

A financial transaction tax for Germany? It would be a ...

Published: January 15, 2026, 6:44 am

The [FT notes this morning](#):

Germany's opposition Social Democrats cleared the way on Sunday for weeks of hard bargaining on a coalition agreement with Chancellor Angela Merkel, setting out a string of minimum demands for a deal.

They included a statutory minimum wage, a financial transaction tax, new rules to give immigrants dual citizenship and an investment drive in transport and schools to boost economic growth. But there was no mention of tax increases for top earners, a central SPD election demand.

I include the last sentence for balance: of course that is disappointing, but these changes can be achieved through the tax base as well as the tax rate. What is really important is the mention of a financial transaction tax - which would be a game change for Europe if the largest economy in the eurozone were to join one - and the minimum wage, which is a pre-requisite to creating social justice in Germany.

This is the [second change of direction](#) in an EU government I can hope for this morning. And such a change in direction would be a game changer for Europe, without a doubt.