Burkhard Balz: 40 years of the Deutsche Bundesbank's Representative Office in New York

Speech by Mr Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank, at the reception marking 40 years of the Representative Office of the Deutsche Bundesbank in the United States, New York City, 7 July 2026.

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1 Introduction

Ladies and gentlemen,

A very warm welcome to all of you.

I am delighted that we are celebrating an anniversary together today: for 40 years now, the Deutsche Bundesbank has had its own Representative Office here in New York. The setting could hardly be more festive: the spirit of the Knicks' first NBA championship win in more than 50 years – celebrated last month with a big parade – is still very much in the air.

The FIFA World Cup is currently being held in the United States, Canada and Mexico – for the first time with 48 teams, making it a tournament of superlatives and the largest to date. We do not yet know who will be in the final – but we do know that it will kick off in just under two weeks, on 19 July, in neighbouring New Jersey. And that's not all: a few days ago, the United States celebrated the 250th anniversary of its independence – and I would like to offer my warm congratulations.

To mark the festivities, around 50 tall ships from all over the world – among them also Germany's own Gorch Fock, the German Navy's famous sail training ship – are currently anchored in the harbour for the great "Sail4th 250" parade – a most imposing sight.

40 years ago, when our Representative Office in New York opened, there was a similarly impressive scene. To mark the 100th anniversary of the Statue of Liberty, one of the largest parades of sailing ships in modern history made its way up the Hudson in 1986.[1]

Today, 40 years on, we have the perfect backdrop for looking back together over these past four decades – and for talking about why a central bank's local presence remains indispensable in 2026.

2 40 years of the Representative Office in New York

Ladies and gentlemen,

The Bundesbank has long been at home in New York: as early as 1963, when it was still a young central bank, it had posted a permanent representative to the German Consulate General.

A good two decades later, in September 1985, five major industrialised countries – among them the United States and the Federal Republic of Germany – agreed at the Plaza Hotel in New York to depreciate the US dollar, which had risen sharply, in an orderly fashion through joint intervention under the Plaza Accord.[2] So the Federal Reserve and the Bundesbank were already in close contact back then.

Beyond that, New York was and still is the world's most important financial centre: what happens here affects markets around the world – especially in Europe. It therefore made sense to expand our presence on the ground: since 1986, the Bundesbank has had an independent Representative Office in New York.

The mandate of our Representative Office has, in essence, remained the same over the years: it follows the economic developments in the US, interprets these developments and reports back to Frankfurt. In turn, its staff explain the Bundesbank's positions to interested parties over here.

In order to do this job, our representatives maintain a close dialogue with key players such as the Federal Reserve System, the US supervisory agencies, and private sector institutions. Moreover, the Representative Office brings people together and strengthens networks – not least at occasions like this evening.

Since April 2009, the Bundesbank has also been active in the market from its base in New York: the trading office of the Representative Office conducts transactions for reserve management – and, at the same time, provides us with first-hand market reports.

The Representative Office as a whole, meanwhile, does not solely focus on the United States: from New York it also assesses developments in Canada and Mexico – and not only when a World Cup happens to be taking place there.

3 Why local presence matters

Ladies and gentlemen,

We are sometimes asked: in the age of video conferencing, digitalisation and artificial intelligence, does a central bank still need an office on the other side of the Atlantic at all? My answer is a clear yes.

Central banks depend on trust and reliability – and that holds true for interbank relationships, too. Good cooperation depends on relationships cultivated over many years on both a professional and a personal level.

Such relationships are not forged on a screen, but on the ground – in encounters like this evening's event. While well-established relationships built on trust are always beneficial, they gain critical importance in times of crisis.

During the pandemic, for example, when overseas travel was barely possible, the Representative Office remained our listening ear and our voice on the ground. And in times of growing geopolitical uncertainty and increasing geoeconomic fragmentation in particular, reliable and trusted contacts matter all the more.

Germany's economy is closely connected with that of the United States – through trade and investment, and not least through countless personal ties. Behind these lie millions of personal stories: people who emigrated, who study or work here – and families who are at home on both sides of the Atlantic.

Nurturing these connections is no fair-weather task – just as a harbour proves its worth not in calm seas, but in the storm, when it offers ships shelter and a safe berth. For the Bundesbank, our Representative Office is just such a harbour: a place where we remain reachable in good weather and in bad.

My thanks this evening go to all those who have given our Representative Office a face and continue to bring it to life, both today and over the past 40 years: to you, dear Mr Keller, and your entire team. Dear Mr Ludwig, dear Ms Czerny – you are both moving on to new roles in Germany, and I wish you all the very best. Your successors will take over this fall, and I am pleased that the new deputy, Mr Weil, is in attendance tonight.

My thanks also go to our partners here on the ground – to all those who, over the years, have become part of our network and enriched it.

4 Conclusion

Ladies and gentlemen,

As they did in 1986, the tall ships will soon set sail again. Ships come and go – but harbours remain.

One man who himself sailed into New York Harbour in 1852 was Carl Schurz – an emigrant from what is now Germany, who went on to become a US Senator and Secretary of the Interior.

Carl Schurz once said: Ideals are like stars; you will not succeed in touching them with your hands. But like the seafaring man on the desert of waters, you choose them as your guides and following them you will reach your destiny.[3]

What the stars are to the seafarer, our mandate is to us central banks: the ideal of safeguarding trust in our currency, however rough the seas may be. Our Representative Office has been contributing to this aim for 40 years in its position as our ear, our voice and our harbour on the other side of the Atlantic.

My hope for the Representative Office is that it will remain in New York for the next 40 years, too – and that it remains as vibrant a location as it is today. In that spirit, I now look forward to Anna Nordstrom's remarks and to our conversations – thank you for your attention!

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[1] Sail4th 250: international parade of historic tall ships in New York harbour, 3-8 July 2026; over 50 ships from around 30 nations. In 1986, around 250 sailing ships took part in Liberty Weekend, including 22 tall ships.

[2] Plaza Accord of 22 September 1985 (United States, Japan, Federal Republic of Germany, France, United Kingdom); referred to as the "New York Agreement" in the Deutsche Bundesbank's 1986 Annual Report.

[3] Carl Schurz, "True Americanism", Faneuil Hall, Boston, 18 April 1859. Schurz reached New York in 1852 aboard the packet ship "City of London".