Besides Losing the Proxy War in Ukraine, NATO Also is Losing the Economic War with BRICS

By Larry C. Johnson – Sonar 21, 26 August 2025

Russia's Special Military Operation (*SMO*) has inflicted massive attrition on Ukraine's military capabilities and has also exposed the weakness and limitations of the NATO countries to provide replacement weapons, ammunition and combat vehicles. The *SMO* also has demonstrated the superiority of Russian weapons compared to those of NATO. Russia, for instance, has successfully employed at least four types of *hypersonic* missiles, while NATO has not fielded even one.

But NATO is not just struggling to remain relevant on the battlefield… it also is losing on the economic front to the BRICS nations. Let's examine the current debt-to-GDP ratio for the NATO members. It ain't a pretty picture.

The debt-to-GDP ratio for NATO countries in 2025 varies significantly across the 32 member states, reflecting diverse fiscal policies, economic conditions, and military spending commitments. Below is a comprehensive overview based on available data from web sources, particularly focusing on the most recent estimates for 2025. Note that exact figures for some countries may be projections or slightly outdated (e.g., 2024 data), as not all nations publish real-time debt statistics. I've prioritized the most authoritative and recent sources, including web results from *SIPRI* and *World Population Review*, and supplemented with IMF and OECD estimates where available. Where precise 2025 data is unavailable, I've noted the latest figures and trends.

Why is this a relevant measurement? The debt-to-GDP ratio measures a country's general government debt (including central, state, and local government obligations) as a percentage of its gross domestic product (GDP). High ratios indicate greater debt burdens relative to economic output, potentially limiting fiscal flexibility, while low ratios suggest room for borrowing

In general, the NATO countries with the largest economies are also heavily burdened with debt — i.e., the United States, the United Kingdom, France, Spain, Italy and Canada. The number for Germany is misleading because Germany's debt is growing rapidly — its ratio in 2021 was only 50% — as a consequence of its stagnating economy. Compared to the NATO countries, it's worth noting that Russia's debt-to-GDP ratio in 2025 is estimated at ~19%, significantly lower than most NATO countries. This low ratio provides Russia with fiscal flexibility to manage its budget deficit (2.2% of GDP in 2025) and sustain war-related spending, unlike high-debt NATO members like France or Italy, which face tighter constraints.

But Russia is not fighting the West alone. Let's look at the debt-to-GDP ratio for the BRICS nations. As I did with the NATO countries, I am providing a detailed breakdown of the general government debt-to-GDP ratios for the BRICs countries, based on the most recent data and projections available from sources like the IMF, *World Population Review*, and *Trading Economics*, as provided in the web results. Where exact 2025 figures are unavailable, I've used 2024 data with noted trends for 2025. The ratios are for general government debt (including central, state, and local obligations) unless otherwise specified.

Apart from having a healthier debt-to-GDP ratio than the NATO countries as a whole, the projected economic growth for the BRICS countries in 2025 is also better — approximately 3.4% as a group — which outpaced the global average for the NATO countries of 2.8% and the G7's 1.2%. Here are the stats for the individual BRICS nations and new members:

• India: 6.2% (fastest growing among major economies)
• China: 4.8%
• Brazil: 2.3%
• Russia: 1.4% (following 4.3% in 2024)
• South Africa: 1.0%
• Ethiopia (new BRICS member): 6.6%
• Other new members such as Indonesia and the UAE are also posting strong numbers (4.7% and 4%, respectively).

BRICS is currently leading global growth, now accounting for more than 40% of the world's GDP according to IMF (PPP terms), with India and China as the primary drivers.

Some NATO members continue to issue bellicose threats directed at Russia, but as the numbers above reveal, NATO is economically impotent to actually confront Russia. Several key members of NATO — i.e. Germany, the United Kingdom and France — are in recession and are facing strong economic headwinds that will put greater strain on their already fragile economies. What does this mean in practical terms? None of these countries have the financial resources to build new military production plants; they don't have spare cash stashed away to purchase new weapon systems from the US and then send them to Ukraine; and they don't have the means to build up their armed forces and equip them with modern gear and loads of ammunition required to sustain operations on the 21st-century battlefield.

For my friends in Europe, I have some bad news… you are no longer relevant as a military force. After 15 centuries of dominating world events, you are now entering the age of impotence. But, you ain't going alone… the United States is following you on this path to irrelevancy.