

TRENDS IN WORLD MILITARY EXPENDITURE, 2021

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In 2021 world military expenditure surpassed the two trillion US dollar mark for the first time, reaching \$2113 billion. Global spending in 2021 was 0.7 per cent higher than in 2020 and 12 per cent higher than in 2012 (see figure 1). The economic effects of the Covid-19 pandemic have not ended the continuous upward trend in world military expenditure seen since 2015. As a result of the strong economic recovery across the globe in 2021, world military spending as a share of world gross domestic product (GDP)—the global military burden—reached 2.2 per cent, down from 2.3 per cent in 2020. Average military spending as a share of government expenditure in 2021 remained the same as in 2020, at 5.9 per cent.

This Fact Sheet presents regional and national military expenditure data for 2021 and highlights trends over the decade 2012–21. The data comes from the updated SIPRI Military Expenditure Database, which provides military spending data by country for the years 1949–2021.

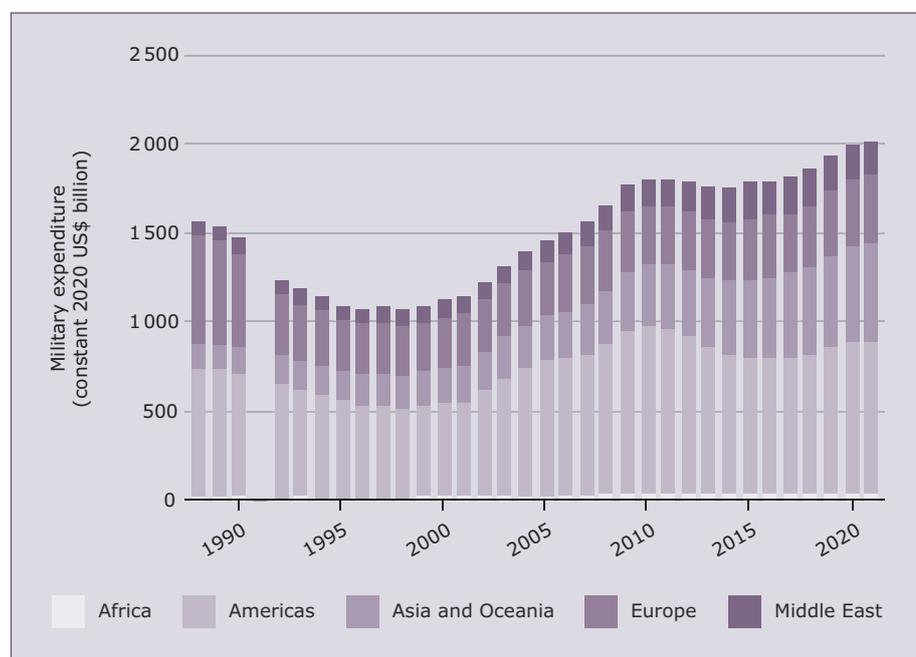


Figure 1. World military expenditure, by region, 1988–2021

Notes: To allow comparison over time, all values used in this figure are adjusted for inflation and expressed in constant (2020) US dollars.

The absence of data for the Soviet Union in 1991 means that no total can be calculated for that year.

Source: SIPRI Military Expenditure Database, Apr. 2022.

KEY FACTS

- World military expenditure surpassed the two trillion US dollar mark for the first time, reaching \$2.1 trillion in 2021.
- The five largest military spenders in 2021 were the United States, China, India, the United Kingdom and Russia, which together accounted for 62 per cent of world military spending. The USA and China alone accounted for 52 per cent.
- In 2021 China’s military spending rose for the 27th consecutive year, to reach \$293 billion.
- Russia’s military expenditure grew for the third consecutive year in 2021. Spending rose by 2.9 per cent, to reach \$65.9 billion, or 4.1 per cent of gross domestic product (GDP).
- Military expenditure grew in three of the world’s five regions in 2021. Spending increased in Asia and Oceania (3.5 per cent), Europe (3.0 per cent) and Africa (1.2 per cent). Spending decreased in the Middle East (–3.3 per cent) and the Americas (–1.2 per cent).
- World military spending as a share of global GDP reached 2.2 per cent in 2021, 0.1 percentage points lower than in 2020.
- Countries allocated an average of 5.9 per cent of their total government budgets to their militaries in 2021—the same proportion as in 2020.

Table 1. The 40 countries with the highest military expenditure in 2021

Spending figures and GDP are in US dollars, at current prices and exchange rates. Changes are in real terms, based on constant (2020) US dollars. Percentages below 10 are rounded to 1 decimal place; those over 10 are rounded to whole numbers. Figures and percentage shares may not add up to stated totals or subtotals due to the conventions of rounding.

Rank		Country	Spending (\$ b.), 2021	Change (%)		Spending as a share of GDP (%) ^b		World share (%), 2021
2021	2020 ^a			2020–21	2012–21	2021	2012	
1	1	United States	801	-1.4	-6.1	3.5	4.5	38
2	2	China	[293]	4.7	72	[1.7]	[1.7]	[14]
3	3	India	76.6	0.9	33	2.7	2.6	3.6
4	6	United Kingdom	68.4	3.0	3.7	2.2	2.4	3.2
5	5	Russia	65.9	2.9	11	4.1	3.7	3.1
Subtotal top 5			1 305	..	..	..	..	62
6	8	France	56.6	1.5	13	1.9	1.9	2.7
7	7	Germany	56.0	-1.4	24	1.3	1.2	2.7
8	4	Saudi Arabia	[55.6]	-17	-15	[6.6]	[7.7]	[2.6]
9	9	Japan	54.1	7.3	18	1.1	1.0	2.6
10	10	South Korea	50.2	4.7	43	2.8	2.5	2.4
Subtotal top 10			1 578	..	..	..	..	75
11	11	Italy	32.0	4.6	9.8	1.5	1.4	1.5
12	12	Australia	31.8	4.0	42	2.0	1.7	1.5
13	13	Canada	26.4	3.1	40	1.3	1.1	1.3
14	18	Iran	24.6	11	-17	2.3	2.8	1.2
15	14	Israel	24.3	3.1	35	5.2	5.6	1.2
Subtotal top 15			1 717	..	..	..	..	81
16	17	Spain	19.5	5.6	5.2	1.4	1.4	0.9
17	15	Brazil	19.2	-4.3	-5.3	1.2	1.4	0.9
18	16	Turkey	15.5	-4.4	63	2.1	2.0	0.7
19	20	Netherlands	13.8	-0.5	26	1.4	1.2	0.7
20	19	Poland	13.7	-5.2	58	2.1	1.8	0.6
21	21	Taiwan	13.0	1.4	7.9	1.7	2.1	0.6
22	..	Qatar	11.6	..	..	4.8	..	0.5
23	22	Pakistan	11.3	-0.7	47	3.8	3.5	0.5
24	23	Singapore	11.1	7.1	24	3.0	3.1	0.5
25	25	Colombia	10.2	4.7	30	3.4	3.2	0.5
26	24	Algeria	9.1	-6.1	16	5.6	4.5	0.4
27	30	Kuwait	9.0	25	34	6.7	3.4	0.4
28	27	Mexico	8.7	-3.4	63	0.7	0.5	0.4
29	26	Indonesia	8.3	-15	35	0.7	0.7	0.4
30	28	Norway	8.3	0.8	39	1.8	1.4	0.4
31	37	Greece	8.1	46	54	3.9	2.4	0.4
32	32	Sweden	7.9	14	46	1.3	1.1	0.4
33	29	Thailand	6.6	-8.5	16	1.3	1.4	0.3
34	36	Belgium	6.3	9.2	17	1.1	1.0	0.3
35	38	Chile	6.2	8.6	34	2.0	2.0	0.3
36	34	Ukraine	[5.9]	-8.5	142	[3.2]	[1.6]	[0.3]
37	45	Finland	5.9	36	50	2.0	1.5	0.3
38	33	Oman	[5.8]	-9.6	-43	[7.3]	[12]	[0.3]
39	31	Switzerland	5.7	-13	22	0.7	0.7	0.3
40	39	Romania ^c	5.6	3.1	161	2.0	1.2	0.3
Subtotal top 40			1 963	..	..	..	..	93
World			2 113	0.7	12	2.2	2.3	100

.. = data not available or not applicable; [] = SIPRI estimate; GDP = gross domestic product.

^a Rankings for 2020 are based on updated military expenditure figures in the current edition of the SIPRI Military Expenditure Database. They may therefore differ from the rankings for 2020 given in *SIPRI Yearbook 2021* and in other SIPRI publications in 2021.

^b The figures for military expenditure as a share of GDP are based on estimates of 2021 GDP from the International Monetary Fund World Economic Outlook and International Financial Statistics databases.

^c Romania's military burden in 2021 was 1.95% of GDP, which is rounded here to 2.0%.

Sources: SIPRI Military Expenditure Database, Apr. 2022; International Monetary Fund, World Economic Outlook Database, Oct. 2021; and International Monetary Fund, International Financial Statistics Database, Sep. 2021.



THE LARGEST MILITARY SPENDERS IN 2021

Military spending by the top 15 countries reached \$1717 billion in 2021, accounting for 81 per cent of global military expenditure (see table 1). The United States (accounting for 38 per cent of world military spending in 2021) and China (14 per cent) remained by far the two largest spenders (see figure 2). There were, however, some notable changes in ranking among the top 15 between 2020 and 2021. The United Kingdom and France each moved up two ranks, becoming the fourth and sixth largest spenders in 2021, respectively. After a 17 per cent drop in its military spending, Saudi Arabia fell from fourth largest spender in 2020 to eighth largest in 2021. Iran increased its military spending by 11 per cent, making it the 14th largest military spender in 2021. This is the first time in 20 years that Iran has ranked among the top 15 military spenders.

US military spending totalled \$801 billion in 2021. While this was a nominal increase of 2.9 per cent compared with 2020, it represented a decrease of 1.4 per cent in real terms. The difference can be attributed to the USA's rising rate of inflation. For example, US funding for military research and development (R&D) increased in nominal terms in 2021, but adjusting this for inflation gives a real-terms decrease of 1.2 per cent from 2020. Nevertheless, the US budget for R&D has grown by 24 per cent in real terms since 2012. In contrast, US funding for arms procurement shrank by 6.4 per cent between 2012 and 2021, and by 5.4 per cent between 2020 and 2021. The USA's continued heavy investment in R&D (combined with the cut in procurement funding) seems to indicate that it is currently prioritizing the development of new technologies over large-scale spending on legacy systems. Nuclear-related spending was among the military budget items that saw the largest increase in 2021, which reflects the USA's planned overhaul and modernization of its nuclear arsenal.

The year 2021 also marked the end of the nearly two-decade-long international military presence in Afghanistan. Between 2001 and 2021, the USA invested close to \$85 billion to bolster the Afghan National Security Forces.

China, the world's second largest spender, allocated an estimated \$293 billion to its military in 2021, an increase of 4.7 per cent from 2020 and 72 per cent from 2012. China's military spending has grown for 27 consecutive years, which is the longest uninterrupted sequence of increases by any country in the SIPRI Military Expenditure Database. As China's GDP grew by an estimated 8.4 per cent in 2021, its military burden dropped by 0.1 percentage points, to 1.7 per cent of GDP—the same share as in 2012. China's military

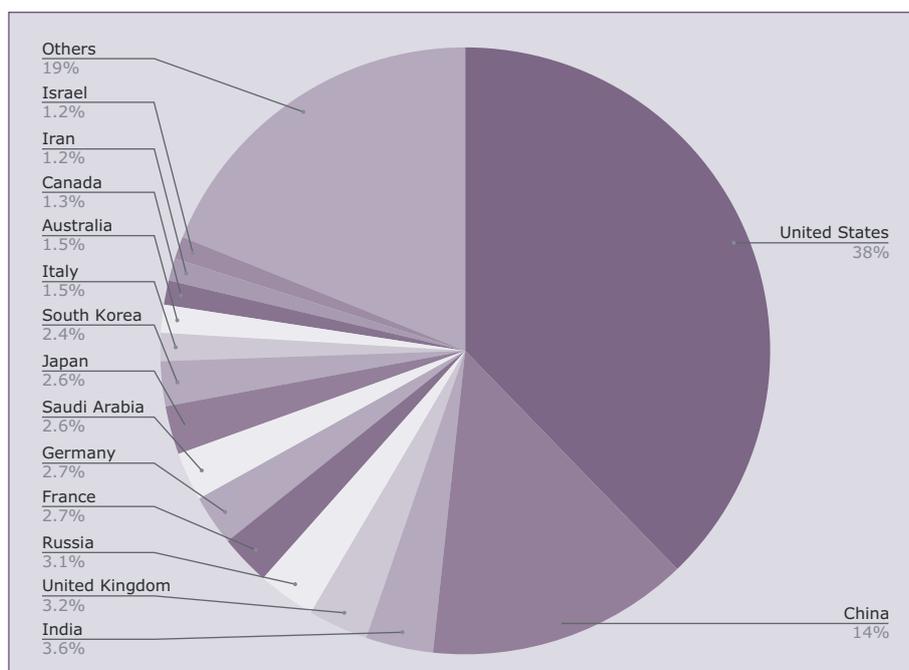


Figure 2. The share of world military expenditure of the 15 countries with the highest spending in 2021

Source: SIPRI Military Expenditure Database, Apr. 2022.

Table 2. Military expenditure, by region and subregion, 2021

Spending figures are in US dollars, at current prices and exchange rates. Changes are in real terms, based on constant (2020) US dollars. Percentages below 10 are rounded to 1 decimal place; those over 10 are rounded to whole numbers. Figures and percentage shares may not add up to stated totals or subtotals due to the conventions of rounding.

Region and subregion	Spending (\$ b.), 2021	Change (%)		World share (%), 2021
		2020–21	2012–21	
World	2 113	0.7	12	100
<i>Africa</i> ^a	(39.7)	1.2	2.5	(1.9)
North Africa	(19.6)	-1.7	29	(0.9)
Sub-Saharan Africa ^a	20.1	4.1	-14	1.0
<i>Americas</i> ^b	883	-1.2	-4.2	42
Central America and the Caribbean ^b	11.0	-2.5	58	0.5
North America	827	-1.2	-5.1	39
South America	45.3	-0.6	4.7	2.1
<i>Asia and Oceania</i> ^c	586	3.5	48	28
Central Asia ^d	1.8	-0.8	14	0.1
East Asia ^e	411	4.9	55	19
Oceania	35.3	3.5	43	1.7
South Asia	95.1	0.8	36	4.5
South East Asia	43.1	-2.3	25	2.0
<i>Europe</i>	418	3.0	19	20
Central and Western Europe	342	3.1	20	16
Eastern Europe	76.3	2.3	15	3.6
<i>Middle East</i> ^f	(186)	-3.3	5.6	(8.8)

() = uncertain estimate.

^a Figures exclude Djibouti, Eritrea and Somalia.

^b Figures exclude Cuba.

^c Figures exclude North Korea, Turkmenistan and Uzbekistan.

^d Figures exclude Turkmenistan and Uzbekistan.

^e Figures exclude North Korea.

^f Figures exclude Syria and Yemen.

Source: SIPRI Military Expenditure Database, Apr. 2022.

budget for 2021 marked the first year of its 14th Five-Year Plan (FYP), which runs until 2025. The new FYP aims to deepen military–civil fusion by supporting military and civil science and technology collaboration in areas such as aerospace, maritime and emerging technologies.

India's military expenditure of \$76.6 billion in 2021 was the third highest in the world. Its spending was up by 0.9 per cent from 2020 and by 33 per cent from 2012. Amid ongoing tensions and border disputes with China and Pakistan that occasionally spill over into armed clashes, India has prioritized the modernization of its armed forces and self-reliance in arms production. In a drive to strengthen the indigenous arms industry, 64 per cent of capital outlays in the 2021 Indian military budget were earmarked for acquisitions of domestically produced arms.

The UK's military expenditure totalled \$68.4 billion in 2021, up by 3.0 per cent from 2020 and by 3.7 per cent from 2012. This was the fourth consecutive year of growth. The UK's military burden was 2.2 per cent of GDP in 2021 and was therefore above the North Atlantic Treaty Organization (NATO) target of 2 per cent. In 2021 the British Government published a new policy that, among other things, aims to increase the Ministry of Defence's budget by \$33.0 billion over four years. The additional spending is



meant to fund R&D and a new Space Command, sustain nuclear deterrence, and support the modernization of the Royal Air Force and Royal Navy.

Russian military expenditure grew for the third consecutive year in 2021. Russia's spending rose by 2.9 per cent, to reach \$65.9 billion (or 4.1 per cent of its GDP), buoyed by high oil and gas prices. The recent upward trend in Russian military spending followed a period of decline, which came in the wake of Western sanctions over Russia's annexation of Crimea in 2014 and a sharp drop in energy prices in 2015.

The 'national defence' budget line, which accounts for three-quarters of SIPRI's estimate of total Russian military spending and includes funding for operational costs as well as arms procurement, was revised upwards over the course of the year. From an initial value of \$42.3 billion in December 2020, the budget line rose to \$48.4 billion by the end of 2021—an increase of 14 per cent over the year, which probably mostly went towards additional operational costs. In late 2021 Russia amassed troops along the Ukrainian border, which preceded its invasion of Ukraine in February 2022.

REGIONAL TRENDS

Together, the Americas (42 per cent), Asia and Oceania (28 per cent) and Europe (20 per cent) accounted for around 90 per cent of world military expenditure in 2021 (see table 2). The Middle East is estimated to have accounted for 8.8 per cent of the world total. Africa accounted for the smallest share, with 1.9 per cent.

Africa

Military expenditure in Africa increased by 1.2 per cent in 2021 to an estimated \$39.7 billion. The total for Africa was almost evenly split between North Africa (49 per cent of the regional total) and sub-Saharan Africa (51 per cent). Over the decade 2012–21, African military spending followed three distinct trends. It first rose continuously between 2012 and 2014, followed by four years of decline until 2018 and then three consecutive years of growth until 2021, to give an overall increase of 2.5 per cent.

In 2021 North African military expenditure totalled \$19.6 billion, 1.7 per cent lower than in 2020 (see figure 3), but 29 per cent higher than in 2012. The long-standing tensions between the two largest spenders in North Africa—Algeria and Morocco—worsened in 2021. Algeria's military expenditure fell

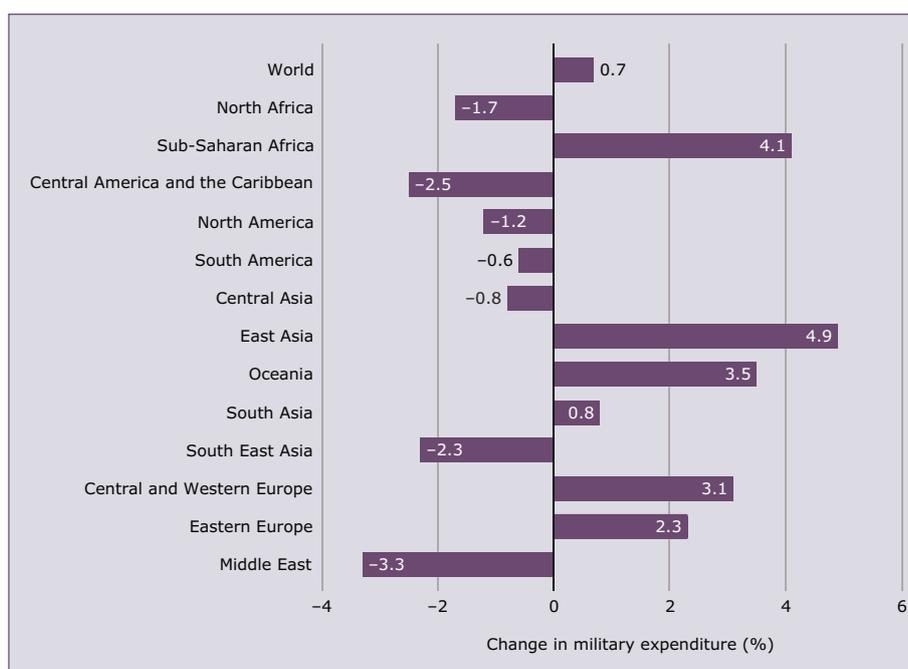


Figure 3. Changes in military expenditure, by subregion, 2020–21

Source: SIPRI Military Expenditure Database, Apr. 2022.



by 6.1 per cent in 2021, to reach \$9.1 billion, while Morocco's spending grew by 3.4 per cent, to \$5.4 billion.

In 2021 military expenditure in sub-Saharan Africa totalled \$20.1 billion, 4.1 per cent higher than in 2020, but 14 per cent lower than in 2012. The increase in 2021 was the first in sub-Saharan Africa since 2014 and was primarily driven by Nigeria, the biggest spender in the subregion. Between 2020 and 2021, Nigeria raised its military spending by 56 per cent, to reach \$4.5 billion. The increase came in response to Nigeria's various security challenges, such as attacks by Islamist extremists and separatist insurgents. South Africa, the second largest spender in the subregion, cut its military expenditure by 13 per cent, to \$3.3 billion in 2021. The country's prolonged economic stagnation has severely impacted its military budget.

In 2021 Kenya, Uganda and Angola were, respectively, the third, fourth and fifth largest military spenders in sub-Saharan Africa. Over the decade 2012–21, Kenya and Uganda have both faced insurgencies that have influenced their military spending. Between 2012 and 2021, military expenditure rose by 203 per cent in Uganda but remained relatively stable in Kenya (down by 4.5 per cent). Military spending by Angola fell by 66 per cent over the same period. The worsening economic conditions in Angola from around 2015—largely caused by low oil prices and slumps in its oil production—and the slow pace of economic recovery in more recent years were central to the sharp drop in Angolan military spending over the decade.

The Americas

Military expenditure in the Americas was \$883 billion in 2021, down by 1.2 per cent from 2020 and by 4.2 per cent from 2012. North American countries (i.e. the USA and Canada) accounted for 94 per cent of total regional spending, followed by South America (5.1 per cent) and Central America and the Caribbean (1.2 per cent).

In 2021 military spending in Central America and the Caribbean totalled \$11.0 billion, which is a 2.5 per cent decrease compared with 2020, but a 58 per cent increase compared with 2012. The use of military forces to combat criminal activity remains the subregion's main driver of military spending. Mexico's military expenditure dropped by 3.4 per cent in 2021, to \$8.7 billion. Nevertheless, spending on the National Guard—a militarized police force created to fight organized crime—increased by 35 per cent compared with 2020 and accounted for 16 per cent of the total military budget in 2021.

In 2021 there was a minor decrease of 0.6 per cent in South American military spending, which brought the total to \$45.3 billion. Spending over the decade 2012–21 grew by 4.7 per cent. Brazil's expenditure fell by 4.3 per cent in 2021, to \$19.2 billion, but it remained the largest military spender in the subregion. Despite the cut in spending, Brazil was still able to make the planned payments for its strategic armament programmes, which include the acquisition of 36 Gripen combat aircraft from Sweden.

Colombia's military spending rose by 4.7 per cent in 2021, to \$10.2 billion, making it the second largest spender in South America. Its spending in 2021 was 30 per cent higher than in 2012. Since the 2016 peace agreement that ended the conflict between the government and the Revolutionary Armed Forces of Colombia—People's Army (Fuerzas Armadas Revolucionarias de



Colombia—Ejército del Pueblo, FARC–EP), Colombia’s military spending has grown every year, except for 2018. The rising trend can be attributed to the ongoing conflicts between the government and other armed groups.

Asia and Oceania

Military spending in Asia and Oceania totalled \$586 billion in 2021. Spending in the region was 3.5 per cent higher than in 2020, continuing an uninterrupted upward trend dating back to at least 1989. The increase in 2021 was due primarily to growth in Chinese and Indian military spending. Together, the two countries accounted for 63 per cent of total military expenditure in the region in 2021.

In 2021 military spending increased in East Asia (4.9 per cent), Oceania (3.5 per cent) and South Asia (0.8 per cent), but fell in Central Asia (–0.8 per cent) and South East Asia (–2.3 per cent). However, over the decade 2012–21, military spending rose in all five subregions, ranging from 14 per cent in Central Asia to 55 per cent in East Asia.

Military expenditure in East Asia was \$411 billion in 2021, which marked the 27th consecutive year of rising spending in the subregion. After China, Japan and South Korea were the next two largest spenders in East Asia.

Japanese military spending totalled \$54.1 billion in 2021. In November 2021 the government allocated an additional \$7.0 billion to its military budget, which resulted in a 7.3 per cent increase in military spending over the year and the highest annual growth rate since 1972. At 1.1 per cent of GDP in 2021, Japan’s military burden surpassed the 1 per cent of GDP threshold for the first time since 1960.

South Korean military expenditure reached \$50.2 billion in 2021. The South Korean Government initially proposed to boost military spending by 5.4 per cent in 2021, but later revised this down to a 4.7 per cent increase. The savings were redirected to a Covid-19 pandemic-related economic recovery package worth \$30.6 billion. This was the second year South Korea revised its military budget downwards because of the pandemic. In 2020 part of the military budget was also diverted to economic relief.

At \$35.3 billion in 2021, Oceania’s military expenditure was 3.5 per cent higher than in 2020 and 43 per cent higher than in 2012. In 2021 Australian military expenditure was \$31.8 billion, which is an increase of 4.0 per cent from 2020 and 42 per cent from 2012. Australia signed the AUKUS tri-lateral security agreement with the UK and the USA in 2021. As part of the agreement, the UK and the USA offered to supply eight nuclear-powered submarines to Australia at an estimated cost of up to \$128 billion. While China was not mentioned in the official AUKUS agreement, Australia has publicly stated—in documents such as the 2020 Defence Strategic Update—that China’s increased assertiveness and pursuit of greater influence in the Indo–Pacific region directly affect Australia’s security environment.

Europe

Total military spending in Europe in 2021 amounted to \$418 billion, 3.0 per cent higher than in 2020 and 19 per cent higher than in 2012. The aggregated military spending of Central and Western Europe—two



subregions that together include most NATO allies (see box 1) and all European Union member states—totalled \$342 billion in 2021 (\$305 billion for Western Europe and \$36.6 billion for Central Europe). The combined military expenditure of these subregions increased by 3.1 per cent in 2021. Military spending in Western Europe grew at a higher rate (3.4 per cent) than in Central Europe (1.3 per cent). The growth in military spending in Central and Western Europe was mostly driven by increased expenditure on arms procurement and military R&D.

French military expenditure reached \$56.6 billion in 2021, 1.5 per cent higher than in 2020 and 13 per cent higher than in 2012. France spent the equivalent of 1.9 per cent of its GDP on the military in 2021. The allocation was in line with France's 2019–25 Military Programming Law. The government initially planned to update the legislation in 2021, but this was postponed due to the financial uncertainty caused by the Covid-19 pandemic.

Germany—the third largest spender in Central and Western Europe, after the UK and France—spent \$56.0 billion on its military in 2021, or 1.3 per cent of its GDP. Its military spending was 1.4 per cent lower compared with 2020. After its formation in December 2021, the new German Government announced its goal of investing 3 per cent of Germany's GDP in diplomacy, development and defence. In the light of the Russian invasion of Ukraine in February 2022, the government stated its intention to increase military spending further in the coming years. It is unclear, however, how this recent pledge will affect Germany's prior commitments to spending on diplomacy and development.

Military spending in Eastern Europe increased by 2.3 per cent in 2021, to \$76.3 billion. Between 2012 and 2021, military spending in the subregion grew by 15 per cent. Russia's spending, which accounted for 86 per cent of the total, was the primary driver of this trend.

Box 1. Military expenditure among European members of NATO

At the Wales Summit in 2014, the North Atlantic Treaty Organization (NATO) allies adopted the Defence Investment Pledge, thereby agreeing to spend at least 2 per cent of gross domestic product (GDP) on the military and to allocate at least 20 per cent of their military expenditure to arms procurement and military research and development (R&D). Non-binding guidelines on military spending among NATO members date back to the early 2000s. However, it was not until 2014—largely prompted by the Russian annexation of Crimea—that NATO decided to formalize these targets.

A total of 26 of the 27 European members of NATO allocated funding to their militaries in 2021 (Iceland has no military). According to the SIPRI Military Expenditure Database, 8 of the 26 spent 2 per cent or more of GDP on the military in 2021—up from 2 in 2014, but down from 9 in 2020. Due to the Covid-19 pandemic-related decline in economic output in 2020, increases in military spending generally led to higher military burdens. As economies recovered in 2021, some countries saw their military burdens decrease over the year, even though their military spending increased in absolute terms.

According to NATO reporting, 19 European NATO member states allocated at least 20 per cent of their military expenditure to arms procurement and military R&D in 2021, compared with 5 in 2014 and 13 in 2020. The average share of military expenditure spent on arms and R&D by these member states was 24 per cent in 2021, up from 22 per cent in 2020 and 12 per cent in 2014. Of the 26 European NATO member states with a military budget, only 2 (Albania and Estonia) did not increase the share of the budget allocated to arms procurement and R&D between 2014 and 2021. This trend was particularly pronounced among Central European NATO member states, which sought to replace outdated Soviet equipment to reduce their reliance on Russia for spare parts and maintenance.

In response to the Russian invasion of Ukraine in February 2022, several European NATO member states had, by the end of March 2022, announced plans to raise military expenditure to reach or exceed the NATO spending goal of 2 per cent of GDP or more. These member states included Belgium, Denmark, Germany, Lithuania, the Netherlands, Norway, Poland and Romania. The acquisition of new weapon systems will probably be at the centre of these spending plans.



Ukraine's military expenditure rose steeply after Russia's annexation of Crimea in 2014. Spending grew by 72 per cent between 2014 and 2021 and has increased by 142 per cent since 2012. This upward trend was interrupted in 2021 when Ukraine's military spending fell by 8.5 per cent, to \$5.9 billion or 3.2 per cent of its GDP.

The Middle East

Military expenditure in the Middle East was an estimated \$186 billion in 2021—down by 3.3 per cent from 2020, but up by 5.6 per cent from 2012. Six of the 10 countries with the highest military burden are in the Middle East: Oman, which spent 7.3 per cent of its GDP on the military (the highest in the world), Kuwait (6.7 per cent), Saudi Arabia (6.6 per cent), Israel (5.2 per cent), Jordan (5.0 per cent) and Qatar (4.8 per cent).

Saudi Arabia's estimated military spending was \$55.6 billion in 2021, which is a fall of 17 per cent compared with 2020. The decrease came amid reports that Saudi Arabia had begun to withdraw its military forces from Yemen, but the Saudi Arabian Government rejected the claims and stated that the troops were simply being redeployed. Saudi Arabia's military spending has followed a downward trend since 2015, largely due to a sharp fall in oil prices that put its economy under strain. Saudi Arabia's economy showed signs of recovery as oil prices began to rise in 2020–21, but this has not yet led to a corresponding increase in military spending.

In 2021 Iran raised its military budget for the first time in four years, to \$24.6 billion. The annual increase of 11 per cent was approved despite Iran's continuing economic problems due to the effects of many years of sanctions. It also came against the backdrop of Iran's increasingly strained relations with Israel and the USA. In 2021 the budget of the Islamic Revolutionary Guard Corps continued to grow (by 14 per cent) and accounted for 34 per cent of Iran's total military spending.

In 2021 Israeli military spending rose by 3.1 per cent, to \$24.3 billion, in the context of Israel's ongoing military operations against Hamas and its growing concerns over Iran's potential nuclear capabilities. Israel did not have a properly approved state budget in 2020 or 2021 because of a political stand-off in the parliament. Military spending in those years was based on the 2019 budget with some additional allocations.

In 2021 Turkish military spending fell for the second consecutive year, to \$15.5 billion, which is a decrease of 4.4 per cent compared with 2020. Despite the recent cuts, Turkish military spending grew by 63 per cent in the decade 2012–21. This sharp rise in spending coincided with Turkey's expanding military engagement in the Middle East and North Africa, and its ongoing efforts to become self-sufficient in arms production. However, it remains unclear how the recent cuts in military spending will affect Turkey's aim of reducing its reliance on arms imports.

At \$11.6 billion in 2021, Qatar's military spending was the fifth highest in the Middle East. In 2021 Qatar released data on its military budget for the first time since 2010. SIPRI estimates that Qatari spending increased by 434 per cent between 2010 and 2021. During that period, Qatar was involved in the conflicts in Libya and Syria. It also expanded its armed forces and started to upgrade its inventory of military equipment with imported arms.

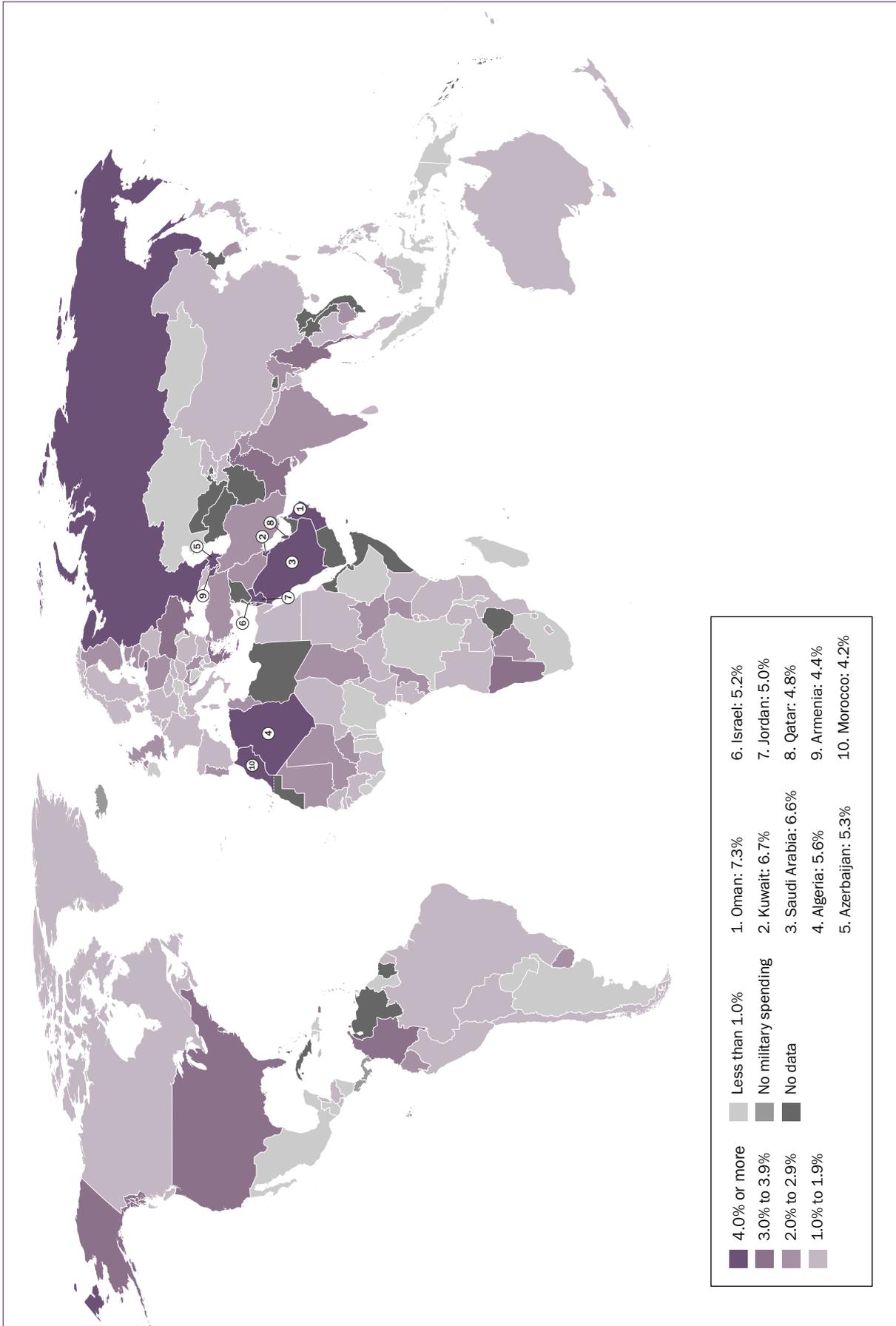


Figure 4. Military spending as a share of gross domestic product, by country, 2021
Notes: The 10 countries with the highest military spending as a share of gross domestic product are listed.
 The boundaries used in this map do not imply any endorsement or acceptance by SIPRI.
Source: SIPRI Military Expenditure Database, Apr. 2022.



MILITARY SPENDING AS A SHARE OF GDP

A country's military expenditure as a share of GDP—also known as the military burden—is the simplest measure of the relative economic burden of the military on the country (see figure 4). The global military burden is estimated to have been 2.2 per cent in 2021. In 2020, even though most countries were dealing with the severe economic fallout of the Covid-19 pandemic, global military spending rose by 3.1 per cent. This led to the biggest annual increase in the global military burden since the financial and economic crisis in 2009. One year on, 2021 marked a significant turnaround. While most countries continued to allocate more resources to military spending, the global economy recovered and was projected to grow by 5.9 per cent in 2021, according to the data available from the International Monetary Fund (IMF). As a result, the global military burden fell by 0.1 percentage points in 2021, from 2.3 per cent of GDP in 2020.

On average, countries in the Middle East had the highest military burden in 2021, at 4.3 per cent of GDP. This was followed by Europe (1.8 per cent), Asia and Oceania (1.7 per cent), Africa (1.6 per cent) and the Americas (1.4 per cent). Between 2012 and 2021, the average military burden increased for countries in Europe, by 0.3 percentage points, and in Asia and Oceania, by 0.1 percentage points. It decreased for countries in the Middle East, by 0.3 percentage points, in Africa, by 0.1 percentage points, and in the Americas, by 0.2 percentage points.

MILITARY SPENDING AS A SHARE OF GOVERNMENT EXPENDITURE

The allocation of government resources became a particularly important issue during the Covid-19 pandemic. Countries faced critical decisions on the prioritization of different types of spending, such as economic stimulus packages, healthcare expenditure and military procurement. A clear way to assess these preferences is to measure military spending as a share of government expenditure.

Countries allocated an average of 5.9 per cent of their total budgets to their militaries in 2021, which is the same proportion as in 2020, but down from 6.4 per cent in 2012. Although the global average is following a general downward trend, there are significant differences in regional trends. On average, countries in the Americas (4.0 per cent) and Europe (4.7 per cent) allocated the smallest portion of their government budgets to the military in 2021. Among European countries, the average share in 2021 increased by 0.1 percentage points compared with the previous year, whereas the average share in the Americas remained unchanged. African countries allocated an average of 6.1 per cent of their government budgets to the military (0.3 percentage points lower than in 2020), whereas countries in Asia and Oceania allocated 6.7 per cent (0.2 percentage points higher than in 2020). Middle Eastern countries allocated an average of 12 per cent of their government budgets to the military, which is by far the largest average share among world regions. Compared with 2020, however, this is a decrease of 0.3 percentage points.

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The SIPRI Military Expenditure Database, sources and methods

The SIPRI Military Expenditure Database provides military expenditure data by country for the years 1949–2021 in local current prices, constant US dollars, current US dollars, as a share of gross domestic product (GDP), per capita and as a share of general government expenditure. The SIPRI Military Expenditure Database was updated on 25 April 2022. This version replaces all earlier versions of the database and the new data replaces all previous data published by SIPRI. The database and further details on the definitions, sources and methods used are available on the SIPRI website, <<https://www.sipri.org/databases/milex>>.

Unless otherwise stated, all figures for spending in 2021 are given in 2021 current US dollars. Figures for relative increases or decreases in military spending—often described as changes in ‘real terms’ or adjusted for inflation—are expressed in constant (2020) US dollars. SIPRI uses the Consumer Price Index (CPI) to convert current prices into constant prices. The CPI is obtained from the International Monetary Fund’s International Financial Statistics and World Economic Outlook.

Sources

SIPRI data reflects the official data reported by national governments. Such data is found in official publications such as budget documents. Of the 168 countries for which SIPRI attempted to estimate military expenditure in 2021, relevant data was found for 152 countries.

Definitions

Where possible, SIPRI military expenditure data includes all current and capital expenditure on (a) the armed forces, including peacekeeping forces; (b) defence ministries and other government agencies engaged in defence projects; (c) paramilitary forces, when judged to be trained and equipped for military operations; and (d) military space activities. This data should include expenditure on personnel—which encompasses salaries of military and civil personnel, and pensions and social services of military personnel—as well as expenditure on operations and maintenance, procurement, military research and development, and military aid (in the military expenditure of the donor country).

Civil defence and current expenditures on previous military activities, such as veterans’ benefits, demobilization, conversion, weapon destruction and military involvement in non-military activities (e.g. policing) are excluded.

The SIPRI military expenditure figures are presented on a calendar-year basis. The only exception is the United States, for which figures are presented on a financial-year basis. Calendar-year data is calculated on the assumption of an even rate of expenditure throughout the financial year.

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