

DEFENCE: Member States' Spending

AN EU AVERAGE OF 1.3% OF GDP AND GREAT DISPARITIES OVER MEMBER STATES

In 2016¹, the amount of expenditure dedicated to **defence** represented **1.3% of GDP** for the EU-28 and 1.2% of GDP for the Euro area.

This is much less than the amount spent on social protection (which is equivalent to 19.1% of GDP), Health (7.1%) or Education (4.7%) but not quite as much as the amount spent on Public Safety and Order (1.7% of GDP) and significantly higher than the amount spent on environmental protection (0.7% of GDP).

In 2016, the highest levels of expenditure in defence in the EU were observed in Estonia (2.4% of GDP), followed by Greece (2.1% of GDP), the United-Kingdom (2.0% of GDP) and France (1.8% of GDP).

As a **share of total government expenditure, defence expenditure** amounted to **2.9% in the EU** and to **2.6% in the Euro area**.

In absolute terms, the **United Kingdom** spent by far the most on defence (EUR 47 billion in 2016). This represents around a quarter (23.7%) of the total EU expenditure on defence (i.e. around EUR 200 billion in 2016).

France is second with around EUR 40.7 billion or 20.4% of the EU total, **Germany** EUR 32.7 billion or 16.4% and **Italy** EUR 21.5 billion or 10.8%. Together **these four Member States** accounted for **71.3% of the total defence expenditure in the EU** in 2016.

¹ Eurostat latest data available at the time of writing (May 2018)



Table 1: Defence spending in 2016

2016	MILLION EURO	PERCENTAGE OF GROSS DOMESTIC PRODUCT (GDP)	PERCENTAGE OF TOTAL GOVERNMENT EXPENDITURE
European Union (current composition)	199 391.4	1.3%	2.9%
Belgium	3 462.7	0.8%	1.5%
Bulgaria	524.3	1.1%	3.1%
Czech Republic	1 279.9	0.7%	1.8%
Denmark	3 151.4	1.1%	2.1%
Germany	32 607.0	1.0%	2.3%
Estonia	510.8	2.4%	6.0%
Ireland	851.6	0.3%	1.1%
Greece	3 706.0	2.1%	4.3%
Spain	10 904.0	1.0%	2.3%
France	40 661.0	1.8%	3.2%
Croatia	567.9	1.2%	2.6%
Italy	21 551.0	1.3%	2.6%
Cyprus	275.2	1.5%	3.9%
Latvia	410.6	1.6%	4.4%
Lithuania	602.8	1.6%	4.6%
Luxembourg	222.5	0.4%	1.0%
Hungary	807.0	0.7%	1.5%
Malta	60.8	0.6%	1.6%
Netherlands	8 253.0	1.2%	2.7%
Austria	2 173.0	0.6%	1.2%
Poland	6 808.0	1.6%	3.9%
Portugal	1 752.3	0.9%	2.1%
Romania	1 518.6	0.9%	2.6%
Slovenia	361.4	0.9%	2.0%
Slovakia	803.2	1.0%	2.4%
Finland	2 822.0	1.3%	2.3%
Sweden	5 488.9	1.2%	2.4%
United Kingdom	47 254.4	2.0%	4.8%

Source: Eurostat

The Classification of the Functions of Government (COFOG) used by Eurostat classifies government expenditure into ten main categories: General Public Services; Defence; Public Order and Safety; Economic Affairs; Environmental Protection; Housing and Community Affairs; Health; Recreation, Culture and Religion; Education and Social Protection.

The category **Defence** is further broken down into Military Defence; Civil Defence; Foreign Military Aid; R&D Defence and Defence n.e.c.²

At the EU-28 level, the major part of defence expenditure is concentrated in **Military Defence** (1.2% of GDP in 2016). All four remaining groups (Civil Defence; Foreign Military Aid; R&D Defence and Defence n.e.c) were reported to be less than 0.05% of GDP at the level of the EU.

Data for Military defence spending are shown in the Annex 1.

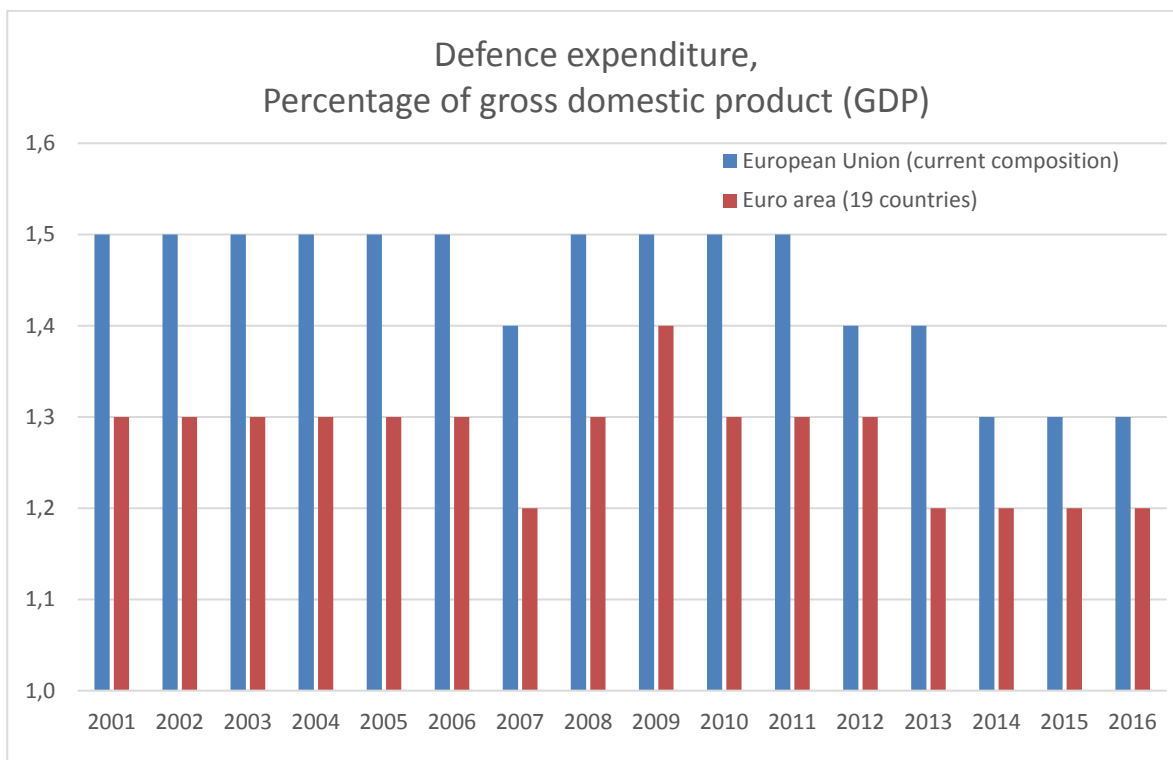
MILITARY R&D SPENDING: ONLY TWO MEMBER STATES WITH SIGNIFICANT AMOUNT

The **United Kingdom** and **France** are the only two Member States which spend a non-negligible part in Research and Development on Defence (i.e. both at 0.1% of GDP). Annex 2 provides the absolute value in millions of euros for all Member States.

It should also be kept in mind that the UK and France are the two Member States which own nuclear weapons. Unfortunately, data does not discriminate between nuclear and non-nuclear military expenditure.

MEMBER STATES MILITARY SPENDING: A SLIGHT FALL OVER TIME

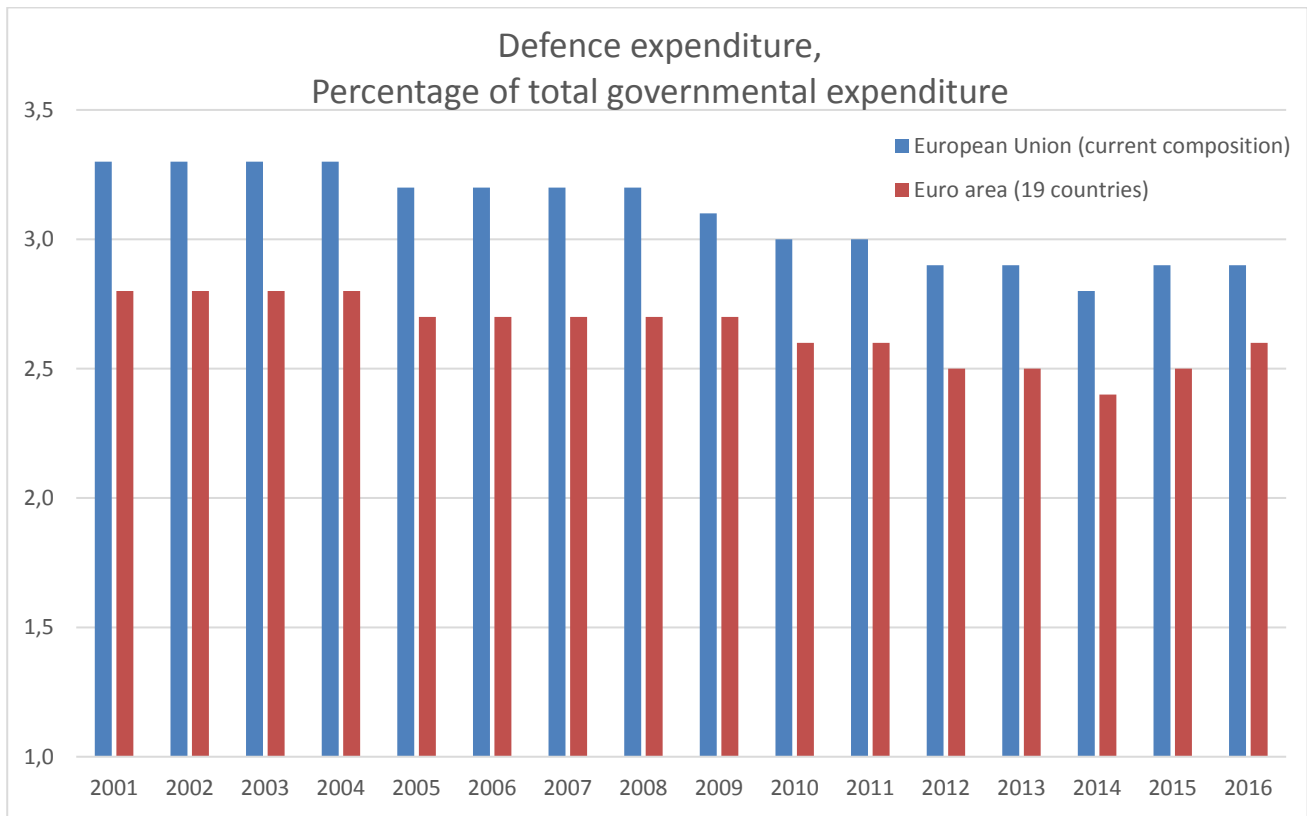
Over the last fifteen years, at the EU-28 level, defence expenditure in terms of GDP has decreased slightly from 1.5% of GDP from the first decade (years 2001 to 2011) to 1.3% in the last years (2014 to 2016). Over the same period, in the Euro area, defence expenditure dropped from 1.3% of GDP (years 2001 to 2012) to 1.2% of GDP in 2013 to 2016.



Source: Eurostat

² not elsewhere classified

In terms of total government expenditure, the share of defence is on a decreasing trend from 3.3% of the total government expenditure in 2001 to a lowest point at 2.8% in 2014 and then the decline seems to have levelled off at 2.9% over the last two years (2015 and 2016). The Euro area exhibits a similar decreasing trend from 2.8% of total government expenditure in 2001 to its lowest point in 2014 at 2.4%, then picking back up to the 2010 and 2011 value of 2.6% in 2016.



Source: Eurostat

NATO METHODOLOGY AND FIGURES

NATO figures cannot be directly compared with Eurostat figures, for instance some expenditure within Public Order and Safety might be counted under NATO methodology, and treatment of pensions is recorded under Social Protection in the Eurostat approach.

However, conclusions drawn from NATO figures are in line with above.

Defence expenditure as a share of GDP for NATO Members with EU Member States highlighted is provided in Annex 3.

ANNEX 1**Military Defence spending in 2016**

2016	MILLION EURO	PERCENTAGE OF GROSS DOMESTIC PRODUCT (GDP)	PERCENTAGE OF TOTAL GOVERNMENT EXPENDITURE
European Union (current composition)	179 618.7	1.2%	2.6%
Belgium	3 263.1	0.8%	1.4%
Bulgaria	516.4	1.1%	3.1%
Czech Republic	1 119.8	0.6%	1.6%
Denmark	2 939.7	1.1%	2.0%
Germany	29 265.0	0.9%	2.1%
Estonia	494.3	2.3%	5.8%
Ireland	740.3	0.3%	1.0%
Greece	3 706.0	2.1%	4.3%
Spain	9 533.0	0.9%	2.0%
France	33 980.0	1.5%	2.7%
Croatia	542.5	1.2%	2.5%
Italy	21 114.0	1.3%	2.5%
Cyprus	270.2	1.5%	3.9%
Latvia	393.3	1.6%	4.2%
Lithuania	491.3	1.3%	3.7%
Luxembourg	190.1	0.4%	0.9%
Hungary	756.7	0.7%	1.4%
Malta	60.8	0.6%	1.6%
Netherlands	6 954.0	1.0%	2.3%
Austria	1 982.5	0.6%	1.1%
Poland	6 683.7	1.6%	3.8%
Portugal	1 515.7	0.8%	1.8%
Romania	1 477.0	0.9%	2.6%
Slovenia	272.0	0.7%	1.5%
Slovakia	763.8	0.9%	2.3%
Finland	2 597.0	1.2%	2.1%
Sweden	4 813.0	1.0%	2.1%
United Kingdom	43 183.5	1.8%	4.3%

Source: Eurostat

ANNEX 2

R&D Defence spending in 2016

2016	MILLION EURO	PERCENTAGE OF GROSS DOMESTIC PRODUCT (GDP)
Belgium	23.6	0.0%
Bulgaria	<i>not available</i>	<i>not available</i>
Czech Republic	11.3	0.0%
Denmark	0.0	0.0%
Germany	1 192.0	0.0%
Estonia	2.0	0.0%
Ireland	0.0	0.0%
Greece	0.0	0.0%
Spain	230.0	0.0%
France	1 174.0	0.1%
Croatia	0.0	0.0%
Italy	3.0	0.0%
Cyprus	0.0	0.0%
Latvia	0.0	0.0%
Lithuania	0.6	0.0%
Luxembourg	0.0	0.0%
Hungary	0.4	0.0%
Malta	0.0	0.0%
Netherlands	122.0	0.0%
Austria	1.0	0.0%
Poland	48.7	0.0%
Portugal	17.0	0.0%
Romania	6.4	0.0%
Slovenia	0.0	0.0%
Slovakia	2.7	0.0%
Finland	47.0	0.0%
Sweden	193.8	0.0%
United Kingdom	3 047.1	0.1%

Source: Eurostat

ANNEX 3

NATO data: Defence expenditure as a share of GDP for NATO Members (%of GDP)

EU Members States in blue

COUNTRY/YEAR	2010	2011	2012	2013	2014	2015	2016	2017 ³
NATO Europe	1.63	1.55	1.52	1.49	1.44	1.42	1.44	1.46
Albania	1.56	1.53	1.49	1.41	1.35	1.17	1.10	1.10
Belgium	1.08	1.04	1.04	1.01	0.98	0.92	0.92	0.90
Bulgaria	1.64	1.32	1.34	1.46	1.32	1.26	1.26	1.53
Croatia	1.54	1.60	1.53	1.47	1.41	1.37	1.23	1.26
Czech Republic	1.28	1.07	1.05	1.03	0.95	1.03	0.96	1.05
Denmark	1.40	1.31	1.35	1.23	1.15	1.12	1.17	1.17
Estonia	1.70	1.68	1.90	1.91	1.96	2.05	2.13	2.08
France	1.96	1.87	1.87	1.86	1.82	1.79	1.79	1.79
Germany	1.35	1.28	1.31	1.22	1.18	1.18	1.20	1.24
Greece	2.64	2.38	2.29	2.21	2.20	2.31	2.41	2.36
Hungary	1.03	1.05	1.03	0.95	0.86	0.92	1.02	1.06
Italy	1.35	1.30	1.24	1.20	1.08	1.01	1.12	1.12
Latvia	1.06	1.01	0.88	0.93	0.93	1.04	1.46	1.75
Lithuania	0.88	0.79	0.76	0.76	0.88	1.14	1.49	1.73
Luxembourg	0.47	0.39	0.38	0.38	0.38	0.43	0.40	0.46
Montenegro	1.80	1.75	1.66	1.47	1.50	1.40	1.42	1.58
Netherlands	1.34	1.25	1.23	1.16	1.15	1.12	1.15	1.15
Norway	1.51	1.51	1.47	1.48	1.51	1.46	1.54	1.62
Poland	1.77	1.72	1.74	1.72	1.85	2.22	2.00	1.99
Portugal	1.49	1.49	1.41	1.44	1.31	1.33	1.28	1.31
Romania	1.24	1.28	1.22	1.28	1.35	1.45	1.41	1.80
Slovak Republic	1.27	1.09	1.09	0.98	0.99	1.13	1.12	1.19
Slovenia	1.61	1.30	1.17	1.05	0.97	0.93	1.00	0.98
Spain	1.03	0.94	1.04	0.93	0.92	0.93	0.81	0.92
Turkey	1.83	1.64	1.59	1.52	1.45	1.39	1.46	1.48
United Kingdom	2.47	2.40	2.17	2.27	2.17	2.06	2.15	2.12
North America	4.46	4.43	4.09	3.77	3.50	3.33	3.33	3.35
Canada	1.16	1.23	1.10	0.99	1.01	1.20	1.16	1.29
United States	4.81	4.78	4.42	4.08	3.77	3.56	3.56	3.57
NATO Total	3.03	2.97	2.81	2.64	2.48	2.39	2.40	2.42

Source: NATO Annual report 2017

³ estimated

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Contact: poldep-budg@europarl.europa.eu

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