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German forests receive € 700 million aid from the Government

The Federal Government will offer € 700 million to deal with the damage in the German forest after two years of drought.

The sustainable management of forests should be promoted as well as digitalization in forestry. The aid will also be used for "investments in modern operating machines and equipment" and on "promoting a modern timber industry including the greater use of wood as a building material".

The German Sawmill and Wood Industry Federation (DeSH) sees the coalition committee's decisions as groundbreaking. "With a stimulus package worth 130 billion, which partly looks like a new coalition agreement between the three ruling parties CDU / CSU and SPD, the Federal Government is not only trying to cushion the effects of the coronavirus crisis, but also with important investments in sustainable and climate-friendly areas in Germany to make them fit for the future," says DeSH general manager Lars Schmidt.

In addition to the specific points on the topic of wood, the industry will also benefit from the reduction in VAT and the CO2 building renovation program. "The increase of € 1 billion to a total of € 2.5 billion in the area of building renovations is extremely gratifying, because it is precisely here that the raw material wood can exploit its potential as a climate-friendly building material. That's a good sign. We very much hope that the points will now be implemented quickly," says Schmidt.

In the construction industry itself, decisions are also benevolent. According to the Central Association of the German Building Industry (ZDB), the financial relief for municipalities as the most important public clients is of particular importance. After the Federal Government had agreed to half of the loss of trade tax revenue, the states were now asked to assume their responsibilities. This is the only way to sustainably increase the willingness of the public sector to invest.

The ZDB also sees the increase in investments in Deutsche Bahn and the additional promotion of energy-efficient building renovation as the right signals to stimulate construction activity. With the cap on social security contributions, the Federal Government is sending an important message to the medium-sized companies in the country in order to avoid a further increase in non-wage labor costs.