

The June NATO Summit: What to Look Out For

Teneo Insights | June 2025



The upcoming NATO Summit at The Hague in the Netherlands on 24-25 June comes at a critical time for the transatlantic alliance. In the context of rapidly evolving security threats, U.S. President Trump's stance on NATO has triggered significant anxiety in European capitals, as the U.S.' leading role in guaranteeing European security is being questioned.

President Trump's recent declarations about the need to review U.S. commitment to Article 5, his engagement with Russia and his claims about Greenland have undermined transatlantic ties. At the same time, the U.S. push for NATO members to rapidly scale up their defence spending to share the burden more equally presents fiscal challenges.

European leaders are approaching this summit with a mix of anxiety and guarded optimism. Their strategy is to keep the agenda narrow, hoping to minimize friction by offering the U.S. a political solution on spending to keep Washington, D.C. engaged. The summit's agenda reflects this thinking, with only one official session focused exclusively on an expected agreement for members to spend 5% of GDP on defence by 2032. More divisive topics, such as Ukraine's longer-term prospects for NATO membership, as well as the alliance's strategy on Russia, China and others, will be discussed behind the scenes.

What to Expect in The Hague

The new 5% spending target will be the central focus of the Summit, with the aim of getting members to commit to spending 5% of their GDP on defence by 2032, a significant increase from the current 2% target. This pledge would directly respond to long-standing U.S. demands for greater financial contributions and burden-sharing, which have intensified since President Trump returned to the White House. The 5% pledge will likely be broken down into two components: 3.5% for conventional defence spending and 1.5% for broader security-related spending, such as infrastructure.

Although there is broad alignment among members on the need to increase spending, many are hesitant about the target. A leap to 5% would require tens of billions in new spending, which would be deeply unpopular in many countries, particularly if it leads to significant cuts to social welfare. Spain, in particular, has pushed back against the target, citing threats to social programs, potential tax increases and reduced investment in other sectors.

What We're Not Going to See

Despite its symbolic importance, the NATO Summit will sidestep several urgent strategic challenges, including China, Iran, Ukraine and hybrid warfare, revealing a deliberate choice to preserve alliance unity. No meaningful language on Ukrainian membership or security guarantees will appear, reinforcing a cautious stance that preserves the 2022 Strategic Concept without further operational commitments. Leaders will likely avoid addressing in detail China's expanding strategic footprint and support for Russia, as well as the escalating Iran-Israel tensions, relegating them to mostly informal discussions.

The U.S. military posture in Europe is equally absent from the official agenda. Fears of a potential 10,000-troop drawdown following a pending Pentagon review are mounting. Although European leaders call for a planned transition, no concrete NATO strategy has emerged. Moreover, the summit will likely avoid tackling hybrid warfare, as the alliance lacks unified thresholds or doctrines for cyberattacks, sabotage and disinformation. Diverging positions remain unresolved, leaving the alliance reactive and fragmented in the face of unconventional threats. Ultimately, the summit will serve more as symbolic reassurance than as a platform for decisive strategic direction.

Outlook and Expectations

The expected communiqué will be short, with limited references to Ukraine, Russia, China or hybrid warfare. The 5% pledge is likely to serve as a symbolic gesture of transatlantic solidarity. Key long-term issues, such as European defence fragmentation, U.S. reliability and non-conventional threats, remain unresolved. While the summit may reassure partners on both sides of the Atlantic, NATO's resilience will hinge on whether European allies can spend more and plan for the uncertain years ahead.

Authors



Francesco Pietro Loi
Consultant



Owain Richards
Associate Director



Benoit Corimer
Managing Director

Teneo is the global CEO advisory firm.

We partner with our clients globally to do great things for a better future.

Drawing upon our global team and expansive network of senior advisors, we provide advisory services across our five business segments on a stand-alone or fully integrated basis to help our clients solve complex business challenges. Our clients include a significant number of the Fortune 100 and FTSE 100, as well as other corporations, financial institutions and organizations.

Our full range of advisory services includes strategic communications, investor relations, financial transactions and restructuring, management consulting, physical and cyber risk, organizational design, board and executive search, geopolitics and government affairs, corporate governance and ESG.

The firm has more than 1,600 employees located in 40+ offices around the world.

teneo.com