

Joachim Nagel: The digital euro - anchoring Europe's strategic autonomy in a digital future

Keynote speech by Dr Joachim Nagel, President of the Deutsche Bundesbank, at the House of the Euro, Brussels, 22 April 2026.

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1 Introduction: technologies and geopolitics shaping the nature of payments

Ladies and gentlemen,

The topic we are about to discuss – the digital euro – is of utmost importance to the Eurosystem. It undoubtedly deserves significant attention.

Let me share with you a brief anecdote of how this became really clear to me: A few years ago, I was flying with Lufthansa from Morocco to Germany – a European airline, flying to Europe. After we reached our cruising altitude, the usual announcement was made: cabin service would begin and duty-free items would be available for purchase. Only digital payments with Mastercard, Visa, Apple Pay or Google Pay would be accepted. That left me wondering: why is there no digital European payment option?

There is no doubt: digital payments are on the rise. Two forces are shaping how payments will further evolve: technological innovation, which can enhance efficiency but might also bring new risks; and geopolitical change, which raises questions of sovereignty. Those changes are forcing central banks and policymakers to rethink the architecture of money and payments. The choices we make now – regarding regulation, market infrastructure and forms of digital money – will shape Europe's resilience and room for manoeuvre for years to come.

With this in mind, the Eurosystem has drawn up a comprehensive payment strategy. It covers the European payment market in a holistic manner by including wholesale, business-to-business, retail and cross-border payments.¹ The digital euro would be part of a wider European digital ecosystem. This ecosystem would also include wholesale central bank digital currency, tokenised assets and private digital payment solutions, with complementary public and private roles. The goal is an ecosystem where public money ensures trust and stability, and private innovation delivers choice and efficiency.

The Eurosystem's approach is built on four strategic aims: (i) to ensure the effectiveness of monetary policy and the smooth functioning of the payment system, (ii) to achieve strategic autonomy and increased resilience for European payments, (iii) to foster an integrated, competitive and innovative payments ecosystem, and (iv) to support the international role of the euro.² Today I would like to focus on how a digital euro could contribute to these strategic aims.

2 Renewing the role of central bank money and strengthening the European payments market

The growing digitalisation of our economies is changing how we pay and interact with money. In 2024 in the euro area, cash accounted for only 24% of the total value of day-to-day payments, and the share of merchants that do not accept cash has tripled to 12% over the past three years. Over the period from 2019 to 2024, the value of goods purchased in e-commerce doubled, from 18% to 36%.³

As payment habits shift and digital payment methods become the norm, we have to ensure that central bank money continues to play a crucial role in underpinning confidence in the monetary system.⁴ To date, the general public has only been able to access central bank money in the form of cash. As our economies are becoming more and more digital, the digital euro will play a role here as an additional form of central bank money for the general public. And let me be very clear: it is not about abolishing cash, but about complementing it. With this digital complement to cash, we will renew the role of central bank money in an increasingly digital world.

The digital euro could also help to reduce the current fragmentation of euro area payment solutions and further strengthen European integration. Despite the euro's introduction 25 years ago, Europe's cashless retail payments market is still fragmented along national borders. Currently, in the euro area, there are more than 100 European digital payment solutions. Many of these solutions work well at national level, but there is still no European digital payment instrument that covers the entire euro area.

The digital euro's common infrastructure and unparalleled acceptance network would provide a foundation for European payment solutions to scale up. It would enable the development of innovative services that could operate seamlessly across the euro area. By allowing the private sector to build on this shared infrastructure, the digital euro would act as a catalyst for efficiency and innovation.

This two-pillar approach makes sense: the digital euro as a basic public offering in European payments, and innovative private solutions that can use its infrastructure and can be offered for a fee. In my view, complementarity of public and private money is the best way forward. Ultimately, this genuine partnership between the public and private sector would help overcome fragmentation.

3 The digital euro: securing Europe's strategic autonomy in digital payments

The digital euro is not just about renewing the role of central bank money and strengthening the European payments market. It is also about ensuring that Europe has more control over its monetary and financial destiny, against a backdrop of increasing geopolitical fragmentation.

Recent geopolitical developments have made one thing abundantly clear: it's not wise to outsource our sovereignty. Therefore, in my opinion, one of the key arguments for the digital euro's introduction is strengthening Europe's strategic autonomy.

Today, digital payment services are not a luxury anymore. They are essential to daily life. Undoubtedly, digital payment systems are a critical infrastructure. Without sovereignty in this field, true strategic autonomy is hardly conceivable. I welcome the fact that the message of the European Commission and European leaders⁵ is clear: Europe must be able to rely on its own payment systems.

And yet, a significant share of digital payments in Europe still depends on non-European infrastructure. This leaves Europe reliant on global providers and vulnerable to decisions made outside Europe. Card payments are a case in point. During the first half of 2025, card payments accounted for 57% of all cashless transactions in the euro area.⁶ But there are only five Member States with European card schemes that have a meaningful market presence.⁷

The result: around two thirds of all card payments in Europe are now processed by the big US payment providers. This represents a very high level of dependency in a systemically important area such as payments. And Mastercard, Visa, and PayPal are still steadily gaining market share.

Global solutions offer convenience, but autonomy and sovereignty require diversification and home-grown solutions. As a purely European digital payment alternative, the digital euro would reduce dependencies and strengthen Europe's capacity to act.

It would also enhance the resilience of our payment system. Thanks to the offline functionality of the digital euro, payments will be possible even without electricity or internet access. The offline feature also promises a level of privacy that comes close to that of cash. Payments would be made directly between you and the recipient. Personal transaction details would be known only to the payer and the payee.

At the same time, the general public could trust in a strong framework to protect their privacy. The Eurosystem will be unable to directly identify individual users of the digital euro. This ensures that the state will never gain access to the personal payment information of its population. It will neither see, what goods and services people buy nor where they shop.

The digital euro would provide a secure, universally accepted means of digital payment under European governance and built on European infrastructure. It could be used anywhere in Europe – whether to shop in stores, order online or send money to a friend. For me, the digital euro is therefore a key project to strengthen Europe's sovereignty in digital payments.

4 Concluding the legislative process quickly

Let me sum up: the digital euro is essential for anchoring Europe's strategic autonomy in our digital future. It would contribute to maintaining the role of central bank money in a digital economy, help overcome fragmentation in the European payments market, and strengthen our sovereignty in a world of growing geopolitical uncertainty. The digital euro would offer European consumers a simple, safe and accessible payment option, with privacy standards exceeding those available in today's digital transactions. As a widely usable digital form of central bank money, the digital euro could also support the

euro's role in global digital commerce. These are the reasons to hope that, in a few years' time, high above the clouds on a flight to Europe, I will be able to pay with the digital euro – in a simple, efficient and resilient way.

Encouragingly, the digital euro has moved far beyond a technical concept – it is now a political project for more sovereignty, and tangible progress is being made. Just like cash, the digital euro is intended to become legal tender. Therefore, in order for the digital euro to become a reality, a firm legal framework must be put in place.

I strongly believe that the legislative process can be concluded by the end of the year, paving the way for a digital euro that embodies Europe's vision of sovereignty, while leaving space for private innovation and competition. Strengthening our sovereignty is a top priority on Europe's strategic agenda. The digital euro is a concrete, practical step in that direction.

Let us work together to pave the way for a resilient and sovereign European payments landscape.

¹ ECB (2026), [The Eurosystem's comprehensive payments strategy](#)

² *ibid.*

³ ECB (2024): [Use of cash by companies in the euro area in 2024](#)

⁴ Deutsche Bundesbank (2026), [The digital euro: key elements and outlook, article in the Monthly Report](#), March 2026

⁵ [Statement of the Euro Summit](#)

⁶ ECB' (2026), [Payments statistics: first half of 2025](#), 29 January 2026

⁷ Belgium, Germany, France, Portugal and Italy.