

(English version)

**Question for written answer E-001385/24
to the Commission
Emmanouil Fragkos (ECR)
(18 July 2024)**

Subject: Boosting the Greek defence industry

Military spending in Greece and Cyprus is always high because of the threat from Türkiye.

By way of example, in 2022, military spending in Greece totalled EUR 8.054 billion, in 2023 the figure stood at EUR 6.224 and in 2024 the amount allocated to defence is EUR 7.126, which accounts for around 3% of the country's GDP.

The national and economic weight of the defence industry in Greece needs to increase because it plays a central role in the technological transformation of the economy and the transition towards the new high-tech industrial context.

Given that defence spending accounts for a significant portion of the budget, the challenge is to use this spending to aid the transition from a low-tech economy to a mid-/high-tech economy, connected with global value chains.

In particular, since Greece has a duty to maintain a strong presence in the eastern Mediterranean and a strong maritime presence in general, it is worth pointing out that, according to Thucydides, maritime strategy must be linked to domestic industrial and military production.

Since the wars in Ukraine and the Middle East began, there has been a tendency among EU Member States to increase their military spending.

In view of this:

1. Does the Commission have detailed information on what annual proportion of the defence budget in each Member State was spent on domestic production and what proportion was spent on imported military equipment?
2. What untapped European programmes can Greece tap into to increase domestic production of defence equipment?

Submitted: 19.7.2024

**Answer given by Executive Vice-President Vestager on behalf of the European Commission
(7 October 2024)**

Precise, detailed and official data on the proportion of the defence budget of each Member State that is spent on domestic production and imports from Member States or third countries is currently not available.

There are, however, strong indications of persistent fragmentation in the European defence equipment market and an increasing reliance on imports from third countries.

More details can be found for instance in the European Defence Industrial Strategy ⁽¹⁾ and in the Staff Working Document accompanying the proposal for a regulation establishing the European Defence Industry Programme (EDIP) ⁽²⁾.

The EU programmes that can be used to support the capacity of the Greek defence industry include in particular: the European Defence Fund ⁽³⁾, which supports collaborative defence research and development projects with a budget of over EUR 7 billion over 2021-2027; the regulation on supporting ammunition production (ASAP) ⁽⁴⁾, which was adopted as an emergency response following Russia's unprovoked invasion of Ukraine and supported the ramp-up of ammunition and missiles production capacity across Europe; the EDIP ⁽⁵⁾ proposal, through which the Commission foresees in particular the extension of the ASAP support logic in time (over 2025-2027) and in scope (beyond the field of ammunition and missiles only).

Also, Member States may use the Cohesion Policy Funds ⁽⁶⁾ for the modernisation and building of industrial capacities, including defence industry capacities, as far as the investments contribute to the objectives of the respective funds ⁽⁷⁾.

⁽¹⁾ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52024JC0010>

⁽²⁾ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CONSIL%3AST_7340_2024_ADD_1

⁽³⁾ https://defence-industry-space.ec.europa.eu/eu-defence-industry/european-defence-fund-edf-official-webpage-european-commission_en

⁽⁴⁾ https://defence-industry-space.ec.europa.eu/eu-defence-industry/asap-boosting-defence-production_en#:~:text=The%20ASAP%20Work%20Programme%20targets,certification%20of%2

⁽⁵⁾ https://defence-industry-space.ec.europa.eu/eu-defence-industry/edip-future-defence_en

⁽⁶⁾ https://defence-industry-space.ec.europa.eu/edis-joint-communication_en (p. 27, Section 5.1.3).

⁽⁷⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52016DC0950>