

CRS Report for Congress

Received through the CRS Web

Comparisons of U.S. and Foreign Military Spending: Data from Selected Public Sources

January 28, 2004

Jeffrey Chamberlin
Analyst in National Defense
Foreign Affairs, Defense, and Trade Division

Comparisons of U.S. and Foreign Military Spending: Data from Selected Public Sources

Summary

This report lists and compares military expenditures of the United States and foreign nations using two sources: the London-based International Institute for Strategic Studies' (IISS) *The Military Balance*, and the U.S. State Department's *World Military Expenditures and Arms Transfers* (WMEAT).

Although the IISS and the U.S. State Department aim to provide figures that are as consistent and accurate as possible, cross-national comparisons of defense spending are inherently imperfect. Available sets of figures are useful, but often do not correspond with one another for a variety of reasons. This report provides two sets of figures from widely recognized sources in order to offer Congress a sample of the data published on this topic. This report will be updated as necessary.

Contents

| | |
|--|---|
| Introduction | 1 |
| The Military Balance | 1 |
| World Military Expenditures and Arms Transfers (WMEAT) | 2 |

List of Figures

| | |
|---|----|
| Figure 1. U.S. Defense Expenditures as a Percentage of the Top 10 Defense-Spending Countries, 2002 | 17 |
| Figure 2. U.S. Defense Expenditures as a Percentage of the Top 10 Defense-Spending Countries, 1999 | 17 |
| Figure 3. U.S. Defense Expenditures as a Percentage of the Top 25 Defense-Spending Countries, 2002 | 18 |
| Figure 4. U.S. Defense Expenditures as a Percentage of the Top 25 Defense-Spending Countries, 1999 | 18 |
| Figure 5. Defense Expenditures as a Percentage of GDP Top 25 Countries, 1999 | 19 |
| Figure 6. Defense Expenditures as a Percentage of GDP Top 25 Countries, 2002 | 20 |
| Figure 7. U.S. Defense Expenditures as a Percentage of NATO Defense Expenditures, 1999 | 22 |
| Figure 8. U.S. Defense Expenditures as a Percentage of NATO Defense Expenditures, 2002 | 22 |
| Figure 9. NATO Defense Expenditures as a Percentage of GDP, 2002 | 23 |
| Figure 10. NATO Defense Expenditures as a Percentage of GDP, 1999 | 24 |

List of Tables

| | |
|---|----|
| Table 1. U.S. and Foreign Defense Spending (by Rank): Data from the IISS and U.S. Department of State | 5 |
| Table 2. U.S. and Foreign Defense Spending (by Country): Data from the IISS and U.S. Department of State | 11 |
| Table 3. NATO Defense Expenditures: Data from the IISS and U.S. Dept. of State | 21 |

Comparisons of U.S. and Foreign Military Spending: Data from Selected Public Sources

Introduction

Estimates of military spending by foreign nations are available from a number of sources. This CRS report lists and compares military expenditures of the United States and foreign countries using two of the most commonly cited and readily available publications: *The Military Balance*, published in October of each year by the London-based International Institute for Strategic Studies (IISS) and World Military Expenditures and Arms Transfers (WMEAT), published about annually by the U.S. Department of State, Bureau of Arms Control.¹

Although the IISS and U.S. State Department aim to provide figures that are as consistent and accurate as possible, cross-national comparisons of defense spending are inherently imperfect. Available sets of figures are useful for comparative purposes, but often do not correspond with one another for a variety of reasons. This report provides two sets of figures from widely recognized sources in order to offer Congress a sample of the data published on this topic.

The Military Balance

In *The Military Balance*, military expenditures are defined as the cash outlays of a central or federal government to meet the 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*, as well as customs service and border guards if these are trained in military tactics, equipped as a military force and operate under military authority in the event of a war.²

The IISS produces the most current estimates of foreign military expenditures. The 2003-2004 edition of *The Military Balance* contains military expenditure figures from 2002, while the most recent edition of the U.S. State Department’s WMEAT

¹ Other common sources for foreign military budget figures 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 International Institute for Strategic Studies, *The Military Balance: 2003-2004*, Oxford University Press, p. 10.

contains military expenditure figures from 1999. The IISS obtains its figures using data from national governments, the North Atlantic Treaty Organization (NATO), the United Nations, the Organization for Security and Cooperation in Europe (OSCE), and the International Monetary Fund (IMF). However, consistent and accurate data for many countries are not available even from these sources, as many countries neither publish their military expenditures nor report them accurately to these organizations. In these cases, the IISS estimates military expenditures “based on information from several sources.”³ Such cases are marked with an “E” on Table 1 and Table 2 in this report.

For most countries, the IISS converts budget data into dollars using current exchange rates in US Dollars. For countries where basic economic data are hard to obtain, such as former command economies like China, Russia, or countries in conflict, the 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 accounts for the substantial differences in estimated prices for defense goods.

World Military Expenditures and Arms Transfers (WMEAT)

The U.S. State Department Bureau of Arms Control’s World Military Expenditures and Arms Transfers (WMEAT) report, most recently published on February 6, 2003, provides figures for the ten-year period from 1989 to 1999.⁴ WMEAT uses the World Bank’s average 1999 market exchange rates in order to calculate military expenditures for most countries.⁵ In cases where no appropriate exchange rate is available, WMEAT uses PPP estimates.

For NATO members, WMEAT measures military expenditures according to a common definition that includes military retired pay and military-type expenditures of defense ministries. In this definition, a) civilian-related expenditures of defense ministries are excluded and military-related expenditures of other ministries are included; b) grant military assistance is included in the expenditures of the donor country; c) purchases of military equipment for credit are included at the time the debt is incurred, not at the time of payment.

For most other countries, figures represent the expenditures of the ministry of defense. When these are known to include the costs of internal security, an attempt is made to remove such expenditures. A wide variety of data sources is used for these countries, including the publications and data resources of other U.S.

³ Ibid, p.11.

⁴ Report available online at [http://www.state.gov/t/vc/rls/rpt/wmeat/1999_2000/].

⁵ According to the editors of WMEAT, this rate is almost always the IMF’s “rf” rate.

Government agencies, standardized reporting to the United Nations by country, and other international sources.⁶

For Russia, China, and many current or former communist countries, WMEAT estimates military expenditures in different ways. Figures for China are based on U.S. Government estimates of the yuan costs of Chinese forces, weapons, programs, and activities. WMEAT warns that figures for Chinese military spending should be treated as having a wide margin of error.⁷

Estimates for most states comprising the former Soviet Union and Warsaw Pact are made by establishing the ratio of military expenditures to Gross National Product (GNP) in national currencies and then multiplying this ratio by the World Bank's estimate of GNP in dollars as converted to international dollars by estimated PPPs and reported in the *World Bank Atlas 1997*.⁸

Using the IISS and WMEAT data, this report presents the following tables and figures:

- Table 1: U.S. and Foreign Defense Spending (by Rank): Data from the IISS and U.S. Department of State (countries ranked according to WMEAT figures)
- Table 2: U.S. and Foreign Defense Spending (by Country): Data from the IISS and U.S. Department of State
- Figure 1: U.S. Defense Expenditures as a Percentage of the Top 10 Defense-Spending Countries, 2002 (IISS figures)
- Figure 2: U.S. Defense Expenditures as a Percentage of the Top 10 Defense-Spending Countries, 1999 (WMEAT figures)
- Figure 3: U.S. Defense Expenditures as a Percentage of the Top 25 Defense-Spending Countries, 2002 (IISS figures)
- Figure 4: U.S. Defense Expenditures as a Percentage of the Top 25 Defense-Spending Countries, 1999 (WMEAT figures)
- Figure 5: Defense Expenditures as a Percentage of GDP: Top 25 Countries, 1999 (WMEAT figures)
- Figure 6: Defense Expenditures as a Percentage of GDP: Top 25 Countries, 2002 (IISS figures)

⁶ Definitions available at [<http://www.state.gov/documents/organization/18744.pdf>].

⁷ Ibid.

⁸ Ibid.

- Table 3: NATO Defense Expenditures: Data from the IISS and U.S. Department of State (countries ranked according to IISS figures)
- Figure 7: U.S. Defense Expenditures as a Percentage of NATO Defense Expenditures, 1999 (WMEAT figures)
- Figure 8: U.S. Defense Expenditures as a Percentage of NATO Defense Expenditures, 2002 (IISS figures)
- Figure 9: NATO Defense Expenditures as a Percentage of GDP, 1999 (WMEAT figures)
- Figure 10: NATO Defense Expenditures as a Percentage of GDP, 2002 (IISS figures)

Table 1. U.S. and Foreign Defense Spending (by Rank):
Data from the IISS and U.S. Department of State
 (current year U.S. dollars in millions)

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|--------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| United States | 1 | 281,000 | 3.0 | 348,500 | 3.3 |
| China – Mainland | 2 | 88,900 | 2.2 | 51,000 | 4.1 |
| Japan | 3 | 43,200 | 1.0 | 39,500 | 1.0 |
| France | 4 | 38,900 | 2.7 | 40,200 | 2.5 |
| United Kingdom | 5 | 36,500 | 2.5 | 37,300 | 2.4 |
| Russia | 6 | 35,000 | 5.6 | 50,800 | 4.8 |
| Germany | 7 | 32,600 | 1.6 | 33,300 | 1.5 |
| Italy | 8 | 23,700 | 2.0 | 25,600 | 1.9 |
| Saudi Arabia | 9 | 21,200 | 14.9 | 22,200 | 12.0 |
| China – Taiwan | 10 | 15,200 | 5.2 | 7,900 | 2.7 |
| South Korea | 11 | 11,600 | 2.9 | 13,300 | 2.8 |
| India | 12 | 11,300 | 2.5 | 13,800 | 2.7 |
| Turkey | 13 | 9,950 | 5.3 | 9,200 | 5.1 |
| Brazil | 14 | 9,920 | 1.9 | 10,200 | 2.3 |
| Israel | 15 | 8,700 | 8.8 | 9,900 | 9.7 |
| Canada | 16 | 8,320 | 1.4 | 8,200 | 1.1 |
| Spain | 17 | 7,560 | 1.3 | 8,700 | 1.2 |
| Australia | 18 | 7,060 | 1.8 | 8,000 | 2.0 |
| Netherlands | 19 | 7,030 | 1.8 | 7,700 | 1.6 |
| Iran | 20 | 6,880 | 2.9 | 5,100 | 4.6 |
| Poland | 21 | 6,690 | 2.1 | 3,600 | 1.9 |
| Greece | 22 | 6,060 | 4.7 | 6,500 | 4.4 |
| Sweden | 23 | 5,330 | 2.3 | 4,200 | 1.7 |
| Dem. Rep. of Congo | 24 | 5,150 | 14.4 | 1,000 ^E | 21.7 |
| Ukraine | 25 | 5,110 | 3.0 | 5,000 | 2.2 |
| Myanmar | 26 | 4,650 | 7.8 | 3,000 ^{E*} | 5.0 |
| Syria | 27 | 4,450 | 7.0 | 1,900 ^E | 10.3 |
| Singapore | 28 | 4,400 | 4.8 | 4,600 | 5.2 |
| Argentina | 29 | 4,300 | 1.6 | 1,500 | 1.4 |
| North Korea | 30 | 4,260 | 18.8 | 5,000 ^E | 25.0 |

CRS-6

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|----------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Belgium | 31 | 3,600 | 1.4 | 3,600 | 1.3 |
| Pakistan | 32 | 3,520 | 5.9 | 2,700 | 3.9 |
| Switzerland | 33 | 3,400 | 1.2 | 3,000 | 1.1 |
| Vietnam | 34 | NA | NA | 2,400 | 7.1 |
| Norway | 35 | 3,310 | 2.2 | 3,600 | 1.9 |
| Czech Republic | 36 | 3,000 | 1.3 | 1,500 | 2.1 |
| Denmark | 37 | 2,780 | 1.6 | 2,700 | 1.6 |
| Mexico | 38 | 2,700 | 0.5 | 5,600 | 0.9 |
| Kuwait | 39 | 2,690 | 7.7 | 3,500 | 10.7 |
| Colombia | 40 | 2,670 | 3.2 | 3,000 | 3.7 |
| Angola | 41 | 2,460 | 21.2 | 1,000 ^E | 9.8 |
| Portugal | 42 | 2,410 | 2.2 | 1,700 | 2.3 |
| Egypt | 43 | 2,390 | 2.7 | 3,300 | 3.9 |
| Romania | 44 | 2,190 | 1.6 | 1,100 | 2.3 |
| United Arab Emirates | 45 | 2,180 | 4.1 | 2,800 ^E | 4.0 |
| Croatia | 46 | 2,090 | 6.5 | 546 | 2.4 |
| Thailand | 47 | 2,040 | 1.7 | 1,800 | 1.5 |
| Libya | 48 | NA | NA | 562 | 3.8 |
| Chile | 49 | 1,990 | 3.0 | 2,700 | 4.1 |
| South Africa | 50 | 1,960 | 1.5 | 1,800 | 1.7 |
| Hungary | 51 | 1,880 | 1.7 | 1,000 | 1.8 |
| Algeria | 52 | 1,830 | 4.0 | 3,100 | 5.9 |
| Oman | 53 | 1,780 | 15.3 | 2,700 | 13.4 |
| Finland | 54 | 1,770 | 1.4 | 2,100 | 1.4 |
| Austria | 55 | 1,690 | 0.8 | 1,800 | 0.8 |
| Malaysia | 56 | 1,660 | 2.3 | 3,400 ^E | 3.6 |
| Nigeria | 57 | 1,560 | 1.6 | 511 ^E | 1.2 |
| Morocco | 58 | 1,450 | 4.3 | 1,400 | 3.6 |
| Indonesia | 59 | 1,450 | 1.1 | 6,600 ^E | 3.7 |
| Venezuela | 60 | 1,420 | 1.4 | 1,100 | 1.3 |
| Iraq | 61 | 1,250 | 5.5 | NA | NA |
| Bulgaria | 62 | 1,240 | 3.0 | 400 | 2.5 |
| Peru | 63 | 1,200 | 2.4 | 914 | 1.6 |

CRS-7

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|--------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Philippines | 64 | 1,110 | 1.4 | 1,600 | 2.1 |
| Qatar | 65 | 1,060 | 10.0 | 1,900 ^E | 10.6 |
| Serbia/Montenegro | 66 | 1,030 | 5.0 | 746 ^E | 5.3 |
| Slovakia | 67 | 1,010 | 1.8 | 464 | 2.0 |
| Uzbekistan | 68 | 933 | 1.7 | 1,900* | 2.9 |
| Azerbaijan | 69 | 927 | 6.6 | 900* | 3.3 |
| Belarus | 70 | 925 | 1.3 | 2,000* | 2.5 |
| Ireland | 71 | 779 | 1.0 | 759 | 0.6 |
| Afghanistan | 72 | NA | NA | NA | NA |
| Sri Lanka | 73 | 729 | 4.7 | 533 | 3.2 |
| Jordan | 74 | 725 | 9.2 | 893 | 9.3 |
| Kazakhstan | 75 | 671 | 0.9 | 2,100* | 2.0 |
| Lebanon | 76 | 653 | 3.9 | 536 | 3.2 |
| Cuba | 77 | 630 | 1.9 | 1,100 | 3.9 |
| Bangladesh | 78 | 624 | 1.3 | 675 | 1.4 |
| New Zealand | 79 | 587 | 1.2 | 667 | 1.2 |
| Armenia | 80 | 570 | 5.8 | 650* | 6.4 |
| Turkmenistan | 81 | 542 | 3.4 | 300* | 0.8 |
| Ethiopia | 82 | 533 | 8.8 | 467 ^E | 8.0 |
| Ecuador | 83 | 479 | 3.7 | 724 ^E | 3.0 |
| Slovenia | 84 | 436 | 1.4 | 329 | 1.5 |
| Sudan | 85 | 424 | 4.8 | 665 ^E | 4.9 |
| Bahrain | 86 | 415 | 8.0 | 331 | 4.0 |
| Yemen | 87 | 374 | 6.0 | 515 ^E | 5.7 |
| Tunisia | 88 | 357 | 1.8 | 404 | 1.8 |
| Cambodia | 89 | 332 | 4.0 | 92 | 2.5 |
| Lithuania | 90 | 314 | 1.3 | 247 | 1.8 |
| Cyprus | 91 | 309 | 3.4 | 240 | 2.4 |
| Brunei | 92 | 295 | 4.0 | 267 | 5.2 |
| Kyrgyzstan | 93 | 285 | 2.4 | 280* | 1.9 |
| Bosnia-Herzegovina | 94 | 276 | 4.4 | 189 | 3.8 |
| Uruguay | 95 | 275 | 1.3 | 224 | 1.8 |
| Zimbabwe | 96 | 263 | 5.0 | 674 ^E | 3.4 |

CRS-8

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|---------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Macedonia | 97 | 228 | 2.5 | 101 ^E | 2.7 |
| Botswana | 98 | 222 | 4.7 | 269 ^E | 4.5 |
| Eritrea | 99 | 208 | 27.4 | 106 ^E | 16.0 |
| Kenya | 100 | 200 | 1.9 | 368 ^E | 3.2 |
| Estonia | 101 | 173 | 1.5 | 99 | 1.6 |
| Georgia | 102 | 165 | 1.2 | 250* | 1.7 |
| Bolivia | 103 | 148 | 1.8 | 125 | 1.6 |
| Cameroon | 104 | 148 | 1.8 | 129 | 1.2 |
| Latvia | 105 | 144 | 1.0 | 149 | 1.8 |
| Luxembourg | 106 | 141 | 0.8 | 204 | 0.9 |
| Uganda | 107 | 140 | 2.3 | 167 ^E | 2.7 |
| Panama | 108 | 124 | 1.4 | 138 ^E | 1.3 |
| Dominican Republic | 109 | 123 | 0.8 | 161 | 0.7 |
| Tanzania | 110 | 122 | 1.4 | 135 ^E | 1.5 |
| Guatemala | 111 | 121 | 0.7 | 192 ^E | 0.8 |
| El Salvador | 112 | 110 | 0.9 | 164 | 1.2 |
| Mozambique | 113 | 94 | 2.5 | 80 ^E | 2.0 |
| Gabon | 114 | 93 | 2.4 | 79 ^E | 1.7 |
| Trinidad and Tobago | 115 | 92 | 1.4 | 67 | 0.7 |
| Namibia | 116 | 91 | 2.9 | 83 | 2.8 |
| Rwanda | 117 | 87 | 4.4 | 72 ^E | 4.1 |
| Paraguay | 118 | 84 | 1.1 | 57 | 1.0 |
| Ivory Coast | 119 | 82 | 0.8 | 144 ^E | 1.4 |
| Senegal | 120 | 81 | 1.7 | 69 | 1.3 |
| Tajikistan | 121 | 80 | 1.3 | 130* | 1.7 |
| Albania | 122 | 72 | 1.3 | 113 | 2.5 |
| Costa Rica | 123 | 69 | 0.5 | 94 | 0.6 |
| Ghana | 124 | 62 | 0.8 | 31 ^E | 0.5 |
| Congo | 125 | 58 | 3.5 | 93 ^E | 3.1 |
| Mali | 126 | 58 | 2.3 | 72 | 2.3 |
| Guinea | 127 | 54 | 1.6 | 61 ^E | 1.8 |
| Jamaica | 128 | 51 | 0.8 | 37 | 0.5 |
| Haiti | 129 | NA | NA | 32 ^E | 1.0 |

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|-------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Burundi | 130 | 49 | 7.0 | 40 ^E | 5.9 |
| Madagascar | 131 | 45 | 1.2 | 48 ^E | 1.0 |
| Nepal | 132 | 44 | 0.9 | 105 | 1.9 |
| Moldova | 133 | 43 | 0.5 | 160 ^E | 1.7 |
| Burkina Faso | 134 | 42 | 1.6 | 43 ^E | 1.5 |
| Somalia | 135 | NA | NA | 40 ^E | 4.0 |
| Chad | 136 | 37 | 2.5 | 14 ^E | 0.8 |
| Mauritania | 137 | 37 | 4.0 | 17 ^E | 1.7 |
| Papua New Guinea | 138 | 36 | 1.1 | 14 | 0.5 |
| Fiji | 139 | 35 | 2.0 | 28 | 1.6 |
| Honduras | 140 | 34 | 7.0 | 115 | 1.7 |
| Benin | 141 | 34 | 1.4 | 49 ^E | 1.8 |
| Zambia | 142 | 31 | 1.0 | 26 | 0.7 |
| Central African | 143 | 29 | 2.8 | 21 ^E | 2.1 |
| Lesotho | 144 | 29 | 2.6 | 22 | 2.9 |
| Malta | 145 | 28 | 0.8 | 27 | 0.7 |
| Laos | 146 | 28 | 2.0 | 15 ^E | 0.8 |
| Togo | 147 | 25 | 1.8 | 24 | 1.8 |
| Nicaragua | 148 | 24 | 1.2 | 33 | 1.3 |
| Niger | 149 | 24 | 1.2 | 34 ^E | 1.6 |
| Djibouti | 150 | 23 | 4.4 | 23 ^E | 3.8 |
| Swaziland | 151 | 21 | 1.8 | NA | NA |
| Sierra Leone | 152 | 20 | 3.1 | 18 ^E | 2.2 |
| Equatorial Guinea | 153 | 19 | 3.3 | 5 | 0.2 |
| Mongolia | 154 | 18 | 2.1 | 25 | 2.2 |
| Suriname | 155 | 14 | 1.8 | 9 ^E | 5.0 |
| Barbados | 156 | 12 | 0.5 | 13 | 0.5 |
| Belize | 157 | 11 | 1.6 | 19 | 2.3 |
| Malawi | 158 | 10 | 5.6 | 13 | 0.7 |
| Mauritius | 159 | 9 | 0.2 | 8 | 0.1 |
| Liberia | 160 | 6 | 1.3 | 25 ^E | 4.5 |
| Guinea-Bissau | 161 | 6 | 2.9 | 4 | 1.6 |
| Cape Verde | 162 | 5 | 0.9 | 9 | 3.2 |

CRS-10

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|---------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Guyana | 163 | 5 | 0.8 | 5 | 0.7 |
| The Gambia | 164 | 5 | 1.3 | 3 | 1.0 |
| Sao Tome & Principe | 165 | 0 | 0.0 | NA | NA |
| Iceland | 166 | 0 | 0.0 | 0 | 0.0 |
| Bahamas | 167 | NA | NA | 26 | 0.5 |
| Seychelles | 168 | NA | NA | 12 | 1.7 |
| Antigua | 169 | NA | NA | 4 | 0.6 |
| Grand Total | | 844,665 | | 889,170 | |

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

Table 2. U.S. and Foreign Defense Spending (by Country):
Data from the IISS and U.S. Department of State
 (current year U.S. dollars in millions)

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|---------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Afghanistan | 72 | NA | NA | NA | NA |
| Albania | 122 | 72 | 1.3 | 113 | 2.5 |
| Algeria | 52 | 1,830 | 4.0 | 3,100 | 5.9 |
| Angola | 41 | 2,460 | 21.2 | 1,000 ^E | 9.8 |
| Antigua and Barbuda | 169 | NA | NA | 4 | 0.6 |
| Argentina | 29 | 4,300 | 1.6 | 1,500 | 1.4 |
| Armenia | 80 | 570 | 5.8 | 650* | 6.4 |
| Australia | 18 | 7,060 | 1.8 | 8,000 | 2.0 |
| Austria | 55 | 1,690 | 0.8 | 1,800 | 0.8 |
| Azerbaijan | 69 | 927 | 6.6 | 900* | 3.3 |
| Bahamas | 167 | NA | NA | 26 | 0.5 |
| Bahrain | 86 | 415 | 8.0 | 331 | 4.0 |
| Bangladesh | 78 | 624 | 1.3 | 675 | 1.4 |
| Barbados | 156 | 12 | 0.5 | 13 | 0.5 |
| Belarus | 70 | 925 | 1.3 | 2,000* | 2.5 |
| Belgium | 31 | 3,600 | 1.4 | 3,600 | 1.3 |
| Belize | 157 | 11 | 1.6 | 19 | 2.3 |
| Benin | 141 | 34 | 1.4 | 49 ^E | 1.8 |
| Bolivia | 103 | 148 | 1.8 | 125 | 1.6 |
| Bosnia-Herzegovina | 94 | 276 | 4.4 | 189 | 3.8 |
| Botswana | 98 | 222 | 4.7 | 269 ^E | 4.5 |
| Brazil | 14 | 9,920 | 1.9 | 10,200 | 2.3 |
| Brunei | 92 | 295 | 4.0 | 267 | 5.2 |
| Bulgaria | 62 | 1,240 | 3.0 | 400 | 2.5 |
| Burkina Faso | 134 | 42 | 1.6 | 43 ^E | 1.5 |
| Burundi | 130 | 49 | 7.0 | 40 ^E | 5.9 |
| Cambodia | 89 | 332 | 4.0 | 92 | 2.5 |
| Cameroon | 104 | 148 | 1.8 | 129 | 1.2 |
| Canada | 16 | 8,320 | 1.4 | 8,200 | 1.1 |
| Cape Verde | 162 | 5 | 0.9 | 9 | 3.2 |

CRS-12

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|--------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Central African | 143 | 29 | 2.8 | 21 ^E | 2.1 |
| Chad | 136 | 37 | 2.5 | 14 ^E | 0.8 |
| Chile | 49 | 1,990 | 3.0 | 2,700 | 4.1 |
| China – Taiwan | 10 | 15,200 | 5.2 | 7,900 | 2.7 |
| China – Mainland | 2 | 88,900 | 2.2 | 51,000 | 4.1 |
| Colombia | 40 | 2,670 | 3.2 | 3,000 | 3.7 |
| Congo | 125 | 58 | 3.5 | 93 ^E | 3.1 |
| Costa Rica | 123 | 69 | 0.5 | 94 | 0.6 |
| Croatia | 46 | 2,090 | 6.5 | 546 | 2.4 |
| Cuba | 77 | 630 | 1.9 | 1,100 | 3.9 |
| Cyprus | 91 | 309 | 3.4 | 240 | 2.4 |
| Czech Republic | 36 | 3,000 | 1.3 | 1,500 | 2.1 |
| Dem. Rep. of Congo | 24 | 5,150 | 14.4 | 1,000 ^E | 21.7 |
| Denmark | 37 | 2,780 | 1.6 | 2,700 | 1.6 |
| Djibouti | 150 | 23 | 4.4 | 23 ^E | 3.8 |
| Dominican Republic | 109 | 123 | 0.8 | 161 | 0.7 |
| Ecuador | 83 | 479 | 3.7 | 724 ^E | 3.0 |
| Egypt | 43 | 2,390 | 2.7 | 3,300 | 3.9 |
| El Salvador | 112 | 110 | 0.9 | 164 | 1.2 |
| Equatorial Guinea | 153 | 19 | 3.3 | 5 | 0.2 |
| Eritrea | 99 | 208 | 27.4 | 106 ^E | 16.0 |
| Estonia | 101 | 173 | 1.5 | 99 | 1.6 |
| Ethiopia | 82 | 533 | 8.8 | 467 ^E | 8.0 |
| Fiji | 139 | 35 | 2.0 | 28 | 1.6 |
| Finland | 54 | 1,770 | 1.4 | 2,100 | 1.4 |
| France | 4 | 38,900 | 2.7 | 40,200 | 2.5 |
| Gabon | 114 | 93 | 2.4 | 79 ^E | 1.7 |
| Georgia | 102 | 165 | 1.2 | 250* | 1.7 |
| Germany | 7 | 32,600 | 1.6 | 33,300 | 1.5 |
| Ghana | 124 | 62 | 0.8 | 31 ^E | 0.5 |
| Greece | 22 | 6,060 | 4.7 | 6,500 | 4.4 |
| Guatemala | 111 | 121 | 0.7 | 192 ^E | 0.8 |
| Guinea | 127 | 54 | 1.6 | 61 ^E | 1.8 |

CRS-13

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|---------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Guinea-Bissau | 161 | 6 | 2.9 | 4 | 1.6 |
| Guyana | 163 | 5 | 0.8 | 5 | 0.7 |
| Haiti | 129 | NA | NA | 32 ^E | 1.0 |
| Honduras | 140 | 34 | 7.0 | 115 | 1.7 |
| Hungary | 51 | 1,880 | 1.7 | 1,000 | 1.8 |
| Iceland | 166 | 0 | 0.0 | 0 | 0.0 |
| India | 12 | 11,300 | 2.5 | 13,800 | 2.7 |
| Indonesia | 59 | 1,450 | 1.1 | 6,600 ^E | 3.7 |
| Iran | 20 | 6,880 | 2.9 | 5,100 | 4.6 |
| Iraq | 61 | 1,250 | 5.5 | NA | NA |
| Ireland | 71 | 779 | 1.0 | 759 | 0.6 |
| Israel | 15 | 8,700 | 8.8 | 9,900 | 9.7 |
| Italy | 8 | 23,700 | 2.0 | 25,600 | 1.9 |
| Ivory Coast | 119 | 82 | 0.8 | 144 ^E | 1.4 |
| Jamaica | 128 | 51 | 0.8 | 37 | 0.5 |
| Japan | 3 | 43,200 | 1.0 | 39,500 | 1.0 |
| Jordan | 74 | 725 | 9.2 | 893 | 9.3 |
| Kazakhstan | 75 | 671 | 0.9 | 2,100* | 2.0 |
| Kenya | 100 | 200 | 1.9 | 368 ^E | 3.2 |
| Kuwait | 39 | 2,690 | 7.7 | 3,500 | 10.7 |
| Kyrgyzstan | 93 | 285 | 2.4 | 280* | 1.9 |
| Laos | 146 | 28 | 2.0 | 15 ^E | 0.8 |
| Latvia | 105 | 144 | 1.0 | 149 | 1.8 |
| Lebanon | 76 | 653 | 3.9 | 536 | 3.2 |
| Lesotho | 144 | 29 | 2.6 | 22 | 2.9 |
| Liberia | 160 | 6 | 1.3 | 25 ^E | 4.5 |
| Libya | 48 | NA | NA | 562 | 3.8 |
| Lithuania | 90 | 314 | 1.3 | 247 | 1.8 |
| Luxembourg | 106 | 141 | 0.8 | 204 | 0.9 |
| Macedonia | 97 | 228 | 2.5 | 101 ^E | 2.7 |
| Madagascar | 131 | 45 | 1.2 | 48 ^E | 1.0 |
| Malawi | 158 | 10 | 5.6 | 13 | 0.7 |
| Malaysia | 56 | 1,660 | 2.3 | 3,400 ^E | 3.6 |

CRS-14

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|-----------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Mali | 126 | 58 | 2.3 | 72 | 2.3 |
| Malta | 145 | 28 | 0.8 | 27 | 0.7 |
| Mauritania | 137 | 37 | 4.0 | 17 ^E | 1.7 |
| Mauritius | 159 | 9 | 0.2 | 8 | 0.1 |
| Mexico | 38 | 2,700 | 0.5 | 5,600 | 0.9 |
| Moldova | 133 | 43 | 0.5 | 160 ^E | 1.7 |
| Mongolia | 154 | 18 | 2.1 | 25 | 2.2 |
| Morocco | 58 | 1,450 | 4.3 | 1,400 | 3.6 |
| Mozambique | 113 | 94 | 2.5 | 80 ^E | 2.0 |
| Myanmar | 26 | 4,650 | 7.8 | 3,000 ^{E*} | 5.0 |
| Namibia | 116 | 91 | 2.9 | 83 | 2.8 |
| Nepal | 132 | 44 | 0.9 | 105 | 1.9 |
| Netherlands | 19 | 7,030 | 1.8 | 7,700 | 1.6 |
| New Zealand | 79 | 587 | 1.2 | 667 | 1.2 |
| Nicaragua | 148 | 24 | 1.2 | 33 | 1.3 |
| Niger | 149 | 24 | 1.2 | 34 ^E | 1.6 |
| Nigeria | 57 | 1,560 | 1.6 | 511 ^E | 1.2 |
| North Korea | 30 | 4,260 | 18.8 | 5,000 ^E | 25.0 |
| Norway | 35 | 3,310 | 2.2 | 3,600 | 1.9 |
| Oman | 53 | 1,780 | 15.3 | 2,700 | 13.4 |
| Pakistan | 32 | 3,520 | 5.9 | 2,700 | 3.9 |
| Panama | 108 | 124 | 1.4 | 138 ^E | 1.3 |
| Papua New Guinea | 138 | 36 | 1.1 | 14 | 0.5 |
| Paraguay | 118 | 84 | 1.1 | 57 | 1.0 |
| Peru | 63 | 1,200 | 2.4 | 914 | 1.6 |
| Philippines | 64 | 1,110 | 1.4 | 1,600 | 2.1 |
| Poland | 21 | 6,690 | 2.1 | 3,600 | 1.9 |
| Portugal | 42 | 2,410 | 2.2 | 1,700 | 2.3 |
| Qatar | 65 | 1,060 | 10.0 | 1,900 ^E | 10.6 |
| Romania | 44 | 2,190 | 1.6 | 1,100 | 2.3 |
| Russia | 6 | 35,000 | 5.6 | 50,800 | 4.8 |
| Rwanda | 117 | 87 | 4.4 | 72 ^E | 4.1 |
| Sao Tome and Principe | 165 | 0 | 0.0 | NA | NA |

CRS-15

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|----------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Saudi Arabia | 9 | 21,200 | 14.9 | 22,200 | 12.0 |
| Senegal | 120 | 81 | 1.7 | 69 | 1.3 |
| Serbia/Montenegro | 66 | 1,030 | 5.0 | 746 ^E | 5.3 |
| Seychelles | 168 | NA | NA | 12 | 1.7 |
| Sierra Leone | 152 | 20 | 3.1 | 18 ^E | 2.2 |
| Singapore | 28 | 4,400 | 4.8 | 4,600 | 5.2 |
| Slovakia | 67 | 1,010 | 1.8 | 464 | 2.0 |
| Slovenia | 84 | 436 | 1.4 | 329 | 1.5 |
| Somalia | 135 | NA | NA | 40 ^E | 4.0 |
| South Korea | 11 | 11,600 | 2.9 | 13,300 | 2.8 |
| South Africa | 50 | 1,960 | 1.5 | 1,800 | 1.7 |
| Spain | 17 | 7,560 | 1.3 | 8,700 | 1.2 |
| Sri Lanka | 73 | 729 | 4.7 | 533 | 3.2 |
| Sudan | 85 | 424 | 4.8 | 665 ^E | 4.9 |
| Suriname | 155 | 14 | 1.8 | 9 ^E | 5.0 |
| Swaziland | 151 | 21 | 1.8 | NA | NA |
| Sweden | 23 | 5,330 | 2.3 | 4,200 | 1.7 |
| Switzerland | 33 | 3,400 | 1.2 | 3,000 | 1.1 |
| Syria | 27 | 4,450 | 7.0 | 1,900 ^E | 10.3 |
| Tajikistan | 121 | 80 | 1.3 | 130* | 1.7 |
| Tanzania | 110 | 122 | 1.4 | 135 ^E | 1.5 |
| Thailand | 47 | 2,040 | 1.7 | 1,800 | 1.5 |
| The Gambia | 164 | 5 | 1.3 | 3 | 1.0 |
| Togo | 147 | 25 | 1.8 | 24 | 1.8 |
| Trinidad and Tobago | 115 | 92 | 1.4 | 67 | 0.7 |
| Tunisia | 88 | 357 | 1.8 | 404 | 1.8 |
| Turkey | 13 | 9,950 | 5.3 | 9,200 | 5.1 |
| Turkmenistan | 81 | 542 | 3.4 | 300* | 0.8 |
| Uganda | 107 | 140 | 2.3 | 167 ^E | 2.7 |
| Ukraine | 25 | 5,110 | 3.0 | 5,000 | 2.2 |
| United Kingdom | 5 | 36,500 | 2.5 | 37,300 | 2.4 |
| United Arab Emirates | 45 | 2,180 | 4.1 | 2,800 ^E | 4.0 |
| United States | 1 | 281,000 | 3.0 | 348,500 | 3.3 |

CRS-16

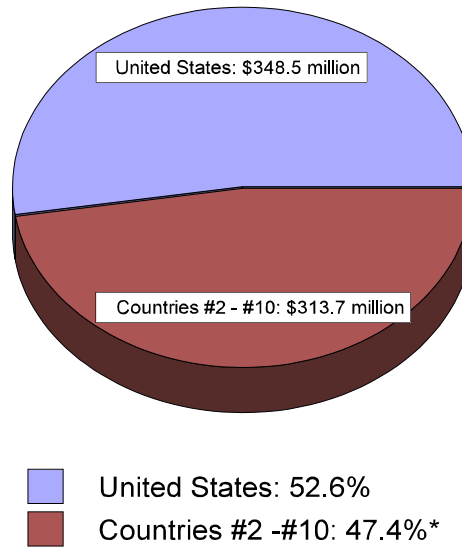
| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|--------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| Uruguay | 95 | 275 | 1.3 | 224 | 1.8 |
| Uzbekistan | 68 | 933 | 1.7 | 1,900* | 2.9 |
| Venezuela | 60 | 1,420 | 1.4 | 1,100 | 1.3 |
| Vietnam | 34 | NA | NA | 2,400 | 7.1 |
| Yemen | 87 | 374 | 6.0 | 515 ^E | 5.7 |
| Zambia | 142 | 31 | 1.0 | 26 | 0.7 |
| Zimbabwe | 96 | 263 | 5.0 | 674 ^E | 3.4 |
| Grand Total | | 844,665 | | 889,170 | |

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

Figure 1. U.S. Defense Expenditures as a Percentage of the Top 10 Defense-Spending Countries, 2002

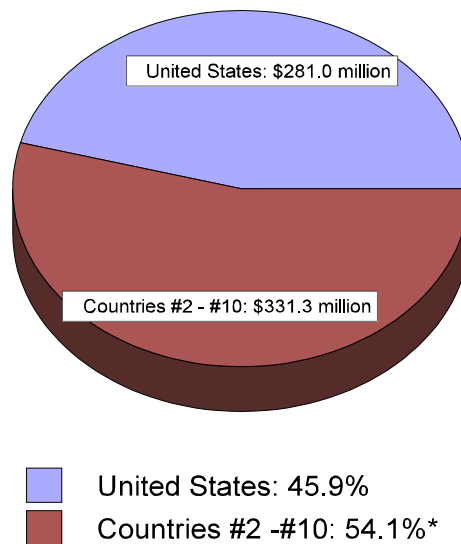
(IISS Military Balance, 2003-2004, current year 2002 dollars)



*Countries #2 - #10: China, Russia, France, United Kingdom, Germany, Italy, India, Japan, Saudi Arabia

Figure 2. U.S. Defense Expenditures as a Percentage of the Top 10 Defense-Spending Countries, 1999

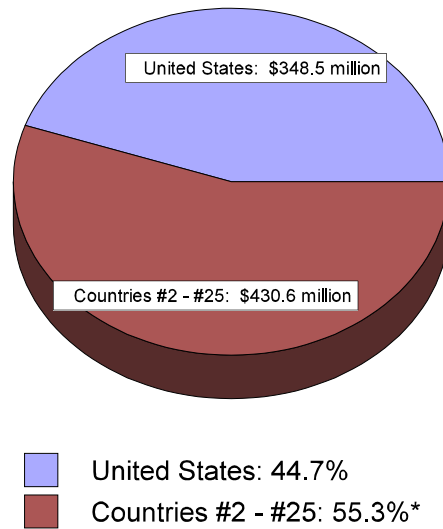
(WMEAT, 1999-2000, current year 1999 dollars)



*Countries #2 - #10: China, Russia, France, United Kingdom, Germany, Italy, Japan, Saudi Arabia, China-Taiwan

Figure 3. U.S. Defense Expenditures as a Percentage of the Top 25 Defense-Spending Countries, 2002

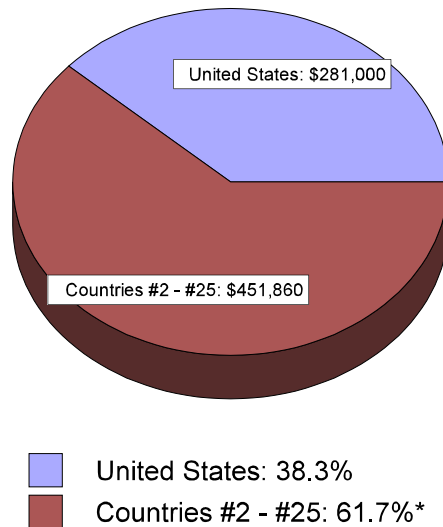
(IISS Military Balance, 2003-2004, current year 2002 dollars)



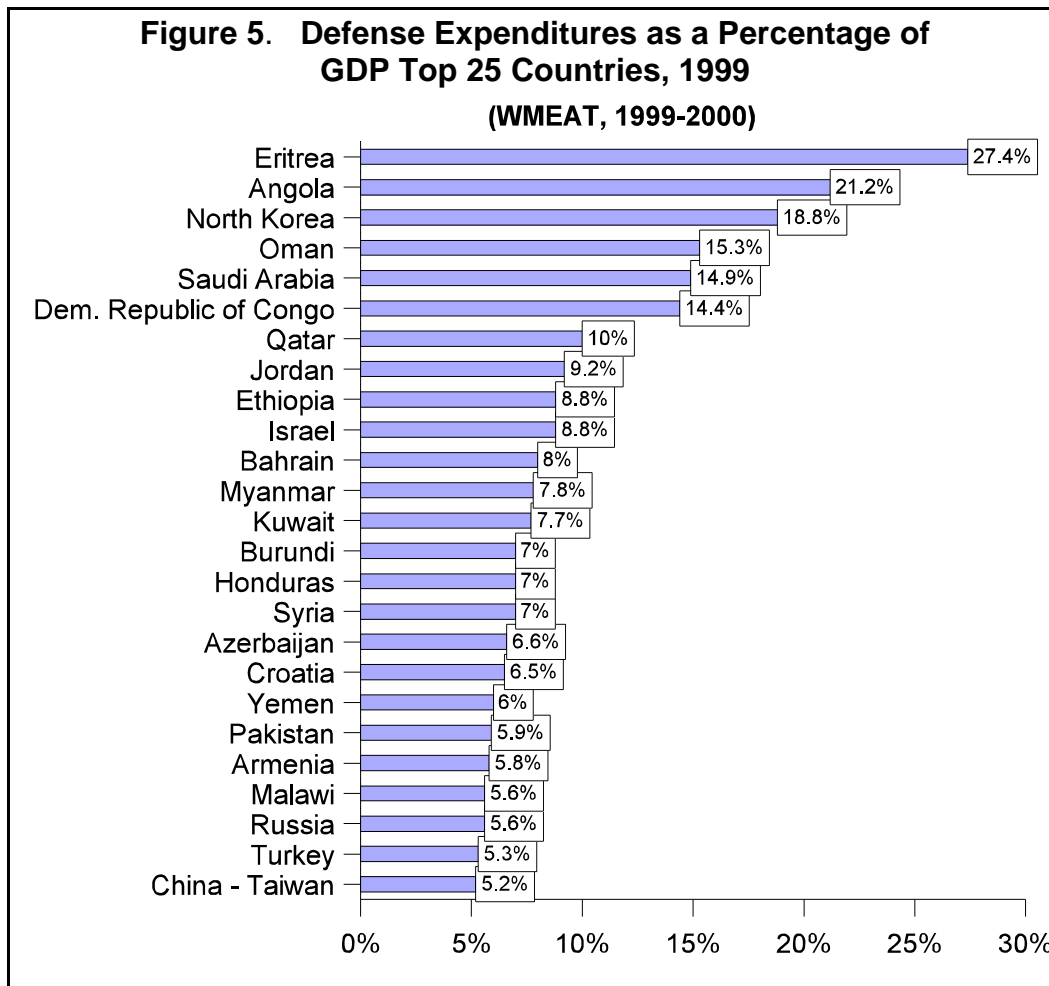
*Countries #2 - #25: China, Russia, France, Japan, United Kingdom, Germany, Italy, Saudi Arabia, India, South Korea, Brazil, Israel, Turkey, Spain, Canada, Australia, China - Taiwan, Netherlands, Indonesia, Greece, Mexico, Iran, Ukraine, N. Korea

Figure 4. U.S. Defense Expenditures as a Percentage of the Top 25 Defense-Spending Countries, 1999

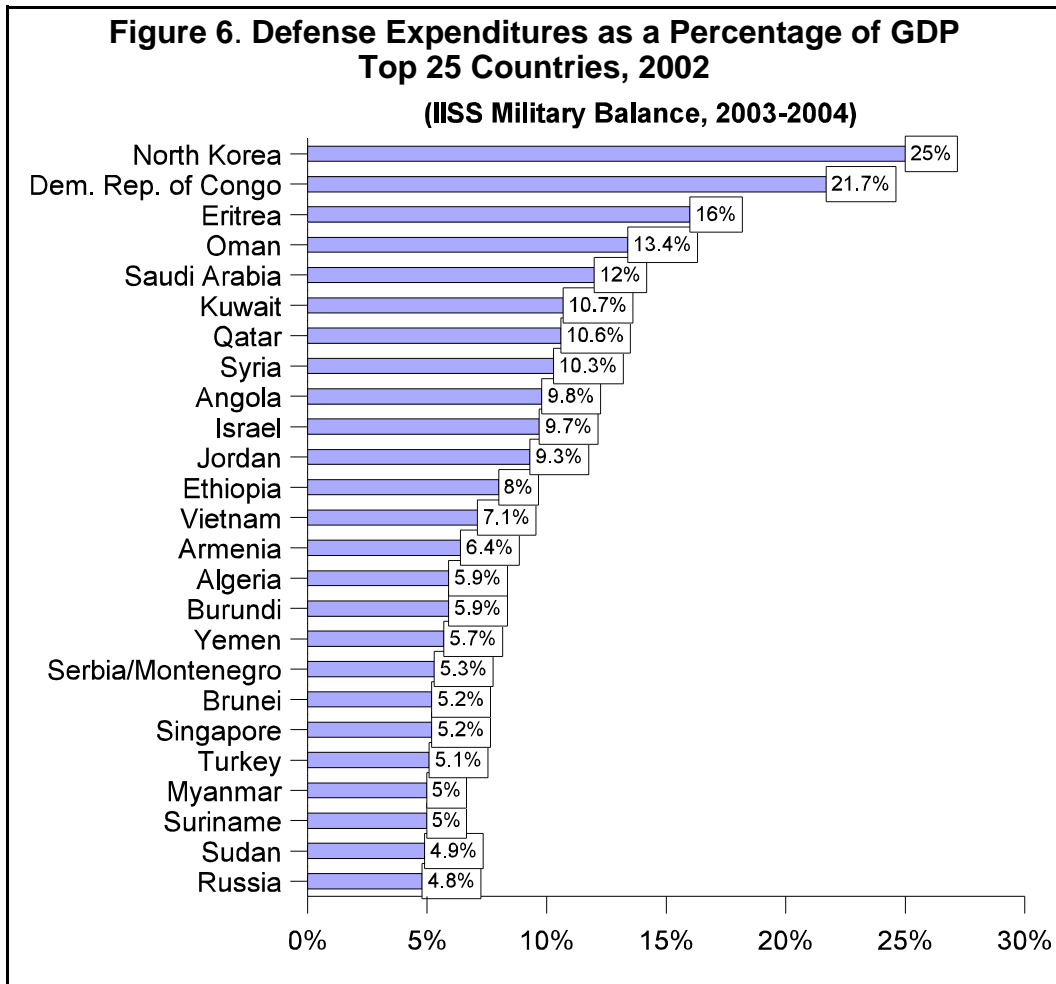
(WMEAT 1999-2000, current year 1999 dollars)



*Countries #2 - #25: China, Japan, France, United Kingdom, Russia, Germany, Italy, Saudi Arabia, China-Taiwan, South Korea, India, Turkey, Brazil, Israel, Canada, Spain, Australia, Netherlands, Poland, Iran, Greece, Sweden, Dem. Rep. of Congo, Ukraine



Note: The United States, with defense spending at 3.0% of GDP in 1999 according to WMEAT, would rank #50 on this chart.



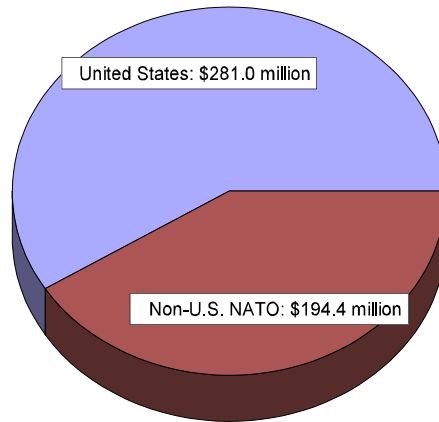
Note: The United States, with defense spending at 3.3% of GDP in 2002 according to the IISS, would rank #47 on this chart.

**Table 3. NATO Defense Expenditures:
Data from the IISS and U.S. Dept. of State**
(current year U.S. dollars in millions)

| Country | Rank | WMEAT 1999-2000 | | IISS Military Balance 2003-2004 | |
|--------------------|------|--|----------|--|----------|
| | | Defense Expenditures (1999 Data) | % GDP | Defense Expenditures (2002 Data) | % GDP |
| United States | 1 | 281,000 | 3.0% | 348,500 | 3.3 |
| France | 2 | 38,900 | 2.7 | 40,200 | 2.5 |
| United Kingdom | 3 | 36,500 | 2.5 | 37,300 | 2.4 |
| Germany | 4 | 32,600 | 1.6 | 33,300 | 1.5 |
| Italy | 5 | 23,700 | 2.0 | 25,600 | 1.9 |
| Turkey | 6 | 9,950 | 5.3 | 9,200 | 5.1 |
| Canada | 7 | 8,320 | 1.4 | 8,200 | 1.1 |
| Spain | 8 | 7,560 | 1.3 | 8,700 | 1.2 |
| Netherlands | 9 | 7,030 | 1.8 | 7,700 | 1.6 |
| Poland | 10 | 6,690 | 2.1 | 3,600 | 1.9 |
| Greece | 11 | 6,060 | 4.7 | 6,500 | 4.4 |
| Belgium | 12 | 3,600 | 1.4 | 3,600 | 1.3 |
| Norway | 13 | 3,310 | 2.2 | 3,600 | 1.9 |
| Czech Republic | 14 | 3,000 | 2.3 | 1,500 | 2.1 |
| Denmark | 15 | 2,780 | 1.6 | 2,700 | 1.6 |
| Portugal | 16 | 2,410 | 2.2 | 3,100 | 2.3 |
| Hungary | 17 | 1,880 | 1.7 | 1,000 | 1.8 |
| Luxembourg | 18 | 141 | 0.8 | 192 | 0.9 |
| Iceland | 19 | 0 | 0.0 | 0 | 0.0 |
| Grand Total | | 475,431 | | 544,942 | |

Figure 7. U.S. Defense Expenditures as a Percentage of NATO Defense Expenditures, 1999

(WMEAT, 1999-2000, current year 1999 dollars)

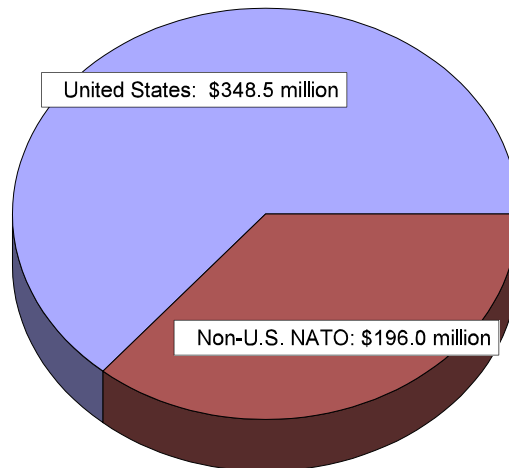


United States: 59.1%
Non-U.S. NATO: 40.9%*

*Non-U.S. NATO: United Kingdom, France, Germany, Italy, Turkey, Greece, Czech Republic, Norway, Portugal, Poland, Italy, Netherlands, Hungary, Denmark, Germany, Belgium, Canada, Spain, Luxembourg, Iceland

Figure 8. U.S. Defense Expenditures as a Percentage of NATO Defense Expenditures, 2002

(IISS Military Balance, 2003-2004, current year 2002 dollars)



United States: 64%
Non-U.S. NATO: 36%*

*Non-U.S. NATO: United Kingdom, France, Germany, Italy, Turkey, Greece, Czech Republic, Norway, Portugal, Poland, Italy, Netherlands, Hungary, Denmark, Germany, Belgium, Canada, Spain, Luxembourg, Iceland

