

## Europe

# EU buys too much defense equipment abroad, especially from US: Report

By Lorne Cook, The Associated Press

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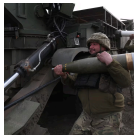
An M1A2 Abrams tank operated by a Polish tank crew fires during crew gunnery qualifications at Nowa Deba Training Area, Poland, on Jan. 16, 2024. EU countries are buying too much of their defense equipment abroad, much of it U.S.-made, a new report says. (Polish Armed Forces)

[European Union countries](#) are buying too much of their defense equipment abroad, almost two-thirds of it in the United States, and failing to invest enough in joint military projects, a landmark report on EU competitiveness warned Sept. 9.

The 27 member states are also failing to make best use of Europe's research and development capacities to modernize their armed forces, with just a fraction the level of U.S. investment, said the report by former Italian prime minister and European Central Bank chief Mario Draghi.

The report comes as the EU continues to struggle to find enough weapons and ammunition to help Ukraine survive the full-scale Russian invasion, now in its third year, and to kickstart Europe's defense industry.

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By **Rudy Ruitenberg**

“Europe is wasting its common resources. We have large collective spending power, but we dilute it across multiple different national and EU instruments,” said Draghi's report, which has been a year in the making and is likely to fuel an overhaul of the bloc's industrial strategy.

Part of the problem, it said, is failing to invest properly in Europe to create stronger defense firms.

“We are still not joining forces in the defense industry to help our companies to integrate and reach scale,” it said. The report pointed out that “we also do not favor competitive European defense companies.”

The report notes that, between mid-2022 and mid-2023, 63% of all EU defense orders were placed with U.S. companies, and a further 15% with other non-EU suppliers. Last week, the [Netherlands joined a list of EU members](#) to order big budget U.S.-made F-35 warplanes.

Across the 27 nations in 2022, defense research and development spending amounted to 10.7 billion euros (\$11.8 billion) — just 4.5% of the total — compared with \$140 billion in the United States, or around 16% of all defense spending.

NATO allies — almost all of whose members are part of the EU — have been [ramping up defense spending](#) since Russia annexed Ukraine's Crimean Peninsula in 2014. Their aim is for each country to spend at least 2% of gross domestic product on their national defense budget.

Consecutive U.S. leaders have been exhorting European allies and Canada to spend more on defense for more than a decade, although former President Donald Trump was the only one to threaten to refuse to defend any country that did not respect the goal. Much of the money goes back to U.S. industry.

NATO forecasts that 23 of its 32 members will meet or exceed the 2% target by the end of the year, up from just three countries in 2014. Western defense spending has been further spurred by Russia's fully fledged invasion of Ukraine in 2022.

On top of this, NATO allies also want to dedicate at least 20% of their national defense expenditures to major new equipment. That includes funds for research and development, which is crucial for modernizing their armed forces.

The report highlighted the shortcomings of countries investing in their national defense industry rather than joint procurement. When Ukraine appealed for artillery, for example, EU countries supplied 10 types of howitzers. Some use different 155mm shells, causing logistical headaches.

In contrast, the A-330 Multi-Role Tanker Transport plane was developed jointly, and this allowed participating countries to pool resources and share operating and maintenance costs.

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