European - United States Defence Expenditure in 2007

Brussels, December 2008

The EDA has compared its data on European defence expenditure with United States defence spending in 2007. The data show that the US spent €454 Billion on defence in 2007, two point two times more than the €204 billion spent in Europe.

European data represent spending by the 26 EDA participating Member States. US data are based on public sources, mainly US Government publications.

Notes: The fluctuations in the Dollar-Euro exchange rate has had substantial effect when comparing the two data sets. The US Data presented has in some cases been estimated, as available US data do not always fit with the definitions used for European defence data.
<table>
<thead>
<tr>
<th></th>
<th>Europe*</th>
<th>US**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Defence Expenditure:</td>
<td>€204 Bln</td>
<td>€ 454 Bln</td>
</tr>
<tr>
<td>Defence Expenditure as a % of GDP:</td>
<td>1,69%</td>
<td>4,5%</td>
</tr>
<tr>
<td>Defence Expenditure Per Capita:</td>
<td>€ 417</td>
<td>€1504</td>
</tr>
</tbody>
</table>

*Europe means 26 EDA participating Member States

**Euro/Dollar exchange rate is based on average for 2007: 1.370
EUROPEAN-US DEFENCE EXPENDITURE – GENERAL

GDP, Overall Government Expenditure and Defence Expenditure

Billion of Euros

- GDP: €12072
- Government Expenditure: €5525
- Defence Expenditure: €204

US
Europe
EUROPEAN-US DEFENCE EXPENDITURE - GENERAL

Expenditure per Capita

GDP per Capita

US: €33,454
Europe: €22,780

Defence Spend per Capita

US: €1,504
Europe: €417
### 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>1,836,882</td>
<td>1,379,551</td>
</tr>
<tr>
<td>Civil Personnel:</td>
<td>457,392</td>
<td>696,101</td>
</tr>
<tr>
<td>Defence Spent Per Military:</td>
<td>€103,602</td>
<td>€329,201</td>
</tr>
<tr>
<td>Investment (Equipment Procurement and R&amp;D) Per Military:</td>
<td>€22,795</td>
<td>€111,604</td>
</tr>
</tbody>
</table>
## EUROPEAN-US DEFENCE EXPENDITURE – REFORM

<table>
<thead>
<tr>
<th>Category</th>
<th>Europe</th>
<th>US*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Expenditure</td>
<td>€106 Bln</td>
<td>€94,3 Bln</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>€47,0 Bln</td>
<td>€174,5 Bln</td>
</tr>
<tr>
<td>Investment (Equip. Proc. &amp; R&amp;D)</td>
<td>€41,8 Bln</td>
<td>€153,9 Bln</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>€9,5 Bln</td>
<td>€56,5 Bln</td>
</tr>
<tr>
<td>(Includes: Research &amp; Technology)</td>
<td>€2,6 Bln</td>
<td>€9,7 Bln</td>
</tr>
</tbody>
</table>
Defence Expenditure Breakdown in Volume of Money

- **US**
- **Europe**

<table>
<thead>
<tr>
<th>Category</th>
<th>Billions of Euros (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Expenditure</td>
<td>€31.2, €9.2</td>
</tr>
<tr>
<td>Investment (Equip. Proc. including R&amp;D/R&amp;T)</td>
<td>€153.9</td>
</tr>
<tr>
<td>O&amp;M Expenditure</td>
<td>€174.5</td>
</tr>
<tr>
<td>Personnel Expenditure</td>
<td>€94.3, €106</td>
</tr>
<tr>
<td>Total Defence Expenditure</td>
<td>€454, €204</td>
</tr>
</tbody>
</table>
Defence Expenditure Breakdown in Percentages

**US**
- Personnel: 20.8%
- O&M: 38.4%
- Investment: 33.9%
- Other: 6.9%

**Europe**
- Personnel Expenditure: 52.0%
- Investment (Equip. Proc. including R&D/R&T): 20.5%
- O&M Expenditure: 23.0%
- Other Expenditure: 4.5%
Equipment Procurement and R&D/R&T in Volume of Money

- **US**
  - Equipment Procurement: €97,4
  - R&D: €56,4
  - R&T (Subset of R&D): €2,61

- **Europe**
  - Equipment Procurement: €32,3
  - R&D: €9,5
  - R&T (Subset of R&D): €9,72

**Total Investment (Equipment Proc. including R&D/R&T):**
- **US**: €153,9
- **Europe**: €41,8
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

Equipment Procurement and R&D/R&T in Percentages

US
- Equipment Procurement: 21.5%
- Other Defence Expenditure: 64.0%
- R&D: 12.4%
- R&T: 2.1%

Europe
- Equipment Procurement: 15.8%
- Other Defence Expenditure: 78.2%
- R&D: 4.7%
- R&T: 1.28%
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

Military and Civilian Personnel Numbers

- **Total Personnel**
  - **US**: 2,075,652
  - **Europe**: 2,294,274

- **Total Military Personnel**
  - **US**: 1,379,551
  - **Europe**: 1,836,882

- **Total Civilian Personnel**
  - **US**: 696,101
  - **Europe**: 457,392
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

Outsourcing in Volume of Money and Percentages

US Outsourcing: €76,2 bln
- Other Defence Expenditure: 83%
- Outsourcing: 17%

European Outsourcing: €14,4 bln
- Other Defence Expenditure: 93%
- Outsourcing: 7%
EUROPEAN-US DEFENCE EXPENDITURE – DEPLOYABILITY

Average Number of Troops Deployed in Figures

- **US**: 1,379,551
- **Europe**: 1,836,882

Total Military Personnel

- **US**: 1,836,882
- **Europe**: 1,379,551

Average Number of Troops Deployed

- **US**: 187,600
- **Europe**: 77,900
EUROPEAN-US DEFENCE EXPENDITURE – DEPLOYABILITY

Average Number of Troops Deployed in Percentages

US
- Remaining Military Personnel: 86%
- Average Number of Troops Deployed: 14%

Europe
- Remaining Military Personnel: 96%
- Average Number of Troops Deployed: 4%