

## I. Global developments in military expenditure

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World military expenditure is estimated to have been \$1747 billion in 2013, a fall of 1.9 per cent in real terms since 2012. This represents an acceleration of the slight decline that began in 2012 after more than a decade of rising spending (see table 4.1 and figure 4.1). However, military spending was still 26 per cent higher in real terms than in 2004. Total world military expenditure as a share of global gross domestic product (GDP)—the global ‘military burden’—remained stable, at around 2.4 per cent.

The fall in the global total is the result of a 7.8 per cent real-terms fall in spending by the United States, which outweighed increases elsewhere. Total military spending in the world excluding the USA increased by 1.8 per cent in real terms in 2013. In general, the trends identified in *SIPRI Yearbook 2013* became more pronounced in 2013: namely, a continuing fall in military expenditure in Western countries—this is, in North America, Western and Central Europe, and Oceania—and an increase in the rest of the world.<sup>1</sup> Indeed, military expenditure increased in real terms in 2013 in all regions and subregions other than the above three, with the largest relative increases being in Africa (see figure 4.2).

Over the decade 2004–13, the highest increases in military spending were in North Africa (by 137 per cent), followed by Eastern Europe (by 112 per cent) and Central America and the Caribbean (by 94 per cent). All regions and subregions increased military spending over this period, except for Western and Central Europe, where spending fell by 7.6 per cent (see tables 4.1 and 4.2). In North America, Western and Central Europe, and Oceania, military expenditure peaked in 2009 or 2010. Elsewhere, rates of growth have slowed in Latin America and Asia since 2009, but they have accelerated in the Middle East and North Africa.

### Regional trends

In Western and Central Europe, a majority of countries continued to cut military spending as austerity policies were maintained in most of the region. The falls in the region since the beginning of the financial and economic crisis in 2008 are no longer confined to Central Europe and the ‘crisis’ countries of Western Europe. Decreases of over 10 per cent in real terms since 2008 have now been recorded in Austria, Belgium, Greece, Ireland, Italy, the Netherlands, Spain and the United Kingdom, as well as

<sup>1</sup> Perlo-Freeman, S., Solmirano, C. and Wilandh, H., ‘Global developments in military expenditure’, *SIPRI Yearbook 2013*.

**Table 4.1. Military expenditure by region, by international organization and by income group, 2004–13**

Figures for 2004–13 are in US\$ b. at constant (2011) prices and exchange rates. Figures for 2013 in the right-most column, marked \*, are in current US\$ b. for 2013. Figures do not always add up to totals because of the conventions of rounding.

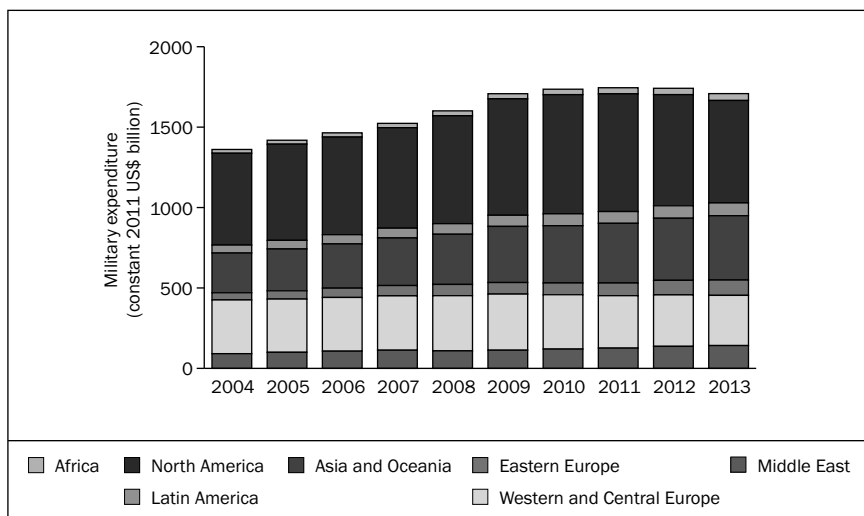
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013*
<b>World total</b>	<b>1 361</b>	<b>1 419</b>	<b>1 465</b>	<b>1 523</b>	<b>1 601</b>	<b>1 708</b>	<b>1 736</b>	<b>1 745</b>	<b>1 742</b>	<b>1 709</b>	<b>1 747</b>
<i>Geographical regions</i>											
Africa	23.5	24.4	26.1	(26.8)	(30.4)	(31.8)	(33.8)	(37.8)	(39.4)	(42.7)	(44.9)
North Africa	7.6	7.9	7.9	8.5	10.1	(11.1)	(12.1)	(15.2)	16.4	(18.0)	(18.7)
Sub-Saharan Africa	15.9	16.5	(18.2)	(18.3)	(20.4)	(20.6)	(21.7)	(22.6)	(23.0)	(24.7)	(26.2)
Americas	620	651	665	685	737	793	815	805	769	717	736
Central America and the Caribbean	4.7	5.1	5.6	6.2	6.3	7.1	7.7	8.0	8.7	9.2	9.6
North America	571	598	607	625	671	724	741	732	691	637	659
South America	44.7	48.6	51.9	54.4	59.4	62.2	66.3	65.2	69.3	70.4	67.4
Asia and Oceania	247	260	275	296	312	349	356	371	386	400	407
Central and South Asia	42.3	45.0	45.5	46.7	51.1	58.8	60.1	61.4	62.1	62.9	63.7
East Asia	157	167	180	194	204	229	235	249	261	274	282
Oceania	22.3	23.0	24.3	25.7	26.6	28.6	28.9	28.5	27.4	26.5	25.9
South East Asia	25.0	25.4	26.1	29.8	30.6	32.1	31.6	32.9	35.0	36.8	35.9
Europe	379	383	392	402	413	421	411	405	411	408	410
Eastern Europe	44.8	51.5	57.9	64.1	70.0	71.8	73.1	78.9	90.5	95.3	98.5
Western and Central Europe	334	331	334	338	343	349	338	326	320	312	312
Middle East	91.5	100	107	113	109	113	120	126	137	(142)	(150)
<i>Organizations</i>											
African Union	26.1	26.8	28.6	29.3	(31.1)	(33.3)	(34.9)	(38.7)	(40.0)	(42.9)	(45.1)
Arab League	73.2	79.5	84.0	93.9	95.8	101	108	118	131	(138)	(146)
CSTO	42.4	48.3	53.7	59.0	64.5	67.4	69.0	73.6	85.0	89.2	92.5
ECOWAS	2.2	2.1	2.2	2.6	3.1	3.3	3.6	3.8	3.6	3.7	4.2
European Union	299	298	300	307	312	317	306	294	287	278	279

NATO	881	905	918	938	990	1 051	1 057	1 036	990	928	949
NATO Europe	310	308	311	314	319	327	316	304	299	291	291
OSCE	950	982	1 001	1 028	1 086	1 147	1 154	1 139	1 105	1 047	1 071
SADC	7.7	8.9	9.4	8.9	10.0	10.1	10.3	10.3	10.7	12.4	12.5
SCO	105	119	137	155	170	195	204	220	243	259	280
<i>Income group</i>											
Low	5.2	(5.3)	(6.1)	(6.6)	(6.7)	(6.9)	(7.9)	(8.8)	(8.5)	(9.3)	(10.3)
Lower middle	69.9	72.1	74.0	78.6	82.3	91.0	93.1	95	99	101	101
Upper middle	169	185	204	220	236	263	275	293	311	329	346
High	1 117	1 157	1 182	1 218	1 277	1 347	1 360	1 349	1 324	1 270	1 289
<i>World military spending per capita (current US\$)</i>	162	173	183	201	224	230	240	253	252	248	
<i>World military burden (i.e. world military spending as a % of world gross domestic product, both measured in current US\$)</i>	2.4	2.4	2.4	2.3	2.4	2.6	2.6	2.5	2.4	2.4	

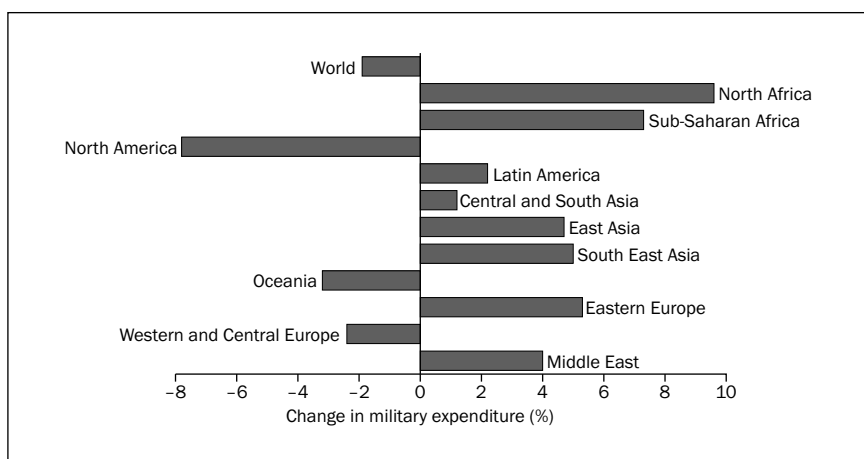
( ) = total based on country data accounting for less than 90% of the regional total; . . = available data account for less than 60% of the regional total.

Notes: The totals for the world, regions, organizations and income groups are estimates, based on data in table 4.11 for the countries covered by the SIPRI Military Expenditure Database. When military expenditure data for a country is missing for a few years, estimates are made, most often on the assumption that the rate of change in that country's military expenditure is the same as that for the region to which it belongs (see also 'Sources and methods' below). When no estimates can be made, countries are excluded from the totals. The countries excluded from all totals here are Cuba, North Korea, Myanmar and Somalia. Totals for regions and income groups cover the same groups of countries for all years. Totals for organizations cover only the member countries in the year given. The coverage of the geographical regions and subregions is based on the grouping of countries in tables 4.10–4.12. Income groups are based on the World Bank World Development Indicators 2013 with a gross national income per capita in 2011 of \$1005 or less for low-income countries; \$1006–\$3975 for lower-middle-income countries; \$3976–\$12 275 for upper-middle-income countries; and more than \$12 275 for high-income countries.

Sources: SIPRI Military Expenditure Database, <<http://www.sipri.org/databases/milex/>>; International Monetary Fund (IMF), *World Economic Outlook: Coping with High Debt and Sluggish Growth* (IMF: Washington, DC, Oct. 2012); and United Nations Population Fund (UNFPA), *State of World Population, 2003–12* (UNFPA: New York, 2003–12).



**Figure 4.1.** World military expenditure by region, 2004–13



**Figure 4.2.** Changes in military expenditure, by region, 2012–13

all countries in Central Europe except Poland (where spending increased by 12 per cent). However, France’s military spending was still only 4 per cent lower in 2013, while Germany’s was slightly (4 per cent) higher. The largest fall among major European countries in 2013 was in Spain, by 13 per cent.

Military expenditure in Latin America (i.e. in South America and Central America and the Caribbean) increased by 2.2 per cent in real terms in 2013 and by 61 per cent between 2004 and 2013. In contrast to previous years,

**Table 4.2.** Key military expenditure statistics by region, 2013

Region/ subregion	Military expenditure, 2013 (US\$ b.)	Change (%) <sup>a</sup>		Major changes, 2013 (%) <sup>b</sup>			
		2012–13	2004–13	Increases		Decreases	
<i>Africa</i>	(44.9)	8.3	81	Ghana	129	Madagascar	-25
North Africa	(18.7)	9.6	137	Angola	36	Botswana	-7.5
Sub-Saharan Africa	(26.2)	7.3	55	DRC	34	Uganda	-7.0
				Zambia	15	Nigeria	-5.1
<i>Americas</i>	736	-6.8	16	Paraguay	33	Jamaica	-9.0
Central America and Caribbean	9.6	6.0	94	Honduras	22	USA	-7.8
North America	659	-7.8	12	Nicaragua	18	El Salvador	-4.5
South America	67.4	1.6	58	Colombia	13	Brazil	-3.9
<i>Asia and Oceania</i>	407	3.6	62	Afghanistan	77	Timor-Leste	-12
Central and South Asia	63.7	1.2	49	Philippines	17	Australia	-3.6
East Asia	282	4.7	74	Sri Lanka	12	Taiwan	-2.6
Oceania	25.9	-3.2	19	Kazakhstan	10		
South East Asia	35.9	5.0	47				
<i>Europe</i>	410	-0.7	7.6	Ukraine	16	Spain	-13
Eastern Europe	98.5	5.3	112	Belarus	15	Albania	-13
Western and Central Europe	312	-2.4	-6.5	Latvia	9.3	Hungary	-11
				Switzerland	9.0	Netherlands	-8.3
<i>Middle East</i>	(150)	4.0	56	Iraq	27	Oman <sup>c</sup>	-27
				Bahrain	26	Yemen	-12
				Saudi Arabia	14	Jordan	-9.4

( ) = uncertain estimate; DRC = Democratic Republic of the Congo.

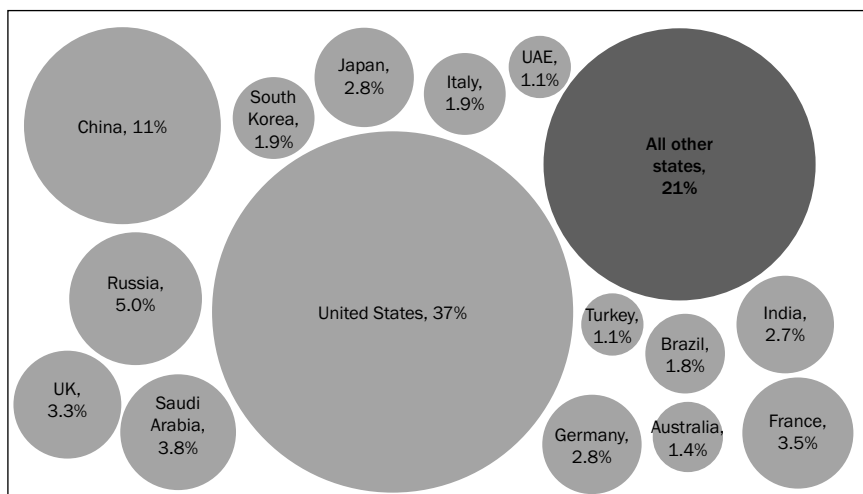
<sup>a</sup> Changes are in real terms.

<sup>b</sup> The list shows the largest increases or decreases for each region as a whole, rather than by subregion. Countries with a military expenditure in 2013 of less than \$100 m., or \$50 m. in Africa, are excluded.

<sup>c</sup> The fall in Oman in 2013 is from an actual expenditure figure for 2012 that was revised substantially upwards compared to the budgeted figure reported in *SIPRI Yearbook 2013*. The overall change from 2011 is a 31% increase.

the rate of increase of military spending in South America slowed in 2013, primarily due to Brazil, the largest spender in the region, decreasing spending by 3.9 per cent. In Central America and the Caribbean military spending continued to grow rapidly, especially in Honduras (22 per cent), Nicaragua (18 per cent) and Guatemala (11 per cent), in the wake of continuing drug cartel-related violence.<sup>2</sup> Mexico, the largest spender in the region, also increased its spending by 5.1 per cent, despite weaker economic growth.

<sup>2</sup> See e.g. Solmirano, C., 'Security spending and violent organized crime in Central America', *SIPRI Yearbook 2013*.



**Figure 4.3.** The share of world military expenditure of the 15 states with the highest expenditure in 2013

Africa had the largest percentage rise in military spending in 2013 of any region, by 8.3 per cent. Military spending rose in two-thirds of the African countries for which data is available. Of particular note in 2013, Algerian military spending, which has more than doubled since 2004, increased by a further 8.8 per cent in 2013, to reach \$10.4 billion—the first time an African country has spent more than \$10 billion on its military. Angola's military spending increased by 36 per cent to overtake South Africa as the largest spender in sub-Saharan Africa. Ghana more than doubled its military spending, although its military burden is still low, at 0.6 per cent of GDP.

While the Middle East has traditionally been the region where figures for military expenditure are most uncertain, the lack of data has worsened recently. In 2013 there was no available data for Iran, Qatar, Syria and the United Arab Emirates (UAE). Iraq and Bahrain had the largest known increases in military spending in the Middle East. The increase in Iraq was aimed at building its armed forces' capacity and armaments, while it is likely that the increase in Bahrain was related to recent arms purchases to suppress domestic unrest as well as to its troubled relations with neighbouring Iran. In Oman, in contrast, military expenditure fell by 27 per cent, mostly due to overspending in its 2012 budget. Nonetheless, Oman had the world's largest military burden in 2013 (among countries for which data is available), at 11.3 per cent of GDP.

The overall trend in Asia and Oceania is heavily influenced by the increase in China, which accounted for 46 per cent of the region's spending in 2013. Although total spending for the rest of the region was largely

unchanged, the pattern has been mixed. While some countries, such as Afghanistan, the Philippines and Sri Lanka, continued (or started) to increase spending, spending in others, such as Timor-Leste, Australia, India and Taiwan—several of which had previously seen large increases—fell. On military spending trends in East and South East Asia and Oceania in particular see section III below.

### **The largest military spenders in 2013**

Nearly four-fifths of total military spending in 2013 was made by just 15 countries (see figure 4.3). The list of the top 15 military spenders worldwide in 2013 includes the same countries as in 2012 (see table 4.3) but with a number of changes in order. Most notably, Saudi Arabia's spending increased by 14 per cent to make it the world's fourth largest military spender in 2013, up from seventh place in 2012. At 9.3 per cent of GDP, Saudi Arabia also had the second highest military burden in 2013. Although Saudi–Iranian tensions have increased over Syria and other issues, a desire for increased military capability to counter heightened threats, or perceived threats, may not be the only reason behind Saudi Arabia's increase. The country's numerous military and paramilitary security forces also play a key role in regime protection, and ensuring their loyalty has been particularly important in the wake of the Arab Spring. Numerous demonstrations broke out in Saudi Arabia in 2011, but they were successfully quelled by the security forces. Because of improved levels of training, this was done with sufficient violence to deter protests, but with sufficiently limited bloodshed to avoid severe international condemnation.<sup>3</sup> Saudi Arabia has also taken on a—rather more controversial—role as an enforcer of the status quo in neighbouring states in the Gulf through its military intervention to help suppress the protest movement in Bahrain in 2011.<sup>4</sup>

In another notable change, the UK, which continues to reduce military spending as part of austerity measures, fell out of the top 5 for the first time since 1988, and probably since the end of World War II.<sup>5</sup>

The recent decreases in US military spending have been mirrored by rapid increases in some emerging and re-emerging powers—for example, China, Russia and Saudi Arabia all more than doubled their military spending between 2004 and 2013.<sup>6</sup> However, the US position as the world's

<sup>3</sup> Gause, F. G., *Saudi Arabia in the New Middle East*, Council Special Report no. 3 (Council on Foreign Relations: New York, Dec. 2011).

<sup>4</sup> Allansson, M. et al., 'The first year of the Arab Spring', *SIPRI Yearbook 2012*, p. 52.

<sup>5</sup> Although the UK was ranked 4th in 2011 in *SIPRI Yearbook 2012* and 5th in 2012 in *SIPRI Yearbook 2013*, based on its budgeted spending, revised figures for actual spending show that it had already fallen to 6th place in 2011.

<sup>6</sup> See Perlo-Freeman, S. and Solmirano, C., 'Trends in world military expenditure, 2013', SIPRI Fact Sheet, Apr. 2014, <[http://books.sipri.org/product\\_info?c-product\\_id=476](http://books.sipri.org/product_info?c-product_id=476)>, pp. 5–7.

**Table 4.3.** The 15 countries with the highest military expenditure in 2013

Spending figures are in US\$, at current prices and exchange rates. Countries are ranked according to military spending calculated using market exchange rates (MER).

Rank			Spending, 2013 (\$ b., MER)	Change, 2004–13 (%)	Share of GDP (%) <sup>a</sup>		World share, 2013 (%)	Spending, 2013 (\$ b., PPP) <sup>b</sup>
2013	2012	Country			2013	2004		
1	1	USA	640	12	3.8	3.9	37	640
2	2	China	[188]	170	[2.0]	[2.1]	[11]	[282]
3	3	Russia	[87.8]	108	[4.1]	[3.5]	[5.0]	[106]
4	7	Saudi Arabia	67.0	118	9.3	8.1	3.8	86.5
5	4	France	61.2	-6.4	2.2	2.6	3.5	50.8
<b>Subtotal top 5</b>			<b>1 045</b>	..	..	..	<b>60</b>	..
6	6	UK	57.9	-2.5	2.3	2.4	3.3	55.3
7	9	Germany	48.8	3.3	1.4	1.4	2.8	43.9
8	5	Japan	48.6	-2.0	1.0	1.0	2.8	45.7
9	8	India	47.4	45	2.5	2.8	2.7	134
10	12	South Korea	33.9	42	2.8	2.5	1.9	47.2
<b>Subtotal top 10</b>			<b>1 281</b>	..	..	..	<b>73</b>	..
11	11	Italy	32.7	-26	1.6	2.0	1.9	28.5
12	10	Brazil	31.5	48	1.4	1.5	1.8	34.8
13	13	Australia	24.0	19	1.6	1.8	1.4	16.1
14	16	Turkey	19.1	13	2.3	2.8	1.1	27.1
15	15	UAE <sup>c</sup>	[19.0]	85	[4.7]	[4.6]	[1.1]	[12.7]
<b>Subtotal top 15</b>			<b>1 408</b>	..	..	..	<b>79</b>	..
<b>World</b>			<b>1 747</b>	<b>26</b>	<b>2.4</b>	<b>2.4</b>	<b>100</b>	..

[ ] = estimated figure; GDP = gross domestic product; PPP = purchasing power parity.

<sup>a</sup> The figures for military expenditure as a share of GDP are based on estimates of 2013 GDP from the International Monetary Fund (IMF) World Economic Outlook database, Oct. 2013.

<sup>b</sup> The figures for military expenditure at PPP exchange rates are estimates based on the projected implied PPP conversion rates for each country from the IMF World Economic Outlook database, Oct. 2013.

<sup>c</sup> Data for the United Arab Emirates (UAE) is for 2012, as figures for 2013 are not available.

Sources: SIPRI Military Expenditure Database, <<http://www.sipri.org/databases/milex/>>; and IMF, World Economic Outlook database, Oct. 2013, <<http://www.imf.org/external/pubs/ft/weo/2013/10/weodata/index.aspx>>.

dominant military power and spender is unchallenged and is likely to remain so for the foreseeable future. Nonetheless, US spending as a share of the world total continues to gradually decline—at 37 per cent in 2013 it was lower than at any point since the collapse of the Soviet Union. The previous low, 38 per cent, had occurred in the mid 1990s, having fallen from 41 per cent in 1994, after which it rose to peak at 46 per cent in 2003.