Brussels, December 2009

The EDA has compared its data on European defence expenditure with United States defence spending in 2008. The data show that the US spent €454 Billion on defence in 2008, two point two times more than the €200 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.
<table>
<thead>
<tr>
<th>Category</th>
<th>Europe*</th>
<th>US**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Defence Expenditure:</td>
<td>€200 Bln</td>
<td>€ 466 Bln</td>
</tr>
<tr>
<td>Defence Expenditure as a % of GDP:</td>
<td>1,63%</td>
<td>4,7%</td>
</tr>
<tr>
<td>Defence Expenditure Per Capita:</td>
<td>€ 406</td>
<td>€1532</td>
</tr>
</tbody>
</table>

*Europe means 26 EDA participating Member States
**Euro/Dollar exchange rate is based on average for 2008: 1.470
EUROPEAN-US DEFENCE EXPENDITURE – GENERAL

GDP, Overall Government Expenditure and Defence Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
<th>Government Expenditure</th>
<th>Defence Expenditure</th>
<th>GDP</th>
<th>Government Expenditure</th>
<th>Defence Expenditure</th>
<th>GDP</th>
<th>Government Expenditure</th>
<th>Defence Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€11,316</td>
<td>€10,509</td>
<td>€5,303</td>
<td>€3,807</td>
<td>€201</td>
<td>€492</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>€12,072</td>
<td>€10,102</td>
<td>€5,525</td>
<td>€3,743</td>
<td>€204</td>
<td>€454</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>€12,272</td>
<td>€9,770</td>
<td>€5,728</td>
<td>€3,786</td>
<td>€200</td>
<td>€466</td>
<td></td>
<td></td>
<td></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>Military Personnel</td>
<td>1 800 707</td>
<td>1 401 757</td>
</tr>
<tr>
<td>Civil Personnel</td>
<td>433 780</td>
<td>707 680</td>
</tr>
<tr>
<td>Defence Spent Per Military</td>
<td>€111 198</td>
<td>€332 699</td>
</tr>
<tr>
<td>Investment (Equipment Procurement and R&amp;D)</td>
<td>€23 274</td>
<td>€127 296</td>
</tr>
<tr>
<td>Category</td>
<td>Europe</td>
<td>US*</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Personnel Expenditure</td>
<td>€106,2 Bln</td>
<td>€92,6 Bln</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>€43,3 Bln</td>
<td>€173,4 Bln</td>
</tr>
<tr>
<td>Investment (Equip. Proc. &amp; R&amp;D)</td>
<td>€41,9 Bln</td>
<td>€166,2 Bln</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>€8,6 Bln</td>
<td>€54,1 Bln</td>
</tr>
<tr>
<td>(Includes: Research &amp; Technology)</td>
<td>€2,5 Bln</td>
<td>€7,3 Bln</td>
</tr>
</tbody>
</table>
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

Defence Expenditure Breakdown in Percentages

**US**

2008

- **Investment**: 35.7%
- **O&M**: 37.2%
- **Personnel**: 19.9%
- **Other Expenditure**: 7.3%

2007

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

**Europe**

2008

- **Personnel Expenditure**: 53.1%
- **O&M Expenditure**: 21.6%
- **Investment**: 20.9%
- **Other Expenditure**: 4.4%

2007

- **Personnel Expenditure**: 51.9%
- **O&M Expenditure**: 23.1%
- **Investment**: 20.5%
- **Other Expenditure**: 4.5%
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

Equipment Procurement and R&D/R&T

Billions of Euros

Europe
US

Investment
Equipment Procurement
R&D
R&T (Subset of R&D)
Investment
Equipment Procurement
R&D
R&T (Subset of R&D)

2006 2007 2008
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

US

2008

- Equipment Procurement: 24%
- Other Defence Expenditure: 64%
- R&D: 10% (Includes R&T)
- R&T: 2%

2007

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

Europe

2008

- Equipment Procurement: 16.8%
- Other Defence Expenditure: 79.1%
- R&D: 4.3% (Includes R&T)
- R&T: 1.2%

2007

- Equipment Procurement: 15.8%
- Other Defence Expenditure: 79.5%
- R&D: 4.7% (Includes R&T)
- R&T: 1.25%
### Military and Civilian Personnel Numbers

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Personnel</th>
<th>Total Military Personnel</th>
<th>Total Civilian Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2,424,939</td>
<td>1,940,112</td>
<td>1,384,968</td>
</tr>
<tr>
<td>2007</td>
<td>2,294,274</td>
<td>2,075,652</td>
<td>1,379,551</td>
</tr>
<tr>
<td>2008</td>
<td>2,234,487</td>
<td>2,109,437</td>
<td>1,401,757</td>
</tr>
</tbody>
</table>

Europe

US

### Total Personnel

- **2006**: 2,424,939
- **2007**: 2,294,274
- **2008**: 2,234,487

### Total Military Personnel

- **2006**: 1,940,112
- **2007**: 2,075,652
- **2008**: 2,109,437

### Total Civilian Personnel

- **2006**: 1,384,968
- **2007**: 1,379,551
- **2008**: 1,401,757
EUROPEAN-US DEFENCE EXPENDITURE – REFORM

Outsourcing in Volume of Money and Percentages

US

2007 Outsourcing: €76,2 bln

Other Defence Expenditure 83%
Outsourcing 17%

2008 Outsourcing: €99 bln

Other Defence Expenditure 79%
Outsourcing 21%

Europe

2007 Outsourcing: €14,4 bln

Other Defence Expenditure 93%
Outsourcing 7%

2008 Outsourcing: €12 bln

Other Defence Expenditure 94%
Outsourcing 6%
EUROPEAN-US DEFENCE EXPENDITURE – DEPLOYABILITY

Average Number of Troops Deployed in Figures

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Military Personnel</th>
<th>Average Number of Troops Deployed</th>
<th>Total Military Personnel</th>
<th>Average Number of Troops Deployed</th>
<th>Total Military Personnel</th>
<th>Average Number of Troops Deployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1,940,112</td>
<td>1,384,968</td>
<td>83,300</td>
<td>198,800</td>
<td>77,900</td>
<td>187,600</td>
</tr>
<tr>
<td>2007</td>
<td>1,836,862</td>
<td>1,379,551</td>
<td>83,300</td>
<td>198,800</td>
<td>77,900</td>
<td>187,600</td>
</tr>
<tr>
<td>2008</td>
<td>1,800,707</td>
<td>1,401,757</td>
<td>83,300</td>
<td>198,800</td>
<td>77,900</td>
<td>187,600</td>
</tr>
</tbody>
</table>
EUROPEAN-US DEFENCE EXPENDITURE – DEPLOYABILITY

**US**

- **2007 Remaining Military Personnel**
  - 86%

- **2008 Average Number of Troops Deployed**
  - 14%

- **2008 Remaining Military Personnel**
  - 96%

**Europe**

- **2007 Remaining Military Personnel**
  - 85%

- **2008 Average Number of Troops Deployed**
  - 4%

- **2007 Remaining Military Personnel**
  - 96%