

Macro Roundup Article

Headline: [The US and Its Allies Face a \\$10 Trillion Reckoning in the Race to Rearm](#)

Article Link: <https://www.bloomberg.com/news/articles/2024-04-09/russia-china-twin-threat-see-s-eu-us-face-vast-increase-in-defense-spending?srnd=homepage-americas&sref;=U3dOGIDF>

Author(s)	Enda Curran, Natalia Drozdiak, and Bhargavi Sakthivel
Publication	Bloomberg
Publication Date	April 09, 2024

Tweet: Bloomberg estimates that returning US and G7 defense spending to Cold War-era levels would require more than \$10T of additional spending over the next decade.

Summary: World defense spending reached a record \$2.2 trillion last year. Political leaders have been congratulating themselves on the progress toward NATO's targets for members of the alliance to set aside 2% of their gross domestic product on defense. But officials focused on security say that military budgets may need to emulate Cold War spending of as high as 4% in order to deliver on the alliance's plans. If the US and its Group of Seven allies were to reach such levels, that would equate to more than \$10 trillion of additional commitments over the next decade, according to calculations by Bloomberg Economics.

Related Articles: Higher Interest Rates Are Here to Stay and If Markets Are Right About Long Real Rates, Public Debt Ratios Will Increase For Some Time. We Must Make Sure That They Do Not Explode and The Age-Old Question: How Do Governments Pay For Wars?

Primary Topic: Investment

Topics: Investment, News article, Productivity, Security

Permalink: <https://www.edwardconard.com/macro-roundup/bloomberg-estimates-that-returning-us-and-g7-defense-spending-to-cold-war-era-levels-would-require-more-than-10t-of-additional-spending-over-the-next-decade?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/04/Defense-Spending-As-A-Percentage-Of-GDP.png>