



Australian Government

Defence

Defence Intelligence Group



2022

DEFENCE ECONOMIC
TRENDS IN THE
INDO-PACIFIC

DIO Intelligence Aid 23-006



2022

DEFENCE ECONOMIC
TRENDS IN THE
INDO-PACIFIC

Preface	3
South-East Asia – Regional overview	4
Brunei	6
Cambodia	8
Indonesia	10
Laos	12
Malaysia	14
Myanmar	16
Philippines	18
Singapore	20
Thailand	22
Timor-Leste	24
Vietnam	26
South Pacific – Regional overview	28
Fiji	30
Papua New Guinea	32
Tonga	34
North Asia – Regional overview	36
China	38
Japan	40
Russia	42
South Korea	44
Taiwan	46
South Asia – Regional overview	48
Afghanistan	50
Bangladesh	52
India	54
Pakistan	56
Sri Lanka	58
Other countries – Overview	60
Australia	61
Canada	62
France	63
New Zealand	64
United Kingdom	65
United States	66
Appendix A: Methodology	67
Appendix B: Notes on sources	68

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 information released in 2022 and illustrates the macroeconomic impacts throughout financial year 2021. 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 and recorded figures may differ from previous editions.

Abbreviations

bn	>	billion
COVID-19	>	novel coronavirus disease 2019
EIU	>	Economic Intelligence Unit
Ex	>	exercise
GDP	>	gross domestic product
IMF	>	International Monetary Fund
km sq	>	kilometres squared
LCU	>	local currency unit
m	>	million
PNG	>	Papua New Guinea
SAM	>	surface-to-air missile
tr	>	trillion
UAV	>	uncrewed aerial vehicle
US\$	>	US dollars

Online Version

This publication is no longer available in hard copy but is accessible online at the Department of Defence's website www.defence.gov.au/dio/publications.shtml.

Feedback

We encourage readers to comment on this publication. Please email dio.customerrelations@defence.gov.au with your feedback.

If you have any questions in relation to Defence Economic Trends 2022, please contact Defence Media Room at:

Telephone: +61 2 6265 3343

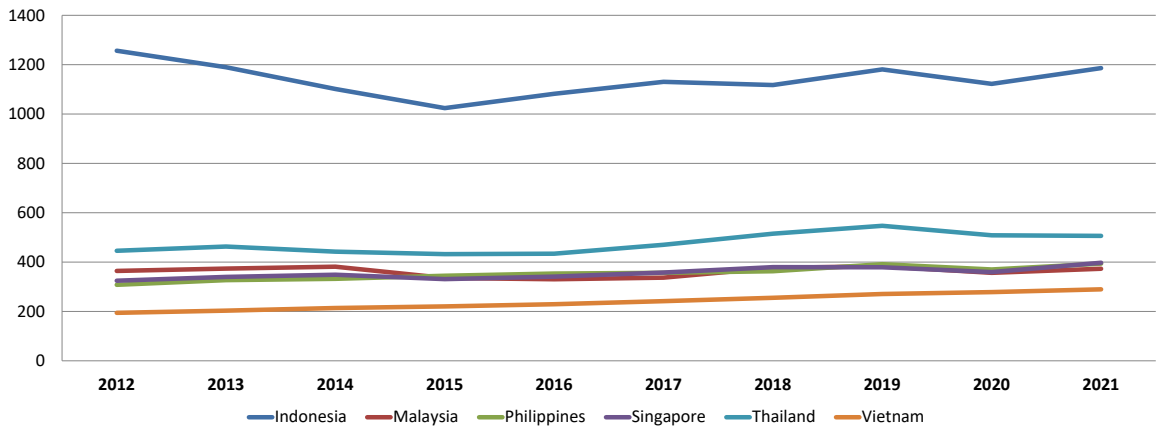
Regional economy

Real economic growth in major South-East Asian economies expanded by an average of 4.1 per cent in 2021 due to strong rebounds in exports, manufacturing and construction. Most major regional economies' GDPs exceeded their pre-pandemic levels in real US dollar terms. However, Malaysia's and Thailand's economies remain below their 2019 levels in real US dollar terms, despite growing in 2021.

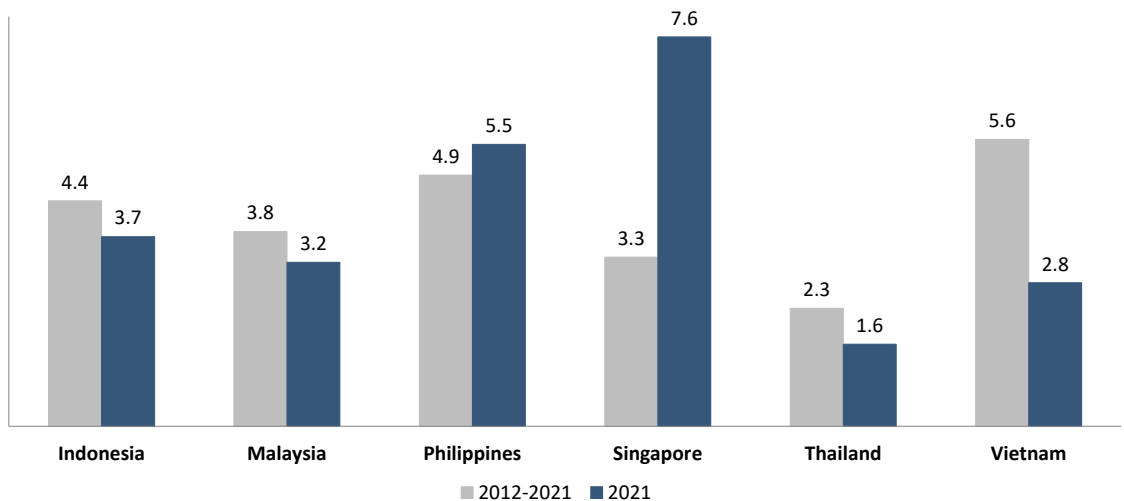
Defence spending

South-East Asian military expenditure as a percentage of real GDP averaged 1.5 per cent in 2021 for major economies. Despite a reduction in military expenditure as a percentage of real GDP since 2020, 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 and some key activities and exercises restarted following pandemic-induced pauses in 2020.

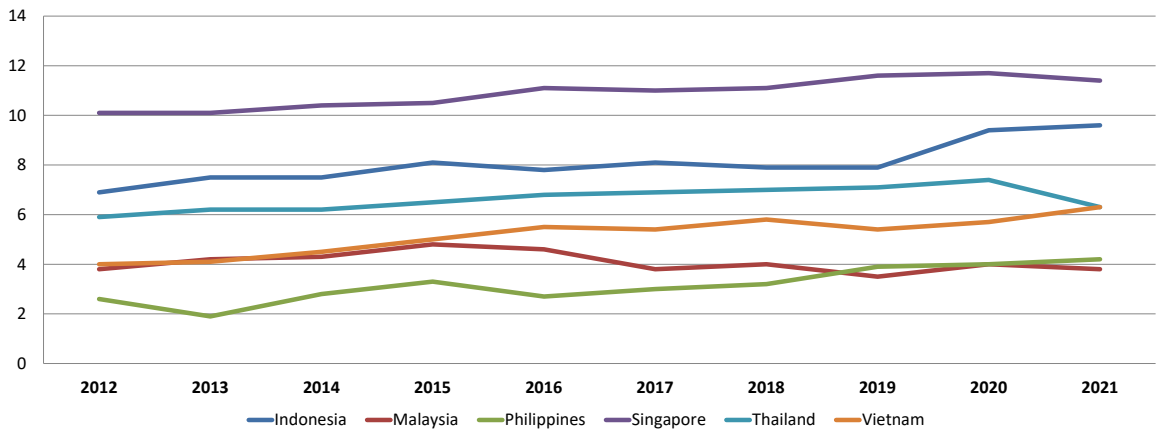
GDP in real US\$ (bn) (2021)



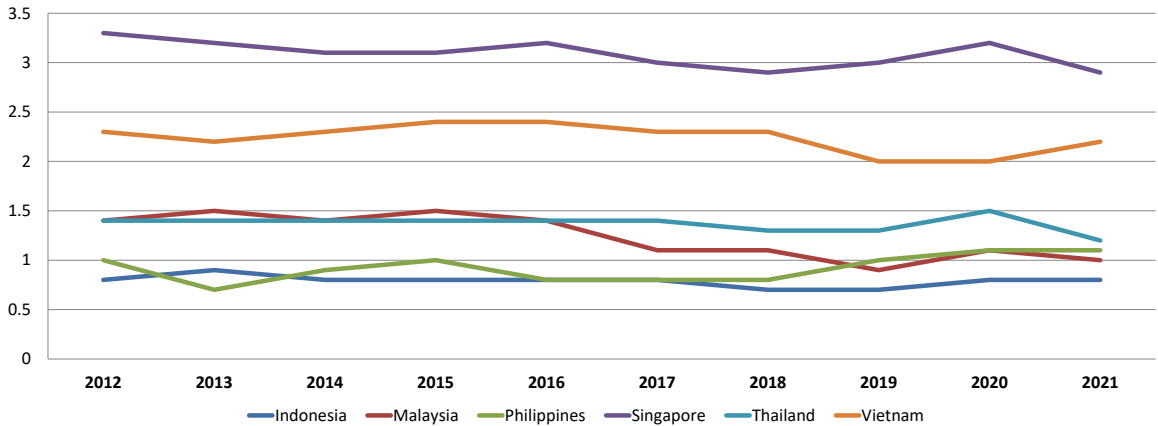
GDP in real LCU – average growth rate (%)



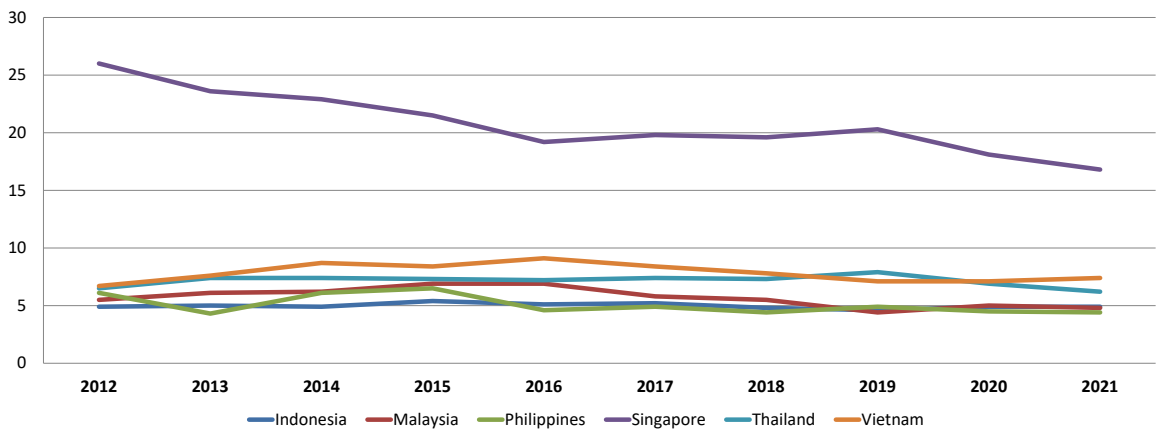
Defence spending in real and constant US\$ (bn) (2021)



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



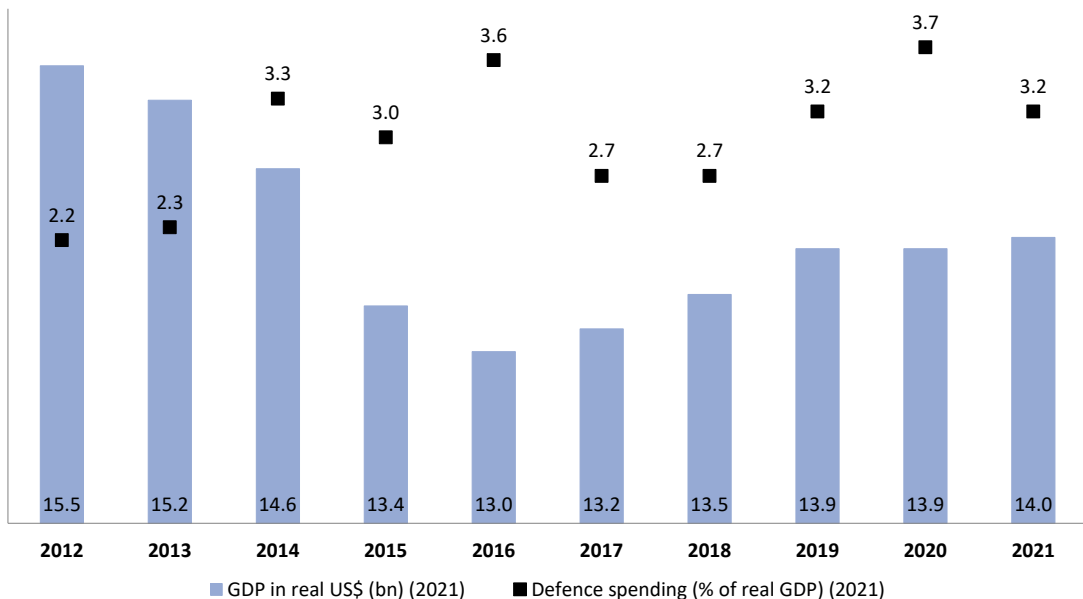
Economy

Over the past 10 years, Brunei averaged -0.2 per cent annual real economic growth in local currency terms. In 2021, the economy contracted by 1.6 per cent due to lower oil output and COVID-19 pandemic disruptions. Despite efforts to diversify its economy, Brunei remains heavily reliant on oil production, which is subject to external and domestic shocks. According to the EIU, Brunei’s economy will continue to grow out to 2023 in nominal US dollar terms.

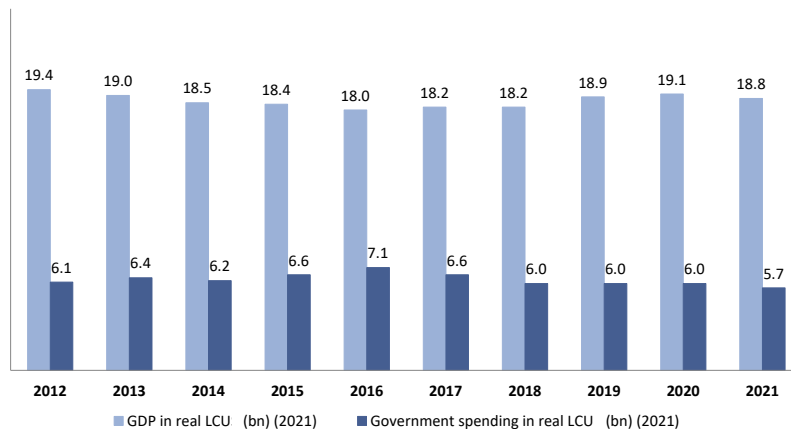
Defence spending

Brunei’s 2021 defence budget was BND610.2m (US\$454.1m) – a 12.8 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included upgrades to Brunei’s combat vehicle reconnaissance (tracked) capability and the acquisition of uncrewed aerial systems and uncrewed underwater vehicle capabilities.

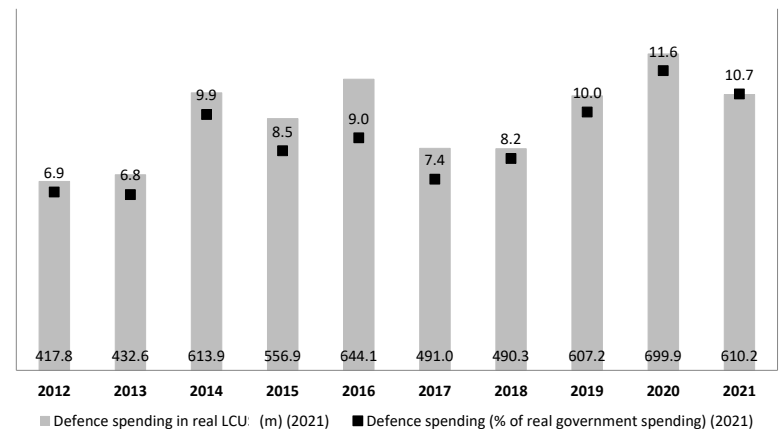
GDP in real US\$ and defence spending as a percentage of real GDP



BRUNEI										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (m)	513.2	516.4	719.2	537.5	564.7	451.8	492.8	589.9	606.0	610.2
Spending in real LCU (m) (2021)	417.8	432.6	613.9	556.9	644.1	491.0	490.3	607.2	699.9	610.2
Spending in nominal US\$ (m)	410.7	412.7	567.6	390.9	408.8	327.2	365.3	432.4	439.2	454.1
Spending in real and constant US\$ (m) (2021)	310.9	322.0	456.8	414.4	479.3	365.4	364.9	451.9	520.8	454.1
Spending in real LCU - growth rate (%) (2021)	-1.7	3.5	41.9	-9.3	15.7	-23.8	-0.1	23.8	15.3	-12.8
Spending (% of real GDP) (2021)	2.2	2.3	3.3	3.0	3.6	2.7	2.7	3.2	3.7	3.2
Spending (% of real government spending) (2021)	6.9	6.8	9.9	8.5	9.0	7.4	8.2	10.0	11.6	10.7
Gross domestic product (GDP)										
GDP in real LCU (bn) (2021)	19.4	19.0	18.5	18.4	18.0	18.2	18.2	18.9	19.1	18.8
GDP in real US\$ (bn) (2021)	15.5	15.2	14.6	13.4	13.0	13.2	13.5	13.9	13.9	14.0
GDP in real LCU - growth rate (%) (2021)	0.9	-2.1	-2.5	-0.4	-2.5	1.3	0.1	3.9	1.1	-1.6
GDP in real US\$ - per capita (2021)	38 769.5	37 898.2	35 595.3	32 673.1	30 959.8	31 381.6	31 394.9	32 243.6	31 511.4	33 507.2
Government spending in real LCU (bn) (2021)	6.1	6.4	6.2	6.6	7.1	6.6	6.0	6.0	6.0	5.7
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	0.4	-0.2	-0.5	-0.3	-1.3	0.9	-0.3	1.9	1.7



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: 16.9 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



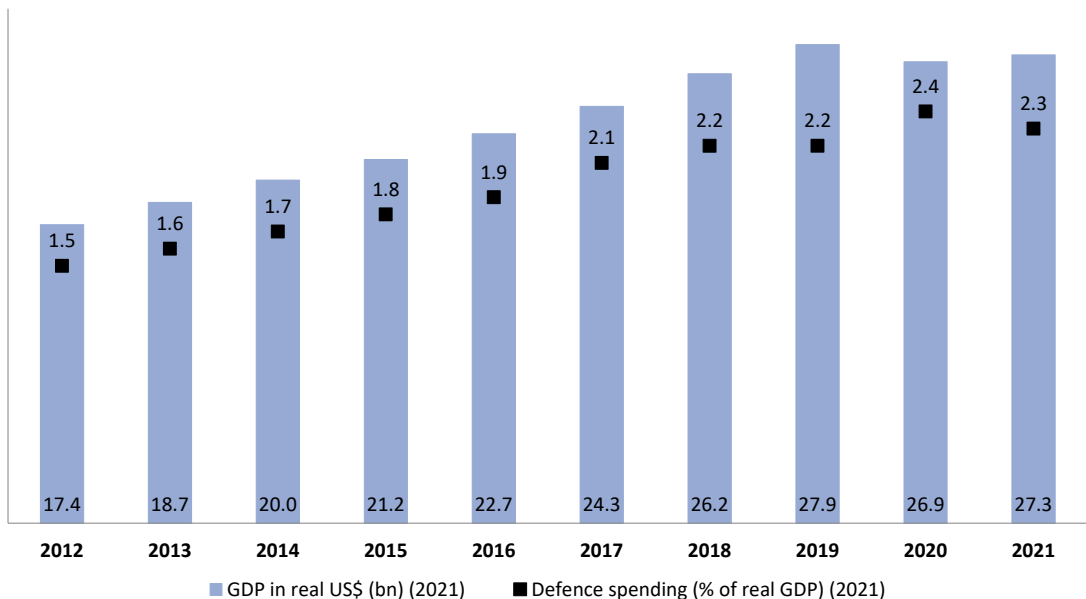
Economy

Over the past 10 years, Cambodia averaged 5.6 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by a modest 2.0 per cent due to ongoing disruptions to Cambodia’s tourism sector and a resurgence of COVID-19 cases that slowed growth. The garment and footwear industries continued to support the economy, despite a slight decline in garment exports. According to the EIU, Cambodia’s economy will continue to expand out to 2026 in nominal US dollar terms.

Defence

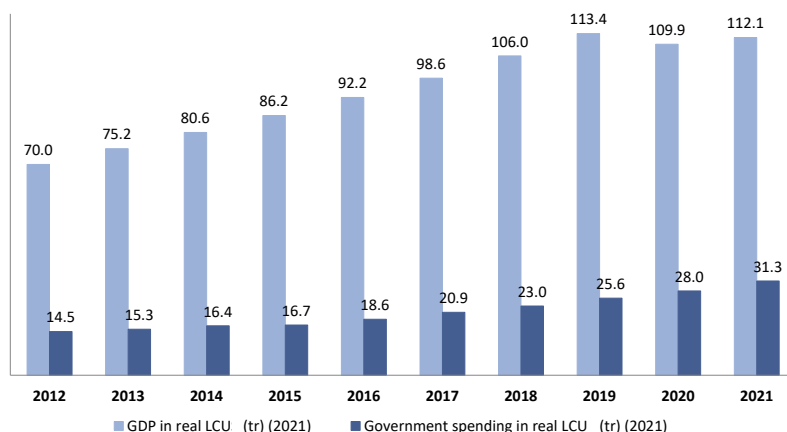
Cambodia’s 2021 defence budget was KHR2.6tr (US\$626.0m) – a 2.6 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the purchase of three Mi-17 helicopters.

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

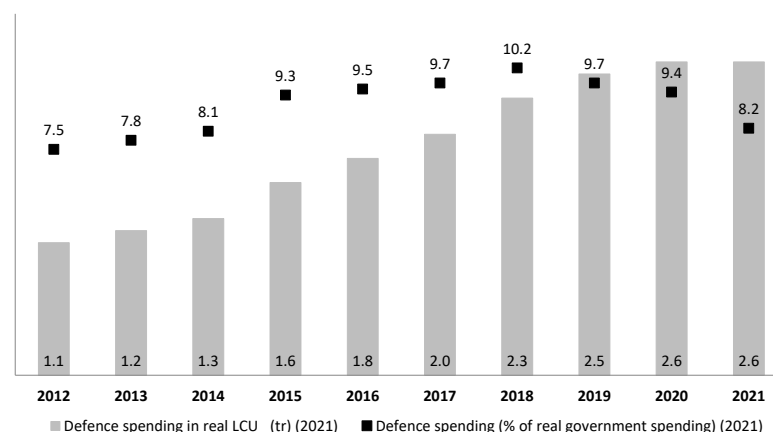


CAMBODIA

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (tr)	0.9	1.0	1.1	1.3	1.6	1.9	2.2	2.4	2.5	2.6
Spending in real LCU (tr) (2021)	1.1	1.2	1.3	1.6	1.8	2.0	2.3	2.5	2.6	2.6
Spending in nominal US\$ (m)	217.3	243.5	278.0	325.2	382.3	458.5	542.7	595.0	619.8	626.0
Spending in real and constant US\$ (m) (2021)	264.4	289.3	325.7	379.1	429.4	497.4	571.0	607.9	642.5	626.0
Spending in real LCU - growth rate (%) (2021)	10.9	9.4	12.6	16.4	13.3	15.8	14.8	6.5	5.7	-2.6
Spending (% of real GDP) (2021)	1.5	1.6	1.7	1.8	1.9	2.1	2.2	2.2	2.4	2.3
Spending (% of real government spending) (2021)	7.5	7.8	8.1	9.3	9.5	9.7	10.2	9.7	9.4	8.2
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	70.0	75.2	80.6	86.2	92.2	98.6	106.0	113.4	109.9	112.1
GDP in real US\$ (bn) (2021)	17.4	18.7	20.0	21.2	22.7	24.3	26.2	27.9	26.9	27.3
GDP in real LCU - growth rate (%) (2021)	7.3	7.5	7.1	7.0	6.9	7.0	7.5	7.1	-3.1	2.0
GDP in real US\$ - per capita (2021)	1174.5	1243.5	1306.4	1365.9	1440.2	1520.6	1609.7	1694.3	1606.0	1613.8
Government spending in real LCU (tr) (2021)	14.5	15.3	16.4	16.7	18.6	20.9	23.0	25.6	28.0	31.3
Population (m)	14.8	15.0	15.3	15.5	15.8	16.0	16.2	16.5	16.7	16.9
Inflation (%)	2.9	2.9	3.9	1.2	3.0	2.9	2.5	1.9	2.9	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: 269.8 million

Active armed forces: 395 500

Land size: 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, jewellery and tourism

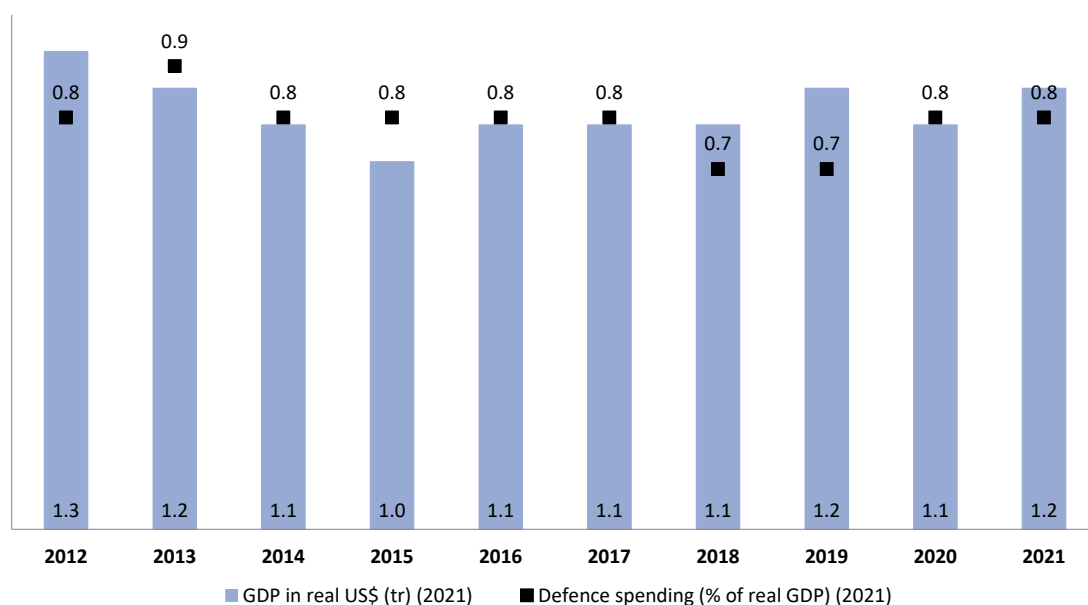
Economy

Over the past 10 years, Indonesia averaged 4.4 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 3.7 per cent due to an increase in household consumption and high commodity prices. Export revenues increased due to the high prices of Indonesia's main commodities, including coal, nickel and palm oil. According to the EIU, Indonesia's economy will average 6 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

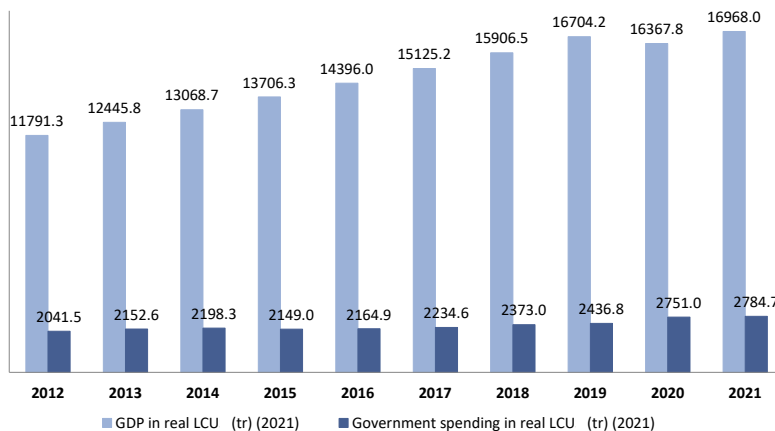
Indonesia's 2021 defence budget was IDR137.0tr (US\$9.6bn) – a 1.5 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the acquisition of two TELUK BINTUNI-class landing ships, an NC212i aircraft, two Russian A220M 57 mm naval guns, two US Bell 505 helicopters, eight ScanEagle UAVs donated by the US, and a number of AR-2 air-to-surface precision-guided missiles from China. Two Airbus A400M Atlas multirole tanker and transport aircraft were ordered and a sixth CN235 maritime patrol aircraft was procured.

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

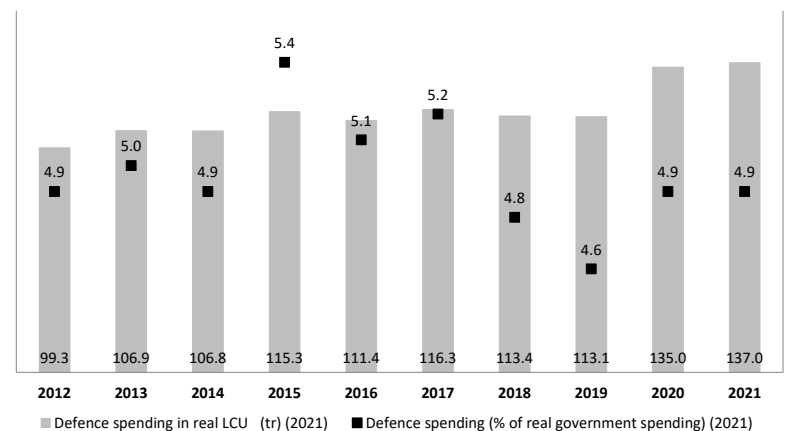


INDONESIA

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (tr)	72.5	82.0	86.4	96.9	95.9	104.4	105.7	107.2	127.4	137.0
Spending in real LCU (tr) (2021)	99.3	106.9	106.8	115.3	111.4	116.3	113.4	113.1	135.0	137.0
Spending in nominal US\$ (bn)	7.7	7.8	7.3	7.2	7.2	7.8	7.4	7.6	8.7	9.6
Spending in real and constant US\$ (bn) (2021)	6.9	7.5	7.5	8.1	7.8	8.1	7.9	7.9	9.4	9.6
Spending in real LCU - growth rate (%) (2021)	47.2	7.7	-0.0	7.9	-3.4	4.4	-2.5	-0.3	19.4	1.5
Spending (% of real GDP) (2021)	0.8	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.8	0.8
Spending (% of real government spending) (2021)	4.9	5.0	4.9	5.4	5.1	5.2	4.8	4.6	4.9	4.9
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	11 791.3	12 445.8	13 068.7	13 706.3	14 396.0	15 125.2	15 906.5	16 704.2	16 367.8	16 968.0
GDP in real US\$ (tr) (2021)	1.3	1.2	1.1	1.0	1.1	1.1	1.1	1.2	1.1	1.2
GDP in real LCU - growth rate (%) (2021)	6.0	5.6	5.0	4.9	5.0	5.1	5.2	5.0	-2.0	3.7
GDP in real US\$ - per capita (2021)	5060.8	4744.1	4348.5	4002.5	4189.7	4337.9	4249.2	4451.2	4195.6	4395.8
Government spending in real LCU (tr) (2021)	2041.5	2152.6	2198.3	2149.0	2164.9	2234.6	2373.0	2436.8	2751.0	2784.7
Population (m)	248.2	250.8	253.3	255.8	258.2	260.6	262.9	265.3	267.5	269.8
Inflation (%)	4.0	6.4	6.4	6.4	3.5	3.8	3.3	2.8	2.0	1.6



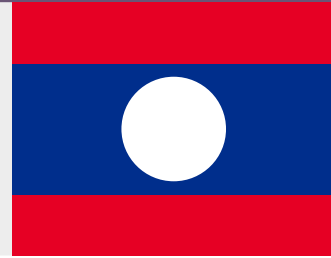
Real GDP and government spending in local currency



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

Capital city: Vientiane
Population: 7.4 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



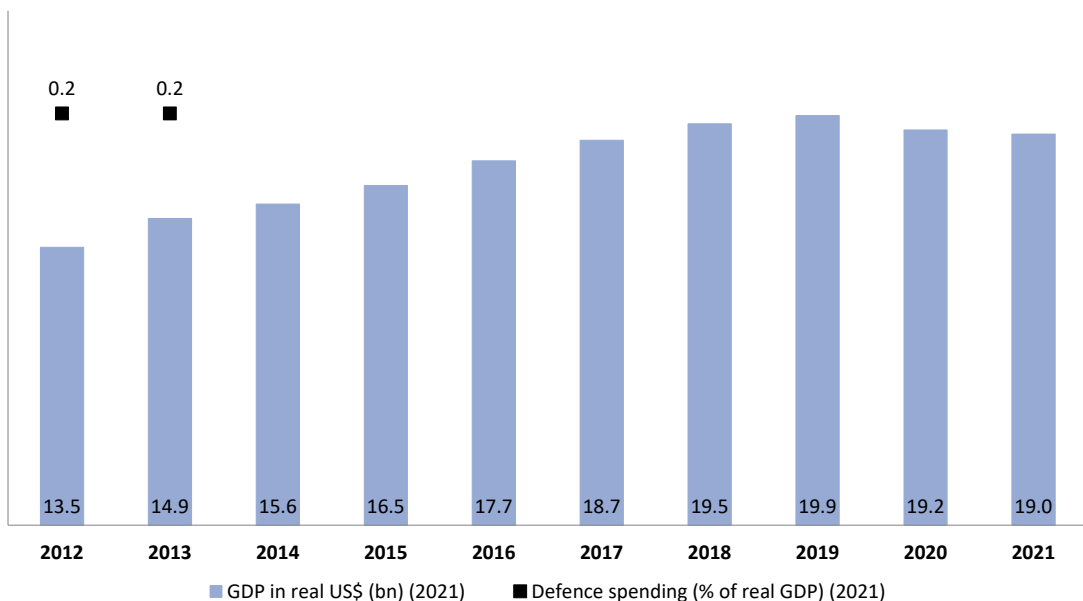
Economy

Over the past 10 years, Laos averaged 6.3 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 6.2 per cent due to strong performance in its agriculture and manufacturing sectors. Electricity, mining and manufacturing exports also supported growth, while hospitality, tourism and transport services continued to struggle due to COVID-19 disruptions. According to the EIU, Laos’s economy will contract out to 2023 in nominal US dollar terms.

Defence spending

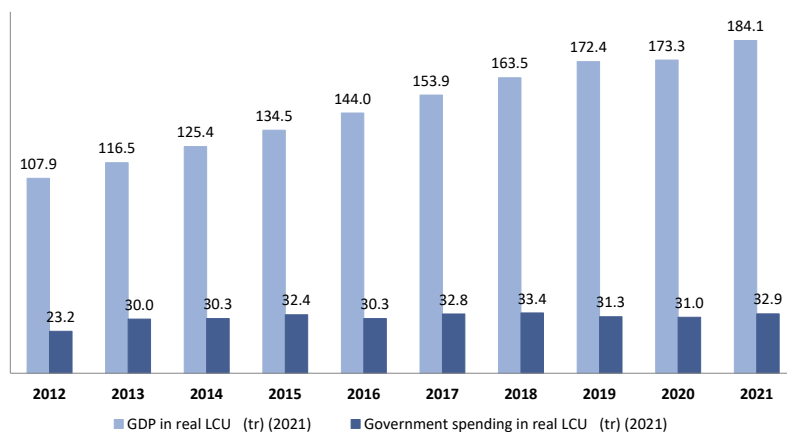
Laos has not officially announced a defence budget since financial year 2013. In 2021, defence activities included combined military exercises with Russia under the Laros-2021 Program.

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

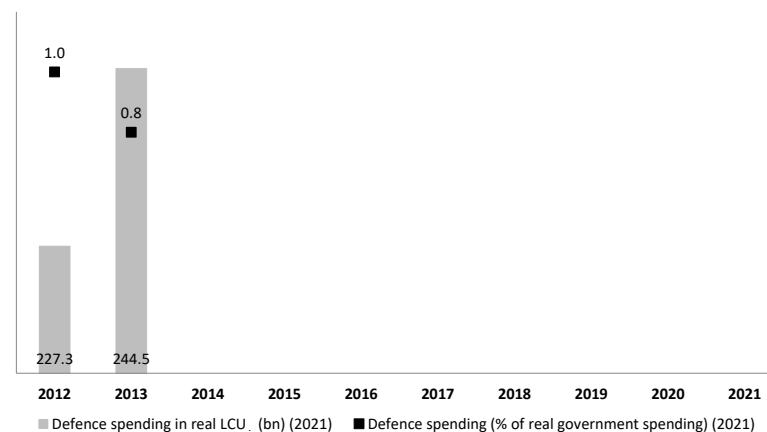


LAOS

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	172.0	197.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real LCU (bn) (2021)	227.3	244.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in nominal US\$ (m)	21.5	25.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real and constant US\$ (m) (2021)	23.4	25.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real LCU - growth rate (%) (2021)	0.2	7.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real GDP) (2021)	0.2	0.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real government spending) (2021)	1.0	0.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	107.9	116.5	125.4	134.5	144.0	153.9	163.5	172.4	173.3	184.1
GDP in real US\$ (bn) (2021)	13.5	14.9	15.6	16.5	17.7	18.7	19.5	19.9	19.2	19.0
GDP in real LCU - growth rate (%) (2021)	8.0	8.0	7.6	7.2	7.1	6.9	6.2	5.4	0.5	6.2
GDP in real US\$ - per capita (2021)	2090.5	2274.0	2348.1	2454.2	2588.3	2684.3	2755.2	2769.8	2633.1	2572.0
Government spending in real LCU (tr) (2021)	23.2	30.0	30.3	32.4	30.3	32.8	33.4	31.3	31.0	32.9
Population (m)	6.4	6.5	6.6	6.7	6.8	7.0	7.1	7.2	7.3	7.4
Inflation (%)	4.3	6.4	4.1	1.3	1.6	0.8	2.0	3.3	5.1	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: Kuala Lumpur

Population: 32.8 million

Active armed forces: 113 000

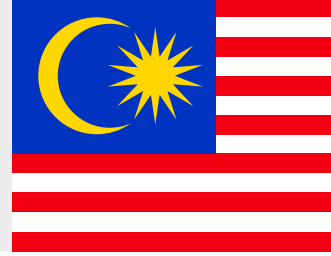
Land size: 330 252 km sq

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



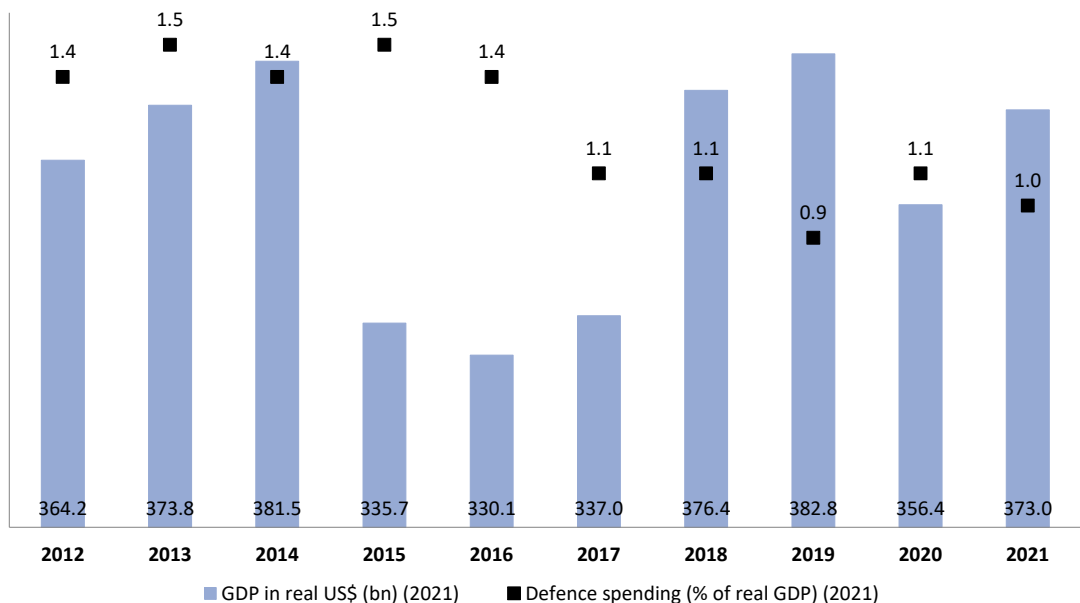
Economy

Over the past 10 years, Malaysia averaged 3.8 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 3.2 per cent due to strong increases in exports and industrial production. Global demand for commodities and semiconductors also supported the Malaysian economy, despite COVID-19 lockdowns hampering economic growth. According to the EIU, Malaysia's economy will average 8 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

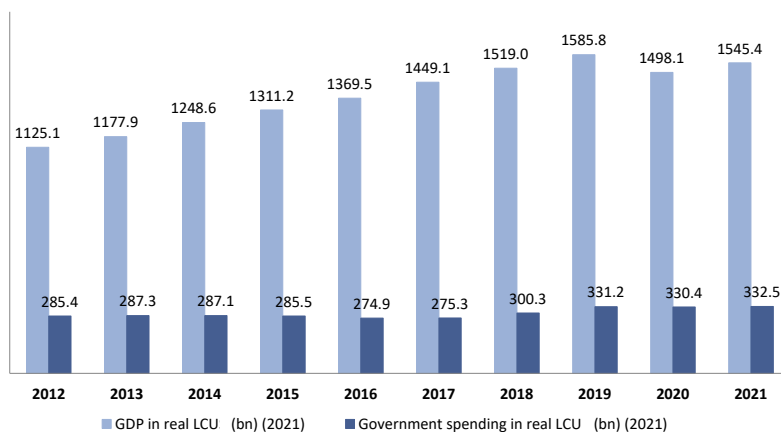
Malaysia's 2021 defence budget was MYR15.9bn (US\$3.8bn) – a 3.6 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the acquisition of three KERIS-class littoral mission ships from China. Kuala Lumpur announced the resumed production of the MAHARAJA LELA (GOWIND)-class littoral combat ships. It also announced the procurement of a range of new weapons for its infantry battalions, including seventy two 81 mm mortars, 12 Talos networked sensor-to-shooter and C2 systems, 150 RBR7 launchers and 2600 PG-7V-family rocket propelled grenades – along with multiple anti-materiel rifles and related munitions.

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

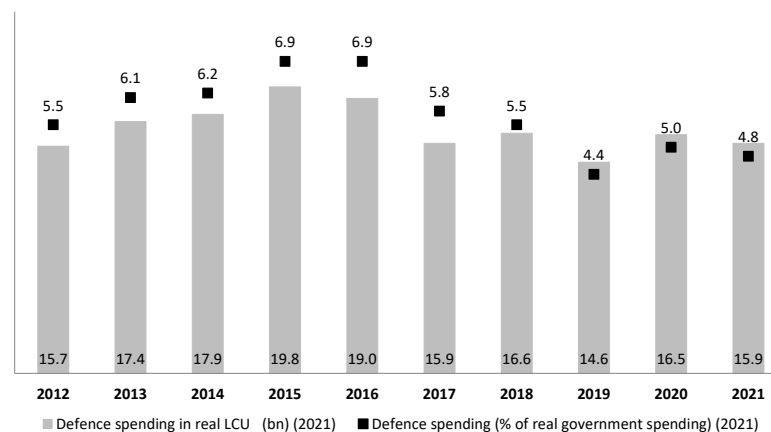


MALAYSIA

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	13.7	15.3	16.1	17.8	17.3	15.1	15.9	13.9	15.6	15.9
Spending in real LCU (bn) (2021)	15.7	17.4	17.9	19.8	19.0	15.9	16.6	14.6	16.5	15.9
Spending in nominal US\$ (bn)	4.4	4.8	4.9	4.5	4.2	3.5	3.9	3.4	3.7	3.8
Spending in real and constant US\$ (bn) (2021)	3.8	4.2	4.3	4.8	4.6	3.8	4.0	3.5	4.0	3.8
Spending in real LCU - growth rate (%) (2021)	-1.8	11.0	3.0	10.5	-4.2	-16.2	4.7	-12.3	12.8	-3.6
Spending (% of real GDP) (2021)	1.4	1.5	1.4	1.5	1.4	1.1	1.1	0.9	1.1	1.0
Spending (% of real government spending) (2021)	5.5	6.1	6.2	6.9	6.9	5.8	5.5	4.4	5.0	4.8
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	1.1	1.2	1.2	1.3	1.4	1.4	1.5	1.6	1.5	1.5
GDP in real US\$ (bn) (2021)	364.2	373.8	381.5	335.7	330.1	337.0	376.4	382.8	356.4	373.0
GDP in real LCU - growth rate (%) (2021)	5.5	4.7	6.0	5.0	4.4	5.8	4.8	4.4	-5.5	3.2
GDP in real US\$ - per capita (2021)	12 530.6	12 685.3	12 773.6	11 090.5	10 758.8	10 833.1	11 939.5	11 981.4	11 011.2	11 379.7
Government spending in real LCU (bn) (2021)	285.4	287.3	287.1	285.5	274.9	275.3	300.3	331.2	330.4	332.5
Population (m)	29.1	29.5	29.9	30.3	30.7	31.1	31.5	31.9	32.4	32.8
Inflation (%)	1.7	2.1	3.1	2.1	2.1	3.8	1.0	0.7	-1.1	2.5



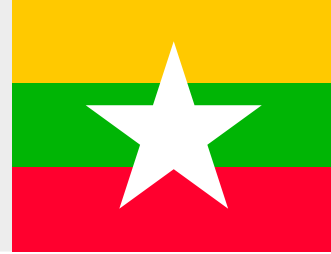
Real GDP and government spending in local currency



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

Capital city: Nay Pyi Taw
Population: 54.8 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

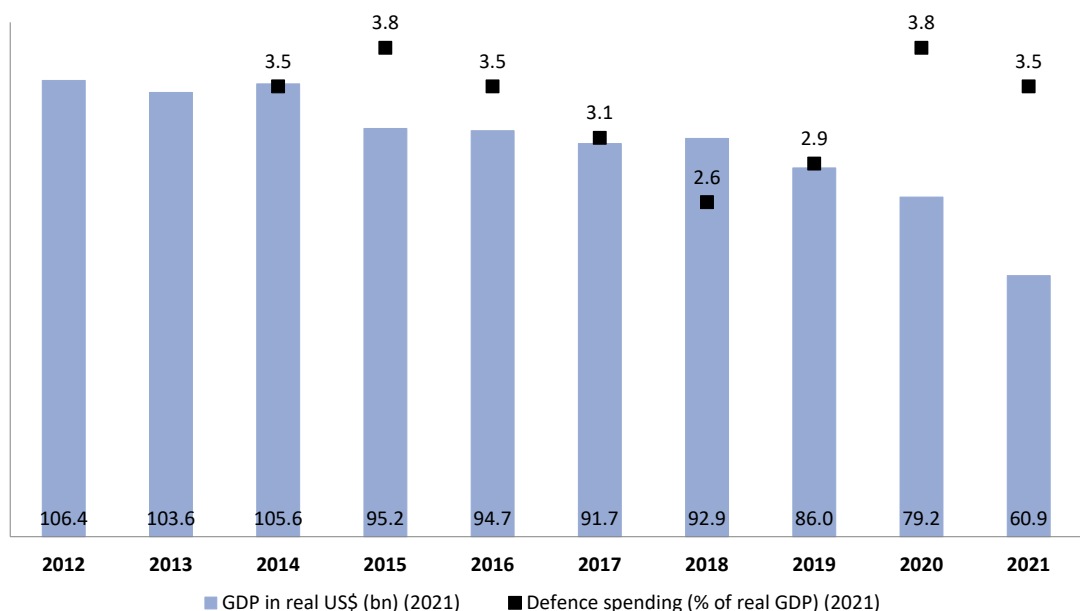
Over the past eight* years, Myanmar averaged 0.6 per cent annual real economic growth in local currency terms. In 2021, the economy contracted by 10.1 per cent due to a severe reduction in investment and consumption following the removal of the democratically elected government. The severe depreciation of the Kyat against the US dollar has also increased inflation, exacerbating Myanmar's economic problems. According to the EIU, Myanmar's economy will recover some growth out to 2025 in nominal US dollar terms.

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

Defence spending

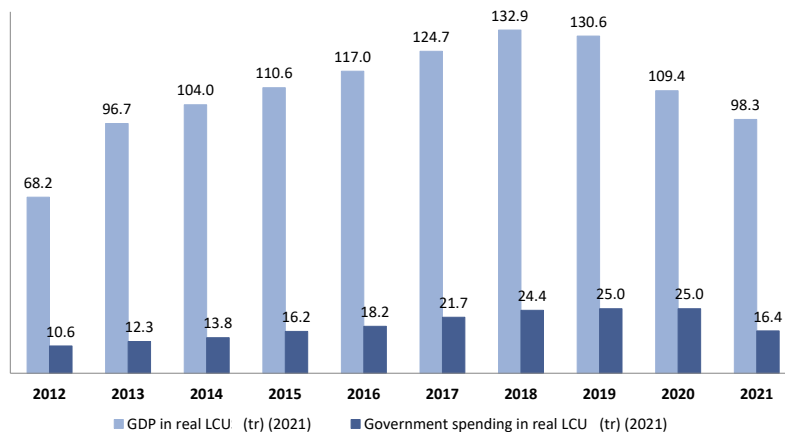
Myanmar's 2021 defence budget was MMK3.4tr (US\$2.1bn) – an 18.5 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the induction into the Myanmar Air Force of six Yakovlev Yak-130 'Mitten' advanced jet trainer/light attack aircraft, four Hongdu K-8W Karakorum basic jet trainer/light attack jet aircraft, one ATR 72-600 series civilian transport aircraft, four Harbin Y-12 light transport aircraft and two Airbus AS 365N Dauphin 2 multipurpose helicopters. The MING (Type 035)-class diesel-electric submarine, previously in service with the PLA Navy, was commissioned. In early 2021, recruitment commenced for a new urban militia force. In mid-2021, the planned acquisition of radar stations, Pantsir-S1 self-propelled short-range air-defence systems and Orlan-10E multirole uncrewed aerial systems was announced.

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

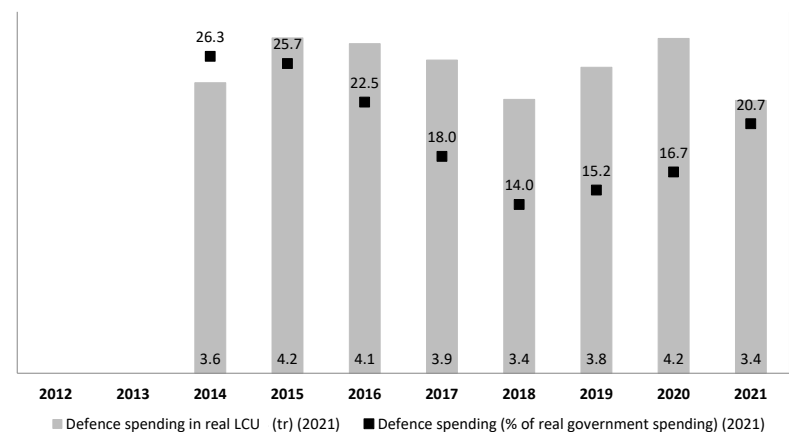


MYANMAR

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Official defence spending										
Spending in nominal LCU (tr)	N/A	N/A	2.4	2.8	2.9	2.9	2.7	3.4	3.7	3.4
Spending in real LCU (tr) (2021)	N/A	N/A	3.6	4.2	4.1	3.9	3.4	3.8	4.2	3.4
Spending in nominal US\$ (bn)	N/A	N/A	2.4	2.4	2.3	2.1	1.9	2.2	2.7	2.1
Spending in real and constant US\$ (bn) (2021)	N/A	N/A	2.2	2.6	2.5	2.4	2.1	2.4	2.6	2.1
Spending in real LCU - growth rate (%) (2021)	N/A	N/A	N/A	15.4	-1.7	-5.0	-12.6	11.7	9.4	-18.5
Spending (% of real GDP) (2021)	N/A	N/A	3.5	3.8	3.5	3.1	2.6	2.9	3.8	3.5
Spending (% of real government spending) (2021)	N/A	N/A	26.3	25.7	22.5	18.0	14.0	15.2	16.7	20.7
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	68.2	96.7	104.0	110.6	117.0	124.7	132.9	130.6	109.4	98.3
GDP in real US\$ (bn) (2021)	106.4	103.6	105.6	95.2	94.7	91.7	92.9	86.0	79.2	60.9
GDP in real LCU - growth rate (%) (2021)	N/A	N/A	7.5	6.4	5.8	6.6	6.5	-1.7	-16.2	-10.1
GDP in real US\$ - per capita (2021)	2070.0	1998.6	2020.4	1806.4	1786.2	1717.6	1730.6	1591.5	1455.1	1110.9
Government spending in real LCU (tr) (2021)	10.6	12.3	13.8	16.2	18.2	21.7	24.4	25.0	25.0	16.4
Population (m)	51.4	51.9	52.3	52.7	53.0	53.4	53.7	54.0	54.4	54.8
Inflation (%)	1.5	5.6	5.0	9.5	6.9	4.6	6.9	8.8	3.8	6.4



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: 111.0 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



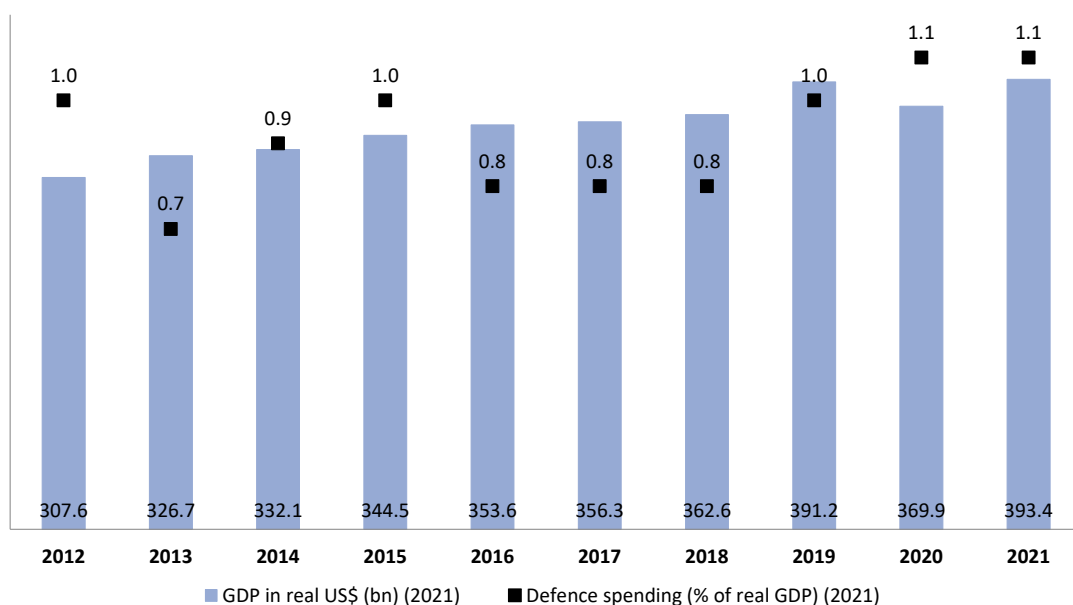
Economy

Over the past 10 years, the Philippines averaged 4.9 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 5.5 per cent due to strong growth in manufacturing, household consumption and construction. Strong economic growth assisted recovery from the COVID-19 pandemic. According to the EIU, the Philippines' economy will average 10 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

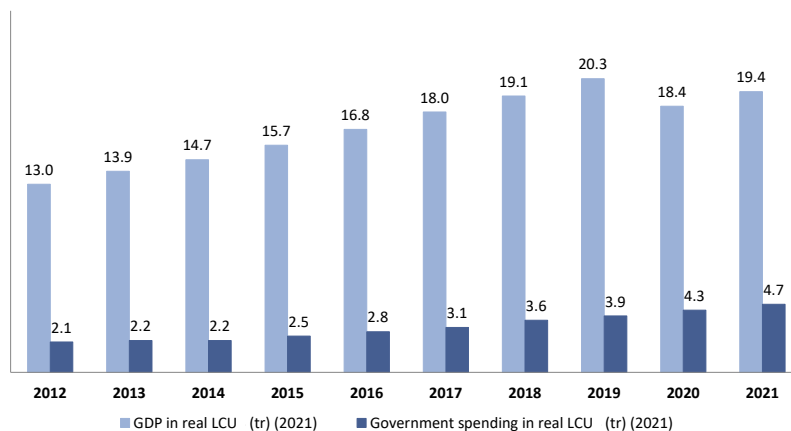
The Philippines' 2021 defence budget was PHP205.6bn (US\$4.2bn) – a 4.8 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the acquisition of S-70i Black Hawk helicopters and four ScanEagle uncrewed aircraft systems from the US, a number of Dry Support Bridges from the UK and the JOSÉ RIZAL-class guided-missile frigate BRP *Antonio Luna*. The US also procured 14 M2A1 .50-calibre heavy machine guns, and seven M240B machine guns and related ammunition, and partly funded nine M3P .50 calibre heavy machine guns, 10 mortar tubes, a number of tactical helmets and a refurbished C-130H transport aircraft for the Philippines. Purchases announced in 2021 included two corvettes, nine Shaldag Mk V patrol boats from Israel, 32 S-70i Black Hawk helicopters, four vehicle-mounted mine detectors and over twelve thousand 5.56 x 45 mm T4 assault rifles from Brazil. Construction of a new hangar at Naval Base Heracleo Alano commenced.

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

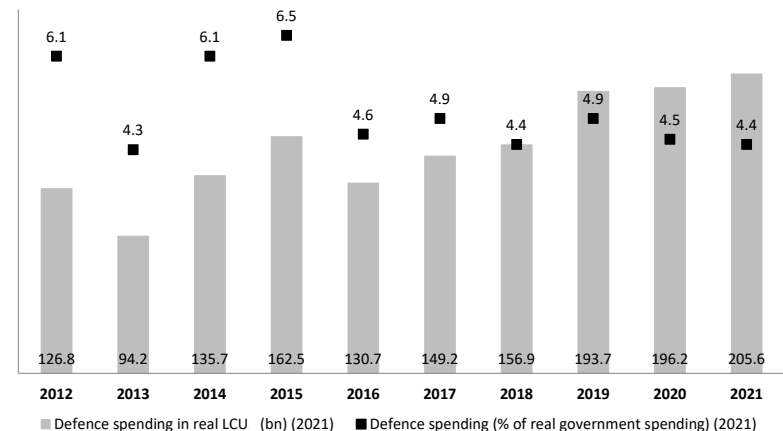


PHILIPPINES

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	107.8	81.7	121.4	144.3	117.6	137.3	149.8	186.3	191.8	205.6
Spending in real LCU (bn) (2021)	126.8	94.2	135.7	162.5	130.7	149.2	156.9	193.7	196.2	205.6
Spending in nominal US\$ (bn)	2.6	1.9	2.7	3.2	2.5	2.7	2.8	3.6	3.9	4.2
Spending in real and constant US\$ (bn) (2021)	2.6	1.9	2.8	3.3	2.7	3.0	3.2	3.9	4.0	4.2
Spending in real LCU - growth rate (%) (2021)	1.2	-25.7	44.0	19.7	-19.5	14.1	5.2	23.5	1.3	4.8
Spending (% of real GDP) (2021)	1.0	0.7	0.9	1.0	0.8	0.8	0.8	1.0	1.1	1.1
Spending (% of real government spending) (2021)	6.1	4.3	6.1	6.5	4.6	4.9	4.4	4.9	4.5	4.4
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	13.0	13.9	14.7	15.7	16.8	18.0	19.1	20.3	18.4	19.4
GDP in real US\$ (bn) (2021)	307.6	326.7	332.1	344.5	353.6	356.3	362.6	391.2	369.9	393.4
GDP in real LCU - growth rate (%) (2021)	6.9	6.8	6.3	6.3	7.1	6.9	6.3	6.1	-9.4	5.5
GDP in real US\$ - per capita (2021)	3164.2	3304.5	3303.9	3373.5	3411.2	3387.7	3399.9	3618.0	3375.7	3542.4
Government spending in real LCU (tr) (2021)	2.1	2.2	2.2	2.5	2.8	3.1	3.6	3.9	4.3	4.7
Population (m)	97.2	98.9	100.5	102.1	103.7	105.2	106.7	108.1	109.6	111.0
Inflation (%)	3.2	2.9	4.2	1.4	1.8	2.9	5.3	2.5	2.6	4.4



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: 5.5 million

Active armed forces: 51 000

Land size: 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



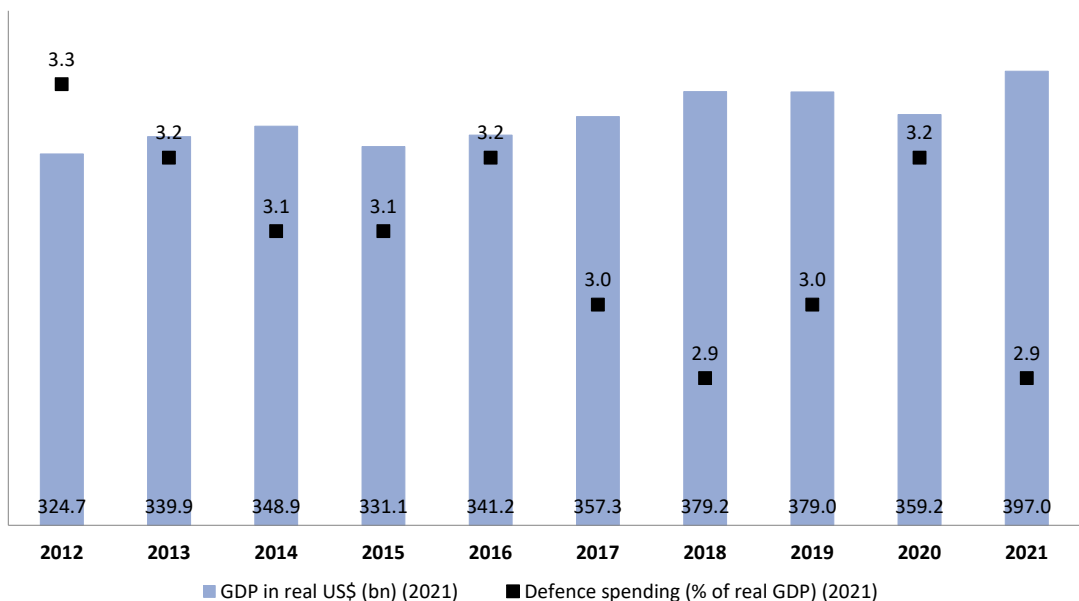
Economy

Over the past 10 years, Singapore averaged 3.3 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 7.6 per cent due to strong performance in Singapore's manufacturing and construction sectors. In 2021, the services sector recovered from its 2020 contraction, continuing positive growth. According to the EIU, Singapore's economy will average 5 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

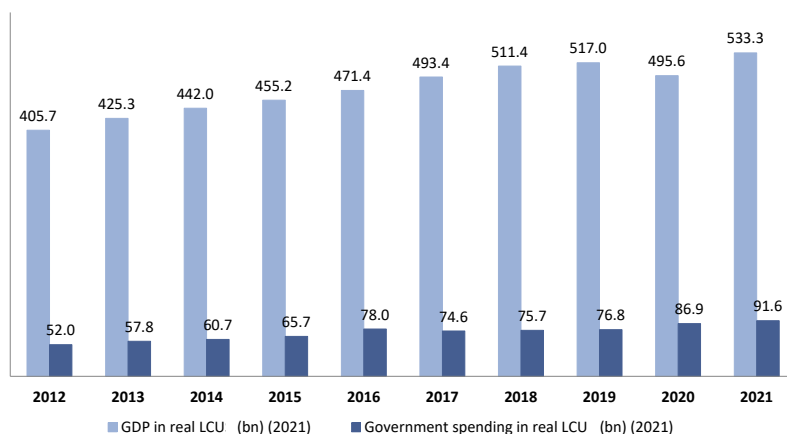
Singapore's 2021 defence budget was SGD15.4bn (US\$11.4bn) – a 2.1 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the commissioning of the Lockheed Martin TPQ-53 weapon-locating radar system and the locally developed Belrex protected combat support vehicle (Mortar). Additionally, the Republic of Singapore Air Force received a CH-47F heavy-lift helicopter and an Airbus Helicopters H2225M medium-lift rotorcraft.

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

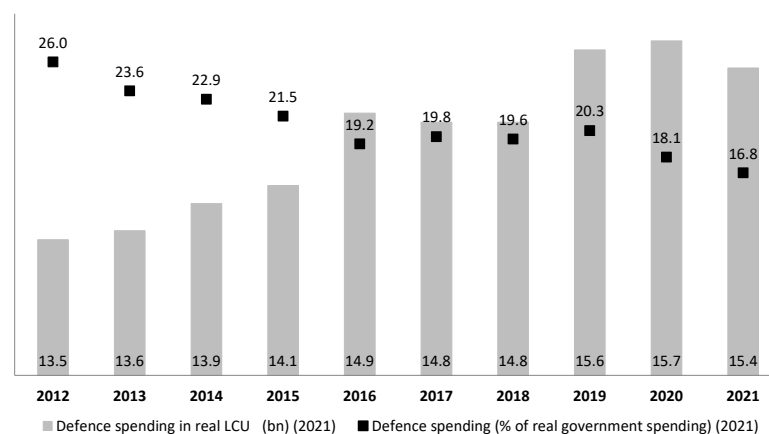


SINGAPORE

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	12.3	12.3	12.6	13.1	14.0	14.2	14.8	15.5	15.1	15.4
Spending in real LCU (bn) (2021)	13.5	13.6	13.9	14.1	14.9	14.8	14.8	15.6	15.7	15.4
Spending in nominal US\$ (bn)	9.8	9.9	9.9	9.5	10.1	10.3	10.9	11.3	10.9	11.4
Spending in real and constant US\$ (bn) (2021)	10.1	10.1	10.4	10.5	11.1	11.0	11.1	11.6	11.7	11.4
Spending in real LCU - growth rate (%) (2021)	1.2	0.9	2.1	1.3	6.0	-1.1	0.4	5.2	0.5	-2.1
Spending (% of real GDP) (2021)	3.3	3.2	3.1	3.1	3.2	3.0	2.9	3.0	3.2	2.9
Spending (% of real government spending) (2021)	26.0	23.6	22.9	21.5	19.2	19.8	19.6	20.3	18.1	16.8
Gross domestic product (GDP)										
GDP in real LCU (bn) (2021)	405.7	425.3	442.0	455.2	471.4	493.4	511.4	517.0	495.6	533.3
GDP in real US\$ (bn) (2021)	324.7	339.9	348.9	331.1	341.2	357.3	379.2	379.0	359.2	397.0
GDP in real LCU - growth rate (%) (2021)	4.4	4.8	3.9	3.0	3.6	4.7	3.7	1.1	-4.1	7.6
GDP in real US\$ - per capita (2021)	61 116.2	62 950.1	63 780.2	59 816.7	60 850.7	63 659.8	67 244.1	66 451.1	63 177.3	72 794.1
Government spending in real LCU (bn) (2021)	52.0	57.8	60.7	65.7	78.0	74.6	75.7	76.8	86.9	91.6
Population (m)	5.3	5.4	5.5	5.5	5.6	5.6	5.6	5.7	5.7	5.5
Inflation (%)	4.6	2.4	1.0	-0.5	-0.5	0.6	0.4	0.6	-0.2	2.3



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: 70.0 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

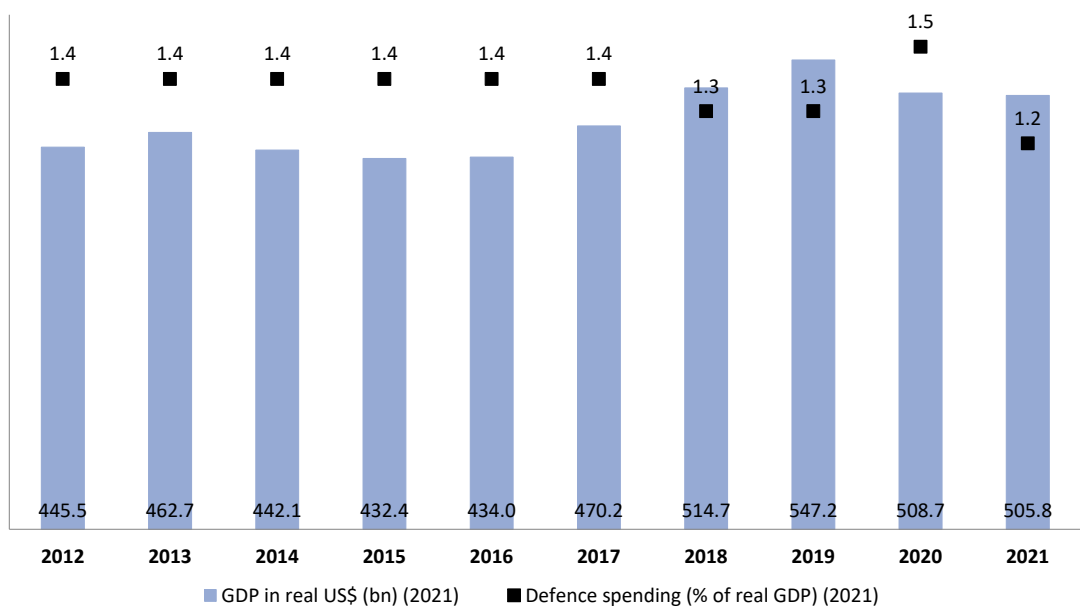
Economy

Over the past 10 years, Thailand averaged 2.3 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 1.6 per cent due to an increase in exports of more than 20 per cent from December 2020. Private consumption also rose slightly, which supported the economy. However, tourist numbers remained significantly below pre-pandemic levels. According to the EIU, Thailand's economy will average 6 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

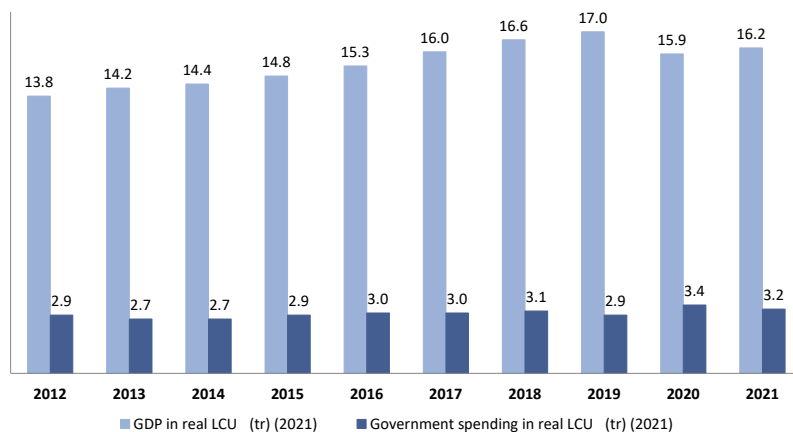
Thailand's 2021 defence budget was THB199.9bn (US\$6.3bn) – a 15.3 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the commissioning of two M36-class patrol vessels, the launch of two T 994-class coastal patrol vessels, the acquisition of H135 training helicopters, the acquisition of three VN-16 amphibious assault vehicles from China and the acquisition of three Mi-17V-5 helicopters from Russia. Bangkok also ordered one C295 transport aircraft and signed a contract for two T-50TH Golden Eagle lead-in fighter trainer aircraft. A 105 mm howitzer prototype project commenced and the development of a 4x4 tactical vehicle progressed. Additionally, the development of a medium-range tactical UAV and the planned procurement of a new short-range air defence system were announced. The Royal Thai Air Force's second Earth-observation satellite was launched by SpaceX and an ammunition factory was constructed.

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

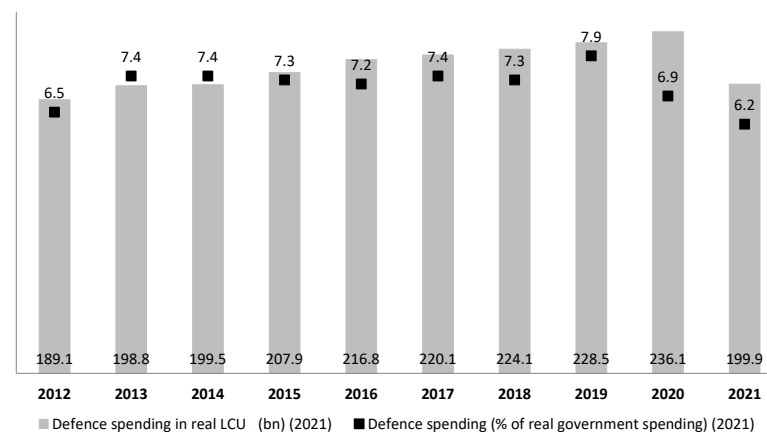


THAILAND

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	168.7	180.5	183.8	192.9	206.5	213.5	220.5	227.1	231.7	199.9
Spending in real LCU (bn) (2021)	189.1	198.8	199.5	207.9	216.8	220.1	224.1	228.5	236.1	199.9
Spending in nominal US\$ (bn)	5.4	5.9	5.7	5.6	5.8	6.3	6.8	7.3	7.4	6.3
Spending in real and constant US\$ (bn) (2021)	5.9	6.2	6.2	6.5	6.8	6.9	7.0	7.1	7.4	6.3
Spending in real LCU - growth rate (%) (2021)	-1.7	5.1	0.4	4.2	4.3	1.5	1.8	2.0	3.4	-15.3
Spending (% of real GDP) (2021)	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.5	1.2
Spending (% of real government spending) (2021)	6.5	7.4	7.4	7.3	7.2	7.4	7.3	7.9	6.9	6.2
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	13.8	14.2	14.4	14.8	15.3	16.0	16.6	17.0	15.9	16.2
GDP in real US\$ (bn) (2021)	445.5	462.7	442.1	432.4	434.0	470.2	514.7	547.2	508.7	505.8
GDP in real LCU - growth rate (%) (2021)	7.2	2.7	1.0	3.1	3.4	4.2	4.2	2.2	-6.3	1.6
GDP in real US\$ - per capita (2021)	6567.0	6789.7	6459.2	6293.0	6292.2	6794.1	7413.6	7859.6	7288.7	7230.9
Government spending in real LCU (tr) (2021)	2.9	2.7	2.7	2.9	3.0	3.0	3.1	2.9	3.4	3.2
Population (m)	67.8	68.1	68.4	68.7	69.0	69.2	69.4	69.6	69.8	70.0
Inflation (%)	3.0	2.2	1.9	-0.9	0.2	0.7	1.1	0.7	-0.8	1.2



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: 1.3 million
Active armed forces: 2280
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



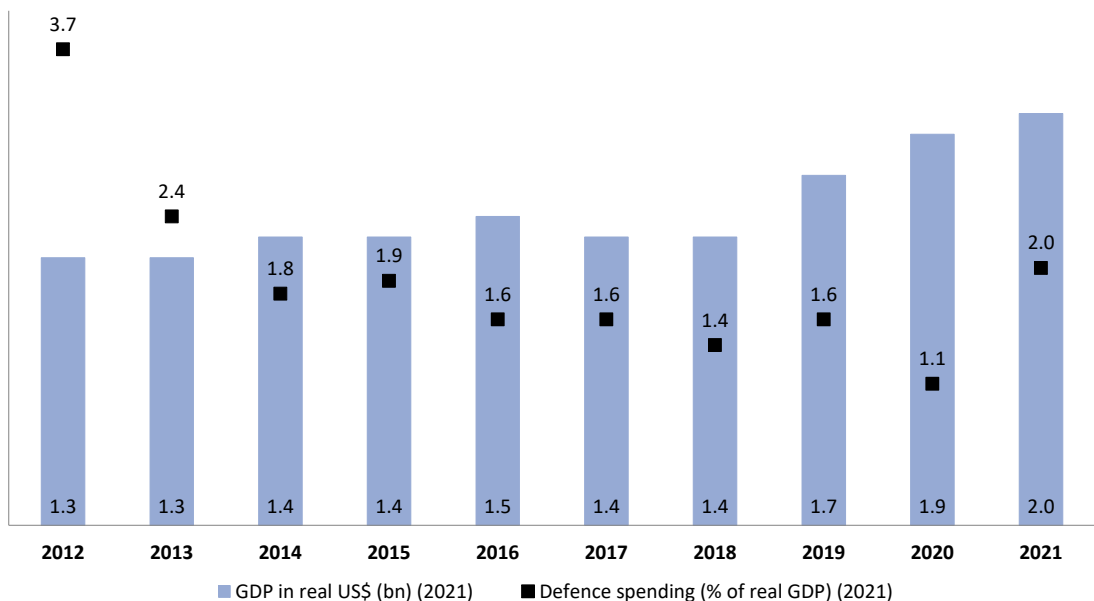
Economy

Over the past 10 years, Timor-Leste averaged 5.0 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 4.3 per cent despite the economic shocks resulting from Tropical Cyclone Seroja. Oil revenues from the Joint Petroleum Development Area continued to support the economy and private consumption showed some signs of growth. According to the EIU, Timor-Leste's economy will continue to expand out to 2023 in nominal US dollar terms.

Defence spending

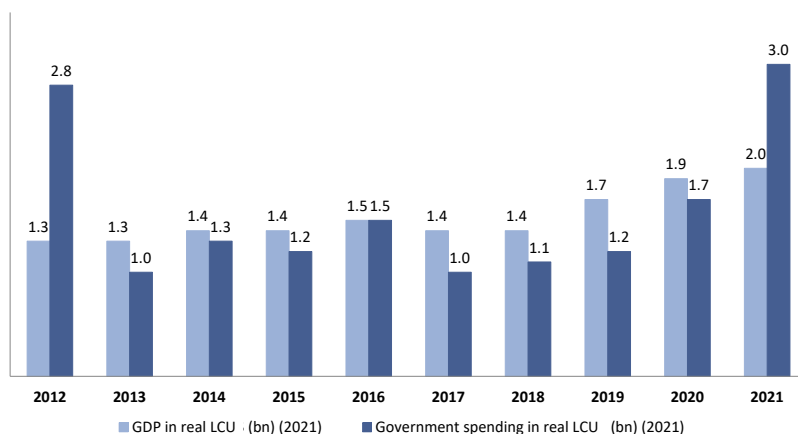
Timor-Leste's 2021 defence budget was US\$39.2m – an 81.5 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the Timor-Leste–US military Ex CARAT, the annual multilateral engineering Ex HARI'I HAMUTUK with Australia, New Zealand, Japan and the US, and the first Ex DALAN BA DAME with the US Army.

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

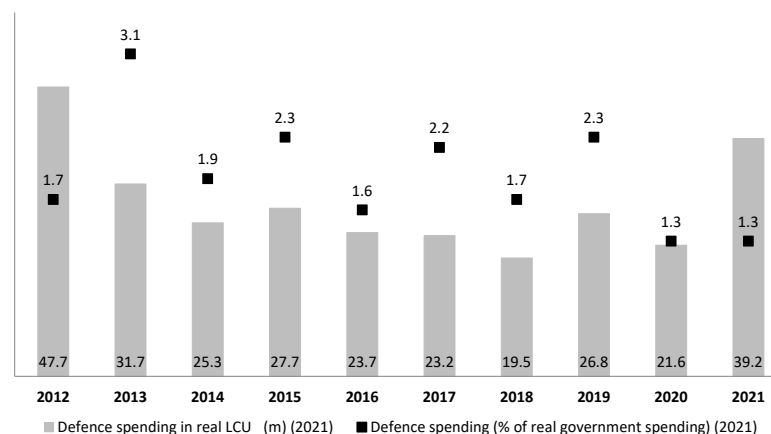


TIMOR-LESTE

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (m)	42.4	32.9	26.0	30.5	26.2	25.9	21.4	31.9	21.5	39.2
Spending in real LCU (m) (2021)	47.7	31.7	25.3	27.7	23.7	23.2	19.5	26.8	21.6	39.2
Spending in nominal US\$ (m)	42.4	32.9	26.0	30.5	26.2	25.9	21.4	31.9	21.5	39.2
Spending in real and constant US\$ (m) (2021)	47.7	31.7	25.3	27.7	23.7	23.2	19.5	26.8	21.6	39.2
Spending in real LCU - growth rate (%) (2021)	21.0	-33.5	-20.2	9.5	-14.3	-2.2	-16.1	37.6	-19.3	81.5
Spending (% of real GDP) (2021)	3.7	2.4	1.8	1.9	1.6	1.6	1.4	1.6	1.1	2.0
Spending (% of real government spending) (2021)	1.7	3.1	1.9	2.3	1.6	2.2	1.7	2.3	1.3	1.3
Gross domestic product (GDP)										
GDP in real LCU (bn) (2021)	1.3	1.3	1.4	1.4	1.5	1.4	1.4	1.7	1.9	2.0
GDP in real US\$ (bn) (2021)	1.3	1.3	1.4	1.4	1.5	1.4	1.4	1.7	1.9	2.0
GDP in real LCU - growth rate (%) (2021)	4.8	3.1	4.5	2.8	3.4	-3.1	-0.7	19.5	11.3	4.3
GDP in real US\$ - per capita (2021)	1151.2	1166.5	1196.9	1208.0	1225.3	1164.3	1133.4	1328.5	1450.9	1485.5
Government spending in real LCU (bn) (2021)	2.8	1.0	1.3	1.2	1.5	1.0	1.1	1.2	1.7	3.0
Population (m)	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3
Inflation (%)	11.8	11.0	0.8	0.7	-1.5	0.5	2.3	1.0	0.5	3.9



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: 98.2 million

Active armed forces: 482 000

Land size: 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, tyres, oil and mobile phones



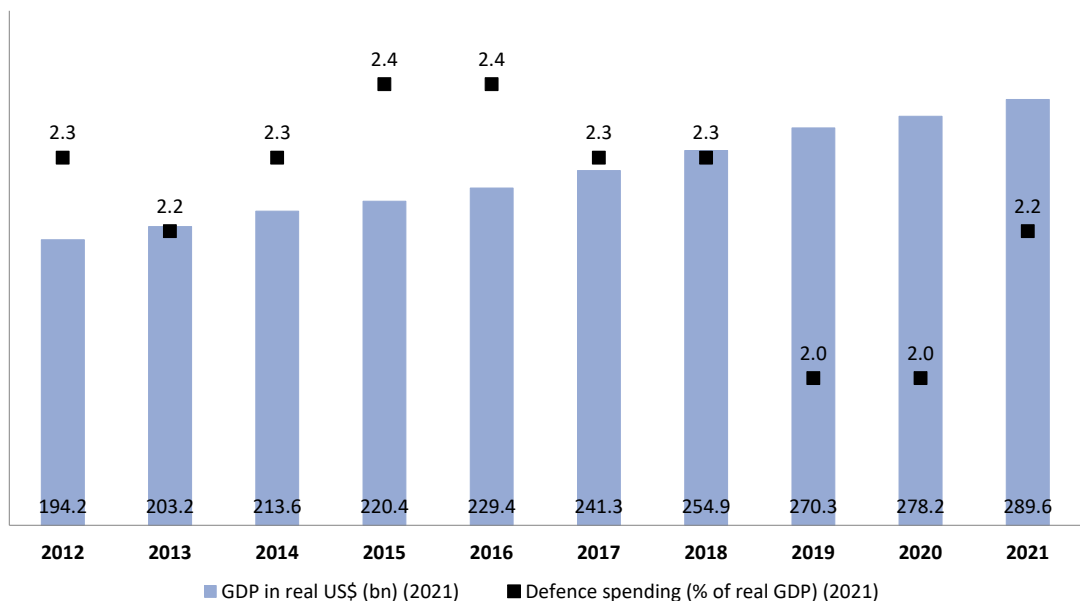
Economy

Over the past 10 years, Vietnam averaged 5.6 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 2.8 per cent due to the continued performance of the industry and construction sectors. The manufacturing and services sectors were constrained by COVID-19-related restrictions in the latter half of 2021, slowing growth. According to the EIU, Vietnam's economy will average 11 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

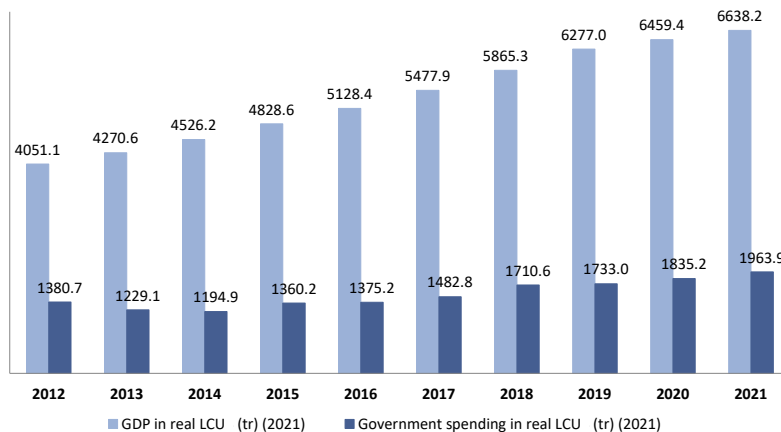
Vietnam's 2021 defence budget was VND145tr (US\$6.3bn) – a 10.7 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the launch of a fourth locally produced roll-on/roll-off landing ship tank and the order of 12 Aero Vodochody L-39 jet trainer aircraft from the Czech Republic. A military-technical deal with Russia and a defence trade deal with Japan were announced and a series of naval drills were undertaken with India in the South China Sea.

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

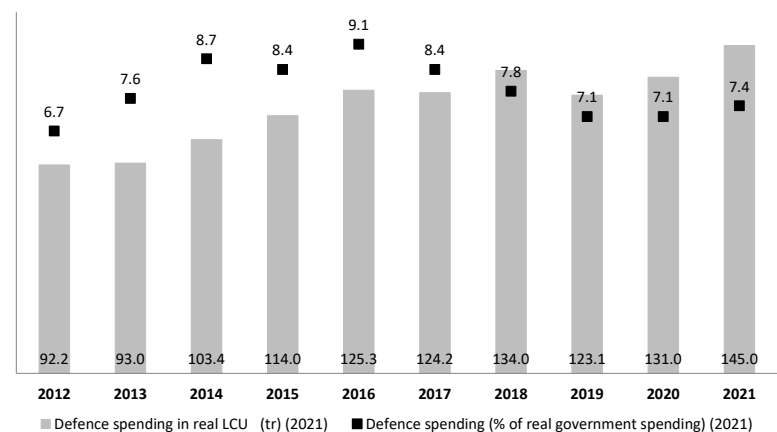


VIETNAM

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (tr)	73.9	78.0	90.0	99.0	110.0	113.5	126.6	118.4	127.6	145.0
Spending in real LCU (tr) (2021)	92.2	93.0	103.4	114.0	125.3	124.2	134.0	123.1	131.0	145.0
Spending in nominal US\$ (bn)	3.5	3.7	4.2	4.5	4.9	5.0	5.5	5.1	5.5	6.3
Spending in real and constant US\$ (bn) (2021)	4.0	4.1	4.5	5.0	5.5	5.4	5.8	5.4	5.7	6.3
Spending in real LCU - growth rate (%) (2021)	20.9	0.8	11.3	10.2	9.9	-0.8	7.9	-8.1	6.4	10.7
Spending (% of real GDP) (2021)	2.3	2.2	2.3	2.4	2.4	2.3	2.3	2.0	2.0	2.2
Spending (% of real government spending) (2021)	6.7	7.6	8.7	8.4	9.1	8.4	7.8	7.1	7.1	7.4
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	4051.1	4270.6	4526.2	4828.6	5128.4	5477.9	5865.3	6277.0	6459.4	6638.2
GDP in real US\$ (bn) (2021)	194.2	203.2	213.6	220.4	229.4	241.3	254.9	270.3	278.2	289.6
GDP in real LCU - growth rate (%) (2021)	5.2	5.4	6.0	6.7	6.2	6.8	7.1	7.0	2.9	2.8
GDP in real US\$ - per capita (2021)	2162.7	2239.1	2329.1	2378.1	2449.9	2550.3	2667.6	2801.9	2857.5	2950.0
Government spending in real LCU (tr) (2021)	1380.7	1229.1	1194.9	1360.2	1375.2	1482.8	1710.6	1733.0	1835.2	1963.9
Population (m)	89.8	90.8	91.7	92.7	93.6	94.6	95.5	96.5	97.3	98.2
Inflation (%)	9.1	6.6	4.1	0.6	2.7	3.5	3.5	2.8	3.2	1.8



Real GDP and government spending in local currency



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

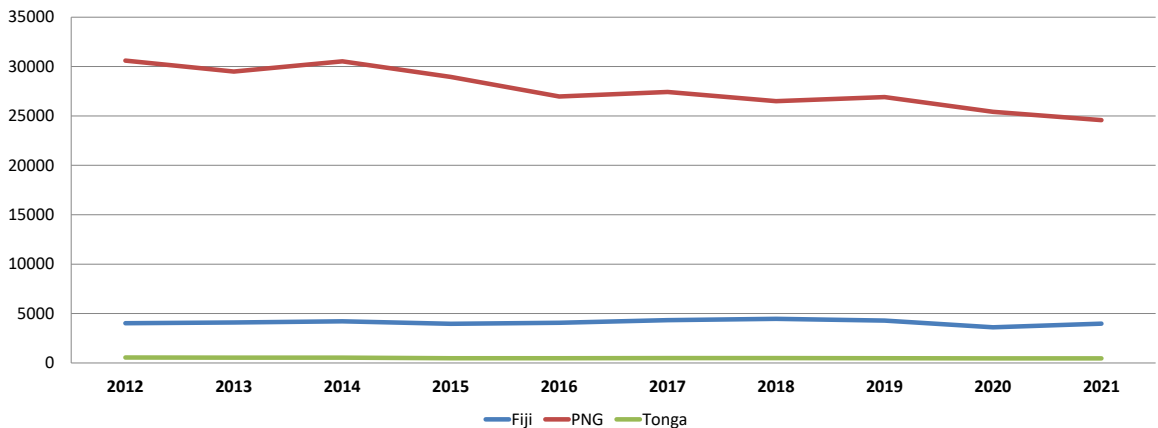
Regional economy

Real economic growth in major South Pacific economies was marginal in 2021 due to uneven recoveries from COVID-19. The South Pacific is characterised by small economies reliant on remittances, tourism and commodity exports – all of which continued to be disrupted by pandemic restrictions in 2021. South Pacific economies' GDPs remained below pre-pandemic levels in real US dollar terms.

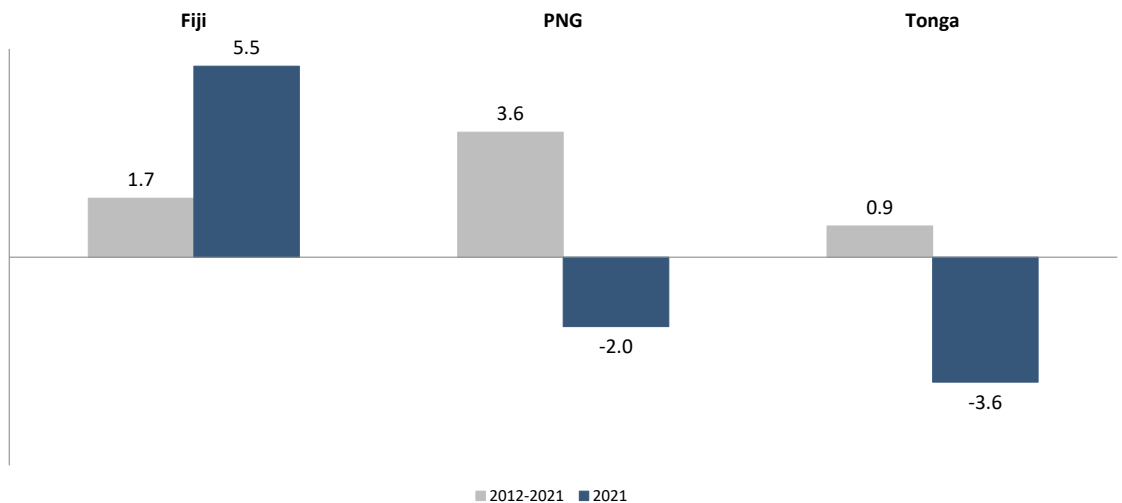
Defence spending

South Pacific military expenditure as a percentage of real GDP averaged about 1.1 per cent in 2021. All Pacific militaries continue to rely on foreign partners for military acquisitions and support. Some face-to-face training and defence engagement activities recommenced following COVID-19-related cancellations in 2020.

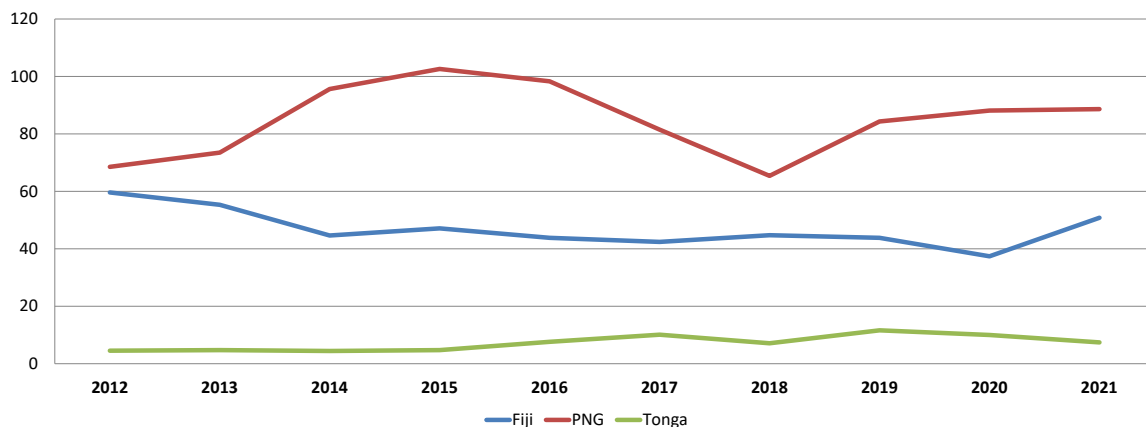
GDP in real US\$ (m) (2021)



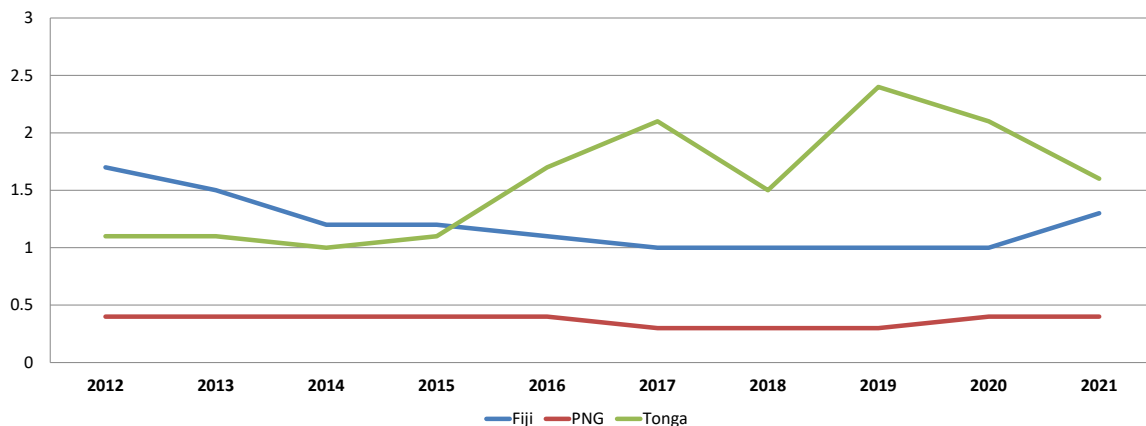
GDP in real LCU – average growth rate (%)



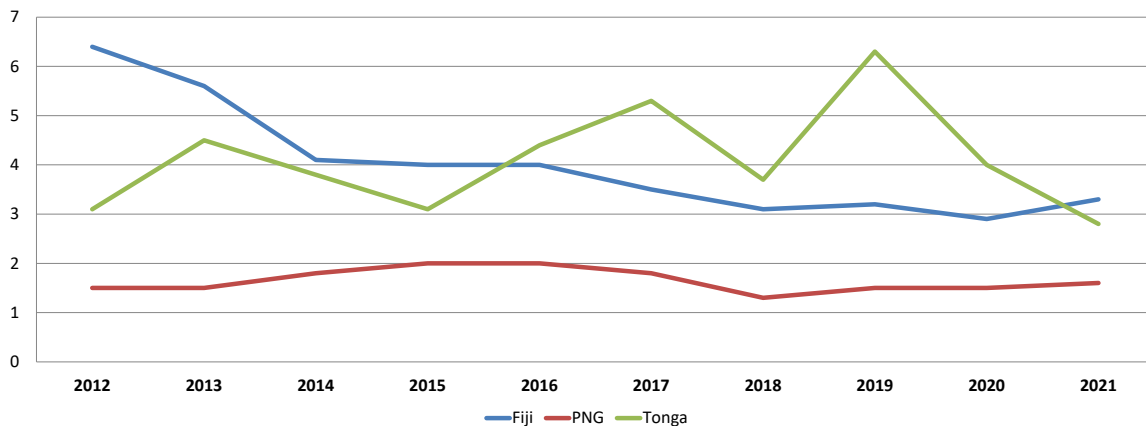
Defence spending in real and constant US\$ (m) (2021)



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



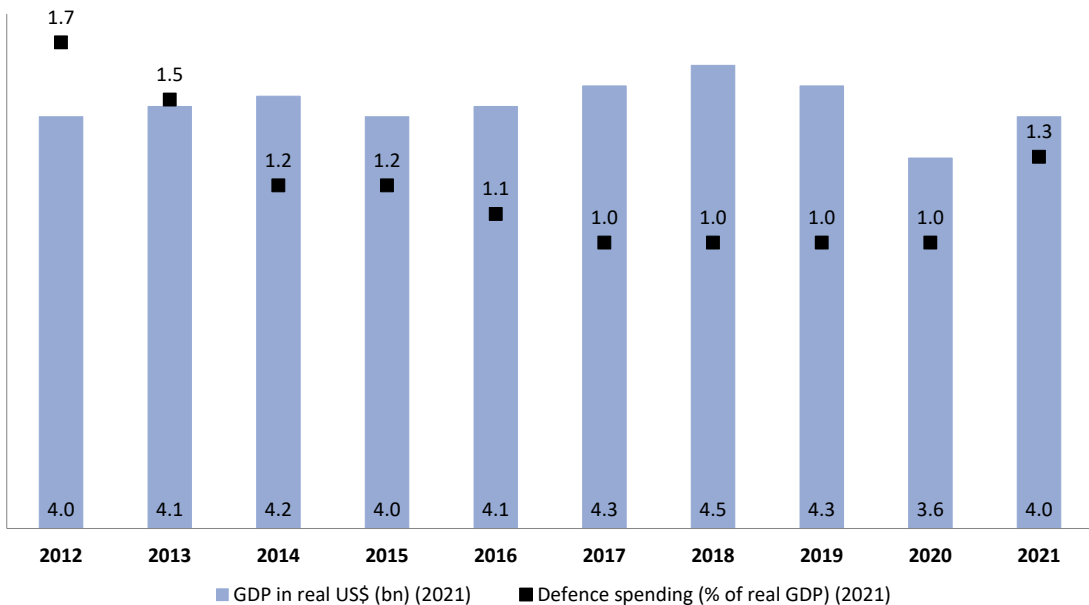
Economy

Over the past 10 years, Fiji averaged 1.7 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 5.5 per cent despite significant and ongoing COVID-19 disruptions to Fiji’s tourism sector and an outbreak of COVID-19. According to the EIU, Fiji’s economy will continue to expand out to 2023 in nominal US dollar terms.

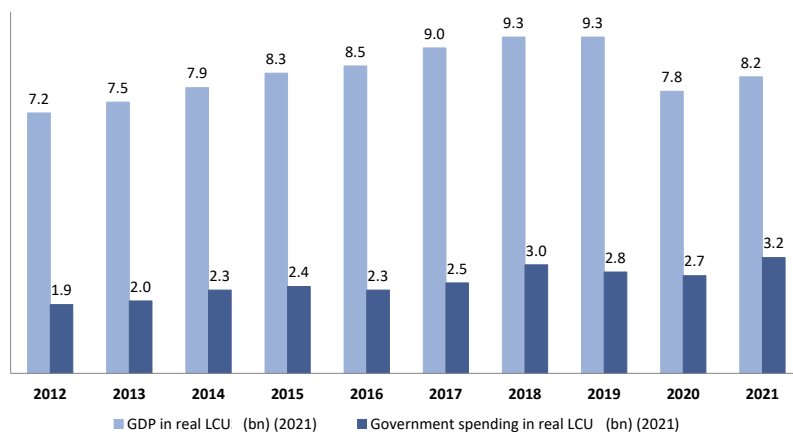
Defence spending

Fiji’s 2021 defence budget was FJD105.2m (US\$50.8m) – a 35.8 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the deployment of 50 troops to Solomon Islands as part of an Australia-led peacekeeping force and combined training exercises with the Australian Army.

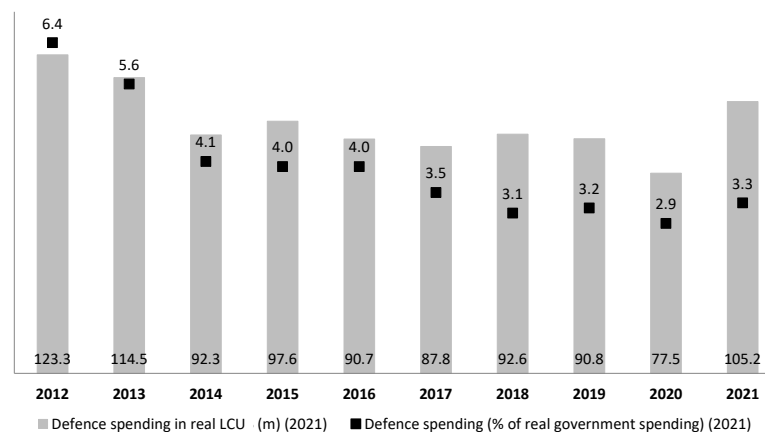
GDP in real US\$ and defence spending as a percentage of real GDP



FIJI										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (m)	122.1	117.4	106.5	115.4	110.1	108.4	116.0	116.4	97.6	105.2
Spending in real LCU (m) (2021)	123.3	114.5	92.3	97.6	90.7	87.8	92.6	90.8	77.5	105.2
Spending in nominal US\$ (m)	68.2	63.8	56.4	55.0	52.5	52.5	55.6	53.9	45.0	50.8
Spending in real and constant US\$ (m) (2021)	59.6	55.3	44.6	47.1	43.8	42.4	44.7	43.8	37.4	50.8
Spending in real LCU - growth rate (%) (2021)	5.2	-7.1	-19.4	5.7	-7.1	-3.2	5.5	-2.0	-14.6	35.8
Spending (% of real GDP) (2021)	1.7	1.5	1.2	1.2	1.1	1.0	1.0	1.0	1.0	1.3
Spending (% of real government spending) (2021)	6.4	5.6	4.1	4.0	4.0	3.5	3.1	3.2	2.9	3.3
Gross domestic product (GDP)										
GDP in real LCU (bn) (2021)	7.2	7.5	7.9	8.3	8.5	9.0	9.3	9.3	7.8	8.2
GDP in real US\$ (bn) (2021)	4.0	4.1	4.2	4.0	4.1	4.3	4.5	4.3	3.6	4.0
GDP in real LCU - growth rate (%) (2021)	1.4	4.7	5.6	4.5	2.4	5.3	3.8	-0.4	-15.7	5.5
GDP in real US\$ - per capita (2021)	4613.7	4696.8	4839.5	4550.3	4668.1	4926.2	5064.3	4816.8	4000.1	4376.2
Government spending in real LCU (bn) (2021)	1.9	2.0	2.3	2.4	2.3	2.5	3.0	2.8	2.7	3.2
Population (m)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Inflation (%)	3.4	2.9	0.5	1.4	3.9	3.3	4.1	1.8	-2.6	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: Port Moresby
Population: 9.1 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



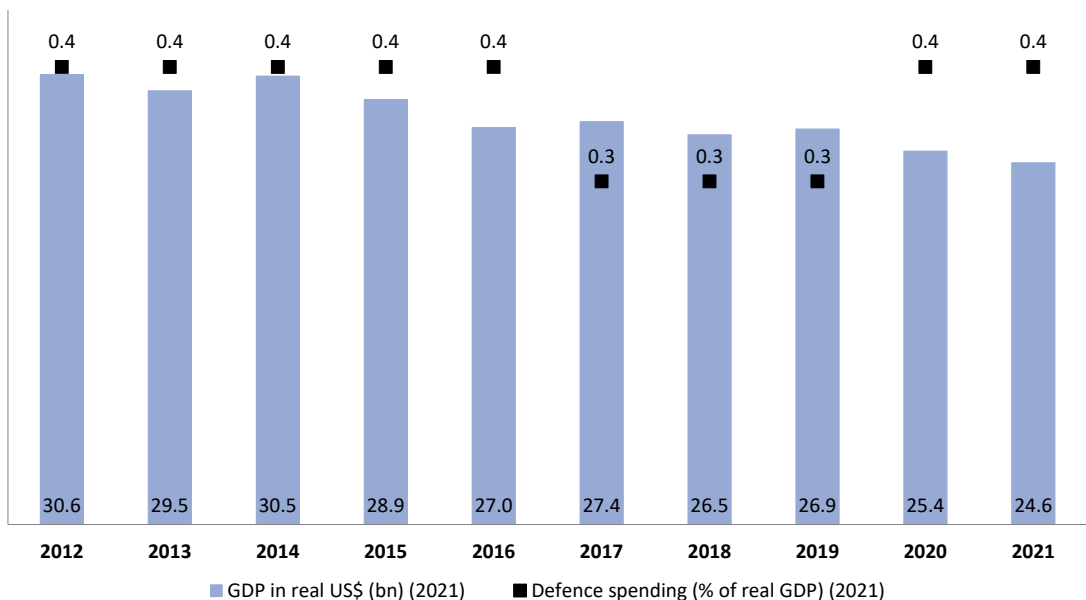
Economy

Over the past 10 years, PNG has averaged 3.6 per cent annual real economic growth in local currency terms. In 2021, the economy contracted by 2.0 per cent due to a contraction in the resource sector. According to the EIU, PNG's economy will continue to expand out to 2026 in nominal US dollar terms.

Defence spending

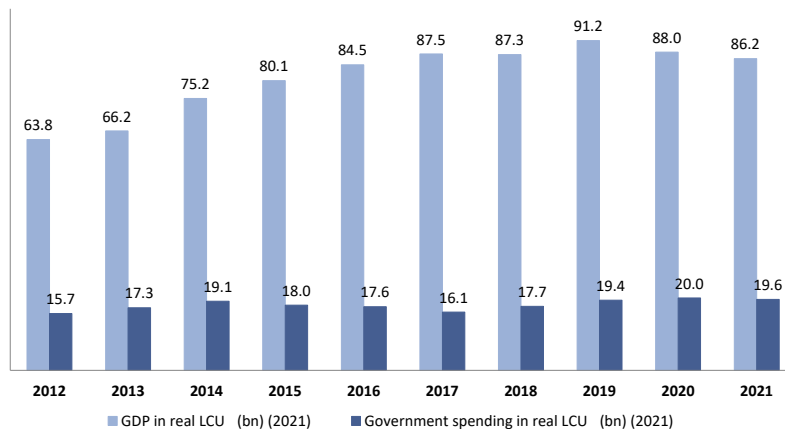
PNG's 2021 defence budget was PGK310.9m (US\$88.6m) – a 0.6 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the procurement and delivery of two GUARDIAN-class patrol boats from Australia and the deployment to Solomon Islands as part of an Australia-led peacekeeping force.

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

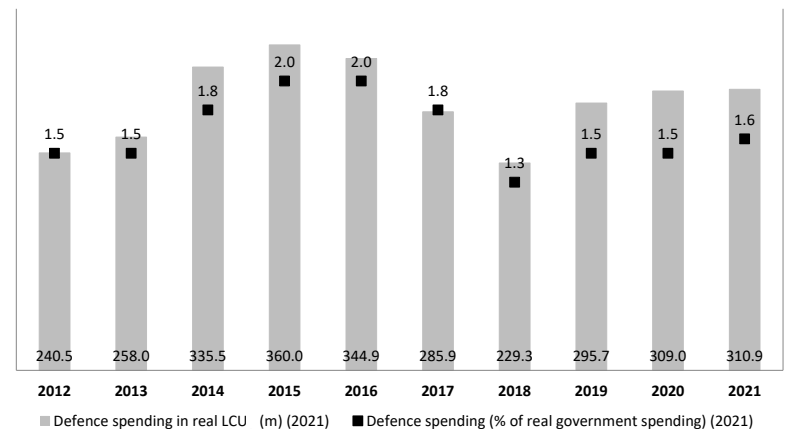


PAPUA NEW GUINEA

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (m)	167.3	186.0	255.0	270.2	265.5	237.0	208.7	271.9	299.9	310.9
Spending in real LCU (m) (2021)	240.5	258.0	335.5	360.0	344.9	285.9	229.3	295.7	309.0	310.9
Spending in nominal US\$ (m)	80.3	82.9	103.6	97.6	84.7	74.3	63.4	80.3	86.7	88.6
Spending in real and constant US\$ (m) (2021)	68.5	73.5	95.6	102.6	98.3	81.5	65.4	84.3	88.1	88.6
Spending in real LCU - growth rate (%) (2021)	16.2	7.3	30.0	7.3	-4.2	-17.1	-19.8	28.9	4.5	0.6
Spending (% of real GDP) (2021)	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4
Spending (% of real government spending) (2021)	1.5	1.5	1.8	2.0	2.0	1.8	1.3	1.5	1.5	1.6
Gross domestic product (GDP)										
GDP in real LCU (bn) (2021)	63.8	66.2	75.2	80.1	84.5	87.5	87.3	91.2	88.0	86.2
GDP in real US\$ (bn) (2021)	30.6	29.5	30.5	28.9	27.0	27.4	26.5	26.9	25.4	24.6
GDP in real LCU - growth rate (%) (2021)	4.7	3.8	13.5	6.6	5.4	3.5	-0.3	4.5	-3.5	-2.0
GDP in real US\$ - per capita (2021)	4010.2	3787.1	3842.5	3570.1	3260.2	3251.5	3078.6	3066.8	2841.3	2694.9
Government spending in real LCU (bn) (2021)	15.7	17.3	19.1	18.0	17.6	16.1	17.7	19.4	20.0	19.6
Population (m)	7.6	7.8	7.9	8.1	8.3	8.4	8.6	8.8	8.9	9.1
Inflation (%)	4.5	5.0	5.2	6.0	6.7	5.4	4.4	3.9	4.9	4.5



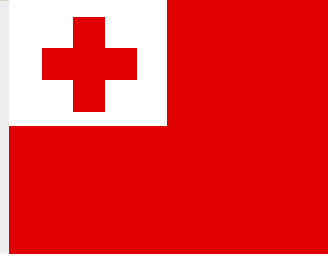
Real GDP and government spending in local currency



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



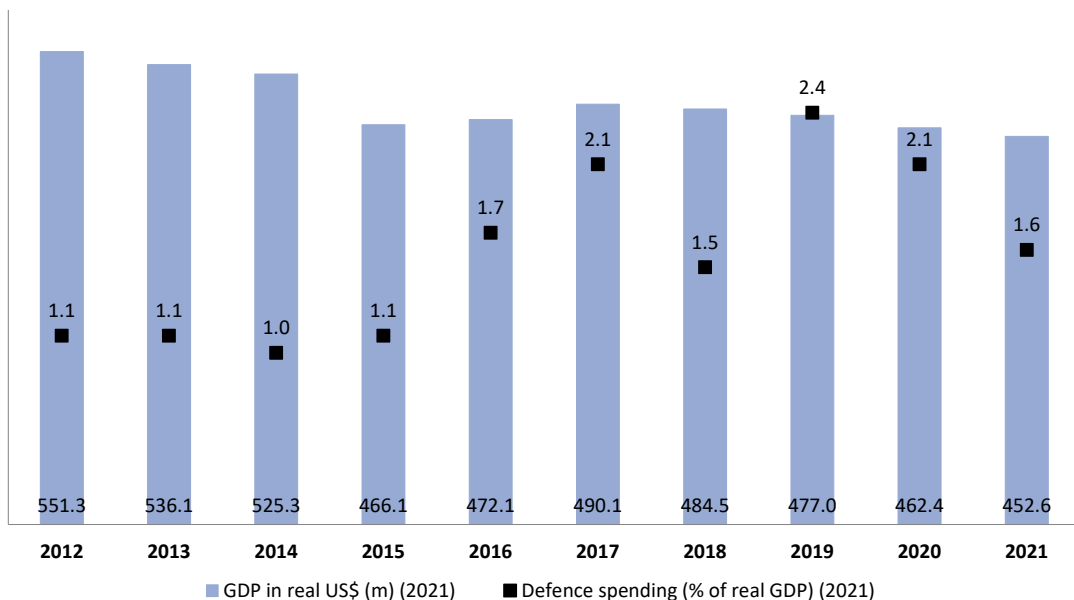
Economy

Over the past 10 years, Tonga averaged 0.9 per cent annual real economic growth in local currency terms. In 2021, the economy contracted by 3.6 per cent due to the impact of COVID-19 on Tonga's tourism and construction sectors. Remittances to Tonga increased from 2020 levels but remained below 2019 levels. According to the EIU, Tonga's economy will expand out to 2023 in nominal US dollar terms.

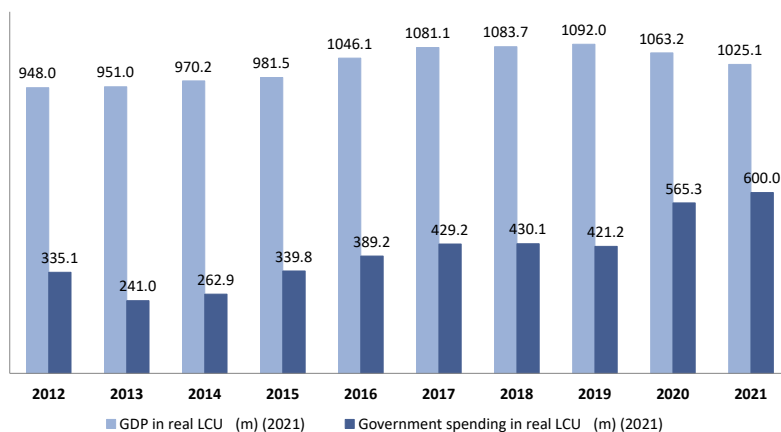
Defence spending

Tonga's 2021 defence budget was TOP16.7m (US\$7.4m) – a 26.5 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the commissioning of the Tonga Navy's GUARDIAN-class patrol boat, VOEA *Ngahau Siliva*, and the commissioning of the Fangata Military Camp in 'Eua, both paid for by Australia.

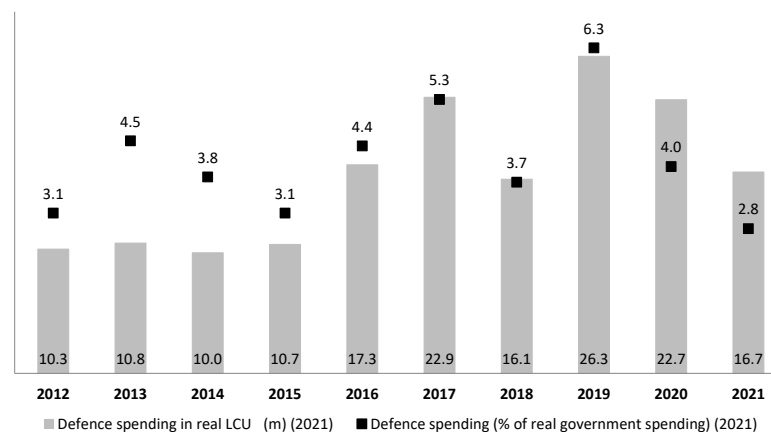
GDP in real US\$ and defence spending as a percentage of real GDP



TONGA										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (m)	8.6	8.8	8.2	9.2	15.4	21.6	16.0	28.1	22.8	16.7
Spending in real LCU (m) (2021)	10.3	10.8	10.0	10.7	17.3	22.9	16.1	26.3	22.7	16.7
Spending in nominal US\$ (m)	5.0	5.0	4.4	4.4	7.0	9.8	7.1	12.3	9.9	7.4
Spending in real and constant US\$ (m) (2021)	4.5	4.7	4.4	4.7	7.6	10.1	7.1	11.6	10.0	7.4
Spending in real LCU - growth rate (%) (2021)	20.4	4.8	-7.1	6.8	62.2	32.5	-29.7	63.4	-13.7	-26.5
Spending (% of real GDP) (2021)	1.1	1.1	1.0	1.1	1.7	2.1	1.5	2.4	2.1	1.6
Spending (% of real government spending) (2021)	3.1	4.5	3.8	3.1	4.4	5.3	3.7	6.3	4.0	2.8
Gross domestic product (GDP)										
GDP in real LCU (bn) (2021)	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.0
GDP in real US\$ (m) (2021)	551.3	536.1	525.3	466.1	472.1	490.1	484.5	477.0	462.4	452.6
GDP in real LCU - growth rate (%) (2021)	0.8	0.3	2.0	1.2	6.6	3.3	0.2	0.8	-2.6	-3.6
GDP in real US\$ - per capita (2021)	5513.3	5361.4	5253.4	4661.2	4721.5	4900.8	4845.2	4769.7	4203.4	4114.5
Government spending in real LCU (m) (2021)	335.1	241.0	262.9	339.8	389.2	429.2	430.1	421.2	565.3	600.0
Population (m)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Inflation (%)	1.1	0.8	2.5	-1.1	2.6	7.5	5.0	1.2	-0.3	5.7



Real GDP and government spending in local currency



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

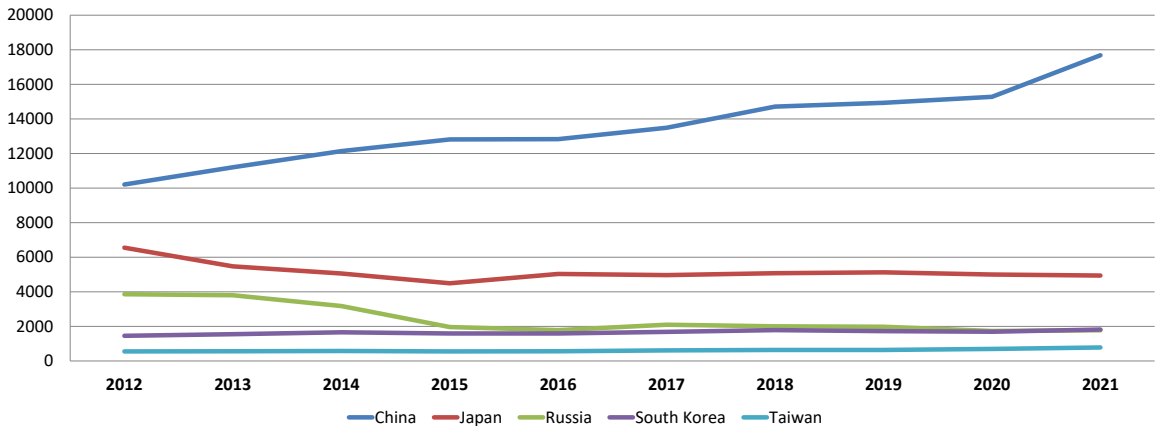
Regional economy

Real economic growth in North Asia expanded by an average of 5.0 per cent in 2021 due to recoveries in consumption and investment. Exports also increased, which supported the region's economic recovery. China's economic growth sharply increased in 2021, reversing the trend of slowing year-on-year growth.

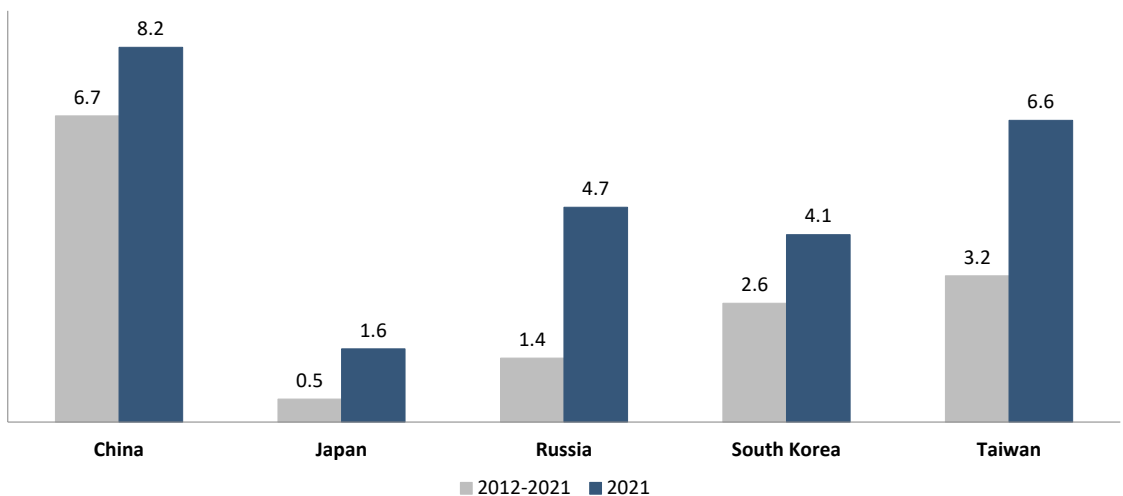
Defence spending

North Asian military expenditure as a percentage of real GDP averaged 1.8 per cent in 2021 for major economies. Force modernisation programs continued across the region as pandemic restrictions were eased and previously delayed acquisitions were delivered. China's military expenditure in nominal terms rose for the 27th consecutive year in 2021, at a rate of 3.6 per cent in real local currency terms.

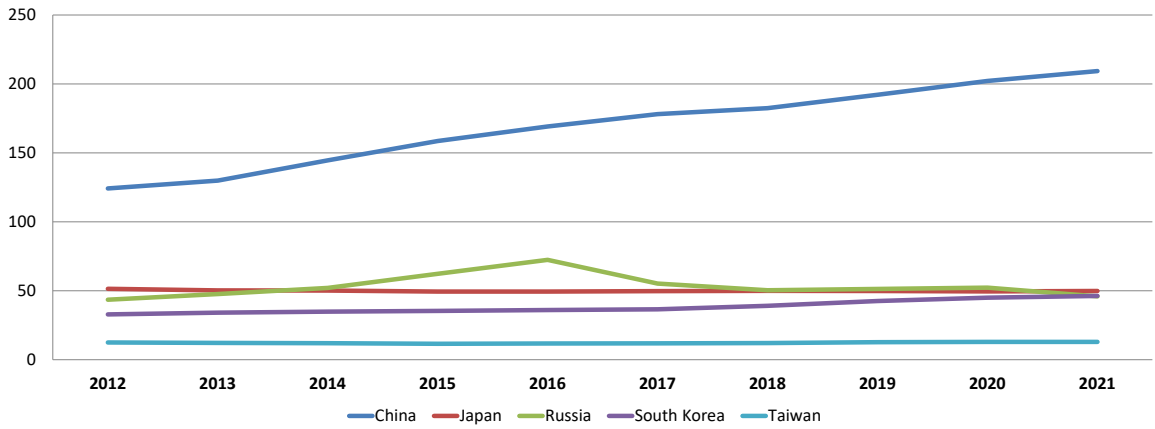
GDP in real US\$ (bn) (2021)



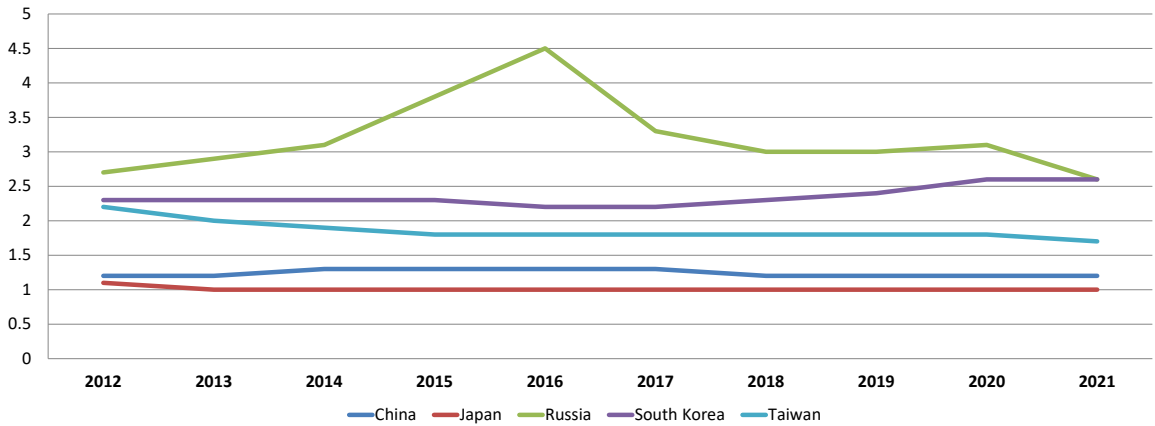
GDP in real LCU – average growth rate (%)



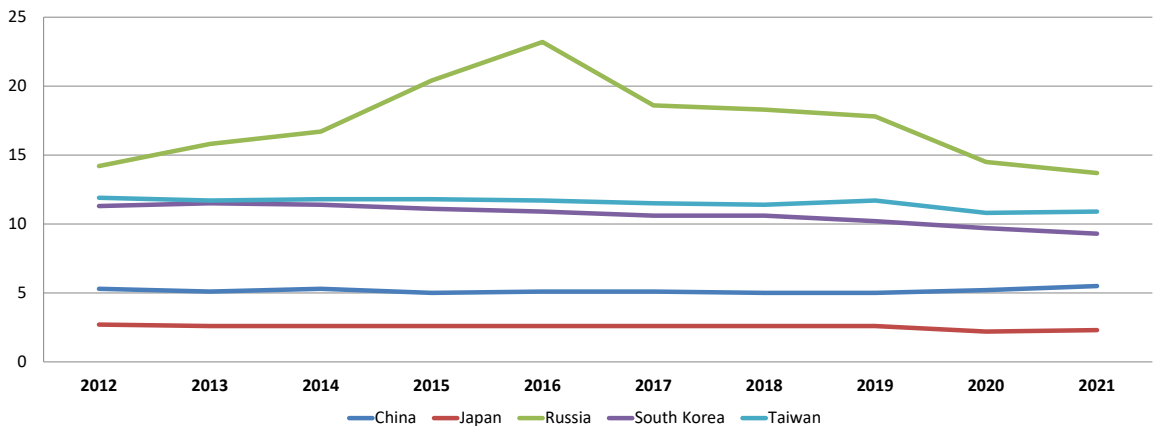
Defence spending in real and constant US\$ (bn) (2021)



Defence spending (% of real GDP)

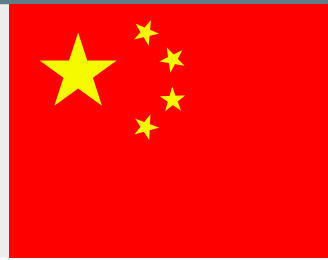


Defence spending (% of real government spending)



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 and consumer goods



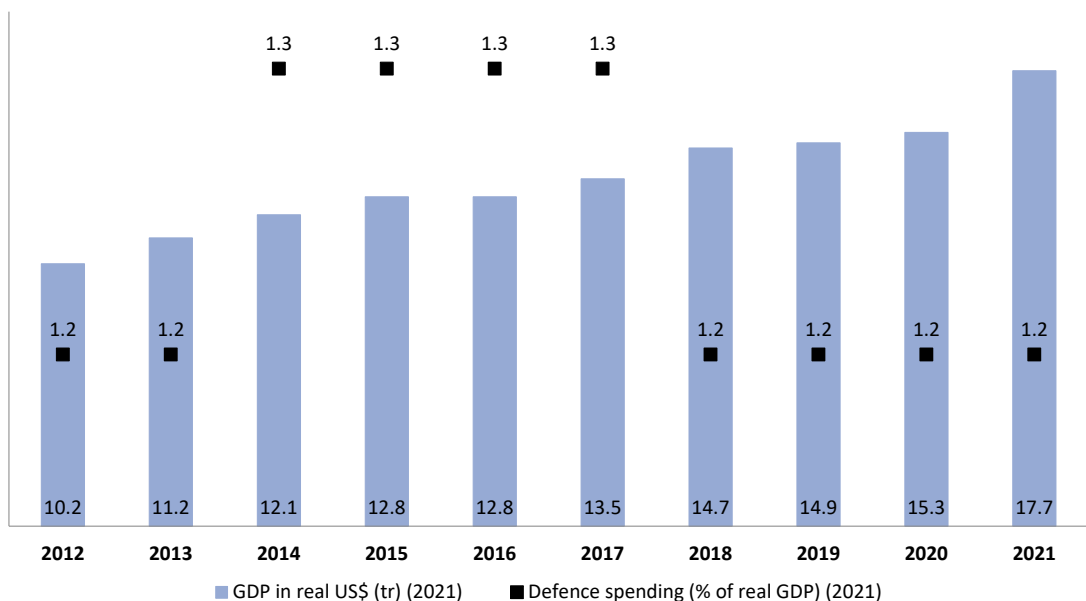
Economy

Over the past 10 years, China averaged 6.7 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 8.2 per cent due to increases in industrial production and investment. However, reduced exports from China due to COVID-19 and Beijing’s Deleveraging Strategy to reduce state-owned enterprise debt slowed economic growth in the second half of 2021. According to the EIU, China’s economy will average 7 per cent growth by 2027 on an annual basis in nominal US dollar terms.

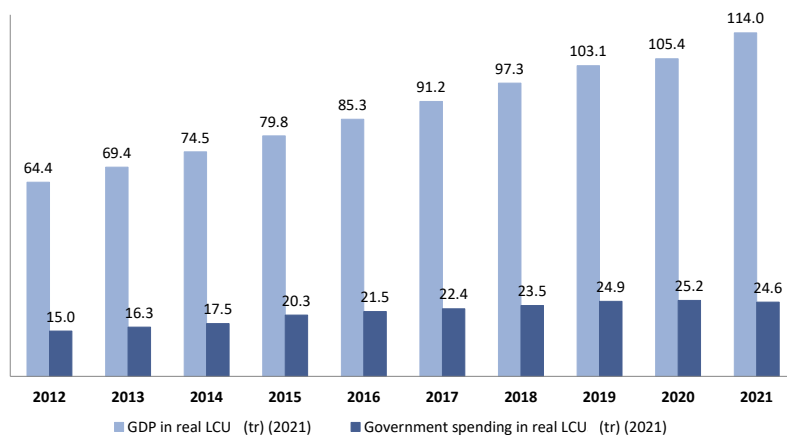
Defence spending

China’s 2021 defence budget was CNY1.4tr (US\$209.3bn) – a 3.6 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the commissioning of two TYPE 052D (LUYANG III)-class destroyers, a TYPE 075 YUSHEN-class landing helicopter dock amphibious assault ship, two TYPE 055 (RENHAI)-class guided-missile destroyers, a TYPE 094 (JIN)-class nuclear-powered ballistic missile submarine and two JIANGDAO-class corvettes. TYPE 053H1 (JIANGHU-II)-class frigate *Zhaotong* was decommissioned. Two TYPE 054A (JIANGKAI II)-class frigates were also launched and construction of China’s third aircraft carrier continued. China’s nuclear arsenal continued to expand.

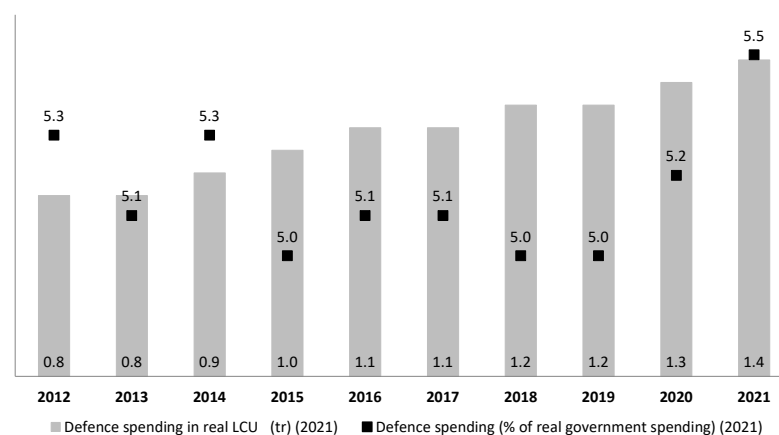
GDP in real and US\$ and defence spending as a percentage of real GDP



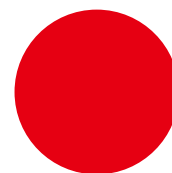
CHINA										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (tr)	0.7	0.7	0.8	0.9	1.0	1.0	1.1	1.2	1.3	1.4
Spending in real LCU (tr) (2021)	0.8	0.8	0.9	1.0	1.1	1.1	1.2	1.2	1.3	1.4
Spending in nominal US\$ (bn)	106.2	116.2	131.6	142.4	143.6	154.5	167.3	172.2	183.7	209.3
Spending in real and constant US\$ (bn) (2021)	124.2	129.9	144.5	158.6	169.1	178.1	182.4	192.1	202.1	209.3
Spending in real LCU - growth rate (%) (2021)	8.0	4.7	11.2	9.7	6.7	5.3	2.4	5.3	5.2	3.6
Spending (% of real GDP) (2021)	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2
Spending (% of real government spending) (2021)	5.3	5.1	5.3	5.0	5.1	5.1	5.0	5.0	5.2	5.5
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	64.4	69.4	74.5	79.8	85.3	91.2	97.3	103.1	105.4	114.0
GDP in real US\$ (tr) (2021)	10.2	11.2	12.1	12.8	12.8	13.5	14.7	14.9	15.3	17.7
GDP in real LCU - growth rate (%) (2021)	7.9	7.8	7.4	7.0	6.8	6.9	6.8	5.9	2.2	8.2
GDP in real US\$ - per capita (2021)	7534.0	8229.3	8870.0	9318.8	9278.0	9705.8	10546.7	10662.9	10821.3	12514.5
Government spending in real LCU (tr) (2021)	15.0	16.3	17.5	20.3	21.5	22.4	23.5	24.9	25.2	24.6
Population (bn)	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Inflation (%)	2.6	2.6	2.1	1.5	2.1	1.5	1.9	2.9	2.5	0.9



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:** 126.1 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

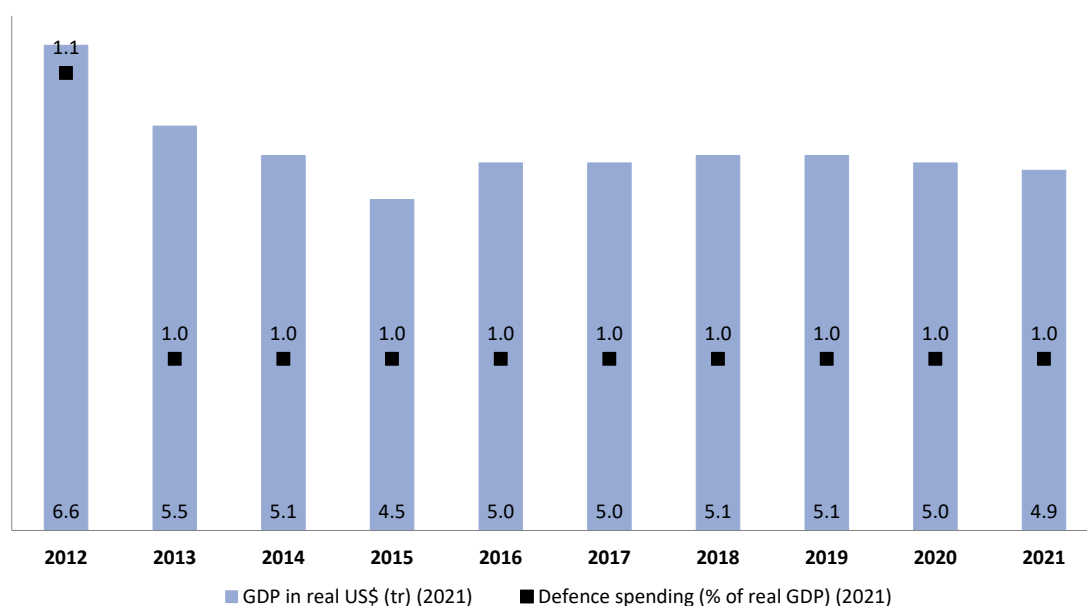
Economy

Over the past 10 years, Japan averaged 0.5 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 1.6 per cent due to a sharp increase in domestic consumption and a recovery in industrial output in the final quarter of 2021. Japan's economy is primarily driven by manufacturing and trade. According to the EIU, Japan's economy will average 4 per cent growth by 2027 on an annual basis in nominal US dollar terms.

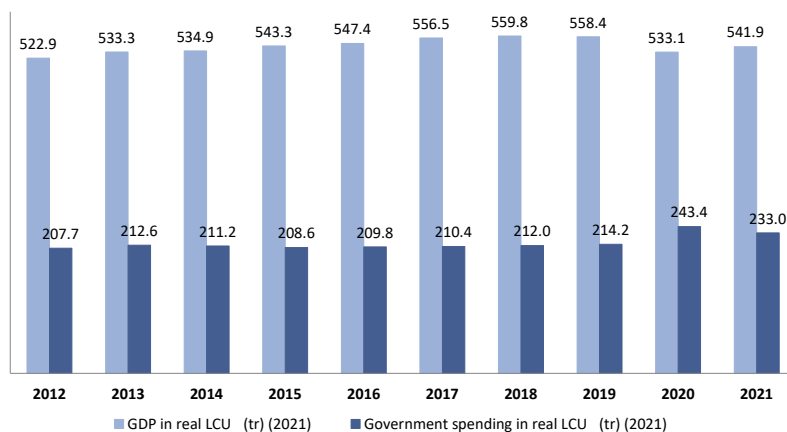
Defence spending

Japan's 2021 defence budget was JPY5.5tr (US\$49.8bn) – a 0.5 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the procurement of a KC-46A Pegasus aerial refuelling tanker aircraft, a Beechcraft King Air 350i special mission aircraft and five Bell Boeing MV-22B Osprey tiltrotor aircraft from the US, and the retirement of the CH-47J Chinook heavy-lift helicopter. A 4900-tonne oil tanker was commissioned, as well as a SORYU-class diesel-electric attack submarine, a MAYA-class guided-missile destroyer, an AWAJI-class mine countermeasures vessel and a HIBIKI-class ocean surveillance ship. Additionally, two MOGAMI-class multirole frigates were launched.

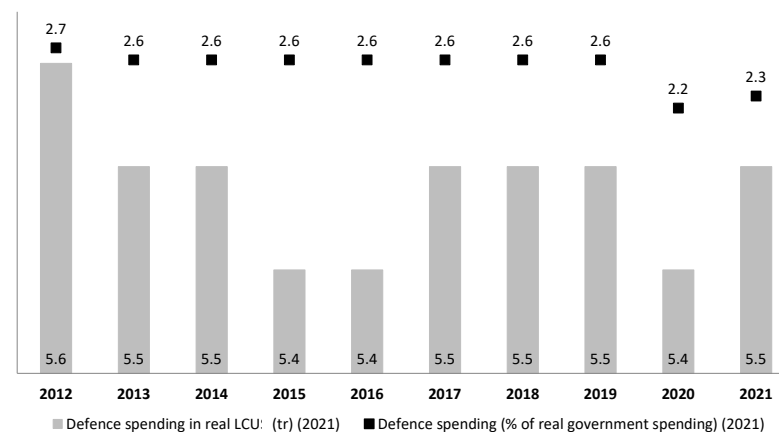
GDP in real and US\$ and defence spending as a percentage of real GDP



JAPAN										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (tr)	5.4	5.3	5.3	5.4	5.4	5.4	5.4	5.5	5.5	5.5
Spending in real LCU (tr) (2021)	5.6	5.5	5.5	5.4	5.4	5.5	5.5	5.5	5.4	5.5
Spending in nominal US\$ (bn)	67.6	53.9	50.3	44.4	49.6	48.3	49.3	50.1	51.4	49.8
Spending in real and constant US\$ (bn) (2021)	51.4	50.2	50.1	49.4	49.4	49.7	49.9	49.8	49.5	49.8
Spending in real LCU - growth rate (%) (2021)	0.4	-2.3	-0.3	-1.3	0.0	0.5	0.4	-0.2	-0.5	0.5
Spending (% of real GDP) (2021)	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Spending (% of real government spending) (2021)	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.2	2.3
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	522.9	533.3	534.9	543.3	547.4	556.5	559.8	558.4	533.1	541.9
GDP in real US\$ (tr) (2021)	6.6	5.5	5.1	4.5	5.0	5.0	5.1	5.1	5.0	4.9
GDP in real LCU - growth rate (%) (2021)	1.4	2.0	0.3	1.6	0.8	1.7	0.6	-0.2	-4.5	1.6
GDP in real US\$ - per capita (2021)	51 012.4	42 603.3	39 426.4	35 075.7	39 391.6	38 923.9	39 850.7	40 361.7	39 475.2	39 150.7
Government spending in real LCU (tr) (2021)	207.7	212.6	211.2	208.6	209.8	210.4	212.0	214.2	243.4	233.0
Population (m)	128.4	128.3	128.2	128.0	127.8	127.5	127.2	126.9	126.5	126.1
Inflation (%)	-0.0	0.3	2.8	0.8	-0.1	0.5	1.0	0.5	-0.0	-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: Moscow
Population: 148.9 million
Active armed forces: 1.0 million
Land size: 17 075 400 km sq
Currency: Russian ruble (RUB)

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



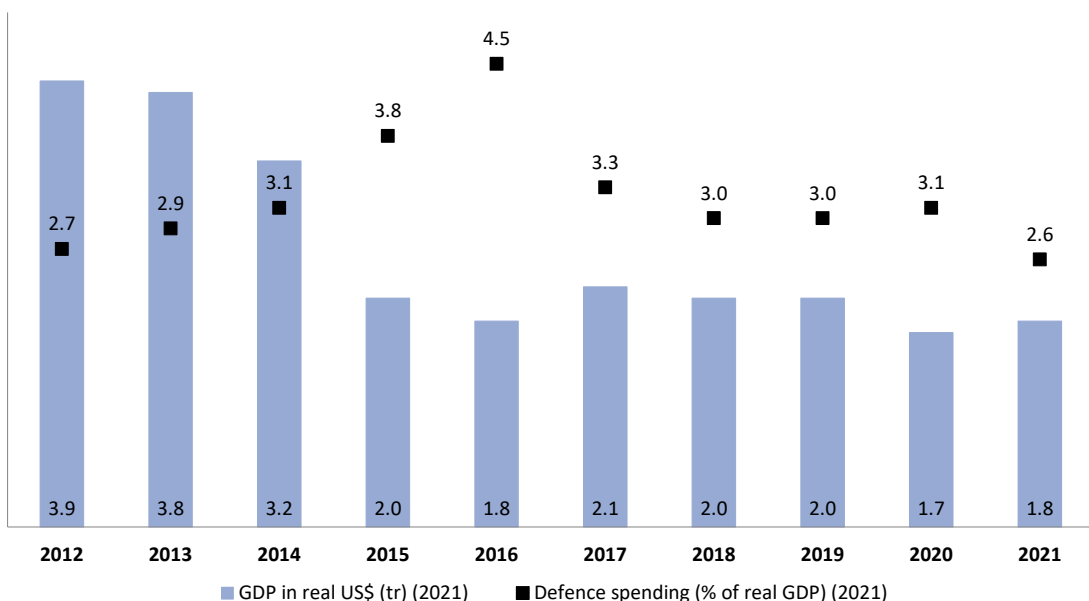
Economy

Over the past 10 years, Russia averaged 1.4 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 4.7 per cent due to a resurgence in private consumption and demand. Russia's government revenue benefited from high commodity prices for gas and crude oil. The economy is widely expected to enter a recession following Russia's invasion of Ukraine. According to the EIU, Russia's economy will average 2 per cent growth by 2027 on an annual basis in nominal US dollar terms.

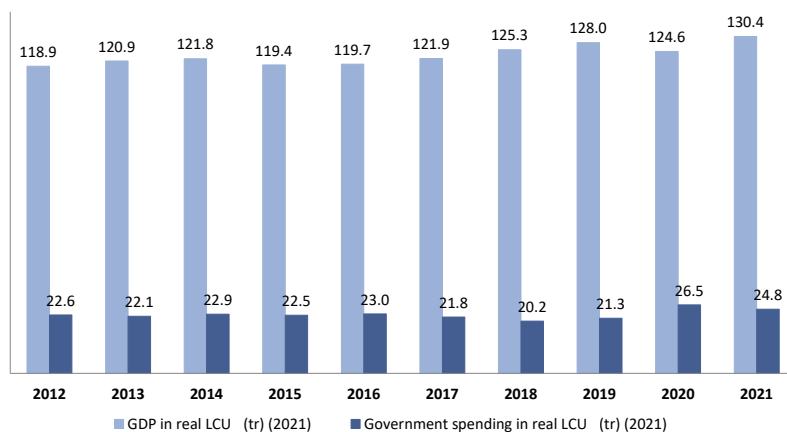
Defence spending

Russia's 2021 defence budget was RUB3.4tr (US\$45.9bn) – a 12.1 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the acquisition of MiG-35S aircraft, Mi-8MTPR-1 and Ka-52 helicopters, T-90M Proryv tanks, BMP-3 infantry fighting vehicles, 9M333 SAM system and 2S19M2 Msta-S 152 mm self-propelled howitzers. 'Terminator' tank support combat vehicles were delivered. A 885M SEVERODVINSK II (Yasen-M)-class nuclear-powered attack missile submarine, corvette, cable laying vessel, OBUKHOV (Aleksandrit)-class mine-countermeasures vessel and an improved KILo-class diesel-electric submarine were launched. A SEVERODVINSK II (Yasen-M)-class nuclear-powered attack missile submarine was commissioned. The procurement of T-14 Armata main battle tanks and Remdizel Linza (Lens) protected medical evacuation vehicles was announced. Procurement contracts worth RUB\$500bn (about US\$6.8bn) were signed at the Kubinka defence exhibition.

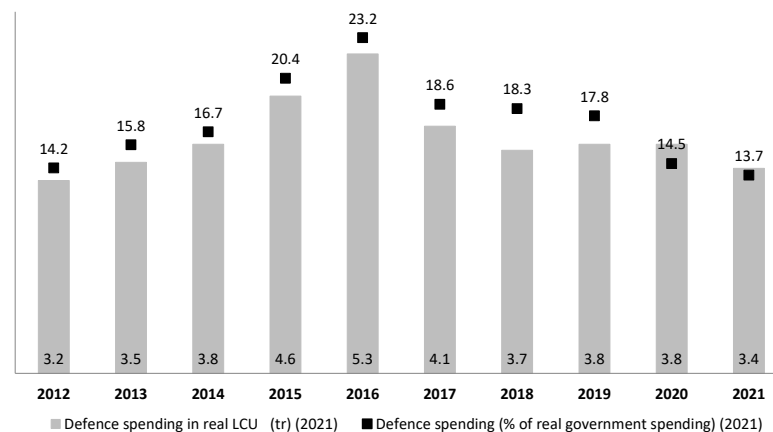
GDP in real and US\$ and defence spending as a percentage of real GDP



RUSSIA										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (tr)	1.8	2.1	2.5	3.2	3.8	3.1	3.1	3.2	3.3	3.4
Spending in real LCU (tr) (2021)	3.2	3.5	3.8	4.6	5.3	4.1	3.7	3.8	3.8	3.4
Spending in nominal US\$ (bn)	59.4	66.3	64.7	52.3	56.8	52.4	48.9	49.9	45.9	45.9
Spending in real and constant US\$ (bn) (2021)	43.5	47.6	52.0	62.3	72.4	55.2	50.3	51.3	52.2	45.9
Spending in real LCU - growth rate (%) (2021)	10.3	9.4	9.4	19.8	16.1	-23.7	-8.9	2.0	1.8	-12.1
Spending (% of real GDP) (2021)	2.7	2.9	3.1	3.8	4.5	3.3	3.0	3.0	3.1	2.6
Spending (% of real government spending) (2021)	14.2	15.8	16.7	20.4	23.2	18.6	18.3	17.8	14.5	13.7
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	118.9	120.9	121.8	119.4	119.7	121.9	125.3	128.0	124.6	130.4
GDP in real US\$ (tr) (2021)	3.9	3.8	3.2	2.0	1.8	2.1	2.0	2.0	1.7	1.8
GDP in real LCU - growth rate (%) (2021)	4.1	1.7	0.7	-1.9	0.2	1.8	2.8	2.1	-2.6	4.7
GDP in real US\$ - per capita (2021)	26 771.1	26 313.9	21 508.3	13 240.9	12 034.6	14 062.9	13 439.0	13 276.1	11 601.9	11 889.5
Government spending in real LCU (tr) (2021)	22.6	22.1	22.9	22.5	23.0	21.8	20.2	21.3	26.5	24.8
Population (m)	144.0	144.3	147.5	148.0	148.3	148.6	148.8	148.9	149.0	148.9
Inflation (%)	5.1	6.8	7.8	15.5	7.0	3.7	2.9	4.5	3.4	6.7



Real GDP and government spending in local currency



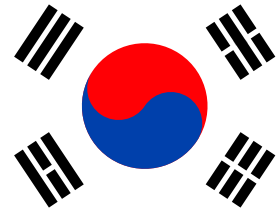
Defence spending in real LCU and as a percentage of real government spending

Capital city: Seoul
Population: 51.3 million
Active armed forces: 599 000
Land size: 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



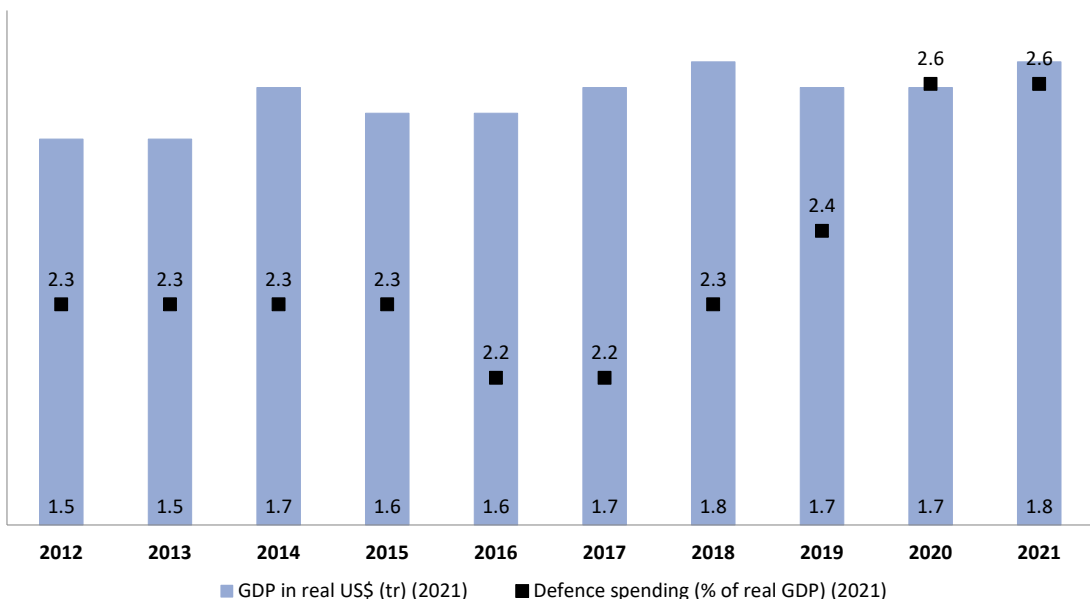
Economy

Over the past 10 years, South Korea averaged 2.6 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 4.1 per cent due to increased exports and an expansion in corporate capital investment. Industrial production also rose in 2021 due to increases in mining and manufacturing. According to the EIU, South Korea's economy will average 6 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

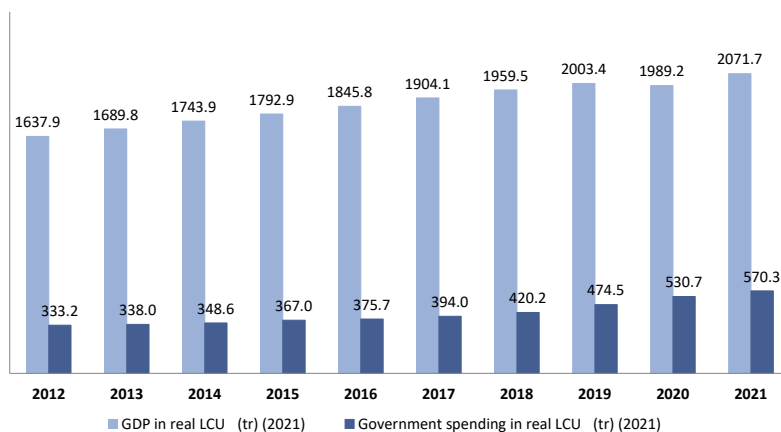
South Korea's 2021 defence budget was KRW52.9tr (US\$46.2bn) – a 2.8 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the launch of an auxiliary submarine rescue ship (ASR-II), a KSS-III-class diesel-electric attack submarine *Shin Chae-ho*, a DAEGU (FFX-II)-class guided-missile frigate and a YANGYANG-class minesweeper. A DOKDO-class landing platform helicopter amphibious assault ship, a DAEGU (FFX-II)-class guided-missile frigate and a (KSS-III)-class diesel-electric attack submarine *Dosan An Chang-ho* were commissioned. An upgraded K216 nuclear, biological and chemical reconnaissance vehicle was fielded and the Cheongung Block-1 medium-range SAM systems replaced the MIM-23 HAWK SAM systems. Three GWANGGAETO DAEWANG (KDX-1)-class destroyers were upgraded and a POHANG-class corvette was decommissioned. Construction of a second KSS-III submarine was commenced and the Republic of Korea Marine Corps air wing was established.

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

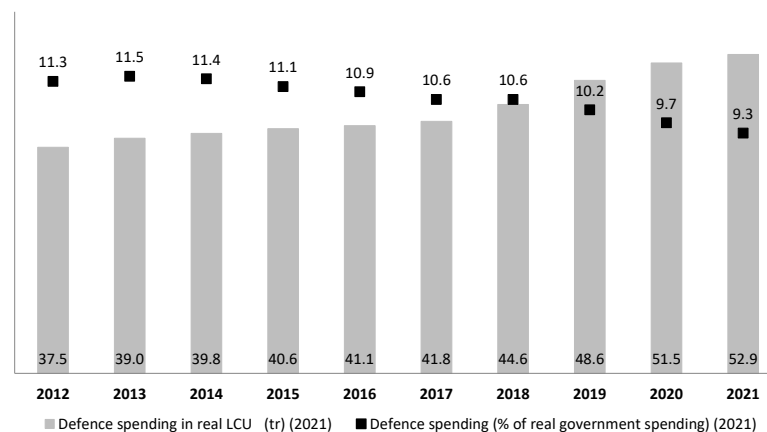


SOUTH KOREA

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Official defence spending										
Spending in nominal LCU (tr)	33.0	34.6	35.7	37.5	38.8	40.3	43.2	46.7	50.2	52.9
Spending in real LCU (tr) (2021)	37.5	39.0	39.8	40.6	41.1	41.8	44.6	48.6	51.5	52.9
Spending in nominal US\$ (bn)	29.3	31.6	33.9	33.2	33.4	35.6	39.3	40.1	42.5	46.2
Spending in real and constant US\$ (bn) (2021)	32.8	34.1	34.8	35.4	36.0	36.5	39.0	42.5	45.0	46.2
Spending in real LCU - growth rate (%) (2021)	3.8	3.8	2.3	1.8	1.5	1.6	6.7	9.0	5.8	2.8
Spending (% of real GDP) (2021)	2.3	2.3	2.3	2.3	2.2	2.2	2.3	2.4	2.6	2.6
Spending (% of real government spending) (2021)	11.3	11.5	11.4	11.1	10.9	10.6	10.6	10.2	9.7	9.3
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	1637.9	1689.8	1743.9	1792.9	1845.8	1904.1	1959.5	2003.4	1989.2	2071.7
GDP in real US\$ (tr) (2021)	1.5	1.5	1.7	1.6	1.6	1.7	1.8	1.7	1.7	1.8
GDP in real LCU - growth rate (%) (2021)	2.4	3.2	3.2	2.8	3.0	3.2	2.9	2.2	-0.7	4.1
GDP in real US\$ - per capita (2021)	29 036.4	30 652.0	32 730.4	31 192.1	31 189.6	32 949.0	34 805.6	33 560.0	32 873.0	35 298.7
Government spending in real LCU (tr) (2021)	333.2	338.0	348.6	367.0	375.7	394.0	420.2	474.5	530.7	570.3
Population (m)	50.1	50.3	50.6	50.8	51.0	51.1	51.2	51.2	51.3	51.3
Inflation (%)	2.2	1.3	1.3	0.7	1.0	1.9	1.5	0.4	0.5	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: Taipei

Population: 23.4 million

Active armed forces: 163 000

Land size: 36 189 km sq

Currency: New Taiwan dollar (TWD)

Fiscal year: 1 January – 31 December

Economy: High-income economy with an emerging market

Industries: Electronics and semiconductors, oil and chemical processing, textiles, steel, machinery, vehicles and pharmaceuticals

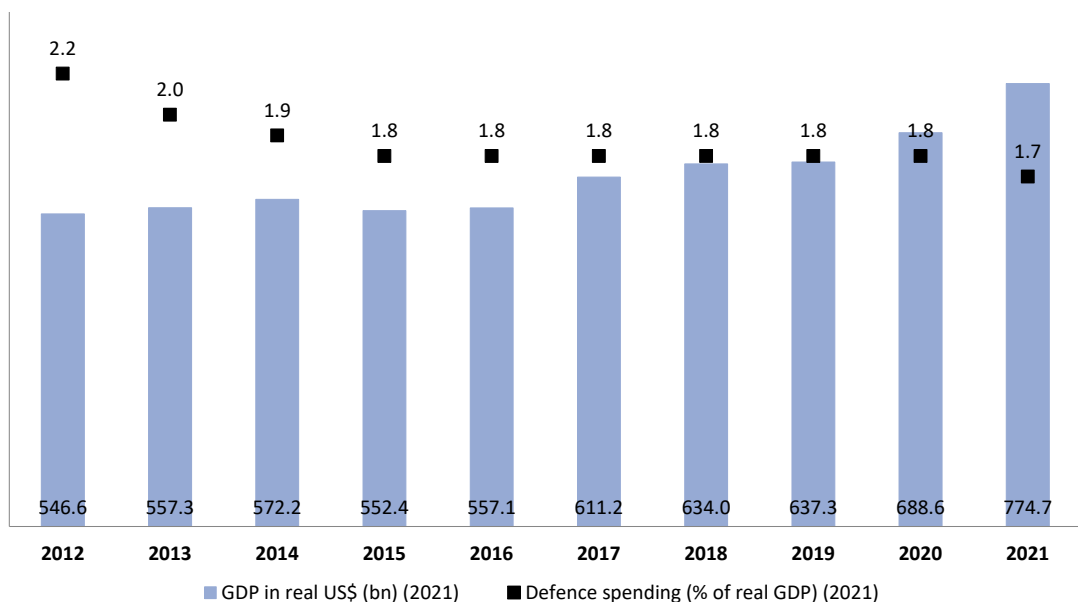
Economy

Over the past 10 years, Taiwan averaged 3.2 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 6.6 per cent due to increased technology exports; Taiwan is a key semiconductor exporter. According to the EIU, Taiwan's economy will average 4 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

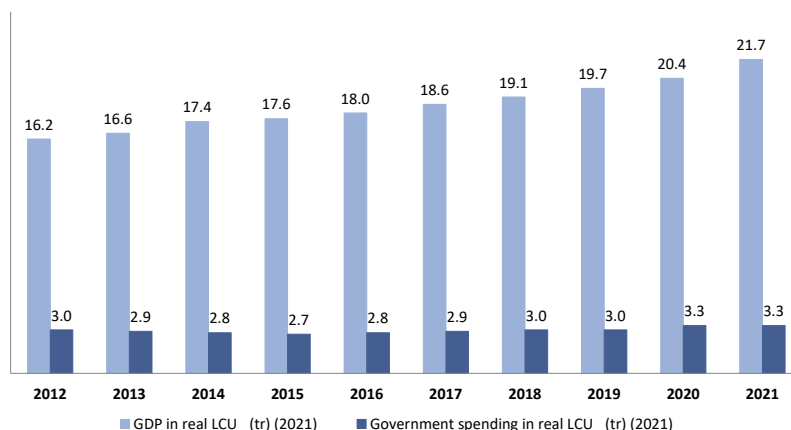
Taiwan's 2021 defence budget was TWD361.8bn (US\$12.9bn) – a 0.1 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the acquisition of T-5 Yung Yin ('Brave Eagle') advanced jet trainer/light fighter aircraft, the commissioning of Taiwan's first F-16V fighter wing, the commissioning of TUO CHIANG-class fast missile corvette *Ta Chiang*, the acquisition of an FMLB minelayer and the launch of the landing platform dock vessel *Yu Shan*. Additionally, construction of the TUO CHIANG-class fast missile corvette commenced and the large patrol craft RoCS *Jin Chiang* was decommissioned. Taiwan's Marine Corps also conducted a combined training exercise with the US Marine Corps.

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

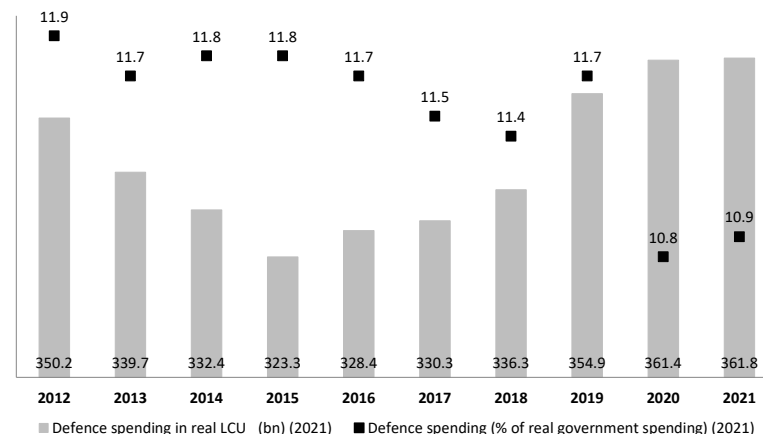


TAIWAN

Official Defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	317.5	312.7	311.1	312.8	320.1	319.3	323.1	340.5	351.2	361.8
Spending in real LCU (bn) (2021)	350.2	339.7	332.4	323.3	328.4	330.3	336.3	354.9	361.4	361.8
Spending in nominal US\$ (bn)	10.7	10.5	10.2	9.8	9.9	10.5	10.7	11.0	11.9	12.9
Spending in real and constant US\$ (bn) (2021)	12.5	12.1	11.9	11.5	11.7	11.8	12.0	12.7	12.9	12.9
Spending in real LCU - growth rate (%) (2021)	7.1	-3.0	-2.1	-2.8	1.6	0.6	1.8	5.5	1.8	0.1
Spending (% of real GDP) (2021)	2.2	2.0	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.7
Spending (% of real government spending) (2021)	11.9	11.7	11.8	11.8	11.7	11.5	11.4	11.7	10.8	10.9
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	16.2	16.6	17.4	17.6	18.0	18.6	19.1	19.7	20.4	21.7
GDP in real US\$ (bn) (2021)	546.6	557.3	572.2	552.4	557.1	611.2	634.0	637.3	688.6	774.7
GDP in real LCU - growth rate (%) (2021)	2.2	2.5	4.7	1.5	2.2	3.3	2.8	3.1	3.4	6.6
GDP in real US\$ - per capita (2021)	23 443.3	23 841.2	24 416.4	23 514.3	23 667.0	25 928.4	26 877.5	27 001.7	29 226.4	33 143.1
Government spending in real LCU (tr) (2021)	3.0	2.9	2.8	2.7	2.8	2.9	3.0	3.0	3.3	3.3
Population (m)	23.3	23.4	23.4	23.5	23.5	23.6	23.6	23.6	23.6	23.4
Inflation (%)	1.9	0.8	1.2	-0.3	1.4	0.6	1.4	0.6	-0.2	2.0



Real GDP and government spending in local currency



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

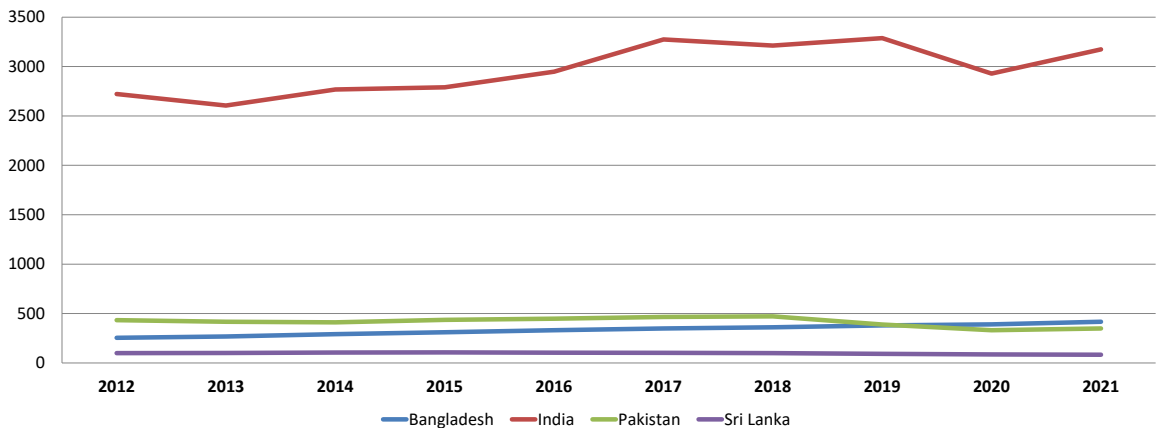
Regional economy

Real economic growth for major South Asian economies expanded by an average of 6.2 per cent in 2021 due to increases in exports and remittance inflows. Only Bangladesh's GDP in 2021 exceeded 2019 levels in real US dollar terms, despite strong regional growth. Sri Lanka entered into a severe economic crisis in 2022.

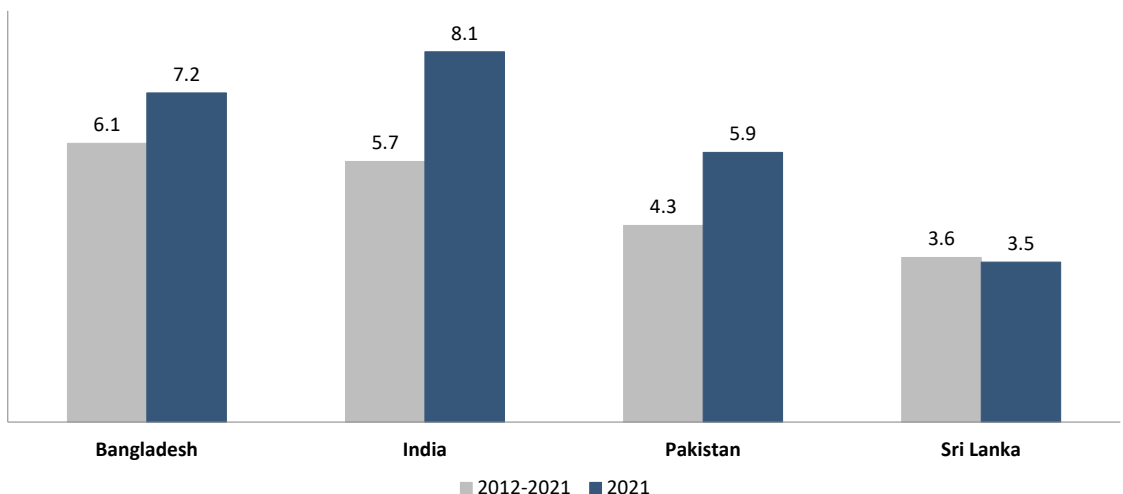
Defence spending

South Asian military expenditure as a percentage of real GDP averaged 1.8 per cent in 2021 for major economies, below the 2.2 per cent average in 2020. South Asian bilateral defence cooperation continued, but inter-state rivalries and regional security challenges continued to drive defence modernisation and procurements. South Asia remains an attractive market for defence companies.

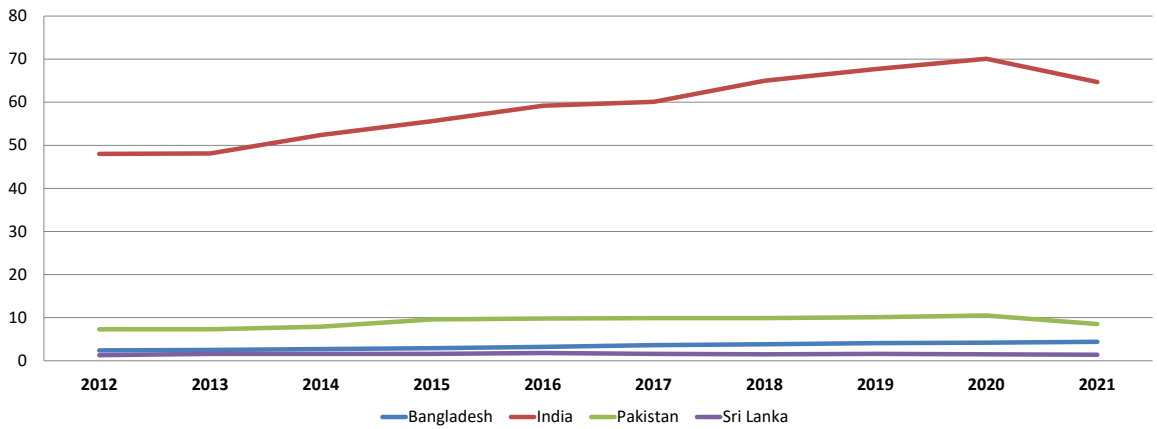
GDP in real US\$ (bn) (2021)



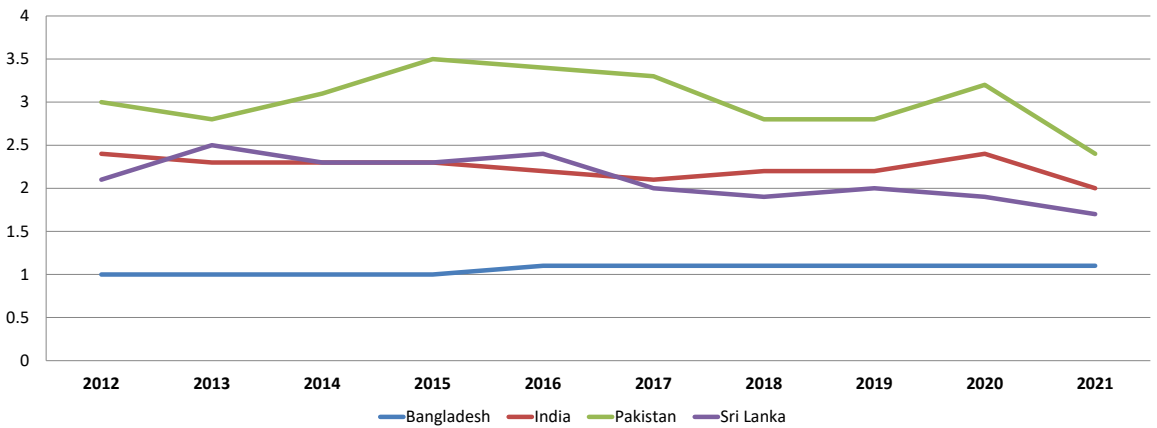
GDP in real LCU – average growth rate (%)



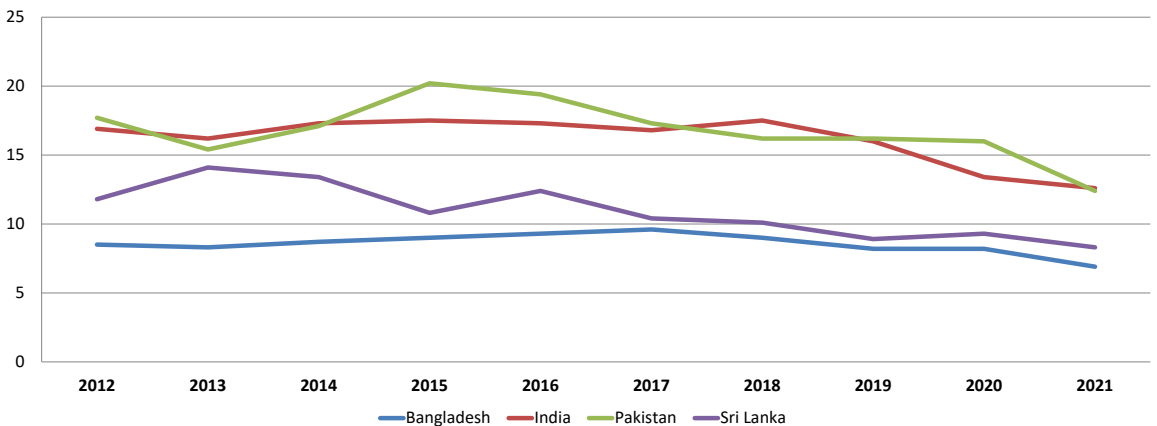
Defence spending in real and constant US\$ (bn) (2021)



Defence spending (% of real GDP)



Defence spending (% of real government spending)



Capital city: Kabul**Population:** 39.8 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

In 2021, Afghanistan's economy contracted due to a significant reduction in international aid, the freezing of offshore assets and the collapse of the financial sector following the fall of the government. Afghanistan's economic outlook is uncertain.

Defence spending

There is insufficient information available to measure Afghanistan's defence budget for 2021. The NATO Afghan National Army Trust Fund was indefinitely suspended upon the Taliban's takeover of Afghanistan. Afghanistan's 2021 defence expenditure probably represented a very small portion of previous years' foreign military aid, which the former Afghan government heavily relied on.

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

INSUFFICIENT RELIABLE DATA AVAILABLE

AFGHANISTAN										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	36.6	78.6	102.1	103.5	89.5	67.5	62.4	78.8	80.8	N/A
Spending in real LCU (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in nominal US\$ (bn)	0.7	1.4	1.8	1.7	1.3	1.0	0.9	1.0	1.1	N/A
Spending in real and constant US\$ (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending in real LCU - growth rate (%) (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real GDP) (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spending (% of real government spending) (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gross domestic product (GDP)										
GDP in real LCU (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GDP in real US\$ (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GDP in real LCU - growth rate (%) (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GDP in real US\$ - per capita (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Government spending in real LCU (2021)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population (m)	31.2	32.3	33.4	34.4	35.4	36.3	37.2	38.0	38.9	39.8
Inflation (%)	6.4	7.4	4.7	-0.7	4.4	5.0	0.6	2.3	N/A	N/A

INSUFFICIENT RELIABLE DATA AVAILABLE

Capital city: Dhaka

Population: 166.3 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



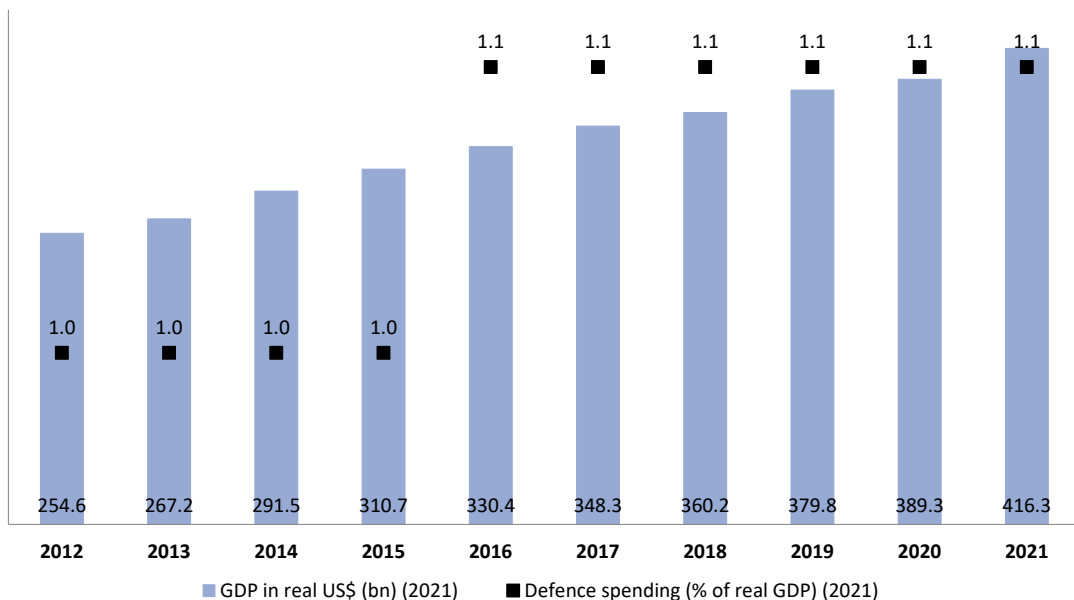
Economy

Over the past 10 years, Bangladesh averaged 6.1 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 7.2 per cent due to growth in ready-made garment exports, domestic consumption and remittance inflows as pandemic restrictions began to ease globally. According to the EIU, Bangladesh's economy will average 11 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

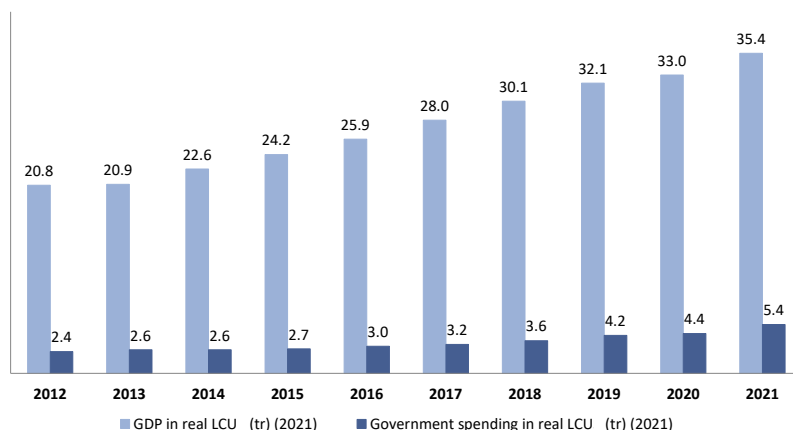
Bangladesh's 2021 defence budget was BDT372.8bn (US\$4.4bn) – a 4.0 per cent real increase on the 2020 defence budget in local currency terms. In 2021, defence activities included the induction of Tiger T-300 multiple rocket launchers from Turkey and the announced delivery of AeroVironment RQ-20B Puma and RQ-12B Wasp uncrewed aircraft systems from the US. Tenders were issued for the procurement of naval utility helicopters and amphibious vessels.

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

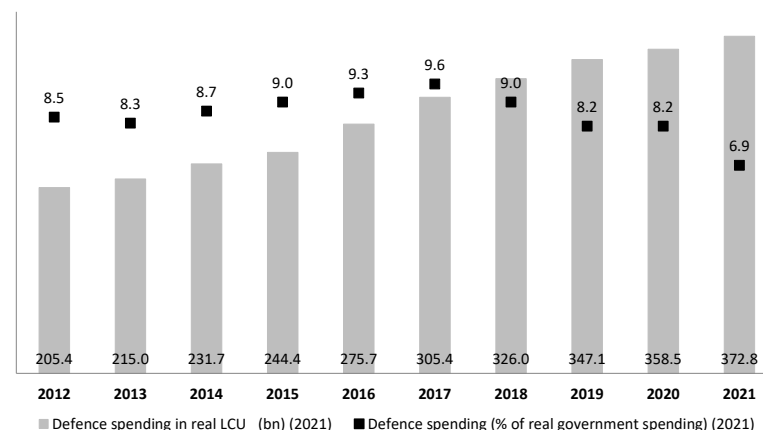


BANGLADESH

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Official defence spending										
Spending in nominal LCU (bn)	128.9	144.6	164.6	183.8	221.3	257.6	290.8	321.0	344.3	372.8
Spending in real LCU (bn) (2021)	205.4	215.0	231.7	244.4	275.7	305.4	326.0	347.1	358.5	372.8
Spending in nominal US\$ (bn)	1.6	1.9	2.1	2.4	2.8	3.2	3.5	3.8	4.1	4.4
Spending in real and constant US\$ (bn) (2021)	2.4	2.5	2.7	2.9	3.2	3.6	3.8	4.1	4.2	4.4
Spending in real LCU - growth rate (%) (2021)	-0.3	4.7	7.8	5.5	12.8	10.8	6.7	6.5	3.3	4.0
Spending (% of real GDP) (2021)	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1
Spending (% of real government spending) (2021)	8.5	8.3	8.7	9.0	9.3	9.6	9.0	8.2	8.2	6.9
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	20.8	20.9	22.6	24.2	25.9	28.0	30.1	32.1	33.0	35.4
GDP in real US\$ (bn) (2021)	254.6	267.2	291.5	310.7	330.4	348.3	360.2	379.8	389.3	416.3
GDP in real LCU - growth rate (%) (2021)	5.8	0.1	8.4	7.0	7.1	8.1	7.3	6.7	3.0	7.2
GDP in real US\$ - per capita (2021)	1686.4	1749.4	1886.6	1988.3	2091.4	2181.4	2232.0	2329.2	2363.9	2503.1
Government spending in real LCU (tr) (2021)	2.4	2.6	2.6	2.7	3.0	3.2	3.6	4.2	4.4	5.4
Population (m)	151.0	152.8	154.5	156.3	158.0	159.7	161.4	163.0	164.7	166.3
Inflation (%)	6.6	7.5	7.0	6.2	5.5	5.7	5.5	5.6	5.7	5.5



Real GDP and government spending in local currency



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

Capital city: New Delhi

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



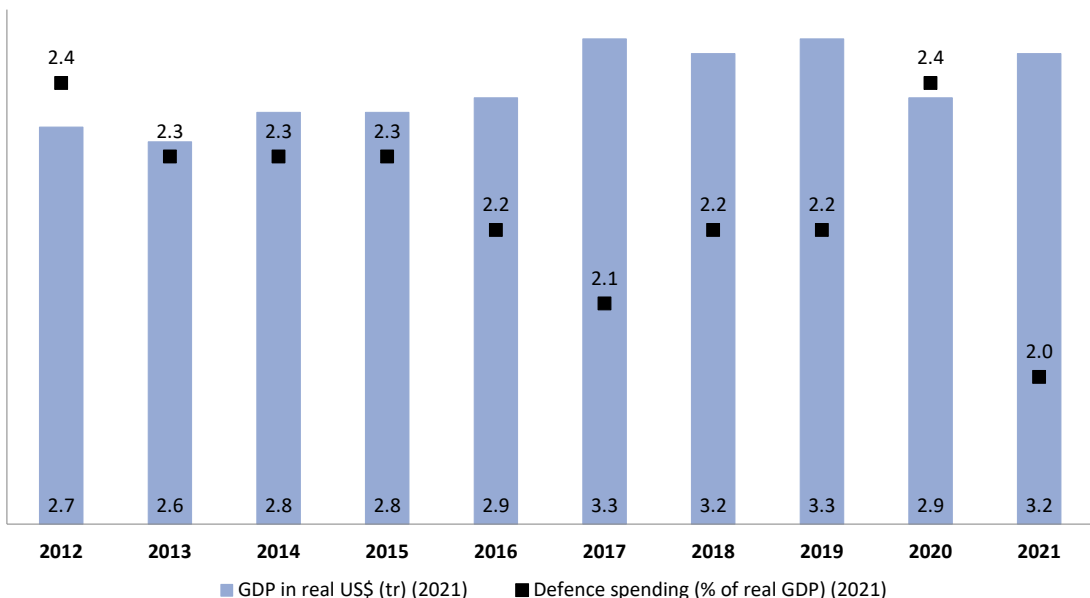
Economy

Over the past 10 years, India averaged 5.7 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 8.1 per cent due to the reduction in COVID-19 pandemic disruptions to the economy. Increasing exports also supported the Indian economy in 2021, rising to 17 per cent above pre-pandemic levels in the first two quarters of the year. According to the EIU, India’s economy will average 6 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

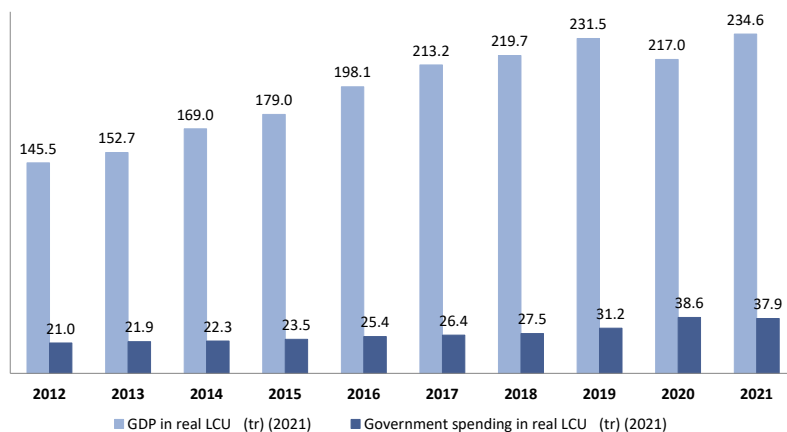
India’s 2021 defence budget was INR4.8tr (US\$64.7bn) – a 7.7 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included progressing construction of the indigenous aircraft carrier (IAC-1) Vikrant. Project 15B guided-missile destroyer INS *Visakhapatnam*, the first of four 3300-ton survey vessels – INS *Sandhayak* (2021), KALVARI (SCORPÈNE)-class diesel-electric attack submarine INS *Vela*, three Boeing P-8I Neptune maritime multi-mission aircraft, and three US-made MH-60R multirole naval helicopters were commissioned. The Indian Advanced Light Helicopter (ALH) Dhruv variants, 21 French-made Dassault Rafale multirole fighters, and the first Russian-made long-range S-400 SAM system were acquired, and four Heron TP medium-altitude, long-endurance UAVs were leased from Israel. The hydrographic survey ship INS *Sandhayak* (J18), KASHIN-class destroyer INS *Rajput*, the 130 mm M-46 Catapult self-propelled howitzer and the 160 mm Tampella mortar system were decommissioned.

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

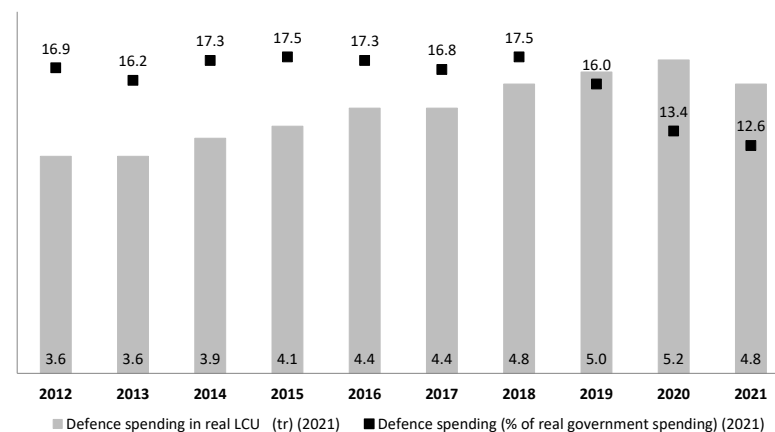


INDIA

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Official defence spending										
Spending in nominal LCU (tr)	2.4	2.5	2.9	3.1	3.4	3.6	4.0	4.3	4.7	4.8
Spending in real LCU (tr) (2021)	3.6	3.6	3.9	4.1	4.4	4.4	4.8	5.0	5.2	4.8
Spending in nominal US\$ (bn)	44.6	43.2	46.7	48.3	50.7	55.3	59.1	61.2	63.6	64.7
Spending in real and constant US\$ (bn) (2021)	48.0	48.1	52.4	55.6	59.2	60.1	65.0	67.7	70.1	64.7
Spending in real LCU - growth rate (%) (2021)	9.0	0.1	8.9	6.3	6.5	1.5	8.1	4.1	3.5	-7.7
Spending (% of real GDP) (2021)	2.4	2.3	2.3	2.3	2.2	2.1	2.2	2.2	2.4	2.0
Spending (% of real government spending) (2021)	16.9	16.2	17.3	17.5	17.3	16.8	17.5	16.0	13.4	12.6
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	145.5	152.7	169.0	179.0	198.1	213.2	219.7	231.5	217.0	234.6
GDP in real US\$ (tr) (2021)	2.7	2.6	2.8	2.8	2.9	3.3	3.2	3.3	2.9	3.2
GDP in real LCU - growth rate (%) (2021)	6.4	4.9	10.7	6.0	10.7	7.6	3.1	5.4	-6.3	8.1
GDP in real US\$ - per capita (2021)	2151.0	2034.2	2136.9	2130.0	2225.8	2446.0	2375.5	2406.4	2122.4	2278.5
Government spending in real LCU (tr) (2021)	21.0	21.9	22.3	23.5	25.4	26.4	27.5	31.2	38.6	37.9
Population (bn)	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4
Inflation (%)	9.4	10.1	6.4	4.9	5.0	3.3	3.9	3.7	6.6	5.1



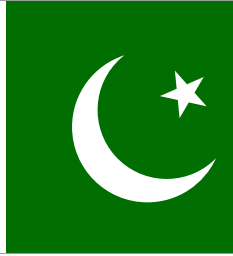
Real GDP and government spending in local currency



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

Capital city: Islamabad
Population: 225.2 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



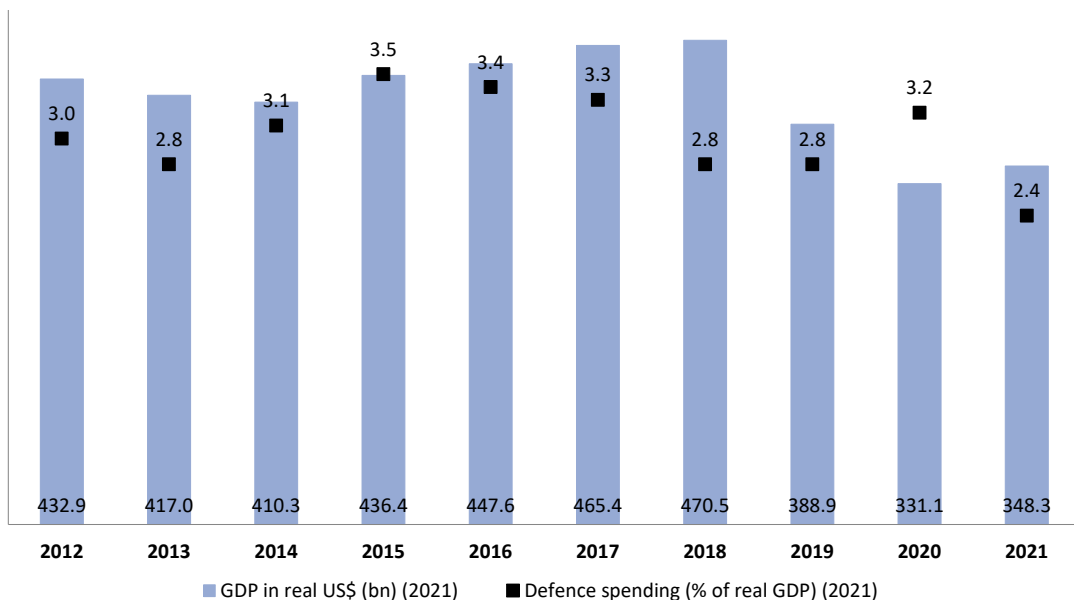
Economy

Over the past 10 years, Pakistan averaged 4.4 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 5.9 per cent due to strong official remittance inflows, private consumption and increased investment. However, structural economic weaknesses pose a risk to Pakistan's continued recovery from COVID-19. According to the EIU, Pakistan's economy will average 7 per cent growth by 2027 on an annual basis in nominal US dollar terms.

Defence spending

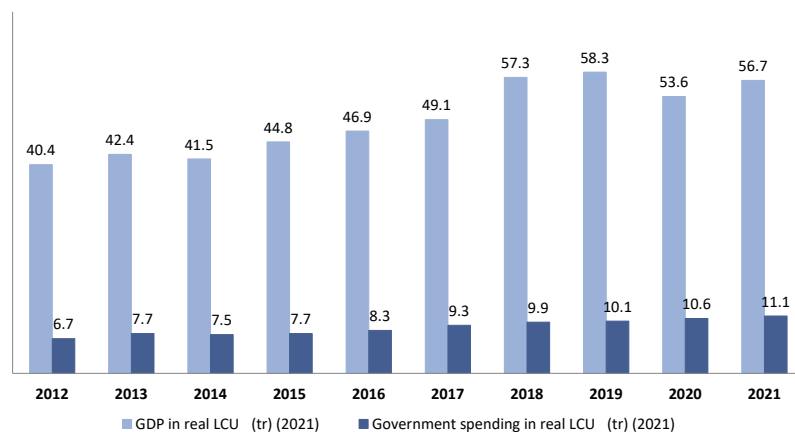
Pakistan's 2021 defence budget was PKR1.4tr (US\$8.5bn) – an 18.9 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the commissioning of the Chinese-made HQ-9/P high-to-medium altitude air defence system, the VT4 main battle tank from China and the Chinese-made Type 054A/P multirole frigate PNS *Tughril*. Additionally, two Type 054A/P frigates were launched from China and the first MILGEM-class corvette, PNS *Babur*, was launched from Turkey. Five Cai Hong 4 multirole medium-altitude long-endurance UAVs were also acquired from China in early 2021. The procurement of two decommissioned Dutch ALKMAAR (TRIPARTITE)-class minehunters was announced and the keel was laid for a MILGEM-class corvette.

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

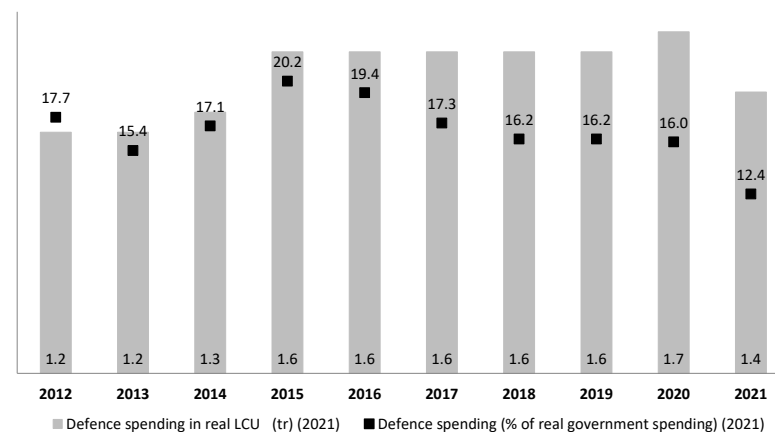


PAKISTAN

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Official defence spending										
Spending in nominal LCU (tr)	0.7	0.7	0.9	1.1	1.1	1.2	1.2	1.4	1.5	1.4
Spending in real LCU (tr) (2021)	1.2	1.2	1.3	1.6	1.6	1.6	1.6	1.6	1.7	1.4
Spending in nominal US\$ (bn)	7.5	7.3	8.5	10.6	10.7	11.1	10.0	9.0	9.5	8.5
Spending in real and constant US\$ (bn) (2021)	7.3	7.3	7.9	9.6	9.8	9.9	9.9	10.1	10.5	8.5
Spending in real LCU - growth rate (%) (2021)	7.0	-0.7	8.1	21.4	2.7	0.5	-0.4	2.3	3.7	-18.9
Spending (% of real GDP) (2021)	3.0	2.8	3.1	3.5	3.4	3.3	2.8	2.8	3.2	2.4
Spending (% of real government spending) (2021)	17.7	15.4	17.1	20.2	19.4	17.3	16.2	16.2	16.0	12.4
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	40.4	42.4	41.5	44.8	46.9	49.1	57.3	58.3	53.6	56.7
GDP in real US\$ (bn) (2021)	432.9	417.0	410.3	436.4	447.6	465.4	470.5	388.9	331.1	348.3
GDP in real LCU - growth rate (%) (2021)	7.2	4.8	-2.1	8.1	4.6	4.6	16.8	1.8	-8.2	5.9
GDP in real US\$ - per capita (2021)	2311.5	2180.4	2100.9	2188.1	2198.3	2238.5	2217.1	1795.6	1499.0	1546.4
Government spending in real LCU (tr) (2021)	6.7	7.7	7.5	7.7	8.3	9.3	9.9	10.1	10.6	11.1
Population (m)	187.3	191.3	195.3	199.4	203.6	207.9	212.2	216.6	220.9	225.2
Inflation (%)	9.7	7.7	7.2	2.5	3.9	5.0	5.3	9.4	9.5	9.5



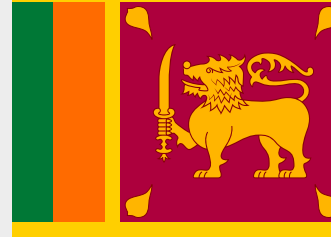
Real GDP and government spending in local currency



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

Capital city: Colombo
Population: 21.5 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



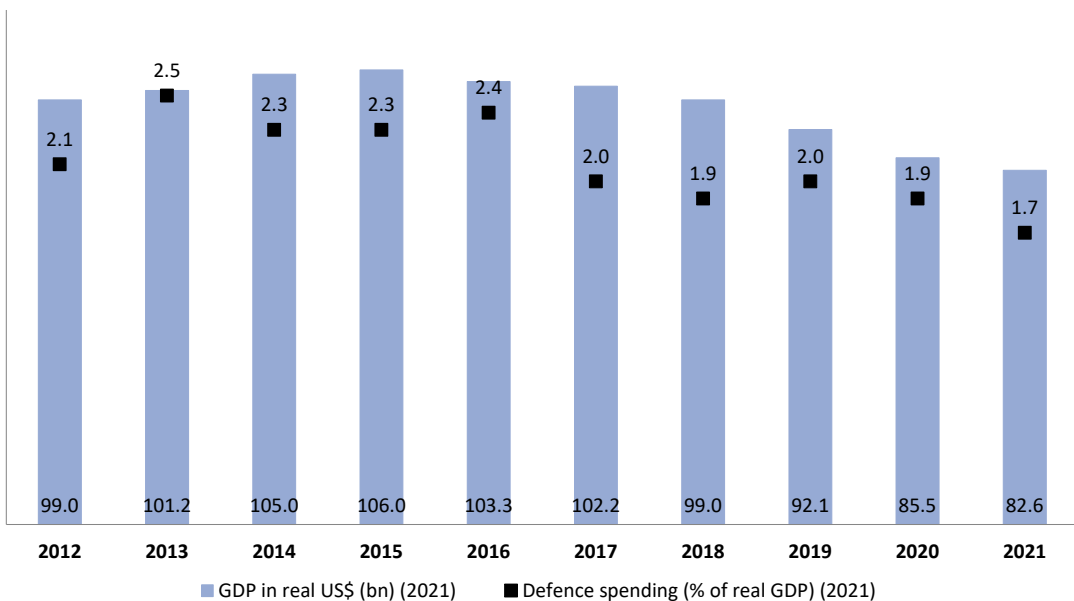
Economy

Over the past 10 years, Sri Lanka averaged 3.6 per cent annual real economic growth in local currency terms. In 2021, the economy expanded by 3.5 per cent due to the low 2020 base and macroeconomic policy stimulus. Sri Lanka’s short-lived ban on synthetic fertilisers and pesticides negatively impacted its vital agricultural industry. Sri Lanka has defaulted on its debts for the first time since independence and is now facing a severe economic crisis. Sri Lanka’s economic outlook is subject to changes in its macroeconomic conditions.

Defence spending

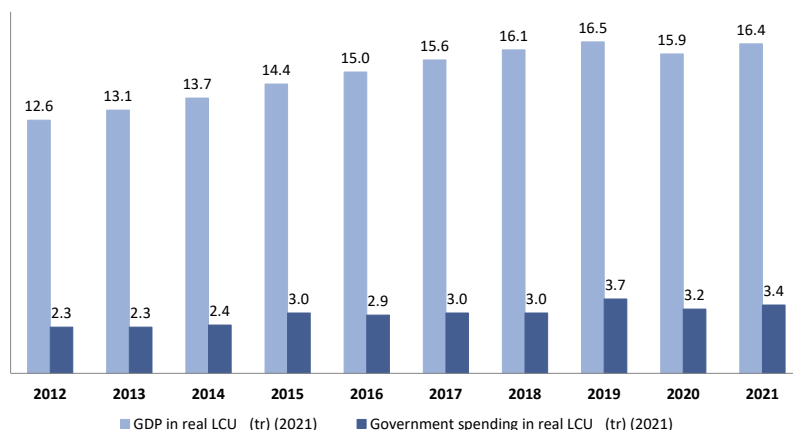
Sri Lanka’s 2021 defence budget was LKR282.9bn (US\$1.4bn) – a 5.9 per cent real decrease on the 2020 defence budget in local currency terms. In 2021, defence activities included the return of three Antonov An-32B transport aircraft to operational service and the announcement of a return to service of five Kfir C2/C7/TC2 fighter aircraft.

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

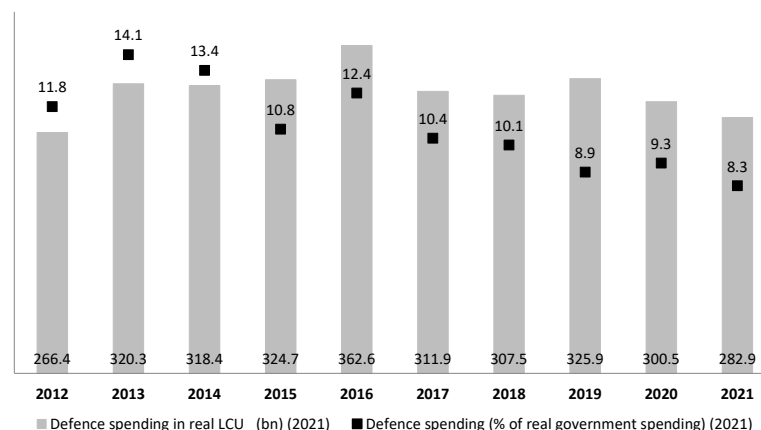


SRI LANKA

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	184.1	235.2	240.6	246.9	289.1	266.8	273.0	297.4	283.6	282.9
Spending in real LCU (bn) (2021)	266.4	320.3	318.4	324.7	362.6	311.9	307.5	325.9	300.5	282.9
Spending in nominal US\$ (bn)	1.4	1.8	1.8	1.8	2.0	1.7	1.7	1.7	1.5	1.4
Spending in real and constant US\$ (bn) (2021)	1.3	1.6	1.6	1.6	1.8	1.6	1.5	1.6	1.5	1.4
Spending in real LCU - growth rate (%) (2021)	-3.4	20.3	-0.6	2.0	11.7	-14.0	-1.4	6.0	-7.8	-5.9
Spending (% of real GDP) (2021)	2.1	2.5	2.3	2.3	2.4	2.0	1.9	2.0	1.9	1.7
Spending (% of real government spending) (2021)	11.8	14.1	13.4	10.8	12.4	10.4	10.1	8.9	9.3	8.3
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	12.6	13.1	13.7	14.4	15.0	15.6	16.1	16.5	15.9	16.4
GDP in real US\$ (bn) (2021)	99.0	101.2	105.0	106.0	103.3	102.2	99.0	92.1	85.5	82.6
GDP in real LCU - growth rate (%) (2021)	9.1	3.4	5.0	5.0	4.5	3.6	3.3	2.3	-3.6	3.5
GDP in real US\$ - per capita (2021)	4822.3	4898.4	5051.7	5069.0	4916.1	4838.1	4665.5	4317.3	3993.1	3841.6
Government spending in real LCU (tr) (2021)	2.3	2.3	2.4	3.0	2.9	3.0	3.0	3.7	3.2	3.4
Population (m)	20.5	20.7	20.8	20.9	21.0	21.1	21.2	21.3	21.4	21.5
Inflation (%)	7.6	6.9	2.8	2.2	4.0	6.6	4.3	4.3	4.6	6.0

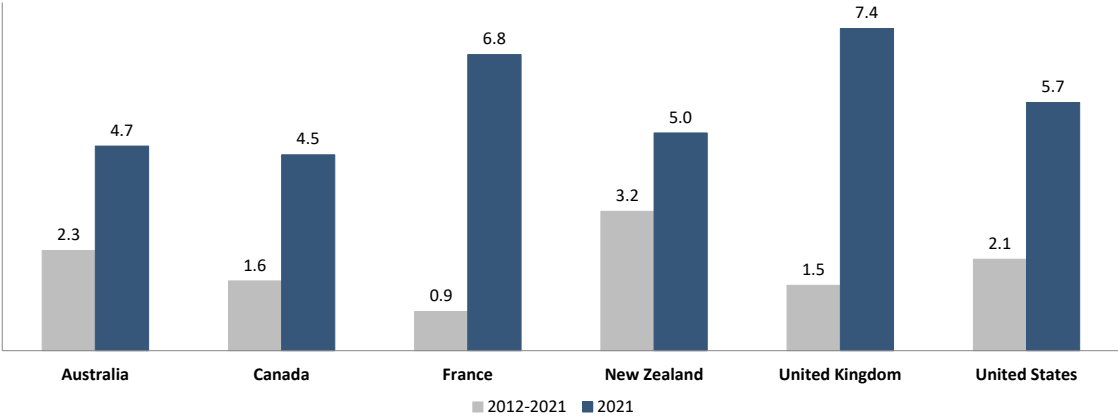


Real GDP and government spending in local currency

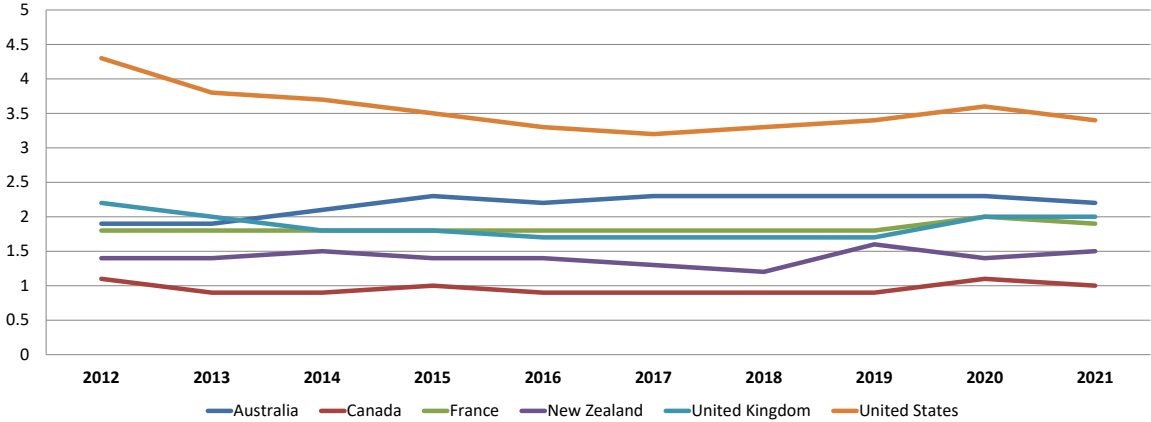


Defence spending in real LCU and as a percentage of real government spending

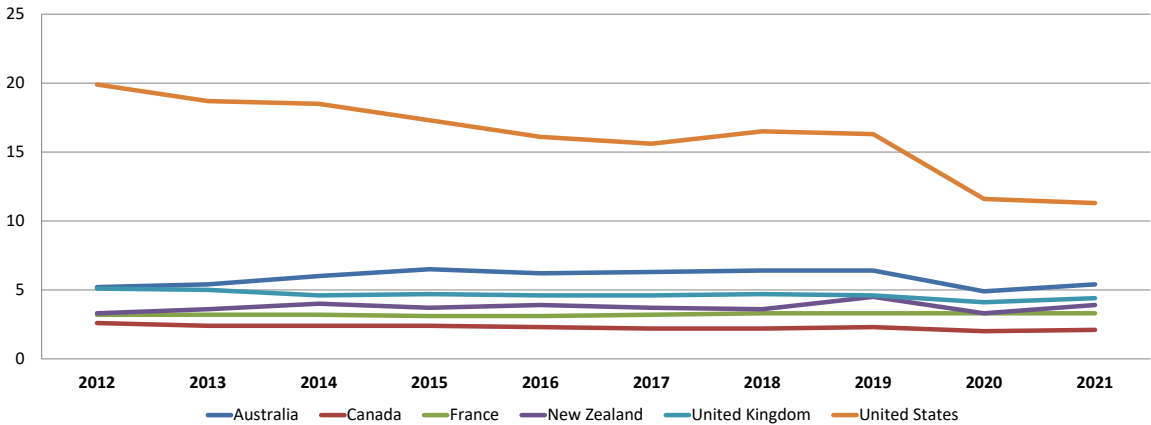
GDP in real LCU – growth rate (%)



Defence spending (% of real GDP)



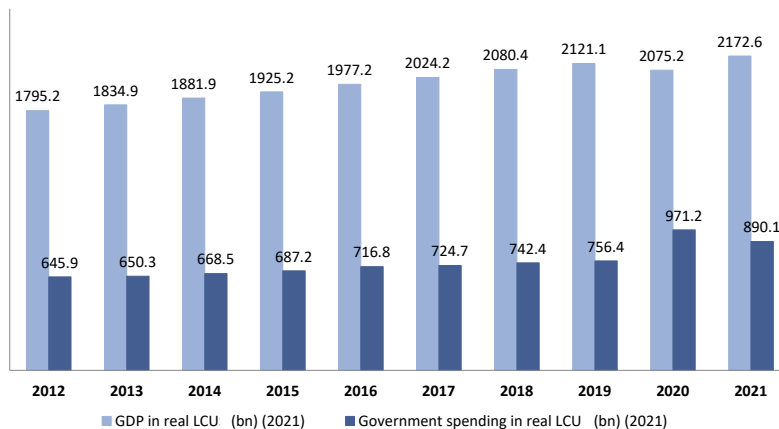
Defence spending (% of real government spending)



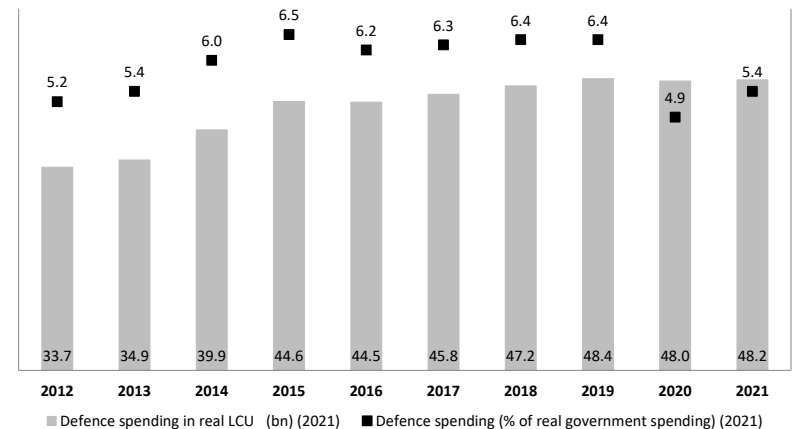


AUSTRALIA

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	28.4	29.8	34.2	37.9	38.2	40.7	43.0	45.5	45.5	47.8
Spending in real LCU (bn) (2021)	33.7	34.9	39.9	44.6	44.5	45.8	47.2	48.4	48.0	47.8
Spending in nominal US\$ (bn)	29.5	28.9	30.9	28.5	28.4	31.2	32.2	31.6	31.4	35.9
Spending in real and constant US\$ (bn) (2021)	25.3	26.2	30.0	33.5	33.4	34.4	35.5	36.4	36.1	35.9
Spending in real LCU - growth rate (%) (2021)	-6.2	3.5	14.4	11.7	-0.2	2.9	3.3	2.5	-0.8	-0.5
Spending (% of real GDP) (2021)	1.9	1.9	2.1	2.3	2.2	2.3	2.3	2.3	2.3	2.2
Spending (% of real government spending) (2021)	5.2	5.4	6.0	6.5	6.2	6.3	6.4	6.4	4.9	5.4
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	1.8	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.1	2.2
GDP in real US\$ (tr) (2021)	1.9	1.8	1.7	1.4	1.5	1.6	1.6	1.5	1.4	1.6
GDP in real LCU - growth rate (%) (2021)	3.8	2.2	2.6	2.3	2.7	2.4	2.8	2.0	-2.2	4.7
GDP in real US\$ - per capita (2021)	81215.0	76413.5	71995.7	60524.9	60626.2	63149.2	62489.8	58533.9	56187.1	63323.0
Government spending in real LCU (bn) (2021)	645.9	650.3	668.5	687.2	716.8	724.7	742.4	756.4	971.2	890.1
Population (m)	22.9	23.3	23.6	23.9	24.3	24.6	24.9	25.2	25.5	25.8
Inflation (%)	1.8	2.5	2.5	1.5	1.3	2.0	1.9	1.6	0.8	2.9



Real GDP and government spending in local currency

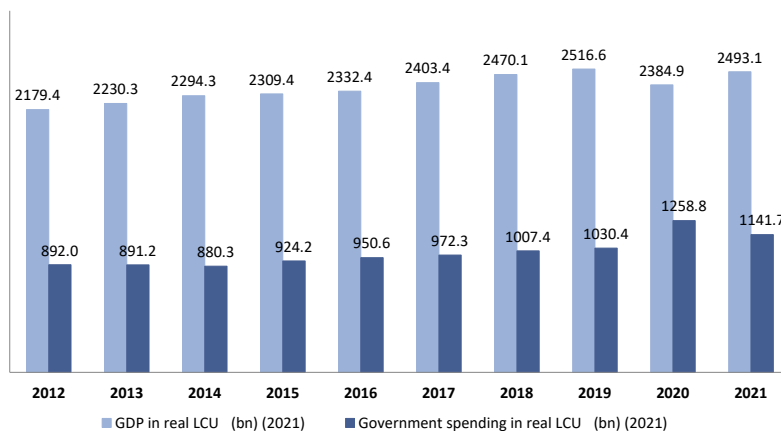


Defence spending in real LCU and as a percentage of real government spending

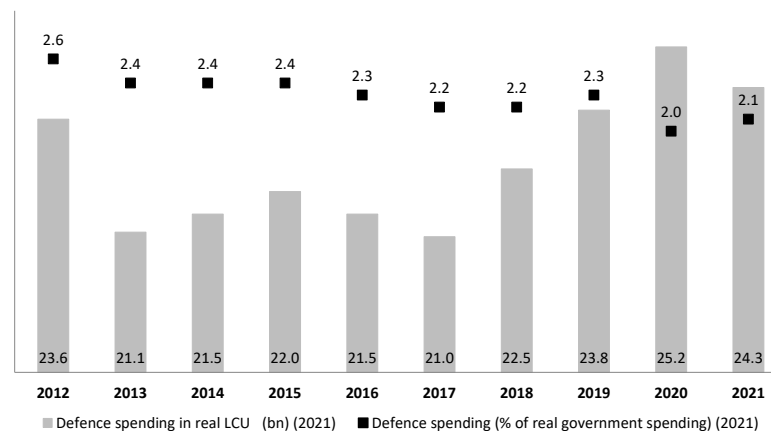
For comparability with other countries, the nominal spending figure in LCU is drawn from Total Defence resourcing figure in the PBS which includes resourcing required for Defence Superannuation Benefits.



CANADA										
Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	19.8	18.0	18.7	18.9	18.6	18.7	20.4	21.9	23.3	24.3
Spending in real LCU (bn) (2021)	23.6	21.1	21.5	22.0	21.5	21.0	22.5	23.8	25.2	24.3
Spending in nominal US\$ (bn)	19.8	17.5	16.9	14.8	14.1	14.4	15.7	16.5	17.4	19.4
Spending in real and constant US\$ (bn) (2021)	18.8	16.8	17.1	17.5	17.1	16.7	18.0	19.0	20.1	19.4
Spending in real LCU - growth rate (%) (2021)	-8.1	-10.7	1.8	2.4	-2.3	-2.4	7.5	5.9	5.7	-3.6
Spending (% of real GDP) (2021)	1.1	0.9	0.9	1.0	0.9	0.9	0.9	0.9	1.1	1.0
Spending (% of real government spending) (2021)	2.6	2.4	2.4	2.4	2.3	2.2	2.2	2.3	2.0	2.1
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	2.2	2.2	2.3	2.3	2.3	2.4	2.5	2.5	2.4	2.5
GDP in real US\$ (tr) (2021)	2.2	2.2	2.1	1.8	1.8	1.9	1.9	1.9	1.8	2.0
GDP in real LCU - growth rate (%) (2021)	1.8	2.3	2.9	0.7	1.0	3.0	2.8	1.9	-5.2	4.5
GDP in real US\$ - per capita (2021)	62 446.0	61 345.5	58 234.1	50 125.5	48 361.5	50 414.7	51 406.0	50 698.5	47 108.2	52 243.4
Government spending in real LCU (tr) (2021)	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.3	1.1
Population (m)	34.9	35.3	35.7	36.0	36.4	36.7	37.1	37.4	37.7	38.1
Inflation (%)	1.5	0.9	1.9	1.1	1.4	1.6	2.2	2.0	0.7	3.4



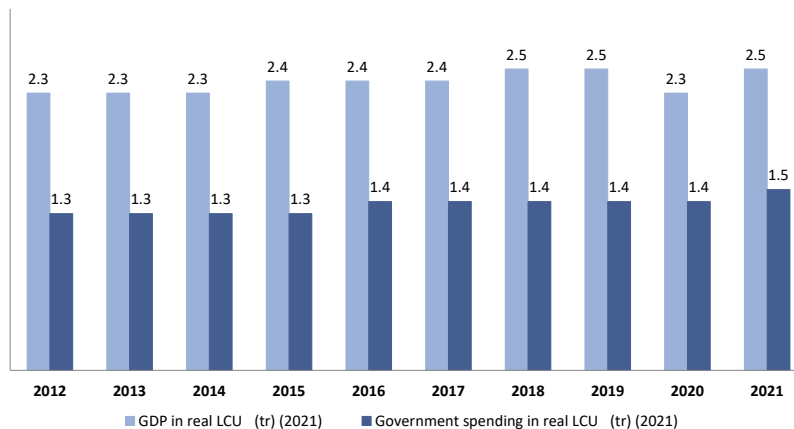
Real GDP and government spending in local currency



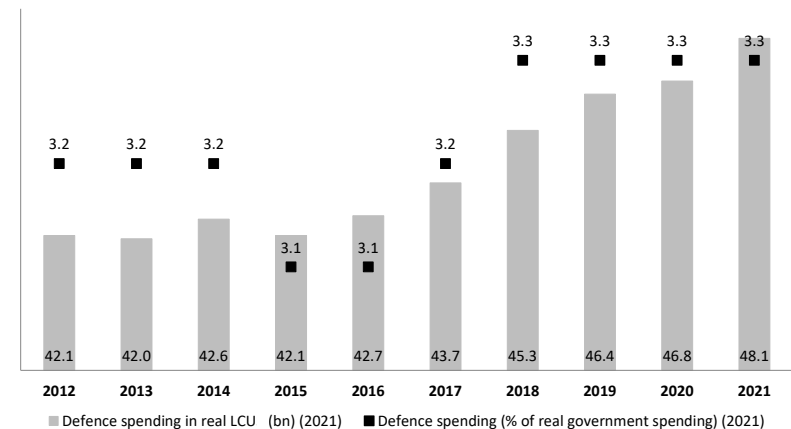
Defence spending in real LCU and as a percentage of real government spending

FRANCE

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	38.1	38.3	39.1	39.1	39.9	41.0	42.9	44.5	46.2	48.1
Spending in real LCU (bn) (2021)	42.1	42.0	42.6	42.1	42.7	43.7	45.3	46.4	46.8	48.1
Spending in nominal US\$ (bn)	49.0	50.9	52.0	43.4	44.1	46.3	50.7	49.9	52.8	56.9
Spending in real and constant US\$ (bn) (2021)	49.8	49.6	50.4	49.9	50.5	51.7	53.6	54.9	55.4	56.9
Spending in real LCU - growth rate (%) (2021)	0.2	-0.3	1.5	-1.1	1.4	2.4	3.6	2.4	1.0	2.6
Spending (% of real GDP) (2021)	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	2.0	1.9
Spending (% of real government spending) (2021)	3.2	3.2	3.2	3.1	3.1	3.2	3.3	3.3	3.3	3.3
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	2.3	2.3	2.3	2.4	2.4	2.4	2.5	2.5	2.3	2.5
GDP in real US\$ (tr) (2021)	3.0	3.1	3.1	2.6	2.6	2.8	2.9	2.8	2.7	3.0
GDP in real LCU - growth rate (%) (2021)	0.4	0.7	1.0	1.1	1.0	2.5	1.8	1.9	-7.9	6.8
GDP in real US\$ - per capita (2021)	46 618.1	48 238.2	48 500.8	40 764.4	40 914.9	42 662.0	45 344.0	43 684.4	40 923.0	45 202.2
Government spending in real LCU (tr) (2021)	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.5
Population (m)	63.6	63.9	64.2	64.5	64.7	64.8	65.0	65.1	65.3	65.4
Inflation (%)	2.2	1.0	0.6	0.1	0.3	1.2	2.1	1.3	0.5	2.1



Real GDP and government spending in local currency

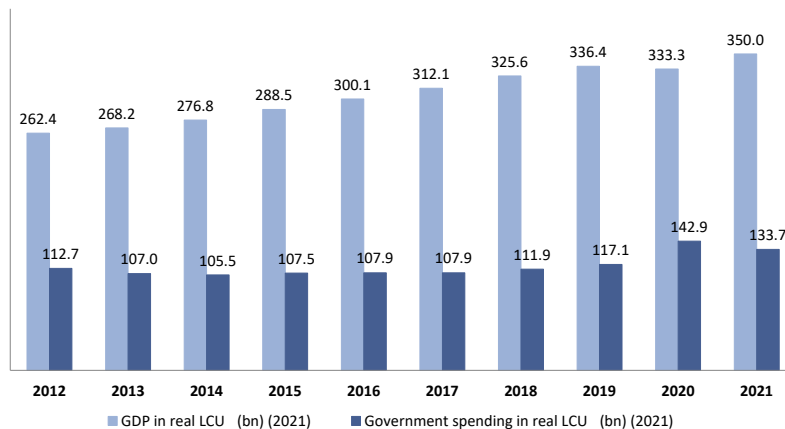


Defence spending in real LCU and as a percentage of real government spending

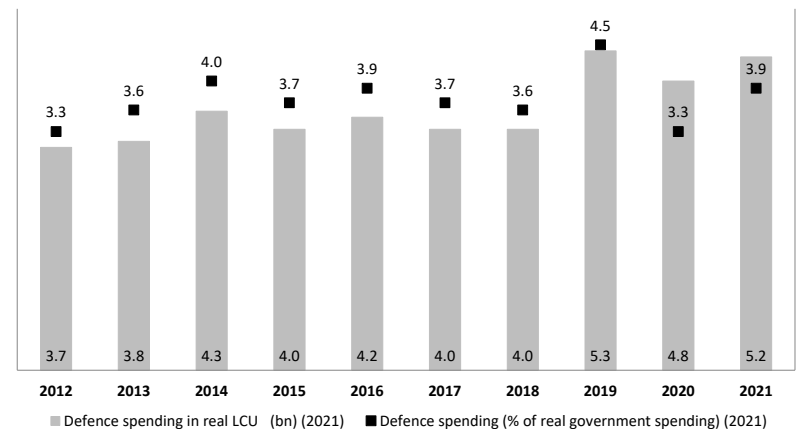


NEW ZEALAND

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	3.1	3.3	3.7	3.5	3.7	3.7	3.8	5.1	4.6	5.2
Spending in real LCU (bn) (2021)	3.7	3.8	4.3	4.0	4.2	4.0	4.0	5.3	4.8	5.2
Spending in nominal US\$ (bn)	2.5	2.7	3.1	2.4	2.6	2.6	2.6	3.3	3.0	3.7
Spending in real and constant US\$ (bn) (2021)	2.6	2.7	3.0	2.8	2.9	2.8	2.9	3.8	3.4	3.7
Spending in real LCU - growth rate (%) (2021)	-2.8	2.7	11.2	-7.1	5.1	-3.7	0.9	31.6	-10.6	9.2
Spending (% of real GDP) (2021)	1.4	1.4	1.5	1.4	1.4	1.3	1.2	1.6	1.4	1.5
Spending (% of real government spending) (2021)	3.3	3.6	4.0	3.7	3.9	3.7	3.6	4.5	3.3	3.9
Gross domestic product (GDP)										
GDP in real LCU (bn) (2021)	262.4	268.2	276.8	288.5	300.1	312.1	325.6	336.4	333.3	350.0
GDP in real US\$ (bn) (2021)	212.7	220.1	229.9	202.1	209.3	222.0	225.6	221.8	216.7	247.7
GDP in real LCU - growth rate (%) (2021)	2.6	2.2	3.2	4.2	4.0	4.0	4.3	3.3	-0.9	5.0
GDP in real US\$ - per capita (2021)	48 231.6	49 486.9	50 944.4	43 932.9	44 614.5	46 424.9	46 421.8	44 970.4	43 417.0	49 074.1
Government spending in real LCU (bn) (2021)	112.7	107.0	105.5	107.5	107.9	107.9	111.9	117.1	142.9	133.7
Population (m)	4.4	4.4	4.5	4.6	4.7	4.8	4.9	4.9	5.0	5.0
Inflation (%)	1.0	1.1	1.2	0.3	0.6	1.9	1.6	1.6	1.7	3.9



Real GDP and government spending in local currency

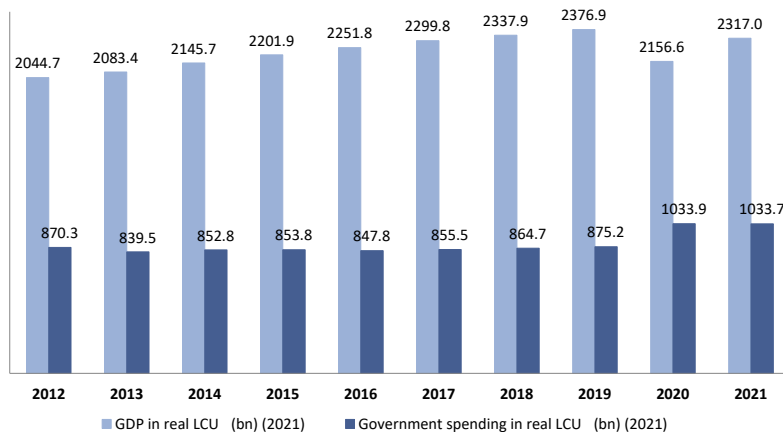


Defence spending in real LCU and as a percentage of real government spending

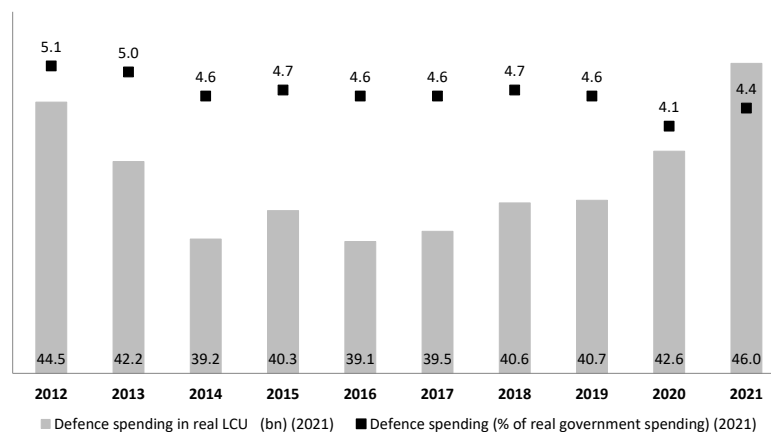


UNITED KINGDOM

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	37.5	36.3	34.3	35.4	35.0	36.0	37.8	38.6	42.5	46.0
Spending in real LCU (bn) (2021)	44.5	42.2	39.2	40.3	39.1	39.5	40.6	40.7	42.6	46.0
Spending in nominal US\$ (bn)	59.5	56.8	56.5	54.1	47.4	46.4	50.5	49.3	54.6	63.3
Spending in real and constant US\$ (bn) (2021)	61.3	58.0	54.0	55.4	53.8	54.3	55.9	56.0	58.7	63.3
Spending in real LCU - growth rate (%) (2021)	-1.1	-5.3	-7.0	2.7	-3.0	1.0	2.9	0.1	4.8	7.9
Spending (% of real GDP) (2021)	2.2	2.0	1.8	1.8	1.7	1.7	1.7	1.7	2.0	2.0
Spending (% of real government spending) (2021)	5.1	5.0	4.6	4.7	4.6	4.6	4.7	4.6	4.1	4.4
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	2.0	2.1	2.1	2.2	2.3	2.3	2.3	2.4	2.2	2.3
GDP in real US\$ (tr) (2021)	3.2	3.3	3.5	3.4	3.1	3.0	3.1	3.0	2.8	3.2
GDP in real LCU - growth rate (%) (2021)	1.5	1.9	3.0	2.6	2.3	2.1	1.7	1.7	-9.3	7.4
GDP in real US\$ - per capita (2021)	50 459.3	50 431.3	54 371.0	51 466.0	46 376.1	44 431.6	46 509.6	44 960.6	40 780.9	46 745.9
Government spending in real LCU (tr) (2021)	0.9	0.8	0.9	0.9	0.8	0.9	0.9	0.9	1.0	1.0
Population (m)	64.2	64.6	65.0	65.4	65.8	66.7	67.1	67.5	67.9	68.2
Inflation (%)	2.6	2.3	1.5	0.4	1.0	2.6	2.3	1.7	1.0	2.5



Real GDP and government spending in local currency

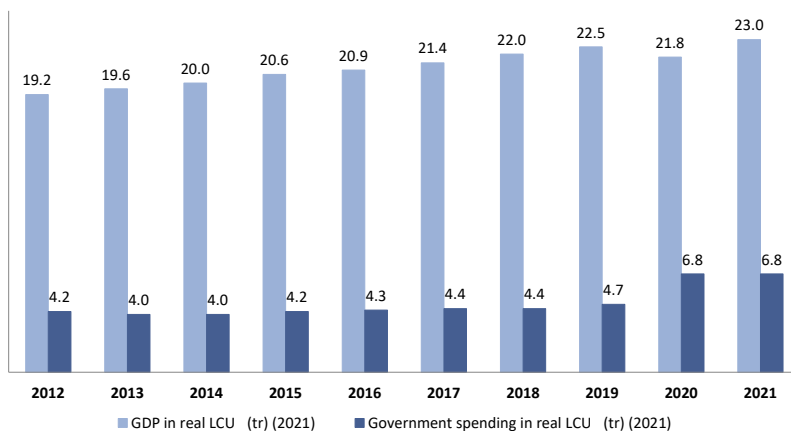


Defence spending in real LCU and as a percentage of real government spending

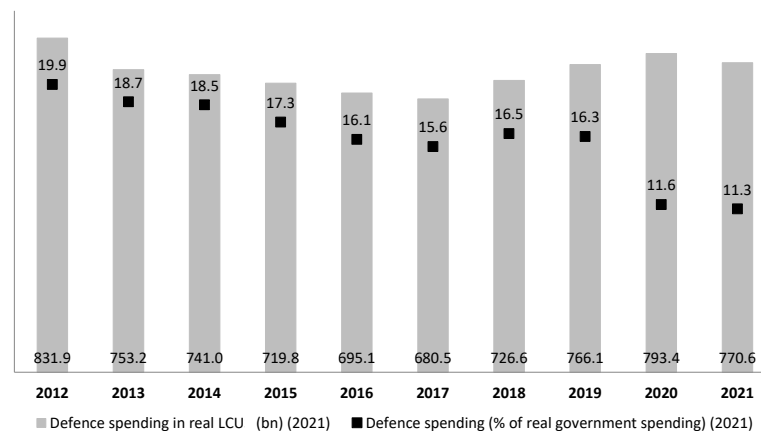


UNITED STATES

Official defence spending	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spending in nominal LCU (bn)	702.8	647.4	648.9	636.6	620.9	619.5	677.1	726.8	761.8	770.6
Spending in real LCU (bn) (2021)	831.9	753.2	741.0	719.8	695.1	680.5	726.6	766.1	793.4	770.6
Spending in nominal US\$ (bn)	702.8	647.4	648.9	636.6	620.9	619.5	677.1	726.8	761.8	770.6
Spending in real and constant US\$ (bn) (2021)	831.9	753.2	741.0	719.8	695.1	680.5	726.6	766.1	793.4	770.6
Spending in real LCU - growth rate (%) (2021)	-6.6	-9.5	-1.6	-2.9	-3.4	-2.1	6.8	5.4	3.6	-2.9
Spending (% of real GDP) (2021)	4.3	3.8	3.7	3.5	3.3	3.2	3.3	3.4	3.6	3.4
Spending (% of real government spending) (2021)	19.9	18.7	18.5	17.3	16.1	15.6	16.5	16.3	11.6	11.3
Gross domestic product (GDP)										
GDP in real LCU (tr) (2021)	19.2	19.6	20.0	20.6	20.9	21.4	22.0	22.5	21.8	23.0
GDP in real US\$ (tr) (2021)	19.2	19.6	20.0	20.6	20.9	21.4	22.0	22.5	21.8	23.0
GDP in real LCU - growth rate (%) (2021)	2.3	1.8	2.3	2.7	1.7	2.3	2.9	2.3	-3.4	5.7
GDP in real US\$ - per capita (2021)	61 264.6	61 928.1	62 893.0	64 151.3	64 789.4	65 829.1	67 334.6	68 463.0	65 745.3	69 075.0
Government spending in real LCU (tr) (2021)	4.2	4.0	4.0	4.2	4.3	4.4	4.4	4.7	6.8	6.8
Population (m)	314.0	316.4	318.7	320.9	323.0	325.1	327.1	329.1	331.0	332.9
Inflation (%)	2.1	1.5	1.6	0.1	1.3	2.1	2.4	1.8	1.2	4.7



Real GDP and government spending in local currency



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

Methodology

Defence Economic Trends 2022 reports on defence spending from 2012 to 2021. Publications prior to 2012 were entitled according to the new budget year included in that publication.

Recorded figures in this year's edition may differ from previous publications.

For Defence Economic Trends 2022, economic information was sourced from the EIU data that was released in 2022. Publications prior to 2017 used statistics from the IMF.

This publication uses GDP deflators to realise historical defence spending into 2021 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.

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

© **Commonwealth of Australia**

ISSN 1835-3878

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, no part may be reproduced by any process without written permission from the Commonwealth.

Requests and inquiries concerning reproduction and rights should be addressed to:

Commonwealth Copyright Administration

Attorney-General's Department

Robert Garran Offices

National Circuit

Barton ACT 2600



Requests and inquiries concerning reproduction and rights should be addressed to:

Commonwealth Copyright Administration
Attorney Generals Department
Robert Garran Office
National Circuit
Barton ACT 2600
or posted at www.ag.gov.au/cca



Australian Government

Defence
Defence Intelligence Group