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REDUCTION OF MILITARY BUDGETS

$\underline{\mbox{Military expenditures in standardized form reported by States}}$

Report of the Secretary-General

Addendum

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REPLIES RECEIVED FROM GOVERNMENTS

AUSTRALIA

[Original: English]

[17 August 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Australia Fiscal year: 1 July 1993 to 30 June 1994

National currency and unit of measure: Australian dollar (hundreds of thousands)

BELARUS

[Original: Russian]

[20 June 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Belarus Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Voucher of the National Bank of the

Republic of Belarus (millions)

<u>Part II</u>

- 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: 87,349 roubles.

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: 44,000 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:

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 column 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: 6,207 million roubles.
- (c) Equipment: 15,302 million roubles.
- (d) Services: 919 million roubles.
- (e) Other: 461 million roubles.

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

Available Not available

Price index of specific relevance to the military sector

Exports of military equipment

Such exports divided by:

- (i) Countries
- (ii) Regions

Imports of military equipment

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 for comparing the military expenditures of the responding country with those of other countries.

CZECH REPUBLIC

[Original: English]

[16 August 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Czech Republic Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Czech koruna (millions)

INFORMATION ON MILITARY EXPENDITURES OF THE MINISTRY OF DEFENCE OF THE ARMY OF THE CZECH REPUBLIC IN 1994 ACCORDING TO UNITED NATIONS INSTRUCTIONS

Within law No. 331/1994 on the National Budget of the Czech Republic for the year 1994, in effect since 1 January 1994, the Parliament of the Czech Republic approved the National Budget Chapter of the Ministry of Defence of the Czech Republic totalling 26,791 billion koruny.

The real expenditures of the National Budget Chapter of the Ministry of Defence of the Czech Republic in 1994 approved by the Parliament of the Czech Republic were estimated at 27,008 billion koruny.

Out of the approved National Budget Chapter of the Ministry of Defence of the Czech Republic for the year 1994, non-military expenditures totalling 3,529 billion koruny, namely 13.06 per cent of the total National Budget Chapter of the Ministry of Defence (i.e. expenditures on pension security, expenditures on the civil protection of the Czech Republic, compensations according to law No. 229/91 regulating ownership of land, implementation of the programme of the International Civil Aviation Organization, liquidation of military equipment according to the Conference on Security and Cooperation in Europe, expenditures on the training of national sport representation, etc.), were eliminated for the United Nations report on the military budget.

The specific expenditures are quoted within non-military expenditures, which are included in the National Budget Chapter of the Ministry of Defence, and the Ministry of Defence is charged with their financing by general binding law norms or government resolutions. The gross domestic product (GDP) of the Czech Republic in the year 1994 in current prices (according to <u>Bulletin</u> No. 12/94 of the Czech Statistic Office) was 1,037.5 billion koruny.

The share of expenditures of the Ministry of Defence military budget of GDP in 1994 was 2.26 per cent.

Comments on the instrument for standardized international reporting of military expenditures:

To Part I:

1. <u>Operating costs</u>

1.1 Personnel:

In this category are entered all expenditures of an employer administered to personnel through direct payments. Other costs of personal compensation include payments for compulsory military service, participation of reserves in military exercises, social benefits payments (subcategory 1.1.2).

1.2 Operations and maintenance

In subcategory 1.2.3 are entered expenditures for rents, health care, insurance payments for social benefits and contributions for national employment policy programmes.

2. Procurement and construction

2.1 Procurement:

In accordance with item (i) of the Instruction the expenditures for tools for repair of military equipment and facilities are included.

2.2 Construction:

This category includes, except for expenditures of an investment character, expenditures for large-scale repair with a substantial share of investment elements (reconstruction and modernization).

To Part II:

Point 1:

- (a) The average monthly wage which a conscript would be able to earn during calendar year 1994 should he not have to serve in the armed forces, according to statistics, is 6,767 koruny (that is a gross monthly salary in the Czech Republic, calculated per person, according to <u>Bulletin</u> No. 12/94 of the Czech Statistical Office).
- (b) The length of the military service of conscripts in 1994 was approximately 33,369 man-years.

Point 2:

No military assistance was received from abroad.

Point 3:

In 1994 during the training of troops the depletion of ammunition was valued at 146 million koruny. Other data on this point are not available. In 1994 unusable, eliminated equipment (armaments) of the Army of the Czech Republic was sold for a total amount of 78.7 million koruny. Other information required in Part II of the Instruction are not available.

DENMARK

[Original: English]

[28 July 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Denmark Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Danish krone (millions)

ECUADOR

[Original: Spanish]

[17 August 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Ecuador Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Sucre (millions)

<u>Part II</u>

- 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: 2,836,000 sucres.

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: 21,961 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 received.

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 column 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>	Not available
Price index of specific relevance to the military sector	X	
Exports of military equipment		X
Such exports divided by:		
(i) Countries		Х
(ii) Regions		X
Imports of military equipment		Х
Such imports divided by:		
(i) Countries		X
(ii) Regions		Х

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 for comparing the military expenditures of the responding country with those of other countries.

ESTONIA

[Original: English]

[22 May 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Estonia Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Estonian kroon (hundreds of thousands)

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 available.

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: 4,000.

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 available.

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 column 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:
- (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.

	Answer				
	<u>Available</u>	Not available			
Price index of specific relevance to the military sector		X			
Exports of military equipment	Х				
Such exports divided by:					
(i) Countries	Х				
(ii) Regions		X			
Imports of military equipment	X				
Such imports divided by:					
(i) Countries	Х				
(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 for comparing the military expenditures of the responding country with those of other countries.

GREECE

[Original: English]

[6 September 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Greece Fiscal year: 1994

National currency and unit of measure: Drachma (millions)

ITALY

[Original: English]

[22 August 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Italy Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Italian lire (tens of millions)

JAPAN

[Original: English]

[20 June 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Japan Fiscal year: 1 April 1992 to 31 March 1993

1 April 1993 to 31 March 1994

1 April 1994 to 31 March 1995

National currency and unit of measure: Yen (hundreds of millions)

<u>Part II</u>

- 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: 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 column 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:)	
(b)	Real estate other than land:)	
(c)	Equipment:)	Not available
(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.

	Answer	NT-4	
	<u>Available</u>	Not available	
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	Х		
(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 for comparing the military expenditures of the responding country with those of other countries.

LUXEMBOURG

[Original: French]

[9 August 1995]

(Actual outlays, current prices)

Country: Luxembourg Fiscal year: 1994

National currency and unit of measure: Luxembourg franc (thousands)

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

<u>Part II</u>

- 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: Does not apply.

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: Does not apply.

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: Does not apply.

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 column 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>	Not available			
Price index of specific relevance to the military sector	х				
Exports of military equipment	X				
Such exports divided by:					
(i) Countries	X				
(ii) Regions	X				
Imports of military equipment	Х				
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 for comparing the military expenditures of the responding country with those of other countries.

MEXICO

[Original: Spanish]

[28 July 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Mexico Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Mexican new peso (hundreds of thousands)

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

SLOVAKIA

[Original: English]

[13 July 1995]

<u>Instrument for standardized international reporting</u> of military expenditures

(Actual outlays, current prices)

Country: Slovakia Fiscal year: 1 January to 31 December 1994

National currency and unit of measure: Slovak koruna (millions)

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

Comments on 1994 military expenditures

In reality, the Ministry of Defence of Slovakia spent 100 per cent of the revised defence budget in 1994, i.e. SK 9,614.7 million. The GDP in the Slovak Republic was SK 398,300 million; thus, the defence budget for 1994 was equal to 2.4 per cent of GDP.

The above-mentioned real expenditures also include costs for preparation and reinforcement of the Slovak engineering battalion deployed in former Yugoslavia within the United Nations peace-keeping forces. These expenses were covered from the defence budget in the sum of SK 78.4 million.

The average annual income in the civil sphere which a conscript should have had if he had not been called for military service, was SK 70,420.

The number of conscripts called up for compulsory military service in 1994 can be expressed as 24,201 "man-years".
