič,[8] who led the negotiations, said that this was "far from the end" but was a "crucial first step in the process of rebalancing". Addressing the China issue after the European Council meeting, von der Leyen said that the EU needed to work on three pillars: dialogue with China, fuller use of existing trade-defence instruments, and the development of new instruments to address structural imbalances and reduce dependencies. She pointed to the initial results of dialogue with China, including better market access for EU industrial and agri-food exports, and greater predictability on export controls, particularly for rare earths and magnets.[9]

Nevertheless, tariffs, trade-defence measures and economic restrictions can only provide short-term relief rather than a permanent solution, as they can increase costs

[4]Jorge Liboreiro, *Euro News*, 20 October 2026. https://www.euronews.com/2026/10/20/ukraine-needs-another-70-billion-but-where-will-the-eu-find-the-money
[5]Ibid.
[6]Bertuzzi and Corlin, *Euro News*, 5 October 2026. https://www.euronews.com/2026/10/05/germany-and-france-agree-new-trade-tool-to-counter-china
[7] "China and EU strike deal to halve Chinese hybrid exports", *The Japan Times*, 10 October 2026. https://www.japantimes.co.jp/business/2026/10/10/economy/china-eu-hybrid-exports/
[8] Ibid.
[9] Statement by President Ursula von der Leyen on 16 October 2026, *European Commission Website.* https://ec.europa.eu/commission/presscorner/detail/en/statement_26_2190

for European businesses and consumers and potentially trigger a trade war with China, which could do more harm than good for Europeans. In order to compete with China and other powers, Europe needs to focus on building its industrial capacity, investing in research and innovation, and diversifying across sectors to become more resilient. The ongoing diversification drive through FTAs with a range of partners may be seen as one way to reduce Europe's dependence on China.

Rising Energy Prices

Energy prices featured prominently in the discussions. The two wars, supply chain bottlenecks, constrained access to critical resources and rising energy prices have placed Europe under considerable economic strain. Von der Leyen noted that since the start of war in the Middle East, gas prices had risen by 140% and diesel prices had doubled since the end of February.[10] As Europe depends heavily on imports to meet its energy needs (the EU imports 57% of its energy requirements[11]), external disturbances and geopolitical shocks significantly affect its ability to meet yearly requirements. Rising energy prices have also adversely affected European farmers, businesses and households. To address this issue, the European Council called for both short- and long-term measures. Alongside the G7's coordinated release of 100 million barrels of oil and diesel over four months, the measures discussed included an extension of the EU's temporary State aid framework, a proposed one-year postponement of certain obligations under the Methane Regulation, a transition towards renewable and other low-carbon energy sources, and a commitment to accelerate progress on the European Grids Package.[12] This multi-pronged approach reflects the urgency of the situation.

There is also renewed emphasis on accelerating progress towards a fully integrated European Energy Union. Addressing the European Parliament on 21 October, following the European Council meeting, Commission President Ursula von der Leyen said Europe was "squandering opportunities"[13] by not having a true Energy Union. She announced that the Commission would develop a plan to strengthen cross-border energy infrastructure and collective purchasing power, with a view to addressing high energy costs. While the Energy Union initiative dates back to 2015, the new plan has yet to be presented, and its detailed provisions, timeline and funding remain unspecified.

Therefore, the immediate priority for Europe is to ease the pressure on households and businesses while also working towards building resilient energy infrastructure,

[10]Ibid.
[11]Energy in Europe Report 2026, *EUROSTAT.* https://ec.europa.eu/eurostat/web/interactive-publications/energy-2026#energy-imports-dependency
[12] Statement by President von der Leyen, 16 October 2026. https://ec.europa.eu/commission/presscorner/detail/en/statement_26_2190
[13] Speech by President von der Leyen on 21 October 2026, *European Commission Website.* https://ec.europa.eu/commission/presscorner/detail/en/speech_26_2222

improving cross-border energy supply and diversifying its energy sources to shield itself from an increasingly volatile and uncertain global environment.

Competitiveness

During the Council meeting, competitiveness emerged as both an economic priority and a strategic concern. The Council conclusions called for faster implementation of the One Europe, One Market agenda, including progress on the proposed EU Inc. framework for company law, the Industrial Accelerator Act, the European Grids Package and measures to simplify digital and environmental regulations.[14] The Council also urged decisive progress on the Single Market by reducing barriers and simplifying administrative burdens. The aim is to make the Single Market stronger, more resilient and more seamless so that it can realise its full potential to benefit citizens and businesses and strengthen the EU economy.[15]

However, Europe faces many challenges. Dependence on imports of critical minerals and other resources, rising energy prices, an innovation gap and supply chain shocks have significantly affected European businesses and the wider economy. To improve Europe's sluggish economic performance, the 2024 Draghi Report[16] on competitiveness (commissioned by President von der Leyen) estimated that Europe would need additional investment of €750–800 billion annually. It also called for closing the innovation gap with China and the US, implementing a joint plan for decarbonisation and competitiveness, and enhancing security while reducing dependencies. Whether Europe can mobilise investment on this scale to turn ambitions into reality remains to be seen. But clearly, the Single Market will be a valuable tool in this strategy and will likely remain a focus in the coming months.

Migration

European Union leaders remained divided over migration at the European Council meeting on 15–16 October. Growing concerns over irregular migration and border security, particularly following the Ceuta crisis of 30–31 July, when an estimated 70,000–80,000 people crossed irregularly from Morocco into the Spanish enclave, have brought these differences into sharper focus. While member states broadly agree on the need to strengthen border security, they remain divided over the policies required to manage migration. These differences have wider implications for the Schengen area, where the absence of routine internal border checks makes coordination between member states particularly important.

[14] Conclusions of EUCO, 15-16 October 2026, PDF. https://www.consilium.europa.eu/media/4tglqede/en-20261016-european-council-conclusions.pdf
[15] Single Market, *European Commission.* https://single-market-economy.ec.europa.eu/single-market_en
[16] The Draghi Report on EU Competitiveness, *European Commission.* https://commission.europa.eu/topics/competitiveness/draghi-report_en

Tensions intensified over Spain's decision earlier this year to regularise the status of approximately 500,000–600,000 undocumented migrants.[17] Countries such as Denmark, Italy and Poland expressed concern that such measures could act as a "pull factor", encouraging further irregular migration.[18] At the European Council meeting, Danish Prime Minister Mette Frederiksen urged the European Commission to examine Spain's approach, arguing that it ran counter to the policies being pursued by other member states.[19] Spain, however, defended its policy as a means of integrating undocumented migrants into the economy and society. It sees regularisation as a way to address labour shortages, bring undocumented workers into the formal economy and increase tax revenues. France, which permits more selective regularisation in sectors facing labour shortages, has also shown greater sympathy for Spain's position.[20]

These differences were reflected in the meeting's final conclusions, which stopped short of resolving the disagreements. Leaders welcomed the Commission's intention to work with member states on an Emergency Response Framework[21] to address the instrumentalisation of migration and strengthen the EU's capacity to respond to crises at its external borders. They also agreed to revisit migration at future meetings.[22] The broader challenge for the EU, therefore, remains how to reconcile stronger border controls and a coordinated migration policy with the differing national priorities of its member states.

Enlargement

On 12–13 October, the EU held accession conferences with four candidate countries: Montenegro, Albania, Ukraine and Moldova. Montenegro provisionally closed three more negotiating chapters on economic and monetary policy, statistics, and social policy and employment, bringing its total to 21 provisionally closed chapters out of 33.[23] Albania, too, provisionally closed Chapter 20 (covering enterprise and industrial policy) on 13 October, bringing its total to four chapters. Ukraine and Moldova also moved forward in their EU membership talks, opening negotiations on two more clusters, covering the internal market, competitiveness and inclusive growth.

[17] "Spain finalizes amnesty measures to give legal status to up to 500,000 immigrants", *Euro News,* 14 April 2026. https://www.euronews.com/2026/04/14/spain-finalises-amnesty-measures-to-give-legal-status-to-up-to-500000-immigrants

[18]Euro News, 16 October 2026. https://www.euronews.com/2026/10/16/eu-summit-leaders-to-rally-behind-zelenskyy-amid-bitter-row-with-trump

[19] Luca Bertuzzi and Jorge Liboreiro, *Euro News*, 16 October 2026. https://www.euronews.com/2026/10/16/budget-ukraine-migration-five-takeaways-from-the-eu-leaders-summit

[20] Alessandra Freitas, *CNN World*, 1 August 2026. https://edition.cnn.com/2026/08/01/europe/spain-morocco-migrants-intl

[21] Statement by President Ursula von der Leyen, 16 October 2026. https://ec.europa.eu/commission/presscorner/detail/en/statement_26_2190

[22] Councils of EUCO Meeting on 15-16 October 2026. https://www.consilium.europa.eu/media/4tglqede/en-20261016-european-council-conclusions.pdf

[23] Press Release: EU Enlargement, *European Council*, 13 October 2026. https://www.consilium.europa.eu/en/press/news/20261013-4-accession-conferences-more-progress-for-montenegro-albania-ukraine-and-moldova/?

The EU has framed enlargement as a "geostrategic investment in peace, security, stability and prosperity"[24] in the conclusions of the European Council meeting. However, political obstacles remain. Montenegro aims to conclude accession negotiations by the end of 2026 and join the EU in 2028, but bilateral disputes with Croatia[25] continue to complicate the process. More broadly, the European Commission's Preparing for a Wider Union[26] initiative has highlighted the need for institutional reforms to ensure that the EU can function effectively with more members. The challenge remains to reconcile the progress made by candidate countries with the political and institutional readiness of the Union itself.

Multiannual Financial Framework

The next Multiannual Financial Framework (MFF), the EU's budget for the seven-year period from 2028 to 2034, emerged as the most contentious issue at the Summit.

On 16 July 2025, the European Commission presented its proposal for the next MFF, amounting to almost €2 trillion in current prices (€1.76 trillion in 2025 prices), equivalent to 1.26% of the EU's average gross national income (GNI) between 2028 and 2034.[27] By comparison, the 2021–2027 MFF amounts to approximately €1.2 trillion in 2025 prices, corresponding to 1.02% of EU GNI.[28]

In December 2025, EU leaders took note of the first negotiating box prepared by the Danish Presidency and called on incoming presidencies to continue work towards reaching an agreement before the end of 2026. This would allow the EU to adopt the related legislation in 2027, in time for the start of the next budgetary period on 1 January 2028.

On 10 October 2026, the Irish Presidency of the Council of the EU presented the third version of the negotiating box, building on the work of the Danish and Cyprus presidencies. Ireland proposed cutting the Commission's budget proposal by 8%, or €141 billion, bringing the total to €1.62 trillion in 2025 prices.[29]

The aim was to strike a balance between financing emerging priorities, preserving core policies and keeping the budget affordable for member states, what could be described as a "budgetary trilemma". The reductions, however, were uneven. Agriculture and cohesion funding were to be reduced by only 3%, while competitiveness, innovation and security would face cuts of 13%, and Global Europe, 17%.

[24]European Council Website. https://www.consilium.europa.eu/en/meetings/european-council/2026/10/15/?
[25] Luca Bertuzzi, *Euro News*, 19 October 2026. https://www.euronews.com/2026/10/19/montenegro-moves-to-settle-croatia-disputes-threatening-its-eu-membership-bid
[26] Preparing for a Wider Union, *European Commission*, 6 October 2026. https://enlargement.ec.europa.eu/news/preparing-wider-union-2026-10-06_en
[27] Explainers: The EU's next long term budget, *European Council*. https://www.consilium.europa.eu/en/policies/the-eu-s-long-term-budget-2028-2034/
[28] EU budget: Ireland pitches €141bn cuts to appease the 'frugals', Euro News, 10 October 2026. https://www.euronews.com/2026/10/10/eu-budget-ireland-pitches-141bn-cuts-to-appease-the-frugals
[29] Ibid.

Ireland also proposed raising additional revenue through sources including the Carbon Border Adjustment Mechanism (CBAM), the Emissions Trading System (ETS) and a tobacco excise duty-based contribution (TEDOR). However, consensus on these proposals could not be reached.

Member states such as Germany, the Netherlands, Sweden and Finland wanted a smaller budget with greater emphasis on competitiveness and innovation, while another group of countries, known as the "Friends of Cohesion", including Italy and Greece, wanted to preserve traditional funding programmes that are particularly beneficial to poorer regions.[30]

The Irish proposals, however, failed to secure sufficient support during the Summit on 15–16 October, leading Council President António Costa to take the negotiations forward and work towards a new compromise ahead of the next meeting of EU leaders, scheduled for 26–27 November in Brussels.

Within the EU, there is undeniably a push to strike a budget deal before the end of the year. First, the legislative process is lengthy, and an early agreement would allow the MFF to come into force on 1 January 2028 without disruption. Second, several member states, including France, Italy, Finland, Poland, Greece and Slovakia, are due to hold elections in 2027. These could potentially delay negotiations, with an agreement being pushed back to May or even October 2027.

Another important point is that changes in national leadership could significantly affect a country's priorities and its relationship with the bloc. For example, Marine Le Pen, a leading contender in France's upcoming presidential election, wants to cap France's annual net contribution to the EU at €5 billion, down from approximately €8 billion.[31] She has also pledged to end French financial assistance to Ukraine. If Le Pen were to win, this could increase tensions with Brussels and other member states over burden-sharing and further complicate negotiations on the next MFF.

Another important consideration is flexibility. European Commission President Ursula von der Leyen has already urged member states to recognise the importance of flexibility in the budget. She argued that over the past seven years, the world has witnessed numerous crises, from COVID-19, fires, floods and droughts to wars in Ukraine and the Middle East, all of which have had far-reaching consequences.

The EU's ability to respond to these sudden crises has depended on having sufficient flexibility in its budget. However, under the Irish proposal, 99.5% of the funds would

[30] "Inconclusive sparring at EU summit puts budget timeline into question", Euro News, 15 October 2026.https://www.euronews.com/2026/10/15/inconclusive-sparring-at-eu-summit-puts-budget-timeline-into-question

[31] Estelle Nilsson Julien, Euro News, 17 October 2026. https://www.euronews.com/2026/10/17/no-money-for-ukraine-and-eu-budget-cuts-what-could-a-le-pen-victory-mean-for-the-eu

be fixed in advance, effectively putting the Commission in what von der Leyen described as a "straitjacket".[32]

The call for a more flexible budget, enabling the bloc to respond to unforeseen crises in the future, is a valid one. However, with member states still divided over funding priorities and contributions, reaching a consensus on budgetary reform will remain difficult.

Ultimately, the main challenge for Europe is to balance national interests with shared responsibilities. The EU's predicament reflects the perennial dilemma of multilateralism: how to reconcile national interests with collective responsibilities. For António Costa, the task is not simply to secure a budget deal, but to find a compromise that allows Europe to act on its ambitions without deepening divisions among its members. The November meeting will therefore be an important opportunity to see whether member states can bridge these differences and move towards a common position on the EU's next MFF.

Arctic Strategy

On 20 October, the European Commission and High Representative, Kaja Kallas, jointly presented a new Strategy for the Arctic, building on the EU's 2021 Arctic Policy.[33]

The Strategy is a response to growing security concerns amid Russia's expanding military presence, China's growing interests and new shipping routes being opened by the melting of ice. In response, the EU has also proposed cooperation with Norway, Iceland, Canada, Greenland and other partners, reflecting its effort to strengthen its northern partnerships.[34] Addressing the press, Kallas warned that the Arctic had become "the frontline of global power competition". She emphasised that, as Europe's northern neighbourhood, the Arctic was integral to European security.[35]

The new Arctic strategy spotlights four priority areas: strengthening security and resilience in the Arctic; responding to accelerating climate change; building a prosperous and economically secure Arctic, and creating opportunities for the people of the Arctic. It proposes measures such as improved satellite surveillance, a maritime security hub, greater icebreaker capacity and more resilient undersea cable connectivity. However, questions remain about the possible duplication of roles already undertaken by organisations such as the International Maritime Organization, and whether the strategy will complement or overlap with the Arctic priorities of NATO and the United States. Much will depend on how effectively the EU coordinates its efforts with these existing actors. Ultimately, the real test will be

[32] Statement by President Ursula von der Leyen, 16 October 2026.
https://ec.europa.eu/commission/presscorner/detail/en/statement_26_2190
[33] EU Sets out a new Strategy for the Arctic, *European Commission,* 20 October 2026.
https://ec.europa.eu/commission/presscorner/detail/en/ip_26_2203
[34] Kathleen Larkin and Jason C. Moyer, *Atlantic Council*, 26 October 2026.
https://www.atlanticcouncil.org/dispatches/the-new-eu-arctic-strategy-shows-ambition-but-also-anxiety/
[35] Ibid.

whether the strategy translates into practical action, rather than adding another layer of policies and institutional responsibilities in an already complex Arctic landscape.

Europe's Domestic Political Test

European nations are also facing significant domestic pressures over rising living costs, housing shortages, strained public services and, in some countries, political corruption. In France, student protests began over underfunded schools, teacher shortages and perceived unfairness in university admissions, but soon expanded to include wider concerns over the rising cost of living and the government's budgetary policies.[36] Approximately 550,000 people took part in nationwide demonstrations on 17 October, according to government figures, with some protests turning violent. The French government responded by deploying riot police in major cities and imposing curfews in certain areas.

These protests reflect a growing gap between public expectations and what the government can afford to deliver. High public debt, weak economic growth and pressure to reduce the budget deficit are limiting the government's room for manoeuvre.[37] Prime Minister Sébastien Lecornu has proposed a €54 billion[38] fiscal adjustment for the 2027 budget, while the government continues to struggle to secure parliamentary support for its fiscal plans. It must therefore balance spending cuts against the risk of further public dissatisfaction.

On 26 October, the government announced measures including capping some class sizes at 28 students, funding school renovations and reforming university admissions. The package, estimated at approximately €5 billion, has nevertheless been criticised by teachers' unions as insufficient. Protests continued on 31 October, with further demonstrations planned for 5 November.[39]

There appears to be a ripple effect across Europe. Portugal has also witnessed protests over rising housing costs and rents. In Albania, protests that began during the summer intensified in October over corruption, the cost and quality of education, and limited employment opportunities.

In Spain, rising rents, evictions and a shortage of affordable housing have fuelled widespread public protests. Prime Minister Pedro Sánchez's housing proposals were rejected by Parliament on 2 October, highlighting his government's difficulty in securing support for its policies. Sánchez subsequently dissolved Parliament on 5 October and called a snap general election for 29 November 2026, bringing the vote

[36] Harry Taylor and Ashifa Kassam, *The Guardian*, 19 October 2026. https://www.theguardian.com/world/2026/oct/18/europe-protests-france-spain-portugal-2026-explainer
[37] Raquel Villaécija, *El Pais*, 21 October 2026. https://english.elpais.com/international/2026-10-21/the-debt-crisis-leaves-the-french-government-with-no-room-to-respond-to-social-demands.html?
[38] The Print, 17 September 2026. https://theprint.in/world/france-plans-e54-billion-savings-drive-as-protests-grow/3045974/
[39] Dominique Vidalon, *Reuters,* 27 October 2026. https://www.reuters.com/world/french-teachers-say-government-education-measures-quell-protests-fall-short-2026-10-27/

forward from 2027. His government will continue in a caretaker capacity until a new government is formed.[40]

A volatile autumn has also seen protests across Portugal, Germany, Italy, Serbia and elsewhere, with each movement rooted in its own national circumstances and driven by a range of economic and political grievances. Rising food and energy prices, stagnant purchasing power, unaffordable housing and strained education systems have left many people, particularly the younger generation, feeling that economic progress is increasingly out of reach. European governments are struggling to manage growing public debt, slow economic growth, demands for improved public infrastructure and social welfare, and the need for increased defence spending as the United States presses Europe to assume greater responsibility for its own security.

Against this backdrop, far-right parties such as the AfD in Germany and Marine Le Pen's National Rally in France have gained support by placing domestic concerns, particularly immigration, economic insecurity, the cost of living and welfare provision, at the centre of their political agendas.

Going forward, Europe will need to contend with these growing domestic pressures while continuing to meet its international commitments. Whether this increasing domestic preoccupation will reduce Europe's attention to wider international issues, including its engagement at multilateral forums such as the United Nations, remains an open question.

The United Kingdom, meanwhile, is clearly reassessing its relationship with the EU. Prime Minister Andy Burnham has been pushing for closer ties with Europe and in the past has said that Brexit has done "more harm than good".[41] According to a Bloomberg study, the cost to UK's economy has been about £180-240 billion[42] since Brexit and the GDP per capita has been 6-8% lower.[43] Public opinion in the UK also seems to have shifted on Brexit. According to a poll by YouGov, close to 70% of Britons support a closer relationship with the EU.[44]

However, rejoining the EU will not be easy, as the Union has changed significantly since Brexit. It has placed greater emphasis on protecting its industries and businesses through initiatives such as Made in Europe, while seeking to strengthen its economic security and reduce dependence on external powers in an increasingly uncertain world.

[40] Sam Jones and Ashifa Kassam, *The Guardian,* 5 October 2026. https://www.theguardian.com/world/2026/oct/05/spain-prime-minister-pedro-sanchez-snap-election-housing-crisis

[41] Pippa Crerar, *The Guardian,* 29 September 2026. https://www.theguardian.com/politics/2026/sep/29/andy-burnham-vows-long-term-relationship-eu-labour-conference-speech

[42] Best For Britain. https://bestforbritain.org/brexit_impact/

[43] Richard Partington, *The Guardian,* 14 July 2026. https://www.theguardian.com/politics/2026/jun/14/how-uk-economy-changed-since-brexit-vote-charts

[44] YouGov, 30 September 2026. https://yougov.com/en-gb/articles/54567-how-strong-is-uk-support-for-rejoining-the-european-union

Ahead of the UK–EU summit scheduled for 20 November 2026 in Brussels,[45] Prime Minister Andy Burnham stated in a speech that "This summit presents an opportunity to make progress on two crucial issues, boosting UK growth and controlling illegal immigration."[46] His government is pursuing agreements on food and agricultural trade, youth mobility, emissions trading and energy cooperation, alongside closer collaboration on illegal migration and law enforcement.

Although Burnham has reopened discussions on longer-term options, including potential EU re-entry, the immediate focus remains on securing practical agreements. The upcoming summit will test whether closer cooperation can deliver tangible economic benefits without reigniting the political divisions surrounding Brexit.

Hungary

Since Péter Magyar's election victory in April 2026 brought Viktor Orbán's 16-year rule to an end, relations between Brussels and Budapest have improved significantly. On 23 October, Commission President von der Leyen and Council President António Costa visited Budapest, on invitation from Magyar, to mark the 70th anniversary of Hungary's 1956 uprising against the Soviet Union. During the visit, von der Leyen, addressed the Hungarian Parliament and welcomed "Hungary's renewed commitment to our common future" which has made Europe stronger.[47] Magyar, meanwhile, declared that Hungary belonged to "a free and democratic Europe", signalling a more pro-European direction.[48] Since coming to office, he has sought to rebuild trust by pursuing rule-of-law and anti-corruption reforms, as a result of which the EU in May 2026 announced that it will unlock €16.4 billion in funds for Hungary which were earlier frozen due to democratic backsliding.[49] The improvement in ties and efforts by both sides have created an opportunity for Hungary and the bloc to work more closely together. However, lasting improvement will depend on whether Magyar's government follows through on reforms, helps resolve disputes over EU funding, and cooperates more consistently with the bloc on issues such as Ukraine's accession.

Vietnam

On 22 October, Vietnamese President and Communist Party General Secretary Tô Lâm met Council President António Costa and Commission President von der Leyen in Brussels, following the elevation of EU–Vietnam ties to a Comprehensive Strategic

[45] Press Release, *European Council*, 12 October 2026. https://www.consilium.europa.eu/en/press/press-releases/2026/10/12/eu-uk-summit-to-take-place-in-brussels-on-20-november/

[46] PM statement to the House of Commons: 12 October 2026, Gov UK. https://www.gov.uk/government/speeches/pm-statement-to-the-house-of-commons-12-october-2026

[47] European Commission, 23 October 2026. https://audiovisual.ec.europa.eu/en/media/video/I-296753

[48] Justin Spike, *AP News*, 23 October 2026. https://apnews.com/article/hungary-revolution-commemoration-european-guests-magyar-1a1221feb414d26f468687c566b7dff5

[49] Justin Spike and Sam McNeil, *AP News*, 29 May 2026. https://apnews.com/article/hungary-magyar-eu-funds-8e560d62f308b004f104d6f5b3a15353

Partnership in January 2026.[50] In a joint statement, both sides pledged to deepen cooperation on critical raw materials, clean energy, investment and maritime security, while also calling for full implementation of their Free Trade Agreement and faster ratification of the Investment Protection Agreement. The visit underscores the EU's efforts to deepen its economic and strategic partnerships in Southeast Asia amid growing competition over critical supply chains and mounting regional security concerns. Vietnam offers attractive investment prospects and scope for supply chain diversification, while the EU provides access to its vast market and financing, making the partnership mutually beneficial.

India-European Union

Back in India, the visit of Polish Prime Minister Donald Tusk (21-23 October) was significant. He was accompanied by a high-level delegation that included close to 100 business leaders.[51] Both sides set a target of doubling bilateral trade by 2030 and identified opportunities in defence, industrial machinery, pharmaceuticals, infrastructure, energy, artificial intelligence, semiconductors and critical minerals. They also proposed a Defence Industry Dialogue and agreed to strengthen collaboration in space, quantum technologies and innovation. The visit underscores Poland's growing importance as a partner for India, and vice versa. Poland's industrial base and access to European markets offer opportunities for Indian businesses, while India brings investment potential, manufacturing capabilities and digital expertise. Defence cooperation also holds promise, given Poland's security concerns arising from Russia's war in Ukraine and India's interest in expanding its defence partnerships. Stronger bilateral ties with countries such as Poland could also reinforce India's broader engagement with the EU. However, the real test will be whether the visit translates into increased trade, joint projects and sustained cooperation in technology and defence.

The India–EU FTA, meanwhile, is in the approval and signing stage, after negotiations concluded on 27 January 2026. The European Commission has submitted the agreement to the Council of the EU for approval, with both sides aiming to sign it by the end of 2026. During his visit to Germany, Commerce and Industry Minister Piyush Goyal indicated that the FTA could become operational within four to five months of signing, potentially in 2027, describing it as a "win-win" for both sides.[52] He also called for a tenfold increase in India-Germany bilateral trade, from approximately €31 billion

[50] Joint Statement, *European Commission*, 22 October 2026.
https://www.consilium.europa.eu/en/press/press-releases/2026/10/22/joint-press-release-following-general-secretary-of-the-central-committee-of-the-communist-party-of-viet-nam-and-president-of-the-socialist-republic-of-viet-nam-to-lam-s-visit-to-the-european-council-and-the-european-commission/
[51] India-Poland Joint Statement, *PM India Website*, 22 October 2026.
https://www.pmindia.gov.in/en/news_updates/india-poland-joint-statement/
[52]"Win-Win For All': Piyush Goyal Said On India-EU Free Trade Deal", *NDTV World*, 27 October 2026.
https://www.ndtv.com/world-news/win-win-for-all-piyush-goyal-said-on-india-eu-free-trade-deal-12241723

to €310 billion, urging businesses to prepare for the opportunities arising from the agreement.[53]

A delegation of the European Parliament's Committee on Foreign Affairs (AFET), led by its Chair, David McAllister, visited New Delhi from 26–28 October 2026 for discussions on India–EU relations and wider geopolitical developments.[54] McAllister met Lok Sabha Speaker Om Birla on 27 October, with talks covering trade, technology, innovation, clean energy, security and defence. The delegation also met Defence Secretary Rajesh Kumar Singh,[55] reaffirming a shared commitment to closer security and defence cooperation. While no major agreement or specific policy outcome was announced, the visit underscored growing political engagement and the shared commitment to strengthening the India–EU strategic partnership.

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[53] Atul Mathur, *The Times of India*, 23 October 2026. https://timesofindia.indiatimes.com/business/india-business/at-310-billion-union-minister-piyush-goyal-eyes-10x-rise-in-indo-german-trade/articleshow/135127763.cms

[54] The Tribune, 27 October 2026.https://www.tribuneindia.com/news/world/european-parliament-foreign-affairs-committee-chair-david-mcallister-meets-om-birla-discusses-india-eu-ties/amp/

[55] India Defence Wire, 27 October 2026. https://indiadefencewire.com/articles/india-eu-defence-cooperation-afet-mcallister-defence-secretary



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