EUROPEAN DEFENCE AGENCY

Brussels, 21 December 2007

DEFENCE FACTS

EUROPEAN – UNITED STATES
DEFENCE EXPENDITURE IN 2006

The EDA has compared its data on European defence expenditure – released on 19 November 2007 – with United States defence spending in 2006. The data show that the US spent €491 Billion on defence in 2006, almost two and a half times the €201 billion spent in Europe.

European defence expenditure data represent spending by the 26 EDA participating Member States. US data are based on public sources, mainly US Government publications.
### European - US Defence Expenditure - General

<table>
<thead>
<tr>
<th></th>
<th>Europe*</th>
<th>US**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Defence Expenditure</td>
<td>€ 201 Bln</td>
<td>€ 491 Bln</td>
</tr>
<tr>
<td>Defence Expenditure as a % of GDP</td>
<td>1.78%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Defence Expenditure Per Capita</td>
<td>€ 412</td>
<td>€ 1,640</td>
</tr>
</tbody>
</table>

* Europe means 26 EDA participating Member States  
** Euro/Dollar exchange rate is based on average for 2006: rate of 1.2556
### European - US Defence Expenditure - Reform

<table>
<thead>
<tr>
<th>Category</th>
<th>Europe</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Military Personnel</strong></td>
<td>1,940,112</td>
<td>1,384,968</td>
</tr>
<tr>
<td><strong>Civil Personnel</strong></td>
<td>484,827</td>
<td>699,520</td>
</tr>
<tr>
<td><strong>Defence Spent per Soldier</strong></td>
<td>€ 103,602</td>
<td>€ 354,898</td>
</tr>
<tr>
<td><strong>Investment (Equipment Procurement and R&amp;D) per Soldier</strong></td>
<td>€ 20,002</td>
<td>€ 102,489</td>
</tr>
</tbody>
</table>

* **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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<thead>
<tr>
<th>Category</th>
<th>Europe</th>
<th>US*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Expenditure</strong></td>
<td>€ 110,0 Bln</td>
<td>€ 100,0 Bln</td>
</tr>
<tr>
<td><strong>Operations &amp; Maintenance</strong></td>
<td>€ 43,3 Bln</td>
<td>€ 169,2 Bln</td>
</tr>
<tr>
<td><strong>Equipment Procurement</strong></td>
<td>€ 29,1 Bln</td>
<td>€ 83,0 Bln</td>
</tr>
<tr>
<td><strong>Research &amp; Development</strong></td>
<td>€ 9,7 Bln</td>
<td>€ 58,0 Bln</td>
</tr>
<tr>
<td><em>(Includes: Research &amp; Technology)</em></td>
<td>€ 2,6 Bln</td>
<td>€ 13,6 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.

* **Note that US defence expenditure data includes the supplement budget. It is not possible to split out of the supplement budget the Operation & Maintenance and Personnel Expenditure. Therefore these individual categories totals are on the lower side.
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

US Defence Spending Breakdown in 2006
- Personnel: 26%
- O&M: 34%
- Investment: 29%
- Other: 17%

European Defence Spending Breakdown in 2006
- Personnel: 55%
- O&M: 21.4%
- Investment: 19.4%
- Other: 4.0%

EUROPEAN-US DEFENCE EXPENDITURE – REFORM

US Personnel Breakdown: 2006
- Total Military Personnel: 60%
- Total Civilian Personnel: 34%

European Personnel Breakdown: 2006
- Total Military Personnel: 80%
- Total Civilian Personnel: 20%
Europe

US

Average Number of Troops Deployed
98,000
199,000

Average Number of Troops Deployed out of total Military Personnel
5%
14%

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.