

## Germany: Two candidates - one job

The race to the Merkel succession entered the next stage with the two expected candidates announcing their official interest in leading the CDU/CSU into the elections



German politics is hardly ever loud nor a box office hit but rather the stuff for connoisseurs of fine intrigues and behind the scenes moves. It is often small important steps, rather than big bangs. This can once again be witnessed in the race of who will become the CDU's leading candidate for the September elections and hence the most likely candidate to succeed Angela Merkel as German chancellor.

On Sunday, both Armin Laschet, the newly elected CDU party leader, and Markus Söder, the CSU party leader, announced their official interest in the CDU/CSU ticket. While Laschet holds the advantage of being the candidate of the much larger CDU, the Bavarian Söder has seen his popularity ratings surging during the pandemic. He currently is the most popular German politician. Laschet, however, does not even make the Top 10 of most popular politicians.

---

*Laschet is the candidate of the much larger CDU whereas Soder is the most popular German politician.*

---

On Monday, Laschet secured the backing of the CDU's executive board and the party's parliamentary group. Later in the day, Söder got the backing of his own party. No decision between Laschet and Söder was taken but Söder seems to hope for support from CDU grassroots organisations, including MEPs, who could see higher chances in securing their current seats with Söder running in the elections rather than with Laschet. According to news reports, there is a growing number of MEPs arguing in favour of a vote in the parliamentary group of both the CDU and the CSU.

This leadership race could backfire on the CDU/CSU's election campaign. As a friendly deal has become less likely, the risk of a second-best outcome has increased. If Laschet gets the ticket, the risk of his low popularity ratings impacting the campaign is high. If Söder gets the ticket, the CDU could fear that a potential chancellor Söder would start a new legacy of several terms in office, shifting the power balance between the two sister parties towards the CSU.

In recent polls, support for the CDU/CSU has dropped from the peaks of the first pandemic wave of some 37% to far below 30% as a result of growing frustrations with the current crisis and vaccination management. Nevertheless, the CDU/CSU is still some 5 percentage points ahead of the Greens, currently the second largest party in the polls. Either of the two, Laschet or Söder, will have a lot work to do to safeguard the lead on the rest as in the current constellation a coalition without CDU/CSU would, at least theoretically, be possible. Judging from the latest polls, Söder could have a better starting position to revive the party in the polls. However, Laschet has proven several times in the past that he can surprise positively and defy negative polls. Interestingly, there is no official procedure for the decision who will run for the CDU/CSU, it has always been decided by silent consensus between the party leaders.

In our view, it has always been clear that the race to Angela Merkel's succession will be long and will not follow a straight line. It might not be a blockbuster movie but rather a binge viewing worthy political series.

## 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 <http://www.ing.com>.