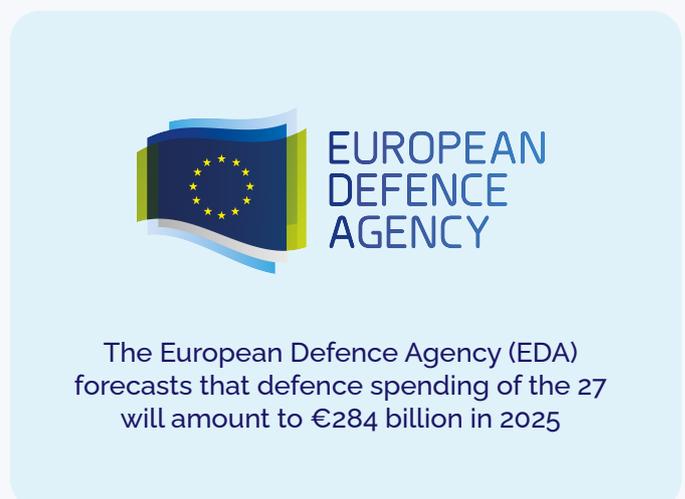
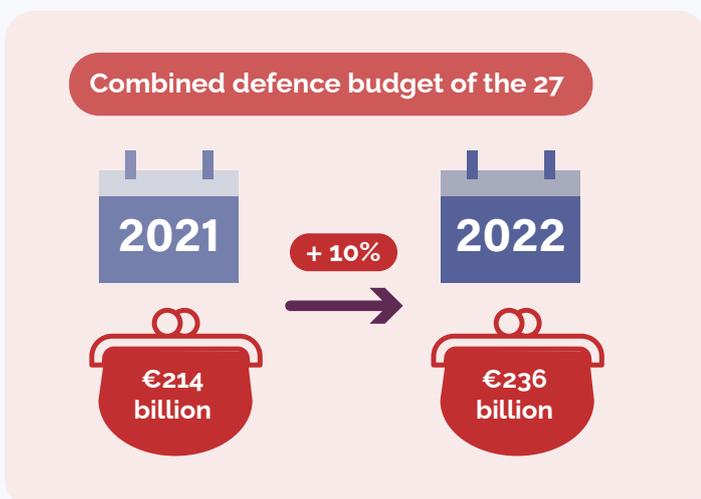
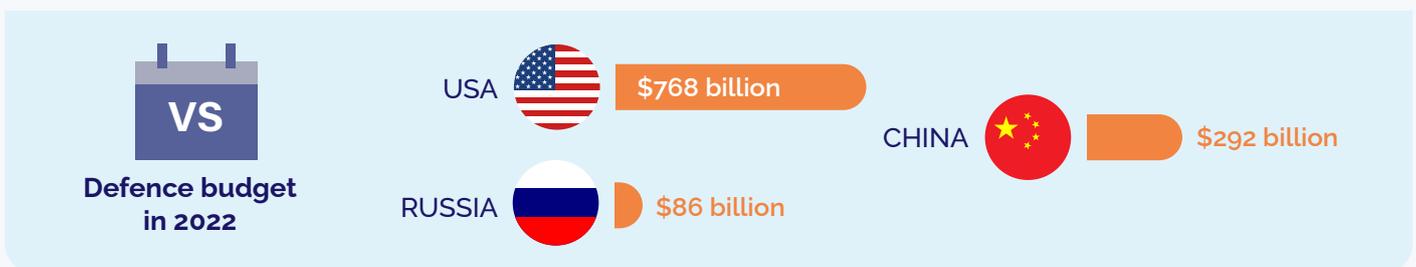


European defence Part 1 : budgets

1

EU Member States' defence budgets

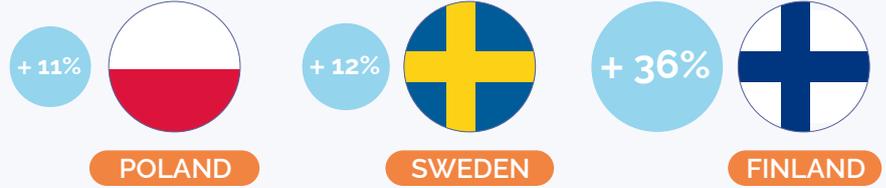
Source: SIPRI Report, 2023



Increased defence budgets

Almost all of the EU Member States' defence budgets will see an increase in 2022 and 2023 in response to the war in Ukraine

between 2021 and 2022

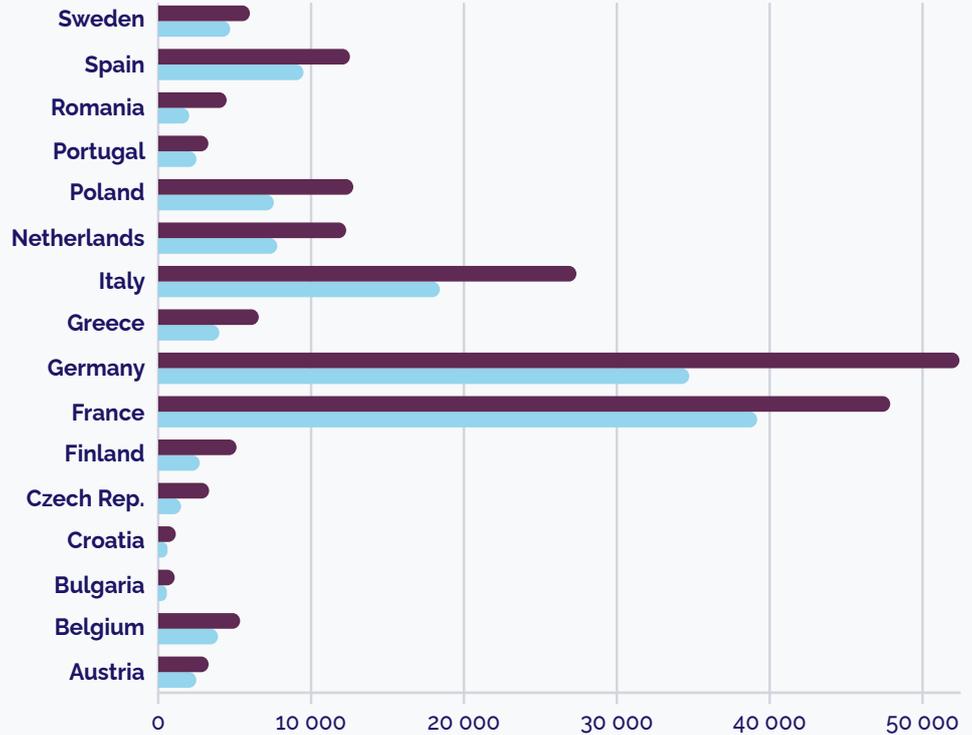


Military expenditure in Europe - EDA data



Source: <https://eda.europa.eu/publications-and-data/defence-data>

These increases follow on from the budget increases already seen following the Ukrainian crisis in 2014.



FRANCE

€413
billions

2024-30

The French armed forces will benefit from a significant increase in funding compared with the previous Military Planning Law. The commitment to devote 2% of GDP to defence must be met in 2025, with a budget planned for that year of €50 billion (compared with €45.4 billion in 2023), and €69 billion in 2030.

The projections are €50.3 billion in 2023, rising to €60 billion in 2024. Defence spending is also being increased through the creation of a special €100 billion fund dedicated to modernising the Bundeswehr.



GERMANY

€46.6
billion

2021

€48.5
billion

2022



POLAND

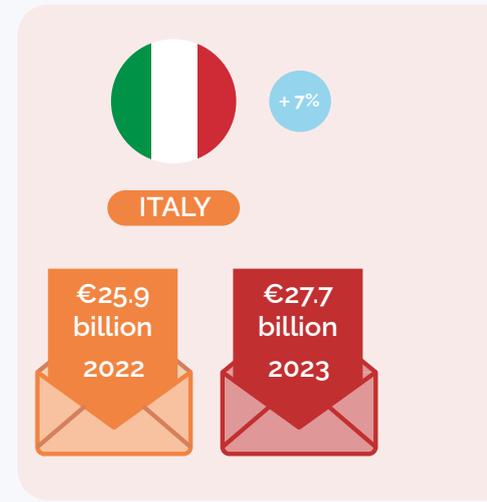
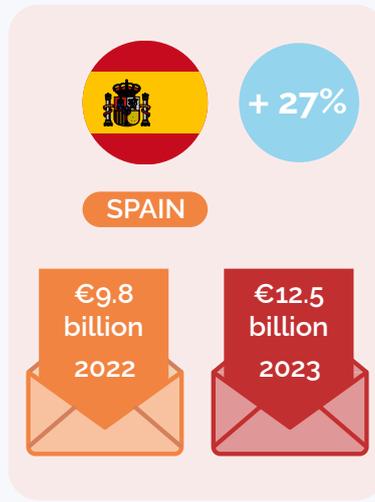
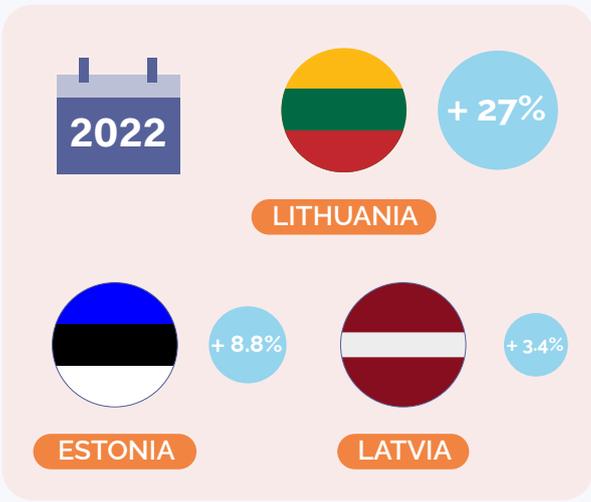
€15.1
billion

2021

€17.1
billion

2022

The increase is accompanied by a policy of massive arms purchases, notably from the United States and Korea. The country also aims to significantly increase the size of its land forces, from 115,000 to 300,000 men, which would make it the largest (land) army on the European continent.

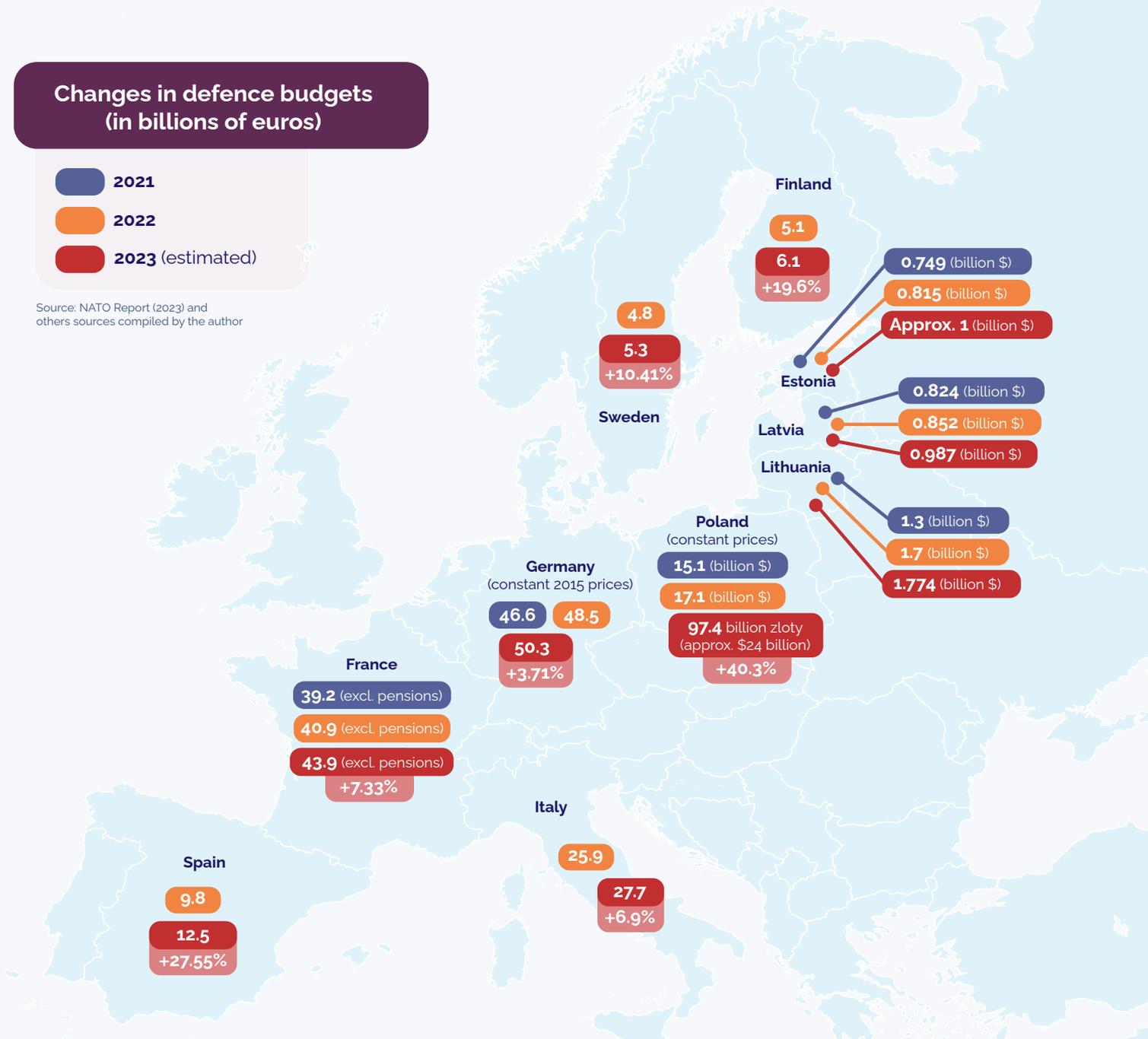


The government has announced a €5 billion increase in its defence budget for 2023, with a similar increase planned for 2024, when the country is expected to spend more than 2% of its GDP on defence (up from 1.68% in 2023).

Changes in defence budgets (in billions of euros)



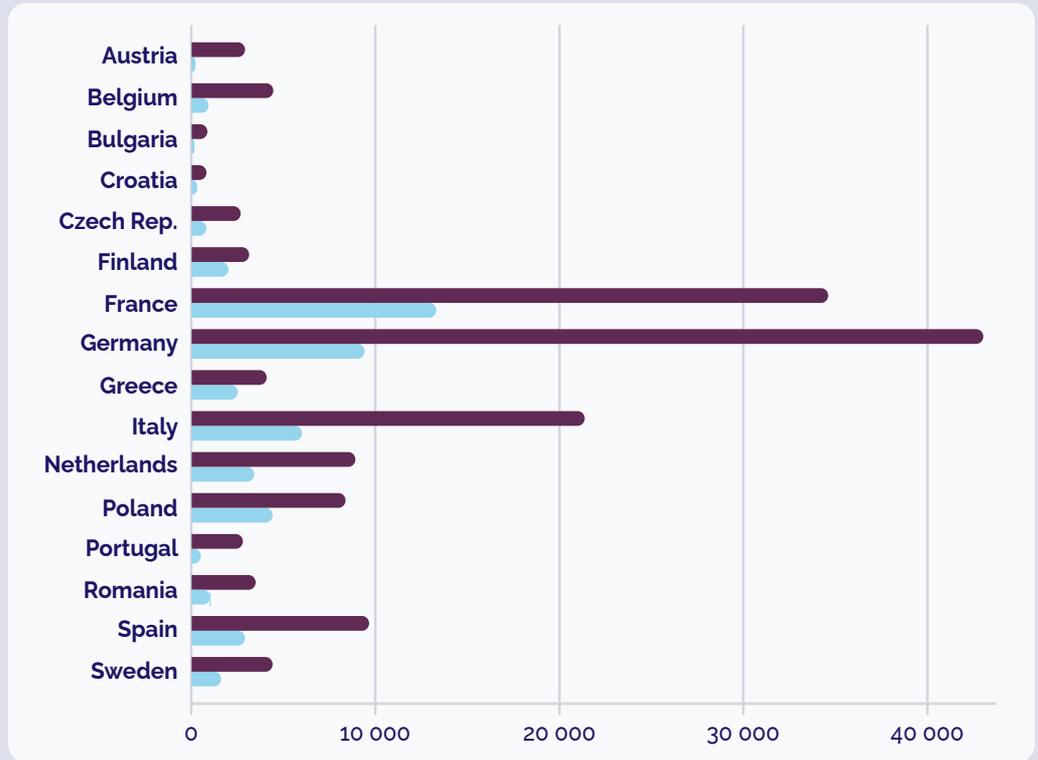
Source: NATO Report (2023) and others sources compiled by the author



Military expenditure in Europe - EDA data

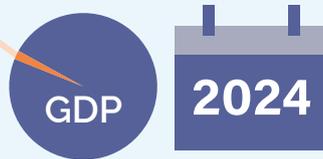
Investments
Operating

Source : <https://eda.europa.eu/publications-and-data/defence-data>

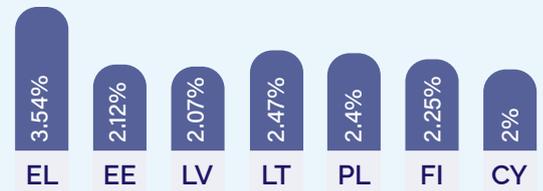


Defence spending as a proportion of GDP

In 2014, NATO laid down that the Member States of the Atlantic Alliance should spend 2% of their GDP on defence by 2024.



In 2023, 7 EU countries will reach the 2% target



2.4%

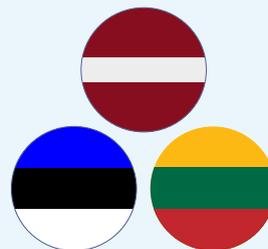


4%



Poland plans to increase its defence budget to 4% of its GDP in 2023, the highest percentage among EU countries

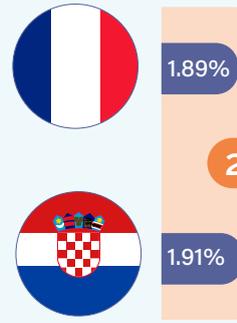
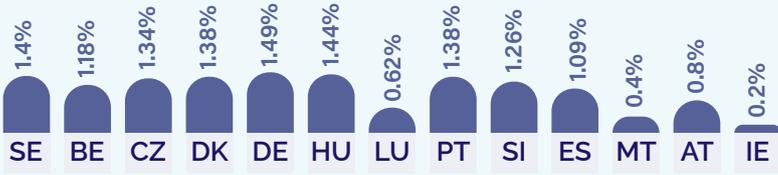
The three Baltic States plan to reach 2.5% of their GDP dedicated to defence spending in the coming years.



2.5%



13 Member States spend less than 1.5%



2 Member States are close to the 2%

2%

Average EU defence spending as a percentage of GDP



Repayment of arms delivered to Ukraine



The EU creates the European Peace Facility (EPF), designed to finance equipment for the partner countries.



Outside the EU budget

Provides financial compensation to European countries that supply arms to third countries (Ukraine in particular)



Partially finances the common costs of EU military operations





The following commitments have been made since February 2022 to reimburse European countries that delivered arms to Ukraine



To compensate financially for ammunition deliveries



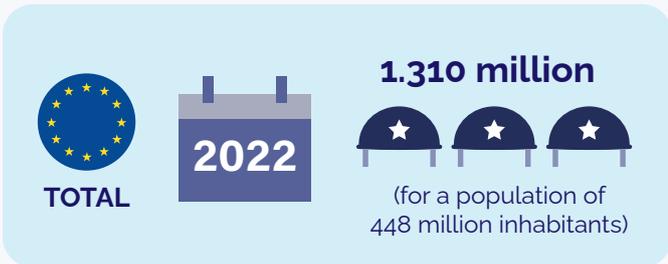
To finance joint purchases of ammunition



Poland and the Baltic States are the main beneficiaries of EPF funds used to reimburse arms deliveries to Ukraine

Military personnel in European countries

Sources: NATO 2023 Report; Globalfirepower website



Top five countries by workforce

