Sources

MILITARY EXPENDITURE (% OF GDP)

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| Variable description | Military expenditures data from SIPRI are derived from the NATO definition, which includes all current and capital expenditures on the armed forces, including peacekeeping forces; defense ministries and other government agencies engaged in defense projects; paramilitary forces, if these are judged to be trained and equipped for military operations; and military space activities. Such expenditures include military and civil personnel, including retirement pensions of military personnel and social services for personnel; operation and maintenance; procurement; military research and development; and military aid (in the military expenditures of the donor country). Excluded are civil defense and current expenditures for previous military activities, such as for veterans' benefits, demobilization, conversion, and destruction of weapons. This definition cannot be applied for all countries, however, since that would require much more detailed information than is available about what is included in military budgets and off-budget military expenditure items. (For example, military budgets might or might not cover civil defense, reserves and auxiliary forces, police and paramilitary forces, dual-purpose forces such as military and civilian police, military grants in kind, pensions for military personnel, and social security contributions paid by one part of government to another.) |
| Variable time span | 1960 – 2017 |
| Data published by | World Bank – World Development Indicators |
| Data publisher's source | Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security. |
| Link | <http://data.worldbank.org/data-catalog/world-development-indicators> |

Limitations and exceptions: Data on military expenditures are not compiled using standard definitions and are often incomplete and unreliable due to countries' reluctance to disclose military information. Even in countries where the parliament vigilantly reviews budgets and spending, military expenditures and arms transfers rarely receive close scrutiny or full, public disclosure (see Ball 1984 and Happe and Wakeman-Linn 1994). However, the Stockholm International Peace Research Institute (SIPRI) has adopted a definition of military expenditure derived from the North Atlantic Treaty Organization's (NATO) former definition (in use until 2002; see Definitions).  
  
In the many cases where SIPRI cannot make independent estimates, it uses the national data provided. Because of the differences in definitions and the difficulty in verifying the accuracy and completeness of data, data on military expenditures are not always comparable across countries. However, SIPRI puts a high priority on ensuring that the data series for each country is comparable over time.  
General comments: Data for some countries are based on partial or uncertain data or rough estimates.  
Statistical concept and methodology: SIPRI military expenditure data includes military and civil personnel, including retirement pensions and social services for military personnel; operation and maintenance; procurement; military research and development; and military aid (in the military expenditures of the donor country). Excluded are civil defense and current expenditures for previous military activities, such as for veterans' benefits, demobilization, and weapons conversion and destruction. This definition cannot be applied for all countries, however, since that would require more detailed information than is available about military budgets and off-budget military expenditures (for example, whether military budgets cover civil defense, reserves and auxiliary forces, police and paramilitary forces, and military pensions).  
  
SIPRI data for the most recent years include two types of estimate which apply to all countries: (a) figures for the most recent years are for adopted budgets, budget estimates or revised estimates, and are revised, more often than not, in subsequent years; and (b) the deflator used for the latest year in the series is an estimate SIPRI's primary source of military expenditure data is official data provided by national governments. These data are derived from budget documents, defense white papers, and other public documents from official government agencies, including government responses to questionnaires sent by SIPRI, the UNODA, or the Organization for Security and Co-operation in Europe. Secondary sources include international statistics, such as those of NATO and the IMF's Government Finance Statistics Yearbook. Other secondary sources include country reports of the Economist Intelligence Unit, country reports by IMF staff, and specialist journals and newspapers.  
  
The data on military expenditures as a share of GDP are SIPRI estimates. The SIPRI military expenditure figures are presented on a calendar-year basis. The only exception is the USA, for which statistics report data on a fiscal-year basis. Calendar-year data are calculated on the assumption of an even rate of expenditure throughout the fiscal year. The ratio of military expenditure to GDP is calculated in domestic currency at current prices and for calendar years.  
  
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