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Defence Intelligence Group

2021

DEFENCE ECONOMIC
TRENDS IN THE
INDO-PACIFIC

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2021

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INDO-PACIFIC

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Purpose

Defence Economic Trends presents trends in proposed and enacted official defence budget figures – including pensions – for 30 economies with armed forces throughout the Indo-Pacific region. This product draws together historical defence and national economic data over the past 10 years to illustrate patterns and enable comparisons between individual countries and regions.

Data in this publication is inclusive of 2021 information and illustrates the macroeconomic impacts of the COVID-19 pandemic throughout financial year 2020. However, defence spending figures record official appropriations rather than actual or estimated actual spend. Only those budget figures proposed or enacted at the beginning of a fiscal year are recorded.

This year's publication uses a revised methodology and recorded figures may differ from previous publications. North Korea has been removed due to insufficient data.

Abbreviations

bn	>	billion
COVID-19	>	coronavirus-19 disease
EIU	>	Economic Intelligence Unit
Ex	>	exercise
GDP	>	gross domestic product
IMF	>	International Monetary Fund
km sq	>	kilometres squared
LCU	>	local currency unit
m	>	million
MBT	>	main battle tank
NEGL	>	negligible
PNG	>	Papua New Guinea
PNGDF	>	PNG Defence Force
r	>	revised budget figure
RFMF	>	The Republic of Fiji Military Force
tr	>	trillion
UAV	>	unmanned aerial vehicle
UN	>	United Nations
US\$	>	US Dollars

Online version

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Feedback

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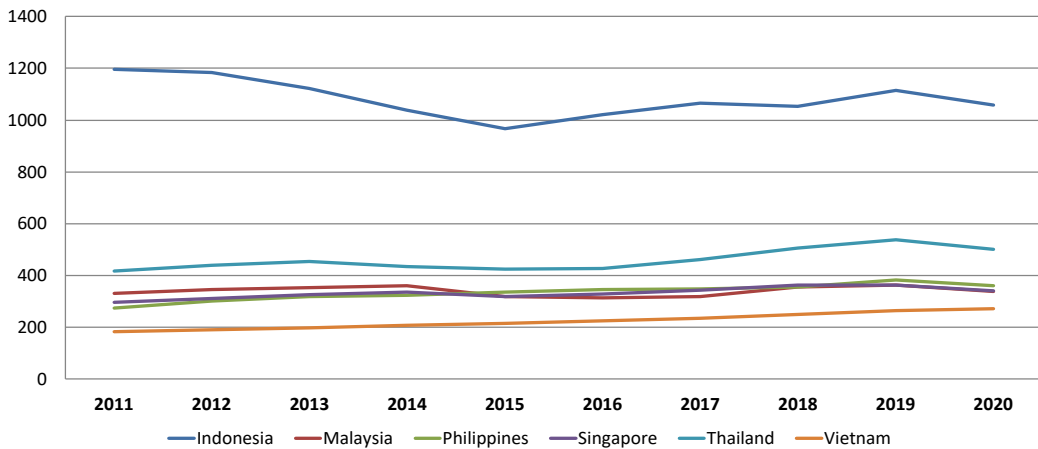
Regional economy

Real economic growth in major South-East Asian economies contracted by 4.3 per cent in 2020 due to the COVID-19 pandemic. Most major regional economies experienced significant economic contractions due to pandemic restrictions and disrupted global supply chains, which disrupted domestic production, export revenues and key tourism markets. A key exception is Vietnam, which experienced positive growth driven by foreign investment.

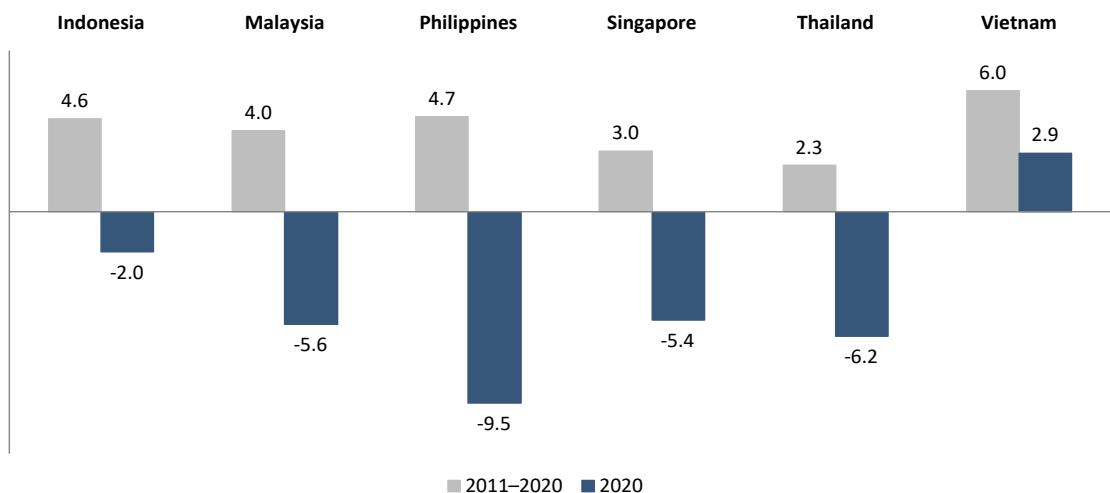
Defence spending

South-East Asian military expenditure as a percentage of real GDP averaged 1.7 per cent in 2020 for major economies. Despite the prevailing impacts of COVID-19, 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 but a number of key activities and exercises were paused due to pandemic restrictions.

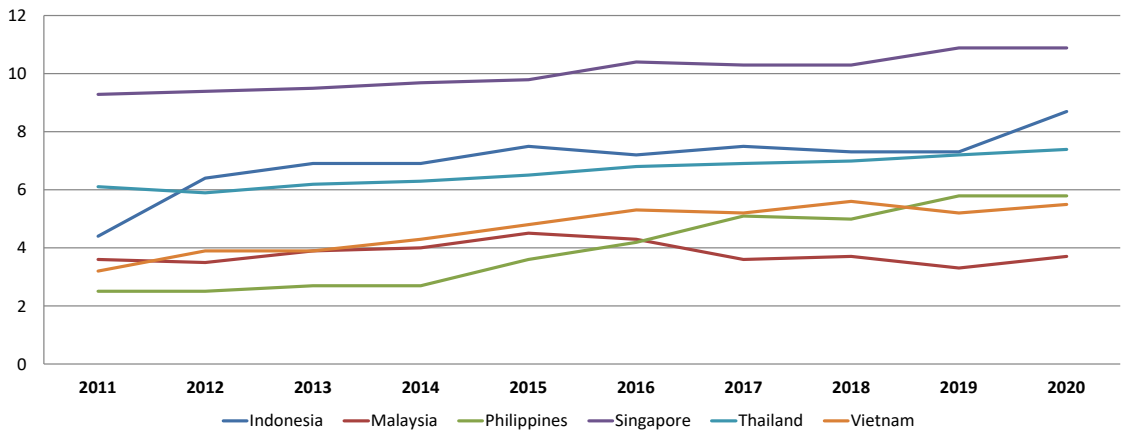
GDP in real US\$ (bn) (2020)



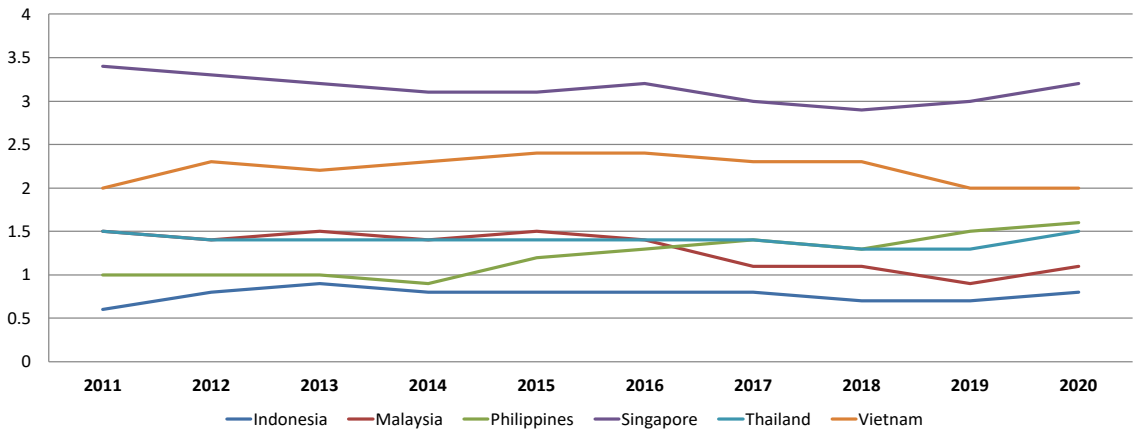
GDP in real LCU – growth rate (%)



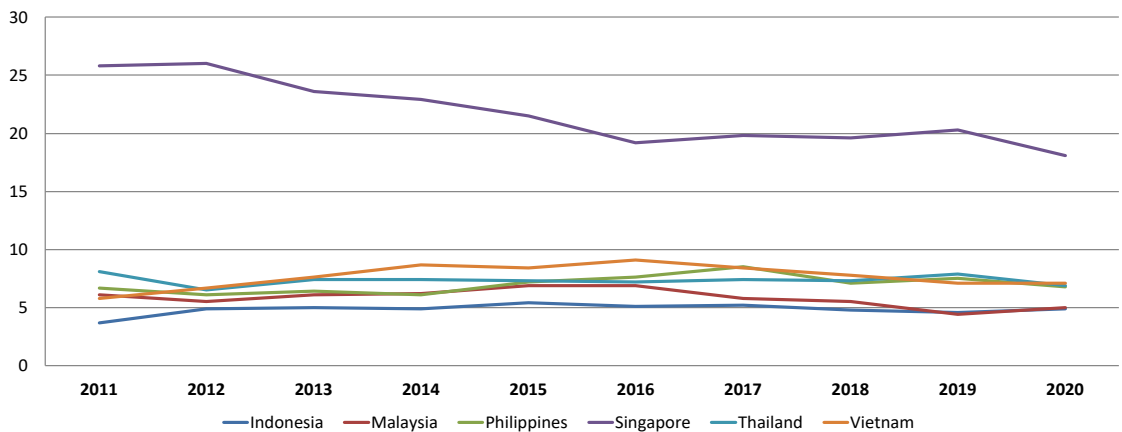
Defence spending in real and constant US\$ (bn) (2020)



Defence spending (% of real GDP)



Defence spending (% of real government spending)



Capital City: Bandar Seri Begawan
Population: 0.4 million
Active armed forces: 7200
Land size: 5765 km sq
Currency: Brunei Dollar (BND)

Fiscal year: 1 April – 31 March
Economy: High-income country with a market economy
Industries: Oil and gas and related machinery, agriculture, and transportation



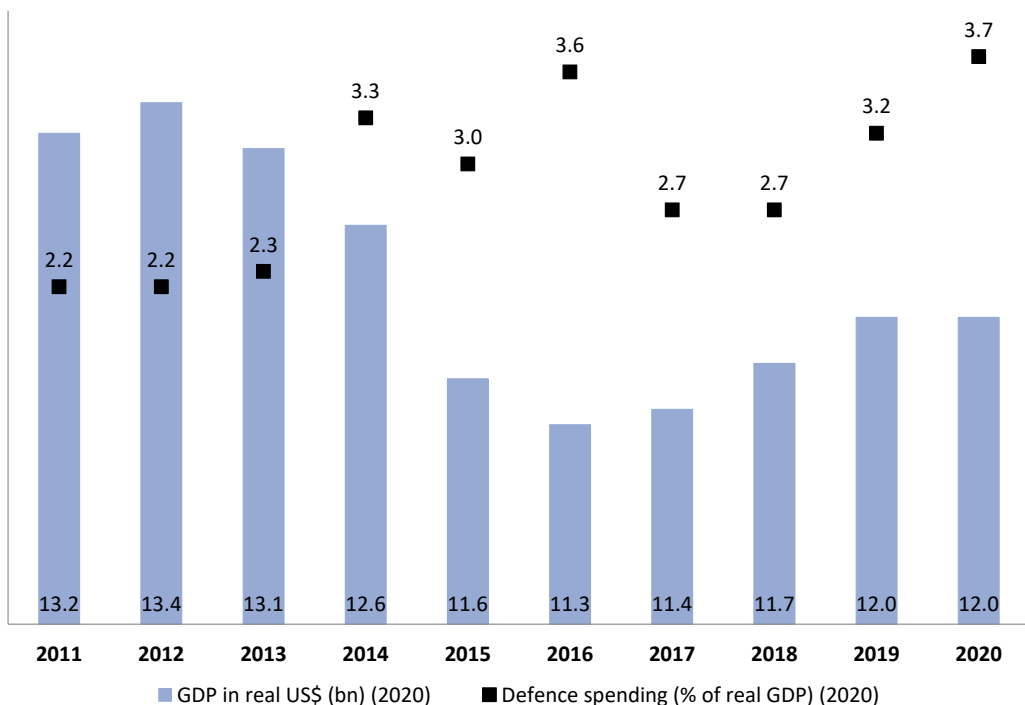
Economy

Over the past 10 years, Brunei has averaged 0.36 per cent annual real economic growth in local currency terms. In 2020, the economy slowed to 1.2 per cent growth, driven by the COVID-19 economic downturn. Growth was achieved through hydrocarbon exports but export receipts were reduced due to low commodities prices. According to the EIU, Brunei’s economy will continue to recover and grow out to 2022 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

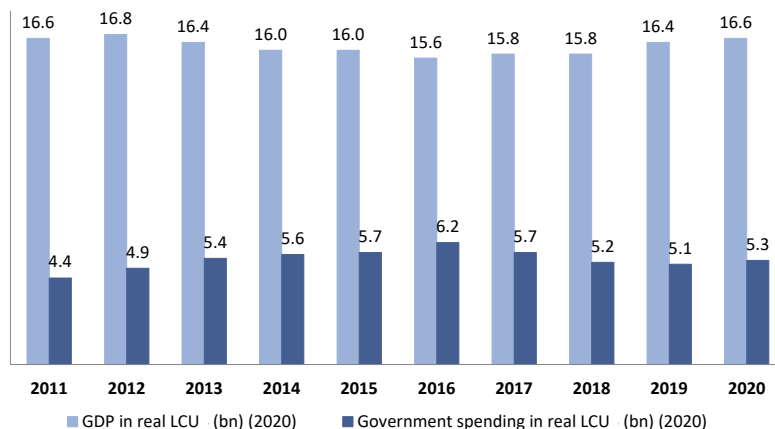
Defence spending

Brunei’s 2020 defence budget was BND606m (US\$439.2m) – a 15.2 per cent real increase on the 2019 defence budget in local currency terms. Throughout 2020, Brunei prioritised the sustainment of recent capability acquisitions and contracted German shipbuilder Lürssen to maintain its naval vessels.

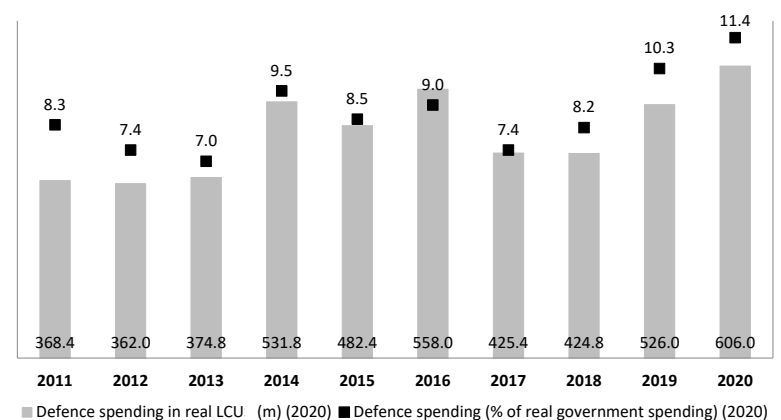
GDP in real US\$ and defence spending as a percentage of real GDP



BRUNEI										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (m)	516.0	513.2	516.4	719.2	537.5	564.7	451.8	492.8	589.9	606.0
Spending in real LCU (m) (2020)	368.4	362.0	374.8	531.8	482.4	558.0	425.4	424.8	526.0	606.0
Spending in nominal US\$ (m)	410.2	410.7	412.7	567.6	390.9	408.8	327.2	365.3	432.4	439.2
Spending in real and constant US\$ (m) (2020)	267.0	262.4	271.7	385.5	349.7	404.4	308.3	307.9	381.3	439.2
Spending in real LCU – growth rate (%) (2020)	-20.8	-1.7	3.5	41.9	-9.3	15.7	-23.8	-0.1	23.8	15.2
Spending (% of real GDP) (2020)	2.2	2.2	2.3	3.3	3.0	3.6	2.7	2.7	3.2	3.7
Spending (% of real government spending) (2020)	8.3	7.4	7.0	9.5	8.5	9.0	7.4	8.2	10.3	11.4
Gross domestic product (GDP)										
GDP in real LCU (bn) (2020)	16.6	16.8	16.4	16.0	16.0	15.6	15.8	15.8	16.4	16.6
GDP in real US\$ (bn) (2020)	13.2	13.4	13.1	12.6	11.6	11.3	11.4	11.7	12.0	12.0
GDP in real LCU – growth rate (%) (2020)	3.7	0.9	-2.1	-2.5	-0.4	-2.5	1.3	0.1	3.9	1.2
GDP in real US\$ – per capita (2020)	33911.4	33587.3	32832.5	30837.4	28305.8	26821.5	27187.0	27198.5	27933.8	27309.1
Government spending in real LCU (bn) (2020)	4.4	4.9	5.4	5.6	5.7	6.2	5.7	5.2	5.1	5.3
Population (m)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Inflation (%)	0.1	0.1	0.4	-0.2	-0.5	-0.3	-1.3	0.9	-0.3	1.9



Real GDP and government spending in local currency



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

Capital City: Phnom Penh
Population: 16.7 million
Active armed forces: 124 300
Land size: 181 035 km sq
Currency: Cambodian Riel (KHR)

Fiscal year: 1 January – 31 December
Economy: Lower-middle income country with a market economy
Industries: Tourism, textiles and apparel, construction, rice milling, fishing, wood products, rubber, cement, and gem mining



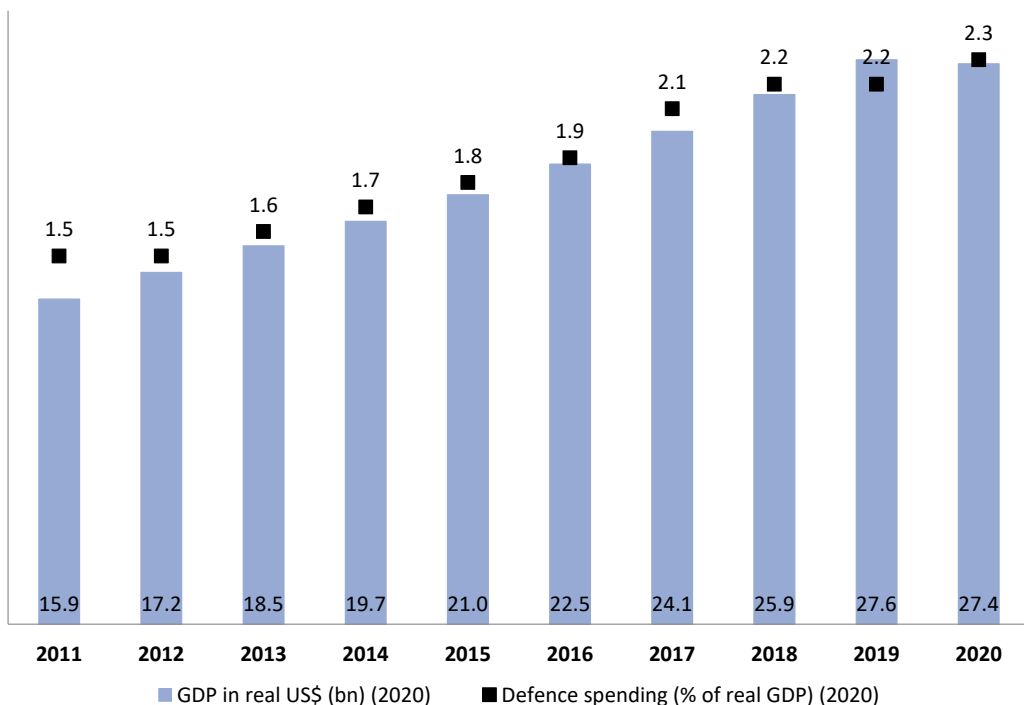
Economy

Over the past 10 years, Cambodia has averaged 6.5 per cent annual real economic growth in local currency terms. In 2020, the economy grew by 0.2 per cent, driven by the COVID-19 economic downturn but mitigated by strong demand for Cambodian exports of gold, electronics and personal protective equipment. The Cambodian government was able to fund a cash handout program as well as fund flood relief and reconstruction. According to the EIU, Cambodia’s economy will average 10 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence

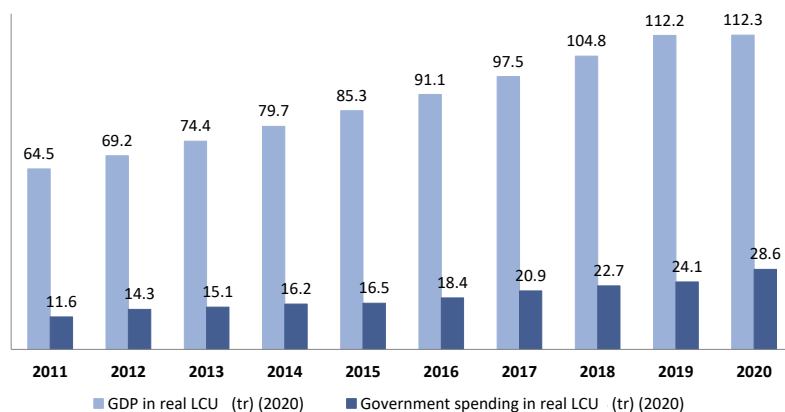
Cambodia’s 2020 defence budget was KHR2.5tr (US\$619.8m) – a 3.0 per cent real increase on the 2019 defence budget in local currency terms. Throughout 2020, Cambodia focused defence spending on providing salaries and basic equipment. Following acquisitions in 2019, Phnom Penh did not allocate defence spending towards major capability investments in 2020.

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

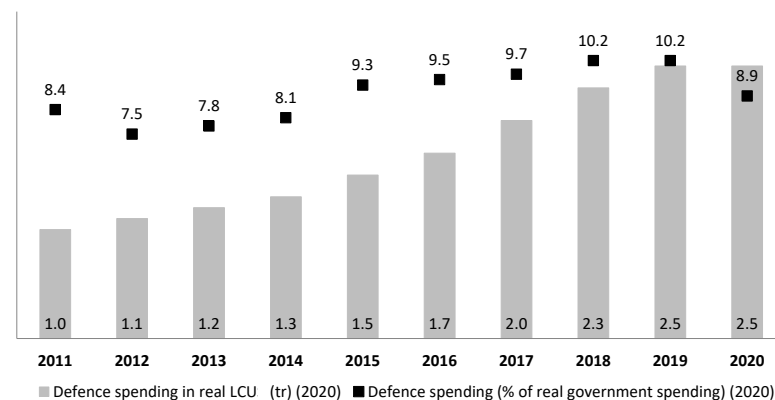


CAMBODIA

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Official defence spending										
Spending in nominal LCU (tr)	0.8	0.9	1.0	1.1	1.3	1.6	1.9	2.2	2.4	2.5
Spending in real LCU (tr) (2020)	1.0	1.1	1.2	1.3	1.5	1.7	2.0	2.3	2.5	2.5
Spending in nominal US\$ (m)	192.2	217.3	243.5	278.0	325.2	382.3	458.5	542.7	595.0	619.8
Spending in real and constant US\$ (m) (2020)	236.2	261.8	286.4	322.4	375.3	425.2	492.4	565.3	601.9	619.8
Spending in real LCU – growth rate (%) (2020)	7.4	10.9	9.4	12.6	16.4	13.3	15.8	14.8	6.5	3.0
Spending (% of real GDP) (2020)	1.5	1.5	1.6	1.7	1.8	1.9	2.1	2.2	2.2	2.3
Spending (% of real government spending) (2020)	8.4	7.5	7.8	8.1	9.3	9.5	9.7	10.2	10.2	8.9
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	64.5	69.2	74.4	79.7	85.3	91.1	97.5	104.8	112.2	112.3
GDP in real US\$ (bn) (2020)	15.9	17.2	18.5	19.7	21.0	22.5	24.1	25.9	27.6	27.4
GDP in real LCU – growth rate (%) (2020)	7.1	7.3	7.5	7.1	7.0	6.9	7.0	7.5	7.1	0.2
GDP in real US\$ – per capita (2020)	1093.5	1161.1	1229.4	1291.6	1350.4	1424.1	1503.3	1591.4	1675.0	1641.8
Government spending in real LCU (tr) (2020)	11.6	14.3	15.1	16.2	16.5	18.4	20.9	22.7	24.1	28.6
Population (m)	14.5	14.8	15.0	15.3	15.5	15.8	16.0	16.2	16.5	16.7
Inflation (%)	5.4	3.0	2.9	3.9	1.2	3.0	2.9	2.5	1.9	2.9



Real GDP and government spending in local currency



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

Capital City: Jakarta
Population: 267.5 million
Active armed forces: 395 500
Land sizes: 1 904 443 km sq
Currency: Indonesian Rupiah (IDR)

Fiscal year: 1 January – 31 December
Economy: Lower middle-income country with a market economy
Industries: Oil and gas, textiles and apparel, automotive, electronics, mining and cement, handicrafts, fertiliser, jewelery and tourism

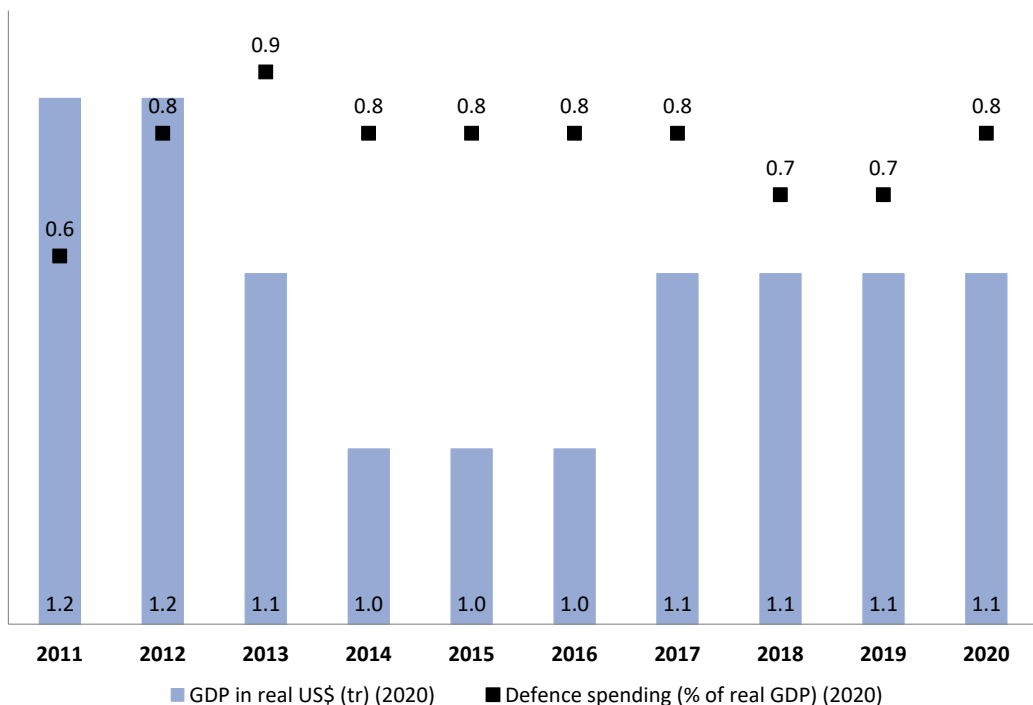
Economy

Over the past 10 years, Indonesia has averaged 4.6 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 2 per cent due to the COVID-19 economic downturn. This contraction was driven by low hydrocarbons pricing and investor withdrawals. Low confidence in the local currency also drove a significant currency devaluation, which stabilised in late 2020. According to the EIU, Indonesia’s economy will average 4 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

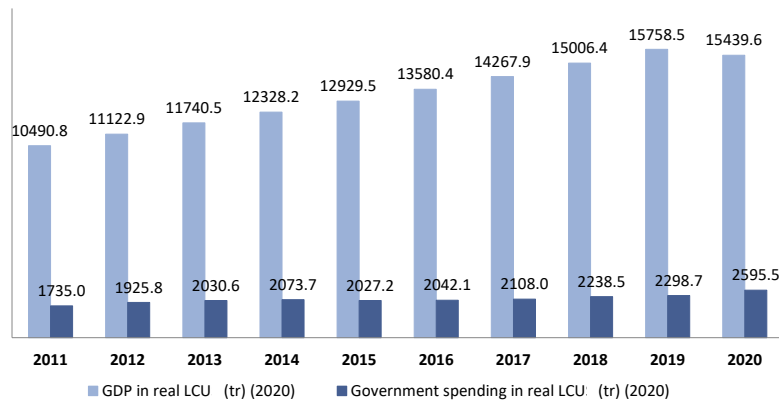
Indonesia’s 2020 defence budget was IDR127.4tr (US\$8.7bn) – a 19.4 per cent real increase on the 2020 defence budget in local currency terms. Despite COVID-19, the Indonesian National Armed Forces continued to fund its force modernisation program and conduct domestic and international training and exercises. The Indonesian Navy commissioned several new platforms, including its PC-40 patrol boats, landing platform docks and a new submarine, and completed several upgrades, including the installation of Dutch-designed weapons systems on its SIGMA-class guided missile frigates. The Indonesian Air Force introduced the first of its F-16A/B Block 15 aircraft with upgrades, enabling a 20-year service life extension.

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

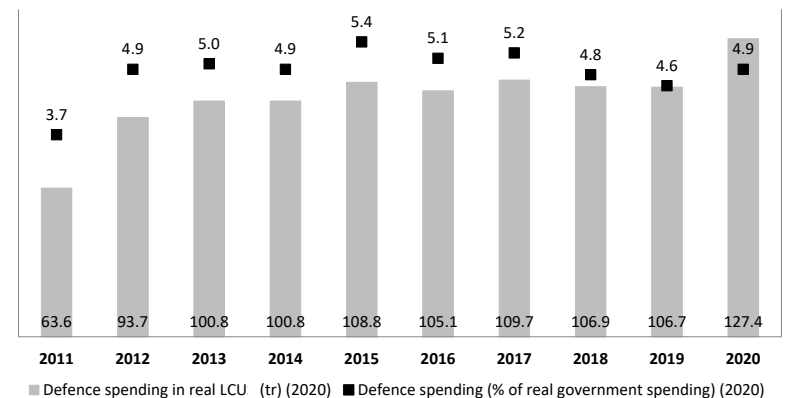


INDONESIA

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (tr)	47.5	72.5	82.0	86.4	96.9	95.9	104.4	105.7	107.2	127.4
Spending in real LCU (tr) (2020)	63.6	93.7	100.8	100.8	108.8	105.1	109.7	106.9	106.7	127.4
Spending in nominal US\$ (bn)	5.4	7.7	7.8	7.3	7.2	7.2	7.8	7.4	7.6	8.7
Spending in real and constant US\$ (bn) (2020)	4.4	6.4	6.9	6.9	7.5	7.2	7.5	7.3	7.3	8.7
Spending in real LCU – growth rate (%) (2020)	4.5	47.2	7.7	NEGL	7.9	-3.4	4.4	-2.5	-0.3	19.4
Spending (% of real GDP) (2020)	0.6	0.8	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.8
Spending (% of real government spending) (2020)	3.7	4.9	5.0	4.9	5.4	5.1	5.2	4.8	4.6	4.9
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	10490.8	11122.9	11740.5	12328.2	12929.5	13580.4	14267.9	15006.4	15758.5	15439.6
GDP in real US\$ (tr) (2020)	1.2	1.2	1.1	1.0	1.0	1.0	1.1	1.1	1.1	1.1
GDP in real LCU – growth rate (%) (2020)	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.2	5.0	-2.0
GDP in real US\$ – per capita (2020)	4870.1	4774.0	4475.3	4102.1	3775.6	3952.3	4092.0	4008.8	4199.2	3957.7
Government spending in real LCU (tr) (2020)	1735.0	1925.8	2030.6	2073.7	2027.2	2042.1	2108.0	2238.5	2298.7	2595.5
Population (m)	245.6	248.2	250.8	253.3	255.8	258.2	260.6	262.9	265.3	267.5
Inflation (%)	5.3	4.0	6.4	6.4	6.4	3.5	3.8	3.3	2.8	2.0



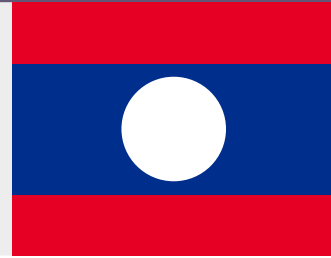
Real GDP and government spending in local currency



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

Capital City: Vientiane
Population: 7.3 million
Active armed forces: 29 100
Land size: 236 800 km sq
Currency: Lao Kip (LAK)

Fiscal year: 1 October – 30 September
Economy: Lower-middle income country with a centrally planned economy
Industries: Mining (metals and gypsum), timber, electric power, agricultural processing, rubber, construction, apparel, and tourism



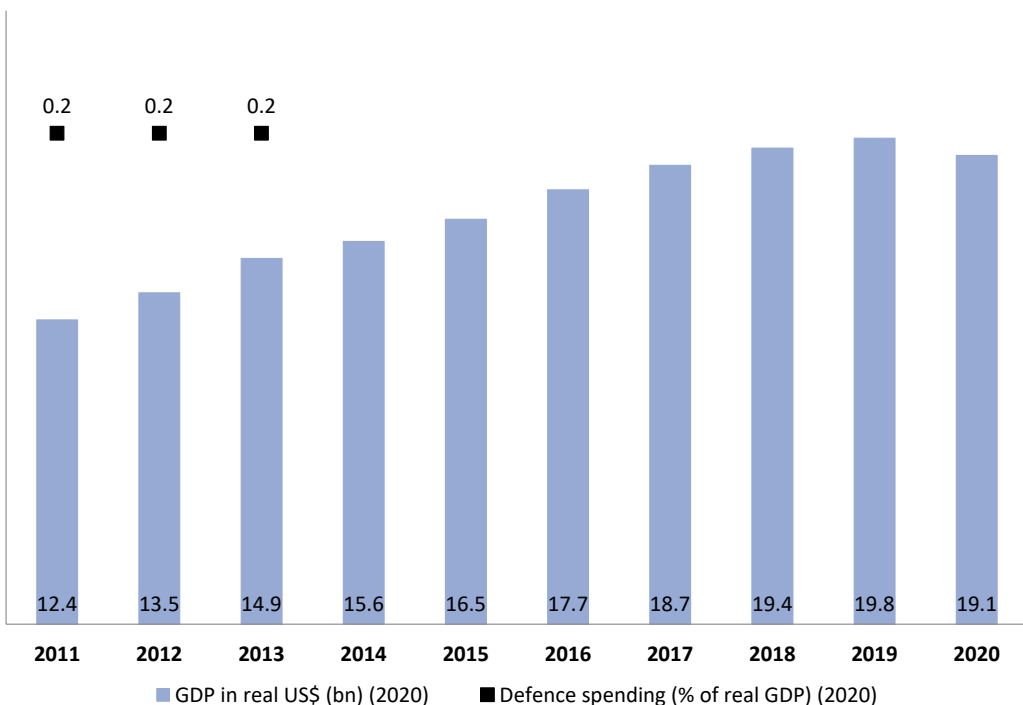
Economy

Over the past 10 years, Laos has averaged 6.5 per cent annual real economic growth in local currency terms. In 2020, the economy slowed to 0.5 per cent, driven by the COVID-19 economic downturn. But growth was supported by exports of goods and electricity to neighboring countries. Investment from China also increased. According to the EIU, Laos’s economy will continue to grow out to 2022 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

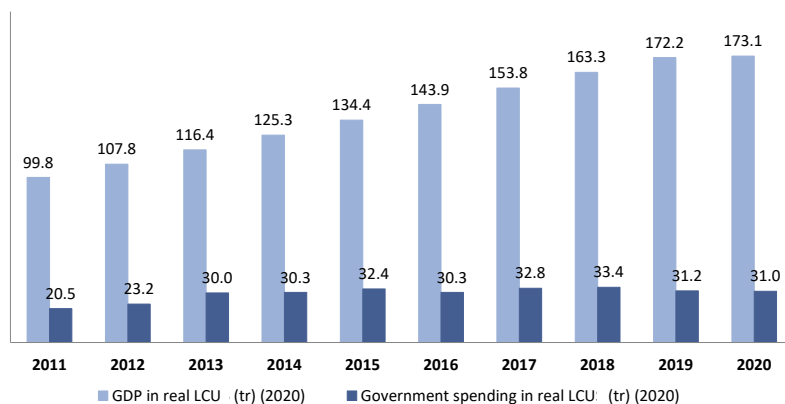
Laos has not officially announced a defence budget since financial year 2013. In 2020, the Lao People’s Army received its second batch of Russian T-72B White Eagle MBTs and Ilyushin armoured reconnaissance vehicles. Laos also sent observers to Ex COBRA GOLD, a multilateral exercise held by regional counterparts.

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

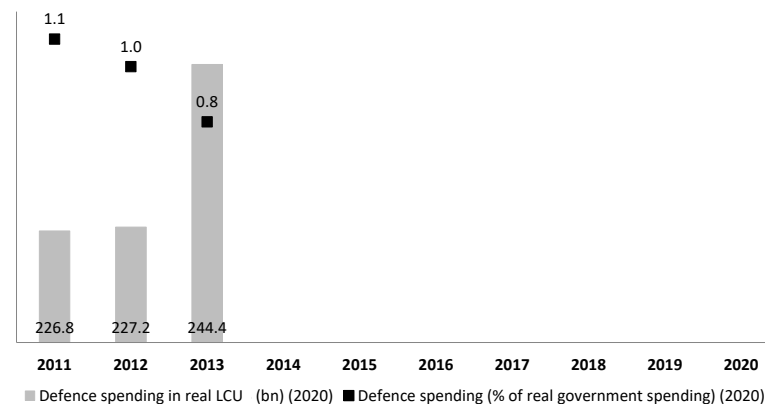


LAOS

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	159.7	172.0	197.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real LCU (bn) (2020)	226.8	227.2	244.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in nominal US\$ (m)	19.9	21.5	25.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real and constant US\$ (m) (2020)	25.1	25.1	27.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real LCU – growth rate (%) (2020)	-3.8	0.2	7.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real GDP) (2020)	0.2	0.2	0.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real government spending) (2020)	1.1	1.0	0.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	99.8	107.8	116.4	125.3	134.4	143.9	153.8	163.3	172.2	173.1
GDP in real US\$ (bn) (2020)	12.4	13.5	14.9	15.6	16.5	17.7	18.7	19.4	19.8	19.1
GDP in real LCU – growth rate (%) (2020)	8.0	8.0	8.0	7.6	7.2	7.1	6.9	6.2	5.4	0.5
GDP in real US\$ – per capita (2020)	1957.9	2089.2	2272.6	2346.6	2452.6	2586.6	2682.6	2753.4	2768.1	2630.2
Government spending in real LCU (tr) (2020)	20.5	23.2	30.0	30.3	32.4	30.3	32.8	33.4	31.2	31.0
Population (m)	6.3	6.4	6.5	6.6	6.7	6.8	7.0	7.1	7.2	7.3
Inflation (%)	7.6	4.3	6.4	4.1	1.3	1.6	0.8	2.0	3.3	5.1



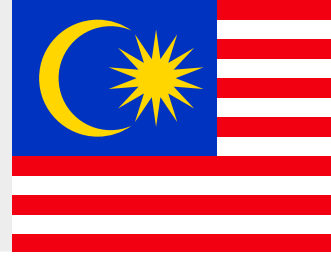
Real GDP and government spending in local currency



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

Capital City: Kuala Lumpur
Population: 31.9 million
Active armed forces: 113 000
Land size: 330 252 km sq
Currency: Malaysian Ringgit (MYR)

Fiscal year: 1 January – 31 December
Economy: Upper-middle income country with a market economy
Industries: Semiconductors, rubber and oil palm processing, oil and gas, light manufacturing, pharmaceuticals, and logging



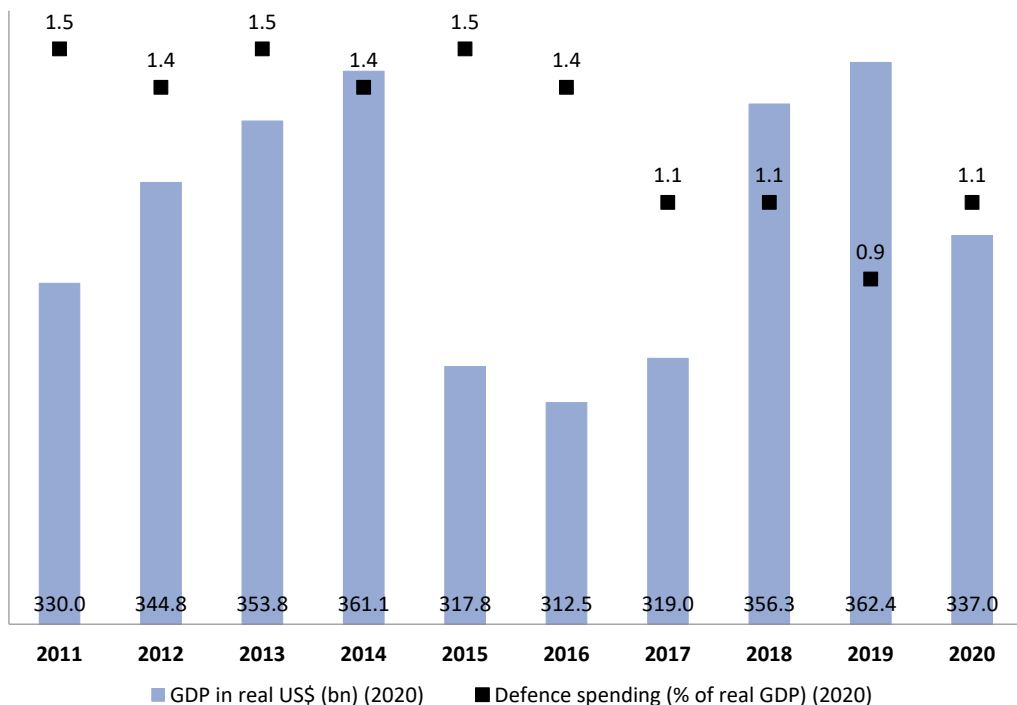
Economy

Over the past 10 years, Malaysia has averaged 4.0 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 5.6 per cent, driven by the COVID-19 economic downturn. Pandemic restrictions reduced private consumption, low hydrocarbons prices reduced export receipts, and investment expenditure dropped to levels not seen since the 1997 Asian financial crisis. According to the EIU, Malaysia's economy will average 7 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

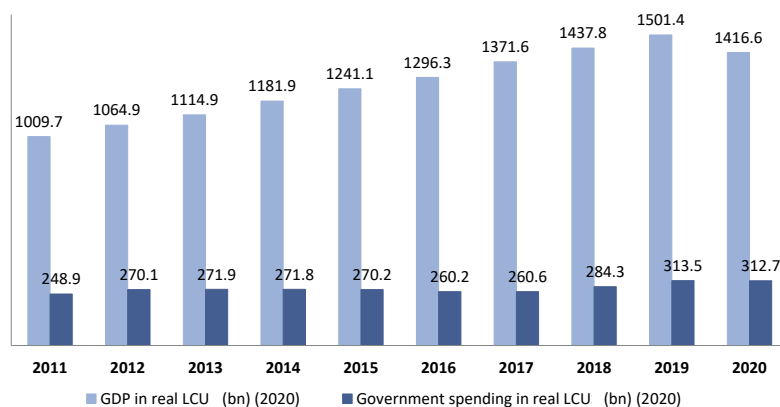
Malaysia's 2020 defence budget was MYR15.6bn (US\$3.7bn) – a 12.8 per cent real increase on the 2019 defence budget in local currency terms. In 2020, Malaysia received six ScanEagle UAVs donated by the US, commissioned the first of four Chinese-built littoral mission ships, and received the first six of eighteen 105 mm light towed artillery systems purchased from France. Malaysia also returned its second French-designed PERDANA-MENTERI-class submarine to service.

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

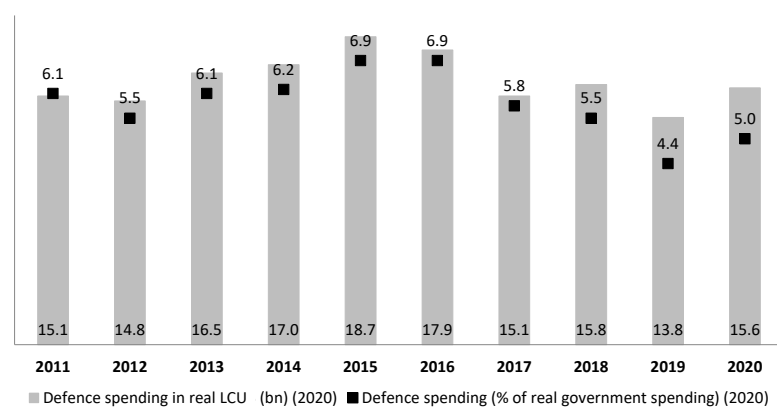


MALAYSIA

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	13.8	13.7	15.3	16.1	17.8	17.3	15.1	15.9	13.9	15.6
Spending in real LCU (bn) (2020)	15.1	14.8	16.5	17.0	18.7	17.9	15.1	15.8	13.8	15.6
Spending in nominal US\$ (bn)	4.5	4.4	4.8	4.9	4.5	4.2	3.5	3.9	3.4	3.7
Spending in real and constant US\$ (bn) (2020)	3.6	3.5	3.9	4.0	4.5	4.3	3.6	3.7	3.3	3.7
Spending in real LCU – growth rate (%) (2020)	19.1	-1.8	11.0	3.0	10.5	-4.2	-16.2	4.7	-12.3	12.8
Spending (% of real GDP) (2020)	1.5	1.4	1.5	1.4	1.5	1.4	1.1	1.1	0.9	1.1
Spending (% of real government spending) (2020)	6.1	5.5	6.1	6.2	6.9	6.9	5.8	5.5	4.4	5.0
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	1.0	1.1	1.1	1.2	1.2	1.3	1.4	1.4	1.5	1.4
GDP in real US\$ (bn) (2020)	330.0	344.8	353.8	361.1	317.8	312.5	319.0	356.3	362.4	337.0
GDP in real LCU – growth rate (%) (2020)	5.3	5.5	4.7	6.0	5.0	4.4	5.8	4.8	4.4	-5.6
GDP in real US\$ – per capita (2020)	11516.3	11860.8	12007.2	12090.8	10497.6	10183.7	10254.0	11301.3	11344.1	10412.4
Government spending in real LCU (bn) (2020)	248.9	270.1	271.9	271.8	270.2	260.2	260.6	284.3	313.5	312.7
Population (m)	28.7	29.1	29.5	29.9	30.3	30.7	31.1	31.5	31.9	32.4
Inflation (%)	3.2	1.7	2.1	3.1	2.1	2.1	3.8	1.0	0.7	-1.1



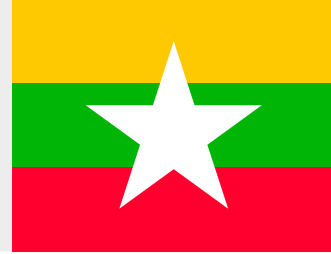
Real GDP and government spending in local currency



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

Capital City: Nay Pyi Taw
Population: 54.4 million
Active armed forces: 406 000
Land size: 676 563 km sq
Currency: Myanmar Kyat (MMK)

Fiscal year: 1 October – 30 September
Economy: Lower-middle income country with a market economy
Industries: Agricultural processing, wood processing, metals, cement, pharmaceuticals, oil and gas, apparel, and precious stones



Economy

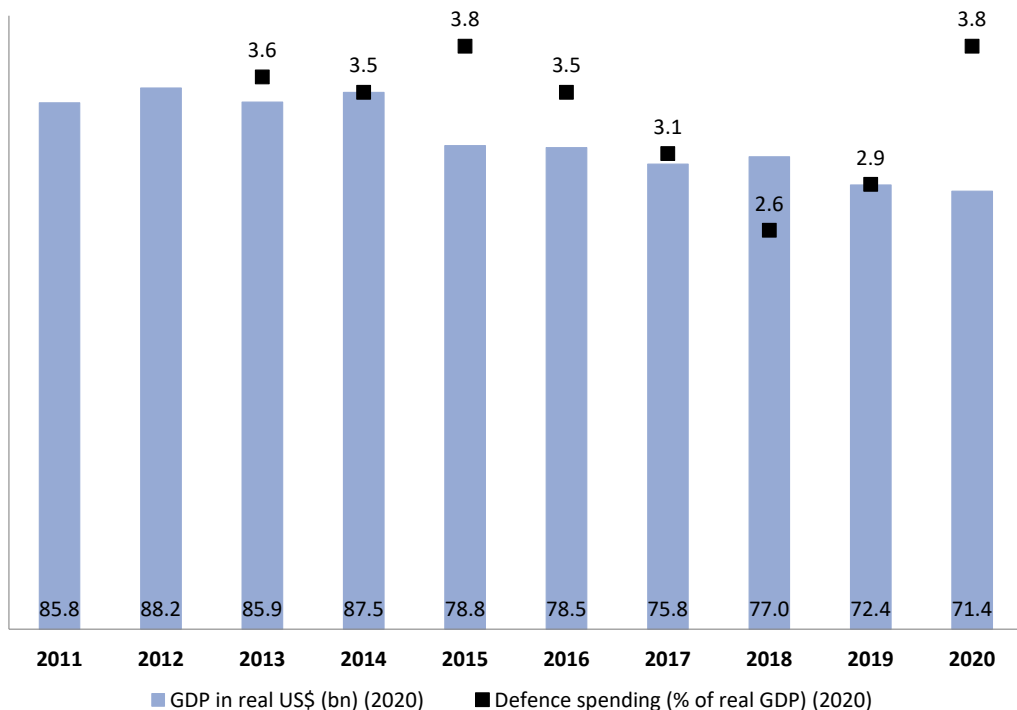
Over the past eight years*, Myanmar has averaged 3.2 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 10.3 per cent, driven by the COVID-19 economic downturn. Pandemic restrictions weakened investment and consumption and affected the labour supply in the manufacturing and retail sectors. According to the EIU, Myanmar’s economy is forecast to average 17 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic and political instability.

* Myanmar began a managed float of the Kyat in 2012. This limits comparability with figures prior to 2013.

Defence spending

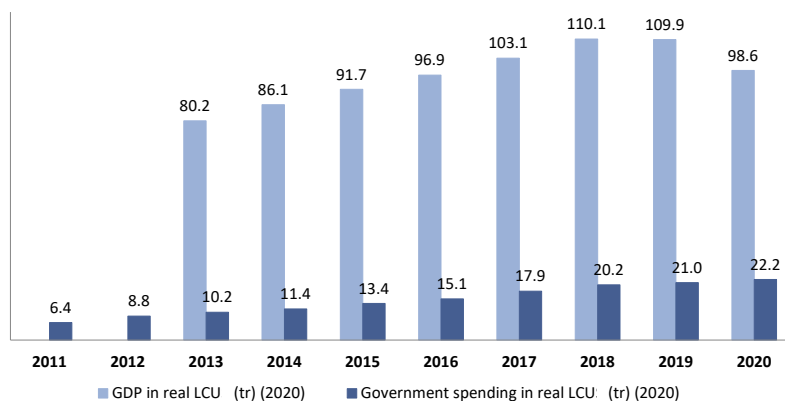
Myanmar’s 2020 defence budget was MMK3.7tr (US\$2.7bn) – a 15.4 per cent real increase on the 2019 defence budget in local currency terms. In 2020, the Myanmar navy commissioned its first submarine – a KILO class acquired from India – which was received in time to participate in annual fleet exercises. The army introduced 33 Russian-made armoured patrol cars into service and maintained its observer role at the annual multilateral exercise, Ex COBRA GOLD.

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

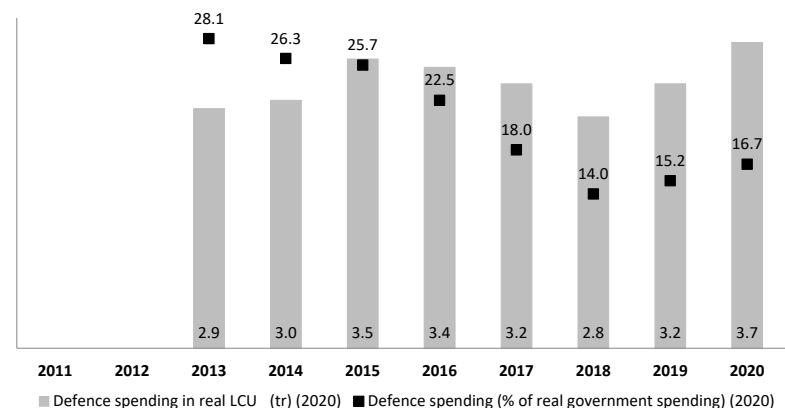


MYANMAR

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (tr)	N/A	N/A	2.2	2.4	2.8	2.9	2.9	2.7	3.4	3.7
Spending in real LCU (tr) (2020)	N/A	N/A	2.9	3.0	3.5	3.4	3.2	2.8	3.2	3.7
Spending in nominal US\$ (bn)	N/A	N/A	2.4	2.4	2.4	2.3	2.1	1.9	2.2	2.7
Spending in real and constant US\$ (bn) (2020)	N/A	N/A	2.1	2.2	2.5	2.5	2.3	2.0	2.3	2.7
Spending in real LCU – growth rate (%) (2020)	N/A	N/A	N/A	4.7	15.4	-1.7	-5.0	-12.6	13.5	15.4
Spending (% of real GDP) (2020)	N/A	N/A	3.6	3.5	3.8	3.5	3.1	2.6	2.9	3.8
Spending (% of real government spending) (2020)	N/A	N/A	28.1	26.3	25.7	22.5	18.0	14.0	15.2	16.7
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	N/A	N/A	80.2	86.1	91.7	96.9	103.1	110.1	109.9	98.6
GDP in real US\$ (bn) (2020)	85.8	88.2	85.9	87.5	78.8	78.5	75.8	77.0	72.4	71.4
GDP in real LCU – growth rate (%) (2020)	N/A	N/A	41.9	7.5	6.4	5.8	6.4	6.8	-0.2	-10.3
GDP in real US\$ – per capita (2020)	1683.2	1715.1	1655.9	1674.0	1496.7	1479.9	1420.0	1433.9	1339.4	1311.5
Government spending in real LCU (tr) (2020)	6.4	8.8	10.2	11.4	13.4	15.1	17.9	20.2	21.0	22.2
Population (m)	51.0	51.4	51.9	52.3	52.7	53.0	53.4	53.7	54.0	54.4
Inflation (%)	5.0	1.5	5.6	5.0	9.5	6.9	4.6	6.9	8.8	3.8



Real GDP and government spending in local currency



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

Capital City: Manila

Population: 109.6 million

Active armed forces: 143 100

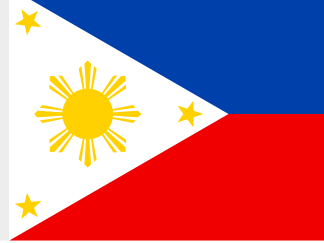
Land size: 300 179 km sq

Currency: Philippine Peso (PHP)

Fiscal year: 1 January – 31 December

Economy: Lower-middle income country with a market economy

Industries: Semiconductor assembly, outsourcing services, food and beverages, electronic products, fuel, apparel, and minerals



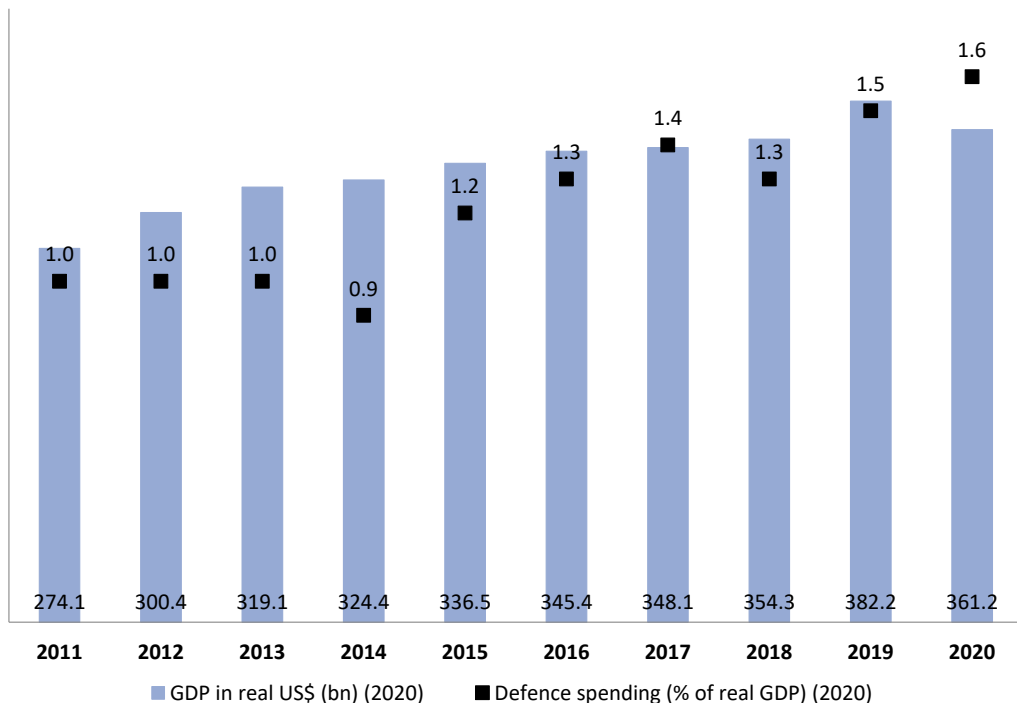
Economy

Over the past 10 years, the Philippines has averaged 4.7 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 9.5 per cent – its first recession in 29 years – driven by the COVID-19 economic downturn. Pandemic restrictions reduced remittance flows from overseas Filipino workers and increased unemployment in the domestic services sectors. According to the EIU, the Philippine economy is forecast to average 6 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

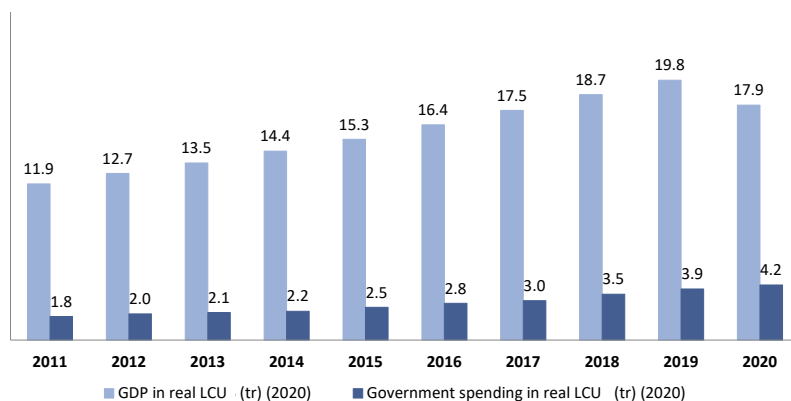
The Philippines' 2020 defence budget was PHP289.4bn (US\$5.8bn) – a negligible real decrease on the 2019 defence budget in local currency terms. Manila purchased six Embraer training aircraft from Brazil, and obtained a Gulfstream G280 aircraft and six Black Hawk combat helicopters from the US. The navy's second South Korean frigate entered service in July 2020. Procurement of UAVs from Israel and two Hercules aircraft from the US continues.

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

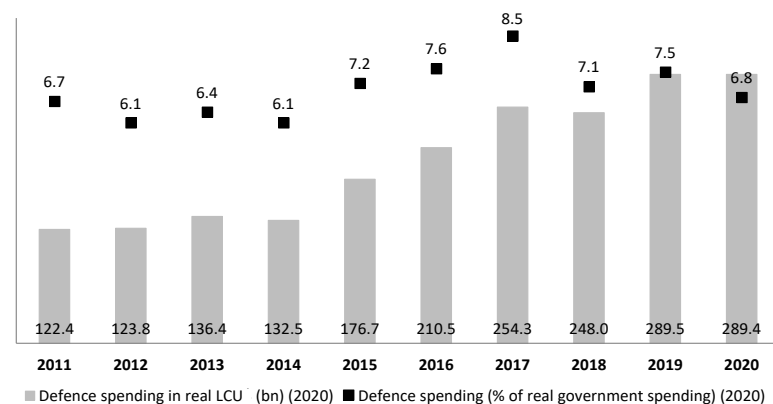


PHILIPPINES

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	104.5	107.8	121.2	121.4	160.7	193.8	239.6	242.4	284.9	289.4
Spending in real LCU (bn) (2020)	122.4	123.8	136.4	132.5	176.7	210.5	254.3	248.0	289.5	289.4
Spending in nominal US\$ (bn)	2.4	2.6	2.9	2.7	3.5	4.1	4.8	4.6	5.5	5.8
Spending in real and constant US\$ (bn) (2020)	2.5	2.5	2.7	2.7	3.6	4.2	5.1	5.0	5.8	5.8
Spending in real LCU – growth rate (%) (2020)	10.4	1.2	10.2	-2.9	33.3	19.1	20.8	-2.5	16.7	NEGL
Spending (% of real GDP) (2020)	1.0	1.0	1.0	0.9	1.2	1.3	1.4	1.3	1.5	1.6
Spending (% of real government spending) (2020)	6.7	6.1	6.4	6.1	7.2	7.6	8.5	7.1	7.5	6.8
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	11.9	12.7	13.5	14.4	15.3	16.4	17.5	18.7	19.8	17.9
GDP in real US\$ (bn) (2020)	274.1	300.4	319.1	324.4	336.5	345.4	348.1	354.3	382.2	361.2
GDP in real LCU – growth rate (%) (2020)	3.8	6.9	6.8	6.3	6.3	7.1	6.9	6.3	6.1	-9.5
GDP in real US\$ – per capita (2020)	2868.0	3090.5	3227.6	3227.0	3295.2	3332.1	3309.5	3321.7	3535.2	3295.8
Government spending in real LCU (tr) (2020)	1.8	2.0	2.1	2.2	2.5	2.8	3.0	3.5	3.9	4.2
Population (m)	95.6	97.2	98.9	100.5	102.1	103.7	105.2	106.7	108.1	109.6
Inflation (%)	4.7	3.2	2.9	4.2	1.4	1.8	2.9	5.3	2.5	2.6



Real GDP and government spending in local currency



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

Capital City: Singapore

Population: 5.7 million

Active armed forces: 51 000

Land sizes: 710 km sq

Currency: Singapore Dollar (SGD)

Fiscal year: 1 April – 31 March

Economy: High-income country with a market economy

Industries: Electronics, chemicals, financial services, oil drilling equipment and refining, biomedical, food and beverages, and ships



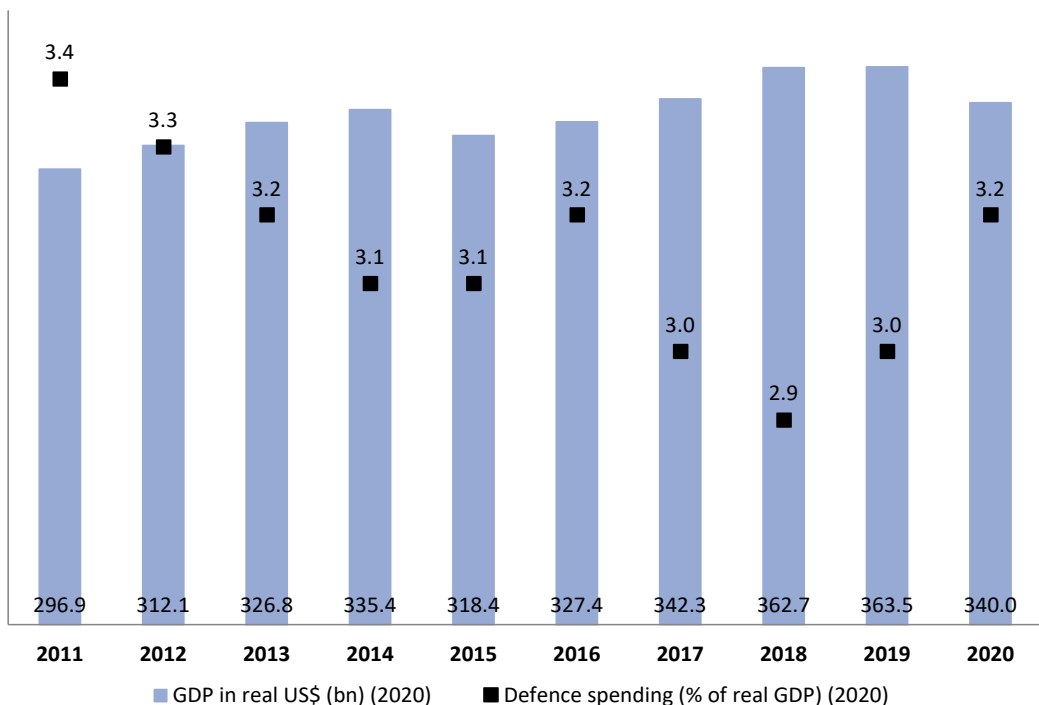
Economy

Over the past 10 years, Singapore has averaged 3.0 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 5.4 per cent, driven by the COVID-19 economic downturn. Pandemic restrictions affected the construction industry, and the financial services and logistics sectors contracted as investment slowed, which built on slow growth in 2019. According to the EIU, Singapore's economy will average 4 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

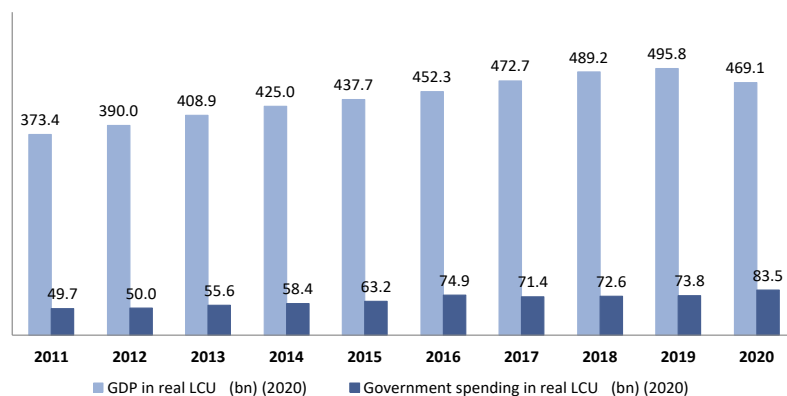
Singapore's 2020 defence budget was SGD15.1bn (US\$10.9bn) – a 0.5 per cent real increase on the 2019 defence budget in local currency terms. Disruption to the national budget and international supply chains delayed delivery of several key new pieces of equipment. These included Airbus H225M medium-life helicopters and Boeing CH-47F Chinook heavy-lift helicopters, which were scheduled for delivery in 2021. Singapore's first INVINCIBLE-class submarine has also been delayed to 2022. Four F-35B fighter aircraft are on track for delivery in 2026.

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

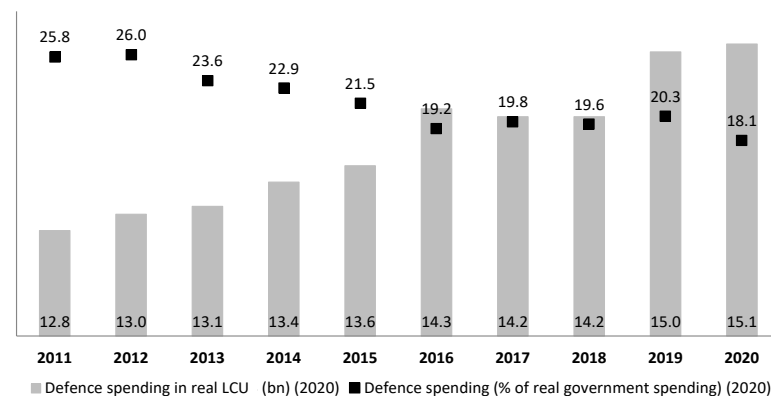


SINGAPORE

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	12.1	12.3	12.3	12.6	13.1	14.0	14.2	14.8	15.5	15.1
Spending in real LCU (bn) (2020)	12.8	13.0	13.1	13.4	13.6	14.3	14.2	14.2	15.0	15.1
Spending in nominal US\$ (bn)	9.6	9.8	9.9	9.9	9.5	10.1	10.3	10.9	11.3	10.9
Spending in real and constant US\$ (bn) (2020)	9.3	9.4	9.5	9.7	9.8	10.4	10.3	10.3	10.9	10.9
Spending in real LCU – growth rate (%) (2020)	4.3	1.2	0.9	2.1	1.3	5.8	-1.3	0.5	5.4	0.5
Spending (% of real GDP) (2020)	3.4	3.3	3.2	3.1	3.1	3.2	3.0	2.9	3.0	3.2
Spending (% of real government spending) (2020)	25.8	26.0	23.6	22.9	21.5	19.2	19.8	19.6	20.3	18.1
Gross domestic product (GDP)										
GDP in real LCU (bn) (2020)	373.4	390.0	408.9	425.0	437.7	452.3	472.7	489.2	495.8	469.1
GDP in real US\$ (bn) (2020)	296.9	312.1	326.8	335.4	318.4	327.4	342.3	362.7	363.5	340.0
GDP in real LCU – growth rate (%) (2020)	6.3	4.5	4.8	3.9	3.0	3.3	4.5	3.5	1.3	-5.4
GDP in real US\$ – per capita (2020)	57266.2	58749.1	60523.7	61322.6	57518.5	58380.9	60993.4	64326.1	63725.9	59796.3
Government spending in real LCU (bn) (2020)	49.7	50.0	55.6	58.4	63.2	74.9	71.4	72.6	73.8	83.5
Population (m)	5.2	5.3	5.4	5.5	5.5	5.6	5.6	5.6	5.7	5.7
Inflation (%)	5.2	4.6	2.4	1.0	-0.5	-0.5	0.6	0.4	0.6	-0.2



Real GDP and government spending in local currency



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

Capital City: Bangkok

Population: 69.8 million

Active armed forces: 360 850

Land size: 514 000 km sq

Currency: Thai Baht (THB)

Fiscal year: 1 October – 30 September

Economy: Upper-middle income country with a market economy

Industries: Tourism, apparel, agricultural and oil processing, beverages and tobacco, light manufacturing, ceramics, rice, tungsten and tin

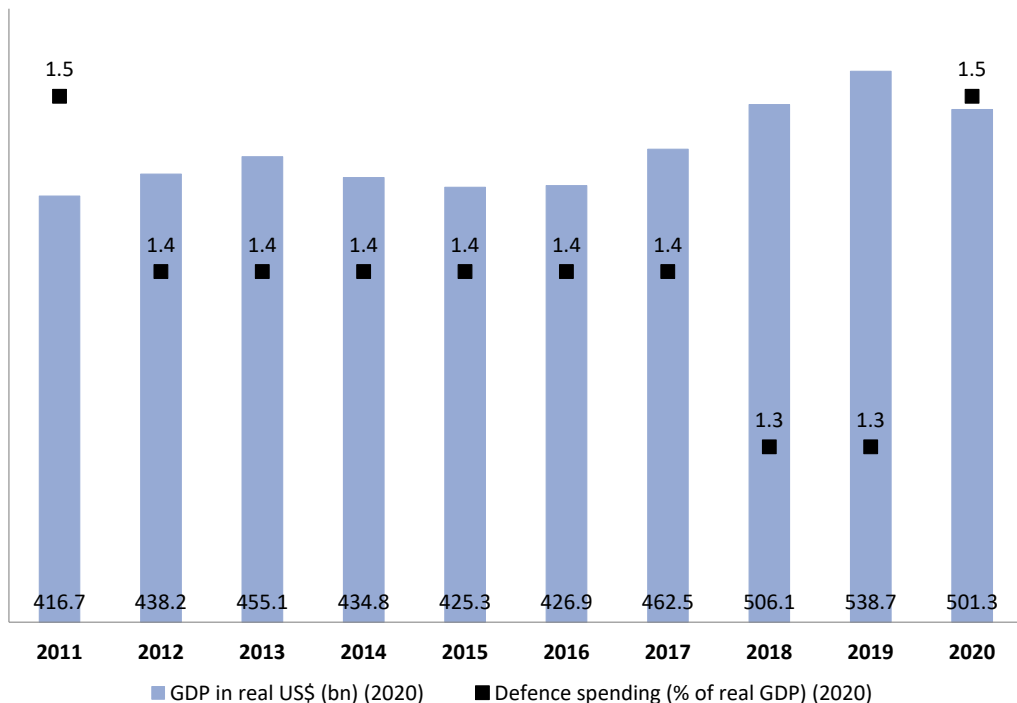
Economy

Over the past 10 years, Thailand has averaged 2.3 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 6.2 per cent driven by the COVID-19 economic downturn. Pandemic restrictions drove a decline in exports and domestic consumption, which built on slow growth in 2019. According to the EIU, Thailand's economy will average 5 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

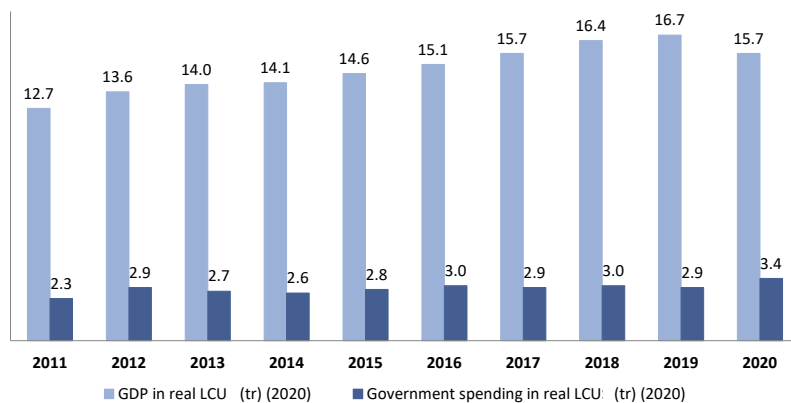
Thailand's 2020 defence budget was THB231.7bn (US\$7.4bn) – a 3.1 per cent real increase on the 2019 defence budget in local currency terms. In 2020, Bangkok delayed payments for two Chinese diesel-electric submarines. Thailand also ordered twelve training aircraft from Australia, mobile radar systems from Germany, military trucks from India and three Chinese amphibious assault vehicles. Local shipbuilder Marsun delivered two new naval patrol boats.

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

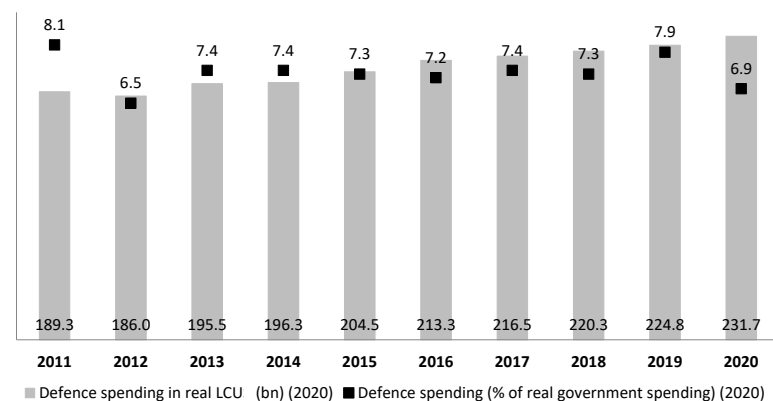


THAILAND

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	168.5	168.7	180.5	183.8	192.9	206.5	213.5	220.5	227.1	231.7
Spending in real LCU (bn) (2020)	189.3	186.0	195.5	196.3	204.5	213.3	216.5	220.3	224.8	231.7
Spending in nominal US\$ (bn)	5.5	5.4	5.9	5.7	5.6	5.8	6.3	6.8	7.3	7.4
Spending in real and constant US\$ (bn) (2020)	6.1	5.9	6.2	6.3	6.5	6.8	6.9	7.0	7.2	7.4
Spending in real LCU – growth rate (%) (2020)	5.5	-1.8	5.1	0.4	4.2	4.3	1.5	1.8	2.0	3.1
Spending (% of real GDP) (2020)	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.5
Spending (% of real government spending) (2020)	8.1	6.5	7.4	7.4	7.3	7.2	7.4	7.3	7.9	6.9
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	12.7	13.6	14.0	14.1	14.6	15.1	15.7	16.4	16.7	15.7
GDP in real US\$ (bn) (2020)	416.7	438.2	455.1	434.8	425.3	426.9	462.5	506.1	538.7	501.3
GDP in real LCU – growth rate (%) (2020)	0.9	7.2	2.7	1.0	3.1	3.4	4.2	4.2	2.3	-6.2
GDP in real US\$ – per capita (2020)	6172.2	6460.1	6679.1	6353.5	6190.0	6189.6	6683.2	7289.9	7737.2	7182.4
Government spending in real LCU (tr) (2020)	2.3	2.9	2.7	2.6	2.8	3.0	2.9	3.0	2.9	3.4
Population (m)	67.5	67.8	68.1	68.4	68.7	69.0	69.2	69.4	69.6	69.8
Inflation (%)	3.8	3.0	2.2	1.9	-0.9	0.2	0.7	1.1	0.7	-0.8



Real GDP and government spending in local currency



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

Capital City: Dili
Population 1.4: million
Active armed forces: 2 280
Land size: 14 609 km sq
Currency: US Dollar (US\$)

Fiscal year: 1 January – 31 December
Economy: Lower-middle income country with a market economy
Industries: Printing, soap manufacturing, agricultural products, handicrafts and woven cloth



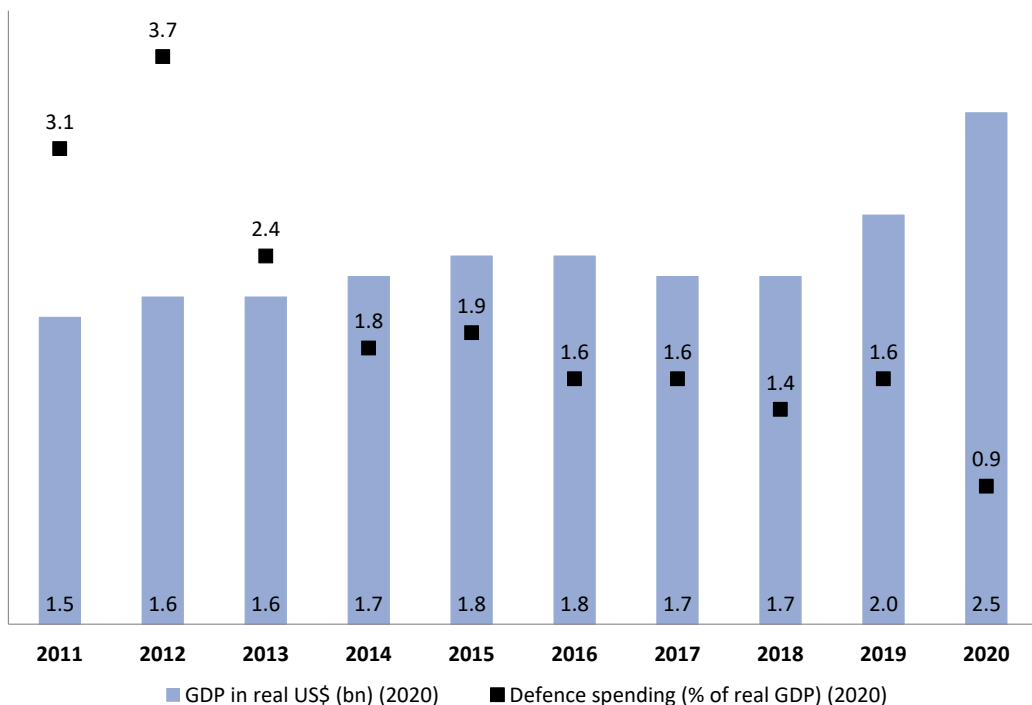
Economy

Over the past 10 years, Timor-Leste has averaged 6.0 per cent annual real economic growth in local currency terms. In 2020, the economy grew by 22 per cent in real terms, although pandemic restrictions constrained labour mobility and weakened hydrocarbon exports. According to the EIU, Timor-Leste's economy will continue to grow out to 2023 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

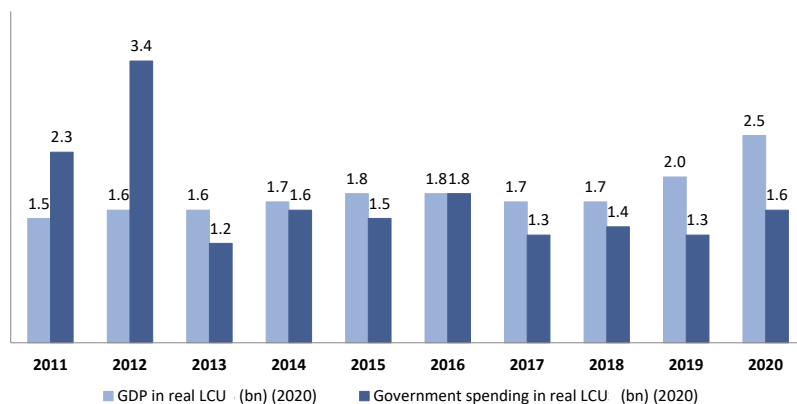
Timor-Leste's 2020 defence budget was US\$21.5m – a 33.3 per cent real decrease on the 2019 defence budget in local currency terms. Timor-Leste's national defence force, the F-FDTL (Falintil, Forças de Defesa de Timor Leste), cooperated with Australia, the US and Japan in the annual logistics and infrastructure development Ex HARI'I HAMUTUK.

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

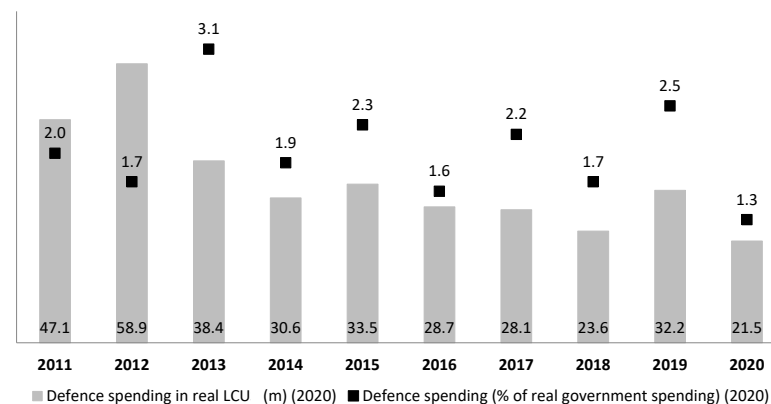


TIMOR-LESTE

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (m)	33.0	42.4	32.9	26.0	30.5	26.2	25.9	21.4	31.9	21.5
Spending in real LCU (m) (2020)	47.1	58.9	38.4	30.6	33.5	28.7	28.1	23.6	32.2	21.5
Spending in nominal US\$ (m)	33.0	42.4	32.9	26.0	30.5	26.2	25.9	21.4	31.9	21.5
Spending in real and constant US\$ (m) (2020)	47.1	58.9	38.4	30.6	33.5	28.7	28.1	23.6	32.2	21.5
Spending in real LCU – growth rate (%) (2020)	-5.1	25.1	-34.9	-20.2	9.6	-14.3	-2.2	-16.0	36.6	-33.3
Spending (% of real GDP) (2020)	3.1	3.7	2.4	1.8	1.9	1.6	1.6	1.4	1.6	0.9
Spending (% of real government spending) (2020)	2.0	1.7	3.1	1.9	2.3	1.6	2.2	1.7	2.5	1.3
Gross domestic product (GDP)										
GDP in real LCU (bn) (2020)	1.5	1.6	1.6	1.7	1.8	1.8	1.7	1.7	2.0	2.5
GDP in real US\$ (bn) (2020)	1.5	1.6	1.6	1.7	1.8	1.8	1.7	1.7	2.0	2.5
GDP in real LCU – growth rate (%) (2020)	5.8	6.0	2.1	4.5	2.9	3.4	-4.1	-1.1	18.7	22.0
GDP in real US\$ – per capita (2020)	1351.1	1407.2	1412.1	1448.5	1463.3	1484.0	1395.6	1353.7	1576.1	1886.2
Government spending in real LCU (bn) (2020)	2.3	3.4	1.2	1.6	1.5	1.8	1.3	1.4	1.3	1.6
Population (m)	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3
Inflation (%)	13.5	11.8	11.0	0.8	0.7	-1.5	0.5	2.3	1.0	0.4



Real GDP and government spending in local currency



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

Capital City: Hanoi
Population: 96.5 million
Active armed forces: 482 000
Land sizes: 331 051 km sq
Currency: Vietnamese Dong (VND)

Fiscal year: 1 January – 31 December
Economy: Lower-middle income country with a centrally planned economy
Industries: Food processing, apparel, machine building, mining, coal, steel, cement, fertiliser, glass, tires, oil and mobile phones



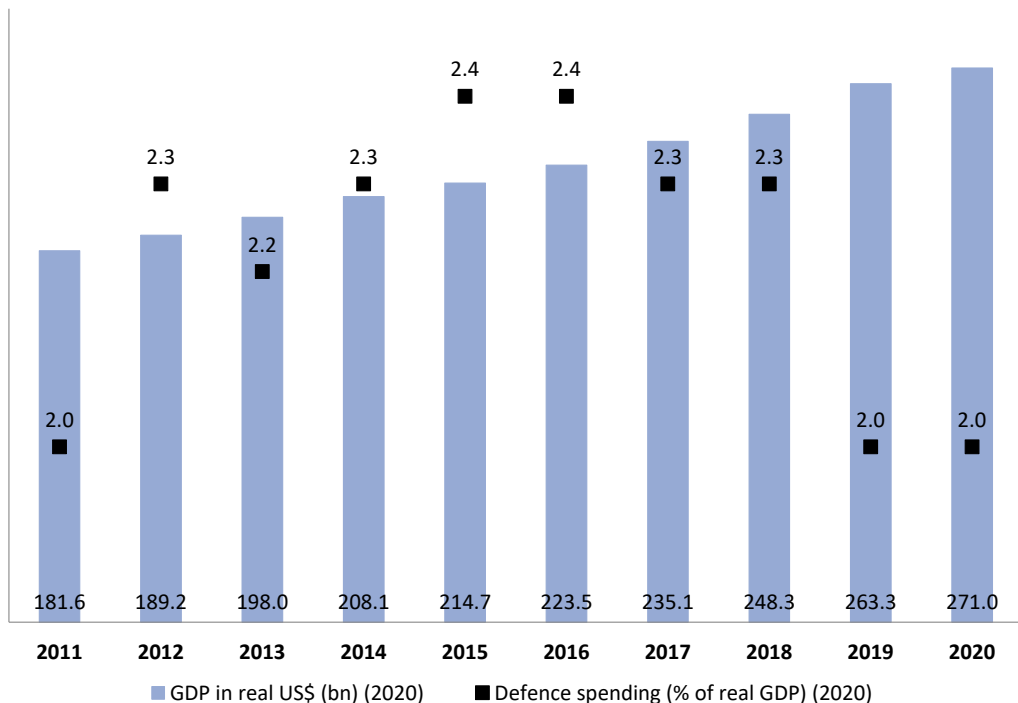
Economy

Over the past 10 years, Vietnam has averaged 6.0 per cent annual real economic growth in local currency terms. In 2020, the economy slowed to 2.9 per cent, driven by the COVID-19 economic downturn. Pandemic restrictions affected the manufacturing and tourism sectors and drove a rise in unemployment. According to the EIU, Vietnam's economy will average 10 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

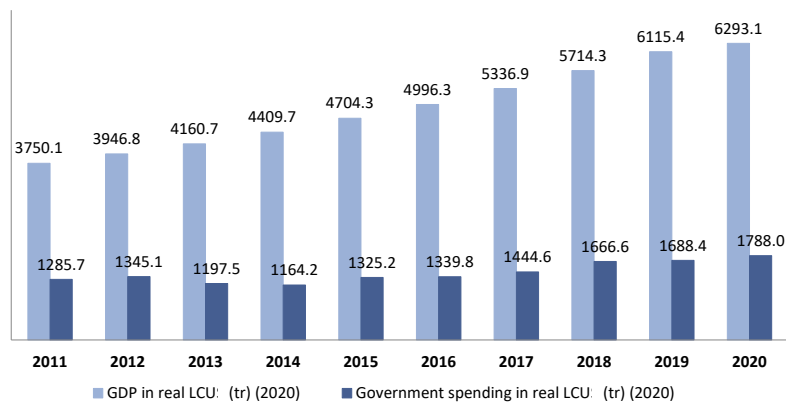
Defence spending

Vietnam's 2020 defence budget was VND127.6tr (US\$5.5bn) – a 6.4 per cent real increase on the 2019 defence budget in local currency terms. Hanoi continued to support the growth of sovereign military-industrial capacity, producing Vietnam's third tank-landing naval vessel.

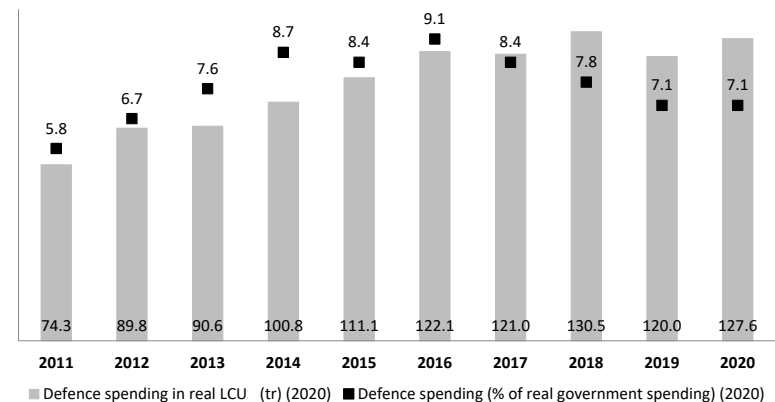
GDP in real US\$ and defence spending as a percentage of real GDP



VIETNAM										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (tr)	55.1	73.9	78.0	90.0	99.0	110.0	113.5	126.6	118.4	127.6
Spending in real LCU (tr) (2020)	74.3	89.8	90.6	100.8	111.1	122.1	121.0	130.5	120.0	127.6
Spending in nominal US\$ (bn)	2.7	3.5	3.7	4.2	4.5	4.9	5.0	5.5	5.1	5.5
Spending in real and constant US\$ (bn) (2020)	3.2	3.9	3.9	4.3	4.8	5.3	5.2	5.6	5.2	5.5
Spending in real LCU – growth rate (%) (2020)	-8.6	20.9	0.8	11.3	10.2	9.9	-0.8	7.9	-8.1	6.4
Spending (% of real GDP) (2020)	2.0	2.3	2.2	2.3	2.4	2.4	2.3	2.3	2.0	2.0
Spending (% of real government spending) (2020)	5.8	6.7	7.6	8.7	8.4	9.1	8.4	7.8	7.1	7.1
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	3750.1	3946.8	4160.7	4409.7	4704.3	4996.3	5336.9	5714.3	6115.4	6293.1
GDP in real US\$ (bn) (2020)	181.6	189.2	198.0	208.1	214.7	223.5	235.1	248.3	263.3	271.0
GDP in real LCU – growth rate (%) (2020)	6.2	5.2	5.4	6.0	6.7	6.2	6.8	7.1	7.0	2.9
GDP in real US\$ – per capita (2020)	2043.6	2107.0	2181.4	2269.1	2316.9	2386.8	2484.7	2598.9	2729.8	2784.0
Government spending in real LCU (tr) (2020)	1285.7	1345.1	1197.5	1164.2	1325.2	1339.8	1444.6	1666.6	1688.4	1788.0
Population (m)	88.9	89.8	90.8	91.7	92.7	93.6	94.6	95.5	96.5	97.3
Inflation (%)	18.7	9.1	6.6	4.1	0.6	2.7	3.5	3.5	2.8	3.2



Real GDP and government spending in local currency



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

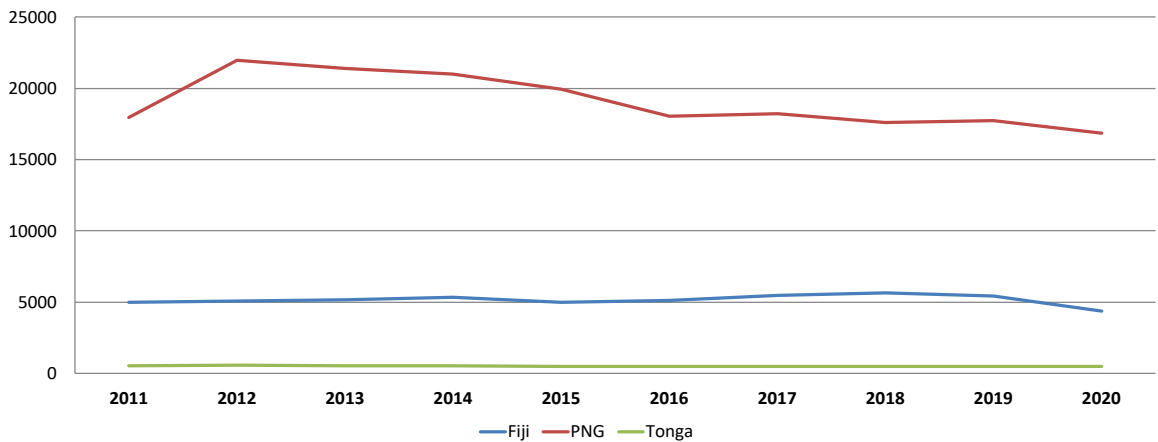
Regional economy

Real economic growth in major South Pacific economies contracted by 7.9 per cent in 2020 due to the COVID-19 pandemic. The South Pacific is characterised by small economies reliant on remittances, tourism and commodity exports – all of which were disrupted by pandemic restrictions. Economic conditions were exacerbated by natural disasters during the pandemic.

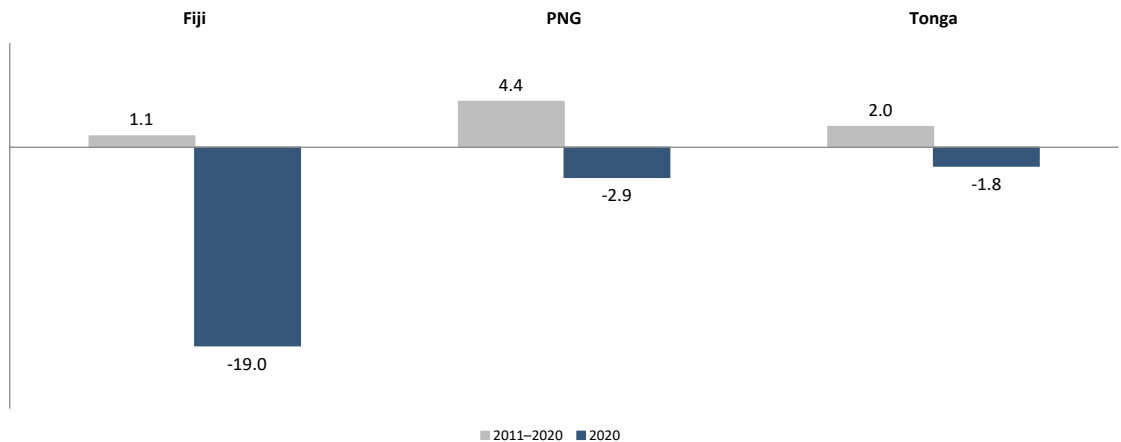
Defence spending

South Pacific military expenditure as a percentage of real GDP averaged about 1.2 per cent in 2020. Many countries continue to rely on foreign partners for military acquisitions and support. Many training and defence engagement activities were paused due to pandemic restrictions.

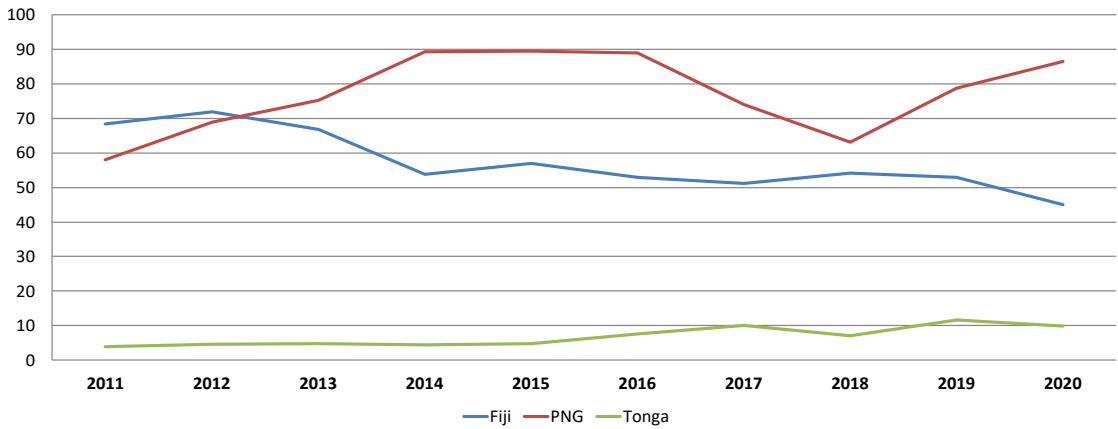
GDP in real US\$ (m) (2020)



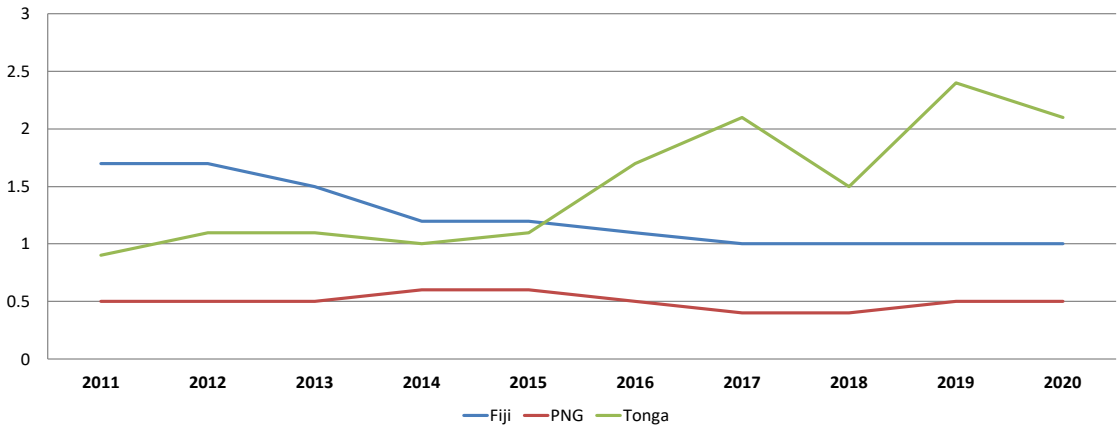
GDP in real LCU – growth rate (%)



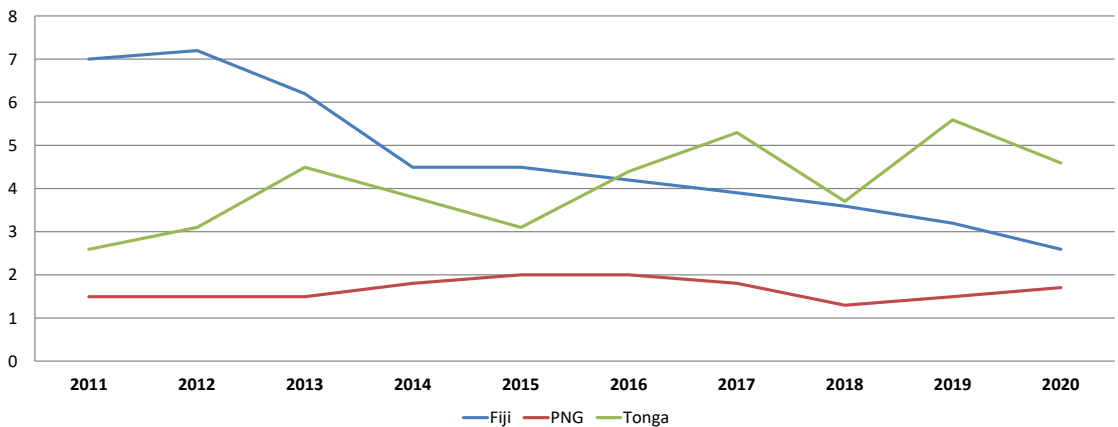
Defence spending in real and constant US\$ (m) (2020)



Defence spending (% of real GDP)



Defence spending (% of real government spending)



Capital City: Suva
Population: 0.9 million
Active armed forces: 3500
Land size: 18 333 km sq
Currency: Fijian Dollar (FJD)

Fiscal year: 1 August – 31 July
Economy: Upper-middle income country with a market economy
Industries: Tourism, sugar processing, clothing, copra, gold, silver and lumber



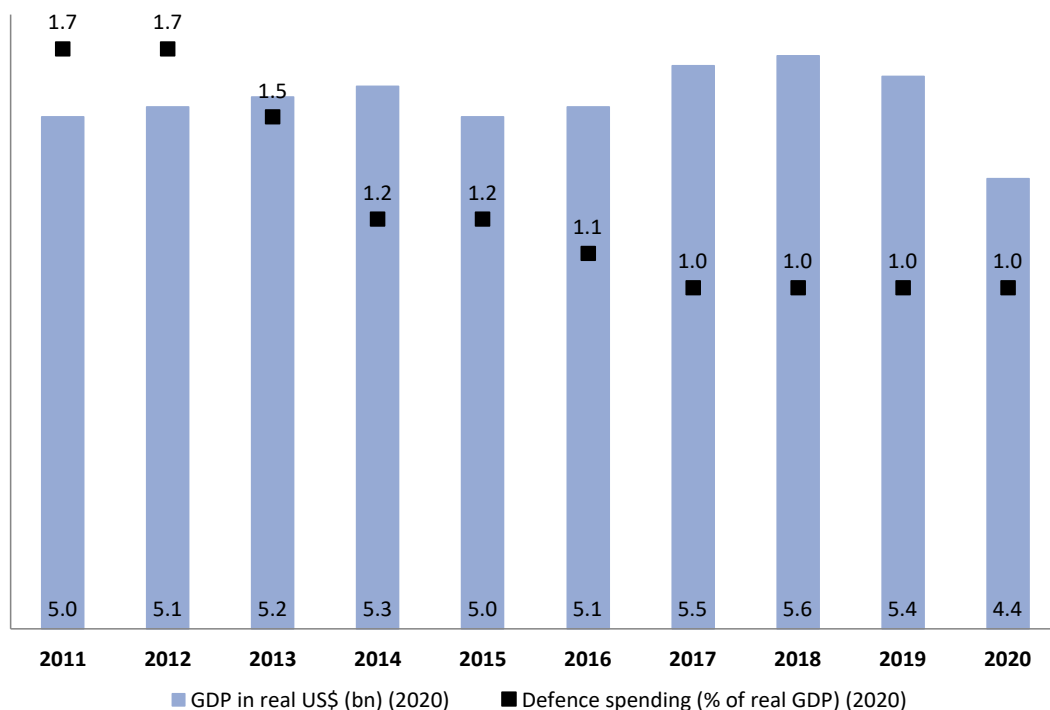
Economy

Over the past 10 years, Fiji has averaged 1.1 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 19.0 per cent, driven by the COVID-19 economic downturn. Tourism is a significant driver of the Fijian economy and pandemic restrictions drove a major decline in this sector, building on slow growth in 2019. According to the EIU, Fiji's economy will start to recover out to 2022 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

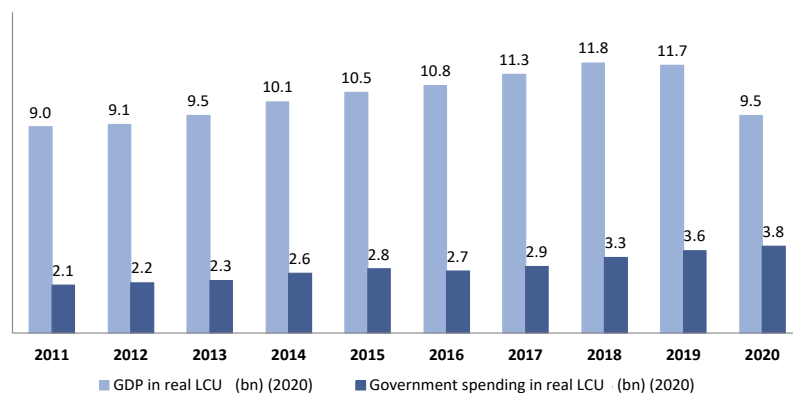
Defence spending

Fiji's 2020 defence budget was FJD97.6m (US\$45m) – a 15 per cent real decrease on the 2019 defence budget in local currency terms. The RFMF's major partners are Australia, New Zealand and China. In 2020, China donated 47 military vehicles, including ambulances and logistics trucks.

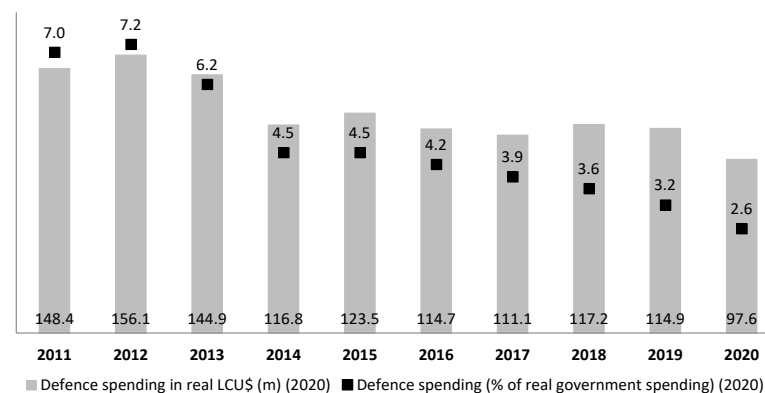
GDP in real US\$ and defence spending as a percentage of real GDP



FIJI										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (m)	112.0	122.1	117.4	106.5	115.4	110.1	108.4	116.0	116.4	97.6
Spending in real LCU (m) (2020)	148.4	156.1	144.9	116.8	123.5	114.7	111.1	117.2	114.9	97.6
Spending in nominal US\$ (m)	62.5	68.2	63.8	56.4	55.0	52.5	52.5	55.6	53.9	45.0
Spending in real and constant US\$ (m) (2020)	68.4	72.0	66.8	53.9	56.9	52.9	51.2	54.1	53.0	45.0
Spending in real LCU – growth rate (%) (2020)	-17.4	5.2	-7.1	-19.4	5.7	-7.1	-3.2	5.5	-2.0	-15.0
Spending (% of real GDP) (2020)	1.7	1.7	1.5	1.2	1.2	1.1	1.0	1.0	1.0	1.0
Spending (% of real government spending) (2020)	7.0	7.2	6.2	4.5	4.5	4.2	3.9	3.6	3.2	2.6
Gross domestic product (GDP)										
GDP in real LCU (bn) (2020)	9.0	9.1	9.5	10.1	10.5	10.8	11.3	11.8	11.7	9.5
GDP in real US\$ (bn) (2020)	5.0	5.1	5.2	5.3	5.0	5.1	5.5	5.6	5.4	4.4
GDP in real LCU – growth rate (%) (2020)	2.7	1.4	4.7	5.6	4.5	2.4	5.3	3.8	-0.4	-19.0
GDP in real US\$ – per capita (2020)	5821.2	5838.7	5943.9	6124.3	5758.5	5907.4	6234.1	6408.8	6095.7	4862.2
Government spending in real LCU (bn) (2020)	2.1	2.2	2.3	2.6	2.8	2.7	2.9	3.3	3.6	3.8
Population (m)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Inflation (%)	7.3	3.4	2.9	0.5	1.4	3.9	3.3	4.1	1.8	-2.6



Real GDP and government spending in local currency



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

Capital City: Port Moresby
Population: 8.9 million
Active armed forces: 3200
Land size: 462 840 km sq
Currency: PNG Kina (PGK)

Fiscal year: 1 January – 31 December
Economy: Lower-middle income country with a market economy
Industries: Copra crushing, palm oil and wood processing, mining (gold, silver, copper), oil and gas, construction, and agricultural products



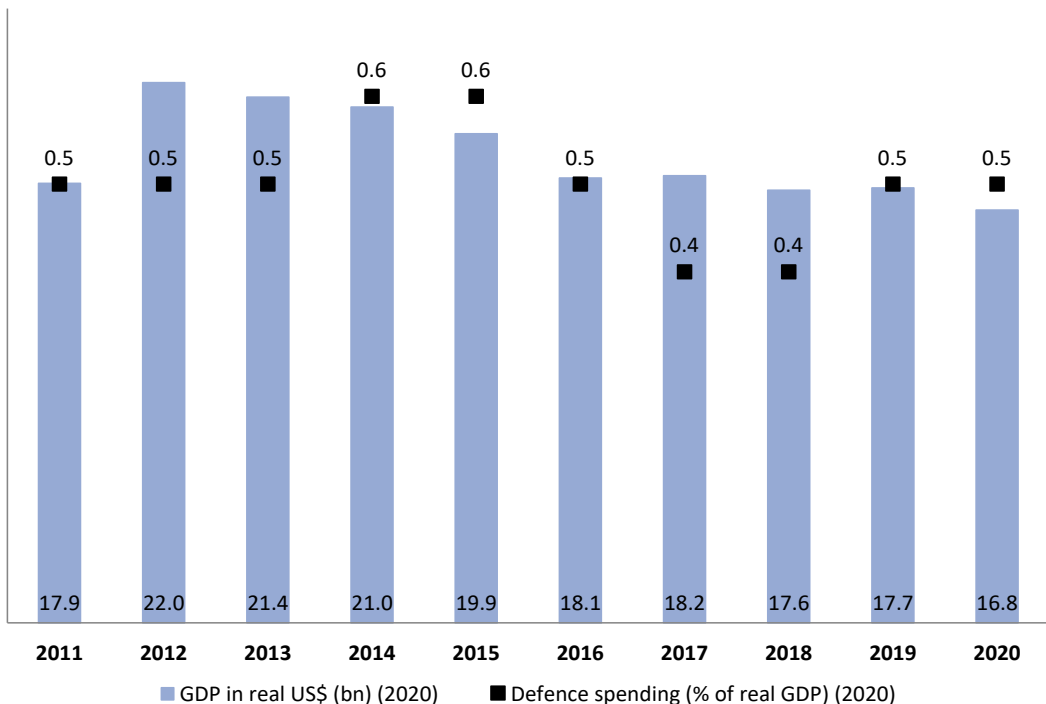
Economy

Over the past 10 years, PNG has averaged 4.4 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 2.9 per cent, driven by the COVID-19 economic downturn. Pandemic restrictions led to downturns in the construction industry and natural resource extraction, although seasonal employment grew in the agricultural and fishery sectors. According to the EIU, PNG's economy will average 3 per cent yearly growth out to 2025 in nominal 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

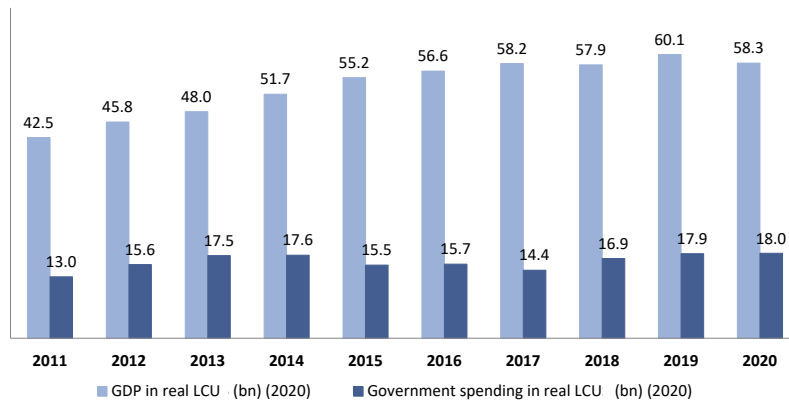
PNG's 2020 defence budget was PGK299.9m (US\$86.6m) – a 10 per cent real increase on the 2019 defence budget in local currency terms. PNGDF personnel deployed to Australia in 2020 to assist in the bushfire crisis and the PNGDF established a COVID-19 task force to provide logistical support to PNG's pandemic response.

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

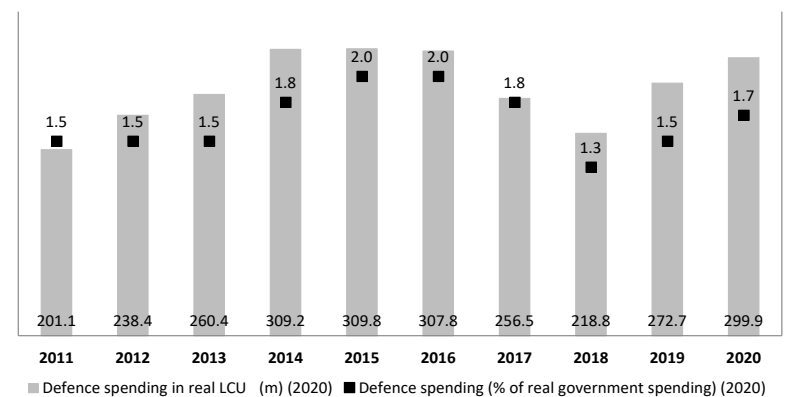


PAPUA NEW GUINEA

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (m)	144.8	167.3	186.0	255.0	270.2	265.5	237.0	208.7	271.9	299.9
Spending in real LCU (m) (2020)	201.1	238.4	260.4	309.2	309.8	307.8	256.5	218.8	272.7	299.9
Spending in nominal US\$ (m)	61.1	80.3	82.9	103.6	97.6	84.7	74.3	63.4	80.3	86.6
Spending in real and constant US\$ (m) (2020)	58.1	68.9	75.2	89.3	89.5	88.9	74.1	63.2	78.8	86.6
Spending in real LCU – growth rate (%) (2020)	20.2	18.6	9.2	18.8	0.2	-0.6	-16.7	-14.7	24.6	10.0
Spending (% of real GDP) (2020)	0.5	0.5	0.5	0.6	0.6	0.5	0.4	0.4	0.5	0.5
Spending (% of real government spending) (2020)	1.5	1.5	1.5	1.8	2.0	2.0	1.8	1.3	1.5	1.7
Gross domestic product (GDP)										
GDP in real LCU (bn) (2020)	42.5	45.8	48.0	51.7	55.2	56.6	58.2	57.9	60.1	58.3
GDP in real US\$ (bn) (2020)	17.9	22.0	21.4	21.0	19.9	18.1	18.2	17.6	17.7	16.8
GDP in real LCU – growth rate (%) (2020)	11.3	7.7	4.9	7.5	6.9	2.4	2.8	-0.4	3.7	-2.9
GDP in real US\$ – per capita (2020)	2400.2	2879.6	2748.4	2641.6	2459.7	2182.2	2161.5	2044.0	2020.4	1882.9
Government spending in real LCU (bn) (2020)	13.0	15.6	17.5	17.6	15.5	15.7	14.4	16.9	17.9	18.0
Population (m)	7.5	7.6	7.8	7.9	8.1	8.3	8.4	8.6	8.8	8.9
Inflation (%)	4.4	4.5	5.0	5.2	6.0	6.7	5.4	4.4	3.9	4.9



Real GDP and government spending in local currency



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

Capital City: Nuku'alofa
Population: 0.1 million
Active armed forces: 600
Land size: 748 sq km
Currency: Tongan Pa'anga (TOP)

Fiscal year: 1 July – 30 June
Economy: Upper-middle income country with a market economy
Industries: Tourism, construction and fishing



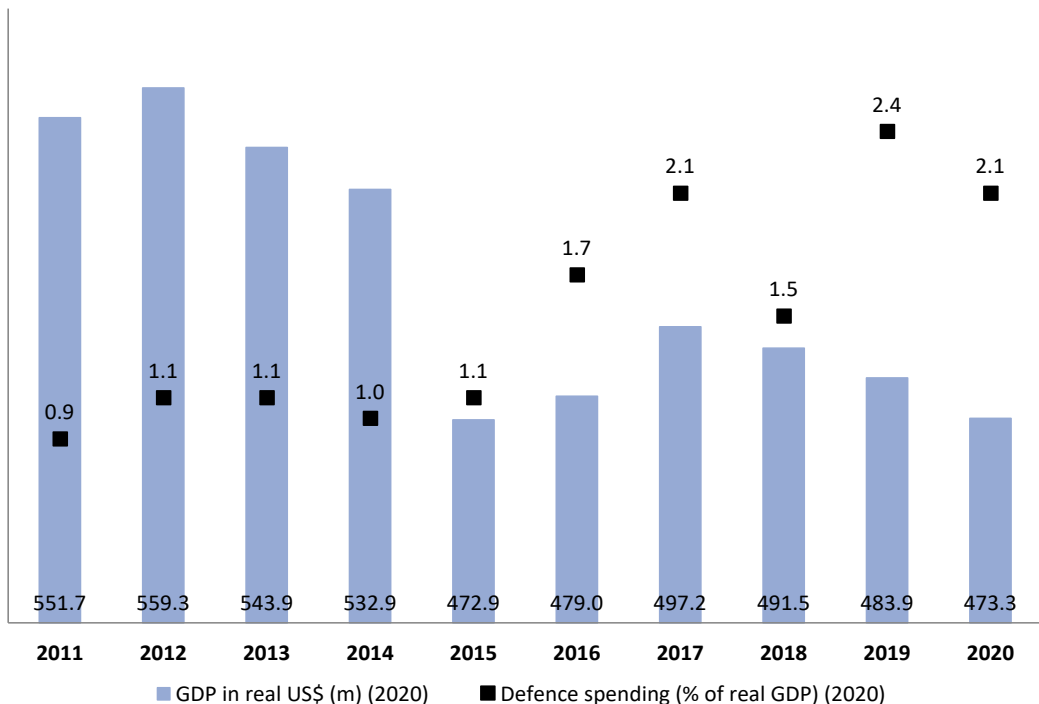
Economy

Over the past 10 years, Tonga has averaged 2.0 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 1.8 per cent, driven by the COVID-19 economic downturn. Pandemic restrictions drove a contraction in the tourism industry and in remittances from Tongans working abroad. According to the EIU, Tonga's economy will grow out to 2023 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

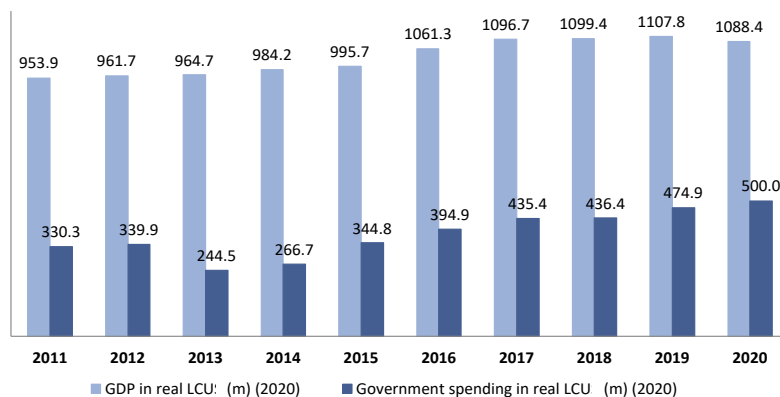
Defence spending

Tonga's 2020 defence budget was TOP22.8m (US\$9.9m) – a 14.5 per cent real decrease on the 2019 defence budget in local currency terms. In 2020, Tonga focused defence spending on professional development, although pandemic restrictions constrained training activities with its main partners Australia, New Zealand and the US. The Tongan Navy also took delivery of its second Australian-built GUARDIAN-class patrol boat.

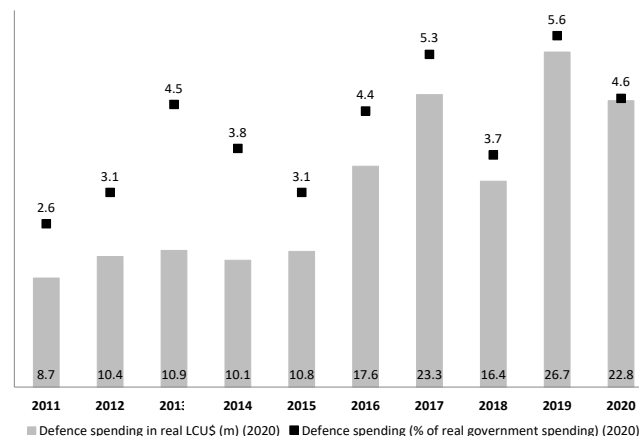
GDP in real US\$ and defence spending as a percentage of real GDP



TONGA										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (m)	6.9	8.6	8.8	8.2	9.2	15.4	21.6	16.0	28.1	22.8
Spending in real LCU (m) (2020)	8.7	10.4	10.9	10.1	10.8	17.6	23.3	16.4	26.7	22.8
Spending in nominal US\$ (m)	4.0	5.0	5.0	4.4	4.4	7.0	9.8	7.1	12.3	9.9
Spending in real and constant US\$ (m) (2020)	3.8	4.5	4.7	4.4	4.7	7.6	10.1	7.1	11.6	9.9
Spending in real LCU – growth rate (%) (2020)	4.1	20.4	4.8	-7.1	6.8	62.2	32.5	-29.7	63.4	-14.5
Spending (% of real GDP) (2020)	0.9	1.1	1.1	1.0	1.1	1.7	2.1	1.5	2.4	2.1
Spending (% of real government spending) (2020)	2.6	3.1	4.5	3.8	3.1	4.4	5.3	3.7	5.6	4.6
Gross domestic product (GDP)										
GDP in real LCU (bn) (2020)	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1
GDP in real US\$ (m) (2020)	551.7	559.3	543.9	532.9	472.9	479.0	497.2	491.5	483.9	473.3
GDP in real LCU – growth rate (%) (2020)	6.8	0.8	0.3	2.0	1.2	6.6	3.3	0.2	0.8	-1.8
GDP in real US\$ – per capita (2020)	5517.0	5593.1	5439.0	5329.4	4728.6	4789.8	4971.7	4915.3	4838.7	4302.7
Government spending in real LCU (m) (2020)	330.3	339.9	244.5	266.7	344.8	394.9	435.4	436.4	474.9	500.0
Population (m)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Inflation (%)	6.3	1.1	0.8	2.5	-1.1	2.6	7.4	7.0	0.5	-0.4



Real GDP and government spending in local currency



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

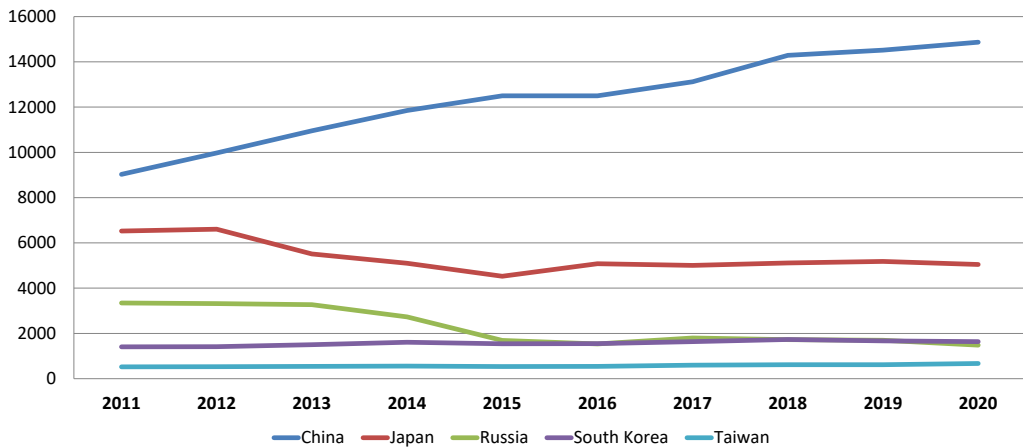
Regional economy

Real economic growth in North Asia contracted by 0.6 per cent in 2020 due to the COVID-19 pandemic. Most major regional economies experienced significant economic contractions due to pandemic restrictions, which disrupted domestic manufacturing and global supply chains. China's economic growth continued to slow year-on-year and declined to 2.3 per cent in 2020.

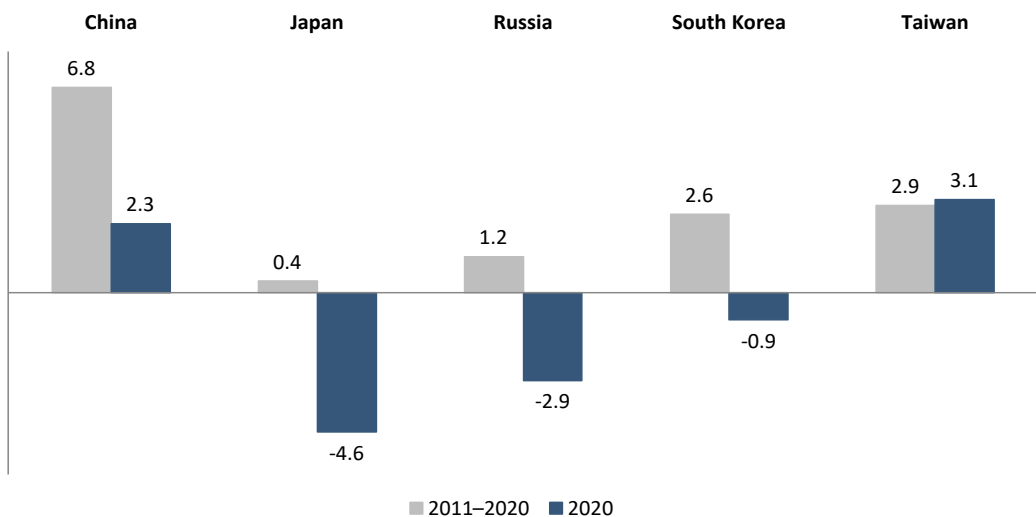
Defence spending

North Asian military expenditure as a percentage of real GDP averaged 1.9 per cent in 2020 for major economies. Force modernisation programs continued across the region despite pandemic restrictions. China's military expenditure in nominal terms rose for the 26th consecutive year in 2020, at a rate of 5.3 per cent in real terms.

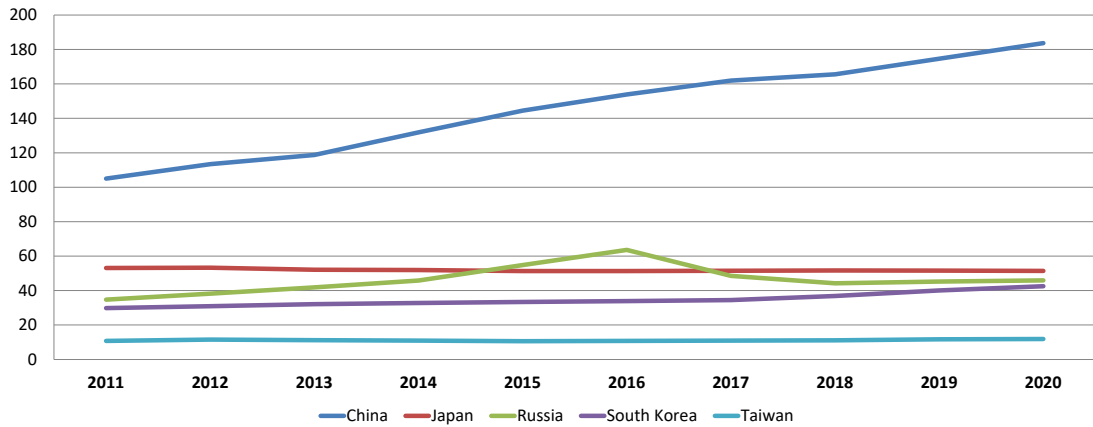
GDP in real US\$ (bn) (2020)



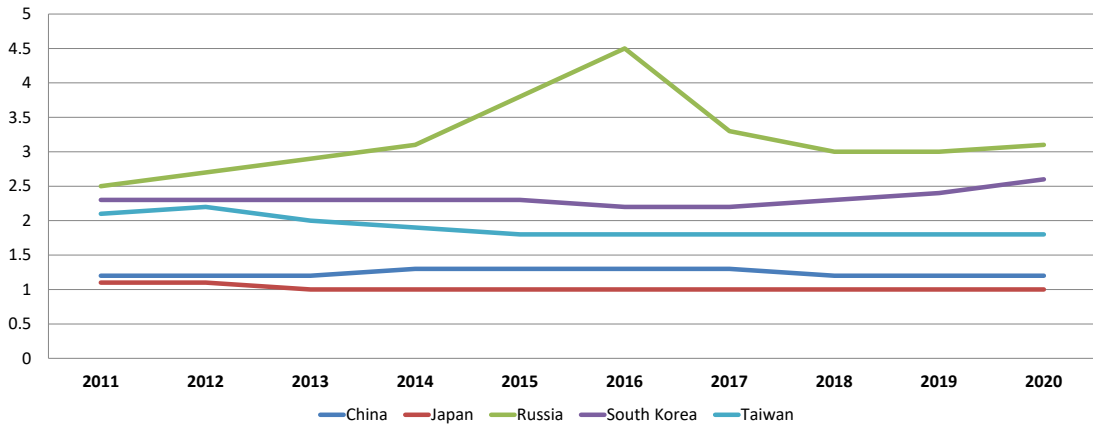
GDP in real LCU – growth rate (%)



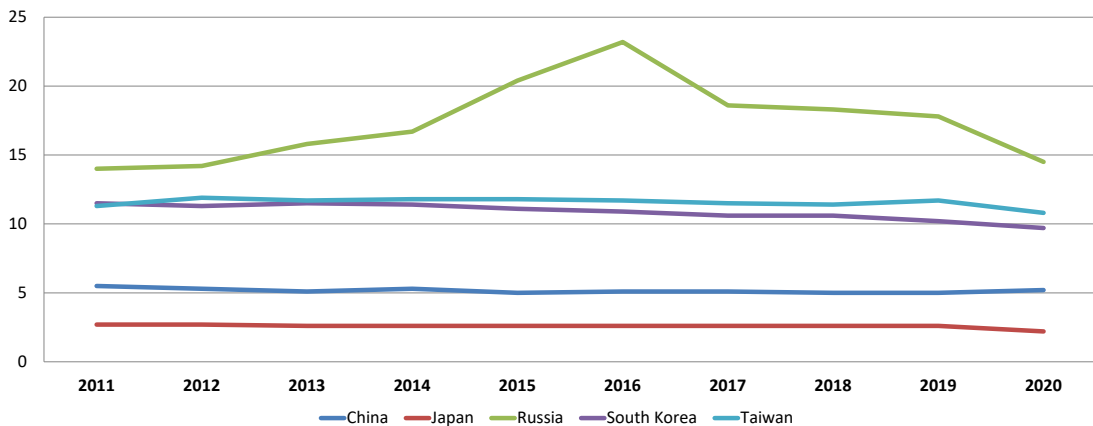
Defence spending in real and constant US\$ (bn) (2020)



Defence spending (% of real GDP)

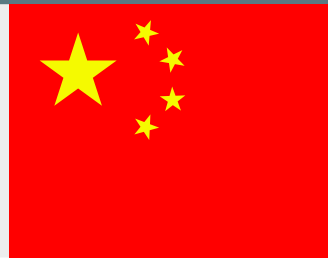


Defence spending (% of real government spending)



Capital City: Beijing
Population: 1.4 billion
Active armed forces: 2.2 million
Land size: 9 561 000 km sq
Currency: Yuan Renminbi (CNY)

Fiscal year: 1 January – 31 December
Economy: Upper-middle income country with a socialist market economy
Industries: Mining and ore processing, building materials, armaments, apparel and textiles, oil, cement, chemicals, fertiliser, consumer goods,



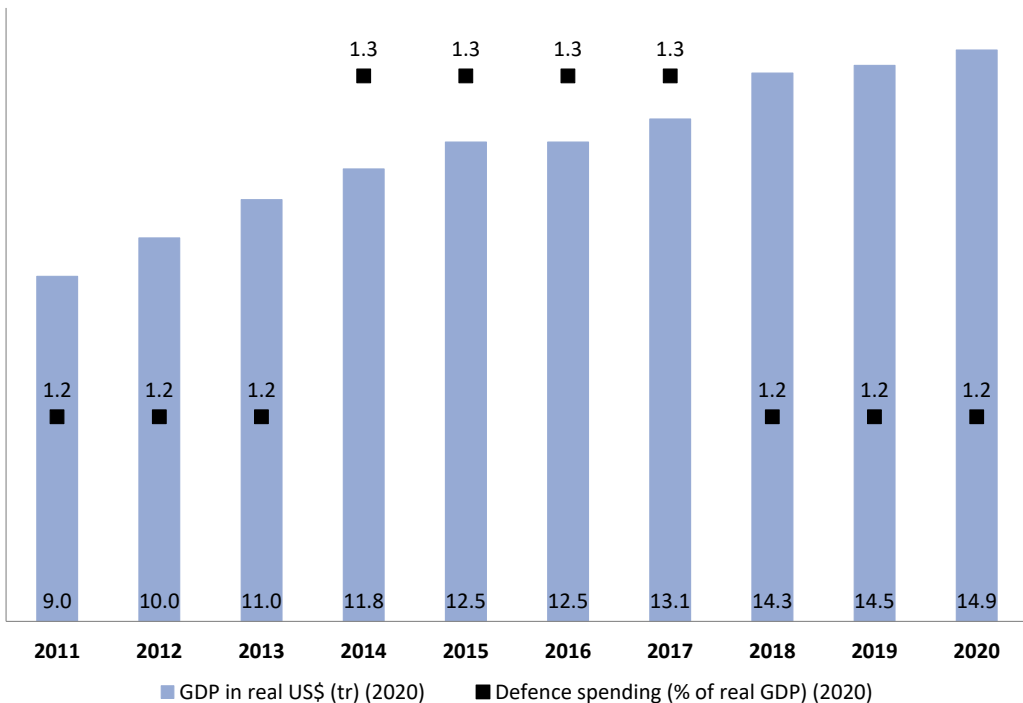
Economy

Over the past 10 years, China has averaged 6.8 per cent annual real economic growth in local currency terms. In 2020, the economy slowed to 2.3 per cent, which continued over a decade of slowed year-on-year growth. The pandemic drove a major contraction in private consumption and investment and weakened demand for manufactured goods. However, China maintained a strong performance in export trade which balanced these contractions to produce positive economic growth. According to the EIU, China's economy will average 6 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

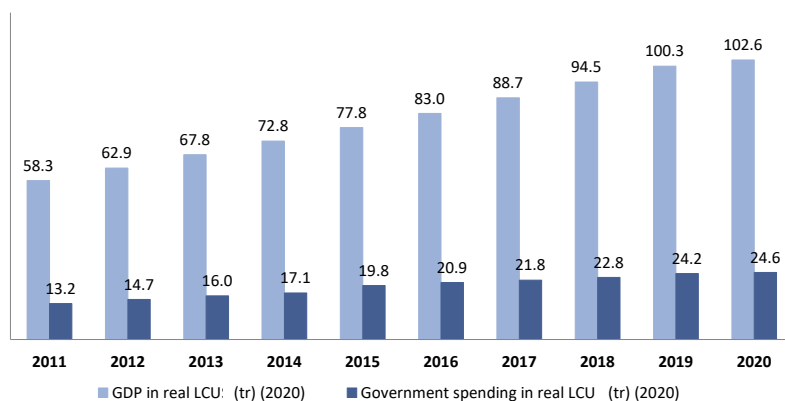
China's 2020 defence budget was CNY1.3tr (US\$183.7bn) – a 5.3 per cent real increase on the 2019 defence budget in local currency terms. However, this was the smallest increase since 1989 due to the economic downturn caused by the COVID-19 pandemic. Beijing introduced into service new UAVs, unmanned ground vehicles, anti-tank guided weapons, and upgraded Z-10 attack helicopters. The PLA Navy commissioned the second RENHAI-class cruiser, the second YUSHEN-class landing helicopter dock, and the last two JIN-class nuclear ballistic missile submarines. It also continued construction of a third aircraft carrier. China is continuing to develop the Y-20 KUNPENG transport aircraft and the PLA Air Force continues to introduce new SHENYANG J-16 fighter aircraft into service. China continues to receive Russian S-400 Triumf air defence systems.

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

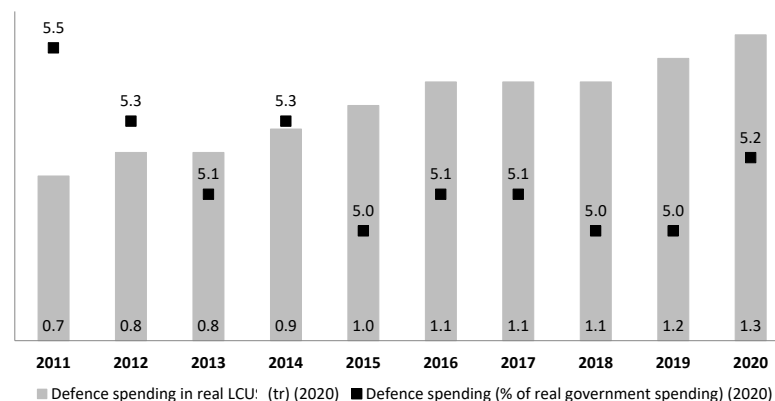


CHINA

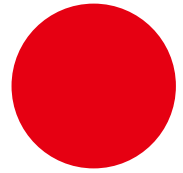
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Official defence spending										
Spending in nominal LCU (tr)	0.6	0.7	0.7	0.8	0.9	1.0	1.0	1.1	1.2	1.3
Spending in real LCU (tr) (2020)	0.7	0.8	0.8	0.9	1.0	1.1	1.1	1.1	1.2	1.3
Spending in nominal US\$ (bn)	93.0	106.2	116.2	131.6	142.4	143.6	154.5	167.3	172.2	183.7
Spending in real and constant US\$ (bn) (2020)	105.0	113.4	118.7	131.9	144.5	153.9	161.9	165.6	174.6	183.7
Spending in real LCU – growth rate (%) (2020)	7.1	8.1	4.7	11.1	9.6	6.5	5.2	2.3	5.4	5.3
Spending (% of real GDP) (2020)	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.2	1.2
Spending (% of real government spending) (2020)	5.5	5.3	5.1	5.3	5.0	5.1	5.1	5.0	5.0	5.2
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	58.3	62.9	67.8	72.8	77.8	83.0	88.7	94.5	100.3	102.6
GDP in real US\$ (tr) (2020)	9.0	10.0	11.0	11.8	12.5	12.5	13.1	14.3	14.5	14.9
GDP in real LCU – growth rate (%) (2020)	9.5	7.9	7.8	7.3	6.9	6.7	6.8	6.6	6.1	2.3
GDP in real US\$ – per capita (2020)	6701.7	7363.9	8045.8	8662.3	9088.5	9036.1	9439.8	10243.1	10370.7	10529.0
Government spending in real LCU (tr) (2020)	13.2	14.7	16.0	17.1	19.8	20.9	21.8	22.8	24.2	24.6
Population (bn)	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Inflation (%)	5.5	2.6	2.6	2.0	1.5	2.1	1.5	1.9	2.9	2.5



Real GDP and government spending in local currency



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

Capital City: Tokyo**Population:** 126.5 million**Active armed forces:** 247 150**Land size:** 377 899 km sq**Currency:** Japanese Yen (JPY)**Fiscal year:** 1 April – 31 March**Economy:** High-income country with a market economy**Industries:** Motor vehicles, advanced electronics, machine tools, steel and other metals, chemicals, textiles, and food

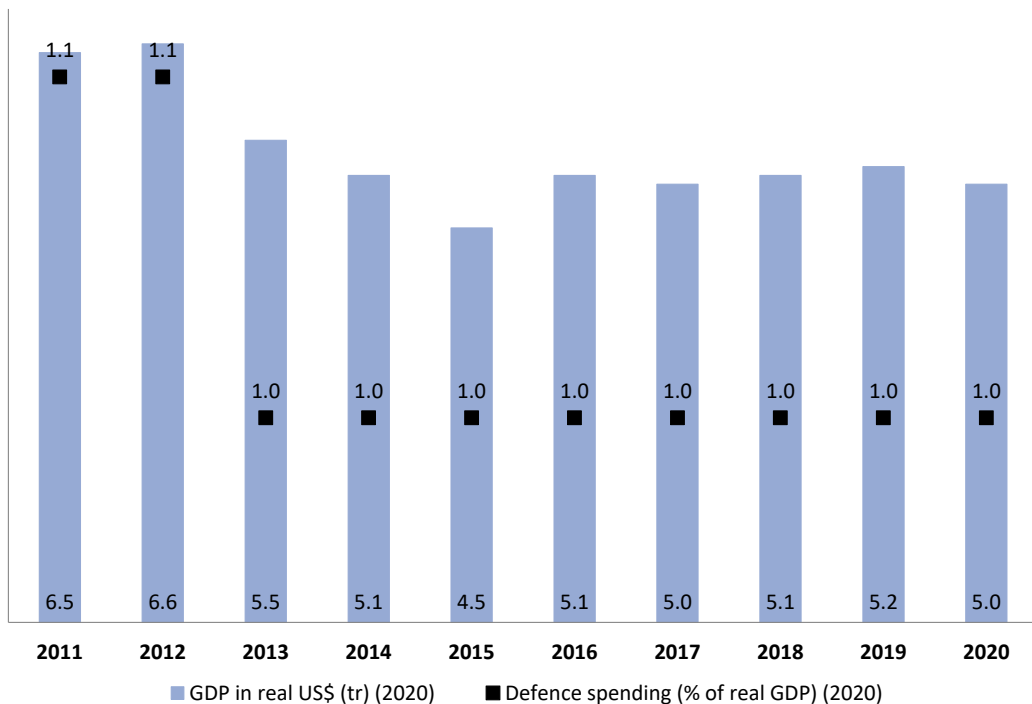
Economy

Over the past 10 years, Japan has averaged 0.4 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 4.6 per cent, driven by the COVID-19 global economic downturn. Pandemic restrictions slowed investment and reduced demand in manufacturing and technology sectors. According to the EIU, Japan's economy will average 3 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

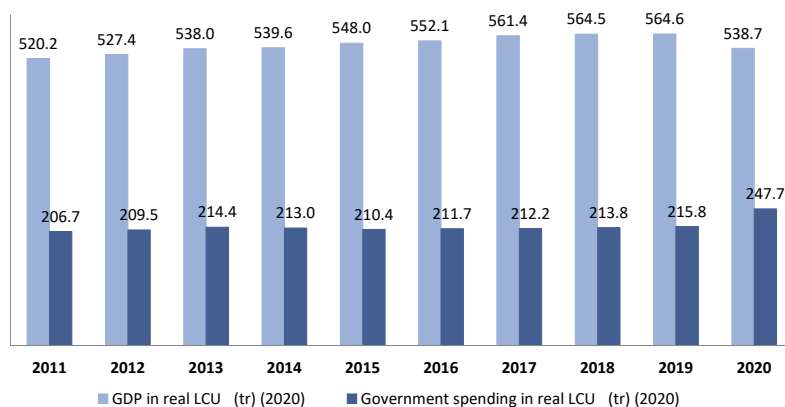
Defence spending

Japan's 2020 defence budget was JPY5.5tr (US\$51.4bn) – a 0.5 per cent real decrease on the 2019 defence budget in local currency terms. Tokyo increased funding to space, cyber and electronic warfare capabilities, receiving its first RC-2 long-range electronic intelligence aircraft from Kawasaki. In October 2020, Mitsubishi launched the first of the new TAIGEI-class diesel-electric submarines, and Mitsui Engineering and Shipbuilding launched the first of 22 multirole frigates.

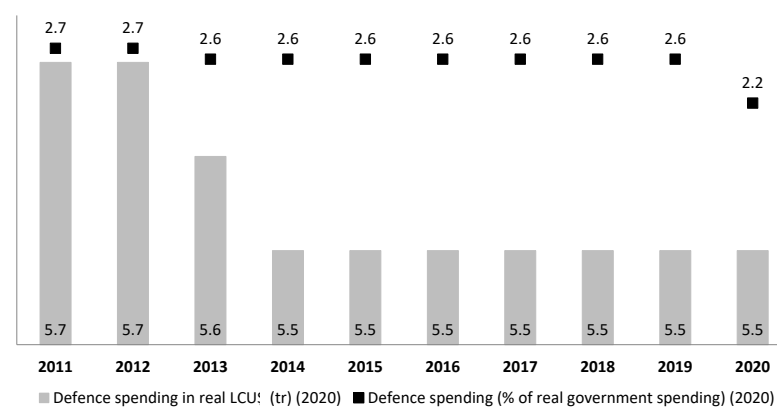
GDP in real and US\$ and defence spending as a percentage of real GDP



JAPAN										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (tr)	5.4	5.4	5.3	5.3	5.4	5.4	5.4	5.4	5.5	5.5
Spending in real LCU (tr) (2020)	5.7	5.7	5.6	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Spending in nominal US\$ (bn)	68.0	67.6	53.9	50.3	44.4	49.6	48.3	49.3	50.1	51.4
Spending in real and constant US\$ (bn) (2020)	53.1	53.3	52.1	51.9	51.3	51.3	51.5	51.7	51.6	51.4
Spending in real LCU – growth rate (%) (2020)	0.1	0.4	-2.3	-0.3	-1.3	0.0	0.5	0.4	-0.2	-0.5
Spending (% of real GDP) (2020)	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Spending (% of real government spending) (2020)	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.2
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	520.2	527.4	538.0	539.6	548.0	552.1	561.4	564.5	564.6	538.7
GDP in real US\$ (tr) (2020)	6.5	6.6	5.5	5.1	4.5	5.1	5.0	5.1	5.2	5.0
GDP in real LCU – growth rate (%) (2020)	0.0	1.4	2.0	0.3	1.6	0.8	1.7	0.6	0.0	-4.6
GDP in real US\$ – per capita (2020)	50788.2	51454.5	42972.5	39768.1	35379.7	39733.0	39261.2	40186.1	40805.6	39885.4
Government spending in real LCU (tr) (2020)	206.7	209.5	214.4	213.0	210.4	211.7	212.2	213.8	215.8	247.7
Population (m)	128.5	128.4	128.3	128.2	128.0	127.8	127.5	127.2	126.9	126.5
Inflation (%)	-0.3	NEGL	0.3	2.8	0.8	-0.1	0.5	1.0	0.5	NEGL



Real GDP and government spending in local currency



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

Capital City: Moscow
Population: 149.0 million
Active armed forces: 1.0 million
Land sizes: 17 075 400 km sq
Currency: Russian Ruble (RUB)

Fiscal year: 1 January – 31 December
Economy: Upper-middle country with an emerging market
Industries: Mining and extractive industries, machine building and electronic equipment, defence industries, transportation and textiles



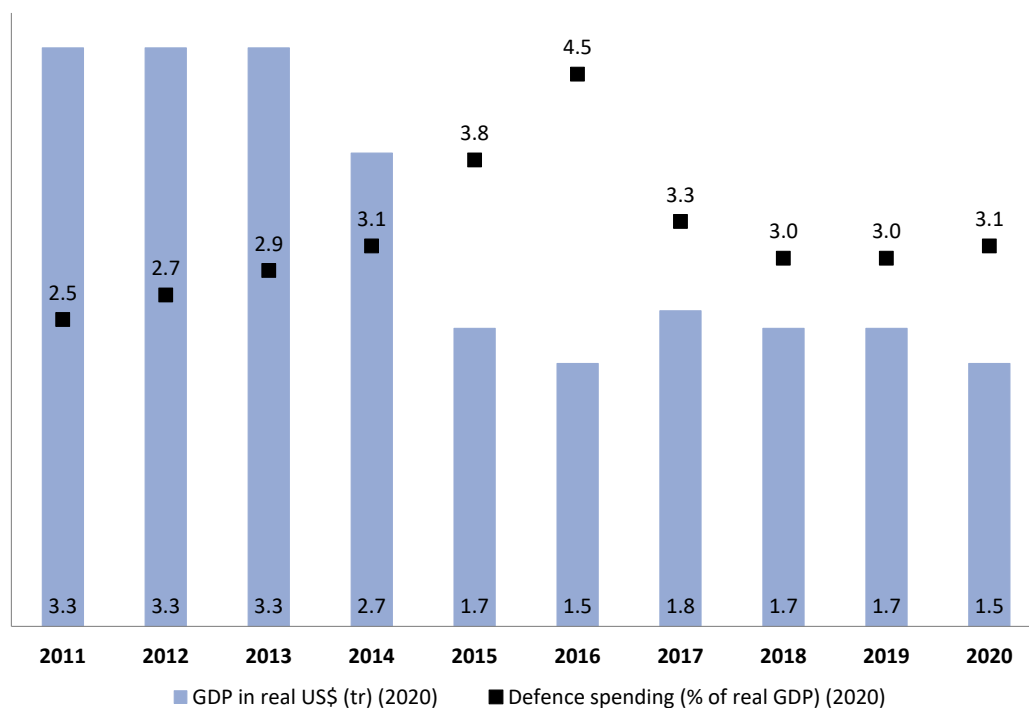
Economy

Over the past 10 years, Russia has averaged 1.2 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 2.9 per cent, driven by the COVID-19 economic downturn. An early easing of pandemic restrictions saw economic activity begin to recover, but growth in the extractive and manufacturing sectors is slow. According to the EIU, Russia's economy will average 4 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

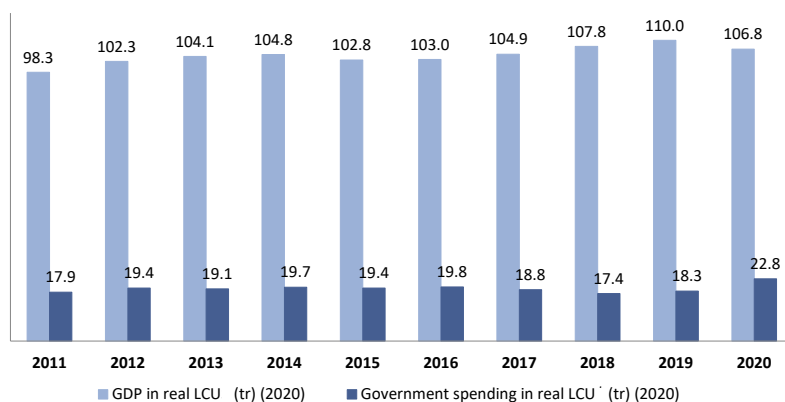
Defence spending

Russia's 2020 defence budget was RUB3.3tr (US\$45.9bn) – a 1.6 per cent real increase on the 2019 defence budget in local currency terms. During the COVID-19 pandemic, Moscow also paid about RUB1tr in debt to its domestic defence industry. The Russian Navy took delivery of multiple new vessels including minesweepers, guided missile frigates and diesel-electric submarines, and announced plans to upgrade existing major combatant vessels with Kalibr and Tsirkon missiles. Moscow also announced plans to acquire additional Su-35S and Su-30SM2 fighter and Yak-130 combat trainer aircraft. Russian ground forces received new or upgraded MBTs, infantry fighting vehicles, self-propelled artillery and air defence systems. Russia also continued to modernise its strategic nuclear forces and test advanced anti-ballistic missile systems.

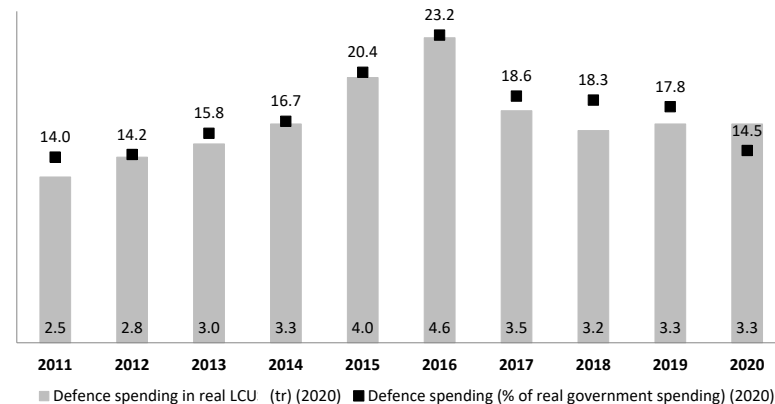
GDP in real and US\$ and defence spending as a percentage of real GDP



RUSSIA										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (tr)	1.5	1.8	2.1	2.5	3.2	3.8	3.1	3.1	3.2	3.3
Spending in real LCU (tr) (2020)	2.5	2.8	3.0	3.3	4.0	4.6	3.5	3.2	3.3	3.3
Spending in nominal US\$ (bn)	51.9	59.4	66.3	64.7	52.3	56.8	52.4	48.9	49.9	45.9
Spending in real and constant US\$ (bn) (2020)	34.7	38.2	41.8	45.8	54.8	63.6	48.5	44.2	45.2	45.9
Spending in real LCU – growth rate (%) (2020)	1.3	10.4	9.4	9.4	19.8	16.1	-23.7	-8.9	2.2	1.6
Spending (% of real GDP) (2020)	2.5	2.7	2.9	3.1	3.8	4.5	3.3	3.0	3.0	3.1
Spending (% of real government spending) (2020)	14.0	14.2	15.8	16.7	20.4	23.2	18.6	18.3	17.8	14.5
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	98.3	102.3	104.1	104.8	102.8	103.0	104.9	107.8	110.0	106.8
GDP in real US\$ (tr) (2020)	3.3	3.3	3.3	2.7	1.7	1.5	1.8	1.7	1.7	1.5
GDP in real LCU – growth rate (%) (2020)	3.5	4.1	1.7	0.7	-1.9	0.2	1.8	2.8	2.0	-2.9
GDP in real US\$ – per capita (2020)	23284.2	23041.8	22650.4	18514.6	11397.6	10358.4	12103.5	11566.3	11407.5	9941.2
Government spending in real LCU (tr) (2020)	17.9	19.4	19.1	19.7	19.4	19.8	18.8	17.4	18.3	22.8
Population (m)	143.7	144.0	144.3	147.5	148.0	148.3	148.6	148.8	148.9	149.0
Inflation (%)	8.4	5.1	6.8	7.8	15.5	7.0	3.7	2.9	4.5	3.4



Real GDP and government spending in local currency



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

Capital City: Seoul
Population: 51.3 million
Active armed forces: 599 000
Land sizes: 99 678 km sq
Currency: Korean Won (KRW)

Fiscal year: 1 January – 31 December

Economy: High-income country with a market economy

Industries: Electronics and semiconductors, telecommunications, automobile production, chemicals, shipbuilding, and steel



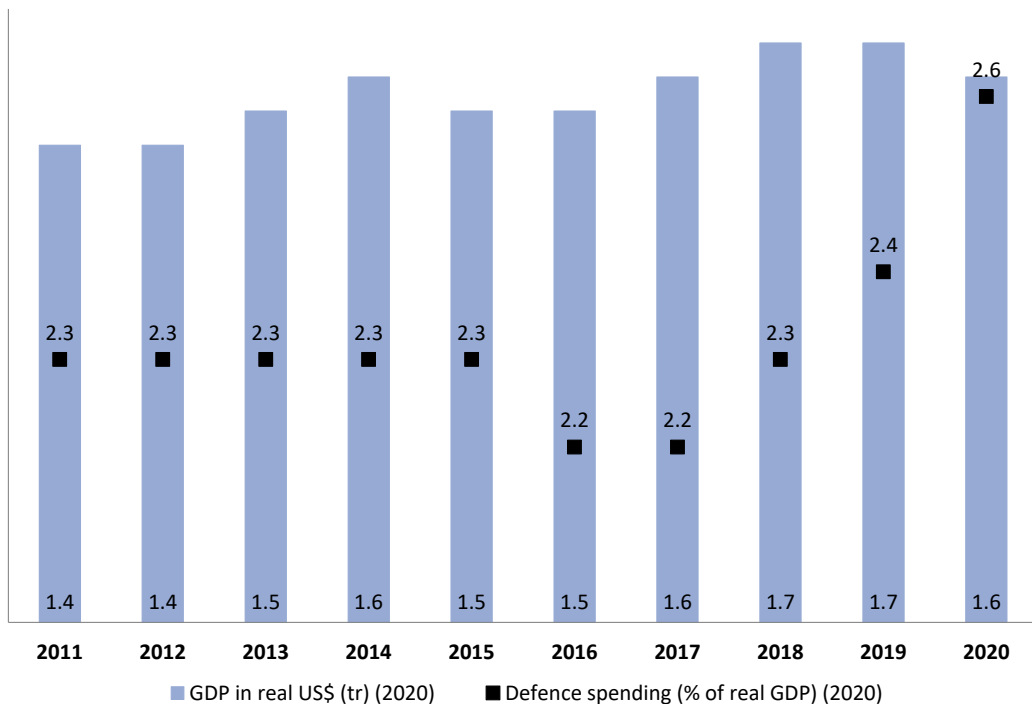
Economy

Over the past 10 years, South Korea has averaged 2.6 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 0.9 per cent. Pandemic restrictions constrained investment in manufacturing facilities, which led to a drop in South Korean technology exports. According to the EIU, South Korea’s economy will average 3 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

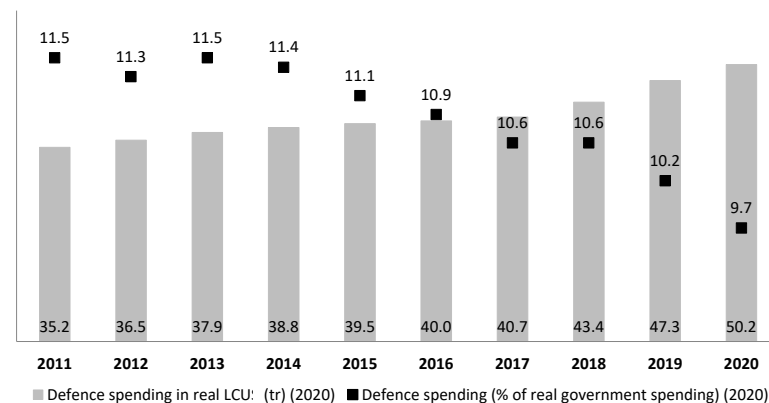
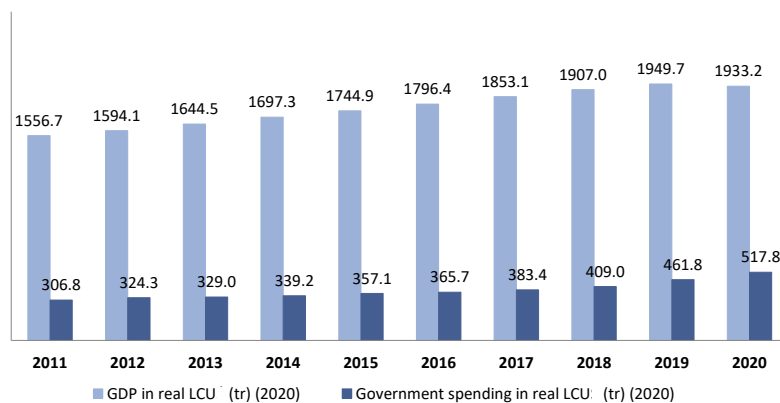
South Korea’s 2020 defence budget was KRW50.2tr (US\$42.5bn) – a 6.1 per cent real increase on the 2019 defence budget in local currency terms. In 2020, Seoul increased R&D funding to increase the development of ballistic missile defences and the design of a 30 000-tonne aircraft carrier. The air force launched a new unit to operate aerial reconnaissance assets, including four new Global Hawk UAVs. In August 2020, South Korea released its new defence blueprint, which proposed KRW300.7tr (A\$254.58bn) in defence spending over the next five years. Planned acquisitions include an Iron Dome-like air defence system and a more-advanced indigenously designed ballistic missile submarine.

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



SOUTH KOREA

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (tr)	31.4	33.0	34.6	35.7	37.5	38.8	40.3	43.2	46.7	50.2
Spending in real LCU (tr) (2020)	35.2	36.5	37.9	38.8	39.5	40.0	40.7	43.4	47.3	50.2
Spending in nominal US\$ (bn)	28.3	29.3	31.6	33.9	33.2	33.4	35.6	39.3	40.1	42.5
Spending in real and constant US\$ (bn) (2020)	29.8	30.9	32.1	32.8	33.4	33.9	34.5	36.8	40.1	42.5
Spending in real LCU – growth rate (%) (2020)	4.7	3.8	3.8	2.3	1.8	1.5	1.6	6.7	9.0	6.1
Spending (% of real GDP) (2020)	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.3	2.4	2.6
Spending (% of real government spending) (2020)	11.5	11.3	11.5	11.4	11.1	10.9	10.6	10.6	10.2	9.7
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	1556.7	1594.1	1644.5	1697.3	1744.9	1796.4	1853.1	1907.0	1949.7	1933.2
GDP in real US\$ (tr) (2020)	1.4	1.4	1.5	1.6	1.5	1.5	1.6	1.7	1.7	1.6
GDP in real LCU – growth rate (%) (2020)	3.7	2.4	3.2	3.2	2.8	3.0	3.2	2.9	2.2	-0.9
GDP in real US\$ – per capita (2020)	28214.8	28259.0	29831.3	31854.0	30356.9	30354.5	32066.8	33873.7	32661.4	31947.2
Government spending in real LCU (tr) (2020)	306.8	324.3	329.0	339.2	357.1	365.7	383.4	409.0	461.8	517.8
Population (m)	49.8	50.1	50.3	50.6	50.8	51.0	51.1	51.2	51.2	51.3
Inflation (%)	4.0	2.2	1.3	1.3	0.7	1.0	1.9	1.5	0.4	0.5



Real GDP and government spending in local currency

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

Capital City: Taipei**Population:** 23.6 million**Active armed forces:** 163 000**Land size:** 36 189 km sq**Currency:** New Taiwan Dollar (TWD)**Fiscal year:** 1 January – 31 December**Economy:** Newly industrialised market economy**Industries:** Electronics and semiconductors, oil and chemical processing, textiles, steel, machinery, vehicles, and pharmaceuticals

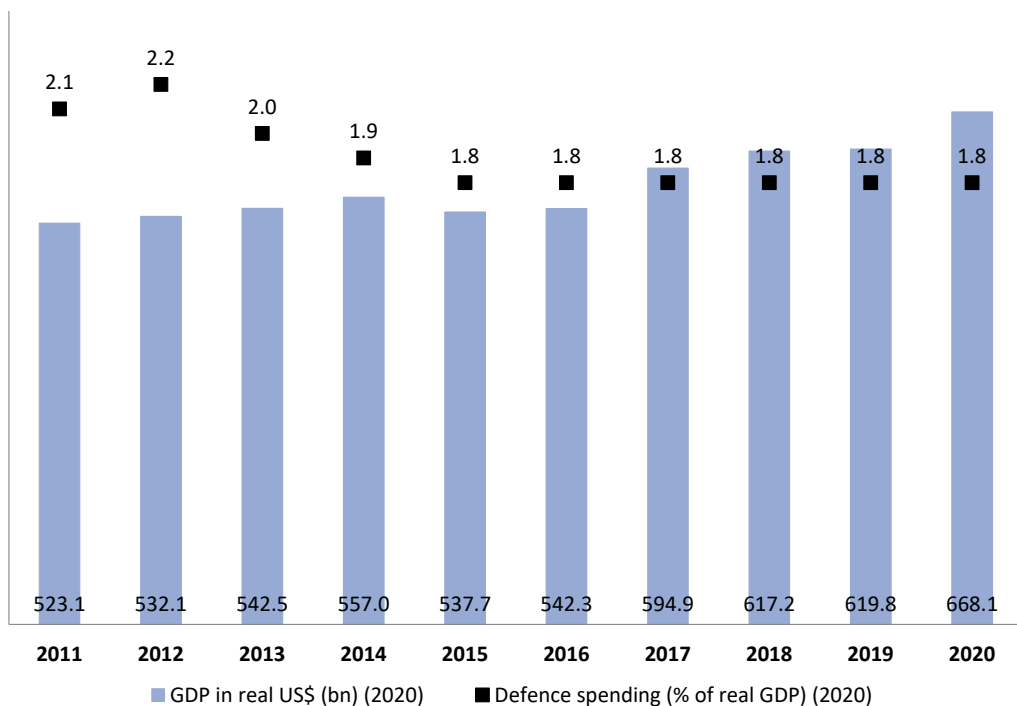
Economy

Over the past 10 years, Taiwan has averaged 2.9 per cent annual real economic growth in local currency terms. In 2020, the economy grew by 3.1 per cent. Despite pandemic restrictions, Taiwan's production and export of integrated circuitry and other technology grew year-on-year in 2020. According to the EIU, Taiwan's economy will average 2 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

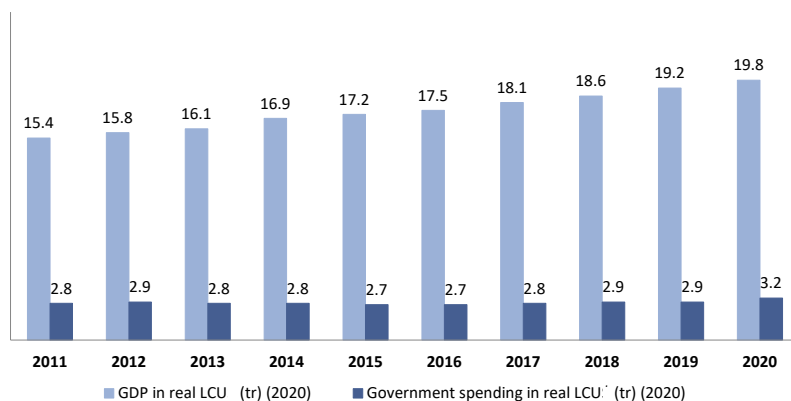
Taiwan's 2020 defence budget was TWD351.2bn (US\$11.9bn) – a 1.9 per cent real increase on the 2019 defence budget in local currency terms. The US is Taiwan's primary supplier of military equipment. Throughout 2020, Washington approved sales and sustainment of UAVs, land-based harpoon anti-ship missile systems and high-mobility artillery rocket systems.

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

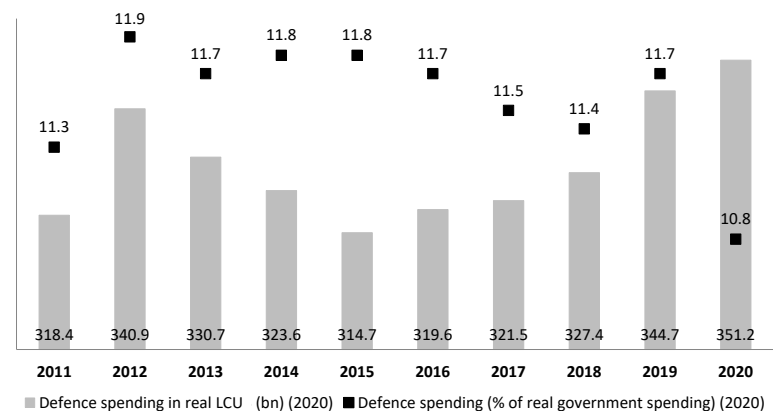


TAIWAN

Official Defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	294.6	317.5	312.7	311.1	312.8	320.1	319.3	323.1	340.5	351.2
Spending in real LCU (bn) (2020)	318.4	340.9	330.7	323.6	314.7	319.6	321.5	327.4	344.7	351.2
Spending in nominal US\$ (bn)	10.0	10.7	10.5	10.2	9.8	9.9	10.5	10.7	11.0	11.9
Spending in real and constant US\$ (bn) (2020)	10.8	11.5	11.2	10.9	10.6	10.8	10.9	11.1	11.7	11.9
Spending in real LCU – growth rate (%) (2020)	1.2	7.1	-3.0	-2.1	-2.8	1.6	0.6	1.8	5.3	1.9
Spending (% of real GDP) (2020)	2.1	2.2	2.0	1.9	1.8	1.8	1.8	1.8	1.8	1.8
Spending (% of real government spending) (2020)	11.3	11.9	11.7	11.8	11.8	11.7	11.5	11.4	11.7	10.8
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	15.4	15.8	16.1	16.9	17.2	17.5	18.1	18.6	19.2	19.8
GDP in real US\$ (bn) (2020)	523.1	532.1	542.5	557.0	537.7	542.3	594.9	617.2	619.8	668.1
GDP in real LCU – growth rate (%) (2020)	3.7	2.2	2.5	4.7	1.5	2.2	3.3	2.8	3.0	3.1
GDP in real US\$ – per capita (2020)	22522.5	22820.3	23207.6	23767.6	22889.5	23038.1	25239.4	26163.2	26259.0	28357.0
Government spending in real LCU (tr) (2020)	2.8	2.9	2.8	2.8	2.7	2.7	2.8	2.9	2.9	3.2
Population (m)	23.2	23.3	23.4	23.4	23.5	23.5	23.6	23.6	23.6	23.6
Inflation (%)	1.4	1.9	0.8	1.2	-0.3	1.4	0.6	1.4	0.6	-0.2



Real GDP and government spending in local currency



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

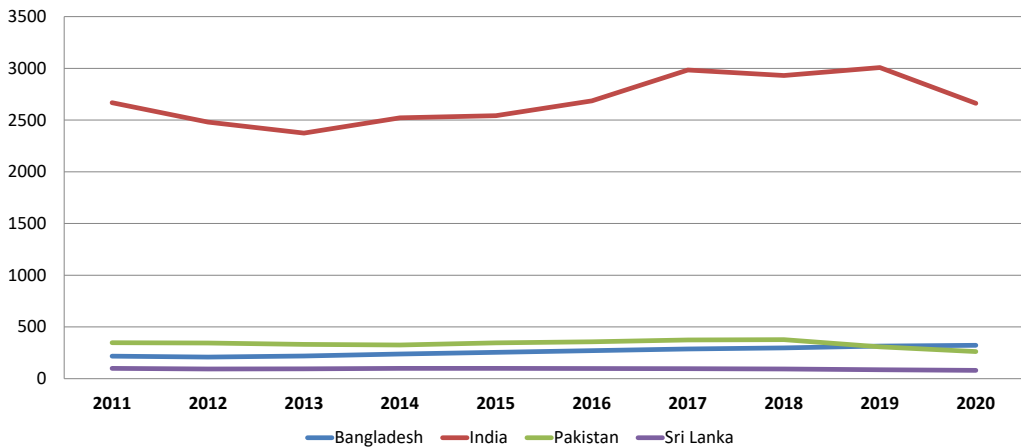
Regional economy

Real economic growth for major South Asian economies contracted by 3.8 per cent in 2020 due to the COVID-19 pandemic. Most major regional economies experienced significant economic contractions due to pandemic restrictions and disrupted global supply chains, which disrupted domestic production and export revenues.

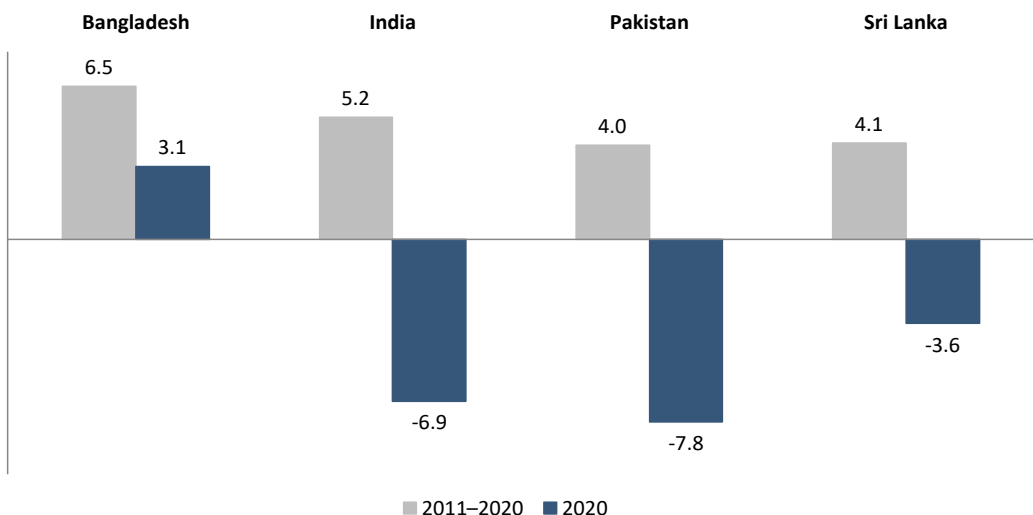
Defence spending

South Asian military expenditure as a percentage of real GDP averaged 2.3 per cent in 2020 for major economies. South Asian bilateral defence cooperation continued during the pandemic but inter-state rivalries and regional security challenges continued to drive defence modernisation and procurements. South Asia remains an attractive market for defence companies.

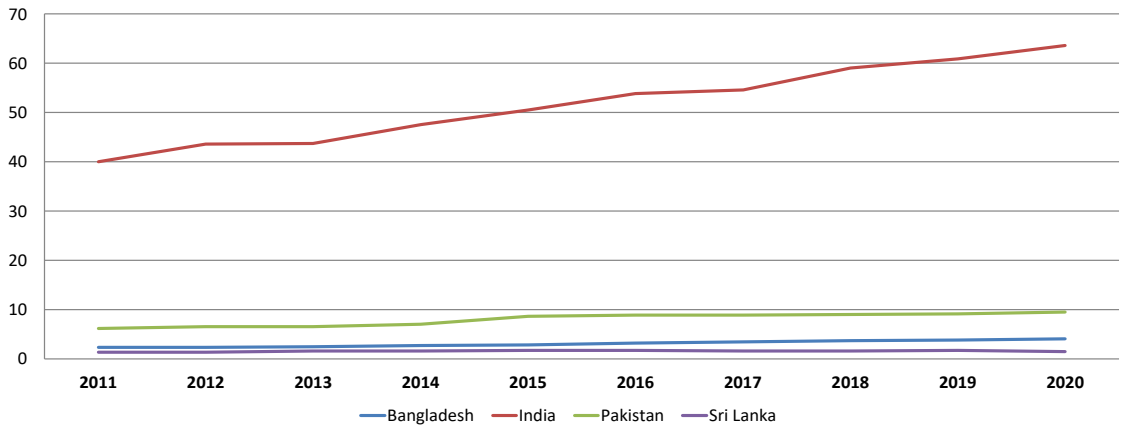
GDP in real US\$ (bn) (2020)



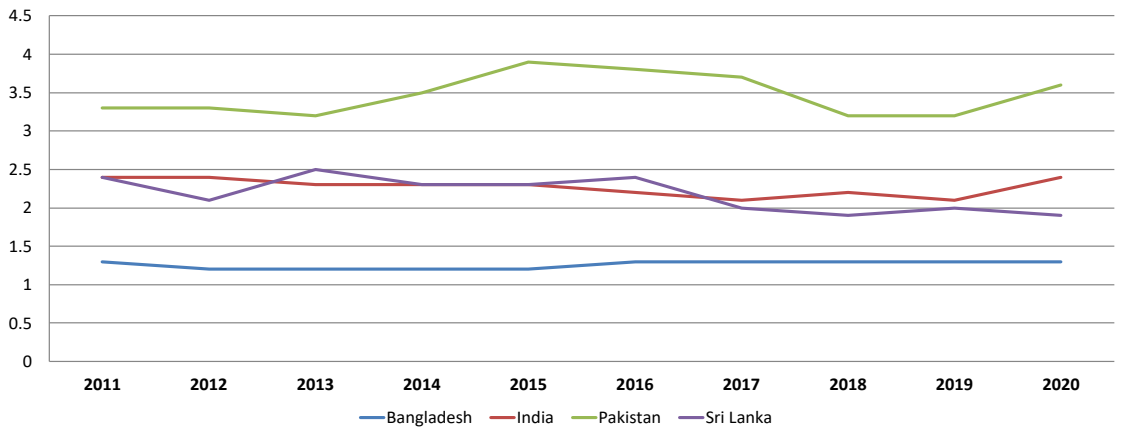
GDP in real LCU – growth rate (%)



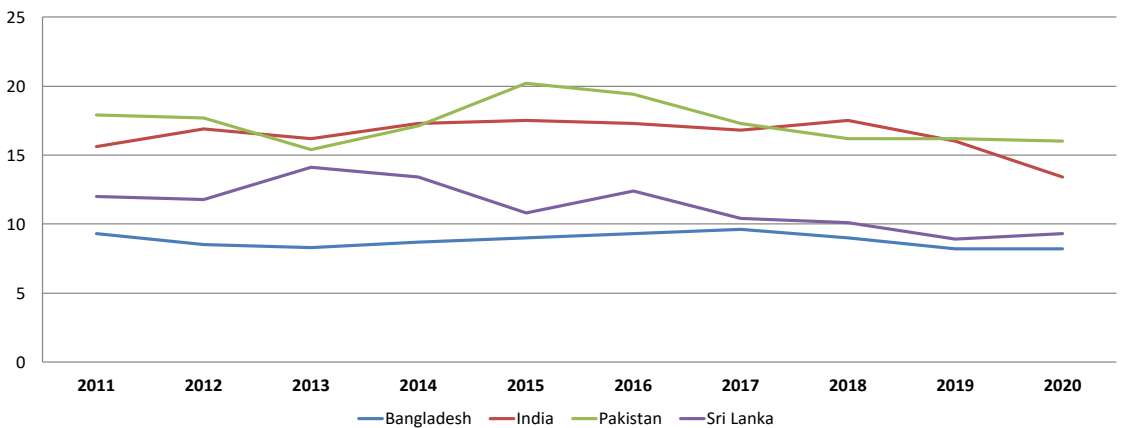
Defence spending in real and constant US\$ (bn) (2020)



Defence spending (% of real GDP)



Defence spending (% of real government spending)



Capital City: Kabul
Population: 38.9 million
Active armed forces: 178 800
Land size: 652 100 km sq
Currency: Afghan Afghani (AFN)

Fiscal year: 21 December – 20 December
Economy: Low-income country with a market economy
Industries: Bricks, textiles, soap, furniture, shoes, fertiliser, apparel, food products, beverages, cement, carpet, gas, and copper



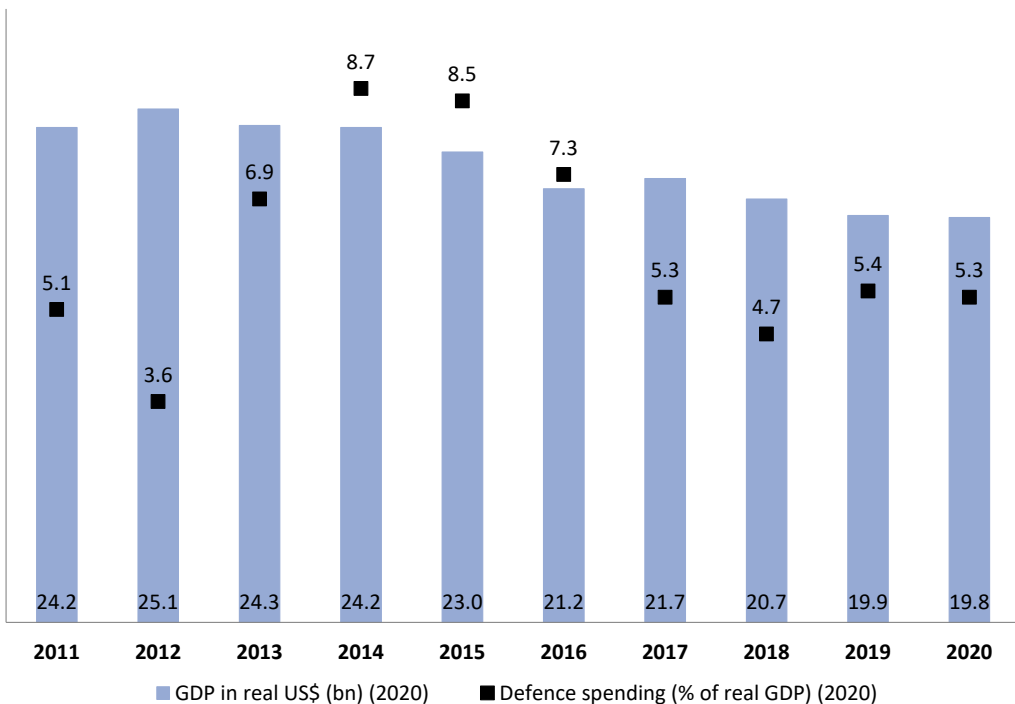
Economy

Over the past 10 years, Afghanistan has averaged 3.1 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 1.9 per cent as the economy entered a recession driven by the COVID-19 economic downturn. Domestic security risks and the overthrow of the elected government have impeded growth and foreign investment. Afghanistan's economic outlook in 2022 is subject to international sanctions and the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

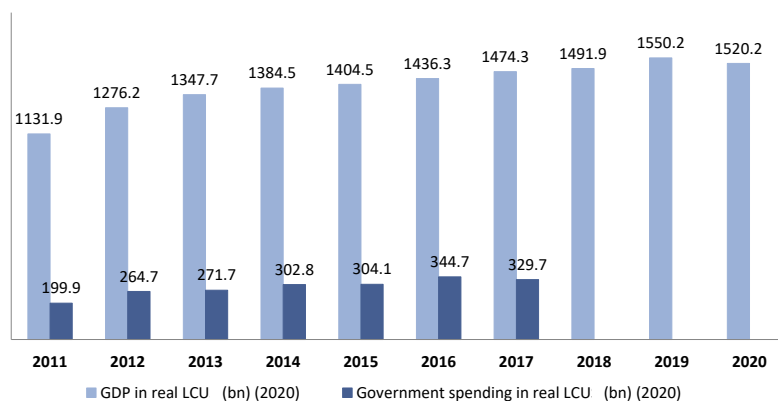
Afghanistan's 2020 defence budget was AFN80.8bn (US\$1.1bn) – a 2.9 per cent real decrease on the 2019 defence budget in local currency terms. The level of new appropriations is uncertain.

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

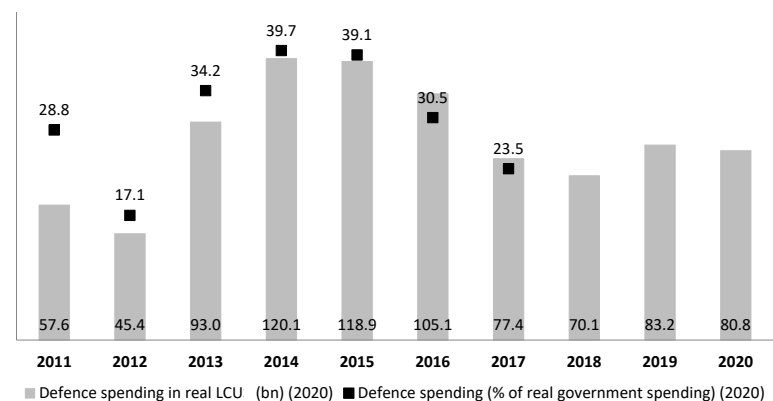


AFGHANISTAN

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Official defence spending										
Spending in nominal LCU (bn)	43.3	36.6	78.6	102.1	103.5	89.5	67.5	62.4	78.8	80.8
Spending in real LCU (bn) (2020)	57.6	45.4	93.0	120.1	118.9	105.1	77.4	70.1	83.2	80.8
Spending in nominal US\$ (bn)	0.9	0.7	1.4	1.8	1.7	1.3	1.0	0.9	1.0	1.1
Spending in real and constant US\$ (bn) (2020)	0.7	0.6	1.2	1.6	1.5	1.4	1.0	0.9	1.1	1.1
Spending in real LCU – growth rate (%) (2020)	25.5	-21.3	105.1	29.1	-1.0	-11.6	-26.3	-9.5	18.6	-2.9
Spending (% of real GDP) (2020)	5.1	3.6	6.9	8.7	8.5	7.3	5.3	4.7	5.4	5.3
Spending (% of real government spending) (2020)	28.8	17.1	34.2	39.7	39.1	30.5	23.5	N/A	N/A	N/A
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	1.1	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.6	1.5
GDP in real US\$ (bn) (2020)	24.2	25.1	24.3	24.2	23.0	21.2	21.7	20.7	19.9	19.8
GDP in real LCU – growth rate (%) (2020)	0.4	12.8	5.6	2.7	1.4	2.3	2.6	1.2	3.9	-1.9
GDP in real US\$ – per capita (2020)	804.0	804.3	754.2	724.7	667.5	598.1	597.1	556.8	524.2	508.4
Government spending in real LCU (bn) (2020)	199.9	264.7	271.7	302.8	304.1	344.7	329.7	N/A	N/A	N/A
Population (m)	30.1	31.2	32.3	33.4	34.4	35.4	36.3	37.2	38.0	38.9
Inflation (%)	11.8	6.4	7.4	4.7	-0.7	4.4	5.0	0.6	2.3	N/A



Real GDP and government spending in local currency



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

Capital City: Dhaka

Population: 164.7 million

Active armed forces: 163 050

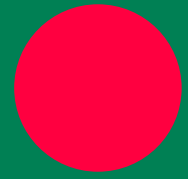
Land size: 147 570 sq km

Currency: Bangladeshi Taka (BDT)

Fiscal year: 1 July – 30 June

Economy: Lower-middle income country with a market economy

Industries: Jute, cotton, apparel, paper, leather, fertiliser, iron and steel, cement, oil and gas products, and agricultural products



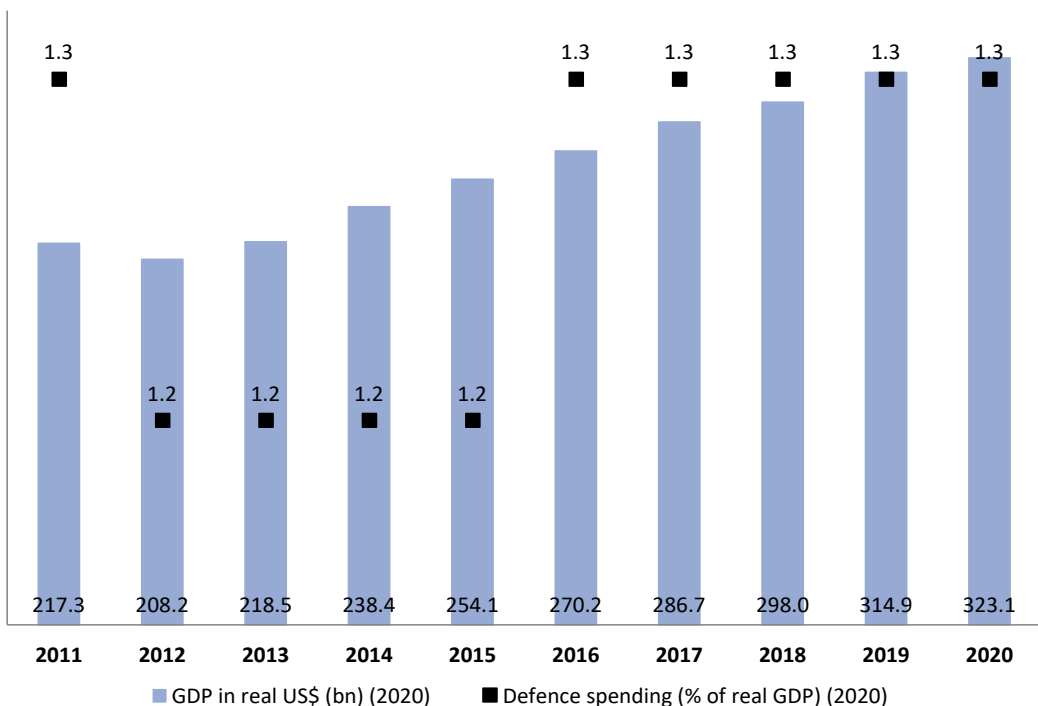
Economy

Over the past 10 years, Bangladesh has averaged 6.5 per cent annual real economic growth in local currency terms. In 2020, the economy slowed to 3.1 per cent, driven by the COVID-19 economic downturn. However, growth was supported by continued remittance inflows and low global crude oil prices throughout 2020. According to the EIU, Bangladesh's economy will average 11 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

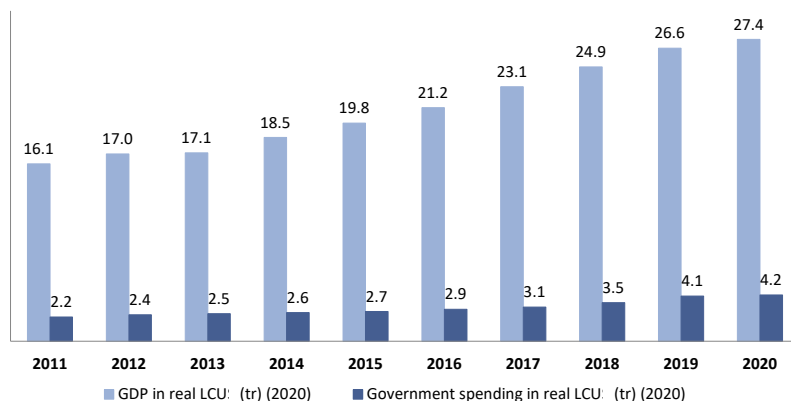
Bangladesh's 2020 defence budget was BDT344.3bn (US\$4.1bn) – a 3 per cent real increase on the 2019 defence budget in local currency terms. In 2020, Dhaka's defence acquisitions included two new frigates, two new survey ships, one corvette, seven new Chinese light attack aircraft and the last of five Hercules transport aircraft.

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

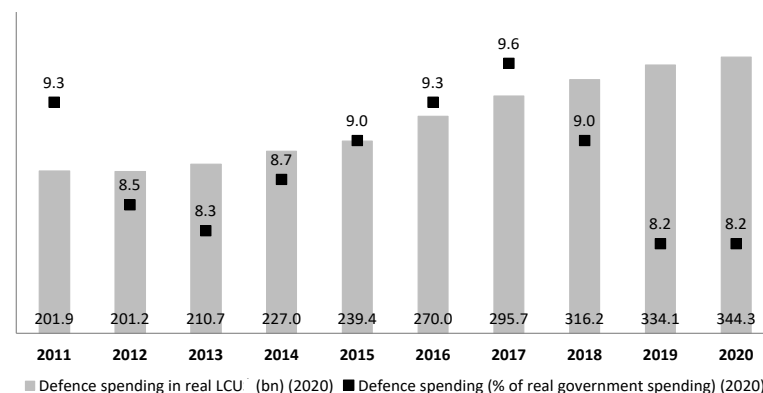


BANGLADESH

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	119.5	128.9	144.6	164.6	183.8	221.3	257.6	290.8	321.0	344.3
Spending in real LCU (bn) (2020)	201.9	201.2	210.7	227.0	239.4	270.0	295.7	316.2	334.1	344.3
Spending in nominal US\$ (bn)	1.6	1.6	1.9	2.1	2.4	2.8	3.2	3.5	3.8	4.1
Spending in real and constant US\$ (bn) (2020)	2.4	2.4	2.5	2.7	2.8	3.2	3.5	3.7	3.9	4.1
Spending in real LCU – growth rate (%) (2020)	20.8	-0.3	4.7	7.8	5.5	12.8	9.5	6.9	5.7	3.0
Spending (% of real GDP) (2020)	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3
Spending (% of real government spending) (2020)	9.3	8.5	8.3	8.7	9.0	9.3	9.6	9.0	8.2	8.2
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	16.1	17.0	17.1	18.5	19.8	21.2	23.1	24.9	26.6	27.4
GDP in real US\$ (bn) (2020)	217.3	208.2	218.5	238.4	254.1	270.2	286.7	298.0	314.9	323.1
GDP in real LCU – growth rate (%) (2020)	10.1	5.8	0.1	8.4	7.0	7.1	8.8	7.8	6.9	3.1
GDP in real US\$ – per capita (2020)	1455.6	1379.0	1430.6	1542.8	1625.9	1710.3	1795.5	1846.4	1931.6	1961.6
Government spending in real LCU (tr) (2020)	2.2	2.4	2.5	2.6	2.7	2.9	3.1	3.5	4.1	4.2
Population (m)	149.3	151.0	152.8	154.5	156.3	158.0	159.7	161.4	163.0	164.7
Inflation (%)	10.3	6.6	7.5	7.0	6.2	5.5	5.7	5.5	5.6	5.7



Real GDP and government spending in local currency



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

Capital City: New Dehli

Population: 1.4 billion

Active armed forces: 1.5 million

Land size: 3 287 263 km sq

Currency: Indian Rupee (INR)

Fiscal year: 1 April – 31 March

Economy: Lower-middle income country with a market economy

Industries: Textiles, chemicals, food, automotive, cement, mining and steel, petroleum, machinery, software, and pharmaceuticals



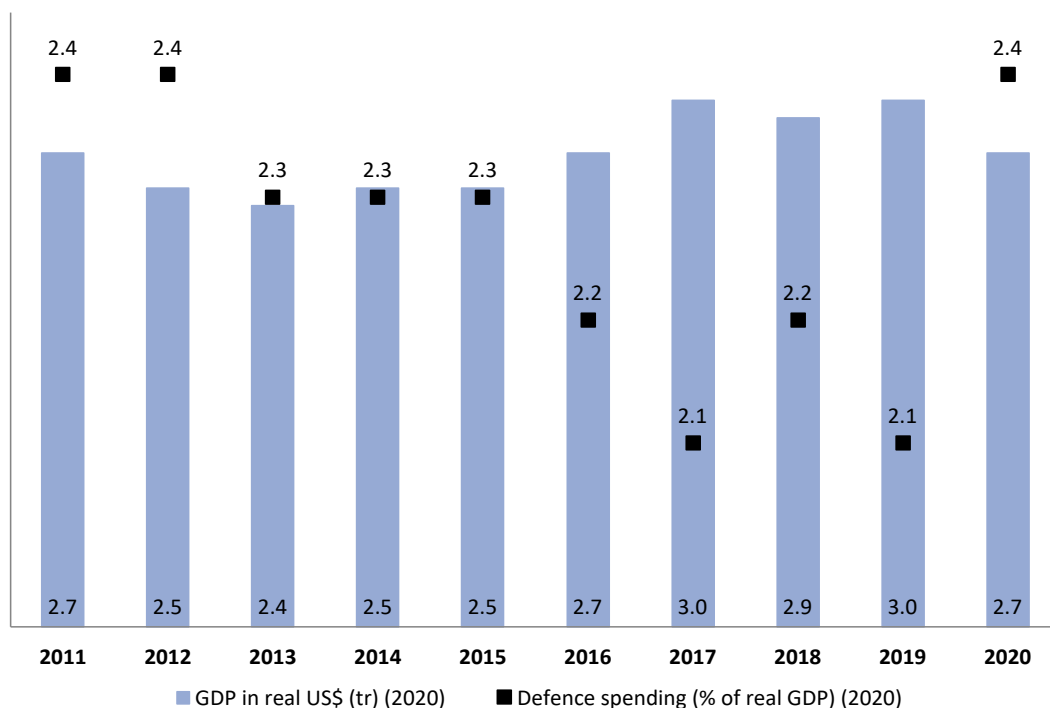
Economy

Over the past 10 years, India has averaged 5.2 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 6.9 per cent; India's three-month national lockdown triggered its first recession in decades. Pandemic restrictions constrained loans from the banking sector, which led to reduced credit flow, investment and private consumption. According to the EIU, India's economy will average 7 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

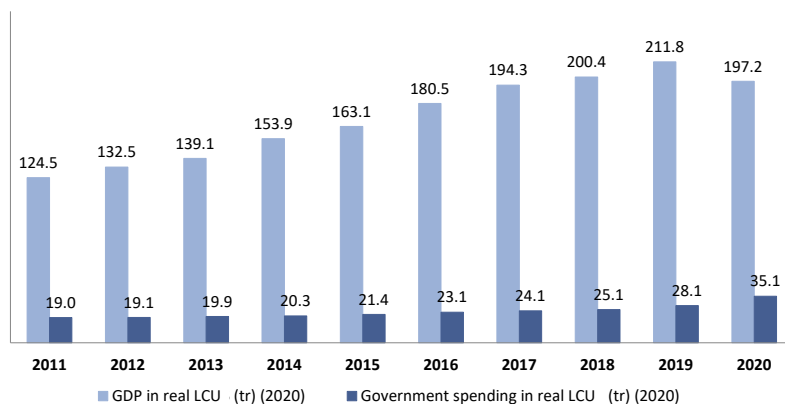
Defence spending

India's 2020 defence budget was INR4.7tr (US\$63.6bn) – a 4.5 per cent real increase on the 2019 defence budget in local currency terms. In 2020, New Delhi and Washington signed a Basic Exchange and Cooperation Agreement to increase data-sharing and interoperability. India acquired the first 8 of 36 French-made Rafale multirole fighters, and introduced Russian-made Sukhoi multirole fighters, Boeing attack helicopters and locally made Tejas light combat aircraft to service. Indian shipbuilder Mazagon Dock launched the fifth of six French-designed KALVARI-class submarines.

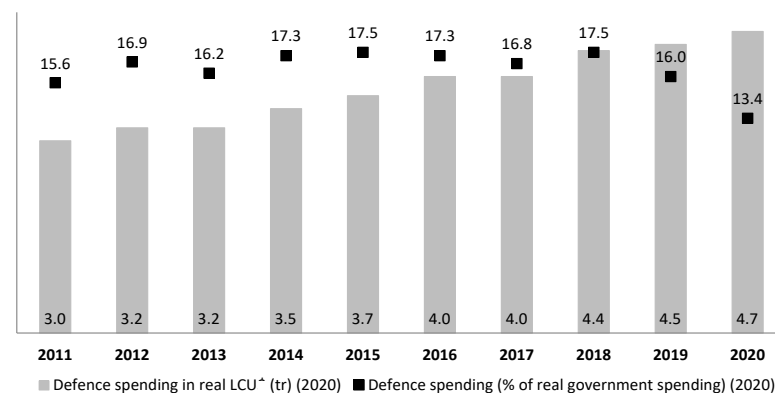
GDP in real and US\$ and defence spending as a percentage of real GDP



INDIA										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (tr)	2.0	2.4	2.5	2.9	3.1	3.4	3.6	4.0	4.3	4.7
Spending in real LCU (tr) (2020)	3.0	3.2	3.2	3.5	3.7	4.0	4.0	4.4	4.5	4.7
Spending in nominal US\$ (bn)	43.4	44.6	43.2	46.7	48.3	50.7	55.3	59.1	61.2	63.6
Spending in real and constant US\$ (bn) (2020)	40.0	43.6	43.7	47.6	50.5	53.8	54.6	59.1	60.9	63.6
Spending in real LCU – growth rate (%) (2020)	6.1	9.0	0.1	8.9	6.3	6.5	1.5	8.3	2.9	4.5
Spending (% of real GDP) (2020)	2.4	2.4	2.3	2.3	2.3	2.2	2.1	2.2	2.1	2.4
Spending (% of real government spending) (2020)	15.6	16.9	16.2	17.3	17.5	17.3	16.8	17.5	16.0	13.4
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	124.5	132.5	139.1	153.9	163.1	180.5	194.3	200.4	211.8	197.2
GDP in real US\$ (tr) (2020)	2.7	2.5	2.4	2.5	2.5	2.7	3.0	2.9	3.0	2.7
GDP in real LCU – growth rate (%) (2020)	3.6	6.4	4.9	10.7	6.0	10.7	7.7	3.1	5.7	-6.9
GDP in real US\$ – per capita (2020)	2133.7	1959.2	1852.9	1946.5	1940.2	2027.6	2228.5	2166.2	2200.8	1928.5
Government spending in real LCU (tr) (2020)	19.0	19.1	19.9	20.3	21.4	23.1	24.1	25.1	28.1	35.1
Population (bn)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4
Inflation (%)	8.3	9.4	10.1	6.4	4.9	5.0	3.3	3.9	3.7	6.6



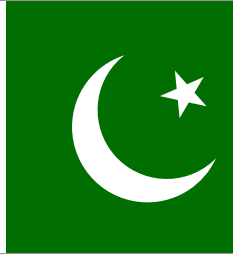
Real GDP and government spending in local currency



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

Capital City: Islamabad
Population: 220.9 million
Active armed forces: 654 000
Land sizes: 796 095 km sq
Currency: Pakistani Rupee (PKR)

Fiscal year: 1 July – 30 June
Economy: Lower-middle income country with a market economy
Industries: Apparel and textiles, food processing, pharmaceuticals, surgical instruments, construction, paper, and fertiliser



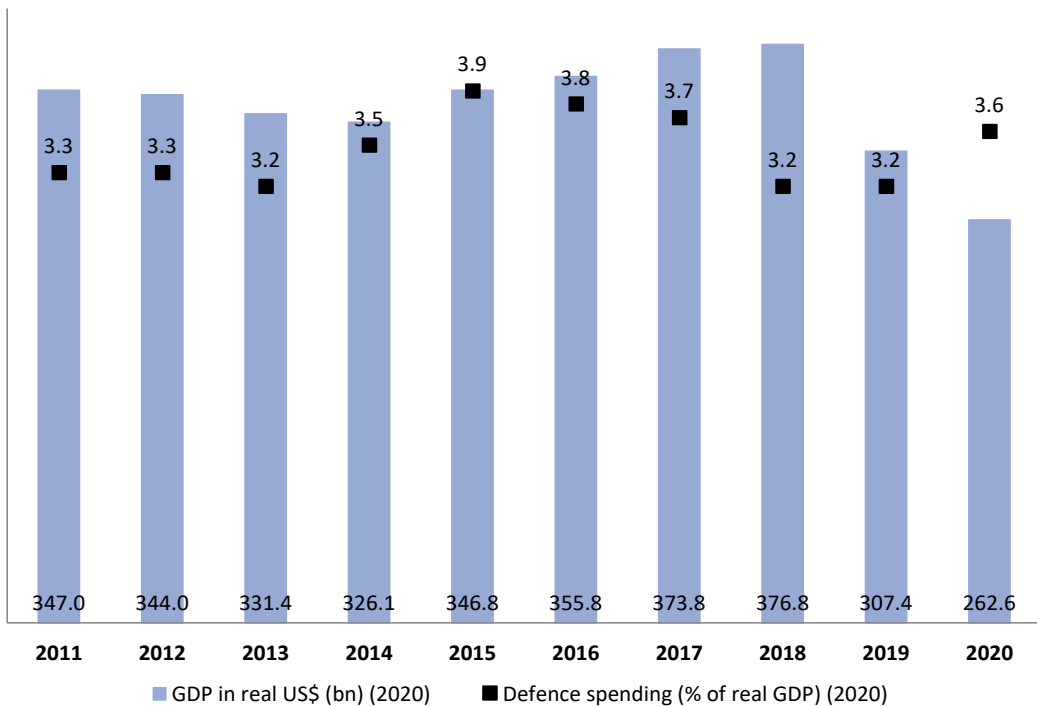
Economy

Over the past 10 years, Pakistan has averaged 4.0 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 7.8 per cent, due to the COVID-19 pandemic and disrupted IMF funding. Following low growth in 2019, pandemic restrictions constrained activity in the construction sector and further slowed investment. According to the EIU, Pakistan’s economy will average 6 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

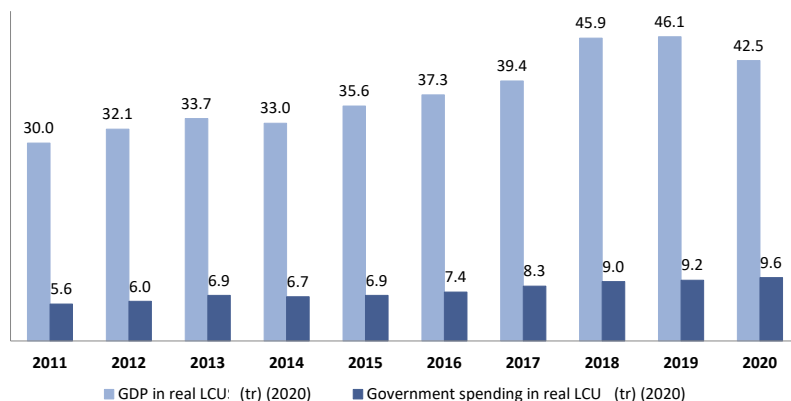
Pakistan’s 2020 defence budget was PKR1.5tr (US\$9.5bn) – a 3.5 per cent real increase on the 2019 defence budget in local currency terms. Pakistan received the second of two Dutch-built corvettes and the first of four Chinese-built frigates; it also continued its program to build 26 Thunder combat aircraft in partnership with China.

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

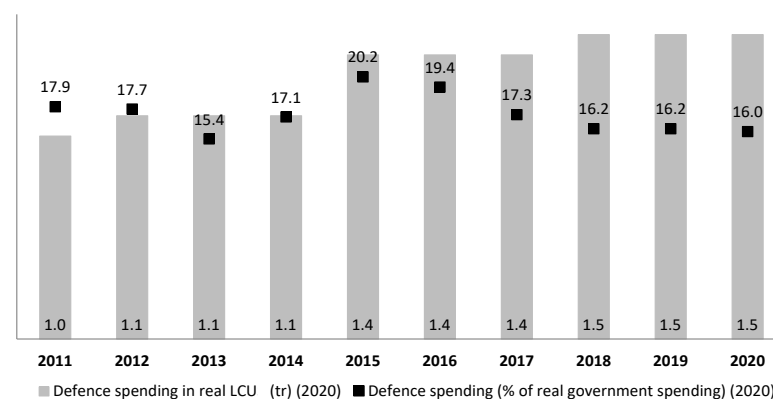


PAKISTAN

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Official defence spending										
Spending in nominal LCU (tr)	0.6	0.7	0.7	0.9	1.1	1.1	1.2	1.2	1.4	1.5
Spending in real LCU (tr) (2020)	1.0	1.1	1.1	1.1	1.4	1.4	1.4	1.5	1.5	1.5
Spending in nominal US\$ (bn)	7.1	7.5	7.3	8.5	10.6	10.7	11.1	10.0	9.0	9.5
Spending in real and constant US\$ (bn) (2020)	6.2	6.6	6.6	7.1	8.6	8.9	8.9	9.0	9.2	9.5
Spending in real LCU – growth rate (%) (2020)	-10.8	7.0	-0.7	8.1	21.4	2.7	0.5	1.0	2.6	3.5
Spending (% of real GDP) (2020)	3.3	3.3	3.2	3.5	3.9	3.8	3.7	3.2	3.2	3.6
Spending (% of real government spending) (2020)	17.9	17.7	15.4	17.1	20.2	19.4	17.3	16.2	16.2	16.0
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	30.0	32.1	33.7	33.0	35.6	37.3	39.4	45.9	46.1	42.5
GDP in real US\$ (bn) (2020)	347.0	344.0	331.4	326.1	346.8	355.8	373.8	376.8	307.4	262.6
GDP in real LCU – growth rate (%) (2020)	2.1	7.2	4.8	-2.1	8.1	4.6	5.8	16.4	0.5	-7.8
GDP in real US\$ – per capita (2020)	1892.9	1837.0	1732.9	1669.7	1739.1	1747.1	1797.9	1775.4	1419.3	1188.9
Government spending in real LCU (tr) (2020)	5.6	6.0	6.9	6.7	6.9	7.4	8.3	9.0	9.2	9.6
Population (m)	183.3	187.3	191.3	195.3	199.4	203.6	207.9	212.2	216.6	220.9
Inflation (%)	11.9	9.7	7.7	7.2	2.5	3.9	5.0	5.3	9.4	9.5



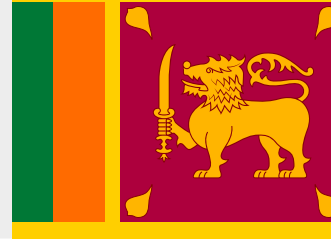
Real GDP and government spending in local currency



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

Capital City: Colombo
Population: 21.4 million
Active armed forces: 255 000
Land size: 65 610 km sq
Currency: Sri Lankan Rupee (LKR)

Fiscal year: 1 January – 31 December
Economy: Lower-middle income country with a market economy
Industries: Agricultural processing, financial and telecommunications services, tourism, shipping, apparel, cement, and oil refining



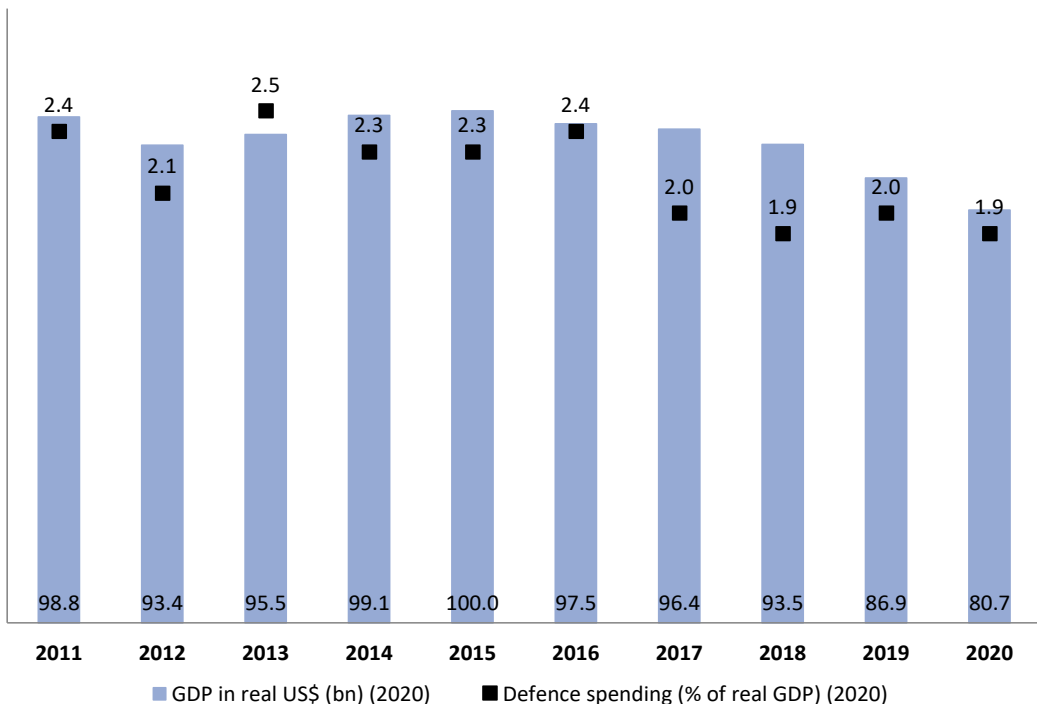
Economy

Over the past 10 years, Sri Lanka has averaged 4.1 per cent annual real economic growth in local currency terms. In 2020, the economy contracted by 3.6 per cent driven by the COVID-19 economic downturn. Pandemic restrictions constrained merchandise exports, reduced investment and slowed progress on major infrastructure projects. According to the EIU, Sri Lanka’s economy will average 6 per cent yearly growth out to 2025 in nominal US dollar terms; however, this outlook is subject to the prevailing economic impacts of the COVID-19 pandemic.

Defence spending

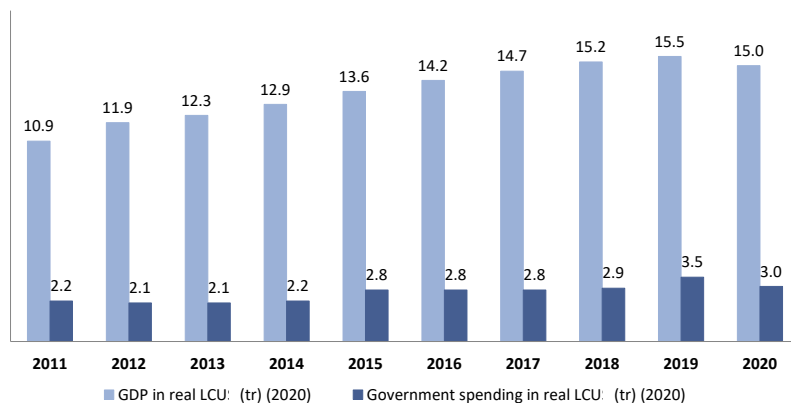
Sri Lanka’s 2020 defence budget was LKR283.6bn (US\$1.5bn) – a 7.8 per cent real decrease on the 2019 defence budget in local currency terms. The Army contributed more than 650 personnel to UN peacekeeping missions in Africa and the Middle East. Colombo concentrated defence funding on training, base upgrades and post-civil war reconstruction.

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

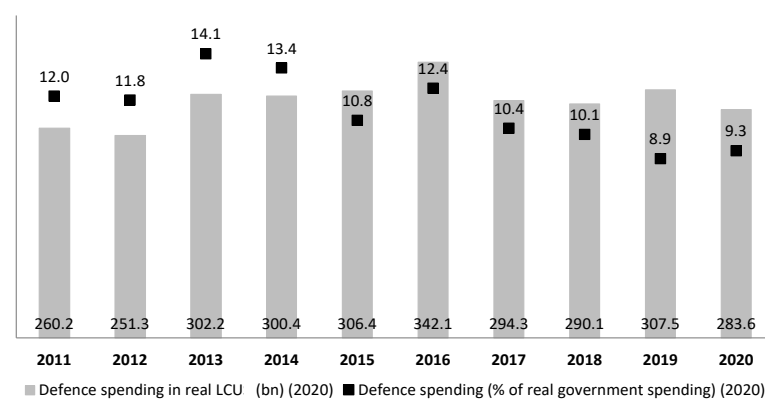


SRI LANKA

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	172.0	184.1	235.2	240.6	246.9	289.1	266.8	273.0	297.4	283.6
Spending in real LCU (bn) (2020)	260.2	251.3	302.2	300.4	306.4	342.1	294.3	290.1	307.5	283.6
Spending in nominal US\$ (bn)	1.6	1.4	1.8	1.8	1.8	2.0	1.7	1.7	1.7	1.5
Spending in real and constant US\$ (bn) (2020)	1.4	1.4	1.6	1.6	1.7	1.8	1.6	1.6	1.7	1.5
Spending in real LCU – growth rate (%) (2020)	6.3	-3.4	20.3	-0.6	2.0	11.7	-14.0	-1.4	6.0	-7.8
Spending (% of real GDP) (2020)	2.4	2.1	2.5	2.3	2.3	2.4	2.0	1.9	2.0	1.9
Spending (% of real government spending) (2020)	12.0	11.8	14.1	13.4	10.8	12.4	10.4	10.1	8.9	9.3
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	10.9	11.9	12.3	12.9	13.6	14.2	14.7	15.2	15.5	15.0
GDP in real US\$ (bn) (2020)	98.8	93.4	95.5	99.1	100.0	97.5	96.4	93.5	86.9	80.7
GDP in real LCU – growth rate (%) (2020)	8.4	9.1	3.4	5.0	5.0	4.5	3.6	3.3	2.3	-3.6
GDP in real US\$ – per capita (2020)	4843.1	4550.1	4621.9	4766.5	4782.9	4638.6	4565.0	4402.1	4073.6	3767.7
Government spending in real LCU (tr) (2020)	2.2	2.1	2.1	2.2	2.8	2.8	2.8	2.9	3.5	3.0
Population (m)	20.4	20.5	20.7	20.8	20.9	21.0	21.1	21.2	21.3	21.4
Inflation (%)	6.7	7.6	6.9	2.8	2.2	4.0	6.6	4.3	4.3	4.6

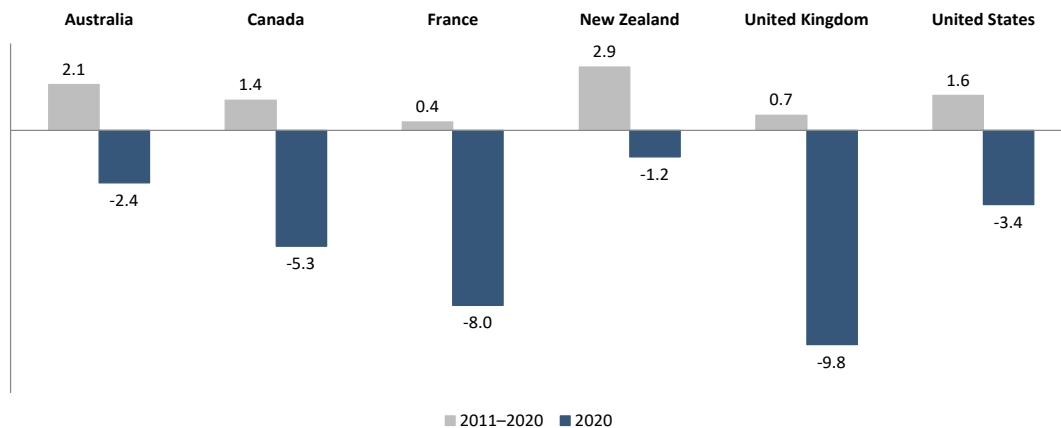


Real GDP and government spending in local currency

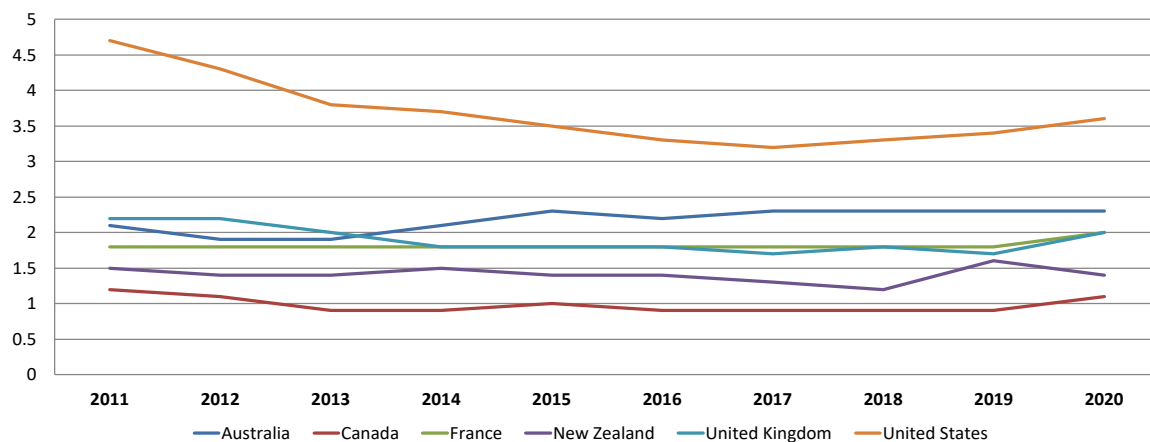


Defence spending in real LCU and as a percentage of real government spending

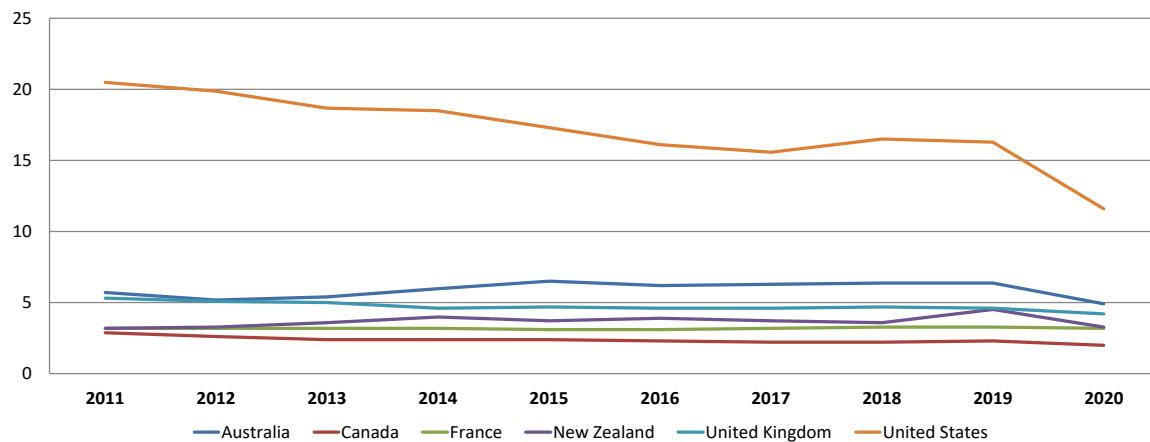
GDP in real LCU – growth rate (%)



Defence spending (% of real GDP)



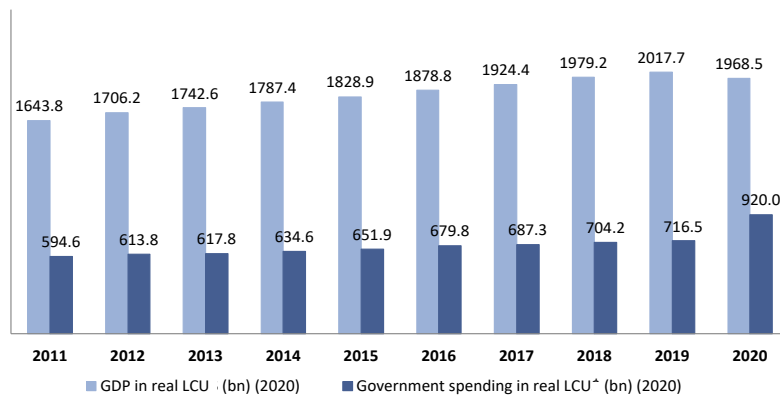
Defence spending (% of real government spending)



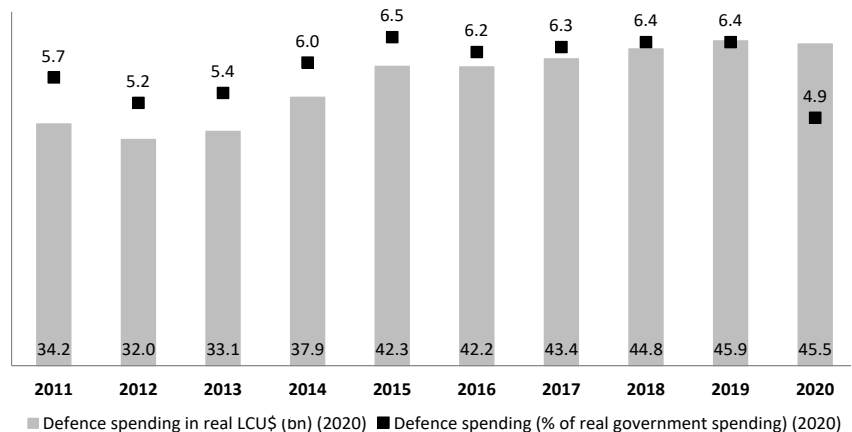


AUSTRALIA

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	30.5	28.4	29.8	34.2	37.9	38.2	40.7	43.0	45.5	45.5
Spending in real LCU (bn) (2020)	34.2	32.0	33.1	37.9	42.3	42.2	43.4	44.8	45.9	45.5
Spending in nominal US\$ (bn)	31.5	29.5	28.9	30.9	28.5	28.4	31.2	32.2	31.6	31.4
Spending in real and constant US\$ (bn) (2020)	23.6	22.1	22.9	26.2	29.2	29.1	30.0	30.9	31.7	31.4
Spending in real LCU – growth rate (%) (2020)	-4.7	-6.3	3.5	14.3	11.6	-0.2	2.9	3.3	2.3	-0.8
Spending (% of real GDP) (2020)	2.1	1.9	1.9	2.1	2.3	2.2	2.3	2.3	2.3	2.3
Spending (% of real government spending) (2020)	5.7	5.2	5.4	6.0	6.5	6.2	6.3	6.4	6.4	4.9
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	2.0
GDP in real US\$ (tr) (2020)	1.7	1.8	1.7	1.6	1.4	1.4	1.5	1.5	1.4	1.4
GDP in real LCU – growth rate (%) (2020)	2.8	3.8	2.1	2.6	2.3	2.7	2.4	2.8	1.9	-2.4
GDP in real US\$ – per capita (2020)	75331.3	77185.8	72568.9	68381.5	57497.2	57609.0	60033.7	59447.7	55680.8	53298.0
Government spending in real LCU (bn) (2020)	594.6	613.8	617.8	634.6	651.9	679.8	687.3	704.2	716.5	920.0
Population (m)	22.5	22.9	23.3	23.6	23.9	24.3	24.6	24.9	25.2	25.5
Inflation (%)	3.3	1.8	2.5	2.5	1.5	1.3	2.0	1.9	1.6	0.8



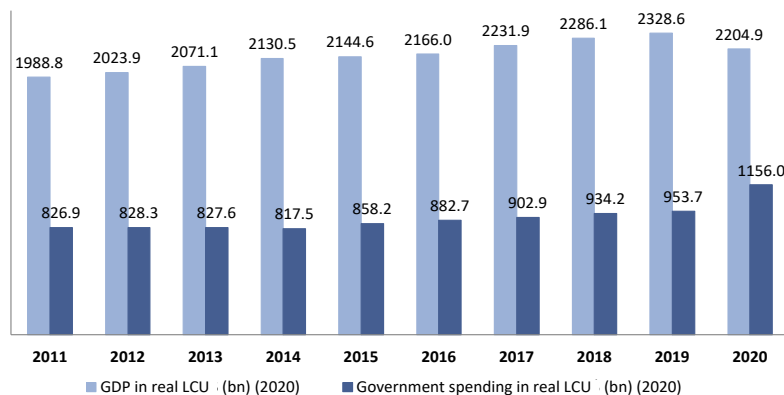
Real GDP and government spending in local currency



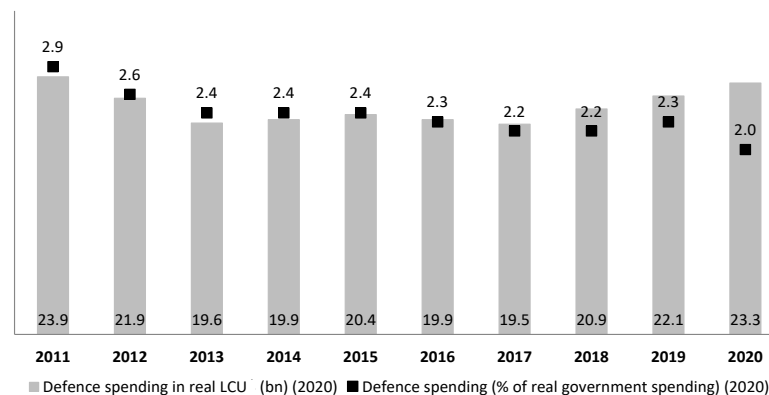
Defence spending in real LCU and as a percentage of real government spending



CANADA										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	21.3	19.8	18.0	18.7	18.9	18.6	18.7	20.4	21.9	23.3
Spending in real LCU (bn) (2020)	23.9	21.9	19.6	19.9	20.4	19.9	19.5	20.9	22.1	23.3
Spending in nominal US\$ (bn)	21.5	19.8	17.5	16.9	14.8	14.1	14.4	15.7	16.5	17.4
Spending in real and constant US\$ (bn) (2020)	17.8	16.3	14.6	14.9	15.2	14.9	14.5	15.6	16.4	17.4
Spending in real LCU – growth rate (%) (2020)	-2.3	-8.1	-10.7	1.8	2.4	-2.3	-2.4	7.3	5.7	5.7
Spending (% of real GDP) (2020)	1.2	1.1	0.9	0.9	1.0	0.9	0.9	0.9	0.9	1.1
Spending (% of real government spending) (2020)	2.9	2.6	2.4	2.4	2.4	2.3	2.2	2.2	2.3	2.0
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.3	2.3	2.2
GDP in real US\$ (tr) (2020)	2.0	2.0	2.0	1.9	1.7	1.6	1.7	1.8	1.8	1.6
GDP in real LCU – growth rate (%) (2020)	3.1	1.8	2.3	2.9	0.7	1.0	3.0	2.4	1.9	-5.3
GDP in real US\$ – per capita (2020)	58221.3	57989.6	56967.7	54078.3	46548.4	44910.3	46817.0	47575.7	46911.2	43553.6
Government spending in real LCU (tr) (2020)	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.2
Population (m)	34.5	34.9	35.3	35.7	36.0	36.4	36.7	37.1	37.4	37.7
Inflation (%)	2.9	1.5	0.9	1.9	1.1	1.4	1.6	2.2	2.0	0.7

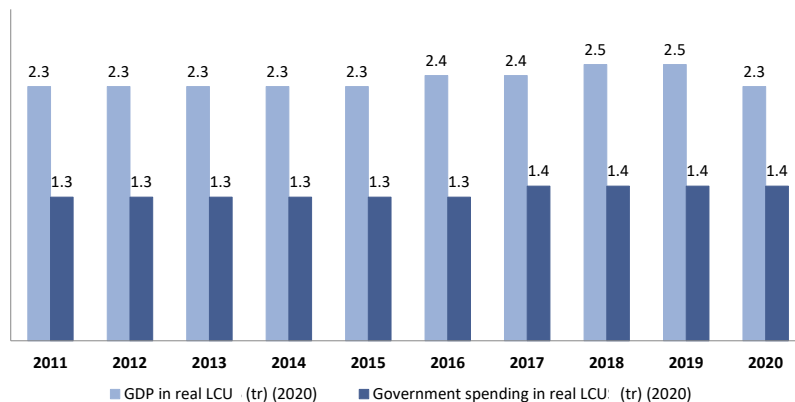


Real GDP and government spending in local currency

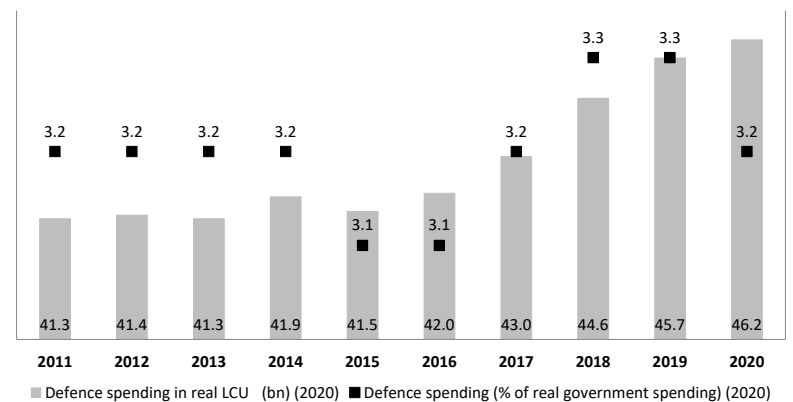


Defence spending in real LCU and as a percentage of real government spending

FRANCE										
Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	37.6	38.1	38.3	39.1	39.1	39.9	41.0	42.9	44.5	46.2
Spending in real LCU (bn) (2020)	41.3	41.4	41.3	41.9	41.5	42.0	43.0	44.6	45.7	46.2
Spending in nominal US\$ (bn)	52.3	49.0	50.9	52.0	43.4	44.1	46.3	50.7	49.9	52.8
Spending in real and constant US\$ (bn) (2020)	47.2	47.3	47.1	47.8	47.3	48.0	49.1	50.9	52.1	52.8
Spending in real LCU – growth rate (%) (2020)	-0.2	0.2	-0.3	1.5	-1.1	1.4	2.4	3.6	2.4	1.2
Spending (% of real GDP) (2020)	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	2.0
Spending (% of real government spending) (2020)	3.2	3.2	3.2	3.2	3.1	3.1	3.2	3.3	3.3	3.2
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.5	2.5	2.3
GDP in real US\$ (tr) (2020)	3.1	2.9	3.0	3.1	2.6	2.6	2.7	2.9	2.8	2.6
GDP in real LCU – growth rate (%) (2020)	2.2	0.4	0.6	1.0	1.0	1.0	2.4	1.8	1.8	-8.0
GDP in real US\$ – per capita (2020)	49768.1	45897.6	47461.8	47725.7	40105.6	40271.9	41988.4	44635.8	42982.1	40225.8
Government spending in real LCU (tr) (2020)	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4
Population (m)	63.2	63.6	63.9	64.2	64.5	64.7	64.8	65.0	65.1	65.3
Inflation (%)	2.3	2.2	1.0	0.6	0.1	0.3	1.2	2.1	1.3	0.5



Real GDP and government spending in local currency

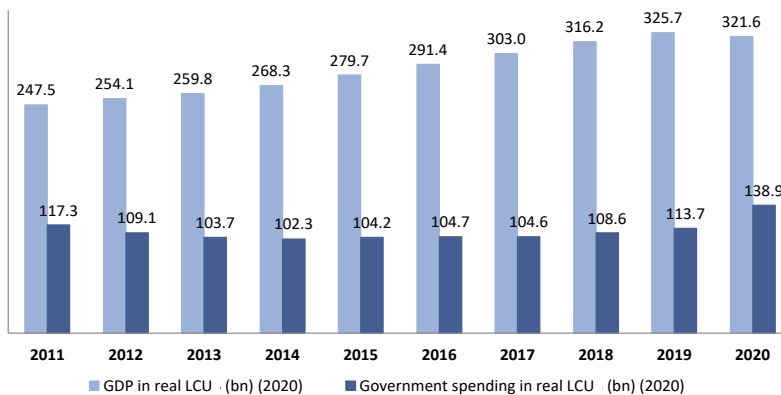


Defence spending in real LCU and as a percentage of real government spending

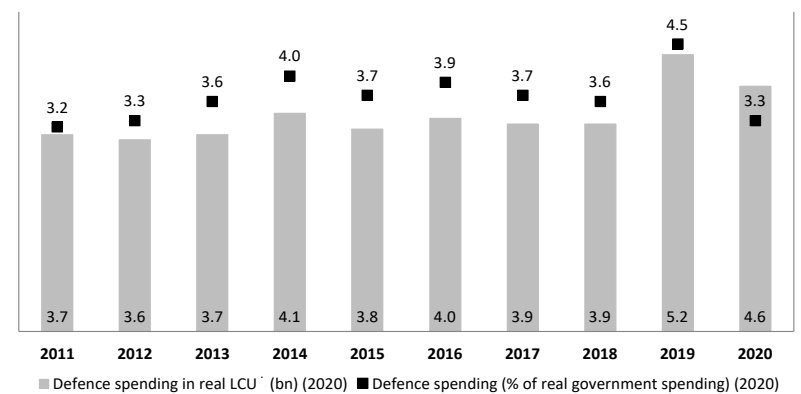


NEW ZEALAND

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	3.2	3.1	3.3	3.7	3.5	3.7	3.7	3.8	5.1	4.6
Spending in real LCU (bn) (2020)	3.7	3.6	3.7	4.1	3.8	4.0	3.9	3.9	5.2	4.6
Spending in nominal US\$ (bn)	2.5	2.5	2.7	3.1	2.4	2.6	2.6	2.6	3.3	3.0
Spending in real and constant US\$ (bn) (2020)	2.4	2.4	2.4	2.7	2.5	2.6	2.5	2.5	3.4	3.0
Spending in real LCU – growth rate (%) (2020)	-0.3	-2.8	2.7	11.3	-7.1	5.1	-3.8	1.0	31.7	-10.5
Spending (% of real GDP) (2020)	1.5	1.4	1.4	1.5	1.4	1.4	1.3	1.2	1.6	1.4
Spending (% of real government spending) (2020)	3.2	3.3	3.6	4.0	3.7	3.9	3.7	3.6	4.5	3.3
Gross domestic product (GDP)										
GDP in real LCU (bn) (2020)	247.5	254.1	259.8	268.3	279.7	291.4	303.0	316.2	325.7	321.6
GDP in real US\$ (bn) (2020)	196.0	206.0	213.2	222.9	195.9	203.2	215.5	219.1	214.7	209.2
GDP in real LCU – growth rate (%) (2020)	1.8	2.6	2.3	3.3	4.2	4.2	4.0	4.3	3.0	-1.2
GDP in real US\$ – per capita (2020)	44679.8	46700.1	47941.7	49384.2	42583.8	43315.2	45070.9	45083.1	43538.4	41899.2
Government spending in real LCU (bn) (2020)	117.3	109.1	103.7	102.3	104.2	104.7	104.6	108.6	113.7	138.9
Population (m)	4.4	4.4	4.4	4.5	4.6	4.7	4.8	4.9	4.9	5.0
Inflation (%)	4.1	1.0	1.1	1.2	0.3	0.6	1.9	1.6	1.6	1.7



Real GDP and government spending in local currency

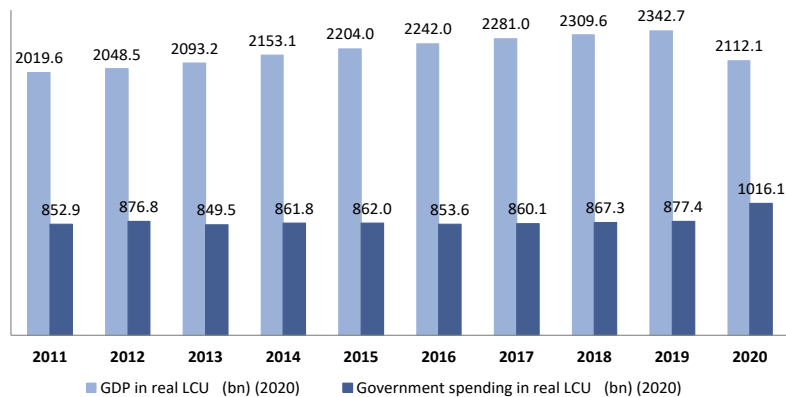


Defence spending in real LCU and as a percentage of real government spending

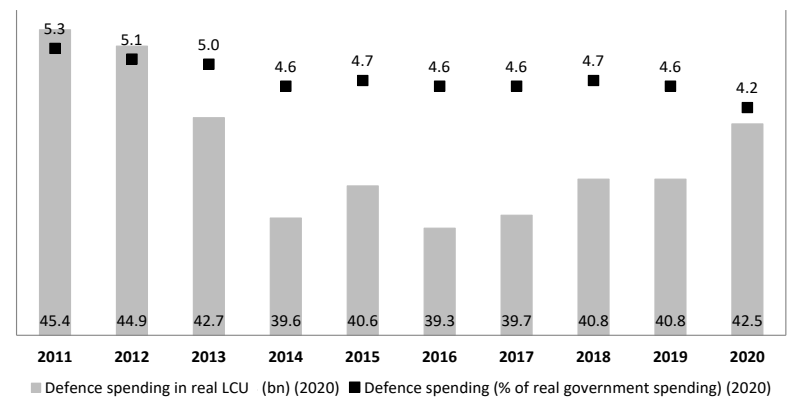


UNITED KINGDOM

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	37.3	37.5	36.3	34.3	35.4	35.0	36.0	37.8	38.6	42.5
Spending in real LCU (bn) (2020)	45.4	44.9	42.7	39.6	40.6	39.3	39.7	40.8	40.8	42.5
Spending in nominal US\$ (bn)	59.8	59.5	56.8	56.5	54.1	47.4	46.4	50.5	49.3	54.6
Spending in real and constant US\$ (bn) (2020)	58.2	57.6	54.8	50.9	52.2	50.5	51.0	52.3	52.3	54.6
Spending in real LCU – growth rate (%) (2020)	-20.7	-1.1	-4.9	-7.1	2.5	-3.2	0.9	2.7	0.0	4.3
Spending (% of real GDP) (2020)	2.2	2.2	2.0	1.8	1.8	1.8	1.7	1.8	1.7	2.0
Spending (% of real government spending) (2020)	5.3	5.1	5.0	4.6	4.7	4.6	4.6	4.7	4.6	4.2
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	2.0	2.0	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.1
GDP in real US\$ (tr) (2020)	3.2	3.2	3.3	3.5	3.4	3.0	2.9	3.1	3.0	2.7
GDP in real LCU – growth rate (%) (2020)	1.3	1.4	2.2	2.9	2.4	1.7	1.7	1.3	1.4	-9.8
GDP in real US\$ – per capita (2020)	50753.8	50551.6	50670.7	54559.8	51514.4	46174.2	44067.4	45946.4	44312.9	39939.0
Government spending in real LCU (tr) (2020)	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.0
Population (m)	63.8	64.2	64.6	65.0	65.4	65.8	66.7	67.1	67.5	67.9
Inflation (%)	3.8	2.6	2.3	1.5	0.4	1.0	2.6	2.3	1.7	1.0



Real GDP and government spending in local currency

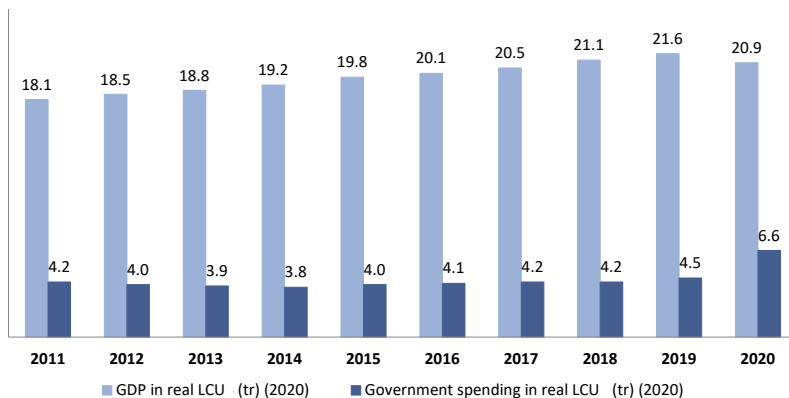


Defence spending in real LCU and as a percentage of real government spending

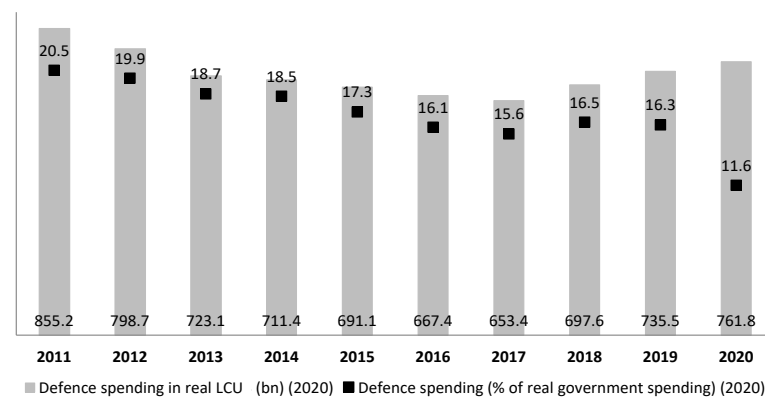


UNITED STATES

Official defence spending	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spending in nominal LCU (bn)	738.7	702.8	647.4	648.9	636.6	620.9	619.5	677.1	726.8	761.8
Spending in real LCU (bn) (2020)	855.2	798.7	723.1	711.4	691.1	667.4	653.4	697.6	735.5	761.8
Spending in nominal US\$ (bn)	738.7	702.8	647.4	648.9	636.6	620.9	619.5	677.1	726.8	761.8
Spending in real and constant US\$ (bn) (2020)	855.2	798.7	723.1	711.4	691.1	667.4	653.4	697.6	735.5	761.8
Spending in real LCU – growth rate (%) (2020)	4.5	-6.6	-9.5	-1.6	-2.9	-3.4	-2.1	6.8	5.4	3.6
Spending (% of real GDP) (2020)	4.7	4.3	3.8	3.7	3.5	3.3	3.2	3.3	3.4	3.6
Spending (% of real government spending) (2020)	20.5	19.9	18.7	18.5	17.3	16.1	15.6	16.5	16.3	11.6
Gross domestic product (GDP)										
GDP in real LCU (tr) (2020)	18.1	18.5	18.8	19.2	19.8	20.1	20.5	21.1	21.6	20.9
GDP in real US\$ (tr) (2020)	18.1	18.5	18.8	19.2	19.8	20.1	20.5	21.1	21.6	20.9
GDP in real LCU – growth rate (%) (2020)	1.5	2.3	1.8	2.3	2.7	1.7	2.3	2.9	2.3	-3.4
GDP in real US\$ – per capita (2020)	57962.6	58820.8	59457.8	60384.2	61592.3	62205.0	63203.1	64648.6	65732.1	63122.7
Government spending in real LCU (tr) (2020)	4.2	4.0	3.9	3.8	4.0	4.1	4.2	4.2	4.5	6.6
Population (m)	311.6	314.0	316.4	318.7	320.9	323.0	325.1	327.1	329.1	331.0
Inflation (%)	3.1	2.1	1.5	1.6	0.1	1.3	2.1	2.4	1.8	1.2



Real GDP and government spending in local currency



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

Methodology

The Defence Economic Trends series is titled according to the calendar year it is published. For example, Defence Economic Trends 2021 is published in the year 2021 but reports on defence spending from 2011 to 2020. Publications prior to 2012 were entitled according to the new budget year included in that publication.

This year's publication uses a revised methodology and recorded figures may differ from previous publications.

For Defence Economic Trends 2021, economic information was sourced from the EIU, which was released in 2021. Publications prior to 2017 used statistics from the IMF.

This publication uses GDP deflators to realise historic defence spending into 2020 constant terms. Since actual spends are not always available, and for comparability of maximum defence spending appropriations, only officially proposed or enacted budget figures are reported, where available.

The economic and defence spending sections provide an indicative but not definitive snapshot of factors impacting a country's macroeconomic stability, major defence acquisitions and defence spending decisions.

Historical methodology in older publications

Before Defence Economic Trends 2013, a different deflator method was used to transform multiple defence expenditures and budget line items into a uniform nominal defence budget figure in constant US dollar terms.

Other publications on defence budget trends

Other organisations produce publications on defence budget trends, including:

- the International Monetary Fund
- the International Institute of Strategic Studies (IISS)
- the Stockholm International Peace Research Institute (SIPRI)

However, these organisations and their publications use different methodologies than Defence Economic Trends to source, aggregate and interpret data.

Appendix B – notes on sources

DATA	SOURCE
Official defence budget (local currency)	Official budget sources from national governments Other open source databases
Economic, government spending and population data	CIA Worldbook EIU World Bank
General financial information	EIU IMF UNCOMTRADE Other open source publications
Active armed forces	The Military Balance report

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