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Military Spending by Foreign Nations: Data from Selected Public Sources

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Military Spending by Foreign Nations: Data from Selected Public Sources

Summary

This report provides data on defense spending of foreign nations from two sources: the U.S. State Department's *World Military Expenditures and Arms Transfers* (WMEAT) and the London-based International Institute for Strategic Studies (IISS), *The Military Balance*.

Although the Department of State and IISS endeavor to provide consistent and accurate information, cross-national comparison of military spending are inherently imperfect. Available sets of data are useful but inevitably suffer from shortcomings of one type or another.

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Military Spending by Foreign Nations: Data from Selected Public Sources

More or less reliable estimates of military spending by foreign nations are available from a number of sources. This CRS Report collates data on foreign military budgets from two of the most commonly cited and readily available publications: (1) *World Military Expenditures and Arms Transfers*, published approximately annually by the U.S. Department of State, Bureau of Arms Control (formally the U.S. Arms Control and Disarmament Agency (ACDA)) and (2) *The Military Balance*, published in October of each year by the London-based International Institute for Strategic Studies (IISS).¹

Although the Department of State and IISS endeavor to provide consistent and accurate information, cross-national comparison of military spending are inherently imperfect. All of the available sets of data suffer from more or less serious shortcomings. These data sets are used by experts principally for discussion purposes.

World Military Expenditures and Arms Transfers (WMEAT)

The Bureau of Arms Control's World Military Expenditures and Arms Transfers (WMEAT, pronounced "we-meet") report provides the most consistent set of data and also provides figures for a ten year period.² For NATO members, the Bureau of Arms Control (BAC) measures military expenditures according to a common definition that includes military retired pay and military-type expenditures of defense ministries. For other countries, WMEAT generally reports expenditures of the ministry of defense. The most recent 1998 report converts most countries' expenditures into dollars using 1997 exchange rates.

The WMEAT ranks the 167 countries based on 7 absolute variables and 10 ratios based on these variables. These variables are military expenditures, armed forces, arms exports, arms imports, gross national product, central government expenditures, and population. Some countries are ranked based on estimates.

¹ Other common reference sources of data, not cited here, include the United Nations, the Stockholm International Peace Research Institute (SIPRI), the North Atlantic Treaty Organization (for NATO member nations), and the U.S. Department of Defense (for allied military spending).

² To see this report on-line, go to this State Department link:
[http://www.state.gov/www/global/arms/bureau_ac/wmeat98/wmeat98.html].

Hence, some countries are ranked without having military expenditures listed in the chart.

A major shortcoming of the WMEAT report in the past has been its lack of timeliness. A second problem is the use of exchange rates of a single, base year – most recently 1997. Because the WMEAT reports spending over time, it is necessary to use a single base year, otherwise the estimates would measure trends in the value of the dollar rather than trends in military programs. But this comes at a cost, because the value of the dollar has fallen substantially against many currencies since the mid-1980s. Therefore, the estimates of foreign military spending in dollars in earlier years may be understated compared to spending at then-current exchange rates.

The Military Balance

In *The Military Balance*, military expenditure is defined³ – according to the NATO standard definition – as the cash outlays of central or federal government to meet costs of national armed forces. The term “armed forces” includes strategic, land, naval, air, command, administration and support forces. It also includes paramilitary forces, such as the *gendarmerie*, customs service and border guard if these operate under military authority during war.

IISS produces up-to-date estimates for all nations in October each year, and its information is the most current. IISS uses data from national governments, NATO, the United Nations, the Organization for Security and Cooperation in Europe (OSCE) and the International Monetary Fund. However, consistent and accurate defense spending for most countries is not available even from these sources. Most countries do not publish their defense spending figures or do not report them accurately to these organizations. Therefore, IISS estimates some countries’ defense expenditures from several sources.

For most countries, IISS converts budget data into dollars using current exchange rates in US Dollars. For countries where basic economic data is hard to obtain, such as former command economies like China⁴, Russia or countries in conflict, IISS uses purchasing power parity (PPP) estimates for its conversions. PPPs measure the relative purchasing power of different currencies over equivalent goods and services. This method may better account for the substantial differences in relative prices for defense goods.

The following table provides data for all nations’s with military budgets over \$50 million, according to IISS figures. The data is rank-ordered according to the State Department’s WMEAT report.

³ See IISS, *The Military Balance: 2000-2001*, p. 10.

⁴For a discussion of estimates of China’s actual and future projected military expenditures, see CRS Report RL30757, *China's Emergence as a Major Economic Power: Implications for U.S. Interests*, by Dick Nanto and Radha Sinha.

Table 1. Top 50 Defense Spending By Foreign Nations:
Data from the U.S. Department Of State and IISS
 (current year U.S. dollars in millions)

Country	Rank	US Dept. of State: WMEAT 1998		IISS: Military Balance 2000-2001	
		Defense Expenditures (1997 data)	% GDP	Defense Expenditures (1999 data)	GDP
United States	1	276,300	3.3	275,500	2.9%
China — Mainland	2	74,910	2.2	* 39,500	5.4%
Russia	3	41,730	5.8	*56,000	*5.1%
France	4	41,520	3.0	37,100	2.7%
Japan	5	40,840	1.0	40,800	0.9%
United Kingdom	6	35,290	2.8	36,900	2.6%
Germany	7	32,870	1.6	31,100	1.6%
Italy	8	22,720	2.0	22,000	2.0%
Saudi Arabia	9	21,150	14.4	21,800	15.5%
Korea, South	10	15,020	3.4	12,000	2.9%
Brazil	11	14,150	1.8	16,000	2.7%
China — Taiwan	12	13,060	4.6	15,000	5.2%
India	13	10,850	2.8	14,200	3.2%
Israel	14	9,335	9.7	8,900	8.9%
Australia	15	8,463	2.2	7,800	2.0%
Canada	16	7,800	1.3	7,800	1.2%
Turkey	17	7,792	4.0	10,100	5.4%
Spain	18	7,670	1.5	7,300	1.3%
Netherlands	19	6,839	1.9	6,900	1.8%
Korea, North	20	6,000	27.5	2,100	14.3% E
Singapore	21	5,664	5.7	4,700	5.6%
Poland	22	5,598	2.3	3,200	2.0%
Sweden	23	5,550	2.5	5,200	2.3%
Greece	24	5,533	4.6	5,300	4.9%
Indonesia	25	4,812	2.3	1,500	1.1%
Iran	26	4,726	3.0	5,700	5.2%
Mexico	27	4,294	1.1	4,300	0.9%
Ukraine	28	4,285	3.8	1,400	2.9%
Switzerland	29	3,859	1.5	3,100	1.3%
Argentina	30	3,701	1.2	5,400	1.9%
Belgium	31	3,686	1.5	3,400	1.4%
Colombia	32	3,456	3.7	2,200	2.9%
Syria	33	3,403	5.6	1,900	4.9%
Vietnam	34	3,387	2.8	890 E	3.0%
Pakistan	35	3,381	5.7	3,500	5.7%
Thailand	36	3,380	2.3	2,600	1.9%
Burma (Myanmar)	37	NA	NA	*2,000	*6.9%
Norway	38	3,253	2.1	3,300	2.2%
Chile	39	2,864	3.9	2,700	4.0%
Denmark	40	2,804	1.7	2,700	1.6%
Kuwait	41	2,761	7.5	3,200	10.8%

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Country	Rank	US Dept. of State: WMEAT 1998		IISS: Military Balance 2000-2001	
		Defense Expenditures (1997 data)	% GDP	Defense Expenditures (1999 data)	GDP
Portugal	42	2,389	2.4	2,300	2.2%
Uzbekistan	43	NA	NA	615	3.9%
South Africa	44	2,322	1.9	1,800	1.4%
United Arab Emirates	45	2,306	6.8	3,200	6.2%
Romania	46	2,285	2.4	607	1.8%
Egypt	47	2,176	2.8	3,000	3.4%
Malaysia	48	2,089	2.2	3,200	4.1%
Libya	49	NA	NA	1,500 E	5.8% E
Nigeria	50	2,001	1.4	2,200 E	4.4% E

* These numbers are based on purchasing power parity (PPP) estimates. PPPs measure the relative purchasing power of different currencies over equivalent goods and services. This method better accounts for the substantial differences in relative prices for defense goods.

E These data were estimated by IISS and not based on reported data from the individual country.

**Table 2. Defense Spending By Foreign Nations Alphabetically:
Data from the U.S. Department Of State and IISS**
(current year U.S. dollars in millions)

Country	Rank	US Dept. of State: WMEAT 1998		IISS: Military Balance 2000-2001	
		Defense Expenditures (1997 data)	% GDP	Defense Expenditures (1999 data)	GDP
Afghanistan	76	NA	NA	250	14.7%
Albania	125	64	1.4	139	3.6%
Algeria	56	1,752	3.9	3,100	6.6%
Angola	57	1,552	20.4	1,005 E	16.5% E
Argentina	30	3,701	1.2	5,400	1.9%
Armenia	86	342	3.6	159	8.6%
Australia	15	8,463	2.2	7,800	2.0%
Austria	55	1,794	0.9	1,700	0.9%
Azerbaijan	95	224	1.9	203	4.5%
Bahrain	79	533	10.3	441	7.7%
Bangladesh	78	592	1.4	619	1.5%
Barbados	157	14	NA	12	0.5%
Belarus	69	841	1.7	466	5.0%
Belgium	31	3,686	1.5	3,400	1.4%
Belize	166	0	0.0	17	2.5%
Benin	148	27	1.3	34	1.4%
Bhutan	164	NA	NA	NA	NA
Bolivia	101	150	1.9	149	1.7%
Bosnia and Herzegovina	91	259	5.9	365 E	8.3% E
Botswana	93	241	5.1	260	5.2%
Brazil	11	14,150	1.8	16,000	2.7%
Brunei	84	374	4.6	402	6.7%
Bulgaria	67	949	3.0	392	3.3%
Burkina Faso	123	67	2.8	75	2.1%
Burma (Myanmar)	37	NA	NA	*2,000	*6.9%
Burundi	130	57	6.1	69	6.2%
Cambodia	105	126	4.1	176	5.0%
Cameroon	94	240	3.0	154	1.5%
Canada	16	7,800	1.3	7,800	1.2%
Cape Verde	163	4	0.9	7	2.7%
Central African Republic	142	39	3.9	46	4.2%
Chad	138	43	2.7	47	2.8%
Chile	39	2,864	3.9	2,700	4.0%
China — Mainland	2	74,910	2.2	* 39,500	5.4%
China — Taiwan	12	13,060	4.6	15,000	5.2%
Colombia	32	3,456	3.7	2,200	2.9%
Congo (Kinshasa)	92	252	4.9	411 E	7.8%
Congo (Brazzaville)	120	74	4.1	73	3.3%
Costa Rica	129	58	0.6	69	0.6%
Croatia	58	1,489	6.3	776	4.1%
Cuba	74	NA	NA	750 E	5.0% E

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Country	Rank	US Dept. of State: WMEAT 1998		IISS: Military Balance 2000-2001	
		Defense Expenditures (1997 data)	% GDP	Defense Expenditures (1999 data)	GDP
Cyprus	80	506	6.1	530	6.1%
Czech Republic	51	1,988	1.9	1,169	2.3%
Denmark	40	2,804	1.7	2,700	1.6%
Djibouti	152	20	4.1	22	5.0%
Dominican Republic	98	168	1.2	114	0.9%
Ecuador	72	746	4.0	339	2.3%
Egypt	47	2,176	2.8	3,000	3.4%
El Salvador	111	101	0.9	171	1.1%
Equatorial Guinea	161	NA	NA	10	1.9%
Eritrea	124	65	7.8	309 E	44.0% E
Estonia	109	111	1.5	71	1.6%
Ethiopia	106	117	1.9	444	7.2%
Fiji	135	48	2.4	35	1.9%
Finland	52	1,956	1.7	1,700	1.4%
France	4	41,520	3.0	37,100	2.7%
Gabon	114	90	2.0	135	2.1%
Gambia, The	156	15	3.7	16	3.6%
Georgia	100	158	1.4	111	4.4%
Germany	7	32,870	1.6	31,100	1.6%
Ghana	137	47	0.7	121	1.2%
Greece	24	5,533	4.6	5,300	4.9%
Guatemala	97	NA	NA	114	0.8%
Guinea	131	54	1.5	59	1.6%
Guinea-Bissau	159	8	3.2	6	2.0%
Guyana	160	8	1.1	7	0.9%
Haiti	134	NA	NA	50	1.3%
Honduras	112	NA	NA	95	1.8%
Hungary	61	1,320	1.9	745	1.6%
Iceland	167	0	0.0	18	0.2%
India	13	10,850	2.8	14,200	3.2%
Indonesia	25	4,812	2.3	1,500	1.1%
Iran	26	4,726	3.0	5,700	5.2%
Iraq	63	1,250	4.9	1,300 E	6.8% E
Ireland	73	744	1.2	745	0.9%
Israel	14	9,335	9.7	8,900	8.9%
Italy	8	22,720	2.0	22,000	2.0%
Ivory Coast	110	101	1.1	130	1.0%
Jamaica	132	53	0.9	51	0.8%
Japan	5	40,840	1.0	40,800	0.9%
Jordan	77	626	9.0	569	7.4%
Kazakstan	75	699	1.3	504	3.5%
Kenya	96	206	2.1	327	3.1%
Korea, North	20	6,000	27.5	2,100	14.3% E

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Country	Rank	US Dept. of State: WMEAT 1998		IISS: Military Balance 2000-2001	
		Defense Expenditures (1997 data)	% GDP	Defense Expenditures (1999 data)	GDP
Korea, South	10	15,020	3.4	12,000	2.9%
Kuwait	41	2,761	7.5	3,200	10.8%
Kyrgyzstan	99	159	1.6	51	4.6%
Laos	128	60	3.4	22	2.2%
Latvia	113	97	0.9	58	1.0%
Lebanon	81	465	3.0	575	3.5%
Lesotho	144	32	2.5	34	4.1%
Liberia	162	NA	NA	25 E	5.5 E
Libya	49	NA	NA	1,500 E	5.8% E
Lithuania	103	127	0.8	106	1.0%
Luxembourg	102	134	0.8	138	0.8%
Macedonia	117	83	2.5	67	2.0%
Madagascar	133	53	1.5	43	0.8%
Malawi	150	26	1.0	27	1.8%
Malaysia	48	2,089	2.2	3,200	4.1%
Mali	139	43	1.8	34	1.2%
Malta	146	31	0.9	27	0.8%
Mauritania	151	24	2.3	26	2.1%
Mauritius	158	12	0.3	91	2.0%
Mexico	27	4,294	1.1	4,300	0.9%
Moldova	127	62	1.0	6	0.5%
Mongolia	154	19	1.9	19	1.9%
Morocco	59	1,386	4.3	1,800	5.1%
Mozambique	121	73	2.8	94	4.7%
Namibia	115	90	2.7	120	4.4%
Nepal	140	42	0.8	51	1.0%
Netherlands	19	6,839	1.9	6,900	1.8%
New Zealand	70	766	1.3	824	1.6%
Nicaragua	149	27	1.5	25	0.9%
Niger	153	20	1.1	28	1.6%
Nigeria	50	2,001	1.4	2,200 E	4.4% E
Norway	38	3,253	2.1	3,300	2.2%
Oman	54	1,815	26.1	1,600	10.6%
Pakistan	35	3,381	5.7	3,500	5.7%
Panama	107	114	1.4	128	1.3%
Papua New Guinea	126	63	1.4	46	1.4%
Paraguay	104	127	1.3	128	1.4%
Peru	60	1,352	2.1	888	1.6%
Philippines	62	1,266	1.5	1,600	2.0%
Poland	22	5,598	2.3	3,200	2.0%
Portugal	42	2,389	2.4	2,300	2.2%
Qatar	66	NA	NA	1,400	14.4%
Romania	46	2,285	2.4	607	1.8%
Russia	3	41,730	5.8	*56,000	*5.1%

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Country	Rank	US Dept. of State: WMEAT 1998		IISS: Military Balance 2000-2001	
		Defense Expenditures (1997 data)	% GDP	Defense Expenditures (1999 data)	GDP
Rwanda	119	81	4.4	135	6.1%
Sao Tome and Principe	165	0	0.9	NA	NA
Saudi Arabia	9	21,150	14.4	21,800	15.5%
Senegal	122	69	1.6	81	1.6%
Sierra Leone	136	48	5.9	11 E	1.5%
Singapore	21	5,664	5.7	4,700	5.6%
Slovakia	68	903	2.1	329	1.9%
Slovenia	64	1,218	5.2	337	1.8%
Somalia	145	NA	NA	40 E	4.6% E
South Africa	44	2,322	1.9	1,800	1.4%
Spain	18	7,670	1.5	7,300	1.3%
Sri Lanka	71	762	5.1	807	5.1%
Sudan	82	412	4.6	424 E	4.9% E
Suriname	155	17	1.2	11	2.7%
Swaziland	143	32	2.2	NA	NA
Sweden	23	5,550	2.5	5,200	2.3%
Switzerland	29	3,859	1.5	3,100	1.3%
Syria	33	3,403	5.6	1,900	4.9%
Tajikistan	108	113	1.7	95 E	7.9%
Tanzania	116	87	1.3	141	1.7%
Thailand	36	3,380	2.3	2,600	1.9%
Togo	147	29	2.0	34	2.3%
Trinidad and Tobago	118	83	1.5	62	0.9%
Tunisia	85	359	1.9	355	1.8%
Turkey	17	7,792	4.0	10,100	5.4%
Turkmenistan	88	299	4.6	109 E	3.3% E
Uganda	90	268	4.2	199	2.5%
Ukraine	28	4,285	3.8	1,400	2.9%
United Arab Emirates	45	2,306	6.8	3,200	6.2%
United Kingdom	6	35,290	2.8	36,900	2.6%
United States	1	276,300	3.3	275,500	2.9%
Uruguay	89	279	1.4	318	2.3%
Uzbekistan	43	NA	NA	615	3.9%
Venezuela	53	1,856	2.2	1,329	1.6%
Vietnam	34	3,387	2.8	890 E	3.0%
Yemen	83	411	8.0	429	6.4%
Yugoslavia, Fed. Republic of Serbia and Montenegro	65	1,200	4.9	1,600	12.3%
Zambia	141	41	1.1	88	2.5%
Zimbabwe	87	320	3.8	418	6.1%

Notes:

* These numbers are based on purchasing power parity (PPP) estimates. PPPs measure the relative purchasing power of different currencies over equivalent goods and services. This method better accounts for the substantial differences in relative prices for defense goods.

E These data were estimated by IISS and not based on reported data from the individual country.