

## Question Time: State of Play – Ammunition Plan for Ukraine

On 2 March 2023, Ukraine sent a request for assistance to the EU for the supply of 155 mm-calibre artillery rounds. On 20 March, the Council agreed on a three-track proposal on ammunition (delivery from existing stocks; joint procurement from industry; increasing production). Its main aim is to provide one million rounds of artillery ammunition for Ukraine up to March 2024. It is unclear whether Member States and industry will be able to deliver on time. To date, 300 000 rounds of ammunition have been delivered from Member States' stocks, and 180 000 have been ordered from industry (not yet delivered). Parliament will use its powers of oversight during 'question time' in the November II plenary session to question the Commissioner responsible.

### Background

In light of the Russian war on Ukraine, there is a specific urgent need for ground-to-ground ammunition, artillery ammunition and missiles. Ukraine [uses](#) up to 7 000 rounds per day. On 2 March 2023, Ukraine sent a [request](#) for assistance to the EU for the supply of 155 mm-calibre artillery rounds. On 20 March, the Council recognised the specific urgent need for ground-to-ground and artillery ammunition, and missiles. It agreed on a [three-track proposal](#) on ammunition (delivery from existing stocks; joint procurement from industry; increasing production), which was [endorsed](#) by the European Council on 23 March. Its aim is to, 'in particular, speed up the delivery and joint procurement aiming at one million rounds of artillery ammunition for Ukraine in a joint effort within the next twelve months'.

On 13 April 2023, the Council [adopted](#) a €1 billion assistance measure under the European Peace Facility (EPF) – an off-budget [fund](#) currently worth €12 billion – to support the Ukrainian army. It will enable the EU to reimburse Member States for ammunition donated to Ukraine from their own existing stocks (Track 1); Member States have [provided](#) over 300 000 artillery rounds of different calibres. On 5 May, the Council [adopted](#) another €1 billion assistance measure (Track 2) under the EPF to jointly procure ammunition and missiles from the European defence industry (EU + EEA countries, most significantly Norway) and deliver them to Ukraine. Under Track 2, on 20 March, EU Member States and Norway (24 participants as of 1 May 2023) [signed](#) an EDA project arrangement for the collaborative procurement of ammunition; complementary projects, led by France and Germany are [going on](#) in parallel. The EDA has [signed](#) eight framework contracts with the European defence industry for the joint procurement of 155 mm ammunition. Within this track, 180 000 artillery rounds have already been placed as [orders](#) with the industry and should be delivered in 2023 and 2024. Track 3 is being fulfilled through the Act in Support of Ammunition Production ([ASAP](#)). ASAP [facilitates](#) the ramping up of the EU's production capacity for ammunition and missiles, removes regulatory bottlenecks and comprises a ramp-up fund. It has a budget of €500 million. The final act was published in the Official Journal on 24 July, and the first call for proposals was [launched](#) on 18 October.

EU states could [purchase](#) ammunition from countries outside the bloc, such as South Korea, the United States, and the United Kingdom, which are the three main producers and exporters of 155 mm ammunition worldwide. However, doing so would negate the goal of ASAP to increase manufacturing in Europe and forfeit financial incentives from Track 2 intended for joint purchases. According to Reuters, the EU has [held](#) discussions with South Korea regarding ammunition purchases for Ukraine, a claim later [denied](#) by South Korea. South Korea has [banned](#) its weapons from being transferred to Ukraine.

The current manufacturing capacity in the European Union is a 'closely guarded [secret](#)'. However, a [document](#) leaked from an EU Member State suggests that maximum production in the EU in February 2023 sat at approximately 230 000 rounds per annum. The lack of ammunition is being exacerbated by the fact that almost 40 % of the European defence industry's output is being [exported](#). The US is also having [trouble](#)



keeping up with demand for ammunition, which has been exacerbated by its staunch support for Israel following the 7 October terrorist attacks. According to a US military statement in October 2023, the US [transferred](#) about 1.1 million rounds of machine gun and rifle ammunition to Ukraine that it seized from an Iranian shipment to Yemen.

According to comments from Commissioner [Thierry Breton](#) in November 2023, the EU's production capacities have increased by 20-30 % since February 2023 and will continue to increase. The Commissioner underlined that the European Commission is responsible for ensuring that the EU is capable of producing one million artillery shells and missiles annually by the spring of 2024. The actual delivery requires orders to be placed by Member States, and industry to provide the necessary output. Therefore, actual ammunition delivery by the end of spring 2024 [depends](#) on Member States and is not guaranteed. This understanding was reconfirmed by High Representative/Vice-President of the European Commission (HR/VP) [Josep Borrell](#) during a press conference on 15 November following the Foreign Affairs Council (defence) meeting. Borrell added that Member States were asked to reroute existing export orders and prioritise production for Ukraine. He also underlined that the defence industry has the capacity to deliver ammunition, but requires predictability.

The European defence industry has already taken some measures to address the new strategic reality. For instance, Rheinmetall, Germany's largest defence contractor, [announced](#) plans to build new ammunition production facilities in Germany, and [acquired](#) Expal Systems to enhance its manufacturing capacity for artillery and mortar ammunition. Upon finalising the acquisition, Rheinmetall will be [able](#) to increase its production of 155 mm artillery ammunition to 600 000 rounds per year, from the current 450 000 rounds. But it is not just prime contractors who will benefit from increased demand and available funds. One way of ramping up production will be to revive under-producing facilities. For instance, it was announced that Hellenic Defence Systems (EAS) will [receive](#) up to €80 million from the EDF (which will partly fund ASAP) to increase production of 155 mm ammunition at its Lavrio (Greece) production site.

Despite these efforts, the European defence industry will [have](#) significant trouble delivering on time, as it has too few resources and significant supply chain bottlenecks. Even though orders are [increasing](#) significantly, industry executives lament the short-term nature of such contracts. Industry executives continue to call for more [long-term contracts](#) for ammunition, which are necessary not only to pay for manufacturing upgrades and raw materials, but also to make sure that ammunition production continues after the war. The financial envelope and limits to ASAP have been [criticised](#) in this regard. Moreover, access to both public and private financing is of increasing concern to the European defence industry, especially for small and medium-sized enterprises (SMEs) and middle-sized enterprises (MidCaps). On 14 November 2023, during the EDA steering board meeting, EU defence ministers endorsed a [joint statement](#) on strengthening the European defence industry's access to finance and its ability to contribute to peace, stability, and sustainability in Europe.

#### Situation in Russia

It is estimated that Russia produced [1.7 million](#) artillery rounds in 2022. Vladimir Putin announced a target of 3 million artillery rounds to be produced annually by 2025. The country switched to a wartime mode of artillery production before 2022, but is [ramping up](#) its [production](#) further, as current deliveries do not cover its needs for its war activities. To fill the gaps, Russia has managed to receive support from countries like [North Korea](#) and [Iran](#), with North Korean deliveries [reportedly](#) reaching 1 million artillery rounds between August and October 2023. The [defence budget](#) of Russia is set to increase from 3.9 % of GDP in 2023 to 6 % of GDP in 2024.

## European Parliament position

The European Parliament has called for increased support for Ukraine in several [resolutions](#). In its [resolution](#) of 16 February 2023 marking one year of Russia's invasion and war of aggression against Ukraine, Parliament called for a substantial increase in munitions deliveries to Ukraine. The European Parliament was co-legislator on the Act in Support of Ammunition Production and adopted the regulation in plenary on 13 July 2023.