

Fireside Chat with Commissioner Andrius Kubilius

Friday, July 18, 2025 - 11:35 AM ET/9:35 AM MT

<https://www.youtube.com/watch?v=-MTKfc-MRx8&list=PL7fuyfNu8jfP8TWSJzPCsyScNGwbW6xbQ&index=30>

Speakers

- Andrius Kubilius, Commissioner for Defence and Space, European Commission; Former Prime Minister of the Republic of Lithuania
 - Moderator: Jonathan Martin, POLITICO
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Martin

Ed, thank you very much for that introduction, and thank you for being here. I want to start with the news, which is extraordinary, that quintuple reference jumps off the page. Past American presidents have tried for decades to get the Europeans to spend more on defense, and Trump finally pulled it off. Our friend Ed Luce at the FT, who many of you know, has a piece this morning in which he writes that Trump got NATO members to pledge something that they should have done years ago, which is to significantly lift their defense spending. At least on paper, Trump has succeeded where his predecessors failed. And I should say, by the way, that Ed's book, fantastic book, is available here on sale. Shameless pitch for Ed. You can buy *Zbig*, but I want to ask you, how much credit should President Trump get for this massive spike in European defense spending?

Kubilius

Well first of all, good morning, and thanks a lot, really, for the invitation to be present here in this, you know, Aspen Security Forum, really, it's a big honor. And second, well, what a direct question. Now I can say that perhaps we need to divide that achievement of that European started to spend much more money for defense in between of President Trump, but also President Putin. Because definitely...

Martin

They share the credit in some ways.

Kubilius

Oh, it's difficult. It's of course, no, but, but nevertheless, no. We need to understand that. First of all, with a war, Russian war against Ukraine, Europeans got the very clear message that, you know, this permanent threat from authoritarian, aggressive Russia is becoming clearly a threat, not only to the neighborhood countries, but also to the whole of Europe. Second, starting from somewhere from the middle of last year, we started to get very clear messages from our intelligence services, for example, German, one Dutch, one, you know, and some others, which started to speak very loudly that Russia is preparing and will be ready to test article five in Europe during next three or five years. And the numbers which we started to get, you know, again, from our intelligence services, from experts that, for example, Russia now is producing

during three months, such amount of ammunition, which you know, all the member states of NATO, including Europeans and Americans, were able to produce only during one year. That was a message which, you know, put us into very clear how to say, understanding what threats we're facing and what that we need to do something much more than what we were doing before.

Martin

So the cajoling of Trump and the threat of Putin simultaneously created a new sense of urgency and allow European capitals on defense.

Kubilius

That's precisely no I would add, in addition, that what we started to understand, I'm always repeating that one of that from one side, really we have, we are facing clear threats from Russian side, and that is why we need to, know, ramp up our defense readiness from another side. When they sound very logically, that American side has a lot of arguments to look more and more towards possible threats from rising Chinese military power. And to shift, you know, maybe, you know, in evolutionary way to shift one more of their attention towards Indo-Pacific, and that means that we need to take care much more about European security on our own shoulders.

Martin

It's a striking reflection of the times we're in that in literally the same month that President Trump was at the NATO summit in Europe, he also, soon after threaten a 30% tariff, as you know, on EU countries. Would it create challenges for European nations to spend more money on defense if they're having to spend so much money on tariffs to pay to the US?

Kubilius

Of course, you know this, how you say, dispute on tariffs is not the best way for us. You know, to look into our transatlantic relations. There are different arguments. I do not see such kind of problems which you know maybe American side is raising. I hope still that we are able to agree until August, the first of August. I know that the teams are working very, very heavily, but definitely no, it's not only about a question about how much money we need to spend on our defense readiness and what we shall do if you know that new tariffs policy will, will create some kind of economical programs. The question is also about political trust in between of each other, you know, and some kind of credibility, because threats which we are facing demand some kind of this, you know, unity of our political understanding. And let's, let's look how to, how to build that, you know, trust among ourselves, how to keep it.

Martin

President Trump has, has urged the Europeans to buy Patriot Missiles from the US. At the same time, Europeans are including in Brussels, are encouraging member states to buy Europe in terms of defense procurement. Does President Trump's urging, maybe even demanding that Ukraine buy Patriot Miissiles undercut that campaign of buy Europe and Brussels?

Kubilius

No, it's a little bit maybe how to say, also more complicated, but also more simple issue. Because, first of all, you know, patriots, the systems which nobody else is producing, some kind of set quality of the weapons and Ukrainians need that. So it's good that, you know, there is some kind of agreement in between of President Trump and NATO, general secretary and some leaders of European countries that now we shall really find a way how to supply to Ukraine those better systems, which are very much needed, because, as we can see from what President Putin is doing now, despite all President Trump forced to have some kind of negotiations on peace agreements. President Putin now is increasing attacks against Ukraine, against here. So Patriots are very much needed. From another side, we need to see very clearly that, we Europeans, we, if we want to take responsibility on our shoulders, we need to take care also about our defense industry and because of that, really we are creating European Union level programs now. We agreed last Wednesday, last Wednesday in the commission meeting, the last meeting, you know, on next MFF, we are increasing defense spending on, you know, on EU level, up to 130 billion euros for next seven years budgetary period. But majority of money for defense in Europe will be spent by member states, and there's no regulation how member states will spend those money. We shall try to use European Union programs to incentivize member states to spend more of their money in Europe. But the proportion is very simple. During seven years of from 2028 until 2035, what is next? MFF, remote period, European Union. On European Union level, we shall have 100 more or less 100 billion euros for defense. On national level, it will be around 4 trillion euros to be spent for defense. So majority of money will be not regulated at all.

Martin

And you want to see the bulk of that money spent in Europe on European defense contractors?

Kubilius

We are trying to convince member states really to spend to take care about the European defense industry. But till now, around 40% of contracts what member states were doing were contracts with American defense industry.

Martin

Let's talk about Russia for a few minutes. Obviously, in Washington, there's been remarkable story the last two weeks in which President Trump has grown frustrated with what he perceives as Putin slow walking him and, you know, avoiding a peace deal that Trump so eagerly wants, and Trump has taken a tougher attack where Putin has said directly to his department of defense, supply Ukraine with more defensive weapons. This is a very different posture than we've seen the last two weeks. What's your sense? What can you tell us about this new approach from President Trump. Why do you think he's taken this new line on Russia?

Kubilius

Well, my guess is that he understood that some kind of diplomacy was put in, you know, especially on such kind of question like peace and Ukraine is not bringing any kind of results, which we knew before. We Europeans, we knew that before. Well, it took some time for

President Trump, you know, to understand also that logic and the only logic and the only way to bring peace, you know, into Ukraine is here to implement this formula, peace through strengths, which you know, as we understand also, President Trump is very much in favor. We are in favor also. What does it mean? It means that we need to give more strength to Ukraine. All the strengths, through additional strengths Ukraine can come only from our side, from Europeans and from Americans. Can we do that? In my view, yes, because, if you will, look how much we were military support in Ukraine till now, both sides, Americans, around of 60 billion euros, and we Europeans around 60 billion euros during three years per year, it comes down to 20 billion euros, which means that our support to Ukraine from both sides, was around of 0.1% of our GDP, 0.1% we are ready to invest into our defense, national defense, 3.5 or even five, as we can calculate, according to NATO agreement. But for Ukraine, we're here in COVID with 0.1% so there is a possibility to bring additional strengths to Ukraine, and that is what we need to get.

Martin

But we know that he had some adverse, shall we say, conversations with Putin on the phone that this, sort of, turned. Didn't we also know that his wife, who herself is, you know, she's European by birth, was telling the President that he talks a good game on the phone and that he's bombing these civilians after he hangs up the phone. President Trump said that out loud. So we know that she was a fairly effective lobbying force. But tell us, who in Europe has Trump's ear? Is this a Zelenskyy? Who's, who's establishing a better relationship? Are there other heads of state in the EU who have effectively made the case to Trump about Ukraine? I know President Stubb in Finland, for example, has developed a good rapport on the golf course with President Trump. But who's, who's talking to him, who's making this case pervasively do you think?

Kubilius

You know, I don't see well. I do not have very clear, you know, pictures. This is only you know, what we can read in the newspapers, in political itself, you know, and so on, guessing that Frederick maths got, you know, important conversation. And continues. They have conversations, of course, Finnish President, Alexander Stubb, you know, British Prime Minister also is active. So there are no names and names which, you know we can name that while trying to convince the President Trump administration that, you know, Putin is not going to have... he has no interest in peace, yes, and the only way is to support Ukraine in order to avoid such an outcome, which can be very painful for the whole West. If the West will show that we are not strong enough to assist Ukraine in order to defend itself against Russian aggression, so China, I think, is watching very much and China will make a simple conclusion, the West is weak, so we cannot allow to, you know, the situation, to develop in such a way.

Martin

If Ukraine falls, that emboldens the Chinese, you think in the Pacific?

Kubilius

I think so. I, well, you know, I can just suggest, no, but I know that definitely know the Chinese are watching.

Martin

You're a former head of state in the Baltics, there's a sort of common currency here in America that certainly among folks who are more internationalist, more hawkish, that if Ukraine does fall, that Putin would try to move into other parts of Eastern Europe, including the Baltic. Is that your view too, that if, if Zelenskyy falls, if Ukraine falls to Putin the Russians, that he would then try to make an incursion in the Baltic states?

Kubilius

Definitely, our weakness always is encouraging Putin. That's, you know, what we know from previous times.

Martin

But would he invade the Baltics in time?

Kubilius

So when we hear from, you know, intelligence services, for example, of Germany, head of intelligence service, publicly announced that they have evidence that Putin is preparing for they are discussing in Kremlin, some, you know, plans to test Article Five, the question is very simple, if that is, you know, really such a perspective. So where he will know test, of course, in the neighboring countries, which are members of NATO? So which countries are in the neighborhood and members of NATO? It's very simple, Baltic States, Finland, you know, and so on. I cannot, you know, say that well, that he will go definitely to Estonia or to Lithuania. But that threat feeling is here in our country, that is why we're increasing our defense spending. We are building up our capabilities. We're happy that, you know, NATO is taking care also. We have, for example, German brigade in Lithuania. Other brigades are from different countries in other Baltic states. So we are preparing. But you know, we need also to understand very clearly one additional issue. Now, on European continent, there are two military forces, battle tested forces with ability to use millions of drones. Ukrainians are saying that Russians are in drone warfare as good as Ukrainians. Ukrainians are ready to use this year, 4 million drones and to produce them. It means that Russians are going to produce similar amount or even more. And if enough day, if will come, we shall face aggression of Russian battle tested army, which is stronger than it was back in 2022 another army on the European continent which is also battle tested is Ukrainian army. So the question is, how we can as quickly as possible to look for some kind of arrangement to strengthen our defense capabilities integrated Ukrainian both military forces and very powerful military industry into European networks.

Martin

Speaking of the Ukrainians, do you feel confident that President Zelensky has repaired his relationship with President Trump?

Kubilius

Trump? Well, I can, I can just, you know, make my conclusions from reading POLITICO or some others.

Martin

But you talk to the government in Kyiv, though, you're the Defense Minister of the EU.

Kubilius

No, definitely, now we see that more positive, you know, development. And really, the recent conversations, perhaps, were quite important. And well, I hope that also President Trump started to understand better President Zelenskyy, who made such kind of impacts. Again, we can guess how much Europeans, how much Zelenskyy. Now, recently, I have written an article about influence of Secretary and Foreign. Foreign Secretary Rubio and so on. So it's a good development that it is happening.

Martin

The other part of your title, beyond being the commissioner for defense, is the Commissioner for Space, and I want to ask you about the spending that you're overseeing going forward. The commission has a budget, I think, of under 31 billion **[euros]** for defense in space. How much of that do you see going for defense? How much of that do you see going for space?

Kubilius

Well, that is what we shall discuss among ourselves. It's good...

Martin

Tell us here first if you want.

Kubilius

It's good, increase in general, you know, for defense and space, because until now, in the budget of today, we have 26 billion **[euros]**, so it's five times, you know, more in the next budget. I hope that, you know, member states, more or less will agree on that, because still we have two years of negotiation from that budget and well, you know what we see, really, that in space, first of all, no, we have quite good developments with European systems like Galileo for positioning, for Copernicus for as observation. Now we are building Guiding Square for satellite secure communication, and some people are saying that it will be better than Starlink. I hope so now so and also we see how much we still we need to develop new systems, especially, you know, for intelligence data, for our defense and security people, and that will demand money. So I will not tell you precisely how that division will be done in between of Defense and Space. But definitely, space budget also will increase quite substantially.

Martin

We have time for one question here, if anybody wants to grab the mic and ask about Ukraine or European defense vendor or anything else, yes, sir, here in the...Sneak in two if we're fast. Yes sir.

Alexander Tah-ray Yui

Hello. I'm Alexander Yui, Taiwan's representative to United States. I was based in Brussels before so, Commissioner, I have a question on China. You mentioned China's issue. And Secretary General Rutte from NATO mentioned not long ago that Russia will help China invade Taiwan by distracting Europe, and I think that that's China's already trying to do that by helping Russia continue the war in Ukraine, by supporting Russia by way of economically, financially, even helping them have their military production in full capacity. So, my question is is EU engaging with the Chinese on this matters? You know, because it's a war of attrition for China to it's, I think China would like this war to continue as long as possible, because it weakens Russia and weakens the West. Thank you.

Kubilius

Well, I can just, you know, share some my recent discussion with famous General Zaluzhnyi, who was, you know, the first commander of Ukrainian army when Russians invaded back in 2022 now he is ambassador in in London, but he has quite interesting to know, an important overviews of how the war is going on and who is learning, who is still not learning. And in his view, China really is among those who are very much learning from this war, and they want that war to go on. You know, in between of Russia and Ukraine. Russians are learning a lot to also, they improve their capabilities. We Europeans are still, you know, not so much, you know, moving ahead with that learning process. So what China is planning to do for me, it's, you know, it's not my help to say responsibility, but definitely we need to understand that, you know, our developments and our ability to defend Ukraine can very much influence what China will decide to do, you know, towards Iran. So this is very much interconnected.

Martin

Do you believe China is more likely to invade Taiwan if the West walks away from Ukraine?

Kubilius

Well, it's no I can just guess that you know all those threats and building up of military capabilities of China, and knowing their demands, and to know Taiwan should be part of China, I'm worried about, you know that the whole development can go into a real military conflict. So let's do everything in order, really, to show that such kind of conflicts will not bring any kind of benefit for whatever country, either for Russia or for China.

Martin

We will end on that. Thank you so much for your time. Thank you for being here.