
Germany Recovery Faces Political Pressure Ahead of Regional Vote



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Berlin, August 28: Germany's economy showed signs of recovery in the second quarter, but

Chancellor Friedrich Merz faces growing political pressure ahead of a key regional election.

Germany's gross domestic product expanded 0.3 percent in the second quarter of 2026, while

business confidence reached its highest level this year, suggesting that recent economic reforms

may be beginning to take effect.

However, Merz's approval rating has fallen to just 16 percent, creating difficulties for his governing coalition of the Christian Democratic Union and Social Democratic Party.

The September 6 election in Saxony-Anhalt has become a major test, with the far-right Alternative for Germany (AfD) polling at about 42 percent and potentially capable of winning an outright majority.

The government has introduced economic reforms including tax reductions and pension changes, but voters have yet to see significant improvements.

A poor election result could increase pressure on Merz's leadership, deepen coalition tensions and create wider political uncertainty in Europe's largest economy.

Analysts warn that prolonged instability could also affect Germany's role in European policy and the wider EU.