



Defence Efforts International Comparison Attempt

2007 Edition

***Most of the comparisons focus on implemented budgets
(2006 data are the last available information).***

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Comments



Methodology

Official statistics can induce biases of understanding since, for historical or methodological reasons, they are not presented through similar parameters or identical definitions (for instance, pensions are not systematically included in the defence budget).

EuroDéfense's approach aims at providing an analytical and interpretative framework of defence efforts by presenting, as much as possible, data:

- related to implemented budgets and not voted ones, which helps underlying the effective defence effort of the selected countries;
- without pensions, to facilitate comparisons with countries which do not finance them through their defence budget;
- in taking account, for *pro forma* comparisons, of only defence-related spending of French Gendarmerie and Italian Carabinieri;
- in purchasing power parities when possible, since it helps correct the effects of short-term exchange rates fluctuations and the under- or over-evaluations of national currencies;
- in euros, in other cases, to facilitate international comparisons, by using the average annual exchange rates established by the European Central Bank;
- in constant values, to make long-run comparisons possible without the deforming effects of inflation over long-run series.

July 2007

Note on the United States

The budget of Pentagon does not include expenditures realized by the Department of Energy in the field of nuclear deterrence, which represent an annual average budget of 22.3 billion dollars over the 2006-2012 period.

A large share of American military expenditures in Iraq and Afghanistan are not directly included in the DoD budget, but supported by specific supplemental budgets voted each year by the Congress. Therefore truly implemented or already-voted expenditures are included in the Outlays* aggregate, but DoD expenditure forecasts do not take account of them.

Note on the United Kingdom

The new public finance system adopted in 2002 by the United Kingdom makes uneasy the distinction of expenditures by nature because of a so-called "commercial" accounting system, which tends to globalize expenditures by mission. Data presented here correspond to guesstimates based on EuroDéfense analyses.

Note on France

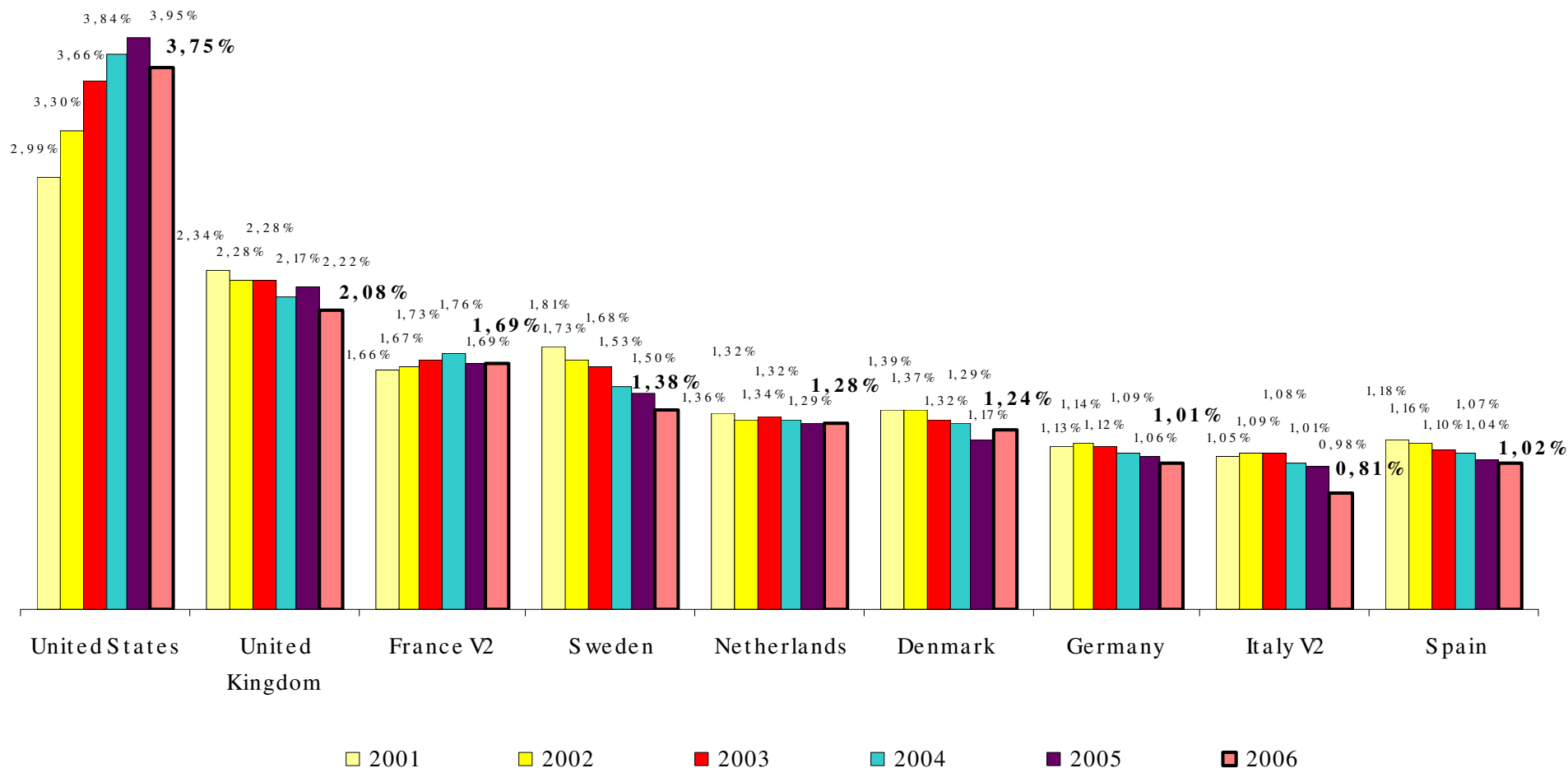
France has been using a new public finance nomenclature, known as LOLF (*Loi organique relative aux lois de finances*), since fiscal year 2006. This approach in terms of missions and programmes is going to reduce the preciseness of information in a similar way as it happened in the United Kingdom since 2002.

* DoD Comptroller Office Definition : "Outlays, or expenditures, are the liquidation of the Government's obligations. Outlays generally represent cash payments."



Defence expenditures as % of GDP 2001-2006

(OTAN V2 standard or alike, without pensions)



V2: French gendarmerie and Italian carabinieri with a rate of military activity at 5% and 15%, respectively; including funds provided by Industry or Research Ministries.

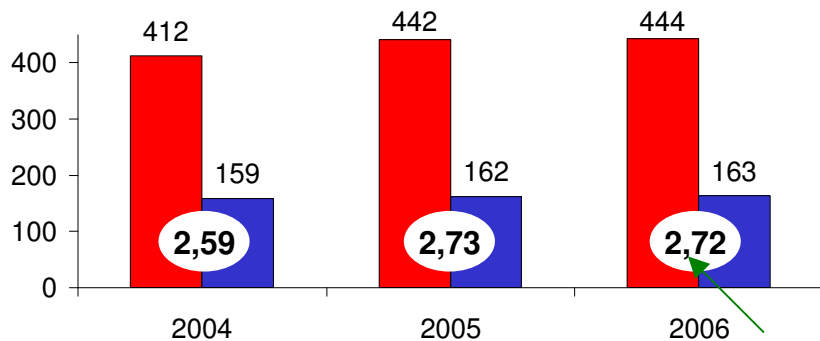


United States / European Union 2004-2006

(OTAN V2 standard or alike, without pensions)

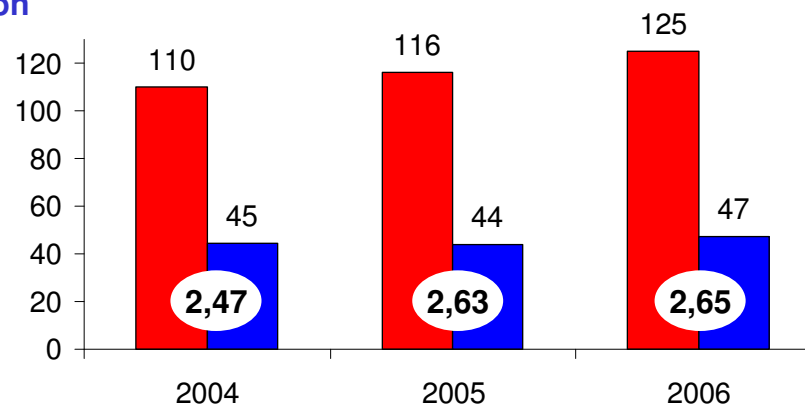
Defence expenditures
(billion PPP euros)

United States
27 countries of the
European Union

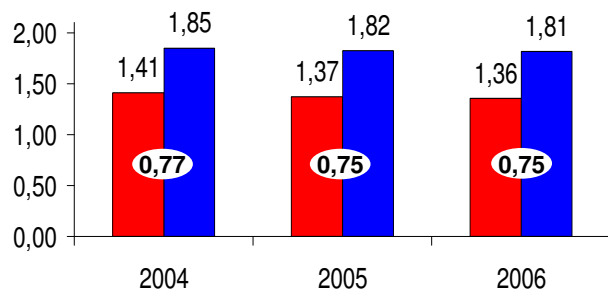


USA/UE 27 ratio

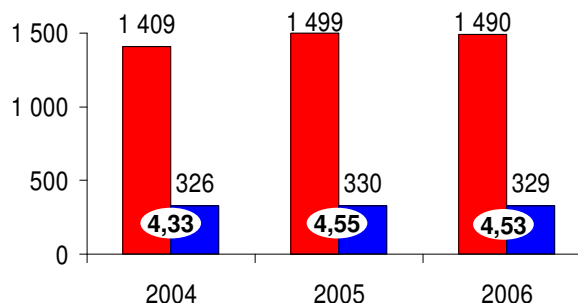
Capital expenditures (billion PPP euros, production + R&D + tests)



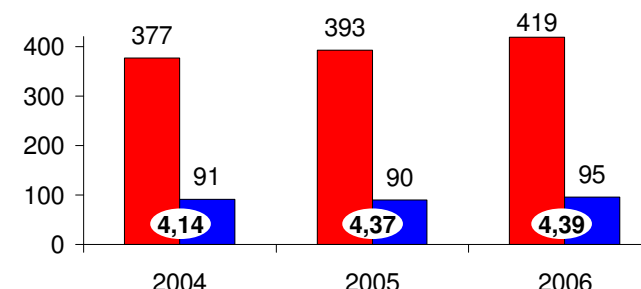
Military personnel
(millions)



Defence expenditures per inhabitant (PPP euros)



Capital expenditures per inhabitant (PPP euros)

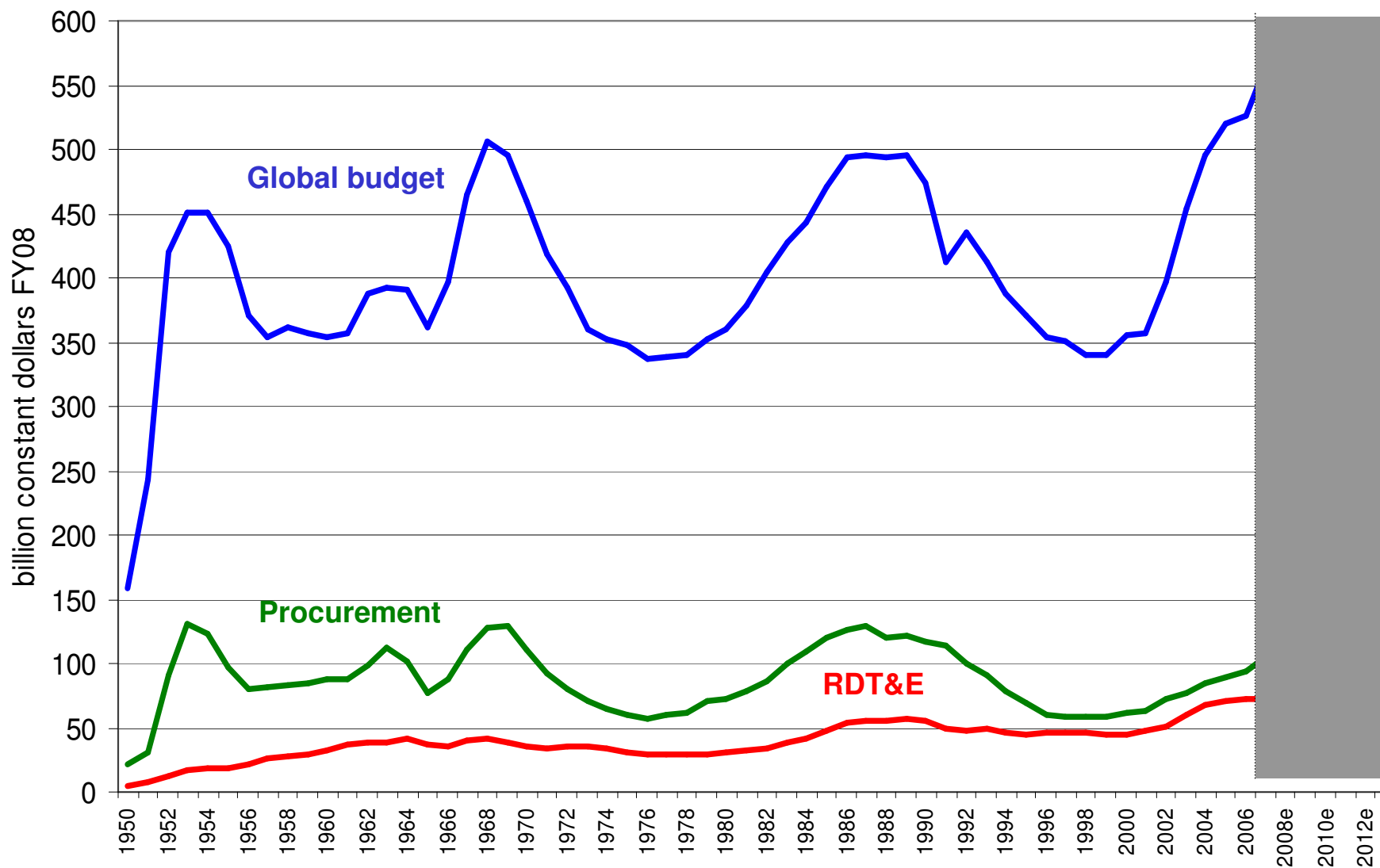


V2: French gendarmerie and Italian carabinieri with a rate of military activity at 5% and 15%, respectively; national data converted, here, in euros with purchasing parity power exchange rates.



US Defence Budget 1950-2013

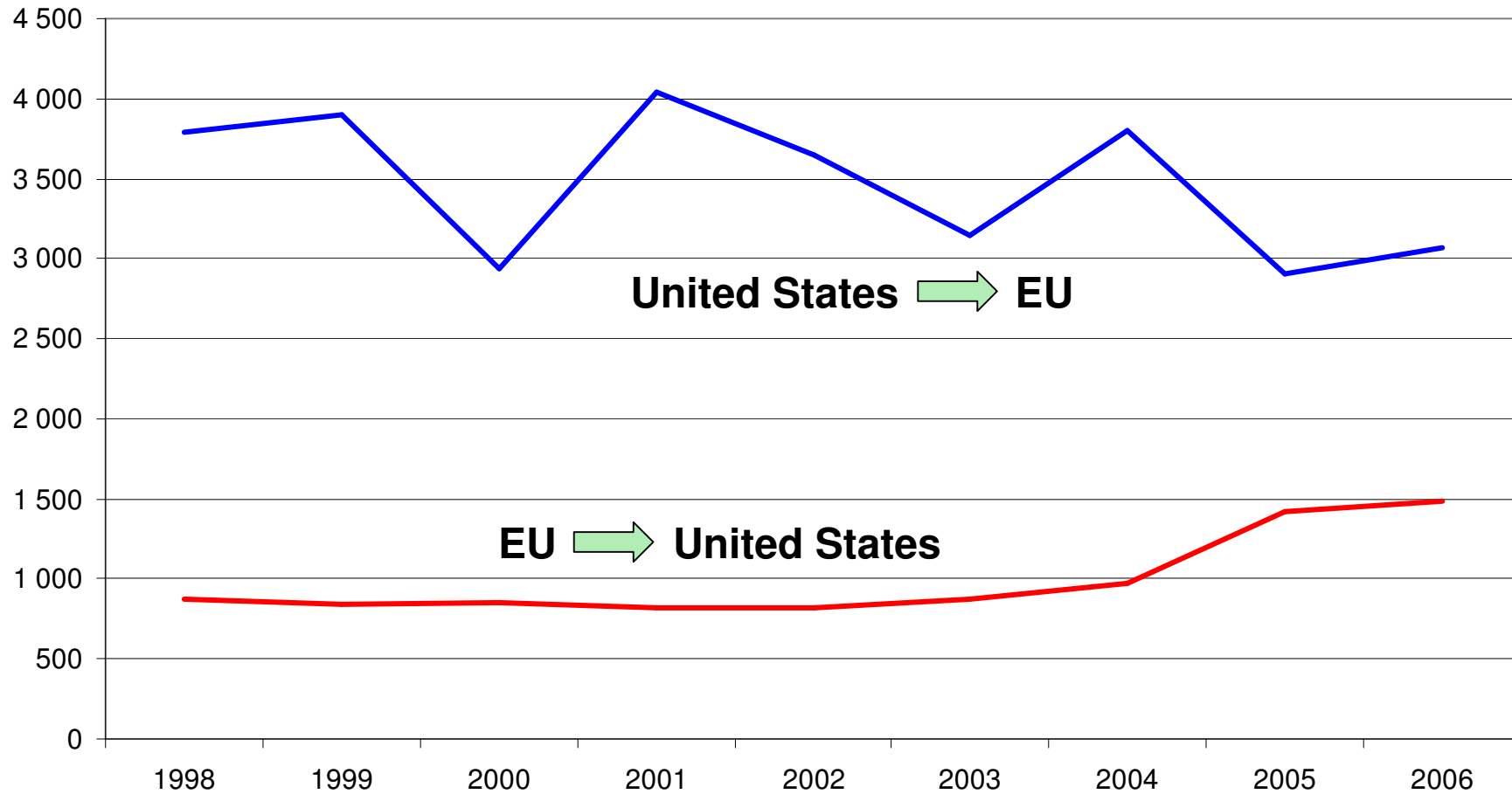
(DoD-051 Outlays)



NB: "Global War on Terrorism" operations included up to 2008.

European Union /United States arms trade

(millions dollars)



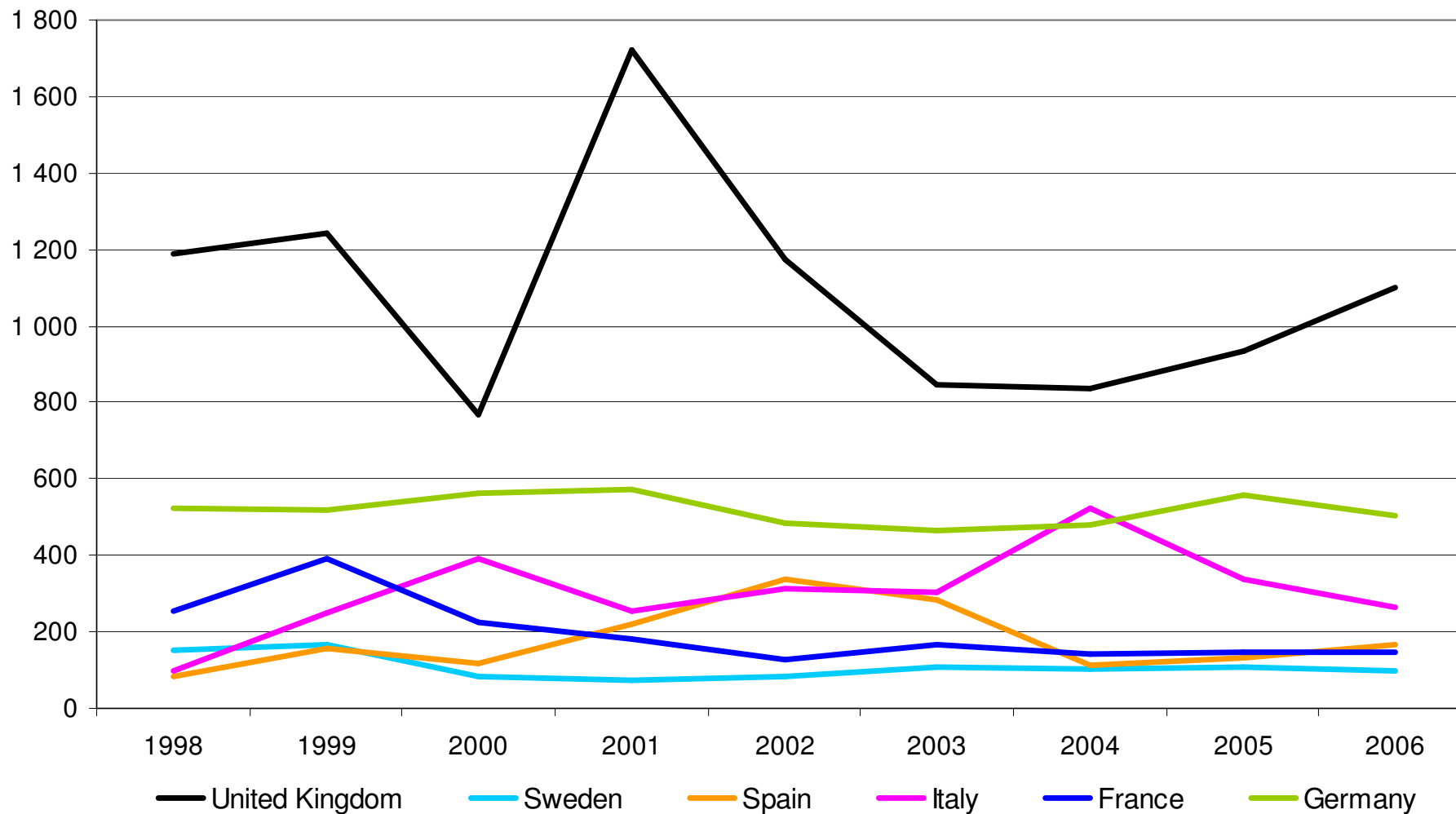
Source: US Census Bureau

July 2007



Imports of US military equipment

(millions dollars)

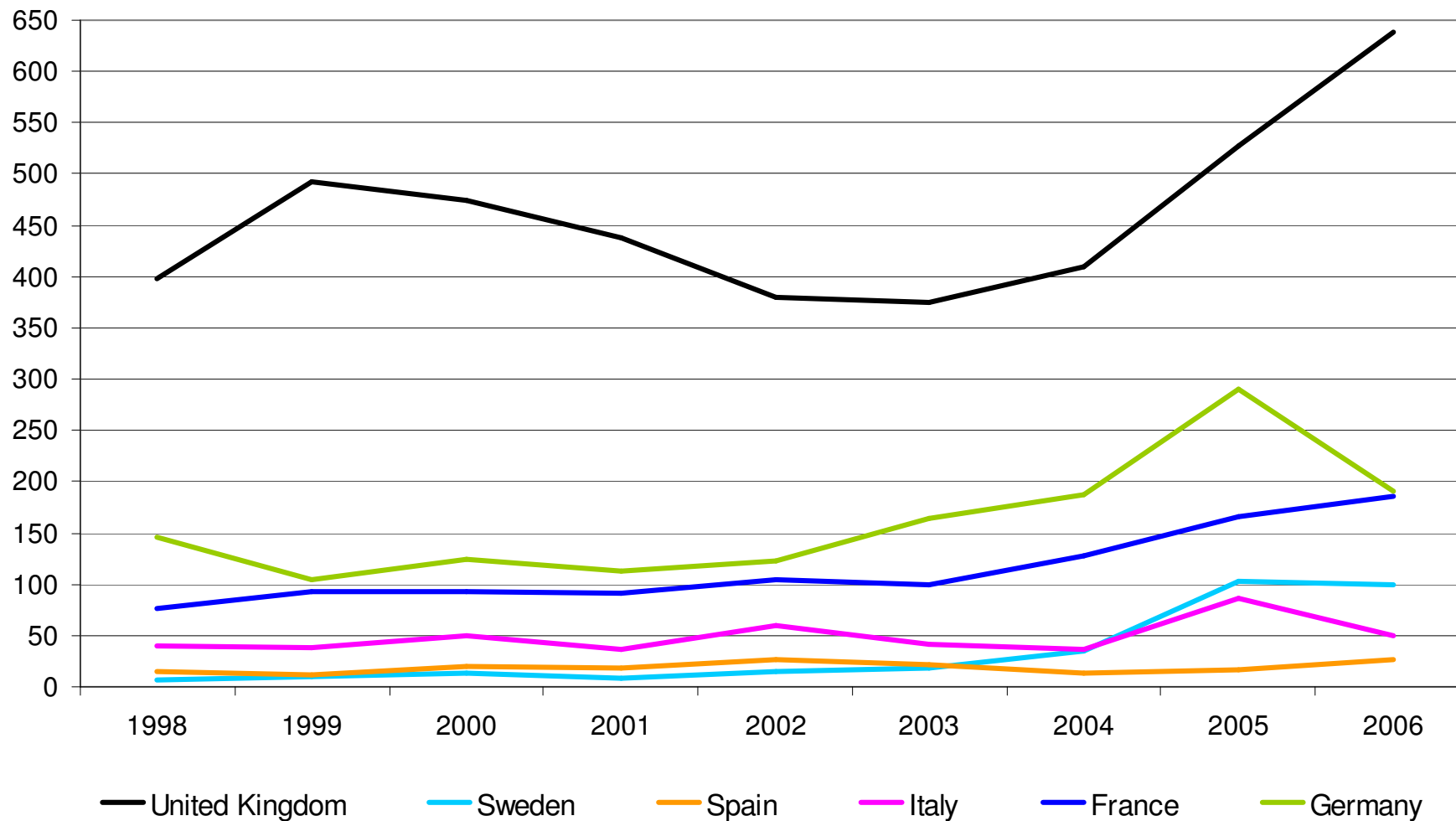


Source: US Census Bureau



Exports of military equipment towards the US

(millions dollars)

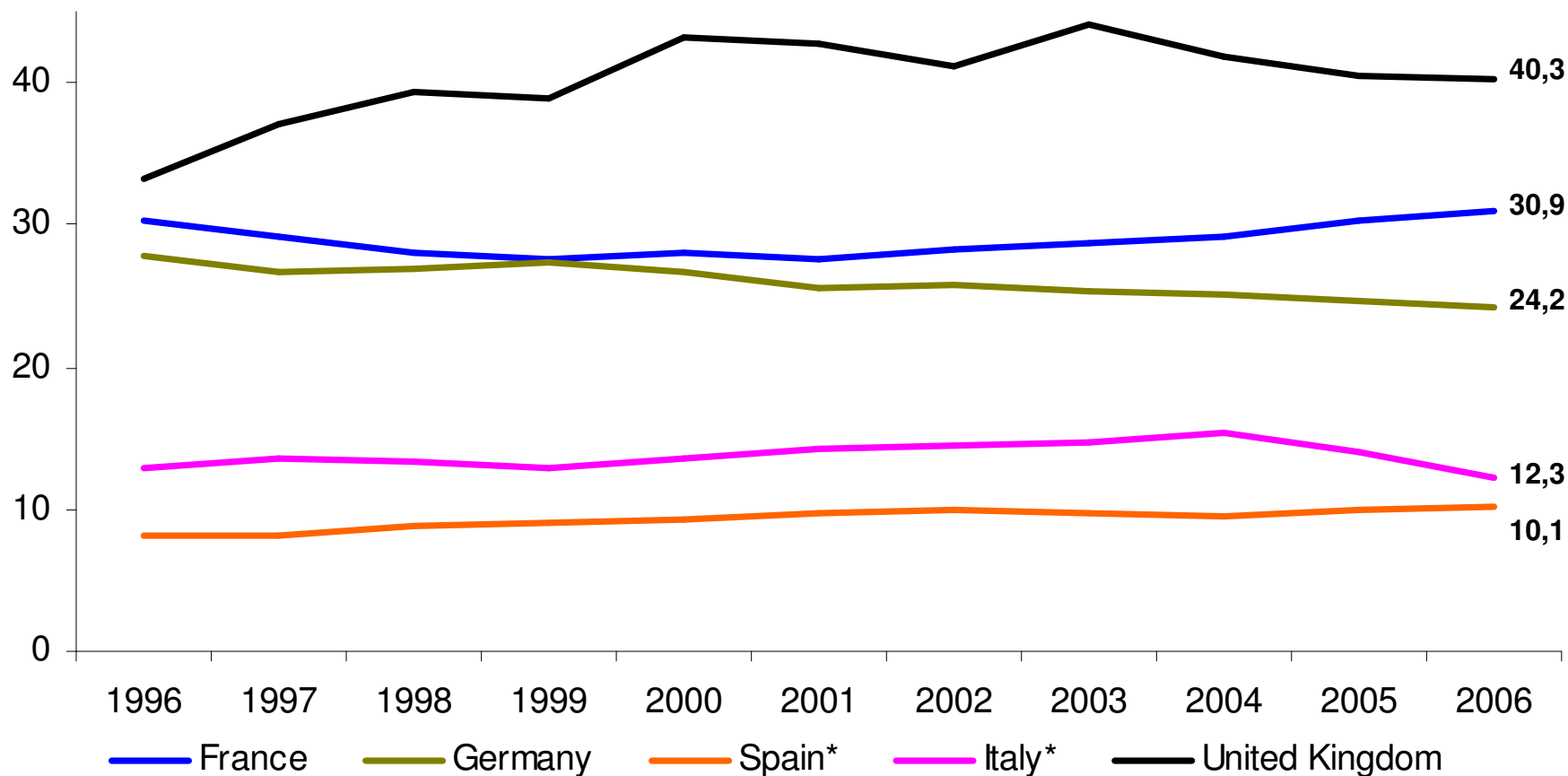


Source: US Census Bureau



Defence expenditures, real expenses

(without pensions, billion 2007 euros)

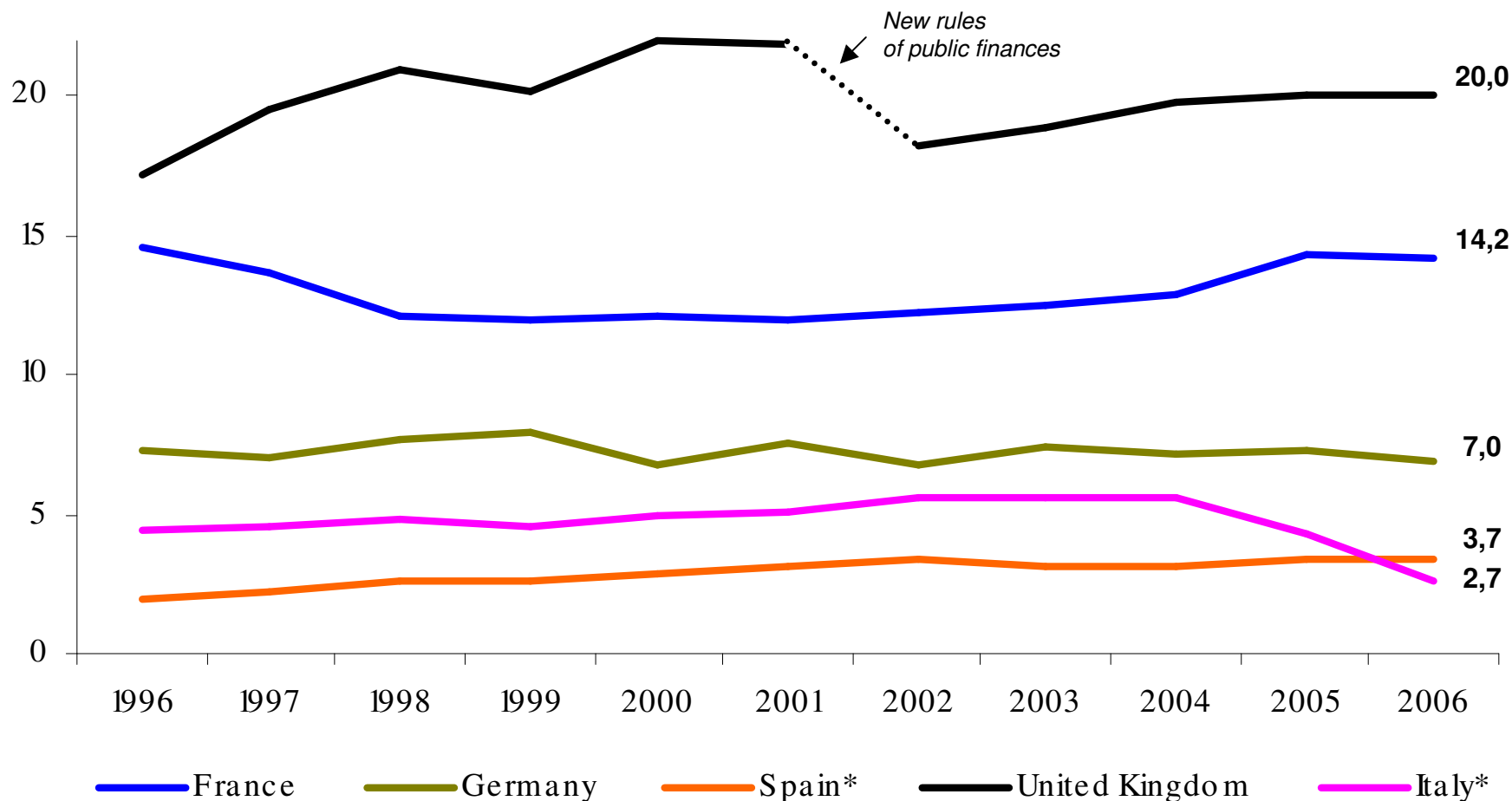


V2: French gendarmerie and Italian carabinieri with a rate of military activity at 5% and 15%, respectively; including funds provided by Industry or Research Ministries.



Equipment expenditures

(excl. infrastructures, R&D and MRO included, billion 2007 euros)

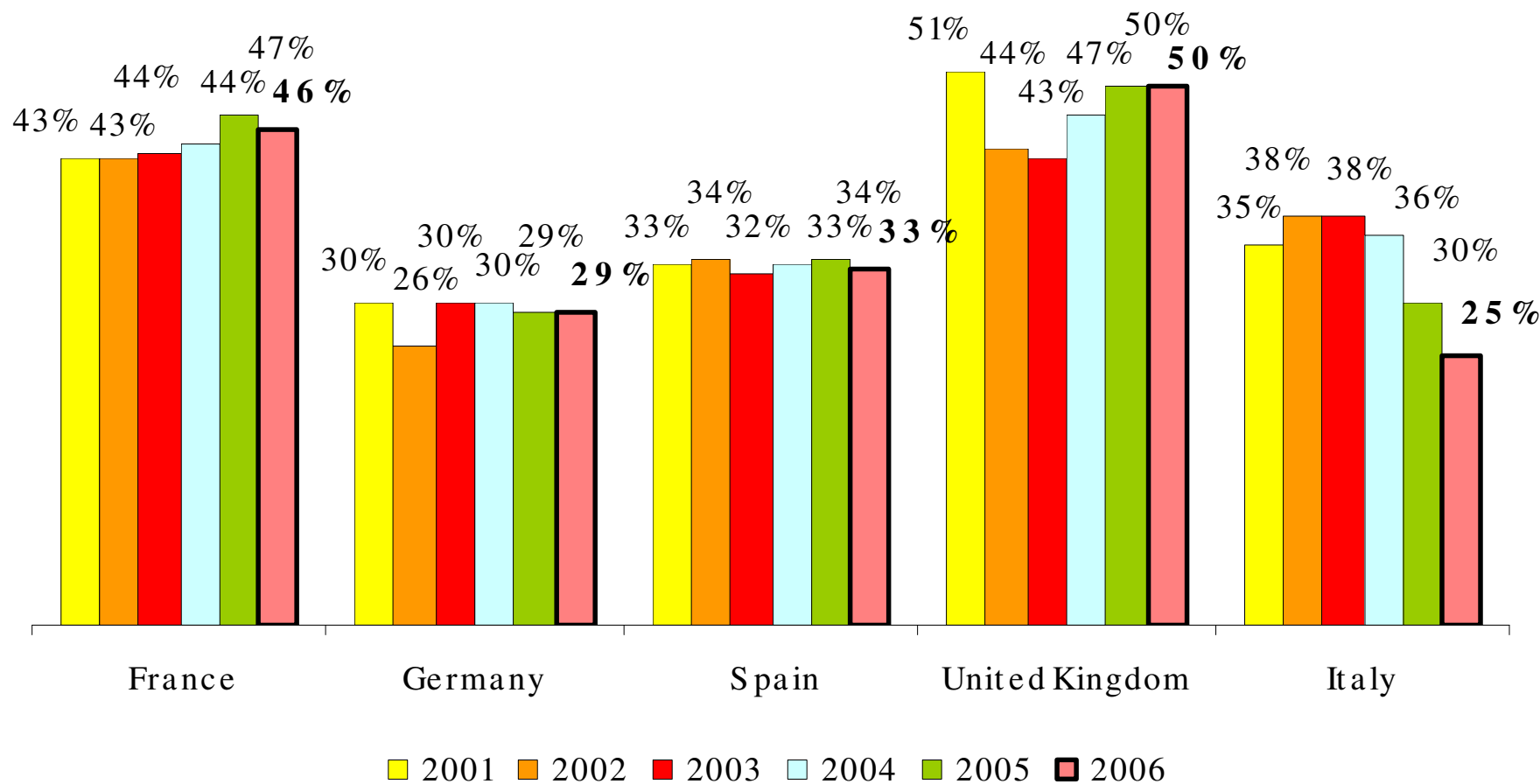


V2: French gendarmerie and Italian carabinieri with a rate of military activity at 5% and 15%, respectively; including funds provided by Industry or Research Ministries.



Share of equipment expenditures in the total defence budget

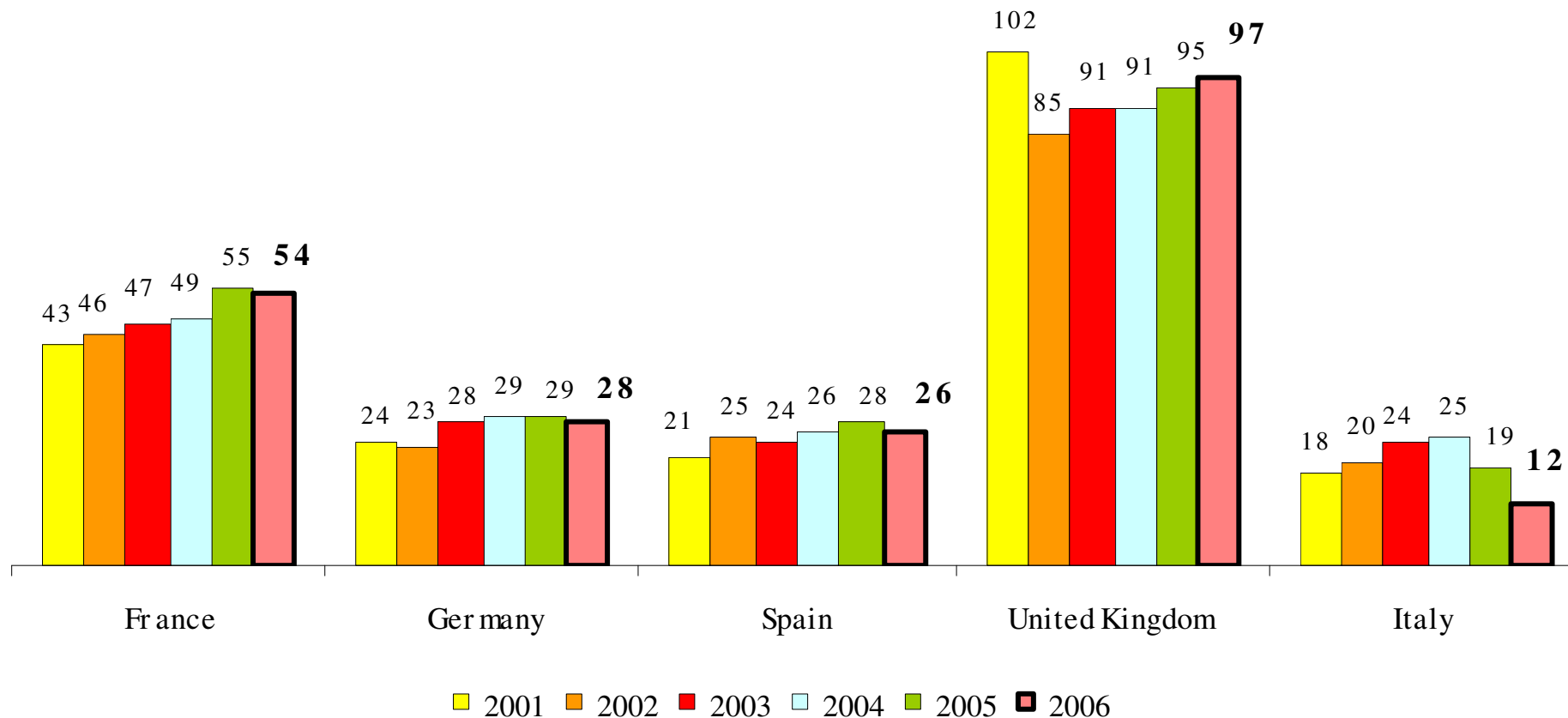
(without infrastructure and pensions, R&D and MRO included)





Equipment expenditures per soldier

(OTAN standard, thousand euros)

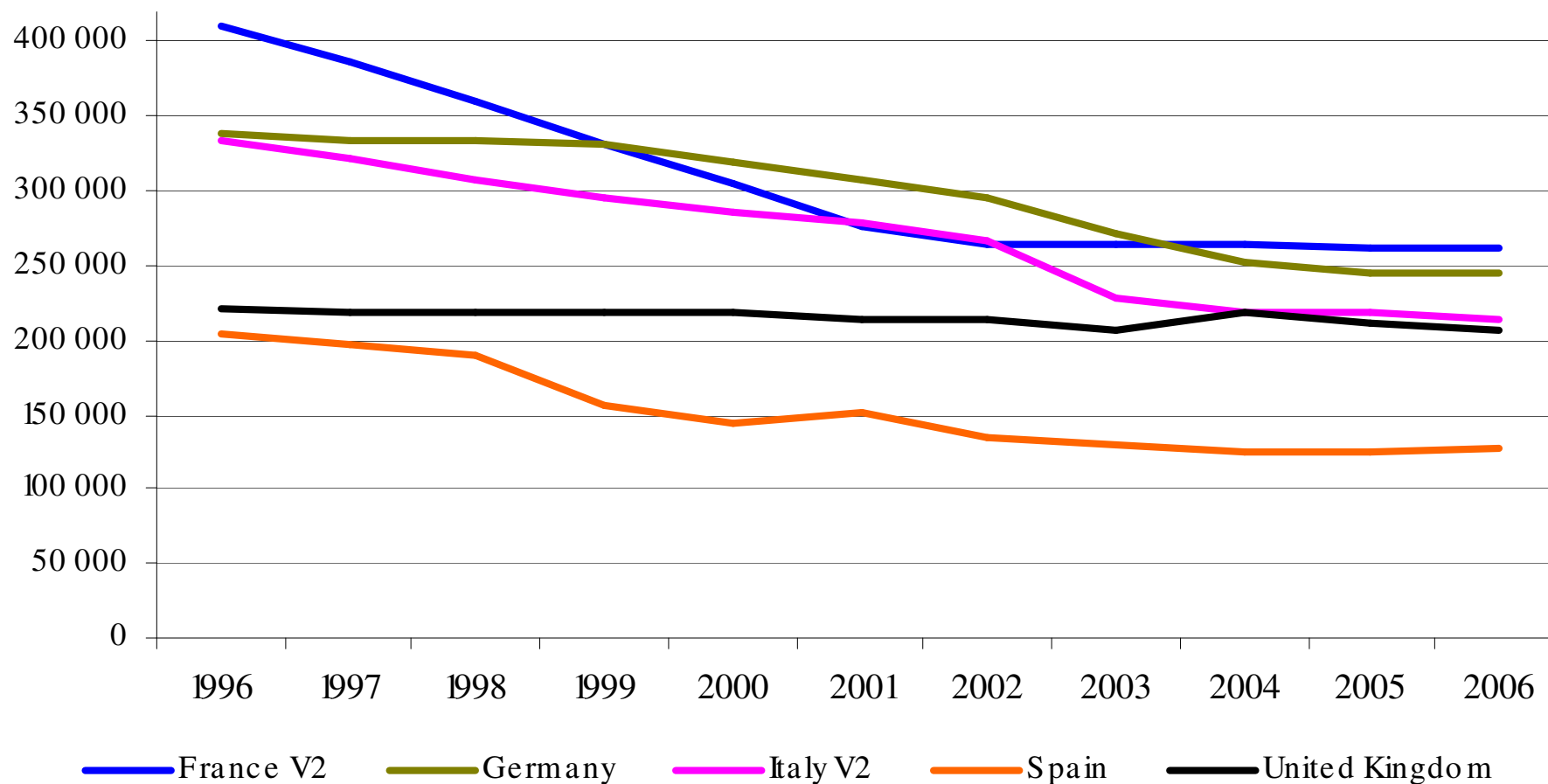


V2: French gendarmerie and Italian carabinieri with a rate of military activity at 5% and 15%, respectively; including funds provided by Industry or Research Ministries.



Military personnel

(NATO standard)

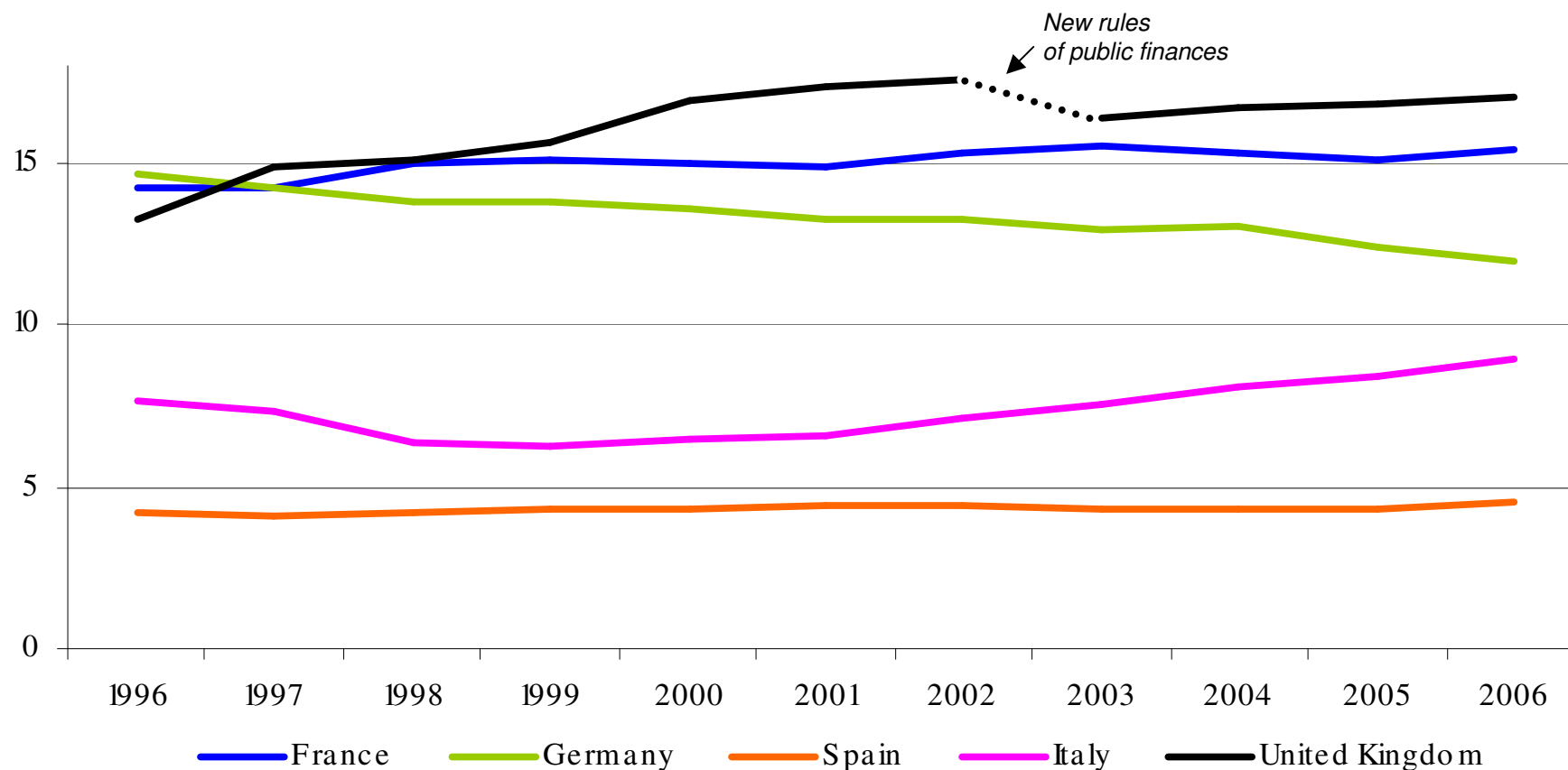


V2: French gendarmerie and Italian carabinieri with a rate of military activity at 5% and 15%, respectively.



Personnel expenditures

(civil and military, billion 2007 euros)



V2: French gendarmerie and Italian carabinieri with a rate of military activity at 5% and 15%, respectively.



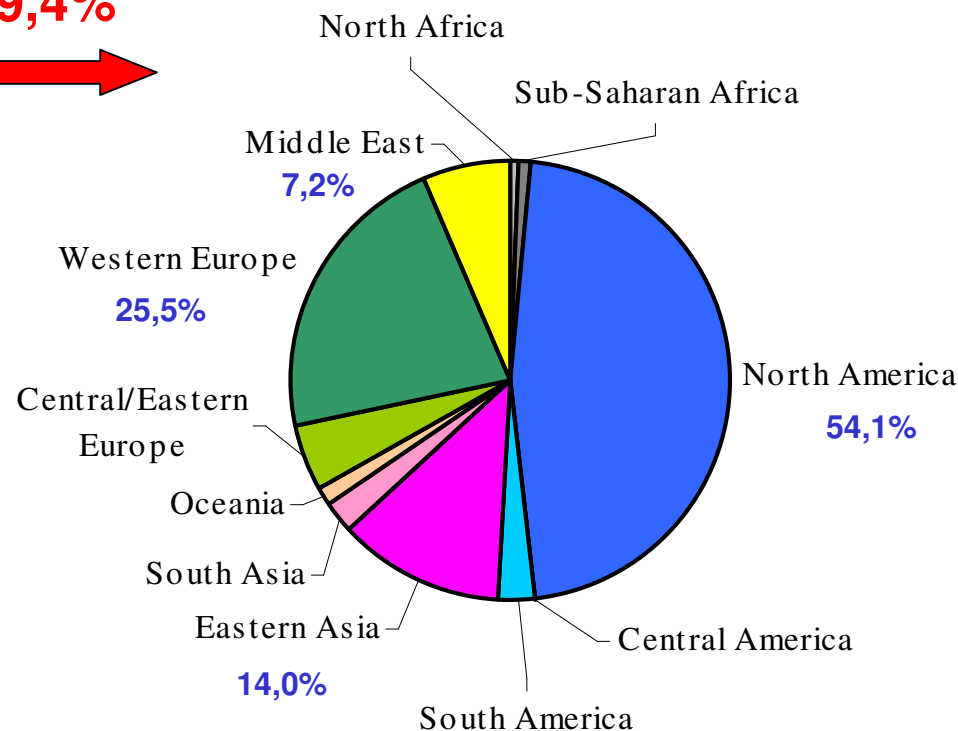
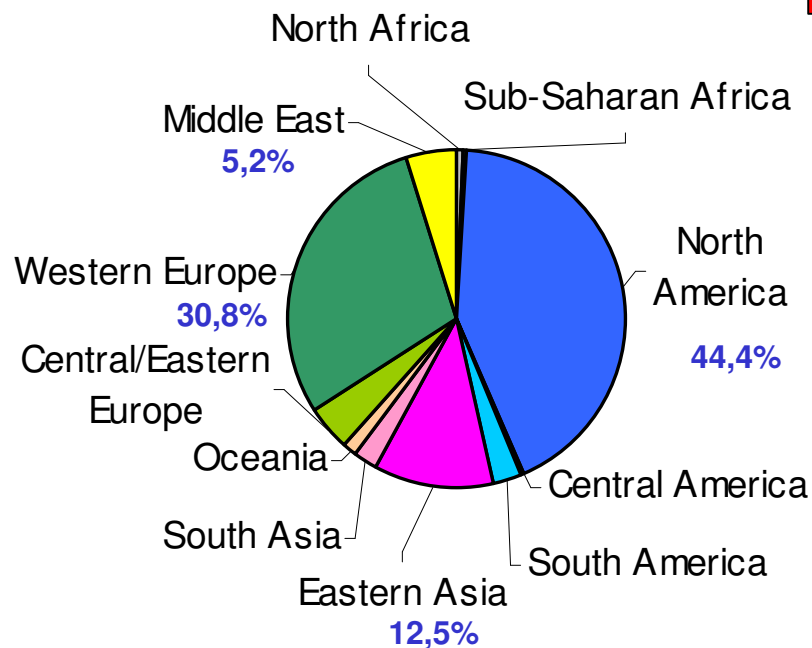
World military expenditures in 1996 and 2006

(constant 2005 dollars, market exchange rates)

1996: 831 billion dollars

2006: 1158 billion dollars

+39,4%



Russia included in "Central/Eastern Europe "
Source: Stockholm International Peace Research Institute