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REDUCTION OF MILITARY BUDGETS

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

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* A/51/150.

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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.

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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 24 January 1996, requested all Member States to submit their reports no later than 30 April 1996.

3. In reply to his note verbale, the Secretary-General has, to date, received reports from 28 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.

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II. REPLIES RECEIVED FROM GOVERNMENTS

ARGENTINA

[Original: Spanish]

[21 March 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Argentina

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Argentine peso

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

/...

AUSTRALIA

[Original: English]

[28 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Australia

Fiscal year: 1 July 1994 to 30 June 1995

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

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

/...

AUSTRIA

[Original: English]

[4 June 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Austria

Fiscal year: 1 January to 31 December 1996

National currency and unit of measure: Schilling (millions)

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

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BRAZIL

[Original: English]

[3 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Brazil

Fiscal year: 1 January to 31 December 1995

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]

[9 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Bulgaria

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Lev (thousands)

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

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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: 6 051 leva

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: 80 122

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: 274 192 000 leva

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		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		

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.

CANADA

[Original: English]

[30 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Canada

Fiscal year: 1 April 1994 to 31 March 1995

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.)

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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 column 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)

(d) Services)

(e) Other)

) Sales from military are negligible

/...

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

CHILE

[Original: Spanish]

[2 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Chile

Fiscal year: 1 January to 31 December 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.)

/...

COLOMBIA

[Original: Spanish]

[29 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Colombia

Fiscal year:

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

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

/...

EL SALVADOR

[Original: Spanish]

[6 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: El Salvador

Fiscal year:

National currency and unit of measure: El Salvador colón

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

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ESTONIA

[Original: English]

[25 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Estonia

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Estonian kroon (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: 27,600 Estonian krooni per annum

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: 2,600

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.

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

FINLAND

[Original: English]

[2 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Finland

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Finnish markka (ten thousands)

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

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FRANCE

[Original: French]

[30 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: France

Fiscal year: 1996

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

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

/...

Explanatory note concerning the French military
budget submission

The figures reported are from the French military budget for 1996 (excluding pensions), expressed in a currency unit and in the categories consistent with United Nations requirements. The following observations apply to these data:

- (a) Nuclear deterrence costs are under the "strategic forces" heading;
- (b) The gendarmerie budget was placed in the "paramilitary forces" column;
- (c) The "military aid" and "civil defence" headings were not included because, in the former case, the necessary data do not appear in unclassified budget documents, and in the latter case, the heading does not refer to the Ministry of Defence;
- (d) The data needed for the replies to Part II of the United Nations questionnaire fall into two categories:
 - Questions 1, 2 and 3 concern the average civilian wage rate for the year under consideration, military aid received from other countries, depletion of ammunition and sales of land, property, equipment and services. These data are not available.
 - Questions 4 and 5 concern imports and exports of military equipment and the methods proposed for comparing French military outlays to those of other countries. This information is classified.

GERMANY

[Original: English]

[29 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Germany

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Deutsche mark (hundred thousands)

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

/...

Explanatory notes

1.1 Personnel

Excludes service pensions.

1.2.1 Materials for current use

This item comprises fuel, oil and lubricants, communal messing and procurement of replacement clothing, medicines and bandages.

1.2.3 Purchased services

This item includes postage, cargo and transport costs, telecommunication charges and general clerical expenses.

Under the Federal Armed Forces accounting system, travel expenses are considered personnel costs and are included in items 1.1.1 to 1.1.3.

Division of these figures into their component parts would require considerable time and resources.

1.2.4 Rent costs

Rents for immovable property are, with the exception of column 14, included in the maintenance and repair costs for immovable property under item 1.2.2.

2.1.6 Artillery and 2.1.7 Other ordnance and ground force weapons

Separate figures for artillery and for other ordnance and ground force weapons are not available. The sum total is contained under item 2.1.6.

4. Total (1+2+3)

A breakdown of expenditures for United Nations peace-keeping by item is not available.

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HUNGARY

[Original: English]

[16 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Hungary

Fiscal year: 1995

National currency and unit of measure: Forint (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: 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: 40,200

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: 176,100,000 Ft

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: 9,349,200,000 Ft

(b) Real estate other than land: 808,407,000 Ft

(c) Equipment: 61,162,000 Ft

(d) Services: 2,042,475,000 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. 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.

Answer: The published exchange rate is available.

JORDAN

[Original: English]

[15 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Jordan

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Jordanian dinar (thousands)

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

/...

MALTA

[Original: English]

[29 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Malta

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Maltese lira

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

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MAURITANIA

[Original: French]

[2 May 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Mauritania

Fiscal year:

National currency and unit of measure: Ouguiya

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

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NETHERLANDS

[Original: English]

[1 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Netherlands

Fiscal year: 1 January to 31 December 1994

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, 1994

1. 1.1.2 Military pensions are included in total under "Support" (6) in the amount of 1,543,281,000 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).

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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 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: 25,900 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: 24,756

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)	193,100,000 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 for comparing the military expenditures of the responding country with those of other countries.

NEW ZEALAND

[Original: English]

[22 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: New Zealand

Fiscal year: 1 July 1994 to 30 June 1995

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]

[23 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Norway

Fiscal year: 1995

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]

[30 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Poland

Fiscal year: 1995

National currency and unit of measure: New zloty (hundred thousands)

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

/...

Explanations and notes to the table

1. Figures in the table include expenditures for the armed forces borne 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 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 (11) (Military assistance - UN peace-keeping) includes costs covered by means external to the budget of the Ministry of National Defence.

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

REPUBLIC OF MOLDOVA

[Original: English]

[16 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Moldova

Fiscal year: 1 January to 31 December 1995

National currency and unit of measure: Leu (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 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: Not available

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 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
- (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	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.

SLOVAKIA

[Original: English]

[29 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Slovakia

Fiscal year: 1 January to 31 December 1995

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 1995 military expenditures

Owing to a favourable State budget during 1995, the Ministry of Finance approved SK 33.56 million in excess of the originally planned military expenditures. Therefore, the total amount allocated for defence was SK 12,933.56 million in 1995. Actual spending was SK 12,931.96 million (99.99 per cent). Nevertheless, these finances did not allow for the development of any new programmes. They were sufficient only to cover the operating expenses of the armed forces, as prescribed by law, internal regulations and agreed commitments.

When comparing the 1995 national economy with that attained in 1994, it is useful to note that total incomes were higher by 17.2 per cent in 1995 and, at the same time, expenditures were higher only by 5.8 per cent. Therefore, the deficit in 1995 was only SK 8,300 million, 2.75 times lower than the deficit in 1994.

In comparison with 1994, military expenditures increased by SK 3,300 million in 1995. However, allowing for a new law (since 1 January 1995) regarding payments of insurance premiums, and owing to an increase in salaries and to inflation and other influences, the growth of expenditures was minimum. The largest portions of them were expenses for salaries, materials and repairs. The smallest item of expenditure was for social allowances.

The average annual income in the civil sphere, which a conscript would have had if he had not been called for military service, was SK 84,708.

The number of conscripts called up for compulsory military service in 1995 can be expressed as 25,227 "man-years".

SLOVENIA

[Original: English]

[29 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Slovenia

Fiscal year: 1995

National currency and unit of measure: Tolar (thousands)

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

/...

SPAIN

[Original: Spanish]

[29 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Spain

Fiscal year: 1995

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]

[29 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Sweden

Fiscal year:

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

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

/...

SWITZERLAND

[Original: English]

[24 April 1996]

Instrument for standardized international reporting
of military expenditures

(Actual outlays, current prices)

Country: Switzerland

Fiscal year:

National currency and unit of measure: Swiss franc (hundred thousands)

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

/...

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

[Original: English]

[22 April 1996]

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 1994 to 31 March 1995

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: £64.3 million

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

(c) Equipment: £72.9 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	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.

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.)

/...

[OFFSET - Matrix]

[OFFSET - Matrix (continued)]

[OFFSET - Matrix (continued)]

/...

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.

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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 Defense 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

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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.)

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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

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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

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