## **Danish Defence expenditure**

The total budget amounts to 23.6 billion DKK in 2019 according to the Danish Finance Act for 2019.

The appropriations are primarily based on the Danish Defence Agreement 2018-2023 of January 28, 2018 and Agreement of new fighter aircraft of June 9, 2016.

The appropriations are distributed among main accounts, activity areas and budget areas (see table 1-3 below).

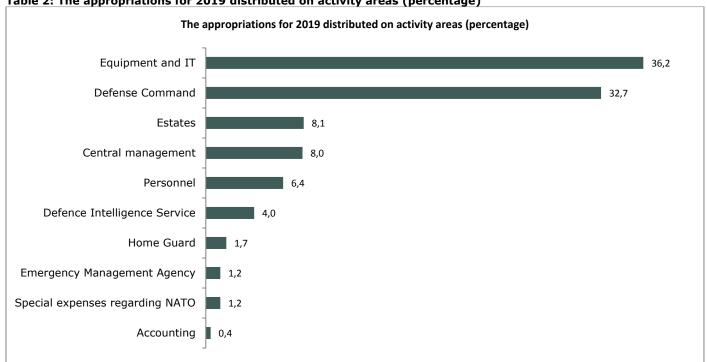
Table 1: Overview of the appropriations 2017-2018 (current prices) and 2019-2022 (based on 2019 prices)

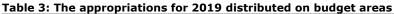
Table 1	Current		es) and 2019-2022 (based on 2019 prices)  Based on 2019 prices				
Year (Million DKK)	2017 (Accounting)	2018 (Accounting)	2019	2020	2021	2022	
Total	21.560,4	22.496,0	23.633,0	25.298,2	25.949,6	26.157,8	
12.11. Central management	466,5	373,5	1.518,5	1.597,6	1.864,0	2.115,1	
Ministry of Defence	352,2	358,1	343,8	341,0	336,2	331,8	
Central reserves and initiatives 1) Reserves and budget regulation	114,3	15,4 -	1.174,7	1.256,6	1.527,8	1.783,3	
12.12. Personnel	1.882,7	1.951,5	1.906,1	1.892,4	1.889,0	1.884,2	
Danish Defence Personnel Agency	365,9	378,1	361,3	352,0	348,8	351,4	
Danish Defence Personnel Agency, Functional operations	1.430,9	1.484,6	994,4	994,2	999,6	989,4	
Danish Defence Personnel Agency, Centrally Managed Units	85,9	88,8	89,4	88,7	87,9	87,9	
Danish Defence Personnel Agency, Compensations	-	-	461,0	457,5	452,7	455,5	
12.13. Equipment and IT	7.335,3	7.936,1	8.552,7	9.933,7	10.188,1	9.919,2	
Danish Defence Acquisition and Logistics Organisation	956,2	1.035,2	987,5	1.001,9	1.019,5	1.028,7	
Equipment management	4.007,8	4.232,2	3.730,1	3.741,2	3.798,8	4.170,6	
Capacity plan IT	495,2	460,5	436,2	421,2	390,5	442,9	
Equipment acquisition	1.876,1	2.208,2	3.398,9	4.769,4	4.979,3	4.277,0	
12.14. Estates	1.892,3	1.859,7	1.896,5	2.092,7	2.233,4	2.262,9	
Danish Defence Estates and Infrastructure Organisation	311,2	284,4	218,0	214,7	215,0	216,8	
Building maintenance and operations	1.367,1	1.336,8	1.309,9	1.349,7	1.320,1	1.316,7	
National military construction	433,9	245,2	348,4	487,9	647,8	699,1	
Revenues from sales of properties	- 219,9	-7,0	-	1	1	ı	
Clearing after former US military presence in Greenland	-	0,3	20,2	40,4	50,5	30,3	
12.15. Accounting	90,1	91,4	92,9	90,9	89,0	89,4	
Danish Defence Accounting Agency	90,1	91,4	92,9	90,9	89,0	89,4	
12.23. Defence Command Denmark	7.841,6	8.280,5	7.721,2	7.711,6	7.672,4	7.829,1	
Defence Staff	889,8	907,8	666,5	629,5	624,6	660,2	
Army	3.098,5	3.320,5	3.024,5	3.044,9	3.068,0	3.195,2	
Navy	1.177,4	1.203,3	1.237,5	1.230,1	1.212,6	1.215,9	
Air Force	1.655,0	1.731,8	1.635,3	1.626,1	1.607,6	1.593,8	
Arctic Command	-	-	107,5	107,5	107,5	107,5	
Special operations	249,6	267,9	246,2	274,6	252,4	254,7	
Defence Major Workshops	336,9	354,9	317,7	314,6	314,3	314,1	
Royal Danish Defence College	305,4	359,7	351,9	350,8	350,2	352,0	
Defence Health Sevice	129,0	134,6	134,1	133,5	135,2	135,7	
12.24. Home Guard	506,9	492,9	413,4	413,4	410,2	407,0	
Home Guard	506,9	492,9	413,4	413,4	410,2	407,0	

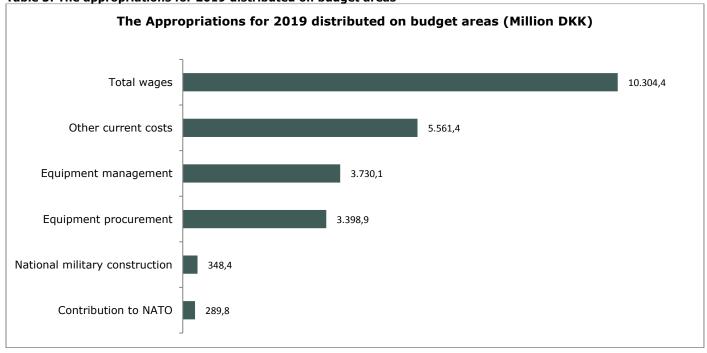
12.25. Defence Intelligence Service	846,0	908,8	955,3	984,6	1.012,9	1.054,3
Defence Intelligence Service	846,0	908,8	955,3	984,6	1.012,9	1.054,3
12.29. Special expenses relating to NATO	266,6	264,6	289,8	285,6	282,6	288,6
12.41. Emergency Management	432,2	336,9	286,6	295,7	308,0	308,0
Emergency Management Agency 2 og 3)	417,8	322,4	271,9	281,0	293,3	293,3
Civil Defence Union	14,4	14,5	14,7	14,7	14,7	14,7

- Central reserves and initiatives primarily cover international cooperation and initiatives, centrally managed by Department
  of Ministry of Defence.
- 2) Danish Emergency Management (DEMA) has been integrated into the new Danish Defence Agreement 2018-2023.
- 3) Reduction in DEMA grants from 2018 and onwards is due to a transfer of acquisitions, estate management and administrative tasks to the supporting agencies of the Danish Defence.

Table 2: The appropriations for 2019 distributed on activity areas (percentage)







For further information of the Danish Defence budget refer to the Agency for Modernisation, Ministry of Finance  $\underline{www.modst.dk}$ 

## **NATO** definition of the Defence expenditures

NATO calculates the Defence expenditures of each member state according to NATO's own definition. This calculation, which is a part of the Defence Planning Capability Survey, creates the basis for comparison of the Defence expenditures across NATO member states. The NATO definition differs in certain aspects from the Danish definition of the Defence budget. In the NATO definition the following expenditure are fully or partly included:

- Pensions for public servants under the Ministry of Defence
- · Pension costs according to law on civilian workers
- VAT
- National Survey and Cadastre
- Danish Meteorological Institute

Conversely expenditures for civil defense and certain other strictly civilian expenditures are deducted.

The calculation of the Danish defense expenditures according to the NATO definition results in a somewhat higher estimate on the defense expenditures than the national definition (see table 4 below)

A part of the NATO Defence Planning Capability Survey is a calculation of the Defence expenditure as a percentage of the Gross Domestic Product in the member states (see table 5 below).

Table 4: Danish Defence expenditure according to NATO's definition (million national currency)

1,35

Million DKK	2011	2012	2013	2014	2015	2016	2017	2018e
	24.259	25.618	23.682	22.769	22.633	24.190	24.961	26.700
Table 5: Danish Defence expenditure as a percentage of Gross Domestic Product according to NATO's definition (based on 2010 prices)								
Damantana	2011	2012	2013	2014	2015	2016	2017	2018e
Percentage								

1,15

1,12 1,17

1,23

More information can be found on the <u>NATO webpage</u>.

e) Based on estimated for 2018.