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FINANCIAL AND ECONOMIC DATA RELATING TO NATO DEFENCE



DEFENCE EXPENDITURES OF NATO COUNTRIES

1949 - 1975

The figures given in Table I represent payments actually made or to be made during the course of the calendar year. They are based on the NATO definition of defence expenditures. In view of the differences between this and national definitions, the figures shown may diverge considerably from those which are quoted by national authorities or given in national budgets.

The figures relating to the United States and Canada include expenditures for military aid programmes. The figures shown for European NATO countries do not include the value of end-items received under military aid programmes from the United States and Canada.

TABLE I

TOTAL DEFENCE EXPENDITURES OF NATO COUNTRIES

(Current Prices)

Country	Currency Unit	Actual											Forecast
		1949	1954	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
(a)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Belgium	Million Belgian Francs	8,273	20,707	28,169	30,396	32,676	33,892	37,502	39,670	44,140	48,941	57,395	69,791
Canada	Million Canadian \$	372	1,771	1,766	1,965	1,927	1,899	2,061	2,131	2,238	2,405	2,862	3,113
Denmark	Million Danish Kroner	360	885	2,080	2,249	2,591	2,640	2,757	3,195	3,386	3,520	4,439	5,130
France	Million Francs	4,787	11,710	26,732	28,912	30,264	30,696	32,672	34,907	37,992	42,284	48,153	56,495
Federal Republic of Germany (a)	Million DM	..	6,287	20,234	21,408	19,310	21,577	22,573	25,450	28,720	31,908	35,644	38,095
Greece	Million Drachmas	1,630	3,428	7,168	9,390	11,003	12,762	14,208	15,480	17,211	19,866	24,126	43,917
Italy	Milliard Lire	301	543	1,342	1,359	1,403	1,412	1,562	1,852	2,162	2,392	2,852	2,961
Luxembourg	Million Luxembourg Francs	112	565	497	413	374	391	416	442	517	601	710	786
Netherlands	Million Guilders	680	1,583	2,790	3,200	3,280	3,682	3,968	4,466	4,974	5,612	6,423	7,266
Norway	Million Norwegian Kroner	370	1,141	1,947	2,097	2,300	2,502	2,774	3,022	3,239	3,505	3,938	4,589
Portugal	Million Escudos	1,419	2,100	7,393	9,575	10,692	10,779	12,538	14,699	16,046	16,736	25,108	26,552
Turkey	Million Liras	556	934	3,996	4,596	5,159	5,395	6,237	8,487	9,961	12,192	15,831	..
United Kingdom	Million £ Sterling	779	1,569	2,153	2,276	2,332	2,303	2,444	2,815	3,258	3,512	4,207	5,070
United States	Million US \$	13,503	42,786	63,572	75,448	80,732	81,443	77,854	74,862	77,639	78,472	85,906	88,983
Area													
Total Europe (b)	Million US \$	4,838	11,756	21,512	22,925	22,346	22,999	24,482	27,990	33,606	40,765	46,261	57,217 ^e
Total North America	Million US \$	13,875	44,557	65,205	77,265	82,515	83,199	79,821	76,973	79,898	80,875	88,832	92,065
Total NATO (b)	Million US \$	18,713	56,313	86,717	100,190	104,861	106,198	104,303	104,963	113,504	121,640	135,093	149,282 ^e

a. Before it acceded to the North Atlantic Treaty Organisation (May 1955), the Federal Republic of Germany contributed to the defence budgets of certain NATO countries by the payment of occupation costs; moreover, it bore certain other costs which also fall within the NATO definition of defence expenditures. In addition to defence expenditures (NATO definition), the German authorities are obliged to incur large annual expenditures for Berlin owing to the exceptional situation of this city and the need, in the interests of the defence of the free world, to ensure its viability. These expenditures, which are not included in the figures given above since they do not come within the NATO definition, are forecast to be 8,117 million DM in 1975.

b. The Europe and NATO totals are based on the currency exchange rates in force during the years concerned. This means that the trends shown are affected, to varying degrees, by the changes which have taken place in national exchange rates against the US dollar. Direct comparisons between figures for different years must therefore be made with caution, the more so because, due to the impact of price and salary increases, the figures on this table give only an imperfect view of the real trend in the defence effort of countries. (For better appreciation in this context refer to following Table III). It should be noted that, for 1949, the Europe and NATO totals do not take into account the defence expenditures made by the Federal Republic of Germany.

e. International Staff estimate.

.. Information not available.

TABLE II - DEFENCE EXPENDITURES
AS PERCENTAGE OF GNP (FACTOR COST)

(Current prices)

Country	1971	1972	1973	1974	1975(a)
Belgium	3.2	3.1	3.0	3.0	3.3
Denmark	2.9	2.8	2.5	2.8	2.9
France	4.7	4.5	4.4	4.3	4.6
Fed. Rep. of Germany (b)	3.8	3.9	3.9	4.1	4.1
Greece	5.5	5.2	4.6	4.4	6.9
Italy	3.2	3.4	3.2	3.1	2.8
Luxembourg	0.9	0.9	0.9	0.9	1.0
Netherlands	3.8	3.7	3.7	3.8	3.9
Norway	4.0	3.9	3.7	3.6	3.6
Portugal	8.1	7.6	6.7	8.1	7.5
Turkey	4.9	4.7	4.4	4.1	..
United Kingdom	5.8	5.9	5.6	5.9	5.7
NATO Europe	4.3	4.3	4.2	4.2	4.3
Canada	2.7	2.5	2.3	2.4	2.4
United States	7.7	7.3	6.6	6.7	6.7
Total NATO	6.2	5.9	5.3	5.4	5.3

Footnotes: a. Preliminary estimates.

b. These percentages have been calculated without taking into account the expenditures on Berlin (see note c. to Table IV); if these expenditures were included, the percentages would be as follows:

1971: 4.5 1973: 4.7 1975: 5.0
1972: 4.7 1974: 4.9

TABLE III - DEFENCE EXPENDITURES

Percentage changes in real terms over previous fiscal year (a)

Country	1971 or 1971/72	1972 or 1972/73	1973 or 1973/74	1974 or 1974/75	1975 or 1975/76 ^(b)
Belgium	+ 1.5	+ 5.3	+ 4.0	+ 5.7	+ 6.7
Denmark	+ 3.9 ^e	- 4.0 ^e	- 3.8	+ 3.5	+ 2.0
France	+ 1.2	+ 2.5	+ 3.6	+ 2.5	+ 4.8
Fed. Rep. of Germany	+ 4.5	+ 6.6	+ 5.1	+ 4.6	- 1.5
Greece	+ 5.6	+ 6.2	- 2.6	- 6.1	+ 56.9
Italy	+ 9.7	+ 6.4	- 1.3	- 1.3	..
Luxembourg	+ 1.5	+ 10.9	+ 9.1	+ 8.7	+ 4.9
Netherlands	+ 1.5 ^e	+ 0.2	+ 2.1	+ 1.7	+ 1.8
Norway	+ 0.1	- 2.1	+ 1.9	+ 1.0	+ 2.5
Portugal	+ 12.7	+ 3.0	- 3.9
Turkey	+ 20.1	- 2.8	- 4.9	+ 2.4	..
United Kingdom	+ 4.8	+ 1.0	+ 1.8	+ 1.0	+ 1.9
NATO Europe	+ 7.7	+ 4.8	+ 1.6	+ 3.2	..
Canada	+ 2.4	- 6.9	+ 1.7	+ 1.1	+ 2.2
United States	- 3.2	- 6.7	- 1.5	- 1.3	- 0.3
Total NATO	- 4.0	+ 1.6	- 2.5	+ 0.9	..

General note: These percentages are based on defence expenditures in 1974/75 constant prices.

- Footnotes:
- a. With the exception of Canada, Denmark and the United Kingdom (Fiscal Year: April-March), Turkey (Fiscal Year: March-February) and the United States (Fiscal Year: July-June), the fiscal year of the countries shown in this Table coincides with calendar year (1st January-31st December).
 - b. Preliminary estimates.
 - e. International Staff estimates.

TABLE IV - GROSS DOMESTIC PRODUCT IN PURCHASERS' VALUES
AND DEFENCE EXPENDITURES PER HEAD

Country	Gross Domestic Product per head			Defence Expenditures per head		
	1974		1975(a)	1974		1975(a)
	US \$ (b)	Rank	US \$ (b)	US \$ (b)	Rank	US \$ (b)
Belgium	5,467	(7)	5,451	151	(7)	160
Denmark	6,053	(4)	6,012	144	(8)	147
France	5,056	(9)	4,911	190	(3)	198
Fed. Rep. of Germany	6,207	(3)	6,050	230(c)	(2)	228(c)
Greece	2,170	(12)	2,178	90	(11)	140
Italy	2,825	(11)	2,679	79	(12)	..
Luxembourg	5,955	(5)	5,698	51	(13)	53
Netherlands	5,105	(8)	4,923	176	(5)	178
Norway	5,787	(6)	6,040	179	(4)	182
Portugal	1,523	(13)	1,443	112	(10)	..
Turkey	735	(14)	774	28	(14)	..
United Kingdom	3,296	(10)	3,285	175	(6)	173
NATO Europe	3,905	xx	3,807	147	xx	..
Canada	6,373	(2)	6,241	130	(9)	124
United States	6,598	(1)	6,317	405	(1)	380
Total NATO	5,042	xx	4,875	246	xx	..

Footnotes: a. Preliminary estimates.

b. The national currencies have been converted into US \$ on the basis of the average exchange rates for 1974; since then further changes have occurred and a certain amount of caution should be exercised in making comparisons.

c. In addition to military expenses proper, the German Authorities are obliged to incur large annual expenditures for Berlin, owing to the exceptional situation of this city and the need, in the interest of the defence of the Free World, to ensure its viability. These Berlin expenditures are not included since they do not come within the NATO Definition of Defence Expenditures. If they were taken into account, the figure would be both \$ 268 for 1974 and 1975.

**TABLE V - MAJOR EQUIPMENT EXPENDITURES AS PERCENTAGE
OF TOTAL DEFENCE EXPENDITURES
(fiscal year) (a)**

Country	Average 1965-1970	1971 or 1971/72	1972 or 1972/73	1973 or 1973/74	1974 or 1974/75	1975 or 1975/76 (b)
Belgium	11.0	12.2	11.4	8.4	8.8	9.7
Canada	11.6	8.5	6.1	7.0	5.8	6.8
Denmark	13.6	16.6	15.4	17.2	19.3	17.0
Fed. Rep. of Germany	16.1	11.0	12.3	12.1	11.9	12.2
Italy	13.0	14.4	16.9	15.2	15.2	13.7
Luxembourg	2.6	0.9	1.5	1.3	2.4	1.9
Netherlands	14.5	12.8	10.7	12.7	14.7	14.6
Norway	16.8	15.7	11.8	11.7	11.6	12.1
Portugal	16.9	11.4	7.5	4.5	3.1	1.5
Turkey	3.1	3.6	4.9	12.6	16.6	..
United Kingdom	15.9	14.9	18.6	19.3	17.6	17.5
United States	27.8	22.5	21.0	18.9	16.9	17.5

Footnotes: a. See note a, Table III.

b. Preliminary estimates.

TABLE VI - ARMED FORCES

Country	Military only (thousands)		Total armed forces (b) as % of total labour force	
	1971	1975(a)	1971	1975(a)
Belgium	107	102	2.9	2.7
Denmark	44	34	2.2	1.8
France	569	584	3.3	3.2
Fed. Rep. of Germany	472	483	2.4	2.5
Greece	179	185	6.0	6.1
Italy	526	461	3.1	2.7
Luxembourg	1	1	0.8	0.8
Netherlands	113	107	3.0	2.8
Norway	36	40	3.0	3.0
Portugal	244	199	7.2	6.0
Turkey	615	..	4.5	..
United Kingdom	384	348	2.9	2.5
NATO Europe	3,290	..	3.2	..
Canada	87	78	1.5	1.2
United States	2,512	2,118	4.1	3.3
Total NATO	5,889	..	3.5	..

Footnotes: a. Preliminary estimates.

b. Military and civilian personnel.