

# The 2025 NATO Summit

*Wilson Beaver*

## KEY TAKEAWAYS

President Trump's pressure on NATO has delivered results, and most Europeans are finally pledging to spend a lot more on their defense.

These spending increases will help Europeans take primary responsibility for the conventional defense of Europe, freeing up U.S. resources for the Indo-Pacific.

Defense analysis should focus on the 3.5 percent of GDP target for core defense spending, not the 5 percent total that includes related infrastructure spending.

By all accounts, the 2025 NATO Summit, held from June 24–26 in The Hague and hosted by the Netherlands, was a huge success. President Donald Trump's pressure on NATO allies to spend more on defense, for example, has resulted in a new NATO spending minimum of 5 percent: a 3.5 percent minimum for military spending and 1.5 percent minimum for related infrastructure spending. NATO Secretary General Mark Rutte gave President Trump credit for this outcome, and President Trump again reaffirmed his commitment to Article 5 of the North Atlantic Treaty, NATO's founding document, which “provides that if a NATO Ally is the victim of an armed attack, each and every other member of the Alliance will consider this act of violence as an armed attack against all members and will take the actions it deems necessary to assist the Ally attacked.”<sup>1</sup>

This paper, in its entirety, can be found at <https://report.heritage.org/ib5386>

The Heritage Foundation | 214 Massachusetts Avenue, NE | Washington, DC 20002 | (202) 546-4400 | [heritage.org](https://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Northern and Eastern European countries like the Baltic States, Poland, Scandinavia, Germany, and the Netherlands have announced major spending increases and have pledged to reach the new minimum by 2029 or sooner. Some other European countries are more reluctant, with Spain in particular rejecting the new target altogether and saying that it will reach only the previous minimum of 2 percent (which it does not currently meet).

## Increased Defense Spending Minimum

The new 5 percent of GDP minimum for defense spending includes 3.5 percent for troops and weapons (the existing definition of NATO defense expenditures) and an additional 1.5 percent for such other defense-related areas as infrastructure, networks, civil preparedness and resilience, innovation, and strengthening of the defense industrial base.<sup>2</sup> Plans to reach the 5 percent figure must be submitted annually and follow a “credible, incremental path.” The “trajectory and balance” of defense spending under the new plan will be reviewed in 2029, and all countries are required to meet the new spending minimums by 2035.

In his press conference at the summit, Trump described the 5 percent target agreement as a “monumental win for the United States because we were carrying much more than our fair share.”<sup>3</sup> He also called it a “big win for Europe and for, actually, Western civilization.”

Secretary General Rutte gave President Trump credit for this in a message: “Donald, you have driven us to a really, really important moment for America and Europe, and the world. You will achieve something NO American president in decades could get done.”<sup>4</sup>

## Article 5 and Ukraine

The final declaration again strongly reaffirmed member countries’ “iron-clad commitment to Article 5 of the Washington Treaty” and their collective “resolve to protect our one billion citizens, defend the Alliance, and safeguard our freedom and democracy.”<sup>5</sup>

In addition, President Trump met with Ukrainian President Volodymyr Zelenskyy on the sidelines at the summit and announced that he was considering sending more Patriot air-defense batteries to Ukraine once U.S. need for the system is met.<sup>6</sup> A few weeks later, President Trump confirmed his decision to send more Patriot air-defense systems to Ukraine as a result of Russia’s continued refusal to negotiate and ongoing attacks against Ukrainian cities.<sup>7</sup> The American goal nonetheless remains

conflict termination in Ukraine, with aid to Ukraine and stricter sanctions maintained to pressure Russia to agree to a ceasefire and negotiate a lasting peace.

The summit's final declaration reaffirms the Allies' "enduring sovereign commitments to provide support to Ukraine" and specifies that, because Ukrainian security contributes to NATO security, "direct contributions towards Ukraine's defence and its defence industry" will be included "when calculating Allies' defence spending."<sup>8</sup> This will also be important in recognizing those European allies that are offering to pay for U.S. Patriot missile systems to be sent to Ukraine.<sup>9</sup>

## Spain's Rejection of Increased Defense Spending

Spain stands out as the one NATO member explicitly refusing to comply with the new minimum defense spending goal. Instead, Spanish Prime Minister Pedro Sánchez advocated for a 2.1 percent minimum, saying that Spain believed that to be "sufficient, realistic and compatible with our social model and welfare state" (although Spain currently falls far short of meeting even this goal).<sup>10</sup> Unfortunately, less than a fifth of the new spending will be used for "the purchase of arms in the traditional sense of the word," according to Sánchez.<sup>11</sup> Instead, "the aim is to turn this security crisis into a new economic stimulus for Spain."<sup>12</sup> Military capability and contributing more to collective deterrence in Europe quite clearly are not among the Sánchez government's primary goals.

Sánchez also claimed that Spain had secured an exception to the 5 percent goal. Rutte, however, flatly denied Sánchez's claim: "There is no alternative. Everyone must meet the 5 percent."<sup>13</sup> Spain's rejection of the new spending minimum is the behavior of an irresponsible free rider. The socialist Sánchez government has long refused to spend the previous minimum of 2 percent and is now the lone NATO member refusing to increase beyond a minimum that it so far has failed to meet.

## Defense Industrial Cooperation

The Hague Declaration emphasizes expanding defense industrial cooperation. An essential element of this expansion will be investments to establish consistent production and procurement, and cooperation among members will be needed to ensure that this investment is maximized and sustainable. At the summit, defense ministers and industry leaders met to discuss the long-term rearmament of NATO states. Deliverables

from the meeting include the public release of updates to NATO's Defense Production Action Plan (DPAP); a letter of intent to stockpile critical raw materials, signed by 12 NATO Allies; the addition of Denmark and Sweden to the Multinational Multi Role Tanker Transport (MRTT) program; and NATO's release of a Commercial Space Strategy.

Europe's existing defense industrial base is still undersized following years of low demand resulting from low defense spending. Initiatives since 2022 have begun to reverse the trajectory of decline by aggregating demand of NATO members and providing clear demand signals to industry.<sup>14</sup> The first Defense Production Action Plan was produced at the 2023 Vilnius Summit. Then, at the Washington Summit in 2024, the Allies created an Industrial Capacity Expansion Pledge stating that "joint procurement is at the heart of bolstering interoperability and interchangeability and delivers better value for money."<sup>15</sup> The updated DPAP advances the goals of the first by enforcing the Industrial Capacity Expansion Pledge and addressing critical supply chain concerns caused by rapidly increased demand.<sup>16</sup>

Increased defense industrial cooperation among NATO members will expand capacity, accelerate innovation, and ensure the supply of necessary defense materials.

## Policy Recommendations

- **Maintain the clear distinction between the 3.5 percent and 1.5 percent goals.** Governments, defense analysts, think tanks, and journalists need to be careful to make clear distinctions between the 3.5 percent minimum core defense spending target and the separate 1.5 percent target for spending on critical infrastructure, civil preparedness and resilience, innovation, and strengthening of the defense industrial base. Countries like Poland, Estonia, Latvia, and Lithuania have already spent approximately 4 percent or 5 percent in the 3.5 percent core defense spending category, and this achievement should not be diluted by countries that have been less responsible claiming major increases through the 1.5 percent category.
- **Focus on the 3.5 percent goal.** The most important goal should remain achieving 3.5 percent of GDP in core defense spending. Defense analysts evaluating commitment to defense spending across the Alliance should focus primarily on who is meeting the goal of 3.5 percent of GDP.

- **Support responsible NATO Allies and pressure recalcitrant partners.** Countries already above 3.5 percent of GDP in defense spending and countries pledging to reach this goal by 2029 deserve significant praise and encouragement. Some countries have announced that they will not hit 3.5 percent of GDP until 2035, which is entirely too late. The Spanish government deserves the most criticism for having refused to meet the new target altogether even as it benefits from the efforts of the rest of the Alliance.

## Conclusion

After years of asking European NATO members to spend more on their own defense, Americans should be pleased with the result of the 2025 NATO Summit in The Hague. Most European NATO members are showing a clear intent to take more responsibility for their own defense, and the highest spenders are pressuring less enthusiastic members to spend more. If most members meet the new core defense spending goal of 3.5 percent of GDP by 2035—or, preferably and in many cases, much sooner—significant American resources will be freed for use in the Indo-Pacific, and European NATO members will have far more military assets available to them to deter aggression in Europe.

**Wilson Beaver** is Senior Policy Advisor for Defense Budgeting and NATO Policy in the Douglas and Sarah Allison Center for National Security at The Heritage Foundation.

## Endnotes

1. North Atlantic Treaty Organization, "Collective Defence and Article 5," last updated July 4, 2023, [https://www.nato.int/cps/en/natohq/topics\\_110496.htm](https://www.nato.int/cps/en/natohq/topics_110496.htm) (accessed July 29, 2025).
2. Press release, "The Hague Summit Declaration Issued by the NATO Heads of State and Government Participating in Meeting of the North Atlantic Council in The Hague 25 June 2025," North Atlantic Treaty Organization, June 25, 2025, [https://www.nato.int/cps/en/natohq/official\\_texts\\_236705.htm](https://www.nato.int/cps/en/natohq/official_texts_236705.htm) (accessed July 28, 2025).
3. Associated Press, "LIVE: Trump Holds Press Conference After NATO Summit," YouTube, streamed live June 25, 2025, <https://www.youtube.com/watch?v=vXYKss5WBBM> (accessed July 28, 2025).
4. Bloomberg, "Trump Discloses Flattering Private Message from NATO Chief Mark Rutte," *The Straits Times*, June 24, 2025, <https://www.straitstimes.com/world/united-states/trump-discloses-flattering-private-message-from-nato-chief-mark-rutte> (accessed July 28, 2025). Emphasis in original.
5. Press release, "The Hague Summit Declaration."
6. Associated Press, "LIVE: Trump Holds Press Conference After NATO Summit."
7. Brendan Cole, "Donald Trump Sending Patriot Missiles to Ukraine: What to Know," *Newsweek*, July 14, 2025, <https://www.newsweek.com/trump-missiles-patriots-ukraine-2098457> (accessed July 28, 2025).
8. Press release, "The Hague Summit Declaration."
9. Cyril Barabaltchouk, "US and Germany Discuss Urgent Patriot Missile Transfer to Strengthen Ukraine's Air Defenses," UNITED24 Media, July 15, 2025, <https://united24media.com/latest-news/us-and-germany-discuss-urgent-patriot-missile-transfer-to-strengthen-ukraines-air-defenses-9904> (accessed July 28, 2025).
10. Laura Gozzi and Paul Kirby, "Five Takeaways from Nato's Big Summit on Hiking Defence Spending," BBC, June 25, 2025, <https://www.bbc.com/news/articles/cvg8pd2y80go> (accessed July 28, 2025).
11. Linus Höller, "Spanish Spending Spike to Help Hit NATO Budget Target This Year," *Defense News*, April 22, 2025, <https://www.defensenews.com/global/europe/2025/04/22/spanish-spending-spike-to-help-hit-nato-budget-target-this-year/> (accessed July 28, 2025).
12. President's News, "Pedro Sánchez Announces that Spain Will Allocate 2% of GDP to Security and Defence This Year," La Moncloa, April 22, 2025, <https://www.lamoncloa.gob.es/lang/en/presidente/news/Paginas/2025/20250422-security-and-defence-plan.aspx> (accessed July 30, 2025).
13. Javier Villamor, "No Exceptions: Spain Called Out Over NATO Budget Dodge," *The European Conservative*, June 25, 2025, <https://europeanconservative.com/articles/news/nato-summit-the-hague-spain-exposed/> (accessed July 28, 2025).
14. Kaja Karlson, Andreas Paraskevopoulos, and Adam Dudas, "NATO Review: Future-Proofing NATO's Industrial Capacity: How Decisions at the NATO Summit in The Hague Will Strengthen the Allied Defence Industry," Defense Visual Information Distribution Service, June 26, 2025, <https://www.dvidshub.net/news/501544/nato-review-future-proofing-natos-industrial-capacity-decisions-nato-summit-hague-will-strengthen-allied> (accessed July 28, 2025).
15. Official Text, "NATO Industrial Capacity Expansion Pledge," North Atlantic Treaty Organization, July 10, 2024, [https://www.nato.int/cps/en/natohq/official\\_texts\\_227504.htm](https://www.nato.int/cps/en/natohq/official_texts_227504.htm) (accessed July 28, 2025).
16. North Atlantic Treaty Organization, "NATO's Role in Defence Industry Production," June 26, 2025, [https://www.nato.int/cps/en/natohq/topics\\_222589.htm](https://www.nato.int/cps/en/natohq/topics_222589.htm) (accessed July 28, 2025).