

The New Face of NATO:

Boosting the European Defence Industry

Date: September 2025

Subject: Global Economic Policy / Security Economics

Introduction and Background

The North Atlantic Treaty Organization (NATO) has undergone a profound transformation since the early 2020s. For much of the post-Cold War era, the alliance appeared to be searching for a renewed sense of purpose. Operations in the Balkans, Afghanistan, and Libya provided frameworks for military cooperation, yet they often raised questions about NATO's long-term role in a shifting global security environment. The Russian invasion of Ukraine in February 2022 marked a decisive turning point. NATO not only regained strategic clarity but also entered a period of accelerated military and economic adaptation, placing defence production, industrial cooperation, and technological innovation at the centre of its agenda.

This renewed NATO is not solely a military alliance but increasingly an economic driver. With member states committing to higher defence spending—most notably the long-standing benchmark of 3 to 5 per cent of GDP—the alliance has become a catalyst for revitalising the European defence industry. The war in Ukraine exposed severe shortfalls in ammunition, air defence systems, and logistical capacities across Europe, underscoring the urgent need for enhanced production capacity and cross-border industrial integration. Consequently, NATO has become a platform where economic and industrial policy intersects directly with security imperatives.

The accession of Finland and Sweden in 2023 and 2024 respectively further reshaped the alliance's geography and industrial potential. Their entry consolidated NATO's presence in Northern Europe, creating a contiguous Nordic defence space stretching from the Arctic to the Baltic. This new regional bloc is not only strategically important but also economically significant, as the Nordic countries bring advanced defence industries, cutting-edge technology sectors, and a strong tradition of cooperation through NORDEFCO (Nordic Defence Cooperation).

The United Kingdom, though outside the European Union, remains central to NATO's economic and military ecosystem. As Europe's second-largest defence spender and home to major firms such as BAE Systems and Rolls-Royce Defence, Britain is a critical partner in balancing European and transatlantic industrial capacities. Post-Brexit, its close integration within NATO ensures

continued relevance in shaping procurement and innovation.

Against this backdrop, the “new NATO” is emerging as both a guarantor of security and a driver of industrial and economic change. Understanding this transformation requires examining the alliance not only through the lens of geopolitics but also through economics—how NATO spending shapes industries, stimulates innovation, and integrates defence markets across Europe. Within this broader frame, the Nordic dimension offers a particularly compelling case study: two new members, long-standing traditions of defence innovation, and the potential for deeper industrial integration at the heart of the alliance’s new strategic frontier.

2. The Economics of NATO

NATO has always been more than a military pact. From the very beginning in 1949, the alliance set in motion economic dynamics by standardising equipment, aligning procurement, and shaping national defence industries around common operational requirements. During the Cold War, defence production in Europe and North America was closely tied to NATO interoperability—everything from ammunition calibres to communication systems had to align, creating a framework where industry followed alliance doctrine. After the Cold War, however, declining budgets and shrinking armed forces eroded much of this momentum. Defence industries consolidated, cross-border projects stalled, and Europe became increasingly reliant on US systems for high-end capabilities.

The invasion of Ukraine in 2022 reversed this trajectory. Defence spending across Europe surged to levels unseen in decades. NATO’s 2% GDP spending target—once controversial and frequently unmet—became the floor rather than the ceiling. In Northern and Eastern Europe, governments are now budgeting for combined defence and security expenditures approaching or even exceeding 5% of GDP. This reflects not only higher direct military spending (averaging around 3–3.5%) but also extraordinary allocations for replenishing stockpiles, military aid to Ukraine, and investments in strategic resilience such as cyber defence and energy security (an additional 1–1.5%).

Poland is a striking example, with annual defence spending now surpassing 4% of GDP, one of the highest ratios in the alliance. The Baltic states, deeply exposed to Russian pressure, are following a similar trajectory, while Finland has committed vast resources to sustain its rapid military build-up after joining NATO. Sweden’s accession, too, coincides with a long-term defence investment plan that is likely to push spending above 3% of GDP in the coming years.

This rapid increase in expenditure creates powerful economic effects. Defence industries across Europe are experiencing a surge in demand for ammunition, artillery, drones, armoured vehicles, and air defence systems. Traditional bottlenecks—skilled labour shortages, supply chain constraints in semiconductors and critical minerals, and limited production lines—are now being

addressed with unprecedented levels of government support. NATO acts as the framework through which these efforts are coordinated: setting capability priorities, ensuring interoperability, and pressuring member states to expand industrial capacity rather than rely solely on US supply.

A second dynamic is the balance between European and American defence industries. For decades, Europe has depended heavily on US manufacturers for advanced systems such as fighter aircraft, missile defence, and precision-guided munitions. While this reliance remains, NATO's new economic reality is pushing for greater European self-sufficiency. The European Defence Fund (EDF) and the European Defence Industrial Reinforcement through common Procurement Act (EDIRPA) represent EU efforts to pool resources, but NATO's broader umbrella ensures that British, Nordic, and Eastern European industries remain tightly integrated with continental and American suppliers alike.

For Northern Europe, this economic dimension is especially relevant. Finland and Sweden bring advanced industrial bases—Saab, Patria, Nammo, and Kongsberg among others—capable of producing high-value systems that complement NATO's needs. The integration of these firms into alliance-wide supply chains provides both economic growth and strategic resilience. It also highlights a wider reality: the economics of NATO today is not just about spending targets, but about building an industrial ecosystem robust enough to sustain long-term deterrence and, if necessary, high-intensity conflict.

3. Boosting the European Defence Industry

The renewed strategic urgency within NATO has placed the European defence industry at the heart of the continent's economic and security agenda. While the United States continues to dominate global defence production—accounting for nearly 40% of worldwide military expenditure—European governments are increasingly recognising that reliance on American supply chains creates strategic vulnerabilities. For NATO to function as a truly resilient alliance, Europe must strengthen its own industrial base. This involves not only scaling up production but also coordinating procurement, reducing duplication, and fostering technological innovation across borders.

EU–NATO Synergies

The European Union and NATO have historically operated in parallel, sometimes overlapping but rarely fully integrated. Since 2022, however, the relationship has tightened. EU initiatives such as the European Defence Fund (EDF) and EDIRPA (European Defence Industrial Reinforcement through common Procurement Act) are designed to stimulate cross-border research, development, and joint procurement. While the EU lacks NATO's military command structure, its

financial instruments complement NATO's capability planning. In practice, this means that European defence firms now face stronger incentives to collaborate, creating economies of scale that mirror those long established in the American defence market.

At the same time, NATO ensures that EU-led industrial cooperation remains aligned with the broader alliance framework. This prevents fragmentation and allows non-EU members—including the United Kingdom, Norway, and Turkey—to remain integral to Europe's defence industrial ecosystem. The NATO Defence Planning Process (NDPP) provides the blueprint, while EU funds help fill capacity gaps.

Britain's Post-Brexit Role

The United Kingdom occupies a unique position in this emerging landscape. As Europe's largest defence spender after France, and home to giants such as BAE Systems, Rolls-Royce Defence, and MBDA UK, Britain remains indispensable to NATO's industrial capacity. Brexit severed institutional ties with the EU's defence policy mechanisms, but NATO integration ensures that British firms are deeply embedded in transatlantic and European supply chains.

The UK has also positioned itself as a bridge between Europe and the United States, especially through programmes like AUKUS (with the US and Australia) and the Global Combat Air Programme (GCAP), which links Britain with Italy and Japan in developing a sixth-generation fighter jet. For NATO, Britain's role ensures that European initiatives do not drift into isolationism but remain connected to the technological and financial weight of the United States.

Challenges of Fragmentation and Competition

Despite these efforts, Europe's defence industry still suffers from structural weaknesses. Fragmentation remains a persistent problem: 27 EU member states, plus NATO's additional European members, continue to operate largely national procurement systems. This leads to duplication, higher costs, and a lack of standardisation. For instance, European armies operate nearly 20 different types of main battle tanks, while the United States has relied on a single platform—the M1 Abrams—for decades. Similar inefficiencies exist in artillery, aircraft, and naval systems.

Competition among European firms also poses difficulties. While consolidation has produced powerful players such as Airbus Defence and Space, Leonardo, and Saab, national governments often protect their domestic champions. Export controls further complicate matters, as differences in licensing regimes can limit joint projects and slow down deliveries.

Export Potential and Global Markets

A final dimension is the global defence market. As European states increase production, industries are not only serving domestic demand but also eyeing exports to third countries. Nordic firms, for example, are carving out niches in niche markets such as advanced artillery systems, missiles, and cyber defence. However, the tension between supporting Ukraine, meeting NATO commitments, and securing export deals remains unresolved. In this sense, boosting the European defence industry is not merely about quantity of production but also about strategic prioritisation.

4. The Nordic Dimension

The accession of Finland in 2023 and Sweden in 2024 marked a historic reconfiguration of NATO's northern flank. For the first time, the alliance now encompasses the entire Nordic-Baltic space, creating a continuous security arc from the Arctic Ocean to the Baltic Sea. Beyond the geostrategic implications, this enlargement integrates highly capable defence industries and traditions of technological innovation into NATO's economic ecosystem. Together with Norway and Denmark, the Nordic countries represent a distinctive industrial cluster—flexible, innovative, and increasingly central to European defence production.

Sweden: Advanced Aerospace and Systems Integration

Sweden brings one of the most sophisticated defence industries in Europe. Saab is globally recognised for its Gripen fighter aircraft, a cost-effective and exportable platform that complements NATO's heavier reliance on the US F-35. Saab also produces advanced radar systems, electronic warfare solutions, and underwater technologies. BAE Systems Hägglunds, based in northern Sweden, manufactures armoured vehicles such as the CV90 infantry fighting vehicle, now in service with multiple NATO armies.

Sweden's accession ensures that these industries are no longer operating in parallel with NATO but as part of its integrated defence economy. Interoperability requirements are pushing Saab and other Swedish firms into deeper collaboration with alliance partners, expanding opportunities for joint production and R&D.

Finland: Heavy Firepower and Emerging Technologies

Finland's defence industry is distinguished by its focus on heavy weaponry and resilience. Patria, a leading firm, produces armoured vehicles, mortars, and aircraft components, while also providing maintenance and lifecycle services essential for sustained readiness. Finland has long invested in artillery and munitions production, giving it a capacity that many NATO members lacked when the war in Ukraine created sudden demand shocks.

In addition, Finland's expertise in cyber defence and dual-use technologies adds a critical layer

to NATO's emerging security economy. As a technologically advanced economy with strong public-private cooperation, Finland has the potential to integrate cyber security, telecommunications, and AI-driven defence applications into the alliance's broader industrial framework.

Norway: Missiles, Naval Power, and the Arctic Frontier

Norway has long been an established NATO member and a key contributor to the alliance's northern defence posture. Its defence industry is highly specialised, with Kongsberg Defence & Aerospace standing out as a global leader in missile systems, particularly the Naval Strike Missile (NSM) and Joint Strike Missile (JSM). These systems are increasingly integrated into NATO fleets, offering both deterrence and export potential.

Norway also plays a central role in Arctic security, providing bases, logistics, and naval capacity critical for alliance operations in the High North. Its defence industry benefits from strong cooperation with US firms, particularly through the F-35 programme, in which Norway is both a customer and an industrial participant.

Denmark: Naval Innovation and Niche Capabilities

Denmark's defence industry is smaller in scale but strategically valuable, with specialisation in naval platforms, radar systems, and command-and-control technologies. Terma, for example, develops advanced radar and aerospace components used in NATO air defence networks. Denmark's decision to acquire and operate F-35 fighters further integrates its industrial capacity into NATO-wide maintenance and upgrade chains.

As a founding NATO member, Denmark also contributes political stability and long-standing institutional experience, balancing the rapid adaptation of its Nordic neighbours.

Nordic Cooperation and NORDEFCO

The integration of Finland and Sweden into NATO has revitalised the Nordic Defence Cooperation (NORDEFCO), which has existed since 2009 as a framework for regional collaboration. Under NATO, this cooperation acquires a new dimension: instead of operating as a parallel forum, NORDEFCO now serves as a vehicle to align Nordic procurement, logistics, and training with NATO standards.

Joint projects are already underway. The widespread adoption of the F-35 fighter across Norway, Denmark, and Finland creates opportunities for shared maintenance facilities and supply chains. Ammunition and artillery production, where Finland and Norway have strong industrial bases, can now be scaled and standardised for alliance-wide needs. Sweden's aerospace sector

complements these efforts by offering advanced systems integration.

Economic Significance

The Nordic bloc demonstrates how NATO's economic dimension extends beyond budgets. By pooling resources, harmonising procurement, and exploiting regional specialisations, the Nordic countries can achieve efficiencies that larger NATO economies often struggle to realise due to fragmentation. This integration not only strengthens NATO militarily but also stimulates economic growth in advanced manufacturing, high technology, and skilled labour markets across Northern Europe.

5. Case Studies

The Nordic integration into NATO is not only theoretical; it is already reshaping procurement choices, industrial strategies, and regional cooperation. A closer look at specific cases illustrates how NATO's economic and security logics intersect in practice.

Case Study 1: F-35 Integration Across the Nordics

The Lockheed Martin F-35 Lightning II has become the backbone of NATO's future airpower, and the Nordic region is among the most advanced clusters of F-35 operators. Norway, Denmark, and Finland have all committed to the aircraft, while Sweden—although maintaining its Gripen fleet—stands to benefit indirectly through shared infrastructure and interoperability.

For NATO, this creates efficiencies in logistics, maintenance, and training. Shared basing agreements and joint training facilities reduce costs and strengthen regional deterrence. Economically, Nordic participation in the F-35 programme also ties local industries into transatlantic supply chains: Norwegian firms produce fuselage components, while Danish company Terma delivers composite structures and electronics. The economic spillovers are substantial, creating high-skill jobs and ensuring that Nordic firms benefit from sustained contracts over the aircraft's lifecycle.

Case Study 2: Ammunition and Artillery Production

The war in Ukraine exposed Europe's critical shortage of artillery shells and ammunition. NATO estimates suggest that stockpiles could be depleted in days during high-intensity conflict if not replenished. The Nordics have responded with industrial expansion.

Finland's Patria and Norway's Nammo have both scaled up production of artillery systems and ammunition. Nammo, in particular, has invested in new facilities to meet NATO's urgent demand for 155mm shells and advanced munitions. These firms are not only supplying national militaries

but also coordinating with other European allies to ensure continuous deliveries to Ukraine. This case highlights how Nordic defence industries are directly shaping NATO's operational capacity, while simultaneously stimulating local economies through new investment, employment, and technology transfer.

Case Study 3: Kongsberg and Missile Exports

Norway's Kongsberg Defence & Aerospace provides a striking example of how NATO membership boosts both strategic capacity and export competitiveness. Its Naval Strike Missile (NSM) has been adopted by several NATO navies, including the US Navy, the Royal Norwegian Navy, and Poland's armed forces. The NSM's integration into NATO fleets demonstrates how a relatively small Nordic country can become a supplier of high-end capabilities across the alliance.

The economic significance is twofold: Kongsberg secures long-term contracts that sustain Norway's industrial base, while NATO benefits from a proven, interoperable system that enhances alliance-wide deterrence. The NSM case also shows how Nordic firms can penetrate the US market—a rare achievement for European defence industries, which often struggle to compete against American giants.

Case Study 4: Nordic Defence Cooperation (NORDEFCO) in Practice

Although NORDEFCO predates Finland and Sweden's NATO accession, its role is expanding under the alliance umbrella. A concrete example is joint air surveillance and training. Nordic countries are increasingly pooling resources for air policing missions in the Baltic and Arctic regions, using shared radar networks and command structures. Economically, this reduces duplication and allows smaller states to achieve effects that would otherwise require prohibitively high national investments.

The NORDEFCO framework also facilitates industrial cooperation. Joint procurement of vehicles, ammunition, and support equipment has begun to align with NATO standards, ensuring that industrial investments serve both national and alliance priorities. Over time, this may evolve into a Nordic defence production hub integrated into NATO's wider supply chain.

6. Economic and Strategic Outlook

The transformation of NATO into an economic as well as a military actor carries profound implications for Europe's future. The surge in defence spending, the acceleration of industrial capacity, and the integration of new members such as Finland and Sweden have created a momentum that will shape the alliance for decades to come. Yet the trajectory is neither uniform nor without friction. The economic and strategic outlook must be assessed in terms of

competitiveness, resilience, and long-term sustainability.

Balancing Europe and the United States

One of the central challenges is the balance between European and American defence industries. For decades, Europe has relied on US dominance in high-end capabilities such as strategic lift, missile defence, and advanced combat aircraft. The recent push to boost European production is an attempt to reduce this dependency and build greater industrial autonomy within NATO.

The Nordic example illustrates how smaller but technologically advanced states can complement US capacity rather than compete directly. Swedish Gripen fighters, Norwegian missiles, and Finnish artillery provide diversity and resilience, while F-35 integration ensures interoperability with American systems. This balance helps mitigate the risk of over-reliance on any single supplier while maintaining the political cohesion of the alliance.

Risks of Duplication and Fragmentation

At the same time, the rapid expansion of defence spending raises the risk of duplication and fragmentation. Europe still operates multiple tank models, fighter platforms, and naval classes, often due to national industrial protectionism. If each country pursues independent procurement paths, economies of scale will be lost, and industrial efforts diluted. This fragmentation could also limit Europe's competitiveness against American firms, which benefit from a far larger unified domestic market.

NATO's Defence Planning Process and EU mechanisms such as the EDF are designed to mitigate these risks, but political will remains uneven. The Nordic countries, with their history of cooperation through NORDEFCO, may offer a model of how smaller states can align procurement and avoid duplication while still protecting national industrial interests.

Industrial Growth and Economic Spillovers

The economic spillovers of increased defence spending are significant. New production facilities create high-skilled jobs in engineering, manufacturing, and research. Investment in dual-use technologies—such as cyber security, space, and AI—also strengthens broader economic competitiveness. In the Nordics, firms like Saab, Kongsberg, and Patria are not only meeting NATO demand but also positioning themselves as global exporters.

However, defence-driven growth also creates vulnerabilities. Heavy reliance on military orders risks industrial overcapacity if spending levels decline in the future. Moreover, the redirection of public funds toward defence raises questions about opportunity costs, particularly in welfare-

oriented economies like those in Northern Europe. Balancing defence and social expenditure will remain a political challenge.

Strategic Autonomy and Transatlantic Cohesion

Another key outlook factor is the tension between European strategic autonomy and transatlantic cohesion. Calls for greater European independence in defence have grown louder, particularly in France and within EU institutions. Yet NATO's strength lies precisely in the transatlantic link. The Nordics illustrate a pragmatic approach: building robust regional industries while anchoring them firmly within NATO, rather than framing autonomy as separation from the United States.

This balance is likely to shape Europe's defence trajectory. If successfully managed, Europe can strengthen its industrial base while preserving NATO unity. If mishandled, industrial rivalries and political fragmentation could undermine both economic efficiency and alliance cohesion.

Long-Term Sustainability

Finally, the sustainability of this new defence economy will depend on political will and societal consensus. Spending levels of 3–5% of GDP may be accepted in the current security climate, but over time, governments will need to demonstrate that such investments deliver not only military security but also economic returns. For the Nordics, the integration of defence spending with technological innovation, industrial competitiveness, and export success offers a pathway toward sustainable security economics.

7. Conclusion

NATO's evolution in the 2020s has redefined the alliance not only as a military structure but also as an economic engine. The war in Ukraine exposed critical vulnerabilities in European stockpiles and production lines, and in response, defence spending across the continent has surged far beyond the long-standing 2% benchmark. For many frontline states, including the Nordics and Poland, combined military and security expenditures are now approaching 4–5% of GDP. This shift has transformed NATO into a driver of industrial expansion, technological innovation, and economic adaptation.

The European defence industry is both the beneficiary and the test case of this transformation. EU initiatives such as the European Defence Fund complement NATO's capability planning, while Britain's continued integration through NATO ensures transatlantic cohesion. Yet persistent challenges—fragmentation, duplication, and export restrictions—continue to limit Europe's competitiveness against American suppliers. Overcoming these barriers requires political will and a commitment to genuine cross-border collaboration.

The Nordic dimension provides an instructive model. Sweden, Finland, Norway, and Denmark together bring advanced industries, flexible cooperation mechanisms, and a willingness to align procurement and production with alliance priorities. Their integration into NATO has created a regional bloc that combines strategic geography with industrial innovation, contributing not only to deterrence but also to Europe's economic resilience. Case studies—from the shared F-35 fleets to Nordic artillery and missile production—demonstrate how targeted cooperation can deliver both military capability and economic dividends.

Looking forward, the “new NATO” will be judged not only on its ability to deter aggression but also on its capacity to sustain an industrial ecosystem capable of meeting long-term security demands. The balance between strategic autonomy and transatlantic unity, the avoidance of duplication, and the political management of high defence expenditures will define whether this transformation proves sustainable.

The Nordic experience suggests that integration, specialisation, and regional cooperation can serve as guiding principles. In this sense, NATO's economic and military futures are inseparable: the alliance's credibility now rests as much on the vitality of its defence industries as on the strength of its armed forces.

Appendix A: Competing Skies – Europe's Fighter Jet Programs vs. the F-35

A.1 Introduction

While the Lockheed Martin F-35 has rapidly become the backbone of NATO's airpower, the rise of this U.S.-built platform has raised fundamental questions about Europe's long-term industrial sovereignty. European fighter aircraft — Saab Gripen, Eurofighter Typhoon, Dassault Rafale, and the emerging FCAS (France–Germany–Spain) — remain vital both technologically and economically. A balanced assessment requires not only measuring combat performance but also considering the industrial ecosystems and strategic autonomy they support.

A.2 Economic Case for European Fighters

- **Industrial Sovereignty:** European fighter programs sustain hundreds of thousands of high-tech jobs across the continent. For example, Airbus Defence and Space (Eurofighter/FCAS), Dassault (Rafale/FCAS), Saab (Gripen), and BAE Systems (Tempest/Eurofighter) anchor entire regional economies.
- **Innovation Spillovers:** European fighter development has historically driven breakthroughs in avionics, composite materials, and radar systems that spill over into civilian aerospace and other industries.
- **Economic Multipliers:** Unlike the F-35 program, where many critical technologies and IP remain U.S.-controlled, European programs generate domestic

reinvestment, supply-chain resilience, and export opportunities.

A.3 Strategic and Operational Advantages

- **Flexibility and Adaptability:** The Gripen exemplifies a philosophy of modular, cost-effective design. Smaller states can maintain sovereignty over upgrades, unlike the F-35, where software and upgrades are locked to U.S. approval.
- **Diverse Operational Approaches:** Rafale's success in export markets (India, Egypt, UAE) shows its versatility across diverse mission profiles, while Eurofighter retains world-class air superiority performance.
- **Emerging Systems (FCAS & Tempest):** These projects represent not only aircraft platforms but entire "combat air systems of systems" — integrating drones, AI, and advanced networking — potentially leapfrogging the F-35's current architecture by the 2030s.

A.4 Risks of Overdependence on the F-35

- **Single-Vendor Dependence:** Heavy reliance on one U.S. platform creates vulnerabilities — from political dependency to supply-chain risks.
- **Cost and Maintenance Lock-In:** While acquisition costs have fallen, long-term sustainment of the F-35 remains high and dependent on U.S. logistics hubs.
- **Strategic Autonomy Concerns:** In a crisis where U.S. priorities diverge from European needs, reliance on a U.S.-controlled aircraft may limit independent action.

A.5 Nordic Perspective

- **Sweden (Gripen):** By retaining full control of the Gripen program, Sweden preserves industrial sovereignty and the ability to tailor upgrades independently — a unique strength in NATO.
- **Finland and Norway:** Their F-35 purchases provide short-term deterrence but reduce future bargaining power in European industrial initiatives.
- **Denmark:** While an F-35 operator, Danish firms have argued for parallel participation in FCAS/Tempest to avoid being locked out of the next wave of aerospace innovation.

A.6 Looking Forward: Europe's Industrial Test

The future of European airpower will hinge on whether states can overcome **fragmentation** and consolidate resources into FCAS and Tempest. If successful, Europe could not only counterbalance U.S. dominance but also regain export competitiveness in global markets. If coordination falters, Europe risks ceding a critical sector to permanent dependency.

A.7 Policy Conclusion: Strength in Diversity

For NATO, the question is not whether the F-35 delivers value — it clearly does — but whether the alliance is best served by **convergence on a single U.S. platform**. A purely F-35 fleet across Europe risks dependency, reduced bargaining power, and erosion of Europe's defence industrial base.

By sustaining **parallel European fighter capabilities** — Gripen, Rafale, Eurofighter, and the next-generation FCAS and Tempest projects — NATO gains not only a hedge against technological monopoly but also the resilience of multiple innovation pipelines. This industrial diversity ensures that Europe remains a co-equal strategic partner within the alliance, rather than merely a client market for U.S. systems.

In practical terms, the alliance benefits when Europe maintains its ability to design, produce, and export its own advanced combat aircraft. Such an approach strengthens transatlantic burden-sharing, boosts economic multipliers in Europe, and underpins NATO's long-term credibility as a balanced military coalition.