

Joachim Nagel: The digital euro - an opportunity for Europe

Opening statement by Mr Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank, at "Bundesbank Spotlight", Berlin, 27 January 2026.

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1 Introductory remarks

Ladies and gentlemen,

Welcome to the first Bundesbank Spotlight in Berlin!

What is the idea behind the new event format? We want to engage in personal dialogue with experts in their fields and with our guests.

The focus of our first Spotlight will be the digital euro. For this event, we have invited two guests to the podium, and I am delighted that they are able to be here today: Ramona Pop from the Federation of German Consume Organisations, and Christian Sewing—who will engage in today's discussion not only in his capacity as CEO of Deutsche Bank but also as President of the Association of German Banks.

By introducing the digital euro, we want to make our single currency, the euro, fit for the future. Our vision is to create a single European payment solution that is state of the art in terms of technology, enables innovation, makes Europe more independent and resilient, and is trustworthy.

In the current project phase, we are preparing to be able to issue the digital euro in the course of 2029. We assume that the legal framework for the digital euro will be in place by the end of this year. This legal basis is a prerequisite for the Eurosystem to be able to start issuing the digital euro.

We are working closely with policymakers and banks. They will be a crucial interface between users of the digital euro and the Eurosystem as its issuer. We are already in close dialogue with the general public and, through many events across the country, are clarifying what the digital euro is and what it is not—what benefits it will offer and how data protection and security will be ensured, for instance.

According to a Forsa survey conducted on behalf of the Bundesbank, only 42% of survey participants had heard or read about the digital euro in October 2025. And only just over one-quarter of them knew what it is: an additional digital means of payment issued by the Eurosystem. This shows that we have a considerable amount of work to do to educate the general public.

2 The benefits of the digital euro

The digital euro will enable cashless payments to be made simply, securely and across borders throughout the euro area.

The digital euro will be just as trustworthy as our banknotes and coins. It is intended to be a digital supplement, a digital "twin" to euro cash, and not a substitute.

You would be able to use it just as easily as your girocard and existing payment apps on your smartphone—be it at a point of sale, in a restaurant, when shopping online or for credit transfers to friends. And it will also be able to be used offline. No other means of payment apart from the digital euro offers all these features at once in the euro area.

The digital euro also presents an opportunity to overcome the strong fragmentation of the European payments market. At present, there is no European payment solution that is accepted in all euro area countries—except for cash.

Instead, non-European providers, particularly from the United States, dominate the market. These providers often charge retailers high fees, which we as consumers ultimately pay, too.

I'm sure you are familiar with the film "Pretty Woman". Then you might remember the quote "Stores are never nice to people, they're nice to credit cards". The truth, however, is that while retailers accept credit cards and online payment services, they often do so only reluctantly because of the high fees.

By contrast, the digital euro will be a cost-effective alternative to existing digital means of payment for retailers. This is another reason why the retail sector is very open to the digital euro. After all, it will stimulate competition in the payment market.

Critics, on the other hand, complain that this would cut the ground from under the feet of private sector initiatives for a European payment solution. But, the opposite is true: private sector solutions such as Wero could benefit from the pan-European reach of the digital euro, for example by integrating the digital euro into the Wero wallet. On the flip side, Wero could be an important means by which people use the digital euro—a win-win situation!

I am also convinced that the market offers sufficient space for private and public sector providers. This is because consumers also appreciate the possibility of being able to choose between different options.

The digital euro is also being designed to enable future innovations and functions. I am thinking, for instance, of conditional payments: a parcel only being paid for when the customer receives it, to name one example, or a travel refund being issued automatically if a train is delayed, to name another.

Launching the digital euro also means we are increasing our strategic autonomy—something which is unfortunately desperately needed in view of geopolitical developments.

Visa and Mastercard currently account for almost two-thirds of all card payments in the euro area. 13 out of 21 euro area countries do not have an own national card system like we have girocard in Germany.

These countries therefore rely entirely on non-European card systems, including within their own country's borders. To put it bluntly, we are very dependent on US corporations in payments today—too dependent.

Payments are part of our critical infrastructure. And we really ought to stand on our own two feet when it comes to critical infrastructure. The digital euro would be the first and only digital means of payment built on a European infrastructure that could be used seamlessly throughout the euro area.

And what about data protection?

To protect your data, we are designing the digital euro to offer the highest degree of privacy possible for an electronic means of payment. Privacy has been a top priority of the digital euro project since its inception. The Eurosystem central banks will not be able to tell who is behind individual payments.

We certainly will not be able to and do not want to control what the public pay for with the digital euro. And those who use the digital euro offline will pay almost as anonymously as they do with cash.

Many people are not even aware of how much data they share when paying using other digital means of payment. For some people it does not matter. However, we know from surveys that protecting privacy is a crucial factor for many consumers. According to the Forsa survey I mentioned earlier, it would represent the most important feature for 74% of respondents.

3 Conclusion

Ladies and gentlemen,

I am convinced that the digital euro will be a success.

It is up to us to bring the euro to where a great future lies ahead of it: the digital world.

The digital euro stands for payments that are simple, secure and European—open to innovation, regardless of external factors, and trustworthy for all.

We want to develop the digital euro together with consumers, banks, retailers and policymakers.

It is neither a project opposing cash, nor a project opposing private sector providers.

It is a project of progress for our continent's population.

The digital euro is an opportunity for Europe.

Thank you for listening.