



Germany's February 2025 Election

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Political leaders in Germany—Europe's most populous country and largest economy—are engaged in negotiations to form a new government following a February 23, 2025, snap parliamentary election. Election results suggest Friedrich Merz, leader of the center-right Christian Democratic Union/Christian Social Union (CDU/CSU), likely will become Germany's next chancellor, replacing incumbent Olaf Scholz of the center-left Social Democratic Party (SPD).

The next German government's priorities could be of interest to Congress given the possible implications for U.S.-German and U.S.-European relations.

Election Results and Prospective Governing Coalition

The CDU/CSU came in first place in the February election to the German parliament's lower house, the Bundestag, with 28.6% of the vote (see **Figure 1**). The early election was precipitated by the Scholz government's collapse in November 2024.

Under Germany's parliamentary system of government, the Bundestag elects the head of government, or chancellor; the multiparty system generally leads to governing coalitions. CDU/CSU leader Merz has entered negotiations with the SPD to form a "grand coalition" government. Together, the parties would control 328 out of 630 Bundestag seats. The new parliament is to be seated by March 25, 2025. Merz has said he hopes to form a government by April 20.

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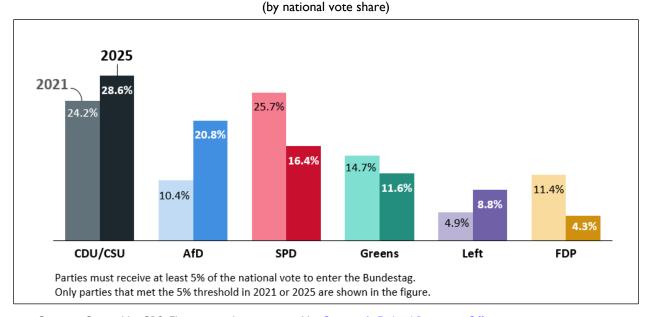


Figure 1. Bundestag Election Results, 2021 and 2025

Source: Created by CRS. Election results as reported by Germany's Federal Returning Officer.

One factor limiting the CDU/CSU's options for governing partners is a political "firewall" in parliament against cooperation with the election's second-place finisher, the far-right Alternative for Germany party (AfD), which opposes immigration and promotes what it calls traditional German values. Stated reasons behind opposition to working with the AfD include its designation by Germany's domestic intelligence service as a suspected right-wing extremist organization. AfD officials characterize the firewall as undemocratic.

The election reflected a broader decline in support for Germany's establishment political parties—the CDU/CSU and the SPD—over the past 15 years. The main beneficiaries of this trend in the February election were the AfD, which in 2017 became the first far-right party to enter parliament since World War II, and the Left party, an outgrowth of East Germany's former communist party. The SPD's coalition partners in the outgoing Scholz government—the environmentally oriented Greens and the fiscally conservative, socially liberal Free Democratic Party (FDP)—lost support, with the FDP failing to win enough support to enter parliament.

Key Policy Challenges

In pre-election opinion polls, German voters identified the economy and immigration as the most pressing challenges facing the country. Over the past five years, declining exports to China and high energy prices (associated with a steep drop in energy imports from Russia) have constrained Germany's export-based economy. Several waves of migration since 2015 have added pressure to social welfare systems and fueled societal tensions, and three high-profile attacks perpetrated by migrants since December 2024 have intensified political debate on the issue.

Merz and SPD leaders have signaled that a prospective CDU/CSU-SPD government could aim to cut taxes, increase infrastructure investment and tighten immigration laws. The parties also have committed to additional defense investment.

On March 18, 2025, members of the outgoing Bundestag from the CDU/CSU, SPD, and Greens voted to amend Germany's balanced budget law (the so-called *debt brake*) to exempt a proposed 12-year, \$533

billion infrastructure investment fund and defense expenditures (including security assistance to Ukraine) above 1% of gross domestic product (GDP) from spending restrictions. CDU/CSU and SPD officials moved to pass the amendment before the new Bundestag is seated in light of opposition from the AfD and the Left, which in the new parliament would have prevented the prospective government from securing the required two-thirds majority support.

U.S.-German Relations and Issues for Congress

CDU/CSU and SPD leaders stress the value of close U.S.-German and U.S.-European cooperation, while cautioning that Germany and the European Union (EU) should prepare for a U.S. Administration that is not as committed to the relationship as its predecessors.

Following the February election, Merz, a longtime advocate of U.S.-European cooperation, stated that his "absolute priority will be to strengthen Europe as quickly as possible so that ... we can really achieve independence from the U.S.A.... After Donald Trump's statements last week ... it is clear that the Americans, at least this part of the Americans, this administration, are largely indifferent to the fate of Europe."

The following issues in U.S.-German relations may be of interest to Members of Congress as they conduct foreign policy oversight and engage with a new German government:

- War in Ukraine. Since 2022, Germany has supported 16 rounds of EU sanctions on Russia and has become the second-largest bilateral donor to Ukraine, after the United States. Merz and SPD leaders have said they remain committed to supporting Ukraine, have asserted that Ukraine and the EU should be included in cease-fire negotiations, and have expressed concerns about the Trump Administration's bilateral consultations with the Russian government and public criticisms of Ukrainian President Volodymyr Zelensky.
- Defense Spending. Following Russia's 2022 invasion of Ukraine, the German government
 moved to significantly increase defense spending, reaching NATO's 2% of GDP benchmark
 in 2024. Merz and SPD leaders say they intend to pursue additional defense spending
 increases. Trump Administration officials have signaled that securing increased European
 defense investment will be a top priority in U.S. relations with Europe.
- U.S. Military Presence. Germany hosts about 35,000 U.S. military personnel, more than any other European country, and the headquarters of U.S. European Command (EUCOM). The Trump Administration has not announced force posture changes, but some analysts note that President Trump ordered the withdrawal of almost 12,000 soldiers from Germany at the end of his first term, in part due to his claim that Germany was "delinquent" in defense spending. That plan was not implemented before he left office.
- Trade Relations. German officials, including Scholz and Merz, have voiced concern about
 President Trump's stated intention to impose tariffs on the EU and have called for U.S.-EU
 negotiations to reduce trade barriers. President Trump reportedly has singled out Germany's
 automotive sector in particular as benefiting from the EU's trade surplus with the United
 States.

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