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## REDUCTION OF MILITARY BUDGETS

Military expenditures in standardized form reported by StatesReport of the Secretary-General

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Explanatory note

Figures in the tables presented below have been reported by participating States on the basis of the standard instrument for international reporting of military expenditures. For analytical purposes, the information on military expenditures received has been computerized, with minor adjustments, to conform to standard statistical practices.

The replies from States are available at the Centre for Disarmament Affairs, United Nations Headquarters.

## I. INTRODUCTION

1. On 12 December 1985, the General Assembly adopted resolution 40/91 B, in which, inter alia, it reiterated its recommendation that all Member States should report annually, by 30 April, to the Secretary-General, using the reporting instrument (see annex), their military expenditures for the latest fiscal year for which data are available. By paragraph 8 of that resolution, the Assembly once again stressed the need to increase the number of reporting States with a view to the broadest possible participation from different geographic regions and representing different budgeting systems.

2. Pursuant to the request of the General Assembly, the Secretary-General, in a note verbale dated 15 March 1995, requested all Member States to submit their reports no later than 30 April 1995.

3. In reply to his note verbale, the Secretary-General has, to date, received reports from 21 countries, all of which had used the reporting instrument. These reports are reproduced in section II of the present report. Further replies will be issued as addenda to this report.

II. REPLIES RECEIVED FROM GOVERNMENTS

ARGENTINA

[Original: Spanish]

[23 March 1995]

Instrument for standardized international reporting  
of military expenditures

(Actual outlays, current prices)

Country: Argentina

Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Peso

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

AUSTRIA

[Original: English]

[May 1995]

Instrument for standardized international reporting  
of military expenditures

(Actual outlays, current prices)

Country: Austria

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Austrian schilling (millions)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

BRAZIL

[Original: English]

[28 April 1995]

Instrument for standardized international reporting  
of military expenditures

(Actual outlays, current prices)

Country: Brazil

Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Reais (thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

BULGARIA

[Original: English]

[6 June 1995]

Instrument for standardized international reporting  
of military expenditures

(Actual outlays, current prices)

Country: Bulgaria

Fiscal year: 1994

National currency and unit of measure: Lev (thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)



CANADA

[Original: English]

[10 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Canada

Fiscal year: 1 April 1993 to 31 March 1994

National currency and unit of measure: Canadian dollar (hundred thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

/...

Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: Not applicable.

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity cost.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: Not applicable.

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: Nil.

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition: \$140 million per annum.

Sales from the military sector of:

|                                 |   |                                     |
|---------------------------------|---|-------------------------------------|
| (a) Land                        | ) |                                     |
|                                 | ) |                                     |
| (b) Real estate other than land | ) |                                     |
|                                 | ) |                                     |
| (c) Equipment                   | ) | Sales from military are negligible. |
|                                 | ) |                                     |
| (d) Services                    | ) |                                     |
|                                 | ) |                                     |
| (e) Other                       | ) |                                     |

4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>    |                      |
|--|------------------|----------------------|
|  | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | X                |                      |
| Exports of military equipment                            |                  | X                    |
| Such exports divided by:                                 |                  |                      |
| (i) Countries  |                  | X                    |
| (ii) Regions   |                  | X                    |
| Imports of military equipment                            |                  | X                    |
| Such imports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |

5. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways of comparing the military expenditures of the responding country with those of other countries.

CHILE

[Original: Spanish]

[20 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Chile

Fiscal year: 1995

National currency and unit of measure: Chilean peso (thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

CROATIA

[Original: English]

[19 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Croatia

Fiscal year: ...

National currency and unit of measure: ...

(The unit of measure should not exceed one ten thousandth of the total military expenditures.)

Bearing in mind the fact that Security Council resolution 713 (1991) is still in force, and maintaining its position as expressed in its notes verbales 15/93 of 30 April 1993, 19/93 of 5 May 1993 and 85/94 of 13 June 1994, the Republic of Croatia states that no import or export of armaments or military equipment has taken place, thus submitting a "nil-report".

/...

FINLAND

[Original: English]

[3 May 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Finland

Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Finnish markka (millions)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

Notes

1. The expenditures of our presence in the United Nations peace-keeping operations are reported as gross expenditures. The United Nations reimburses a certain share of these expenditures according to the agreed principles of reimbursement. However, due to a certain delay in the United Nations reimbursements, it is difficult for Finland to determine the real net expenditures for us.

2. The civilian defence expenditures are not included in the military expenditures in Finland. Instead, they are allocated to be expenditures of the Ministry of the Interior. Municipalities and private sectors are the main source of financing of civil defence.

FRANCE

[Original: French]

[22 May 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: France

Fiscal year: 1995

National currency and unit of measure: Franc (hundred thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)



ANNEX

Explanatory note on the presentation  
of the French military budget

- Unit of measure: millions of French francs.
- Column (1), "Strategic forces", includes appropriations for nuclear deterrence.
- Personnel expenditure does not include civil and military pensions (F 49,192,000).
- Column (8), "Paramilitary forces", includes appropriations for the gendarmerie.
- The military assistance appropriations included in the budgets of the Ministry of Foreign Affairs and the Ministry of Cooperation amount to F 874 million.
- Civil defence appropriations are not included in the budget of the Ministry of Defence; they amount to F 312,710,000.

HUNGARY

[Original: English]

[31 May 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Hungary

Fiscal year: 1994

National currency and unit of measure: Forint (thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: 30,000 Ft/person/month.

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity cost.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 41,394.

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: 24,850,000 DM.

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition: Not available.

Sales from the military sector of:

(a) Land: 6,722,269,000 Ft.

(b) Real estate other than land: 679,730,000 Ft.

(c) Equipment: 9,771,000 Ft.

(d) Services: 1,025,430,000 Ft.

(e) Other: Nil.

4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>    |                      |
|--|------------------|----------------------|
|  | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector |                  | X                    |
| Exports of military equipment                            | X                |                      |
| Such exports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |
| Imports of military equipment                            | X                |                      |
| Such imports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |

5. The published exchange rate is available.

LATVIA

[Original: English]

[14 March 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Latvia

Fiscal year: 1994/1995

National currency and unit of measure: Lat

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

/...

NETHERLANDS

[Original: English]

[25 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Netherlands

Fiscal year: 1 January to 31 December 1993

National currency and unit of measure: Netherlands guilder (thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

Appendix to the reporting matrix 1993

1. 1.1.2 Military pensions are included in total under "Support" (6) in the amount of 1,564,452,000 guilders, as a "surrogate" of pension fees.
2. 1.2.2 Major overhauls and modifications are included in the appropriate "procurement" items.
3. 1.2.4 Rent costs are not available.
4. Some of the amounts for research and development are for technical reasons included in the appropriate "procurement" items.
5. The Netherlands Royal "Marechaussee" (charged with external as well as internal security tasks) is represented under (5) "Other combat forces". Additional expenditures concerning the "Marechaussee" forces are included in the figures presented under (2), (3) and (4).

Part I

(t) Land (row 2.2.12)

Information on sales of land by the military sector is requested in part II below.

(u) Research and development (row 3)

A distinction between the two subdivisions of this item could be made according to the degree to which research activities are object-oriented, i.e., connected with the creation of a concrete product such as a specific weapon system. Basic and applied but not object-oriented research may accordingly fall under the subdivision 3.1, while mainly object-oriented research comes under subdivision 3.2 together with the development activities, which are regarded as always object-destinated.

Where the respondents find difficulties in dealing with the subcategories, they are requested to make comments along these lines and to attach such comments to the completed matrix.



Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: 25,700 Netherlands guilders a year.

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity cost.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 35,186.

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: None.

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition:

Sales from the military sector of:

|                                 |   |                                   |
|---------------------------------|---|-----------------------------------|
| (a) Land                        | ) |                                   |
|                                 | ) |                                   |
| (b) Real estate other than land | ) |                                   |
|                                 | ) |                                   |
| (c) Equipment                   | ) | 129,100,000 Netherlands guilders. |
|                                 | ) |                                   |
| (d) Services                    | ) |                                   |
|                                 | ) |                                   |
| (e) Other                       | ) |                                   |

4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>    |                      |
|--|------------------|----------------------|
|  | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | X                |                      |
| Exports of military equipment                            |                  | X                    |
| Such exports divided by:                                 |                  |                      |
| (i) Countries  |                  | X                    |
| (ii) Regions   |                  | X                    |
| Imports of military equipment                            | X                |                      |
| Such imports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |

5. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways of comparing the military expenditures of the responding country with those of other countries.

NEW ZEALAND

[Original: English]

[8 May 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: New Zealand

Fiscal year: 1 July 1993 to 30 June 1994

National currency and unit of measure: New Zealand dollar (thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

NORWAY

[Original: English]

[25 May 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Norway

Fiscal year: 1994

National currency and unit of measure: Norwegian krone (hundred thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

POLAND

[Original: English]

[31 May 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Poland

Fiscal year: 1994

National currency and unit of measure: Zloty (hundred millions)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

Annex

Explanations and notes to the table:

1. Figures in the table include expenditures for the armed forces born from the budget of the Ministry of National Defence as well as from others as follows:

(a) Expenditures for technical equipment and construction in accordance with the needs of civil defence in the framework of mobilization of the national economy;

(b) Expenditures for the United Nations peace-keeping missions.

2. Figures in the table are expressed in the same currency and at current prices. According to domestic accounting methodology, figures take into account foreseen production costs and average profits of manufacturers. The prices of imported goods result from applied exchange rates.

3. Column (14) (Civil defence) includes expenditures assigned to cover the needs of civil defence formations functioning outside of the armed forces and financed directly from the State budget.

4. Data on costs of keeping personnel:

(a) Line 1.1.1 (Conscripts) includes all non-career soldiers in the armed forces, i.e., conscripts, students of military schools and academies and reservists in active service;

(b) Line 1.1.2 (Other military personnel, including reserves) relates to career soldiers in active service.

5. Data related to construction include outlays on personal quarters of career soldiers (these data are included in line 2.2.5 (Personnel facilities)); military infrastructure and overhauls of buildings - financed from the budget of the Ministry of National Defence.

REPUBLIC OF MOLDOVA

[Original: English]

[28 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Moldova

Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Leu

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: 110 Moldovan lei.

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity cost.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 5,324.

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: -

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition:

Sales from the military sector of:

|                                 |   |       |
|---------------------------------|---|-------|
| (a) Land                        | ) |       |
|                                 | ) |       |
| (b) Real estate other than land | ) |       |
|                                 | ) |       |
| (c) Equipment                   | ) | None. |
|                                 | ) |       |
| (d) Services                    | ) |       |
|                                 | ) |       |
| (e) Other                       | ) |       |



4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>    |                      |
|--|------------------|----------------------|
|  | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector |                  | X                    |
| Exports of military equipment                            | X                |                      |
| Such exports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |
| Imports of military equipment                            | X                |                      |
| Such imports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |

5. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways of comparing the military expenditures of the responding country with those of other countries.

RUSSIAN FEDERATION

[Original: English]

[19 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Russian Federation

Fiscal years: 1992, 1993 and 1994

National currency and unit of measure: Roubles (millions)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

Notes

In accordance with the instructions that accompany the instrument for standardized international reporting of military expenditures and the information submitted by States in the annexes to United Nations reports on military expenditures, the explanatory remarks given below correspond to the footnotes in the table.

a/ Military expenditures by force groups and resource costs are reported in accordance with the structure of the armed forces of the Russian Federation and the income and expenditure classification of the Federal budget.

In so far as strategic forces do not have a clearly defined organizational structure but are part of several branches of the armed forces, the information in column (1) is given only for construction in the strategic missile forces.

Column (2) contains information on land forces, column (3) on naval forces, column (4) on air forces, column (5) on strategic missile forces, anti-aircraft forces and other military forces not included under "Land forces", "Naval forces" or "Air forces".

b/ Column (6) contains information on support for all branches of the armed forces, column (7) on command of the armed forces, including the maintenance of the chief and central directorates of the Ministry of Defence of the Russian Federation and supporting units.

c/ Column (8) contains information on expenditures on construction for paramilitary forces that are not part of the armed forces of the Russian Federation, namely, housing and social, cultural and consumer services and the acquisition of construction technology, motor vehicles for military construction units.

f/ Line 1.1 contains information on all forms of payments to personnel (monetary allowances, salary and compensatory payment to servicemen and civilian personnel). Column (12) of this line provides information on the reserves of the fund for monetary allowances for servicemen and also allocations for the provision of non-reimbursable financial assistance (not yet distributed at the time of the preparation of this report), and the reserves of the awards fund and the fund for extraordinary monetary grants to servicemen and permanent workers and salaried employees.

g/ Line 1.2.2 contains information on expenditures on maintenance and repair of arms and military hardware and also equipment and installations.

Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: Information unavailable.

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity cost.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: Information unavailable.

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: Information unavailable.

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition: Information unavailable.

Sales from the military sector of:

(a) Land: None.

(b) Real estate other than land )

(c) Equipment ) Information unavailable.

(d) Services )

(e) Other )

4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>    |                      |
|--|------------------|----------------------|
|  | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector |                  | X                    |
| Exports of military equipment                            | X                |                      |
| Such exports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |
| Imports of military equipment                            | X                |                      |
| Such imports divided by:                                 |                  |                      |
| (i) Countries  | X                |                      |
| (ii) Regions   | X                |                      |

5. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways of comparing the military expenditures of the responding country with those of other countries.

Answer: For the comparison of military expenditures it is necessary to calculate the purchasing power parity of national currencies.

SLOVENIA

[Original: English]

[27 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Slovenia

Fiscal year: 1994

National currency and unit of measure:

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

SPAIN

[Original: English]

[27 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Spain

Fiscal year: 1994

National currency and unit of measure: Peseta (millions)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

SWEDEN

[Original: English]

[18 May 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: Sweden

Fiscal year: 1 July 1993 to 30 June 1994

National currency and unit of measure: Swedish krona (millions)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

/...



## Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer:

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity cost.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 27,664 man-years.

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: None.

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition: 446 (Land forces), 45 (Naval forces),  
12 (United Nations peace-keeping forces).

Sales from the military sector of:

(a) Land )  
 ) 6 (Naval forces).  
 (b) Real estate other than land )

(c) Equipment: 50 (Land forces), 11 (Naval forces).

(d) Services: 250 (Land forces), 5 (Naval forces).

(e) Other: 113 (Land forces).

4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>    |                      |
|--|------------------|----------------------|
|  | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector |                  | X                    |
| Exports of military equipment                            |                  | X                    |
| Such exports divided by:                                 |                  |                      |
| (i) Countries  |                  | X                    |
| (ii) Regions   |                  |                      |
| Imports of military equipment                            | X <u>1</u> /     |                      |
| Such imports divided by:                                 |                  |                      |
| (i) Countries  |                  |                      |
| (ii) Regions   |                  |                      |

5. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways of comparing the military expenditures of the responding country with those of other countries.

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1/ In accordance with information submitted to the United Nations Register of Conventional Arms.

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

[Original: English]

[28 April 1995]

Instrument for standardized international  
reporting of military expenditures

(Actual outlays, current prices)

Country: United Kingdom of  
Great Britain and  
Northern Ireland

Fiscal year: 1 April 1993 to 31 March 1994

National currency and unit of measure: Pound sterling (hundred thousands)

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: Not applicable.

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity cost.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: Not applicable.

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: Not applicable.

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition:

Sales from the military sector of:

(a) Land: £70.7 million.

(b) Real estate other than land: Included in 3 (a).

(c) Equipment: £66.7 million.

(d) Services:

(e) Other:

4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>    |                      |
|--|------------------|----------------------|
|  | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | X                |                      |
| Exports of military equipment                            | X                |                      |
| Such exports divided by:                                 |                  |                      |
| (i) Countries  |                  | X                    |
| (ii) Regions   | X                |                      |
| Imports of military equipment                            |                  |                      |
| Such imports divided by:                                 |                  |                      |
| (i) Countries  |                  | X                    |
| (ii) Regions   | X                |                      |

5. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways of comparing the military expenditures of the responding country with those of other countries.

ANNEX

Reporting instrument and accompanying instructions

Instrument for standardized international reporting of  
military expenditures

(Actual outlays, current prices)

Country: \_\_\_\_\_ Fiscal year: \_\_\_\_\_  
day month year/day month year

National currency and unit of measure: \_\_\_\_\_

(The unit of measure should not exceed one ten thousandth of the total  
military expenditures.)

## INSTRUCTIONS

### Part I

#### General guidelines

1. The reporting instrument is in the form of a matrix whose vertical axis details expenditures by type of resource costs and whose horizontal axis details expenditures by type of force groups. Concerning the resource costs, the matrix has a pyramidal structure in order to permit reporting on different levels of aggregation. The vertical axis consists of three main cost categories, namely: (1) operating costs; (2) procurement and construction; (3) research and development. Each of these categories is then disaggregated into different subcategories and most of the subcategories into sub-subcategories. The figure given for each main category should be equal to the sum of its respective subcategories, and the figure given for each subcategory should be equal to the sum of its respective sub-subcategories.

2. It is desirable that data should be reported for all types of force groups and all categories of resource costs at all aggregation levels provided in the matrix. If this is not possible, the available data should be submitted.

3. The figures to be reported should show actual military expenditures of the latest fiscal year for which data are available. The amounts shall be reported in the respondent's national currency and in current prices, that is, in prices prevailing in the reporting year. The unit of measure in which expenditures are reported may be the standard currency unit itself (that is, pound, rial, etc.) or a commonly used multiple number of units. This number, however, should not be larger than one ten thousandth of the total amount of the country's military expenditures. For example, if total military expenditures are 78,453,296 national currency units, the reported amounts may be expressed in units as large as  $1/10,000 \times 78,453,296 (= 7,845)$ . That is, the reporting unit of measure may be expressed in thousands of currency units.

4. For the sake of uniformity and clarity of presentation, only the following conventional symbols should be used as required:

- = nil

N = negligible or less than half of the unit employed

( ) = provisional

.. = not applicable

... = not available

The use of blanks or symbols other than those listed above should be avoided. If, however, States feel compelled to use blanks or other symbols, they are requested to give clear explanations of their meaning.

5. It is desirable that data should be reported for all types of force groups and all categories of resource costs, at all levels of aggregation provided in

/...



the matrix. If it is not possible to present figures representing expenditures for a certain force group due to unavailability of data, it is understood that these expenditures should be included in one or more of the other force groups, or at least in the total. For the same reason, if respondents find it possible to supply data on resource costs only for higher (and not for lower) levels of aggregation, they are requested to present the figures on the level of aggregation they find appropriate.

6. With a view to the further refinement of the reporting instrument, the States are requested to comment upon any technical or other difficulties that they may encounter when filling in the matrix and to recommend such changes of the matrix as they may find advisable. Such comments should be attached to the completed matrix.

#### Specific guidelines

The following comments and interpretations are related to those items in the matrix that seem to need some special clarifications. The small letters denoting paragraphs correspond to the notes in the matrix. As has already been pointed out in the introduction, respondents are requested to describe the nature of problems of interpretation that may arise when filling in the matrix.

#### Force groups (column headings)

##### (a) Strategic forces

Respondents are requested to report their expenditures on strategic nuclear arms by applying the definitions elaborated in the SALT II Treaty. Should these definitions not be applicable, respondents are requested to explain their definitions used. Reported data should include expenditures on all forces or units that are specifically equipped and trained to operate systems for carrying and delivering such arms. Expenditures on other nuclear arms and forces should be reported under the respective branch of the armed forces.

##### (b) Central support, administration and command (columns (6) and (7))

Columns (6) and (7) should include supporting activities that are common to more than one of the types of forces covered by columns (1) to (5). Column (6) should include all support activities which, in many cases, may be carried out by special common agencies, while expenditures associated with central command and direction of the military forces should be placed in column (7). The latter would include central and regional military staff with authority over more than one type of force, including the Ministry of Defence administrative function.

##### (c) Paramilitary forces (column (8))

The term paramilitary can apply to a variety of forces. Such forces may be intended to guard the national frontiers, mainly against such activities as illegal migration, smuggling or guerrilla infiltration. In other cases, their chief mission is the maintenance of internal security. Such forces may also be usable against an external armed enemy.

For present purposes, it is necessary to identify those elements that should be included in the military sector and those which should not. It seems reasonable to include in paramilitary forces those units, formations, etc., that are organized, equipped and behave in a similar way to the armed forces, and which could carry out combat actions of the same nature in terms of goal, area and results as those performed by the armed forces.

If respondents present figures under this heading, it is requested that a short description of the functions of these forces be attached to the matrix.

(d) Military assistance (columns (9), (10) and (11))

Figure showing the ways along which military assistance can be granted

[FIGURE FOR OFFSET]

#### Explanations

Military assistance may be given from one country A to another B (flow a) and channelled through the State budget of the receiving country, either to allied forces stationed on this country's territory (flow b) or to the military sector of the receiving country (flow c).

Military assistance may also be given directly to allied forces stationed on another country's territory without passing through any other country's budget (flow d). (A country's support of its own military forces abroad shall not be reported as military assistance. Such expenditures shall instead be reported in columns (1) to (7).)

Military assistance may finally be given by a country to allied forces stationed on the country's own territory (flow e). Expenditures of country B for its own military forces from its own resources are designated as flow f.

### Conclusions

Respondents such as country A are requested to report the sum of the flows a and d, i.e., all their military assistance granted to recipients abroad. This should be done in column (10). Respondents such as country B are requested to report the sum of the flows b and e, i.e., all their military assistance to allied forces stationed on their own territory. This should be done in column (9). The flows c and f, i.e., expenditure for the country's own military forces, should accordingly be reported in columns (1) to (7).

There is a risk of double counting in so far as b and c are part of the same flow as a. The same money may thus be reported twice, both by country A and country B. In order to avoid such double counting, all respondents are requested below to report the total amount of military assistance received from abroad, i.e., the sum of the flow a. In cases where a country is both a donor and a recipient of military assistance, it is requested that both columns (9) and (10) be filled in.

Respondents are also requested to report any additional expenditures made in the reporting year by the country specifically for the purpose of supplying troops and equipment for United Nations peace-keeping activities. These expenditures should be shown in column (11) of the matrix, net of any compensation from external sources.

#### (e) Civil defence (column (14))

This requirement is intended to apply to expenditures for the protection, by other than customary military means, of civilian populations and facilities against danger of hostilities and disasters. Examples are expenditures on shelters and on plans and preparations for the evacuation and subsequent maintenance of civilians from areas under threat of attack. For an exhaustive definition of civil defence, respondents are referred to article 61 of the Additional Protocol of 1977 to the Geneva Convention of 1949. Reporting on civil defence is a question primarily for countries with strategic forces.

#### Resource costs (row headings)

#### (f) Personnel (row 1.1)

As the aim should be to exclude payments for past services, but to include payments for current and future services, the figures should include the direct payments made to personnel as well as other personnel compensation expenditures made by the employer, such as taxes, pension fees and other contributions. If such data are unavailable, expenditures on past services like pensions might serve as a surrogate, particularly if numbers of personnel remain level. In any

event, an explanation of the nature of the data submitted should accompany the report.

(g) Conscripts (row 1.1.2)

The costs of conscripts should be valued in terms of actual payments. In order to approximate the opportunity costs of using conscripts in the military sector, respondents are requested to provide in part II below, information on appropriate average civilian wage rates as well as information on the quantity of civilian labour foregone by the use of conscripts.

(h) Materials for current use (row 1.2.1)

This item should include purchases of food, clothing, petroleum products, training materials (excluding ordnance and ammunition), medical materials, office supplies and the like.

(i) Maintenance and repair (row 1.2.2)

This item should include both contract services for repair and maintenance of equipment and facilities and purchases of parts, materials and tools for repair and maintenance of equipment and facilities.

In some cases, repairs may be intended not only to restore the quality and performance of equipment and facilities, but also to improve the quality or modify the performance. Such activities are to some extent to be regarded as investments. These major modifications and major repairs, containing substantial investment elements, should be reported under the cost categories 2.1 (Procurement) or 2.2 (Construction).

In any case, respondents are requested to describe the procedure chosen and to explain their current accounting practices or rules concerning the possible investment elements in major modification and repair activities. Such comments should be attached to the completed matrix.

(j) Purchased services (row 1.2.3)

This item should include expenditures for various kinds of purchased services, such as travel expenses, postal charges, printing expenses and other.

(k) Rent costs (row 1.2.4)

If capital costs for real estate belonging to the military sector do not result in actual payments, it is desirable that the rent costs to be reported be augmented by adding imputed capital costs. Such capital costs may be estimated by means of appropriate interest rates or rates of depreciation for the reporting year.

(l) Procurement (row 2.1)

A country's military potential depends not only on its procurement of military equipment but also on the rates of depreciation, depletion and retirement. Information of the latter type may not be readily available. It

would, however, be highly desirable to obtain such information as is available concerning retirement and average-length-of-service rates for various kinds of equipment. Such information should be attached to the completed matrix. See also note (i) above.

(m) Armoured vehicles (row 2.1.5)

This item should include tanks, armoured personnel carriers and other armoured vehicles.

(n) Ammunition (row 2.1.8)

For the same reasons as mentioned under (l) above, it would be desirable to be able to compare the procurement figures for ammunition with corresponding consumption figures. In order to make this possible, respondents are requested in part II below to supply the latter type of information.

(o) Construction (row 2.2)

The construction of new facilities may often be connected with the acquisition of land. The expenditures of the military sector for the acquisition of land should be reported separately under 2.2.12 (Land).

(p) Electronics, etc. (row 2.2.4)

This item should also include communications and related structures and facilities.

(q) Training facilities (row 2.2.7)

This item should include expenditures for construction of fixed installations for training purposes, such as firing ranges, obstacle courses and others.

(r) Warehouses, depots, etc. (row 2.2.8)

This item should also include repair and maintenance facilities.

(s) Shelters (row 2.2.11)

Since it may not be possible to distinguish between fortifications and shelters for military personnel, respondents are requested to report all such costs under 2.2.10 (Fortifications), and to reserve item 2.2.11 (Shelters) for shelters that are constructed mainly for the purpose of protecting the civilian population.

(t) Land (row 2.2.12)

Information on sales of land by the military sector is requested in part II below.

(u) Research and development (row 3)

A distinction between the two subdivisions of this item could be made according to the degree to which research activities are object-oriented, i.e., connected with the creation of a concrete product such as a specific weapon system. Basic and applied but not object-oriented research may accordingly fall under subdivision 3.1, while mainly object-oriented research would come under subdivision 3.2 together with the development activities which are regarded as always object-destinated.

Where the respondents find difficulties in dealing with the subcategories, they are requested to make comments along these lines and to attach such comments to the completed matrix.

Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: .....  
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: .....  
(number of man-years)

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer: .....  
(amount)

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) to (12) of the matrix, be reported for the following items:

Depletion of ammunition: .....

Sales from the military sector of:

(a) Land .....

(b) Real estate other than land .....

(c) Equipment .....

(d) Services .....

(e) Other .....

4. Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year:

|  | <u>Answer</u>            |                          |
|--|--------------------------|--------------------------|
|  | <u>Available</u>         | <u>Not available</u>     |
| Price index of specific relevance to the military sector | <input type="checkbox"/> | <input type="checkbox"/> |
| Exports of military equipment                            | <input type="checkbox"/> | <input type="checkbox"/> |
| Such exports divided by:                                 |                          |                          |
| (i) Countries  | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) Regions   | <input type="checkbox"/> | <input type="checkbox"/> |
| Imports of military equipment                            | <input type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by:                                 |                          |                          |
| (i) Countries  | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) Regions   | <input type="checkbox"/> | <input type="checkbox"/> |

5. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways of comparing the military expenditures of the responding country with those of other countries.

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