

German Minister Blames Trump Conflict for Economic Slowdown



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Berlin, May 08 – German Finance Minister Lars Klingbeil sharply criticized President Donald Trump over the ongoing Middle East conflict warning that rising energy prices linked to the war were damaging Germany’s economy and reducing government revenues.

According to the latest forecast released by Germany’s Finance Ministry federal tax income for 2026 is expected to reach 382.1 billion euros nearly 10 billion euros lower than earlier projections

issued last October. Officials said the worsening regional conflict and global energy shock were weakening economic growth across Europe's largest economy.

Klingbeil described the conflict as an "irresponsible war" and said its consequences were slowing Germany's recovery momentum while creating long-term financial uncertainty. The ministry also predicted tax revenues would remain below previous expectations from 2027 to 2030.

The German government has already introduced measures to reduce pressure on households and businesses including temporary fuel tax cuts during May and June. However a proposal allowing companies to provide workers with tax-free inflation support bonuses was recently rejected by the Bundesrat the upper chamber of parliament.

Last month Germany's coalition government reduced its 2026 economic growth forecast from 1 percent to 0.5 percent citing growing instability in the Middle East and continuing global economic uncertainty.