EN
E-002970/2025
Answer given by Mr Dombrovskis
on behalf of the European Commission
(19.9.2025)

The increase of defence expenditure covered by the flexibility under the national escape clause is normally calculated relative to the reference year of 2021 since that is the year immediately prior to the start of Russia's war of aggression against Ukraine, which is the source of the exceptional circumstance triggering the activation of the national escape clause. Using this reference year ensures the equal treatment of Member States that had already ramped up their defence spending since the beginning of the war[1]. For Member States where defence expenditure did not increase between 2021 and 2024, 2024 has been used as reference year[2].

The EU fiscal surveillance framework relies on Eurostat statistics. The increase in defence expenditure is measured as the difference between the level of total defence expenditure compiled under Classification of the Functions of Government (COFOG) division 02 – Defence (in percent of GDP) in the years 2025 to 2028 and the corresponding level (in percent of GDP) in the reference year[3]. Expenditure funded by the Security Action for Europe (SAFE) loans will benefit from the flexibility of the national escape clause[4]. Eurostat, in cooperation with the national statistical authorities, will establish a data collection process[5].

Subject to the activation of the national escape clause, the maximum amount by which Member States can deviate from the net expenditure path recommended by the Council due to increased defence spending in 2025 (and annually throughout 2028) is 1.5% of GDP.

[1] Commission Communication Accommodating increased defence expenditure within the Stability and Growth Pact (C(2025)2000 final).
[2] Each Council recommendation that activates the national escape clause specifies the reference year used to calculate the increase in defence expenditure for the Member State concerned. The Commission communication on the 2025 European Semester (COM(2025) 200 final) includes a table, on page 37, summarising the information related to the activation of the national escape clause in spring 2025, which also shows the reference year for the 15 Member States concerned.
[3] Manual on sources and methods for the compilation of COFOG statistics (https://ec.europa.eu/eurostat/documents/3859598/10142242/KS-GQ-19-010-EN-N.pdf/ed64a194-81db-112b-074b-b7a9eb946c32).
[4] Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument.
[5] The starting point should be COFOG Defence categories, while also considering the NATO definition.