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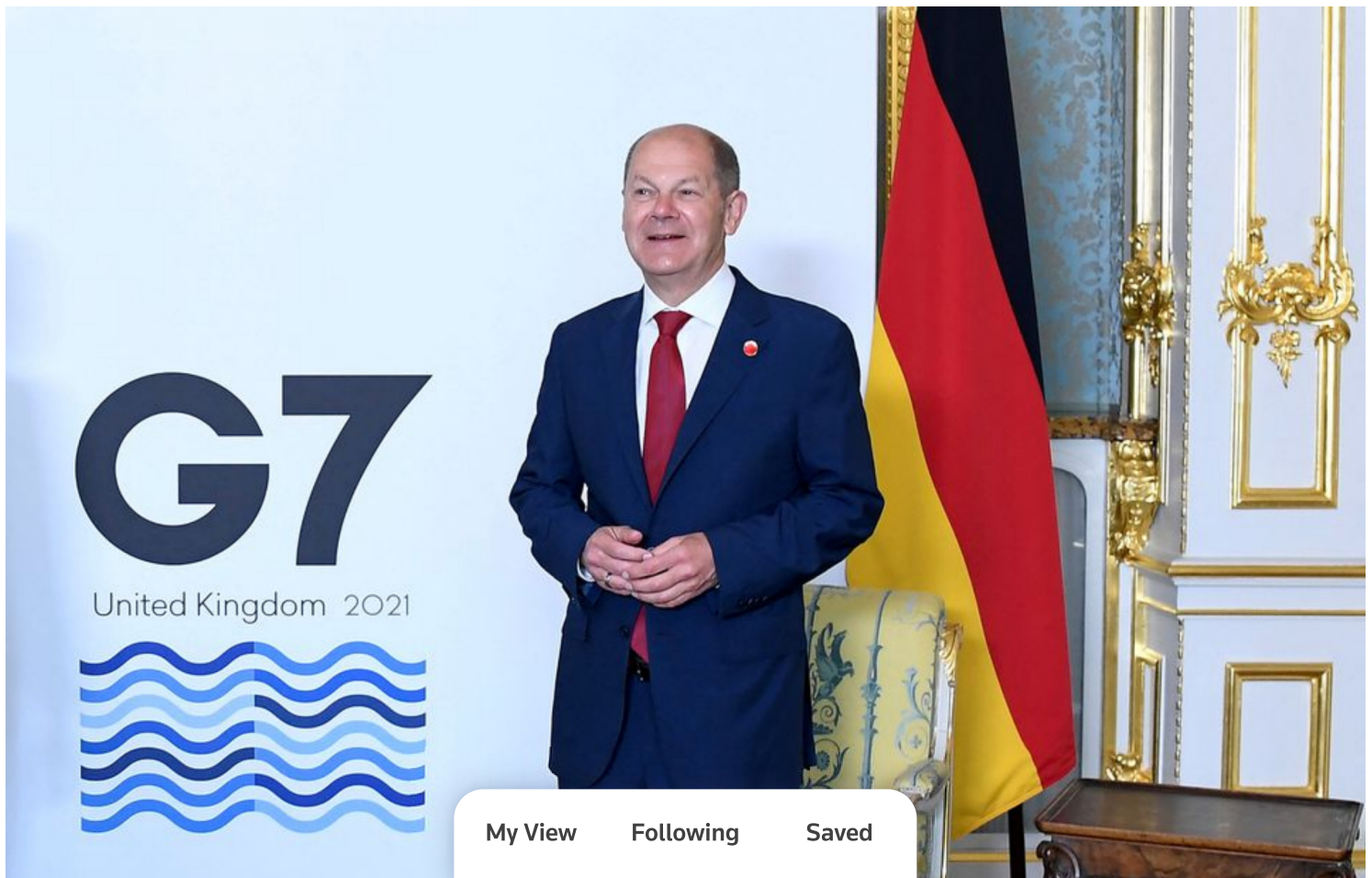
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Aerospace & Defense

Germany to increase defence spending in response to 'Putin's war' - Scholz

By Maria Sheahan and Sarah Marsh

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Germany's Finance Minister Olaf Scholz poses for a photo as finance ministers from across the G7 nations meet at Lancaster House in London, Britain June 5, 2021 ahead of the G7 leaders' summit. Alberto Pezzali/Pool via REUTERS

**Summary****Companies**

Scholz tells Bundestag Germany must spend more on defense

Berlin to raise defense spending to more than 2% of output

Berlin has made several major policy shifts since Russian attack

BERLIN, Feb 27 (Reuters) - Chancellor Olaf Scholz said on Sunday Germany would sharply increase its spending on defence to more than 2% of its economic output in one of a series of policy shifts prompted by Russia's invasion of Ukraine.

Germany this week also halted its Nord Stream 2 gas pipeline project with Russia and agreed to send weapons to Ukraine after long resisting pressure from Western allies on both issues and facing accusations of being too dovish towards the Kremlin. [read more](#)

"We will have to invest more in the security of our country to protect our freedom and democracy," Scholz told an extraordinary session of the Bundestag lower house of parliament on Sunday.

Germany has long resisted pressure from the United States and others to raise its defence spending to 2% of economic output in the light of its 20th century history and resulting strong pacifism among its population.

According to NATO statistics, Germany is expected to have spent 1.53% of its GDP on defence in 2021.

Scholz said the government had decided to supply 100 billion euros for military investments from its 2022 budget. [My View](#) [Following](#) [Saved](#) [Budget by comparison was](#)

47 billion euros in 2021.

Germany could purchase U.S. F-35 fighter jets built by Lockheed Martin (**LMT.N**) to replace its ageing Tornado in the role of nuclear sharing, Scholz said.

But the next generation of fighter jets and tanks must be built in Europe jointly with European partners, particularly with France, he said.

He also said that Germany had to move quickly to reduce its dependence on Russia as an energy supplier. [read more](#)

On Germany's decision to send Ukraine defensive anti-tank weapons, surface-to-air missiles and ammunition after long refusing on the grounds that the country did not send weapons to conflict zones, Scholz said simply: "There could be no other answer to Putin's aggression".

Scholz said the Russian leadership would soon feel the high price it had to pay for his war.

"And we reserve the right to impose further sanctions without any taboos," he said.

Reporting by Maria Sheahan, Sarah Marsh and Riham Alkousaa; Additional Reporting by Sabine Siebold, Writing by Sarah Marsh, Editing by Angus MacSwan

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