

II. Regional developments in military expenditure, 2019

The global total military expenditure of US\$1917 billion in 2019 was not evenly distributed among the world's regions.¹ One region—the Americas—accounted for more than two-fifths (43 per cent) of the world total. This was followed by Asia and Oceania with 27 per cent and Europe with 19 per cent. The Middle East is estimated to have accounted for about 9.4 per cent of the total.² Spending by African countries was the lowest of all the regions, with only 2.1 per cent of global military expenditure in 2019.

This section reviews military expenditure developments in each of the world's five regions in turn. It describes how the spending decisions of individual countries affect the subregional and regional trends. On the impact on global trends see section I.

Africa

In 2019 military expenditure in Africa increased marginally, by 1.5 per cent to an estimated \$41.2 billion.³ This, the first increase in Africa for five years, was the smallest relative increase by a region in 2019 (see table 8.2 in section I). Over the period 2010–19 African military spending first increased in 2010–14, followed by decreases in 2015–18 and the minor increase in 2019 to give overall growth of 17 per cent (see table 8.1 in section I).

North Africa

Military spending by countries in North Africa is estimated to have totalled \$23.5 billion in 2019, representing 57 per cent of the total for Africa. Amid long-standing tensions between Algeria and Morocco, domestic insurgencies and continuing civil war in Libya, military spending in the subregion was 4.6 per cent higher than in 2018 and 67 per cent higher than in 2010 (see figure 8.3).⁴

Algeria's military expenditure of \$10.3 billion in 2019 was the highest in North Africa (and, indeed, Africa), accounting for 44 per cent of the subregional total. Spending in 2019 was 7.8 per cent higher than in 2018.

¹ All figures for spending in 2019 are quoted in current 2019 US dollars. Except where otherwise stated, figures for increases or decreases in military spending are expressed in constant 2018 US dollars, often described as changes in 'real terms' or adjusted for inflation. All SIPRI's military expenditure data is freely available in the SIPRI Military Expenditure Database. The sources and methods used to produce the data discussed here are also presented on the SIPRI website.

² This regional share is based on rough estimates for Qatar and the United Arab Emirates, for which accurate spending figures are unavailable.

³ This regional total excludes Djibouti, Eritrea and Somalia, for which no reliable series of estimates could be made. SIPRI has no military spending data for Djibouti since 2009 and for Eritrea since 2003. While Somalia has a military budget in US dollars, there is no GDP or inflation data, so it is not possible to include the country in estimates of regional or world totals.

⁴ On the armed conflict in Libya see chapter 6, section IV, in this volume.

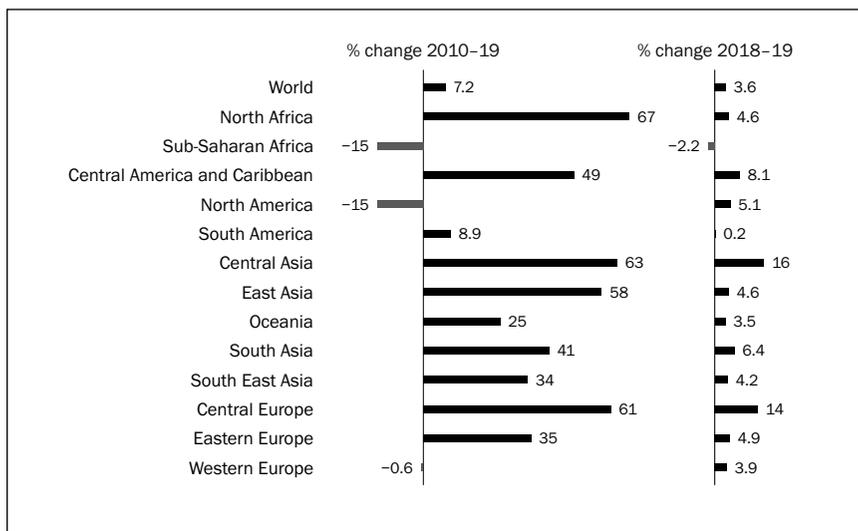


Figure 8.3. Changes in military expenditure by subregion, 2010–19 and 2018–19

Note: No estimate of change in military expenditure in the Middle East is given since data for 2015–19 is highly uncertain. However, a rough estimate for the Middle East is included in the estimated world total.

Source: SIPRI Military Expenditure Database, Apr. 2020.

Algeria's military spending has risen almost continuously over the past two decades, and particularly in the period 2004–16, when expenditure grew for 13 consecutive years and reached an all-time high in 2016. This was followed by two years of decline in real terms in 2017 and 2018. Since 2004 Algeria has procured a wide-range of major arms as part of a general force-improvement effort in response to growing perceived security threats in the region.⁵ At 6.0 per cent of its gross domestic product (GDP), Algeria's military burden was the highest in Africa.

Morocco's military spending of \$3.7 billion in 2019 was about one-third of Algeria's. Its spending was 1.7 per cent higher than in 2018, mostly as a result of increased spending on personnel.⁶ The increase in military spending is likely to continue in the coming years as Morocco has announced plans to place several large orders for advanced equipment from France and the United States.⁷

⁵ Ghanem-Yazbeck, D., 'The Algerian army: Cooperation, not intervention', Commentary, Italian Institute for Political Studies, 7 Dec. 2017. See also chapter 9, section II, in this volume.

⁶ Loi de finances no. 18-80 pour l'année budgétaire 2019 [Finance act no. 18-80 for the financial year 2019], *Bulletin Officiel* (Rabat), no. 6736 bis, 21 Dec. 2018, pp. 1961–2066.

⁷ E.g. Moroccan Defense Network, 'Morocco buys French CAESAR howitzer and surface to air VL-MICA missiles', 21 Jan. 2021; and US Defense Security Cooperation Agency, 'Morocco—F-16 Block 72 new purchase', News Release no. 19-09, 25 Mar. 2019. See also chapter 9, section II, in this volume.

Sub-Saharan Africa

Military spending in sub-Saharan Africa fell by 2.2 per cent in 2019 to reach \$17.7 billion, which was 15 per cent lower than in 2010. Of the 42 countries in the subregion for which data is available, 19—that is, almost half—increased their military spending, while the remainder decreased spending. Sub-Saharan Africa has both the largest number of countries of any subregion and the lowest average military spending per country (\$402 million).⁸ However, actual national spending ranged from \$9.7 million by Cabo Verde to \$3.5 billion by South Africa.

In recent years spending on the military by sub-Saharan African states has been volatile. Of the 19 countries that increased military spending in 2019, 8 had decreased spending in 2018. Similarly, 13 of the 23 countries that lowered spending in 2019 had raised spending in 2018. This means that in 21 of the 42 countries in sub-Saharan Africa for which data is available, the trend in changes reversed in 2019. This high proportion of countries with volatility in spending is unique to sub-Saharan Africa. Economic fluctuation, political instability and armed conflict (persistent and new) remain the most immediate factors influencing military expenditure in the subregion.⁹

Unlike in previous years, the drop in total military expenditure in sub-Saharan Africa was caused by numerous small absolute decreases combined with lower spending by the largest spenders (i.e. South Africa, Nigeria and Angola) that together offset the many small increases by other states.

The four largest relative decreases in military spending in 2019 occurred in Zimbabwe (–50 per cent), Mozambique (–22 per cent), Benin (–20 per cent) and Niger (–20 per cent). Although Zimbabwe’s military spending halved in real terms, it rose by 30 per cent in nominal terms (i.e. without accounting for inflation and changes in exchange rates). The real-terms contraction was a result of a sharp increase in inflation, from single digits in early 2019 to over 200 per cent in November 2019.¹⁰

The four countries with the biggest relative increases in sub-Saharan Africa were Togo (70 per cent), Uganda (52 per cent), Burkina Faso (22 per cent) and the Democratic Republic of the Congo (DRC, 16 per cent). The increase in Togolese military spending was entirely due to the substantial increase (278 per cent) in spending on acquisition of goods and services (a category

⁸ The total for sub-Saharan Africa excludes the Comoros and Sao Tome and Principe—as the SIPRI Military Expenditure Database excludes small states low expenditure—and Djibouti, Eritrea and Somalia (see note 3).

⁹ African Development Bank Group (ADB), *African Economic Outlook 2019* (ADB: Abidjan, 2019), pp. 1–49; and Melina, G. and Portillo, R., *Economic Fluctuations in Sub-Saharan Africa*, International Monetary Fund (IMF) Working Paper no. WP18/40 (IMF: Washington, DC, Mar. 2018).

¹⁰ African Development Bank Group (note 9), p. 189.

that includes military operations).¹¹ As a response to the growing threat of jihadist groups in the neighbourhood, Togo participated in numerous military operations in 2019, such as Operation Otapuanu in Burkina Faso and Operation Koudalgou III in Togo and Ghana.¹²

Armed conflict is a major driver of military spending in sub-Saharan Africa. Zones of conflict can be grouped into three rough geographic areas: Central Africa, the Horn of Africa, and the Sahel and Lake Chad regions.¹³

The main countries involved in conflict in Central Africa are the Central African Republic (CAR), the DRC, South Sudan and Uganda. In CAR, military spending increased by 8.7 per cent in 2019, despite the February peace deal between rebels and the government.¹⁴ The DRC's military expenditure increased for the first time since 2016, by 16 per cent to \$353 million in 2019. This may have been a reaction to an escalation in violence in 2018 following contentious elections.¹⁵ To the DRC's east, Uganda increased its military spending by 52 per cent in 2019 as it continued to fight an insurgency by the Allied Democratic Forces (ADF).¹⁶ Expenditure on equipment, which increased by 320 per cent, accounted for all of the increase.¹⁷ In South Sudan, despite the 2018 peace agreement, armed conflict and violence have continued to plague the country.¹⁸ In 2018 its actual military spending was almost four times larger than the original budget. This was because of additional procurement contracts for equipment for the South Sudanese Army that were not in the 2018 budget.¹⁹ Military spending was down 7.5 per cent

¹¹ Togolese Ministry of the Economy and Finances, 'Loi de finances rectificative—gestion 2018—depenses' [Supplementary finance act—2018 period—expenditure], pp. 123–41; and Togolese Ministry of the Economy and Finances, 'Loi de finances rectificative, gestion 2019: Tableau des depense' [Supplementary finance act, 2019 period: Expenditure table].

¹² International Crisis Group (ICG), *The Risk of Jihadist Contagion in West Africa*, ICG Briefing no. 149 (ICG: Brussels, 20 Dec. 2019), pp. 4–10.

¹³ Based on Armed Conflict Location & Event Data Project (ACLED), conflict event by location database. On the armed conflicts in these areas see chapter 7, sections II–IV, in this volume.

¹⁴ Van Eyssen, B., 'Central African Republic peace deal—violated and fragile', Deutsche Welle, 15 Aug. 2019. On the armed conflict and peace process in CAR see chapter 7, section III, in this volume.

¹⁵ Armed Conflict Location & Event Data Project (ACLED), 'Conflict in the DRC', ACLED Fact Sheet, 25 July 2019; and Weber, L., 'Election chaos is making history's second-largest Ebola outbreak worse', HuffPost, 5 Jan. 2019. On the armed conflict in the DRC see chapter 7, section III, in this volume.

¹⁶ Nantulya, P., 'The ever-adaptive Allied Democratic Forces insurgency', Africa Center for Strategic Studies, 8 Feb. 2019.

¹⁷ Ugandan Government, *Draft Estimates of Revenue and Expenditure (Recurrent and Development) FY 2019/20*, vol. 1, *Central Government Votes for the Year Ending on the 30th June 2020* (Republic of Uganda: Kampala, [2019]), pp. 117–27.

¹⁸ Marsden, R., 'Will South Sudan's new peace deal stick?', Chatham House, 26 Nov. 2018; and Kishi, R. (ed.), *Ten Conflicts to Worry About in 2019: Mid-year Update* (Armed Conflict Location & Event Data Project: Madison, WI, Aug. 2019), p. 12. On the armed conflict and peace process in South Sudan see chapter 7, section IV, in this volume.

¹⁹ United Nations, Security Council, Final report of the Panel of Experts on South Sudan submitted pursuant to Resolution 2428 (2018), S/2019/301, 9 Apr. 2019, pp. 27–32; and South Sudanese Ministry of Finance and Economic Planning (MOFEP), *FY: 2019/2020 Approved Budget Book* (MOFEP: Juba, [2019]), pp. 664–65.

in 2019 as the shrinking economy put pressure on all forms of government expenditure.²⁰

In the Horn of Africa, fighting against al-Shabab continued in Ethiopia, Kenya and Somalia. Only incomplete data is available for Somalia itself.²¹ In 2019 Ethiopia's military spending fell by 1.6 per cent and Kenya's by 1.7 per cent. These falls in spending were not indicative of any new developments in the Horn of Africa: Kenya's spending had increased for each of the previous four years and Ethiopia's for each of the previous five years. Over the period 2010–19, military spending increased by 25 per cent in Kenya and by 12 per cent in Ethiopia.

In the Sahel and Lake Chad regions, Burkina Faso, Cameroon, Chad, Mali and Nigeria are among the countries that have recently been involved in armed conflicts against Boko Haram, Islamic State West Africa Province and rebel forces.²² Military spending by Burkina Faso has risen by 130 per cent since 2014, when the ousting of long-term Burkinabe President Blaise Compaoré was followed by the spread of Islamist extremism. With continued fighting against numerous armed groups, spending rose for the fourth consecutive year in 2019, by 22 per cent.²³ Despite the armed conflicts around the Lake Chad Basin, military spending by Chad itself fell by 5.1 per cent in 2019.²⁴ Chad's military expenditure has been extremely volatile over the past 10 years, with decreases in six years and increases in four. The changes almost always alternated between an increase and a decrease. This may reflect Chad's instability—both economic and security—as a result of the armed conflict. Despite Cameroon's declaration of war against Boko Haram in 2014, its military spending only increased slightly, up by 16 per cent in 2014–19 and by 1.4 per cent in 2018–19.²⁵ At \$474 million, Mali's military spending was 3.6 per cent higher in 2019 than in 2018. Its military expenditure has increased by 253 per cent since fighting against militant jihadist groups began in 2012.²⁶ To support the fight against Islamist extremism, France has provided substantial military support since 2013, with over 4500 soldiers deployed in the Sahel.²⁷ In 2019 Nigeria, sub-Saharan Africa's second-largest spender, reduced its

²⁰ African Development Bank Group (note 9), p. 177.

²¹ SIPRI has military expenditure information for Somalia in current US dollars, but without inflation data real changes cannot be calculated. In 2019 Somalia military spending rose by 2.3% in nominal terms. On the armed conflicts in the Horn of Africa see chapter 7, section IV, in this volume.

²² On the armed conflicts in the Sahel and Lake Chad regions see chapter 7, section II, in this volume.

²³ Mbogori, A., 'Conflict, violence in Burkina Faso displaces nearly half a million people', United Nations High Commissioner for Refugees, 11 Oct. 2019; and Mednick, S., 'Islamic extremism wracks Burkina Faso, spreading east', Associated Press, 10 Jan. 2020.

²⁴ United Nations Office for the Coordination of Humanitarian Affairs (OCHA), *Lake Chad Basin: Crisis Update* (OCHA: New York, June 2019).

²⁵ BBC, 'Africa leaders declare "war" on Nigeria Boko Haram', 17 May 2014.

²⁶ Chauzal, G. and van Damme, T., *The Roots of Mali's Conflict: Moving Beyond the 2012 Crisis* (Netherlands Institute of International Relations Clingendael: The Hague, Mar. 2015), pp. 10–13.

²⁷ French Ministry of the Armed Forces, *Defence Key Figures*, 2019 edn (Ministère des Armées: Paris, 2019), p. 24. On France's role in the Sahel see chapter 7, sections I and II, in this volume.

military spending by 8.2 per cent to \$1.9 billion. However, there is continued insecurity as a result of, among other things, activities by Boko Haram militants.²⁸ This raises doubts about the accuracy of Nigeria's official military spending figures. Off-budget military expenditure in the form of undisclosed 'security votes' suggests that actual military spending in Nigeria may be far higher than the official figures.²⁹

The Americas

Military expenditure in the Americas reached \$815 billion in 2019—4.7 per cent higher than in 2018. Over the decade 2010–19, however, military expenditure decreased by 13 per cent (see tables 8.1 and 8.2). North American countries (i.e. the United States and Canada) are by far the largest spenders in the region, accounting for 92 per cent of the total, followed by South America with 6.5 per cent and Central America and the Caribbean with 1.1 per cent.

North America

North America's military expenditure grew by 5.1 per cent in 2019 (see figure 8.3), the second consecutive year of increase, to reach \$754 billion. Spending was 15 per cent lower than in 2010, when it reached its highest level since the end of the cold war. Nearly all of the subregion's spending is accounted for by the USA (see section I).

Central America and the Caribbean

Military expenditure in Central America and the Caribbean had the largest relative increase in the Americas in 2019: it grew by 8.1 per cent to reach \$8.7 billion.

Mexico's spending accounted for 75 per cent of the subregional total. At \$6.5 billion, it was 7.9 per cent higher than in 2018. The growth is largely due to the strategy of President Andrés Manuel López Obrador to combat drug cartels.³⁰ In 2019 the Mexican Government created a new police force, the National Guard, with the aim of curbing the growing violence in Mexico.³¹ Its budget for 2020 is approximately \$114 million.³² Although the National

²⁸ On the conflict in Nigeria see chapter 7, section II, in this volume.

²⁹ Lopes da Silva, D. and Tian, N., 'Ending off-budget military funding: Lessons from Chile', SIPRI Backgrounder, 16 Dec. 2019; and Anderson, E. and Page, M. T., *Weaponising Transparency: Defence Procurement Reform as a Counterterrorism Strategy in Nigeria* (Transparency International: London, May 2017), pp. 8, 17.

³⁰ On the armed conflict in Mexico see chapter 3, section III, in this volume.

³¹ Cacelín, J., 'Con más de 17,000 asesinatos, el primer semestre de 2019 se convierte en el más violento en la historia de México' [With more than 17 000 murders, the first half of 2019 becomes the most violent in the history of Mexico], Univision, 24 July 2019.

³² Cruz Vargas, J. C., 'Presupuesto para seguridad en 2020 se eleva 6.3%; 2.2 mmdp serán para la Guardia Nacional' [Security budget in 2020 rises 6.3%; 2.2 billion pesos will go to the National Guard], *Proceso*, 8 Sep. 2019.

Guard is formally a civilian police force, its operations are militarized: it is composed of military, naval and federal police personnel and its training is provided by the Secretariat of National Defence and the Secretariat of the Navy. Thus, most of its costs will be counted as military expenditure according to SIPRI's definition.³³

South America

South America's military expenditure was relatively unchanged in 2019, at \$52.8 billion, up 0.2 per cent from 2018. This growth, albeit minor, continued an upward trend in military expenditure over the decade: between 2010 and 2019, spending grew by 8.9 per cent.

Brazil alone is responsible for over half (51 per cent) of South America's total military spending. Following two consecutive years of growth (totalling 13 per cent), Brazilian military expenditure fell slightly in 2019, by 0.5 per cent, to reach \$26.9 billion. While the level of military expenditure remained relatively unaltered in 2019, important changes took place in spending categories. Personnel costs had the largest increase in over a decade, as part of a plan to boost military salaries.³⁴ Conversely, there was a significant cut in capital investment. If the government had not increased the capital of Empresa Gerencial de Projetos Navais (EMGEPRON), a state-owned company involved in Brazil's nuclear submarine programme, investment spending would have been at the lowest level since 2009.³⁵

At \$5.2 billion, Chile's military expenditure remained relatively unchanged in 2019, with a minor increase of 0.3 per cent compared with 2018. Chile implemented substantial changes in its military funding system in 2019 by repealing the 1958 Restricted Law on Copper.³⁶ This law had transferred funds directly from the state-owned National Copper Corporation (Corporación Nacional del Cobre, Codelco) to the armed forces for acquisitions and maintenance of arms. As of September 2019, the Chilean Congress must approve any allocations. Despite the change, military spending is not likely to decrease in the coming years since, over a transition period of 12 years, allocations must not fall below a baseline based on the average contribution over the final 6 years of the Copper Law.³⁷

³³ Pérez Correa, C., 'México necesita una Guardia Nacional realmente civil' [Mexico needs a truly civilian National Guard], *New York Times*, 8 Aug. 2019. For SIPRI's definition of military expenditure see the SIPRI website.

³⁴ Brazilian Ministry of Defence, 'Senado aprova reajuste de salário para militares da ativa, inativo e pensionista' [Senate approves salary adjustment for active, inactive and retired military personnel], 12 July 2016.

³⁵ Gielow, I. and Patu, G., 'Defesa tem maior gasto com pessoal da década, e investimento militar cai' [Largest defence spending on personnel of the decade, and military investment drops], *Folha da S. Paulo*, 21 Apr. 2019.

³⁶ Ley Reservada del Cobre [Restricted Law on Copper], Law no. 13 196 of 29 Oct. 1958, Repealed by Law no. 21 174 of 26 Sep. 2019.

³⁷ Lopes da Silva and Tian (note 29).

The largest relative decrease in the Americas in 2019 was in Argentina, where military expenditure fell by 9.2 per cent to \$3.1 billion. This followed an 11 per cent fall in 2018. The reductions were made in the context of a debate in Argentina on how the armed forces should be funded.³⁸ The argument attracted increased attention with the sinking of the submarine *ARA San Juan* in 2017, which was largely attributed to a lack of funds for maintenance.³⁹ While the Argentinian Government acknowledges the need for more resources, an acute financial crisis has severely restrained its capacity to invest.⁴⁰ In 2019 the country's inflation soared and in 2018 external debt had reached 56 per cent of its gross national income (GNI).⁴¹

Asia and Oceania

Military spending in Asia and Oceania totalled \$523 billion in 2019. Five of the top 15 global spenders in 2019 are in Asia and Oceania (see table 8.3, in section I): China (rank 2), India (rank 3), Japan (rank 9), the Republic of Korea (South Korea, rank 10) and Australia (rank 13). Military spending by states in Asia and Oceania was 4.8 per cent higher in 2019 than in 2018, continuing an uninterrupted upward trend dating back to at least 1989. Asia and Oceania is the only region with continuous growth since 1989 and the growth of 51 per cent over the decade 2010–19 was by far the largest of any region (see tables 8.1 and 8.2).⁴² The increase was due primarily to the rise in Chinese military spending, which in 2019 accounted for 50 per cent of total spending in the region, up from 36 per cent in 2010 (see section I).

There were substantial increases in all five subregions of Asia and Oceania between 2018 and 2019 and over the decade 2010–19 (see figure 8.3). Over both periods, the highest rate of increase was in Central Asia (63 per cent in 2010–19 and 16 per cent in 2018–19).

All but two states in Asia and Oceania for which data is available increased their military spending between 2010 and 2019. The largest relative increase was made by Cambodia (168 per cent). There were other high increases

³⁸ Battaglino, J., 'Auge, caída y retorno de la defensa en Argentina' [The rise, fall and return of defence in Argentina], *Foreign Affairs Latinoamérica*, vol. 13, no. 1 (Mar. 2013), pp. 32–39.

³⁹ Pardo, D., 'Por qué Argentina es el país que menos gasta en defensa en Sudamérica y cómo pudo eso afectar al submarino desaparecido ARA San Juan' [Why Argentina is the country that spends the least on defence in South America and how this could affect the missing submarine ARA San Juan], BBC, 28 Nov. 2017.

⁴⁰ Molina, F. R. and Centenera, M., 'El FMI inicia en Buenos Aires las negociaciones por la deuda argentina' [The IMF begins negotiations on Argentina's debt in Buenos Aires], *El País* (Madrid), 13 Feb. 2019.

⁴¹ World Bank, *International Debt Statistics 2020* (World Bank: Washington, DC, 2019), p. 28.

⁴² No data is available for North Korea, Turkmenistan or Uzbekistan for 2010–19 and they are not included in the totals for Asia and Oceania. Data for Viet Nam is not available for many of the years 2010–19. For Myanmar official data on the military budget is available for most years but is not used as there is significant spending outside the official budget (see section IV). Incomplete data for Tajikistan, which indicates an increase, is included in the total.

(40–100 per cent) by China (85 per cent), Bangladesh (81 per cent), Mongolia (75 per cent), Pakistan (70 per cent), Indonesia (67 per cent), Kazakhstan (62 per cent), Kyrgyzstan (56 per cent) and New Zealand (45 per cent). With the exceptions of Afghanistan and Timor-Leste, which decreased their spending, the other states in Asia and Oceania increased their spending by between 1.9 and 39 per cent.

South Asia

Military spending in South Asia increased by 41 per cent between 2010 and 2019, including an increase of 6.4 per cent in 2019, to reach \$88.1 billion. This continued a trend of consistent growth since 1993.

India has the largest military budget in South Asia and in 2019 it became the third-largest spender globally, with expenditure of \$71.1 billion. This includes spending on the Ministry of Defence (MOD), the armed forces, military pensions and several large paramilitary forces under the Ministry of Home Affairs (see table 8.6). Most of the MOD budget is currently spent on salaries for the 1.4 million active personnel. Another growing element is spending on pensions for military pensioners (currently 3.1 million).⁴³

India's spending was 6.8 per cent higher in 2019 than in 2018. In the six consecutive years of growth starting in 2014, spending grew 37 per cent overall. Over the 30-year period 1990–2019, India's spending grew in 24 years and total growth was 259 per cent. However, as GDP grew faster than military spending, the military burden dropped from 3.1 per cent of GDP in 1990 to 2.4 per cent in 2019. This was one of the lowest levels since the early 1960s, only matched in 2006 and 2007.

Tensions and rivalry with Pakistan and China are major drivers for India's increased military spending. In early 2019 India took the unprecedented step of attacking what it called 'terrorist camps' in Pakistan, leading to small but intense clashes with Pakistani forces.⁴⁴ In late 2019 the newly appointed chief of the Indian Army Staff, General Manoj Mukund Naravane, called such strikes the 'new normal' for India, marking a shift in India's military doctrine towards more offensive action.⁴⁵ India already planned to acquire large volumes of new equipment to enhance the capabilities of its armed forces and a more aggressive policy will probably lead to more demand for equipment.⁴⁶ However, capital spending in recent years has been substantially below the levels necessary for India's stated acquisition plans—and even below the level

⁴³ Behera, L. K., *India's Defence Budget 2019–20*, Institute for Defence Studies and Analyses (IDSA) Issue Brief (IDSA: New Delhi, 8 July 2019); and Misra, S. N., 'India's defence budget for 2019–20: The disturbing trends', *Indian Defence Review*, 11 June 2019.

⁴⁴ On the territorial conflict between India and Pakistan over Kashmir and other armed conflicts in India see chapter 1, section I, and chapter 4, section II, in this volume.

⁴⁵ Press Trust of India, 'New army chief warns Pakistan, says India reserves right to "preemptively strike" at sources of terror', *Economic Times*, 1 Jan. 2020.

⁴⁶ On India's arms acquisitions from abroad see chapter 9, section II, in this volume.

Table 8.6. Components of India's military expenditure, 2015/16–19/20

Figures are in rupees b. at current prices unless otherwise stated. Years are Indian financial years, which start on 1 Apr.

	2015/16	2016/17	2017/18	2018/19	2019/20
Ministry of Defence	2 939	3 516	3 797	4 045	4 488
Ministry of Defence (civil)	323	150	151	109	147
Military pensions	602	878	920	1 018	1 178
Salaries and operational costs of the armed forces	1 297	1 624	1 821	1 956	2 059
Capital outlay of the armed forces	717	864	904	962	1 104
Paramilitary forces ^a	384	451	493	574	650
Total (rupee b.)	3 323	3 967	4 290	4 619	5 138
Total (US\$ b.)	51.8	59.0	65.8	67.6	73.0

^a These are the Central Reserve Police Force, the Border Security Force, the Indo-Tibetan Border Police, the Assam Rifles and the Shashastra Seema Bal (armed border force), which form part of the Central Armed Police Forces in the budget of the Ministry of Home Affairs.

Source: Indian Ministry of Finance, 'Union budget 2020–21', Feb. 2020.

needed to cover agreed acquisitions. There has been constant pressure from many directions, including the armed forces, to increase the MOD budget to at least 3 per cent of GDP.⁴⁷

Pakistan's military spending in 2019 was \$10.3 billion. Its spending has increased every year since 2009: between 2010 and 2019 expenditure rose by 70 per cent, including an increase of 1.8 per cent between 2018 and 2019. Pakistan's military burden was 4.0 per cent in 2019, up from 3.4 per cent in 2010.

East Asia

Military spending in East Asia increased by 4.6 per cent in 2019 to reach \$363 billion, continuing the consistent trend of growth since 1995. Over the decade 2010–19 spending increased by 58 per cent. China accounts for most of the spending in East Asia (see section I), but Japan and South Korea also rank among the world's top 15 military spenders.

Military spending by Japan was \$47.6 billion in 2019, 0.1 per cent lower than in 2018.⁴⁸ Between 2010 and 2019 spending increased by 2.0 per cent. A similar or slightly higher level of spending is planned for the period 2020–23.⁴⁹ In 2019 Japan's military burden was 0.9 per cent, remaining below the threshold of 1 per cent of GDP that has been the policy or guideline since 1976.⁵⁰ How-

⁴⁷ Misra (note 43).

⁴⁸ The SIPRI figures for Japan do not include spending by the MOD on the large coastguard, which is considered a civilian police force.

⁴⁹ Japanese Ministry of Defense, 'Medium term defense program (FY 2019–FY 2023)', 18 Dec. 2018; and Reuters, 'Japan government approves 8th straight defence spending hike to record high', Channel News Asia, 20 Dec. 2019.

⁵⁰ Pryor, C. and Le, T., 'Looking beyond 1 percent: Japan's security expenditures', *The Diplomat*, 3 Apr. 2018; and Bosack, M. M., 'What to make of the record defense budget', *Japan Times*, 20 Feb. 2020.

ever, pressure from the USA to increase Japan's contribution to the cost of US troops based in Japan (see below) and growing perceived security threats, mainly from China and the Democratic People's Republic of Korea (DPRK, or North Korea), are factors that could lead to increased spending in the coming years.⁵¹ While under the current plans for 2020–23 spending will not cross the threshold of 1 per cent of GDP, there is a discussion in Japan about more substantial increases.⁵² However, suggestions in Japan and the USA that Japan should increase spending to the guideline of 2 per cent of GDP set by the North Atlantic Treaty Organization (NATO) for its members have been rejected by the Japanese Government.⁵³ The government also points out that, under the NATO definition, it already spends 1.1–1.3 per cent of GDP on national security.⁵⁴

In South Korea the upward trend in military spending since 2000 continued. In 2019 its military spending reached \$43.9 billion, an increase of 7.5 per cent since 2018 and of 36 per cent since 2010. South Korea plans to increase spending by its Ministry of National Defense by an average of 7.5 per cent annually in 2019–23, with a high proportion of the increase (35 per cent) used for procurement and research and development (R&D).⁵⁵

The military spending figures for Japan and South Korea include payments to the USA as a direct contribution to the cost of the US troops stationed in each country. In 2019 Japan paid \$1.7–2.0 billion for the US troops based there (approximately 54 000 troops) and South Korea paid almost \$1 billion for the US troops stationed there (approximately 28 500).⁵⁶ However, US President Donald J. Trump highlighted these payments as part of his 2016 election campaign and threatened to withdraw US troops if the full costs are not covered by the host states.⁵⁷ For 2020 Trump has demanded that Japan pays \$8 billion and that South Korea pays \$4.7 billion.⁵⁸ This would be more

⁵¹ Japanese Ministry of Defense, 'National defense program guidelines for FY 2019 and beyond', 18 Dec. 2018.

⁵² Kato, M., 'New Japan defense chief calls 2% spending target "inappropriate"', *Nikkei Asian Review*, 5 Oct. 2018; and Bosack (note 50).

⁵³ Kato (note 52). On this guideline see section III in this chapter.

⁵⁴ Harding, R., 'Japan seeks to resist US pressure on military spending', *Financial Times*, 9 Apr. 2019.

⁵⁵ Grevatt, J., 'Seoul proposes a further 8% boost to defence spending', *Jane's Defence Weekly*, 26 June 2019, p. 21. This increase refers only to MOD spending. SIPRI also includes South Korea's separate spending on military pensions in the total military expenditure figure.

⁵⁶ Seligman, L. and Gramer, R., 'Trump asks Tokyo to quadruple payments for US troops in Japan', *Foreign Policy*, 15 Nov. 2019; Corell, D. S., 'Esper says South Korea, which paid 90 percent of costs for Camp Humphreys, needs to increase "burden-sharing" to keep US troops in South Korea', *Military Times*, 15 Nov. 2019; and Flynn, M. E., Matinez Machain, C. and Allen, M. A., 'Why does the US pay so much for the defense of its allies? 5 questions answered', *The Conversation*, 2 Dec. 2019.

⁵⁷ *The Mainichi*, 'News navigator: How much does Japan pay to host US military forces?', 30 May 2016; Gaouette, N., 'Trump hikes price tag for US forces in Korea almost 400% as Seoul questions alliance', CNN, 15 Nov. 2019; and Correll, D. S., 'Demanding South Korea pay more for US presence drives wedge between allies, House leaders say', *Military Times*, 3 Dec. 2019.

⁵⁸ Seligman and Gramer (note 56); Corell (note 56); and Flynn, Matinez Machain and Allen (note 56).

than the actual cost to the USA: for 2021 the US Department of Defense has budgeted a total of \$5.7 billion to pay for US troops based in Japan and \$4.5 billion for those in South Korea. Moreover, it is estimated that if the forces stationed in South Korea were returned to the USA, the basing cost would be about \$2 billion less.⁵⁹ The demands have raised concerns in South Korea, Japan and the USA about the USA's commitment to the security of Japan and South Korea and its reliability as an ally.⁶⁰

Oceania

Total military spending in Oceania increased by 3.5 per cent in 2019 to reach \$29.0 billion. Spending increased by 25 per cent over the decade 2010–19.

Australia's military expenditure in 2019 was \$25.9 billion. This was 2.1 per cent higher than in 2018 and 23 per cent higher than in 2010. Australia perceives heightened military threats in its neighbourhood, including from China, and globally.⁶¹ A large majority in the Australian Parliament has in recent years supported higher military spending to increase the capabilities of the Australian armed forces, with the aim of pushing the military burden up from 1.9 per cent of GDP in 2019 to 2.0 per cent in 2020, with further additional increases planned.⁶² Australia's spending includes approximately \$350 million over 2019–22 to pay for the construction of 21 patrol craft for donation to Pacific island states and Timor-Leste.⁶³

New Zealand's military spending increased by 45 per cent between 2010 and 2019 to reach \$2.9 billion. Most of the increase was in 2018 and 2019, with the 19 per cent increase in 2019 being one of the highest year-on-year increases in Asia and Oceania. The increase in 2019 was largely due to acquisitions of new equipment and other capital spending.⁶⁴

South East Asia

Military spending in South East Asia increased by 4.2 per cent in 2019 to reach \$40.5 billion, after a 4.1 per cent drop in 2018.⁶⁵ Over the decade 2010–19 spending increased by 34 per cent.

⁵⁹ Moran, M., 'What Trump gets right about alliances', *Foreign Policy*, 5 Dec. 2019.

⁶⁰ *The Mainichi* (note 57); Gaouette (note 57); Correll (note 57); and Seligman and Gramer (note 56).

⁶¹ Reynolds, L., Australian Minister for Defence, '2019 ministerial statement on defence operations', Australian Department of Defence, 5 Dec. 2019; and Packham, B., 'Out-of-date strategies in defence white paper', *The Australian*, 8 Oct. 2019.

⁶² Lowy Institute, 'Australian election 2019: Where the parties stand—defence spending', accessed 10 Feb. 2020; Australian Department of Defence, 'A safer Australia—Budget 2019–20—Defence overview', 2 Apr. 2019; and Hellyer, M., 'Boring is the new black: Defence budget 2019–20', *The Strategist*, Australian Strategic Policy Institute, 3 Apr. 2019.

⁶³ Australian Department of Defence (note 62).

⁶⁴ New Zealand Government, *The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2020*, vol. 4, *External Sector* (Treasury: Wellington, 30 May 2019), pp. 27–44 and pp. 45–92.

⁶⁵ The estimated subregional total for South East Asia excludes Myanmar.

The largest spenders in the subregion in 2019 were Singapore (28 per cent of the total), Indonesia (19 per cent) and Thailand (18 per cent). For several states—including Indonesia, Malaysia and the Philippines—the increases in the past decade are partly to pay for expansion of the capabilities of their armed forces, especially in the maritime domain, as a reaction to Chinese claims and activities in the South China Sea.⁶⁶ In turn, several other states in the region—including Singapore—reacted at least partly to their neighbours' expansion.

Europe

Total military spending in Europe in 2019 was \$356 billion, 5.0 per cent higher than in 2018 and 8.8 per cent higher than in 2010 (see tables 8.1 and 8.2). Five of the world's 15 largest military spenders are in Europe: Russia (rank 4), France (rank 6), Germany (rank 7), the United Kingdom (rank 8) and Italy (rank 12).

Nearly all the countries in Western Europe and Central Europe cooperate in the military frameworks of NATO or the European Union (EU). Taken together, the military spending of the states in these subregions totalled \$282 billion in 2019. This was 79 per cent of total European spending, and was up by 5.0 per cent from 2018 and by 3.8 per cent from 2010. Of the 39 states in Western Europe and Central Europe (excluding microstates), only 3 decreased their military spending in 2019: Greece (−0.4 per cent), Austria (−0.8 per cent) and Cyprus (−5.6 per cent). Seventeen increased their military spending by 10 per cent or more in 2019.

Western Europe

Military spending in Western Europe in 2019 was \$251 billion—up by 3.9 per cent from 2018 but down by 0.6 per cent from 2010 (see figure 8.3). The main contributors to the increase in 2019 were Germany, which accounted for 48 per cent of the increase, and the Netherlands, which accounted for 13 per cent.

France's military spending rose by 1.6 per cent in 2019 to reach \$50.1 billion (see box 8.2). Over the decade 2010–19 France's military spending increased by 3.5 per cent. The rise in 2019 followed the adoption of the Military Planning Law for 2019–25, a seven-year plan aimed at reaching the NATO guideline of

⁶⁶ On these dynamics see Wezeman, S. T., *Arms Flows to South East Asia* (SIPRI: Stockholm, Dec. 2019).

Box 8.2. Revised estimates for the military expenditure of France

In 2019 SIPRI's figures for France's military spending were revised to reflect more accurately the activities carried out by the Gendarmerie—France's paramilitary force for the maintenance of public order.

Disaggregated data on the Gendarmerie indicates that a much smaller share of its resources is allocated to military tasks than previously assumed. Based on the budget figures, SIPRI's new estimates suggest that, on average, only 2.3 per cent of the tasks of the Gendarmerie are military. In 2019 an estimated \$220 million of spending for the Gendarmerie should be included as part of France's military expenditure (0.4 per cent of total military expenditure).

After this revision, French military spending was 16 per cent lower than it would have been under the previous methodology.

spending 2 per cent of GDP on the military by 2025.⁶⁷ The French Government plans to increase military spending annually by €1.7 billion (\$1.9 billion) until 2022, and then by €3.0 billion (\$3.4 billion) in subsequent years. Overall, the Military Planning Law allocates a total of €295 billion (\$330 billion) to the armed forces between 2019 and 2025, excluding pensions.

The military spending of the other two large powers in Western Europe—Germany and the UK—is at a similar level to that of France (but see box 8.3).

In 2019 Germany raised its military spending by 10 per cent to \$49.3 billion, equivalent to 1.3 per cent of its GDP. Its military expenditure was 15 per cent higher than in 2010, when it was also 1.3 per cent of GDP. Indeed, spending in 2019 was at the highest level since 1993, when the military burden was 1.7 per cent of GDP. German military spending reached its lowest point since the end of the cold war in 2006, after which it increased again until 2012, dropped in 2013–14 to just above the 2006 level, and then increased each year. In 2016 Germany adopted the long-term aim of reaching the NATO guideline of spending 2 per cent of GDP on the military.⁶⁸ However, it did not then set an explicit timeline. In 2019 the German minister of defence, Annegret Kramp-Karrenbauer, declared a commitment to spend 1.5 per cent of GDP on the military by 2024 and 2.0 per cent by 2031.⁶⁹ However, political discussions about the need to reach the 2 per cent guideline continued in 2019.⁷⁰

⁶⁷ Loi no. 2018-607 du 13 juillet 2018 relative à la programmation militaire pour les années 2019 à 2025 et portant diverses dispositions intéressant la défense (1) [Law no. 2018-607 of 13 July 2018 on military planning for the years 2019 to 2025 and on various provisions relating to defence (1)], *Journal Officiel de la République Française*, 14 July 2018. See also French Ministry of the Armed Forces, 'Draft Military Planning Law 2019/2025: Synopsis—a MPL based on renewal', Feb. 2018.

⁶⁸ German Ministry of Defence (MOD), *Weissbuch 2016 zur Sicherheitspolitik und zur Zukunft der Bundeswehr* [White book 2016 on security policy and the future of the Bundeswehr] (MOD: Berlin, June 2016), p. 67. On this guideline see also section III of this chapter.

⁶⁹ *Die Zeit*, 'Verteidigungsetat könnte auf mehr als 50 Milliarden Euro steigen' [Defence budget could increase to over 50 billion euro], 16 Oct. 2019.

⁷⁰ Deutscher Bundestag, '45,05 Milliarden Euro für das Bundesministerium der Verteidigung' [45.05 billion euro for the Ministry of Defence], 29 Nov. 2019.

At \$48.7 billion, the United Kingdom's military expenditure was unchanged in 2019 but was 15 per cent lower than in 2010. British military spending has remained stable since 2015. In 2019 the British Government committed itself to increasing the military budget by 2.6 per cent in real terms in 2020, a substantial shift from the previous target of real annual increases of 0.5 per cent since 2015.⁷¹ The increased spending is an attempt to bridge the funding gap in the UK's 10-year equipment plan and ease concerns about the UK's ability to fund its long-term programme to modernize its arsenals.⁷²

Central Europe

The rate of increase in military spending in 2010–19 in Central Europe was much higher than in Western Europe (see also section III). Spending in the subregion in 2019 was \$31.5 billion, 14 per cent higher than in 2018 and 61 per cent higher than in 2010. Four countries in Central Europe increased military spending by more than 150 per cent between 2010 and 2019: Lithuania (232 per cent), Latvia (176 per cent), Bulgaria (165 per cent) and Romania (154 per cent). Poland, which accounted for 38 per cent of the total for Central Europe in 2019, increased its military spending by 51 per cent between 2010 and 2019.

Eastern Europe

In 2019 military expenditure in Eastern Europe totalled \$74.0 billion. This was 35 per cent higher than in 2010 and 4.9 per cent higher than in 2018. All seven countries in Eastern Europe increased their military spending in 2019, five of them—Armenia, Azerbaijan, Belarus, Moldova and Ukraine—by more than 5 per cent (ranging from 6.2 per cent to 17 per cent). The largest relative increases in military spending over the decade 2010–19 were made by Ukraine (132 per cent), Moldova (105 per cent), Azerbaijan (70 per cent) and Armenia (69 per cent).

Ukraine's military expenditure in 2019 was \$5.2 billion, an increase of 9.3 per cent compared with 2018. This was the second consecutive year of increase after a minor decrease, of 0.1 per cent, in 2017. The 2019 increase brought the military burden up from 3.2 per cent of GDP in 2018 to 3.4 per cent in 2019—the highest level since 1993.⁷³

At \$1.9 billion in 2019, military expenditure by Azerbaijan was almost three times higher than Armenia's military spending of \$673 million. Azerbaijan's spending in 2019 was 7.9 per cent higher than in 2018 and Armenia's was 8.1 per cent higher. As noted above, over the 10-year period 2010–19, both

⁷¹ British Treasury, *Spending Round 2019* (Her Majesty's Stationery Office: London, Sep. 2019), p. 13.

⁷² Chambers, M., 'The end of defence austerity? The 2019 spending round and the UK defence budget', Commentary, Royal United Services Institute, 30 Sep. 2019; and Chuter, A., 'UK MOD gets budget boost of more than \$1B with three programs in mind', *Defense News*, 29 Oct. 2018.

⁷³ On the armed conflict in Ukraine see chapter 5, section II, in this volume.

Box 8.3. Estimating the military expenditure of Germany and the United Kingdom

Since countries use different definitions when reporting on military expenditure, SIPRI has adopted a standard definition as a guideline.^a This means that there can be differences between SIPRI's estimates and the official data reported by countries. For example, SIPRI's annual estimates of military spending for Germany and the United Kingdom are significantly lower than the 'defence expenditure' figures that they report to the North Atlantic Treaty Organization (NATO).^b The gap between the SIPRI estimates for these countries and their NATO data has widened in recent years.

SIPRI's estimate of German military expenditure in 2019 is \$3.3 billion lower than the 'defence expenditure' figure that Germany reported to NATO for that year. This is explained by the fact that the SIPRI total only includes spending by the German Ministry of Defence (MOD) and some minor spending on military activities by other ministries. In its 'defence expenditure' figure for NATO, Germany also includes spending on non-military efforts linked to sustaining peace and security, such as humanitarian and development aid in the context of crisis and peacebuilding and conflict-resolution activities.^c However, full details of the German submission to NATO are confidential.^d It is therefore impossible to assess how much of the NATO figure is accounted for by these activities or if other activities of a military nature are included in the total.

SIPRI's estimate of British military expenditure in 2019 is \$11.2 billion lower than the British figure for NATO 'defence expenditure'.^e The SIPRI figure is based on public data on expenditure by the British MOD. The British Government has not published an explanation of what is included in its submission to NATO.^f Other sources, including an assessment for 2017 by the House of Commons (the lower house of the British Parliament), indicate that \$3–4 billion of the NATO figure might be attributable to military pension payments that are in addition to the reported expenditure by the MOD.^g These are not included in the SIPRI estimate because consistent spending data for the pension scheme is not available for the entire data series. Other spending items that might be part of the UK's submission to NATO include the British contribution to United Nations peace operations and the cost of military operations not covered by the MOD budget. However, these additional expenditure items do not fully bridge the \$11.2 billion gap. Questions thus remain about what the British Government reports to NATO on its military expenditure.

^a SIPRI Military Expenditure Database, 'Sources and methods'.

^b NATO, 'Defence expenditure of NATO countries (2013–2019)', Press Release no. PR/CP(2019)123, 29 Nov. 2019.

^c German Ministry of Defence, Communication with author, 18 Mar. 2020.

^d Deutscher Bundestag, 'Antwort der Bundesregierung, Rüstungsausgaben in der Bundesrepublik Deutschland von 1945 bis heute' [Military expenditures in the German Federal Republic from 1945 to today], 20 Aug. 2019, Drucksache 19/12780.

^e NATO (note b).

^f British Ministry of Defence, Defence Resources Secretariat, Freedom of information request no. FOI2019/00481, 7 Feb. 2019; Perlo-Freeman, S., *Fighting the Wrong Battles: How Obsession with Military Power Diverts Resources from the Climate Crisis* (Campaign Against the Arms Trade: London, Feb. 2020), pp. 36–38; and United Nations, Department of Peace Operations, 'How we are funded', [n.d.].

^g British House of Commons, Defence Committee, *Shifting the Goalposts? Defence Expenditure and the 2% Pledge*, 2nd report of 2015/16 (House of Commons: London, 21 Apr. 2016).

countries increased military spending by roughly 70 per cent. The unresolved armed conflict over Nagorno-Karabakh remains the main driver of increased military spending.⁷⁴ Both countries are trying to improve their military capabilities by financing modernization of their armed forces, including procurement of advanced weapons.⁷⁵

Russia's military spending accounted for 88 per cent of the subregional total in 2019. At \$65.1 billion, its spending was 4.5 per cent higher than in 2018, while its military burden rose from 3.7 per cent to 3.9 per cent. Russian military expenditure has grown significantly over the past two decades: by 2019, it was 30 per cent higher than in 2010 and 175 per cent higher than in 2000.

The growth in Russian spending in 2019 was due primarily to increased spending in three of the five main components of Russian military expenditure (see table 8.7). The largest component, 'National defence' (i.e. mainly the armed forces), increased by 5.9 per cent in nominal terms in 2019, while spending on paramilitary forces (the National Guard and the Border Service of the Federal Security Service) increased by 7.9 per cent in nominal terms. However, the component with the largest relative increase was 'Other MOD expenditure', which rose by 52 per cent in 2019. Disaggregating this category showed that spending on military housing increased 25-fold in 2019 and social support was up by 34 per cent.⁷⁶

Russia plans to gradually increase its military spending in the next few of years.⁷⁷ According to the proposed budget for 2020–22, growth in military expenditure will be mostly driven by increased spending on the Russian armed forces, including arms procurement and applied military R&D, and on the paramilitary forces.⁷⁸

The Middle East

SIPRI has not provided an estimate for total Middle Eastern military expenditure since 2014 because of a lack of data for four countries: Qatar, Syria, the United Arab Emirates (UAE) and Yemen. Qatar and the UAE are assessed to have significant levels of military spending based on their large

⁷⁴ On the armed conflict in Nagorno-Karabakh see chapter 5, section I, in this volume.

⁷⁵ See chapter 9, section II, in this volume.

⁷⁶ Cooper, J., 'Military expenditure in Russia in 2019 and in the amended federal budget for 2020–22', Unpublished paper, 20 Feb. 2020.

⁷⁷ Cooper, J., 'Military spending in Russia in 2019 and in the three-year budget 2020–22', Unpublished paper, Dec. 2019; [Federal law no. 380-FZ of 02.12.2019 'On the federal budget for 2020 and the planning period 2021 and 2022'], 2 Dec. 2019 (in Russian); and [Federal law no. 389-FZ of 02.12.2019 'On amendments to the Federal law "On the federal budget for 2019 and the planning period 2020 and 2021"'], 2 Dec. 2019 (in Russian).

⁷⁸ Cooper (note 77).

Table 8.7. Components of Russia's military expenditure, 2015–19

Figures are in roubles b. at current prices unless otherwise stated. Years are calendar years, which correspond to the financial year.

	2015	2016	2017	2018	2019
National defence ^a	3 181	3 776	2 852	2 826	2 992
Military pensions	306	328	339	345	347
Paramilitary forces ^b	257	246	340	353	381
Other MOD expenditure ^c	292	283	338	316	479
Additional subsidies for Rosatom and the Baikonur Space Centre	10.9	11.1	10.7	10.5	11.1
Total (rouble b.)	4 048	4 644	3 880	3 850	4 210
Total (US\$ b.)	66.4	69.2	66.5	61.4	65.1

MOD = Ministry of Defence.

^a 'National defence' includes expenditure on the Russian armed forces, mobilization and training of reserve forces, the nuclear weapons complex, international military-technical cooperation, applied military research and development, and some other military-related activities.

^b These are the National Guard and the Border Service of the Federal Security Service.

^c This includes expenditure on social support, housing, education, health, culture etc.

Sources: Cooper, J., 'Military expenditure in Russia in 2019 and in the amended federal budget for 2020–22', Unpublished report, 20 Feb. 2020; Russian Ministry of Finance, [Preliminary assessment of execution of the federal budget for January–December 2019], 13 Jan. 2019, appendix 3 (in Russian); and Russian Federal Treasury, [Report on federal budget execution as of 01.01.2020], 17 Feb. 2020 (in Russian).

arms acquisitions in the past decade and the levels of their military spending in years for which data is available.⁷⁹

Data is available for 11 of the 15 countries in the region. The combined total military expenditure in 2019 of these countries was \$147 billion.⁸⁰ Two of the top 15 global spenders in 2019 are in the Middle East: Saudi Arabia (rank 5) and Israel (rank 15).⁸¹ In addition, 6 of the 10 countries with the highest military burden are in the Middle East: Oman, which spent 8.8 per cent of its GDP on the military (the highest level in the world), Saudi Arabia at 8.0 per cent, Kuwait at 5.6 per cent, Israel at 5.3 per cent, Jordan at 4.7 per cent and Lebanon at 4.2 per cent.

Saudi Arabia is by far the largest military spender in the region, with an estimated total of \$61.9 billion in 2019 (see table 8.3). After military spending peaked at an all-time high in 2015, when Saudi Arabia was the third-largest military spender in the world, it dropped by 28 per cent in 2016, climbed by

⁷⁹ On their arms acquisitions see e.g. chapter 9, section II, in this volume.

⁸⁰ The 11 countries included in the estimate are Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Turkey and Saudi Arabia. In 2014 these 11 countries accounted for 87% of the regional total.

⁸¹ If data were available, the UAE would probably also have ranked in the top 15 in 2019. The most recent available estimate for military spending by the UAE is \$22.8 billion (in current US dollars) in 2014, when it was the second-largest military spender in the region.

15 per cent between 2016 and 2018, but decreased again in 2019, by 16 per cent. The fall in 2016 appears to have been caused by a drop in government revenue after a steep decline in oil prices.⁸² However, the fall in 2019 did not coincide with similar dramatic developments in the Saudi Arabian economy, even though growth in Saudi Arabian GDP slowed in 2019.⁸³ The drop in military spending in 2019 was also unexpected as Saudi Arabia continued its military operations in Yemen and, after a missile attack caused significant damage to its oil industry in September 2019, tensions with Iran increased.⁸⁴

The drop in 2019 may also be smaller than available data indicates. The figure for 2019 is an estimate and experience from previous years shows that actual Saudi Arabian military spending tends to be higher than implied by the government budget or the estimates of actual government spending made at the end of each year. For example, data on estimated government spending available at the end of 2018 led to military spending being estimated as \$68.1 billion (in current US dollars) in that year, whereas data available at the end of 2019 on actual government spending in 2018 resulted in the estimate being revised up to \$74.4 billion.⁸⁵

Military spending by Israel was \$20.5 billion in 2019—a slight increase of 1.7 per cent compared with 2018. In addition, Israel receives military aid from the USA, which in 2019 was \$3.8 billion.⁸⁶ Between 2010 and 2019, Israeli military spending increased steadily, and in 2019 it was 30 per cent higher than in 2010. However, Israel's economy grew faster than its military spending: in 2010 Israel spent 5.9 per cent of its GDP on the military, while in 2019 the military burden was 5.3 per cent. In August 2018 the Israeli prime minister, Benjamin Netanyahu, announced a '2030 Security Concept', which aims for an annual growth in military spending of 3–4 per cent until Israel's GNI reaches \$500 billion, at which point the annual increase in military spending would be re-examined.⁸⁷ Netanyahu has continued to seek increases higher than the 1.7 per cent increase of 2019. In October 2019 he stated that military spending needed to grow by \$1.1 billion per year, equivalent to 5.4 per cent of

⁸² Tian, N. and Lopes da Silva, D., 'Debt, oil and military expenditure', *SIPRI Yearbook 2018*, pp. 175–78.

⁸³ World Bank, *Middle East and North Africa: Macro Poverty Outlook* (World Bank Group: Washington, DC, Oct. 2019), pp. 174–75.

⁸⁴ On the attacks on Saudi oil facilities see chapter 1, section I, and chapter 6, section I, in this volume; and on the armed conflict in Yemen see chapter 6, section V, in this volume.

⁸⁵ Saudi Arabian Ministry of Finance (MOF), *Budget Statement: Fiscal Year 2019* (MOF: Riyadh, Dec. 2018); and Saudi Arabian Ministry of Finance, *Budget Statement: Fiscal Year 2020* (MOF: Riyadh, Dec. 2019).

⁸⁶ Sharp, J. M., *US Foreign Aid to Israel*, Congressional Research Service (CRS) Report to Congress RL33222 (US Congress, CRS: Washington, DC, 7 Aug. 2019), p. 2. SIPRI does not include military aid in the military expenditure of the recipient country.

⁸⁷ Israeli Ministry of Foreign Affairs, 'PM Netanyahu presents "2030 Security Concept" to the Cabinet', 15 Aug. 2018. Israel's GNI in 2018 was \$371 billion. In the period 2014–18 annual GNI growth was in the range 2–5.5%. World Bank Open Data, accessed 17 Feb. 2020.

Israeli military spending in 2019.⁸⁸ However, the Israeli Ministry of Finance questioned whether it would be possible to fund the plan.

Between 2010 and 2019 Turkish military expenditure increased by 86 per cent to reach \$20.4 billion. There was a particularly steep increase in Turkish military spending between 2017 and 2018, of 27 per cent, while the increase between 2018 and 2019 was 5.8 per cent. The increases in military spending in 2018 and 2019 coincided with an intensification of Turkish military operations against Kurdish armed groups in Syria.⁸⁹ In addition, since 2015 Turkey has significantly increased its spending on equipment, which was 54 per cent higher in 2019 than in 2015.⁹⁰ One of the key components of Turkish military procurement planning was the acquisition of up to 100 F-35 combat aircraft from the USA, 30 of which had been ordered by 2018 and 6 were scheduled to be delivered in 2019. However, after Turkey ordered S-400 surface-to-air missile (SAM) systems from Russia, the USA cancelled the F-35 deal and stopped all deliveries in 2019 and Turkey demanded a refund of the \$1.25 billion it had already paid for the F-35 programme.⁹¹ While the effect of the cancellation on Turkish military spending in 2019 is unclear, the size of the deal and the amount demanded by Turkey show that it may have been substantial.

Over the period 2010–19 Iranian military spending first increased to a high point in 2017, when Iran's economy grew significantly following the lifting of international sanctions.⁹² However, in 2018 military spending decreased by 23 per cent and in 2019 it fell by 15 per cent to \$12.6 billion. This coincided with the USA's reinstatement of economic sanctions in early 2018 and a decrease in Iranian GDP in 2018.⁹³ The decrease in military spending in 2019 occurred despite the further deterioration in Iran's relations with Saudi Arabia and the USA.⁹⁴

At \$3.7 billion in 2019, military expenditure by Egypt was almost unchanged from 2018 (down by 0.5 per cent) but was 20 per cent lower than in 2010. Between 2010 and 2013 Egyptian military expenditure decreased by 6.3 per cent, followed by two years of growth: 9.1 per cent in 2014 and 6.0 per cent in 2015. Four consecutive years of decline that started in 2016 resulted in the lowest level of Egyptian military spending since 1999. In 2019

⁸⁸ Azulai, Y., 'IDF's future vision mired in budgetary uncertainty', *Globes*, 7 Oct. 2019.

⁸⁹ On Turkey's role in the conflict in Syria and its conflict with the Kurds see chapter 6, section II, in this volume.

⁹⁰ NATO, 'Defence expenditure of NATO countries (2013–2019)', Press Release no. PR/CP(2019)123, 29 Nov. 2019, p. 13. See also Wezeman, S. T. and Kuimova, A., 'Turkey and Black Sea security', SIPRI Background Paper, Dec. 2018; and chapter 9, section II, in this volume.

⁹¹ Ahval, 'Erdoğan says Turkey will ask US to return F-35 payments if it halts delivery', 27 June 2019. For full details see chapter 9, sections I and II, in this volume.

⁹² See chapter 11, section III, in this volume.

⁹³ BBC, 'Six charts that show how hard US sanctions have hit Iran', 9 Dec. 2019.

⁹⁴ On the tensions in the Gulf region see chapter 1, section I, and chapter 6, section I, in this volume.

Egypt had one of the smallest military budgets in the region. This may be due to the significant military aid that it receives each year: about \$1.3 billion for arms procurement from the USA.⁹⁵ In addition, there are claims that Egypt has significant off-budget military spending based on the revenue from military-owned civilian businesses.⁹⁶ The Egyptian military owns and operates a wide range of businesses in different sectors of the Egyptian economy, such as infrastructure, mining, food production, fish farms and holiday resorts.⁹⁷ However, there is little specific information available on the revenue and profits of these businesses and it remains unclear if and how much of the profits are used to fund military spending.

⁹⁵ Sharp, J. M., *Egypt: Background and US Relations*, Congressional Research Service (CRS) Report to Congress RL33003 (US Congress, CRS: Washington, DC, 12 Mar. 2019), p. 20.

⁹⁶ Abul-Magd, Z., 'Egypt's adaptable officers. business, nationalism, and discontent', eds Z. Abul-Magd and E. Grawert, *Businessmen in Arms: How the Military and Other Armed Groups Profit in the MENA Region* (Rowman and Littlefield: Lanham, MD, 2016).

⁹⁷ Sayigh, Y., *Owners of the Republic: An Anatomy of Egypt's Military Economy* (Carnegie Endowment for International Peace: Beirut, 2019); and Abul-Magd (note 96).