

EN

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Answer given by Mr Kubilius
on behalf of the European Commission
(25.7.2025)

The ReArm Europe plan¹ provides for the flexibility needed by Member States to undertake greater defence investment in the short term, without compromising their macroeconomic stability in the medium term.

On the one hand, the possibility offered for a coordinated activation of the national escape clause (NEC) of the Stability and Growth Pact² offers flexibility of up to 1.5% of the 2021 gross domestic product for each year of activation of the clause until 2029.

On the other hand, Member States can benefit from financial assistance under the Security Action for Europe (SAFE) instrument,³ in the form of loans guaranteed by the EU budget. SAFE loans are long maturity (45 years), have a grace period of 10 years and benefit from the flexibility under NEC, if activated.

In addition, EU defence industry programmes support the competitiveness of the European defence industry mostly through grants. The European Defence Fund⁴ has been contributing to the research and development of European defence technologies and capabilities, whilst the Act in support of ammunition production (ASAP)⁵ has provided support to the ramp-up of the European capacity of production of ammunition and missiles, and the programme for the European defence industry reinforcement through common procurement (EDIRPA) has financially incentivised the common acquisition of defence products⁶.

The proposed European Defence Industry Programme⁷ is meant to integrate the intervention logics validated through the implementation of ASAP and EDIRPA and to propose additional intervention logics, to further support the defence industrial readiness of the European defence and technological industrial base.

¹ https://ec.europa.eu/commission/presscorner/detail/en/ip_25_793.

² https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/stability-and-growth-pact_en.

³ 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, <http://data.europa.eu/eli/reg/2025/1106/oj>.

⁴ https://defence-industry-space.ec.europa.eu/eu-defence-industry/european-defence-fund-edf-official-webpage-european-commission_en.

⁵ https://defence-industry-space.ec.europa.eu/eu-defence-industry/asap-boosting-defence-production_en.

⁶ https://defence-industry-space.ec.europa.eu/eu-defence-industry/edirpa-addressing-capability-gaps_en.

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52024PC0150>.