

# **Spain in NATO: An ally that delivers and leads with principles**

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## Executive Summary

Spain is an ally that delivers on its commitments, leads and acts where needed, strengthens key capabilities for the Alliance, and does so without compromising its principles, fiscal sustainability, or the spending and investment priorities supported by a broad social consensus.

- **Delivers.** In 2026, Spain is consolidating its defence spending of 2% of GDP, having tripled its nominal defence expenditure since 2018. Its level of compliance with NATO Capability Targets places it among NATO's leading allies.
- **Leads.** Spain ranks among the eight largest NATO contributors in support of Ukraine, with assistance steadily increasing since Russia's full-scale invasion in 2022. In total, Spain has allocated €3.795 billion and trained more than 9,000 Ukrainian military personnel on its territory. As of June 2026, Spain is also the ally with the largest number of troops deployed outside its territory on the Alliance's eastern flank, and one of the few allies to hold NATO strategic commands, such as the maritime component of the Allied Reaction Force and the Multinational Brigade in Slovakia.
- **Strengthens.** Spain has promoted the reinforcement of the European defence industrial and technological base through a combination of European and national initiatives. Through instruments such as the European Defence Industry Programme (EDIP), the Industrial and Technological Plan for Security and Defence (PITSD), and the Security Action for Europe (SAFE) instrument, Spain has mobilised more than €10.4 billion and is expected to generate around 22,000 jobs, contributing to the development of critical capabilities for both Europe and the Alliance.
- **And achieves this while upholding its principles.** In response to the 5% of GDP spending target, Spain defends a model that strengthens security while reinforcing the welfare state and sound public finances. Since 2018, Spain has tripled its defence spending and increased social investment by €145 billion, while reducing the debt-to-GDP ratio by more than 20 percentage points following the pandemic. Raising defence spending to 5% of GDP would require mobilising up to €780 billion over the next decade, making it incompatible with Spain's social welfare model and increasing dependence on non-European defence suppliers.

# 1. Introduction

The international strategic environment is experiencing one of its most unstable periods since the end of the Cold War. In 2025, the number of armed conflicts worldwide reached its highest level since the Second World War. The increase in conflicts, the proliferation of hybrid and technological threats, and the deterioration of international security have structurally transformed Europe's security architecture, placing the strengthening of defence and deterrence capabilities among the continent's foremost strategic priorities.<sup>1</sup>

Against this backdrop, Spain considers the strengthening of its security and defence as a national priority and a contribution to enhancing European and Euro-Atlantic collective security. This effort is rooted in a clear conviction: a European Union with stronger defence capabilities makes NATO stronger, while a more cohesive NATO enhances Europe's security. This vision guided the 2022 Madrid Summit, which adopted a new Strategic Concept based on a 360-degree approach to threats, the reinforcement of collective defence, and the development of a stronger European pillar within the Alliance.

In this context, Spain approaches the NATO Summit in Ankara on 7–8 July as an ally that delivers on its commitments. It has met the investment and capability targets agreed with the Alliance, steadily increased its contribution to Euro-Atlantic security, and consolidated a model based on capabilities, sustainability, and fiscal responsibility. This report presents the evidence underpinning that commitment.

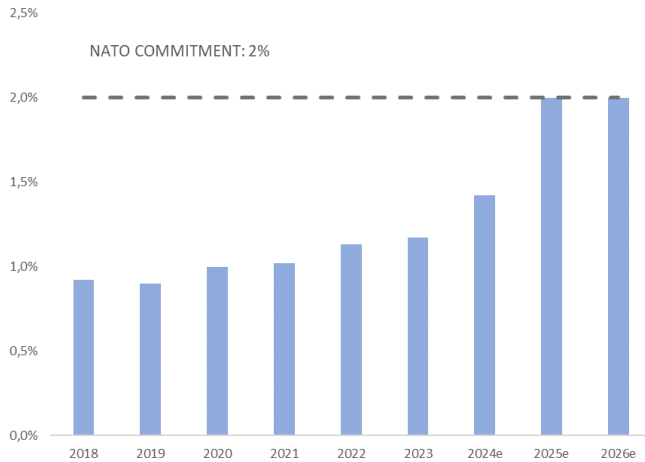
## 2. Delivers: Investing more and better

**Spain is among the NATO allies that invest the most in defence, with significant growth in recent years.** In 2025 it ranked seventh by total volume of defence spending, investing more than 13 allies combined.

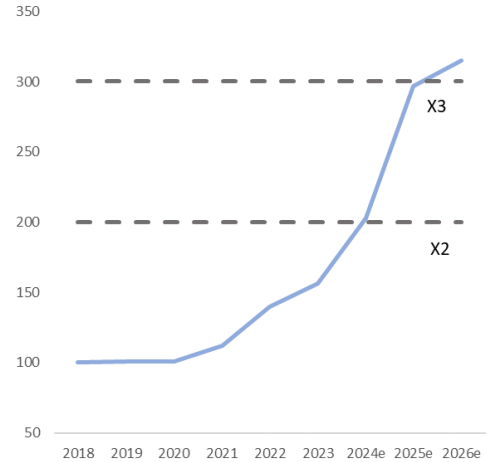
Spain has gone from allocating 0.9% of GDP to defence in 2018 to reaching and consolidating investment levels of 2% of GDP in 2025 and 2026 (**Figure 1A**). Over this same period, nominal defence spending has more than tripled, rising from €11.172 billion to €35.419 billion in 2026 (**Figure 1B**).<sup>2</sup>

**Figure 1: Growth in Spain's Investment in Security and Defence**

**(A) Percentage of GDP (%)**



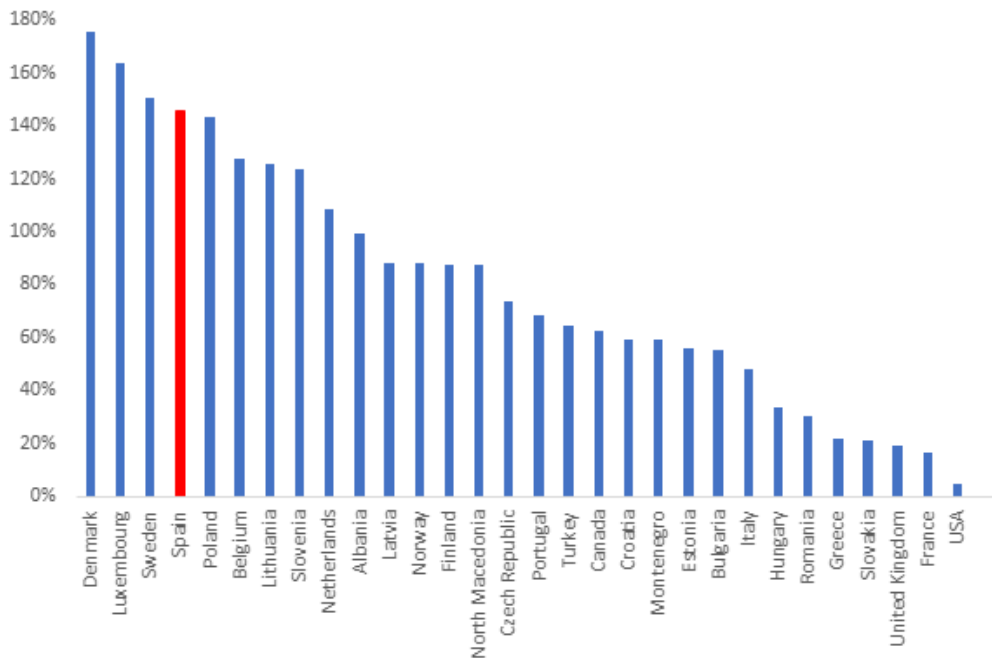
**(B) Current Prices (2018 = 100)**



*Note: Own elaboration based on NATO data.*

**So far this decade, this effort has translated into growth that outpaces that of most NATO allies.** Since 2020, Spain has recorded the fourth-largest increase in defence spending within the Alliance, with real expenditure rising by 146%, after adjusting for inflation (**Figure 2**). This reflects Spain's adaptation to the new geopolitical environment and its commitment to collective security, in line with the agreements reached at the Madrid Summit.<sup>3</sup>

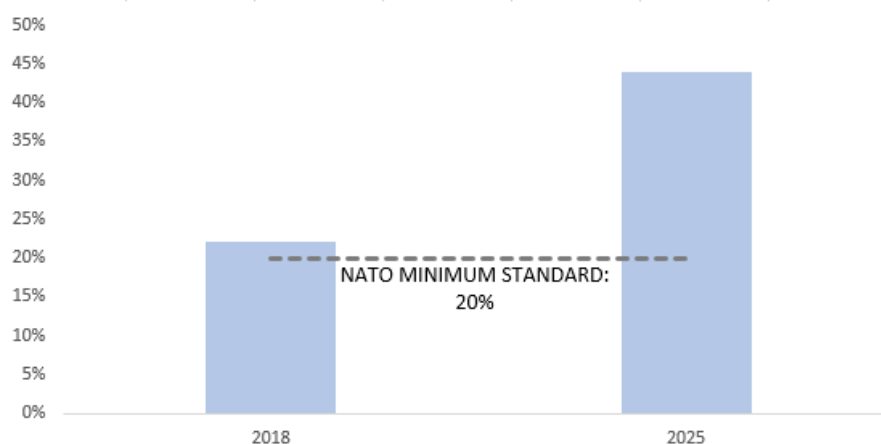
**Figure 2: Growth in Defence Spending (2020-2025) (constant dollars, 2021 prices)**



*Note: Own elaboration based on NATO data. No data available for Germany for 2025.*

**Spain is not only investing more in security and defence; it is investing better.** The new spending profile is focused on modernising the Armed Forces and strengthening their operational capabilities. Spain is among the allies that have increased investment in defence equipment the most, raising expenditure from approximately €6.9 billion in 2024 to almost €15 billion in 2025. As a result, close to half of the defence budget — around 44% — is now allocated to military equipment, technology and innovation, compared with 22% in 2018 **(Figure 3)**. In a short period of time, Spain has therefore doubled its investment in technology, innovation and capability modernisation, bringing its level of investment in these areas above the NATO average.<sup>4</sup>

**Figure 3: Percentage (%) of Spain's Defence Investment Allocated to Equipment**



*Note: Author's own elaboration based on NATO data. The dotted line represents NATO's minimum benchmark for investment in equipment, set at 20%.*

Thanks to both increased and improved investment, Spain has significantly strengthened its military capabilities. NATO's technical assessment places its level of compliance with Capability Targets above the average for European allies and Canada. This demonstrates that the effort undertaken has translated into real, operational capabilities available to the Alliance. The debate, therefore, should not be limited to how much is spent, but to whether that investment generates effective military capabilities. In this respect, Spain ranks among the best-performing allies.

### 3. Leads in NATO missions and supports Ukraine

**Spain is the NATO ally that dedicates the highest percentage of its defence budget to peacekeeping operations and missions, and the second in absolute terms.** It is the third European country with the largest number of personnel deployed in NATO missions, operations, and deployments, with close to 3,000 troops — a figure that rises to almost 4,500 when including European Union and United Nations missions.<sup>5</sup>

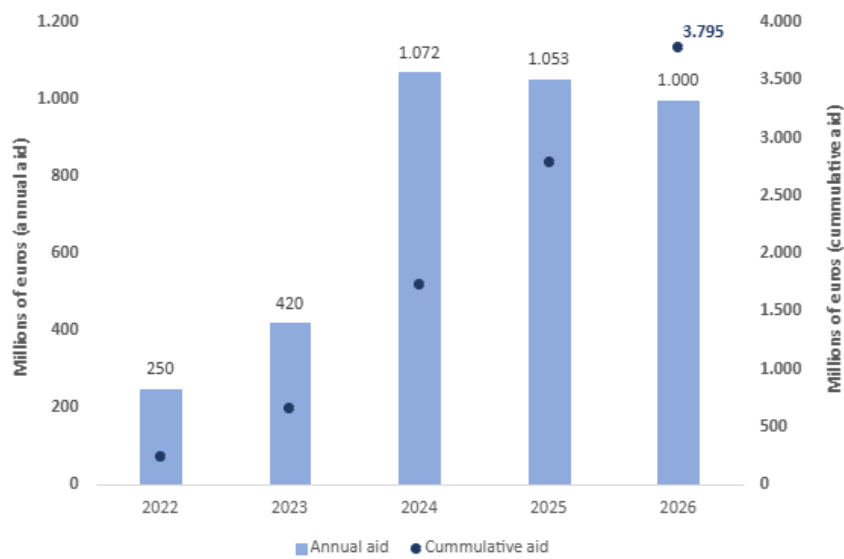
**Spain plays a prominent role across multiple regions.** In the maritime domain, it is a key contributor to security in the Mediterranean and NATO's rapid reaction architecture. It provides two High-Readiness Headquarters — Bétera and Rota — participates regularly in NATO Standing Naval Forces, and contributes to Operation Sea Guardian. Spain has also assumed command of the Maritime Component of the Allied Reaction Force (ARF) for the first time, a responsibility entrusted to only six allies. In the Southern Neighbourhood, Spain leads the NATO Mission in Iraq, while in the Arctic it is preparing the deployment of a five-vessel Expeditionary Battlegroup as part of the multidomain Arctic Sentry surveillance and deterrence initiative.<sup>6</sup>

**As of June 2026, Spain is the NATO ally with the largest number of troops deployed outside its national territory on the Alliance's Eastern Flank.** It leads the Multinational Brigade in Slovakia, has maintained a mechanised contingent in Latvia for several years, deploys Marine Corps units in Romania, and makes a major contribution to the air defence of Estonia, Latvia, Lithuania, Romania and Türkiye. Spain has also responded with substantial contributions to the NATO Force Model, additionally placing at the Alliance's disposal a frigate, eight fighter aircraft, two air-to-air refuelling aircraft and one maritime patrol aircraft, thereby providing a significant share of the collective capabilities requested by NATO.<sup>7</sup>

**In terms of support for Ukraine, Spain ranks among the Alliance's leading contributors, ahead of allies with greater economic weight.** In 2025, it allocated more than €1 billion to military equipment, assistance and training — an amount exceeding the contributions made by countries such as France, Italy and the United States. That same year, Spain was NATO's eighth-largest contributor and the European Union's fifth-largest provider of military assistance to Ukraine.<sup>8</sup>

**This commitment has remained steadfast since the beginning of Russia's invasion.** Between 2022 and 2026, Spain committed €3.795 billion in military assistance to Ukraine (**Figure 4**), quadrupling its annual contribution since the first year of the invasion.<sup>9</sup>

**Figure 4: Spain's Military Aid to Ukraine (€ millions, 2022-2026)**



*Note: Own elaboration based on Ministry of Defence data.*

**Training Ukrainian military personnel has become one of the central pillars of Spain's support for Ukraine.** Since 2022, Spain has trained more than 9,000 Ukrainian service members, representing approximately one in every ten troops trained in Europe.<sup>10</sup> This contribution has directly strengthened the operational capabilities of the Ukrainian Armed Forces. In addition, Spanish military assistance has included air defence systems, ground equipment, ammunition, technological capabilities, and a wide range of logistical and energy-related support, benefiting both Ukraine's armed forces and the protection of its civilian population.

A substantial share of this support has been channelled through European financial instruments. Spain finances 9% of the European Union's loan package for Ukraine, contributing €2.7 billion annually out of a total of €90 billion. Spain has also earmarked €215 million from the funds allocated to it under the Security Action for Europe (SAFE) instrument to reinforce support for Ukraine. In addition, it has contributed €150 million to NATO's **Prioritised Ukraine Requirements List (PURL)** mechanism, making it the Alliance's ninth-largest contributor in 2026. This mechanism finances the procurement of military equipment to meet Ukraine's most urgent capability requirements, particularly in the field of air defence.<sup>11</sup>

**Spain's commitment to Ukraine extends beyond immediate assistance and is increasingly focused on long-term cooperation through defence industrial partnerships.** During President Volodymyr Zelenskyy's visit to Spain in March 2026, agreements were signed for the joint production of missiles and ammunition guidance systems. This cooperation will help strengthen both Ukraine's defence capabilities and Spain's own defence technological and industrial base.<sup>12</sup>

## **4. Strengthens the industrial base for NATO's European pillar**

**Spain's leadership is measured not only by the volume of its defence investment, but also by the way that investment strengthens capabilities and Europe's industrial base.** At a time when the trend in Europe has been to increasingly rely on the urgent procurement of readily available off-the-shelf equipment — a trend identified by both the European Commission and the European Defence Agency — Spain has combined the strengthening of its military capabilities with a strategy aimed at boosting Europe's defence technological and industrial base. As a result, defence investment not only enhances operational readiness, but also generates returns in innovation, industry and employment, while strengthening Europe's capacity to develop, produce and sustain advanced military capabilities.<sup>13</sup>

**This commitment is reflected in Spain's participation in the European Union's main defence capability and industrial development initiatives.** Spain has supported instruments such as the Security Action for Europe (SAFE) instrument and the future European Defence Industry Programme (EDIP), both designed to promote joint production, strengthen European supply chains and develop shared strategic capabilities. Spain also takes part in some of Europe's flagship cooperative programmes, including the Eurofighter and the A400M transport aircraft, and supports the continued development of next-generation European strategic projects. In addition, it actively contributes to projects promoted under the European Defence Fund (EDF) and the European Defence Agency (EDA). These initiatives enable cost-sharing, generate economies of scale and ensure that increased defence spending translates into sustainable capabilities for both Europe and NATO, while simultaneously enhancing the international competitiveness of the European defence industry.

**Strengthening Europe's industrial base also requires a medium- and long-term perspective.** Developing new production capacities, supply chains, critical technologies and common programmes takes time, coordination and sustained investment. For this reason, instruments such as SAFE, EDIP and major European cooperative programmes are designed not only to address current security needs, but also to ensure that an increasing share of defence investment results in capabilities developed and produced in Europe, progressively strengthening the European pillar of the Alliance.

**In this context, the Industrial and Technological Plan for Security and Defence (PITSD), launched in 2025, represents a major boost to Spain's industrial and technological base and, consequently, to Europe's as well.** The Plan translates into national terms objectives shared by both the European Union and NATO: developing critical capabilities, strengthening industrial resilience, expanding production capacity and ensuring the supply of essential equipment required to respond to the new security environment.<sup>14</sup>

The Plan is structured around five major investment areas: equipment and personnel conditions; cybersecurity; defence and deterrence assets; emergency management; and overseas operations. Altogether, it comprises 66 budgetary programmes, including 35 Special Modernisation Programmes (PEMs).

One year after its approval, the 35 PEMs — whose implementation horizon extends through 2042 — have, for the most part, already been awarded or are close to being awarded. The rate of implementation and contract award across the five investment areas is as follows:

- **Equipment and personnel conditions (€3.712 billion):** 100% of grants managed by the Centre for the Development of Industrial Technology and Innovation (CDTI) have been executed, along with 90.6% of personnel and equipment funding lines. In addition, 94.8% of the five PEMs included in this area have been awarded.
- **Telecommunications technology and cybersecurity (€3.263 billion):** 100% of investments by the National Institute for Aerospace Technology (INTA) have been implemented, along with 81.7% of those relating to digital transformation, while 80% of CDTI grants and 80.9% of the 13 planned PEM have been awarded.
- **Defence and deterrence assets (€1.963 billion):** 79.2% of the strategic ammunition reserve and 91.7% of the 14 PEMs associated with this area have been awarded.
- **Emergency management (€1.752 billion):** 100% of investment for the renewal of the Ministry of Defence's emergency infrastructure have been awarded. Contract awards have also reached 51.9% for support provided to other ministries for actions relating to the ecological transition, emergencies, and aid to Ukraine; and 63.4% of the three PEM covered under this heading.
- **Improving conditions for peace-support missions (€329 million):** the planned measures have reached an implementation rate of 99.7%.<sup>15</sup>

**Overall, eight out of every ten euros invested flow back into the Spanish economy, boosting the defence industry and technology centres across the country.** The Special Modernisation Programmes are estimated to generate around 22,000 direct and indirect jobs, while the Industrial and Technological Plan for Security and Defence as a whole is expected to create around 96,000 jobs.

**The PITSD does not only fund capabilities, it also invests in talent.** It has funded R&D projects with universities, academic chairs linked to strategic military bases, and dual vocational training programmes connected to facilities such as the Córdoba Logistics Base. In addition, 208 agreements have been signed between training centres and companies, and executive programmes in the defence industry have been launched together with the EOI Business School and the Spanish Association of Defence, Security, Aeronautics and Space Technology Companies (TEDAE). In doing so, Spain is strengthening the connection between government, the Armed Forces, and industry, and moving towards a model in which it not only buys technology, but also designs and manufactures it.

The result of the Plan's rollout is a greater capacity to develop, produce, and sustain military capabilities within Europe, simultaneously reinforcing NATO's European pillar and the security of the European Union.

## **5. Delivers without compromising the welfare state or fiscal sustainability**

**Spain has demonstrated that it is possible to meet NATO Capability Targets while maintaining fiscal sustainability and without compromising social and environmental spending.** Since 2018, Spain has tripled its defence investment in order to align its capabilities with the evolving geopolitical environment. This effort has not prevented the expansion of the welfare state, reversing cuts after a decade of austerity in response to the Great Recession. Over this period, investment in social protection, housing, healthcare and education increased by €145 billion. Spain has also addressed other major challenges, including the climate emergency, with more than €30 billion allocated to the green transition, or the demographic challenge, quadrupling funding for the long-term care system. All of this has been achieved while preserving fiscal discipline: since the pandemic, the public debt-to-GDP ratio has fallen by more than 20 percentage points, while Spain's sovereign risk premium has halved since 2018.

**Raising the spending target to 5% of GDP would substantially alter this balance.** Various estimates suggest that Spain would need to mobilise around €600 billion over the next decade solely to finance the additional defence effort, a figure that could exceed €780 billion if broader security expenditure were included. This would amount to approximately €3,500 per employed person per year and would represent more than a third of projected pension expenditure during the same period. Financing such an increase would likely require a combination of higher public revenues, reductions in other areas of expenditure, or increased borrowing. In this regard, the International Monetary Fund (IMF) has warned that defence spending increases of this scale may lead to reductions in social spending of up to 20% over a three-year period.<sup>16</sup>

**A spending target of 5% of GDP would not only entail significant social costs; it would also fail to guarantee a stronger European defence.** Recent experience shows that rapid increases in defence expenditure have strained defence markets, driven up procurement costs, increased dependence on non-European suppliers and weakened the fiscal position of many allies, without necessarily delivering equivalent gains in military capabilities or European strategic autonomy.<sup>17</sup>

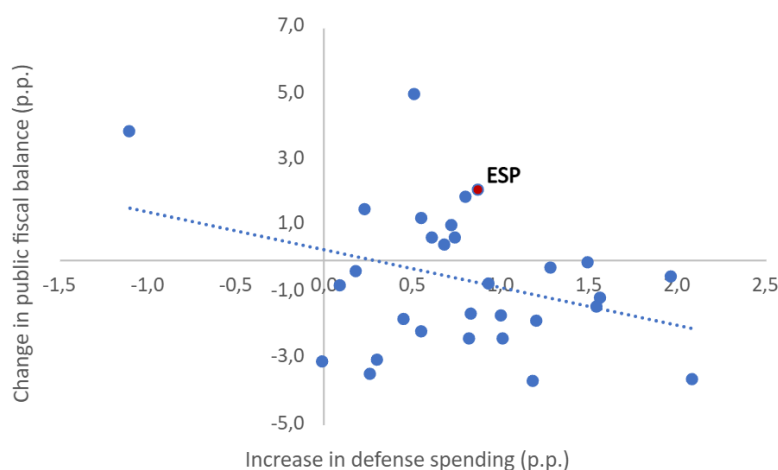
**This dynamic is already visible in practice.** Since 2022, the cost of weapons and ammunition has risen by more than 20% in countries with comparable public data—twice the rate

recorded across the manufacturing sector as a whole. Imports of defence equipment from outside Europe have also increased significantly, despite European citizens' preference for keeping defence spending within the continent. Recent experience further highlights the difficulty of sustaining very large increases in defence expenditure over time. In 2026, around half a dozen NATO allies are expected to maintain or reduce defence spending as a share of GDP.<sup>18</sup>

**The evidence also shows a correlation between sudden increases in defence spending and a deterioration in governments' fiscal position (Figure 5).** The strain on public finances caused by increased spending in a context of low economic growth has forced several governments to adopt adjustment measures, such as new taxes, pension reforms, benefit freezes, or cuts to public services and social spending. This fiscal pressure also affects major European economies that remain far from their spending targets and have already approved or planned further budgetary adjustments. The OECD further warns that these measures will not avert the medium-term impact of increased defence spending on public finances, nor the need for future fiscal adjustments.<sup>19</sup>

**Spain is among the few countries that, between 2022 and 2025, managed to strengthen defence investment while improving its fiscal position.** Moreover, according to Goldman Sachs, it will be the only one of the EU's four largest economies to reduce its public debt-to-GDP ratio over the next three years. These results show that it is possible to strengthen defence without compromising the sustainability of public finances.<sup>20</sup>

**Figure 5: Relationship Between Increases in Defence Spending and Fiscal Balances Among NATO Countries, 2022–2025**



*Note: The change in the fiscal balance is calculated as the difference in the fiscal balance as a percentage of GDP between 2022 and 2025. A positive value indicates an improvement in the fiscal position (i.e., a reduction in the deficit or an increase in the surplus). The change in defence spending is calculated as the difference in defence expenditure as a percentage of GDP over the same period (2022–2025). Own elaboration based on NATO and IMF data.*

**Ultimately, it is important to recognise that deterrence also depends on public support for defence policy and on the political sustainability of defence investment over the medium and long term.** When increased defence spending is financed at the expense of policy priorities that enjoy broad social consensus — such as the welfare state or the modernisation of the productive economy — public support tends to weaken, making it more difficult to sustain that effort over time. The erosion of consensus reduces the stability of defence policies, complicates coordination among allies, and creates opportunities for adversarial actors to exploit domestic divisions through disinformation or influence campaigns. For this reason, the effectiveness of our defence policy should not be measured solely by the resources it mobilises, but also by its ability to maintain broad and enduring political and public support over time.

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<sup>1</sup> For further information on the nature of conflicts in 2025, see: Rustad, S. (2026). *Conflict trends: A global overview, 1946–2025*. PRIO Paper. Available at: <https://www.prio.org/publications/14802> [Accessed 1 July 2026].

<sup>2</sup> The most up-to-date data was provided by the Ministry of Defence. For information on security and defence spending between 2014 and 2025, see: NATO (2025). *Defence Expenditure of NATO Countries (2014-2025)*. Available at: <https://www.nato.int/content/dam/nato/webready/documents/finance/def-exp-2025-en.pdf> [Accessed 1 July 2026].

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Data provided by NATO.

<sup>6</sup> Data provided by the Ministry of Defence. For more on some of these operations and headquarters, see: Armada Española. *Cuartel General Marítimo de Alta Disponibilidad* [High Readiness Maritime Headquarters]. Available at: <https://armada.defensa.gob.es/ArmadaPortal/page/Portal/ArmadaEspañola/conocenosorganizacion/prefLang-es/03Flota--02CGAD> [Accessed 1 July 2026]; Estado Mayor de la Defensa (EMAD) (2 June 2026). *El Grupo de Combate Expedicionario español comienza su participación en el mayor despliegue naval del año* [The Spanish Expeditionary Combat Group begins its participation in the year's largest naval deployment]. Ministerio de Defensa. Available at: <https://emad.defensa.gob.es/prensa/noticias/2026/06/Listado/260602-ni-inicio-despliegue-atlantico.html> [Accessed 1 July 2026]; Ministerio de Defensa (23 July 2025). *España, a cargo del mando de la Fuerza de Reacción Marítima Aliada de la OTAN* [Spain takes charge of command of NATO's Allied Maritime Reaction Force]. Available at: <https://www.defensa.gob.es/gabinete/notasPrensa/2025/07/DGC-250723-cg-maritimo-alta-disponibilidad.html> [Accessed 1 July 2026]; and Ministerio de Defensa (March 2026). *Poder de reacción aliado* [Allied reaction power]. *Revista Española de Defensa*, (No. 21). Available at: [p-6-15-red-436-steadfast.pdf](https://www.defensa.gob.es/revista/revista-ingles/revista-ingles-2026/p-6-15-red-436-steadfast.pdf) [Accessed 1 July 2026].

<sup>7</sup> Data provided by the Ministry of Defence. For further detail on the role of the Spanish military on the eastern flank, see: Estado Mayor de la Defensa (EMAD) (16 January 2025). *España lidera la integración de nuevas capacidades en la Brigada Multinacional Task Force OTAN en Eslovaquia* [Spain leads the integration of new capabilities in the NATO Multinational Brigade Task Force in Slovakia]. Ministerio de Defensa. Available at: [https://emad.defensa.gob.es/operaciones/operaciones-en-el-exterior/31\\_Forward\\_Land\\_Forces/31.2-FLF\\_Eslovaquia/noticias/listado/250116-ni-incremento-capacidad-mnbdetsvk.html](https://emad.defensa.gob.es/operaciones/operaciones-en-el-exterior/31_Forward_Land_Forces/31.2-FLF_Eslovaquia/noticias/listado/250116-ni-incremento-capacidad-mnbdetsvk.html) [Accessed 2 July 2026].

<sup>8</sup> Data provided by the Ministry of Defence. For more on Spain's contribution to Ukraine, see: La Moncloa (18 March 2026). Pedro Sánchez: *"Nada ni nadie nos va a hacer olvidar lo que ocurre en Ucrania"* ["Nothing and no one will make us forget what is happening in Ukraine"]. Gobierno de España. Available at: <https://www.lamoncloa.gob.es/presidente/actividades/paginas/2026/180326-sanchez-reunion-zelenski.aspx> [Accessed 1 July 2026].

<sup>9</sup> Ibid.

<sup>10</sup> For further detail on Spain's contribution to the training of Ukrainian military personnel, see: Estado Mayor de la Defensa (EMAD) (26 December 2025). *España ha formado al 10% de los militares instruidos en Europa en la misión de asistencia militar a Ucrania* [Spain has trained 10% of the personnel instructed in Europe under the military assistance mission to Ukraine]. Ministerio de Defensa. Available at: <https://emad.defensa.gob.es/operaciones/operaciones-nacionales/80-OTRAS-OPERACIONES/81-UAMAM-UCRANIA/noticias/listado/251226-ni-balance-EUMAM2025.html> [Accessed 1 July 2026].

<sup>11</sup> Data provided by the Ministry of Defence. For further information on the latest SAFE and PURL contributions, see: de Santos, Á. L. (20 May 2026). *El Gobierno inyecta 124 millones a Defensa para mejorar sus cibercapacidades y ayudar a Ucrania a través de la OTAN* [The Government injects €124 million into Defence to improve its cyber capabilities and help Ukraine through NATO]. Infodefensa. Available at: <https://www.infodefensa.com/texto-diario/mostrar/5888273/gobierno-inyecta-124-millones-defensa-mejorar-cibercapacidades-ayudar-militarmente-ucrania-traves-otan> [Accessed 2 July 2026]; and La Moncloa (18 November 2025). *El presidente del Gobierno anuncia la movilización de 817 millones de euros para reforzar la defensa de Ucrania y acelerar su reconstrucción* [The Prime Minister announces the mobilisation of €817 million to strengthen Ukraine's defence and accelerate its reconstruction]. Ministerio de Defensa. Available at: <https://www.lamoncloa.gob.es/presidente/actividades/paginas/2025/181125-sanchez-acuerdos-ucrania-zelenski.aspx> [Accessed 2 July 2026].

<sup>12</sup> For further information on Spain's support to Ukraine in 2026, see: La Moncloa (18 March 2026). *España y Ucrania firman un Acuerdo de Cooperación Técnica y Financiera para apoyar la reconstrucción del país* [Spain and Ukraine sign a Technical and Financial Cooperation Agreement to support the country's reconstruction].

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Gobierno de España. Available at: <https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/economia-comercio-empresa/paginas/2026/180326-acuerdos-espana-ucrania.aspx> [Accessed 1 July 2026].

<sup>13</sup> For further details on the warnings and recommendations of the European Defence Agency, see: European Defence Agency (2025). *Defence Data 2024-2025*. European Defence Agency. Available at: <https://data.europa.eu/doi/10.2836/3936681>.

<sup>14</sup> For further information on the Industrial and Technological Plan for Security and Defence, see: Ministerio de Defensa (2025). *Plan Industrial y Tecnológico para la Seguridad y la Defensa* [Industrial and Technological Plan for Security and Defence]. Ministerio de Defensa. Available at: <https://tecnologiaeinnovacion.defensa.gob.es/pitsd> [Accessed 2 July 2026].

<sup>15</sup> Note: The award percentage indicated for the PEM refers to their spending ceiling, which extends to 2042 with a total of €34 billion. In 2025, €4.5 billion was allocated to the PEM, more than budgeted under the PITSD, through pre-financing from the Ministry of Industry. Implementation data for the first year of the Industrial and Technological Defence Plan was provided by the Ministry of Defence.

<sup>16</sup> For further information on the implications of raising defence spending to 5% of GDP, see: Autoridad Independiente de Responsabilidad Fiscal (AIReF) (2026). *Estudio de evaluación de la regla de gasto de pensiones* [Assessment study of the pension spending rule] (Estudio 1/2026). Available at: [https://www.airef.es/wp-content/uploads/2026/05/Pensiones/Estudio\\_Regla\\_Gasto\\_Pensiones-2026.pdf](https://www.airef.es/wp-content/uploads/2026/05/Pensiones/Estudio_Regla_Gasto_Pensiones-2026.pdf) [Accessed 1 July 2026]; and International Monetary Fund (IMF) (2026). Chapter 2: Defense Spending: Macroeconomic Consequences and Trade-Offs. In *World Economic Outlook*, April 2026. Available at: <https://doi.org/10.5089/9798229042758.081.CH002>.

<sup>17</sup> For further detail on the origin of imports generated by additional defence spending, see: International Monetary Fund (IMF) (2026). Chapter 2: Defense Spending: Macroeconomic Consequences and Trade-Offs. In *World Economic Outlook*, April 2026. Available at: <https://doi.org/10.5089/9798229042758.081.CH002>; and United Nations. *UN Comtrade Database*. Available at: <https://comtradeplus.un.org/> [Accessed 1 July 2026].

<sup>18</sup> For further detail on the fiscal impact of increased defence spending, see: Conigrave, B., and Shin, Y. (2026). *Fiscal and macroeconomic impacts of defence spending* (OECD Economics Department Working Papers No. 1861). OECD Publishing. Available at: <https://doi.org/10.1787/b4860378-en>; Eurostat. *Producer prices in industry, total - monthly data* [sts\_inpp\_m]. Available at: <https://ec.europa.eu/eurostat> [Accessed 1 July 2026]; and Kobzová, J. and Zerja, P. (10 June 2026). *Home alone: Europeans are ready to defend themselves*. European Council on Foreign Relations. Available at: <https://ecfr.eu/publication/home-alone-europeans-are-ready-to-defend-themselves/> [Accessed 1 July 2026].

<sup>19</sup> For further information on the effect of defence spending on public finances, see: International Monetary Fund (IMF). *Gross Domestic Product (GDP), Constant prices, Percent change*. Available at: <https://data.imf.org/en/> [Accessed 1 July 2026]; Conigrave, B., and Shin, Y. (2026). *Fiscal and macroeconomic impacts of defence spending* (OECD Economics Department Working Papers No. 1861). OECD Publishing. Available at: <https://doi.org/10.1787/b4860378-en>; and NATO (2025). *Defence Expenditure of NATO Countries (2014-2025)*. Available at: <https://www.nato.int/content/dam/nato/webready/documents/finance/def-exp-2025-en.pdf> [Accessed 1 July 2026].

<sup>20</sup> For further information on Spain's debt levels, see: Goldman Sachs (4 June 2026). *Why Spain's Economy Is Growing Three Times Faster Than the Euro Area*. *Goldman Sachs Insights*. Available at: <https://www.goldmansachs.com/insights/articles/why-spains-economy-is-growing-three-times-faster-than-the-euro-area> [Accessed 1 July 2026].



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