EUROPEAN DEFENCE AGENCY

Brussels, 19 December 2006

DEFENCE FACTS

EUROPEAN – UNITED STATES
DEFENCE EXPENDITURE IN 2005

The EDA has compared its data on European defence expenditure – released on 20 November 2006 – with United States defence spending in 2005. The data show that the US spent €406 Billion on defence in 2005, more than double the €193 billion spent in Europe.

European defence expenditure data represent spending by the 24 EDA participating Member States. US data are based on public sources, mainly US Government publications.
### European - US Defence Expenditure - General

<table>
<thead>
<tr>
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<th>Europe*</th>
<th>US**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Defence Expenditure</td>
<td>€ 193 Bln</td>
<td>€ 406 Bln</td>
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<tr>
<td>Defence Expenditure as a % of GDP</td>
<td>1.81%</td>
<td>4.06%</td>
</tr>
<tr>
<td>Defence Expenditure Per Capita</td>
<td>€ 425</td>
<td>€ 1,363</td>
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</tbody>
</table>

* Europe means 24 EDA participating Member States  
** Euro/Dollar exchange rate is based on average for 2005: rate of 1.2441
### European - US Defence Expenditure - Reform

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Personnel</td>
<td>1,855,517</td>
<td>1,371,000</td>
</tr>
<tr>
<td>Civil Personnel</td>
<td>468,836</td>
<td>740,000</td>
</tr>
<tr>
<td>Defence Spent per Soldier</td>
<td>€ 103,974</td>
<td>€ 296,134</td>
</tr>
<tr>
<td>Investment (Equipment Procurement and R&amp;D) per Soldier</td>
<td>€ 19,057</td>
<td>€ 95,476</td>
</tr>
</tbody>
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*Military Personnel: Authorised strengths of all active military personnel; includes non-MOD personnel in uniform who can operate under military command and can be deployed outside national territory.*

### European - US Defence Expenditure - Reform

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<tr>
<td>Operations &amp; Maintenance</td>
<td>€ 40,2 Bln (20,8% of Total Defence Expenditure)</td>
<td>€ 159,0 Bln (39% of Total Defence Expenditure)</td>
</tr>
<tr>
<td>Equipment Procurement</td>
<td>€ 26,4 Bln</td>
<td>€ 77,6 Bln</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>€ 9,0 Bln</td>
<td>€ 53,2 Bln</td>
</tr>
<tr>
<td>(Includes: Research &amp; Technology)</td>
<td>€ 2,2 Bln</td>
<td>€ 13,4 Bln</td>
</tr>
</tbody>
</table>

*R&D: Any R&D programmes up to the point where expenditure for production of equipment starts to be incurred.*

*R&T: Subset of R&D – expenditure for basic research, applied research and technology demonstration for defence purposes.*

**US R&T: Also includes some defence spending by NASA.**

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**EUROPEAN-US DEFENCE EXPENDITURE – REFORM**

**US Personnel Breakdown: 2005**

- Total Military Personnel: 12%
- Total Civilian Personnel: 17%

**European Personnel Breakdown: 2005**

- Total Military Personnel: 20%
- Total Civilian Personnel: 20%
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

### US Investment in Equipment Procurement and R&D as a Percentage of Defence Expenditure in 2005
- Other Defence Expenditure: 68%
- Investment (Equipment Procurement and R&D): 32%

### European Investment in Equipment Procurement and R&D as a Percentage of Defence Expenditure in 2005
- Other Defence Expenditure: 81.6%
- Investment (Equipment Procurement and R&D): 18.4%

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### US R&D Spend as a Percentage of Total Defence Expenditure in 2005
- Other Defence Expenditure: 96.88%
- R&D: 3.31%

### European R&D Spend as a Percentage of Total Defence Expenditure in 2005
- Other Defence Expenditure: 98.86%
- R&D: 1.14%
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

US R&D Spend as a Percentage of Total Defence Expenditure in 2005

- R&D: 18.1%
- Other Defence Expenditure: 81.9%

European R&D Spend as a Percentage of Total Defence Expenditure in 2005

- R&D: 7.9%
- Other Defence Expenditure: 92.1%

US R&T as a Percentage of R&D in 2005

- Remaining R&D: 74.7%
- R&T: 25.3%

European R&T as a Percentage of R&D in 2005

- Remaining R&D: 76.8%
- R&T: 24.4%
EUROPEAN DEFENCE AGENCY

- Background information -

The European Defence Agency (EDA) was established by the Council on 12 July 2004. It is designed "to support the Council and the Member States in their effort to improve European defence capabilities in the field of crisis management and to sustain the ESDP as it stands now and develops in the future". More specifically, the Agency is ascribed four functions, relating to:

a) defence capabilities development;
b) armaments cooperation;
c) the European defence technological and industrial base and defence equipment market;
d) research and technology.

These functions all relate to improving Europe's defence performance, by promoting coherence in place of fragmentation.

The EDA is an Agency of the European Union. High Representative Solana is Head of the Agency, chairman of the Steering Board, which acts under the Council's authority and within the framework of guidelines issued by the Council.