



Mr Andrzej Domański, President (ECOFIN), Council of the European Union.

April 30th 2025

Mr Valdis Dombrowskis, Commissioner for Economy and Productivity;
Implementation and Simplification, European Commission

Dear Sirs,

Denmark hereby requests the activation of the national escape clause for the period 2025 to 2028. This request is in accordance with Article 26 (1) of Regulation (EU) 2024/1263, and considering the Commission Communication on a coordinated activation of the national escape clause.

Article 26(1) of Regulation (EU) 2024/1263 establishes that the national escape clause can be activated if three conditions are met: (i) there are exceptional circumstances outside the control of the Member State, (ii) those circumstances have a major impact on the public finances of the Member State concerned, and (iii) the deviation from the net expenditure path as set by the Council does not endanger fiscal sustainability over the medium term:

1. As acknowledged by the European Council, the urgency for the EU Members States to significantly increase their defence spending results from the serious consequences that Russia's full-scale war of aggression against Ukraine has for European and global security in a deteriorating security environment. This situation is an exceptional circumstance outside the control of each Member State.
2. The government of Denmark considers that this exceptional circumstance requires a significant build-up of defence capabilities with a major impact on its public finances. According to the available statistics published by Eurostat and Statistics Denmark general government total defence expenditure (government expenditure by function (COFOG division 02)) in Denmark amounted to 1,2 percent of GDP in 2021, 1,2 percent in 2022, 1,8 percent in 2023 and 1,8 percent of GDP in 2024¹.

¹ Based on preliminary national accounts data from Statistics Denmark.

Defence spending is estimated at [2,8] percent of GDP in 2025². Denmark has already taken the first steps to strengthen our security and defence, and, for the years to come, Denmark will continue to do more.

3. An increase in defence capabilities will lead to higher net expenditure than the path endorsed by the Council for Denmark on 21st of January 2025. The government of Denmark acknowledges that, apart from the leeway for defence expenditure, the EU fiscal rules will continue to operate normally and deviations from the endorsed net expenditure paths other than those specified under the national escape clause will be recorded in the control account (Article 22 of Regulation (EU) 2024/1263) throughout the period of activation of the national escape clause. Fiscal sustainability is an enabling condition for dynamic and competitive economies. Looking ahead, structurally higher defence expenditure in the EU Member States may require policies to preserve fiscal sustainability and compliance with the fiscal rules.

Yours since

Stephanie Lose

Danish Minister for Economic Affairs

² Based on the budget bill for 2025 added 25 bill. DKK from the political agreement on the Acceleration Fund (February 2025).