



European Defence Agency

Europe and United States Defence Expenditure in 2010

Brussels, 12/01/2012
Maria Leonor Pires, Statistics Officer

Europe and United States: Defence Expenditure in 2010

Brussels, December 2011

EDA has compared the defence expenditure of its participating Member States with United States defence spending in 2010. The data show that the US spent €520 Billion on defence in 2010, compared to €194 billion spent in the EU* (a ratio of 2.7:1).

EU data represent spending by the 26 EDA participating Member States*. US data are based on public sources, mainly US Government publications.

The Euro/Dollar exchange rate is based on the average for each year. In 2010 it was \$1,3257 = €1

* All EU Member States except Denmark participate in EDA. Throughout this document any mention to EU refers to EU Member States excluding Denmark.

Discretionary expenditure

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

Change in methodology

There have been changes in the methodology used to gather information on US defence expenditure:

- Instead of Budget Authority, which refers to committed spending, Outlay figures have been used since these refer to actual spend. This contributes to greater accuracy when US and EU expenditures are compared since EU data is also based on actual expenditure.
- In previous publications 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. But it makes the comparison between US and EU figures less direct. Thus, US civilian personnel costs are now included in the defence spending category 'Personnel', as retrospectively is already the case for EU data figures.

The above changes have been applied to previous years.

Rounding

For ease of reading, a large part of the figures were rounded up to millions or billions of Euros. In order to guarantee accuracy, percentages were calculated using the complete figures. This means that the percentage values in this document can be slightly different than the ones that would be obtained if they were calculated using the rounded up monetary figures.



Macro-Economic Data

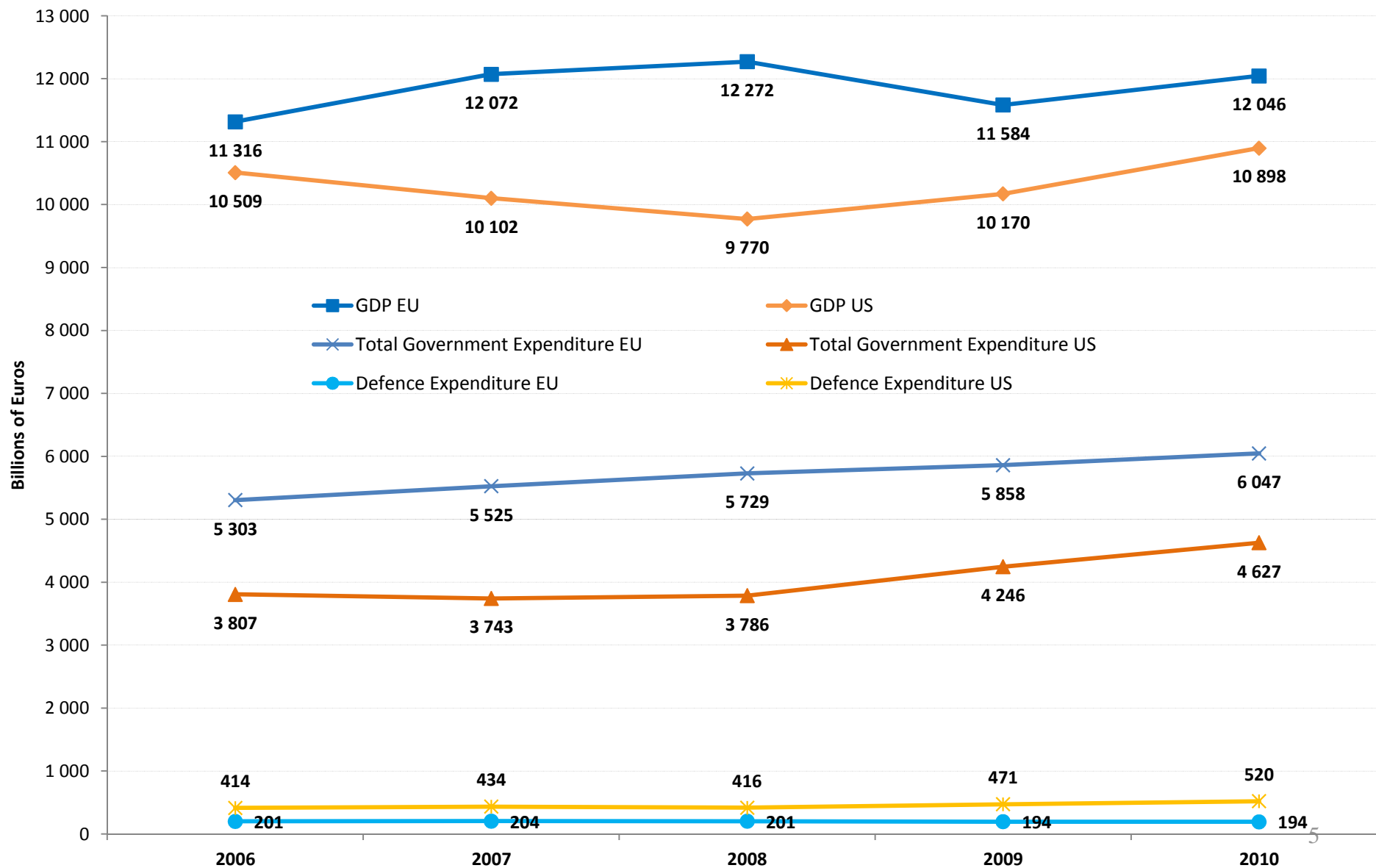
Defence Expenditure	2009		2010		% change 2009-2010	
	EU	US	EU	US	EU	US
Total	€194 billion	€471 billion	€194 billion	€520 billion	0%	10.4%*
As % of GDP	1.7%	4.6%	1.6%	4.8%	-4.1%	3.0%
As % of Total Government Expenditure	3.3%	11.1%	3.2%	11.2%	-3.3%	1.3%
Per Capita	392	1533	390	1676	-0.4%	9.3%*

* A significant part of this percentage change is due to exchange rate variations. If instead of values in euros, values in dollars would be used than the percentage change for the US total Defence Expenditure between 2009 and 2010 would be 4.9% and the expenditure per capita would be 3.9%.



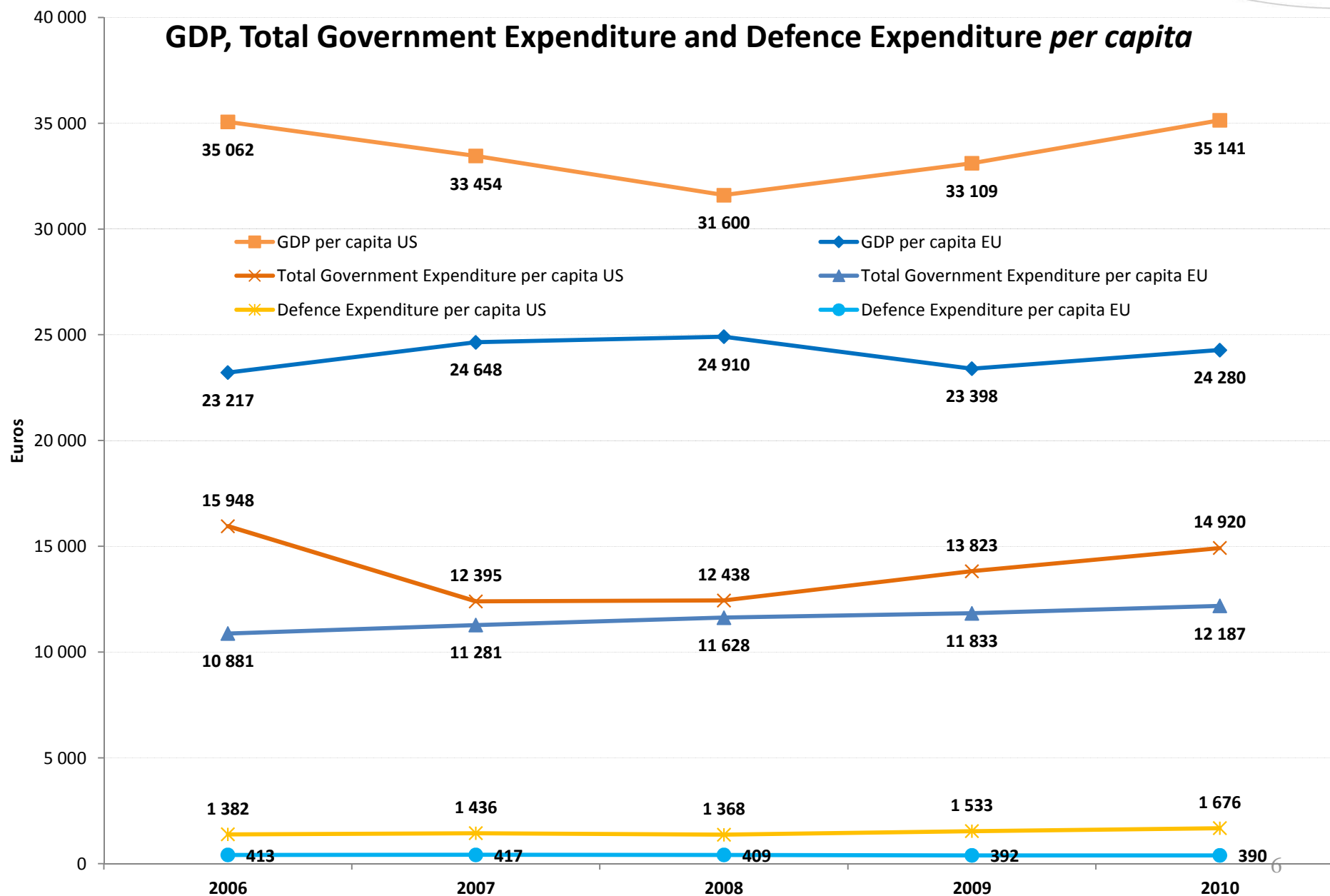
Macro-Economic Data: Total

GDP, Total Government Expenditure and Defence Expenditure





Macro-Economic Data: per capita





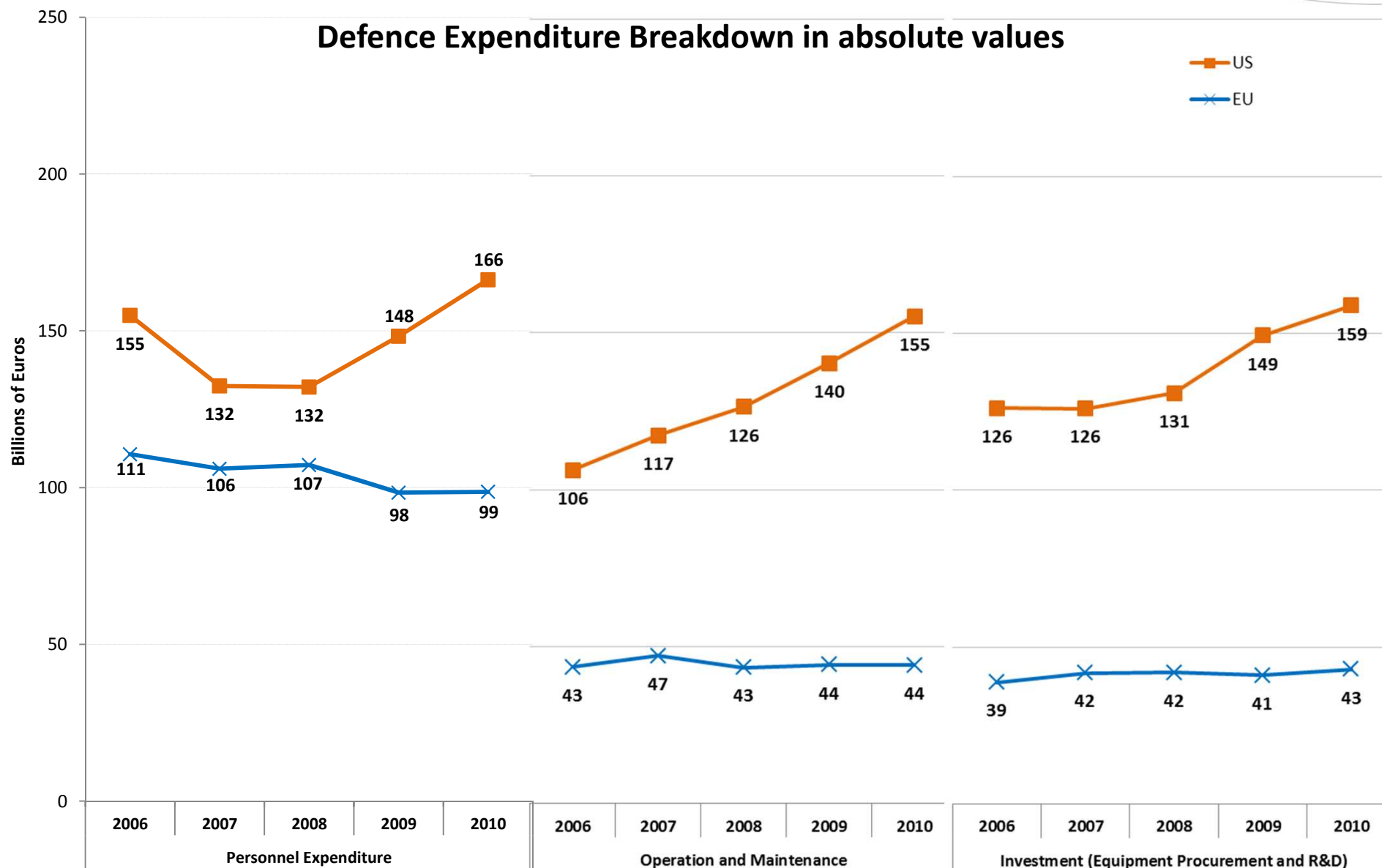
Defence Expenditure: Breakdown

Defence Expenditure Breakdown	2009		2010		% change 2009-2010	
	EU	US	EU	US	EU	US
Personnel	€98 billion	€148 billion	€99 billion	€166 billion	0,3%	12,2%*
Operations & Maintenance	€40,9 billion	€140 billion	€42,9 billion	€155 billion	4,8%	10,7%*
Investment Equipment Procurement and R&D	€44,2 billion	€149 billion	€44,1 billion	€159 billion	-0,1%	6,4%*
Other	€10,5 billion	€33 billion	€7,9 billion	€39 billion	-24,8%	18,9%

* An important part of this percentage change is due to exchange rate variations. If instead of values in euros, values in dollars would be used than the percentage change for each one of the US defence expenditure components would be: Personnel 6,6%; O&M 5,2% and Investment 1,1%.



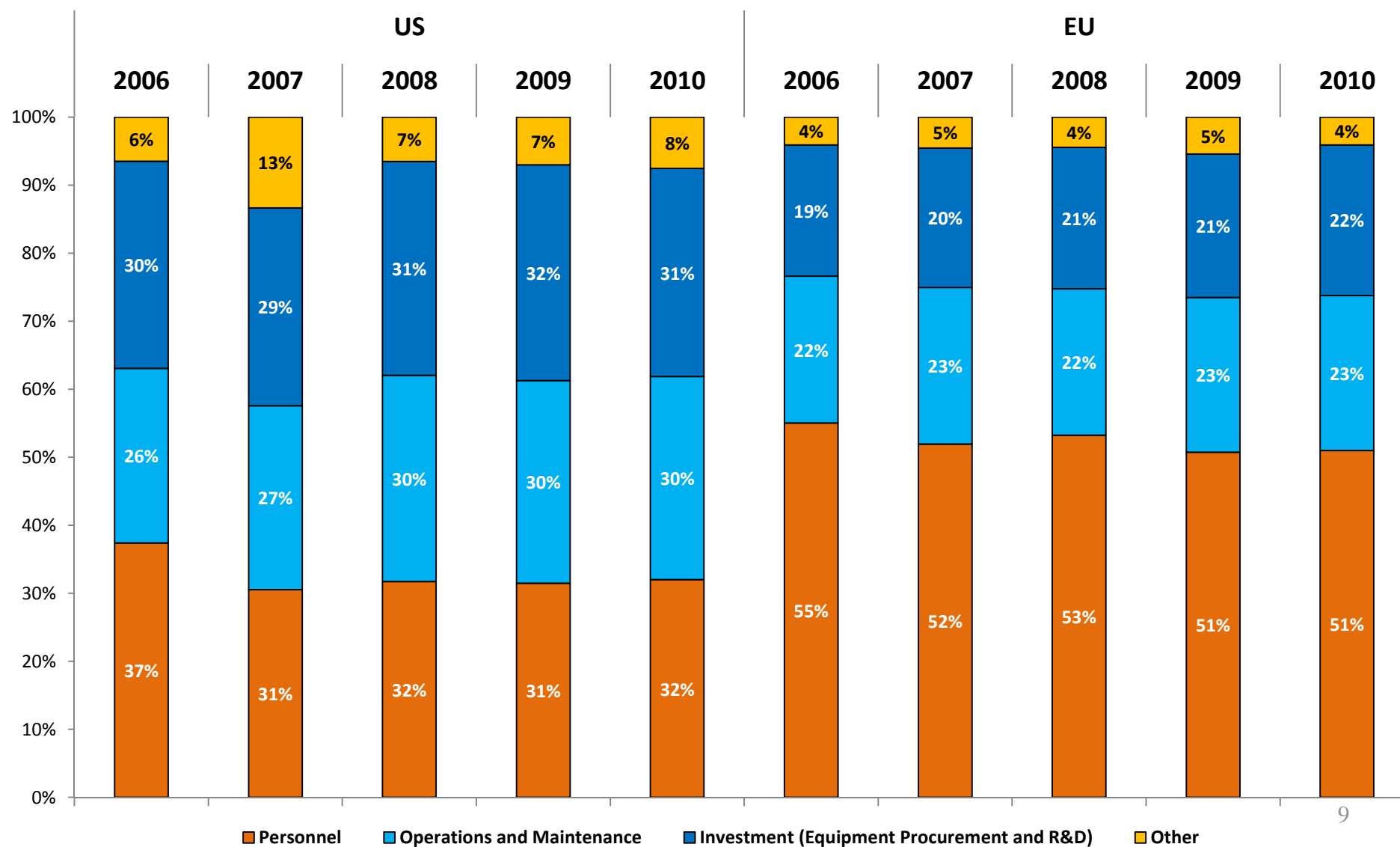
Defence Expenditure: Breakdown





Defence Expenditure: Breakdown

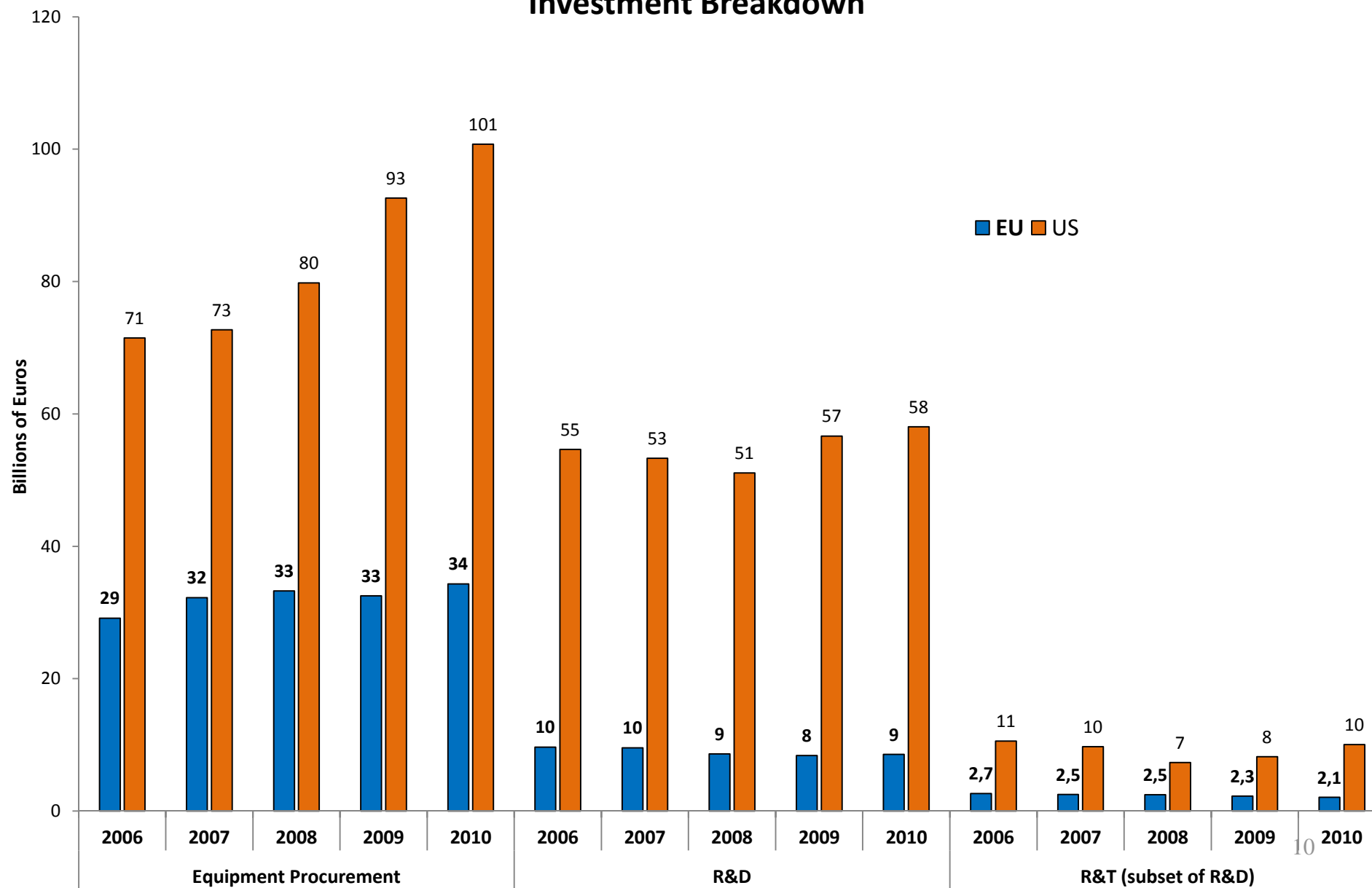
Defence Expenditure - percentage breakdown





Defence Expenditure: Investment

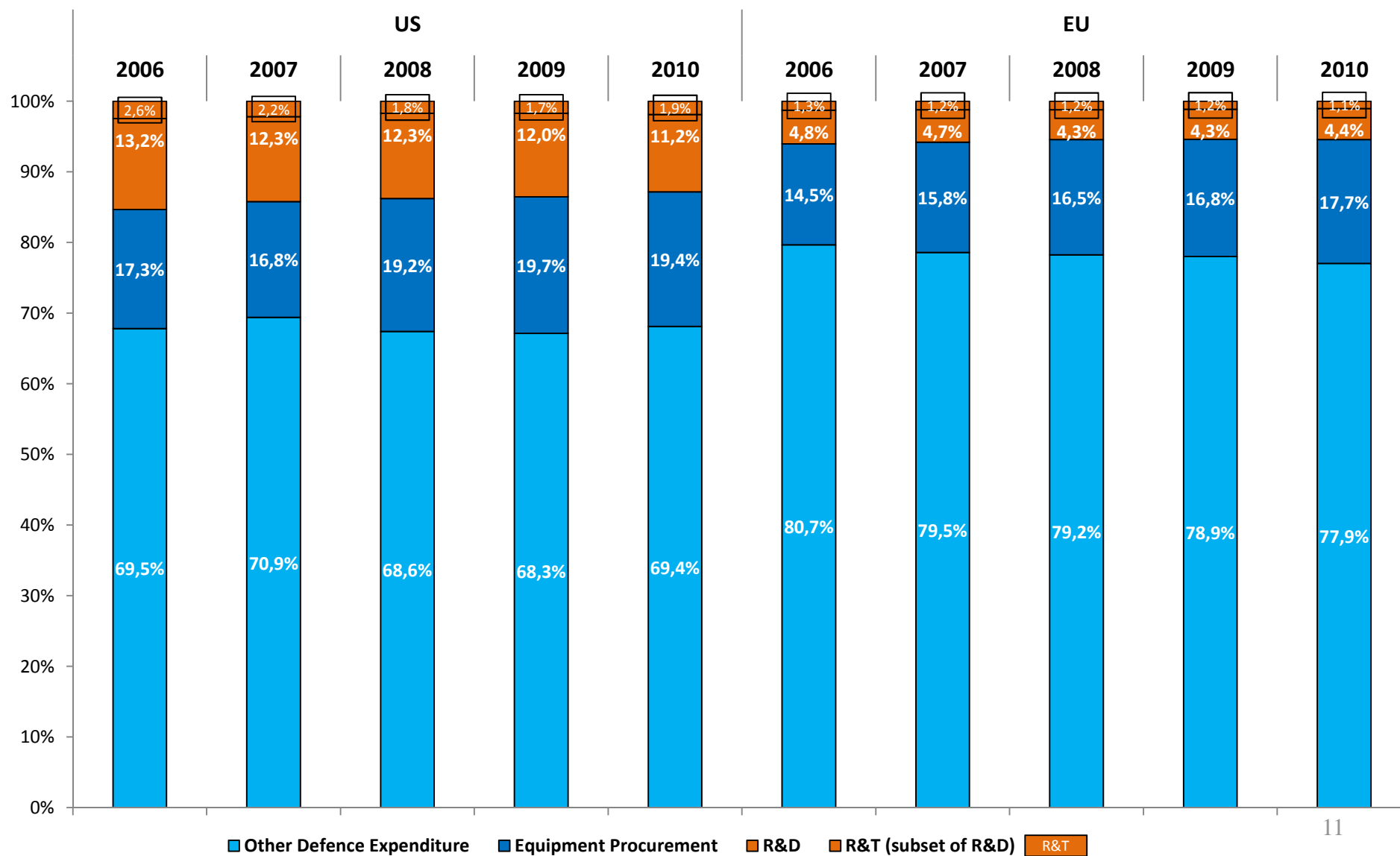
Investment Breakdown





Defence Expenditure: Investment

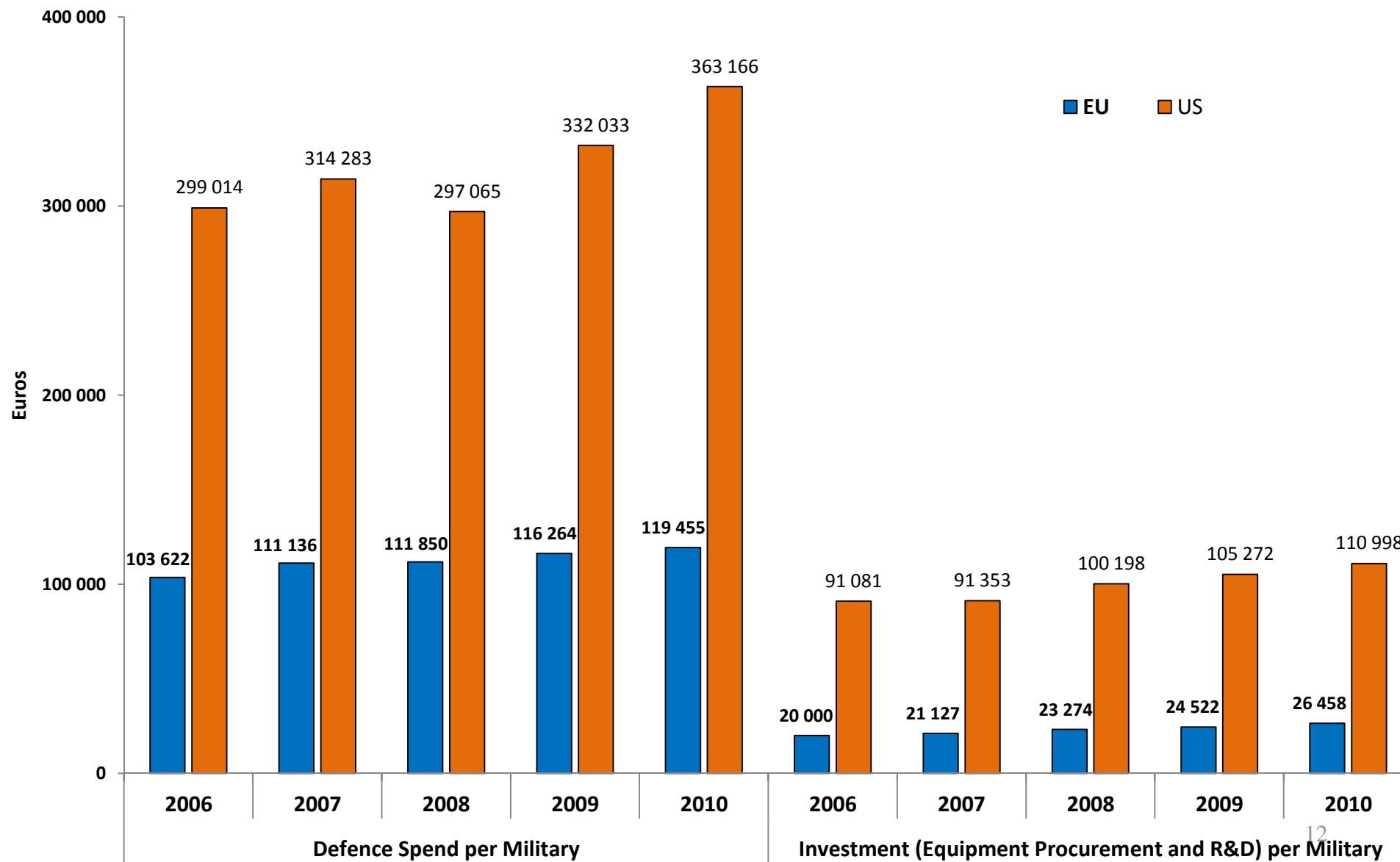
Defence Investment - percentage breakdown





Defence Expenditure: Personnel

Defence Spend and Investment per Military





Personnel

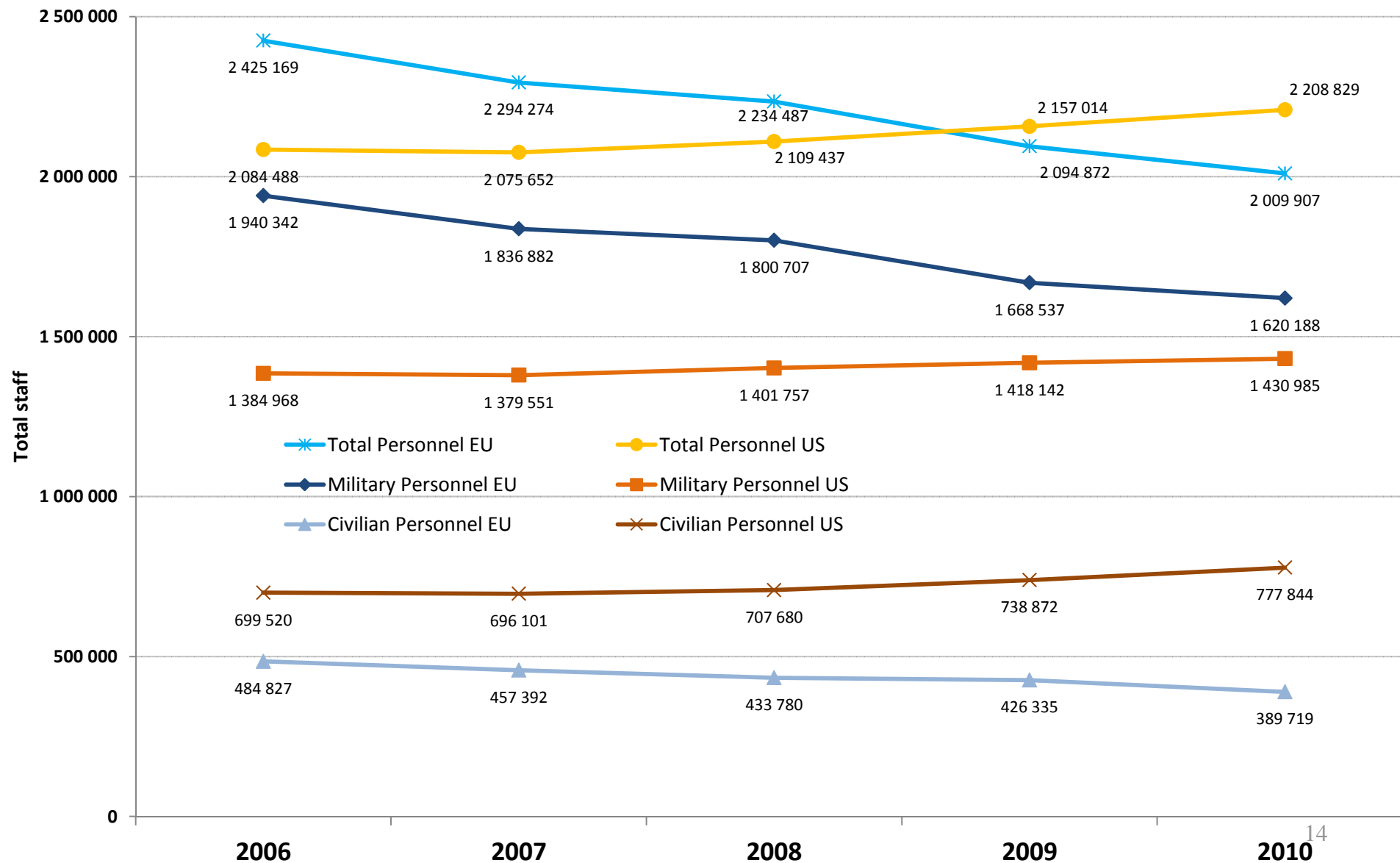
Personnel	2009		2010		% change 2009-2010	
	EU	US	EU	US	EU	US
Military Personnel	1 668 537	1 418 142	1 620 188	1 430 985	-2,9%	0,9%
Civilian Personnel	426 335	738 872	389 719	777 844	-8,6%	5,3%
Defence spend per Military	€116 264	€332 033	€119 455	€363 166	2,7%	9,4%*
Investment (Equipment Procurement and R&D) per Military	€24 522	€105 272	€26 458	€110 998	7,9%	5,4%*

* A significant part of this percentage change is due to exchange rate variations. If instead of values in euros, values in dollars would be used than the percentage change of US expenditure per military would be 4% for defence spend and 0,2% in the case of the investment per military.



Personnel

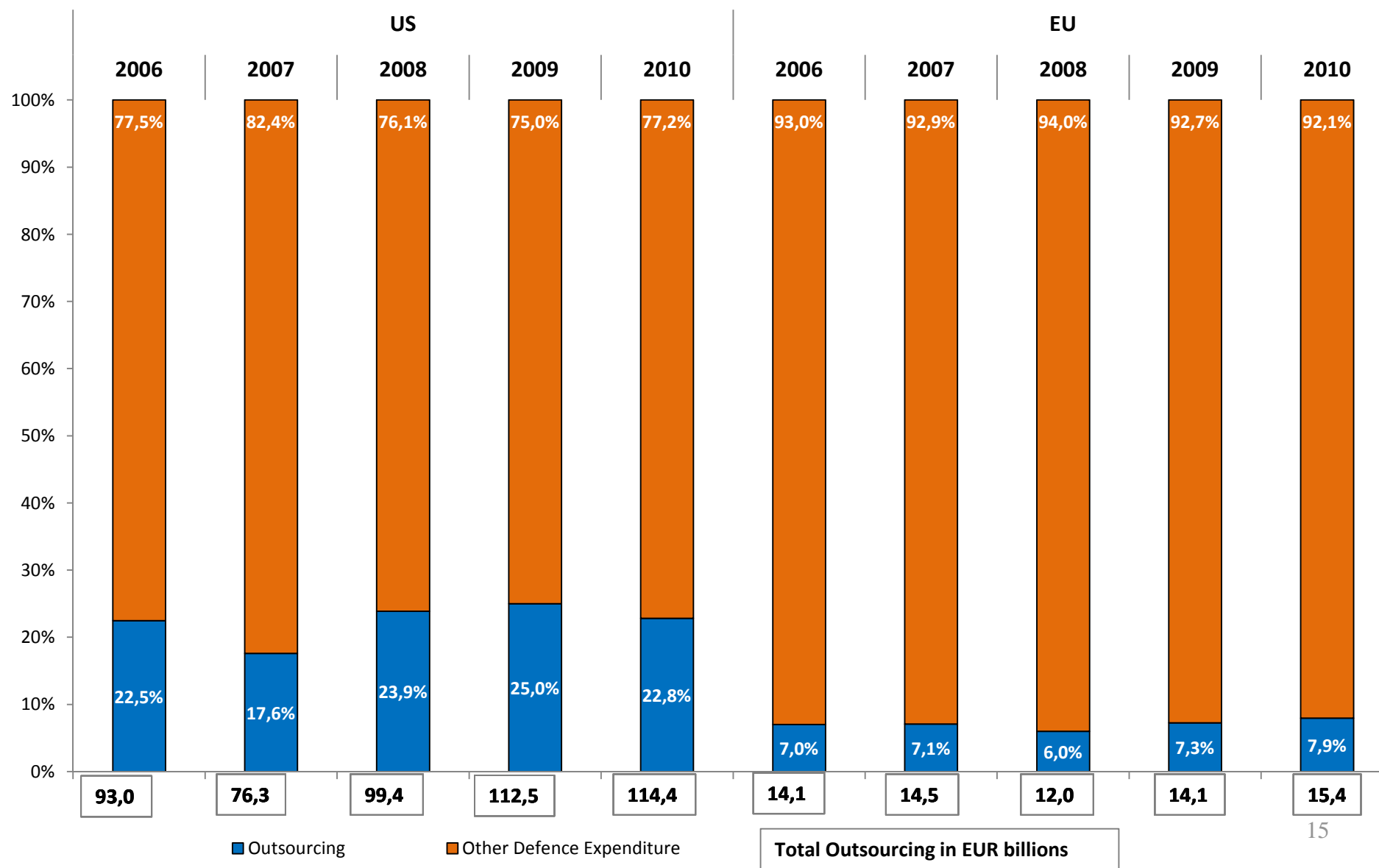
Military and Civilian Personnel





Defence Expenditure: Outsourcing

Outsourcing





Deployability

Average Number of Troops Deployed

Average Number of Troops Deployed as a % of Military Personnel

