



EUROPEAN  
DEFENCE  
AGENCY

Defence  
Data 2011



More information on the European Defence Agency is available at: [www.eda.europa.eu](http://www.eda.europa.eu)

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**Responsible editor:** Eric Platteau

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# Introduction

The European Defence Agency collects 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 and publishes the aggregated figures in this booklet. 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 what defence budgets are spent on
- **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: 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.

# Data Analysis - EDA pMS Aggregated Defence Data 2011

The figures refer to the total for all EDA 26 pMS and if not otherwise stated, they are nominal.

## Total defence expenditure down by € 1 bln

In 2011, total defence expenditure of EDA 26 pMS amounted to € 192.5 billion - a reduction of € 1 billion or 0.5% compared to 2010 - representing approximately 1.55% of their total GDP and 3.17% of their total government expenditure, both values being the lowest since 2006. In real terms<sup>1</sup>, total defence expenditure has been decreasing since 2006 and between 2010 and 2011 it dropped by over 2%.

## Defence investment (procurement and R&D) at its lowest level since 2006

Personnel-related expenditure of € 98.6 billion accounted for 51.1% of total defence spending - virtually unchanged since 2009. The second biggest component - operation and maintenance expenditure - increased by 3.6% and accounted for 23.5% (€ 45.2 bln) of total defence expenditure. However, defence investment, comprising equipment procurement and R&D expenditure, saw a sharp decrease of almost 14% bringing its value down to the lowest level since 2006 (€ 37.0 billion or 19.2% of total expenditure). Both components of investment contributed to the decrease: equipment procurement dropped by 15% (€ 29.2 bln or

15.2% of total expenditure), and R&D expenditure - by 9% (€ 7.8 bln or 4.0% of total expenditure). As for Research and Technology<sup>2</sup>, expenditure increased by 3.5% up to € 2.15 billion reversing a downward trend since 2006. The only segment with a notable increase - 25.7% - was infrastructure/construction expenditure amounting to € 6.8 billion or 3.5% of total defence expenditure.

## Increase in collaborative procurement and R&T

In 2011, 27.1% or € 7.9 bln of total defence equipment procurement expenditure was spent on collaborative projects - the highest value and share since 2006. Of this, 92.7% (€ 7.3 bln) were European collaborations. Although the share of European collaborations in total collaborative equipment procurement decreased by 2% from 2010 to 2011, it nevertheless remained higher than in previous years.

As for R&T, expenditure on collaborative projects and programmes increased by 25.6% breaking a downward trend since 2009, and in 2011 it stood at € 331 mln representing 15.4% of total R&T spend. European collaborative R&T expenditure also increased in absolute terms by over 15%

1. In order to measure real growth and ensure a "real" comparison between years, inflation needs to be taken into account. Thus, data from 2006 to 2010 has been inflated to 2011 economic conditions (Source of deflator: European Commission ECFIN - based on weight of EU 27).

2. R&T is a subset of R&D which includes only basic research, applied research and technology demonstration, leaving out expenditure for demonstration or development for which a decision to procure has been taken.

reaching € 283 mln (13.2% of total R&T spend), but as a share of total collaborative R&T expenditure it decreased from 93.1% in 2010 to 85.4% in 2011, its lowest value since 2007.

### **Numbers of military and civilian personnel continue to drop while expenditure per soldier increases**

In 2011, there was a reduction of both civilian and military personnel for the fifth consecutive year. Military personnel (81% of total staff working in defence) decreased by 4.3% to 1.55 million. Civilian personnel decreased by 3.9% to 374 thousand. Whilst personnel numbers reduced, defence expenditure per soldier increased by almost 4% reaching € 124 thousand. Defence investment per soldier, however, decreased by almost 10% and stood at € 24 thousand in 2011.

### **Reduction in troops deployed, but cost of operations increase**

As regards deployed operations outside the EU territory, similarly to the last two years, the average number of troops deployed decreased in 2011 both in absolute terms (from € 66 to € 54 thousand) and as a share of military personnel (from 4.1% to 3.5%) and is now at its lowest value since 2006. However, costs related to the deployed operations increased substantially (by 12.4% from 2010 to 2011) for the fifth consecutive year, reaching € 11.7 million or 6.1% of total defence expenditure. Operations costs per military deployed

have also been steadily increasing, and from 2006 to 2011 it nearly tripled reaching € 218 thousand.

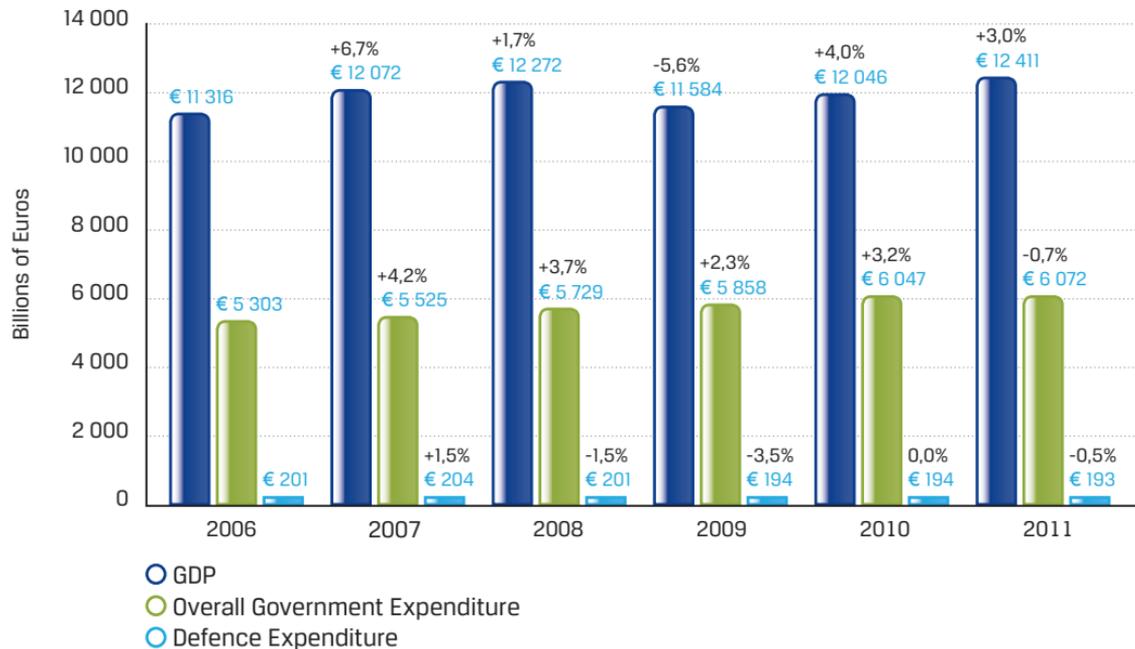
### **Progress made on three out of four collective benchmarks**

In 2007, EDA pMS agreed on a set of collective benchmarks for investment. There is no obligation in terms of timeline or adoption of these benchmarks into national targets, but they can assist pMS in spending more on investment.

In 2011, three out of four indicators made progress towards the agreed benchmarks. R&T expenditure broke a downward trend for the first time since 2006 increasing its share in total defence expenditure slightly from its lowest value in 2010 (1.07%) to 1.12%. It, nevertheless, remains well below the agreed 2% benchmark. The share of European collaborative R&T expenditure in total defence R&T spend also increased reaching 13.2% but remains below the 20% benchmark. The biggest progress was observed in European collaborative equipment procurement. As a share of total equipment procurement, it increased by 4 percentage points from 21.2% to 25.2%, the highest value since 2006, although still below the 35% benchmark. There was, however, a retrograde step in defence investment (equipment procurement and R&D). Being above the 20% benchmark between 2007 and 2010, in 2011 it dropped to 19.2% of total expenditure on defence, which is lower than the 2006 level.

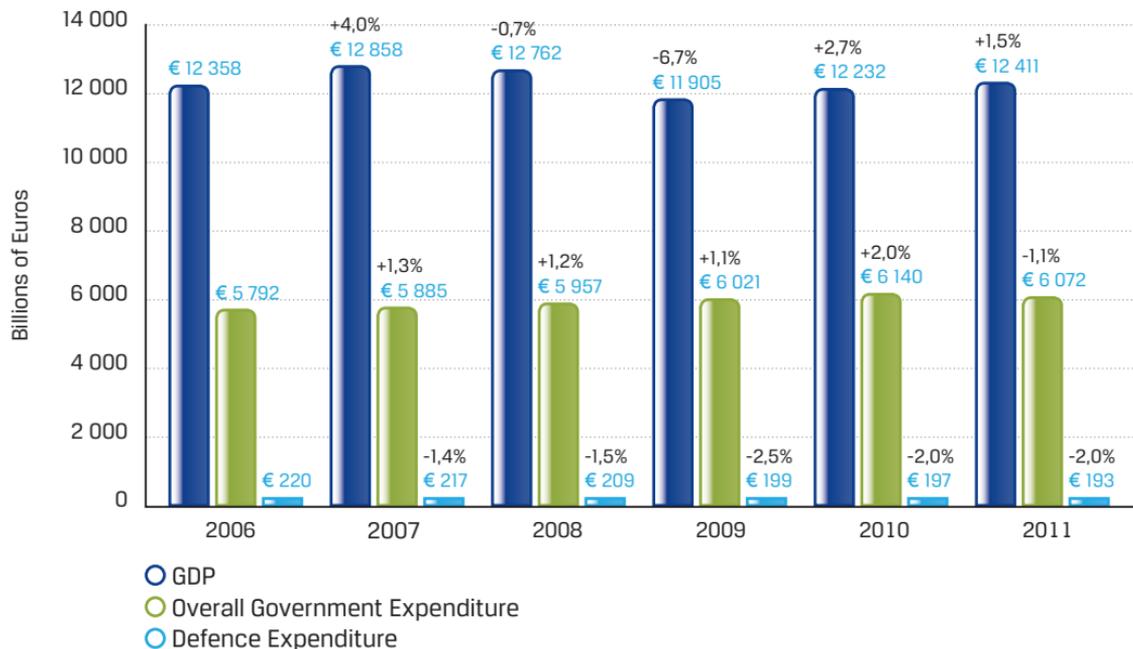
# GENERAL - Macro Economic Data

## GDP, Overall Government Expenditure and Total Defence Expenditure



# GENERAL – Macro Economic Data

GDP, Overall Government Expenditure and Total Defence Expenditure – real comparison\*



\* In order to measure real growth and ensure a 'real' comparison between years, inflation needs to be taken into account. Thus, data from 2006 to 2010 has been inflated to 2011 economic conditions (Source of deflator: European Commission ECFIN – based on weight of EU 27).

# GENERAL – Macro Economic Data

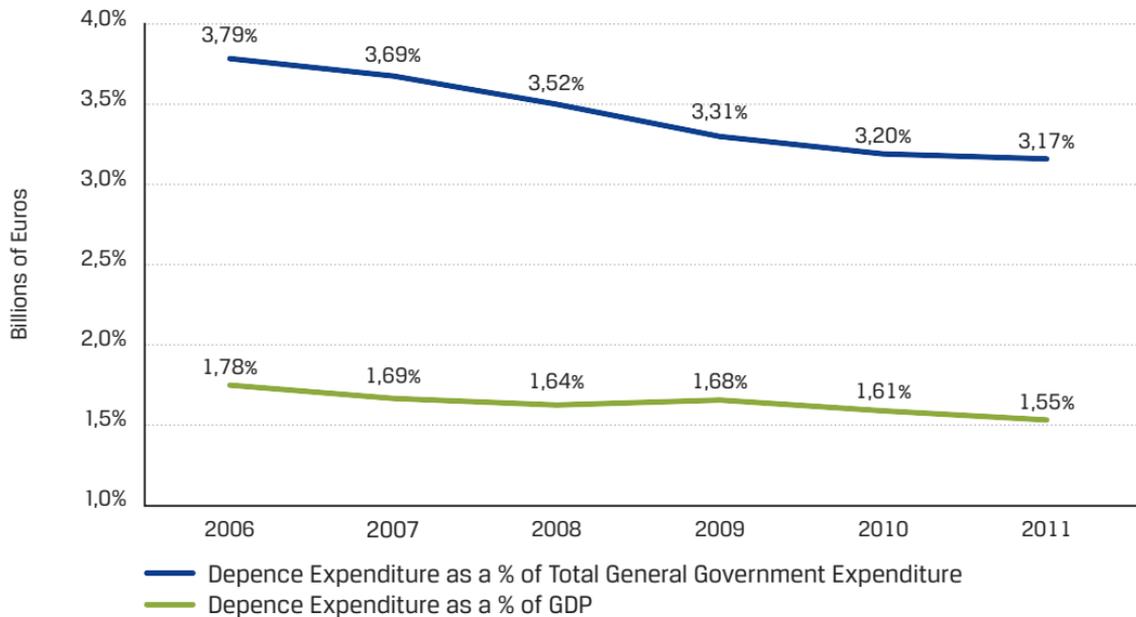
## Defence Expenditure in Current and Constant\* Prices



\* Data from 2006 to 2010 has been inflated to 2011 economic conditions.

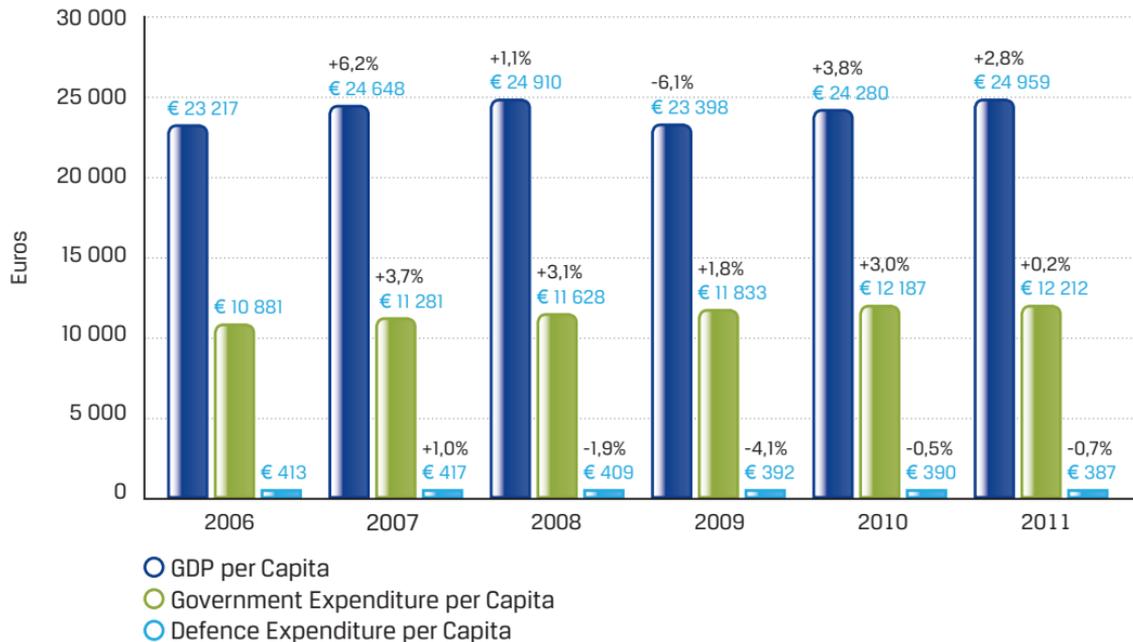
# GENERAL – Macro Economic Data

## Defence Expenditure as % of GDP and as % of Overall Government Expenditure



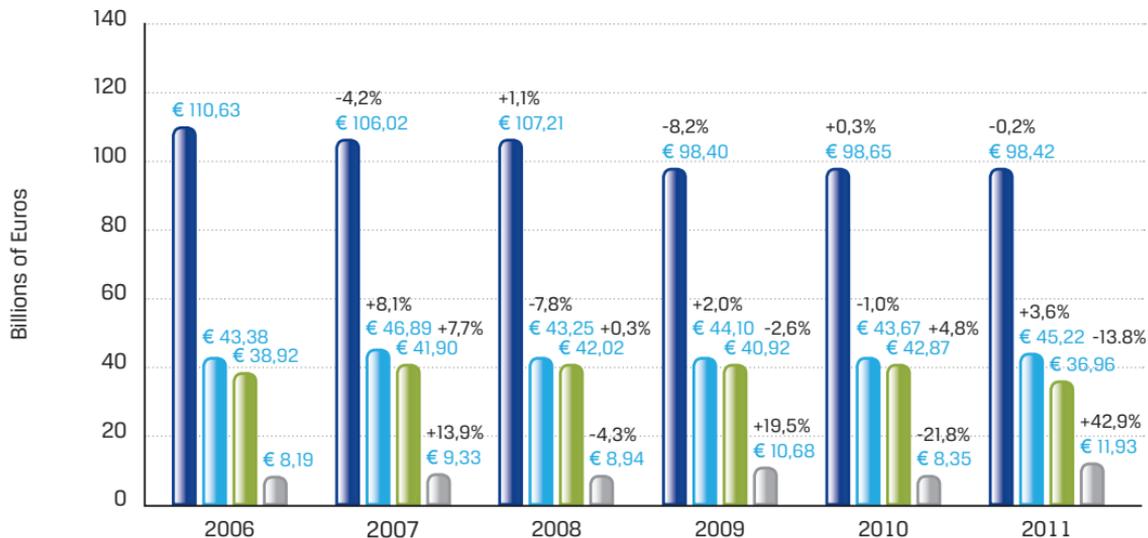
# GENERAL – Macro Economic Data

## Expenditure per Capita



# REFORM – Defence Expenditure Breakdown\*

Defence Expenditure Breakdown in absolute values

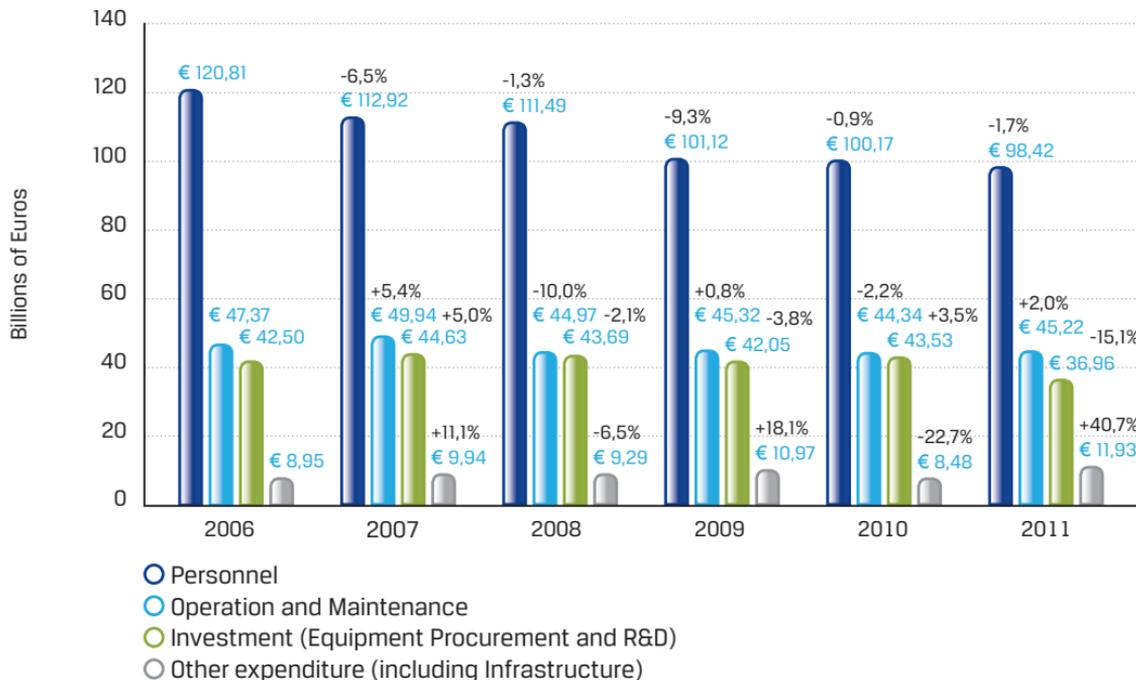


- Personnel
- Operation and Maintenance
- Investment (Equipment Procurement and R&D)
- Other expenditure (including Infrastructure)

\* Most of the data has been revised

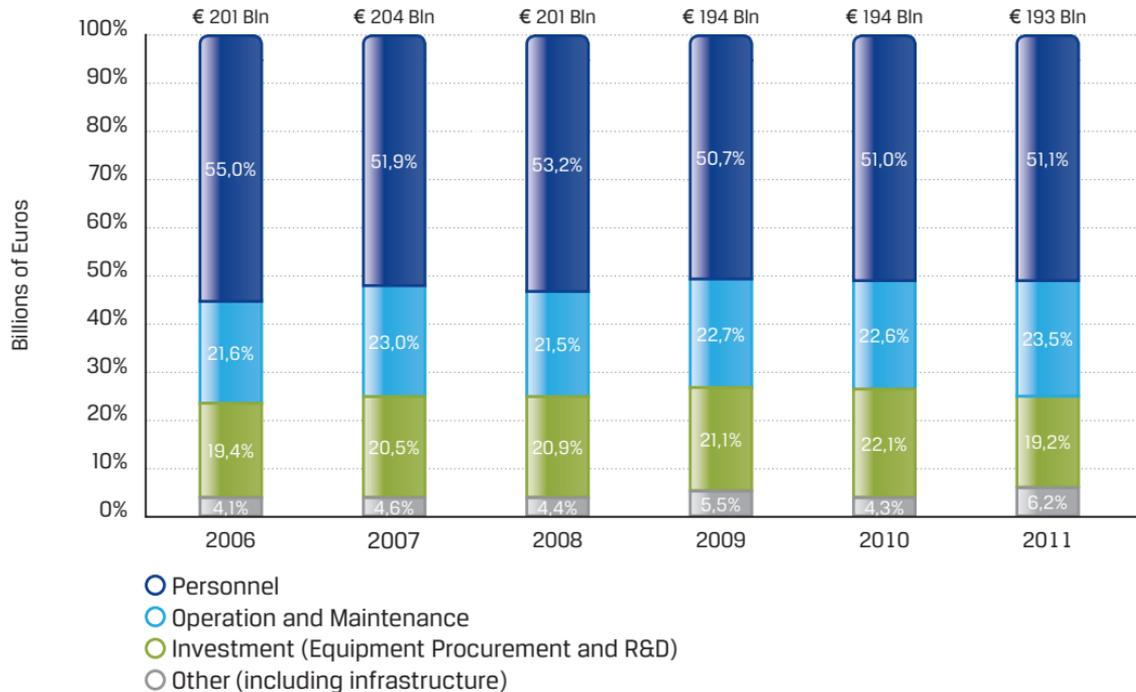
# REFORM – Defence Expenditure Breakdown

Defence Expenditure Breakdown in absolute values – real comparison



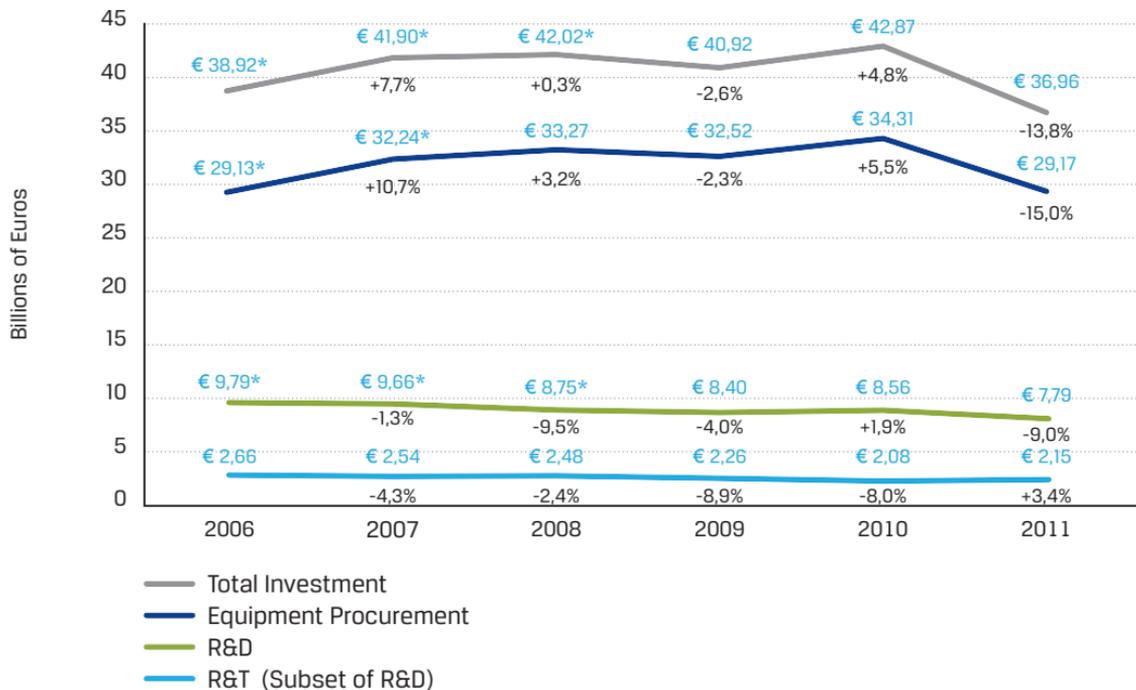
# REFORM – Defence Expenditure Breakdown

Defence Expenditure – percentage breakdown



# REFORM – Investment Breakdown

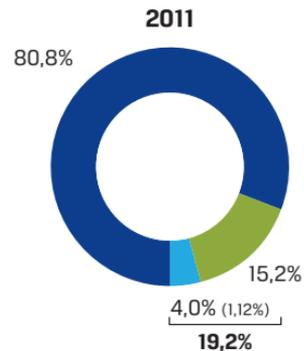
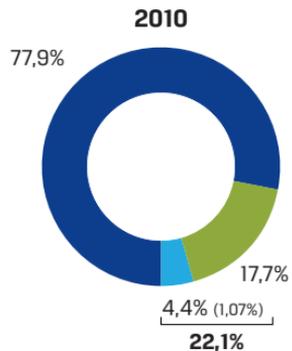
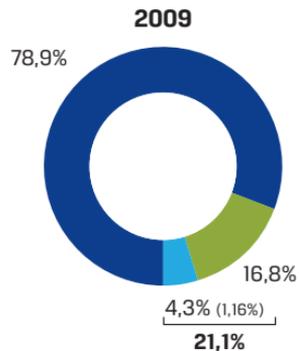
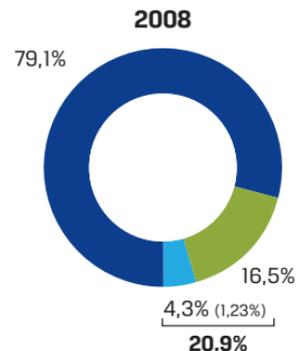
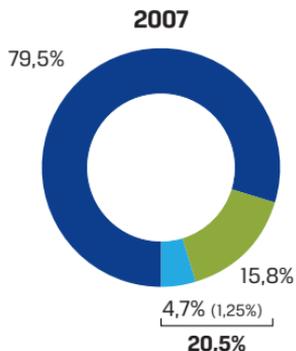
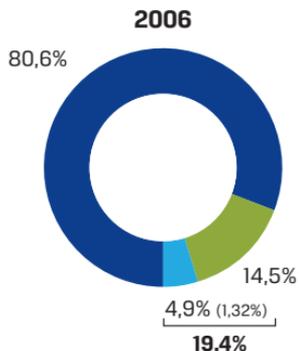
Defence Equipment Procurement and R&D/R&T - absolute values



\* Revised data

# REFORM – Investment Breakdown\*

Defence Equipment Procurement and R&D/R&T – percentage breakdown

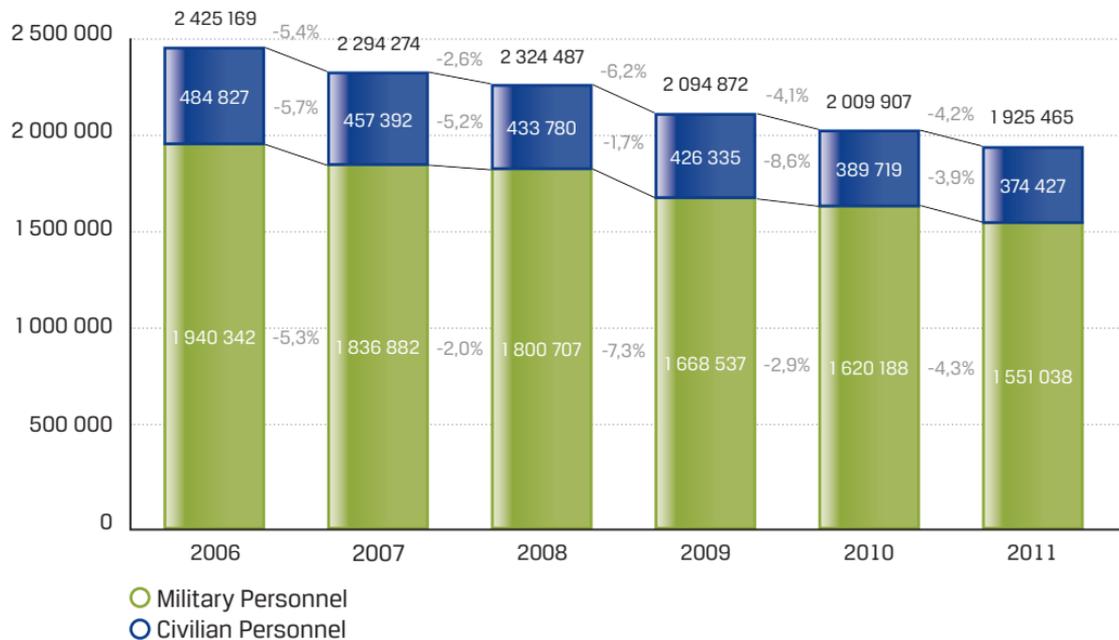


○ Other Defence Expenditure    ○ Defence Equipment Procurement    ○ R&D (Includes R&T)

\* 2006 data has been revised

# REFORM – Personnel

Number of Military and Civilian Personnel



# REFORM – Expenditure per Military

## Defence Expenditure and Investment per Military



○ Defence Expenditure per Military

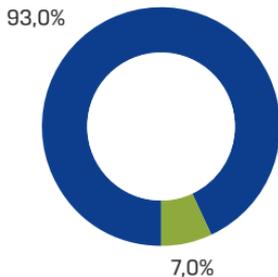
○ Investment (Equipment Procurement and R&D) per Military

\* Revised data

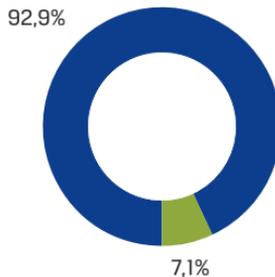
# REFORM – Outsourcing

Outsourcing – absolute and percentage values

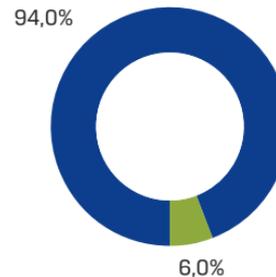
**Total outsourcing 2006: €14,1 bln**



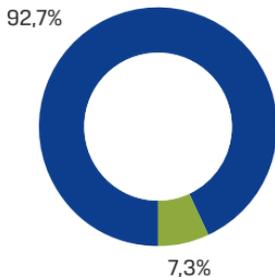
**Total outsourcing 2007: €14,5\* bln**



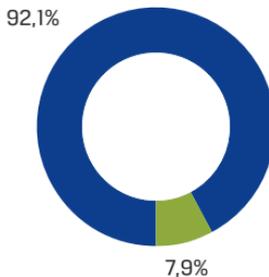
**Total outsourcing 2008: €12,0 bln**



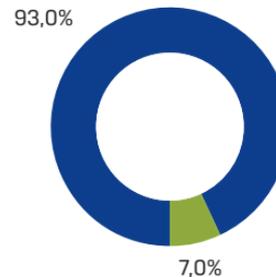
**Total outsourcing 2009: €14,1 bln**



**Total outsourcing 2010: €15,4 bln**



**Total outsourcing 2011: €13,4 bln**

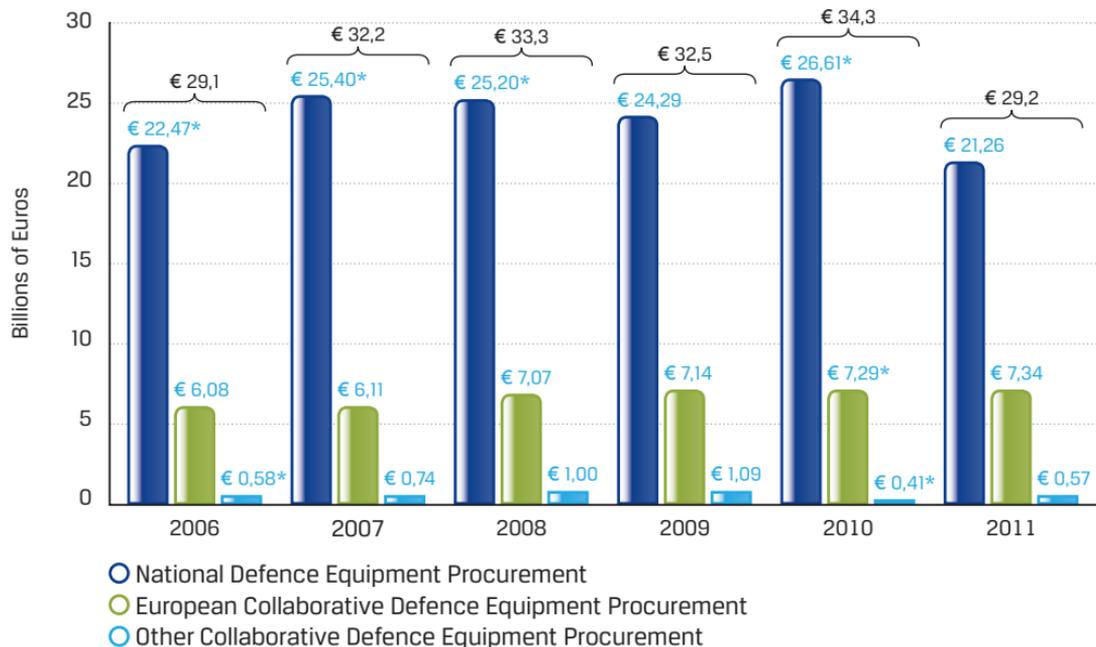


○ Remaining Defence Expenditure    ○ Outsourcing

\* Revised data

# EUROPEAN COLLABORATION – Equipment Procurement

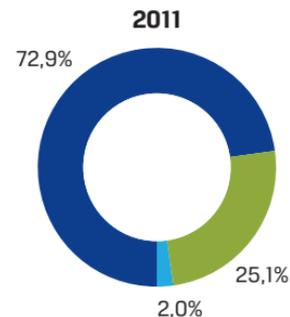
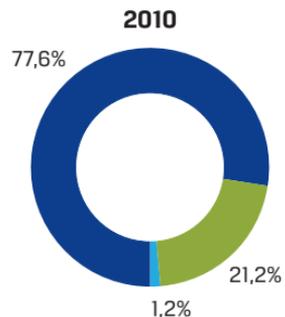
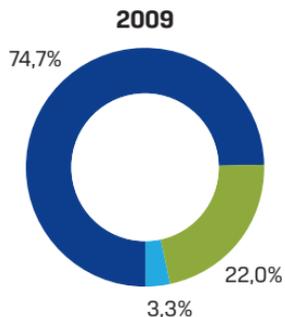
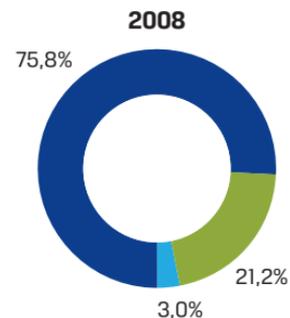
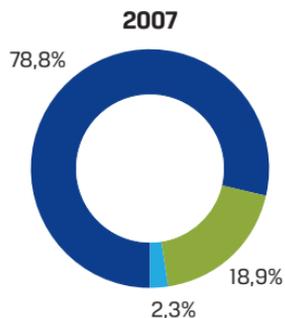
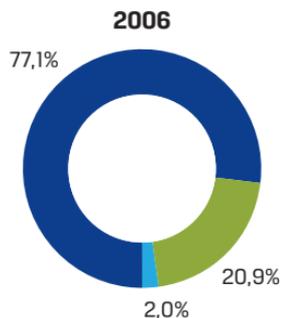
National and Collaborative Defence Equipment Procurement – absolute values



\* Revised data

## EUROPEAN COLLABORATION – Equipment Procurement\*

National and Collaborative Defence Equipment Procurement – percentage breakdown

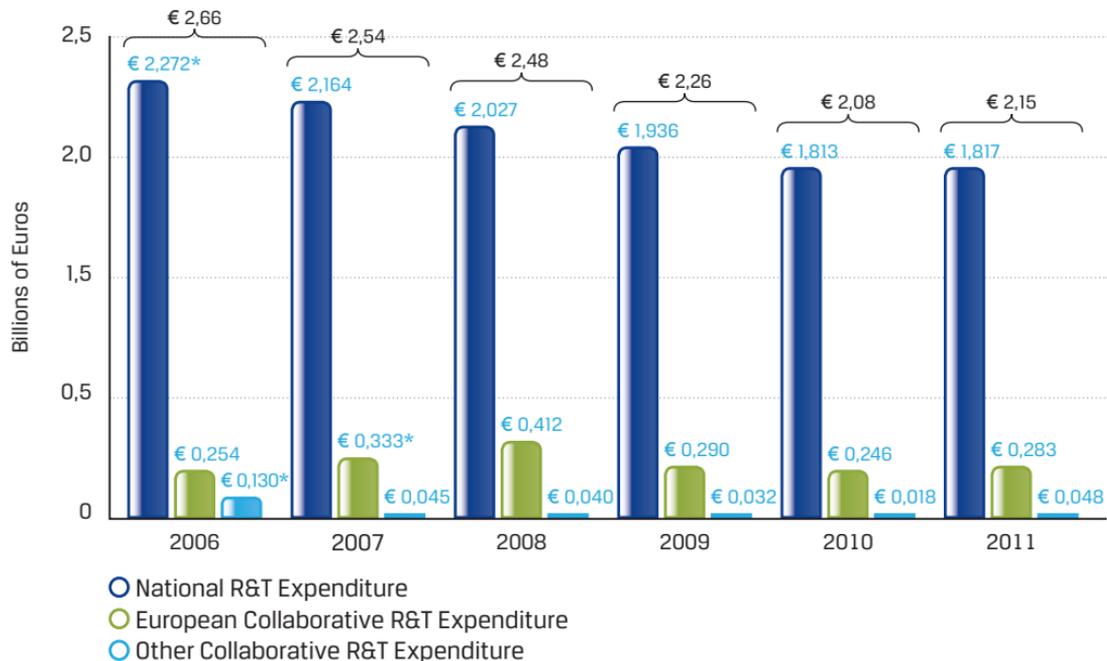


○ National Defence Equipment Procurement
 ○ European Collaborative Defence Equipment Procurement
 ○ Other Collaborative Defence Equipment Procurement

\* 2010 data has been revised

# EUROPEAN COLLABORATION – R&T

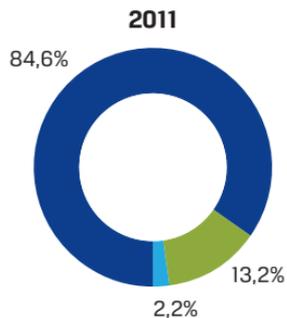
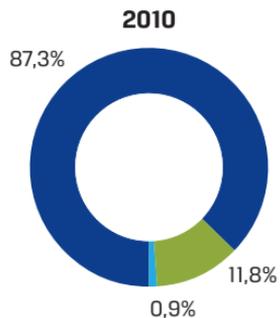
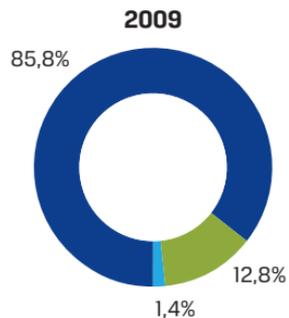
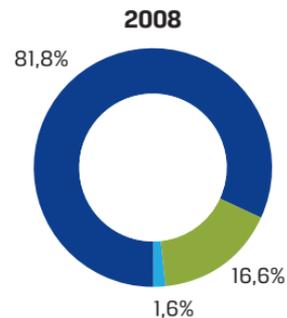
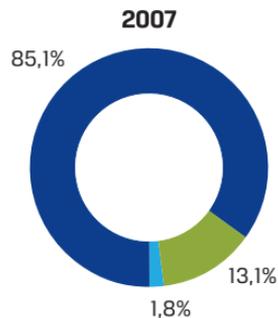
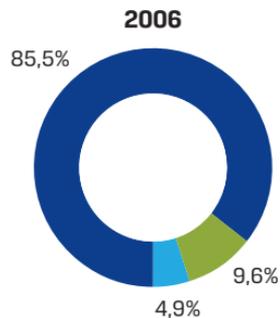
National and Collaborative Defence R&T- absolute values



\* Revised data

## EUROPEAN COLLABORATION – R&T

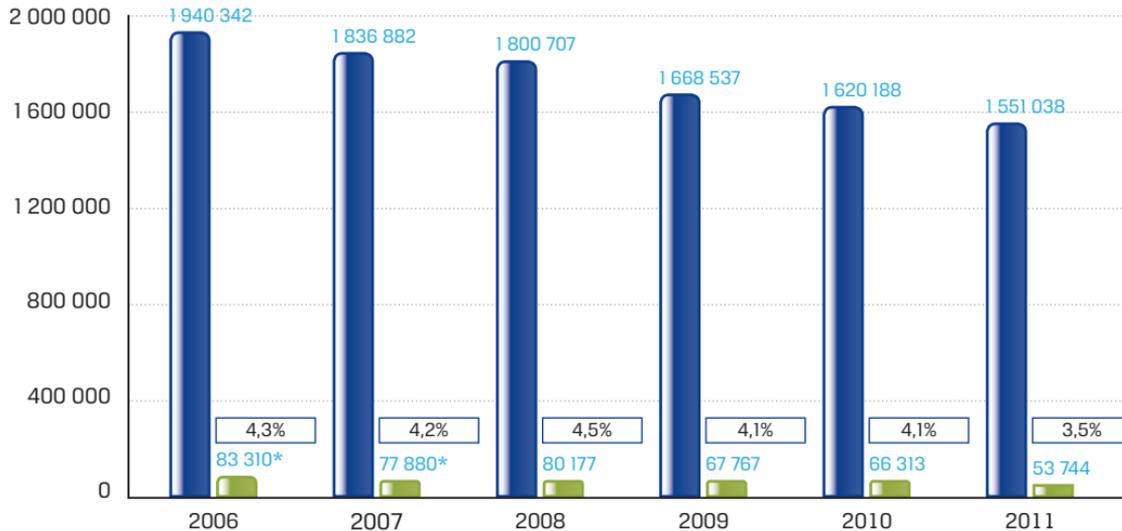
National and Collaborative Defence R&T – percentage breakdown



○ National R&T Expenditure    ○ European Collaborative R&T Expenditure  
○ Other Collaborative R&T Expenditure

# DEPLOYABILITY – Troops Deployed

Average Number of Troops Deployed



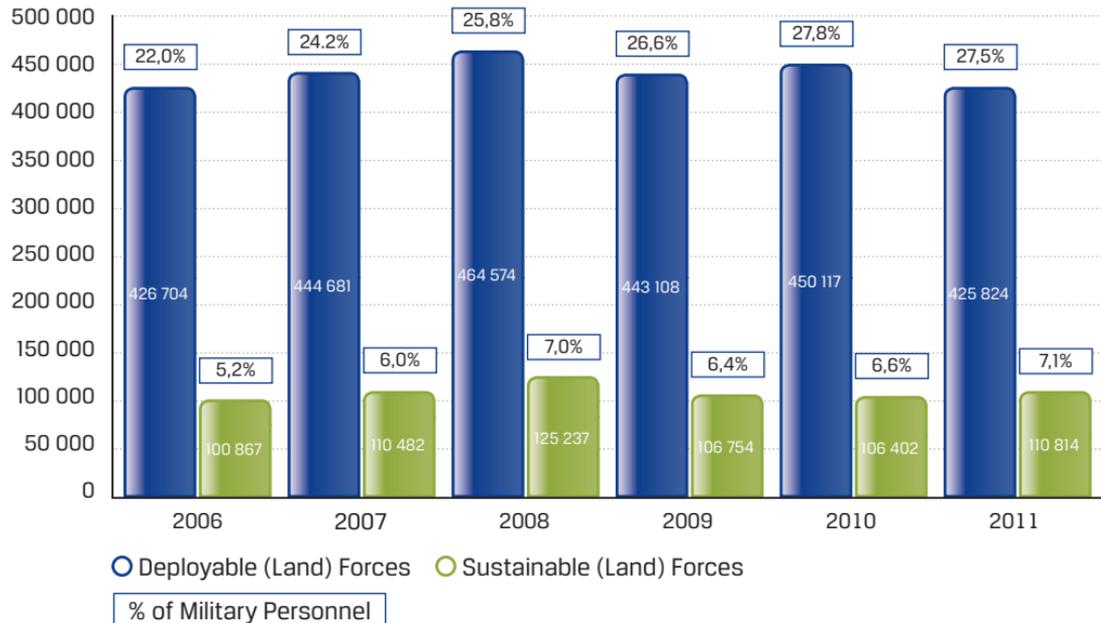
○ Number of Military Personnel    ○ Average of Troops Deployed

% of Military Personnel

\* Revised data

## DEPLOYABILITY – Deployable and Sustainable (Land) Forces

Number of Deployable and Sustainable (Land) Forces



# DEPLOYABILITY – Operation Costs

## Operation Costs per Military Deployed and Total Operation Costs



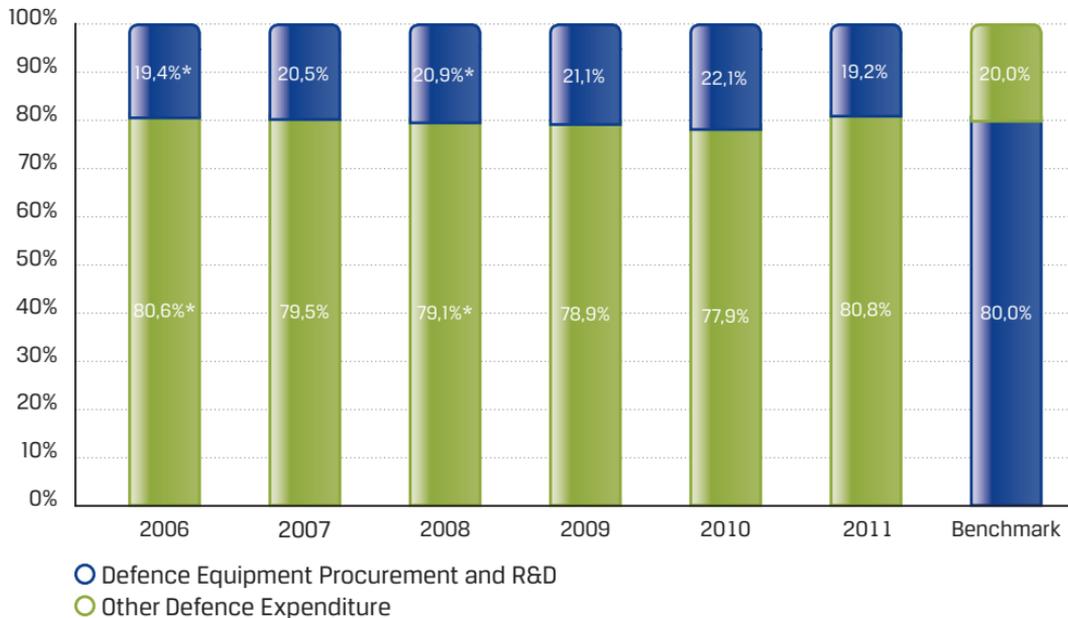
○ Operation Costs per military deployed

▭ Total Operation Costs

\* Revised data

## BENCHMARKS

### Defence Equipment (including R&D) Procurement as % of Total Defence Expenditure



\* Revised data

# BENCHMARKS

## European Collaborative Defence Equipment Procurement as % of Total Equipment Procurement

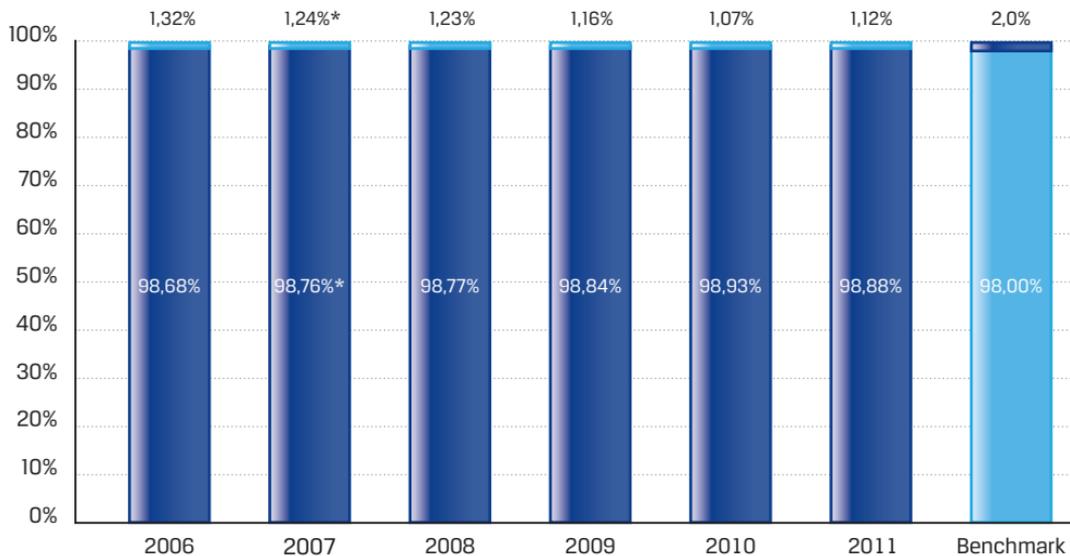


- European Collaborative Defence Equipment Procurement
- Other Defence Equipment Procurement

\* Revised data

# BENCHMARKS

## Defence R&T Expenditure as % of Total Defence Expenditure

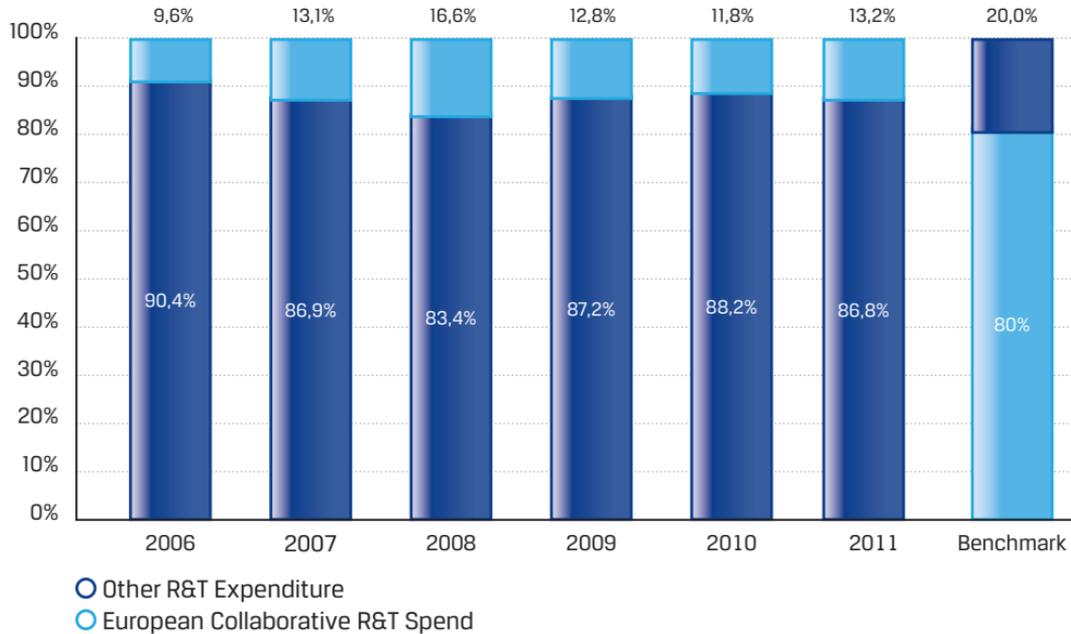


- Remaining Defence Expenditure
- Defence R&T Expenditure

\* Revised data

# BENCHMARKS

## European Collaborative Defence R&T Expenditure as % of Total Defence R&T Expenditure



EDA is receiving the data from the Ministries of Defence of the 26 participating Member States. On occasions the data can be revised and this may have an impact on the overall aggregated figures. 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 have been collected from Eurostat. However, this data is occasionally revised which may impact some of the data calculated 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 represents the best publicly available figures.
- Comparisons are made for 2006 to 2011. 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.

## Definitions

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 (MoD) 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:** all personnel-related expenditure for military and civilian personnel, including from non-MoD sources.
- **Defence equipment procurement expenditure:** 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):** expenditure for basic research, applied research and technology demonstration for defence purposes. It is a subset of R&D.
- **Investment:** Equipment Procurement and R&D (including R&T) expenditure.
- **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.
- **Other expenditure:** all other expenditure that cannot be attributed to any of the above categories.
- **Outsourcing:** defence expenditure for which services have been contracted at the central level with service suppliers from outside the MoD and/or Armed Forces.
- **European Collaboration (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 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 (all Armed Forces).
- **Deployable (land) forces:** (land) forces troops prepared for deployed operations (the NATO 50% target).
- **Sustainable (land) forces:** (land) forces troops undertaking or planned for sustained operations (the NATO 10% target).



**EUROPEAN  
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**European Defence Agency**

Rue des Drapiers 17-23  
B-1050 Brussels - Belgium

**[www.eda.europa.eu](http://www.eda.europa.eu)**

Tel +32 2 504 28 00

Fax +32 2 504 28 15

[info@eda.europa.eu](mailto:info@eda.europa.eu)

**[www.eda.europa.eu](http://www.eda.europa.eu)**

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