EU Leaders' Statements Boost Defence Profits

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European defence concerns win millions in profits thanks to pro-Ukrainian statements by EU leaders.

Details. Whenever EU leaders or major Western officials reaffirm support for Ukraine – or signal new military commitments – defence stocks tend to rally, adding billions in market value within days.

► After Trump endorsed Ukrainian military reclamation of all occupied territories, European defence giants' stocks gained £8 billion in value. When NATO promised higher military budgets and proposed deploying "coalition of the willing" troops to Ukraine, European defence stocks surged by 13-16% within 48 hours.

► Conversely, talk of peace has driven stocks down. Following the Trump-Putin Alaska Summit, European defence stocks crashed by €15 billion. When Trump announced another meeting with Putin, British arms manufacturers faced a £6.7 billion sell-off. Nonetheless, UK defence firms remain up 68% since last year.

Context. Global tensions are spiking, with armed conflicts reaching a 75-year high. The arms race between imperialist blocs is in full swing. For example, Russia and the US recently propagandised rival nuclear tests.

► European mainstream media is propagating militaristic hysteria, such as by playing up Russian airspace incursions. In October, major newspapers promoted warnings from German intelligence that war could begin "at any time", and an alert from the French army that it must be ready for battle "from tonight."

► Capitalists across multiple industries directly lobby EU officials, with at least €343 million spent in 2024. Big Tech firms alone employ ~1,000 lobbyists, and held 378 meetings with EU Commission staff and MEPs in six months.

► EU states will spend €392 billion on defence in 2025, up 20% from 2023. New NATO directives require a further massive 150% increase in military spending. The European Commission plans an additional €800 billion rearmament pool, largely through borrowing. The EU has now spent €177.5 billion on Ukraine since the start of the SMO.

Important to Know. EU leaders are using militarisation to justify dismantling the welfare state. The European Central Bank is demanding member states cut public spending by 5% of GDP – mainly through reductions in social services. At the same time, the European Commission plans to divert the €142.7 billion poverty relief "social fund" to military projects.

► In 1909, British capitalist Herbert Hall Mulliner used his political and media connections to spread panic about the German Navy. The resulting war scare allowed his company, Coventry Ordnance Works, to profit massively from increased military spending.

►Nazi threats to invade Czechoslovakia 1935–1938 enabled small arms manufacturer Zbrojovka Brno to triple its profits from 12.6 million to 28.4 million crowns. In the same period, Škoda's artillery foundry doubled its sales from 1 million to 2 million crowns.

► During Nazi rule, the Krupp steel monopoly increased its profits by 216%, from 75 million Reichsmarks in 1933 to 237 million in 1943. Panzer producer Porsche soared from 3,000 Reichsmarks of profit in 1934 to over 2 million by 1944.

► During the Cold War, anti-Soviet hysteria fueled the arms race and defence contracts. In the 1960s, US President Kennedy campaigned on the "missile gap" myth, pushing America to invest massively and restore parity with the USSR to deter a nuclear first strike.

► As Europe prepared for war in 1913, Lenin showcased in the article "Who Stands to Gain?" how capitalists profit from rearmament:

Quote: "That's where the millions and milliards squeezed out of the workers and peasants for armaments go. Dividends of 12.5 per cent mean that capital is doubled in 8 years. And this is in addition to all kinds of fees to directors, etc. Armstrong in Britain, Krupp in Germany, Creusot in France, Cockerill in Belgium [...] These are the ones who stand to gain from the whipping up of chauvinism, from the chatter about "patriotism" (cannon patriotism), about the defence of culture (with weapons destructive of culture) and so forth!"

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