

Appendix 5B. NATO military expenditure by category

PETTER STÅLENHEIM and JAN GREBE

Table 5B.1. NATO military expenditure on personnel and equipment, 1998–2007

Figures are in US\$ m. at 2005 prices and exchange rates. Figures in italics are percentage changes from previous year. Iceland, which has no military expenditure, is omitted.

Country	Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<i>North America</i>											
Canada	Personnel	4 896	4 945	5 000	5 104	5 329	5 458	5 784	6 103	6 433	6 545
	Personnel change	8.9	<i>1.0</i>	<i>1.1</i>	<i>2.1</i>	<i>4.4</i>	<i>2.4</i>	<i>6.0</i>	<i>5.5</i>	<i>5.4</i>	<i>1.7</i>
	Equipment	1 247	960	1 413	1 320	1 642	1 651	1 732	1 563	1 629	2 668
	Equipment change	8.6	<i>-23.0</i>	<i>47.2</i>	<i>-6.5</i>	<i>24.4</i>	<i>0.6</i>	<i>4.9</i>	<i>-9.7</i>	<i>4.2</i>	<i>63.8</i>
USA	Personnel	128 080	125 401	129 085	124 894	139 629	159 029	165 465	175 384	171 754	157 770
	Personnel change	<i>-2.6</i>	<i>-2.1</i>	<i>2.9</i>	<i>-3.2</i>	<i>11.8</i>	<i>13.9</i>	<i>4.0</i>	<i>6.0</i>	<i>-2.1</i>	<i>-8.1</i>
	Equipment	84 035	82 072	74 988	88 547	106 232	108 017	118 266	123 491	128 304	136 630
	Equipment change	<i>-3.8</i>	<i>-2.3</i>	<i>-8.6</i>	<i>18.1</i>	<i>20.0</i>	<i>1.7</i>	<i>9.5</i>	<i>4.4</i>	<i>3.9</i>	<i>6.5</i>
<i>Europe</i>											
Belgium	Personnel	3 233	3 274	3 148	3 143	3 168	3 261	3 230	3 174	3 160	3 258
	Personnel change	<i>-1.3</i>	<i>1.3</i>	<i>-3.9</i>	<i>-0.1</i>	<i>0.8</i>	<i>2.9</i>	<i>-1.0</i>	<i>-1.7</i>	<i>-0.4</i>	<i>3.1</i>
	Equipment	278	313	277	327	314	239	241	269	248	290
	Equipment change	<i>-5.3</i>	<i>12.6</i>	<i>-11.4</i>	<i>17.9</i>	<i>-3.8</i>	<i>-24.0</i>	<i>1.1</i>	<i>11.3</i>	<i>-7.8</i>	<i>17.2</i>
Bulgaria	Personnel	..	..	..	..	..	..	349	335	326	344
	Personnel change	..	..	..	..	..	..	..	<i>-3.9</i>	<i>-2.7</i>	<i>5.6</i>
	Equipment	..	..	..	..	..	..	115	111	104	129
	Equipment change	..	..	..	..	..	..	..	<i>-3.6</i>	<i>-6.3</i>	<i>23.9</i>

Czech Rep.	Personnel	..	..	885	928	965	961	1 108	1 043	1 050	1 038
	Personnel change	..	..	..	4.9	4.0	-0.5	15.3	-5.8	0.6	-1.1
	Equipment	..	..	464	410	370	447	334	206	323	313
	Equipment change	..	..	..	-11.6	-9.7	20.7	-25.3	-38.4	57.3	-3.2
Denmark	Personnel	2 220	2 206	1 940	1 975	1 940	1 865	1 945	1 908	1 847	1 898
	Personnel change	3.2	-0.6	-12.0	1.8	-1.8	-3.9	4.3	-2.0	-3.1	2.8
	Equipment	512	419	525	633	503	583	698	388	584	509
	Equipment change	1.9	-18.1	25.3	20.6	-20.6	15.9	19.8	-44.5	50.6	-12.8
Estonia	Personnel	..	..	..	..	..	..	62.5	59.6	58.2	74.2
	Personnel change	..	..	..	..	..	..	..	-4.6	-2.3	27.5
	Equipment	..	..	..	..	..	..	24.0	24.3	32.4	49.8
	Equipment change	..	..	..	..	..	..	..	1.3	33.3	53.6
France	Personnel	30 515	30 639	30 315	30 287	30 999	31 001	31 016	30 704	30 053	29 946
	Personnel change	3.3	0.4	-1.1	-0.1	2.3	0.0	0.0	-1.0	-2.1	-0.4
	Equipment	9 745	9 851	9 466	9 700	9 761	10 795	11 322	11 284	12 340	12 000
	Equipment change	-14.4	1.1	-3.9	2.5	0.6	10.6	4.9	-0.3	9.4	-2.8
Germany	Personnel	25 061	25 003	24 959	24 408	24 127	24 065	23 006	22 168	21 200	20 935
	Personnel change	-2.2	-0.2	-0.2	-2.2	-1.2	-0.3	-4.4	-3.6	-4.4	-1.2
	Equipment	5 200	5 519	5 559	5 677	5 706	5 505	5 743	5 395	5 571	5 659
	Equipment change	18.3	6.1	0.7	2.1	0.5	-3.5	4.3	-6.1	3.3	1.6
Greece	Personnel	4 758	5 062	5 502	5 506	4 493	4 211	4 781	5 005	5 186	5 469
	Personnel change	5.8	6.4	8.7	0.1	-18.4	-6.3	13.5	4.7	3.6	5.5
	Equipment	1 625	1 597	1 569	1 308	870	603	454	1 032	1 047	1 205
	Equipment change	15.8	-1.7	-1.7	-16.6	-33.5	-30.6	-24.8	127.4	1.4	15.2
Hungary	Personnel	..	641	736	796	798	849	797	768	745	660
	Personnel change	..	..	14.8	8.2	0.2	6.4	-6.2	-3.6	-3.0	-11.4
	Equipment	..	288	187	175	180	179	191	135	129	166
	Equipment change	..	..	-35.2	-6.6	3.1	-0.4	6.6	-29.6	-4.3	28.9

Country	Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Italy	Personnel	22 559	23 662	24 334	24 263	25 500	25 250	26241	25 849	26 568	26 332
	Personnel change	0.5	4.9	2.8	-0.3	5.1	-1.0	3.9	-1.5	2.8	-0.9
	Equipment	3 824	3 737	4 890	3 459	4 268	4 489	4 075	3 049	2 336	3 606
	Equipment change	13.2	-2.3	30.8	-29.3	23.4	5.2	-9.2	-25.2	-23.4	54.4
Latvia	Personnel	..	..	..	..	..	..	78.5	101	115	118
	Personnel change	..	..	..	..	..	..	..	29.2	13.1	2.8
	Equipment	..	..	..	..	..	..	13.3	17.7	36.0	44.7
	Equipment change	..	..	..	..	..	..	..	32.9	103	24.3
Lithuania	Personnel	..	..	..	..	..	..	163	177	185	204
	Personnel change	..	..	..	..	..	..	..	8.7	4.2	10.3
	Equipment	..	..	..	..	..	..	39.2	46.5	57.4	71.5
	Equipment change	..	..	..	..	..	..	..	18.8	23.3	24.6
Luxembourg	Personnel	144	145	147	166	173	180	187	184	188	191
	Personnel change	5.1	0.2	1.9	12.9	3.9	4.3	3.9	-1.8	2.3	1.6
	Equipment	12.1	9.6	9.0	29.4	14.7	16.8	19.7	27.9	21.3	83.5
	Equipment change	101	-21.4	-5.7	227	-50.1	14.7	16.8	41.9	-23.5	291
Netherlands	Personnel	4 764	4 759	4 635	4 491	4 788	4 990	4 823	4 830	4 787	4 720
	Personnel change	-6.9	-0.1	-2.6	-3.1	6.6	4.2	-3.3	0.1	-0.9	-1.4
	Equipment	1 399	1 614	1 554	1 559	1 484	1 416	1 595	1 528	1 638	1 852
	Equipment change	-2.9	15.4	-3.7	0.4	-4.9	-4.5	12.6	-4.2	10.1	10.1
Norway	Personnel	1 689	1 755	1 776	1 712	1 996	2 038	2 144	2 092	2 190	2 085
	Personnel change	4.5	3.9	1.2	-3.6	16.6	2.1	5.2	-2.4	4.7	-4.8
	Equipment	1 120	1 017	846	928	1 248	1 105	1 188	1 029	936	1 185
	Equipment change	8.3	-9.1	-16.8	9.7	34.5	-11.5	7.5	-13.4	-9.0	26.6
Poland	Personnel	..	3 064	2 959	3 121	3 119	3 258	3 233	3 173	3 128	3 442
	Personnel change	..	..	-3.4	5.5	-0.1	4.5	-0.8	-1.9	-1.4	10.0
	Equipment	..	546	416	428	534	624	776	808	1 058	1 585
	Equipment change	..	..	-23.7	3.0	24.7	16.9	24.4	4.0	31.0	49.8

Portugal	Personnel	2 657	2 809	2 846	2 924	2 356	2 144	2 165	2 381	2 319	2 137
	Personnel change	1.3	5.7	1.3	2.7	-19.4	-9.0	1.0	9.9	-2.6	-7.8
	Equipment	123	141	223	192	115	202	222	280	271	342
	Equipment change	-54.6	15.2	57.9	-13.8	-40.0	74.9	10.0	25.9	-3.1	26.2
Romania	Personnel	..	..	..	..	..	..	944	1 126	1 218	1 483
	Personnel change	..	..	..	..	..	..	..	19.2	8.2	21.8
	Equipment	..	..	..	..	..	..	477	394	489	456
	Equipment change	..	..	..	..	..	..	..	-17.4	23.9	-6.7
Slovakia	Personnel	..	..	..	..	..	..	384	384	410	452
	Personnel change	..	..	..	..	..	..	..	0.0	6.8	10.3
	Equipment	..	..	..	..	..	..	79.0	122	106	161
	Equipment change	..	..	..	..	..	..	..	53.8	-12.7	51.7
Slovenia	Personnel	..	..	..	..	..	..	311	329	366	367
	Personnel change	..	..	..	..	..	..	..	5.9	11.2	0.3
	Equipment	..	..	..	..	..	..	93.4	48.6	74.3	43.5
	Equipment change	..	..	..	..	..	..	..	-48.0	52.8	-41.4
Spain	Personnel	7 028	7 050	7 079	7 112	7 168	7 062	7 064	7 124	7 395	7 858
	Personnel change	0.3	0.3	0.4	0.5	0.8	-1.5	0.0	0.8	3.8	6.3
	Equipment	1 248	1 232	1 433	1 419	3 035	2 815	2 993	2 879	3 000	3 305
	Equipment change	-13.4	-1.3	16.3	-1.0	114	-7.3	6.3	-3.8	4.2	10.2
Turkey	Personnel	7 203	7 718	7 161	6 504	6 305	5 605	5 452	5 374	5 384	5 434
	Personnel change	4.8	7.2	-7.2	-9.2	-3.1	-11.1	-2.7	-1.4	0.2	0.9
	Equipment	3 069	4 187	4 495	4 798	4 333	4 700	3 605	3 074	3 828	3 785
	Equipment change	-19.9	36.4	7.4	6.8	-9.7	8.5	-23.3	-14.7	24.5	-1.1
UK	Personnel	18 301	18 048	18 436	19 408	19 866	20 127	19 931	23 249	23 034	22 111
	Personnel change	-2.9	-1.4	2.1	5.3	2.4	1.3	-1.0	16.6	-0.9	-4.0
	Equipment	12 741	12 776	12 416	11 871	11 797	11 505	11 439	12 910	12 087	12 988
	Equipment change	6.7	0.3	-2.8	-4.4	-0.6	-2.5	-0.6	12.9	-6.4	7.4

Country	Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NATO Europe (23 countries)											
	Personnel	130 132	135 834	136 857	136 764	137 762	136 867	139 415	141 537	140 911	140 558
	Personnel change	0.3	4.4	0.8	-0.1	0.7	-0.6	1.9	1.5	-0.4	-0.3
	Equipment	40 895	43 247	44 328	42 914	44 535	45 226	45 737	45 055	46 360	49 830
	Equipment change	-1.1	5.8	2.5	-3.2	3.8	1.6	1.1	-1.5	2.9	7.5
NATO Europe (pre-2004 members; 16 countries)											
	Personnel	130 132	135 834	136 857	136 746	137 762	136 867	137 123	139 024	138 234	137 515
	Personnel change	0.3	4.4	0.8	-0.1	0.7	-0.6	0.2	1.4	-0.6	-0.5
	Equipment	40 895	43 247	44 328	42 914	44 535	45 226	44 896	44 291	45 461	48 874
	Equipment change	-1.1	5.8	2.5	-3.2	3.8	1.6	-0.7	-1.3	2.6	7.5
NATO Europe (pre-1999 members; 13 countries)											
	Personnel	130 132	132 129	132 227	131 900	132 879	131 799	131 985	134 040	133 311	132 375
	Personnel change	0.3	1.5	0.1	-0.3	0.7	-0.8	0.1	1.6	-0.5	-0.7
	Equipment	40 895	42 413	43 261	41 901	43 450	43 975	43 594	43 144	43 951	46 810
	Equipment change	-1.1	3.7	2.0	-3.1	3.7	1.2	-0.9	-1.0	1.9	6.5
NATO total (25 countries)											
	Personnel	263 107	266 181	270 942	266 743	282 719	301 354	310 664	323 023	319 098	304 872
	Personnel change	-1.0	1.2	1.8	-1.5	6.0	6.6	3.1	4.0	-1.2	-4.5
	Equipment	126 177	126 279	120 729	132 781	152 409	154 894	165 735	170 109	176 293	189 128
	Equipment change	-3.0	0.1	-4.4	10.0	14.8	1.6	7.0	2.6	3.6	7.3
NATO total (pre-2004 members; 18 countries)											
	Personnel	263 107	266 181	270 942	266 743	282 719	301 354	308 372	320 511	316 421	301 829
	Personnel change	-1.0	1.2	1.8	-1.5	6.0	6.6	2.3	3.9	-1.3	-4.6
	Equipment	126 177	126 279	120 729	132 781	152 409	154 894	164 893	169 345	175 394	188 173
	Equipment change	-3.0	0.1	-4.4	10.0	14.8	1.6	6.5	2.7	3.6	7.3

NATO total (pre-1999 members; 15 countries)

Personnel	263 107	262 475	266 362	261 898	277 837	296 285	303 234	315 526	311 498	296 689
Personnel change	-1.0	-0.2	1.5	-1.7	6.1	6.6	2.3	4.1	-1.3	-4.8
Equipment	126 177	125 445	119 662	131 768	151 324	153 643	163 592	168 198	173 884	186 108
Equipment change	-3.0	-0.6	-4.6	10.1	14.8	1.5	6.5	2.8	3.4	7.0

Notes: The figures in this table are based on NATO statistics on the distribution of total military expenditure by category. The figures here are calculated by applying the shares for personnel and equipment to the figures for total military expenditure converted to constant 2005 US dollars using consumer price indices and market exchange rates from the IMF International Financial Statistics database, <<http://www.imfstatistics.org/imf/>>.

Data are included in the totals for NATO and NATO Europe from the year of accession (1999 for Hungary, Poland and Romania; 2004 for Bulgaria, Estonia, Latvia, Lithuania, Slovakia and Slovenia). Additional series are provided for total spending of the states that have been members throughout the period 1998–2007 (15 in NATO and 13 in NATO Europe; Belgium, Canada, Denmark, France, Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Turkey, UK, USA) and for those that have been members throughout the period 1999–2007 (18 in NATO and 16 in NATO Europe) in order to show the trend for a consistent group of countries.

In 2004 NATO member states agreed on a change in the definition of military expenditure. For all countries except France, Italy, Luxembourg and the Netherlands, figures from 2002 are reported according to the new definition (i.e. excluding 'Other Forces' that are not 'realistically deployable'). Data reported by France, Italy, Luxembourg and the Netherlands do not entirely conform with the new definition. For Greece, Hungary, Portugal and Turkey the change in definitions has made a big difference. All data are reported according to the old definition up to and including 2002 and for personnel up to 2003, creating two breaks in all series except for the countries that have not changed definitions—one between 2001 and 2002 and one between 2002 and 2003.

Sources: NATO, 'Financial and economic data relating to NATO defence: defence expenditures of NATO countries (1980–2002)', Press Release M-DPC-2(2002)139, 20 Dec. 2002; NATO, 'Financial and economic data relating to NATO defence: defence expenditures of NATO countries (1980–2003)', Press Release (2003)146, 1 Dec. 2003; NATO, 'NATO–Russia compendium of financial and economic data relating to defence', Information for the press, 9 June 2005; NATO, 'NATO–Russia compendium of financial and economic data relating to defence: defence expenditures of NRC countries (1985–2005)', Press Release (2005)161, 9 Dec. 2005; NATO, 'NATO–Russia compendium of financial and economic data relating to defence: defence expenditures of NRC countries (1985–2006)', Press Release (2006)159, 18 Dec. 2006; and NATO, 'NATO–Russia compendium of financial and economic data relating to defence', Information for the press, 18 Dec. 2007—all available from <http://www.nato.int/issues/defence_expenditures/>.