DEFENCE DATA

European Defence Agency Building Capabilities for a Secure Europe
The European Defence Agency is collecting defence data on an annual basis. The Ministries of Defence of the Agency’s 26 participating Member States (all EU Member States except Denmark) provide the data. EDA acts as the custodian of the data. The data have been accounted for. They apply to the previous year. The data are broken down, based on a list of indicators approved by the Agency’s Ministerial Steering Board. This list has four sections, represented in the headings of the data presented in this brochure:

- **General**: macro-economic data to show how defence budgets relate to GDP and overall government spending
- **Reform**: major categories of defence budget spending – personnel; investment, including research & technology; operations & maintenance and others – to show on what the defence budgets are spent
- **European collaboration**: for equipment procurement and R&T to show to what extent the Agency’s participating Member States are investing together
- **Deployability**: military deployed in crisis management operations to show the ratio between deployments and the total number of military

In November 2007 the Ministerial Steering Board approved four collective benchmarks for investment:

- Equipment procurement (including R&D/R&T): 20% of total defence spending
- European collaborative equipment procurement: 35% of total equipment spending
- Defence Research & Technology: 2% of total defence spending
- European collaborative Defence R&T: 20% of total defence R&T spending

These benchmarks are collective: they apply to the total sum spent by all participating Member States together. They are voluntary in the sense turning them into national targets is optional. There are no timelines for realising these benchmarks. In its final section this brochure provides the results of the collective benchmarks. The definitions, used for the gathering of the data, and some general caveats are listed at the end of the brochure.
<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
<th>Overall Government Expenditure</th>
<th>Defence Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€5,303</td>
<td>€201</td>
<td>€201</td>
</tr>
<tr>
<td>2007</td>
<td>€5,525</td>
<td>€204</td>
<td>€204</td>
</tr>
<tr>
<td>2008</td>
<td>€5,728</td>
<td>€200</td>
<td>€200</td>
</tr>
</tbody>
</table>

GDP, Overall Government Expenditure and Defence Expenditure

Bar chart showing:
- **GDP** in billions of euros (€11,316 in 2006, €12,072 in 2007, €12,272 in 2008)
- **Defence Expenditure** in billions of euros (€201 in 2006, €204 in 2007, €200 in 2008)

Growth rates:
- **GDP**: +6.7% from 2006 to 2007, +1.6% from 2007 to 2008
- **Overall Government Expenditure**:
  - +4.2% from 2006 to 2007
  - -2.0% from 2007 to 2008
- **Defence Expenditure**:
  - +1.5% from 2006 to 2007
  - -2.0% from 2007 to 2008

GENERAL – Macro Economic Data
Real Comparisons of GDP, Overall Government Expenditure and Defence Expenditure*

**GDP**
- 2006: €11,913
- 2007: €12,381
- 2008: €12,272

**Overall Government Expenditure**
- 2006: €5,583
- 2007: €5,667
- 2008: €5,728

**Defence Expenditure**
- 2006: €211
- 2007: €209
- 2008: €200

*2006 and 2007 has been inflated to 2008 economic conditions*
GENERAL – Expenditure per Capita

Expenditure per Capita

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP per Capita</th>
<th>Defence Expenditure per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€21,256</td>
<td>€412</td>
</tr>
<tr>
<td>2007</td>
<td>€22,780</td>
<td>€417</td>
</tr>
<tr>
<td>2008</td>
<td>€23,466</td>
<td>€406</td>
</tr>
</tbody>
</table>

+7,2% (2007 vs 2006)  
+1,2% (2008 vs 2007)  
+3,0% (2008 vs 2006)  
-2,6% (2007 vs 2006)
Defence Expenditure Breakdown in Volume of Money

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel</th>
<th>Investment</th>
<th>Operations and Maintenance</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€43,30</td>
<td>€38,80</td>
<td>€8,90</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>€47,00</td>
<td>€41,80</td>
<td>€9,20</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>€43,34</td>
<td>€41,91</td>
<td></td>
<td>€8,59</td>
</tr>
</tbody>
</table>

Billions of Euros

- Personnel
- Investment
- Operations and Maintenance
- Other

Defence Expenditure Breakdown

REFORM – Defence Expenditure Breakdown
Real Defence Expenditure Breakdown in Volume of Money*

-6.0% +5.8% +5.1% -2.4%

+1.7% +9.32 +42.94 +43.34

-7.9% -8.59 +41.91

*2006 and 2007 has been inflated to 2008 economic conditions
Defence Expenditure Breakdown in Rounded-off Percentages

- **2006**: €201 Bln
  - Personnel: 55%
  - Operations and Maintenance: 22%
  - Investment: 19%
  - Other: 4%

- **2007**: €204 Bln
  - Personnel: 52%
  - Operations and Maintenance: 23%
  - Investment: 20%
  - Other: 5%

- **2008**: €200 Bln
  - Personnel: 53%
  - Operations and Maintenance: 22%
  - Investment: 21%
  - Other: 4%

**REFORM – Defence Expenditure Breakdown**
DEFENCE EXPENDITURE BREAKDOWN IN EXACT PERCENTAGES

2006
- Personnel: 55,0%
- Investment: 19,4%
- Operations and Maintenance: 21,6%
- Other: 4,0%

2007
- Personnel: 51,9%
- Investment: 20,5%
- Operations and Maintenance: 23,1%
- Other: 4,5%

2008
- Personnel: 53,1%
- Investment: 20,9%
- Operations and Maintenance: 21,6%
- Other: 4,4%
## Equipment Procurement and R&D/R&T in Volume of Money

<table>
<thead>
<tr>
<th>Year</th>
<th>Equipment Procurement</th>
<th>R&amp;D</th>
<th>R&amp;T (Subset of R&amp;D)</th>
<th>Total Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€29.1</td>
<td>€9.67</td>
<td>€2.66</td>
<td>€38.80</td>
</tr>
<tr>
<td>2007</td>
<td>€32.3</td>
<td>€9.55</td>
<td>€2.54*</td>
<td>€41.91</td>
</tr>
<tr>
<td>2008</td>
<td>€33.3</td>
<td>€8.6</td>
<td>€2.48</td>
<td>€41.80</td>
</tr>
</tbody>
</table>

**Percentage Changes:**
- Equipment Procurement: +11.0% to +3.0%
- R&D: -1.3% to -9.9%
- R&T (Subset of R&D): -4.3% to -2.4%
- Total Investment: +7.7% to +0.2%

*Data has been revised
Equipment Procurement and R&D/R&T in Exact Percentages

**2006**
- Other Defence Expenditure: 80.6%
- Defence Equipment Procurement: 14.6%
- R&D (Includes R&T): 4.8%
  - R&T: 1.32%
- 19.4%

**2007**
- Other Defence Expenditure: 79.5%
- Defence Equipment Procurement: 15.8%
- R&D (includes R&T): 4.7%
  - R&T: 1.25%
- 20.5%

**2008**
- Other Defence Expenditure: 79.1%
- Defence Equipment Procurement: 16.6%
- R&D (includes R&T): 4.3%
  - R&T: 1.24%
- 20.9%

*Data has been revised*
Military and Civilian Personnel Numbers

<table>
<thead>
<tr>
<th>Year</th>
<th>Military Personnel</th>
<th>Civil Personnel</th>
<th>Military Personnel</th>
<th>Civil Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2,424,939</td>
<td>1,940,112</td>
<td>-5.4%</td>
<td>-5.3%</td>
</tr>
<tr>
<td>2007</td>
<td>2,294,274</td>
<td>1,836,882</td>
<td>-2.6%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>2008</td>
<td>2,234,487</td>
<td>1,800,707</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

REFORM - Personnel
REFORM – Expenditure per Military

Defence Spend and Investment per Military

<table>
<thead>
<tr>
<th>Year</th>
<th>Defence Spend per Military</th>
<th>Investment (Equipment Procurement and R&amp;D per Soldier)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€103 602</td>
<td>€20 002</td>
<td>-</td>
</tr>
<tr>
<td>2007</td>
<td>€111 117</td>
<td>€22 795</td>
<td>+13.9%</td>
</tr>
<tr>
<td>2008</td>
<td>€111 198</td>
<td>€23 274</td>
<td>+2.1%</td>
</tr>
</tbody>
</table>
Outsourcing in Volume of Money and Percentages

**Total Outsourcing 2006 : € 14,1 bln**
- Outsourcing: 7,0%
- Remaining Defence Expenditure: 93,0%

**Total Outsourcing 2007 : € 14,4 bln**
- Outsourcing: 7,1%
- Remaining Defence Expenditure: 92,9%

**Total Outsourcing 2008 : € 12,0 Bln**
- Outsourcing: 6,0%
- Remaining Defence Expenditure: 94,0%
National and Collaborative Equipment Procurement in Volume of Money

- **Other Collaborative Defence Equipment Procurement**: €0,59 billion in 2006, €0,74 billion in 2007, €1,00 billion in 2008.

**Billions of Euros**

National and Collaborative Equipment Procurement

- **2006**: €22,44 billion
- **2007**: €25,45 billion
- **2008**: €25,19 billion
National and Collaborative Equipment Procurement in Percentages

**2006**
- National Defence Equipment Procurement: 77.1%
- European Collaborative Defence Equipment Procurement: 20.9%
- Other Collaborative Defence Equipment Procurement: 2.0%

**2007**
- National Defence Equipment Procurement: 78.8%
- European Collaborative Defence Equipment Procurement: 18.9%
- Other Collaborative Defence Equipment Procurement: 2.3%

**2008**
- National Defence Equipment Procurement: 75.8%
- European Collaborative Defence Equipment Procurement: 21.2%
- Other Collaborative Defence Equipment Procurement: 3.0%
**EUROPEAN COLLABORATION – R&T**

**National and Collaborative Defence R&T in Volume of Money**

- **2006:** €2,271
- **2007:** €2,164 *
- **2008:** €2,030

**Billions of Euros**

- **National R&T Expenditure:**
  - 2006: €0,254
  - 2007: €0,332 *
  - 2008: €0,409

- **European Collaborative R&T Expenditure:**
  - 2006: €0,131
  - 2007: €0,045 *
  - 2008: €0,040

- **Other Collaborative R&T Expenditure:**
  - 2006: €0,040
  - 2007: €0,045 *
  - 2008: €0,040

*Data has been revised*
National and Collaboration Defence R&T in Percentages

2006
- National R&T Expenditure: 85.5%
- European Collaborative R&T Expenditure: 9.6%
- Other Collaborative R&T Expenditure: 4.9%

2007 *
- National R&T Expenditure: 85.1%
- European Collaborative R&T Expenditure: 13.1%
- Other Collaborative R&T Expenditure: 1.8%

2008
- National R&T Expenditure: 81.9%
- European Collaborative R&T Expenditure: 16.5%
- Other Collaborative R&T Expenditure: 1.6%

*Data has been revised
DEPLOYABILITY – Average Number Deployed

Average Number of Troops Deployed in Percentages

2006
Remaining Military Personnel: 95.7%
Average Number of Troops Deployed: 4.3%

2007
Remaining Military Personnel: 95.8%
Average Number of Troops Deployed: 4.2%

2008
Remaining Military Personnel: 95.5%
Average Number of Troops Deployed: 4.5%
Defence Equipment (including R&D) as a Percentage of Total Defence Expenditure

- 2006: 19.4%
- 2007: 20.5%
- 2008: 20.9%
- Benchmark: 20.0%

Other Defence Expenditure

Defence Equipment Procurement & R&D
European Collaborative Defence Equipment Procurement as a Percentage of Equipment Procurement

<table>
<thead>
<tr>
<th>Year</th>
<th>European Collaborative Defence Equipment Procurement</th>
<th>Other Defence Equipment Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>20.9%</td>
<td>79.1%</td>
</tr>
<tr>
<td>2007</td>
<td>18.9%</td>
<td>81.1%</td>
</tr>
<tr>
<td>2008</td>
<td>21.2%</td>
<td>78.8%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>35.0%</td>
<td>65.0%</td>
</tr>
</tbody>
</table>
BENCHMARKS

R&T as a Percentage of Defence Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;T Spend</th>
<th>Remaining Defence Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1.32%</td>
<td>98.68%</td>
</tr>
<tr>
<td>2007</td>
<td>1.25% *</td>
<td>98.75% *</td>
</tr>
<tr>
<td>2008</td>
<td>1.24%</td>
<td>98.76%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>2.0%</td>
<td>98.0%</td>
</tr>
</tbody>
</table>

*Data has been revised
European Collaborative R&T as a Percentage of Total R&T

- **2006**: 9.6%
- **2007**: 13.1% *
- **2008**: 16.5%
- **Benchmark**: 20.0%

*Data has been revised*
Data collection is based on definitions approved by the participating Member States. The Definitions below have been shortened and edited for this publication.

- **Macroeconomic Data**: GDP, General Government Expenditure and Population are based on data from Eurostat.

- **Total defence expenditure** is defined as total Ministry of Defence expenditure and defence related expenditure from other sources (other Ministries special budgetary lines).

- **Civilian personnel**: The authorised strength of all civilian personnel on 31 December of each year employed by all military establishments and the armed forces.

- **Military personnel**: The authorised strengths of all active military personnel on 31 December of each year.

- **Personnel Expenditure**: 1) Pay and allowances paid to: military personnel; civilian personnel.
  2) Pensions – only if paid directly by the MoD to: retired military personnel; retired civilian employees.

- **Defence equipment procurement** expenditure includes expenditure for all major equipment categories.

- **Research and Development (R&D)**: any R&D programmes up to the point where expenditure for production of equipment starts to be incurred.

- **Research and Technology (R&T)** is a subset of R&D: expenditure for basic research, applied research and technology demonstration for defence purposes.

- **Investment is Equipment Procurement** and R&D (including R&T).

- **Operation and Maintenance (O&M) expenditure**: covers O&M (spare parts and supplies) of major equipment; other equipment and supplies; and costs related to maintaining utilities and infrastructure.

- **Outsourcing**: is defence expenditure for which services have been contracted at the central level with service suppliers from outside the MoD and/or Armed Forces.
**Explanatory Notes**

- **European Collaboration** is defined as a subset of Collaboration: agreement by at least two EU Member States Ministries of Defence for project or programme contracts. Possible non-EU partners share in such contracts is lower than 50%.

- **Other**: All expenditure that cannot be attributed to another category.

- **Other Collaborative Expenditure**: All collaborative expenditure that does not fall under the European Collaboration definition.

- **Average number of troops deployed**: Average number of troops deployed throughout the year.
Additional Notes on the Data

- EDA is receiving the data from the Ministeries of Defence of the 26 participating Member States. On occasions the data can be revised and this may have an impact on the overall aggregate figure. In order to have the most up to date data please check EDA’s website for updates: http://www.eda.europa.eu/

- Data on GDP, General Government Expenditure and Population numbers have been collected from Eurostat. However, this data is occasionally revised which may impact some of the data used by EDA.

- The Data provided is at the aggregate level which can produce different figures from other sources due to rounding.

- For some spending categories a margin of error exists as accounting systems in the participating Member States differ. Nevertheless, the presented data presents the best publicly available figures.

- Comparisons are made for 2006, 2007 and 2008. It should be noted that more firm trend analysis will only be possible after several years of data gathering.

- Significant changes in the exchange rates with the Euro has had a considerable impact on the 2008 data; the lower amount of defence expenditure is partly caused by significant drops of some of the pMS’ currencies exchange rates to the euro.
The European Defence Agency was established under a Joint Action of the Council of Ministers on 12 July, 2004, «to support the Member States and the Council in their effort to improve European defence capabilities in the field of crisis management and to sustain the European Security and Defence Policy as it stands now and develops in the future».

FUNCTIONS AND TASKS
The European Defence Agency, within the overall mission set out in the Joint Action, is ascribed four functions, covering:
- developing defence capabilities;
- promoting Defence Research and Technology (R&T);
- promoting armaments co-operation;
- creating a competitive European Defence Equipment Market and strengthening the European Defence, Technological and Industrial Base.

All these functions relate to improving Europe’s defence performance, by promoting coherence. A more integrated approach to capability development will contribute to better defined future requirements on which collaborations - in armaments or R&T or the operational domain - can be built. More collaboration will, in turn, provide opportunities for industrial restructuring and progress towards the continental-scale demand and market, which industry needs.

On this basis, the Agency’s tasks include:
- to work for a more comprehensive and systematic approach to defining and meeting the capability needs of the European Security and Defence Policy (ESDP);
- to promote European defence-relevant R&T, as vital both to a healthy defence technological and industrial base and to defining and satisfying future capability requirements. This will involve pursuing collaborative use of national Defence R&T funds, in the context of a European Defence R&T Strategy which identifies priorities;
- to promote European cooperation on defence equipment, both to contribute to defence capabilities and as a catalyst for further restructuring the European defence industry;
- to work, in close cooperation with the Commission, on steps towards an internationally competitive market for defence equipment in Europe.

The Agency’s «comparative advantage» should be its ability to comprehend all these agendas, and relate them so as to realise their synergies. Its special position should allow it to develop uniquely cogent analyses and proposals across the range of its activities.
Further statistical information and an overview of EDA activities are available on our website: http://www.eda.europa.eu

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