Australian Government

Department of Defence

DEFENCE ECONOMIC TRENDS IN THE ASIA-PACIFIC 2020

DIO Reference Aid 20—508

DEFENCE ECONOMIC TRENDS IN THE ASIA-PACIFIC 2020

DIO Reference Aid 20–508, September 2020

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Purpose

Defence Economic Trends analyses significant trends in defence funding in the Asia-Pacific region. It draws together official defence budgets and national economic data over the past 10 years to illustrate trends and enable comparisons between individual countries or regions.

Note the economic data presented is inclusive to 2019 only, and therefore does not consider the economic impacts of COVID-19. This data will be published in *Defence Economic Trends 2021*.

Abbreviations

bn	billion
EIU	Economist Intelligence Unit
FY	fiscal year
GDP	gross domestic product
IISS	International Institute for Strategic Studies
IMF	International Monetary Fund
LCU	local currency unit
m	million
MBT	main battle tank
MoU	memorandum of understanding
NATO	North Atlantic Treaty Organization
PNG	Papua New Guinea
SIPRI	Stockholm International Peace Research Institute
tr	trillion
UN	United Nations

Online version

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Feedback

We encourage readers to comment on this publication. Please email dio.customerrelations@defence.gov.au with your comments, so we can improve subsequent editions.

If you have any questions in relation to Defence Economic Trends 2020, please contact us directly by phone or fax at:

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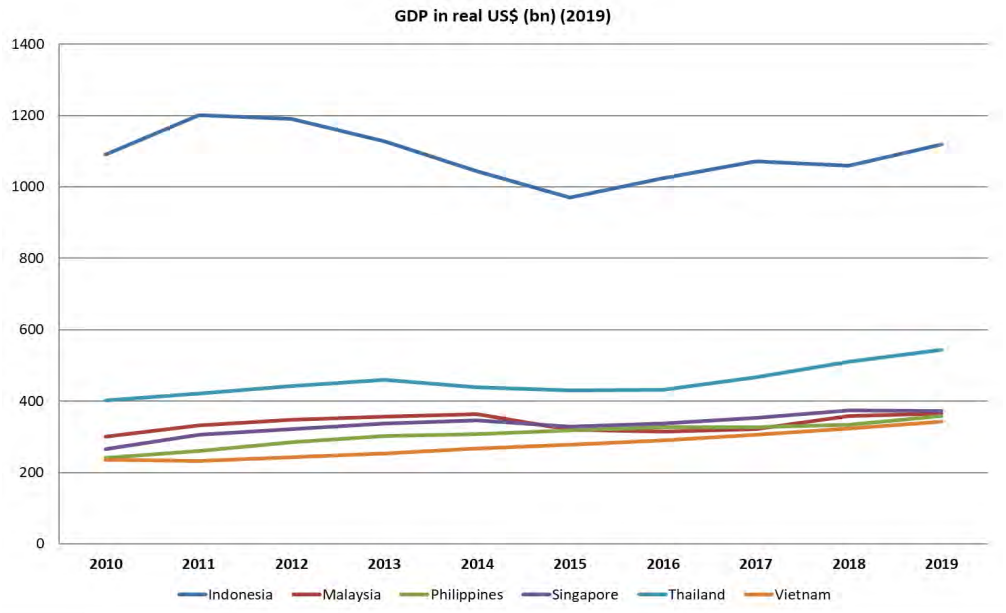
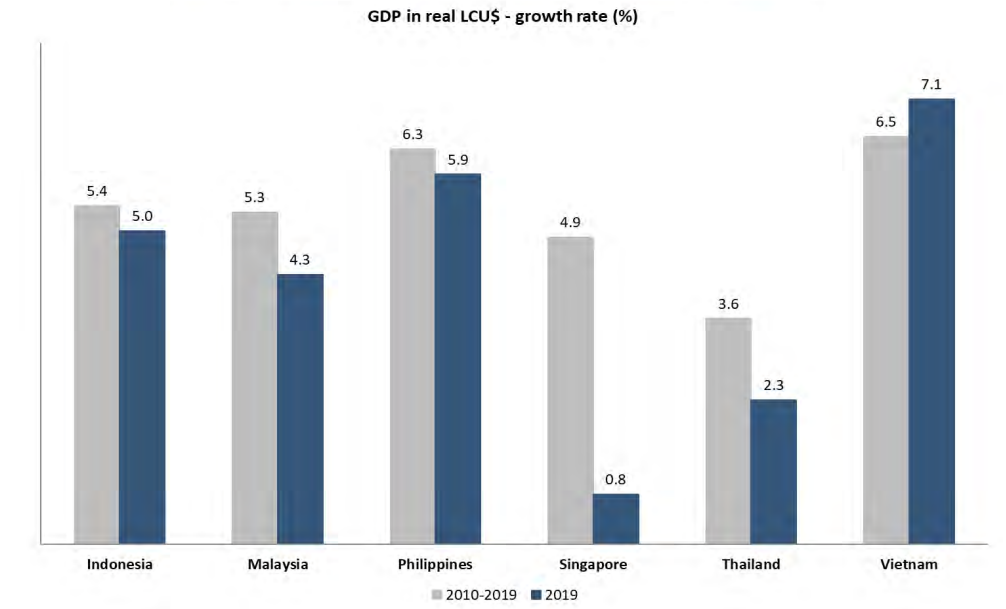
Regional economy

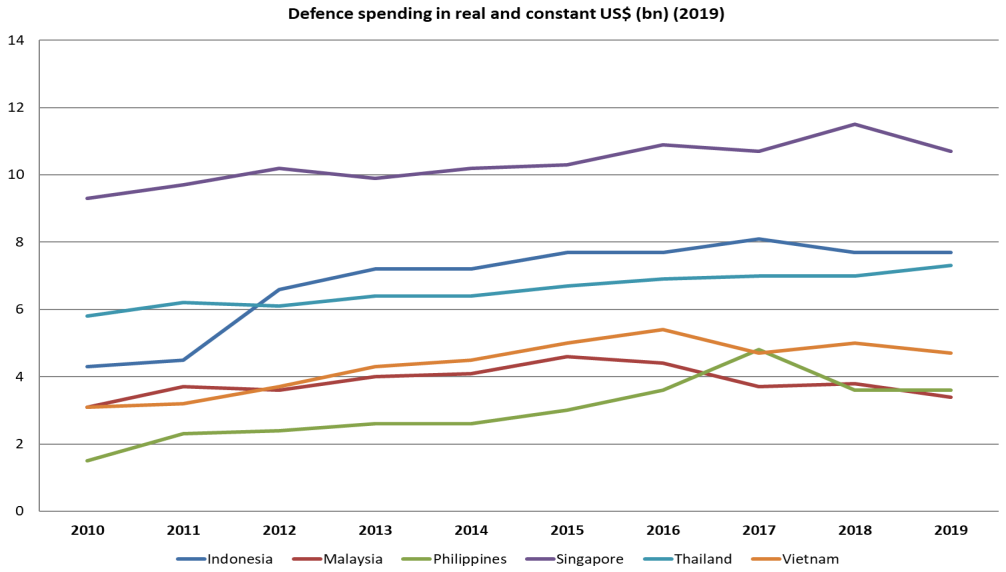
Real economic growth in South-East Asia marginally increased on average to 5.0 per cent in 2019 due to competitive local currencies and global tensions such as the US–China trade dispute. Most major regional economies experienced weaker economic growth in 2019. China's economic slowdown and the US–China trade dispute have had varied impacts on South-East Asian economies. All, however, continue to benefit from economic liberalisation, regional integration, stronger policy buffers and domestic political stability.

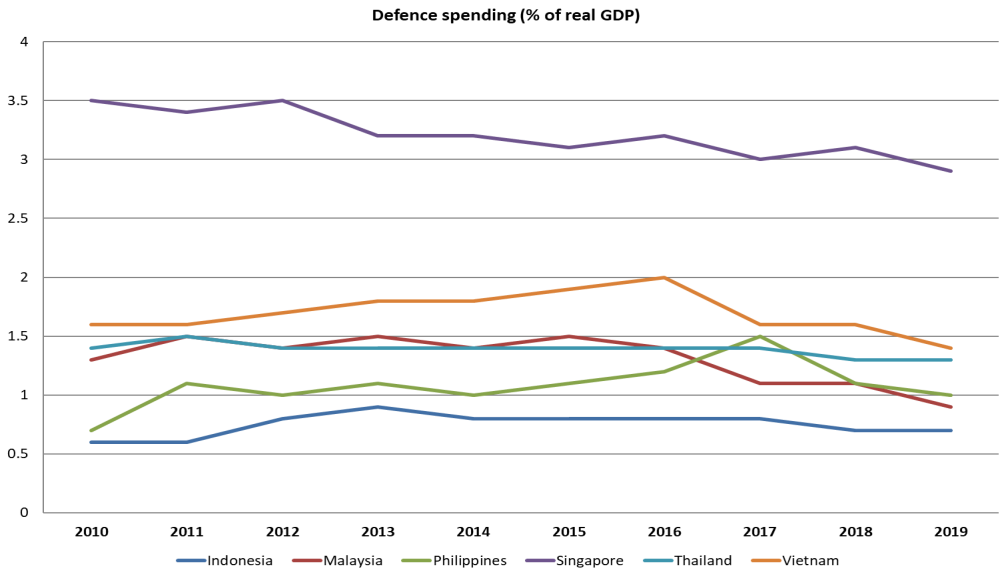
Defence spending

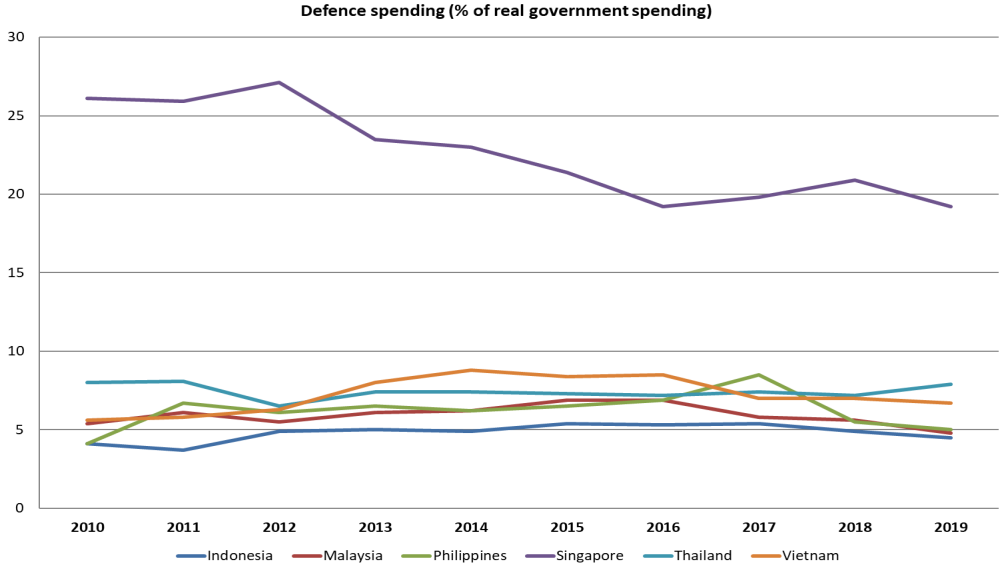
South-East Asian military expenditure as a percentage of real GDP contracted to an average of 1.8 per cent in 2019. South-East Asia remains an attractive market for defence companies due to force modernisation programs across the region. Strong bilateral cooperation remains a feature of defence relations in South-East Asia. Economic growth, internal security concerns and regional territorial disputes remain key drivers for defence spending growth in the region.



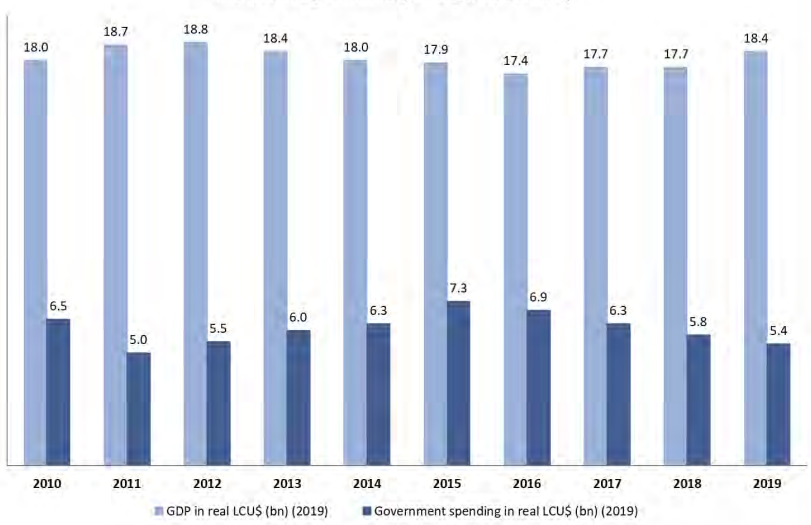


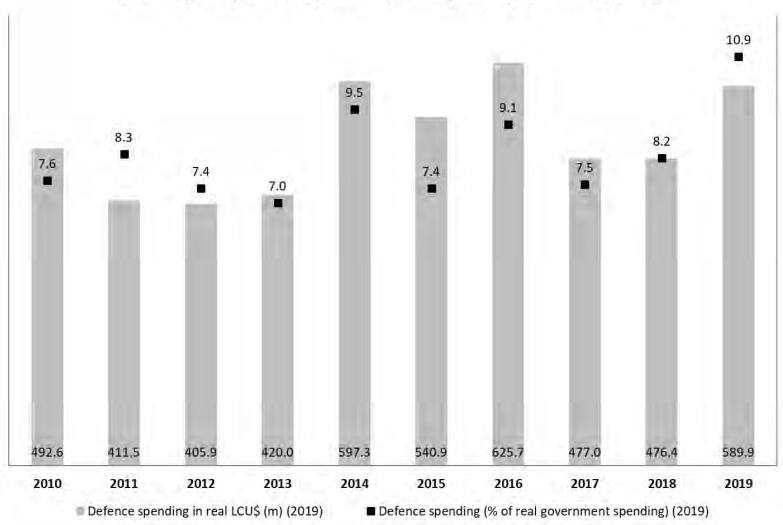

Defence spending in real and constant US$ (bn) (2019)
14
12
10
8
6
4
2
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Indonesia
Malaysia
Philippines
Singapore
Thailand
Vietnam


Defence spending (% of real GDP)
4
3.5
3
2.5
2
1.5
1
0.5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Indonesia
Malaysia
Philippines
Singapore
Thailand
Vietnam


Defence spending (% of real government spending)
30
25
20
15
10
5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Indonesia
Malaysia
Philippines
Singapore
Thailand
Vietnam

Brunei	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (m)	512.0	514.0	513.2	516.0	719.2	537.5	564.7	451.8	492.8	589.9
Spending in real LCU$ (m) (2019)	492.6	411.5	405.9	420.0	597.3	540.9	625.7	477.0	476.4	589.9
Spending in nominal US$ (m)	375.5	408.6	410.7	412.4	567.6	390.9	408.8	327.2	365.3	432.4
Spending in real and constant US$ (m) (2019)	361.1	301.6	297.5	307.8	437.9	396.5	458.7	349.6	349.2	432.4
Spending in real LCU$ - growth rate (%) (2019)	-13.7	-16.5	-1.4	3.5	42.2	-9.4	15.7	-23.8	-0.1	23.8
Spending (% of real GDP) (2019)	2.7	2.2	2.2	2.3	3.3	3.0	3.6	2.7	2.7	3.2
Spending (% of real government spending) (2019)	7.6	8.3	7.4	7.0	9.5	7.4	9.1	7.5	8.2	10.9
Gross domestic product (GDP)										
GDP in real LCU$ (bn) (2019)	18.0	18.7	18.8	18.4	18.0	17.9	17.4	17.7	17.7	18.4
GDP in real US$ (bn) (2019)	13.2	14.8	15.1	14.7	14.2	13.0	12.6	12.8	13.1	13.5
GDP in real LCU$ - growth rate (%) (2019)	2.6	3.7	0.9	-2.1	-2.3	-0.6	-2.5	1.3	0.1	3.9
GDP in real US$ - per capita (2019)	33815.9	38027.7	37663.8	36816.4	34635.9	31736.5	30076.2	30486.1	30498.8	31323.3
Government spending in real LCU$ (bn) (2019)	6.5	5.0	5.5	6.0	6.3	7.3	6.9	6.3	5.8	5.4
Population (m)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Inflation (%)	0.2	0.1	0.1	0.4	-0.2	-0.4	-0.3	-0.0	-0.2	-0.5





Country name	Brunei
Capital city	Bandar Seri Begawan
Population	0.4 million
Active armed forces	7200

Land size	5765 km^2
Currency	Brunei dollar (BND)
Fiscal year	1 April – 31 March
Economy	Less-developed country with a market economy
Industries	Oil and natural gas

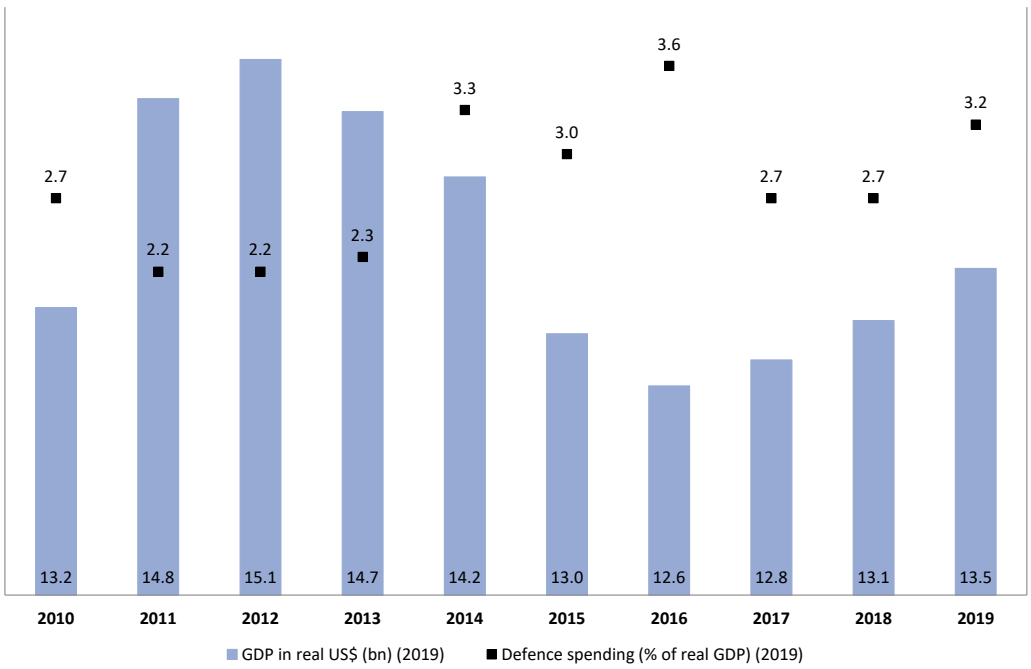
Economy

Over the past 10 years, Brunei has averaged 0.5 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 3.9 per cent, driven by growth in oil and gas, petroleum and chemical manufacturing, as well as transportation and construction sectors. According to the EIU, Brunei's economy will average 2.9 per cent growth out to 2021 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

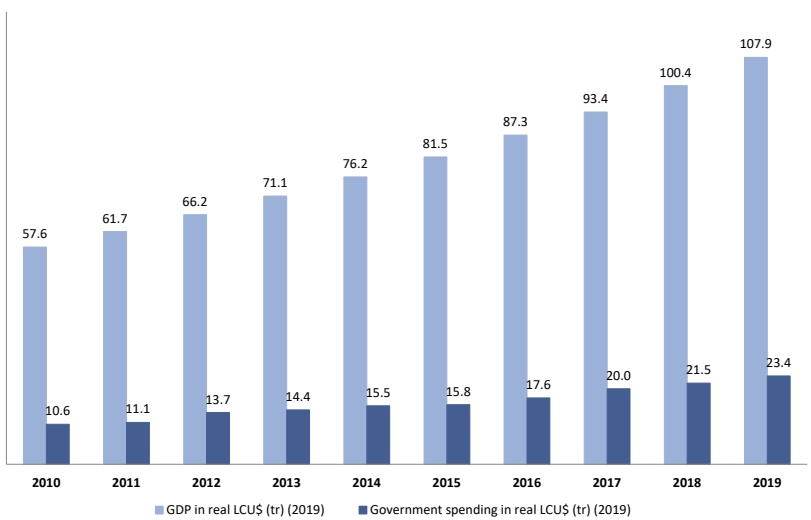
Brunei's 2019 defence budget was BND589.9m (US$432.4m) – a 23.8 per cent real increase on the 2018 defence budget in local currency terms. In October 2019, the Royal Brunei Land Force acquired five additional KH-27 patrol boats. The Royal Brunei Navy also continued to conduct training activities with various countries, including Australia, the UK, Singapore, Malaysia, the Philippines, the US, Russia and China.

GDP in real US$ and defence spending as a percentage of real GDP

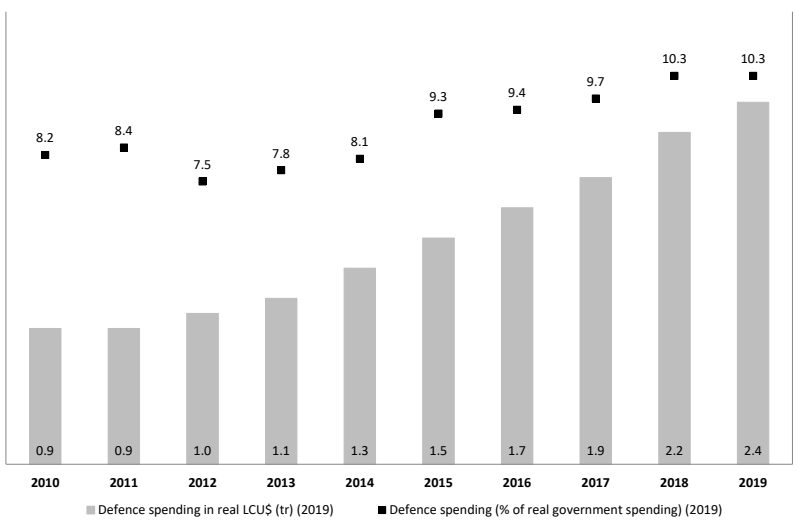


Cambodia	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	0.7	0.8	0.9	1.0	1.1	1.3	1.6	1.9	2.2	2.4
Spending in real LCU$ (tr) (2019)	0.9	0.9	1.0	1.1	1.3	1.5	1.7	1.9	2.2	2.4
Spending in nominal US$ (m)	167.9	192.2	217.3	243.5	278.0	325.2	382.2	459.8	539.6	595.0
Spending in real and constant US$ (m) (2019)	211.9	227.6	252.3	276.0	310.7	361.7	410.3	476.7	543.0	595.0
Spending in real LCU$ - growth rate (%) (2019)	20.5	7.4	10.9	9.4	12.6	16.4	13.4	16.2	13.9	9.6
Spending (% of real GDP) (2019)	1.5	1.5	1.5	1.6	1.7	1.8	1.9	2.1	2.2	2.2
Spending (% of real government spending) (2019)	8.2	8.4	7.5	7.8	8.1	9.3	9.4	9.7	10.3	10.3
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	57.6	61.7	66.2	71.1	76.2	81.5	87.3	93.4	100.4	107.9
GDP in real US$ (bn) (2019)	13.8	15.2	16.4	17.7	18.9	20.0	21.5	23.1	24.8	26.6
GDP in real LCU$ - growth rate (%) (2019)	6.0	7.1	7.3	7.5	7.1	7.0	7.0	7.0	7.5	7.4
GDP in real US$ - per capita (2019)	962.2	1045.7	1110.4	1175.6	1235.1	1291.4	1363.7	1440.1	1525.5	1611.3
Government spending in real LCU$ (tr) (2019)	10.6	11.1	13.7	14.4	15.5	15.8	17.6	20.0	21.5	23.4
Population (m)	14.3	14.5	14.8	15.0	15.3	15.5	15.8	16.0	16.2	16.5
Inflation (%)	4.0	5.4	3.0	2.9	3.9	1.2	3.0	2.9	2.5	1.9

Real GDP and government spending in local currency



Defence spending in real LCU$ and as a percentage of real government spending



Country name	Cambodia
Capital city	Phnom Penh
Population	16.5 million
Active armed forces	124 300

Land size	181 035 km^2
Currency	Riel (KHR)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Gems, cement, forestry, rubber, food, tourism, textiles, apparel and footwear

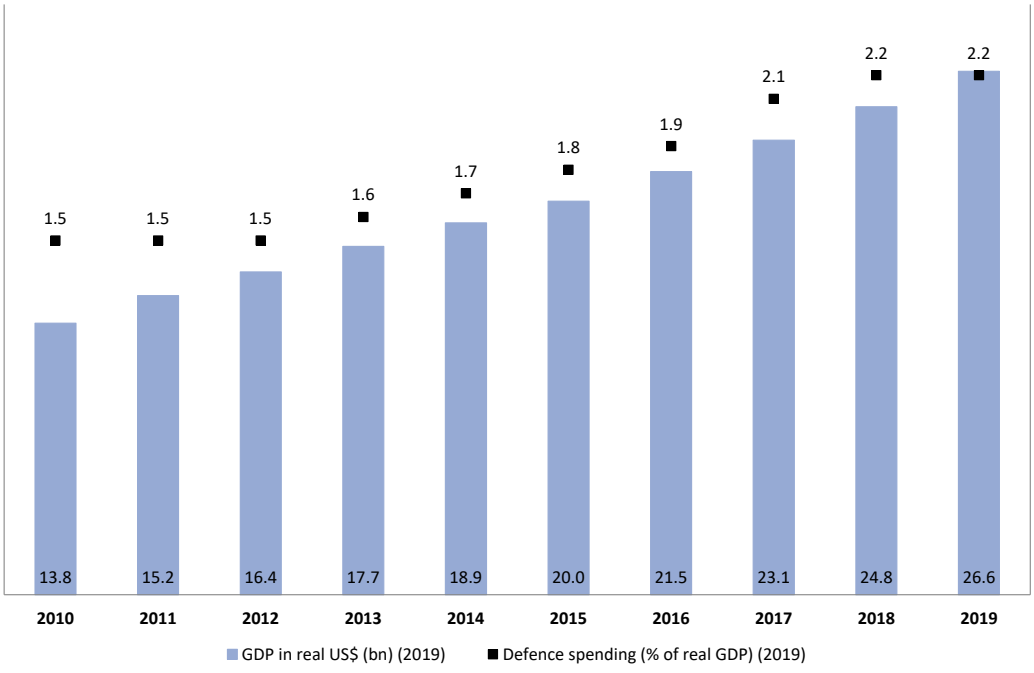
Economy

Over the past 10 years, Cambodia has averaged 7.1 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 7.4 per cent, driven by garment exports and tourism. According to the EIU, Cambodia's economy will average 5.4 per cent growth out to 2024 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic and the impact of the partial removal of the European Union's Everything But Arms trade status.

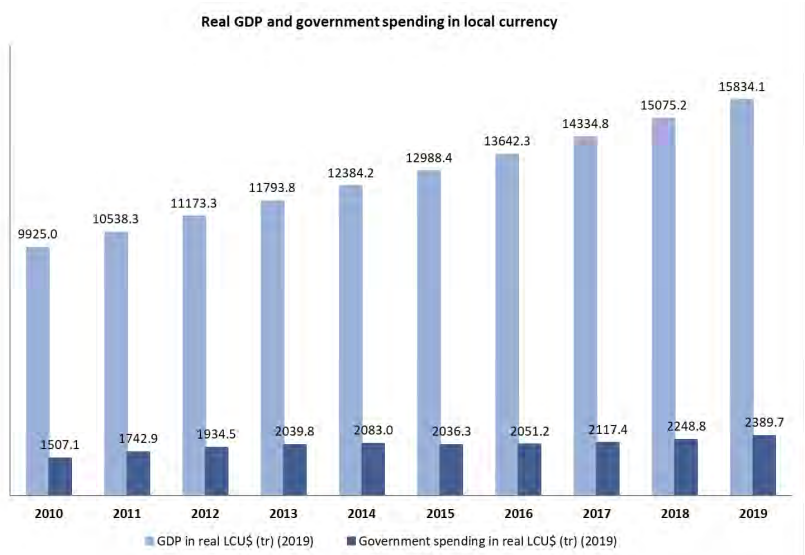
Defence spending

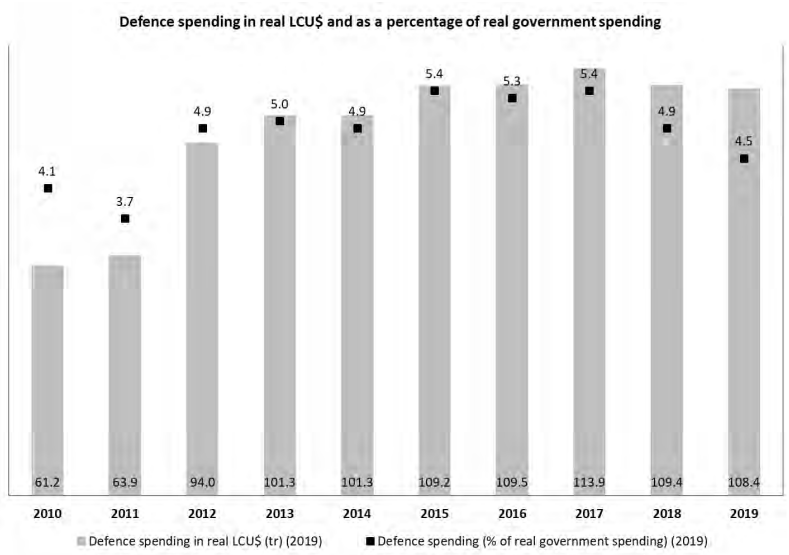
Cambodia's 2019 defence budget was KHR2416.4bn (US$595.0m) – a 9.6 per cent real increase on the 2018 defence budget in local currency terms. In 2019, China donated US$84m to the Cambodian military for procurement and training, as well as light armored vehicles. Prime Minister Hun Sen stated that Cambodia had purchased US$40m of Chinese weapons in 2019, including small arms to replace aging stocks.

GDP in real US$ and defence spending as a percentage of real GDP



Indonesia	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	42.3	47.5	72.5	82.0	86.4	96.9	99.5	108.0	107.7	108.4
Spending in real LCU$ (tr) (2019)	61.2	63.9	94.0	101.3	101.3	109.2	109.5	113.9	109.4	108.4
Spending in nominal US$ (bn)	4.7	5.4	7.7	7.8	7.3	7.2	7.5	8.1	7.6	7.7
Spending in real and constant US$ (bn) (2019)	4.3	4.5	6.6	7.2	7.2	7.7	7.7	8.1	7.7	7.7
Spending in real LCU$ - growth rate (%) (2019)	16.9	4.5	47.1	7.8	-0.1	7.9	0.2	4.1	-3.9	-0.9
Spending (% of real GDP) (2019)	0.6	0.6	0.8	0.9	0.8	0.8	0.8	0.8	0.7	0.7
Spending (% of real government spending) (2019)	4.1	3.7	4.9	5.0	4.9	5.4	5.3	5.4	4.9	4.5
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	9925.0	10538.3	11173.3	11793.8	12384.2	12988.4	13642.3	14334.8	15075.2	15834.1
GDP in real US$ (tr) (2019)	1.1	1.2	1.2	1.1	1.0	1.0	1.0	1.1	1.1	1.1
GDP in real LCU$ - growth rate (%) (2019)	6.4	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.2	5.0
GDP in real US$ - per capita (2019)	4493.6	4892.1	4795.6	4495.6	4120.7	3792.8	3970.3	4111.2	4027.1	4218.6
Government spending in real LCU$ (tr) (2019)	1507.1	1742.9	1934.5	2039.8	2083.0	2036.3	2051.2	2117.4	2248.8	2389.7
Population (m)	243.0	245.6	248.2	250.8	253.3	255.8	258.2	260.6	262.9	265.3
Inflation (%)	5.1	5.3	4.0	6.4	6.4	6.4	3.5	3.8	3.3	2.8





Country name	Indonesia
Capital city	Jakarta
Population	265.3 million
Active armed forces	395 500

Land size	1 904 443 km^2
Currency	Rupiah (IDR)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Petroleum, natural gas, mining, cement, chemical fertilisers, plywood, rubber, tourism, textiles and apparel

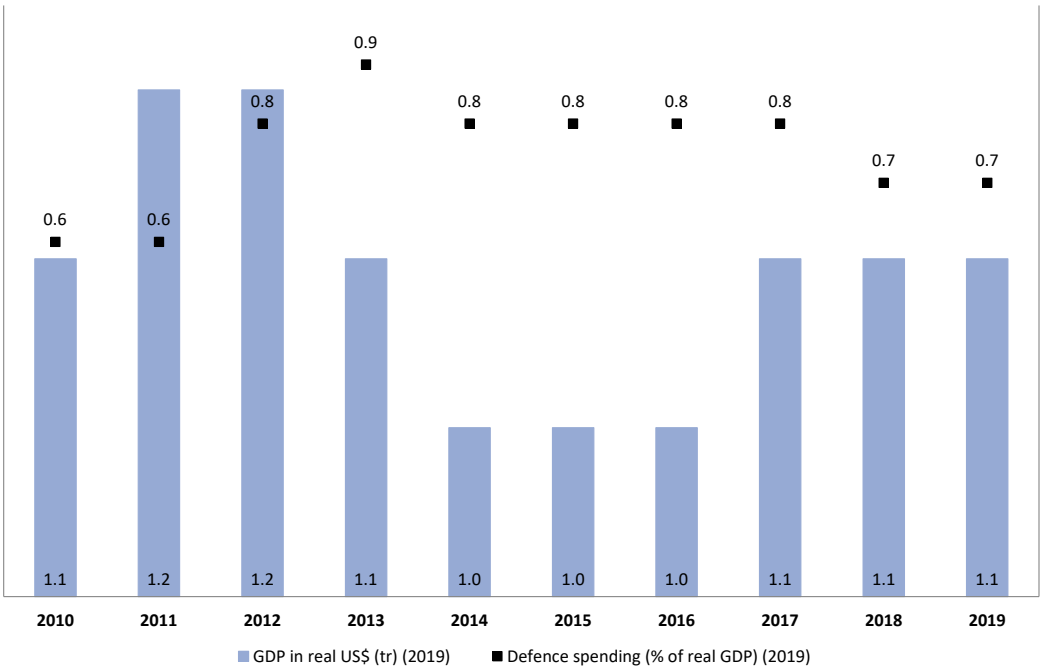
Economy

Over the past 10 years, Indonesia has averaged 5.4 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 5 per cent. This was driven by agricultural exports, investment, manufacturing and both wholesale and retail trade. According to the EIU, Indonesia's economy will average 4.5 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

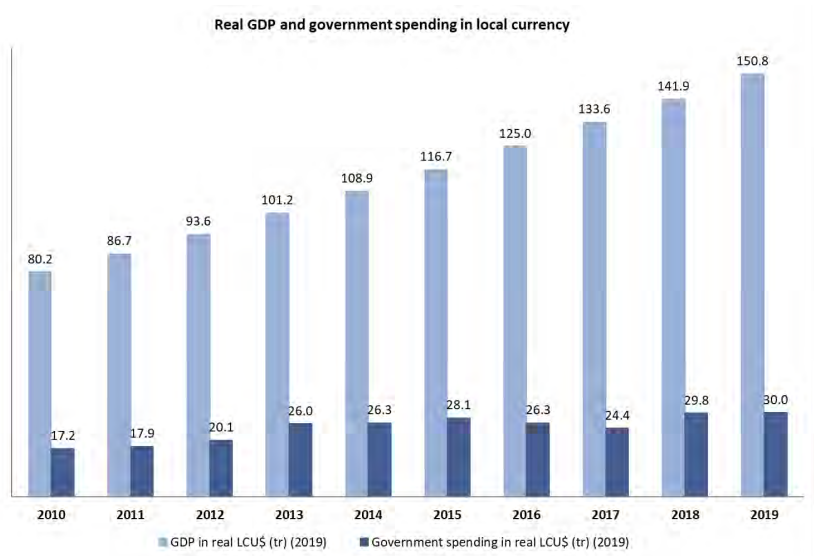
Defence spending

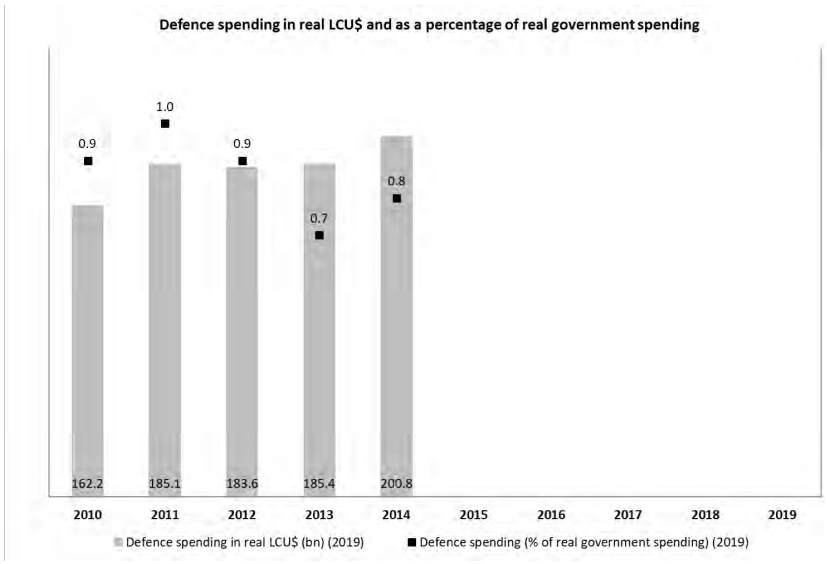
Indonesia's 2019 defence budget was IDR108.4tr (US$7.7bn) – a 0.9 per cent real decrease on the 2018 defence budget in local currency terms. Indonesia signed a new contract with South Korea to procure an additional three NAGAPASA-class submarines as well as ordering additional medium tanks and armoured vehicles for its Army. Indonesia also announced the establishment of four new bases across eastern Indonesia, while continuing to develop basing infrastructure throughout the archipelago. The Indonesian National Armed Forces – *Tentara Nasional Indonesia* – also entered the third and final phase of its force modernisation program in 2019, with the deadline in 2024.

GDP in real US$ and defence spending as a percentage of real GDP



Laos	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	119.0	150.0	160.0	172.0	197.0	N/A	N/A	N/A	N/A	N/A
Spending in real LCU$ (bn) (2019)	162.2	185.1	183.6	185.4	200.8	N/A	N/A	N/A	N/A	N/A
Spending in nominal US$ (m)	14.4	18.7	20.0	22.0	24.5	N/A	N/A	N/A	N/A	N/A
Spending in real and constant US$ (m) (2019)	18.2	20.8	20.6	20.8	22.6	N/A	N/A	N/A	N/A	N/A
Spending in real LCU$ - growth rate (%) (2019)	-8.4	14.1	-0.8	1.0	8.3	N/A	N/A	N/A	N/A	N/A
Spending (% of real GDP) (2019)	0.2	0.2	0.2	0.2	0.2	N/A	N/A	N/A	N/A	N/A
Spending (% of real government spending) (2019)	0.9	1.0	0.9	0.7	0.8	N/A	N/A	N/A	N/A	N/A
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	80.2	86.7	93.6	101.2	108.9	116.7	125.0	133.6	141.9	150.8
GDP in real US$ (bn) (2019)	9.7	10.8	11.7	12.9	13.5	14.4	15.4	16.0	16.7	16.9
GDP in real LCU$ - growth rate (%) (2019)	8.5	8.0	8.0	8.0	7.6	7.2	7.1	6.9	6.2	6.3
GDP in real US$ - per capita (2019)	1554.6	1700.6	1814.9	1974.2	2038.5	2130.6	2247.0	2300.6	2367.1	2363.0
Government spending in real LCU$ (tr) (2019)	17.2	17.9	20.1	26.0	26.3	28.1	26.3	24.4	29.8	30.0
Population (m)	6.2	6.3	6.4	6.5	6.6	6.7	6.8	7.0	7.1	7.2
Inflation (%)	6.0	7.6	4.3	6.4	4.1	1.3	1.6	0.8	2.0	3.3





Country name	Laos
Capital city	Vientiane
Population	7.2 million
Active armed forces	29 100

Land size	236 800 km^2
Currency	Kip (LAK)
Fiscal year	1 October – 30 September
Economy	Less-developed country with a centrally planned economy
Industries	Copper, tin, timber, tourism, hydroelectricity, apparel, rice and cement

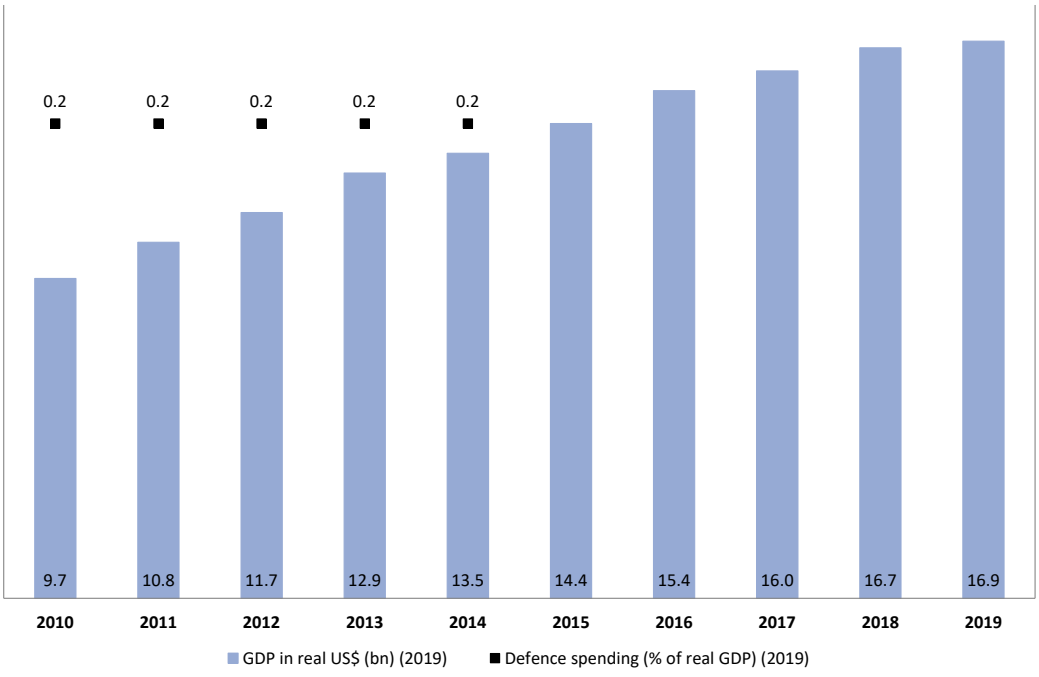
Economy

Over the past 10 years, Laos has averaged 7.4 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 6.3 per cent, with infrastructure developments and tourism underpinning strong domestic growth. According to the EIU, Laos's economy will average 2.5 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

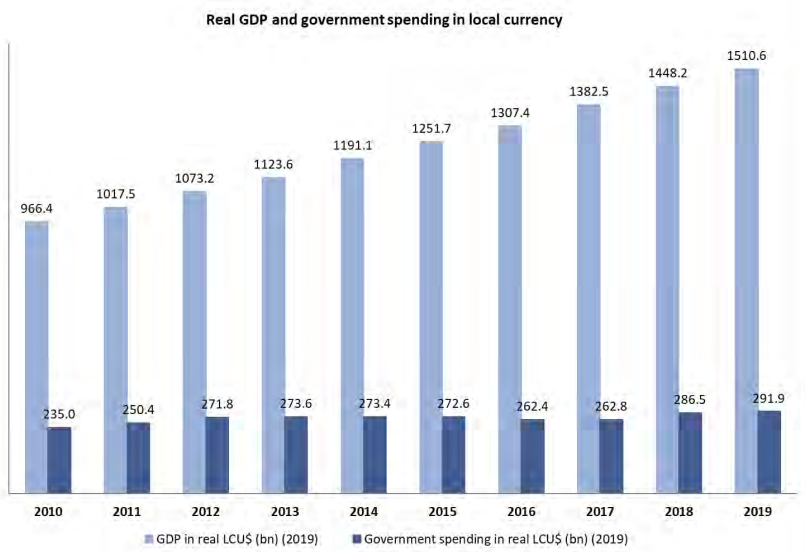
Defence spending

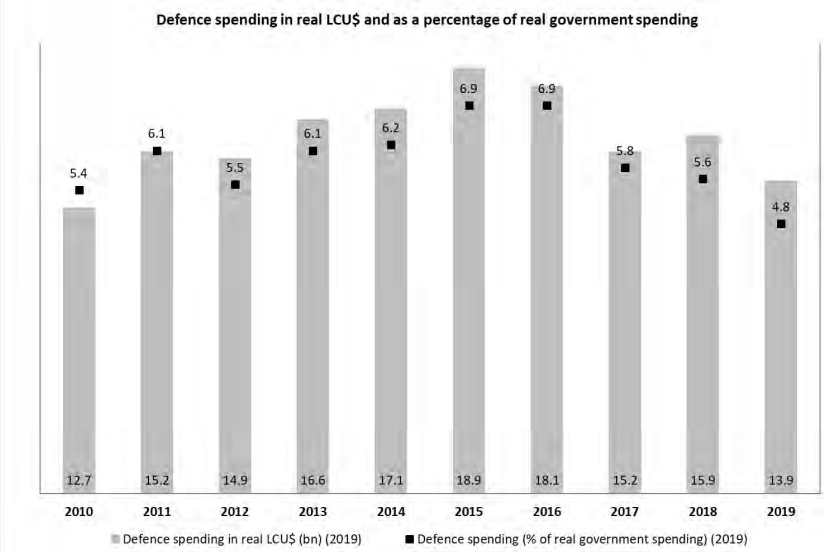
Laos has not officially announced a defence budget since 2015. In 2019, Laos and Russia continued their defence relationship and Russia provided a number of platforms to the Laos military, including T-72B White Eagle main battle tanks (MBTs) and YAK 130 light attack aircraft. Laos conducted the first bilateral combined arms training with Russia, Ex LAROS 19, which involved live fire and armoured battle runs. Laos continued to foster an ongoing security relationship with Vietnam. The two countries signed a protocol of cooperation to guide ongoing bilateral cooperation for border and region security from 2020 to 2024.

GDP in real US$ and defence spending as a percentage of real GDP



Malaysia	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	11.0	13.8	13.7	15.3	16.1	17.8	17.3	15.1	15.9	13.9
Spending in real LCU$ (bn) (2019)	12.7	15.2	14.9	16.6	17.1	18.9	18.1	15.2	15.9	13.9
Spending in nominal US$ (bn)	3.4	4.5	4.4	4.9	4.9	4.6	4.2	3.5	3.9	3.4
Spending in real and constant US$ (bn) (2019)	3.1	3.7	3.6	4.0	4.1	4.6	4.4	3.7	3.8	3.4
Spending in real LCU$ - growth rate (%) (2019)	-18.7	19.0	-1.7	11.5	2.7	11.0	-4.4	-15.9	4.6	-12.7
Spending (% of real GDP) (2019)	1.3	1.5	1.4	1.5	1.4	1.5	1.4	1.1	1.1	0.9
Spending (% of real government spending) (2019)	5.4	6.1	5.5	6.1	6.2	6.9	6.9	5.8	5.6	4.8
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	1.0	1.0	1.1	1.1	1.2	1.3	1.3	1.4	1.4	1.5
GDP in real US$ (bn) (2019)	300.0	332.5	347.5	356.6	363.9	320.5	315.2	321.5	358.9	364.7
GDP in real LCU$ - growth rate (%) (2019)	7.4	5.3	5.5	4.7	6.0	5.1	4.4	5.7	4.8	4.3
GDP in real US$ - per capita (2019)	10635.5	11605.9	11953.0	12100.5	12184.7	10587.7	10271.0	10335.1	11383.0	11414.7
Government spending in real LCU$ (bn) (2019)	235.0	250.4	271.8	273.6	273.4	272.6	262.4	262.8	286.5	291.9
Population (m)	28.2	28.7	29.1	29.5	29.9	30.3	30.7	31.1	31.5	31.9
Inflation (%)	1.7	3.2	1.7	2.1	3.1	2.1	2.1	3.8	1.0	0.7





Country name	Malaysia
Capital city	Kuala Lumpur
Population	31.9 million
Active armed forces	113 000

Land size	330 252 km^2
Currency	Ringgit (MYR)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Rubber, palm oil, electronics, tin, timber, agriculture and oil

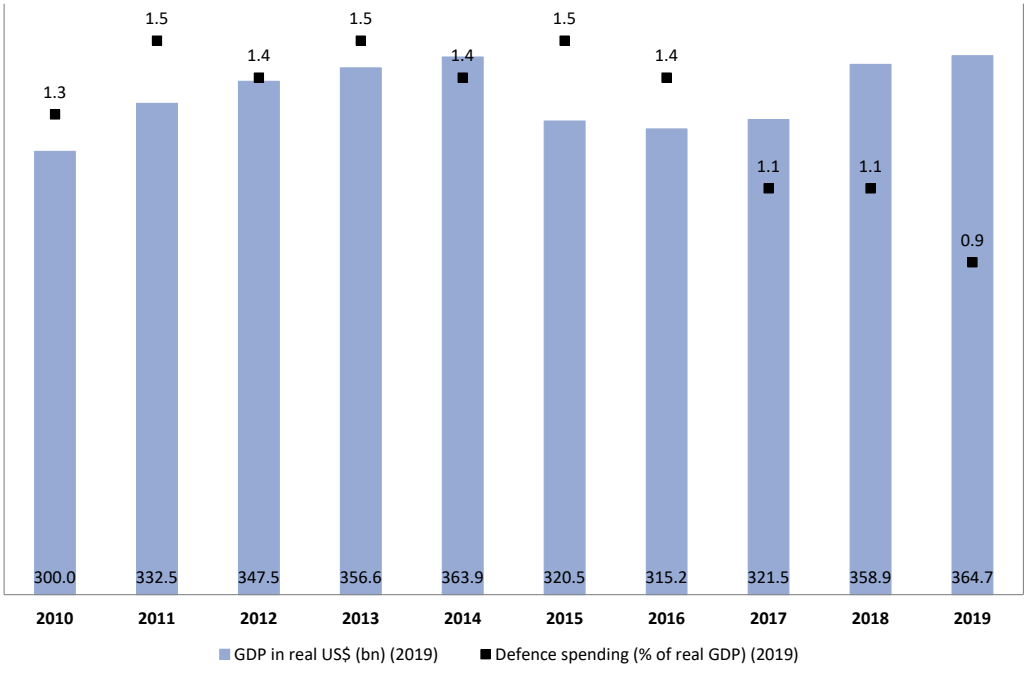
Economy

Over the past 10 years, Malaysia has averaged 5.3 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 4.3 per cent, driven by agricultural, mining and manufacturing exports. But, this was the country's slowest economic growth experienced since at least 2010. According to the EIU, Malaysia's economy will average 2.5 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

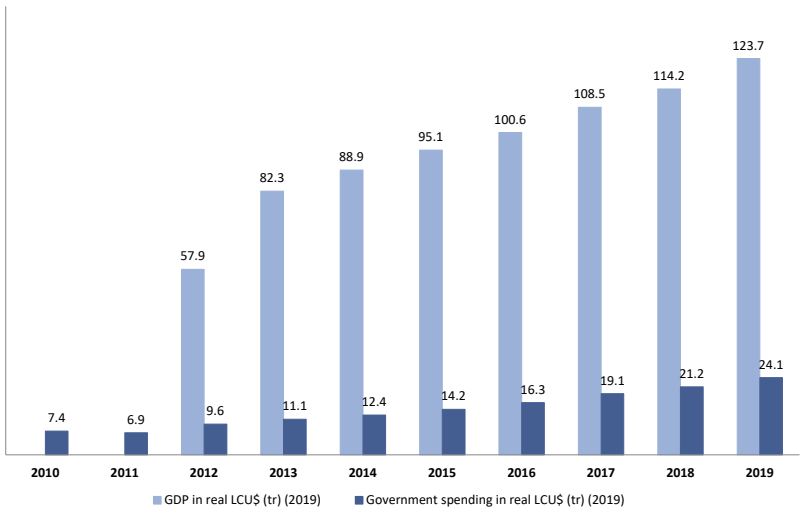
Malaysia's 2019 defence budget was MYR13.9bn (US$3.4bn) – a 12.7 per cent real decrease on the 2018 defence budget in local currency terms. Malaysia participated in a number of exercises including Ex BERSAMA LIMA, Ex BERSAMA SHIELD, Ex KERISMAS and Ex TAMING SARI. In 2019, Malaysia released its Defence White Paper.

GDP in real US$ and defence spending as a percentage of real GDP

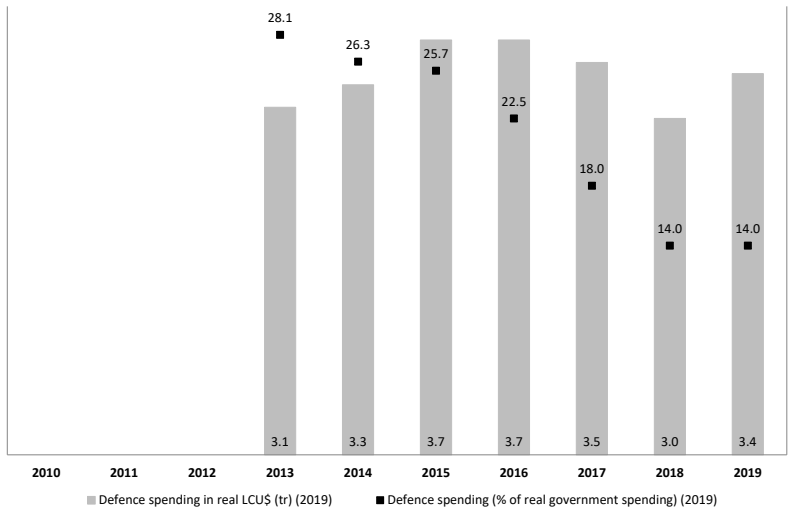


Myanmar	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	N/A	N/A	N/A	2.2	2.4	2.8	2.9	2.9	2.7	3.4
Spending in real LCU$ (tr) (2019)	N/A	N/A	N/A	3.1	3.3	3.7	3.7	3.5	3.0	3.4
Spending in nominal US$ (bn)	N/A	N/A	N/A	2.4	2.4	2.4	2.4	2.1	1.9	2.2
Spending in real and constant US$ (bn) (2019)	N/A	N/A	N/A	2.1	2.2	2.4	2.4	2.3	1.9	2.2
Spending in real LCU$ - growth rate (%) (2019)	N/A	N/A	N/A	N/A	4.7	12.0	-0.0	-5.9	-14.0	13.7
Spending (% of real GDP) (2019)	N/A	N/A	N/A	3.8	3.7	3.9	3.6	3.2	2.6	2.7
Spending (% of real government spending) (2019)	N/A	N/A	N/A	28.1	26.3	25.7	22.5	18.0	14.0	14.0
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	N/A	N/A	57.9	82.3	88.90	95.1	100.6	108.5	114.2	123.7
GDP in real US$ (bn) (2019)	69.8	88.4	90.4	88.2	90.3	81.8	81.5	79.7	79.9	81.2
GDP in real LCU$ - growth rate (%) (2019)	N/A	N/A	N/A	42.2	8.0	7.0	5.8	7.8	5.3	8.3
GDP in real US$ - per capita (2019)	1379.3	1734.0	1757.5	1700.4	1727.3	1552.8	1536.3	1493.8	1486.8	1503.2
Government spending in real LCU$ (tr) (2019)	7.4	6.9	9.6	11.1	12.4	14.2	16.3	19.1	21.2	24.1
Population (m)	50.6	51.0	51.4	51.9	52.3	52.7	53.0	53.4	53.7	54.0
Inflation (%)	7.7	5.0	1.5	5.6	5.6	8.7	6.9	4.6	6.9	8.8

Real GDP and government spending in local currency



Defence spending in real LCU$ and as a percentage of real government spending



Country name	Myanmar
Capital city	Nay Pyi Taw
Population	54.0 million
Active armed forces	406 000

Land size	676 563 km^2
Currency	Kyat (MMK)
Fiscal year	1 October – 30 September
Economy	Less-developed country with a market economy
Industries	Timber, gems, oil, natural gas, tourism and rice

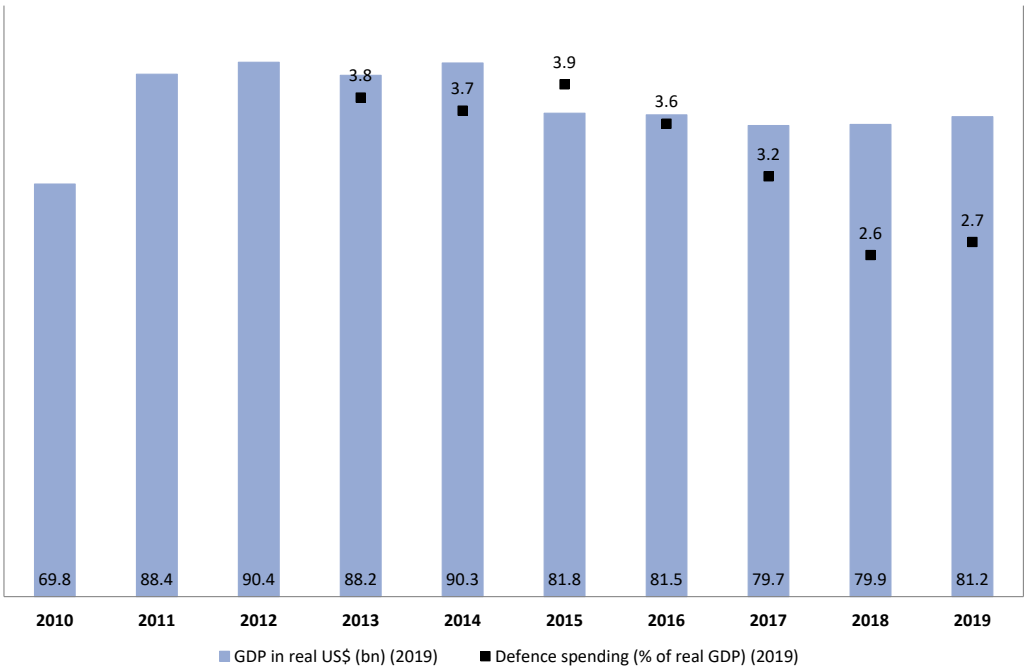
Economy

Over the past 6 years, Myanmar has averaged 7.0 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 8.3 per cent, driven by investment in transport, telecommunications and services sectors. According to the EIU, Myanmar's economy is forecast to average 5.9 per cent growth out to 2024 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

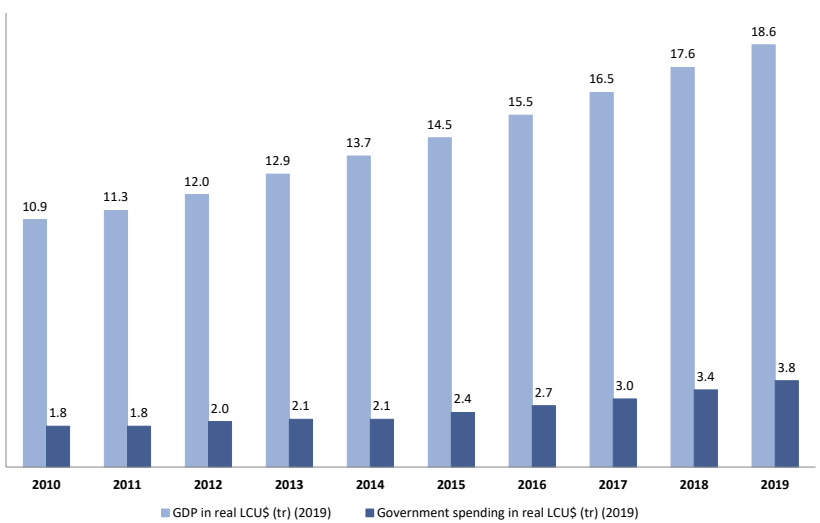
Myanmar's 2019 defence budget was MMK3.4tr (US$2.2bn) – a 13.7 per cent real increase on the 2018 defence budget in local currency terms. In 2019, Myanmar received military equipment from various suppliers, including 76 NORINCO Type-92 armoured vehicles from China, HTT-40 weaponised training aircraft from India, and Yak-130 weaponised training aircraft from Russia. Myanmar also signed contracts for Ukrainian armoured personnel carriers and self-propelled howitzers.

GDP in real US$ and defence spending as a percentage of real GDP

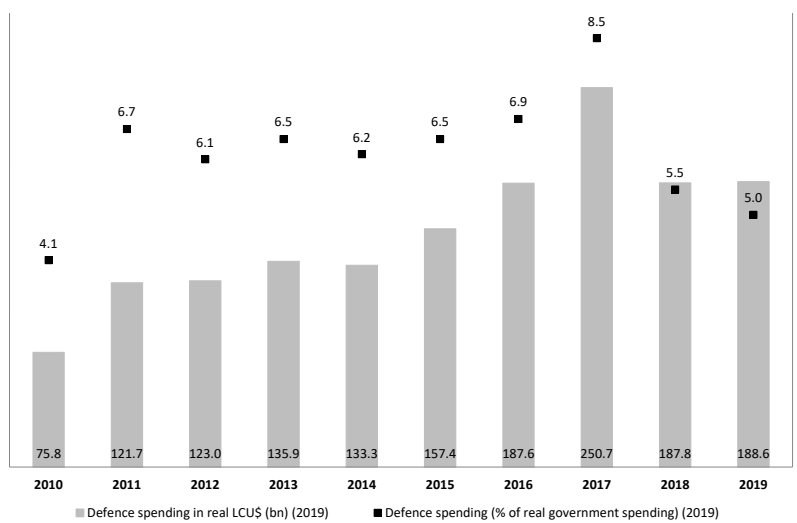


Philippines	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	62.7	104.7	107.9	121.6	123.1	144.5	175.2	239.6	186.2	188.6
Spending in real LCU$ (bn) (2019)	75.8	121.7	123.0	135.9	133.3	157.4	187.6	250.7	187.8	188.6
Spending in nominal US$ (bn)	1.4	2.4	2.6	2.9	2.8	3.2	3.7	4.8	3.5	3.6
Spending in real and constant US$ (bn) (2019)	1.5	2.3	2.4	2.6	2.6	3.0	3.6	4.8	3.6	3.6
Spending in real LCU$ - growth rate (%) (2019)	-2.2	60.5	1.1	10.5	-1.9	18.0	19.2	33.6	-25.1	0.4
Spending (% of real GDP) (2019)	0.7	1.1	1.0	1.1	1.0	1.1	1.2	1.5	1.1	1.0
Spending (% of real government spending) (2019)	4.1	6.7	6.1	6.5	6.2	6.5	6.9	8.5	5.5	5.0
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	10.9	11.3	12.0	12.9	13.7	14.5	15.5	16.5	17.6	18.6
GDP in real US$ (bn) (2019)	241.2	260.4	284.8	303.3	307.7	318.4	326.1	327.8	333.3	358.9
GDP in real LCU$ - growth rate (%) (2019)	7.7	3.6	6.6	7.1	6.1	6.1	6.9	6.7	6.2	5.9
GDP in real US$ - per capita (2019)	2566.9	2724.3	2929.5	3067.8	3061.2	3117.9	3145.4	3116.8	3125.5	3319.6
Government spending in real LCU$ (tr) (2019)	1.8	1.8	2.0	2.1	2.1	2.4	2.7	3.0	3.4	3.8
Population (m)	94.0	95.6	97.2	98.9	100.5	102.1	103.7	105.2	106.7	108.1
Inflation (%)	3.8	4.7	3.2	2.9	4.2	1.4	1.8	2.9	5.3	2.5

Real GDP and government spending in local currency



Defence spending in real LCU$ and as a percentage of real government spending



Country name	The Philippines
Capital city	Manila
Population	108.1 million
Active armed forces	142 350

Land size	300 179 km^2
Currency	Philippine peso (PHP)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Textiles, pharmaceuticals, chemicals, wood products, electronics, petroleum refining and fishing

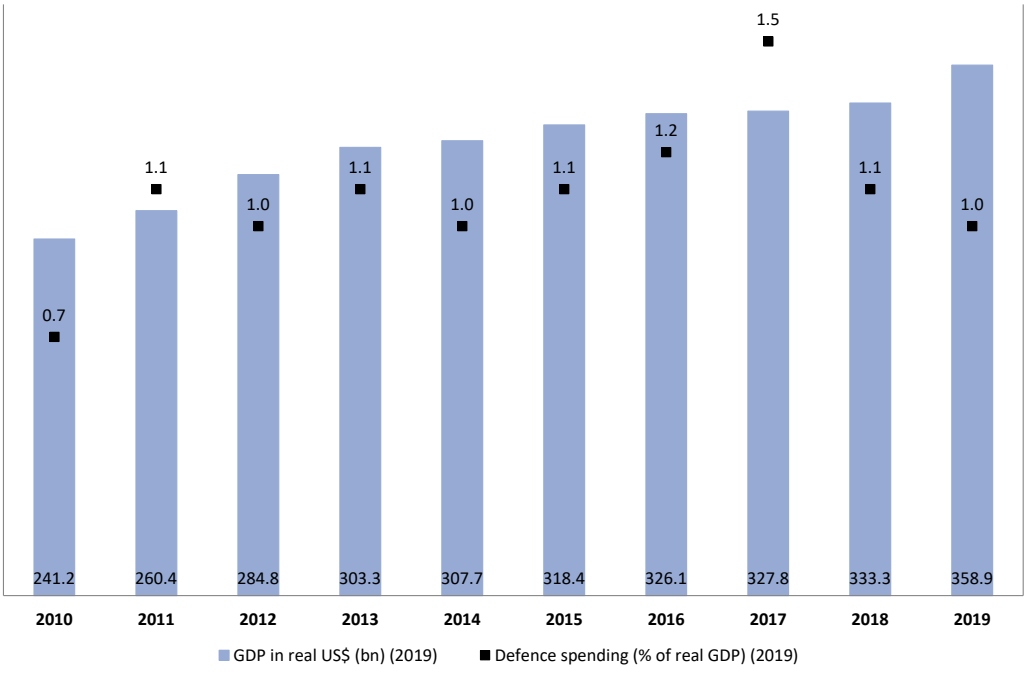
Economy

Over the past 10 years, the Philippines has averaged 6.3 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 5.9 per cent, driven by strong private consumption and growth in the manufacturing and construction sectors. According to the EIU, the Philippine economy is forecast to average 4.5 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

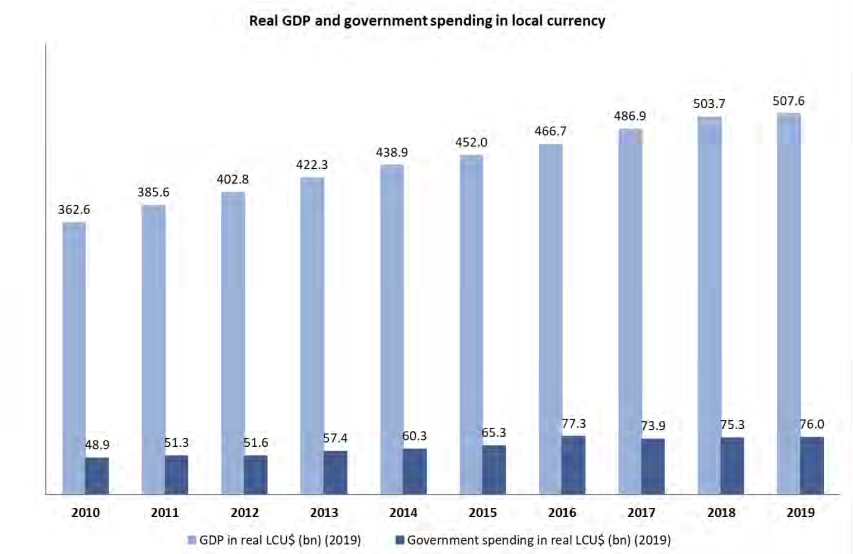
Defence spending

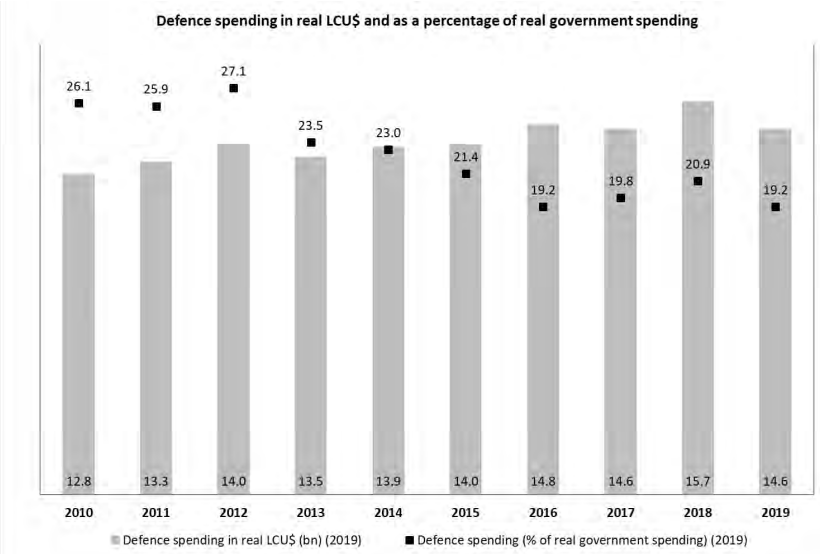
The Philippines' 2019 defence budget was PHP188.6bn (US$3.6bn) – a 0.4 per cent real increase on the 2018 defence budget in local currency terms. The Philippines acquired multiple new assets in 2019 under the Revised Armed Forces of the Philippines Modernisation Program (RAFPMP), including eight KAAAV-7A1 amphibious assault vehicles, one C-295M command and control aircraft and two AW-159 anti-submarine helicopters.

GDP in real US$ and defence spending as a percentage of real GDP



Singapore	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	11.5	12.1	12.8	12.3	12.6	13.1	14.0	14.2	15.7	14.6
Spending in real LCU$ (bn) (2019)	12.8	13.3	14.0	13.5	13.9	14.0	14.8	14.6	15.7	14.6
Spending in nominal US$ (bn)	8.4	9.6	10.2	9.8	9.9	9.5	10.1	10.3	11.6	10.7
Spending in real and constant US$ (bn) (2019)	9.3	9.7	10.2	9.9	10.2	10.3	10.9	10.7	11.5	10.7
Spending in real LCU$ - growth rate (%) (2019)	-0.2	4.1	5.3	-3.5	2.7	0.9	6.1	-1.3	7.2	-7.1
Spending (% of real GDP) (2019)	3.5	3.4	3.5	3.2	3.2	3.1	3.2	3.0	3.1	2.9
Spending (% of real government spending) (2019)	26.1	25.9	27.1	23.5	23.0	21.4	19.2	19.8	20.9	19.2
Gross domestic product (GDP)										
GDP in real LCU$ (bn) (2019)	362.6	385.6	402.8	422.3	438.9	452.0	466.7	486.9	503.7	507.6
GDP in real US$ (bn) (2019)	265.9	306.6	322.3	337.5	346.4	328.8	337.8	352.6	373.4	372.1
GDP in real LCU$ - growth rate (%) (2019)	14.5	6.3	4.5	4.8	3.9	3.0	3.2	4.3	3.4	0.8
GDP in real US$ - per capita (2019)	52386.3	59142.9	60674.4	62507.1	63332.3	59403.5	60244.5	62830.4	66224.9	65234.2
Government spending in real LCU$ (bn) (2019)	48.9	51.3	51.6	57.4	60.3	65.3	77.3	73.9	75.3	76.0
Population (m)	5.1	5.2	5.3	5.4	5.5	5.5	5.6	5.6	5.6	5.7
Inflation (%)	2.8	5.2	4.6	2.4	1.0	-0.5	-0.5	0.6	0.4	0.6





Country name	Singapore
Capital city	Singapore
Population	5.7 million
Active armed forces	72 500

Land size	710 km^2
Currency	Singapore dollar (SGD)
Fiscal year	1 April – 31 March
Economy	Industrialised country with a market economy
Industries	Electronics, financial services, petroleum refining, rubber, ship repair and biopharmaceuticals

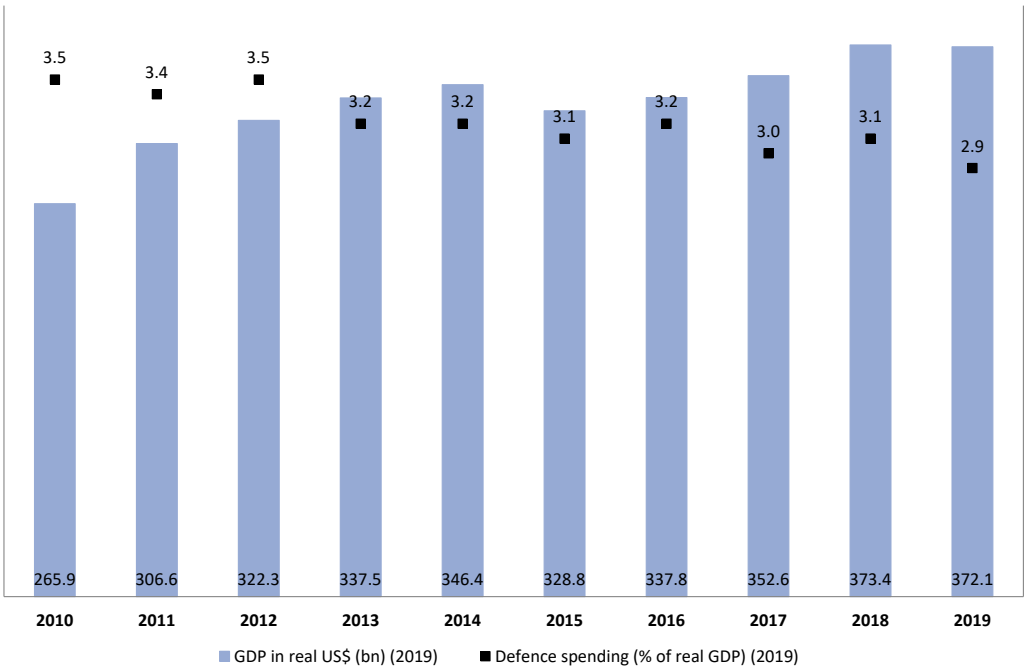
Economy

Over the past 10 years, Singapore has averaged 4.9 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 0.8 per cent, driven by public and private sector construction. However, there were declines in manufacturing across electronics, chemicals and transport sectors. According to the EIU, Singapore's economy will average 1.5 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

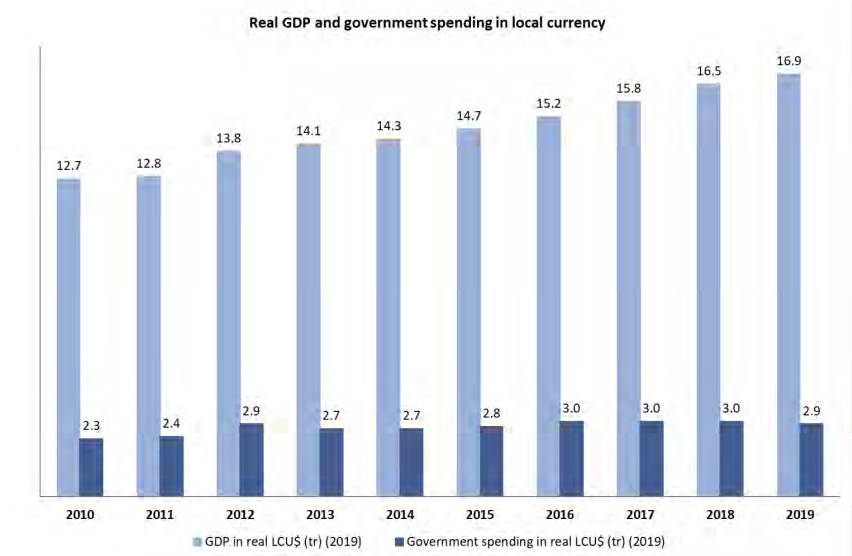
Defence spending

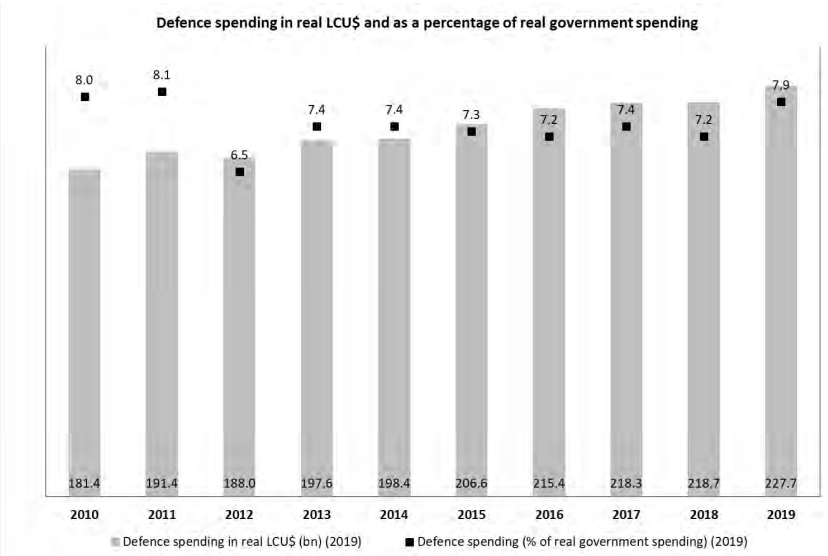
The Singapore 2019 defence budget was SGD14.6bn (US$10.7bn) – a 7.1 per cent real decrease on the 2018 defence budget in local currency terms. Singapore introduced the HUNTER armoured fighting vehicles into service and participated in Ex BERSAMA LIMA and Ex BERSAMA SHIELD.

GDP in real US$ and defence spending as a percentage of real GDP



Thailand	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	154.0	168.5	168.7	180.5	183.8	192.9	206.5	213.4	217.0	227.7
Spending in real LCU$ (bn) (2019)	181.4	191.4	188.0	197.6	198.4	206.6	215.4	218.3	218.7	227.7
Spending in nominal US$ (bn)	4.9	5.5	5.4	5.9	5.7	5.6	5.9	6.3	6.7	7.3
Spending in real and constant US$ (bn) (2019)	5.8	6.2	6.1	6.4	6.4	6.7	6.9	7.0	7.0	7.3
Spending in real LCU$ - growth rate (%) (2019)	-13.0	5.5	-1.8	5.1	0.4	4.2	4.2	1.3	0.2	4.1
Spending (% of real GDP) (2019)	1.4	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3
Spending (% of real government spending) (2019)	8.0	8.1	6.5	7.4	7.4	7.3	7.2	7.4	7.2	7.9
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	12.7	12.8	13.8	14.1	14.3	14.7	15.2	15.8	16.5	16.9
GDP in real US$ (bn) (2019)	401.8	421.1	442.8	459.8	439.3	429.8	431.4	466.9	510.7	543.9
GDP in real LCU$ - growth rate (%) (2019)	7.5	0.8	7.2	2.7	1.0	3.2	3.4	4.1	4.1	2.3
GDP in real US$ - per capita (2019)	5980.0	6236.4	6527.4	6747.6	6419.3	6254.5	6254.3	6746.0	7355.9	7811.4
Government spending in real LCU$ (tr) (2019)	2.3	2.4	2.9	2.7	2.7	2.8	3.0	3.0	3.0	2.9
Population (m)	67.2	67.5	67.8	68.1	68.4	68.7	69.0	69.2	69.4	69.6
Inflation (%)	3.3	3.8	3.0	2.2	1.9	-0.9	0.2	0.7	1.1	0.7





Country name	Thailand
Capital city	Bangkok
Population	69.6 million
Active armed forces	360 850

Land size	514 000 km^2
Currency	Baht (THB)
Fiscal year	1 October – 30 September
Economy	Less-developed country with a market economy
Industries	Tourism, apparel, agriculture, cement, electronics, furniture, plastics and tin

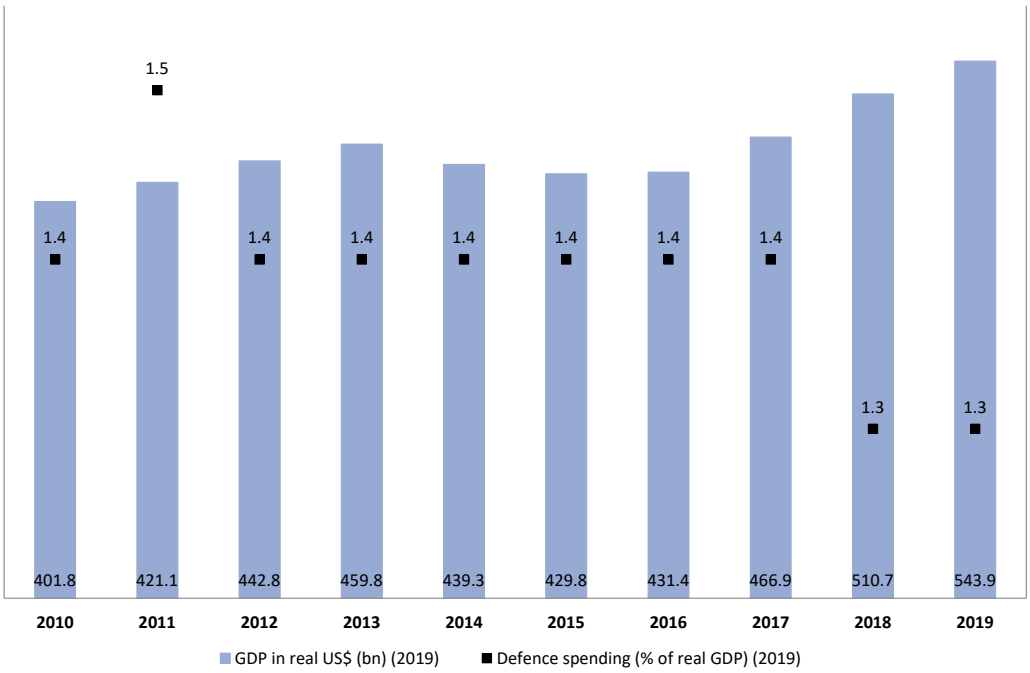
Economy

Over the past 10 years, Thailand has averaged 3.6 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 2.3 per cent, which represented the slowest growth in five years. Slow economic growth was driven by decreases in export volumes. The US–China trade war affected exports from the manufacturing and agricultural sectors. According to the EIU, Thailand's economy will average 2 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

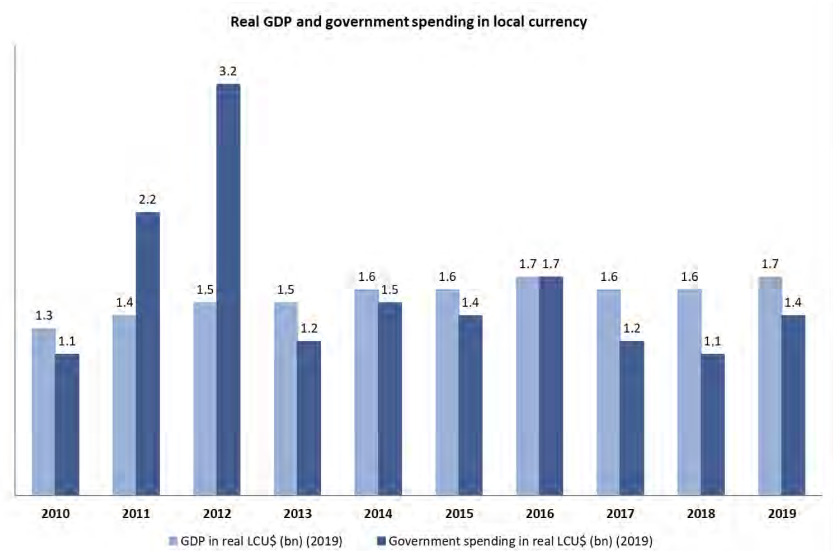
Defence spending

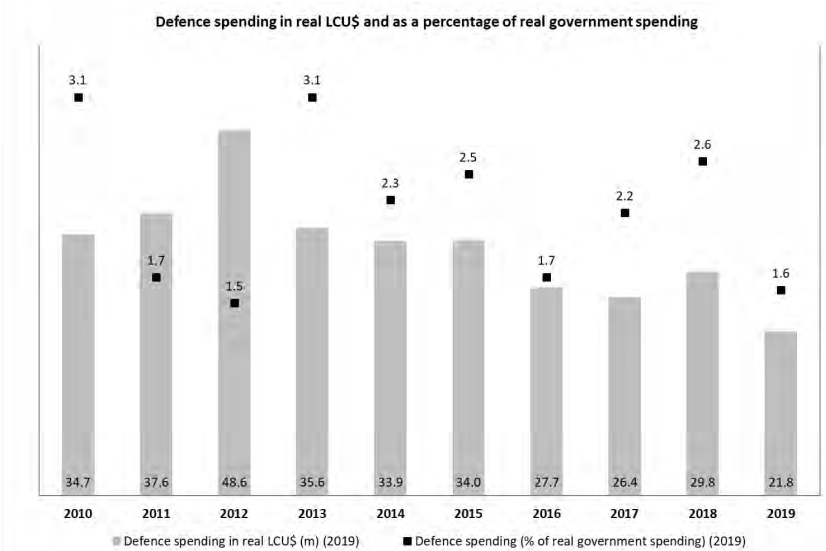
Thailand's 2019 defence budget was THB227.7bn (US$7.3bn) – a 4.1 per cent real increase on the 2018 defence budget in local currency terms. Thailand purchased eight Boeing AH-6i light attack reconnaissance helicopters and received the first batch of Stryker military vehicles from the US. Thailand also purchased one diesel-electric submarine and 48 MBTs from China. Thailand signed Defence cooperation agreements with China and the US.

GDP in real US$ and defence spending as a percentage of real GDP



Timor-Leste	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (m)	23.2	28.4	37.7	32.9	31.1	33.4	27.2	26.2	29.1	21.8
Spending in real LCU$ (m) (2019)	34.7	37.6	48.6	35.6	33.9	34.0	27.7	26.4	29.8	21.8
Spending in nominal US$ (m)	23.2	28.4	37.7	32.9	31.1	33.4	27.2	26.2	29.1	21.8
Spending in real and constant US$ (m) (2019)	34.7	37.6	48.6	35.6	33.9	34.0	27.7	26.4	29.8	21.8
Spending in real LCU$ - growth rate (%) (2019)	-55.1	8.3	29.3	-26.7	-4.8	0.3	-18.7	-4.7	13.1	-26.9
Spending (% of real GDP) (2019)	2.6	2.7	3.3	2.4	2.1	2.1	1.6	1.6	1.9	1.3
Spending (% of real government spending) (2019)	3.1	1.7	1.5	3.1	2.3	2.5	1.7	2.2	2.6	1.6
Gross domestic product (GDP)										
GDP in real LCU$ (bn) (2019)	1.3	1.4	1.5	1.5	1.6	1.6	1.7	1.6	1.6	1.7
GDP in real US$ (bn) (2019)	1.3	1.4	1.5	1.5	1.6	1.6	1.7	1.6	1.6	1.7
GDP in real LCU$ - growth rate (%) (2019)	9.5	5.8	6.0	2.1	4.5	3.1	3.5	-3.8	-0.8	3.5
GDP in real US$ - per capita (2019)	1189.1	1233.7	1279.7	1277.0	1302.0	1311.6	1328.1	1251.1	1214.8	1230.6
Government spending in real LCU$ (bn) (2019)	1.1	2.2	3.2	1.2	1.5	1.4	1.7	1.2	1.1	1.4
Population (m)	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4
Inflation (%)	6.8	13.5	11.8	11.1	0.7	0.6	-1.3	0.6	2.4	0.9





Country name	Timor-Leste
Capital city	Dili
Population	1.4 million
Active armed forces	2280

Land size	14 609 km^2
Currency	US dollar (US$)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Oil, coffee, fishing, cottage industries, rice and subsistence farming

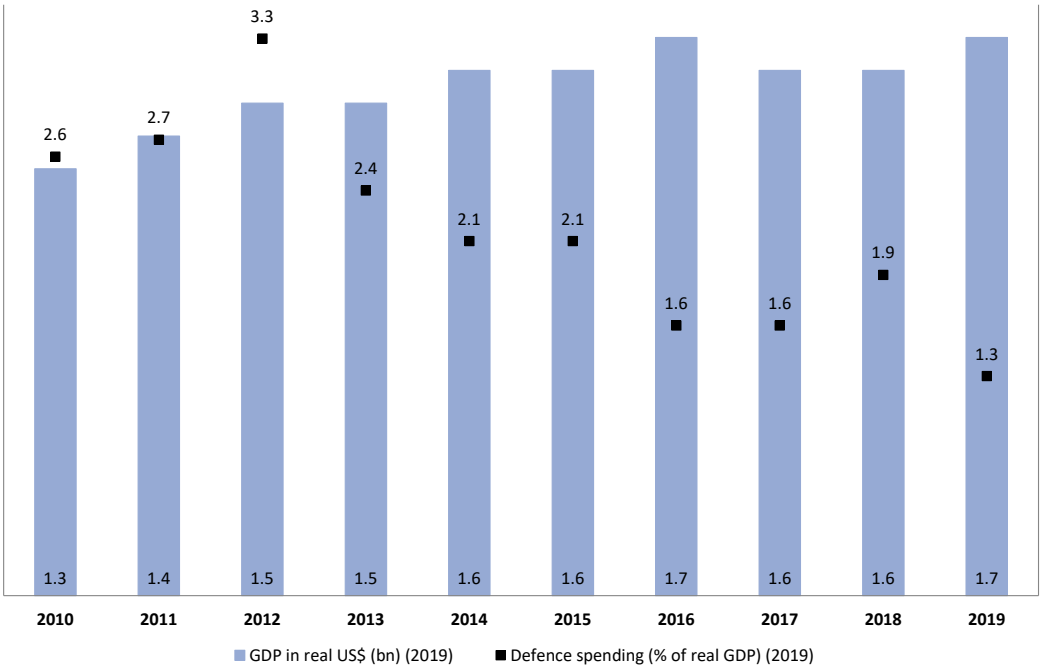
Economy

Over the past 10 years, Timor-Leste has averaged 3.3 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 3.5 per cent, driven by hydrocarbon exports – which account for approximately 80 per cent of GDP – as well as growth in the tourism, agriculture and construction sectors. According to the EIU, Timor-Leste's economy will average 0.3 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

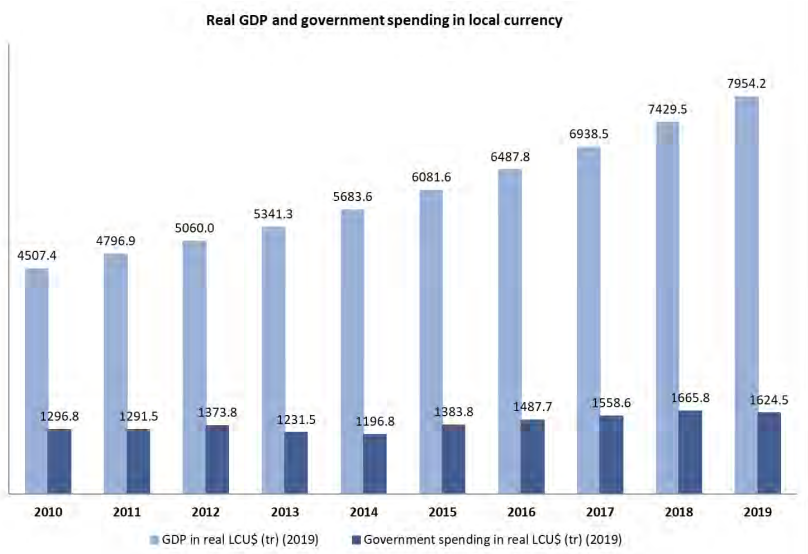
Defence spending

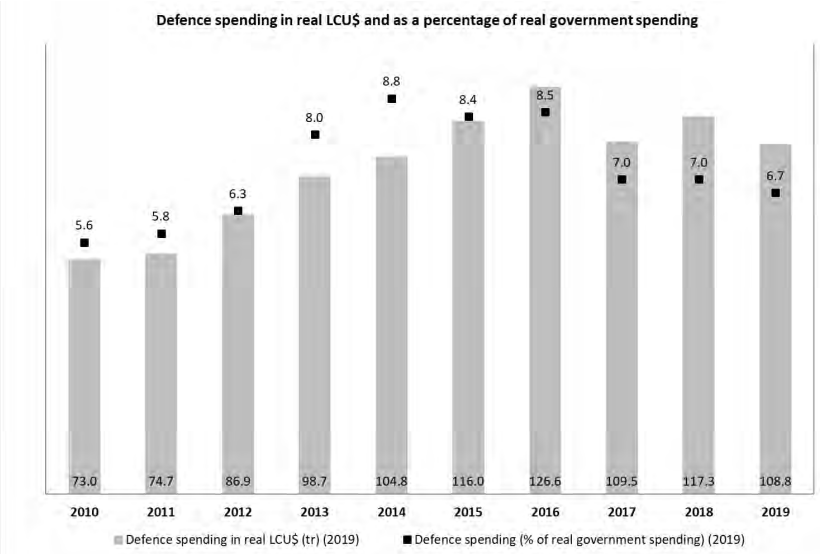
Timor-Leste's 2019 defence budget was US$21.8m – a 26.9 per cent real decrease on the 2018 defence budget in local currency terms. Timor-Leste participated in the four-nation Ex HARI'L HAMUTUK with Australia, Japan and the US. Timor-Leste also formally requested Chinese training for the Timor-Leste Navy.

GDP in real US$ and defence spending as a percentage of real GDP



Vietnam	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	44.4	55.1	70.0	82.7	91.0	99.0	110.0	99.3	110.0	108.8
Spending in real LCU$ (tr) (2019)	73.0	74.7	86.9	98.7	104.8	116.0	126.6	109.5	117.3	108.8
Spending in nominal US$ (bn)	2.3	2.7	3.4	3.9	4.3	4.5	4.9	4.4	4.8	4.7
Spending in real and constant US$ (bn) (2019)	3.1	3.2	3.7	4.3	4.5	5.0	5.4	4.7	5.0	4.7
Spending in real LCU$ - growth rate (%) (2019)	-20.8	2.2	16.4	13.6	6.1	10.7	9.1	-13.5	7.1	-7.2
Spending (% of real GDP) (2019)	1.6	1.6	1.7	1.8	1.8	1.9	2.0	1.6	1.6	1.4
Spending (% of real government spending) (2019)	5.6	5.8	6.3	8.0	8.8	8.4	8.5	7.0	7.0	6.7
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	4507.4	4796.9	5060.0	5341.3	5683.6	6081.6	6487.8	6938.5	7429.5	7954.2
GDP in real US$ (bn) (2019)	235.6	232.3	242.6	254.1	268.2	277.6	290.2	305.6	322.9	342.5
GDP in real LCU$ - growth rate (%) (2019)	6.4	6.4	5.5	5.6	6.4	7.0	6.7	6.9	7.1	7.1
GDP in real US$ - per capita (2019)	2678.4	2614.0	2701.3	2800.4	2924.6	2995.2	3099.3	3230.3	3378.9	3550.7
Government spending in real LCU$ (tr) (2019)	1296.8	1291.5	1373.8	1231.5	1196.8	1383.8	1487.7	1558.6	1665.8	1624.5
Population (m)	88.0	88.9	89.8	90.8	91.7	92.7	93.6	94.6	95.5	96.5
Inflation (%)	9.2	18.7	9.1	6.6	4.1	0.6	2.7	3.5	3.5	2.8





Country name	Vietnam
Capital city	Hanoi
Population	96.5 million
Active armed forces	482 000

Land size	331 051 km^2
Currency	Dong (VND)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a centrally planned economy
Industries	Food processing, garments, shoes, mining, cement, glass, fertiliser, tyres, oil, coal, steel, paper, coffee and rice

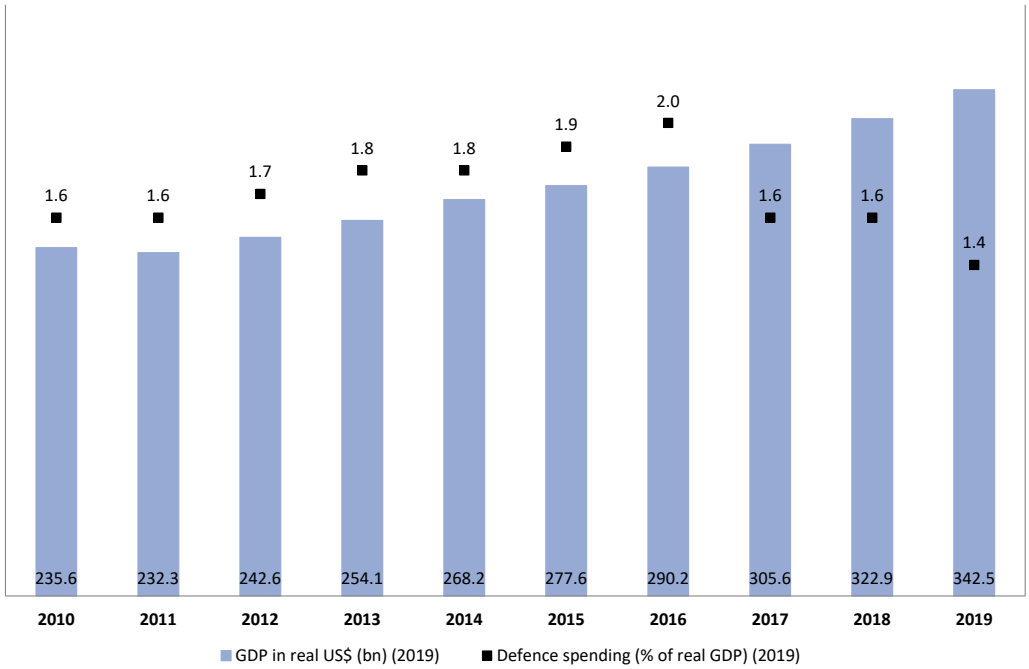
Economy

Over the past 10 years, Vietnam has averaged 6.5 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 7.1 per cent, driven by growth in the services sectors, increased industrial activity and investment prompted by the US–China trade dispute. According to the EIU, Vietnam's economy will average 5.8 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

Vietnam's 2019 defence budget was VND108.8tr (US$4.7bn) – a 7.2 per cent real decrease on the 2018 defence budget in local currency terms. Vietnam sought procurement of fighter and multi-role aircraft, armoured vehicles and tanks, naval vessels, patrol ships, maritime patrol aircraft and surveillance equipment. Vietnam also sought to modernise its arms stockpile.

GDP in real US$ and defence spending as a percentage of real GDP

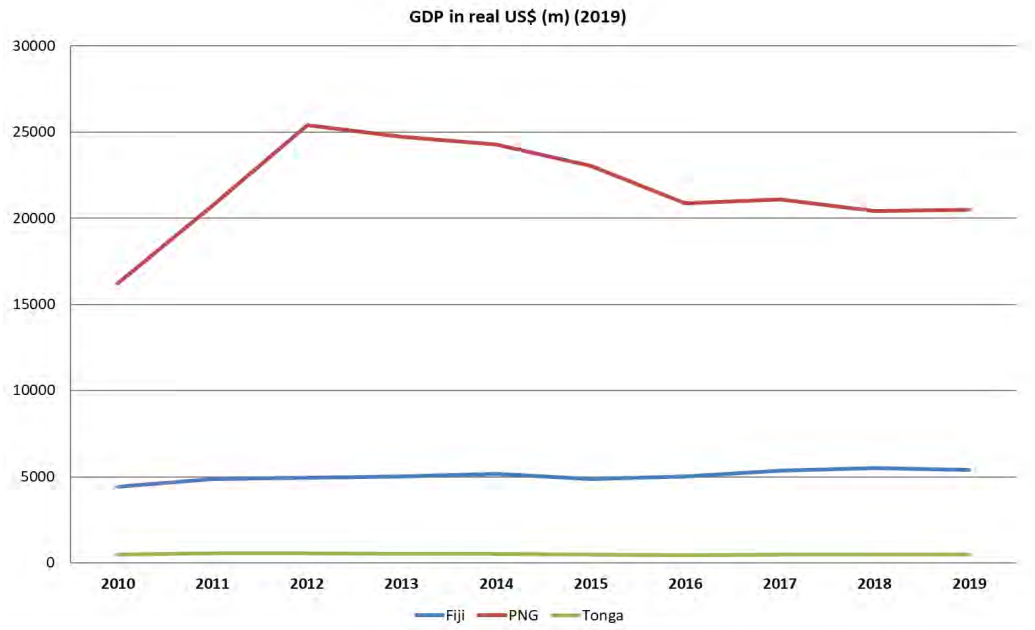


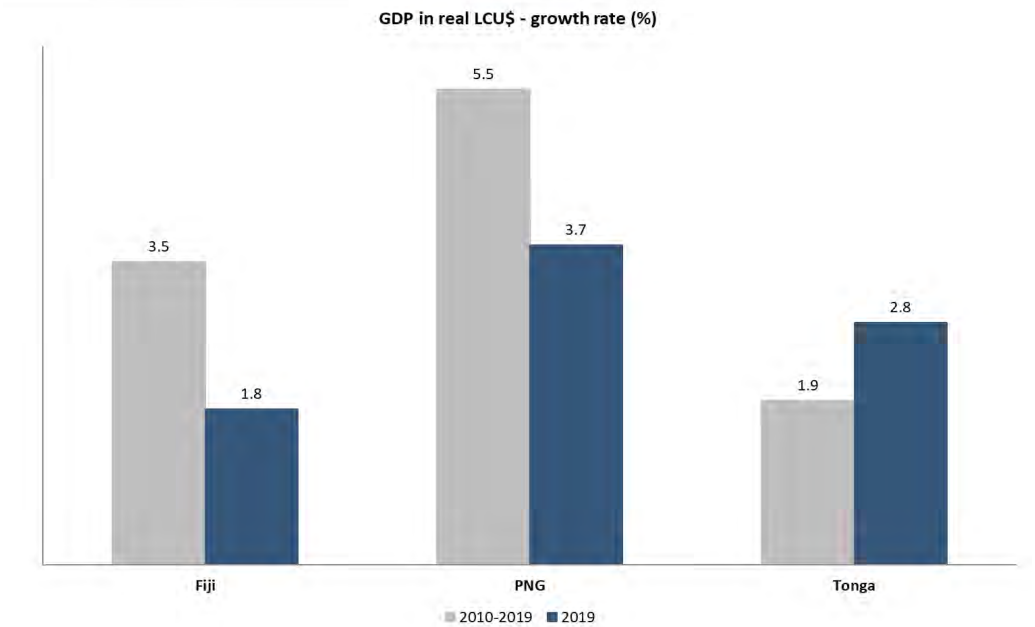
Regional economy

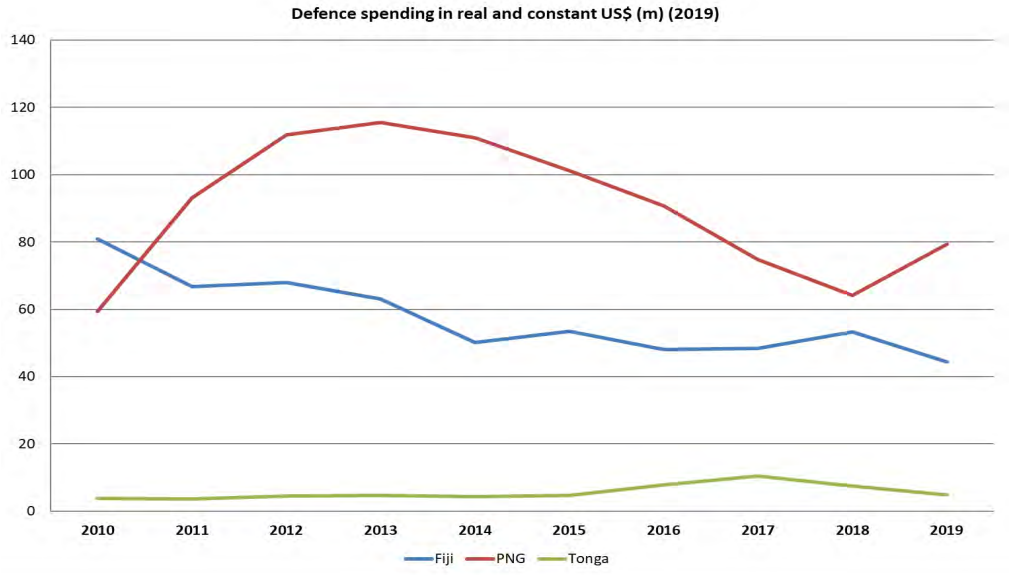
The South Pacific is characterised by small economies reliant on remittances, tourism and commodity exports. The South Pacific remains susceptible to shocks, natural disasters and fluctuations in commodity prices. Several countries experienced natural disasters and economic disruptions that slowed growth rates in 2019. Tonga's economic growth rebounded to 2.8 per cent GDP and Papua New Guinea's (PNG) economic growth rebounded to 3.7 per cent GDP in 2019.

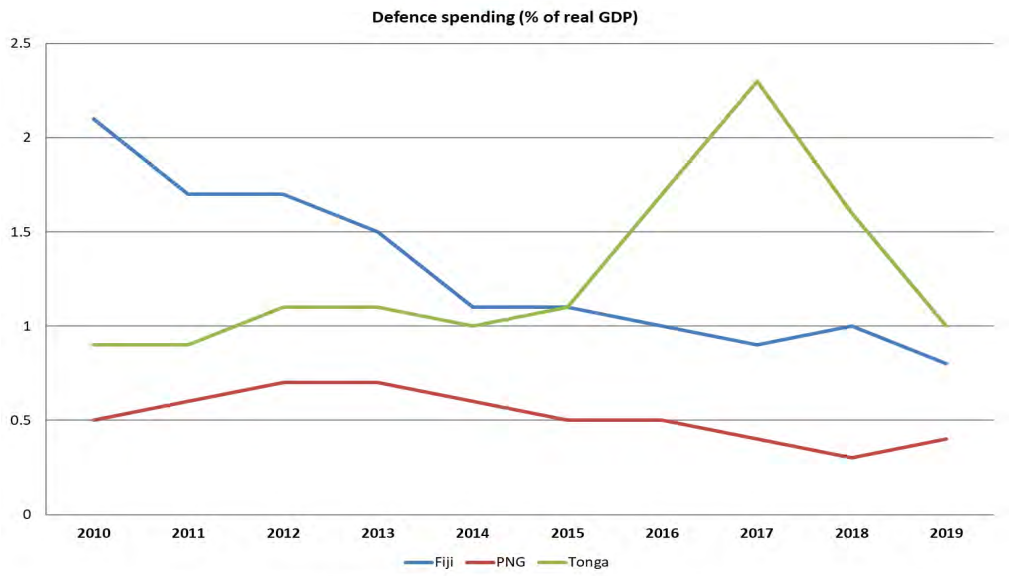
Defence spending

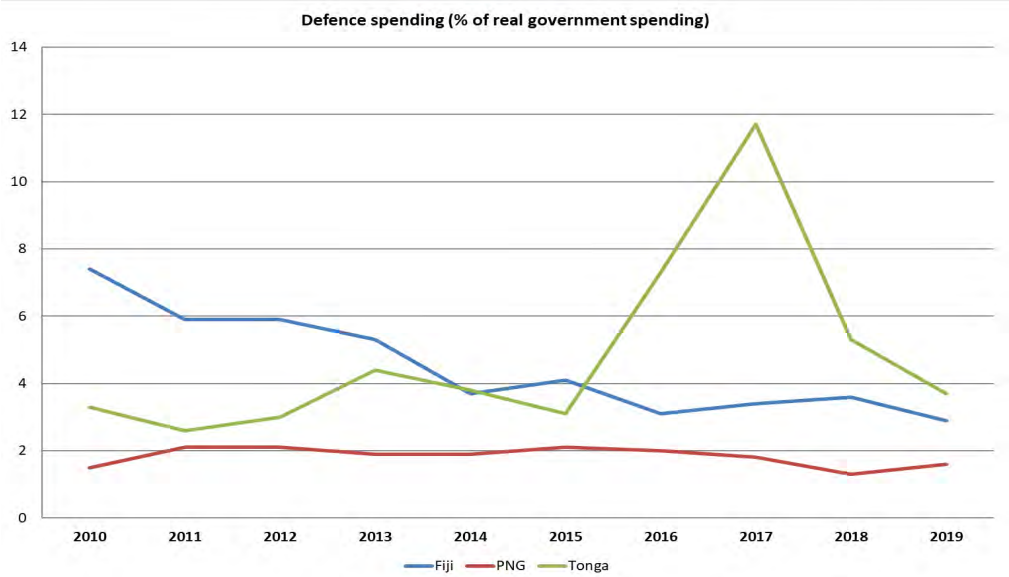
Defence spending as a percentage of real GDP contracted to an average of 0.7 per cent in 2019. Defence spending remains a low priority in the South Pacific and many countries rely on foreign partners for military acquisitions and support. Some South Pacific island countries' armed forces continue to gain experience by deploying small numbers of troops in multilateral peacekeeping and disaster relief operations.



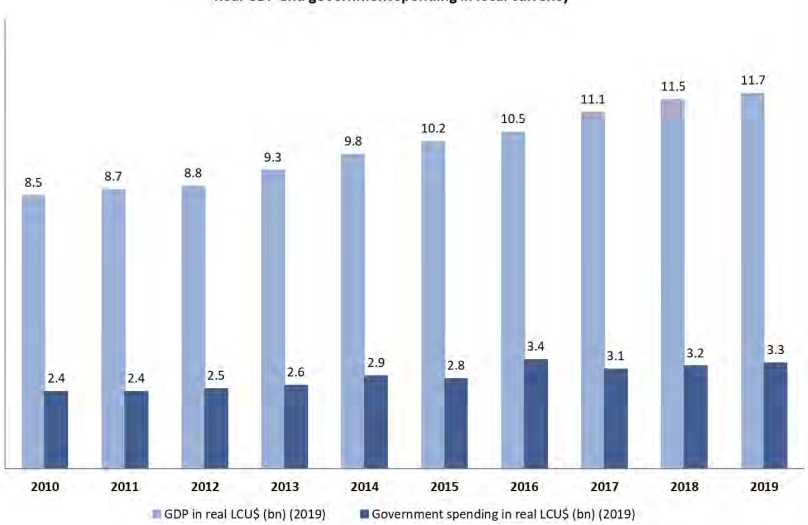


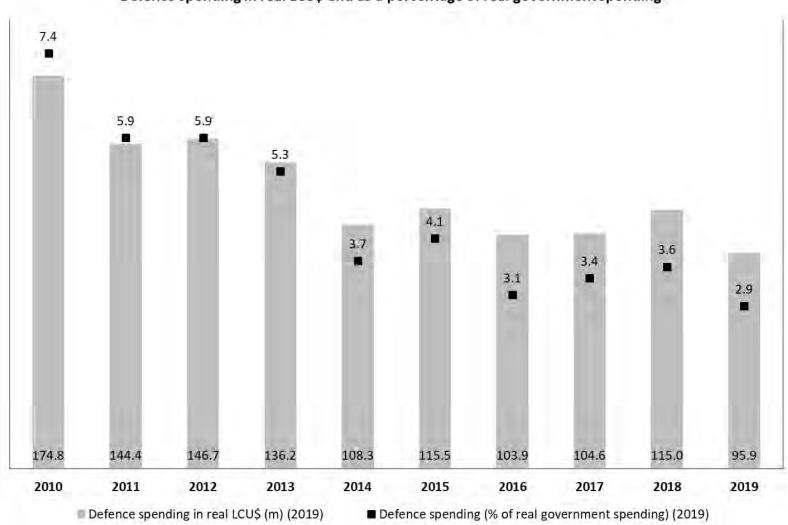

Defence spending in real and constant US$ (m) (2019)
140
120
100
80
60
40
20
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Fiji
PNG
Tonga


Defence spending (% of real GDP)
2.5
2
1.5
1
0.5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Fiji
PNG
Tonga


Defence spending (% of real government spending)
14
12
10
8
6
4
2
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Fiji
PNG
Tonga

Fiji	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (m)	124.0	112.0	117.9	113.4	101.5	110.8	102.2	104.6	116.0	95.9
Spending in real LCU$ (m) (2019)	174.8	144.4	146.7	136.2	108.3	115.5	103.9	104.6	115.0	95.9
Spending in nominal US$ (m)	64.6	62.5	65.9	61.6	53.8	52.8	48.8	50.6	55.6	44.4
Spending in real and constant US$ (m) (2019)	80.9	66.8	67.9	63.0	50.2	53.5	48.1	48.4	53.2	44.4
Spending in real LCU$ - growth rate (%) (2019)	19.0	-17.4	1.6	-7.2	-20.4	6.6	-10.1	0.7	10.0	-16.6
Spending (% of real GDP) (2019)	2.1	1.7	1.7	1.5	1.1	1.1	1.0	0.9	1.0	0.8
Spending (% of real government spending) (2019)	7.4	5.9	5.9	5.3	3.7	4.1	3.1	3.4	3.6	2.9
Gross domestic product (GDP)										
GDP in real LCU$ (bn) (2019)	8.5	8.7	8.8	9.3	9.8	10.2	10.5	11.1	11.5	11.7
GDP in real US$ (bn) (2019)	4.4	4.9	4.9	5.0	5.2	4.9	5.0	5.4	5.5	5.4
GDP in real LCU$ - growth rate (%) (2019)	3.0	2.7	1.4	4.7	5.6	4.7	2.5	5.4	3.6	1.8
GDP in real US$ - per capita (2019)	5148.5	5664.5	5681.5	5783.9	5959.5	5612.2	5760.9	6083.5	6238.7	6065.2
Government spending in real LCU$ (bn) (2019)	2.4	2.4	2.5	2.6	2.9	2.8	3.4	3.1	3.2	3.3
Population (m)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Inflation (%)	3.7	7.3	3.4	2.9	0.5	1.4	3.9	3.3	4.1	1.8





Country name	Fiji
Capital city	Suva
Population	0.9 million
Active armed forces	3500

Land size	18 333 km^2
Currency	Fijian dollar (FJD)
Fiscal year	1 August – 31 July
Economy	Less-developed country with a market economy
Industries	Tourism, sugar, clothing, copra, gold and silver mining, timber and cottage industries

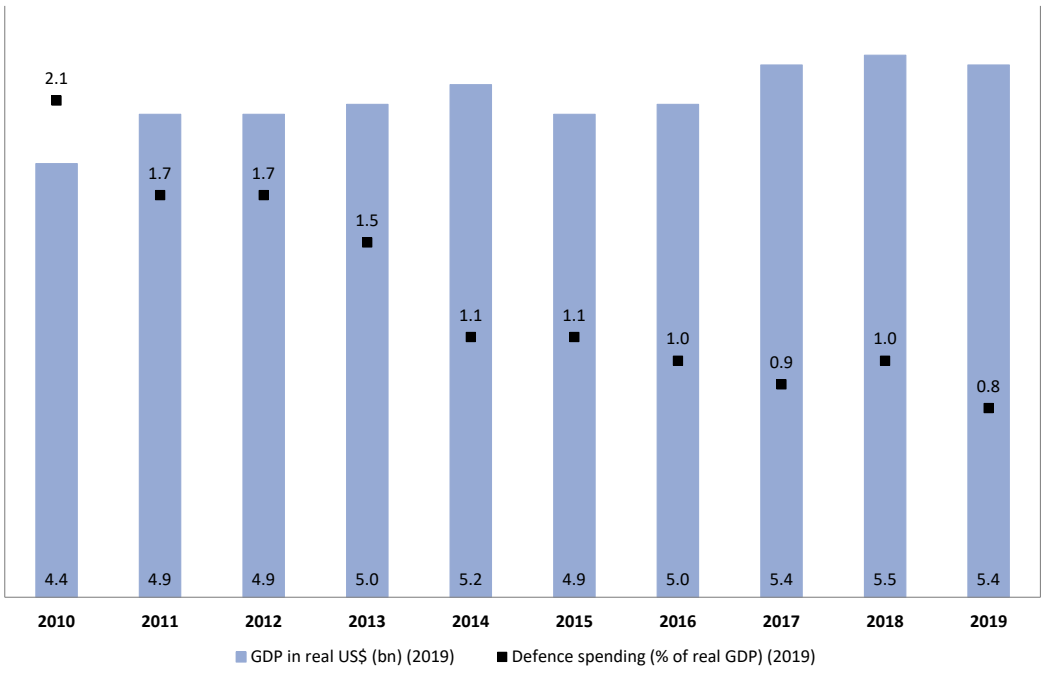
Economy

Over the past 10 years, Fiji has averaged 3.5 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 1.8 per cent, driven by growth in the manufacturing and tourism sectors, as well as in the agricultural sector due to increased cane production and livestock exports. However, economic growth was hampered by efforts to mitigate public debt, higher oil prices and slower growth in major trading partners. According to the EIU, Fiji's economy will average 1.8 per cent growth out to 2021 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

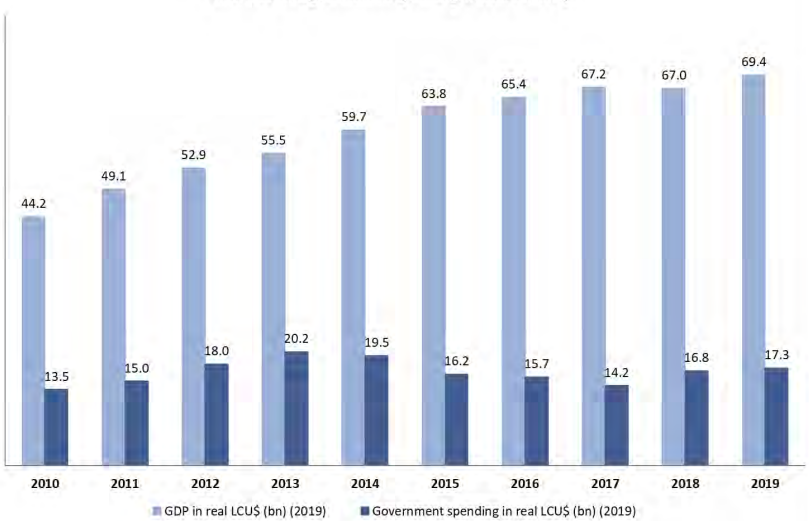
Defence spending

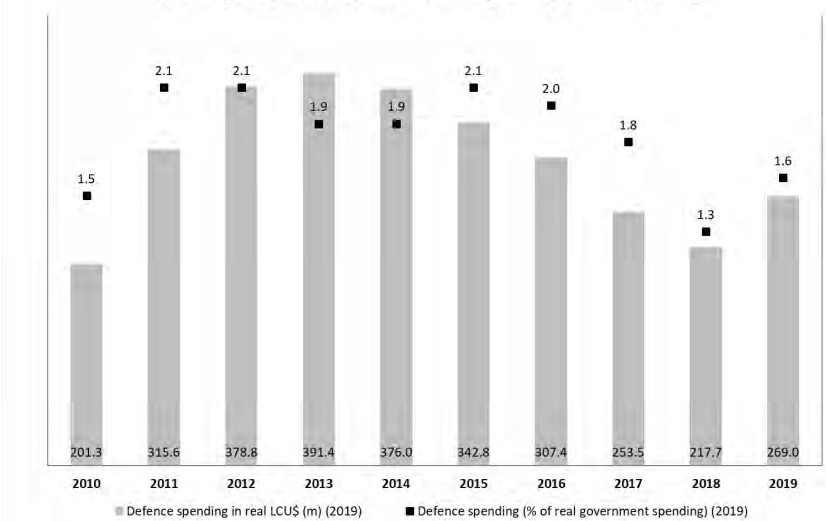
Fiji's 2019 defence budget was FJD95.9m (US$44.4m) – a 16.6 per cent real decrease on the 2018 defence budget in local currency terms. Fiji focused on human capital development and training of the Republic of Fiji Military Forces. Fiji maintained UN peacekeeping contributions and efforts to increase interoperability with the Fiji Police Force. Fiji also increased interoperability with international partners such as Australia and New Zealand.

GDP in real US$ and defence spending as a percentage of real GDP



Papua New Guinea	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (m)	120.3	196.7	230.1	242.0	280.0	285.2	265.5	237.0	208.7	269.0
Spending in real LCU$ (m) (2019)	201.3	315.6	378.8	391.4	376.0	342.8	307.4	253.5	217.7	269.0
Spending in nominal US$ (m)	44.2	83.0	110.4	107.8	113.8	103.0	84.7	74.3	63.6	79.4
Spending in real and constant US$ (m) (2019)	59.4	93.2	111.8	115.5	111.0	101.2	90.7	74.8	64.2	79.4
Spending in real LCU$ - growth rate (%) (2019)	-23.6	56.8	20.0	3.3	-3.9	-8.8	-10.3	-17.5	-14.1	23.6
Spending (% of real GDP) (2019)	0.5	0.6	0.7	0.7	0.6	0.5	0.5	0.4	0.3	0.4
Spending (% of real government spending) (2019)	1.5	2.1	2.1	1.9	1.9	2.1	2.0	1.8	1.3	1.6
Gross domestic product (GDP)										
GDP in real LCU$ (bn) (2019)	44.2	49.1	52.9	55.5	59.7	63.8	65.4	67.2	67.0	69.4
GDP in real US$ (bn) (2019)	16.2	20.7	25.4	24.7	24.3	23.0	20.9	21.1	20.4	20.5
GDP in real LCU$ - growth rate (%) (2019)	7.6	11.3	7.7	4.9	7.6	6.8	2.5	2.8	-0.4	3.7
GDP in real US$ - per capita (2019)	2221.4	2773.2	3327.0	3175.5	3053.0	2842.0	2522.6	2498.0	2372.6	2335.5
Government spending in real LCU$ (bn) (2019)	13.5	15.0	18.0	20.2	19.5	16.2	15.7	14.2	16.8	17.3
Population (m)	7.3	7.5	7.6	7.8	7.9	8.1	8.3	8.4	8.6	8.8
Inflation (%)	6.0	4.4	4.5	5.0	5.2	6.0	6.7	5.4	4.7	4.0





Country name	Papua New Guinea
Capital city	Port Moresby
Population	8.8 million
Active armed forces	3600

Land size	462 840 km^2
Currency	Kina (PGK)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Copra crushing, palm oil, timber, LNG and crude oil production, construction and gold, silver and copper mining

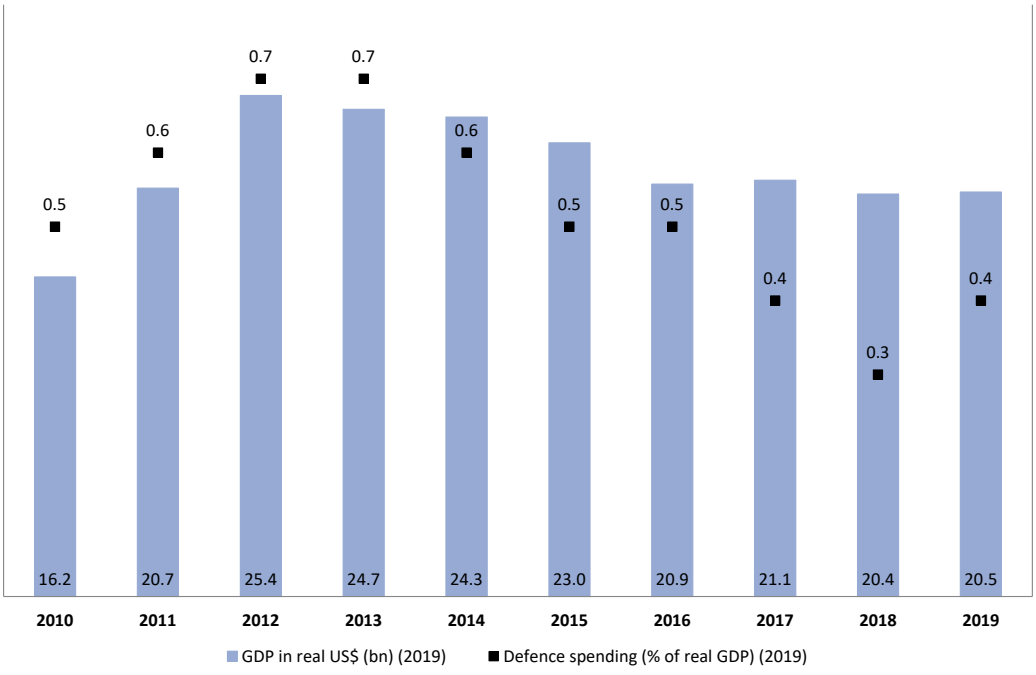
Economy

Over the past 10 years, PNG has averaged 5.5 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 3.7 per cent, driven by the mining sector returning to full annual production after an earthquake in 2018. Trade and transportation services were also buoyed by increased mining sector production. According to the EIU, PNG's economy will average 2.2 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic and significant pressures on commodity prices and the mining sector.

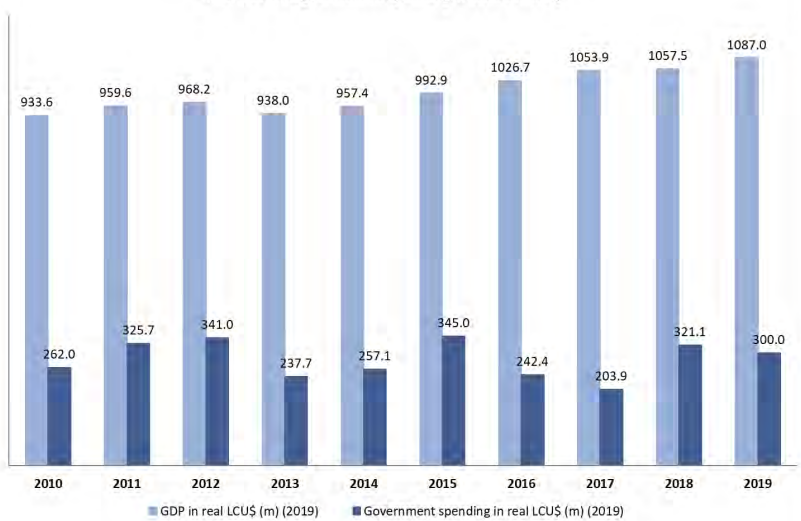
Defence spending

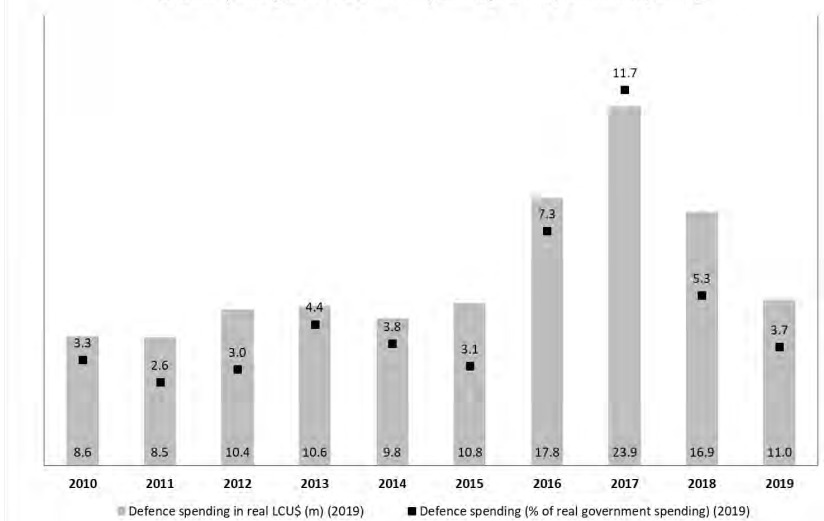
PNG's 2019 defence budget was PGK269m (US$79.4m) – a 23.6 per cent real increase on the 2018 defence budget in local currency terms. PNG participated in a number of multinational exercises, including Ex PACIFIC PARTNERSHIP, Ex PUK PUK, Ex PACIFIC ANGEL and Ex OLGETA WARRIOR.

GDP in real US$ and defence spending as a percentage of real GDP



Tonga	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (m)	6.6	6.9	8.6	8.8	8.2	9.2	15.4	21.6	15.8	11.0
Spending in real LCU$ (m) (2019)	8.6	8.5	10.4	10.6	9.8	10.8	17.8	23.9	16.9	11.0
Spending in nominal US$ (m)	3.5	4.0	5.0	5.0	4.4	4.4	7.0	9.8	7.1	4.8
Spending in real and constant US$ (m) (2019)	3.8	3.7	4.5	4.6	4.3	4.7	7.8	10.5	7.4	4.8
Spending in real LCU$ - growth rate (%) (2019)	-38.8	-1.2	21.7	1.6	-7.6	10.6	64.6	34.7	-29.4	-35.1
Spending (% of real GDP) (2019)	0.9	0.9	1.1	1.1	1.0	1.1	1.7	2.3	1.6	1.0
Spending (% of real government spending) (2019)	3.3	2.6	3.0	4.4	3.8	3.1	7.3	11.7	5.3	3.7
Gross domestic product (GDP)										
GDP in real LCU$ (bn) (2019)	0.9	1.0	1.0	0.9	1.0	1.0	1.0	1.1	1.1	1.1
GDP in real US$ (m) (2019)	489.8	555.0	563.1	528.8	518.4	471.5	463.4	477.7	472.7	474.9
GDP in real LCU$ - growth rate (%) (2019)	3.6	2.8	0.9	-3.1	2.1	3.7	3.4	2.7	0.3	2.8
GDP in real US$ - per capita (2019)	4898.5	5550.4	5630.6	5288.1	5184.2	4715.4	4633.7	4777.4	4727.3	4749.0
Government spending in real LCU$ (m) (2019)	262.0	325.7	341.0	237.7	257.1	345.0	242.4	203.9	321.1	300.0
Population (m)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Inflation (%)	3.5	6.3	1.1	0.8	2.5	-1.1	2.6	7.4	7.0	0.8





Country name	Tonga
Capital city	Nuku'alofa
Population	0.1 million
Active armed forces	600

Land size	748 km^2
Currency	Pa'anga (TOP)
Fiscal year	1 July – 30 June
Economy	Less-developed country with a market economy
Industries	Tourism, fishing, squash and vanilla

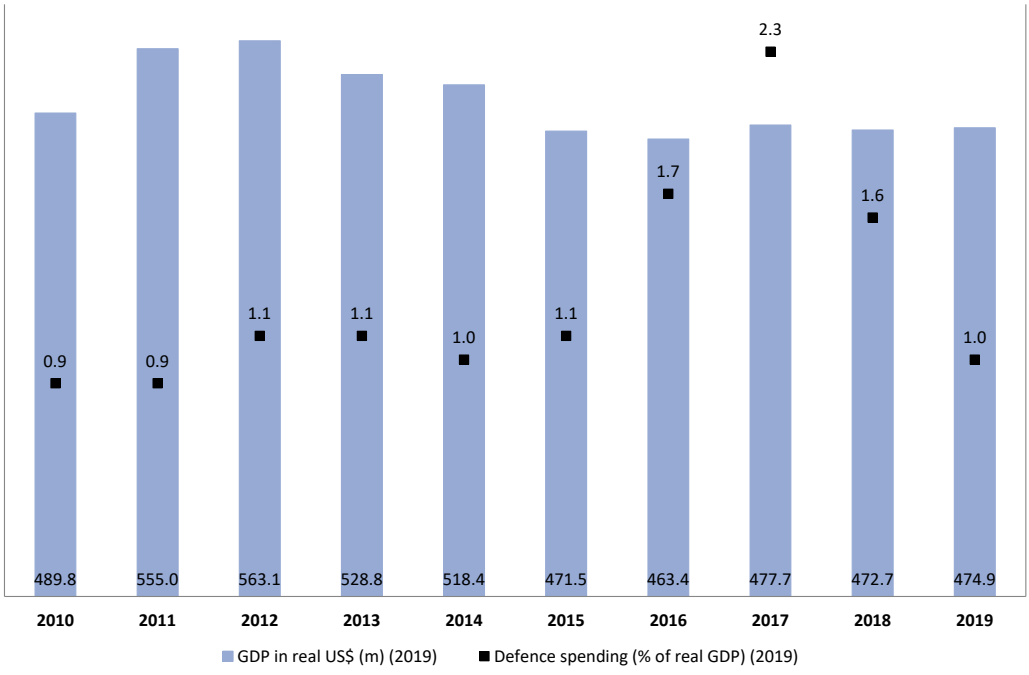
Economy

Over the past 10 years, Tonga has averaged 1.9 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 2.8 per cent, driven by reconstruction and infrastructure projects following Cyclone Gita. Tourism in Tonga also grew steadily, which further contributed to economic growth. According to the EIU, Tonga's economy will average 0.6 per cent growth out to 2021 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

Tonga's 2019 defence budget was TOP11.0m (US$4.8m) – a 35.1 per cent real decrease on the 2018 defence budget in local currency terms. Defence expenditure focused on professional development, including military skills training, foreign language education funding, and improvements to competitive selection processes for recruitment. Tonga also participated in military training with Australia, Canada, France, New Zealand and the US.

GDP in real US$ and defence spending as a percentage of real GDP

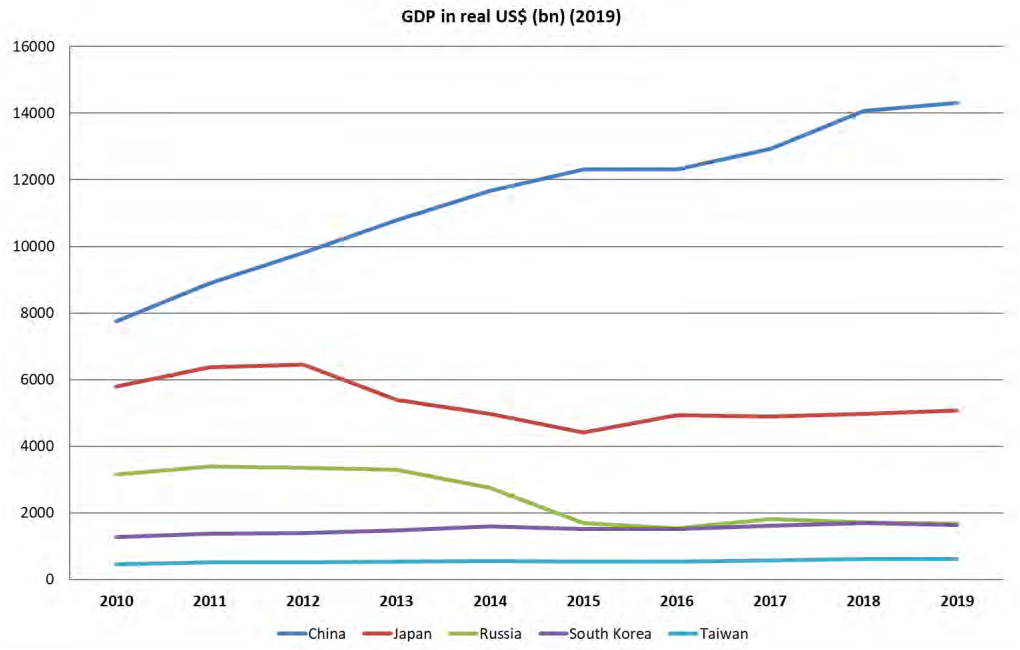


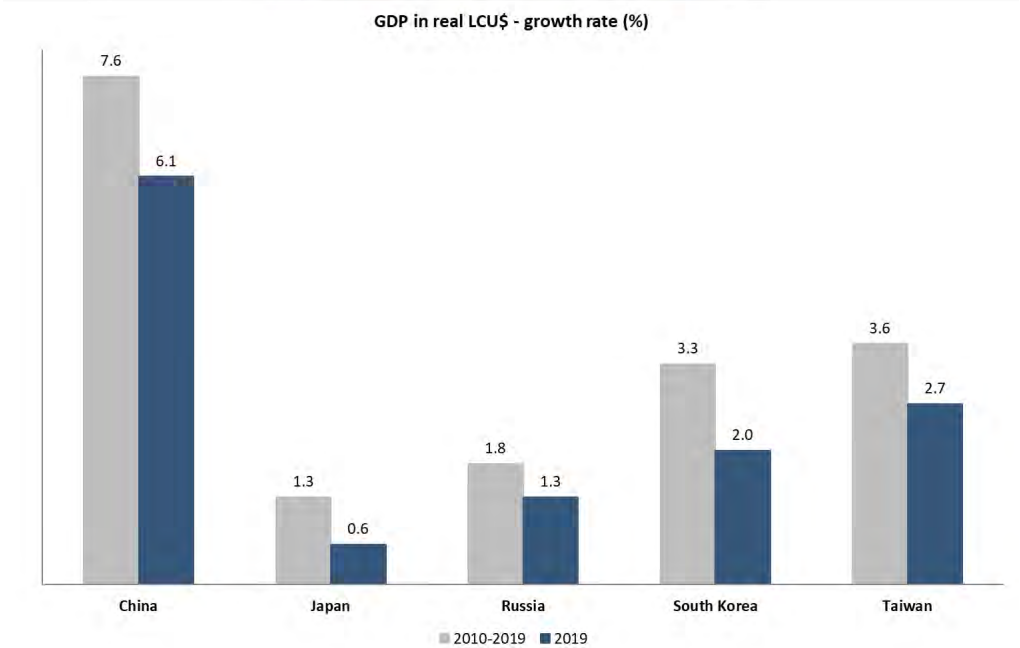
Regional economy

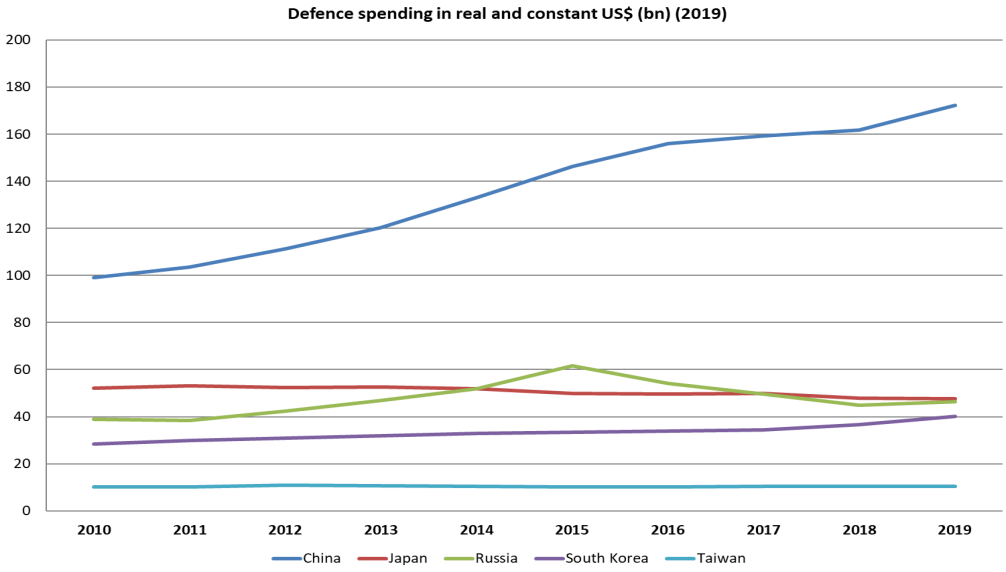
Real economic growth slowed in North Asia in 2019, largely due to uncertainty associated with the US–China trade dispute and declining global growth. China's economy continued to slow to 6.1 per cent in 2019.

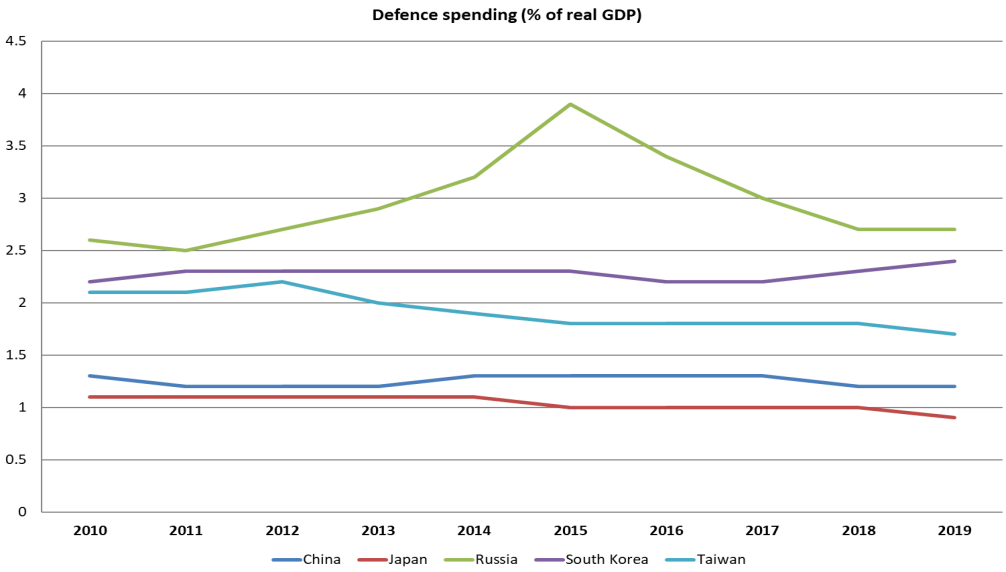
Defence spending

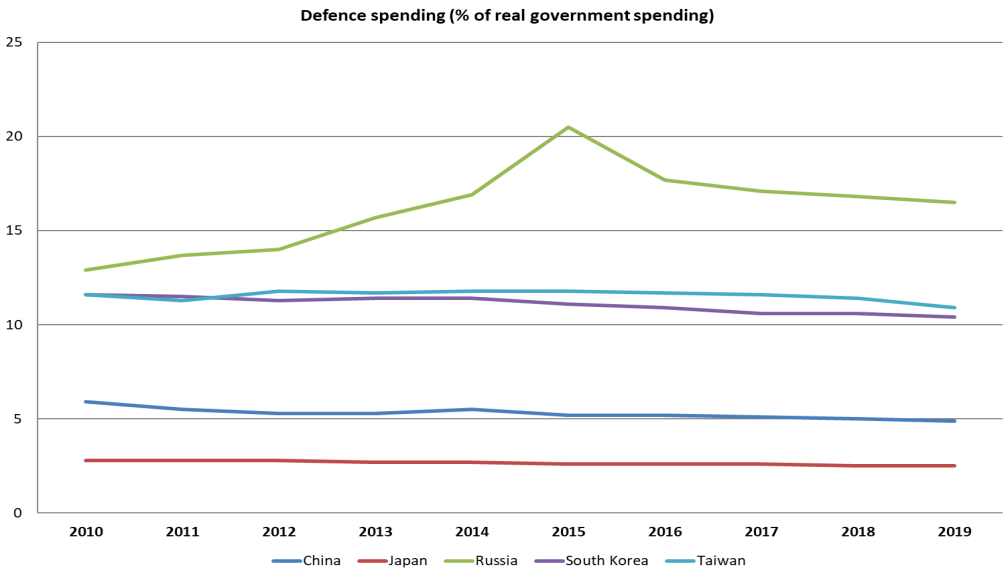
Defence spending as a percentage of real GDP remained stable to an average of 1.8 per cent in 2019. The North Asia region continued its military modernisation efforts and the procurement of air and maritime platforms. Chinese military expenditure in nominal terms rose for the 25th consecutive year in 2019 at a rate of 6.4 per cent in real local currency terms.



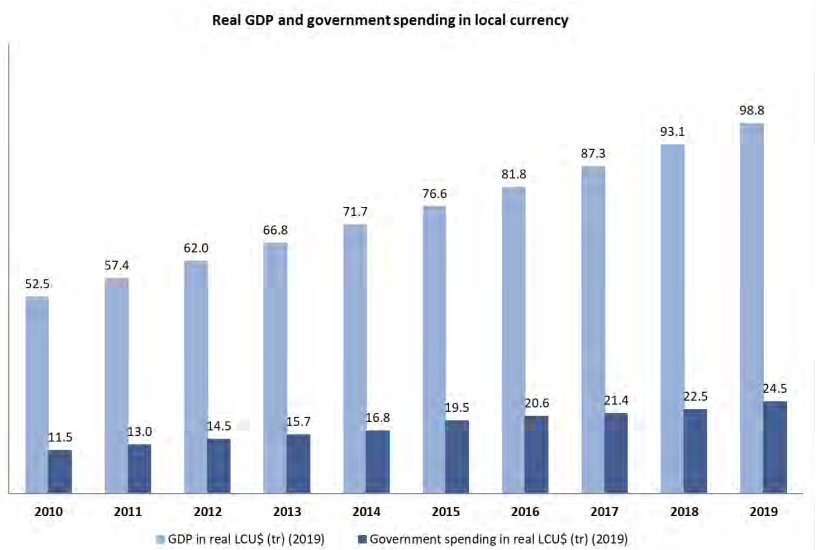


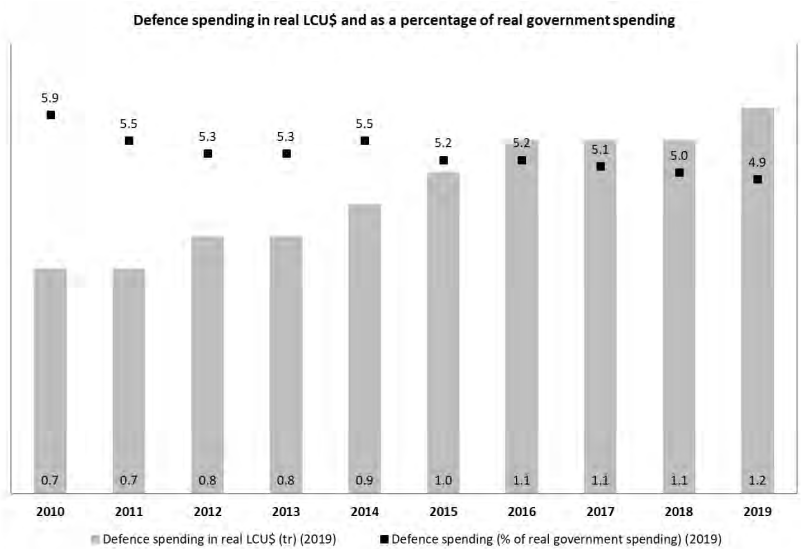

Defence spending in real and constant US$ (bn) (2019)
200
180
160
140
120
100
80
60
40
20
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
China
Japan
Russia
South Korea
Taiwan


Defence spending (% of real GDP)
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
China
Japan
Russia
South Korea
Taiwan


Defence spending (% of real government spending)
25
20
15
10
5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
China
Japan
Russia
South Korea
Taiwan

China	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	0.5	0.6	0.7	0.7	0.8	0.9	1.0	1.0	1.1	1.2
Spending in real LCU$ (tr) (2019)	0.7	0.7	0.8	0.8	0.9	1.0	1.1	1.1	1.1	1.2
Spending in nominal US$ (bn)	78.8	93.3	106.0	119.6	134.9	146.7	147.9	154.5	166.3	172.3
Spending in real and constant US$ (bn) (2019)	99.1	103.5	111.4	120.2	133.0	146.4	156.0	159.2	161.9	172.3
Spending in real LCU$ - growth rate (%) (2019)	1.3	4.4	7.6	7.9	10.7	10.0	6.5	2.1	1.7	6.4
Spending (% of real GDP) (2019)	1.3	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.2
Spending (% of real government spending) (2019)	5.9	5.5	5.3	5.3	5.5	5.2	5.2	5.1	5.0	4.9
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	52.5	57.4	62.0	66.8	71.7	76.6	81.8	87.3	93.1	98.8
GDP in real US$ (tr) (2019)	7.7	8.9	9.8	10.8	11.7	12.3	12.3	12.9	14.1	14.3
GDP in real LCU$ - growth rate (%) (2019)	10.6	9.5	7.9	7.8	7.3	6.9	6.7	6.8	6.6	6.1
GDP in real US$ - per capita (2019)	5803.3	6638.4	7299.5	7981.1	8592.2	9021.3	8975.4	9369.1	10160.3	10287.1
Government spending in real LCU$ (tr) (2019)	11.5	13.0	14.5	15.7	16.8	19.5	20.6	21.4	22.5	24.5
Population (bn)	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Inflation (%)	3.2	5.5	2.6	2.6	2.1	1.5	2.1	1.5	1.9	2.9





Country name	China
Capital city	Beijing
Population	1.4 billion
Active armed forces	2.0 million

Land size	9 561 000 km^2
Currency	Yuan Renminbi (CNY)
Fiscal year	1 January – 31 December
Economy	Socialist market economy
Industries	Wide ranging, including iron, steel, petroleum, cement, chemical fertilisers, automobiles, electronics and telecommunications

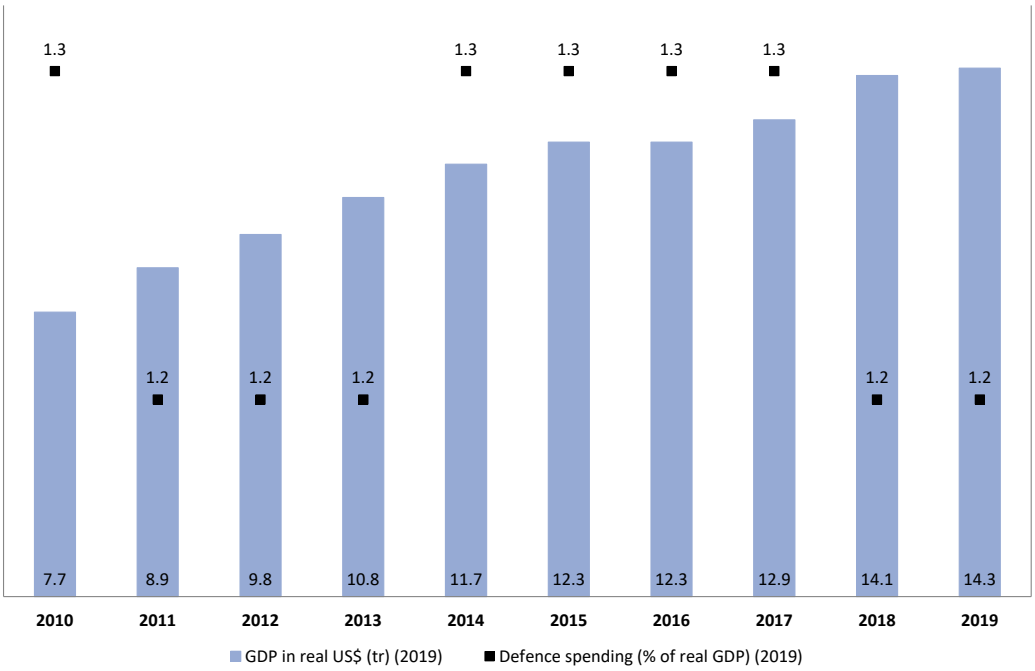
Economy

Over the past 10 years, China has averaged 7.6 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 6.1 per cent. However, this growth slowed due to a weakening domestic economy and global economic downturn associated with the US–China trade dispute. According to the EIU, China's economy will average 4.9 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

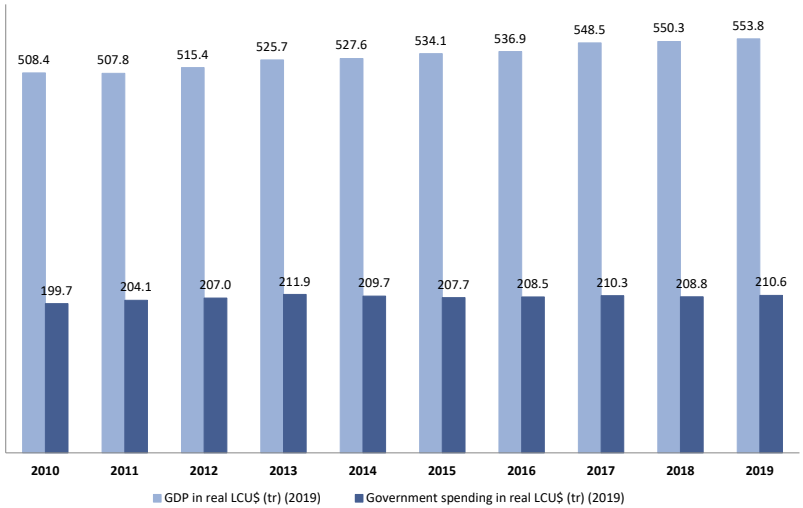
China's 2019 defence budget was CNY1.2tr (US$172.3bn) – a 6.4 per cent real increase on the 2018 defence budget in local currency terms. This increase was smaller than previous years in line with the slowdown in economic growth. Defence expenditure focused on force modernisation including advances in stealth and surveillance capabilities. The GJ-11 stealth unmanned aerial vehicle entered into service and a new variant of the J-11B fighter aircraft was also revealed.

GDP in real US$ and defence spending as a percentage of real GDP

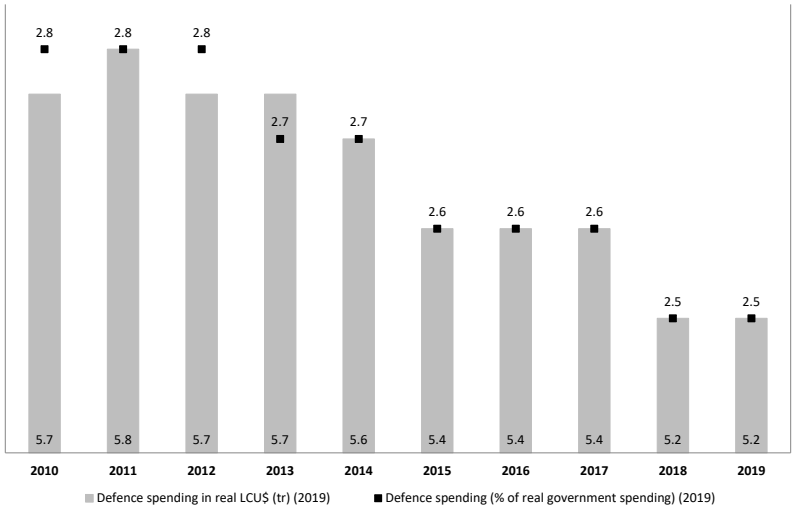


Japan	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	5.6	5.6	5.5	5.5	5.5	5.4	5.4	5.4	5.2	5.2
Spending in real LCU$ (tr) (2019)	5.7	5.8	5.7	5.7	5.6	5.4	5.4	5.4	5.2	5.2
Spending in nominal US$ (bn)	63.8	70.3	68.9	56.4	52.0	44.6	49.7	48.2	47.1	47.7
Spending in real and constant US$ (bn) (2019)	52.2	53.1	52.5	52.7	51.8	49.8	49.7	49.8	48.0	47.7
Spending in real LCU$ - growth rate (%) (2019)	1.9	1.7	-1.0	0.3	-1.7	-3.9	-0.3	0.2	-3.6	-0.6
Spending (% of real GDP) (2019)	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	0.9
Spending (% of real government spending) (2019)	2.8	2.8	2.8	2.7	2.7	2.6	2.6	2.6	2.5	2.5
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	508.4	507.8	515.4	525.7	527.6	534.1	536.9	548.5	550.3	553.8
GDP in real US$ (tr) (2019)	5.8	6.4	6.5	5.4	5.0	4.4	4.9	4.9	5.0	5.1
GDP in real LCU$ - growth rate (%) (2019)	4.2	-0.1	1.5	2.0	0.4	1.2	0.5	2.2	0.3	0.6
GDP in real US$ - per capita (2019)	45068.8	49571.3	50281.0	41991.1	38890.5	34483.2	38637.6	38363.9	39175.6	40039.4
Government spending in real LCU$ (tr) (2019)	199.7	204.1	207.0	211.9	209.7	207.7	208.5	210.3	208.8	210.6
Population (m)	128.5	128.5	128.4	128.3	128.2	128.0	127.8	127.5	127.2	126.9
Inflation (%)	-0.7	-0.3	-0.1	0.3	2.8	0.8	-0.1	0.5	1.0	0.5

Real GDP and government spending in local currency



Defence spending in real LCU$ and as a percentage of real government spending



Country name	Japan
Capital city	Tokyo
Population	126.9 million
Active armed forces	247 150

Land size	377 899 km^2
Currency	Yen (JPY)
Fiscal year	1 April – 31 March
Economy	Advanced country with market economy
Industries	Automobiles, electronics, machine tools, steel and non-ferrous metals, ships, chemicals and textiles

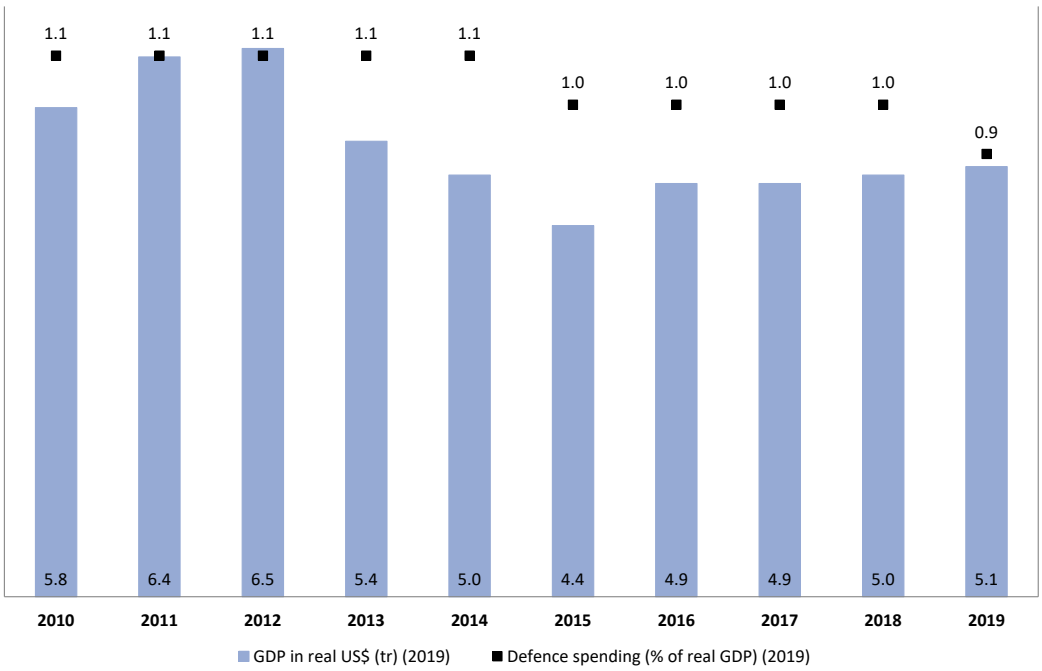
Economy

Over the past 10 years, Japan has averaged 1.3 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 0.6 per cent, driven by sustained private consumption and increased government spending. However, fixed investment contracted as business confidence in large manufacturers dropped. According to the EIU, Japan's economy will average 0.2 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

Japan's 2019 defence budget was JPY5.2tr (US$47.7bn) – a 0.6 per cent real decrease on the 2018 defence budget in local currency terms. Defence expenditure included research funding for high-density electricity storage systems in submarines and upgrades to F-15J fighters, as well as increased investment in capabilities for space, cyber and electromagnetic domains. Work also commenced to develop an aircraft carrier capability.

GDP in real US$ and defence spending as a percentage of real GDP



INSUFFICIENT RELIABLE DATA AVAILABLE

Country name	North Korea
Capital city	Pyongyang
Population	25.7 million
Active armed forces	1.28 million

Land size	120 538 km^2
Currency	North Korean Won
Fiscal year	1 January – 31 December
Economy	Less-developed country with centrally planned economy
Industries	Military products, machine building, chemicals, mining, metallurgy and apparel

Economy

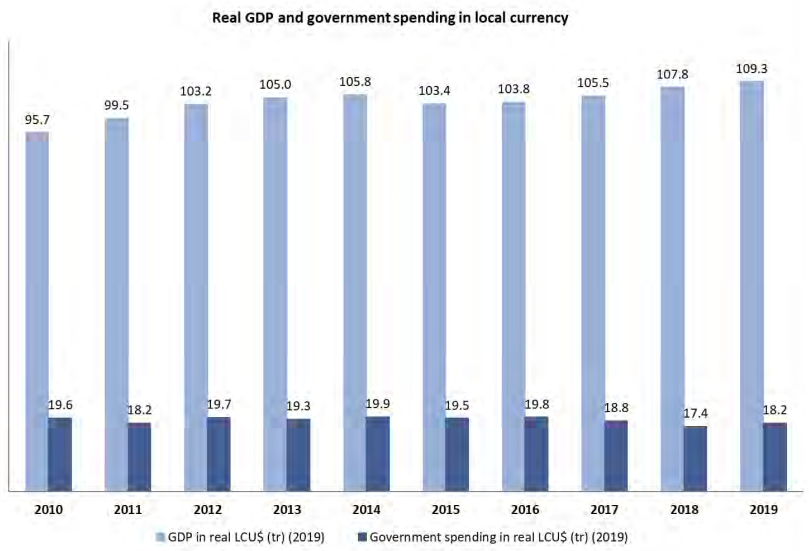
No official data has been released by North Korea since 1965. The Observatory of Economic Complexity records that North Korea is in a current account deficit as its coal-dominated exports are worth almost US$2bn less than its imports. However, these figures do not include North Korea's illicit import and export activities. In December 2019, North Korean leader Kim Jong-un announced a 'frontal breakthrough' policy line that focuses on development of the domestic economy despite ongoing hardships. However, strict international sanctions and the prevailing effects of COVID-19 have made any significant economic growth in North Korea difficult.

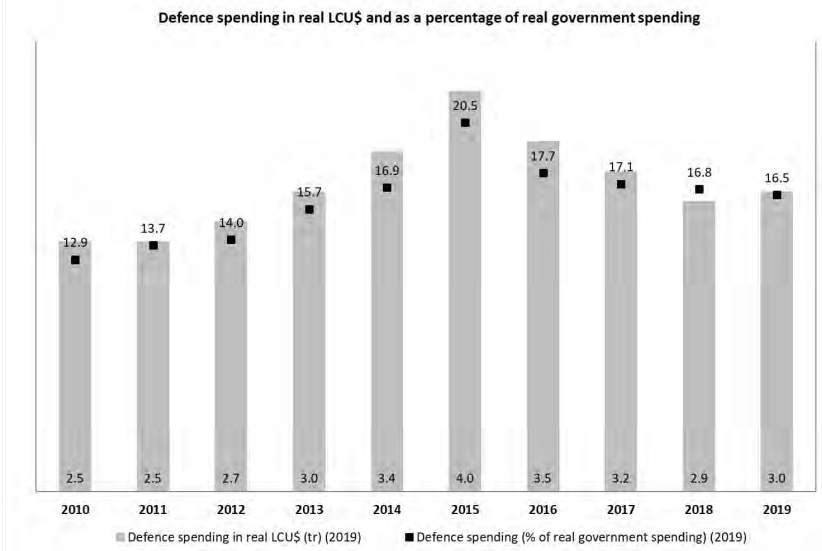
Defence spending

Reliable data on North Korea's defence spending is not available. Following an 18-month hiatus, North Korea resumed ballistic missile testing in May 2019.

INSUFFICIENT RELIABLE DATA AVAILABLE

Russia	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	1.3	1.5	1.8	2.1	2.5	3.2	2.9	2.8	2.8	3.0
Spending in real LCU$ (tr) (2019)	2.5	2.5	2.7	3.0	3.4	4.0	3.5	3.2	2.9	3.0
Spending in nominal US$ (bn)	42.8	51.1	58.4	66.0	65.1	52.5	43.2	48.0	44.7	46.3
Spending in real and constant US$ (bn) (2019)	38.9	38.5	42.4	46.9	51.8	61.6	54.1	49.6	45.0	46.3
Spending in real LCU$ - growth rate (%) (2019)	-5.1	-0.9	10.0	10.6	10.5	18.9	-12.2	-8.4	-9.2	2.9
Spending (% of real GDP) (2019)	2.6	2.5	2.7	2.9	3.2	3.9	3.4	3.0	2.7	2.7
Spending (% of real government spending) (2019)	12.9	13.7	14.0	15.7	16.9	20.5	17.7	17.1	16.8	16.5
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	95.7	99.5	103.2	105.0	105.8	103.4	103.8	105.5	107.8	109.3
GDP in real US$ (tr) (2019)	3.1	3.4	3.3	3.3	2.8	1.7	1.5	1.8	1.7	1.7
GDP in real LCU$ - growth rate (%) (2019)	4.5	4.0	3.7	1.7	0.8	-2.3	0.3	1.7	2.2	1.3
GDP in real US$ - per capita (2019)	21954.1	23571.3	23244.0	22856.7	18688.8	11464.6	10432.0	12170.2	11565.9	11333.2
Government spending in real LCU$ (tr) (2019)	19.6	18.2	19.7	19.3	19.9	19.5	19.8	18.8	17.4	18.2
Population (m)	143.5	143.7	144.0	144.3	147.5	148.0	148.3	148.6	148.8	148.9
Inflation (%)	6.8	8.4	5.1	6.8	7.8	15.5	7.0	3.7	2.9	4.5





Country name	Russia
Capital city	Moscow
Population	148.9 million
Active armed forces	900 000

Land size	17 075 400 km^2
Currency	Russian Ruble (RUB)
Fiscal year	1 January – 31 December
Economy	Industrialised country with an emerging market economy
Industries	Oil and gas, coal, precious metals and timber

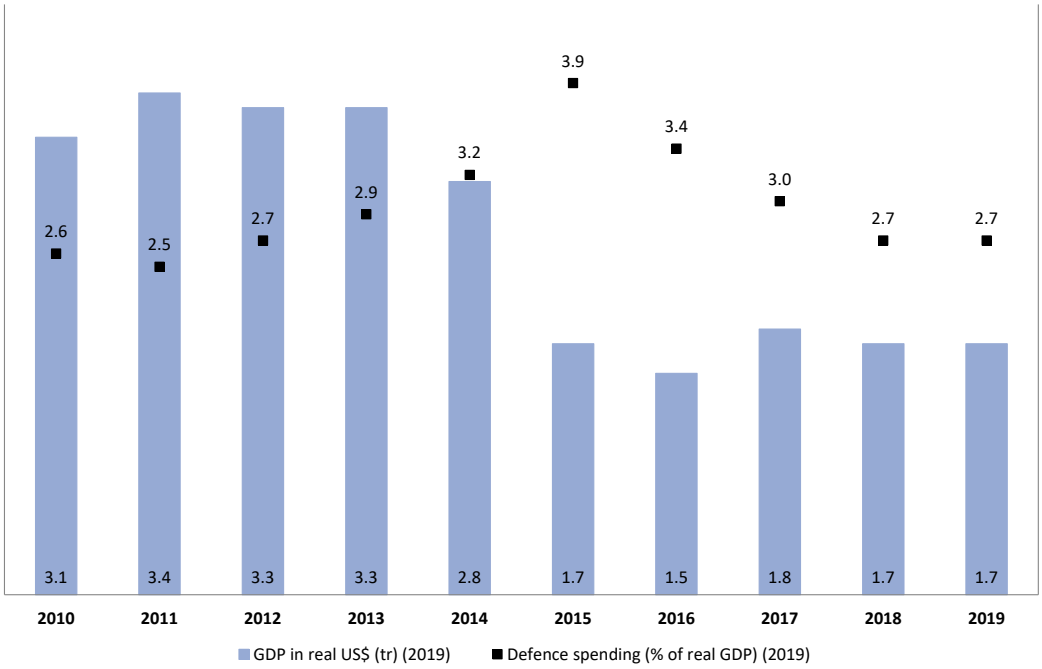
Economy

Over the past 10 years, Russia has averaged 1.8 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 1.3 per cent, driven by the extractive and manufacturing sectors. Russia continues to retain a sizeable fiscal buffer from its sovereign wealth fund. According to the EIU, Russia's economy will average 0.4 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

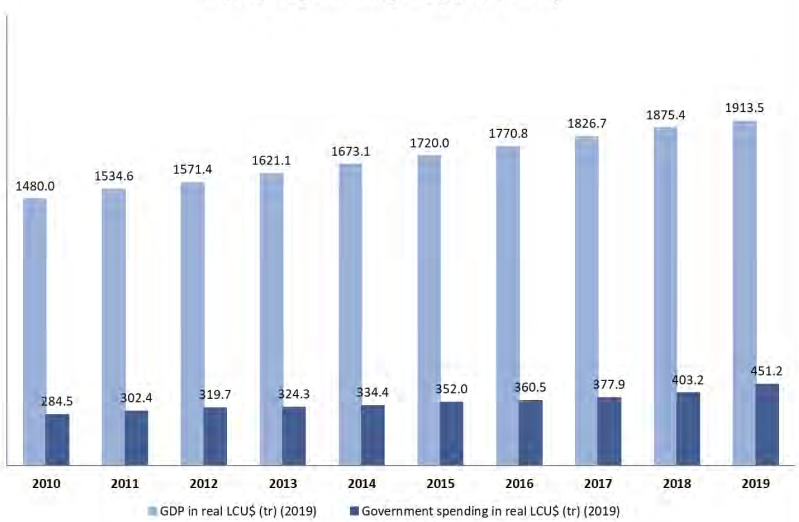
Defence spending

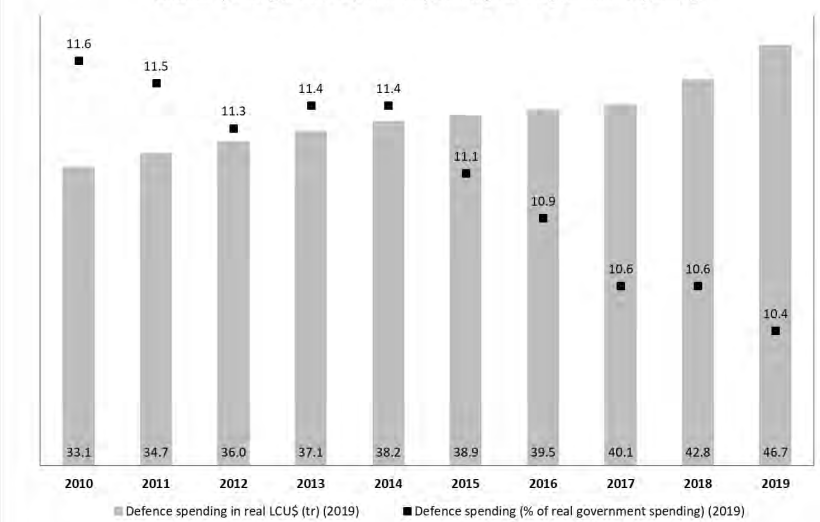
Russia's 2019 defence budget was RUB3.0tr (US$46.3bn) – a 2.9 per cent real increase on the 2018 defence budget in local currency terms. Expenditure focused on modernising capabilities with the goal of 67 per cent of Russian military equipment to consist of new technology by the end of 2019. Russia's Eastern Military District received a range of new or upgraded platforms in 2019, including T-80BV MBTs, BTR-82A armoured personnel carriers, Mi-8AMTSh-VA helicopters and S-300 surface-to-air missiles systems.

GDP in real US$ and defence spending as a percentage of real GDP



South Korea	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	29.6	31.4	33.0	34.3	35.7	37.5	38.8	40.3	43.2	46.7
Spending in real LCU$ (tr) (2019)	33.1	34.7	36.0	37.1	38.2	38.9	39.5	40.1	42.8	46.7
Spending in nominal US$ (bn)	25.6	28.3	29.3	31.3	33.9	33.2	33.4	35.6	39.3	40.1
Spending in real and constant US$ (bn) (2019)	28.4	29.8	30.9	31.8	32.8	33.4	33.9	34.4	36.7	40.1
Spending in real LCU$ - growth rate (%) (2019)	-0.7	4.7	3.8	2.9	3.1	1.8	1.5	1.6	6.7	9.1
Spending (% of real GDP) (2019)	2.2	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.3	2.4
Spending (% of real government spending) (2019)	11.6	11.5	11.3	11.4	11.4	11.1	10.9	10.6	10.6	10.4
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	1480.0	1534.6	1571.4	1621.1	1673.1	1720.0	1770.8	1826.7	1875.4	1913.5
GDP in real US$ (tr) (2019)	1.3	1.4	1.4	1.5	1.6	1.5	1.5	1.6	1.7	1.6
GDP in real LCU$ - growth rate (%) (2019)	6.8	3.7	2.4	3.2	3.2	2.8	3.0	3.2	2.7	2.0
GDP in real US$ - per capita (2019)	25830.5	27812.9	27856.4	29406.4	31400.3	29924.5	29922.1	31610.0	33311.8	32051.5
Government spending in real LCU$ (tr) (2019)	284.5	302.4	319.7	324.3	334.4	352.0	360.5	377.9	403.2	451.2
Population (m)	49.5	49.8	50.1	50.3	50.6	50.8	51.0	51.1	51.2	51.2
Inflation (%)	2.9	4.0	2.2	1.3	1.3	0.7	1.0	1.9	1.5	0.4





Country name	South Korea
Capital city	Seoul
Population	51.2 million
Active armed forces	625 000

Land size	99 678 km^2
Currency	Korean Won (KRW)
Fiscal year	1 January – 31 December
Economy	Industrialised country with a market economy
Industries	Automobiles, electronics, chemicals, shipbuilding, textiles and apparel

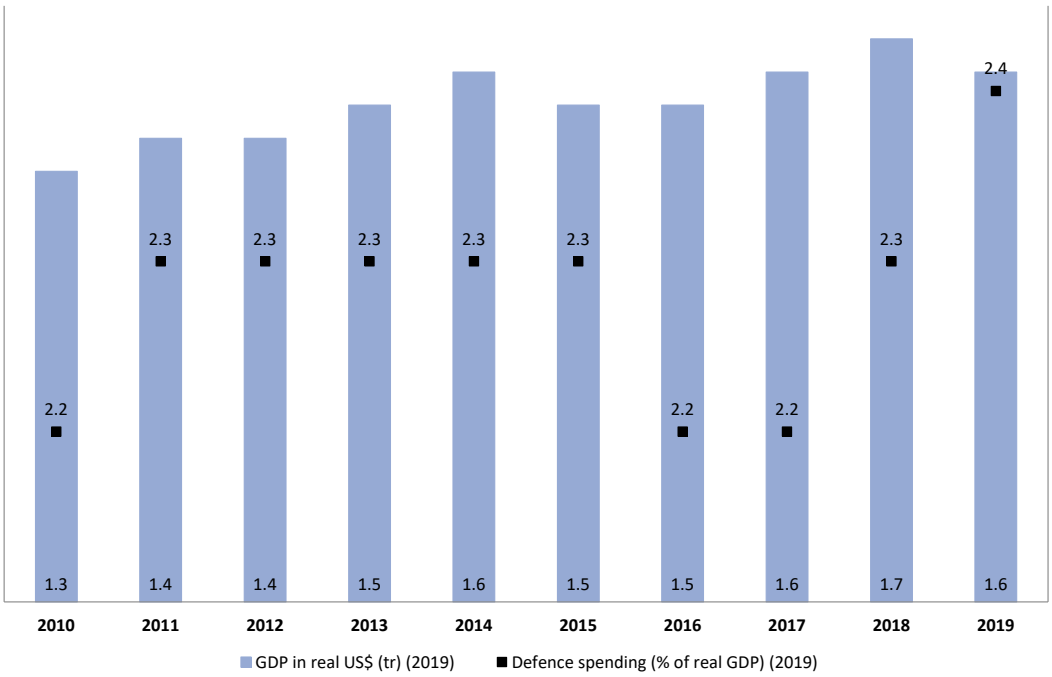
Economy

Over the past 10 years, South Korea has averaged 3.3 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 2.0 per cent, the lowest annual growth since at least 2010. South Korea's slowing growth was due to reductions in exports and the impacts of the US–China trade dispute. According to the EIU, South Korea's economy forecast will average 2.0 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

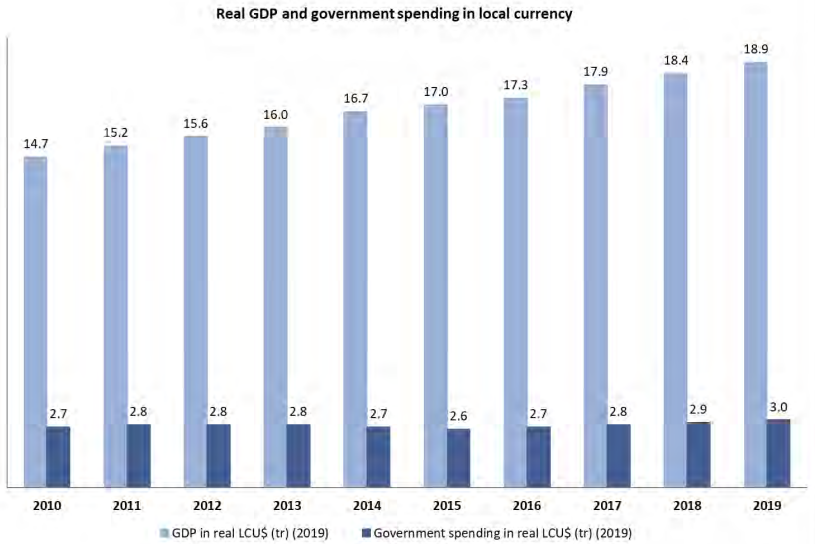
Defence spending

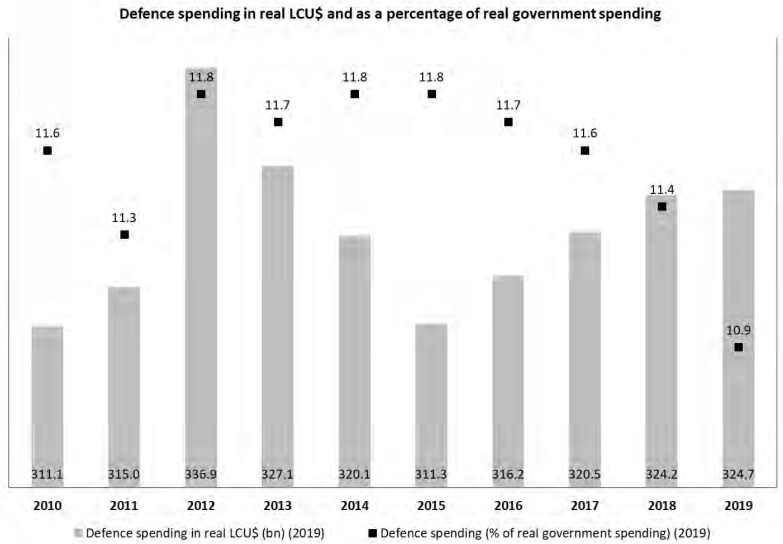
South Korea's 2019 defence budget was KRW46.7tr (US$40.1bn) – a 9.1 per cent real increase on the 2018 defence budget in local currency terms. Expenditure focused on defensive capabilities to counter the threat from North Korea. Seoul also announced plans to build a light aircraft carrier, as well as research and development of reconnaissance satellites, missile interceptors and ballistic missiles.

GDP in real US$ and defence spending as a percentage of real GDP



Taiwan	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	297.4	294.6	317.3	312.7	311.1	312.8	320.1	321.7	323.1	324.7
Spending in real LCU$ (bn) (2019)	311.1	315.0	336.9	327.1	320.1	311.3	316.2	320.5	324.2	324.7
Spending in nominal US$ (bn)	9.4	10.0	10.7	10.5	10.2	9.8	9.9	10.6	10.7	10.5
Spending in real and constant US$ (bn) (2019)	10.1	10.2	10.9	10.6	10.3	10.1	10.2	10.4	10.5	10.5
Spending in real LCU$ - growth rate (%) (2019)	-5.5	1.2	7.0	-2.9	-2.1	-2.7	1.6	1.4	1.2	0.2
Spending (% of real GDP) (2019)	2.1	2.1	2.2	2.0	1.9	1.8	1.8	1.8	1.8	1.7
Spending (% of real government spending) (2019)	11.6	11.3	11.8	11.7	11.8	11.8	11.7	11.6	11.4	10.9
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	14.7	15.2	15.6	16.0	16.7	17.0	17.3	17.9	18.4	18.9
GDP in real US$ (bn) (2019)	464.7	517.4	526.3	536.6	550.9	531.9	536.4	588.4	610.2	611.1
GDP in real LCU$ - growth rate (%) (2019)	10.2	3.7	2.2	2.5	4.7	1.5	2.2	3.3	2.7	2.7
GDP in real US$ - per capita (2019)	20063.8	22277.4	22571.9	22955.0	23508.9	22640.3	22787.3	24964.6	25868.1	25893.6
Government spending in real LCU$ (tr) (2019)	2.7	2.8	2.8	2.8	2.7	2.6	2.7	2.8	2.9	3.0
Population (m)	23.2	23.2	23.3	23.4	23.4	23.5	23.5	23.6	23.6	23.6
Inflation (%)	1.0	1.4	1.9	0.8	1.2	-0.3	1.4	0.6	1.4	0.6





		Land size	36 189 km^2
		Currency	New Taiwan dollar (TWD)
		Fiscal year	1 January – 31 December
		Economy	Newly industrialised market economy
		Industries	Electronics, petroleum refining, chemicals, textiles, iron and steel, machinery, cement, and food processing
Country Name	Taiwan		
Capital city	Taipei		
Population	23.6 million		
Active armed forces	215 000		

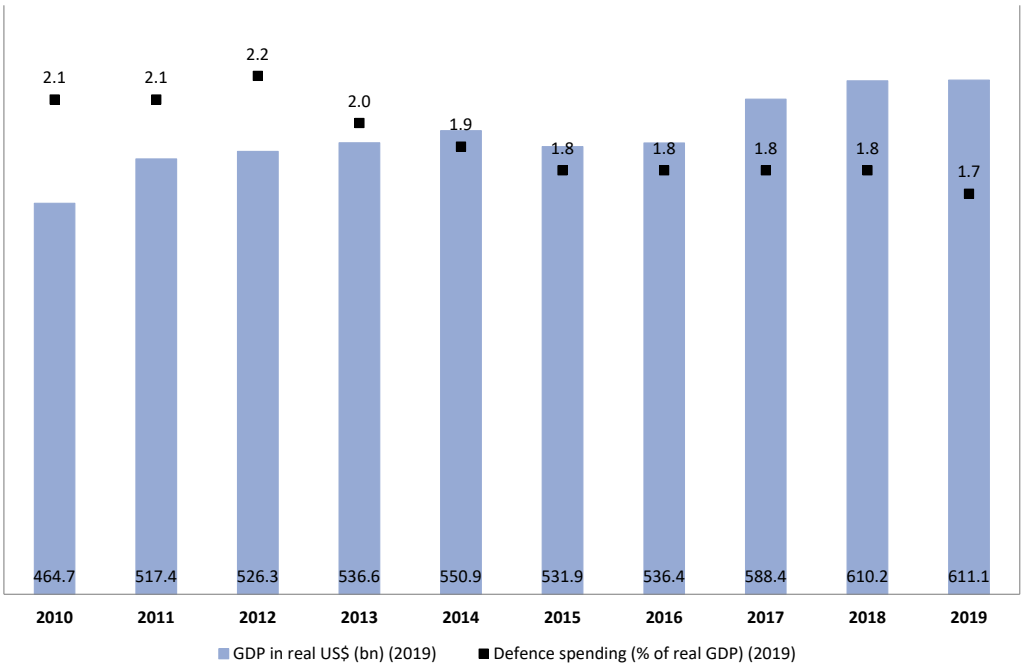
Economy

Over the past 10 years, Taiwan has averaged 3.6 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 2.7 per cent. Growth was driven by increased local production and foreign investment as firms shifted their operations to Taiwan to mitigate the effects of the US–China trade dispute. However, domestic consumption declined. According to the EIU, Taiwan's economy will average 1.8 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

Taiwan's 2019 defence budget was TWD324.7bn (US$10.5bn) – a 0.2 per cent real increase on the 2018 defence budget in local currency terms. Expenditure focused on defensive capabilities. The US was the primary supplier of military equipment. Taiwan procured 108 M1A2 Abrahms tanks, 1240 TOW anti-tank missiles, 409 Javelin anti-tank missiles and 250 Stinger man-portable air defence systems. The US has also agreed to sell Taiwan 66 F-16 fighter aircraft.

GDP in real US$ and defence spending as a percentage of real GDP

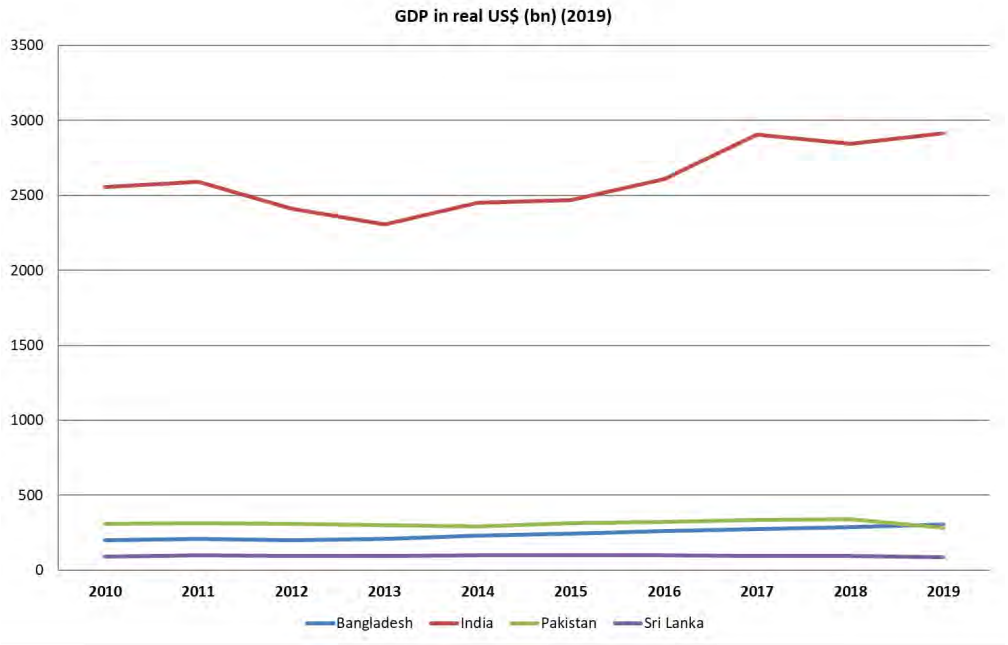


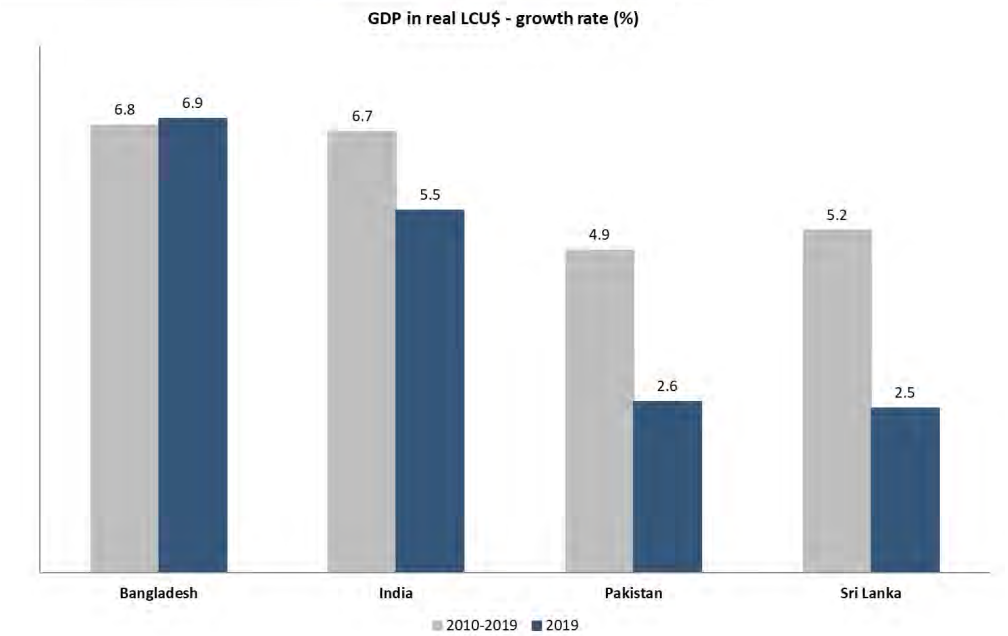
Regional economy

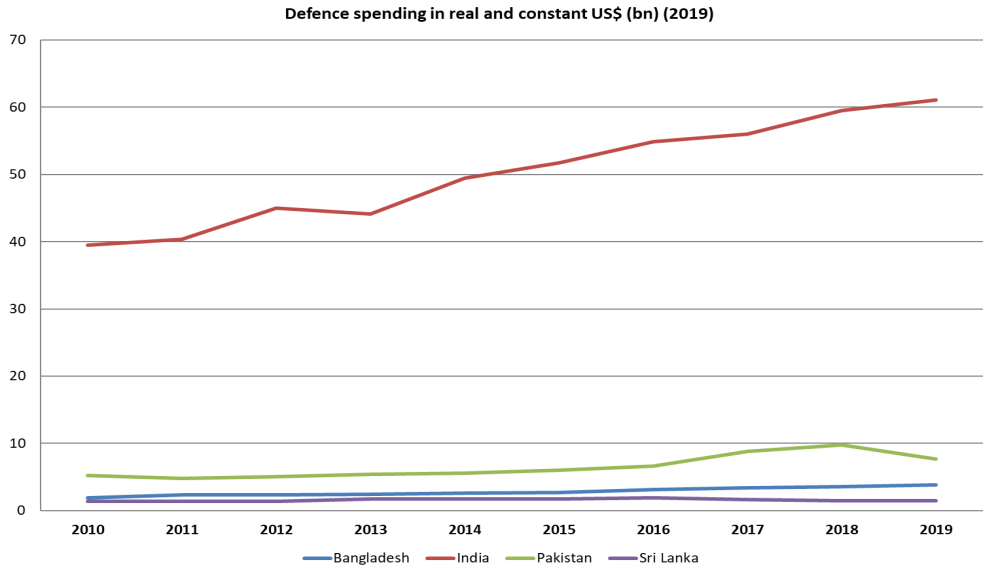
Economic performance in South Asia varied across countries but growth was generally driven by domestic demand. In 2019, Bangladesh experienced sustained economic growth due to continued strong domestic demand and exports. Real economic growth in Sri Lanka declined to 2.5 per cent growth – its lowest growth rate this decade. Pakistan's economic growth also slowed in 2019.

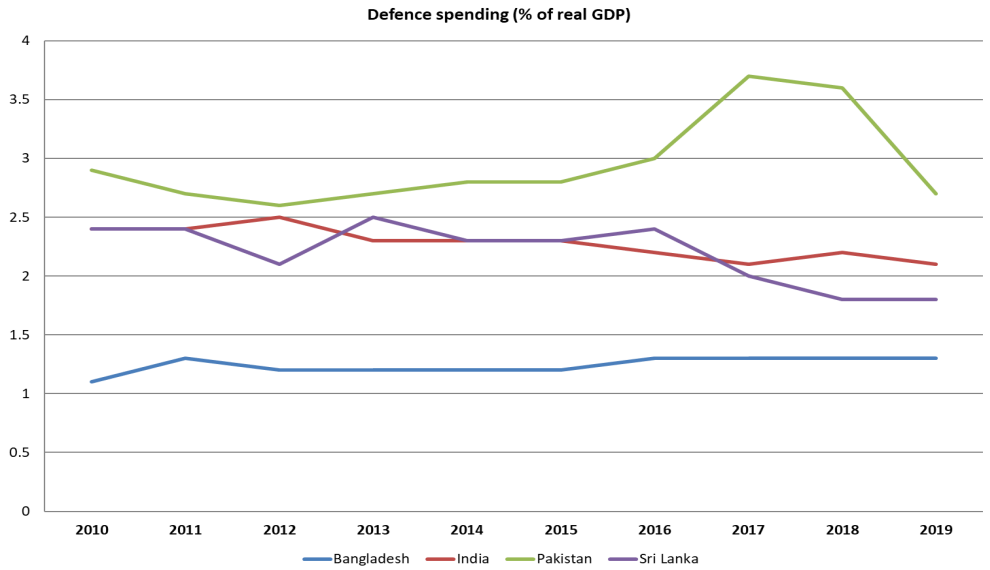
Defence spending

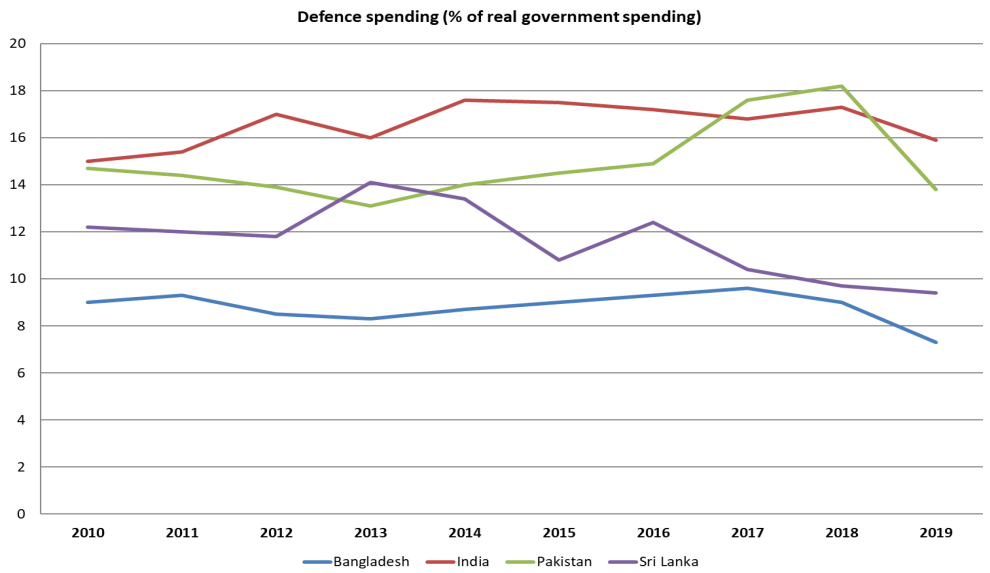
South Asian defence expenditure as a percentage of real GDP contracted to an average of 2.0 per cent in 2019, mostly driven by reductions to Pakistan's military expenditure to 2.7 per cent of GDP in 2019. In 2019, India's military spending rose in real local currency terms for the sixth consecutive year. South Asian bilateral defence cooperation continued but inter-state rivalries and security challenges continued to drive defence modernisation and procurements.






Defence spending in real and constant US$ (bn) (2019)
70
60
50
40
30
20
10
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Bangladesh
India
Pakistan
Sri Lanka


Defence spending (% of real GDP)
4
3.5
3
2.5
2
1.5
1
0.5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Bangladesh
India
Pakistan
Sri Lanka


Defence spending (% of real government spending)
20
18
16
14
12
10
8
6
4
2
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Bangladesh
India
Pakistan
Sri Lanka

Afghanistan	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	29.6	43.3	48.8	78.6	105.2	103.5	89.5	67.7	65.6	78.8
Spending in real LCU$ (nan) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in nominal US$ (bn)	0.6	0.9	1.0	1.4	1.8	1.7	1.3	1.0	0.9	1.0
Spending in real and constant US$ (nan) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real LCU$ - growth rate (%) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real GDP) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real government spending) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gross domestic product (GDP)										
GDP in real LCU$ (nan) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GDP in real US$ (nan) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GDP in real LCU$ - growth rate (%) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GDP in real US$ - per capita (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Government spending in real LCU$ (nan) (2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population (m)	29.2	30.1	31.2	32.3	33.4	34.4	35.4	36.3	37.2	38.0
Inflation (%)	2.2	11.8	6.4	7.4	4.7	-0.7	4.4	5.0	N/A	N/A

INSUFFICIENT RELIABLE DATA AVAILABLE

Country name	Afghanistan
Capital city	Kabul
Population	38.0 million
Active armed forces	174 000

Land size	652 100 km^2
Currency	Afghani (AFN)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Agriculture, textiles and handcrafts

Economy

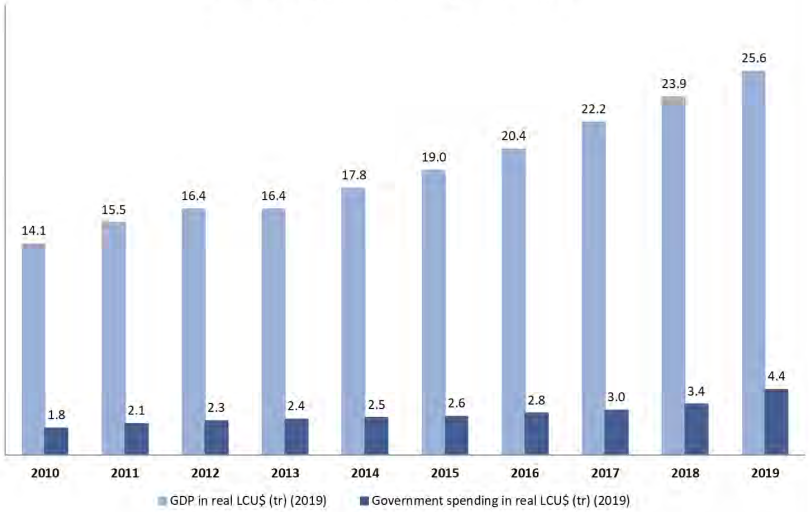
Afghanistan previously averaged 5.2 per cent annual real economic growth in local currency terms between 2009 and 2018. In 2019, the economy was driven by favourable weather conditions and recovery in the agricultural sector but real GDP figures are currently unavailable. Although domestic security risks and political instability continue to impede foreign investment, strong domestic revenue performance demonstrated success in the new Afghanistan tax system. Afghanistan's economy out to 2025 is subject to the prevailing economic impacts of the COVID-19 pandemic.

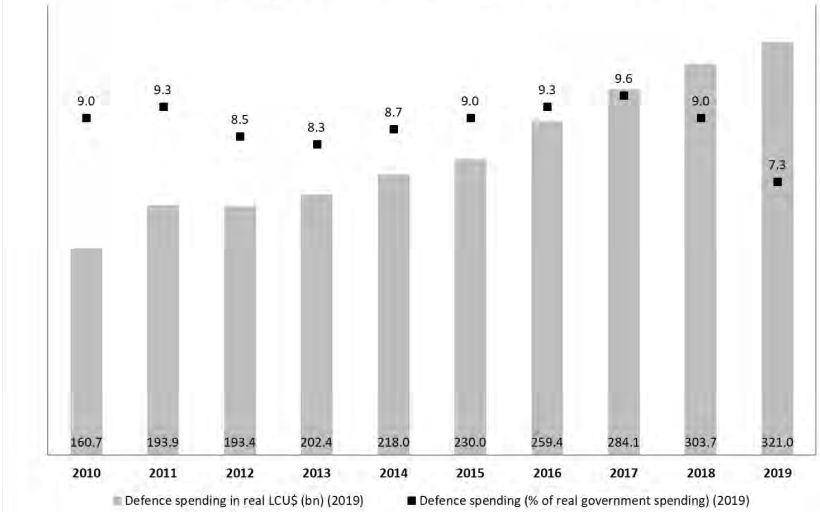
Defence spending

Afghanistan's 2019 defence budget was AFN78.8bn (US$1.0bn) in local currency terms. A nominal increase of 20 per cent on the 2018 defence budget. Afghanistan's government will remain dependent on international support to fund both security and non-security sector costs due to the persistence of insurgency.

INSUFFICIENT RELIABLE DATA AVAILABLE

Bangladesh	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	91.8	119.5	128.9	144.6	164.6	183.8	221.3	257.6	290.7	321.0
Spending in real LCU$ (bn) (2019)	160.7	193.9	193.4	202.4	218.0	230.0	259.4	284.1	303.7	321.0
Spending in nominal US$ (bn)	1.3	1.6	1.6	1.9	2.1	2.4	2.8	3.2	3.5	3.8
Spending in real and constant US$ (bn) (2019)	1.9	2.3	2.3	2.4	2.6	2.7	3.1	3.4	3.6	3.8
Spending in real LCU$ - growth rate (%) (2019)	21.5	20.7	-0.3	4.7	7.7	5.5	12.8	9.5	6.9	5.7
Spending (% of real GDP) (2019)	1.1	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3
Spending (% of real government spending) (2019)	9.0	9.3	8.5	8.3	8.7	9.0	9.3	9.6	9.0	7.3
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	14.1	15.5	16.4	16.4	17.8	19.0	20.4	22.2	23.9	25.6
GDP in real US$ (bn) (2019)	201.8	208.7	200.1	210.0	229.0	244.1	259.6	275.4	286.3	302.6
GDP in real LCU$ - growth rate (%) (2019)	5.9	10.1	5.8	0.1	8.4	7.0	7.1	8.8	7.8	6.9
GDP in real US$ - per capita (2019)	1367.2	1398.4	1324.8	1374.4	1482.1	1562.0	1643.1	1724.9	1773.9	1855.7
Government spending in real LCU$ (tr) (2019)	1.8	2.1	2.3	2.4	2.5	2.6	2.8	3.0	3.4	4.4
Population (m)	147.6	149.3	151.0	152.8	154.5	156.3	158.0	159.7	161.4	163.0
Inflation (%)	8.1	10.3	6.6	7.5	7.0	6.2	5.5	5.7	5.5	5.6





Country name	Bangladesh
Capital city	Dhaka
Population	163 million
Active armed forces	157 000

Land size	147 570 km^2
Currency	Taka (BDT)
Fiscal year	1 July – 30 June
Economy	Less-developed country with a market economy
Industries	Cotton, wheat, jute, tobacco, garments, pharmaceuticals, petroleum products and natural gas

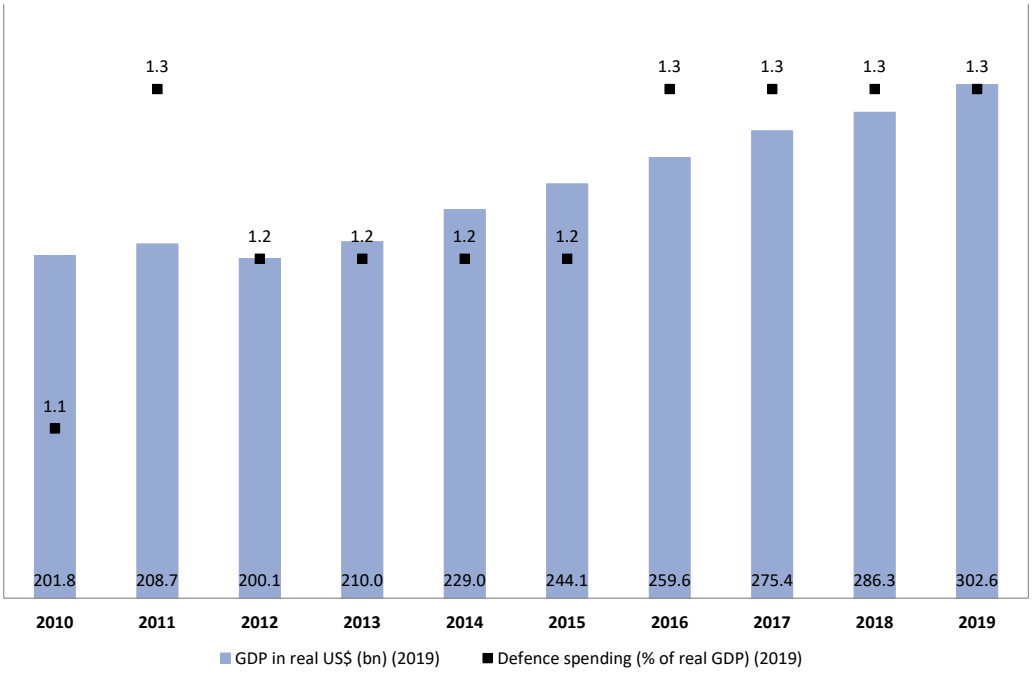
Economy

Over the past 10 years, Bangladesh has averaged 6.8 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 6.9 per cent, driven by the garment and agricultural sectors along with rising exports and remittances. According to the EIU, Bangladesh's economy will average 6.5 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

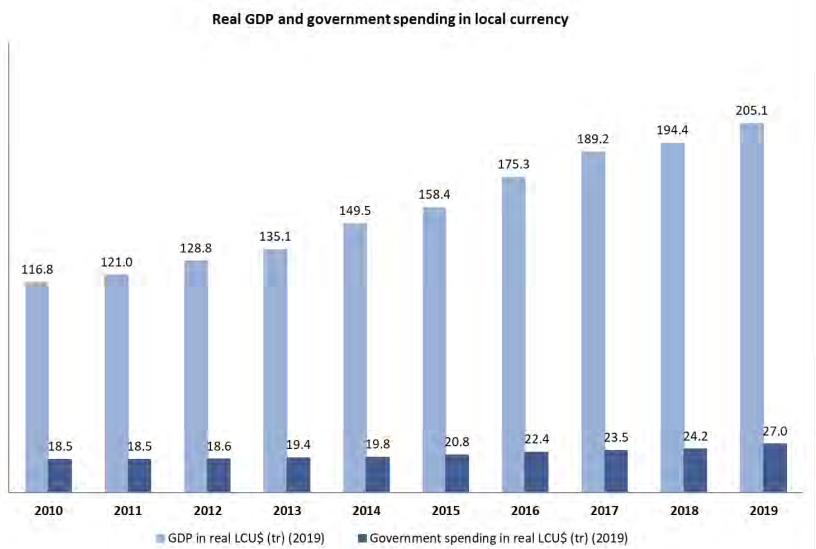
Defence spending

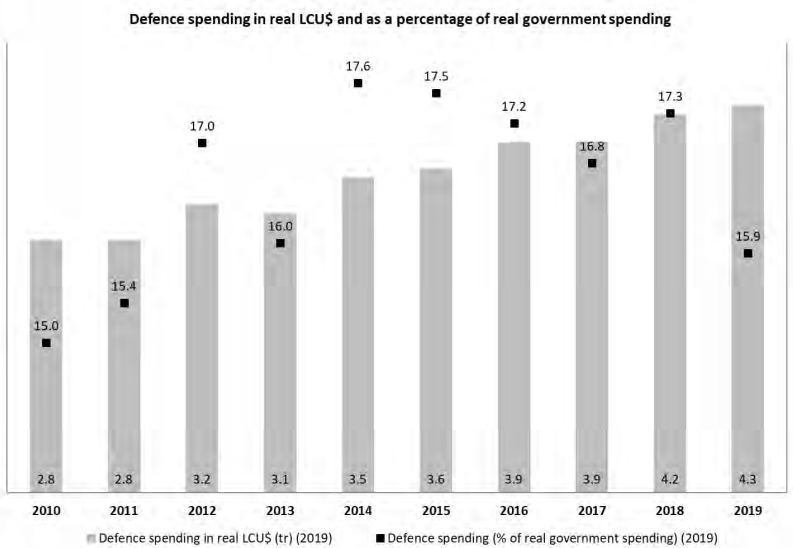
Bangladesh's 2019 defence budget was BDT321.0bn (US$3.8bn) – a 5.7 per cent real increase on the 2018 defence budget in local currency terms. China remained the country's largest defence capability provider, but Bangladesh and the US commenced negotiations for a closer cooperative relationship. The US provided five patrol boats for the Bangladesh Navy and funding for 233 Bangladeshi military personnel to undertake training in the US. Bangladesh also launched the Bangabandhu Satellite-1 to improve communications for defence and disaster management.

GDP in real US$ and defence spending as a percentage of real GDP



India	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	1.8	2.0	2.4	2.5	2.9	3.1	3.4	3.6	4.0	4.3
Spending in real LCU$ (tr) (2019)	2.8	2.8	3.2	3.1	3.5	3.6	3.9	3.9	4.2	4.3
Spending in nominal US$ (bn)	39.4	42.9	44.9	42.7	47.5	48.3	50.6	55.3	58.5	61.1
Spending in real and constant US$ (bn) (2019)	39.5	40.4	45.0	44.1	49.5	51.7	54.9	56.0	59.5	61.1
Spending in real LCU$ - growth rate (%) (2019)	-2.9	2.3	11.2	-1.9	12.1	4.5	6.2	2.0	6.3	2.6
Spending (% of real GDP) (2019)	2.4	2.4	2.5	2.3	2.3	2.3	2.2	2.1	2.2	2.1
Spending (% of real government spending) (2019)	15.0	15.4	17.0	16.0	17.6	17.5	17.2	16.8	17.3	15.9
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	116.8	121.0	128.8	135.1	149.5	158.4	175.3	189.2	194.4	205.1
GDP in real US$ (tr) (2019)	2.6	2.6	2.4	2.3	2.5	2.5	2.6	2.9	2.8	2.9
GDP in real LCU$ - growth rate (%) (2019)	8.4	3.6	6.4	5.0	10.7	5.9	10.6	7.9	2.7	5.5
GDP in real US$ - per capita (2019)	2070.0	2073.3	1903.7	1800.5	1891.2	1885.0	1969.6	2170.4	2101.5	2132.5
Government spending in real LCU$ (tr) (2019)	18.5	18.5	18.6	19.4	19.8	20.8	22.4	23.5	24.2	27.0
Population (bn)	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4
Inflation (%)	10.3	8.3	9.4	10.1	6.4	4.9	4.9	3.3	3.9	3.7





Country name	India
Capital city	New Delhi
Population	1.4 billion
Active armed forces	1.4 million

Land size	3 287 263 km^2
Currency	Indian rupee (INR)
Fiscal year	1 April – 31 March
Economy	Less-developed country with a market economy
Industries	IT services, textiles, steel, chemicals, transportation equipment, cement, mining, petroleum and machinery

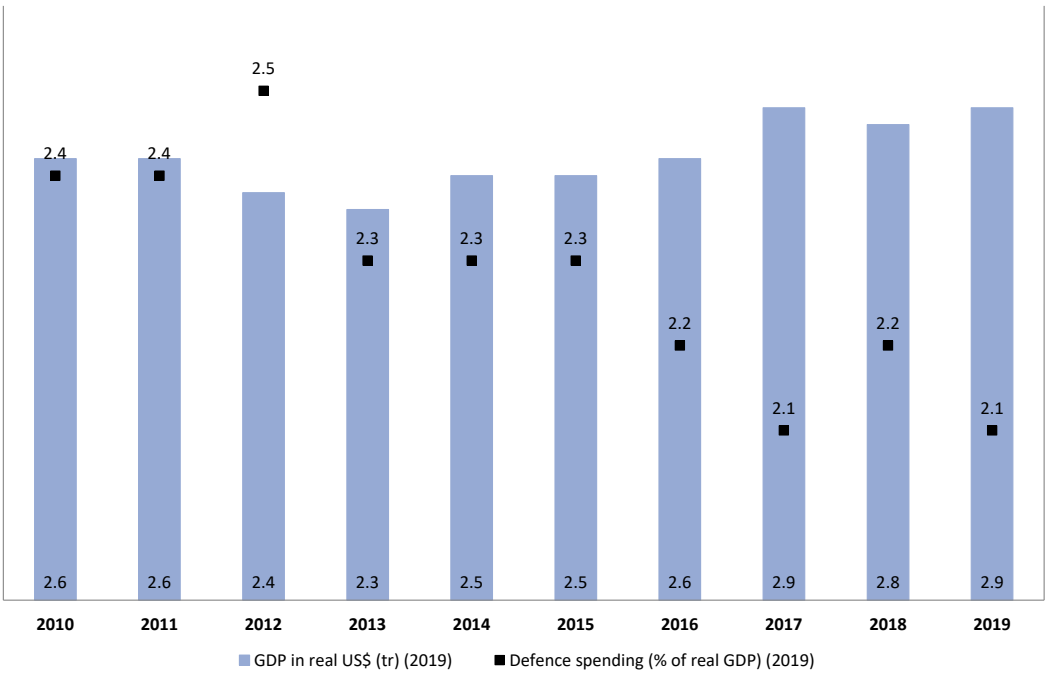
Economy

Over the past 10 years, India has averaged 6.7 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by 5.5 per cent. Growth was driven by foreign investment and export revenue but was tempered by weakening consumption and declining industrial production. According to the EIU, India's economy will average 4.4 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

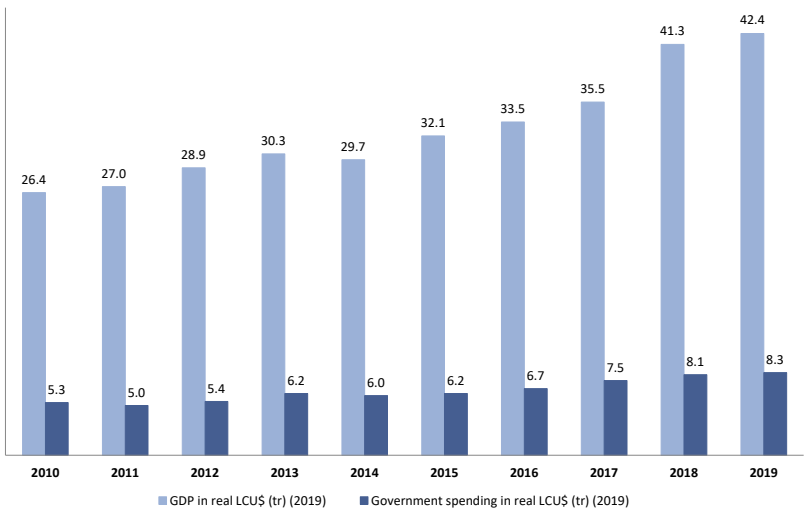
India's 2019 defence budget was INR4.3tr (US$61.1bn) – a 2.6 per cent real increase on the 2018 defence budget in local currency terms. Defence expenditure focused on defence pensions, force modernisation, indigenous capability developments and platform acquisitions. These included the Rafale fighter aircraft, Scorpene submarines and M777 artillery. India inducted the new intercontinental ballistic missile system – the Agni V – and released a plan to spend US$130bn out to 2025 for the acquisition of missiles, air defence systems, fighter aircraft, submarines and warships, unmanned aerial vehicles, surveillance equipment and infrastructure.

GDP in real US$ and defence spending as a percentage of real GDP

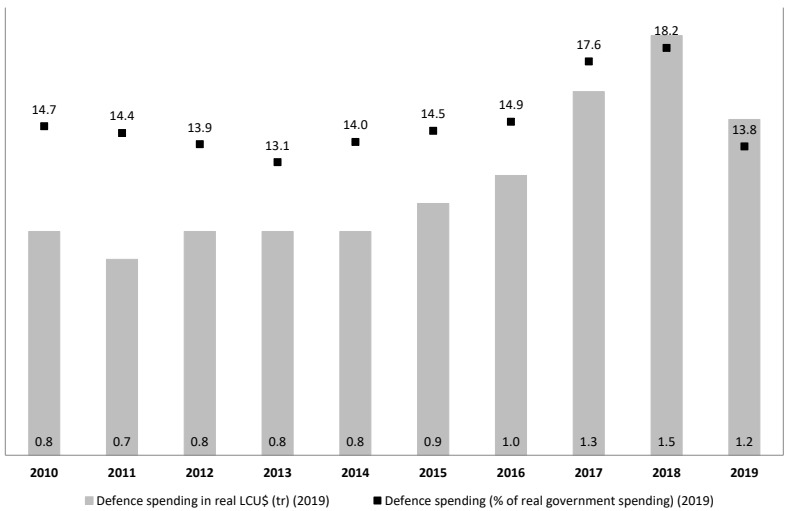


Pakistan	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (tr)	0.4	0.5	0.5	0.6	0.7	0.8	0.9	1.2	1.4	1.2
Spending in real LCU$ (tr) (2019)	0.8	0.7	0.8	0.8	0.8	0.9	1.0	1.3	1.5	1.2
Spending in nominal US$ (bn)	5.2	5.8	5.9	6.2	6.9	7.6	8.2	11.4	11.2	7.7
Spending in real and constant US$ (bn) (2019)	5.2	4.8	5.0	5.4	5.6	6.0	6.6	8.8	9.8	7.7
Spending in real LCU$ - growth rate (%) (2019)	16.1	-6.4	4.0	7.5	3.7	7.3	9.8	33.6	10.9	-21.6
Spending (% of real GDP) (2019)	2.9	2.7	2.6	2.7	2.8	2.8	3.0	3.7	3.6	2.7
Spending (% of real government spending) (2019)	14.7	14.4	13.9	13.1	14.0	14.5	14.9	17.6	18.2	13.8
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	26.4	27.0	28.9	30.3	29.7	32.1	33.5	35.5	41.3	42.4
GDP in real US$ (bn) (2019)	309.9	312.2	309.5	298.2	293.4	312.0	320.1	336.3	339.0	282.5
GDP in real LCU$ - growth rate (%) (2019)	-0.7	2.1	7.2	4.8	-2.1	8.1	4.6	5.8	16.5	2.6
GDP in real US$ - per capita (2019)	1727.0	1703.0	1652.8	1559.1	1502.2	1564.6	1571.8	1617.5	1597.4	1304.6
Government spending in real LCU$ (tr) (2019)	5.3	5.0	5.4	6.2	6.0	6.2	6.7	7.5	8.1	8.3
Population (m)	179.4	183.3	187.3	191.3	195.3	199.4	203.6	207.9	212.2	216.6
Inflation (%)	12.9	11.9	9.7	7.7	7.2	2.5	3.9	5.0	5.3	9.4

Real GDP and government spending in local currency



Defence spending in real LCU$ and as a percentage of real government spending



Country name	Pakistan
Capital city	Islamabad
Population	216.6 million
Active armed forces	654 000

Land size	796 095 km^2
Currency	Pakistan rupee (PKR)
Fiscal year	1 July – 30 June
Economy	Less-developed country with a market economy
Industries	Textiles, food processing, beverages, construction materials, clothing, paper products and fishing

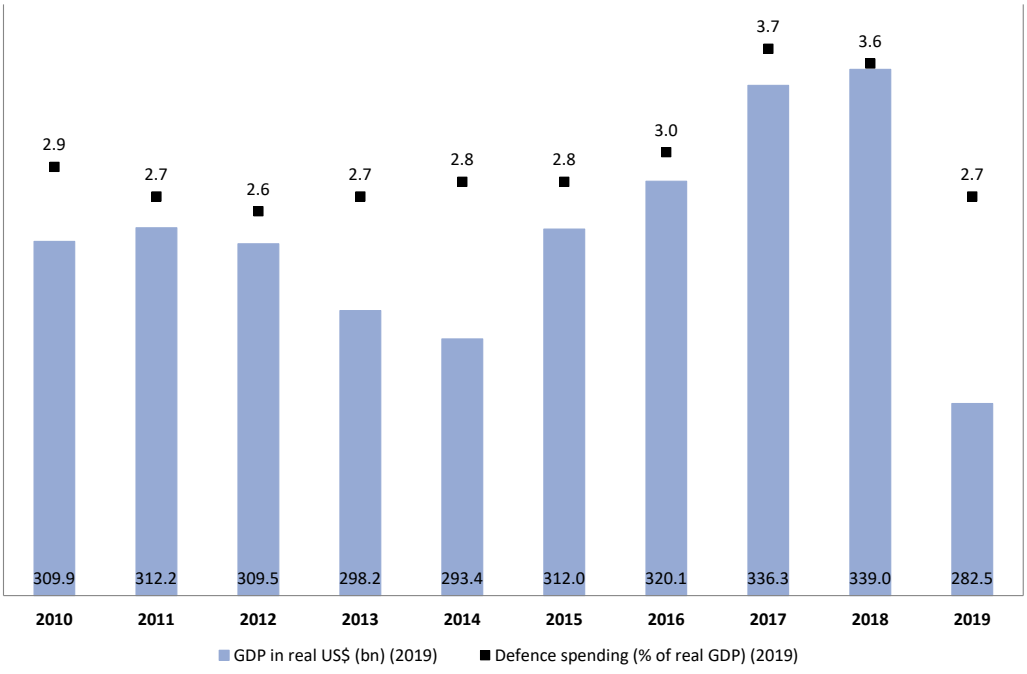
Economy

Over the past 10 years, Pakistan has averaged 4.9 per cent annual real economic growth in local currency terms. In 2019, the economy expanded by only 2.6 per cent, primarily due to low sources of national revenue limiting debt repayment capacity. PM Imran Khan formed a commission to investigate the sources of national debt in response. According to the EIU, Pakistan's economy will average 2.5 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

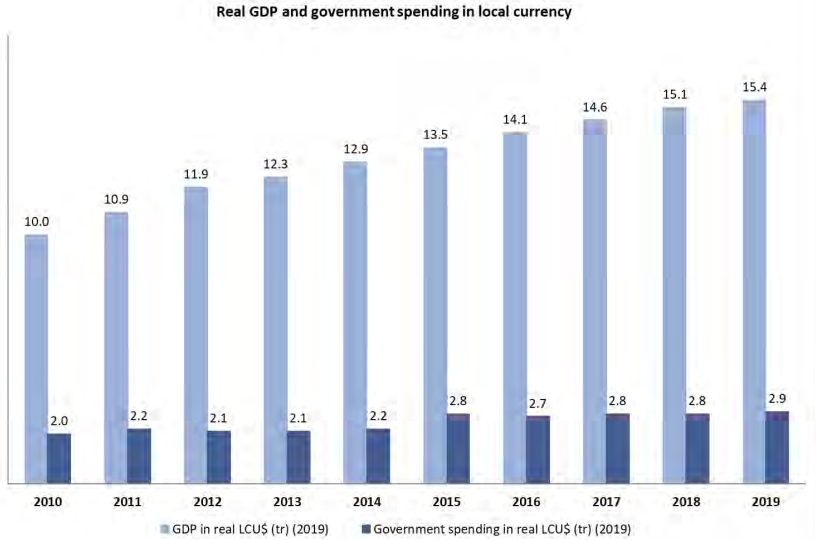
Defence spending

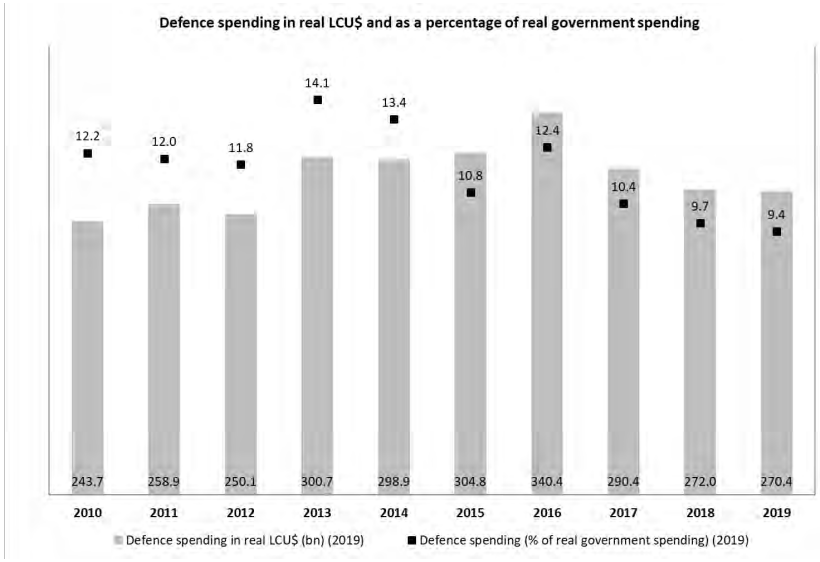
Pakistan's 2019 defence budget was PKR1.2tr (US$7.7bn) – a 21.6 per cent real decrease on the 2018 defence budget in local currency terms. The defence budget was not increased due to the country's economic situation, and funds saved from the defence budget were re-prioritised for the development of the Khyber-Pakhtunkhwa and Baluchistan provinces. Pakistan did, however, report increased production of the JF-17 aircraft – from 16 to 24 per year – along with the addition of active electronically scanned array radar to the platforms.

GDP in real US$ and defence spending as a percentage of real GDP



Sri Lanka	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	155.9	172.0	184.1	235.2	240.6	246.9	289.1	266.8	260.7	270.4
Spending in real LCU$ (bn) (2019)	243.7	258.9	250.1	300.7	298.9	304.8	340.4	290.4	272.0	270.4
Spending in nominal US$ (bn)	1.4	1.6	1.4	1.8	1.8	1.8	2.0	1.8	1.6	1.5
Spending in real and constant US$ (bn) (2019)	1.4	1.4	1.4	1.7	1.7	1.7	1.9	1.6	1.5	1.5
Spending in real LCU$ - growth rate (%) (2019)	5.6	6.3	-3.4	20.3	-0.6	2.0	11.7	-14.7	-6.4	-0.6
Spending (% of real GDP) (2019)	2.4	2.4	2.1	2.5	2.3	2.3	2.4	2.0	1.8	1.8
Spending (% of real government spending) (2019)	12.2	12.0	11.8	14.1	13.4	10.8	12.4	10.4	9.7	9.4
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	10.0	10.9	11.9	12.3	12.9	13.5	14.1	14.6	15.1	15.4
GDP in real US$ (bn) (2019)	88.7	98.3	93.0	95.0	98.6	99.5	97.0	95.8	92.8	86.4
GDP in real LCU$ - growth rate (%) (2019)	8.0	8.4	9.1	3.4	5.0	5.0	4.5	3.4	3.2	2.5
GDP in real US$ - per capita (2019)	4375.8	4818.5	4526.9	4598.4	4742.2	4758.5	4615.0	4534.8	4370.4	4052.3
Government spending in real LCU$ (tr) (2019)	2.0	2.2	2.1	2.1	2.2	2.8	2.7	2.8	2.8	2.9
Population (m)	20.3	20.4	20.5	20.7	20.8	20.9	21.0	21.1	21.2	21.3
Inflation (%)	6.2	6.7	7.6	6.9	2.8	2.2	4.0	6.6	4.3	4.3





Country name	Sri Lanka
Capital city	Colombo
Population	21.3 million
Active armed forces	243 000

Land size	65 610 km^2
Currency	Sri Lankan Rupee (LKR)
Fiscal year	1 January – 31 December
Economy	Less-developed country with a market economy
Industries	Textiles, tourism, tea, coconuts, tobacco, IT services, insurance and banking, cement and construction

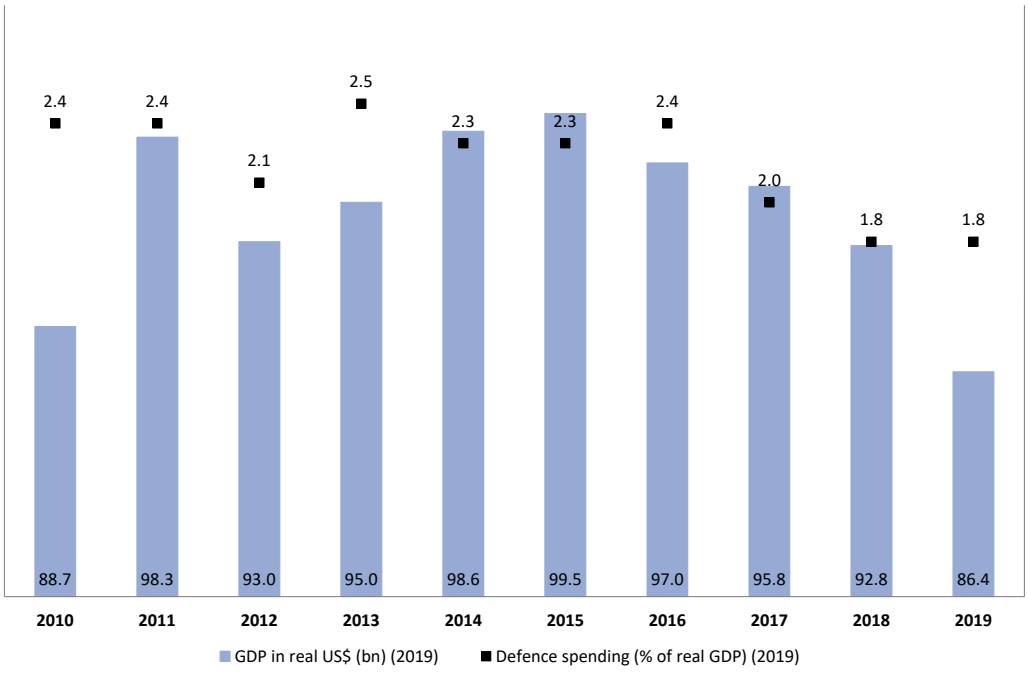
Economy

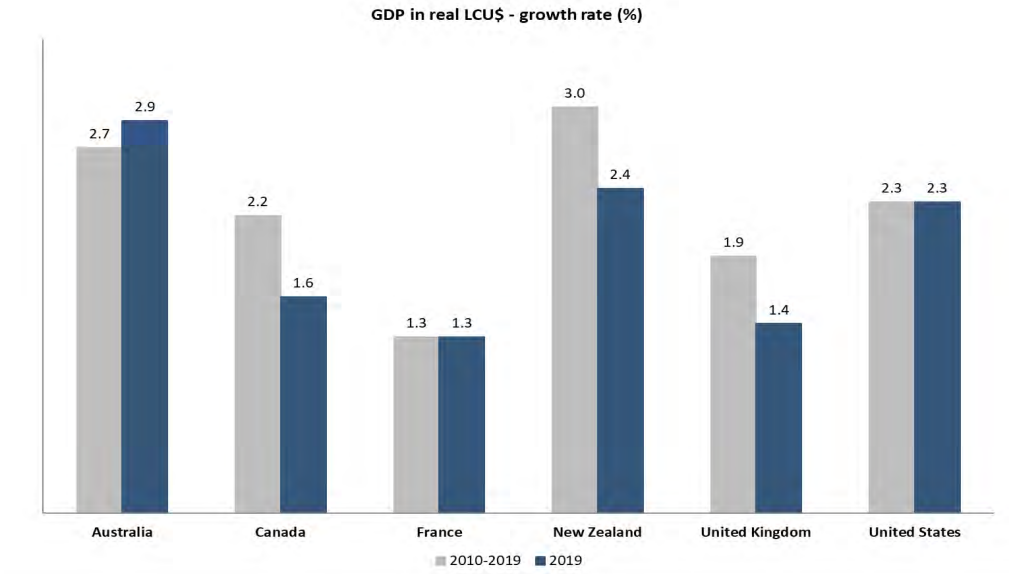
Over the past 10 years, Sri Lanka has averaged 5.3 per cent annual real economic growth in local currency terms. In 2019, growth slowed to 2.5 per cent, continuing a downward trajectory experienced since 2015. Changes in growth were driven by performance in the agricultural, industrial and services sectors. However, terrorist bombings in April 2019 prompted declines in tourism and foreign direct investment. According to the EIU, Sri Lanka's economy will average 3.1 per cent growth out to 2025 in US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

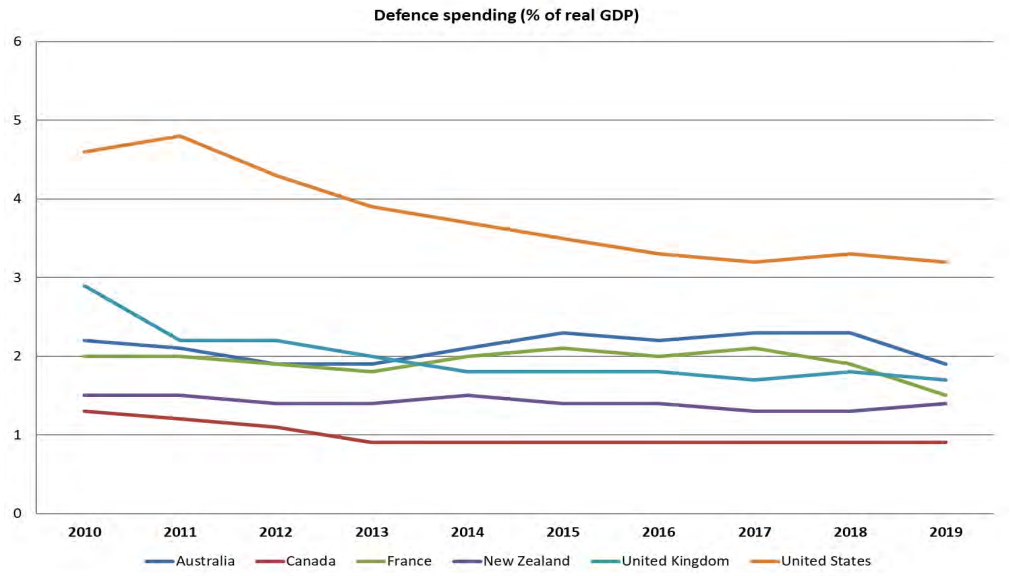
Defence spending

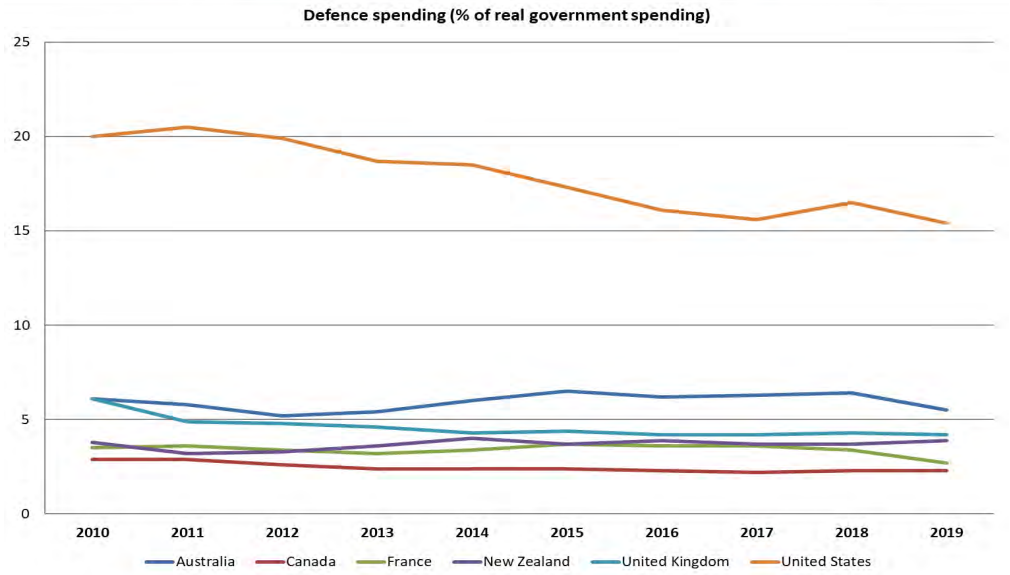
Sri Lanka's 2019 defence budget was LKR270.4bn (US$1.5bn) – a 0.6 per cent real decrease on the 2018 defence budget in local currency terms. Defence acquisitions included a former Chinese JIANGWEI I-class frigate. Sri Lanka also sought enhanced cooperation with India, including training Sri Lankan military personnel and cooperation on regional security matters.

GDP in real US$ and defence spending as a percentage of real GDP

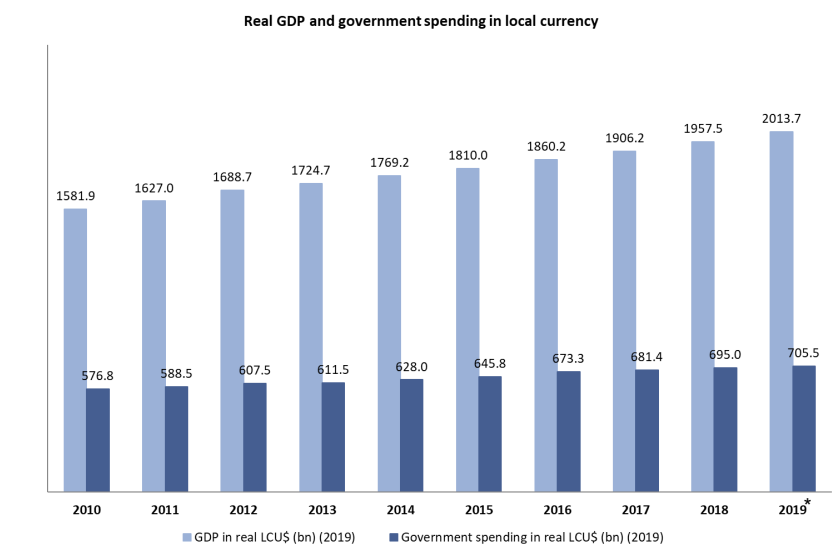


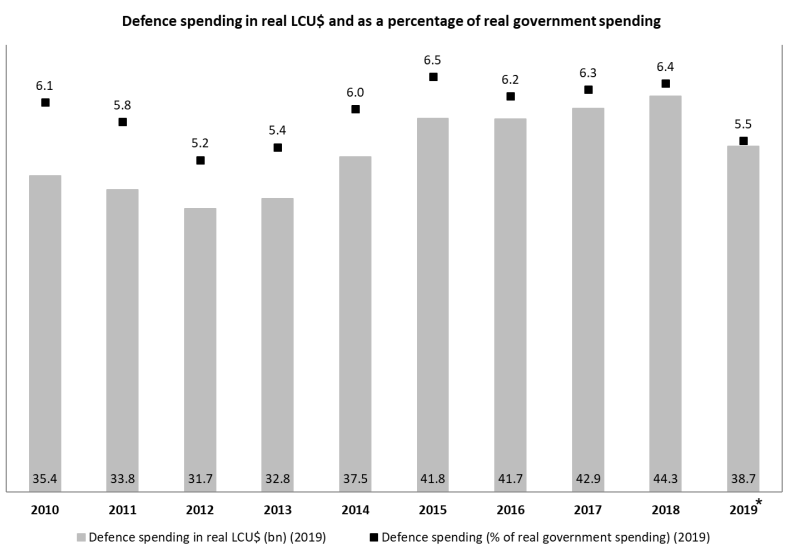

GDP in real LCU$ - growth rate (%)
2.7
2.9
2.2
1.6
1.3
1.3
3.0
2.4
1.9
1.4
2.3
2.3
Australia
Canada
France
New Zealand
United Kingdom
United States
2010-2019
2019


Defence spending (% of real GDP)
6
5
4
3
2
1
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Australia
Canada
France
New Zealand
United Kingdom
United States


Defence spending (% of real government spending)
25
20
15
10
5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Australia
Canada
France
New Zealand
United Kingdom
United States

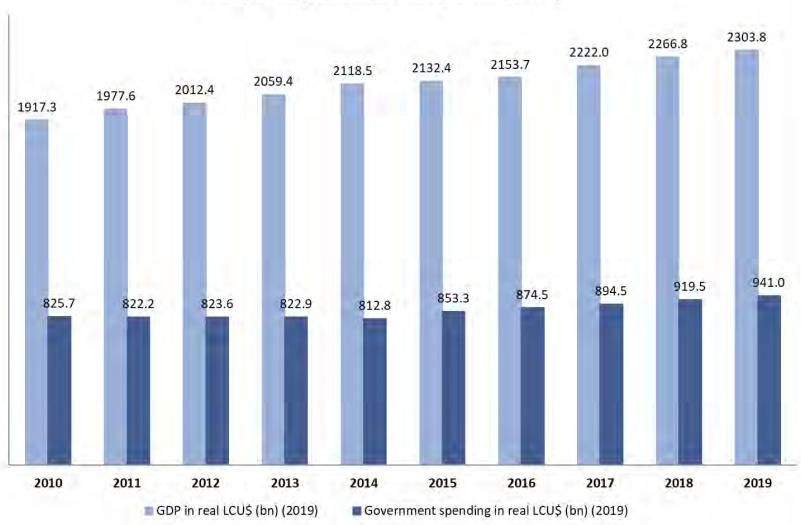
Australia	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
Official defence budget										
Spending in nominal LCU$ (bn)	30.5	30.5	28.4	29.8	34.2	37.9	38.2	40.7	43.0	38.7
Spending in real LCU$ (bn) (2019)	35.4	33.8	31.7	32.8	37.5	41.8	41.7	42.9	44.3	38.7
Spending in nominal US$ (bn)	28.1	31.5	29.4	28.9	30.9	28.5	28.4	31.2	32.2	27.1
Spending in real and constant US$ (bn) (2019)	24.8	23.7	22.2	23.0	26.3	29.3	29.2	30.1	31.1	27.1
Spending in real LCU$ - growth rate (%) (2019)	-3.8	-4.5	-6.4	3.5	14.3	11.6	-0.2	2.8	3.4	-12.7
Spending (% of real GDP) (2019)	2.2	2.1	1.9	1.9	2.1	2.3	2.2	2.3	2.3	1.9
Spending (% of real government spending) (2019)	6.1	5.8	5.2	5.4	6.0	6.5	6.2	6.3	6.4	5.5
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0
GDP in real US$ (tr) (2019)	1.5	1.7	1.7	1.7	1.6	1.4	1.4	1.5	1.5	1.4
GDP in real LCU$ - growth rate (%) (2019)	2.4	2.8	3.8	2.1	2.6	2.3	2.8	2.5	2.7	2.9
GDP in real US$ - per capita (2019)	65718.2	74561.2	76396.1	71821.7	67685.1	56903.0	57036.0	59466.0	58797.1	55992.1
Government spending in real LCU$ (bn) (2019)	576.8	588.5	607.5	611.5	628.0	645.8	673.3	681.4	695.0	705.5
Population (m)	22.2	22.5	22.9	23.3	23.6	23.9	24.3	24.6	24.9	25.2
Inflation (%)	2.9	3.3	1.8	2.5	2.5	1.5	1.3	1.9	1.9	1.6

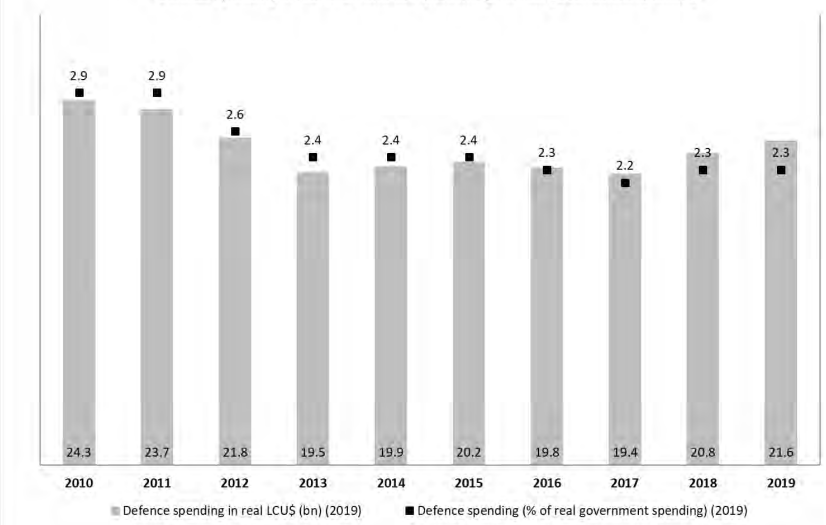




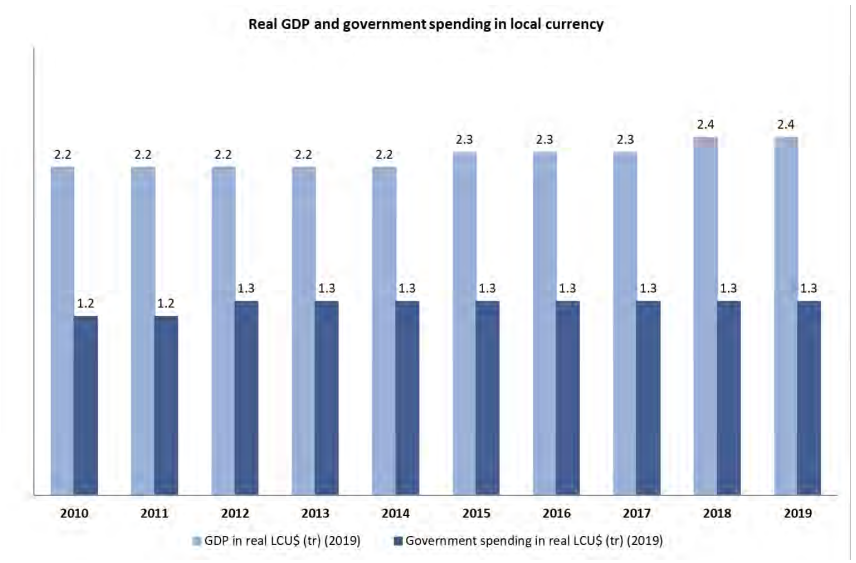
** These figures are based on a new methodology. The 2021 publication will align all reported Australian figures with this new approach for consistency and comparability.*

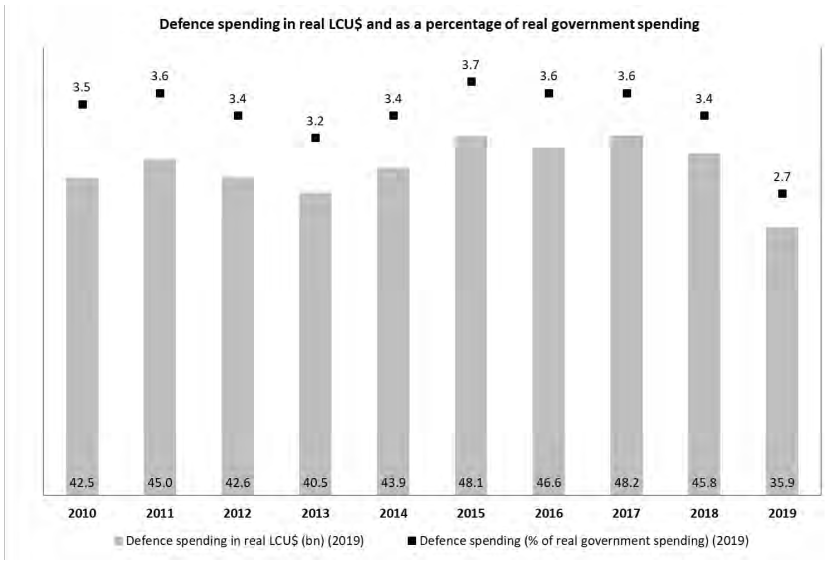
Canada	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	21.1	21.3	19.8	18.0	18.7	18.9	18.6	18.7	20.4	21.6
Spending in real LCU$ (bn) (2019)	24.3	23.7	21.8	19.5	19.9	20.2	19.8	19.4	20.8	21.6
Spending in nominal US$ (bn)	20.5	21.5	19.8	17.5	16.9	14.8	14.0	14.4	15.7	16.3
Spending in real and constant US$ (bn) (2019)	18.3	17.9	16.4	14.7	15.0	15.3	14.9	14.6	15.7	16.3
Spending in real LCU$ - growth rate (%) (2019)	6.9	-2.2	-8.2	-10.6	1.9	2.0	-2.3	-1.9	7.1	3.9
Spending (% of real GDP) (2019)	1.3	1.2	1.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Spending (% of real government spending) (2019)	2.9	2.9	2.6	2.4	2.4	2.4	2.3	2.2	2.3	2.3
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	1.9	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.3	2.3
GDP in real US$ (tr) (2019)	1.9	2.0	2.0	2.0	1.9	1.7	1.6	1.7	1.7	1.7
GDP in real LCU$ - growth rate (%) (2019)	3.1	3.1	1.8	2.3	2.9	0.7	1.0	3.2	2.0	1.6
GDP in real US$ - per capita (2019)	54503.6	57891.3	57660.9	56644.8	53771.8	46284.5	44655.7	46608.8	47174.7	46412.7
Government spending in real LCU$ (bn) (2019)	825.7	822.2	823.6	822.9	812.8	853.3	874.5	894.5	919.5	941.0
Population (m)	34.1	34.5	34.9	35.3	35.7	36.0	36.4	36.7	37.1	37.4
Inflation (%)	1.8	2.9	1.5	0.9	1.9	1.1	1.4	1.6	2.2	2.0



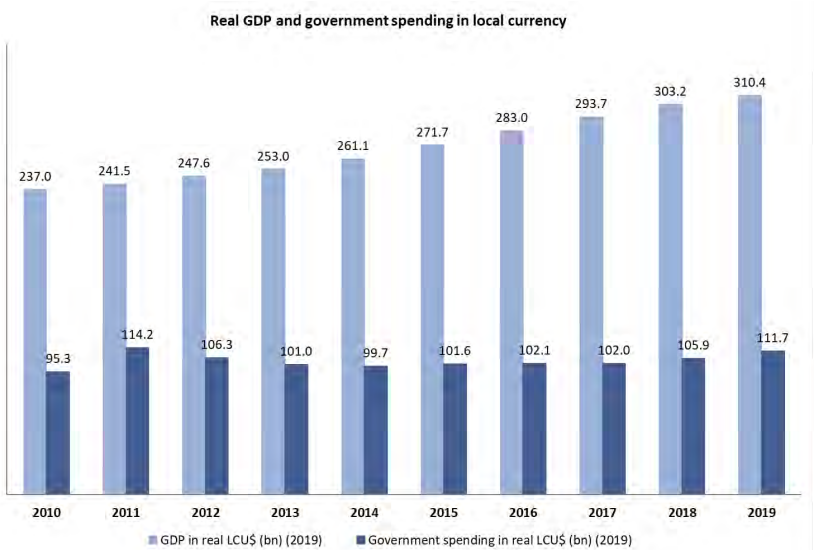


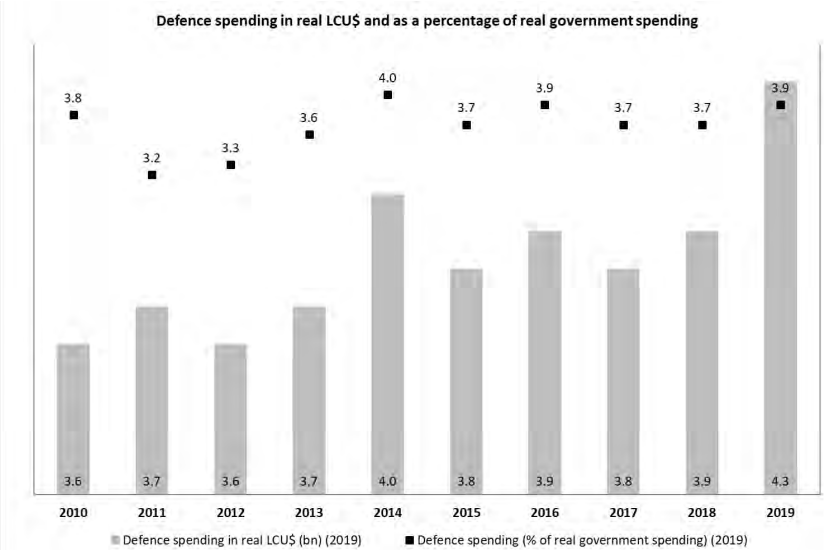
France	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	39.3	42.0	40.2	38.6	42.0	46.6	45.4	47.1	45.1	35.9
Spending in real LCU$ (bn) (2019)	42.5	45.0	42.6	40.5	43.9	48.1	46.6	48.2	45.8	35.9
Spending in nominal US$ (bn)	52.1	58.5	51.7	51.3	55.8	51.7	50.2	53.2	53.3	40.2
Spending in real and constant US$ (bn) (2019)	47.6	50.4	47.6	45.4	49.1	53.9	52.2	53.9	51.2	40.2
Spending in real LCU$ - growth rate (%) (2019)	-18.6	5.9	-5.4	-4.7	8.2	9.7	-3.1	3.3	-5.0	-21.5
Spending (% of real GDP) (2019)	2.0	2.0	1.9	1.8	2.0	2.1	2.0	2.1	1.9	1.5
Spending (% of real government spending) (2019)	3.5	3.6	3.4	3.2	3.4	3.7	3.6	3.6	3.4	2.7
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.4
GDP in real US$ (tr) (2019)	2.9	3.1	2.8	3.0	3.0	2.5	2.5	2.7	2.8	2.7
GDP in real LCU$ - growth rate (%) (2019)	1.8	2.2	0.4	0.6	1.0	1.0	1.0	2.4	1.7	1.3
GDP in real US$ - per capita (2019)	45479.5	48508.8	44732.7	46248.1	46511.4	39084.9	39254.4	40901.9	43429.9	41587.6
Government spending in real LCU$ (tr) (2019)	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Population (m)	62.9	63.2	63.6	63.9	64.2	64.5	64.7	64.8	65.0	65.1
Inflation (%)	1.7	2.3	2.2	1.0	0.6	0.1	0.3	1.2	2.1	1.3



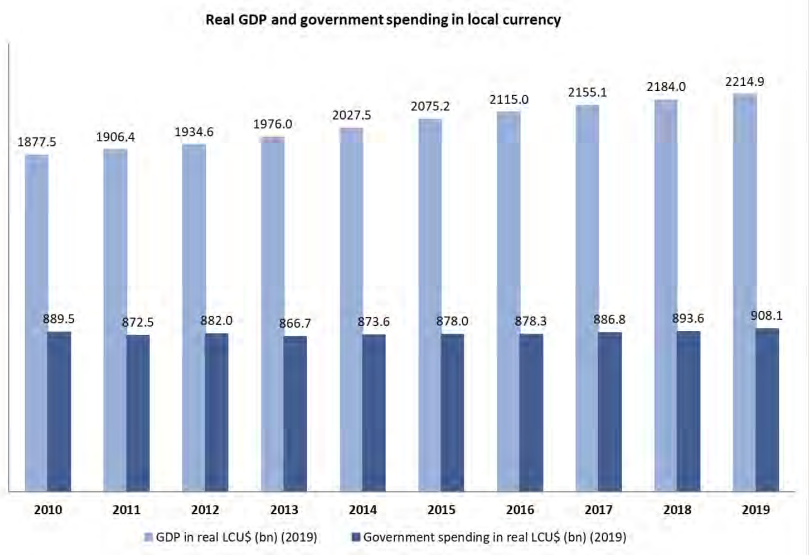


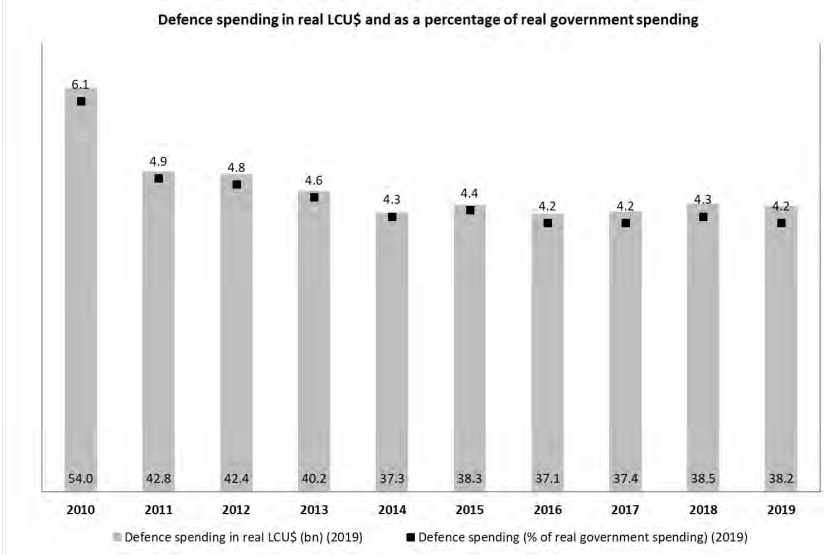
New Zealand	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	3.1	3.2	3.1	3.3	3.7	3.5	3.7	3.7	3.8	4.3
Spending in real LCU$ (bn) (2019)	3.6	3.7	3.6	3.7	4.0	3.8	3.9	3.8	3.9	4.3
Spending in nominal US$ (bn)	2.2	2.5	2.5	2.7	3.1	2.5	2.6	2.6	2.6	2.8
Spending in real and constant US$ (bn) (2019)	2.4	2.4	2.3	2.4	2.6	2.5	2.6	2.5	2.6	2.8
Spending in real LCU$ - growth rate (%) (2019)	-5.8	0.3	-2.9	3.1	9.6	-5.6	3.9	-3.2	1.5	11.2
Spending (% of real GDP) (2019)	1.5	1.5	1.4	1.4	1.5	1.4	1.4	1.3	1.3	1.4
Spending (% of real government spending) (2019)	3.8	3.2	3.3	3.6	4.0	3.7	3.9	3.7	3.7	3.9
Gross domestic product (GDP)										
GDP in real LCU$ (bn) (2019)	237.0	241.5	247.6	253.0	261.1	271.7	283.0	293.7	303.2	310.4
GDP in real US$ (bn) (2019)	171.1	191.2	200.7	207.6	216.8	190.3	197.4	208.8	210.1	204.7
GDP in real LCU$ - growth rate (%) (2019)	2.0	1.9	2.5	2.2	3.2	4.1	4.2	3.8	3.2	2.4
GDP in real US$ - per capita (2019)	39304.1	43588.7	45510.0	46691.8	48046.9	41371.0	42075.4	43677.3	43226.1	41499.4
Government spending in real LCU$ (bn) (2019)	95.3	114.2	106.3	101.0	99.7	101.6	102.1	102.0	105.9	111.7
Population (m)	4.4	4.4	4.4	4.4	4.5	4.6	4.7	4.8	4.9	4.9
Inflation (%)	2.3	4.1	1.0	1.1	1.2	0.3	0.6	1.9	1.6	1.6



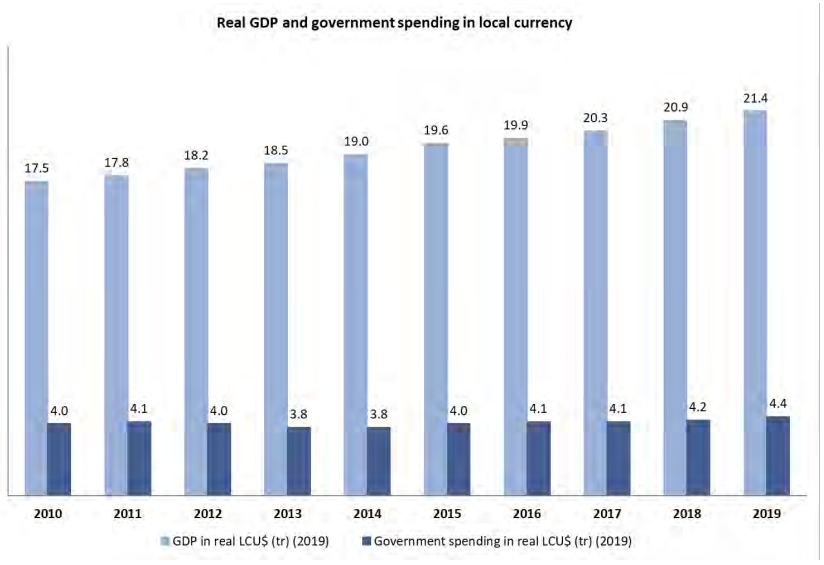


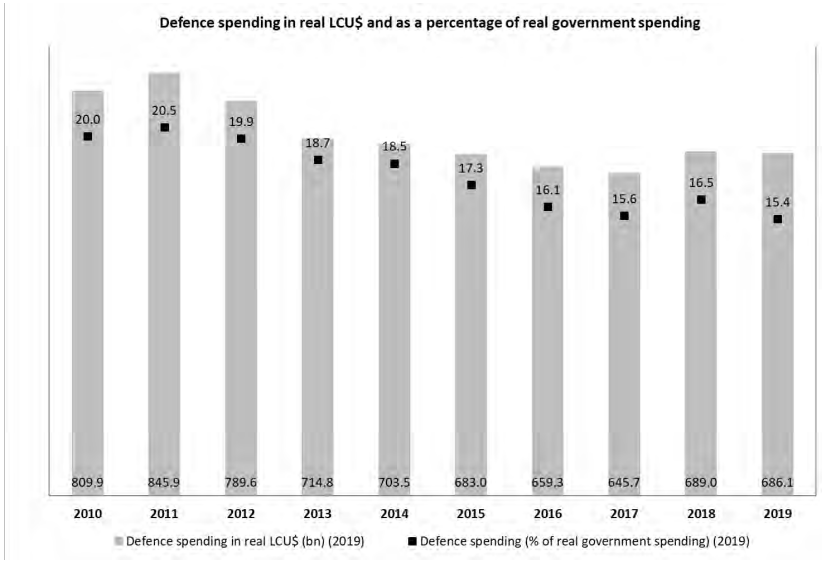
United Kingdom	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	46.1	37.3	37.5	36.3	34.3	35.4	35.0	36.0	37.8	38.2
Spending in real LCU$ (bn) (2019)	54.0	42.8	42.4	40.2	37.3	38.3	37.1	37.4	38.5	38.2
Spending in nominal US$ (bn)	71.3	59.8	59.5	56.8	56.5	54.1	47.4	46.4	50.5	48.8
Spending in real and constant US$ (bn) (2019)	69.0	54.7	54.1	51.4	47.7	49.0	47.4	47.8	49.2	48.8
Spending in real LCU$ - growth rate (%) (2019)	-5.0	-20.7	-1.1	-5.0	-7.2	2.6	-3.2	0.9	2.8	-0.8
Spending (% of real GDP) (2019)	2.9	2.2	2.2	2.0	1.8	1.8	1.8	1.7	1.8	1.7
Spending (% of real government spending) (2019)	6.1	4.9	4.8	4.6	4.3	4.4	4.2	4.2	4.3	4.2
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.2
GDP in real US$ (tr) (2019)	2.9	3.1	3.1	3.1	3.3	3.2	2.9	2.8	2.9	2.8
GDP in real LCU$ - growth rate (%) (2019)	2.0	1.5	1.5	2.1	2.6	2.4	1.9	1.9	1.3	1.4
GDP in real US$ - per capita (2019)	45864.7	47910.4	47741.4	47832.4	51375.6	48504.0	43558.8	41634.7	43449.0	41895.5
Government spending in real LCU$ (bn) (2019)	889.5	872.5	882.0	866.7	873.6	878.0	878.3	886.8	893.6	908.1
Population (m)	63.3	63.8	64.2	64.6	65.0	65.4	65.8	66.7	67.1	67.5
Inflation (%)	2.5	3.8	2.6	2.3	1.5	0.4	1.0	2.6	2.3	1.7





United States of America	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Official defence budget										
Spending in nominal LCU$ (bn)	692.8	738.7	702.8	647.4	648.9	636.6	620.9	619.5	677.1	686.1
Spending in real LCU$ (bn) (2019)	809.9	845.9	789.6	714.8	703.5	683.0	659.3	645.7	689.0	686.1
Spending in nominal US$ (bn)	692.8	738.7	702.8	647.4	648.9	636.6	620.9	619.5	677.1	686.1
Spending in real and constant US$ (bn) (2019)	809.9	845.9	789.6	714.8	703.5	683.0	659.3	645.7	689.0	686.1
Spending in real LCU$ - growth rate (%) (2019)	12.1	4.4	-6.7	-9.5	-1.6	-2.9	-3.5	-2.1	6.7	-0.4
Spending (% of real GDP) (2019)	4.6	4.8	4.3	3.9	3.7	3.5	3.3	3.2	3.3	3.2
Spending (% of real government spending) (2019)	20.0	20.5	19.9	18.7	18.5	17.3	16.1	15.6	16.5	15.4
Gross domestic product (GDP)										
GDP in real LCU$ (tr) (2019)	17.5	17.8	18.2	18.5	19.0	19.6	19.9	20.3	20.9	21.4
GDP in real US$ (tr) (2019)	17.5	17.8	18.2	18.5	19.0	19.6	19.9	20.3	20.9	21.4
GDP in real LCU$ - growth rate (%) (2019)	2.6	1.6	2.2	1.8	2.5	2.9	1.6	2.4	2.9	2.3
GDP in real US$ - per capita (2019)	56715.7	57119.3	57947.1	58574.4	59626.1	60938.3	61526.5	62583.7	64019.5	65115.1
Government spending in real LCU$ (tr) (2019)	4.0	4.1	4.0	3.8	3.8	4.0	4.1	4.1	4.2	4.4
Population (m)	309.0	311.6	314.0	316.4	318.7	320.9	323.0	325.1	327.1	329.1
Inflation (%)	1.6	3.1	2.1	1.5	1.6	0.1	1.3	2.1	2.4	1.8





Methodology

The Defence Economic Trends series is titled and numbered according to the year in which the report is published. *Defence Economic Trends 2013* was the first year this method was implemented. Previous editions were titled for the calendar year of the budgets being reviewed. The last of the series to use the old convention was *Defence Economic Trends 2011*, which was published in 2012.

For *Defence Economic Trends 2020*, the information is sourced from the Economist Intelligence Unit (EIU), released in 2020. The use of EIU data differs from publications prior to 2017, which used IMF economic statistics. This change will result in different real GDP in local currencies and US dollars and real defence spending in local currencies and US dollars compared to previous editions. Although new economic forecasts were released during the development of this publication, not all data can be updated to the latest predictions.

Defence Economic Trends 2020 employs a GDP price deflator to deflate historic defence budgets. The defence budgets are expressed in local currency into 2019 constant terms.

The defence spending paragraphs do not represent an exhaustive list of all procurement activities in 2019. These paragraphs are intended to provide a snapshot of major acquisitions and spending decisions prominent in open-source reporting throughout 2019.

Historical methodology

Before *Defence Economic Trends 2013,* a proxy defence deflator was used to calculate nominal defence budget figures into constant US dollars. The model used 2005 as a base year for comparison, using a proxy deflator based on three key defence expenditure factors: capital procurement; personnel; and operating costs. In previous publications, defence budget calculations used constant exchange rates to convert historical defence spending (expressed in local currency) into constant US dollar terms.

Data Sources

The table below shows data sources used for this publication.

Data	Source
Official defence budget (local currency)	Official budget sources from national governments Other open sources, including reputable media or official newspapers
Economic, government spending and population data	Economic Intelligence Unit (EIU)
General financial information	Economist Intelligence Unit, World Bank, IMF and Asian Development Bank. Other open sources, including reputable media or official newspapers
Active armed forces	The Military Balance 2019 report, released by the International Institute for Strategic Studies (IISS)

Other publishers of similar data

Other organisations that publish data similar to that provided in this publication include:

- IMF
- IISS
- Stockholm International Peace Research Institute (SIPRI).

However, these organisations use different methodologies to compile their data, as illustrated below.

IMF

The IMF primarily distributes a detailed questionnaire to government correspondents, typically located in each country's respective Ministry of Finance or Central Bank.

IISS

The IISS cites official defence budgets and adjusts, where necessary, military expenditure to include all other military-related spending. The only exception occurs in the case of NATO countries, where the IISS uses the figures released by governments and, for comparison, also cites the NATO-defined expenditure. Some countries include internal and border-security force expenditure in their defence budgets. Where separate budgets exist, the IISS generally indicates this in footnotes. IISS figures may vary from previous years, often because of updates made by the governments themselves.

Wherever possible, the IISS uses exchange rates taken from IMF publications, although these may not be applicable to commercial transactions. In some cases, in an effort to make US$ figures more relevant for international comparisons, the IISS uses a different set of exchange rates to calculate defence spending, which reflects the differences in purchasing power parity terms between the civilian and military sectors.

SIPRI

Where possible, SIPRI includes the following items in its definition of military expenditure:

- all current and capital expenditure on the armed forces and the running of defence departments and other government agencies engaged in defence projects and space activities
- the cost of paramilitary forces, border guards and police (when judged to be trained and equipped for military operations)
- military research and development, testing and evaluation costs
- costs of retirement pensions of defence personnel and civilian employees.

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