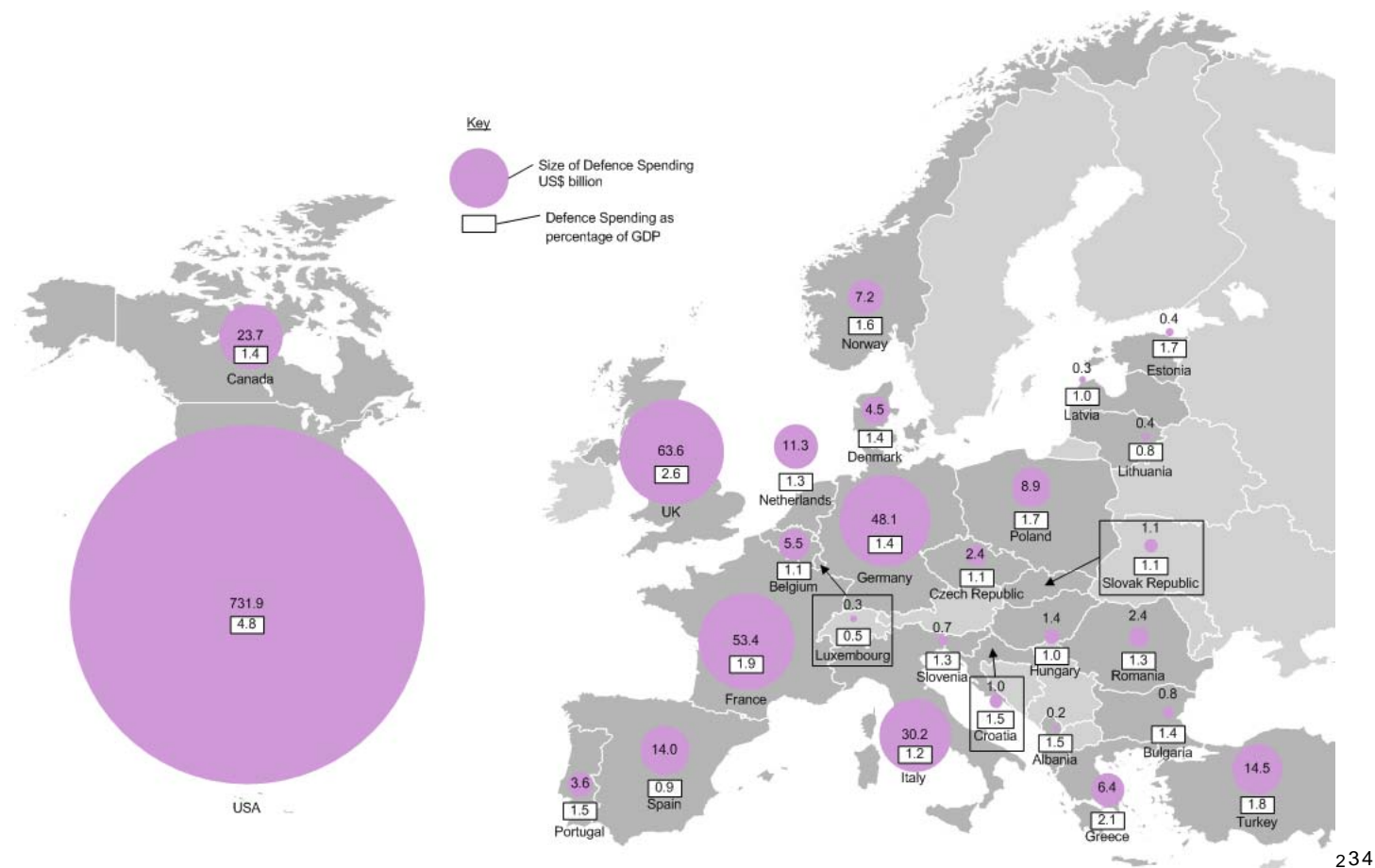


## Defence spending as a percentage of Gross Domestic Product<sup>1</sup>



234

<sup>1</sup> Using the NATO definition of defence expenditure

<sup>2</sup> This chart shows Defence Spending in US\$ amongst NATO member countries. It also shows those countries Defence Spending as a percentage of their national GDP. The US spends the largest amount in NATO spending over double the combined amount of the other NATO members. The UK spends the second largest amount in NATO. The UK is one of only three countries that currently spend over 2% of GDP on Defence, the remaining two are Greece & USA.

<sup>3</sup> The NATO definition of defence expenditure differs from national definitions so the figures quoted may diverge considerably from those given in national budgets. Expenditure is included for countries that provide Military Assistance. Expenditure is not included for countries receiving assistance. Research and Development expenditures related to major equipment are included as are pensions for the military and civilian retirees from the MOD. The fiscal year has been designated by the year which includes the highest number of months. For example, year 2008 represents the fiscal year 2008/09 for Canada and the United Kingdom and the fiscal year 2007/08 for the United States (where the financial year for the United States runs from October through to September).

<sup>4</sup> Defence expenditures have been calculated on the basis of the revised NATO definition agreed in 2004. Most nations have now reported defence expenditures according to this new definition. Revisions to individual countries are due to the adoption of the new NATO definitions. More information on the new NATO definition can be found in the International Defence notes and key points of UKDS.