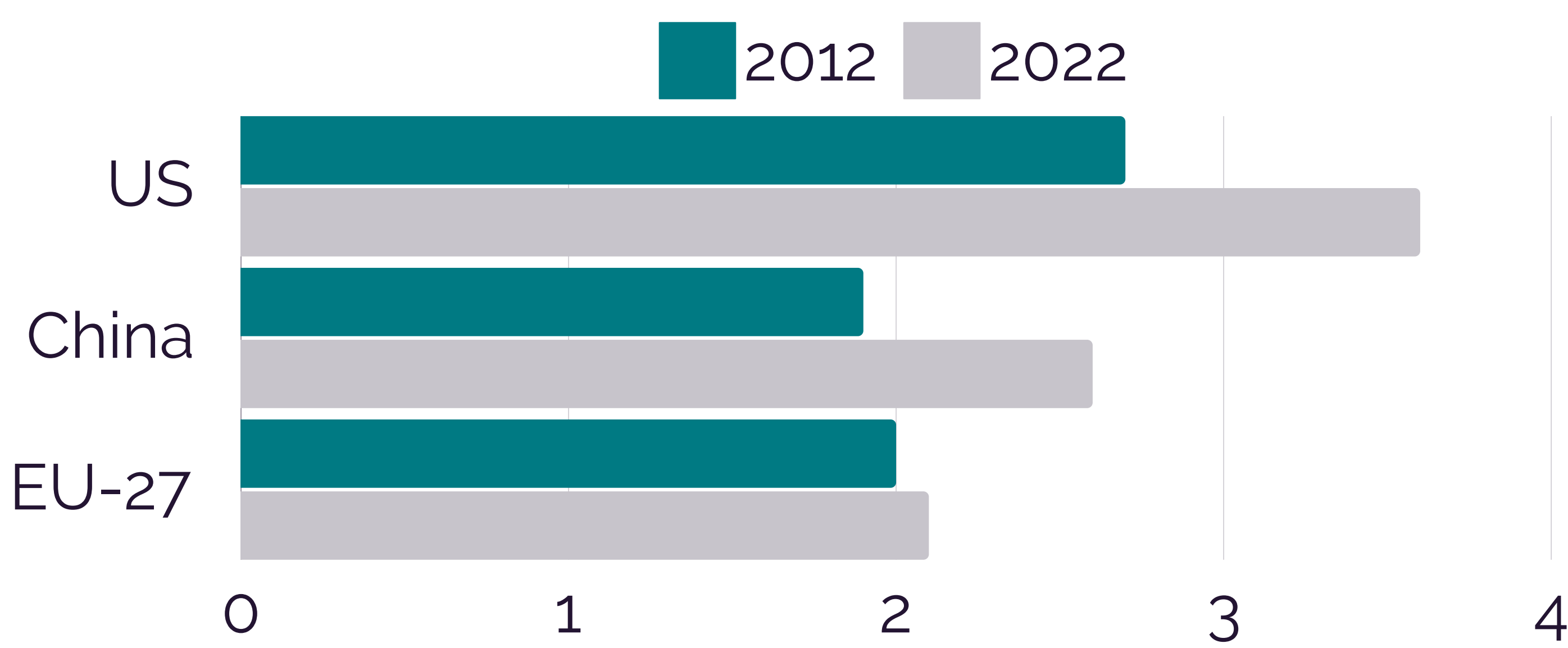
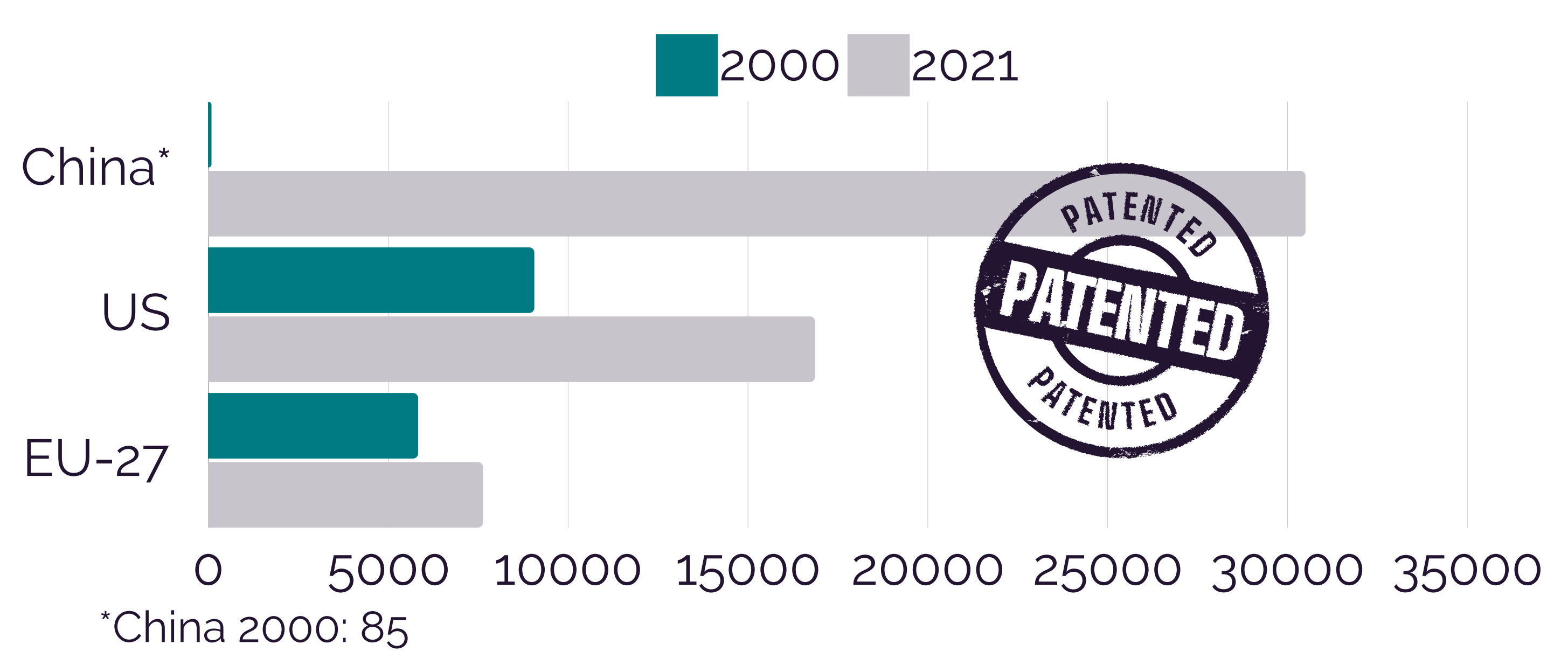


THE 8 PERCENT APPROACH: A BIG BANG IN RESOURCES AND CAPACITY FOR EUROPE'S ECONOMY AND DEFENCE

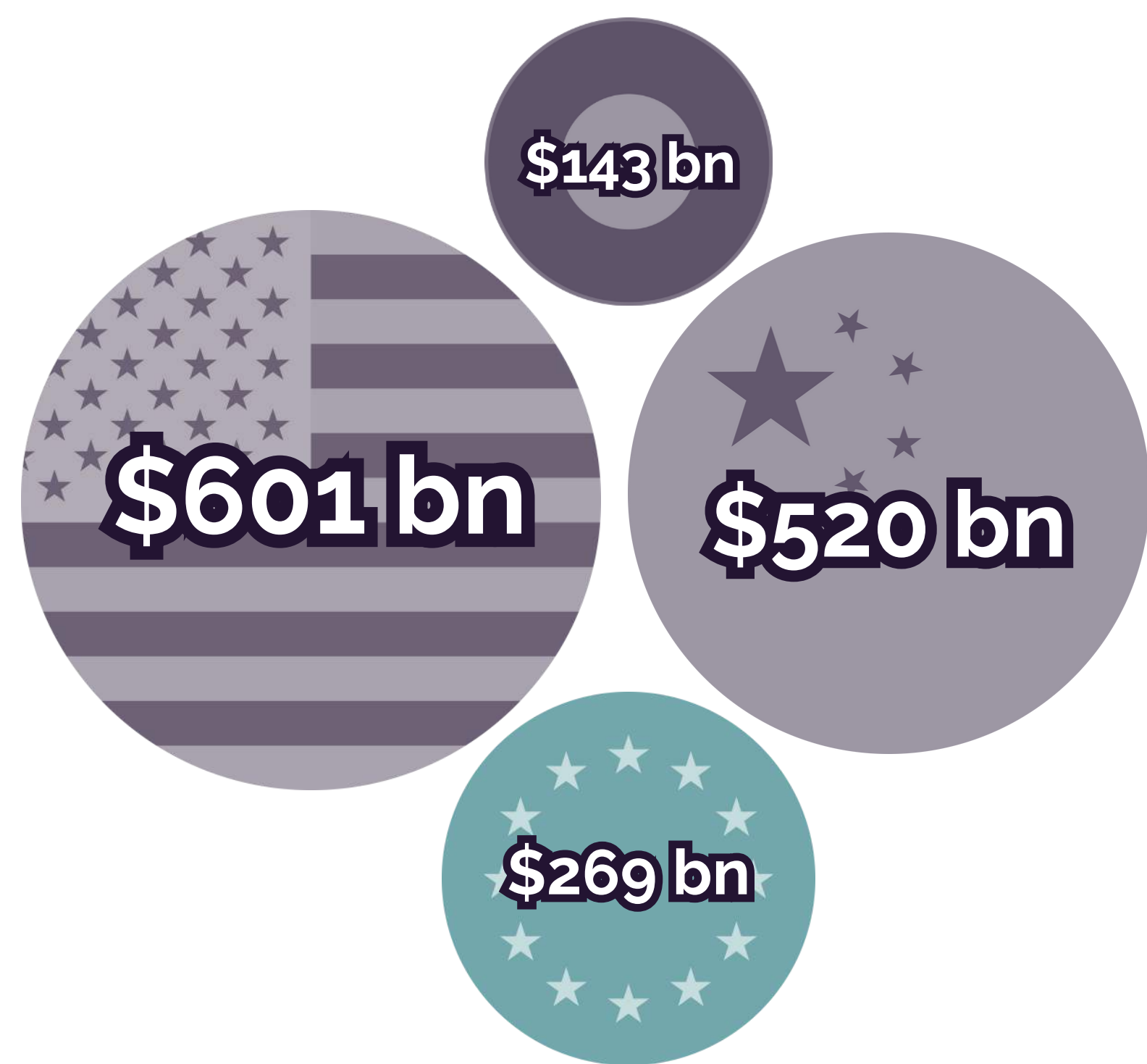
Gross Domestic Expenditure on R&D as a share of GDP



Number of Patents in 'Frontier' Technologies



EU's Underinvesting Business Sector (BERD) 2022



To avoid economic and strategic dependence on rivals like China, **Europe must strengthen its innovation ecosystem.**

The Big Bang approach: Raising total R&D and military spending to **8% of GDP** (4% each), which would require an additional €695 billion annually.



Incremental Policy Changes Are Insufficient. Europe Needs an Overhaul

Aiming for 3% investments in R&D is not enough. The EU requires an "overcorrection" to account for previous underperformances.

The EU must Increase Defence Spending.

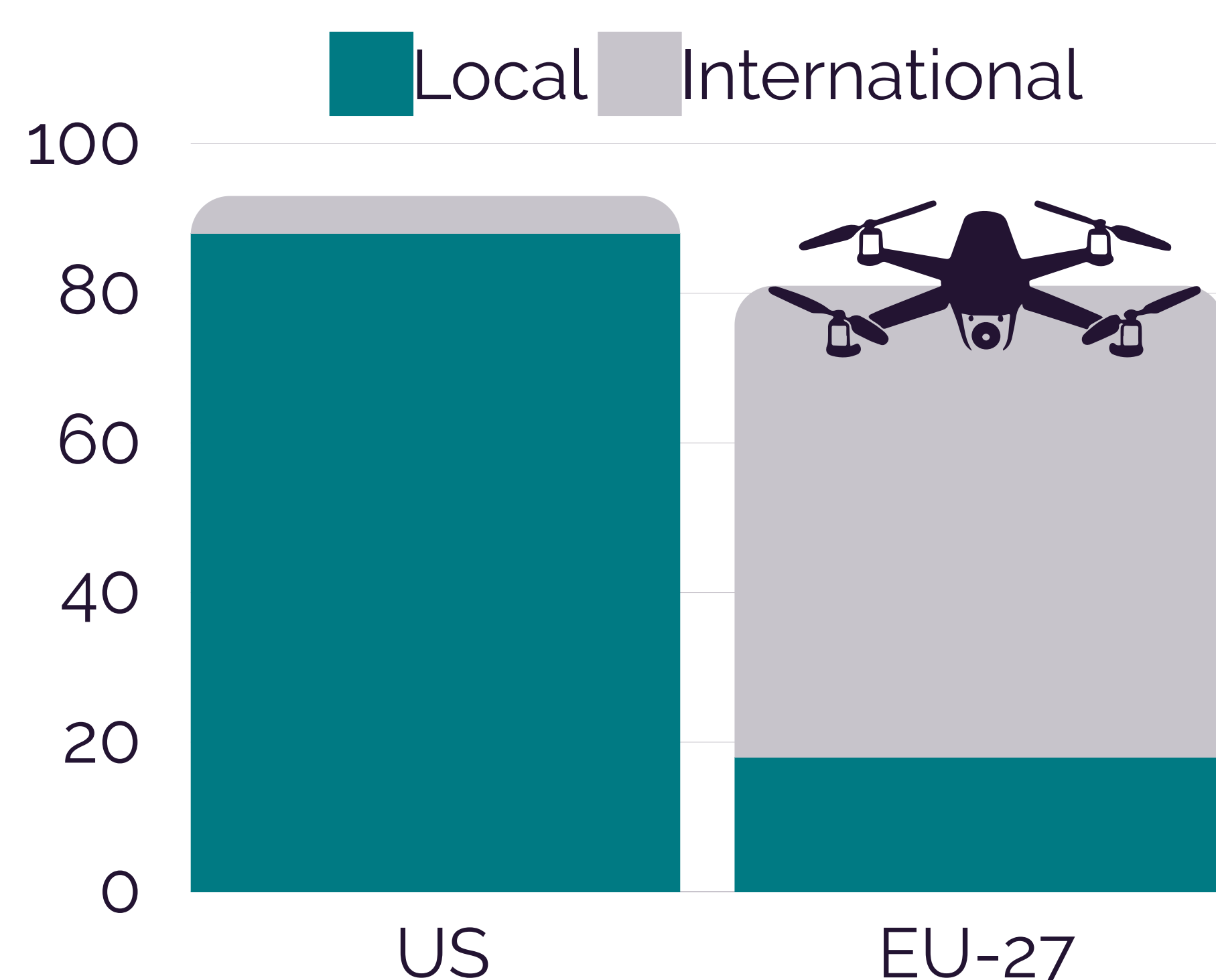
The EU can no longer depend on the US security guarantee. A stronger European defence is necessary for its own security and to salvage the NATO alliance.

Defence Spending*

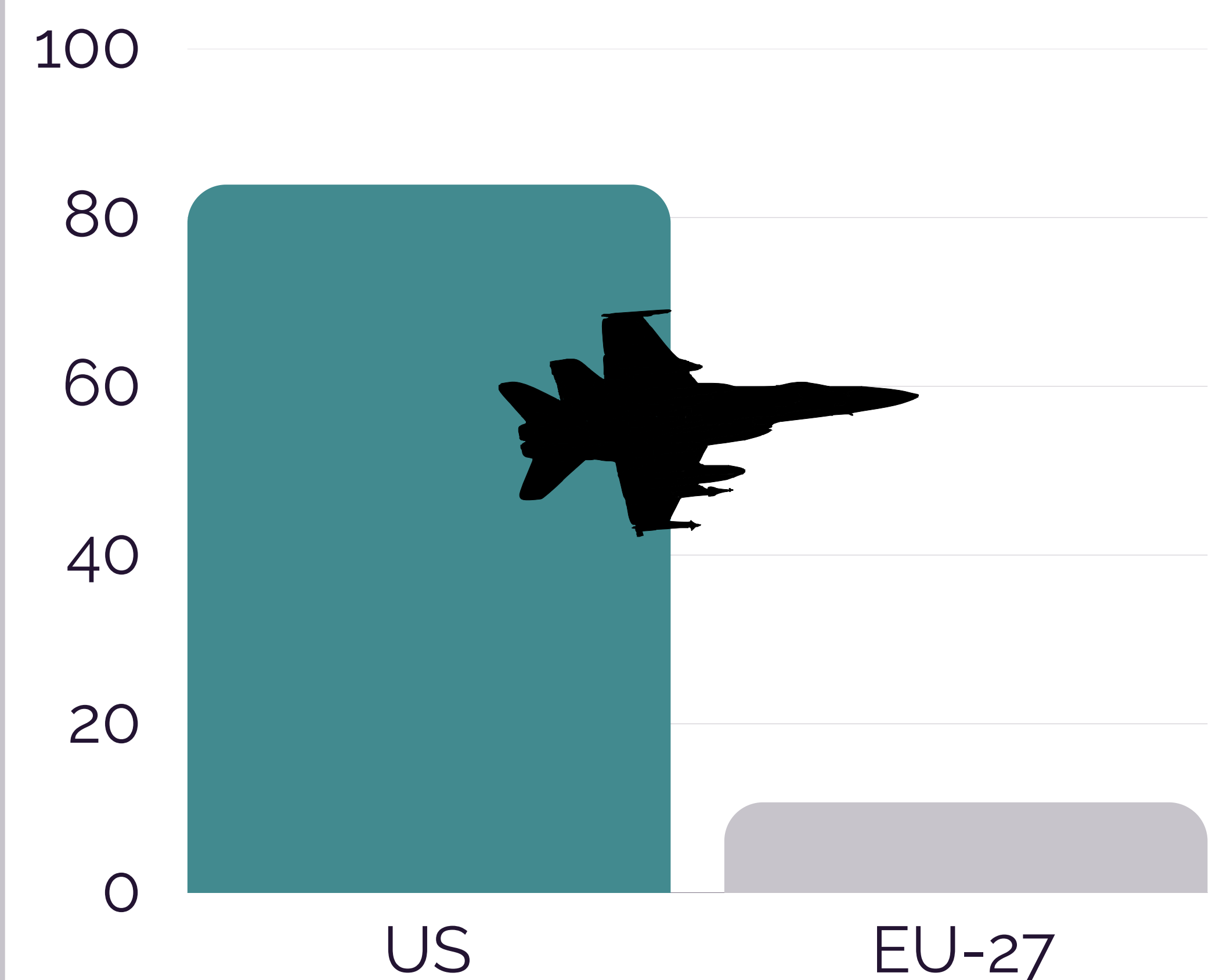


The EU imports significantly more arms than the US, and exports significantly less.

Military Equipment Purchases 2022-2023 (\$bn)



Public Spending on Defence R&D 2022- 2023 (\$bn)



Europe's future **security and prosperity** depends on **strengthening alliances** and **technological leadership**.