

## Germany: Political landslide in Bavaria

At least opinion polls in the last few weeks were right. For the rest, Sunday's elections in Bavaria will have created a landslide. Not only for Bavaria but probably also for German national politics



According to the preliminary results of Sunday's election in Bavaria, the CSU came in at 37.4% (from 47.7%), the worst result since 1950. The Greens came in as the second largest party with 17.7% (from 8.6%), followed by the Free Voters at 11.5% (from 9.0%), the AfD with 10.2% (from zero), the SPD with 9.6% (from 20.6%) and the FDP with 5.0% (from 3.3%).

Given that the CSU had reached an absolute majority in 12 of the last thirteen elections, this result marks a political landslide. The party's strategy to criticise Chancellor Angela Merkel's stance on refugees and migration did not work out well. Instead, the party left the political centre vacant, leading to the increase of the Greens as a kind of liberal alternative to the CSU. The Greens won many votes in Bavarian cities. At the same time, the CSU's strategy strengthened rather than prevented the AfD.

### Implications for Bavarian and national politics

For **Bavarian politics**, as significant as the CSU losses are, not a lot will change. Currently, a coalition of CSU and Free Voters seems like the most probable outcome, which could keep the damage for the CSU limited, even though the party is shaken to its core and some personnel changes cannot be ruled out.

For **national politics**, the loss of the CSU could bring some short-term relief for Angela Merkel. The CSU government members should refrain from starting fights with Merkel or put the coalition at risk, at least for a while. However, at the same time, there are at least two aspects which are more worrying for Merkel: the longer-term trend that also Germany cannot escape the gradual end of strong parties in the political centre, a more scattered political landscape and already, in the short run, the free fall of the SPD. Never before has the SPD come in at a single-digit level in a regional or national election. While the CSU will be licking its wounds for some time, voices within the SPD to quit the coalition could easily get louder. Don't forget that the SPD already had a very hard time deciding to enter another grand coalition. All of this makes an explosive mix which is likely to hamper Germany's decision-making power, both at the national and European level.

If you thought the result of the Bavarian election was bad for national and European decision-making, hold your breath because in two weeks from now, voters in the state of Hessen will go to the ballot boxes and current polls see a drop by as much as 10 percentage points for Merkel's CDU.

## Author

**Carsten Brzeski**

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit [www.ing.com](http://www.ing.com).