Brussels, September 2013 Silvija Guzelytė, Policy and Planning Officer





# **EU-US Defence Data 2011**

# EU and US Defence Expenditure in 2011

EDA has compared the 2011 defence expenditure of its participating Member States with that of the United States for the same year.

The data show that the US spent  $\underbrace{\textbf{€503 billion}}_{\textbf{billion}}$  on defence in 2011 compared to  $\underbrace{\textbf{€193}}_{\textbf{billion}}$  spent in the EU: around 2,5 times more.

The EU data represent spending of 26 EDA participating Member States\*. The US data are based on public sources, mainly US Government publications. Data on GDP, General Government Expenditure, Population and Euro/US Dollar exchange rates were collected from Eurostat.

The Euro/US Dollar exchange rates are annual averages. In 2011, it was €1 = \$1,3920.

\* All EU Member States, except Denmark, participate in EDA. In this document, any mention of the EU refers to the 26 EU Member States, excluding Denmark; and Croatia which became the 27<sup>th</sup> EDA Member State on 1 July 2013.



# **Methodological Notes**

#### **Discretionary expenditure**

US defence expenditure is confined to discretionary expenditure. Mandatory expenditure is thus excluded. This allows a more accurate comparison between the EU and US figures. Moreover, discretionary expenditure represents more than 99% of US total expenditure.

#### Methodology

The gathering of US defence expenditure data was based on last year's methodology.

Instead of Budget Authority, which refers to committed spending, Outlay figures were used, as these refer to actual spending. This contributes to a greater accuracy when US and EU figures are compared, since the EU data is also based on actual expenditure.

In publications prior to 2010, US civilian personnel costs were included in the defence spending category 'Operation and Maintenance'. This is the practice followed in the US defence budget documents. To allow for a direct comparison between the EU and US figures, US civilian personnel costs were included in the defence spending category 'Personnel', as is the case for the EU data.

The above methodology was also applied to previous years.

#### Rounding

For ease of reading, most of the figures were rounded up to millions or billions of Euros. However, in order to guarantee accuracy, percentages were calculated using complete figures.



#### Macro Economic Data

#### **Defence Expenditure**

	2010		2011		% change	
	EU	US	EU	US	EU	US
Total	€ <b>194</b> billion	€ <b>520</b> billion	€ <b>193</b> billion	€ <b>503</b> billion	- 0,5%	<b>- 3,3</b> %*
As % of GDP	<b>1,61</b> %	4,77%	<b>1,55</b> %	4,66%	<b>- 3,4</b> %	- 2,3%
As % of Total Government Expenditure	3,20%	<b>11,23</b> %	<b>3,17</b> %	<b>11,18</b> %	- 0,9%	- 0,4%
Per Capita	€390	€ <b>1 676</b>	€387	€ <b>1 610</b>	- 0,7%	<b>- 3,9</b> %*

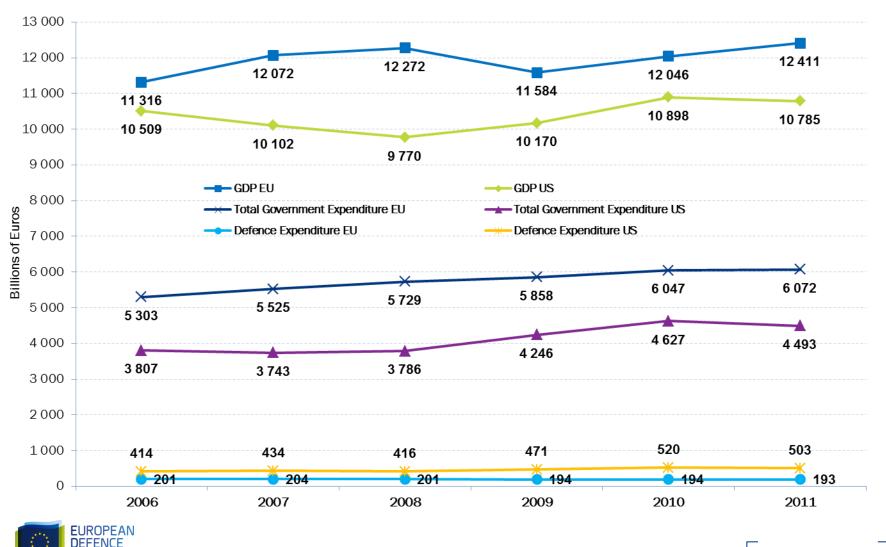
\* A significant part of this percentage change is due to exchange rate variations. If instead of values in euros, values in dollars were used, the percentage change of the US total defence expenditure between 2010 and 2011 would be **+1,5%** and that of the defence expenditure per capita would be **+0,9%**.



#### Macro Economic Data

AGENCY

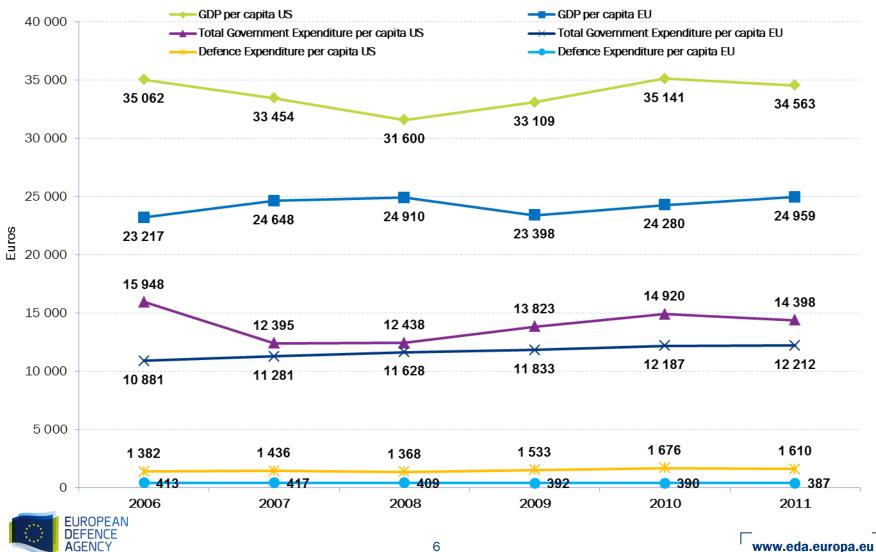
#### **GDP, Total Government Expenditure and Defence Expenditure**



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#### Macro Economic Data

#### **GDP, Total Government Expenditure and Defence Expenditure** per capita



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### **Defence Expenditure Breakdown - absolute values**

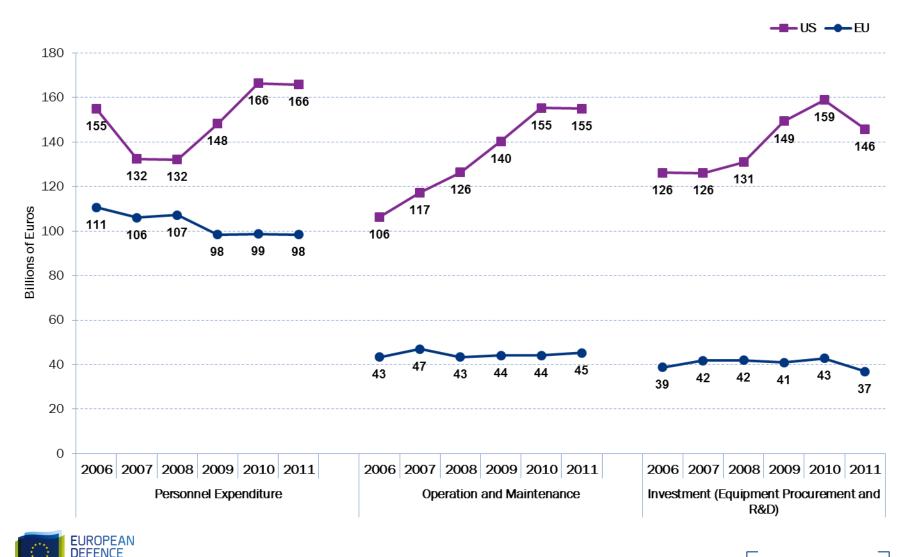
	2010		2011		% change	
	EU	US	EU	US	EU	US
Personnel	€ <b>98,7</b> billion	€ <b>166,3</b> billion	€ <b>98,4</b> billion	€ <b>165,7</b> billion	- 0,2%	- 0,3%*
<b>Operation &amp; Maintenance</b>	€ <b>43,7</b> billion	€ <b>155,3</b> billion	€ <b>45,2</b> billion	€ <b>155,0</b> billion	+ 3,6%	- 0 <b>,2</b> %*
Investment (Equipment Procurement and R&D)	€ <b>42,9</b> billion	€ <b>158,8</b> billion	€ <b>37,0</b> billion	€ <b>145,7</b> billion	<b>- 13,8</b> %	- <b>8,2</b> %*
Other	€ <b>8,4</b> billion	€ <b>39,3</b> billion	€ <b>11,9</b> billion	€ <b>36,0</b> billion	+ 42,9%	<b>- 8,3</b> %*

\* A significant part of this percentage change is due to exchange rate variations. If instead of values in euros, values in dollars were used, the percentage change of the US defence expenditure components between 2010 and 2011 would be: **Personnel +4,6%**, **O&M +4,8%**, **Investment -3,7%** and **Other -3,8%**.

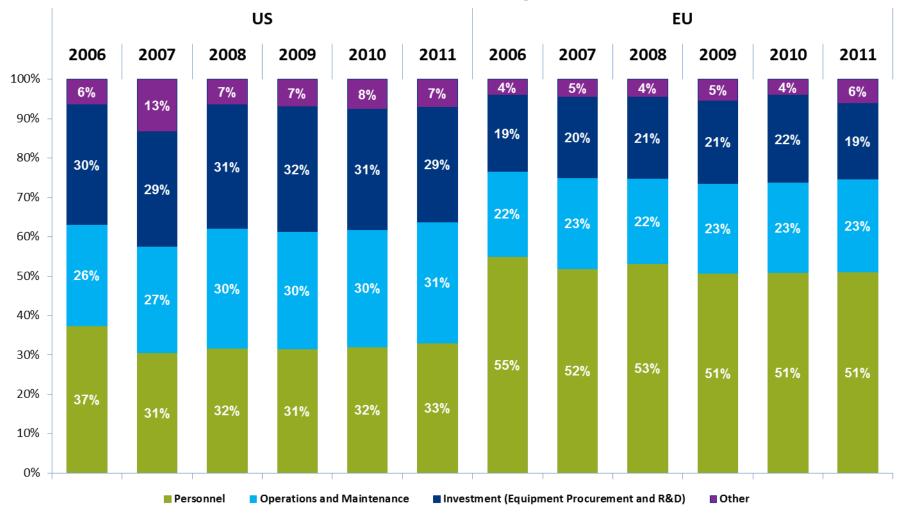


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#### **Defence Expenditure Breakdown - absolute values**

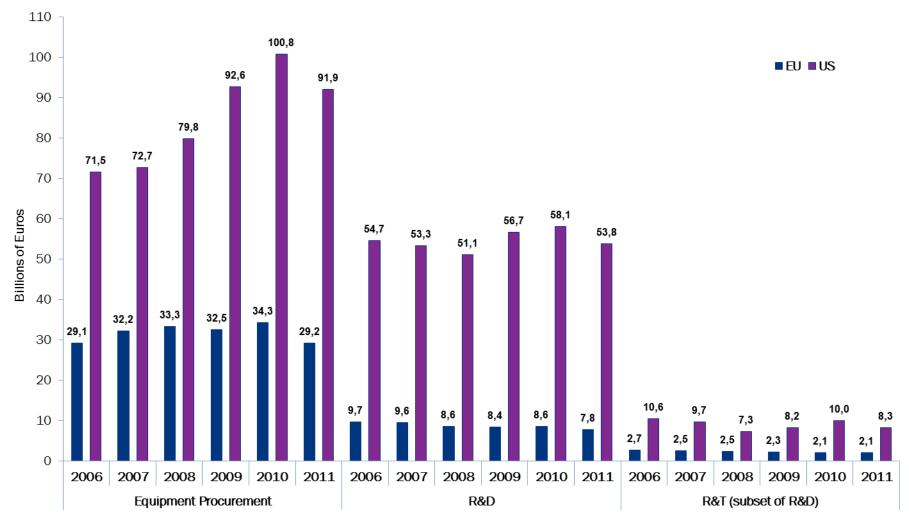


#### **Defence Expenditure Breakdown – percentages**





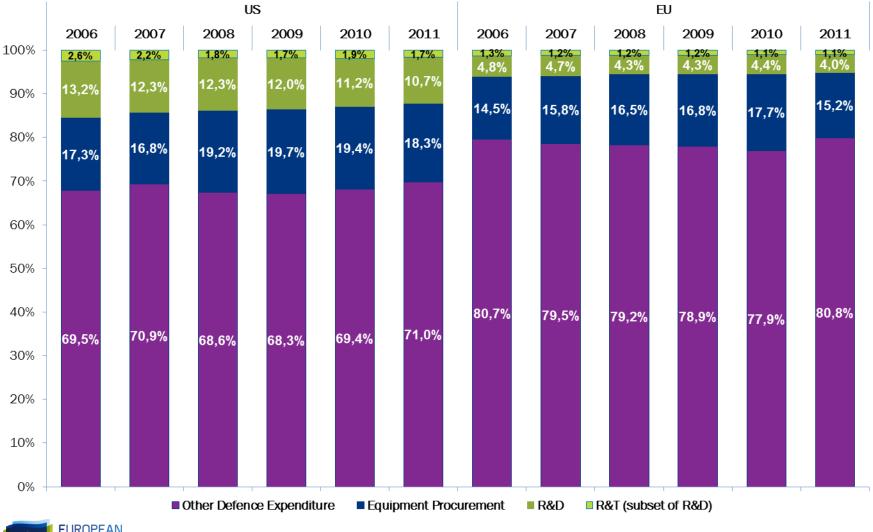
#### **Defence Investment Breakdown – absolute values**



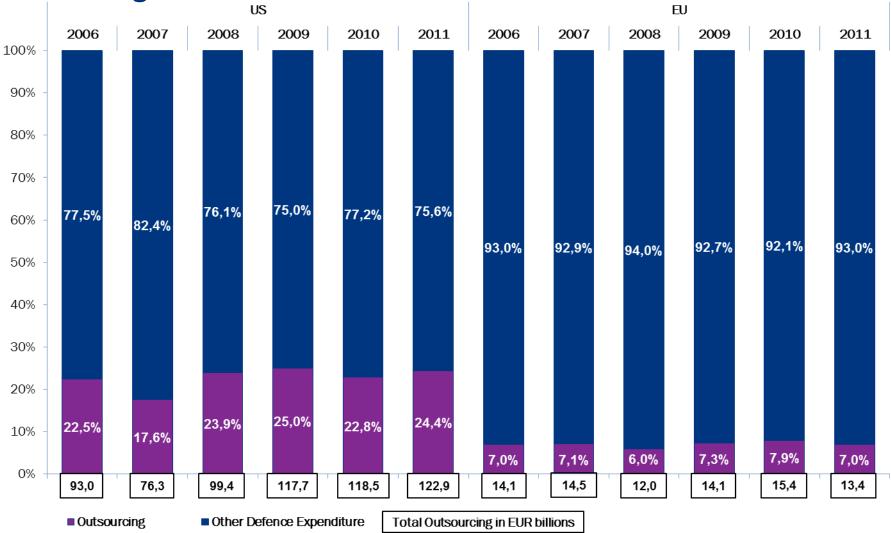


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#### **Defence Investment Breakdown – percentages**







#### Outsourcing

#### PERSONNEL

## **Number of Personnel and Expenditure per Soldier**

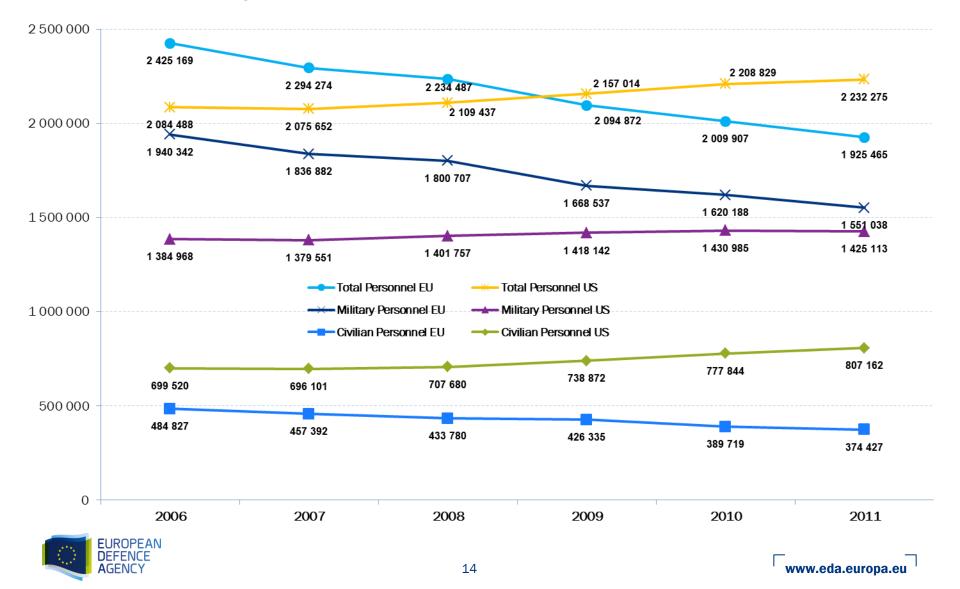
	20	10	2011		% change	
	EU	US	EU	US	EU	US
Military Personnel	1 620 188	1 430 985	1 551 038	1 425 113	- 4,3%	<b>- 0,4</b> %
Civilian Personnel	389 719	777 844	374 427	807 162	- <b>3,9</b> %	+ 3,8%
Defence Spend per Soldier	€119 455	€363 166	€124 133	€352 606	+ 3,9%	<b>- 2,9</b> %*
Investment per Soldier (Equipment Procurement and R&D)	€26 458	€110 998	€23 829	€102 264	- 9,9%	- <b>7,9</b> %*

\* A significant part of this percentage change is due to exchange rate variations. If instead of values in euros, values in dollars were used, the percentage change of the US expenditure per military between 2010 and 2011 would be **+1,9%** in the case of defence expenditure and **-3,3%** in the case of investment.



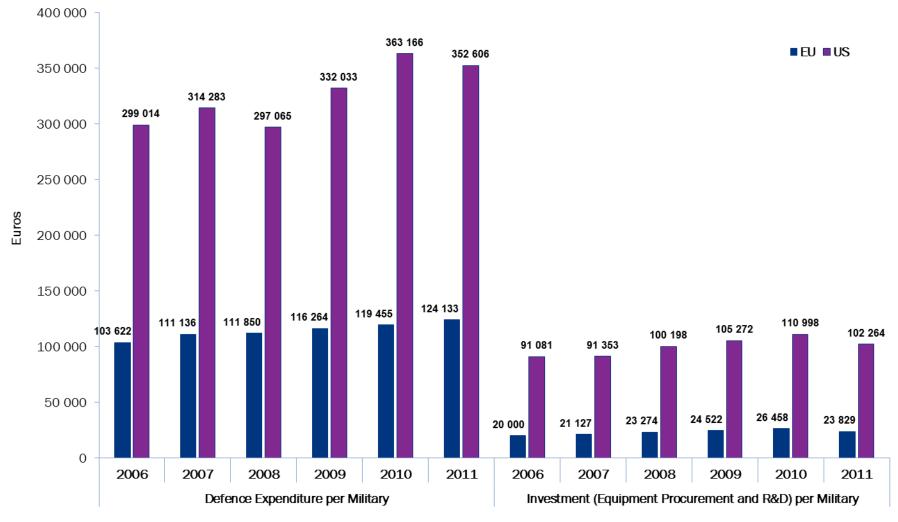
#### PERSONNEL

#### **Number of Military and Civilian Personnel**



#### DEFENCE EXPENDITURE PER MILITARY

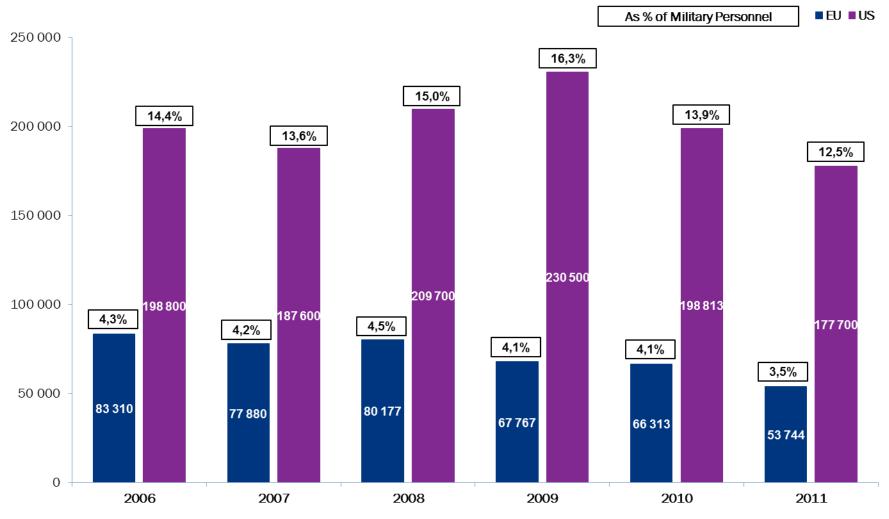
### **Defence Expenditure and Investment per Military**





#### DEPLOYABILITY

#### **Average Number of Troops Deployed**





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