

EU pushes defense loans for European-Made Military Equipment



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BRUSSELS-European Union countries must use a new defense loan program to purchase military equipment from European manufacturers, not U.S. suppliers, EU Commission President Ursula von der Leyen emphasized Tuesday.

The proposed €150 billion (\$163 billion) loan plan aims to strengthen Europe's defense by funding

air defense systems, drones, strategic enablers like air transport, and cybersecurity enhancements. Von der Leyen urged multi-year contracts to provide stability to the European defense industry and encouraged collective purchasing to maximize impact.

Currently, European NATO members source about two-thirds of their defense equipment from the U.S. However, concerns over future American support, coupled with Ukraine's ongoing security needs, are prompting the EU to bolster its self-reliance. France strongly supports limiting funds to European suppliers, while Spain advocates for grants instead of loans, citing high national debt levels.

The initiative aligns with the EU's broader goal of strategic autonomy, reducing reliance on external defense suppliers. The commission hopes that prioritizing European-made military assets will enhance rapid deployment capabilities and reinforce Europe's role in global security.

EU leaders are expected to finalize the loan plan at a summit next week as part of a broader strategy that could unlock up to €800 billion (\$874 billion) for defense and security investments