EUROPEAN AIR TRANSPORT FLEET LAUNCHED

European Defence Ministers, meeting in the Steering Board of the European Defence Agency, launched today concrete initiatives and projects for improving European military capabilities. Decisions were taken on programmes related to air transport, maritime surveillance and helicopters, amongst others.

"This is the concrete follow-up to the discussions which took place at the Informal EU Defence Ministers meeting in Deauville early October. We are seeing today that the Agency can very quickly translate political intentions into concrete proposals. These programmes will create tangible European capabilities and improve the capacity for crisis management operations", said Head of the Agency Javier Solana, who chaired the meeting.

European Air Transport Fleet

European Defence Ministers launched today EDA work on establishing a European Air Transport Fleet (EATF). A Declaration of Intent on participation in the initiative was signed by Defence Ministers of Belgium, Czech Republic, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Romania, Slovakia and Spain.

The EATF aims at reducing European air transport shortfalls by pooling aircraft such as the A400M and C130. Participation can take different forms: making aircraft available; purchasing, providing or exchanging flying hours; or to provide and benefit from shared and/or pooled support functions (training, maintenance, etc.). Milestones have been set with the aim of reaching EATF initial operational capability by the next decade.

“The EATF Declaration is most welcome, as pooling European aircraft and services will improve the lift capabilities and alleviate a significant European shortfall”, said Alexander Weis, the Agency’s Chief Executive.
Maritime Mine Counter-Measures
The Steering Board also launched two other projects. Ten Member States (Belgium, Estonia, Finland, France, Germany, Netherlands, Poland, Portugal, Romania and Sweden) plus Norway will work closely together in an EDA project for the future replacement of their maritime mine counter-measures capabilities in an EDA project. Activities will commence with an assessment phase, leading to recommendations for the selection of systems solutions and addressing all relevant aspects. Mine counter-measures in littoral sea areas has been identified as one of the initial 12 prioritised actions in the context of the Agency’s Capability Development Plan (CDP).

Future Unmanned Aerial System
Another project, related to Maritime Surveillance, is the launch of work for a Future Unmanned Aerial System. Based on common requirements, seven Member States (Finland, France, Germany, Poland, Portugal, Spain and Sweden) will begin the preparations for the development of an unmanned aerial system, which will be able to take off and land on a ship's deck. This future system will increase the capability for wide area surveillance in support of ESDP operations, a need which has been identified in the Capability Development Plan.

Space-based Earth Surveillance System
Five Member States (Belgium, France, Germany, Greece, Spain) signed a Letter of Intent on the second generation of space-based imaging capacity. This Multinational Space-based Imaging System for surveillance, reconnaissance and observation (MUSIS) project aims at continuity of service from 2015 onwards. The MUSIS partners intend to launch an EDA Category B project on the basis on their initiative, which will be open for other Member States' participation.

Helicopters
The Steering Board endorsed a roadmap for the Helicopter Tactics Training Programme, part of the Agency’s work to improve availability of helicopters for ESDP operations. The contents of this programme will be defined in the course of 2009, based on the results of two studies – focussing on the requirements – and the lessons learned from an exercise, to take place in France in spring 2009. The Programme itself will start in 2010.

“The Agency is quickly progressing with its helicopter work. The Helicopter Tactics Programme is proving that in some cases training can provide additional capabilities in the short-term. Improving ESDP capabilities does not always require new equipment”, said Alexander Weis, EDA’s Chief Executive.
Ministers also took stock of the progress made on the Agency’s work on upgrading helicopters, with the aim to offer a detailed menu with upgrade options by spring 2009.

Germany and France informed the Steering Board of their intent to bring their bilateral initiative for a Future Transport Helicopter into the Agency in the near future, opening up the project to other interested Member States. The project aims at developing intra-theatre transport helicopter for the 2020+ timeframe.

**European Defence Research and Technology Strategy**

Ministers endorsed the European Defence Research and Technology (EDRT) Strategy to enhance and develop more effective research collaboration to deliver timely the right technologies in support of military capabilities. The Strategy defines “ends” (key technologies to invest in), “means” (how to invest better, such as through improved R&T collaborations) and “ways” (roadmaps and action plans). Four of the 12 priority actions of the Capability Development Plan have been chosen for identifying potential R&T projects: Counter-Man Portable Air-Defence Systems (C-MANPADS), Mine Counter-Measures, Counter-Improvised Explosive Devices (C-IED) and Chemical, Biological and Radiological or Nuclear (CBRN) - specifically detection of biological weapons.

The EDRT Strategy completes the EDA work on its strategic framework. With the CDP as the overall strategic tool this framework consists of the EDRT Strategy, the Armaments Cooperation Strategy (endorsed in October 2008) and the European Defence Technological and Industrial Base Strategy (endorsed in May 2007).

**Innovative Concepts and Emerging Technologies**

Ten Member States (Cyprus, France, Germany, Greece, Hungary, Italy, Poland, Slovakia, Slovenia and Spain) plus Norway signed the Programme Arrangement for the Joint Investment Programme on Innovative Concepts and Emerging Technologies (JIP-ICET). The Programme aims at promoting basic research cooperation, for example on an integrated navigation architecture and on nanotechnologies for soldier protection.

**Forum for Military Airworthiness Authorities**

Ministers decided to create a European Union-wide Forum for Military Airworthiness Authorities. This Forum will be used to harmonise the different national military airworthiness regulations within the European Union in order to stop duplication of work, to reduce costs and to shorten timelines for multinational procurement.
**Work Programme**

The Steering Board approved the **Agency’s Work Programme for 2009**. The focus of the Work Programme is on concrete projects, in particular related to the 12 prioritised actions stemming from the Capability Development Plan. The Agency will have a 2009 budget of €30m, including €8m operational budget for studies, and will recruit ten new staff. The budget was adopted by the General Affairs and External Relations Council in Defence Ministers formation.

**Defence Data 2007**

Ministers were informed on the results of the Agency’s defence data-collecting for 2007 and on the assessment of the collective benchmarks for Defence R&T and equipment procurement. A dedicated brochure has been released.
The European Defence Agency is collecting 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 and EDA acts as the custodian of these. The numbers presented in this brochure are the collective figures representing sums of the national data collected. The statistics 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 budgets spending – personnel; investment, including research & technology; operations & maintenance and others – to show on what the defence budgets are spent;
- **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 in the sense 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.
GDP, Overall Government Expenditure and Defence Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (Billions of Euros)</th>
<th>Overall Government Expenditure (Billions of Euros)</th>
<th>Defence Expenditure (Billions of Euros)</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€ 11,316</td>
<td>€ 5,303</td>
<td>€ 201</td>
<td>+6.7%</td>
</tr>
<tr>
<td>2007</td>
<td>€ 12,072</td>
<td>€ 5,525</td>
<td>€ 204</td>
<td>+4.2%</td>
</tr>
</tbody>
</table>

DEFENCE – Data
GENERAL – Expenditure per Capita

GDP per Capita

Defence Expenditure per Capita

2006:
- € 21,256
- +7.2%

2007:
- € 22,780
- +1.2%

Euros

0 5000 10000 15000 20000 25000

2006 2007
### Defence Expenditure Breakdown

**in Volume of Money**

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel</th>
<th>Investment (Equipment Procurement, including R&amp;D/R&amp;T)</th>
<th>Operations and Maintenance</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€ 38,80</td>
<td>€ 43,30</td>
<td>€ 8,90</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>€ 110,00</td>
<td>€ 106,00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2006**
- **Personnel**: € 110,00
- **Investment**: € 43,30
- **Operations and Maintenance**: € 8,90

**2007**
- **Personnel**: € 106,00
- **Investment**: € 47,00
- **Operations and Maintenance**: € 9,20

**Percentage Changes**
- **2006 to 2007**
  - Defence Expenditure: -3.6%
  - Personnel: +7.7%
  - Investment: +8.5%
  - Operations and Maintenance: +3.4%
## Defence Expenditure Breakdown in Rounded-off Percentages

### 2006
- **Personnel**: 55%
- **Operations and Maintenance**: 22%
- **Investment (Equipment Procurement, including R&D/R&T)**: 19%
- **Other**: 4%

### 2007
- **Personnel**: 52%
- **Operations and Maintenance**: 23%
- **Investment (Equipment Procurement, including R&D/R&T)**: 20%
- **Other**: 5%

**Budgets:**
- **2006**: €201 Bln
- **2007**: €204 Bln

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**REFORM – Defence Expenditure Breakdown**
Defence Expenditure Breakdown in Exact Percentages

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel</th>
<th>Operations &amp; Maintenance</th>
<th>Investment</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>55.0%</td>
<td>21.6%</td>
<td>19.4%</td>
<td>4.0%</td>
</tr>
<tr>
<td>2007</td>
<td>51.9%</td>
<td>23.1%</td>
<td>20.5%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>
Equipment Procurement and R&D/R&T in Volume of Money

Billions of Euros

- **Equipment Procurement**
  - 2006: €29,1
  - 2007: €32,3
  - Increase: +11.0%

- **R&D**
  - Change: -1.3%
  - 2006: €9,672
  - 2007: €9,545

- **R&T (Subset of R&D)**
  - Change: -1.6%
  - 2006: €2,656
  - 2007: €2,613

- **Total Investment**
  - 2006: €38,8
  - 2007: €41,8
  - Increase: +7.7%
Equipment Procurement and R&D/R&T in Exact Percentages

**2006**

- Other Defence Expenditure: 80.6%
  - R&D (Includes R&T): 4.8%
  - Defence Equipment Procurement: 14.6%
  - R&T: 1.32%

**2007**

- Other Defence Expenditure: 79.5%
  - R&D (Includes R&T): 4.7%
  - Defence Equipment Procurement: 15.8%
  - R&T: 1.28%

19.4%

20.5%
Military and Civilian Personnel Numbers

- **2006**
  - Military Personnel: 1,940,112
  - Civil Personnel: 484,827
  - Military Personnel Decrease: -5.3%
  - Civil Personnel Decrease: -5.7%

- **2007**
  - Military Personnel: 1,836,882
  - Civil Personnel: 457,392
  - Military Personnel Decrease: -5.4%
  - Civil Personnel Decrease: -5.7%

**REFORM - Personnel**
Defence Spend and Investment per Military

- **2006**
  - Defence Spend per Military: €103,602
  - Investment (Equipment Procurement and R&D per Military): €20,002
  - Increase: +7.2%

- **2007**
  - Defence Spend per Military: €111,117
  - Investment (Equipment Procurement and R&D per Military): €22,795
  - Increase: +13.9%
Outsourcing in Volume of Money and Percentages

Total Outsourcing 2006:
€14,1 bln

Other Defence Expenditure: 93,0%
Outsourcing: 7,0%

Total Outsourcing 2007:
€14,4 bln

Other Defence Expenditure: 92,9%
Outsourcing: 7,1%
National and Collaborative Equipment Procurement in Volume of Money

- **National Defence Equipment Procurement**
  - 2006: €22,44
  - 2007: €25,45

- **European Collaborative Defence Equipment Procurement**
  - 2006: €6,08
  - 2007: €6,11

- **Other Collaborative Defence Equipment Procurement**
  - 2006: €0,59
  - 2007: €0,74
National and Collaborative Equipment Procurement in Percentages

<table>
<thead>
<tr>
<th>Year</th>
<th>National Defence Equipment Procurement</th>
<th>Other Collaborative Defence Equipment Procurement</th>
<th>European Collaborative Defence Equipment Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>77,1%</td>
<td>2,0%</td>
<td>20,9%</td>
</tr>
<tr>
<td>2007</td>
<td>78,8%</td>
<td>2,3%</td>
<td>18,9%</td>
</tr>
</tbody>
</table>
National and Collaborative Defence R&T in Volume of Money

2006

- National R&T Expenditure: €0.254
- European Collaborative R&T Expenditure: €0.131
- Other Collaborative R&T Expenditure: €0.088

2007

- National R&T Expenditure: €0.347
- European Collaborative R&T Expenditure: €0.088
- Other Collaborative R&T Expenditure: €0.088

Billions of euros

<table>
<thead>
<tr>
<th>Year</th>
<th>National R&amp;T Expenditure</th>
<th>European Collaborative R&amp;T Expenditure</th>
<th>Other Collaborative R&amp;T Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€2.271</td>
<td>€0.254</td>
<td>€0.131</td>
</tr>
<tr>
<td>2007</td>
<td>€2.178</td>
<td>€0.347</td>
<td>€0.088</td>
</tr>
</tbody>
</table>

Billions of euros
National and Collaborative Defence R&T in Percentages

2006

National R&T Expenditure: 85,5%

European Collaborative R&T Expenditure: 9,6%

Other Collaborative R&T Expenditure: 4,9%

2007

National R&T Expenditure: 83,3%

European Collaborative R&T Expenditure: 13,3%

Other Collaborative R&T Expenditure: 3,4%
DEPLOYABILITY – Average Number Deployed

**Average Number of Troops Deployed in Figures**

- **2006**:
  - Number of Military Personnel: 1,940,112
  - Average Number of Troops Deployed: 83,300

- **2007**:
  - Number of Military Personnel: 1,836,882
  - Average Number of Troops Deployed: 77,900
Average Number of Troops in Percentages

2006

Remaining Military Personnel: 95,7%
Average Number of Troops Deployed: 4,3%

2007

Remaining Military Personnel: 95,8%
Average Number of Troops Deployed: 4,2%
Defence Equipment (including R&D) as a Percentage of Total Defence Expenditure

- 2006: 19.4% Other Defence Expenditure, 80.6% Defence Equipment Procurement & R&D
- 2007: 20.5% Other Defence Expenditure, 79.5% Defence Equipment Procurement & R&D
- Benchmark: 20.0% Other Defence Expenditure, 80.0% Defence Equipment Procurement & R&D
European Collaborative Defence Equipment Procurement as a Percentage of Equipment Procurement

<table>
<thead>
<tr>
<th>Year</th>
<th>Other Defence Expenditure</th>
<th>Defence Equipment Procurement &amp; R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>79,1%</td>
<td>20,9%</td>
</tr>
<tr>
<td>2007</td>
<td>81,1%</td>
<td>18,9%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>65,0%</td>
<td>35,0%</td>
</tr>
</tbody>
</table>
R&T as a Percentage of Defence Expenditure

- **2006**: 98.68% (Defence R&T Spend), 1.32% (Remaining Defence Expenditure)
- **2007**: 98.72% (Defence R&T Spend), 1.28% (Remaining Defence Expenditure)
- **Benchmark**: 98.00% (Defence R&T Spend), 2.00% (Remaining Defence Expenditure)
European Collaborative R&T as a Percentage of R&T

- 2006: 90.4%
- 2007: 86.7%
- Benchmark: 80.0%

Other Defence R&T Expenditure

European Collaborative Defence R&T spend
Data collection is based on definitions approved by the participating Member States. These definitions 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: total Ministry of Defence expenditure and defence related expenditure from other sources (other Ministries special budgetary lines).
- Military personnel: authorised strengths of all active military personnel on 31 December of each year.
- Civilian personnel: authorised strength of all civilian personnel on 31 December of each year.
- Personnel expenditure: 1) Pay and allowances paid to: military and civilian personnel. 2) Pensions – only if paid directly by the government (MoD or other State-owned institution) to: retired military and civilian employees.
- 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): a subset of R&D - expenditure for basic research, applied research and technology demonstration for defence purposes.
- Investment: equipment procurement and R&D (including R&T).
- Operations 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.
- 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: 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.
- Other: all expenditure that cannot be attributed to another category.
- Average number of troops deployed: average number of troops deployed throughout the year.
EDA is receiving the data from the Ministeries of Defence of the 26 participating Member States. On occasions the data can be revised and this may have an impact on overall aggregate 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 numbers have been collected from Eurostat. However, this data is occasionally revised which may impact some of the data used 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 provide the best publicly available figures.

Comparisons are made for 2006 and 2007. It should be noted that more firm trend analysis will only be possible after several years of data gathering.
Further statistical information and an overview of EDA activities are available on our website:

http://www.eda.europa.eu