

Press Release: New report reveals how the EU's defence budget is driving militarism and fuelling a new arms race

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Days after European leaders agreed to drastically increase military spending at the Versailles Summit, a new report by the European Network Against the Arms Trade and the Transnational Institute reveals how the EU's first defence programmes worth almost €600 million are marred in conflicts of interest, corruption allegations, and fall significantly short of meeting the most basic ethical and legal standards.

The report finds that nine of the 16 representatives to the EU's advisory body that led to the creation of the military budget were affiliated with the arms industry. Eight of these entities – Airbus, BAE Systems, Indra, Leonardo, MBDA, Saab, Fraunhofer and TNO – have thus far received over €86 million or 30.7% of this money pool, though the final amount will likely be much higher once the entire budget is granted.

"EU decision making has been captured by highly lucrative corporations that exploit political spaces for their own gain" warns Niamh Ní Bhriain, programme coordinator at the Transnational Institute.

Five of the eight largest beneficiaries – Leonardo, Safran, Thales, Airbus, and Saab – have been embroiled in numerous corruption allegations, while the seven largest beneficiaries are involved in highly controversial arms exports to countries experiencing armed conflict or where authoritarian regimes are in place and human rights violations are rife.

"That the EU would fund entities involved in controversial arms deals, producers of nuclear weapons, or that have been exposed for corruption, raises serious questions about EU approval procedures," underlines Alexandra Smidman, associate researcher at Shadow World Investigations.

The EU is funding new weapon systems that often rely on 'smart' technologies such as unmanned automated systems or artificial intelligence, which remain largely unregulated by the EU.

"These projects are controversial because they could potentially change the conduct of war rendering the laws of war obsolete." warns Pere Brunet, researcher at the Delàs Centre for Peace Studies.

Yet the checks applied by the EU to approve the funding of lethal weapons fail to uphold even the most basic legal and ethical standards with the Ombudsman's Office expressing concern that there is no detailed assessment of their compliance with international law.

"This is a de facto deregulation of one of Brussels' deadliest pools of money," adds Joaquin Rodriguez, associate professor at the Autonomous University of Barcelona.

The report details the lack of transparency and democratic oversight in how European Commission funding is approved.

"Given that these projects are intended to create weapons and other military systems that could be used by armies in Europe and beyond, strict public oversight is necessary," says Laëtitia Sédou, programme officer at the European Network against the Arms Trade.

The bulk of the funding allocated so far goes to companies located in the EU's largest arms export countries, namely France, Germany, Italy and Spain, getting 68.4% of the budget.

"EU military spending explicitly aims to strengthen Europe's defence industry, which will boost its arms exports, fuel a global arms race and lead to more wars, destruction, and death," says Mark Akkerman, researcher at Stop Wapenhandel.

Three case-studies exemplify how military spending is used at national level in France, Ireland and the Netherlands.

Register [here](#) for the online report launch and press conference on 17 March at 11am CET.

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