

Burkhard Balz: The digital €uro - a game changer for European merchants

Welcome speech by Mr Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank, at the Handelskonferenz, Brussels, 24 September 2025.

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1 Introduction

Ladies and gentlemen,

A very good morning to you all. It is my great pleasure to welcome you all to this event today here in Brussels. As a former Member of the European Parliament, I have enjoyed countless memorable moments in this vibrant city. Returning to Brussels, a city that embodies the spirit of European unity. It always feels like coming home and today is no exception.

When we first envisioned today's event, we had planned to host it at the House of the Euro, just a stone's throw away from where we are now. However, the overwhelming interest in this topic quickly forced us to look for a larger venue. I would like to express my heartfelt thanks to Dr. Eckert and his team here at the Representation of the State of Hessen to the European Union for stepping in at short notice and generously offering us the use of their premises.

The remarkable turnout today speaks volumes about the high level of interest in the digital euro and its importance in helping to shape the future of Europe's financial ecosystem. While much of the recent public debate has focussed on financial institutions, and understandably so given their crucial role in maintaining stability and trust in the financial system, today we turn our attention to another stakeholder group whose role is equally as vital: I am, of course, referring to merchants.

Merchants are not just participants in the digital euro project—they are its driving force. As the critical link between consumers and the financial system, merchants are uniquely positioned to unlock the full potential of this innovation.

The digital euro is not just about transforming payments: it's about empowering businesses, enhancing the customer experience, and redefining the future of European commerce. Together, we will examine how this initiative can help merchants thrive in an increasingly digital economy while ensuring that Europe remains at the forefront of global commerce.

2 Developments and challenges in the European payments landscape

As we gather here today to discuss the future of payments in Europe, we must recognise the profound changes shaping the world around us. Geopolitical tensions, rising protectionism, economic uncertainty, and rapid technological advancements are redefining the landscape.

In this environment, our over-reliance on non-European payment providers is not just a challenge—it's a risk to Europe's sovereignty. While the introduction of the euro was undoubtedly a milestone in European integration, our payments infrastructure has not kept pace with the demands of the digital age.

Nearly two-thirds of all card payments in the euro area depend on non-European providers. This is not just a statistic—it's a vulnerability that threatens our ability to compete and innovate in the global economy. What is more, 13 out of the 20 euro area member states have no national card scheme of their own. As a result, payments in Europe are largely dependent on international schemes, primarily those in the United States.

And Europe's dependencies in the digital age are likely to increase if we do not fundamentally take matters into our own hands. To succeed, we need a European payment system that delivers real value—not just to consumers, but also to the merchants who bring the European Single Market to life every day.

3 The digital euro—implications for merchants

What tangible benefits can the digital euro bring to merchants, a backbone of our economy? This question will certainly be explored in greater depth today. However, allow me to briefly highlight three key advantages that the digital euro could offer.

First, the digital euro promises a seamless payment experience. Whether at the point of sale, in eCommerce, or peer-to-peer transactions, it aims to simplify payments across borders—throughout the entire euro area and potentially beyond.

In particular, merchants which operate across countries and offer both in-store as well as online shopping could introduce a single payment method in all their payment systems. Importantly, it is designed to integrate effortlessly into existing payment systems, ensuring a smooth adoption process for merchants and service providers.

Second, the digital euro is being built with resilience in mind. By offering both online and offline functionality and adhering to open technical standards, it seeks to provide the highest levels of trust, security, and reliability for businesses and consumers alike.

Third, the digital euro has the potential to foster a more competitive and innovative payments market. By introducing a pan-European payment infrastructure, it could reduce dependencies, promote transparency, and create fairer acceptance conditions for merchants.

Of course, the practical realities for merchants will be decisive. Above all, the digital euro must be cost-effective and competitive, offering an economically viable solution for daily operations.

It is not about replacing existing payment methods but about complementing them—enriching the market and enabling broader reach. To truly become a game changer, the digital euro must address real challenges, deliver tangible benefits, and integrate seamlessly into the European retail ecosystem.

Naturally, there are still important questions to resolve. That is why your voice—and your active participation in today's conference—are so important. Together, we can shape a digital euro that works for everyone.

4 Conclusion

Ladies and gentlemen,

Today's conference is about dialogue, sharing views and working together to turn vision into reality. Henry Ford is quoted as once saying: "Coming together is a beginning, staying together is progress, and working together is success."

It is through this spirit of collaboration that we can transform the digital euro into a true game changer for European commerce. Let us seize this opportunity to shape the future of European payments together. I look forward to the insightful discussions and diverse perspectives that will emerge from today's conference. Together, we can build a stronger, more innovative Europe.

I now have the pleasure of giving the floor to the Vice President of the European Commission, Valdis Dombrovskis.

Thank you for your attention.