



By: **Jim O'Brien**

# Europe should identify strategically important sectors to keep the US as a reliable partner



The confusion sewn by the Alaska **summit** between US President Donald Trump and Russian President Vladimir Putin, and the follow-up summit between Trump and European leaders, including Ukraine, has more than justified the decision taken by NATO's non-US members to increase defense spending and intensify security cooperation.

This commitment made it possible for European and Ukrainian leaders to propose that they buy tens of billions of US military equipment as part of a sustainable plan for peace in Europe, and Ukraine.

This is the right approach, perhaps the only one, not only for promoting European and Ukrainian defense, but also for rebuilding transatlantic cooperation in a variety of sectors, from AI to tariffs.

Defense may be the simplest sector for the US and Europe to align, for multiple reasons.

For starters, all the joint (transatlantic) work done since NATO's Wales Summit in 2014 has already established a solid foundation.

Second, there is broad agreement on the need for Europe to do more. Europe and non-US NATO members now plan to spend 5% of GDP on defense by 2032, and European officials have said that Europe will spend 3%, on average, by 2028.

Following the **launch** of a €150 billion (\$175 billion) EU fund that has already solicited bids, EU defense investment is **scheduled** to be ten times what it was.

Nor is this just a headline created to appease the Trump administration in the short term.

NATO leaders had already committed (at the NATO Summit in July 2024) to fund regional defense plans, and the **estimated** cost for those was approximately 3.5% of GDP.

The Trump administration has highlighted the European commitments and agreed to treat spending on crucial military infrastructure as counting toward the 5% target.

Although some countries will have difficulty meeting the higher targets, at least in the near term, the continent's military capabilities will be much stronger than would have been the case.

## European spending

Third, the money will be spent on meeting the most crucial military needs. Under the 2024 plan, NATO will determine how to prioritize military capabilities, implying that the US still has a say in the matter.

This approach should address the long-held US concern that European defense initiatives result in redundancies or divert funds from more pressing needs.

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Fourth, this approach also allows US companies to participate in and benefit from European defense procurement, giving the US a stake in Europe's re-arming effort.

Donald Trump touted European spending on US arms following his July meeting with European Commission President Ursula von der Leyen, and one senior European official estimates that 40% of early EU defense spending will go to US firms.

Much of this is already directed toward capabilities that only the US can provide, such as advanced air defense.

## Difficult decisions lie ahead

To be sure, difficult decisions lie ahead. Above all, European leaders will have to determine how far they should go in creating alternatives to US equipment.

These decisions will not be made all at once,

and continued tensions with the Trump administration will increase the likelihood of Europe moving away from US-made weapons systems where it can.

Another challenge for European leaders will be to allocate the new money pouring into the sector. Every European leader will lobby for domestic companies.

But here, too, Europeans' initial moves have been promising. The EU is focused on creating effective capabilities, and key member states have called attention to what Ukraine most needs and can produce on its own.

**A small, informal group of European leaders should identify urgent investment projects and participants**

This emphasis on Ukraine sets a clear, urgent objective and allows **spending** to proceed without ensuring that every state gets some funding.

Still, it will be important to understand how much investment can be directed to Ukraine without duplication or bidding up scarce resources.

Looking ahead, a small, informal group of European leaders should identify urgent investment projects and participants.

Any such group will be a hot ticket for European leaders, so its work should be discreet.

It will need to include the countries with the largest industrial capacities, while also being sufficiently representative. Focusing on the largest defense and industrial capabilities and frontline states may be the best way to start.

## Recognition of shared interests

Europe's decision to keep the US involved in its defense industrial strategy did not come

easily.

In the first months of the second Trump administration, some in Europe **questioned** whether cooperation with the US was even possible.

But by recognizing that America and Europe each have something to contribute to shared transatlantic security interests, European leaders are setting an example of how transatlantic cooperation can recover even during a destructive period.

These structural considerations matter, because successful cooperation on defense can provide a model for other areas.



*European leaders should identify strategically important sectors and make clear what conditions would allow them to keep the US as a long-term, reliable partner – Jim O'Brien*

Economic growth over the next generation is likely to come from industries such as AI, life sciences, and new energy technologies.

China has a leading position in many of these sectors, and it will seek to shape global habits and standards for its own benefit.

Europe, the US, Canada, and the Indo-Pacific will respond more effectively together than they would separately. As a group, their size is comparable to China, and they can draw on shared habits of cooperation in aligning supply chains, investment, and standards.

A focus on aligning Europe and the US may seem premature, given the extent to which disagreements on trade and investment are

impeding cooperation.

These tensions will continue unless Trump stops treating Europe as only a competitor.

We cannot know when or if tensions will ease, but I believe they can and must – even if only after this administration ends. In any case, we should be ready for any opportunities that arise.

The early steps on defense cooperation show that recognition of shared interests, open communication about the best path forward, and a willingness to let one another's companies compete on fair terms can be a basis for a renewed relationship, at least in discrete areas.

To prepare for that possibility, European leaders should identify strategically important sectors and make clear what conditions would allow them to keep the US as a long-term, reliable partner, and then to hold the US to its own commitments.

Step by step, the partnership that underpinned peace and prosperity for previous generations can do the same for the next one.

Jim O'Brien was US Assistant Secretary of State for Europe and Eurasian Affairs during the Biden administration.