



The [Finance & Economics Statistical Bulletin series](#) provides figures on the composition and scope of the Department's expenditure, information on the impact of defence spending on the wider economy, and compares Ministry of Defence (MOD) spending to that of other departments and countries.

International Defence presents comparative information on UK defence spending and that of other countries. This includes the defence expenditure of NATO member states in constant US\$ and as a percentage of their GDP and how much of their defence expenditure is spent on equipment. A comparison of two international defence spending data sources, the Stockholm International Peace Research Institute (SIPRI) and the International Institute for Strategic Studies (IISS), is provided, focusing on top spenders. Also detailed are the top 10 military spenders worldwide, ranked using market exchange rates (MER) and purchasing power parity (PPP) rates. Trends for the UK, Germany, France and the USA are given particular focus at the end of the bulletin.

### Key Points and Trends

- ▼ \$1,676bn Total worldwide military expenditure in 2015, as estimated by SIPRI.  
The USA was the world's largest spender, accounting for 36 per cent of total global spending.
- ◀ 5th The UK's position in global defence expenditure rankings, according to IISS and SIPRI.  
This year IISS and SIPRI both rank the UK the same; in 2014 they ranked the UK 5<sup>th</sup> and 6<sup>th</sup> respectively.
- ▼ 2.1% UK expenditure on defence as a percentage of national GDP in 2015.  
A 0.1 percentage point decrease since 2014.
- ▲ 5 NATO countries meeting the guideline to spend 2% of GDP on defence.  
These countries are the USA, Greece, Poland, the UK and Estonia. The UK remains the second largest spender in NATO, after the USA.
- ▼ \$892bn Total military expenditure of NATO members.  
A decrease of \$18 billion since 2014 driven primarily by a decrease in USA defence spending.

**Responsible statistician:** Defence Expenditure Analysis Head of Branch  
030 679 34531  
Email: [DefStrat-Econ-ESES-DEA-Hd@mod.uk](mailto:DefStrat-Econ-ESES-DEA-Hd@mod.uk)

**Further information/mailling list:** [DefStrat-Econ-ESES-DEA-StatTL@mod.uk](mailto:DefStrat-Econ-ESES-DEA-StatTL@mod.uk)

**Background quality report:** [Background Quality Reports](#)

Would you like to be added to our **contact list**, so that we can inform you about updates to these statistics and consult you if we are thinking of making changes? You can subscribe to updates by emailing [DefStrat-Stat-Enquiries-Mailbox@mod.uk](mailto:DefStrat-Stat-Enquiries-Mailbox@mod.uk)

## Contents

Introduction	page 2-3	
NATO Countries' Defence Expenditure	page 4-5	Other bulletins in this series can be found <a href="#">here</a>
NATO Countries' Defence Expenditure as % of GDP	page 6	
NATO Countries' Equipment Expenditure as % of Defence Expenditure	page 7	
SIPRI and IISS Defence Expenditure Rankings	page 8	
Worldwide Military Expenditure 2015	page 9	
Currency Conversion and International Comparisons	page 10	Supplementary tables containing all data presented in this publication can be found <a href="#">here</a>
Focus on NATO Allies (% of GDP)	page 11	
Focus on NATO Allies (Spending per Capita)	page 12	
Focus on NATO Allies (Military Personnel by Population)	page 13	
Focus on NATO Allies (Spending per Service Person)	page 14	
Methodology	page 15-16	
Glossary	page 17-18	
Further Information	page 19-20	

## Introduction

---

This Bulletin provides information on defence spending by NATO member states, top military spenders globally, as well as trends in defence spending and strategic posture for the UK, USA, France and Germany. It is produced as part of the transparency and accountability of the Ministry of Defence to Parliament and the public. Detailed statistics and historic time series can be found in the supporting [Excel tables](#).

**NATO Countries' Defence Expenditure 2015** maps defence expenditure of NATO member states in constant 2015 prices and exchange rates (US\$ billion) and defence spending as a percentage of national GDP.

**NATO Countries' Defence Expenditure 2011-2015** provides analysis of trends in high level NATO expenditure and an analysis of variation amongst NATO Europe countries over the period.

**NATO Countries' Defence Expenditure as a percentage of GDP** presents defence expenditure as a percentage of national GDP for NATO member states in 2015.

**NATO Countries' Equipment Expenditure as a percentage of Defence Expenditure** presents expenditure on equipment as a percentage of total defence expenditure of NATO member states in 2015.

**SIPRI and IISS Defence Expenditure Rankings** provides an overview of differences in spending estimates and global rankings for the Stockholm International Peace Research Institute (SIPRI) and the International Institute for Strategic Studies (IISS).

**Worldwide Military Expenditure 2015** presents the breakdown of worldwide military expenditure by country and NATO membership, according to the Stockholm International Peace Research Institute (SIPRI) estimates.

**Currency Conversion and International Comparisons** presents the differences between international defence expenditure estimates when market exchange rates (MER) and purchasing power parity (PPP) rates are used to convert estimates into a common currency. This bulletin's use of MER is briefly discussed.

**Focus on NATO Allies** presents trends in defence expenditure as a percentage of GDP, per Capita and per Service person for the UK, USA, France and Germany, from 1980-2015, alongside numbers of military personnel per thousand of national population.

## Context

The information in this Bulletin has a wide range of users including the media, politicians, academic researchers and the general public who use the information to:

- Understand the size and organisation of the United Kingdom's Armed Forces;
- Set the context for other information on Defence;
- Assist in understanding the impact of changes in Defence policy;
- Make comparisons of countries' defence spending both over time and against other countries;
- Help assess the relative position of the UK's defence expenditure in terms of other NATO members, and globally.

### **This bulletin is not an Official Statistics publication**

The United Kingdom Statistics Authority can designate statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

However, as the statistics contained within this bulletin have already been published by either NATO, SIPRI or IISS, they are not being published as Official Statistics.

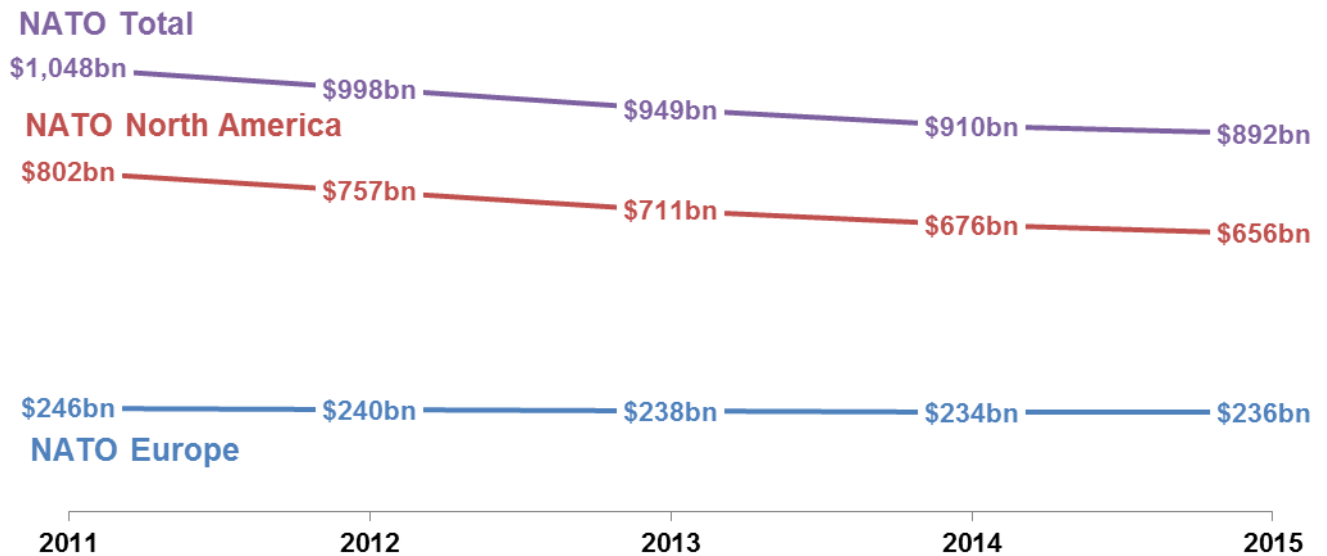
Further information about the limitations of International Defence data can be found in the Methodology section, and the sources of the information contained within the bulletin can be found referenced within the tables and in the footnotes.



# NATO Countries' Defence Expenditure 2011-2015<sup>1</sup>

Total NATO defence expenditure has fallen steadily in real terms since 2011, from \$1,048 billion to \$892 billion in 2015. This is primarily driven by a decrease of \$143 billion in US defence expenditure since 2011.

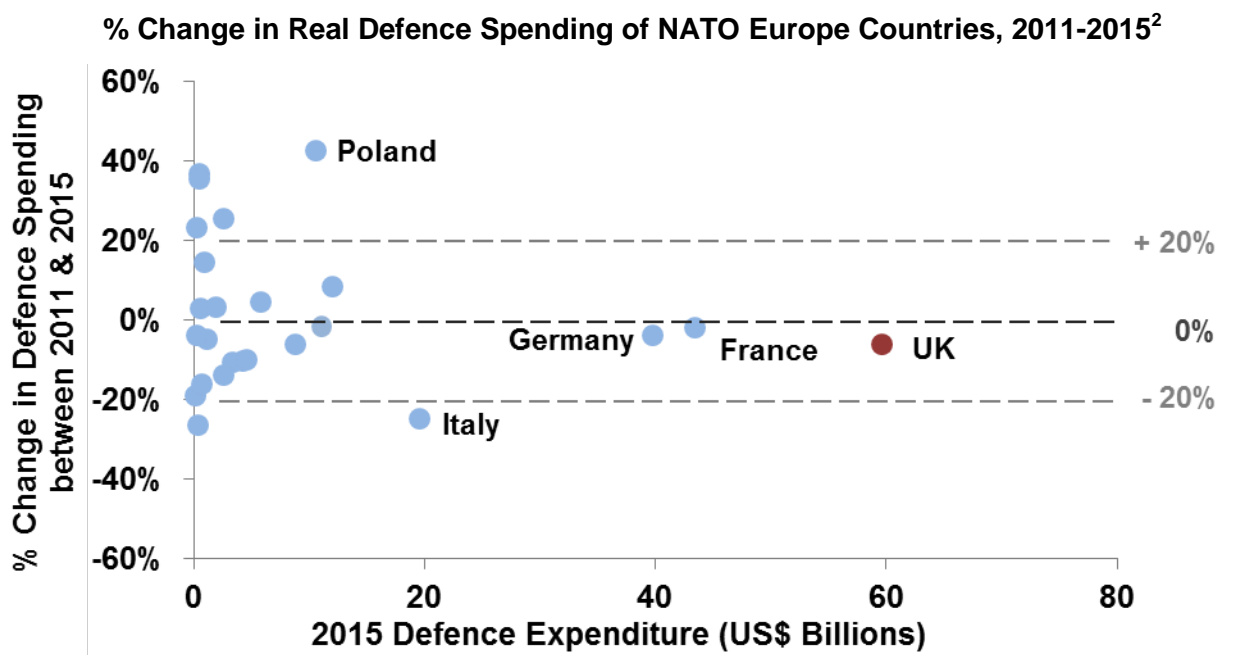
**NATO Defence Expenditure 2011-2015 (2015 Prices and Exchange Rates (US\$)<sup>2</sup>)**



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016.

The chart below shows how defence spending of the NATO Europe countries changed between 2011 and 2015, in the context of their overall 2015 expenditure.

Whilst defence spending by some European countries has changed significantly since 2011, this has generally been the case amongst countries with a low level of defence expenditure. This is why, despite significant changes in spending patterns at a national level, the European total remained relatively stable; only decreasing slightly over this period.



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016.

1. Figures are outside the scope of Official Statistics, see discussion on page 3.

2. Lithuania and Latvia have joined the Euro, so changed national currency, since 2011. The estimates of change in defence spending over this period should therefore be considered indicative.

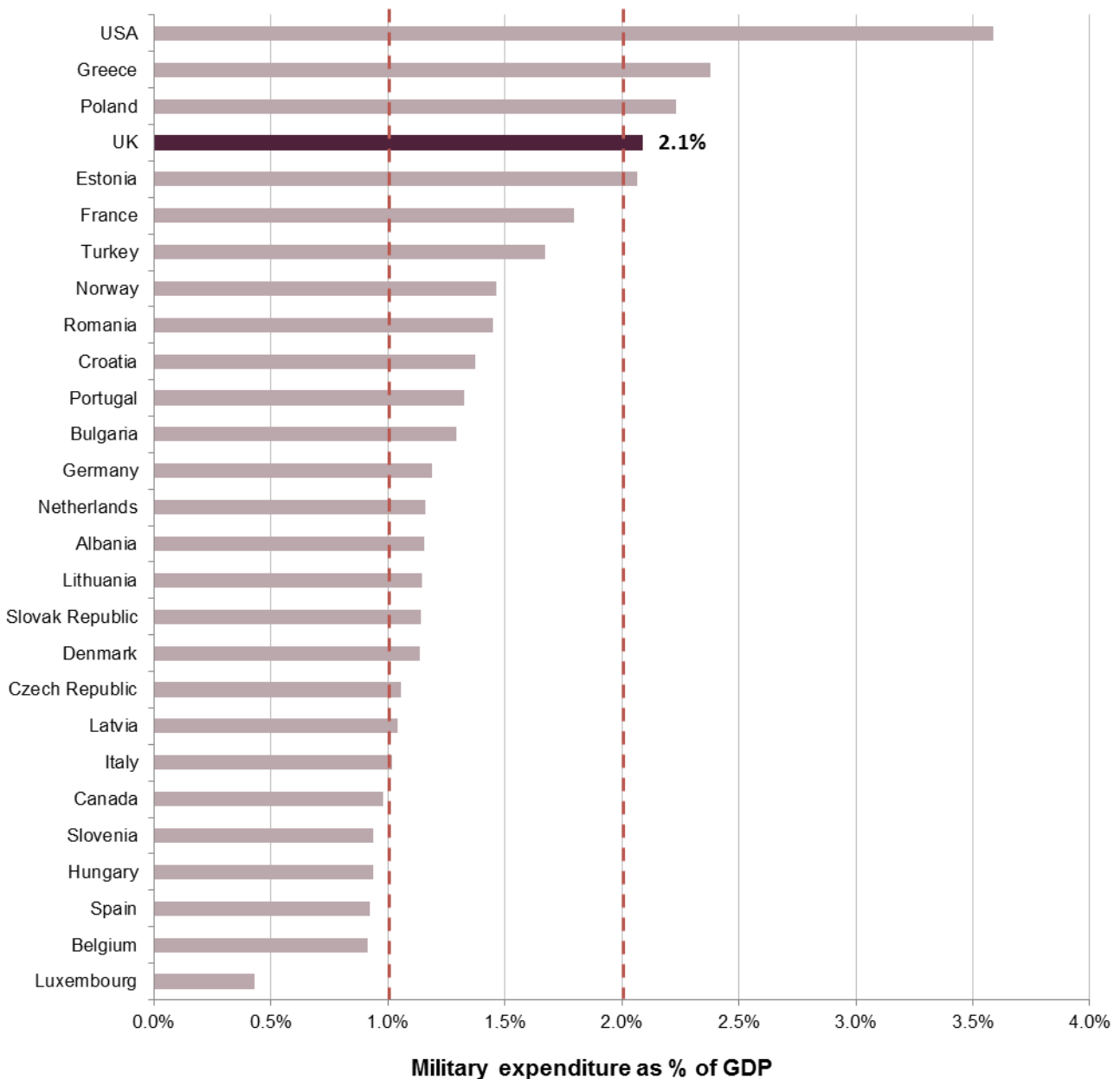
# NATO Countries' Defence Expenditure as a Percentage of GDP<sup>1</sup>

NATO sets a guideline for its members to spend at least 2 per cent of national GDP on defence annually. In 2015 the UK was one of only five NATO members to meet this guideline; the other countries being the USA, Greece, Poland and Estonia. In 2015 Poland satisfied the NATO 2 per cent guideline for the first time.

Six member states spent less than 1 per cent of GDP on defence in 2015; these were Luxembourg, Belgium, Spain, Hungary, Slovenia and Canada. Whilst five of these six countries are close to 1 per cent, Luxembourg consistently spends the lowest percentage of GDP on defence, averaging 0.4 per cent from 2011 through to 2015.

Total NATO Europe expenditure as a percentage of GDP fell to 1.4 per cent in 2015. The NATO North America estimate has continued its downward trend to 3.3 per cent in 2015, from 4.4 per cent in 2011, primarily as a result of US spending falling over this period. This has been the main reason for the overall NATO defence spending as a percentage of GDP dropping from 3.0 per cent in 2011 to 2.4 per cent in 2015.

**NATO Countries' Defence Expenditure as a Percentage of GDP, 2015<sup>2</sup>**



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016.

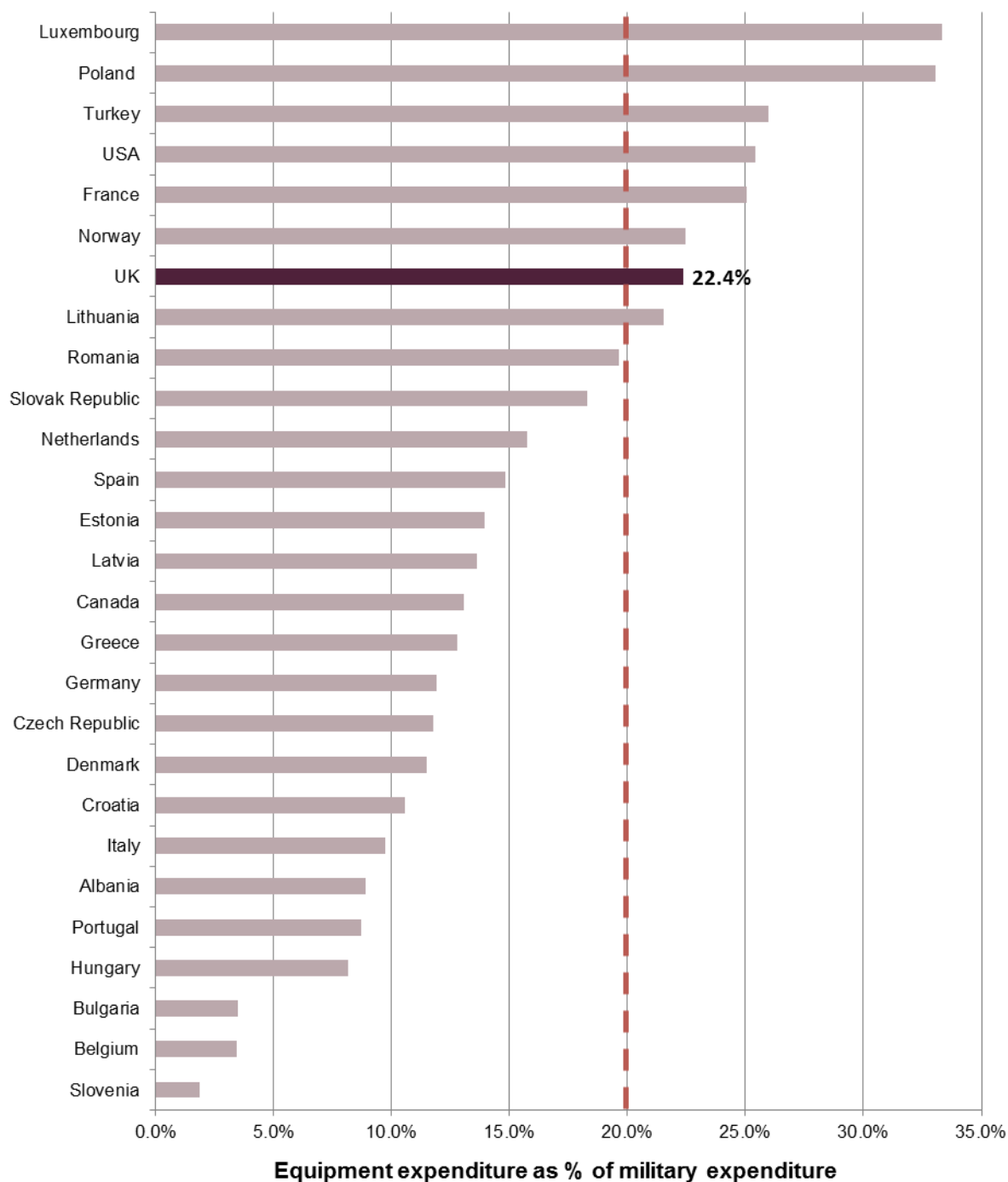
1. Figures are outside the scope of Official Statistics, see discussion on page 3.  
 2. Iceland is a member of the Alliance but has no armed forces.

## NATO Countries' Equipment Expenditure<sup>1</sup>

For the first time this year, this bulletin presents analysis on the spending of NATO countries on equipment as a proportion of their overall defence spending.

NATO sets a guideline that its members spend at least 20 per cent of their defence budget on equipment. In 2015, the UK was one of eight countries to meet this target, spending 22.4 per cent of their defence expenditure on equipment. Interestingly, the country with the largest proportion of defence expenditure spent on equipment, Luxembourg, also had the smallest spend on defence as a proportion of GDP.

### NATO Countries' Equipment Expenditure as a Percentage of Defence Expenditure, 2015<sup>2</sup>



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016.

1. Figures are outside the scope of Official Statistics, see discussion on page 3.

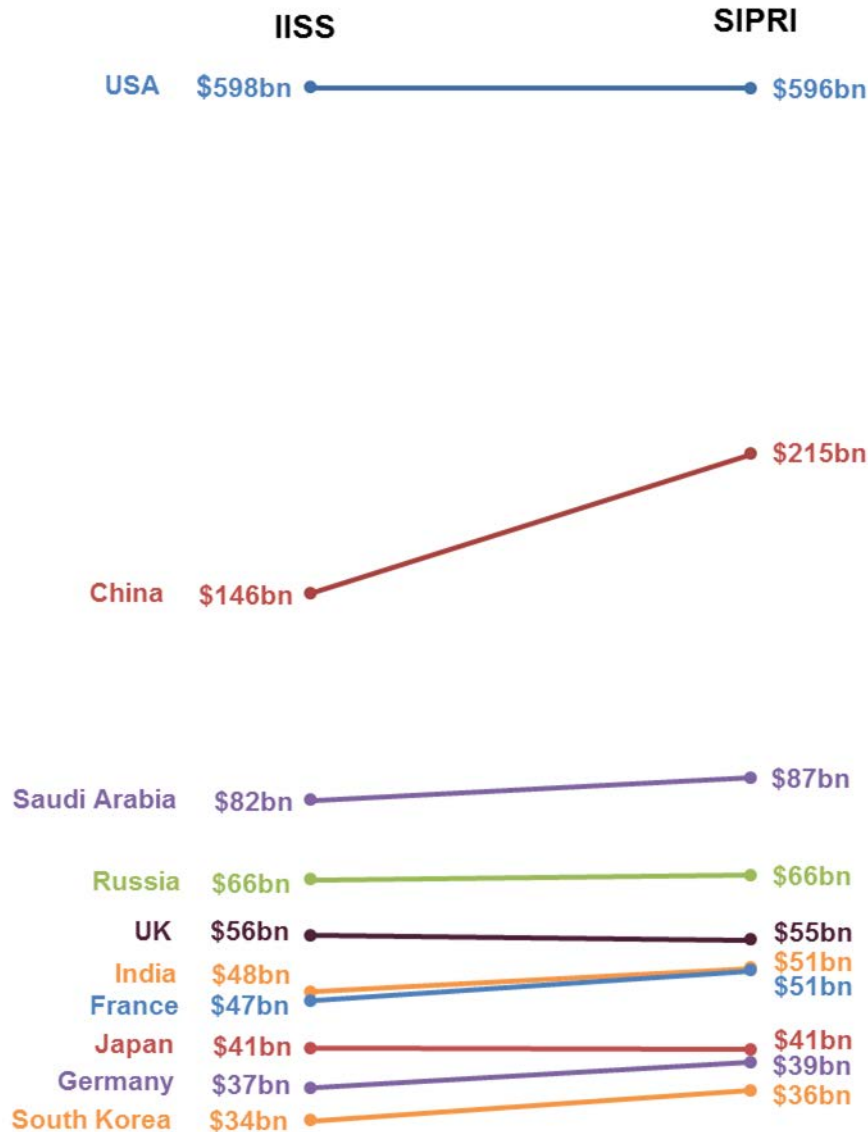
2. Iceland is a member of the Alliance but has no armed forces.

# SIPRI and IISS Defence Expenditure Rankings<sup>1</sup>

Comparisons of international defence expenditure are challenging due to the varying definitions of defence expenditure employed by the different organisations which publish estimates.

Some widely used estimates of global defence spending are produced by the Stockholm International Peace Research Institute (SIPRI) and the International Institute for Strategic Studies (IISS). In 2015, whilst the estimates of spending are different between these two sources, the rankings of the top 10 defence spenders are the same, as can be seen below.

**Estimates of Total Defence Spending, 2015 (US\$)**



Source: [SIPRI Military Expenditure Database](#) (accessed 29/04/2016), IISS Military Balance 2016.

The UK maintains its position as the 5<sup>th</sup> highest defence spender as defined by IISS, and is also ranked 5<sup>th</sup> by SIPRI this year.

Whilst both organisations' estimates for the top 10 global defence spenders are relatively similar this year, the estimates for China do differ significantly. In the absence of reliable, openly available figures for Chinese defence expenditure this is not unexpected.

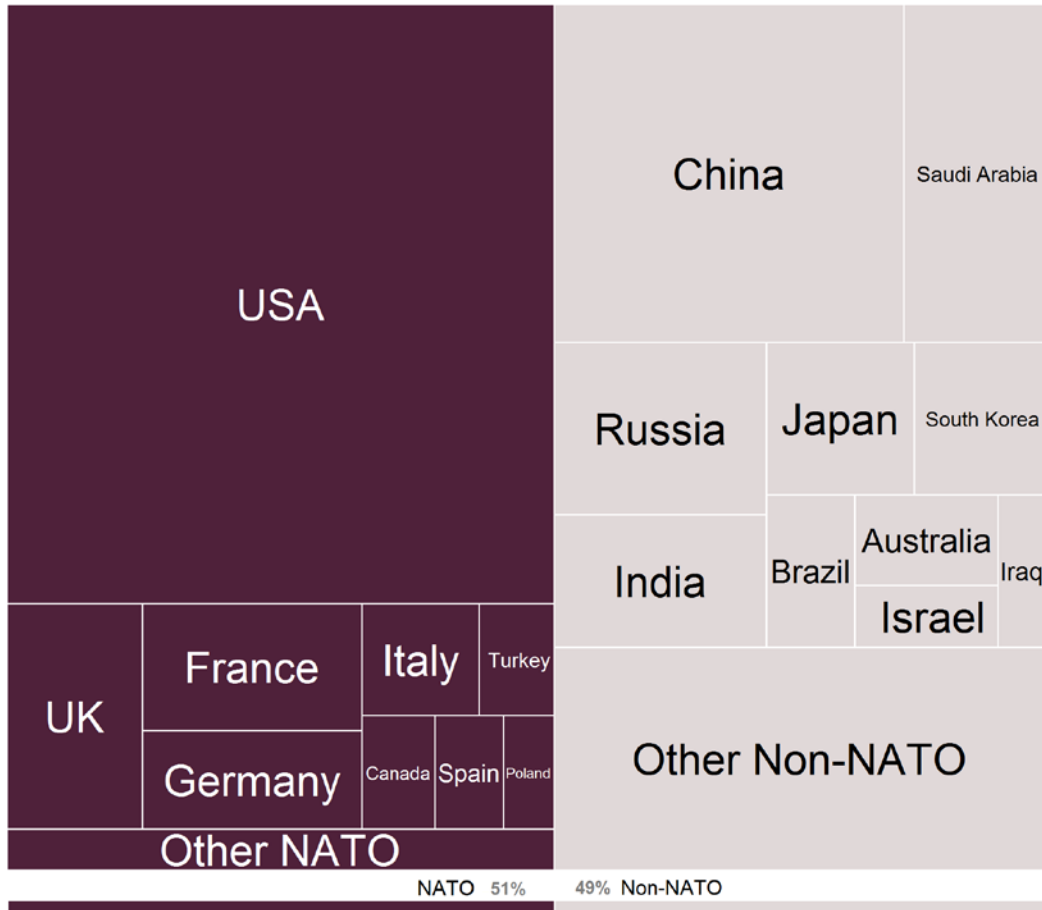
1. Figures are outside the scope of Official Statistics, see discussion on page 3.



## Worldwide Military Expenditure 2015<sup>1,2</sup>

SIPRI provides global estimates of defence spending which are displayed as a proportion of total global spending below. Global military expenditure in 2015 was estimated by SIPRI to be \$1,676 billion, a decrease of \$100 billion in nominal terms since 2014. Spending by NATO members made up just over half of all global military expenditure.

### Global Military Expenditure Based on Market Exchange Rates, 2015<sup>3</sup>



Source: [SIPRI Military Expenditure Database](#) (accessed 29/04/2016)

The top 4 global military spenders remained unchanged since 2014, with the USA remaining the largest spender, despite expenditure falling slightly from \$610 billion in 2014 to \$596 billion. US expenditure in 2015 was greater than the next seven largest spenders combined, and made up 36 per cent of total global military expenditure. The UK has become the 5<sup>th</sup> largest spender in 2015 replacing France which drops down to 7<sup>th</sup>.

The other top 10 global defence spenders, according to SIPRI, are China, Saudi Arabia, Russia, India, Japan, Germany and South Korea.

Only the top 19 global defence spenders have been charted this year as SIPRI did not have data available for the UAE for 2015. The UAE were the 14<sup>th</sup> largest spender in 2014, so would likely appear in the top 20 again this year if data were available.

1. The figures on this page have been calculated using SIPRI definitions of defence expenditure and therefore may differ from information based on the NATO or IISS definition.

2. Figures are outside the scope of Official Statistics, see discussion on page 3.

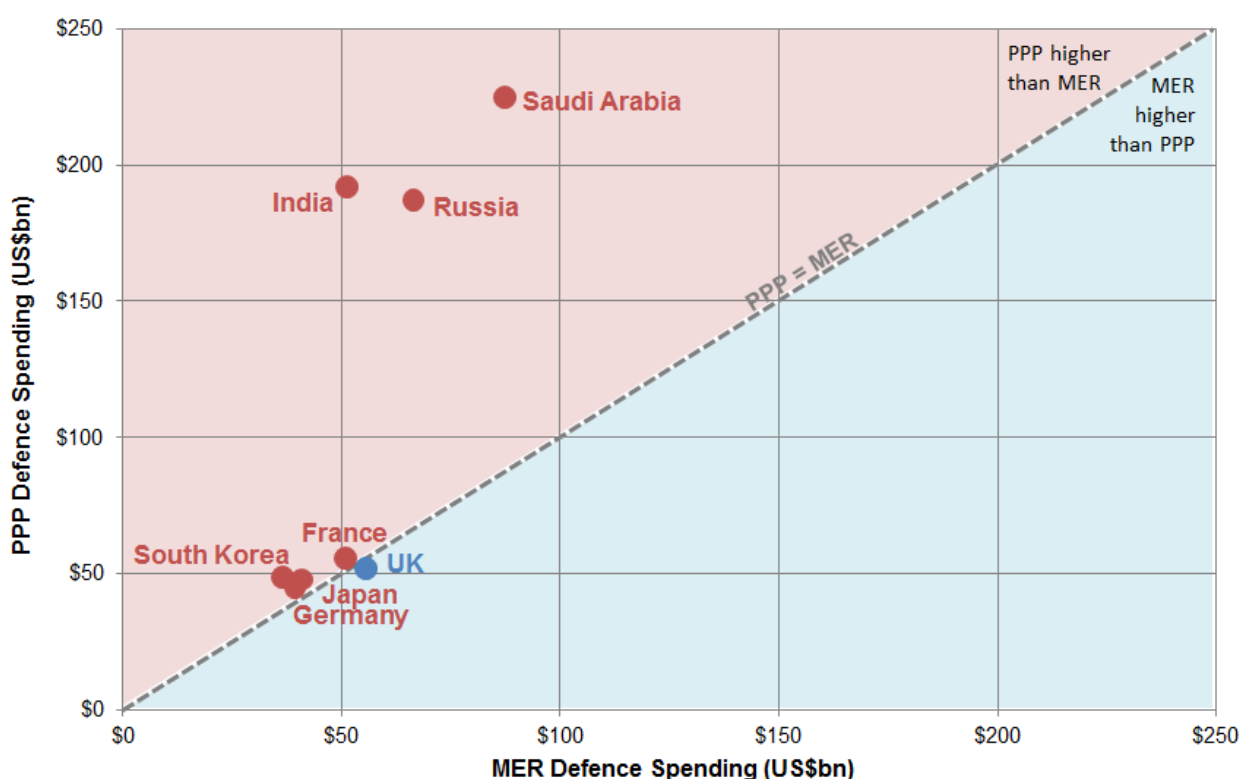
3. The top 19 global defence spenders are charted individually; all other countries' expenditure is represented in the 'other' groupings.

## Currency Conversion and International Comparisons<sup>1</sup>

When converting expenditure into a common currency, there are two commonly used methods. The first is to use market exchange rates (MER), the price at which two currencies can be exchanged on the foreign exchange markets. The second is to use the purchasing power parities (PPP), an index of how much a certain bundle of goods costs in one country relative to another, to carry out the currency conversion. All figures in this bulletin, other than those presented here, have been calculated using MER.

These two methods can result in very different estimates for certain countries. Presented below are the 2015 SIPRI defence expenditure estimates for the top 10 largest spenders by MER (excluding the USA whose estimates are already expressed in US\$ and China whose expenditure is large enough to limit the interpretability of the chart), calculated using both MER and PPP.

**SIPRI Defence Expenditure 2015, Calculated Using Both MER and PPP**



Source: [SIPRI Military Expenditure Database](#) (accessed 29/04/2016), [IMF World Economic Outlook Database](#) (accessed 26/08/2016).

The large defence spenders in Western Europe would normally have slightly lower estimates of defence spending when PPP rates are used as the method of conversion, whereas the large spending non-western countries tend to have higher estimates. However in 2015 only the UK has a conversion rate using MER that is higher than using PPP. India, Saudi Arabia, Russia and China (MER; \$215 billion; PPP \$379 billion) have significantly higher estimates under PPP conversion.

This is often the case for countries where domestic costs, such as labour, are significantly lower than in more developed countries. However, estimates based on PPP rates are heavily dependent on the bundle of goods used; for this reason it is important that the bundle is representative of the types of spending being compared. Given that bundles of civilian goods, used to construct most PPP rates, are unlikely to be representative of military purchases, MER are more commonly used to compare international defence expenditure. However, one of the advantages of PPP for comparing spending between countries over time is that they tend to be less volatile than MER.

For the reasons laid out above, the figures within this report are based on MER rather than PPP.

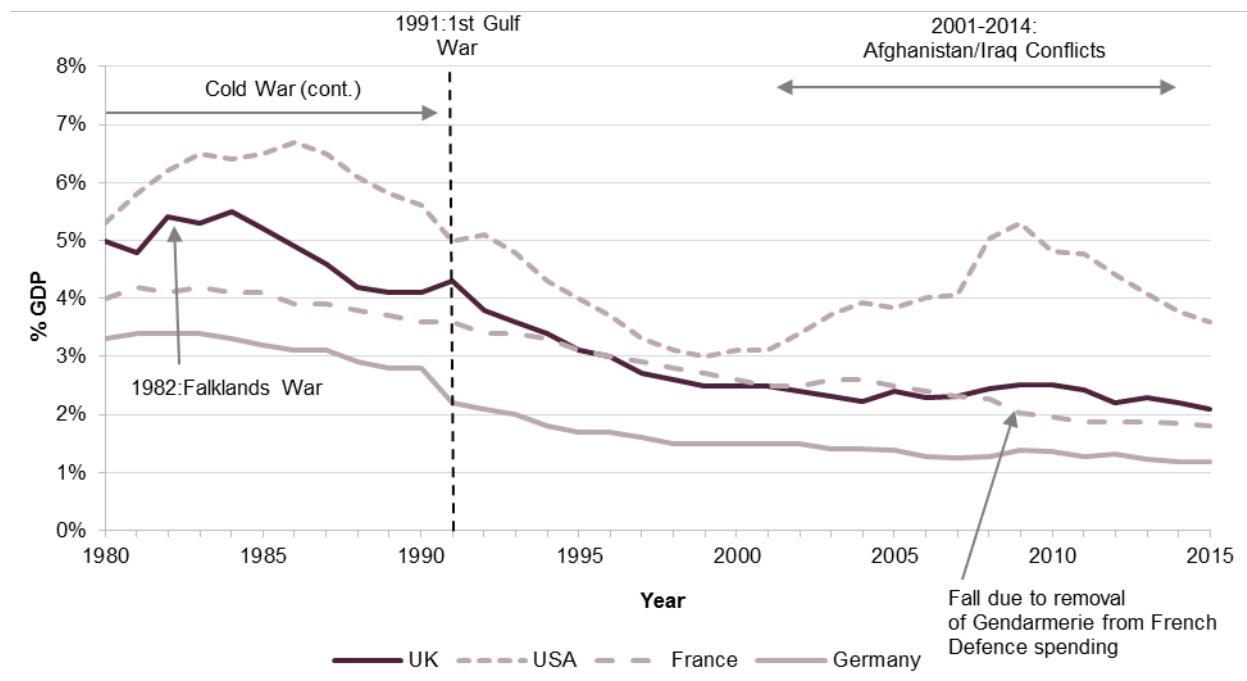
1. Figures are outside the scope of Official Statistics, see discussion on page 3.

## Focus on NATO Allies<sup>1</sup>

The following charts present a range of defence comparators for the UK, USA, France and Germany since 1980. These nations have been selected on the basis that they either have similar strategic postures, capabilities or force structures to the UK, or that the relative size of their respective defence budgets are comparable. Definitions of defence expenditure have changed over time and differ between countries; this makes detailed comparisons between countries difficult. In light of this fact, data should only be used as an indication of trends and not as a definitive time series.

Defence spending as a percentage of GDP began decreasing for all four nations in the early to mid-1980s as the Cold War drew to a close. This decrease continued throughout the 1990s after the end of the Cold War, with a brief increase in the UK and USA as a result of the first Gulf War. This decrease ended in the early 2000s as a result of military activity in Iraq and Afghanistan. Whilst spending as a percentage of GDP has remained relatively stable since 2000 in the UK, Germany and France, US defence spending as a percentage of GDP rose sharply as a result of military activity in the Middle East, peaking at over 5 per cent of GDP in 2009, before falling rapidly to its current level of 3.6 per cent. In 2015, the UK spent 2.1 per cent of its national GDP on defence, compared to 1.8 per cent for France, and 1.2 per cent for Germany.

**Defence Spending as a % of GDP, 1980-2015**



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016

From 2009 French defence expenditure excludes the Gendarmerie which is now financed separately by the Ministry of the Interior. This change more accurately reflects the NATO definition for defence expenditure, but has led to lower levels of defence spending, both in total and as a percentage of GDP. The definitional change explains the steep fall in the French estimates in this year.

1. Figures are outside the scope of Official Statistics, see discussion on page 3.

## Focus on NATO Allies (cont.)<sup>1</sup>

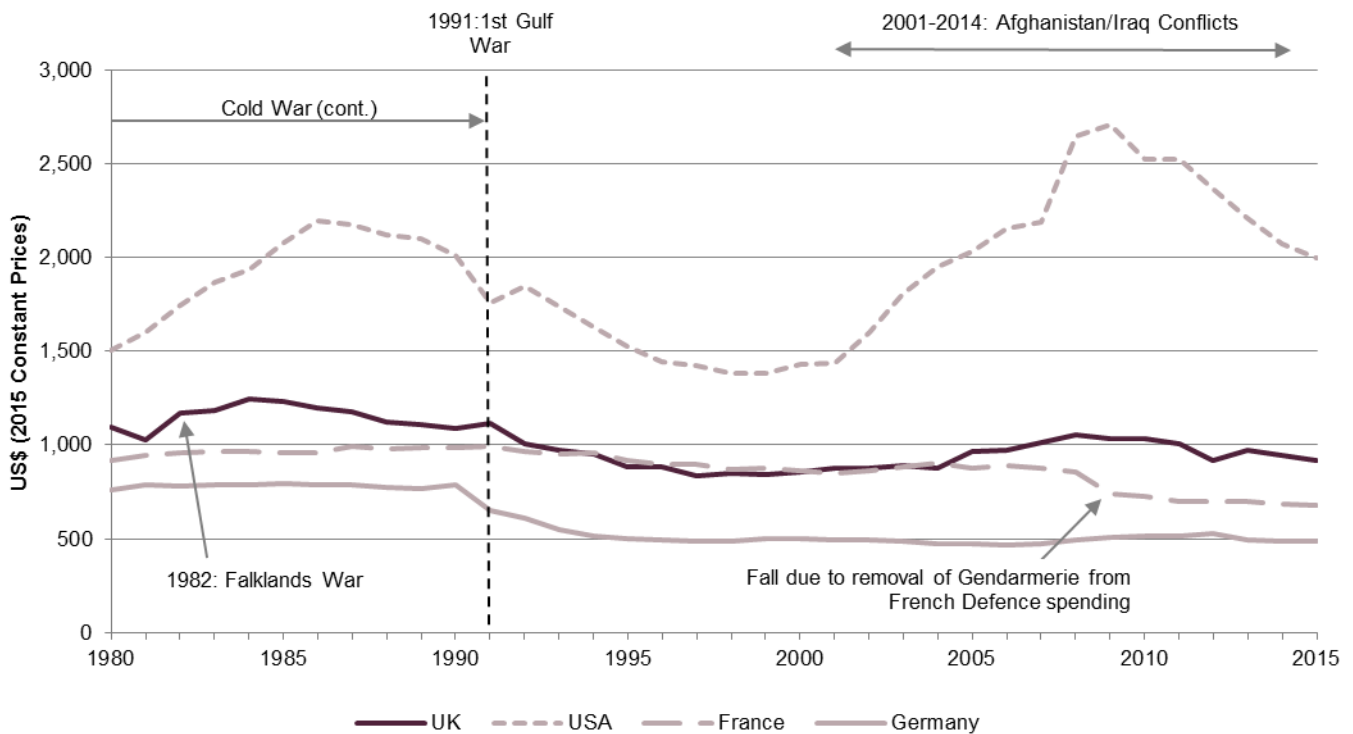
The chart below shows trends in real defence spending per capita between 1980 and 2015.

Spending per capita was relatively stable throughout the 1980s for each of the countries considered except the USA, whose spending increased during the first half of the decade, and then decreased during the latter. Spending per capita for all countries decreased during the 1990s, except for a brief US and UK upturn as a result of the first Gulf War.

From 2001 to 2010, the USA significantly increased its defence spending per capita from around \$1,437 to \$2,522 per person based on constant 2015 prices. The UK also saw an increase in per capita spending from \$875 in 2001 to \$1,037 in 2010. These increases were largely associated with the second Iraq war and the International Security Assistance Force (ISAF) contribution in Afghanistan.

Since 2010, US spending per capita has decreased (\$1,994 in 2015) but still represents over twice that of the UK (\$916).

**Real Defence Spending Per Capita, 1980-2015<sup>2</sup>**



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016, [IMF World Economic Outlook Database](#) (accessed 26/08/2016).

French and German military expenditure per capita have remained relatively consistent since 1982 with the exception of one significant fall for each country. German spending per capita dropped sharply in 1991, coinciding with reunification following the end of the Cold War. French spending per capita dropped sharply in 2009 as spending on the Gendarmerie was removed from the military budget.

1. Figures are outside the scope of Official Statistics, see discussion on page 3.

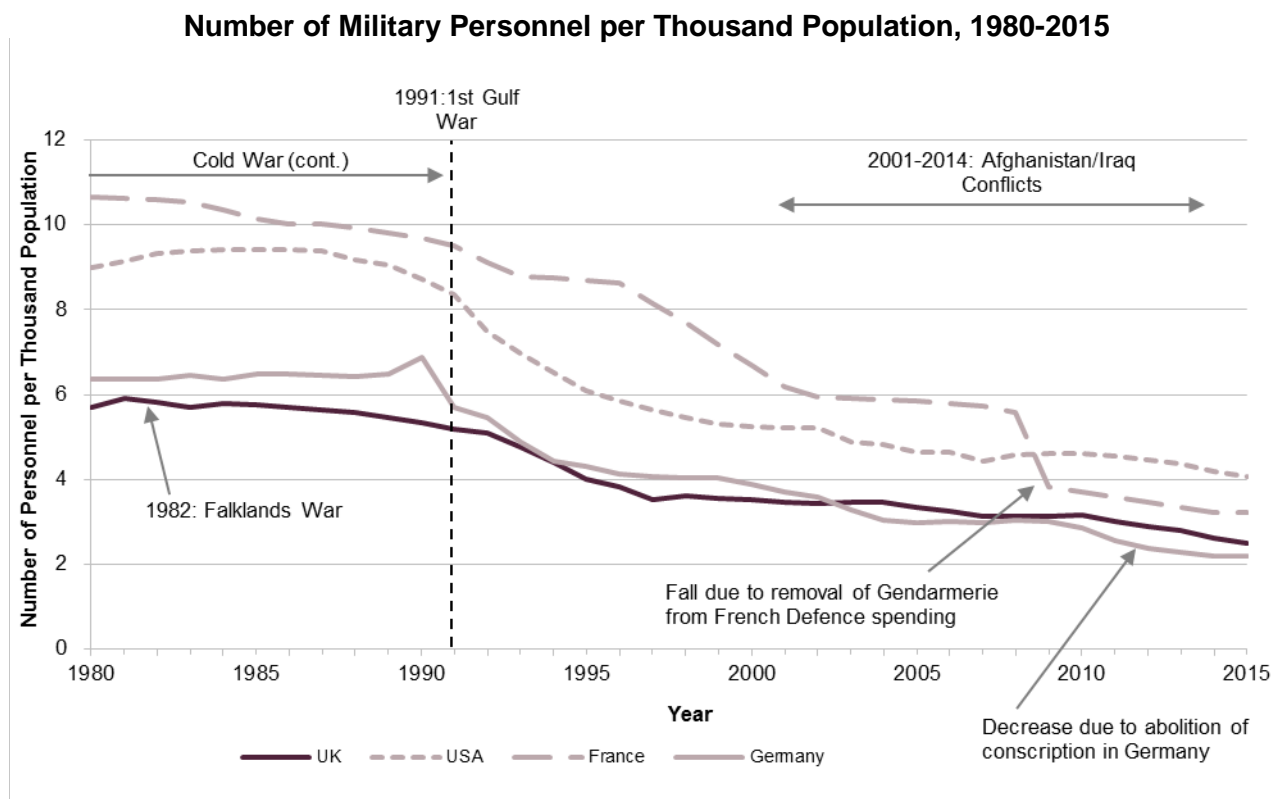
2. Historic spending per capita calculations in this chart differ from those shown in the 2014 chart due to exchange rate variations that have occurred since 2014.

## Focus on NATO Allies (cont.)<sup>1</sup>

This chart shows how the number of military personnel per thousand of national population has changed between 1980 and 2015.

All four countries have seen a gradual decrease in the number of military personnel as a proportion of the total population since 1980. For all countries apart from Germany, these numbers were highest in the early 1980s. German estimates peaked in 1990, coinciding with reunification following the end of the Cold War, before undergoing a rapid decrease because of restrictions on the size of Germany's military, a condition of reunification<sup>2</sup>.

There are currently around 2.5 military personnel per thousand population in the UK, a figure which has been falling steadily in recent years. In 2015 the USA had the highest number of military personnel per thousand population at 4.1, whilst in France there were 3.2 per thousand population. Germany had the lowest figure, employing 2.2 military personnel per thousand population.



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016, [IMF World Economic Outlook Database](#) (accessed 26/08/2016).

The removal of Gendarmerie expenditure from French military spending also resulted in non-deployable Gendarmes, who had previously been counted in the military personnel figures, being removed from that total. This explains the dramatic decrease in French personnel per thousand population in 2009. Germany saw a similar, but much smaller, decrease after 2010 as a result of the abolition of conscription.

1. Figures are outside the scope of Official Statistics, see discussion on page 3.

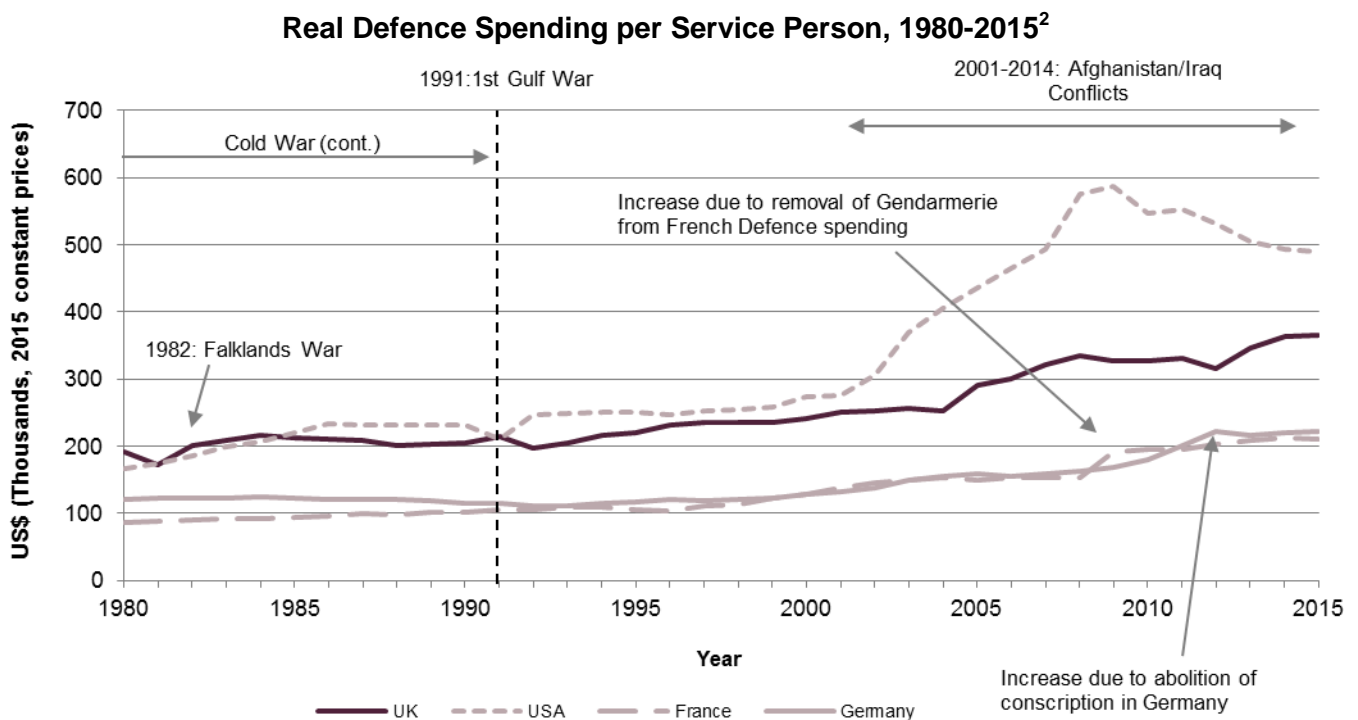
2. [The Treaty on the Final Settlement with Respect to Germany](#). Relevant section is Article 3, paragraph 2.

## Focus on NATO Allies (cont.)<sup>1</sup>

This chart shows trends in real defence spending per member of the Armed Forces from 1980 to 2015.

Military expenditure per Service person was relatively consistent from 1980 to 2000 for all four nations (the US and UK only undergoing very gradual increases). Since 2000 all four countries have increased their spending per Service person. This increase has been relatively gradual in Germany and France; spurred on by the end of conscription in the former and the reclassification of the Gendarmerie in the latter.

For the US, spending per Service person increased dramatically between 2000 and 2009, from \$273 thousand to its maximum of \$586 thousand, reflecting a substantial increase in military expenditure as a result of the Afghanistan/Iraq conflict. Since then, real defence expenditure has decreased at a faster rate than the number of military personnel, leading to the drop in real defence spending per Service person since 2009.



Source: NATO Defence Expenditures of NATO Countries (2009-2016), 4 July 2016

UK expenditure per Service person has also increased significantly since 2000. In 2015 it was \$365 thousand, the highest it has been since this series began in 1980, with the UK spending almost twice as much on defence per Service person as then.

The UK exceeds the expenditure per Service person of the other two European nations, Germany and France, who spent similar amounts to each other in 2015 (\$222 thousand and \$210 thousand per Service person respectively).

1. Figures are outside the scope of Official Statistics, see discussion on page 3.

2. Historic spending per Service person calculations in this chart differ from those shown in the 2014 chart due to exchange rate variations that have occurred since 2014.

# Methodology

---

## Data Quality

This short section on methodology sets out some simple processes and methods used in the compilation of some of the tables and charts used in this bulletin. More detailed explanations of the data sources and methodologies used can be found in the related [Excel tables](#) and [Background Quality Reports](#).

## Sources of International Defence Data

International Defence Statistics are available in a variety of publications and on a substantial number of websites. The UK Ministry of Defence has no control over the quality, reliability and coverage of data contained within these sources and does not endorse any specific output.

Data provided in this publication fall outside the scope of National Statistics and as such, must be regarded as illustrative only.

## Limitations of International Defence Data

Making international comparisons of defence presents a number of widely documented issues relating to the comparability and granularity of the international source data. Making direct comparisons will never be straightforward because:

- Defence expenditure data are merely input measures which give them only limited usefulness as an indicator of military strength, capability or burden.
- Whilst there are standardised definitions of defence spending and accounting conventions used by international organisations, principally the UN and NATO, not all countries record and publish their defence spending in accordance with such definitions and conventions.
- Some countries' actual defence expenditure may be very different from their budgeted expenditure.
- Differences in national tax regimes and the treatment of pension contributions can lead to significant distortions in expenditure.
- Departments other than defence departments may be deemed to contribute to defence whilst some spending by defence departments can be categorised as supporting other activities.
- The choice of conversion method (e.g. Market Exchange Rates (MER) or Purchasing Power Parity (PPP)) used to convert to a common currency or from current to constant (real terms) prices can result in significantly different rankings of global defence spending. Using MER for instance tends to undervalue the currency and hence the scale of expenditure of lower income countries. Attempts are often made to circumvent this problem using PPP rates. These use currency conversion rates which equalise the overall price of a bundle of goods and services in each country. However PPP rates can be highly inaccurate because of the difficulty of allowing for differences in quality and devising appropriate and relevant "weighting" of individual goods and services. Civilian based PPPs may also not be representative of defence goods and services.

While these problems are less significant in relation to the comparison of defence spending between NATO members, they are substantial in relation to global comparisons.

## **Note on NATO definition**

NATO publishes an annual compendium of financial, personnel and economic data for all member countries. The NATO definition of defence expenditure differs from national definitions so the figures quoted may diverge considerably from those presented in national budgets.

More information relating to the revised NATO definition can be found on the [NATO website](#).

## **NATO Expenditure – Constant Prices and Exchange Rates**

The estimates presented on page 5 are based on constant 2015 prices and, as far as possible, constant 2015 exchange rates.

The deflators used to convert current price totals into 2015 constant figures were inferred from the NATO release using the current price estimates and the constant 2010 price estimates. Exchange rates are inferred from US\$ and local currency totals reported in the NATO press release.

The exchange rates inferred in the above manner are used for all countries except Latvia between 2011 and 2013 and Lithuania between 2011 and 2014. This is because both of these countries moved from their national currencies to the Euro (in 2014 and 2015 respectively), so 2015 exchange rates for their previous currencies are not available. In both cases, figures in non-Euro local currencies were estimated using the most recently available exchange rate. In Latvia's case this was for 2013 and for all of Lithuania's estimates before 2015 this was 2014. These rates were inferred in the same manner as set out above for other rates.

The estimates presented on page 5 are the sums of the national totals calculated as above.



## Glossary

---

**Constant Prices (Real Values)** are price values expressed in the currency value of a particular period (usually a single year). Typically used when comparing spending across a time series, in order to ensure that any changes are due to actual changes in expenditure, rather than factors such as shifts in currency value/inflation.

**Current Prices (Outturn Prices)** are the prices of the period when the expenditure actually occurred.

**Defence Budget** Under Cash Accounting, the amount of money planned to be spent during a financial year is the defence budget. Under Resource Accounting and Budgeting (RAB), the sum of resources planned to be consumed during a financial year is the defence budget. This *excludes* the additional expenditure on current operations that are funded from year to year by HM Treasury.

**Defence Economics** From 1 April 13 the Directorate formerly known as Defence Analytical Services & Advice (DASA) was split into two one-star analytical business areas within the Head Office Strategy Directorate - Defence Economics and Defence Statistics. Defence Expenditure Analysis (DEA) is part of the Economic Statistics & Equipment Support (ESES) Division within Defence Economics.

**Gross Domestic Product (GDP)** (at market prices) is the value of goods and services produced within a country's borders in a year. Economic data are often quoted as a percentage of GDP to give an indication of trends through time and to make international comparisons easier.

**Gross Domestic Product Deflator** is an implicit price deflator for the Gross Domestic Product and is derived by dividing the estimate of GDP at current prices by the estimate of GDP at constant prices. The GDP Deflator is commonly used as a measure of inflation in the economy for the country to which it refers.

**IISS** stands for the International Institute for Strategic Studies, which is a global think tank that researches political and military conflict.

**Market Exchange Rate** is a currency exchange rate determined largely by market forces.

**Ministry of Defence (MOD)** is the United Kingdom Government Department responsible for implementation of Government defence policy and is the headquarters of the British Armed Forces. The principal objective of the MOD is to defend the United Kingdom and its interests. The MOD also manages day to day running of the armed forces, contingency planning and defence procurement.

**NATO** stands for North Atlantic Treaty Organisation.

**Office for National Statistics (ONS)** is responsible for the production of a wide range of independent economic and social statistics, to improve our understanding of the United Kingdom's economy and society, and for planning the proper allocation of resources, policy-making and decision-making. It is the executive office of the UK Statistics Authority, a non-ministerial department which reports directly to Parliament. ONS is the UK Government's single largest statistical producer.

**Purchasing Power Parity (PPP)** is a method of measuring the relative purchasing power of different countries' currencies over the same types of goods and services. Because goods and services may cost more in one country than in another, PPP allows us to make more accurate comparisons of standards of living across countries. The estimates use price comparisons of comparable items but since not all items can be matched exactly across countries and time, the estimates are not always "robust."

**SIPRI** stands for the Stockholm International Peace Research Institute, which is an international institute that researches conflict, armaments, arms control and disarmament.

**UK Statistics Authority (UKSA)** is an independent body, and is directly accountable to Parliament. It was established on 1 April 2008. The Authority's overall objective is to promote and safeguard the quality of official statistics that serve the public good. It is also required to safeguard the comprehensiveness of official statistics, and ensure good practice in relation to official statistics. The UK Statistics Authority has three main functions: oversight of the Office for National Statistics (ONS) (its executive office), monitoring and reporting on all UK official statistics, and independent assessment of official statistics.

## Further Information

---

### Symbols

*	not applicable
..	not available
r	revised
–	Zero or rounded to zero

*Italic* figures are used for percentages and other rates.

### Rounding

Where rounding has been used, totals and sub-totals have been rounded separately and so may not equal the sums of their rounded parts.

### Revisions

There are no regular planned revisions of this Bulletin. Amendments to figures for earlier years may be identified during the annual compilation of this Bulletin. This will be addressed in one of two ways:

- i. where the number of figures updated is small, figures will be revised and identified with the symbol “r”. An explanation for the revision will be given in the footnotes to the table.
- ii. where the number of figures updated in a table is substantial, the revisions to the table, together with the reason for the revisions, will be identified in the commentary at the beginning of the relevant chapter/section, and in the commentary above affected tables. Revisions will not be identified by the symbol “r” since where there are a large number of revisions in a table this could make them more difficult to read.

Occasionally updated figures will be provided to the editor during the course of the year. Since this Bulletin is published electronically, it is possible to revise figures during the course of the year. However, to ensure continuity and consistency, figures will only be adjusted during the year where it is likely to substantially affect interpretation and use of the figures.

## Further Information (cont.)

---

### Contact Us

Defence Economics welcomes feedback on our statistical products. If you have any comments or questions about this publication or about our statistics in general, you can contact us as follows:

### Defence Economics (Defence Expenditure Analysis)

Telephone: 030 679 34531

Email: [DefStrat-Stat-Enquiries-Mailbox@mod.uk](mailto:DefStrat-Stat-Enquiries-Mailbox@mod.uk)

If you require information which is not available within this or other available publications, you may wish to submit a Request for Information under the Freedom of Information Act 2000 to the Ministry of Defence. For more information, see:

<https://www.gov.uk/make-a-freedom-of-information-request/the-freedom-of-information-act>

### Other contact points within Defence Economics and Defence Statistics are:

Defence Expenditure Analysis	030 6793 4531	<a href="mailto:DefStrat-Econ-ESES-DEA-Hd@mod.uk">DefStrat-Econ-ESES-DEA-Hd@mod.uk</a>
Price Indices	030 6793 2100	<a href="mailto:DefStrat-Econ-ESES-PI-Hd@mod.uk">DefStrat-Econ-ESES-PI-Hd@mod.uk</a>
Naval Service Manpower	023 9262 5956	<a href="mailto:DefStrat-Stat-Navy@mod.uk">DefStrat-Stat-Navy@mod.uk</a>
Army Manpower	01264 886178	<a href="mailto:DefStrat-Stat-Army-Enquiries@mod.uk">DefStrat-Stat-Army-Enquiries@mod.uk</a>
RAF Manpower	01494 496822	<a href="mailto:DefStrat-Stat-Air@mod.uk">DefStrat-Stat-Air@mod.uk</a>
Tri-Service Manpower	020 7807 8896	<a href="mailto:DefStrat-Stat-Tri-Enquiries@mod.uk">DefStrat-Stat-Tri-Enquiries@mod.uk</a>
Civilian Manpower	020 7218 1359	<a href="mailto:DefStrat-Stat-CivEnquiries@mod.uk">DefStrat-Stat-CivEnquiries@mod.uk</a>
Health Information	030 6798 4423	<a href="mailto:DefStrat-Stat-Health-PQ-FOI@mod.uk">DefStrat-Stat-Health-PQ-FOI@mod.uk</a>
Surveys	020 7218 0117	<a href="mailto:DefStrat-Stat-WDS-Surveys@mod.uk">DefStrat-Stat-WDS-Surveys@mod.uk</a>

### If you wish to correspond by mail, our postal address is:

Defence Economics (Defence Expenditure Analysis)  
Ministry of Defence  
Oak 0W #6028  
MOD Abbey Wood North  
Bristol  
BS34 8QW

For general MOD enquiries, please call: 020 7218 9000