



The NATO Members and their Military Budgets in 2025

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Abstract: This study examines the defence expenditures of the NATO (North Atlantic Treaty Organisation) member countries over the budget year 2025 and with as base the most recent NATO yearly report. (see references). The research of this article is to examine the several military items (2% GDP goal, the 20% investment goal, share per capita, military personnel and military budgets) in relation with the defence budgets in 31 NATO member states.

Keywords: Defence budgets, NATO members

INTRODUCTION

The NATO summit of 2014 in Cardiff (Wales - UK) , under the Obama-Biden ,US administration, took the decision that the NATO members over ten years (2024 !) should spend 2% of their GDP at defence and 20% of that budget to equipment. These Wales guidelines would make an end at the long period of savings in the defence budgets and created an answer to the upcoming threat coming from the Russian federation.

This study concerns the defence figures of the present 32 member states of the NATO, but not Iceland. Because this country has no armed forces and manages only a small coast guard.

This article examines the published defence figures in the yearly report of the secretary- general over the year 2025. The last entered states are the following countries;

- Montenegro in 2017,
- North Macedonia in 2020,
- Finland in April 2023,
- Sweden became the 32th member and provisional the last member in March 2024.

A number of European Union countries are not a member of the western military alliance, namely: Austria, Cyprus, Ireland and Malte. Also the European free trade association is divided concerning the NATO membership ! Indeed, Norway and Iceland are in and the two other countries - Liechtenstein and the Swiss confederation - are neutral states.

METHODOLOGY

This study is based on the figures published in the 2025 NATO yearly report. The advantage of the use of this NATO figures is the harmonization of the numbers over all the members of the NATO. This NATO figures are using the same method for the calculation of the defence

figures, which are coming from the national defence budgets. The NATO 2025 report explains what defence expenditures are (p. 73), namely:

It concerns the payments made by the defence national budgets for all the components of the armed forces: uniformed or civilian personnel. Another remark is the fact that the outlays concerning the military pensions are also calculated in these figures. Because in some countries public budgets sometimes are relating these pensions in the military budget and in other state budgets related with the social security. All the pensions paid by the government to retired military and civilian employees of military departments are included in these NATO figures concerning the defence expenditure;

- another additional comment is the fact that the military police forces which used for civil assignments, are part in the military budgets. This means that some police forces with a military character, but with civil and judicial services, are part of the military budgets in these countries. Examples are the following member countries: the Netherlands (Koninklijke Marechaussee), France with Luxembourg and Romania (Gendarmerie), Italy (Carabinieri), Portugal (Guarda Nacional Republicana), Spain (Guardia Civil) and Turkey (Jandarma). These means that countries with only civilian police units (f.e. Belgium, Germany , the UK) are at a budgetary disadvantage comparing with the mentioned other group;
- also units as the 'Coast Guard' are counting in the NATO calculations of military expenditures. (f.e. US Coast Guard, Swedish Coast Guard/Kustbevakningen);
- what also is including in these military expenditures are the peacekeeping and humanitarian operations as well as the outlays for the destruction of weapons. Another part of these expenditures are the 'R&D' (Research & development) payments. This last remark also applies to the military component of mixed civilian-military activities and the expenditure on NATO common infrastructure.

Finally the NATO explains that war damage payments and spending on civil defence are both 'excluded' from the NATO definition of defence expenditures. Of course the mentioned figures concerning the budget year 2025 are estimations of the national administrations an the NATO!

THE ATLANTIC EFFORTS

How is the evolution of the military financial efforts on both sides of the Atlantic ocean ? Hereby the article compares the figures over the years 2014 with 2025. (yearly report, p. 24)

In 2014 all the member states did have a global military budget of 1.026 billion US dollars. This amount increases till 1.412 billion in 2025 or an elevation of 38% during this period of eleven years.

In 2014 the United States spent 747 billion dollar on defence or 72% of the total. This American share decreases for 2025 to 60% or 838 billion \$ at the NATO total of 1.412 billion dollars.

Based on the calculations, this article has to underline the increase of military spending in the most of all the other countries.

The yearly report of the NATO's secretary-general leading civil servant contains also the shares of the countries in the NATO GDP. For the year 2025 this studied report says that the USA has a share of 52% in the global NATO GDP and as already said, the military spending share is 60%. The next table gives the differences in the kind two shares.

Table I: Atlantic Efforts

	GDP share	defence share
USA	52%	60%
Germany	8,5%	7,4%
United Kingdom	6,8%	5,7%
France	5,7%	4,2%
Italy	4,3%	3,1%
Canada	3,9%	2,8%
Spain	3,2%	2,3%
Turkey	2,7%	2,2%
Netherlands	2,3%	1,9%
Poland	1,8%	2,7%

The only two countries which a higher share in the defence then in the GDP are the USA (+ 8%) and Poland (+ 0,9%). The greater European nations in the NATO and Canada are still spending too little at defence compared with their GDP share.

But an important remark is that several members do have territories which are not covered under article 6 of the NATO treaty: the USA (f.e. the pacific, France (f.e. the Pacific), the United Kingdom (f.e. Falklands), the Netherlands (the Antillean islands) and Norway (the south Atlantic islands).

PER CAPITA

The yearly report has also calculated the GDP and the defence expenditures per capita in the member states of the NATO.

The average GDP per capita in the NATO is 61 \$ per citizen. Here you see the differences in welfare between the 32 countries. Below are Albania with 7\$ and North Macedonia with 8 \$. Seven members are reaching this average or do have a higher GDP per capita: Sweden (61 \$), Denmark (72\$), Iceland (76 \$), the USA (77\$), Luxembourg and the Netherlands (82 \$). The Nordic oil and gas owner: Norway stays at 94\$ per capita. Over the 50 \$ per capita GDP are Belgium (54\$), and three countries are situated at 52\$ (Canada, Germany and Finland). Major members are following behind, namely: United Kingdom (49\$), France (46\$), Italy (39\$), Spain (34\$), Poland (20\$) and Turkey (11\$).

Globally the richer side of the NATO is situated in the Benelux, Germany, North America and certainly in the Scandinavian area.

The defence expenditures per capita in US dollars are counted at an average of 1.434 dollars. Only seven members are achieving this figure, namely: Norway (3.026 \$), the USA (2.480 \$), Denmark (2.416 \$), Luxembourg (1.750 \$), Sweden (1.631 \$), the Netherlands (1.618 \$), and Finland (1.497 \$). More then one thousand dollars is also reached by Germany

(1.257 \$), the United Kingdom (1.146 \$), Belgium (1.085 \$), Canada (1.061 \$) and Lithuania (1.019 \$).

Geography-wise the conclusion is the same as for the GDP per capita.

THE 2 % GDP GOAL

Over the year 2025 all the member states, with exception of Iceland, reached the 2% GDP Wales goal for defence.

The next table of this article evaluates the member countries positions in relation to the 2 % GDP goal. The 31 concerned countries are divided in categories. Six members have reached the minimum. Eleven states are situated in the category above.

Already 11 countries have a defence budget over the 2,5% and three are over the 3,5% GDP rule for the future.

The main efforts are related with countries in the neighbourhood of Russia and/or Ukraine.

Table II: The 2 % GDP goal 2025

	Countries
2%	6 = Albania, Belgium, Canada, Italia, Portugal and Spain
+ 2%	11 = Bulgaria, Croatia, Czech rep. , France, Hungary, Luxembourg, Montenegro, Slovenia, Slovak rep., North Macedonia, Romania
+ 2,25%	3 = Germany (2,38%) , Turkey (2,33%) and the UK (2,31%)
+ 2,5%	2 = Sweden (2,5%) and the Netherlands (2,59%)
+ 2,75%	2 = Greece (2,79%) and Finland (2,87%)
+ 3%	2 = USA (3,19%) and Norway (3,2%)
+ 3,25%	2 = Denmark (3,34%) and Estonia (3,32%)
+ 3,5%	1 = Latvia (3,74%)
+ 3,75%	None
+ 4%	1 = Lithuania (4%)
+ 4,25%	1 = Poland (4,3%)

Source: own calculations based on the NATO report.

By the start of the Wales declaration in 2014 only three members were in accordance with the 2 % GDP goal, namely: Greece, the United Kingdom and the United States of America. The last two countries (UK and USA) are traditionally military powers in relation to their history, the present surface of these states and their nuclear capacity. The Hellenic republic has a high defence GDP share because of the Turkish threat in relationship with the political situation on the island of Cyprus.

The third table gives the evolution of the 2% GDP rule since 2014. Certainly from the year 2021 the number of countries in accordance with the Wales summit goals increased.

Table III: NATO average GDP military expenditures 2014 - 2024

2014: 2,56 %	2018: 2,38 %	2022: 2,43 %
2015: 2,46 %	2019: 2,51 %	2023: 2,45%
2016: 2,46 %	2020: 2,68 %	2024: 2,65%
2017: 2,37%	2021: 2,58%	2025: 2,77%

Source: NATO yearly 2025

20% EQUIPMENT GOAL I

The second part of the Wales agreement is the achievement of the 20 % “NATO guideline on defence equipment expenditures”. This table gives the situation over the year 2025 for 31 countries.

Table IV: The NATO Equipment Goal

	Countries
Min 20%	3 = Albania, Belgium (13%) and Estonia
+ 20%	5 = Canada, Italy, the Netherlands (24%), Portugal and Slovenia.,
+ 25%	8 = Bulgaria, Germany (29%), Greece, Latvia, Norway, Romania , Turkey (27%) and the USA (29%)
+ 30%	6 = Croata, Czech rep., Denmark, France (30%), North Macedonia and Slovak rep.
+ 35%	2 = Sweden and the UK (35%)
+ 40%	3 = Finland (44%), Spain (44%) and Montenegro
+ 45%	2 = Hungary and Lithuania
+ 50%	2 = Luxembourg (50%) and Poland (50%)

Source: own calculations based at the NATO yearly report.

With exception of three countries the equipmant goal is reached by a large majority of states. Eleven member states are budgetting more then 1/3 of their military budget in the field of equipment. This evolution is also related with the growth of the military industries as well in the traditionel area (f.e. tanks) as the new fields like drones etc.

For several countries is this higher equipment investment also a possibilty to expand or to create a national military industry, which became economically emaciated after the end of the cold war and the start of budget cuts in the public military spending.

MILITARY PERSONNEL

In this table is displayed the evolution of the military personnel between 2014 and 2025 concerning the countries with an army of more then 100 thousand people. Only the US, Tuerkey, the United Kingdom and five EU states do have such an army.

A decrease is seeing by the British forces (- 25%) and Turkey (- 16%). A status quo is the fact for Germany, Italy , France, Spain and the USA.

The increase is enormous for Poland with more then 150% or from 99 thousand to 250.000 persons !

Table V: The Evolution Personnel

Countries / years	2025	2014
USA	1.291.000	1.338.000
Turkey	370.000	426.000
Poland	252.000	99.000
France	201.000	207.000
Italy	193.000	183.000
Germany	182.000	178.000
UK	126.000	168.000
Spain	117.000	121.000

Source: own calculations based on the yearly NATO report.

Globally the NATO armies let see an increase over this period of a decade from 3.228 thousand in 2014 to 3.326 thousand in 2025. Without the USA all the other NATO members do have a military capacity in personnel of 2.035 thousand.

Without the US and Canada the NATO armies are situated at 1.964 thousand people and this is the result for the 30 European members.

This last group minus Turkey (29 members) brings the total of military personnel at 1.594 thousand people. Without the United Kingdom the 28 remaining NATO members (2 EFTA states, 23 EU members and three little Balkan countries), have a total of 1.468 thousand or a larger number than the US military!

BUDGETS

The NATO yearly report estimates also the military spending in the member states over the year 2025. Hereafter the list of the 15 members with the highest regarding budget (in billion of euro with exchange rates d.d. 15 april 2026).

1. USA = 830,5
2. Germany = 106,9
3. UK = 80,7
4. France = 61
5. Italy = 45,3
6. Poland = 43,8
7. Canada = 39,1
8. Spain = 33,6
9. Turkey = 27,4
10. Netherlands = 27
11. Norway = 15,5
12. Sweden = 15,1
13. Denmark = 13,5

14. Belgium = 12,8

15. Finland = 8

More than half of the countries are working concerning the military with a public budget less than 10 billion euro in the year 2025. Of course this determination is the result of the fact that many small countries are members of the western military alliance.

Remarkable over the recent years is the position of Germany. The federal republic has the greatest European military budget, which must give political and diplomatic tensions with London and Paris. But the French republic and the United Kingdom are still the only two European countries with a nuclear military capacity.

In this budget studied article we can't ignore the financial means of the Pentagon comparing with the other NATO members. Based at the figures 2025 in this yearly report this article has made some calculations about the budget possibilities in Europe.

- Benelux (3 countries) = 41 billion euro
- Germany & France = 167 billion
- France & the UK = 140 billion
- Six founders EEC (Benelux, FRG, France & Italy) = 253 billion
- Four Scandinavian countries = 53 billion
- EEC of nine (six founders & Spain & Greece & Portugal) = 298 billion
- EEC nine with the four Scandinavian = 351 billion
- Former group of 13 with Poland = 394 billion
- Former group of 14 with the UK = 474 billion

The five Scandinavian countries with 28 million citizens are spending a lot more at defence than the Benelux with 30 million inhabitants. But this fact is the result of the low efforts coming from Belgium, the location of the NATO HQ and the SHAPE.

But an European military integration clashes mostly at the element of the national sovereignty.

CONCLUSION

This article has looked at the military spending inside the NATO members military budgets during the year 2025. The 2% GDP goal is reached by all the members, which is not the case concerning the 20% investment goal. But the European partners and Canada have all improved their military spending.

The future will let see which additional efforts these countries can do in relationship with their military system. The first target to reach will be the border of the 2,5% GDP spending for defence. Around 2030, and that is after the present Trump-Vance administration and also after the Macron presidency, the positions of the countries must be clear about achieving the signed 3,5% GDP goal for the next decade !

The geo political situation and the public finances really will have an amazing influence concerning the new NATO spending goals !

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