EUROPE INTELLIGENCE BRIEF — SUNDAY, AUGUST 23, 2026

The Bill Nobody Wants

Six governments spent the weekend asking that oil companies be taxed on the profits the war has handed them. A chancellor was booed at a burned forest, and Spain refused to discuss two cities with Morocco.

Four separate arguments, one shape. Europe is working out who carries the cost of a summer it did not choose, and every answer involves somebody else.

Read in German, French, Italian, Spanish, Dutch, Polish and English, from national outlets and the European institutions.

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EDITOR'S LEADER · 01

FOUR ARGUMENTS ABOUT WHO CARRIES THE COST

Passing It On

A continent reveals itself most clearly in the moment it has to decide who pays. Europe spent the weekend having that argument in four places at once.

Six member states, Germany and Italy among them, want finance ministers to take up a levy on oil company profits at next month's meeting in Dublin. The case they make rests on earnings inflated by the war in the Middle East.

It is a proposal to move a cost from households to producers by statute. Whether that works is a separate question from what it says, and what it says is that governments have run out of easier options.

The chancellor at the burned forest

Friedrich Merz visited the site of the Hürtgen Forest fire on Saturday and was met with booing and whistles. A head of government going to a disaster site expects a particular kind of reception, and this was not it.

The German mood here is not grief looking for comfort. It is an electorate that has decided the person in front of them is part of the account rather than the consolation.

The fires themselves have produced something genuinely strange. Burning ground across Europe is exposing unexploded ordnance from both world wars, which is a cost arriving from a century away.

> *Around ninety-nine per cent of the country is under severe or extreme drought.*
>
> REPORTED ASSESSMENT OF HUNGARY'S WATER CRISIS · FRIDAY 21 AUGUST 2026

Water, in both directions

Hungary's lakes and rivers have fallen to record lows, with desertification now a stated threat to the Great Hungarian Plain. In the same days, storms flooded homes across Poland and torrential rain hit Liguria, Lombardy and Tuscany.

Two failures of the same system, arriving in neighbouring countries in the same week. Neither government has a budget line that matches the scale of what is being asked of it.

And the arguments about people

Spain rejected Morocco's call for talks on the sovereignty of Ceuta and Melilla, while Ceuta buried the first eighteen unidentified migrants who died in the crossings. Sweden is planning to send migrants to Italy under the transfer rules, and France and Spain are refusing such transfers.

These are not one story and we do not present them as one. They share the property that every participant is arguing that the cost belongs to somebody adjacent.

EXECUTIVE SUMMARY · 02

TEN ITEMS, RANKED BY CONSEQUENCE

The Day At A Glance

Here is the weekend's news, in order of consequence for Latin American readers. Every item is dated.

#	ITEM	WHY IT MATTERS
1	Six states seek a levy on oil profits	Germany and Italy are among those wanting finance ministers to discuss it in Dublin next month. The case rests on earnings inflated by the Middle East war.
2	Merz booed at the Hürtgen Forest fire site	The German chancellor was met with whistles on Saturday. It is an unusual reception for a head of government at a disaster site.
3	Fires are exposing unexploded wartime ordnance	Burning ground across Europe has uncovered munitions from both world wars. It is a hazard nobody had budgeted for.
4	Hungary is in near-total drought	Around ninety-nine per cent of the country is under severe or extreme drought, with lakes and rivers at record lows. Desertification is now a stated threat to the Great Plain.
5	Storms flood Poland while Italy takes torrential rain	Polish emergency services handled thousands of callouts. Liguria, Lombardy and Tuscany were hit in the same days.
6	Spain refuses talks on Ceuta and Melilla	Madrid rejected a Moroccan call to discuss sovereignty over the two enclaves. Ceuta buried the first eighteen unidentified migrants from the crossings.
7	Sweden plans transfers, France and Spain refuse	Stockholm intends to send migrants to Italy under the transfer rules. Two other capitals have said they will not accept such returns.
8	France clears the way for two new reactors	The operator has been authorised to prepare the Gravelines site. It is a long-horizon answer to the same energy question.
9	Portugal's pension surplus is questioned	A new report argues the surplus is an illusion. The finding matters to a country that has treated it as settled.
10	Greece has more visitors spending less	Tourist numbers rose this year while spending per head fell. The pattern is appearing across southern Europe.

THE NUMBERS AT A GLANCE · EUROPE · SUNDAY, AUGUST 23, 2026

EUROPEAN UNION States seeking levy **6** including Germany, Italy	**EUROPEAN UNION** Venue **Dublin** finance ministers, September	**GERMANY** Chancellor at fire site **Booed** Hürtgenwald, Saturday	**HUNGARY** Land in drought **99%** severe or extreme
POLAND Storm callouts **Thousands** floods and fallen trees	**ITALY** Regions flooded **3** Liguria, Lombardy, Tuscany	**SPAIN** Enclave talks **Refused** Ceuta and Melilla	**FRANCE** New reactors **2** site work authorised

HOW THE COUNTRIES ARE DOING · 03

OUR SIMPLE HEALTH CHECK · TEN EUROPEAN ECONOMIES

How The Countries Are Doing

Our own reading of ten European economies across five dimensions, scored one to five. This is a judgement, not a forecast, and it is not financial advice.

	POLITICS	BUDGET	MONEY	MARKETS	OUTSIDE	WHAT WE SEE
Germany **Berlin**	4	4	3	3	4	The chancellor booed at a fire site, and Berlin among six capitals seeking a levy on oil company profits.
France **Paris**	4	4	3	3	4	Site preparation authorised for two new reactors, while Paris refuses migrant transfers from Sweden.
Italy **Rome**	3	4	3	3	4	Backing the oil levy, taking torrential rain across three regions, and named as the destination for Swedish transfers.
Spain **Madrid**	4	3	3	3	5	Rejected Moroccan talks on Ceuta and Melilla and buried the first eighteen unidentified migrants from the crossings.
Hungary **Budapest**	4	4	3	3	5	Around ninety-nine per cent of the country under severe or extreme drought, with desertification threatening the Great Plain.
Poland **Warsaw**	3	3	3	3	4	Storms and gales flooded homes and brought down trees, with thousands of emergency callouts over the weekend.
Sweden **Stockholm**	4	2	3	3	4	Plans to transfer migrants to Italy under the return rules, three weeks before a general election.
Portugal **Lisbon**	3	4	3	3	3	A new report argues the pension surplus is an illusion, which unsettles a settled fiscal assumption.
Greece **Athens**	3	3	3	3	3	Visitor numbers up and spending per head down, alongside a renewed rise in West Nile virus cases.
Romania **Bucharest**	3	3	3	3	3	Behind on renewable deployment, with plans advanced for what would be the largest solar installation in the union.

How to read the colours: 1 = calm, 2 = fairly good, 3 = mixed, 4 = some strain, 5 = serious strain. Updated Sunday, August 23, 2026.

DEEP DIVE · THE OIL LEVY · 04

WHERE A WINDFALL TAX PROPOSAL LEADS

The Levy And The Ledger

Part One · What Actually Happened

Six member states want finance ministers to take up a levy on oil company profits when they meet in Dublin next month. Germany and Italy are among them.

The argument is that the war in the Middle East has handed producers earnings they did not create. Governments facing energy bills, fire seasons and flood repairs would like some of that back.

A levy of this kind is not a new instrument in Europe and the last version, introduced during the previous energy crisis, produced less than its sponsors hoped. Companies moved profit, deferred investment and litigated.

That history is the strongest argument against, and the sponsors know it. The proposal is being made anyway, which tells you about the pressure on national budgets rather than about confidence in the tool.

Six is also short of the number needed. Tax measures at union level require unanimity, and several capitals with large energy sectors have resisted every previous attempt.

So the realistic question is not whether the levy passes in September. It is what the attempt does to the argument about who pays for a summer of fires, floods and drought.

Part Two · Three Ways This Can Go

Possibility A · The item is discussed and shelved · 50%

Dublin takes the proposal, several capitals object, and it returns to the technical level without a decision. This is what happened to comparable proposals in the last energy crisis.

Possibility B · A narrower national patchwork · 35%

Union-level agreement fails and the six proceed with national measures of varying design. Producers face a fragmented map rather than a single levy, which is the outcome companies plan for.

Possibility C · A union-level levy is agreed · 15%

Pressure from fire and flood costs overcomes the usual objections and a common measure is adopted. It would be the first significant energy tax agreed at that level in some years.

OUTCOME	WHAT IT LOOKS LIKE	WHAT IT MEANS FROM LATIN AMERICA
Discussed and shelved	No measure, and the cost stays with national budgets and households.	European energy demand and pricing continue on their present path.
National patchwork	Six different levies with six different definitions of a windfall.	Producers with European exposure face jurisdiction-by-jurisdiction planning.
A common levy	An agreed union-level charge on producer profits.	A signal that European governments will legislate against commodity windfalls, which every exporting region should note.

Chances are Rio Times Intelligence Desk estimates and sum to one hundred. They are a way of ordering possibilities, not financial advice.

EIGHT THINGS, WITH OUR OWN VIEW

Eight Things We Are Watching

Eight things we are watching, with our own view on each. These are opinions from the Rio Times Intelligence Desk and not financial advice.

WHAT	WHEN	OUR VIEW
The Dublin meeting	September	Six sponsors is short of unanimity. Watch which capitals speak against rather than which speak for.
German public temper	Ongoing	A chancellor booed at a fire site is a data point about patience, not about fire policy.
Unexploded ordnance	Fire season	Burning ground is exposing munitions from both wars. An unbudgeted hazard with a long clean-up.
Hungarian water	Weeks	Near-total drought and record low rivers. Desertification of the Great Plain is now stated openly.
Italian and Polish flooding	Weeks	Drought and flood in neighbouring states in the same week is the shape of the problem.
Ceuta and Melilla	Ongoing	Madrid has refused talks on sovereignty. The health response in Ceuta suggests the humanitarian side is worsening.
Migrant transfers	Weeks	Sweden intends to send, France and Spain refuse to receive. The rules assume cooperation that is not there.
Gravelines	Years	Two reactors authorised for site preparation. France is answering the energy question with concrete rather than tax.

POWER PLAYERS · 06

WHO IS DECIDING THIS WEEK

Five People Shaping The News

Five figures whose decisions this weekend shape what follows. We characterise stances and choices, not private motives.

Friedrich Merz · Chancellor of Germany

Went to the Hürtgen Forest fire site and was received with booing and whistles. He is also leading one of the six governments pressing for the oil levy.

The six sponsoring governments · European Union

Have asked that a levy on oil company profits be put to finance ministers in Dublin. Tax measures at that level require unanimity, which six does not provide.

José Manuel Albares · Foreign Minister of Spain

Rejected Morocco's call for talks on the sovereignty of Ceuta and Melilla. The refusal came as Ceuta buried eighteen unidentified migrants.

Ulf Kristersson · Prime Minister of Sweden

Is planning migrant transfers to Italy under the return rules, three weeks before a general election. France and Spain have said they will not accept comparable returns.

Roberta Metsola · President of the European Parliament

Paid tribute this weekend to the former commissioner Siim Kallas. The institutional register was one of the few consensual notes of the week.

DAILY BRIEFING · 07

WHAT HAPPENED WHERE

The Day, Country By Country

What happened where, across the continent, over Saturday 22 and Sunday 23 August 2026.

THE EUROPEAN UNION

Six member states, among them Germany and Italy, want finance ministers to discuss a levy on oil company profits at next month's meeting in Dublin. They cite earnings inflated by the war in the Middle East.

Tax measures at union level require unanimity. Comparable proposals in the previous energy crisis produced less revenue than their sponsors projected.

GERMANY

Chancellor Friedrich Merz visited the Hürtgen Forest fire site on Saturday and was met with booing and whistles. He spoke at a press conference in Hürtgenwald.

Fires across the continent are exposing unexploded ordnance from both world wars. Drought has also revealed sunken warships and other wartime material in shrinking rivers.

HUNGARY AND POLAND

Hungary's lakes and rivers have fallen to record lows, with around ninety-nine per cent of the country under severe or extreme drought. Desertification is now described as a threat to the Great Hungarian Plain.

Storms and gales hit Poland over the weekend, flooding homes and bringing down trees. Emergency services handled thousands of callouts.

ITALY AND FRANCE

Torrential rain and flooding struck Liguria, Lombardy and Tuscany. A bridge was destroyed in Lombardy.

In France, the operator was authorised to begin site preparation for two new reactors at the Gravelines plant. Separately, Paris has refused to accept migrant transfers under the return rules.

SPAIN AND THE ENCLAVES

Madrid rejected Morocco's call for talks on the sovereignty of Ceuta and Melilla. Ceuta buried the first eighteen unidentified migrants who died in the border crossings.

The health ministry mobilised vaccines to Ceuta after cases of tuberculosis and scabies were detected. Sweden meanwhile plans to transfer migrants to Italy.

THE SMALLER ECONOMIES

A new report argues that Portugal's pension surplus is an illusion. Greece recorded higher visitor numbers this year alongside lower spending per head.

Romania is behind on renewable deployment and has advanced plans for what would be the largest solar installation in the union.

CORPORATE PIPELINE · 08

DEALS, SECTORS AND DATES

Pipeline, Sectors, And The Calendar

Sectors, dates and structural questions across the continent over the next month.

WHAT	WHO	WHERE IT STANDS
Oil profits levy	Six member states	To be raised with finance ministers in Dublin next month. Requires unanimity to pass at union level.
Gravelines reactors	EDF, France	Authorised to prepare the site for two new units.
Largest solar installation	Romania	Plans advanced for what would be the biggest such project in the union.
Migrant transfers	Sweden, Italy, France, Spain	Stockholm intends to transfer; Paris and Madrid refuse comparable returns.
Ceuta and Melilla	Spain, Morocco	Madrid has rejected talks on sovereignty over the two enclaves.

Sector Watch · Four Things to Track

Energy producers

Six governments want a share of war-inflated profits by statute. The instrument has a poor record and is being reached for anyway.

Insurance and reconstruction

Fires, floods and drought in the same fortnight across four countries. The repair bill is the argument behind the levy.

Nuclear

France is answering the energy question with construction rather than taxation. It is the slowest available answer and the only one with a defined end point.

Tourism

More visitors spending less is now a southern European pattern rather than a Greek one. Volume without value is a harder business to run.

Calendar · Next 30 Days

DATE	WHAT
28 August	A further eclipse visible over Spain.
September	Finance ministers meet in Dublin, where the oil levy has been requested as an agenda item.
9-10 September	The European Central Bank Governing Council, hosted in Berlin by the Bundesbank.
13 September	The Swedish general election.
24 September	The next Swedish rate decision.
27 October	The British budget.

BOTTOM LINE · SOURCES · 09

WHAT THE DAY ADDS UP TO

What The Weekend Tells Us

Four arguments ran across Europe this weekend and each was an argument about allocation rather than about facts.

Six governments want producers to carry the energy bill. German voters want their chancellor to carry the fire. Spain wants Morocco to stop raising the enclaves. Sweden wants Italy to take the people it does not.

None of these is unreasonable on its own terms and none of them will be settled by the reasoning. They will be settled by which party has the least ability to refuse.

The underlying condition is a continent absorbing costs it did not budget for, from a war it is not fighting and a climate it cannot legislate. The politics that follows is redistributive by necessity rather than by ideology.

For Latin American readers the transferable point is the levy. A bloc that starts legislating against commodity windfalls at home is a bloc that will eventually think about them abroad.

	DETAIL
PRIMARY	Statements from the six sponsoring member states as reported ahead of the Dublin finance ministers' meeting. Spanish foreign ministry response to Morocco, 22 August 2026.
REPORTING	Euronews, and its Europe, Business, Health and Earth desks · 21-23 August 2026.
LANGUAGES	German, French, Italian, Spanish, Dutch, Polish and English.
VERIFICATION NOTE	The six sponsoring member states have not all been named in the reporting available at the time of writing; Germany and Italy are identified and the remaining four are not. The Dublin meeting date has been reported as next month without a specific day. We have not attributed the drought and flood events to any single cause beyond what the cited assessments state.
EXCLUDED	No conflict coverage. The war in Ukraine and the Middle East appear only where a European domestic decision turns on them, as with the oil levy.
SKIPPED	Markets were closed across the weekend, so no index levels are carried. No European statistical release fell in this window.

Compiled by the Rio Times Intelligence Desk from major outlets in the region's main languages. editor@riotimesonline.com · riotimesonline.com ·