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From a “Dormant to a Leading Middle Power”

Foreign and Security Policy of Germany’s New Government

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Germany finds itself alongside its European allies and partners in a complex security environment. Russian aggression in Ukraine continues to threaten broader European security, while the concerning escalation in the Middle East, transatlantic trade tensions, and global power competition are further complicating the geopolitical landscape.

On his first day as Chancellor, Friedrich Merz already travelled to France and Poland—two other corners of the Weimar Triangle—to meet with President Emmanuel Macron and Prime Minister Donald Tusk. Soon after, visits followed to Ukraine, Brussels, the Nordics as well as most recently to Washington, DC on June 5, 2025. This flurry of high-level meetings with foreign leaders underscores Merz’s ambition to reshape Germany’s role from a “dormant to a leading middle power”—one that actively shapes European defense and security—and signals that foreign policy will be at the heart of his chancellorship.

Increasing direct support for Ukraine

Continued support for Ukraine against ongoing Russian aggression remains the backbone of Germany’s foreign policy. Germany is already the second largest donor of aid, including military, after the United States. The new government has vowed¹ to increase this even further amid calls for Europe take on the lion’s share and compensate for planned cuts of US military assistance to Ukraine.²

During the visit of President Zelensky in Berlin on May 28, a new €5 billion aid package for Ukraine

was announced—increased to €9 billion³ after the latest visit of Defense Minister Boris Pistorius in Kyiv on June 12, 2025. While delivery of Taurus missiles to Ukraine, although highly discussed, remains off the table, the aid package includes an industrial partnership to help Ukraine’s domestic production of long-range weapons, drones and other capabilities.

Learning from the battlefield and supporting the defense industry in Ukraine is a priority for Germany. Ukrainian military is now the biggest and the most battle-tested army in Europe. Its adaptability and ingenuity to counter Russia aggression—operation Spiderweb, the highly precise and coordinated small drone attack that damaged over 40 Russian warplanes⁴, being just the latest example—offers invaluable insight into the needs for modern warfare. Furthermore, Ukraine has also built up its domestic defense industry capabilities and innovation to meet the new and growing demands on the battlefield. Ukraine’s experience is therefore a strategic asset that provides invaluable insights for Germany’s efforts to modernize its military and more broadly for NATO to improve its deterrence and defense posture to safeguard European security.

¹ [Germany's Merz promises to help Ukraine produce long-range missiles](#)

² [US to cut military aid to Ukraine, Hegseth says](#)

³ [Ukraine: Germany's Pistorius pledges military aid in Kyiv - DW - 06/13/2025](#)

⁴ [Operation Spiderweb: a visual guide to Ukraine's destruction of Russian aircraft](#)

Sustaining pressure on Russia towards a ceasefire

Next to direct support for Ukraine, Germany shares the objective of the need to achieve a ceasefire in Ukraine and strives to lead and assist in joint European and transatlantic efforts. However, in the past few months, President Putin has shown little to no interest in negotiating in good faith. On the contrary the situation on the ground in Ukraine has only escalated. The growing frustration over Putin's unwillingness to reach a ceasefire has resulted in both sides of the Atlantic preparing to further tighten sanctions against Russia. In the United States Senate, a bipartisan the Sanctioning Russia Act of 2025⁵ has been proposed, which aims to impose "hard-hitting" sanctions such as a 500% tariff on any country buying Russian energy or other exports.⁶ Similarly, the European Union also unveiled its 18th sanctions package, which includes lowering the oil price cap from \$60 to \$45 as well as a transaction ban on Nord Stream pipelines. To this end, Chancellor Merz has unequivocally ruled out any restart of the pipelines.⁷

The new German government supports maintaining sustained pressure on Russia through sanctions. While the United States' shifting approach toward Russia has posed challenges, Chancellor Merz emphasized, during his visit in Washington, DC that only coordinated transatlantic efforts can bring an end to the war and secure a durable and just peace in Ukraine. For Germany, this unified strategy is essential not only to safeguard broader European security but to also effectively respond to the growing strategic alignment of autocracies: Russia, China, North Korea and Iran.

Bolstering Germany's defense and the NATO Alliance

2022 saw the beginning of the so-called "Zeitenwende", when then-Chancellor Olaf Scholz announced a significant increase in Germany's defense spending in response to the Russian full-scale invasion of Ukraine. Since then, Germany has been undergoing a profound transformation in its security and defense policy, including providing the most military aid to Ukraine in Europe.

This ties into to the broader (EU)ropean efforts to rebuild defense capabilities and strengthen the defense industrial and technological base as identified by the European Commission's White Paper for European Defence.⁸ At the heart of this has been the ReArm Europe Plan that pledges to mobilize some €800 billion for defense spending, including a €150 billion SAFE Fund,⁹ a financial loan instrument for member states to boost European defense capabilities and production through joint defense procurement.

The new German government wants the country to play a leading role in ensuring Europe assumes greater responsibility for its defense and is doubling down on these efforts. At the NATO Summit in the Hague it, together with other NATO allies, agreed to a historic increase in defense spending to 5% of GDP by 2035 (3,5% for core defense spending and 1,5% for infrastructure and resilience). Germany plans to reach the 3,5% GDP target (€153 billion) already by 2029. These significant investments in defense will be possible due to changes to the so-called debt brake rule (Schuldenbremse). Passed by the Bundestag already in March—upon the initiative of the coalition-in-the-making—future defense spending over 1% of GDP will be exempt from borrowing limitations. Next to that a €500 billion fund was created for infrastructure investments, that will also contribute to meeting the new 1,5% GDP NATO target.

⁵ [Sanctioning Russia Act of 2025](#)

⁶ [Graham's 'bone crushing' Russia sanctions bill could freeze US trade with the world's largest economies - POLITICO](#)

⁷ [Germany's Merz vows to keep Nord Stream 2 pipeline switched off - POLITICO](#)

⁸ [White Paper for European Defence – Readiness 2030](#)

⁹ [EU Member States endorse €150 billion SAFE defence loan instrument](#)

With all these commitments Germany aims to build “the most powerful conventional army in Europe” and improve its capabilities as a logistics and coordination hub of NATO—the so-called “Drehscheibe”—to strengthen the Alliance’s credible deterrence and defense posture.

Keeping up the transatlantic trade

The past few months we have seen tumultuous developments in transatlantic trade relations. President Trump has imposed sweeping tariffs across the board, including—as it currently stands— 50% tariff on EU aluminium and steel imports and 10% for all other goods from the EU. As the 3rd largest investor in the United States these measures deeply impact Germany’s economy and its foreign direct investment ambitions in the U.S.

In times of global power competition, trade barriers and tariffs among partners and allies only undermine collective efforts for greater economic security. For Germany, closer economic relations and free trade with partners around the world therefore remain vital—one in four jobs in Germany depends on this.¹⁰ While trade is an EU competence, the new German government has vowed to build coalitions and drive forward key trade initiatives at the EU level, including finalizing the EU-Mercosur Agreement and advocating for a free trade agreement between EU and the U.S. This is in line with Chancellor Merz’s broader aim for Germany to again play a proactive role in shaping EU policies, after a period of so-called “German votes”—abstentions due to internal coalition disagreements—during the previous government.

Doubling-down on “de-risking” from China

In 2023, Germany released its first-ever China Strategy, framing China as “simultaneously a partner, competitor, and systemic rival.” However, the expectations that this would lead towards a tougher approach on China were met with disappointment, especially following the

previous German government’s opposition to EU duties on Chinese EVs in 2024.¹¹ Europe continues to struggle with crafting a cohesive response to the strategic challenges posed by China’s persistent unfair trade practices. The growing uncertainty over the future of U.S.-China trade relations only further exacerbates concerns over a surge in Chinese exports to Europe or of Europe being sidelined in the global trading system.

Competitiveness and economic security are top priorities for the new German government. In his first address to Bundestag on May 14, Chancellor Merz emphasized that achieving these goals requires a “re-evaluation” of relations with China towards reducing dependencies and addressing the vulnerabilities within Germany’s supply chains. As outlined in the coalition agreement, the government is therefore committed to a more determined pursuit of “de-risking” from China, which includes a revision of the 2023 China Strategy. More broadly, it also recognizes the strategic importance of European unity and aims to course correct Germany’s role in shaping a common approach for a greater European independence from China.

While relations with China have traditionally been viewed primarily through an economic lens, Chancellor Merz has also outlined the growing geopolitical stakes of the strategic rivalry with Beijing. He warned that China’s role as a “decisive enabler” of Russia’s war against Ukraine also threatens broader European security and called for increased pressure on Beijing to help end the war.

Looking Ahead

Two months into office, the new government is actively shaping its foreign and security policy priorities: from increasing support for Ukraine and strengthening Europe’s security and defense to sustaining transatlantic relations and taking a more cautious approach towards China. In an increasingly complex global environment, Germany is positioning itself as an agile leader—ready to assume greater responsibility and respond to evolving geopolitical challenges.

¹⁰ [Regierungserklärung von Bundeskanzler Friedrich Merz](#)

¹¹ [Scholz forces German ‘no’ vote in Chinese EV duty saga – POLITICO](#)

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