

STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE Contact: Alexandra Manolache Communications Officer Mobile: +46 766 286 133 Email: alexandra.manolache@sipri.org

# World military spending rises to almost \$2 trillion in 2020

(Stockholm, 26 April 2021) Total global military expenditure rose to \$1981 billion last year, an increase of 2.6 per cent in real terms from 2019, according to new data published today by the Stockholm International Peace Research Institute (SIPRI), available at <u>www.sipri.org</u>. The five biggest spenders in 2020, which together accounted for 62 per cent of global military expenditure, were the United States, China, India, Russia and the United Kingdom. Military spending by China grew for the 26th consecutive year.

## Military expenditure increases in the first year of the pandemic

The 2.6 per cent increase in world military spending came in a year when global gross domestic product (GDP) shrank by 4.4 per cent (October 2020 projection by the International Monetary Fund), largely due to the economic impacts of the Covid-19 pandemic. As a result, military spending as a share of GDP —the military burden—reached a global average of 2.4 per cent in 2020, up from 2.2 per cent in 2019. This was the biggest year-on-year rise in the military burden since the global financial and economic crisis in 2009.

Even though military spending rose globally, some countries explicitly reallocated part of their planned military spending to pandemic response, such as **Chile** and **South Korea**. Several others, including **Brazil** and **Russia**, spent considerably less than their initial military budgets for 2020.

'We can say with some certainty that the pandemic did not have a significant impact on global military spending in 2020,' said Dr Diego Lopes da Silva, Researcher with the SIPRI Arms and Military Expenditure Programme. 'It remains to be seen whether countries will maintain this level of military spending through a second year of the pandemic.'

### Strong increase in US military spending continues in 2020

In 2020 **US** military expenditure reached an estimated \$778 billion, representing an increase of 4.4 per cent over 2019. As the world's largest military spender, the USA accounted for 39 per cent of total military expenditure in 2020. This was the third consecutive year of growth in US military spending, following seven years of continuous reductions.

'The recent increases in US military spending can be primarily attributed to heavy investment in research and development, and several long-term projects such as modernizing the US nuclear arsenal and large-scale arms procurement,' said Alexandra Marksteiner, a researcher with SIPRI's Arms and Military Expenditure Programme. 'This reflects growing concerns over perceived threats from strategic competitors such as China and Russia, as well as the Trump administration's drive to bolster what it saw as a depleted US military.'

#### China's military expenditure rises for 26th consecutive year

China's military expenditure, the second highest in the world, is estimated to have totalled \$252 billion in 2020. This represents an increase of 1.9 per cent over 2019 and 76 per cent over the decade 2011–20. China's spending has risen for 26 consecutive years, the longest series of uninterrupted increases by any country in the SIPRI Military Expenditure Database.



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'China stands out as the only major spender in the world not to increase its military burden in 2020 despite increasing its military expenditure, because of its positive GDP growth last year,' said Dr Nan Tian, SIPRI Senior Researcher. 'The ongoing growth in Chinese spending is due in part to the country's long-term military modernization and expansion plans, in line with a stated desire to catch up with other leading military powers.'

#### Economic downturn leads to more NATO members passing the spending target

Nearly all members of the North Atlantic Treaty Organization (**NATO**) saw their military burden rise in 2020. As a result, 12 NATO members spent 2 per cent or more of their GDP on their militaries, the Alliance's guideline spending target, compared with 9 members in 2019. **France**, for example, the 8th biggest spender globally, passed the 2 per cent threshold for the first time since 2009.

'Although more NATO members spent more than 2 per cent of GDP on their militaries in 2020, in some cases this probably had more to do with the economic fallout of the pandemic than a deliberate decision to reach the Alliance's spending target,' said Lopes da Silva, Researcher with the SIPRI Arms and Military Expenditure Programme.

### Other notable developments

- **Russia**'s military expenditure increased by 2.5 per cent in 2020 to reach \$61.7 billion. This was the second consecutive year of growth. Nevertheless, Russia's actual military spending in 2020 was 6.6 per cent lower than its initial military budget, a larger shortfall than in previous years.
- With a total of \$59.2 billion, the **UK** became the fifth largest spender in 2020. The UK's military spending was 2.9 per cent higher than in 2019, but 4.2 per cent lower than in 2011. **Germany** increased its spending by 5.2 per cent to \$52.8 billion, making it the seventh largest spender in 2020. Germany's military expenditure was 28 per cent higher than in 2011. Military spending across **Europe** rose by 4.0 per cent in 2020.
- In addition to China, **India** (\$72.9 billion), **Japan** (\$49.1 billion), **South Korea** (\$45.7 billion) and **Australia** (\$27.5 billion) were the largest military spenders in the **Asia and Oceania** region. All four countries increased their military spending between 2019 and 2020 and over the decade 2011–20.
- Military expenditure in **sub-Saharan Africa** increased by 3.4 per cent in 2020 to reach \$18.5 billion. The biggest increases in spending were made by **Chad** (+31 per cent), **Mali** (+22 per cent), **Mauritania** (+23 per cent) and **Nigeria** (+29 per cent), all in the Sahel region, as well as **Uganda** (+46 per cent).
- Military expenditure in **South America** fell by 2.1 per cent to \$43.5 billion in 2020. The decrease was largely due to a 3.1 per cent drop in spending by **Brazil**, the subregion's largest military spender.
- The combined military spending of the 11 **Middle Eastern** countries for which SIPRI has spending figures decreased by 6.5 per cent in 2020, to \$143 billion.
- Eight of the nine members of the **Organization of the Petroleum Exporting Countries (OPEC)** for which SIPRI has figures cut their military spending in 2020. Angola's spending fell by 12 per cent, **Saudi Arabia**'s by 10 per cent, and **Kuwait**'s by 5.9 per cent. Non-OPEC oil exporter **Bahrain** also cut its spending by 9.8 per cent.
- The countries with the biggest increases in military burden among the top 15 spenders in 2020 were **Saudi Arabia** (+0.6 percentage points), **Russia** (+0.5 percentage points), **Israel** (+0.4 percentage points) and the **USA** (+0.3 percentage points).



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#### For editors

SIPRI monitors developments in military expenditure worldwide and maintains the most comprehensive, consistent and extensive publicly available data source on military expenditure. The annual update of the SIPRI Military Expenditure Database is accessible from today at <u>www.sipri.org</u>.

SIPRI's Military Expenditure Database is updated annually, and the data set is based on the best opensource evidence available at the time it is compiled. The data set is based in part on adopted budgets rather than final spending during the year and is adjusted once final spending figures are available. These adjustments are then included in the next annual update of the SIPRI database. Because of the uncertainties regarding the economic impacts of the Covid-19 pandemic, the difference between the current estimated military expenditure figures for 2020 and the adjusted figures, which will be available in the database from next year, is likely to be larger than in previous years.

All percentage changes are expressed in real terms (constant 2019 prices). Military expenditure refers to all government spending on current military forces and activities, including salaries and benefits, operational expenses, arms and equipment purchases, military construction, research and development, and central administration, command and support. SIPRI therefore discourages the use of terms such as 'arms spending' when referring to military expenditure, as spending on armaments is usually only a minority of the total.

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#### Stockholm International Peace Research Institute

SIPRI is an independent international institute dedicated to research into conflict, armaments, arms control and disarmament. Established in 1966, SIPRI provides data, analysis and recommendations, based on open sources, to policymakers, researchers, media and the interested public.

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