

## 8. Military expenditure

### Overview

World military expenditure is estimated to have been US\$1917 billion in 2019—the highest level since SIPRI started estimating total world military expenditure (see section I). It accounted for 2.2 per cent of world gross domestic product (GDP) or \$249 per person. Spending in 2019 was 3.6 per cent higher than in 2018 and 7.2 per cent higher than 2010.

The increase in total global military spending in 2019 was the fifth consecutive annual increase and the largest increase of the period 2010–19, surpassing the 2.6 per cent increase in 2018. Military expenditure also increased in at least four of the world's five regions: by 5.0 per cent in Europe, 4.8 per cent in Asia and Oceania, 4.7 per cent in the Americas, and 1.5 per cent in Africa.

The growth in total spending in 2019 was largely influenced by expenditure patterns in the United States and China, which together account for over half of the world's military spending. The USA increased its spending for the second straight year to reach \$732 billion in 2019. This was 2.7 times larger than the \$261 billion spent by China, the world's next highest spender. China's total was 5.1 per cent higher than in 2018 and 85 per cent higher than in 2010.

With a 16 per cent decrease in its spending, Saudi Arabia fell from being the third-largest spender in 2018 to fifth position in 2019. India's spending of \$71.1 billion ranked it as the third-largest spender for the first time, while Russia's increase of 4.5 per cent moved it up from fifth to fourth.

Among states in Western Europe, France continued to spend the most, with military expenditure of \$50.1 billion in 2019. However, the largest increase in spending among the top 15 military spenders in 2019 was made by Germany: its military spending rose by 10 per cent to \$49.3 billion.

Military expenditure in Europe totalled \$356 billion in 2019, accounting for 19 per cent of global spending (see section II). This was behind spending by states in the Americas, at \$815 billion (43 per cent of the world total), and Asia and Oceania, at \$523 billion (27 per cent of world spending). Spending in the Middle East is estimated to have been 9.4 per cent of the world total. The \$41.2 billion spent by African countries was the lowest of all the regions, at only 2.1 per cent of global military expenditure.

Following the annexation of Crimea by Russia and the rise of the Islamic State in 2014, the level of threat perceived by European members of the North Atlantic Treaty Organization (NATO) was substantially heightened. To address these perceived threats, at their summit meeting in September 2014 NATO members pledged to increase their military expenditure as a share of GDP to 2 per cent

*and to spend at least 20 per cent of their military expenditure on equipment (see section III). The number of European NATO countries allocating 20 per cent or more of their military expenditure to equipment increased from 5 at the time of the 2014 summit to 14 in 2019. The five with the highest relative increase in equipment spending as a share of total military expenditure—Bulgaria, Hungary, Lithuania, Romania and Slovakia—are all in Central Europe. While their sharp increases were driven by numerous factors—such as the need to modernize their weaponry or to decrease their dependence on Russia for maintenance of existing weapon systems—the primary reason was perceptions of heightened threat from Russia. Among other European members of NATO, increases in equipment spending as a share of military expenditure have been more moderate. Responses to NATO’s equipment spending guideline have varied significantly based on the extent to which countries are affected by the identified threats and the technical conditions and size of their existing military arsenals.*

*Tracking countries’ military spending requires transparency. At the international level such transparency remains a concern as the rate of reporting to military expenditure reporting mechanisms continues to decrease (see section IV). The decline in responses to the United Nations Report on Military Expenditures continued in 2019 and the number of states exchanging spending figures in the Organization for Security and Co-operation in Europe (OSCE) also decreased. Moreover, reporting to the South American Defense Expenditure Registry of the Union of South American Nations (Unión de Naciones Suramericanas, UNASUR) seems to have ended entirely. In contrast, at the national level, of the 169 countries for which SIPRI attempted to collect military expenditure information for 2019, data was found for 150, including in 147 cases from official government documents.*

*Among these 169 countries, the level of transparency varies widely. In some states, military expenditure is funded outside the government budget or has been in the past. Often these states are or have been ruled by military regimes, with weak parliamentary oversight of the armed forces. While democracy has been known to improve levels of transparency, transparency in military spending may take a long time to fully develop. In Myanmar, a 2019 UN report details how the armed forces have relied on off-budget allocations to secure a large degree of financial autonomy. Despite the political reforms introduced since 2015, the military still maintains control over its budget. The case of Myanmar underscores how off-budget funding mechanisms and opacity in military expenditure can allow the military to act unchecked and to perpetrate crimes against minorities.*