4. Military expenditure

Overview

World military expenditure is estimated to have been $1822 billion in 2018, accounting for 2.1 per cent of world gross domestic product (GDP) or $239 per person (see section 1). Total expenditure grew for the second consecutive year and exceeded $1.8 trillion for the first time; it was 2.6 per cent higher than in 2017 and 5.4 per cent higher than in 2009.

The growth in total spending in 2018 was largely influenced by expenditure patterns in the Americas and Asia and Oceania, in particular by substantial rises in military expenditure by the United States and China. In Europe spending grew by 1.4 per cent, mostly due to a rise in expenditure in Western Europe, where all but three countries increased spending. Military expenditure decreased in Africa (by 8.4 per cent). Although for the fourth successive year SIPRI cannot provide an estimate of total spending in the Middle East, the combined military expenditure of the 11 Middle Eastern countries for which data is available decreased by 1.9 per cent.

The military burden—military spending as a share of GDP—fell between 2017 and 2018 in all regions except Europe, where there has been a push by member states of the North Atlantic Treaty Organization (NATO) to reach the guideline spending level of 2.0 per cent of GDP by 2024. On average, states in the Americas had the lowest military burden in 2018, at 1.4 per cent of GDP; this rises to an average of 1.6 per cent in Europe, 1.7 per cent in both Africa and Asia and Oceania, and 4.4 per cent in the Middle Eastern countries for which data is available.

The five biggest spenders in 2018 were the USA, China, Saudi Arabia, India and France, which together accounted for 60 per cent of global military spending.

The USA increased its military spending for the first time in seven years to reach $649 billion in 2018. US spending accounted for 36 per cent of world military spending and was 2.6 times more than the next highest spender, China. The rise in US military spending can be attributed to two factors: a 2.4 per cent increase in the salaries of military personnel; and the implementation of large and costly arms acquisition programmes for both conventional and nuclear weapons.

China allocated an estimated $250 billion to its military in 2018. This represented a 5.0 per cent increase compared with 2017 and an 83 per cent increase since 2009. Chinese military spending remains roughly linked to the country’s economic development: since 2013, China has allocated 1.9 per cent of its GDP to the military each year. With its economic growth slowing in 2018 to
the lowest level in 28 years, slower rates of growth in the coming years can be expected.

Saudi Arabia had the highest military burden in the world at 8.8 per cent of GDP in 2018. Its military spending fell by 6.5 per cent in 2018 to $67.6 billion. India, with spending of $66.5 billion, was the fourth-highest spender in the world following a consistent series of increases in spending since 2014. With military expenditure of $63.8 billion, France was the fifth-largest spender in 2018.

At $61.4 billion, Russian military spending in 2018 had fallen by 22 per cent from its post-cold war peak in 2016, and Russia ranked outside the top five military spenders the first time since 2006.

The three biggest relative increases in military spending between 2017 and 2018 were made by Burkina Faso (52 per cent), Jamaica (40 per cent) and Armenia (33 per cent), while the three largest relative decreases were made by South Sudan (50 per cent), Sudan (49 per cent) and Benin (28 per cent).

Transparency in military expenditure at the international level remains a concern as the rate of reporting continues to decrease (see section II). The decline in responses to the United Nations Report on Military Expenditures continued in 2018. Having peaked at 81 responses in 2002, in 2018 only 36 of the 193 UN member states submitted a report on their military expenditure. In contrast, at the national level, of the 168 countries for which SIPRI attempted to collect military expenditure information, data for 2018 was found for 155. For 150 of these, the data came from official government documents.

Transparency in military spending requires not only public availability of data, but also comprehensiveness, ease of access and details on the various types of funding of military activities. Disaggregation of military budgets into military and non-military activities is an important step towards improving transparency in military expenditure. For example, as highlighted by a case study on Brazil, accurate disaggregation of resources allocated to the military for police tasks improves the accuracy of military spending data (see section II).

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