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Building on the EU-UK Relationship

A Strategic Defence and Security Partnership
for a Shared European Continent

FOREWORD BY CALVIN BAILEY MP AND LORD
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Foreword

Since the start of Russia's full-scale invasion of Ukraine in 2022, Europe has struggled to respond to this massive new threat to our collective security with the urgency required. Alongside the relentless killings and destruction in Ukraine, Russia has waged a hybrid campaign against Ukraine's supporters across Europe. This includes cyberattacks in Estonia, information operations in Moldova, energy coercion in Germany, sabotage in Poland, and spying and subversion by criminal proxies in the UK. These are not marginal activities; they are deliberate attempts to fracture political cohesion and erode collective deterrence across Europe.

Efforts by European countries to step up their production of armaments, and to fill capability gaps without depending on the US, have been much too slow and uncoordinated. Europe can only build a credible deterrent against Russia if we do it together. No European power has the ability to counter Russia's military threat alone.

The decision to leave the EU in 2016 left us with next to no influence over the transformation taking place in the bloc's approach to security and defence. NATO and the subset of its members which form the 'Coalition of the Willing' are the bedrock of the UK's response to the Ukraine crisis. But the EU has significant leverage in the area of economic security, for example on sanctions. The Government's much-needed reset with the EU and the Security and Defence partnership signed in May 2025 is welcome. However, there is still much to do to turn aspirations into workable agreements.

The EU's Security Action for Europe (SAFE) defence loans scheme is a case in point. As we write this, the UK has still not negotiated access to the programme on acceptable terms. The UK's engagement with Permanent Structured Cooperation (PESCO) remains unclear, and the Commission has recently released a military mobility package dubbed the 'Military Schengen', which should self-evidently include the UK.

This report is an important and timely contribution to public debate. We hope it will inject much-needed ambition into the UK's engagement with the EU and our European partners. The responsibility to ensure that the EU and UK can act together on military cooperation is not borne solely by one side. Everyone in Europe knows that defence cooperation should be guided by strategic necessity. We must stand together in the face of an international order that is falling apart. Unnecessary restrictions and bureaucratic jockeying have no place in the face of this challenge.

The brave people of Ukraine are fighting not just for their own freedom but for the security of all European democracies. We owe it to them and ourselves to recognise that, although the UK is now outside the EU, we share the same values and national security interests. We have an obligation to work effectively together to maximise our joint military strength and political influence. There will be many obstacles on the way but we cannot afford to fail.



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Executive Summary of Recommendations

- **Forge a Shared Urgency and Responsibility:** The EU and the UK must recognise that both share a wartime urgency and responsibility to bolster European defence and security and support Ukraine at a time where Russia's attacks are increasing and the world is becoming more geopolitically unsafe. US shifting priorities require new ambition for Europe that can only be achieved by a successful EU-UK defence and security relationship, and real military confrontation is at a risk we must prepare for.
- **Deepen Political Trust and Dialogue:** The UK should pursue further structured engagement with the EU which would include finalising an administrative agreement with the EDA, UK joining of PESCO, a Framework Participation Agreement for select CSDP Missions, official secondments between the Civil Service and European institutions. Longer term, this would include the building of a European Defence Union with a central place for partners such as Ukraine, and the strengthening of a European Pillar within NATO.
- **Strengthen Resilience and Preparedness against Hybrid and FIMI Challenges:** Bilateral and multilateral intelligence-sharing should be enhanced alongside coordinated operational responses. A whole-of-society-and-government approach is essential, bringing together military, civil, and private sector actors. Public resilience and preparedness can be strengthened through awareness campaigns, training, media literacy, trust-building exercises, and cybersecurity readiness. Multidomain hybrid threats including cyber, space, energy, infrastructure, aerial incursions as well as economic manipulation require strengthened joint responses, improved strategic communication.
- **Enhance Robust Technological Cooperation:** UK-EU collaboration should expand in cyber defence, AI-enabled threat detection, quantum encryption, secure cloud systems, and space operations. Defence R&D should align with the European Defence Fund to maintain interoperability and accelerate capability development, while robust norms and guidance for emerging dual-use technologies are needed to avoid operational bottlenecks. Both should aim to align with other emerging allied R&D military and adoption plans, including NATO's to extend this streamlining even further.
- **Prioritise Industrial and Supply Chain Integration:** Access to EU programmes such as EDF, SAFE, and EDIP should be prioritised, alongside harmonised product certifications, customs procedures, and military mobility rules to reduce post-Brexit trade frictions. Supply chains are already deeply interlinked, and closer integration will strengthen practical industrial cooperation. Combined with Coordinated export controls and sector-specific negotiation frameworks, industry across the continent will enhance shared capabilities.
- **Embed Strategic EDTIB and EDU Participation:** A competitive, sustainable, and innovative European Defence Technological and Industrial Base (EDTIB), Strategically Autonomous Europe, and European Defence Union (EDU) are incomplete without the inclusion of the UK and Ukraine. Inclusion of the UK as a strategic partner-of-first-resort alongside nations such as Ukraine will provide the necessary impetus to push forward European Defence. This should include involvement in key flagship projects such as the European Drone Defence Initiative, European Air Shield, European Space Shield, and Eastern Flank Watch, bringing both sides closer to together and up-to-date on regional defence initiatives.

These recommendations collectively aim to translate existing agreements into a fully operational and strategic partnership, reinforcing security, industrial capacity, and resilience against evolving threats. The EU and UK Partnership should be fertile ground for one of the most ambitious security and defence relationships in the world, and the recommendations above help to bring about this ambition in a strategically beneficial and politically fruitful way.

Contributors

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Contributing Organisations

The [European Movement](#) was founded by Winston Churchill in 1949 to promote European unity. For over 75 years, they have worked to build a closer relationship with their European neighbours. The European Movement is a cross-party, single-issue organisation, powered by 26,000 members, over 250,000 campaign supporters, over 100 local groups, and strong networks in Westminster and the EU. [The European Movement UK's](#) Presidents are Caroline Lucas and Dominic Grieve, and their Chair is Dr Mike Galsworthy. The Movement's strategy is determined by their National Council – a 100 strong body of campaigners from across the UK. Sir Nick Harvey, CEO, leads the staff team and oversees operational delivery of the strategy.



[The Centre for Britain and Europe](#) (CBE) at the University of Surrey is a Jean Monnet Centre of Excellence and public policy research hub providing rigorous, research-based analysis of the evolving UK–Europe relationship. Based in the [University of Surrey Department of Politics](#), it brings together academic, policy and civil society actors to inform evidence-based policymaking, including in areas such as governance, foreign and security policy, and the future of EU–UK cooperation.



The [European Policy Centre \(EPC\)](#) is a Brussels-based independent, not-for-profit think tank dedicated to fostering European integration through analysis and debate, supporting and challenging decision-makers at all levels to make informed decisions based on evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policy-making and in the debate about the future of Europe.



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Introduction

Since the UK's departure from the European Union, ample opportunities to tie the two sides into mutually beneficial defence and security relationships have been left dormant, recently resurrected by the new Labour administration. The Security and Defence partnership in May 2025 was a welcome addition to the agreements that have bound the UK and EU into closer relationships, and represents a new critical framework for cooperation. The accompanying political dialogue and avenues for new industrial and technological cooperation are welcome, yet there remains a lack of ambition in pursuing activity down these avenues that this report seeks to examine further.

Through the report, we analyse the current state of EU-UK Defence and security cooperation six months on from the agreement, and examine the strategic drivers and industrial imperatives that remain. The resumption of ongoing dialogue between the EU and UK on security and defence allows Westminster and Brussels the new opportunity to set the agenda on this partnership. And it is in this vein that we lay out a number of different areas of potential heightened cooperation that can turn what are currently a few initial agreements into a fully strategic partnership.

Europe remains a contested geopolitical continent, buffeted by global headwinds the likes of which haven't been seen in generations. Close UK-EU cooperation remains as essential as ever for the successful ability of both sides to keep their people safe, support Allies against aggression, and ensure credible long-term commitment to Defence.

The discussion draws on the insights of a number of senior policymakers, defence experts, and industry stakeholders, and we thank all for engaging with the report and the ensuing discussion in Westminster.

1. The State of Play

Despite the declared reset of EU-UK relations and the signing of a Security and Defence Agreement (SDA) in May 2025, relations between London and Brussels on defence issues remain marked by a mutual lack of trust lingering from the acrimonious Brexit divorce. The SDA was only part of the entry ticket to defence industrial cooperation. At the time of writing, a disappointing reality has occurred where talks to negotiate to access to EU-funded defence capability projects worth at least 150 billion euros has broken down.

Whether or not they can come back to the negotiating table and agree on terms will have a bearing on how far the UK defence sector and research community are integrated into the European Defence Technological and Industrial Base. That partnership would appear to be strongly in the UK's economic and geopolitical interest, but as ever, domestic politics and the impact of a rising political party rooted in the Brexit movement make any deal involving payments to Brussels or accepting EU rules highly sensitive.

The mood in EU-UK relations on defence and security policy has certainly improved, with close cooperation in support of Ukraine, but old issues of sovereignty, control and a determination to deny the benefits of membership to non-members of the EU remain significant obstacles. France is the most vigilant EU member in seeking to limit the UK's role in EU industrial cooperation.

Uncertainty over the future US commitment to NATO, the real possibility of war against NATO, and the unpredictability of US policy on Ukraine and European security have pushed the two sides closer together. On the operational side, this has found expression in joint UK-French leadership of the Coalition of the Willing created to provide security guarantees for Ukraine in case of a ceasefire agreement.

Strikingly, this ad hoc coalition was created because neither NATO - due to US reluctance and the need for consensus - nor the EU, in which pro-Russian spoilers make achieving unanimity slow and sometimes impossible, was a workable framework to plan military support for and a potential military presence in Ukraine. However, both the EU and NATO are members of the coalition.

Since the UK voted to leave the EU in 2016, the Union has advanced further and faster in defence cooperation than any past British government would have allowed. The departing UK government refrained from vetoing the creation of Permanent Structured Cooperation in Defence (PESCO) in 2017 and the subsequent establishment of a series of EU programmes to encourage joint procurement and common research and development in defence. Since the UK's withdrawal in 2020, the EU has established the European Defence Fund, disbursing roughly 1 billion euros a year on collaborative defence R&D. It set tight

restrictions on the possibility for third-country entities to participate, against which the UK and US lobbied unsuccessfully.

The UK has shown no interest so far in rejoining EU Common Security and Defence Policy (CSDP) missions or operations. Cooperation in naval operations in the Mediterranean, the Red Sea and off the Horn of Africa is limited to information sharing. British forces are unlikely to participate in any future CSDP operation in which they were not fully integrated into the conception, planning and command. EU rules provide for third country participation by invitation only once the mission has been defined and planned. With the focus of European security turned firmly to territorial defence - where NATO is in the lead - expeditionary CSDP actions will not for the foreseeable future be a central focus of EU defence policy, which is concentrated on industrial policy to promote joint procurement of key capabilities.

For its part, London has prioritized advancing bilateral defence pacts with key European allies - France (nuclear, complex weapons technology), Italy (GCAP future aircraft), Germany (deep precision strike missile) and Poland (impending bilateral security treaty) - and in plurilateral groups such as the Joint Expeditionary Force (JEF) with Northern Europe and UK-Italy-France accords on a rotating carrier presence in the Indo-Pacific and on joint procurement of the Aster missile.

The creation in 2025 of 150 billion euros in Security Action for Europe (SAFE) loans, leveraged on the EU budget, has for the first time put significant common resources behind joint procurement efforts by member states. The money is targeted at fixing key capability gaps identified by NATO and the European Defence Agency (EDA). The UK has sought to participate in the SAFE initiative by negotiating terms for its defence companies to tender in joint procurement programmes. The EU requires third countries which have SDA agreements with the Union, including Canada as well as the UK, to negotiate a bilateral participation agreement and pay a fee. Member states were due to submit detailed plans to the European Commission by end November outlining how they intend to spend SAFE loans for which they have applied. As a general rule, At least three countries, including two EU member states, have to buy together to qualify. The UK cannot tap into the EU-issued loans, and as a third country, its participation in any project will be limited. At the time of writing, the UK has declared no-deal over these talks, meaning British firms would miss out on the first wave of SAFE projects.ⁱ

The EU agreed in October on a related formula for the maximum participation of third-country entities in the European Defence Industrial Programme (EDIP), which will allocate initially 1.5 billion euros in EU budget funds for joint arms production among member states. The agreement included an “EU-made content” rule requiring at least 65 percent of components in funded projects to originate from the EU or associated countries, with derogations for ammunition and missiles from third countries, provided “design authority” comes under EU control by end 2033. The 35 percent limit on third-country content is unlikely to be

relitigated when the EU tops up its defence programmes in the 2028-2034 multi-annual financial framework.

The state of play signifies a focus on industrial collaboration in support of NATO's force requirements. There may be European operational initiatives, for example in the Baltic or the Black Sea, with which the UK wishes to collaborate, but such joint actions are more likely to be led by coalitions of the willing than by the EU's complex CSDP mechanisms.

2. Deepening Political Trust and Dialogue

The return of Donald Trump to the White House in January, coupled with his clear hostility towards Ukraine's president, Zelensky, and his ambiguous overtures to Russia's president, Putin, have triggered a significant awakening across Europe. There is a growing realisation that American security support, once seen as an unshakeable pillar, can no longer be taken for granted. Instead, such support may become inconsistent and transactional. Ironically, the actions of both Trump and Putin have become a catalyst for European unity and action alongside deeper integration with Ukraine – an outcome neither predicted or intended. The United Kingdom is an integral part of this developing landscape, with the Prime Minister's vocal engagement being widely welcomed at home and throughout Europe as reaffirmation of the UK's commitment as a partner and ally.

Looking ahead, high-level summits and ministerial dialogues between the UK and EU will not suffice to address global security challenges. There is a pressing need for deeper, structured engagement. Establishing an Administrative Arrangement with the European Defence Agency (EDA) would facilitate structured UK participation in relevant PESCO projects. In addition, whilst CSDP missions may not be on the top of an EU agenda, a Framework Participation Agreement (FPA) with the EU would allow the UK to contribute to CSDP missions on a case-by-case basis in areas where there is common interest, such as in Bosnia with the EU Force, the UK having already recently deployed troops back to the country to serve with the Bosnian Armed Forces. Beyond the SAFE programme, it is essential to push for greater UK access to the European Defence Fund (EDF) and related defence-industrial initiatives. Defence cooperation should be guided by strategic necessity rather than market restrictions, with the UK actively advocating for inclusion in EU defence procurement initiatives, such as the EU's 'ReArm Europe Plan'.

The UK has lost institutional knowledge, particularly the pool of officials with experience working inside EU institutions. Maintaining those links is essential to preserve our understanding of, and influence within, the EU system. We should establish a secondment programme to provide a regular exchange of officials, deepen and rebuild technical relationships. We have a long history of placing

officials in other governments and international bodies, this should be straightforward and uncontroversial.

European defence comprises numerous structures - each with its own logic and effectiveness. However, the existing architecture can be viewed as somewhat fragmented, in need of greater coherence at both official and political levels. If the European continent is to meet emerging challenges, a more integrated approach is required.

The overarching political vision should be the creation of a real, substantive, and effective European pillar within NATO. Presently, European reliance on critical US capabilities is an uncomfortable and unsustainable reality. Over the long term, Europe, with the UK within this definition, must develop the ability to act both independently of the US when necessary and in partnership when interests align. Achieving this requires the establishment – both in name and in practice – of a European Defence Union (EDU), encompassing European nations both inside and outside the EU. While reminiscent of the old Western European Union, this entity would differ in key respects.

A major distinction is that the EU itself, not just its member states, should form a central part of the new entity, providing both the framework and the essential coordination for the EDU. Although member states retain national sovereignty over many security matters, the EDU's success will depend on the convening and unifying power of the EU at its heart.

It is vital that non-EU nations – such as, the UK, Ukraine, Norway, Iceland, certain Balkan states, and ideally Türkiye – have a seat at the table. Excluding these countries or relegating them to the periphery would be a major strategic misstep. Equally, allowing EU member states with divergent strategic outlooks or a reluctance to invest to hold veto power or impede progress would be a critical weakness.

In essence, the EDU should function as a 'coalition of the willing' of European states within NATO along with aforementioned partners, advancing at the pace and ambition of those prepared to act, rather than being limited by the least committed members. While formal establishment of such a union will require time, practical steps must continue within existing frameworks, supplemented by bilateral and ad hoc arrangements.

In practice, this could start with mainstreaming UK participation in a range of flagship European projects, from the European Drone Defence Initiative, European Air Shield, European Space Shield, Eastern Flank Watch, whilst also using UK leverage to align more closely with NATO initiatives such as its Eastern Sentry and Baltic Sentry. From this starting point, it becomes easier to imagine the UK in such a close positioning with the EU, demonstrate willingness to provide more

multilateral engagement, and deepen discussions on an EDU based coalition of the willing.

Ultimately, these priorities allow for a more secure political base of relations within Europe and especially within NATO – capable of decisive action, even in the absence of American involvement, whenever that becomes necessary.

3. Building on Hybrid and FIMI Cooperation

Resisting hybrid attacks, including foreign information manipulation and interference (FIMI), presents a key area of EU-UK cooperation, as both partners work together to counter the pervasive and evolving security threats confronting the UK and Europe today. It blends coercion, disruption, and manipulation to weaken states from within. Hybrid actors pursue overarching objectives that expose the vulnerabilities of democratic societies: undermining public trust, putting citizen's lives at risk, deepening political polarisation, and impairing decision-making. To achieve these aims, they deploy a synchronised mix of military and non-military tools spanning diplomacy, defence, cyber, space, energy, and the economyⁱⁱ.

Crucially, hybrid actors prefer to attack multiple domains simultaneously to overwhelm, constrain, and confuse the targeted state's ability to respond. They exploit coordination gaps, attribution challenges, and legal ambiguities to maximise strategic effect. Operating in the "grey zone" between peace and open conflict, they deliberately blur internal and external security boundaries, making legal, economic, and political responses slow and costly.

Recent events highlight the scale and multidomain nature of the threat:

- **Cyber and information operations:** In September 2025, attempts were made to interfere with Moldova's parliamentary electionsⁱⁱⁱ, while a cyberattack in Poland in August 2025 nearly cut off the water supply to a major city^{iv}.
- **Infrastructure attacks:** Repeated damage to undersea cables, particularly in the Baltic Sea, has exposed weaknesses in energy and communications networks, leaving countries like the UK especially vulnerable^v. In August-September 2025, persistent GPS jamming disrupted aviation and military navigation across Finland and the Baltics^{vi}.
- **Environmental sabotage:** reports indicate that blacklisted Russian-linked tankers continue to dump oil into European seas in defiance of sanctions, thereby leveraging environmental degradation as a form of strategic coercion^{vii}.
- **Military-linked hybrid tactics:** Drones have been regularly used for surveillance and sabotage near and inside NATO borders, targeting military bases and critical civilian and military infrastructure^{viii}. Additionally, hybrid attacks have targeted CBRN facilities designed to spread fear and uncertainty^{ix}.

- **Economic and migration pressure:** In August 2025, contamination of Azerbaijani oil was used to pressure the European supply routes^x, while Belarus continued to threaten channelling migrants toward EU borders^{xi}, and disinformation campaigns sought to erode public support for Ukrainian refugees^{xii}.

These events, occurring within a matter of days and weeks and across multiple countries and domains, demonstrate how hybrid operations exploit Europe's interconnectivity. The UK and EU's shared exposure through energy, digital, and information systems creates both strategic advantages and vulnerabilities. Adversaries increasingly weaponize interdependence to manipulate opinion, disrupt economies, and test collective resilience. This underscores the need for renewed and structured UK-EU coordination against evolving hybrid threats.

Effective resilience demands a whole-of-society-and-government approach. At the national level, coordination between defence, intelligence, law enforcement, and civil agencies is vital for early detection and rapid response. Integrated situational awareness and flexible command structures are key to countering cross-domain attacks that defy traditional boundaries.

At the bilateral and multilateral levels, frameworks for intelligence-sharing and operational coordination are indispensable. EU plans to establish a new intelligence 'cell' in Brussels are one such example of policymakers identifying a European gap to fill in this regards, complementing a broader EU push to reduce intelligence sharing with the US.^{xiii}^{xiv}

The NATO-EU relationship remains central to hybrid defence too, combining military deterrence with civilian resilience. Societal resilience is equally critical as hybrid warfare targets citizens' perceptions as much as physical systems. Therefore, strengthening public trust, media literacy, civil-military cooperation, strategic communication, alignment NATO's baseline requirements for national resilience, and partnerships with the private sector, particularly in cybersecurity and information integrity, is essential.

Industrial and technological cooperation for defence and security

Hybrid threats often exploit dual-use infrastructure, including energy grids, telecommunications, logistics hubs, and satellites, where civilian and military systems overlap. Attacks on one sector can cascade across others, magnifying disruption. Strengthening industrial and technological cooperation is therefore crucial to enhancing strategic autonomy and supply chain resilience.

The joint UK-EU response to Russia's invasion of Ukraine demonstrated the power of coordinated policy and industry action: sanctions enforcement, technology

transfers, and joint production of ammunition and drones have collectively reinforced deterrence and operational capacity. Regional coordination, especially around the Baltic Sea, has also proven critical in countering hybrid operations that blend maritime, cyber, and information dimensions.

Despite progress, several challenges persist. Regulatory divergence following Brexit, particularly in export controls, data-sharing, and defence procurement, complicates cross-border collaboration. Simultaneously, dependence on non-European suppliers in advanced electronics and software exposes both the UK and the EU to vulnerabilities in times of geopolitical tension.

However, there is also significant scope to deepen UK-EU industrial and technological cooperation across several strategic domains:

- **Cyber and digital resilience:** Joint R&D on AI-enabled threat detection, quantum encryption, and secure cloud architectures could improve early detection of hybrid intrusions and strengthen digital sovereignty.
- **Space and satellite security:** Collaboration through the European Space Agency (ESA), European Union Aviation Agency (EUA) and private satellite operators enhances situational awareness, provides redundancy for navigation and communications, and safeguards space-based infrastructure from interference, including combatting GPS Jamming and spoofing.
- **Defence innovation ecosystems:** The UK could pursue complementary engagement with the European Defence Fund (EDF) and bilateral innovation programmes to align R&D priorities, maintain interoperability, and accelerate capability development.
- **Norm development and enforcement:** Hybrid actors deliberately erode trust in international norms through disinformation and selective violations of law. Strengthening enforcement through sanctions, legal accountability, and transparent communication is crucial to preserving the integrity of the rules-based order.
- **Engagement with NATO:** To achieve scale in innovation, based on lessons learned from Ukraine, EU's R&D and innovation initiatives, including in the upcoming MFF, should consider learning from NATO's R&D and military plans such as NATO's regional defence plans and NATO's Rapid Adoption Action Plan, streamlining existing processes and opening them up to new greater industrial and technological scale.

Hybrid threats are inherently transnational and exploit interdependencies that no single state can manage in isolation. Building resilience thus requires a dual-track approach: coordinated political governance on one hand and industrial and technological interoperability on the other. In an era of systemic competition and contested norms, closer UK-EU cooperation on hybrid defence and industrial

security is not simply advantageous but essential to safeguarding Europe's strategic stability, economic resilience, and democratic integrity.

4. Strengthening Industrial Integration

Industrial cooperation between the EU and UK on defence and security presents a complex landscape of opportunities and challenges, as detailed in ongoing negotiations in SAFE and for a formal defence and security pact. Hybrid threats exploit the seams between national jurisdictions, military and civilian infrastructure, and public and private sectors. This creates a structural incentive for collaborative industrial responses. Because modern defence capabilities rely on integrated supply chains, shared digital systems, and jointly developed technologies - particularly in cyber, space, artificial intelligence, and unmanned systems - the UK and EU cannot ensure resilience in isolation. Industrial cooperation thus serves as a force multiplier, enhancing not only capability development but also operational coherence and deterrence. The second part of this analysis reveals significant strategic advantages alongside notable political and practical obstacles.

The most compelling argument for EU-UK defence industrial cooperation lies in the existing integration of defence industries across both sides of the Channel. Major defence companies including "Airbus, BAE Systems, Leonardo, Saab, MBDA, Rolls-Royce, Safran and Thales" already have operations spanning the UK and EU.^{xv}

This existing industrial ecosystem creates a natural foundation for deeper cooperation. Airbus provides a particularly striking example of this integration, building wings for its commercial aircraft in the UK while operating as "Europe's pan-European aerospace and defence champion".^{xvi}

Guillaume Faury, Airbus chief executive, has called for greater collaboration between the UK and Europe on rival programmes to develop new fighter jets and combat air systems.^{xvii} This industrial reality is reinforced by René Obermann, Airbus chair, who argues that "Europe misses the UK" and advocates for European cooperation despite Brexit; the economic benefits are substantial. Britain's annual defence exports amount to approximately £9.5bn, with roughly one-third (£3.2bn) going to the EU.^{xviii}

Kevin Craven, ADS chief executive, notes that Britain "would benefit greatly in terms of increasing that number if it were able to take part in the [SAFE] fund" - referring to the EU's Security Action For Europe project worth up to €150bn in cheap loans.^{xix}

From a capability perspective, the UK's contribution to European defence is significant. Before Brexit, the UK accounted for roughly 20 per cent of all military

capabilities within the EU itself.^{xx} This represents a substantial loss of defensive capacity that cooperation could help restore.

This in turn has created what industry insiders describe as an accelerated timeline for European defence integration. The urgency is reflected in the alignment of security priorities. Germany and the UK are, after the US, "the second- and third-biggest providers of military support to Ukraine, giving about €15bn and €14bn, respectively, since 2022".^{xxi}

This shared commitment to Ukrainian support creates a natural foundation for broader defence cooperation. Twenty of the EU's 27 member states have explicitly called for "concrete" defence cooperation with the UK, stating that "the United Kingdom stands out as one of the EU's key partners — as many of our priorities in foreign and security policy align — and in this severe security context closer co-operation is an imperative".^{xxii} Industrial and Economic Advantages The defence sector presents particular advantages for UK industrial strategy, supporting 430,000 jobs in aerospace, defence, security and space industries, where productivity is "42 per cent higher than the UK average".^{xxiii}

As previously noted, formal cooperation agreement of industry could unlock even more access to EU defence procurement funds, including the nearly €8bn European Defence Fund, from which UK companies are currently largely excluded.^{xxiv} The potential for joint development programmes is significant. Plans for closer cooperation are "already under way, including on drones as well as on the development of new complex weapons".^{xxv}

This suggests practical cooperation can proceed even before formal agreements are finalised. German defence minister Boris Pistorius has emphasised that closing capability gaps is more important than spending levels: "We must develop, produce and procure more weapons systems together".^{xxvi} This approach aligns with UK industrial capabilities and could create substantial opportunities for British defence companies.

More broadly, industrial alignment enhances enforcement in three central areas:

- **Coordinated export controls** to prevent sensitive technology leakage.
- **Shared sanctions implementation tools**, including tracking of shell companies and illicit supply chains.
- **Norm-setting in emerging technologies**, such as autonomous weapons or dual-use AI.

Such cooperation protects the integrity of democratic systems and the global regulatory environment whilst once again building a more strategic intentional defence ecosystem.

5. Potential Political and Practical Obstacles

Despite the strategic logic, substantial obstacles complicate EU-UK defence cooperation. Progress has at least been made with one of the continual blockers in previous rounds of negotiations, with the EU-UK fisheries agreement in May 2025 settling one of the major non-defence sectors of disagreement. As it stands, negotiations to the EU's Security Action for Europe for the UK are following what has become a recurring obstacle, the financial contribution and maximum share of each project that the UK could be involved in.

This is symbolic of the EU's contemporary protectionist stance. Less than a year ago, European Commission President Ursula von der Leyen told an industry conference it was important to "spend more, spend better, spend European," which "set alarm bells ringing among some UK executives" about potential exclusion from new defence programmes.^{xxvii} Structural Challenges Post-Brexit Brexit has created fundamental structural barriers to cooperation. Trade frictions between the EU and UK still represent obstacles to European rearmament, even if they are "not the greatest obstacle".^{xxviii}

These include "insufficient recognition of product certifications, excessive red tape on military mobility, non-harmonised customs procedures and overregulation of intra-EU transfers of defence-related products".^{xxix} The UK's chosen form of Brexit puts it "demonstratively outside any EU rulemaking or adjudication," creating barriers "for trade, people, data and capital" that "hamper exchange in all economic sectors, defence included".^{xxx}

Assessment and Future Prospects

The May 2025 summit between Prime Minister Keir Starmer and Commission President von der Leyen produced a security and defence partnership agreement, though ADS chief executive Kevin Craven described it as "somewhat underwhelming in the lack of detail".^{xxxi} The agreement opens doors to participation in EU defence funds but leaves crucial terms to be determined. The fundamental tension remains between strategic necessity and political complexity.

While the industrial logic for cooperation is overwhelming, and geopolitical pressures are pushing both sides together, the practice of British and European politics continues to complicate what should be straightforward security cooperation. The ultimate success of EU-UK defence industrial cooperation will

depend on whether political leaders can prioritise shared security interests over narrower national concerns. The stakes are considerable: enhanced European defence capabilities, stronger industrial partnerships, and improved collective security in an increasingly uncertain global environment.

Despite the challenges, the balance of evidence suggests that deepening EU–UK industrial cooperation offers more strategic benefits than risks. Hybrid threats cross borders, exploit shared vulnerabilities, and target interconnected infrastructures - making fragmented or purely national industrial responses insufficient. Political divergences are real but manageable through targeted sectoral agreements, pragmatic regulatory alignment, flexible participation in EU frameworks, all underpinned of course by appropriate financial contributions.

The most promising path forward lies in domain-specific cooperation: cyber security, space, advanced materials, AI-enabled hybrid threat detection, secure digital infrastructure, and maritime surveillance. These areas are less politically sensitive, deliver high mutual benefit, and directly address the threats outlined in the attached document. Ultimately, industrial cooperation is not simply about production or technology. It is a form of strategic integration that reinforces deterrence, strengthens resilience, and signals unity in the face of hybrid aggression. For both the UK and the EU, such cooperation is not merely advantageous - it is increasingly indispensable.

6. Recommendations

Building on the discussion of the report, we would propose the following recommendations to strengthen EU-UK Defence and security cooperation, enhancing industrial and technological integration, and improving resilience against hybrid threats:

Creating a Shared Sense of Urgency and Responsibility

- Recognise the shared wartime urgency created by European conflict and the shifting strategic priorities of the United States, and embed this reality into a more ambitious EU-UK defence partnership capable of addressing the risk of real military confrontation.

Deepening Political Trust and Structured Dialogue

- Establish deeper structured UK-EU engagement beyond high-level summits and ministerial dialogues
- Finalise the administrative arrangement with the European Defence Agency to facilitate UK participation in PESCO and associated instruments
- Negotiate a Framework Participation Agreement to enable UK contributions to CSDP Missions on a case-by-case basis

- Create a secondment programme for UK officials within EU institutions to rebuild institutional knowledge and technical relationships
- Promote the development of a European Defence Union, building from the 'coalition of the willing' for coordinated defence capabilities

Embedding UK and EU EDTIB Participation

- Ensure the UK's inclusion as a strategic partner in the European Defence Technological and Industrial Base (EDTIB) and the EU's involvement in British industrial base
- Promote the UK as a partner-of-first-resort for key initiatives and operations, including engagement with non-EU states such as Ukraine.
- Leverage the UK's expertise to enhance strategic autonomy, capability development, and interoperability within NATO and European frameworks.

Strengthening Hybrid and FIMI Resilience

- Enhance bilateral and multilateral intelligence-sharing and operational coordination on hybrid threats
- Adopt a coordinated whole-of-society-and-government approach, integrating defence, civil agencies, and private sector capabilities
- Improve public resilience through coordinated efforts on media literacy, public trust, and cybersecurity awareness
- Develop enhanced responses to multidomain hybrid threats including cyber, space, energy, infrastructure, and economic manipulation.
- Enhance joint monitoring and coordinated response mechanisms for aerial incursions, integrating them into wider hybrid-threat planning and situational awareness framework.

Deepening Technological Cooperation

- Increase collaboration on cyber and digital resilience, including AI threat detection, quantum encryption, and secure cloud systems and data storage
- Increase space and satellite cooperation through the ESA and private operators to enhance situational awareness and redundancy.
- Align defence R&D with the EDF to maintain interoperability and accelerate capability development
- Strengthen norm-setting and enforcement in emerging technologies, including autonomous systems, dual-use AI, and sanctions compliance.
- Build guidance on standardising rules for dual-use and sensitive technologies to avoid operational bottlenecks.
- Learn from emerging Allied and NATO R&D, capability-development, and technology-adoption frameworks to maximise interoperability and reduce duplication.

Enhancing Industrial Integration

- Expand UK access to the European Defence Fund, SAFE, and EDIP alongside other related defence-industrial initiatives
- Promote coordinated export controls and shared sanctions implementation tools.
- Establish a sector-specific negotiation framework focused purely on defence industrial cooperation.
- Harmonise product certifications, customs procedures, and military mobility rules to reduce post-Brexit trade frictions and facilitate cross-border cooperation.

Conclusion

The resumption of dialogue between the UK and EU presents a unique opportunity to strengthen defence and security cooperation at a time of unprecedented geopolitical uncertainty. Whilst the May 2025 agreement marked a symbolic reset, the practical implementation of this collaboration remains incomplete, especially in the sectors of industrial, technological, and hybrid resilience.

This report demonstrates that by deepening political trust, expanding engagement, and promoting shared frameworks there is so much more that can be unlocked in the EU-UK partnership. Whilst political and regulatory obstacles remain, pragmatic cooperation from policymakers both sides of the Channel will begin to bring significant mutual benefits and enhance deterrence for all. This will also signify unity in the face of evolving threats on the European continent and far beyond.

The choices now will determine whether or not the EU and UK can transform this nascent series of agreement into a durable and effective strategic partnership.

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