



The 67th edition of the Military Balance was launched at the London based International Institute for Strategic Studies on 24th February, the 4th anniversary of the start of the Russia “ Ukraine conflict. Nick Watts was there for Defence Viewpoints. He writes: This was a sobering backdrop against which to be considering the current military “ strategic environment.

Alongside a review of developments in the conflict in Ukraine, attention focussed on developments in the Middle East, notably the likelihood of a further US strike against Iran and the wider implications for security in the region. The rise of China as a military power was another factor which figured large.

The consequences of the conflict in Ukraine continue to reverberate across Europe, and have had a significant effect on the transatlantic relationship. Alongside discussions about the level of defence expenditure, and how this compares to US levels, the more significant question is about the commitment of the US to maintaining its nuclear umbrella over Europe.

Europe's share of global defence spending has increased from 17% of global spending in 2022, to 21% in 2025. The challenge facing European allies is the simple lack of capacity in its defence manufacturing sector. The lessons from the Ukraine conflict demonstrate the need for increased air defence capability, both against possible ballistic missiles as well as long range drones. The challenge for European governments, including the UK, is the limited amount of fiscal headroom they possess. This will require difficult decisions to be taken, and soon. At the NATO Hague summit in June 2025 alliance members committed to increase defence spending to 5% of GDP by 2035.

Of more immediate concern for the US is the steadily increasing capability of China's military capability. Recent headlines concerning the purge of the senior leadership of the PLA by Xi Jin Ping suggest his discontent at the readiness of the PLA should it be necessary to embark on an operation against Taiwan. Meanwhile the rate of production of Chinese submarines and warships is outpacing that of the US Navy. These developments are also driving increased military expenditure by other regional powers, such as Japan and South Korea, as well as Indonesia and Singapore.

The Middle East remains an area of concern, following the Israel “ Hamas war. Gulf States have been strengthening their defence partnerships with the US. Across the Middle east and North Africa region defence expenditure rose by 4.5% in 2025, against a 10% uplift in 2024. The Israel “ Hames war and wider regional instability means that defence spending across the

region in 2025 was 4.3% of GDP compared to 3.5% in 2022.

Defence technology continues to advance with increased efforts at producing uncrewed systems that can operate in all domains. In the aviation sector, the race to produce a 'next generation' platform continues. In every domain policy makers, service chiefs and defence contractors have to consider where to invest to stay abreast of threats and technological change. This is a further complication for politicians faced with tight budgets. The upside is the possibility of exports to allies as well as the security of the homeland.

Against this background the UK government must ensure that the country can be a credible and reliable ally, as those who seek to undermine our way of life are busy finding new ways to probe our defences and corrode our social cohesion through disinformation. Our defence lies not just in our conventional capability, but also in our resilience as a society.

This is not just a matter of a percentage of GDP expenditure, but it is how we perceive ourselves in a turbulent world. There is no sign yet of universal peace and brotherhood breaking out, so we must be capable of using both our soft power and hard power as a force for good.

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