

EN

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Answer given by Mr Dombrovskis
on behalf of the European Commission
(24.2.2025)

The reform of the EU fiscal framework approved in April 2024¹ recognises the need for increasing defence capabilities and investment in Member States while maintaining sound and sustainable public finances. In particular, the new EU fiscal framework recognises that increasing defence capabilities is a common priority of the EU and the legislation provides different elements to accommodate an increase in defence expenditure.

- The new Regulation 2024/1263 (preventive arm of the Stability and Growth Pact)² allows for a more gradual fiscal adjustment (up to seven years instead of four years) when it is underpinned by a specific set of reforms and investment, including the build-up of defence capabilities.

- The amended Council Regulation (EC) No 1467/97 (corrective arm of the Stability and Growth Pact)³ explicitly indicates that an increase of investment in defence is one of the relevant factors when assessing the existence of an excessive deficit and, when an excessive deficit procedure is opened, this increase can be taken into account in the recommended corrective path.

The Commission has already applied these provisions in the fiscal package of 26 November 2024⁴ where relevant and it will continue to do so in future assessments.

¹ https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/evolution-eu-economic-governance/new-economic-governance-framework_en

² <https://eur-lex.europa.eu/eli/reg/2024/1263/oj/eng>

³ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A31997R1467>

⁴ https://commission.europa.eu/publications/2025-european-semester-autumn-package_en