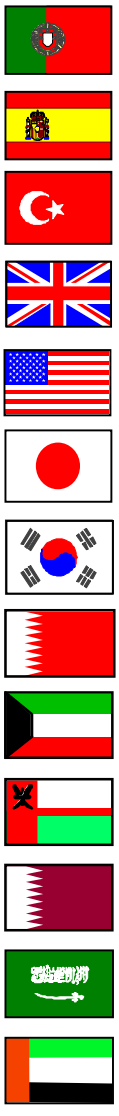

# REPORT
## on
# ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE

March 2001

A Report to the United States Congress
by the Secretary of Defense

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# INTRODUCTION

## PURPOSE

This Report presents the Department of Defense's annual assessment of the relative contributions toward the common defense and mutual security made by our NATO allies, our Pacific allies (Japan and the Republic of Korea), and the countries of the Gulf Cooperation Council (GCC).

Under legislative provisions dating back to the Defense Authorization Act of 1981 (Public Law 96-342, Section 1006), the Secretary of Defense has provided an annual report to Congress comparing the defense burdens borne by our allies, explaining disparities, and describing efforts to eliminate such disparities. This year's Report also covers responsibility sharing requirements in the FY 2001 Department of Defense Military Construction Appropriations Act (Public Law 106-246, Section 119).

## ORGANIZATION OF THIS REPORT

This Report is organized into three chapters and a comprehensive data annex. The first chapter presents an Executive Summary describing the goals of U.S. responsibility sharing policy and providing a brief assessment of country contributions. Chapter II provides a regional perspective of U.S. security interests and highlights the contributions of the United States and key allies. Chapter III follows with detailed assessments of country efforts and selected indicators.

Additional information is provided in the Annex, which contains sources and notes, summarizes responsibility sharing contributions on a country-by-country basis, and provides an array of supporting statistics.

This Report will also be available on the Department's web site, DefenseLINK, at http://www.defenselink.mil/pubs/allied_contrib2001.

# CHAPTER I

# EXECUTIVE SUMMARY

## U.S. RESPONSIBILITY SHARING POLICY

The United States and its allies face a diverse set of challenges to collective security. These include regional or state-centered threats (such as regional aggressors); transnational threats (including terrorism, international crime, drug trafficking, and illicit arms trafficking); the proliferation of weapons of mass destruction and their means of delivery; and the spread of dangerous technologies (including non-safeguarded, dual-use technologies). Additional challenges include threats to the environment and public health (e.g., new infectious diseases), and from foreign intelligence collection, failed states, and other states that tolerate or actively engage in human rights abuses, ethnic cleansing, or acts of genocide that can endanger regional stability by sparking civil wars and refugee crises.

To meet these challenges, there is a need for integrated approaches designed to *shape* the international environment in ways favorable to United States interests and global security, to maintain the ability to *respond* across the full spectrum of potential threats and crises, up to and including major theater war, and to *prepare* now to meet an uncertain future. A central aim is to strengthen and adapt our security relationships – including sharing collective security responsibilities with allies and other friendly nations.

The United States requires integrated regional approaches to promote security objectives tailored to different areas of the globe. This, in turn, calls for a broad range of security arrangements. Alliances, particularly our security commitments in NATO, our bilateral relationships with Japan and the Republic of Korea, and our growing partnership with the nations of the Gulf Cooperation Council (GCC), are essential for the projection of American power and influence into areas where vital U.S. interests are at stake. These relationships reflect fundamental shared interests and entail close cooperation in both political and military affairs. They enhance the United States' ability to achieve its international security objectives and protect vital economic interests. Regional security arrangements enable the United States and its allies to provide the security and stability essential for democracy, economic progress, and the orderly resolution of international differences.

The cornerstone of effective alliance relationships is the fair and equitable sharing of the full range of mutual security responsibilities, and the proper balancing of costs and benefits. This, in turn, is the basis of U.S. responsibility sharing policy. This approach acknowledges that each country's contribution includes a mix of political, military, and economic elements, and that increasing allied efforts is a long-term endeavor heavily influenced by specific historical and geographical circumstances (including economic realities). The manner in which allies contribute to shared security objectives is also defined by the very different multilateral (NATO) and bilateral (East Asia-Pacific and Southwest Asia) frameworks within which those contributions are made.

The means by which the United States and its allies manage security challenges in Europe, East Asia-Pacific, Southwest Asia, and elsewhere around the world has been transformed since the end of the Cold War. This transformation has manifested itself in the rise of institutions such as the Partnership for Peace (PfP), novel international initiatives in counter-proliferation, the steadily growing importance of multinational crisis response operations, and the negotiation of new bilateral security agreements with Japan, the Republic of Korea, and nations in the Persian Gulf. These developments have led the Department to adopt a more comprehensive approach to

assessing allied responsibility sharing – one that moves beyond the traditional focus on the military burdens of common defense to consider broader contributions to collective security.

## SUMMARY ASSESSMENT

This section describes the approach used in assessing allied contributions for this Report and presents a summary evaluation of allied contributions. The methodology is based on a concept of equity or *fair share,* and involves, in most cases, comparing *actual contributions* to *ability to contribute*. An assessment of U.S. responsibility sharing efforts is also included in this Report in order to place U.S. performance in perspective relative to those of other countries.

### Measuring Equity

The concept of equity is fundamental to assessments of how security responsibilities are allocated. Equitable distribution of effort among allies is essential to ensure continued support from publics and parliaments. Domestic support, in turn, is necessary to sustain cohesive security relationships and defense alliances among nations. Ultimately, cohesion is required for allies to work together effectively, and to contribute to stability and deterrence.

There is, however, no single, universally accepted formula for calculating *fair shares*. Any such calculation would have to take into account many disparate factors that collectively determine the extent of a nation's defense and other security contributions, and its ability to contribute.

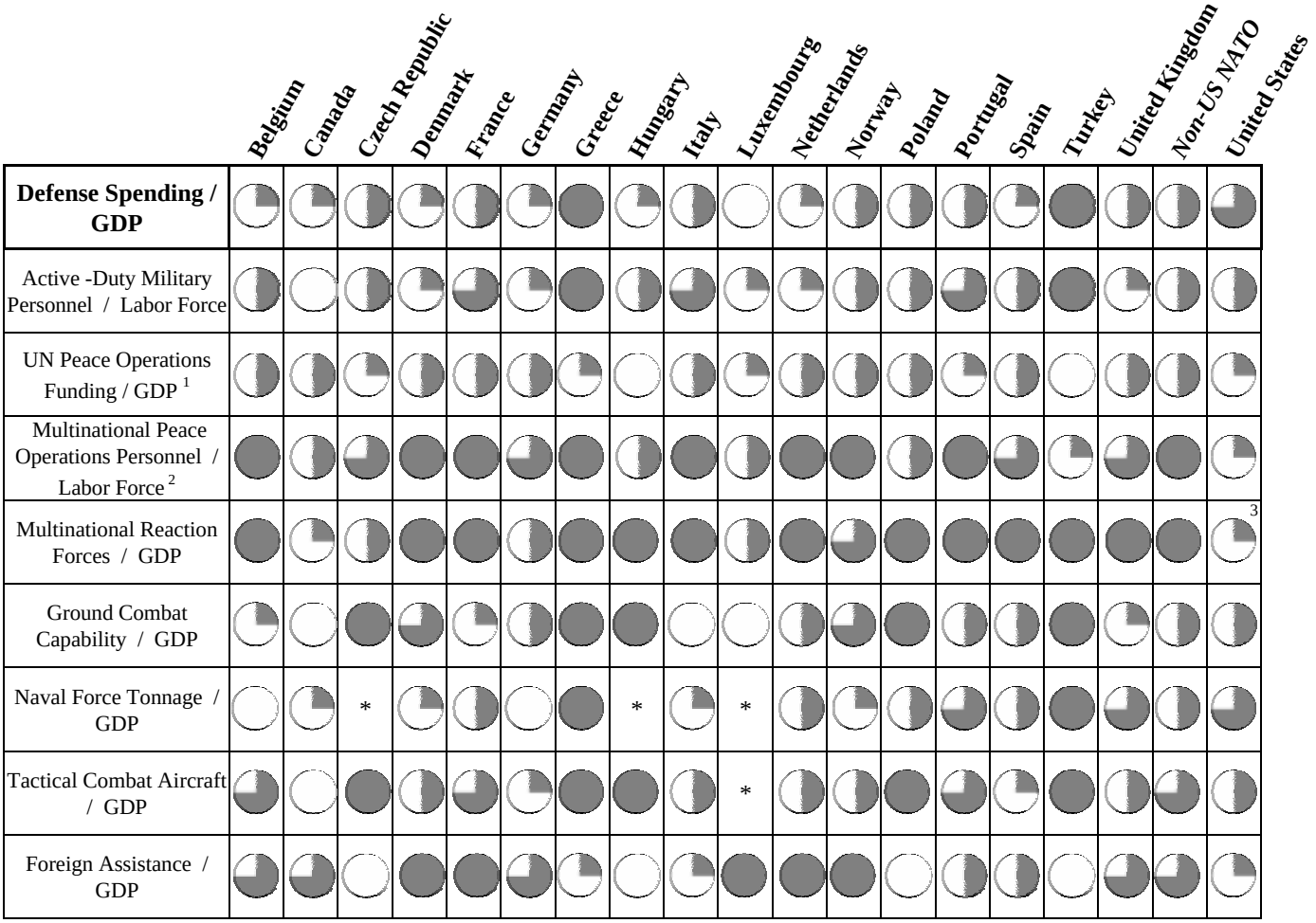
In theory, any contribution that enhances peace and stability is part of a nation's responsibility sharing effort. While many aspects of nations' security efforts are quantifiable, others are more subjective in nature and do not readily lend themselves to measurement. Consequently, even the most sophisticated analytical techniques cannot provide a definitive solution to the *fair share* question.

Accordingly, any attempt to assess responsibility sharing must address a wide range of relevant indicators and factors, and should consider nations' contributions to the common defense in terms of their *ability to contribute* and general trends in overall effort. This is a sound principle that takes into account the large differences in economic development, population, and standards of living that exist among our allies. It is on this basis that the assessments in this Report are made.

### Summary Assessment of Allied Efforts

This Report assesses a wide range of responsibility sharing contributions. These include aggregate resources for defense (e.g., total defense spending), defense modernization spending, military forces (ground, naval and air), and contributions to multinational peace operations, cost sharing, and foreign assistance. Charts I-1A and I-1B provide a summary portrayal of nations' responsibility sharing efforts based on a comparison of contributions vis-à-vis ability to contribute for selected key indicators. Charts I-2 and I-3 provide indicators of defense modernization spending and cost sharing for selected nations. Chart I-4 depicts the percent of GDP devoted to defense by each country in this Report over a multi-year period. An assessment of country efforts, based on these indicators and other relevant factors, is briefly summarized below, and presented in greater detail in Chapter III and the Annex.

## Chart I-1A
## Country Performance in Selected Responsibility Sharing and Force Improvement Areas Relative to Ability to Contribute




Legend

High | Medium High | Medium | Medium Low | Low | * Not Applicable

**Notes:**

a. No set of selected indicators can fully convey the full range of a nation's defense efforts and responsibility sharing contributions. Readers are, therefore, urged to review this chart in conjunction with the detailed discussions and data elsewhere in the Report.

b. Defense Spending /GDP assessment is determined by comparing each nation's share of total defense spending to its share of total GDP. This methodology was employed for all indicators that measure performance relative to GDP.

c. Active-Duty Military Personnel/Labor Force assessment is determined by comparing each nation's share of total Active-Duty Military Personnel to its share of total Labor Force. This methodology was employed for all indicators that measure performance relative to Labor Force.

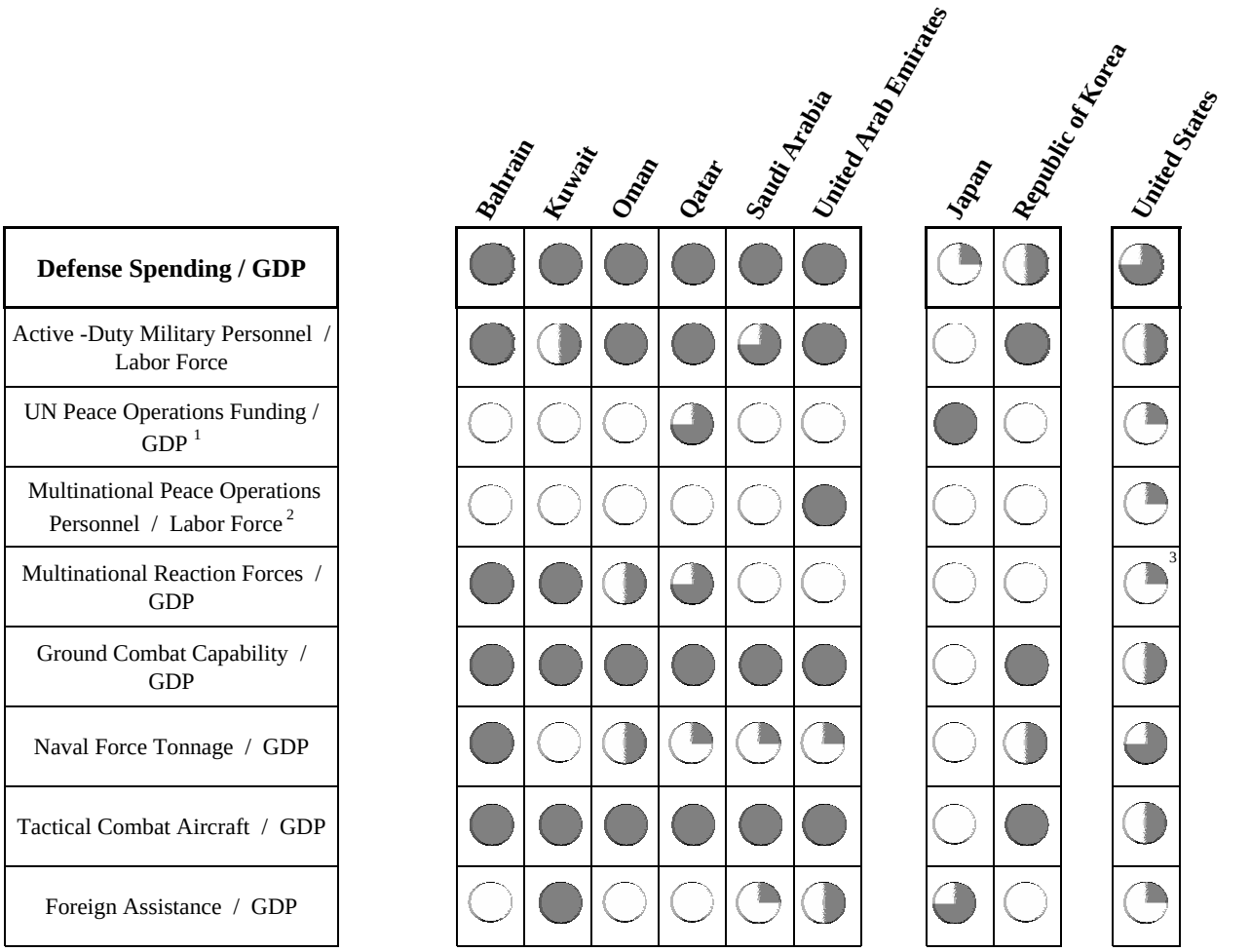
**Footnotes:**

1. This addresses funding for UN peace operations. It does not reflect funding for SFOR, KFOR, Operations Northern and Southern Watch, or the multinational operation in East Timor.

2. This addresses personnel contributed to UN and Major Non-UN Multinational Peace Operations.

3. The United States maintains substantial high readiness forces in addition to its NATO Reaction Forces that are retained strictly under national command.

## Chart I-1B
## Country Performance in Selected Responsibility Sharing and Force Improvement Areas Relative to Ability to Contribute

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NATO

When countries' efforts are analyzed with respect to their ability to contribute, every NATO ally makes substantial contributions in at least one (and the vast majority, in at least three) of the indicators. National strengths are clearly evident, as are areas of concern – such as relatively low percentages of GDP allocated to defense by a number of nations, and relatively modest proportions of defense budgets devoted to modernization by several allies – where more clearly needs to be done.

- Chart I-1A reveals that, *as a group*, the non-U.S. NATO allies are doing roughly their *fair share* in five responsibility sharing indicators (defense spending, active-duty military personnel, UN peace operations funding, ground combat capability, and naval force tonnage). They provide more than their *fair share* of foreign assistance funding and tactical combat aircraft, and perform very well in the multinational reaction forces and peace operations personnel indicators. However, significant differences exist in the responsibility sharing efforts of the individual non-U.S. NATO nations – as discussed below.

- For the non-U.S. NATO allies overall, the proportion of GDP allocated to total defense spending in the year 2000 averaged two percent. This is modestly below the average percentage of GDP spent on defense by all of the nations addressed in this Report combined (2.3 percent) and represents a slight decline from the average non-U.S. NATO GDP percentage achieved in 1999 (2.1 percent). Among the individual non-U.S. NATO nations, Turkey and Greece spent the highest proportions of GDP for defense in 2000 (5.7 percent and 4.9 percent, respectively), while France and the United Kingdom were in the 2.6 to 2.4 percent range (slightly above the average for all nations addressed in this Report), and the Czech Republic, Portugal, Poland, Italy, and Norway were roughly average. Hungary, the Netherlands, Denmark, and Germany were in the 1.7 to 1.5 percent range. Belgium, Spain, and Canada spent between 1.4 and 1.2 percent of their GDPs on defense. Luxembourg's 0.7 percent of GDP for defense was the lowest of all nations in this Report.

- The percentage of national defense budgets that the non-U.S. NATO allies spend on modernization (i.e., major equipment procurement and R&D) varies widely. In 2000, four allies exceeded the overall non-U.S. NATO average of 19.4 percent: Turkey (33.7 percent), the United Kingdom (29.5 percent), the Czech Republic (23 percent), and Norway (20.7 percent). Significantly, Turkey and the Czech Republic are among the poorest Alliance members, ranking last and fourth from last, respectively, in terms of per capita GDP (a widely accepted indicator of prosperity and standard of living). All other NATO allies (except France, which was not assessed) ranked below-average, including relatively wealthy nations such as Belgium, Canada, Denmark, the Netherlands, and Germany, whose modernization percentages ranged from 8.4 to 14.8 percent. Luxembourg, which has the highest per-capita GDP of all NATO members, ranked lowest, at 5.4 percent. Nonetheless, 11 allies increased the percentage of their defense budget spent on modernization between 1999 and 2000; the exceptions were Greece, Hungary, the Netherlands, Norway and Poland.

- Judged on the basis of ability to contribute, 12 of our NATO allies contributed more than their *fair shar*e in at least one of the four traditional military forces indicators (active-duty military personnel, ground combat capability, naval tonnage, and combat aircraft). Greece and Turkey both made disproportionately large contributions in all four, while Portugal contributed more than its *fair share* in three, and the Czech Republic, France, Hungary and Poland each contributed greater than their *fair shar*e in two.

- Both individually and collectively, our NATO allies made strong contributions to multinational operations. Twelve allies contributed substantially more than their *fair share* of peace operations personnel, and four others had contributions that were roughly in balance with their ability to contribute – Turkey was the only nation that provided less than its *fair share*. Furthermore, 11 allies contribute roughly their *fair shar*e of peace operations funding. With the exception of Luxembourg, all of those allies who provided less than their *fair share* of peace operations funding (the Czech Republic, Greece, Hungary, Portugal, and Turkey) are among the poorest nations in the Alliance. Thirteen allies committed substantially more than their *fair share* of military forces in the multinational reaction forces indicator.

- Overall NATO performance in the foreign assistance indicator was quite solid. Nine allies provided substantially more than their *fair share* of foreign assistance, while two (Spain and Portugal) had contributions that were roughly in accord with their ability to contribute. Italy was one of five allies that contributed less than its *fair share*, but all the rest are among the poorest in NATO: the Czech Republic, Greece, Poland and Turkey. Hungary is a net foreign aid recipient.

- Italy and Germany – two NATO allies that have substantial numbers of U.S. troops permanently stationed on their soil – paid, respectively, 37 percent and 27 percent, of the costs of stationing those forces. Although our NATO allies do not offset as high a percentage of U.S. stationing costs as Japan, they provide significantly more military forces, are far more active participants in multinational military operations, and make substantial financial contributions to maintaining collective security and international stability. Furthermore, they contribute to NATO's Common Budgets, which are the most efficient and important responsibility sharing mechanisms in the Alliance.

- In *absolute* terms, the United States ranks first in every indicator except peace operations funding and foreign assistance (where it is a close second to Japan). In the defense spending, ground combat capability, and naval tonnage indicators, its contributions are greater than all other NATO allies combined. However, when assessed *relative* to its ability to contribute, the United States makes contributions that are substantially above the *fair share* average for all nations in this Report in three indicators (defense spending, naval tonnage, and defense modernization), are roughly consistent with the average in three indicators (active-duty military personnel, ground combat capability, and tactical combat aircraft), and are below the average in four categories (foreign assistance, multinational reaction forces, and multinational peace operations personnel and funding).

- It should be noted that the assessments of multinational reaction forces, active-duty military personnel, and military forces contributions do not address qualitative factors (e.g., training, doctrine, leadership) that influence military capability. Furthermore, these static indicators do not address NATO nations' ability to deploy and sustain their forces – capabilities that have proven crucial in the post-Cold War security environment. The United States greatly outstrips its allies (in NATO, the Pacific, and Persian Gulf) in a broad range of military capabilities that are not reflected in the static indicators presented in this Report. The most important of these are the United States' unique capabilities to deploy and sustain military forces over long distances for extended periods; others include Suppression of Enemy Air Defenses (SEAD), precision strike, and Theater Ballistic Missile Defense (TBMD) capabilities.

Pacific Allies

- Japan spent one percent of GDP on defense in 2000, and contributed substantially less than its *fair share* in the multinational reaction forces indicator and all four of the traditional military forces indicators (active-duty military personnel, ground combat capability, naval tonnage, and combat aircraft). Japan also made minimal personnel contributions to multinational peace operations compared to its ability to contribute. However, these facts must be viewed in the light of constitutional and historical factors that have limited the size of Japan's defense forces, and discouraged their deployment abroad. Furthermore, Japan provided more funding for both multinational peace operations and foreign assistance than any other nation in this Report (including the United States), and ranked first in terms of UN peace operations funding relative to ability to contribute. Japan also ranked first in cost sharing, by offsetting 79 percent (roughly $5 billion) of U.S. stationing costs in 1999. Finally, although Japan devotes a small fraction of GDP to defense, its economy is so large that its total defense spending is greater than any other nation in this Report except the United States.
- The Republic of Korea's (ROK) share of GDP allocated to defense was 2.7 percent in 2000. This is modestly above the average for all nations in this Report, but is a reduction from the shares of GDP Korea achieved in 1998 and 1999 (3.2 and 2.8 percent, respectively). Because of the immediacy and vast dimensions of the military threat posed by North Korea, the ROK contributes substantially less than its *fair share* of foreign assistance, and funding and personnel for multinational peace operations. However, it has the third highest active-duty military personnel strength of all the nations in this Report (after the United States and Turkey), and ranks second after the United States in *absolute* ground combat capability. When judged relative to ability to contribute, the ROK contributes substantially more than its *fair share* of active-duty military personnel, ground combat capability, and tactical combat aircraft, and roughly its *fair share* of naval tonnage. Finally, the ROK offsets over a third of U.S. stationing costs, contributing more than $721 million in 1999.

Gulf Cooperation Council (GCC)

- All six GCC nations spent larger percentages of GDP on defense than any other country covered in this Report in 2000, ranging from 5.8 percent for Qatar to almost 13 percent for Saudi Arabia. This performance is particularly strong considering that, with the exception of Qatar, all of the GCC nations have per capita GDPs that are below the overall average of all nations in this Report.
- Judged in terms of ability to contribute, all six GCC nations contributed substantially more than their *fair share* of tactical combat aircraft and ground combat capability, and five of them also contributed disproportionately large shares of total allied active-duty military personnel. Kuwait's active-duty personnel share was roughly in balance with its share of total allied labor force, and it joined Bahrain and Qatar in contributing substantially more than their *fair share* of multinational reaction forces.
- Of the 26 nations covered in this Report, the United Arab Emirates ranked first in peace operations personnel contributions (relative to labor force share), and Qatar ranked second in peace operations funding contributions (relative to GDP share). The other GCC nations provided no personnel for multinational peace operations, and contributed substantially less than their *fair share* of funding. However, Kuwait's foreign assistance funding share was over one percent of GDP, ranking it second among all the nations assessed.

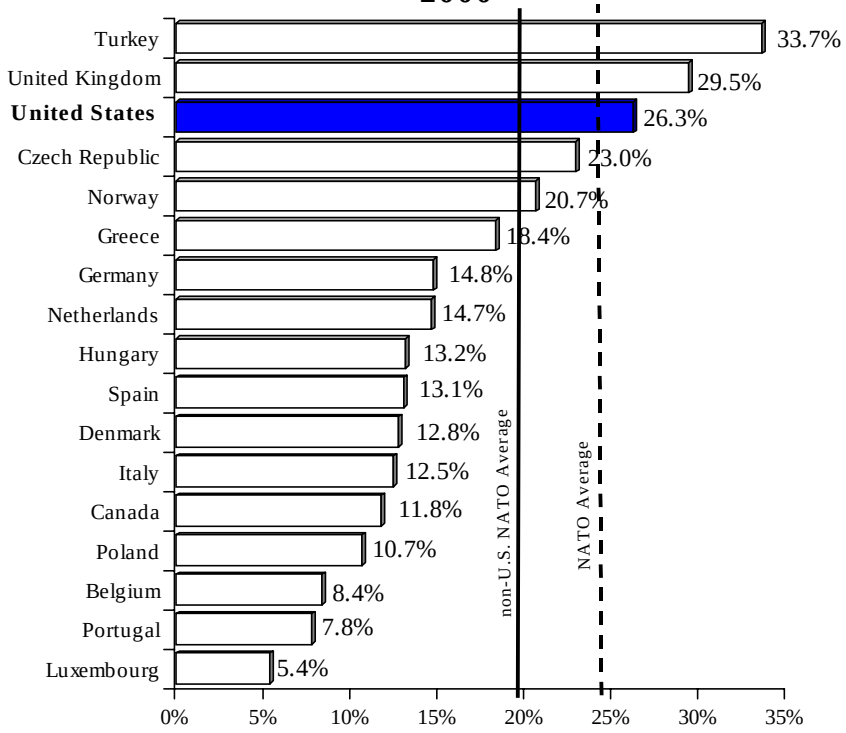
- Saudi Arabia offset 68 percent of the cost for U.S. personnel stationed in its territory during 1999 – the second highest percentage of all the 16 nations assessed in this indicator. Kuwait offset 50 percent of U.S. stationing costs, the third highest percentage, while Qatar ranked fourth, offsetting 43 percent. Bahrain made far more modest cost sharing contributions (7 percent of stationing costs).

## CONCLUSION

As stated in previous years' reports, the Department believes that our allies' and key security partners' efforts present a mixed, but generally positive picture in terms of shouldering responsibility for shared security objectives.

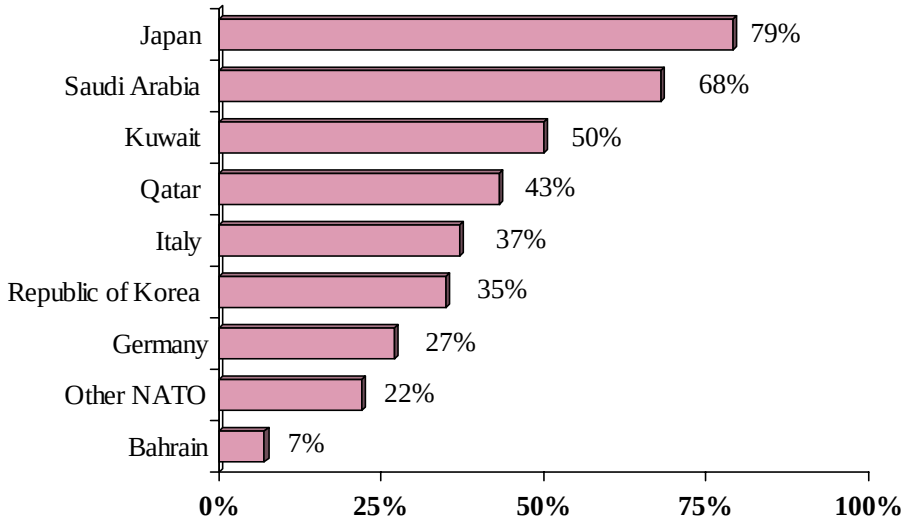
The United States continues to maintain a close and systematic dialogue with allied governments at all levels concerning responsibility sharing strengths and weaknesses, and this in turn has contributed to an increased awareness of our concerns in allied capitals. The United States will continue to engage allies in this manner, focusing on the need for increases in defense budgets and host nation support, and further enhancing foreign assistance, and participation in both bilateral and multilateral efforts to enhance our collective security. The Defense Capabilities Initiative (DCI) that was launched at NATO's Washington Summit in 1999 is an important Alliance undertaking in this regard. The DCI addresses the need for improvements in five major areas: 1) Deployability and Mobility; 2) Sustainability and Logistics; 3) Consultation, Command and Control (C3); 4) Effective Engagement; and 5) Survivability of Forces and Infrastructure. Improvements in allied military capabilities in these five areas will be essential for the success of the European Security and Defense Identity (ESDI) initiative, which calls for European nations to take greater responsibility for their common security and defense. Chapter 2 provides a further discussion of the DCI and ESDI.

## Chart I-2
## Modernization Spending as a Percentage of Defense Spending
## 2000




[a] The solid line represents the non-U.S. NATO average --19.4 percent. The dashed line represents the overall NATO average modernization spending as a percentage of total defense spending -- 24.1 percent.
[b] Complete and comparable data is not readily available for France or the Pacific and GCC nations.
[c] Includes major equipment procurement and R&D. For consistency with NATO reporting, procurement data does not include ammunition procurement. Total defense spending figures used in computing the percentages shown in this chart are based on the NATO definition of defense expenditures. See Section A of the Annex, Data Notes, for more details.

## Chart I-3
## Share of U.S. Overseas Stationing Costs Paid by Selected Allies
## 1999




Although most of our NATO allies do not offset the same percentage of U.S. stationing costs as Japan, the ROK, and the GCC states, they provide significantly more military forces, are far more active in multinational military operations, and make substantial financial contributions to maintaining security and international stability. They also contribute to NATO's Common Budgets, which are the most efficient and important responsibility sharing mechanisms in the Alliance.

# Chart I-4
# Defense Spending as a Percentage of GDP

| | 1990 | | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|---|---|---|---|
| **United States** | 5.5 | | 3.8 | 3.5 | 3.4 | 3.1 | 3.0 | 3.0 |
| ***NATO Allies*** | | | | | | | | |
| Belgium | 2.4 | | 1.7 | 1.6 | 1.5 | 1.5 | 1.5 | 1.4 |
| Canada | 2.0 | | 1.5 | 1.4 | 1.2 | 1.3 | 1.3 | 1.2 |
| Czech Republic | 5.1 | | 2.0 | 1.9 | 1.8 | 2.0 | 2.2 | 2.2 |
| Denmark | 2.1 | | 1.8 | 1.7 | 1.7 | 1.6 | 1.6 | 1.5 |
| France | 3.5 | | 3.1 | 3.0 | 2.9 | 2.8 | 2.7 | 2.6 |
| Germany | 2.8 | | 1.7 | 1.6 | 1.6 | 1.5 | 1.5 | 1.5 |
| Greece | 4.6 | | 4.3 | 4.5 | 4.6 | 4.8 | 4.9 | 4.9 |
| Hungary | 2.4 | | 1.4 | 1.6 | 1.5 | 1.4 | 1.6 | 1.7 |
| Italy | 2.5 | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.9 |
| Luxembourg | 0.9 | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.7 |
| Netherlands | 2.6 | | 2.0 | 1.9 | 1.9 | 1.8 | 1.8 | 1.6 |
| Norway | 2.7 | | 2.1 | 2.0 | 1.9 | 2.0 | 2.0 | 1.9 |
| Poland | 2.7 | | 2.2 | 2.5 | 2.1 | 2.2 | 2.1 | 2.0 |
| Portugal | 2.7 | | 2.6 | 2.4 | 2.4 | 2.2 | 2.2 | 2.2 |
| Spain | 1.8 | | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 | 1.3 |
| Turkey | 5.1 | | 4.8 | 4.8 | 4.7 | 4.8 | 5.3 | 5.7 |
| United Kingdom | 4.2 | | 3.0 | 2.9 | 2.6 | 2.6 | 2.5 | 2.4 |
| **Subtotal (non-U.S. NATO)** | 3.0 | | 2.3 | 2.2 | 2.1 | 2.1 | 2.1 | 2.0 |
| **Subtotal (NATO)** | 4.3 | | 3.1 | 2.9 | 2.8 | 2.6 | 2.6 | 2.5 |
| ***Pacific Allies*** | | | | | | | | |
| Japan | 1.0 | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Republic of Korea | 3.8 | | 2.9 | 2.9 | 3.0 | 3.2 | 2.8 | 2.7 |
| **Subtotal** | 1.1 | | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.1 |
| ***Gulf Cooperation Council*** | | | | | | | | |
| Bahrain | 4.1 | | 4.5 | 4.4 | 5.6 | 5.4 | 6.3 | 7.4 |
| Kuwait | 39.2 | * | 7.6 | 10.5 | 9.1 | 7.6 | 7.6 | 8.1 |
| Oman | 13.5 | | 9.4 | 9.3 | 8.9 | 7.3 | 6.5 | 7.9 |
| Qatar | 2.1 | | 6.2 | 7.1 | 10.1 | 8.2 | 8.2 | 5.8 |
| Saudi Arabia | 25.9 | | 10.2 | 13.9 | 14.2 | 14.3 | 13.4 | 12.9 |
| United Arab Emirates | 4.5 | | 3.3 | 3.3 | 3.8 | 4.4 | 5.9 | 6.5 |
| **Subtotal** | 20.4 | | 8.1 | 10.3 | 10.5 | 10.2 | 10.1 | 10.0 |
| **Grand Total** | 3.7 | | 2.7 | 2.6 | 2.5 | 2.4 | 2.4 | 2.3 |

Yearly data rounded.

* Figures for 1990 reflect severe distortions due to the Gulf War.

Subtotals are weighted averages. These are calculated by summing defense spending for the group and dividing by the sum of GDP for the group.

# CHAPTER II

# REGIONAL OVERVIEW AND CONTRIBUTIONS OF KEY ALLIES

This chapter places U.S. responsibility sharing policy in strategic perspective, and describes U.S. security objectives, mutual security arrangements, and forward presence in the three regions most important to vital U.S. security interests: Europe, East Asia-Pacific, and Southwest Asia. The overview of Alliance and country contributions presented in this chapter is given further elaboration in Chapter III.

## NATO ALLIES

A fundamental objective of U.S. strategy is to maintain NATO as the preeminent organization for ensuring transatlantic security and the anchor of American engagement in Europe. Over the past decade, the threat of direct invasion of NATO territory has decreased significantly, while other types of threats (including regional conflicts on the periphery of NATO, proliferation of nuclear, biological and chemical weapons, and terrorist attack) have increased significantly. The Alliance is now pursuing numerous initiatives that will permit it to function more effectively as it moves into the 21st century.

Specifically, at the Washington Summit in April 1999, NATO's 19 heads of state and government adopted a new Strategic Concept intended to adapt and prepare the Alliance for current and future challenges. The Strategic Concept envisages a larger, more capable and more flexible Alliance. It reaffirms NATO's core function of collective defense, even as it expresses the Alliance's willingness to respond to crises that arise from regional or ethnic conflicts. In an effort to better prepare NATO internally to meet these challenges, the Strategic Concept provides guidance to NATO military authorities and tasks them to develop, through the Defense Capabilities Initiative (see below), the military capabilities necessary to carry out new missions and improve interoperability among NATO forces. The Strategic Concept also recognizes the importance of the European Security and Defense Identity (ESDI) as an essential element of Alliance adaptation that would foster a more effective European contribution to regional security.

### The Defense Capabilities Initiative (DCI)

The United States introduced the concept of focused improvement of defense capabilities at the June 1998 NATO Defense Ministerial in Brussels. Calling attention to lessons learned from NATO's experience in Bosnia, the United States suggested that future conflicts in Europe would place a premium on the ability to deploy troops and equipment to a crisis rapidly, often outside NATO territory, with little or no preexisting support. We also emphasized that, in the face of NATO's conventional superiority, hostile states are looking to nuclear, biological and chemical (NBC) weapons and increasingly long-range and accurate ballistic and cruise missiles to offset that superiority. NATO, therefore, needed to develop and field the capabilities, doctrine, and plans to deal effectively with these current and emerging threats. As described in greater detail in the Report to the Congress on NATO's Defense Capabilities Initiative submitted in January 2001, this concept – which was validated soon thereafter by NATO's experience during Operation Allied Force (the 1999 Kosovo air campaign) – became the foundation for the decision by NATO Heads of State and Government, at the Washington Summit, to launch the DCI.

Specifically, the Allies endorsed "decision sheets" in five functional areas: deployability and mobility; sustainability and logistics; consultation, command and control (C3); effective engagement; and survivability of forces and infrastructure. These decision sheets include 58 short- and long-term objectives. In addition, in line with an earlier U.S. suggestion, the Allies established a High Level Steering Group (HLSG) to oversee implementation of the DCI and to coordinate, prioritize and harmonize the work of NATO's defense-related committees.

During the past year, the United States continued to exercise a leadership role in urging our Allies to achieve a real increase in their capabilities. Our goal is not to develop similar capabilities for every NATO member, since not every member needs or can afford the newest or best fighter aircraft, long-range tanker aircraft or surveillance systems. Rather, our goal is to provide NATO forces with compatible and complementary capabilities that meet our collective requirements.

***Mixed Results Thus Far***

The Alliance has made modest progress in some DCI areas, albeit with an uneven level of effort by its 19 members. For example, Allies such as the Netherlands, Norway, Denmark, Belgium and Portugal have made concerted efforts to increase their day/night, all-weather capabilities by starting aircraft upgrades. The major European allies are set to acquire advanced fighters, long range cruise missiles, medium lift transport aircraft, and attack and transport helicopters, but most of these systems will not become available in sufficient numbers until the latter part of the decade. These efforts could be complemented, in the future, by the continuation of recent, promising trends toward greater emphasis on cooperative programs, to include possible joint procurements of capabilities. Such efforts are reflected, for example, in the seven-nation European Air Group work to set up a common management mechanism for military aerial transport and the use of civilian assets that might be used for military contingencies. They are reflected, as well, in the Dutch-led initiative, involving five other European allies, to explore the collective procurement of precision-guided munitions. Joint procurement holds out the very real potential for cost savings and interoperability improvements when Allies pool scarce resources.

Nevertheless, in many other respects, progress toward DCI objectives has been disappointingly slow. The Alliance will continue to suffer from a substantial shortage in strategic and oversized cargo airlift capability beyond its current planning period, notwithstanding the United Kingdom's decision in 2000 to lease four C-17 aircraft from the United States. While seven European allies have announced their intention to develop and procure a new cargo aircraft, the A400M, their level of financial commitment to the multi-billion dollar project is not clear, and current estimates are that the aircraft will not begin to be fielded before 2008. Similarly, the Alliance's need for improved, secure, and deployable C3 capabilities remains unmet, and serious deficiencies remain in the area of NBC defense.

***Key Role of Resources***

The success of the DCI continues to depend, to a large extent, upon the provision of sufficient resources. Without making the necessary investments to field a 21st Century force, the Alliance and its member nations will not meet the DCI goals. Defense budgets will always be a function of national priorities, but they also must be a function of both international challenges and the capabilities needed to address those challenges as an Alliance. In too many cases, unresponsive defense budgets pose a risk of stagnating or, even worse, eroding Alliance capabilities. Ten of 17 Allies increased defense spending over the past year, but for the most part these increases were relatively modest – notwithstanding the fact that the gross domestic product of every Ally except Turkey increased between 1998 and 2000. European defense outlays currently are projected to

remain fairly constant over the next few years. Even where some budgetary increases are projected, weapons procurement funds will continue to be squeezed by domestic political constraints, current operations and maintenance expenses, and rising personnel costs associated with the trends toward increasing professionalization of European militaries.

These trends will have to be improved if the Alliance is to remain healthy, both politically and militarily. The DCI, to its credit, has shone a spotlight on Alliance capability shortfalls, and has helped its members chart a course toward their remediation. Allies have begun the demanding journey to turn their DCI rhetoric into deeds, but continued pressure – from the United States and, even more importantly, from within their respective governments and political constituencies – will be necessary for years to come.

**European Security and Defense Identity (ESDI)**

The 1994 NATO Summit in Brussels established a European Security and Defense Identity (ESDI) to "strengthen the European Pillar of the Alliance while reinforcing the trans-atlantic link and enable the European allies to take greater responsibility for their common security and defense." In 1996, NATO ministers pledged that ESDI will be "grounded on sound military principles ... and permit the creation of militarily coherent and effective forces," and tasked NATO to identify assets and capabilities available for operations led by the Western European Union.

Prior to the 1997 European Union (EU) Treaty of Amsterdam, which called for the establishment of a European Security and Defense Policy (ESDP), the EU dealt with economic, monetary and social issues. The EU has also agreed upon a Common Foreign and Security Policy, which it presented through international organizations. In 1998, U.K. Prime Minister Blair decided that the United Kingdom could now support the introduction of a defense dimension into the EU. Heretofore, the United Kingdom had focused on the Western European Union (WEU) as the locus of European defense cooperation because of the WEU's institutional ties to NATO. The United Kingdom and France agreed, at their December 1998 St. Malo Summit, that the EU "must have the capacity for autonomous action, backed up by credible military forces" and the capability "to take decisions and approve military action *where the Alliance as a whole is not engaged*." This progress on the EU's ESDP influenced decisions taken at NATO's April 1999 Washington Summit, where leaders agreed to work with the EU and reinforce NATO's ESDI with four specific steps (called "Berlin Plus"):

(1) *Assured EU access to NATO operational planning*. Such access would prevent creation of an EU counterpart to Supreme Headquarters Allied Powers Europe (SHAPE) and ensure that EU operations are conducted in accordance with NATO doctrine.

(2) *Presumption of availability to the EU of pre-identified NATO capabilities and common assets*. For larger operations, the EU will need NATO assets, such as the command structure. The modalities for providing such assets need to be worked out, including a framework agreement for the release, monitoring, recall, and financial liability of such assets. The contribution of any national assets (e.g., U.S. C-17's) to an EU operation would remain a national decision.

(3) *Further develop DSACEUR's role*. NATO and the EU will draw from the same pool of forces. There will not be any separate "EU army." Thus, it is essential that a single individual – the Deputy Supreme Allied Commander Europe (DSACEUR) – be responsible for activities like force generation for NATO and EU operations. He would be "dual-hatted," serving as the operational commander of an EU-led operation and retaining his NATO "hat" as ESDI strategic coordinator.

(4) *Adaptation of NATO's defense planning system to incorporate the availability of forces*

*for EU-led operations*. A common, coherent, transparent defense planning process would achieve the vital goals of eliminating competing priorities and preventing unnecessary duplication.

The EU's December 1999 Helsinki Summit established an EU Headline Goal to develop the capability, by 2003, to deploy a force of up to 60,000 troops within 60 days and sustain that deployment for at least one year. The November 2000 EU Capabilities Commitment Conference resulted in pledges by EU members toward meeting the Headline Goal. Several non-EU states, like Turkey and Poland, also offered some of their forces. The Conference identified capability shortfalls, such as strategic lift, aerial refueling, suppression of enemy air defense, and theater ballistic missile defense, that are consistent with NATO's Defense Capabilities Initiative. However, the Conference neither set realistic milestones for rectifying identified shortfalls nor identified additional funding sources.

The December 2000 NATO ministerials and EU Nice Summit saw limited progress on resolving differences between NATO and the EU. The United States is engaged in a variety of efforts to develop a cooperative, coherent, and transparent relationship between NATO and the EU. This goal, which is widely shared by NATO and EU members alike, should avoid unnecessary and costly duplication of the military assets and capabilities required by both organizations. The right kind of links will serve the mutual interests of all NATO and EU members, since they will ensure that decisions about future military operations will meet the security objectives of both organizations without infringing on their respective, independent decision-making prerogatives. In the end, the improved European military capabilities that Allies seek to achieve in NATO through the DCI and ESDI, and which EU members seek to reinforce through ESDP, will strengthen the Alliance as a whole and the European pillar of transatlantic security in particular.

## Cost Sharing in the Alliance

The NATO Alliance has evolved unique ways and means of cooperation over the past fifty years. Thus, although most NATO allies do not offset the same percentage of U.S. stationing costs as do Japan and the Republic of Korea, they contribute significantly more toward sharing the military roles, as well as the overall political and economic costs, of protecting shared interests.

Under long-standing cost sharing agreements, our NATO allies collectively pay three-quarters of the NATO common-funded budgets, which totaled $1.1 billion in 2000. The United States' one-quarter share of the NATO common-funded budgets (in which all 19 members participate) provides significant leverage in Alliance decision-making, and access to facilities and programs that the United States would otherwise not be able to use without a much greater national investment. Common budgets are also a cost-efficient means of dealing with large expenditures which, if funded unilaterally, would create a heavy burden for any one nation. Within NATO, Allies consult on the goals and priorities for their national defense programs, and engage in a regular process of candid peer review with the aim of increasing effectiveness, improving burdensharing, and anticipating future challenges to the Alliance.

## Forward Presence: Essential for U.S. Power Projection and Alliance Leadership

The successful defense of U.S. security interests in Europe depends fundamentally on an effective American leadership role within NATO. The presence of significant numbers of U.S. forces in Europe underpins the U.S. commitment to transatlantic security and the military effectiveness of the Alliance. Forward basing strengthens peace and stability within the region and provides a platform for the projection of power and influence well beyond Europe that is more immediate, credible, and cost-effective than basing in the continental United States.

## Contributions of Selected NATO Allies

The remainder of this section describes notable responsibility sharing contributions by the United Kingdom, France, Germany, and Italy. These nations collectively host over 90 percent of the U.S. military personnel stationed in Europe, and account for nearly three-fourths of the defense spending of all our European-NATO allies.

*Note:* the following paragraphs do not specifically address Allies' performance in the core DCI objectives. See Part IV, *Actions Taken By Each Member of the Alliance Other Than the United States to Improve the Capabilities of its Forces in Certain Areas,* of the classified section of the *Report to the Congress on NATO Defense Capabilities Initiative* (January 2001*),* required by section 1039 of the National Defense Authorization Act for Fiscal Year 2000.

### *United Kingdom*

The United Kingdom remains one of our closest and most important allies, working in concert with the United States across a broad range of political and military issues both within NATO and bilaterally. As a nuclear state with significant power projection capabilities, the United Kingdom brings not just a regional, but also a global orientation to our security relationship, with approximately 25,000 troops stationed abroad.

The British defense budget declined slightly in real terms between 1999 and 2000, but defense spending relative to GDP (2.4 percent in 2000) remains among the highest in NATO. The United Kingdom provides substantial host nation support for U.S. forces, almost entirely in the form of indirect contributions. British forces form the backbone of the Allied Command Europe (ACE) Rapid Reaction Corps (ARRC), and play a significant role both in NATO military missions and in peacekeeping operations under the auspices of the United Nations. The United Kingdom provides the second largest share of total allied naval tonnage, after the United States, and the third largest share of total allied tactical combat aircraft, trailing only the United States and France. The United Kingdom continues to implement structural and doctrinal changes called for in the 1998 Strategic Defense Review, creating a more deployable, sustainable, and flexible force.

The United Kingdom has almost 6,600 personnel supporting operations in the Balkans, including aircrews in Italy and personnel afloat in the Adriatic. It contributes about 3,400 troops to KFOR, and is the lead nation in the Multinational Brigade Center (MNB-C) sector of Kosovo. Another 1,100 troops serve with NATO's Stabilization Force (SFOR) in Bosnia. Additionally, British forces participate in coalition operations in Southwest Asia, including the enforcement of no-fly zones over Iraq, and serve in UN peace operations in Bosnia, Cyprus, on the Iraq-Kuwait border, Georgia, Sierra Leone, Kosovo, the Democratic Republic of the Congo, and East Timor. The United Kingdom also assists in enforcing the UN Security Council maritime sanctions against Iraq.

The United Kingdom also played the leading role in rescuing UNAMSIL – the UN peacekeeping mission in Sierra Leone – after Revolutionary United Front (RUF) insurgents violated the Lome peace accord and began attacking UN troops. Operation PALLISER was launched in May 2000 with a parachute battalion, a marine battalion, the aircraft carrier HMS *Illustrious*, the helicopter carrier HMS *Ocean*, and six other naval vessels. The British forestalled an attack on Sierra Leone's capital, Freetown, and helped release hundreds of UN troops who were being held hostage, allowing a reinforced and revitalized UNAMSIL to regain the initiative. The bulk of the British forces were withdrawn within a few months, but the commitment continues under a brigade-level headquarters, with a series of short-term training teams providing instruction for Sierra Leonean government troops, and a longer-term military assistance and training team supporting re-formation of the Sierra Leonean Ministry of Defense.

The United Kingdom provided over $3.6 billion in foreign assistance in 1999, and aims to continue increasing foreign aid in absolute terms to a level 25 percent higher than that of 1997. Foreign assistance contributions for 2000 are estimated at $4 billion. The United Kingdom was the first European country to support the Korean Energy Development Organization (KEDO), an international body dedicated to replacing North Korea's existing nuclear facilities with light-water reactors, with a $1 million contribution in 1995, and a $2.6 million contribution in 2000. The 1996 KEDO agreement expired at the end of last year, and in negotiations for the second draft agreement, the European Union has thus far agreed to only a small increase in its annual contributions to $16.0 million (the United Kingdom would provide its apportioned share of about $3.1 million). However, it is possible that EU contributions may rise to $27.4 million per year.

The United Kingdom contributes to proliferation prevention efforts through a program to help control fissile material in countries of the former Soviet Union. In its past fiscal year, the United Kingdom spent $9.4 million on bilateral and multilateral nuclear non-proliferation efforts. Nuclear issues in the former Soviet Union are of top concern in the United Kingdom, and an increase in spending to $37.3 million is planned for next year. Over the course of the next three years, a total of $126.4 million will be spent on nuclear non-proliferation efforts. Additionally, in July 2000, the United Kingdom committed $18.7 million over three years to assist Russia in chemical weapons destruction. A small initiative has also been adopted on biological weapons demilitarization, but no firm decisions have yet been made.

### ***France***

France compares favorably with other European allies both in terms of defense spending and policies that support genuinely increased European defense capabilities. Like the United States, France advocates European defense spending levels sufficient both to maintain credible self-defense forces, and to develop the capability to lead crisis response operations where NATO as a whole is not engaged. France possesses considerable nuclear and conventional forces, including the largest and most capable reaction forces of any NATO nation except the United States. Strong French views on American “hegemony” occasionally complicate the pursuit of shared security interests around the world. Nonetheless, France has demonstrated political and military commitment in standing with its allies in such places as Bosnia and Kosovo, and earlier in Rwanda, Haiti, Somalia, Cambodia, and the Persian Gulf. France is currently trimming its armed forces and reducing its overseas military presence (particularly in Africa), but shall remain a major military power.

France registered a modest (1.1 percent) increase in real defense spending during 2000 (2.6 percent of GDP), continuing a post-Cold war pattern of relatively consistent and strong defense budgets. However, the French armed forces are still in the midst of a major restructuring that was launched during 1996 in response to rapidly rising defense acquisition program costs, growing budget deficits, and the need to comply with European Monetary Union requirements for the introduction of the Euro. Military budgets and manpower will be reduced, though the remaining force structure shall be extensively realigned in order to yield greater efficiencies and dramatically improve power projection capabilities.

France is the second largest contributor of peacekeeping personnel in the world after the United States. During 2000, French troops and civilian police participated in UN missions in Sierra Leone, Lebanon, the Republic of Georgia, Bosnia, Kosovo, the Western Sahara, the Democratic Republic of the Congo, and on the Iraq/Kuwait border. Over 5,400 French troops served in Kosovo (where France is the lead nation for Multi-National Brigade (North)), while another 2,400 were responsible for the sensitive Multi-National Division (Southeast) sector of Bosnia under the authority of SFOR. In addition to the troops serving in multinational

peacekeeping operations, France had over 26,000 military personnel stationed abroad in 2000, including some 6,500 in Africa.

Of all the Group of Seven (G-7) nations, France consistently spends the largest share of its GDP on official development assistance. Between 1997 and 1999, its foreign assistance outlays averaged nearly half a percent of GDP (0.46 percent). However, *absolute* contributions have been declining in recent years, and the trend continued in 1999, when they fell to a new low of just over $5.4 billion.

***Germany***

Germany's geographical location, economic strength, military capabilities and political influence make it a vital European ally. Its armed forces are among the largest, most modern and best-trained in NATO, and form a major component of Alliance military capabilities. In May 2000, Defense Minister Rudolf Scharping unveiled plans for a major restructuring of the German armed forces. Active-duty military strength is to be reduced from the current 335,000 personnel to 277,000 in 2006. Despite these cuts, the future force will be both more professional, as conscript strength will be trimmed to about 80,000, and more capable of conducting crisis response operations, since the "readiness forces" configured for rapid deployment shall be tripled to about 150,000 personnel.

Although Germany's rate of economic growth increased markedly in 2000 (to 3 percent), the government remains committed to fiscal austerity measures designed to trim the budget deficit, reduce public debt levels, and lighten the burden of interest payments. Real defense spending declined by one percent between 1999 and 2000, and in June 2000, the German government announced that further cuts would be made in each of the next three years. The 2001 defense budget will actually be larger than that of 2000, but the "increase" is attributable to the incorporation of funds for Balkan operations that had been provided from outside the defense budget in past years. The effects of current and projected German defense budget trends on German readiness and capabilities is a source of concern, and the United States is urging the German government to give close attention to this matter.

Germany's total contribution of military training and support for NATO and Partnership for Peace (PfP) countries was valued at some $3.5 billion in 2000. This included PfP training, language training, and technical and military advisors.

During 2000, Germany contributed troops and materiel support valued at over $500 million to UN peace missions, including in the Republic of Georgia and East Timor, and large contingents of civilian police to the UN missions in Bosnia and Kosovo. There are also over 5,000 German troops serving in NATO's KFOR peacekeeping mission in Kosovo, where a German headquarters commands the Multi-National Brigade South (MNB-S) sector, and over 2,000 more personnel are deployed with SFOR in Bosnia.

German foreign assistance contributions totaled nearly $5.5 billion for 1999, ranking third among all Allies covered in this Report. Yet, due to fiscal austerity measures, German foreign assistance contributions were expected to decline by over seven percent in the year 2000, with further cuts possible in subsequent years.

Germany also provides extensive financial assistance (beyond the foreign assistance contributions listed above) for the pursuit of shared security objectives in the Balkans. It is allocating a total of approximately one billion dollars to support military activities necessary for implementation of the Southeastern European Stability Pact in 2000 and 2001. Furthermore,

Germany spent or committed approximately $144 million for reconstruction in Southeast Europe in 2000, and intends to continue to commit this amount annually until 2004.

Germany contributed $7.2 million to Russia and Ukraine for counterproliferation and nuclear threat reduction in 2000, including chemical weapons destruction, nuclear waste disposal, SS-24 missile silo closure, and nuclear incident emergency planning programs. Under the auspices of the EU, it also contributed $4.6 million to KEDO.

As is generally true of our NATO allies, Germany contributes more to achieving shared interests in the areas of military roles and missions, political cooperation, and economic assistance than in cost sharing for forward deployed U.S. forces. Nevertheless, German cost sharing was estimated at over $1.3 billion in 2000, almost all in the form of indirect contributions. The German Ministry of Defense provides support services for U.S. forces both within Germany and in the Balkans, including substantial tax and customs exemptions for forces in Germany, and materials transport, meals, accommodation, and security escorts for U.S. soldiers deployed in the Balkans.

***Italy***

Italy contributes actively to our security partnership, both through NATO and bilaterally. Italy is a major staging and logistics base for operations in and beyond the immediate region. Relative to Europe's central region, Italy possesses the advantage of strategic depth, while at the same time providing a key front-line presence in the Mediterranean region. Italy hosts U.S. forces and contributes significantly to United States power projection capability into and throughout the region. NATO air bases in Italy, for example, were essential for the prosecution of the bombing campaign against Yugoslavia during the Kosovo air campaign of 1999, and continue to provide essential staging and transportation points for NATO peacekeeping missions in the Balkans.

Italian real defense spending shrank by 1.8 percent from 1999 to 2000. During the same period, the proportion of Italy's GDP spent on defense declined slightly from 2.0 to 1.9 percent. The ongoing transition from an all-conscript military to one that includes large numbers of professional troops promises to create more proficient and deployable forces, but places additional pressure on the defense budget, and greatly complicates efforts to find more funding for vital modernization programs. Nevertheless, in November 2000, the Italian government presented a 2001 defense budget that calls for a real increase of 2.5 percent compared to 1999 – including a nearly 50 percent increase in funding for research and development.

Of all the nations covered in this Report, Italy ranks third (after the United States and France) in personnel contributions to multinational peace support operations. At the end of 2000, Italy had roughly 6,400 Army and Carabinieri troops serving with KFOR (including about 1,000 in Albania), and was the lead nation in Multi-National Brigade (West). Another 1,500 Italian troops were serving with SFOR in Bosnia. During 2000, Italy also participated in UN operations in Jerusalem, East Timor, Bosnia, Kosovo, Lebanon, the Western Sahara, Guatemala, and on the Iraq/ Kuwait, India/Pakistan and Eritrea/Ethiopia borders. It also made the third largest financial contributions to UN peace support operations, relative to its share of total GDP, of all the nations in this Report (trailing only Japan and Qatar). Italy's total foreign assistance spending in 1999 was about $1.7 billion, including a recently launched $120 million program for poverty reduction.

Italy is active in a number of initiatives that complement U.S. efforts to strengthen collective security arrangements both in Europe and globally. The Army's Julia Mountain Brigade forms the

framework of the Multinational Land Force, a brigade-sized tri-national formation incorporating Italian, Hungarian, and Slovenian units. Italy also contributes signals and C3I assets, and an infantry battalion to the Multinational Peace Force South-Eastern Europe, which is dedicated to enhancing regional security in the Balkans (Albania, Bulgaria, Greece, Romania, Turkey and the Former Yugoslav Republic of Macedonia also contribute). Finally, Italy contributes troops to the 14-nation UN Stand-by Forces High Readiness Brigade (SHIRBRIG), which gives the United Nations a rapid-reaction peacekeeping capability. When SHIRBRIG deployed for the first time ever in November 2000 (as the core peacekeeping element of the UN Mission to Ethiopia and Eritrea (UNMEE)), Italy contributed four transport and reconnaissance aircraft, two helicopters, and 200 personnel.

## PACIFIC ALLIES

The United States has important security relationships in Asia with Japan and the Republic of Korea. As is the case with NATO in Europe, these alliances grew out of the experiences of World War II and the early years of the Cold War. Like NATO, these two bilateral relationships were instrumental in helping to manage Cold War realities and are now adapting not just to a fundamentally altered global geopolitical situation, but also to emerging challenges and opportunities in the region.

At the heart of both alliances is the continued presence of significant numbers of forward-stationed U.S. troops: 40,000 in Japan and over 36,000 in Korea. In addition, Japan serves as the forward deployment site for approximately 14,000 United States naval personnel and the *U.S.S. Kitty Hawk* carrier battlegroup. These forces play a vital role in contributing to peace and security in the region, and are a tangible expression of vital American interests in Asia, and of U.S. will and capability to defend those interests in concert with our allies.

In view of the constraints that influence the policies and capabilities of both countries – in Korea the division of the peninsula and the threat of conflict, and in Japan the constitutional restrictions that strictly limit the scope of its military activities – their responsibility sharing has focused more on offsetting U.S. stationing costs, and less on other aspects, such as active participation in shared regional and global military roles and missions.

The United States maintains multi-year cost sharing agreements with both countries. These accords build effectively on past arrangements and provide for significant and increasing host country participation in cost sharing. This welcome contribution is critical not only to maintaining the military readiness of our deployed forces, but also for sustaining the political support that is essential to forward stationing, and thus to our ability to project U.S. power and influence in defense of shared interests.

### ***Japan***

Our bilateral alliance with Japan (the 1960 Treaty of Mutual Cooperation and Security Between the United States of America and Japan) is the key to our security strategy in the Asia-Pacific region, and is crucial to the forward deployment of U.S. forces there. Countries throughout the region view the alliance as a major factor helping maintain stability and security. Japan is expanding its cooperation with the United States and is taking an increasingly active role in international affairs. Although Japan spends a smaller proportion of GDP on defense (1 percent), than any other ally except Luxembourg, the size of its economy is such that it nonetheless ranks second in absolute defense expenditures among all the countries in this Report.

Cost sharing in support of U.S. forces stationed on its territory remains Japan's most significant responsibility sharing contribution. Indeed, its host nation support is the most generous of any U.S. ally, and consists of funding covered under both the Special Measures Agreement (SMA) and the Facilities Improvement Program (FIP). The Department's estimate of Japan's cost sharing support for U.S. forces in 1999 was $5.2 billion, covering 78.8 percent of U.S. basing costs.

A new five year (2001-2006) bilateral SMA goes into effect on 1 April 2001. The new SMA will provide approximately $7.3 billion over five years. Under its terms, Japan pays virtually all of the costs of local national labor employed by U.S. forces, as well as the costs of public utilities on U.S. bases. In addition, the SMA covers the costs of transferring U.S. training activities from U.S. bases to other facilities in Japan when the Government of Japan requests such transfers. United States Forces Japan (USFJ) reports that in 1999 Japan provided over $1.6 billion under the SMA.

Under the separate FIP, Japan voluntarily provides substantial funding for quality-of-life projects, including housing, community support and recreation facilities, and utilities upgrades. In recent years Japan has also shown increased flexibility under the FIP in constructing direct operational facilities, such as hangars and hardened aircraft shelters. In 1999, Japan provided $820 million for construction, restoration, and maintenance of facilities under the FIP. In addition, in 1999 Japan also provided $740 million in rents, $415 million in noise abatement measures, and $140 million for other vicinity improvements.

The Department estimates that under the new SMA and other labor cost sharing arrangements, the value of Japan's direct labor cost sharing (using 2000 exchange rates) will approximate $1.3 billion per year through 2006, or $6.5 billion of the $7.3 billion SMA total. Over the same five-year period, Japan's direct and indirect cost sharing, including forgone taxes, rents, and revenues, will continue to be $4 to $5 billion per year.

In addition to its cost sharing contributions, Japan's evolving international role means greater involvement in multinational efforts to promote regional and global stability. Japan contributed more funding ($252 million) for UN peace operations in 1999 than any other nation -- including the United States. It also has the largest foreign assistance budget of any nation in this Report. In 1999, Japan provided $16 billion (0.35 percent of its GDP) in foreign assistance, the largest ever figure in absolute terms of any single donor for a single year. Japanese aid focuses on poverty reduction programs and emergency situation assistance. Contributions in 1999 included three billion dollars for the Asian Currency Crisis Support Facility, and substantial increases in bilateral aid to Indonesia, Thailand, and Vietnam. However, concern over government deficit spending has resulted in a planned three percent reduction in foreign assistance for 2001.

In 2000, Japan provided $10 million for poverty reduction and social development projects in Asian countries; pledged $1.5 billion in concessional loans to help support operations of the Indonesian government; and made a $127 million contribution to the United Nations to help implement the new Group of Eight (G-8) prohibition on exporting small arms and light weapons to conflict areas.

In August 1999, the United States and Japan signed a Memorandum of Understanding to begin Joint Theater Missile Defense (TMD) technical research focusing on sea-based TMD. During 2000, Japan issued $20.4 million in contracts in support of ballistic missile defense efforts. Seven cooperative research programs, valued at $243.5 million, continued to show progress during the year 2000.

***The Republic of Korea (ROK)***

Our security relationship with the Republic of Korea (formally known as the Mutual Defense Treaty between the United States of America and the Republic of Korea) remains central to the stability of the Korean Peninsula and Northeast Asia. United States forces stationed in the Republic of Korea contribute significantly to the security and territorial integrity of the country, and are a tangible manifestation of U.S. support for peaceful change and democratic evolution in the region.

In December 1998, United States Forces Korea (USFK), the United States Embassy, and the ROK Ministry of National Defense reached a new multi-year Special Measures Agreement (SMA) covering 1999-2002. This calls for a ROK direct cost sharing contribution of $325 million for 1999, with increases in 2000 and 2001 to be based on ROK GNP growth and inflation.

In an effort to validate the Republic of Korea's methodology for calculating its indirect cost sharing contribution, USFK conducted a valuation estimate and analysis of forgone land rents for U.S.-controlled exclusive-use land, based on recommendations made during the 1997 SMA Implementation Review. USFK estimates total indirect cost sharing for 1999 at $397 million.

Apart from cost sharing, the Republic of Korea makes major contributions to regional security by maintaining strong, modern, and proficient armed forces. In 2000, the Republic of Korea devoted 2.7 percent of its GDP to defense, a decline of nearly four percent from 1999. Yet, ROK annual defense spending has grown by over 27 percent since 1990, compared to a decline of almost 25 percent for the United States, and nearly 20 percent for all nations covered in this Report combined during the same period.

Because of the security situation on the Korean Peninsula, Seoul's defense effort continues to focus on the maintenance of and improvements to military readiness. As such, the Republic of Korea does not participate extensively in global military roles and missions, including combined operations, elsewhere in the region and beyond. However, during 2000, the Republic of Korea provided 444 troops to serve with the UN Transitional Administration in East Timor (UNTAET), the follow on to the International Force for East Timor (INTERFET), in which the Republic of Korea also participated. The Republic of Korea provided an additional 32 personnel in support of peace operations in Georgia, the Western Sahara, and along the India/Pakistan border.

Economic constraints limit the Republic of Korea's ability to make large foreign assistance contributions. However, the Republic of Korea is making a major investment in support of shared nonproliferation goals under the United States-North Korea Agreed Framework. It is committed to playing a central role in funding the cost of the light water reactors to be constructed in North Korea by the Korean Peninsula Energy Development Organization (KEDO).

## GULF COOPERATION COUNCIL

United States' security strategy in Southwest Asia remains one of engagement, forward presence, and rapid response. The United States seeks to sustain and adapt security partnerships with key states throughout this critical region, broaden the economic and cultural underpinnings of these relationships, and promote peaceful settlement of regional disputes before they erupt into conflicts that could threaten our interests. Acting alone, neither the United States nor its partners in the region can ensure the security of Southwest Asia. Collective efforts are essential.

Our principal security partners in this region are the member states of the Gulf Cooperation Council (GCC): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. The GCC recently (December 30, 2000) signed its first defense pact against potential external attacks. This pact calls for the GCC's defense resources to be pooled, and stipulates that an attack on any member would be considered an attack against all the states. Furthermore, the 'Cooperative Belt' early warning network, which has been under development since 1997, was inaugurated in late February 2001. The network provides radar, early warning and secure communications links between the six GCC nations.

The security framework in Southwest Asia is strikingly different from those in other regions of vital interest to the United States. Here the United States has no formal bilateral or multilateral defense treaties, and instead relies upon a range of executive agreements for military access, status of forces, and prepositioning of equipment and supplies. The United States has no military bases of its own in the region. However, the six GCC nations are looking to expand their relationship with the United States. In March 2000, the United Arab Emirates decided to purchase 80 F-16 aircraft which represents a strengthening of its strategic partnership with the United States, and a further step toward increased interoperability with the GCC.

With the exception of Qatar, all of the GCC nations have per capita GDPs that are lower (and in some cases, much lower) than the average for all the nations in this Report. Yet, without exception, all of them continue to spend above-average (and often considerably above-average) percentages of GDP on defense. Due to increasing oil production and revenues, Saudi Arabia enjoyed its highest budget revenues since 1981, but domestic debt and over dependence on oil limits its options. Qatar continues to follow a conservative fiscal policy focused on paying down government debt. In 2000, Qatar undertook a significant downsizing of its military forces to reduce defense outlays. It reduced its defense spending by 25 percent and its defense forces by 8-12 percent, primarily by cutting third-country national staff. Although there were no major arms purchases in 2000, bilateral co-operation with the United States was extended to include a wide range of exercises and deployments. Rising oil prices have erased Bahrain's budget deficit, and enabled it to increase its defense spending (22 percent), but there is still little discretionary income available for foreign assistance and UN peace operations funding contributions. Kuwait and the United Arab Emirates both increased defense spending by about 14 percent in 2000, and Oman's defense spending rose by about 30 percent after declines in 1998 and 1999.

The GCC nations' shares of active-duty military personnel and standing forces continue to far exceed their corresponding shares of total GDP. Qatar and Oman provide the largest shares of active- duty military as a percentage of labor force of all the countries in this Report. Relative to its share of total GDP, Bahrain contributes the largest share of ground combat capability; the second largest share of combat aircraft; and the third largest share of naval tonnage of all the nations addressed in this Report. Kuwait's 1999 foreign assistance contributions exceeded one percent of GDP, the second highest of all the nations covered in this Report. Kuwait provides significant grant aid and humanitarian assistance to lesser-developed countries, primarily in the Arab world, but also including nations in Southeast Asia, Africa and the Balkans. The United Arab Emirates also provided significant amounts of aid, primarily to Arab and Islamic countries through the Shabir Fund for Development.

In spite of these laudable efforts, there remains a substantial disparity between the military forces of the GCC states and those of their principal antagonists in the Persian Gulf. Due to this imbalance, the United States continues to urge the Gulf countries to work closely with other moderate Arab states to enhance their collective ability to defend the region.

The GCC nations also contribute to regional security by providing U.S. forces the use of military facilities, transit rights, and other forms of access. Bahrain has provided port facilities to U.S. naval forces for 50 years, hosts the headquarters for U.S. Naval Forces Central Command (USCOMNAVCENT), furnishes facilities for prepositioned equipment, and has granted rapid access for U.S. military aircraft when needed. It has also recently accepted home-porting of four US minesweepers with 200 sailors, and has facilitated naval support activity upgrades. Bahrain also provided host government support to the U.N. Special Commission on Iraq (UNSCOM) and is currently finalizing arrangements with the U.N. for hosting The United Nations Monitoring, Verification and Inspection Commission (UNMOVIC). Oman likewise allows the United States to preposition equipment on its territory, and has granted access to its military bases since 1980.

Since the 1991 Gulf War, defense cooperation agreements permitting access and prepositioning have been signed with Kuwait, Bahrain, Qatar, and the United Arab Emirates. Under the agreement with Kuwait, that nation has agreed to offset U.S. prepositioning and exercise costs. At the end of 2000, Kuwait continued to house the bulk of U.S. ground troops (Operation Desert Spring) in the region and much of our air power assigned to two Air Expeditionary Groups (AEG). Saudi Arabia also provides access to U.S. forces, and contributes substantially to offset the costs of U.S. military operations enforcing the no-fly zone over southern Iraq (Operation SOUTHERN WATCH). Since November 1995, Bahrain and Qatar have both hosted several Air Expeditionary Force deployments in support of Operation SOUTHERN WATCH, and the United States Air Force recently established a limited prepositioning facility at Qatar's Al-Udeid Airbase and is investigating moving to the airfield. Qatar also hosts prepositioned U.S. Army assets at As-Saliyah.

The United Arab Emirates provide access to U.S. forces and hosts more U.S. Navy ships than any port outside the United States. The United Arab Emirates has also contributed over a thousand personnel to the NATO-led peacekeeping force in Kosovo – its first ever out-of-area deployment. The United Arab Emirates also provides most of the fuel for U.S. naval vessels in the Persian Gulf and, other than Bahrain, has the only suitable liberty ports in the Gulf. Furthermore, the United Arab Emirates accepts by far the largest number of ships diverted by the multinational interception force for attempting to smuggle Iraqi oil through the Gulf.

## UNITED STATES

The United States plays a leading role in promoting and defending shared security interests worldwide. Our armed forces are sized, equipped, and trained for the full range of conflict, from global warfare to regional contingencies and special operations – on land and sea, in the air and in space. Their capabilities are unsurpassed across nearly the entire spectrum of military power, and are particularly notable in the areas of strategic intelligence, power projection, and nuclear deterrence.

The United States spent about $296 billion on defense during 2000. This represented a real increase of 3.3 percent over 1999, although the percentage of GDP devoted to defense remained stable at approximately three percent.

United States military personnel served in six UN peacekeeping operations during 2000, and also participated with SFOR in Bosnia (4,300 personnel at the end of 2000), Kosovo Force (KFOR) (6,000 personnel at the end of 2000), and in the Multinational Force and Observers (MFO) on the Sinai Peninsula. Furthermore, the United States Support Group East Timor

(USGET) provided humanitarian and civic assistance support for East Timor's transition to independence in coordination with the UN Transitional Administration in East Timor (UNTAET). At peak strength, approximately 14,000 U.S. military personnel were serving in peace operations during 2000.

The United States provided over $12.9 billion in foreign assistance during 1999 – the second largest contribution after Japan's, and just under a quarter of the total contributed by all the nations covered in this Report combined.

The United States hosts the training of NATO forces in the United States, including the Euro-NATO Joint Jet Pilot Training program, German F-4/Tornado training at Holloman Air Force Base, and German air defense missile training at Fort Bliss. The United States also facilitates extensive officer and some unit exchanges with NATO allies and partner nations at locations such as Fort Leavenworth and the Combat Maneuver Training Center in Germany.

The United States offers the Defense Resource Management Study (DRMS) Program to Central European and CIS governments interested in acquiring the analytical methodologies necessary to improve the allocation of scarce defense resources. This program also encourages greater transparency in defense planning and increased democratic control of the military.

The United States has also established five Regional Centers for Security Studies: The George C. Marshall European Center for Security Studies, the Asian-Pacific Center for Security Studies, the Center for Hemispheric Defense Studies, the Africa Center for Strategic Studies, and the Near East – South Asia Center for Security Studies. These are designed to study security issues in a specific geographic region, and to serve as fora for bilateral and multilateral communications and military-civilian exchanges with nations in those regions. The Regional Centers thereby allow the Secretary of Defense and the theater Commanders-in-Chief (CINCs) to reach out actively and comprehensively to militaries and defense establishments around the world to lower regional tensions, strengthen civil-military relations in developing nations, and address critical regional challenges.

# CHAPTER III

# ASSESSMENT OF COUNTRY CONTRIBUTIONS

This chapter presents the Department's detailed assessment of U.S., NATO and Pacific allies' and Gulf Cooperation Council (GCC) countries' contributions in a broad range of responsibility sharing indicators – which are described in detail in the following sections. The purpose and utility of each indicator is explained, and important caveats and limitations are noted. Relevant statistics are summarized in the accompanying charts. The Annex provides further information on each of these indicators, as well as other related data.

As described previously, this analysis provides a comprehensive assessment based on countries' *ability to contribute* and *trends* in country efforts. For most indicators of defense resources and forces discussed below, this comparison is done by measuring a nation's share of the aggregate contribution relative to its share of total ability to contribute (e.g., its share of total defense spending relative to its share of total GDP). In this way, an assessment can be made as to whether or not a nation's effort is commensurate with its ability.

The following assessments are based on the most recent, complete, and reliable data available. Notes on uses and sources of these figures, and a country-by-country summary of selected responsibility sharing statistics, can be found in the Annex, along with a compendium of supporting data.

Countries are also assessed according to the criteria originally specified by the FY 1997 Defense Authorization Act to provide continuity with last year's Report. These assessments are also provided in the Annex.

## Responsibility Sharing Indicators

This chapter assesses allies' contributions in responsibility sharing indicators that are grouped together in eight major categories: (1) Defense Spending; (2) Multinational Peace Operations; (3) Multinational Reaction Forces; (4) Active-Duty Military Personnel; (5) Military Forces, (6) Defense Modernization Spending, (7) Cost Sharing; and (8) Foreign Assistance. The indicators in these categories are described briefly below.

1. **Defense Spending:** This indicator compares the most comprehensive indicator of defense effort (defense spending) to the most comprehensive indicator of ability to contribute (Gross Domestic Product (GDP)).

2. **Multinational Peace Operations:** There are two major indicators in this category: personnel contributions to multinational peace operations, and funding contributions to UN peace operations. These are assessed relative to ability to contribute as follows:

   a) National shares of total allied funding for UN peace operations are compared to national shares of total allied GDP.

   b) National shares of total allied personnel contributions to UN and major non-UN peace operations are compared to national shares of total allied labor force.

3. **Multinational Reaction Forces:** The post-Cold War environment places a premium on high-readiness military "reaction forces" suitable for multinational operations beyond national

territory. This indicator measures each allied nation's multinational reaction forces contributions as a share of the aggregate of all nations covered in the Report. Each nation's reaction forces contributions are compared to its ability to contribute (its share of aggregate GDP) in order to provide a basis for assessing relative performance in this indicator.

4. **Active-Duty Military Personnel:** The number of active-duty military personnel maintained by a country is an important indicator of its responsibility sharing effort. Performance relative to ability to contribute is assessed by calculating active-duty military strength as a percentage of labor force.

5. **Military Forces:** This category incorporates three indicators that assess allies' total ground, naval, and air forces contributions on the basis of major weapons systems inventories. For ground forces these include tanks, artillery and attack helicopters, while the naval and air forces analyses measure principal surface combatants and combat aircraft. Assessments of relative performance are derived by comparing each nation's share of total allied force contributions to its share of aggregate GDP.

6. **Defense Modernization Spending:** The events of the past decade have demonstrated that the United States and its allies must develop new and improved military capabilities in order to meet the security challenges of the post-Cold War world. These include precision attack, C3I (Command, Control, Communications and Intelligence), strategic mobility and sustainability, theater missile defense, NBC force protection, and SEAD (Suppression of Enemy Air Defenses) capabilities. Since it is impractical to track progress in each of these capabilities independently, this indicator instead presents a more generalized assessment of allied defense modernization efforts by measuring the percentage of total defense spending devoted to major equipment procurement and research and development.

7. **Cost Sharing:** This indicator covers *bilateral* cost sharing between the United States and an ally or partner nation that either hosts U.S. troops and/or prepositioned equipment, or plans to do so in time of crisis. The Department of Defense distinguishes between two different types of bilateral cost sharing: *direct* payment of certain U.S. stationing costs by the host nation (i.e., on-budget host country expenditures), and *indirect* cost sharing deferrals or waivers of taxes, fees, rents, and other charges (i.e., off-budget, forgone revenues). Assessments of relative effort are made by measuring the percentage of U.S. stationing costs paid by each host nation.

8. **Foreign Assistance:** This indicator assesses nations' foreign assistance funding contributions, which are important for maintaining global peace and stability, and represent notable economic commitments by donor nations. Foreign assistance comprises both bilateral aid given directly by one nation to another, and multilateral aid given by a nation to an international development bank (e.g., the World Bank) or other multinational agency (e.g., the European Commission), where it is pooled with other contributions and then disbursed. Relative performance is judged on the basis of the percentage of national GDP devoted to foreign assistance. In order to minimize the distortions caused by excessive year-to-year volatility in the size and timing of foreign assistance contributions, a three-year average was used to assess allied contributions in this indicator.

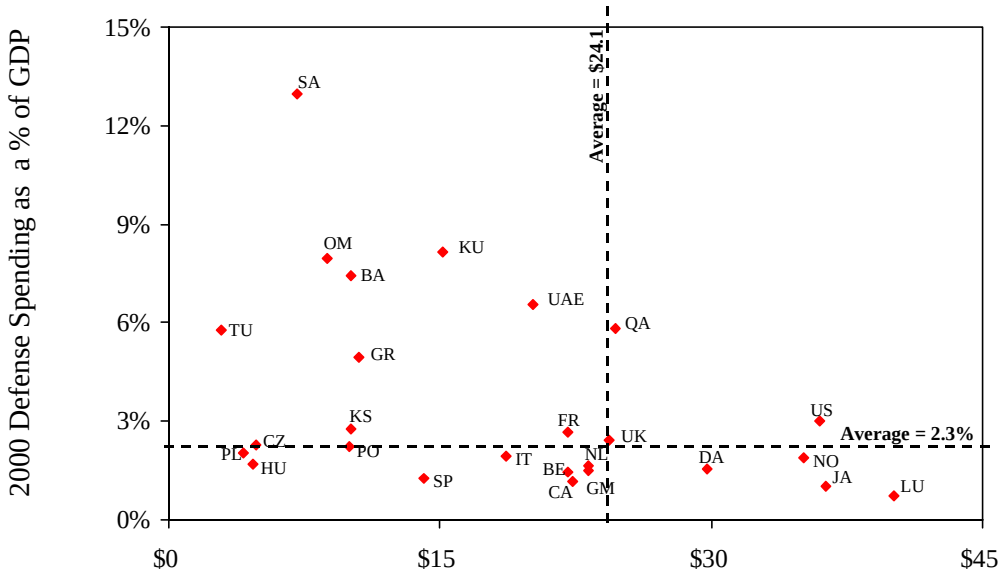
# DEFENSE SPENDING

Defense spending is the most important single indicator of allied responsibility sharing efforts, since it offers the clearest evidence of allied nations' willingness to commit resources to the common defense. Assessing defense spending relative to Gross Domestic Product (GDP) allows individual nation's contributions to be judged in comparison to their ability to contribute.

Chart III-1 depicts the wide variations in 2000 per capita GDP (a widely accepted indicator of prosperity and standard of living) among the nations addressed in this Report – from around $3,000 in Turkey to over $40,000 in Luxembourg. Given such great disparities in standards of living, "equitable" defense spending among nations may not necessarily mean that each nation should devote the same proportion of its national wealth to defense. That is, it may be more *fair* for nations with the strongest economies and wealthiest populations to carry a proportionately larger share of the burden of providing for the common defense.

Chart III-1 reveals that half of the countries addressed in this Report that have below-average per capita GDP, spend above-average percentages of GDP on defense: Saudi Arabia, Kuwait, Oman, Bahrain, the United Arab Emirates, Turkey, Greece, the Republic of Korea, and France. In contrast, over half of those that have above-average standards of living spend below-average percentages of their GDP on defense: Luxembourg, Japan, Norway, and Denmark.

**Chart III-1**
**Defense Spending as a Percentage of GDP vs. Per Capita GDP**
**2000**



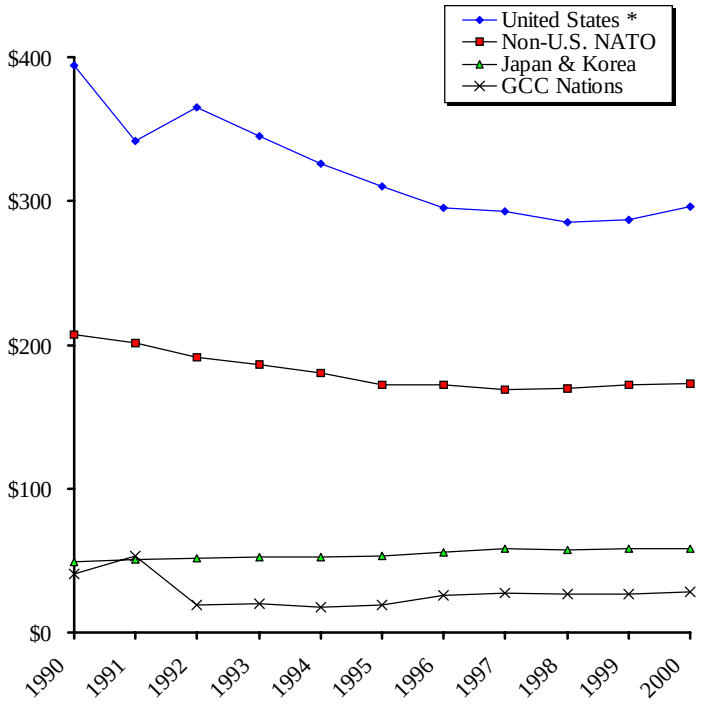

2000 Per Capita GDP (In Thousands of Dollars)

Chart III-2 depicts 1990-2000 defense spending trends for the United States, our NATO and Pacific allies, and our GCC partners. The chart shows that, during this period, the United States experienced the steepest decline in defense spending, while our NATO allies' overall defense spending fell considerably, but much less sharply. United States, GCC, Pacific, and non-

U.S. NATO defense spending all grew slightly in 2000. Refer to Table E-4 in the Annex for further information on defense spending trends.

Excluding the GCC countries, whose defense spending in 1990-1991 was seriously distorted by the Gulf War, combined real defense spending for all other nations addressed in this Report dropped by about 19 percent between 1990 and 2000, reflecting adjustments to the post-Cold War security environment. The largest declines during this period were experienced by Germany (-30 percent), the United Kingdom (-29 percent), Belgium (-26 percent), the United States (-25 percent), and Canada (-24 percent). The Czech Republic and Hungary also experienced very substantial decreases in defense spending over the past decade, though it must be noted that these nations maintained unusually high levels of defense spending while members of the Warsaw Pact. In contrast, several nations achieved real increases in their defense budgets over this period – Turkey (53 percent), Luxembourg (37 percent), Greece (33 percent), the Republic of Korea (28 percent), Japan (16 percent), Poland (8 percent) and Portugal (5 percent).

**Chart III-2**
**Defense Spending**
**2000 Dollars in Billions - 2000 Exchange Rates**




* U.S. defense outlays in 1991 were artificially depressed due to large allied cash contributions credited for Operation Desert Shield/Desert Storm.

Looking more specifically at defense spending trends in the past year we see that, between 1999 and 2000, seventeen countries achieved real defense spending growth, with the biggest gains posted by Oman (30 percent), Bahrain (22 percent), the United Arab Emirates (14 percent), Kuwait (14 percent), Turkey (13 percent), Hungary (8 percent), Spain (6 percent), the Republic of Korea (4 percent), Greece (4 percent), and the Czech Republic (4 percent).

Certain expenditures outside of defense budgets also promote shared security interests, and should be recognized – such as Germany's investments in the infrastructure of eastern Germany,

and its financial support for economic and political reform in the new democracies of Central Europe. Nonetheless, it is essential that our allies maintain their defense budgets at appropriate levels, in order to ensure that they remain able to field effective military forces. In our discussions with allies and partners, the Department continues to urge sustained efforts in this area.

## Defense Spending as a Percentage of GDP

Defense spending relative to GDP combines the most comprehensive indicator of defense effort with the most comprehensive indicator of ability to contribute. As a result, it is the most widely used indicator of burdensharing efforts. However, this indicator should not be viewed in isolation from other national contributions to shared security objectives. Also, this measure does not take into account efforts that are not directly reflected in defense budgets, nor does it give credit to those countries that are able to make more effective use of their defense resources.

Chart III-3 shows the percentage of GDP spent on defense by the United States and its allies in 2000. (Trend data since 1990 are found in the Annex in Table E-5). The 2000 data exhibits the same pattern that it has throughout the 1990s: the GCC nations, along with Greece and Turkey, spent the highest percentages of GDP on defense, while Japan, and several of our NATO allies (Luxembourg, Canada, Spain, Belgium, Germany, Denmark, the Netherlands and Hungary) spent the smallest proportions of GDP on defense.

- United States' defense spending as a percentage of GDP has declined from over 5.5 percent in 1990 to three percent in 2000. During this same period, non-U.S. NATO defense spending relative to GDP fell from three percent to two percent.

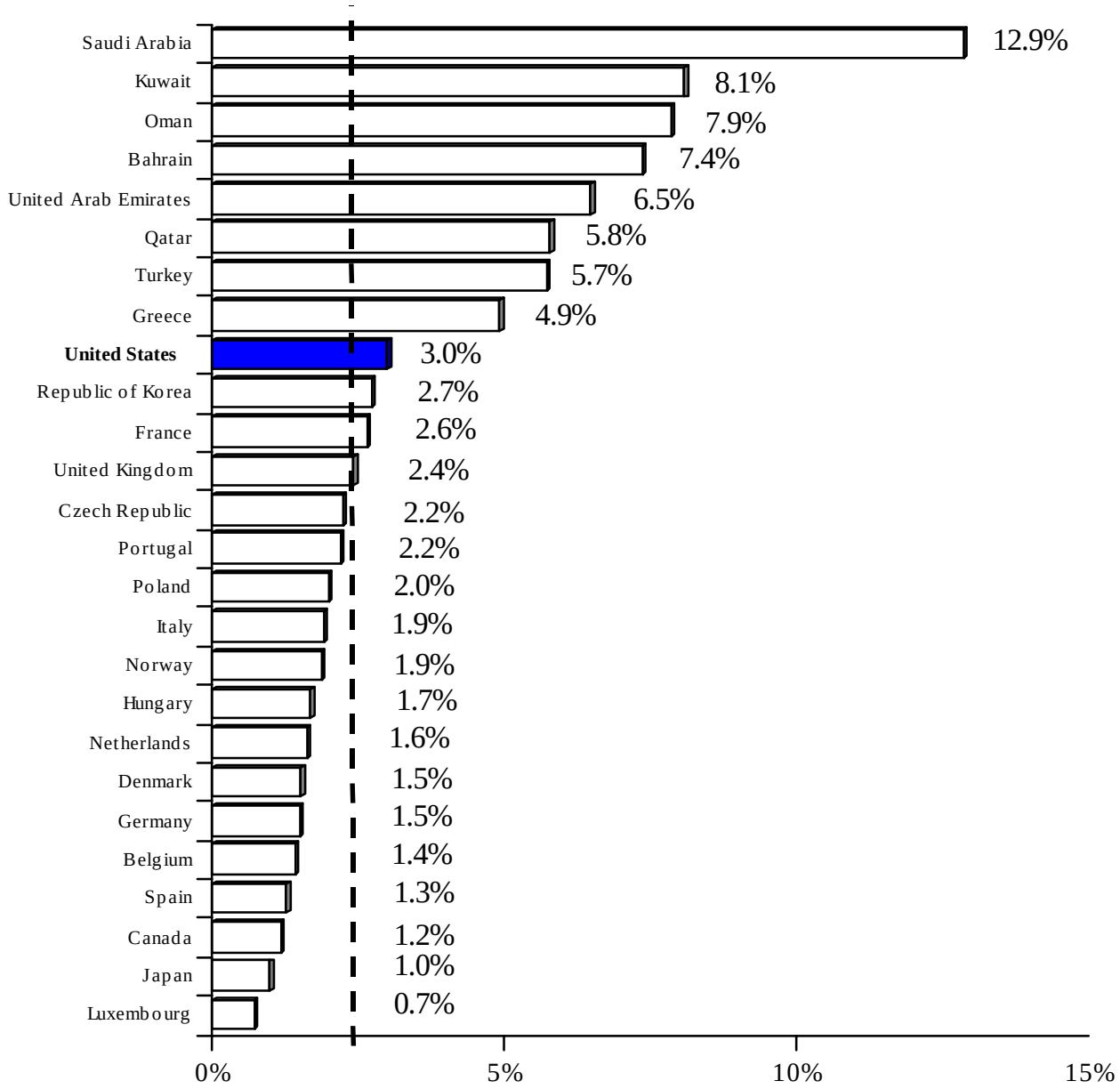
- In 2000, Turkey (5.7 percent) and Greece (4.9 percent) once again exceeded all other NATO nations in defense spending as a percentage of GDP, and were also two of the five Alliance members that experienced growth in this indicator (9 percent and 1 percent respectively) during 2000 – the others were the Czech Republic (3 percent), Hungary (3 percent), and Spain (2 percent).

- Among NATO nations, France and the United Kingdom also consistently rank high in terms of defense spending as a percentage of GDP, trailing Turkey, Greece, and the United States in this measure during 2000. On the other hand, Germany – which ranked seventh among NATO nations in this indicator at the end of the Cold War – now ranks 14th, ahead of Belgium, Spain, Canada, and Luxembourg.

- Although Japan spent about one percent of GDP on its defense forces in 2000, its defense spending remains the second highest of all the countries in this Report, after that of the United States. The Republic of Korea's 2000 defense spending increased by over four percent, but, as a percentage of GDP, declined by nearly four percent from 1999 levels.

- Four of the GCC partners increased the percentage of their GDP dedicated to defense in 2000: Kuwait (8.1 percent), Oman (7.9 percent), Bahrain (7.4 percent), and the United Arab Emirates (6.5 percent). These same nations (together with Turkey and Greece) also had the greatest percentage increases in this indicator between 1999 and 2000 (7 percent, 21 percent, 17 percent, and 10 percent, respectively) of any of the nations covered in this Report. The six GCC nations had the highest 2000 defense spending/GDP percentages of all the nations in this Report.

# Chart III-3
# Defense Spending as a Percentage of GDP
# 2000




Dashed line represents the overall average defense spending as a percentage of GDP for all the nations covered in this Report -- 2.3 percent.

**Assessment of Defense Spending Contributions**

The dashed vertical line on Chart III-3 depicts the average level of defense spending as a percentage of GDP for all the nations in this Report (2.3 percent). It therefore provides insight into the issue of equity among countries' defense efforts, by allowing contributions to be compared with the average. The United Kingdom and those countries shown above it on the chart (i.e., France, the Republic of Korea, the United States, Greece, Turkey and the GCC countries) are doing above average in defense spending as a percentage of GDP. Conversely, the Czech Republic and those countries listed below it on this chart spent below average percentages of their GDP on defense. See Section C of the Annex for additional statistics relating countries' contributions relative to their ability to contribute.

Nine nations were substantially (at least 20 percent) above average in this indicator. The United States was almost 30 percent above average, while Greece, Turkey, and all of the GCC nations spent percentages of their GDP on defense that were at least twice the average. Yet, there were also nine nations that were substantially (more than 20 percent) below average in this indicator, namely Hungary, the Netherlands, Denmark, Germany, Belgium, Spain, Canada, Japan and Luxembourg (which spent less than one-third of the average).

These assessments are summarized in Charts I-1A and I-1B.

## MULTINATIONAL PEACE OPERATIONS

Contributions to multinational peace operations are among the most significant indicators of allied responsibility sharing, particularly when these require the deployment of troops on the ground for extended periods. Such contributions have become increasingly important as peace operations have proliferated over the past decade. Within the past two years, U.S. or allied personnel have served in East Timor, Kosovo, Bosnia, Croatia, Cyprus, Lebanon**,** the Golan Heights and Sinai Peninsula, Tajikistan, on the India-Pakistan and Iraq-Kuwait borders, and in Western Sahara, Sierra Leone, and the Democratic Republic of the Congo.

Our assessment of personnel contributions includes participation in both UN and major non-UN multinational peace operations during the past year. However, since it has proven impractical to assemble complete and comparable data on funding for non-UN peace operations, financial contributions are assessed for UN operations only.

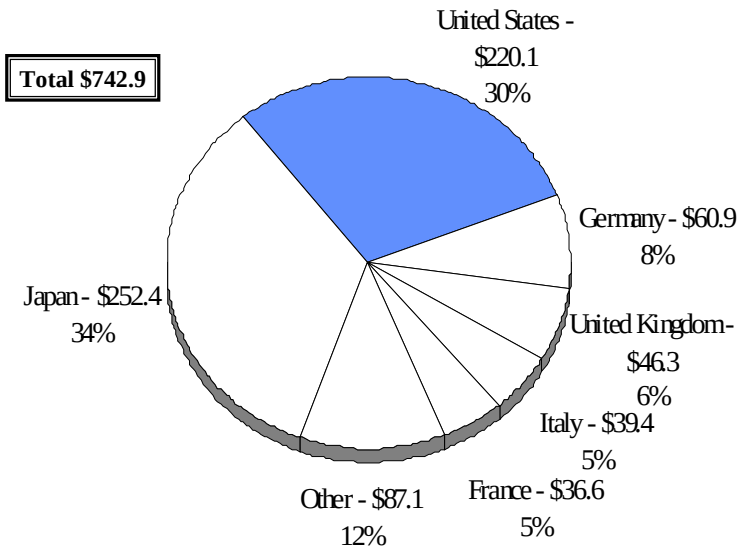
Allied funding contributions to UN peacekeeping missions actually declined by about 70 percent from 1994 - 1999, but this is almost certainly offset by increases in funding for non-UN operations such as SFOR and KFOR (for which complete and reliable data is not available). Saudi Arabia, Portugal, Qatar, Turkey, Kuwait, Japan, Greece, Spain, and the United States increased their funding contributions in 1999, though, except for Japan (which raised its contributions by about $84 million), the individual nations' increases were modest in real terms.

Chart III-4 shows that Japan contributed the largest single share of 1999 UN peace operations funding, closely followed by the United States. Indeed, these two nations provided almost two-thirds of the total peace operations funding contributions made by all of the countries covered in this Report – and adding Germany, the United Kingdom, Italy and France raises the figure to 88 percent of total contributions. However, it must be noted that these countries include six of the 'Group of Seven' industrial nations that have the largest (and, in most cases, wealthiest) economies in the world.

## Chart III-4

**1999 Funding Contributions for UN Peace Operations**

**Millions of Constant 2000 Dollars**

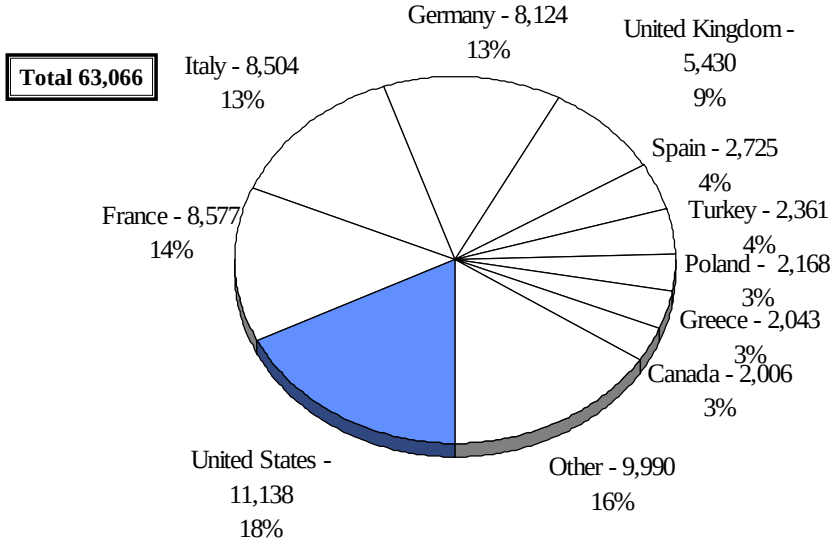



There has been dramatic growth in allied personnel contributions to peace operations in recent years – particularly for NATO-led operations. When NATO's Bosnia operation began in late 1995, all of the nations covered in this Report combined had about 8,000 peacekeepers serving worldwide. By the end of 2000, this figure had risen to over 63,000.

Chart III-5 reveals that the peace operations personnel burden is distributed far more widely than the burden of funding UN peace operations. It is particularly noteworthy that major contributions are made by relatively poor countries such as Turkey, Poland, and Greece, while the United States contributes less than one-fifth of the whole. Nonetheless, the United States and the "Big Four" NATO countries combined still account for about two-thirds of total personnel.

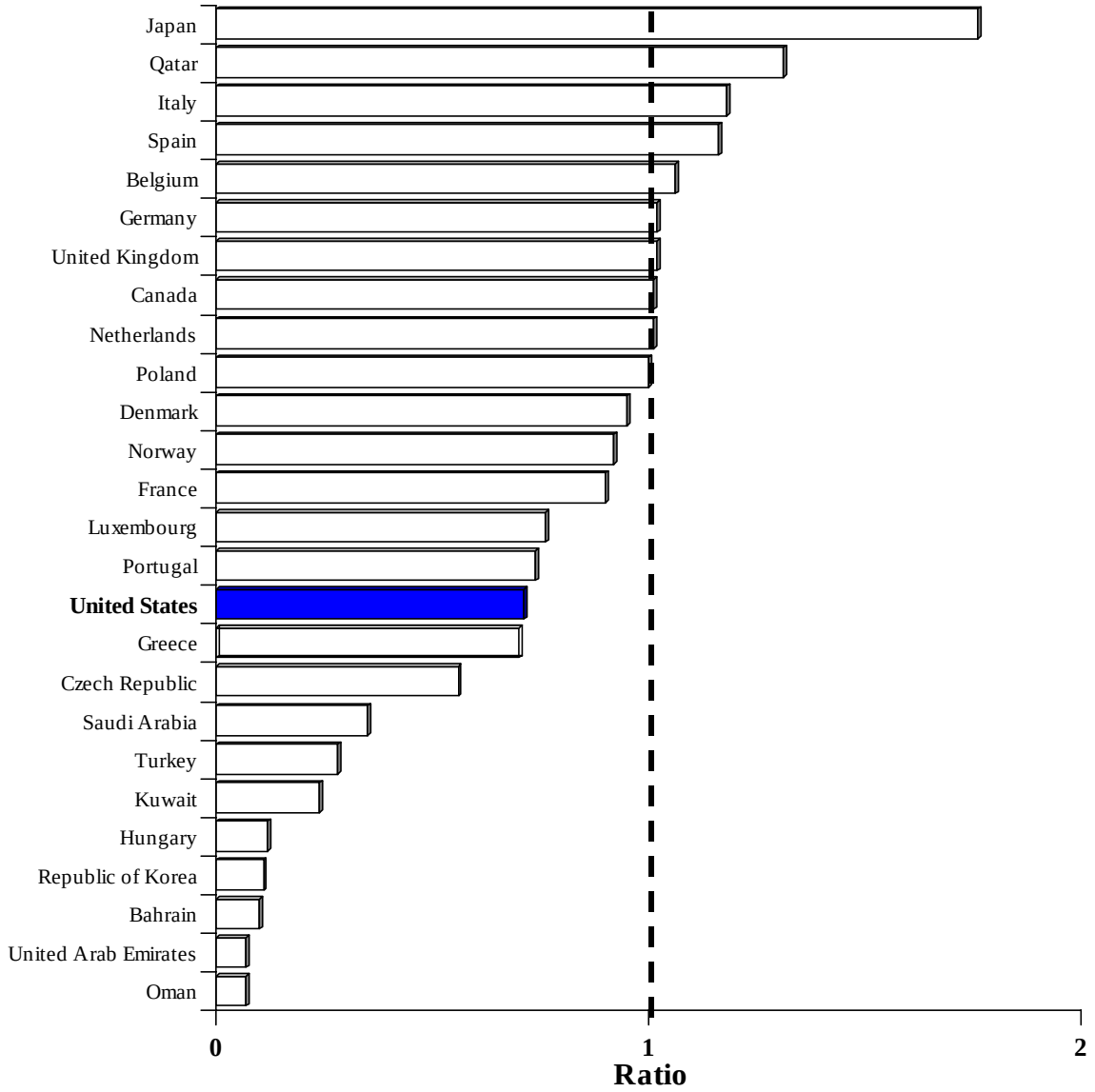
## Chart III-5

**2000 Personnel Contributions to Multinational Peace Operations***




*Major non-UN multinational operations and all UN operations

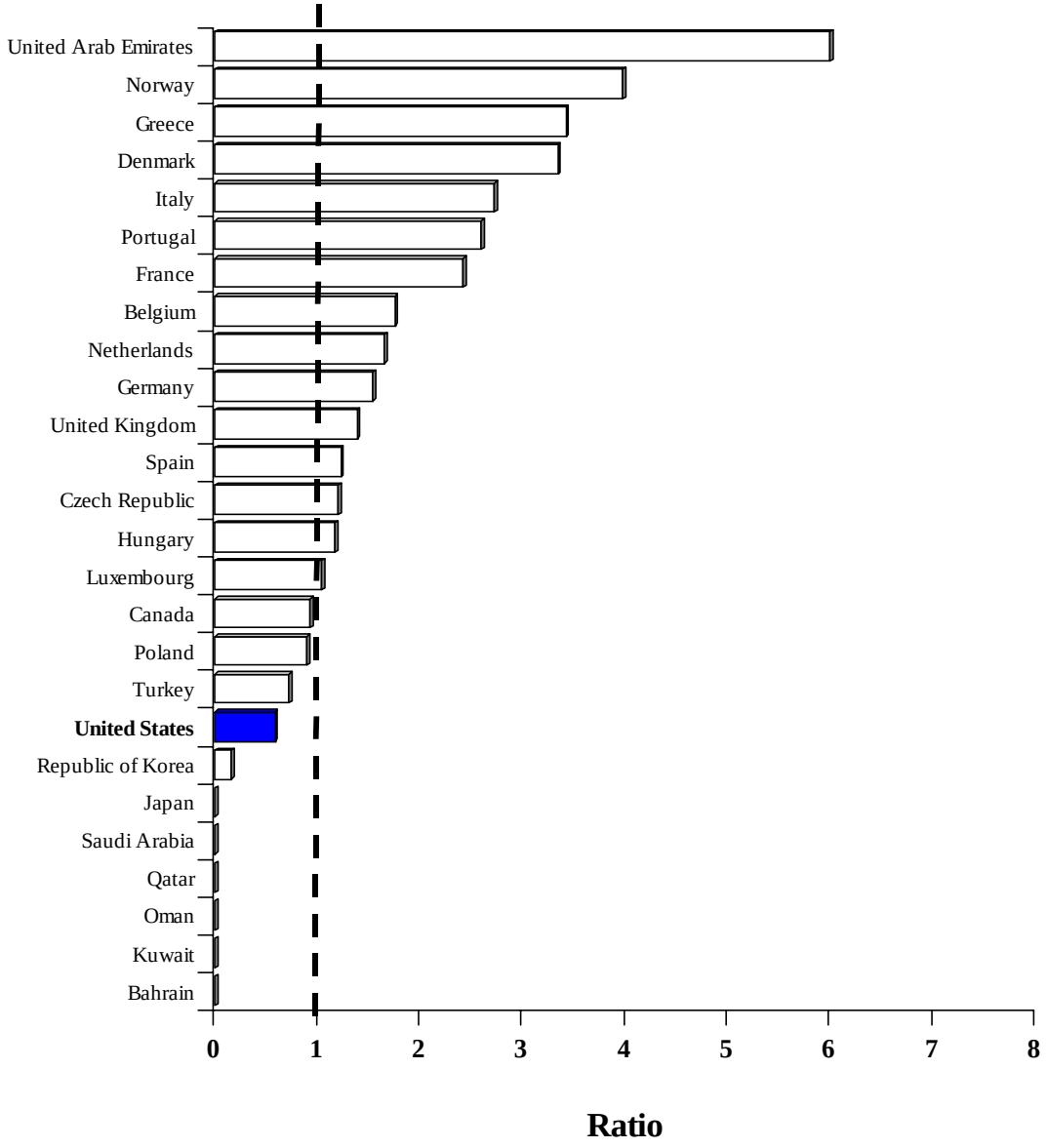
# Chart III-6
# Share of Funding Contributions to UN Peace Operations Relative to GDP Share
# 1999




A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

**NOTE:** This chart only addresses funding for UN peace operations. Thus, it does not reflect funding for SFOR, KFOR, Operations Northern and Southern Watch, or the multinational operation in East Timor.

# Chart III-7
# Share of Personnel Contributions to Multinational Peace Operations * Relative to Labor Force Share
# 2000




A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

*Includes UN and major non-UN multinational operations.

### Assessment of Contributions to Multinational Peace Operations

Chart III-6 compares each nation's share of total funding contributed to UN peace operations to its share of total GDP. On this basis, Japan and Qatar contributed substantially (at least 20 percent) more than their *fair share* of peace operations funding. Furthermore, thirteen nations contributed substantially (at least 20 percent) less than their *fair share*, including Luxembourg, Portugal, the United States, Greece, the Czech Republic, Turkey, Hungary, the Republic of Korea, and all five remaining GCC nations.

Chart III-7, which compares nations' shares of total multinational peace operations personnel contributions to their shares of total labor force, reveals that our NATO allies are doing much better in peace operations personnel contributions. Yet, both our Pacific allies contributed less than their *fair share*, while none of the GCC nations but the United Arab Emirates contributed any peace operations personnel in 2000. Thirteen nations (half the total) contributed personnel shares that were substantially (at least 20 percent) greater than their labor force shares: the United Arab Emirates, Norway, Greece, Denmark, Italy, Portugal, France, Belgium, the Netherlands, Germany, the United Kingdom, Spain, and the Czech Republic. However, nine countries contributed substantially less than their *fair share*, including Turkey, the United States, the Republic of Korea, Japan, and the remaining five GCC nations.

These assessments are summarized in Charts I-1A and I-1B.

## MULTINATIONAL REACTION FORCES

Maintaining and improving our capability, and that of our allies, to respond rapidly and multilaterally, both to conventional military aggression and to lesser threats that endanger common interests. is a key element of U.S. security strategy. Multinational Reaction Forces – that is, high-readiness military units suitable for multinational operations remote from national territory, are the practical manifestation of that capability.

### NATO Reaction Forces

Of the countries covered in this Report, our NATO allies make by far the most substantial multinational reaction forces contributions. In accordance with NATO's post-Cold War strategic concept, Alliance members continue to develop forces that can be rapidly transported to remote theaters of operation; function despite a lack of pre-established lines of communication and host nation support; and fight effectively in multinational formations at division and even corps level.

NATO's ground Reaction Forces are organized into the Immediate Reaction Force Land (IRF(L)) and Allied Command Europe (ACE) Rapid Reaction Corps (ARRC). The IRF(L) is a brigade-sized unit of about 5,000 troops, but is to be expanded into a division-sized force that will be known as the Immediate Reaction Task Force Land (IRTF(L)). The ARRC can deploy a force of up to four divisions from a pool of ten national and multinational divisions. The United Kingdom provides the bulk of the ARRC's headquarters and corps troops, and contributes two divisions. Germany, Greece, Italy, Turkey, and the United States each provide one division, while the Czech Republic, Denmark, Hungary, Poland, Portugal, and Spain each contribute a brigade. Finally, the ARRC includes Multinational Division Central, which comprises Belgian, Dutch, German, and British brigades, and Multinational Division Southern, which includes Greek, Italian, and Turkish brigades.

NATO has four multinational naval Immediate Reaction Forces formations. Standing Naval Force Atlantic (STANAVFORLANT) comprises six to ten destroyers and frigates, with Canada, Germany, the Netherlands, the United Kingdom, and the United States each permanently contributing one ship, and Belgium, Denmark, Norway, Portugal, and Spain participating part-time. Standing Naval Force Mediterranean (STANAVFORMED) is organized along similar lines, with ships from Germany, Greece, Italy, the Netherlands, Spain, Turkey, the United Kingdom, and the United States. Mine Countermeasures Force Mediterranean (MCMFORMED) comprises four to six mine countermeasures vessels (MCMV) and a mine countermeasures command and support ship (MCS). Italy, Germany, Greece, Turkey, and the United Kingdom are full-time, and Belgium, the Netherlands, Spain, and the United States, part-time participants. Mine Countermeasures Force Northern (MCMFORNORTH) has a similar composition, with Belgium, Germany, the Netherlands, and the United Kingdom as permanent contributors, and Denmark, Norway, and Poland providing ships on a part-time basis.

NATO also maintains the Immediate and Rapid Reaction Forces (Air). The former comprise the air component of the ACE Mobile Force, whose land component is the IRF(L). Relatively little unclassified information is available on the composition of national contributions to NATO's Reaction Forces (Air).

## Other Reaction Forces

Although France does not belong to NATO's integrated military command structure, it possesses large, modern rapid reaction forces, and has repeatedly demonstrated its willingness to contribute them to operations under NATO command. The naval component is represented by the *Force d'Action Navale (FAN)*, comprising an aircraft carrier, nine surface combatants, three amphibious ships, and several nuclear attack submarines and replenishment auxiliaries. Until 1996, the all-professional *Force d'Action Rapide (FAR)* comprised the ground reaction forces, while the rest of the French Army was limited to homeland defense by political strictures against deploying conscripts abroad. However, in February 1996, President Jacques Chirac announced an end to conscription as part of a major restructuring of all three services. When this restructuring is complete in 2002, the entire French Army will effectively have been transformed into a deployable, all-professional reaction force. The new 136,000-strong force structure will be able to deploy 50,000 troops, whereas the former 238,000-strong force could deploy only 10,000.

Japan and the Republic of Korea have no counterparts to the large, multinational reaction forces provided by our NATO allies. This reflects the very different security situation in Northeast Asia, the bilateral character of our security relationships with the two countries, and the fact that U.S. responsibility sharing policy in this region places greater emphasis on cost sharing than on global military roles and missions. Nevertheless, Japan agreed to assume a larger role in regional affairs in the United States-Japanese Joint Declaration on Security in April 1996, and the Republic of Korea has increased its contributions to collective defense through force modernization and the assumption of greater command responsibilities for combined U.S.-ROK forces.

The United States encourages its GCC security partners to strengthen their provisions for collective defense of the Gulf region. However, post-Gulf War plans to expand the GCC's multinational, brigade-sized Peninsula Shield Force (which is deployed in northeastern Saudi Arabia, near the Iraqi border) to over 20,000 personnel have not been implemented, and the existing formation is not maintained at full strength. However, the 'Cooperative Belt' network, which comprises an integrated regional early warning and secure communications system, was inaugurated in late February 2001.

Finally, it must be noted that the United States maintains substantial high readiness forces in addition to its NATO Reaction Forces. Examples include the Ready Brigade of the Army's 82nd Airborne Division, the Air Force's on-call Air Expeditionary Wing, the Navy task forces operating in the Pacific and Indian Oceans, and the forward deployed, battalion-sized Marine Expeditionary Units (MEUs). These forces are retained strictly under national command to meet our worldwide security commitments, and therefore do not count as *multinational* reaction forces. Furthermore, the United States has greater capabilities to deploy and sustain reaction forces than perhaps all the other nations in this Report combined, and has frequently been called upon to lend these capabilities in support of allied forces in contingency operations.

## Chart III-8

**2000 Multinational Reaction Force Contributions**

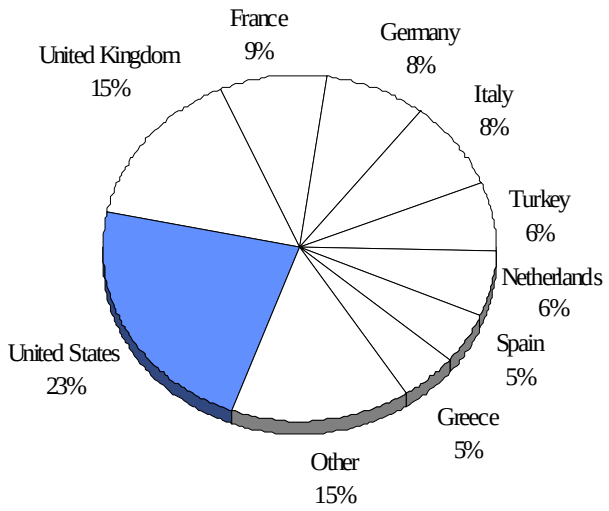


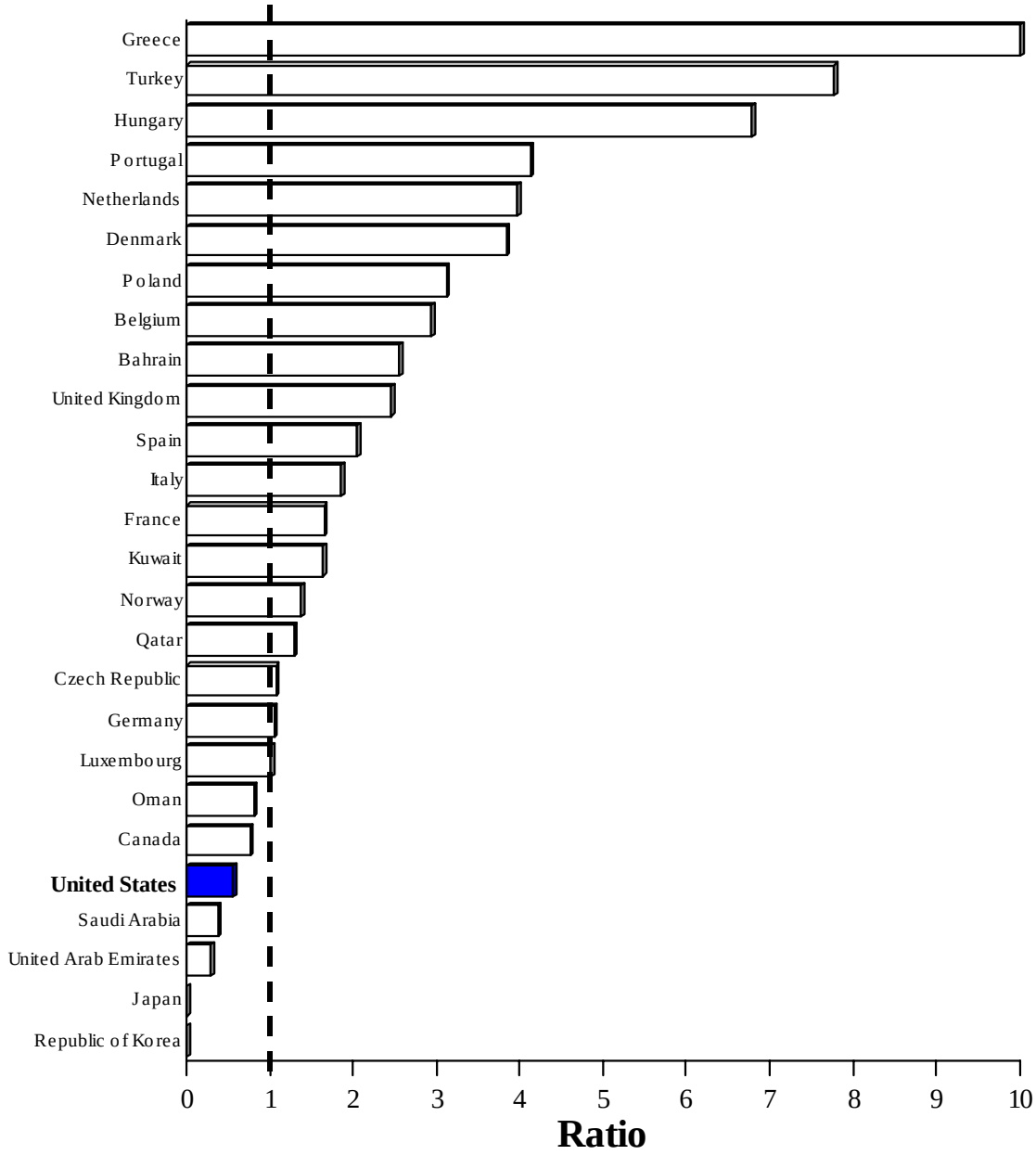

Chart III-8 shows that the United States contributes the largest single share of multinational reaction forces – nearly a quarter of the total. The United Kingdom, France, Germany, and Italy collectively provide 40 percent of total reaction forces, while Turkey, the Netherlands, Spain and Greece also make notable contributions.

### Assessment of Multinational Reaction Forces Contributions

In order to provide insight into what constitutes equitable contributions, Chart III-9 depicts each nation's share of multinational reaction forces relative to its share of GDP. Over half the nations assessed had reaction forces shares that were substantially larger than their GDP shares: Greece, Turkey, Hungary, Portugal, the Netherlands, Denmark, Poland, Belgium, Bahrain, the United Kingdom, Spain, Italy, France, Kuwait, Norway and Qatar. Four nations (Canada, the United States, Saudi Arabia and the United Arab Emirates) had reaction forces shares that were substantially smaller than their GDP shares. Japan and the Republic of Korea make no multinational reaction forces contributions.

These assessments are reflected in Charts I-1A and I-1B.

# Chart III-9
# Multinational Reaction Forces Share Relative to GDP Share
## 2000




A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

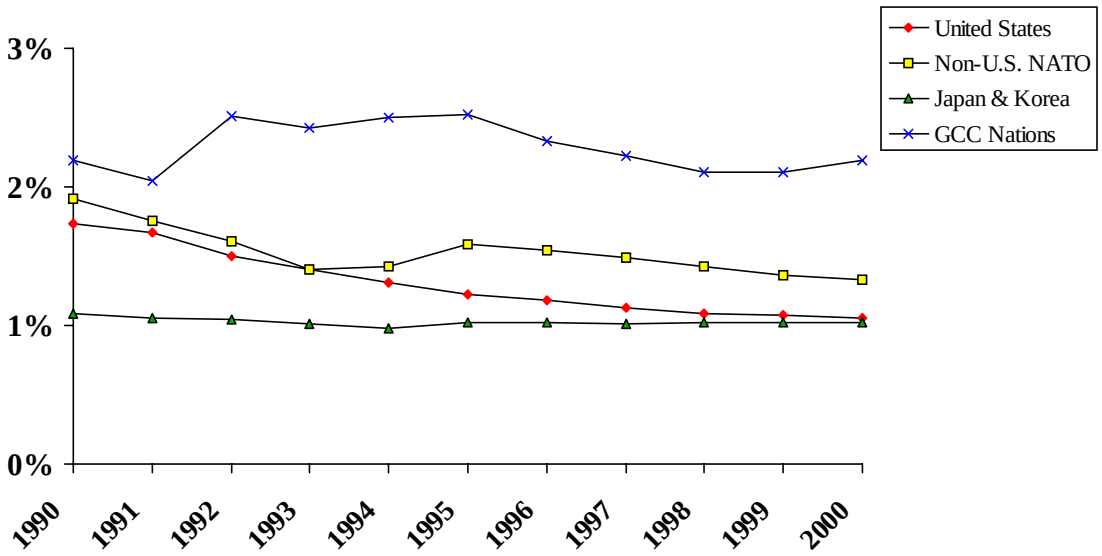
# ACTIVE-DUTY MILITARY PERSONNEL

Unlike the preceding section, which addressed the critical subset of allied military forces that is specifically intended for employment in multinational military operations, this section and the next focus on nations' *total* active-duty military personnel and forces. The Department believes that a nation's *total* contributions of active-duty military personnel and forces are valid indicators of its commitment to collective security, and should be assessed for reasons of completeness.

Active-duty military personnel are one of the most fundamental resources that a nation can contribute to defending shared security objectives. A nation's ability to contribute is determined by the size of its labor force.

Chart III-10 shows active-duty military personnel as a percentage of labor force from 1990 to 2000. During this period, the U.S. percentage has experienced a slow but steady decline that was somewhat steeper than the decrease among our NATO allies. Following the Gulf War, the GCC countries as a group achieved a notable increase in this indicator through 1995. And, although it recently dropped somewhat from the 1995 peak, the percentage grew again in 1999 and 2000. Japan and the Republic of Korea combined have the lowest percentage of labor force on active-duty (one percent), a level that has remained fairly constant over the course of the past decade.

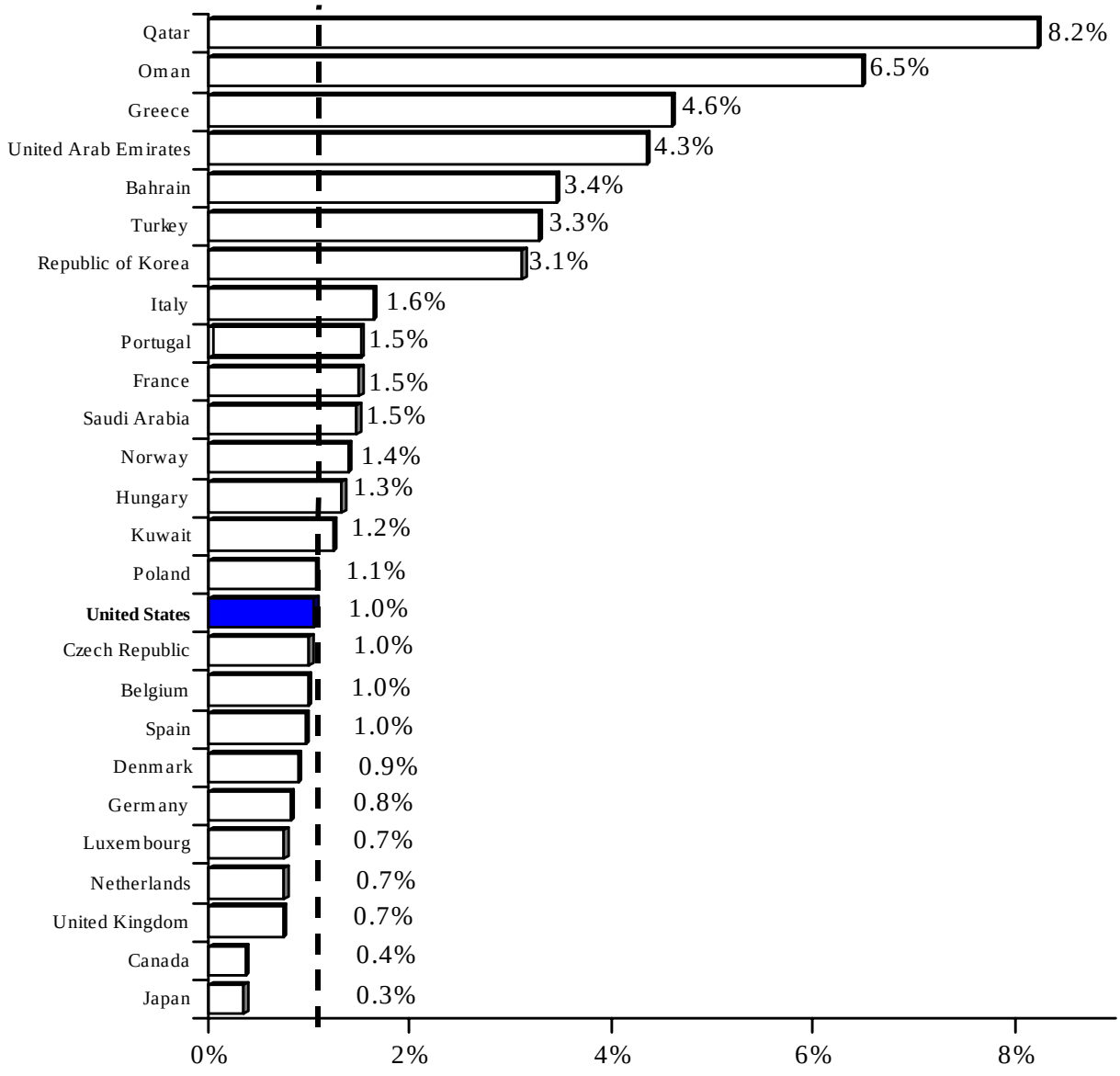
**Chart III-10**
**Active-Duty Military Personnel**
As A Percentage of Labor Force




## Assessment of Active-Duty Military Personnel Contributions

Chart III-11 depicts the percentage of its labor force that each nation had in active-duty military service during the year 2000. Eleven countries had above average percentages: Qatar, Oman, Greece, the United Arab Emirates, Bahrain, Turkey, the Republic of Korea, Italy, Portugal, France, and Saudi Arabia. However, seven allies had substantially below average percentages, including Denmark, Germany, Luxembourg, the Netherlands, and the United Kingdom. Canada and Japan ranked even lower, with active-duty military personnel shares less than half as large as total labor force shares. These assessments are summarized in Charts I-1A and I-1B.

# Chart III-11
# Active-Duty Military Personnel as a Percentage of Labor Force 2000




Dashed line represents the overall average percentage of labor force in active military service for all the nations covered in this Report -- 1.2 percent.

See Annex, Section C.

# MILITARY FORCES

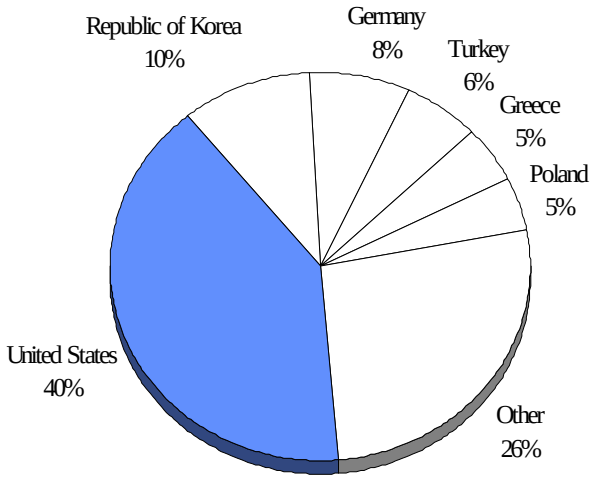
Standing military forces represent an important contribution to shared security objectives, but there is no single, comprehensive indicator that reflects *all* of the factors that determine military capability. Accordingly, this section is intended to provide an overview of each country's force contributions using a few widely accepted measures.

Country efforts in this area are summarized in Charts I-1A and I-1B.

## Ground Combat Capability

Nations' ground combat capabilities are measured according to the quantity and quality of their major weapon systems, drawing on static indicators that are widely used within the DoD and NATO. This approach provides more insight into combat potential than do simple counts of combat units and weapons, although it does not consider such factors as manning, ammunition stocks, logistical support, communications, training, leadership, and morale. At this time, there is no generally accepted static measure of ground combat capability that incorporates these factors.

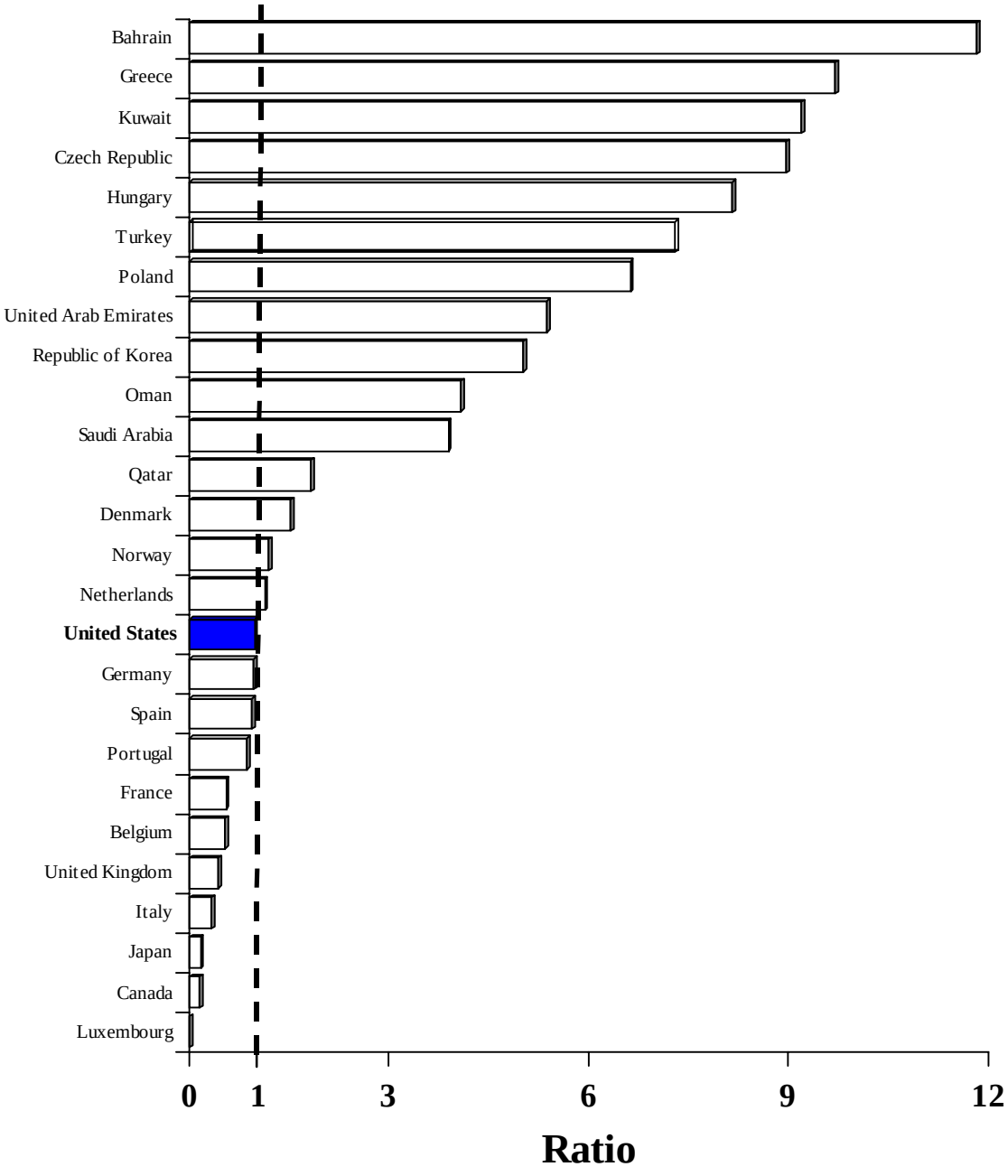
**Chart III-12**
**Ground Combat Capability**
**2000**




The largest contributors to aggregate ground capability are shown in Chart III-12. The United States provides by far the largest share of ground combat capability of any nation in this Report, followed by the Republic of Korea, Germany, Turkey, Greece, and Poland. However, it should be noted that this assessment credits allies for their entire inventories of major ground weapons systems, although many of these are in reserve formations that could take as much as a year to achieve full combat readiness.

Chart III-13 compares nations' ground combat capability contributions with their ability to contribute. In 2000, fourteen countries contributed substantially (at least 20 percent) more than their *fair shares*, including all the GCC countries, Greece, the Czech Republic, Hungary, Turkey, Poland, the Republic of Korea, Denmark, and Norway. There are also seven nations that contributed ground combat capability shares that were substantially less than their *fair shares*, including France, Belgium, the United Kingdom, Italy, Japan, Canada and Luxembourg.

# Chart III-13
## Ground Combat Capability Share Relative to GDP Share 2000




A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

**Naval Force Tonnage**

Tonnage is a static measure of aggregate fleet size that provides a more meaningful basis for comparison than do simple tallies of ships. The use of tonnage alone as an indicator does not, however, give any indication of the number, effectiveness, or reliability of the weapons aboard the ships. This indicator also does not assess the less tangible ingredients of combat effectiveness, such as training and morale. Consequently, tonnage data should be taken as only a rough indicator of naval potential.

Chart III-14 shows the nations with the largest shares of aggregate fleet tonnage (excluding strategic missile submarines) for 2000. Note that the U.S. fleet includes some types of vessels not generally found in most allied navies (e.g., aircraft carriers, fleet support, sealift, and amphibious vessels). As a result, the United States has by far the single largest share of fleet tonnage with 60 percent of the total tonnage of all countries in this Report combined. The next largest tonnage shares are those of the United Kingdom, Japan, France, Spain, and Italy.

## Chart III-14
## Naval Force Tonnage
**2000**

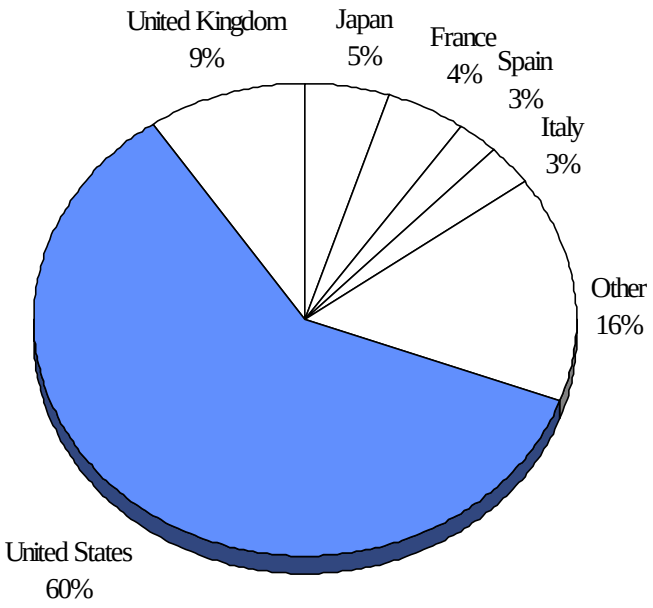
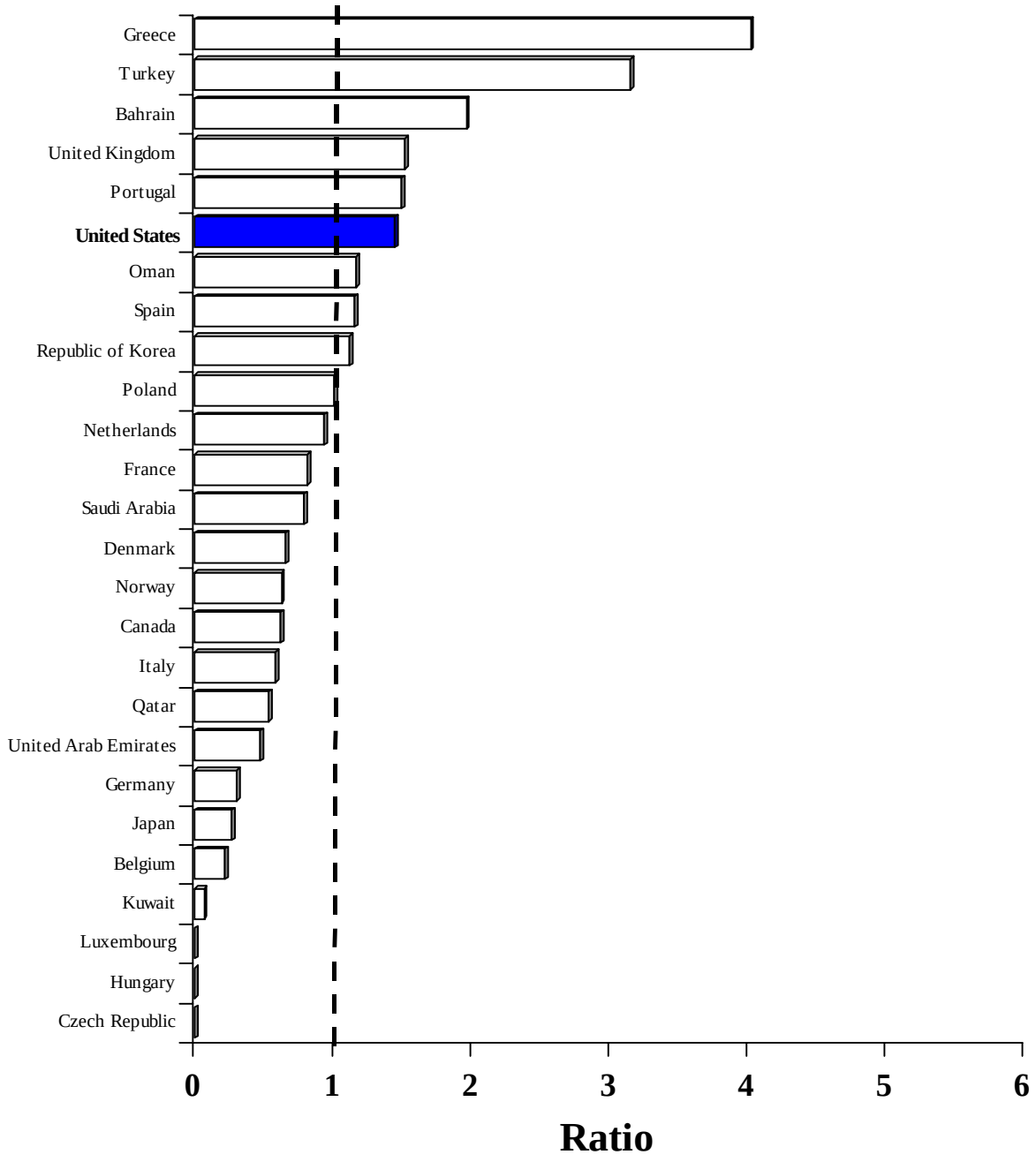



Chart III-15 depicts national shares of total fleet tonnage relative to GDP shares. In 2000, six countries contributed shares of naval force tonnage that were substantially (at least 20 percent) greater than their GDP shares, including Greece, and Turkey, Bahrain, the United Kingdom, Portugal and the United States. Conversely, eleven nations contributed naval tonnage shares that were substantially smaller than their GDP shares, including Saudi Arabia, Denmark, Norway, Canada, Italy, Qatar, the United Arab Emirates, Germany, Japan, Belgium, and Kuwait. The three landlocked allies – Hungary, the Czech Republic, and Luxembourg – of course contributed none at all.

These assessments are summarized in Charts I-1A and I-1B.

# Chart III-15
## Naval Force Tonnage Share Relative to GDP Share 2000




A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

## Tactical Combat Aircraft

Combat aircraft tallies are the best available measure of the strength of nations' air forces. As with the other force indicators previously discussed, aircraft tallies do not consider qualitative factors that can greatly impact combat effectiveness, such as training, multi-role capability, morale, and stocks of precision-guided munitions. For example flying hours for the Czech Republic, Hungary, and Poland are extremely low compared to the rest of the Alliance.

Chart III-16 depicts the distribution of tactical combat aircraft among nations addressed in this Report (including air force, naval, and marine assets). The United States possesses over 40 percent of all combat aircraft, followed by France, the United Kingdom, Germany, Greece, the Republic of Korea, Turkey, and Italy.

**Chart III-16**
**Tactical Combat Aircraft**
**2000**

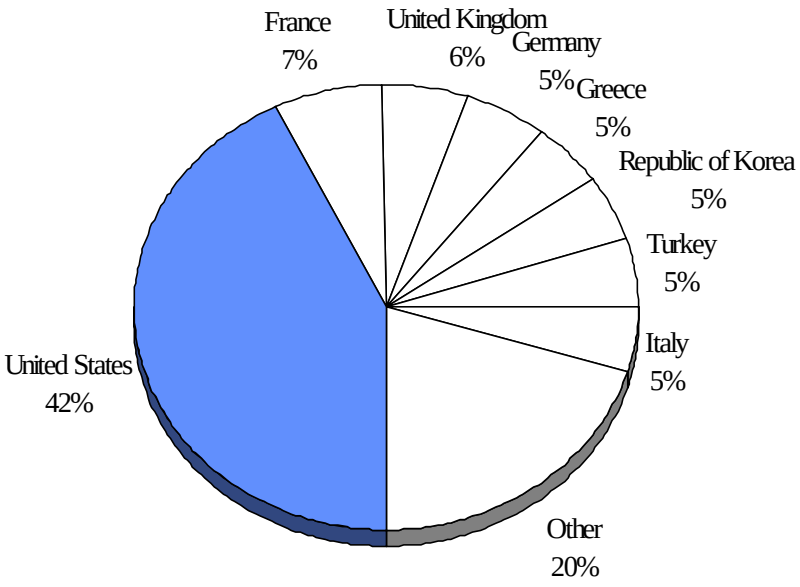
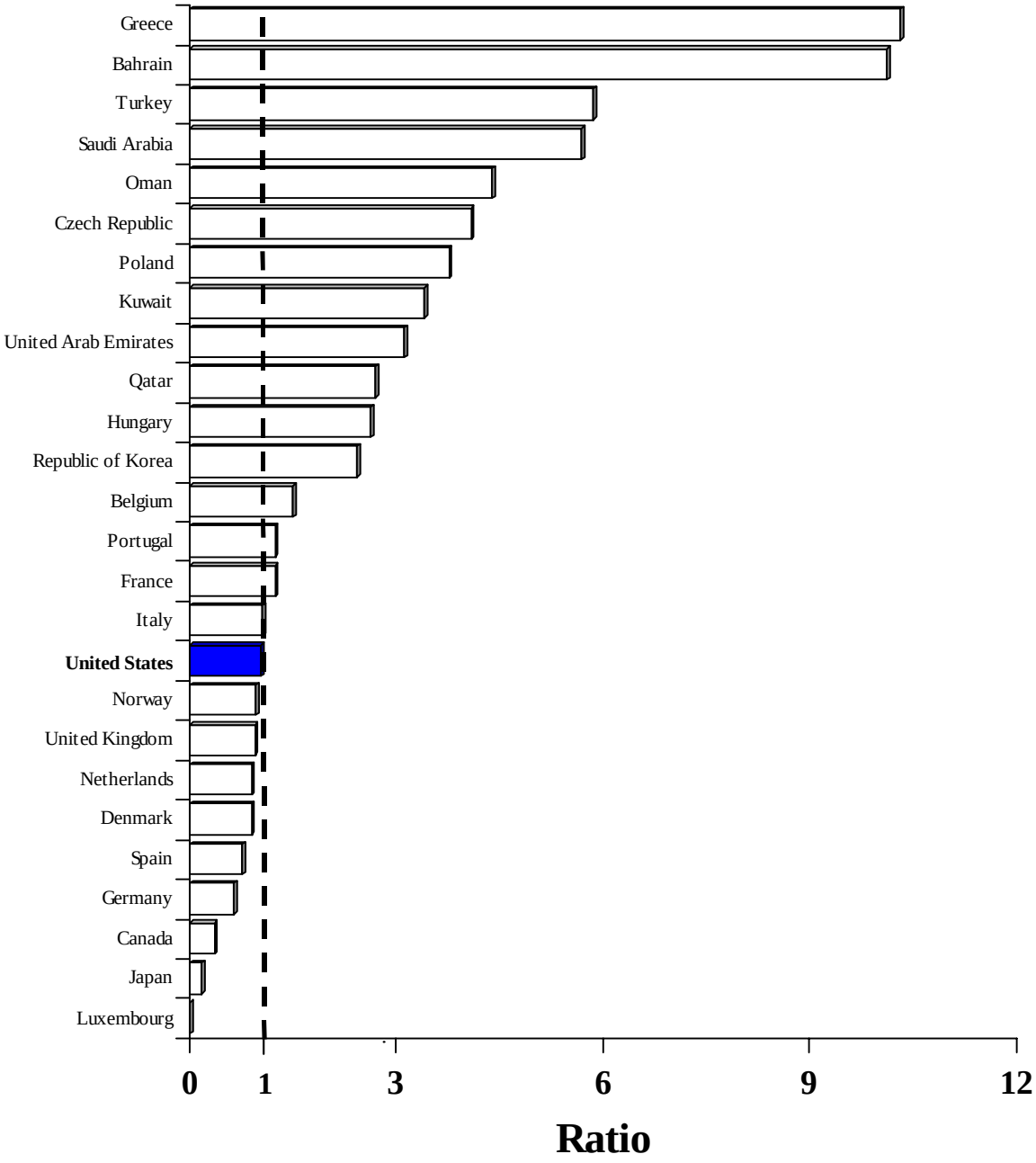



Chart III-17 depicts national shares of the total combat aircraft inventory in relation to GDP shares. In the year 2000, over half of the countries in this Report contributed shares of combat aircraft that were substantially (at least 20 percent) greater than their GDP shares. Greece and Bahrain both made contributions that were relatively more than ten times larger than their GDP shares, while the contributions made by Turkey, Saudi Arabia, Oman and the Czech Republic were at least four times larger. Other nations that made substantial contributions were Poland, Kuwait, the United Arab Emirates, Qatar, Hungary, the Republic of Korea, Belgium, Portugal, and France. In contrast, four nations (Spain, Germany, Canada, and Japan) had combat aircraft shares that were substantially less than their GDP shares. Luxembourg made no contributions because it has no Air Force, although Luxembourgeois pilots serve in the Belgian Air Force.

These assessments are summarized in Charts I-1A and I-1B.

# Chart III-17
# Tactical Combat Aircraft Share Relative to GDP Share
## 2000




A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

# DEFENSE MODERNIZATION SPENDING

From the 1991 Gulf War to the 1999 Kosovo bombing campaign, the events of the past decade have demonstrated that new and enhanced military capabilities are needed to meet the challenges of the post-Cold War world. The most important requirements are for improvements in precision attack, C3I (Command, Control, Communications and Intelligence), strategic mobility and sustainability, theater missile defense, NBC force protection, and SEAD (Suppression of Enemy Air Defenses). These requirements are particularly pressing for our NATO allies, whom – as the Kosovo air campaign revealed – must currently depend upon the United States to provide the lion's share of total Alliance capability in these areas. The Defense Capabilities Initiative (DCI), which was launched at NATO's Washington Summit in 1999, is intended primarily to close the gaps that exists between the United States and the rest of NATO in five categories of military capability: deployability and mobility; sustainability and logistics; consultation, command and control (C3); effective engagement; and survivability of forces and infrastructure.

Due to the scarcity of reliable data, and limitations on the length of this Report, it proved impractical to track progress in each of these categories separately. Instead, this analysis presents a more general assessment of countries' defense modernization performance by analyzing the percentage of national defense spending that is devoted to major equipment procurement and research and development. Furthermore, since complete and fully comparable defense budget data was readily available only for the NATO nations (excepting France), the defense modernization efforts of our Pacific allies and the GCC nations were not assessed.

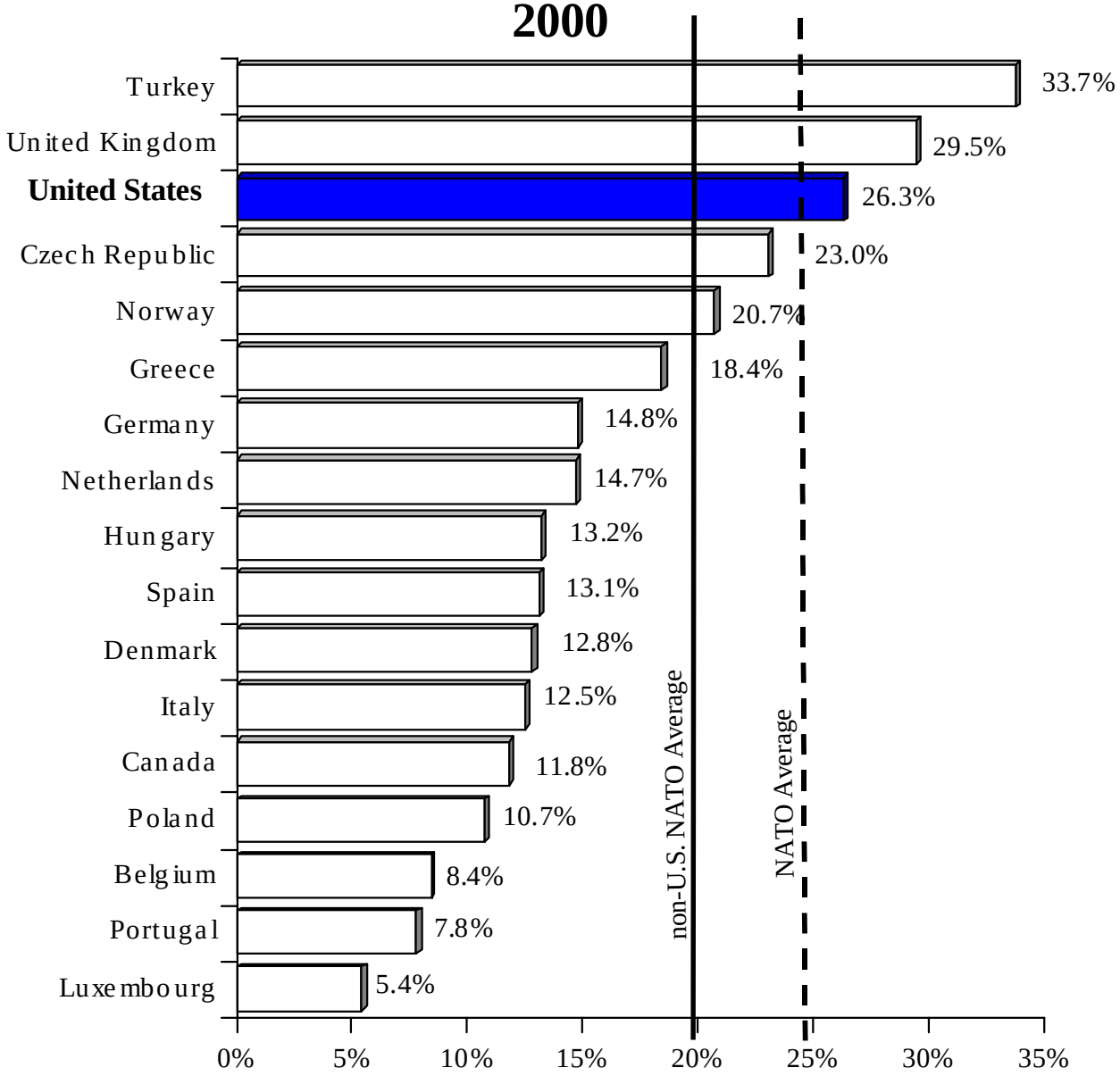
## Assessment of Defense Modernization Spending

Chart III-18 depicts the percentage of 2000 defense spending that each NATO ally (except France) devoted to major equipment procurement and research and development. Three NATO nations spent above-average percentages of their defense budgets on modernization. Turkey, which has by far the lowest per-capita GDP in the Alliance (just $2,296 in 2000), ranked first, followed by the United Kingdom and United States. The Czech Republic, which has the third smallest GDP and the fourth smallest per-capita GDP in the Alliance, fell slightly below the NATO average but ranked fourth with 23 percent.

In addition to the Czech Republic, 13 other nations' percentages were below the NATO average. These included the poorer members, such as Poland, Hungary, Portugal and Greece, but richer allies like Denmark, Germany, and the Netherlands also ranked below-average. Canada and Belgium, which have the eighth and ninth highest per capita GDPs in NATO, had defense modernization spending percentages that were less than half the 24.1 percent NATO average. Luxembourg, which has the highest per-capita GDP ($40,087) of all NATO members, ranked lowest, spending just over five percent of its 2000 defense budget on modernization.

All but five of our NATO allies increased their modernization spending percentages in 2000, and as a group, the average non-U.S.NATO percentage of defense spending devoted to modernization increased by seven percent compared to 1999. Six allies registered double-digit increases: Portugal (73 percent), Turkey (32 percent), Belgium (29 percent), Canada (22 percent), the Czech Republic (22 percent), and Denmark (12 percent). Yet, despite this positive trend, it is clear that NATO must intensify its defense modernization efforts. Some gains can be achieved through reductions in force structure and operations and maintenance (O&M) costs, but most allies will have to increase their levels of defense spending in order to field effective and interoperable forces. In our discussions with allies and partners, the Department continues to urge sustained efforts in this area.

# Chart III-18
# Modernization Spending
# as a Percentage of Defense Spending
## 2000




[a] The solid line represents the non-U.S. NATO average --19.4 percent. The dashed line represents the overall NATO average modernization spending as a percentage of total defense spending -- 24.1 percent

[b] Complete and comparable data is not readily available for France or the Pacific and GCC nations.

[c] Includes major equipment procurement and R&D. For consistency with NATO reporting, procurement data does not include ammunition procurement. Total defense spending figures used in computing the percentages shown in this chart are based on the NATO definition of defense expenditures. See Section A of the Annex, Data Notes, for more details.

# COST SHARING

The most familiar form of cost sharing is *bilateral* cost sharing between the United States and an ally or partner nation that either hosts U.S. troops and/or prepositioned equipment, or plans to do so in time of crisis. The Department of Defense distinguishes between two different types of bilateral cost sharing: the *direct* payment of certain U.S. stationing costs by the host nation (i.e., on-budget host country expenditures), and *indirect* cost deferrals or waivers of taxes, fees, rents, and other charges (i.e., off-budget, forgone revenues).

## Cost Sharing Contributions

As shown in Chart III-19, in 1999 (the most recent year for which data are available) the United States received direct and indirect cost sharing assistance from our NATO, Pacific, and GCC allies estimated at nearly $8.5 billion.

Cost sharing has been a particularly prominent aspect of our bilateral defense relationships with Japan and the Republic of Korea. As Chart III-19 shows, Japan provides a greater level of direct cost sharing ($4.0 billion) than we receive from any other ally. Japan's emphasis on direct cost sharing reflects constitutional provisions and other factors that limit the scope of activities of Japan's own armed forces. Refer to Chapter II for additional details on Japanese cost sharing.

The Republic of Korea first agreed to contribute to a program for Combined Defense Improvement Projects (CDIP) construction in 1979 – which marked the beginning of our present cost sharing relationship. In 1988, it agreed to a CDIP program funded at $40 million a year. Since that time, annual cost sharing negotiations have brought a gradual increase in ROK contributions. During 1999, it provided $325 million in direct cost sharing and over $397 million in additional indirect cost sharing. Further information on U.S.-ROK cost sharing is presented in Chapter II.

Bilateral cost sharing by our GCC security partners in Southwest Asia during 1999 included nearly $320 million paid or pledged by Kuwait, Saudi Arabia, Oman, the United Arab Emirates, Qatar, and Bahrain to offset U.S. incremental costs in the Persian Gulf region. Kuwait and Qatar both host a prepositioned U.S. Army heavy brigade equipment set, and share the land use, maintenance, and operating costs for U.S. forces stationed or exercising on their territory.

NATO countries have long provided substantial indirect support for U.S. forces stationed on their territory. Our allies provide bases and facilities rent-free, various tax exemptions, and reduced-cost services. Among NATO allies with the largest cost sharing contributions to the United States in 1999 were Germany ($1.4 billion) and Italy ($530 million). In addition to *bilateral* cost sharing, our NATO allies also provide *multilateral* cost sharing, through common- and jointly-funded budgets. These include the NATO Security Investment Program (NSIP); the NATO Military Budget for the operations and maintenance (O&M) of NATO Military Headquarters, agencies, and common-use facilities; and the NATO Civil Budget for O&M of the NATO Headquarters and several non-military programs including civil preparedness. See Chart III-21 at the conclusion of this section for additional detail.

Several recent developments in collective NATO cost sharing favored the United States, including savings of nearly $190 million realized due to NSIP funding for projects in support of U.S. forces that would not normally be NSIP-eligible (e.g., quality of life facilities at Aviano Air Base, Italy). In addition, the United States stands to gain direct savings from NATO's Collective Cost Sharing initiative, under which the Alliance will offset U.S. O&M costs for prepositioned war reserve equipment and material. Finally, an additional U.S. savings of approximately $12 million were realized in 1999 due to a reduced U.S. share of the common budgets owing to increased participation by Spain, and the inclusion of the Czech Republic, Hungary, and Poland.

# Chart III-19

## U.S. Stationed Military Personnel & Bilateral Cost Sharing – 1999

## 1999 Dollars in Millions - 1999 Exchange Rates

| | U.S. Stationed Military Personnel | Bilateral Cost Sharing | | |
|---|---|---|---|---|
| **NATO Allies** | (Dec. 31, 1999) | Direct Support | Indirect Support | Total |
| Belgium | 1,642 | $0.00 | $57.24 | $57.24 |
| Canada | 155 | NA | NA | NA |
| Czech Republic | 14 | NA | NA | NA |
| Denmark | 31 | $17.64 | $0.05 | $17.69 |
| France | 73 | NA | NA | NA |
| Germany | 68,196 | $33.59 | $1,344.13 | $1,377.72 |
| Greece | 437 | $0.00 | $23.48 | $23.48 |
| Hungary | 424 | $0.00 | $5.73 | $5.73 |
| Italy | 11,668 | $0.00 | $532.64 | $532.64 |
| Luxembourg | 7 | $0.00 | $16.71 | $16.71 |
| Netherlands | 680 | $0.00 | $0.00 | $0.00 |
| Norway | 96 | $5.05 | $0.00 | $5.05 |
| Poland | 24 | NA | NA | NA |
| Portugal | 1,010 | $0.00 | $4.15 | $4.15 |
| Spain | 2,136 | $0.52 | $115.10 | $115.62 |
| Turkey | 2,216 | $0.16 | $34.29 | $34.45 |
| United Kingdom | 11,299 | $4.52 | $80.92 | $85.45 |
| **NATO Allies' Total** | 100,108 | $61.48 | $2,214.45 | $2,275.93 |
| | | | | |
| **Pacific Allies** | | | | |
| Japan | 40,244 | $3,957.19 | $1,223.85 | $5,181.04 |
| Republic of Korea | 36,130 | $324.65 | $397.19 | $721.84 |
| **Pacific Allies' Total** | 76,374 | $4,281.84 | $1,621.04 | $5,902.88 |
| | | | | |
| **Gulf Cooperation Council (GCC)** | | | | |
| Bahrain | 1,308 | $1.25 | $0.15 | $1.40 |
| Kuwait | 3,582 | $172.09 | $4.90 | $176.99 |
| Oman | 158 | $0.00 | $34.91 | $34.91 |
| Qatar | 39 | $0.00 | $11.00 | $11.00 |
| Saudi Arabia | 4,861 | $2.16 | $78.29 | $80.44 |
| United Arab Emirates | 369 | $0.06 | $14.62 | $14.68 |
| **GCC Allies' Total** | 10,317 | $175.55 | $143.86 | $319.42 |
| | | | | |
| **Grand Total** | 186,799 | $4,518.87 | $3,979.36 | $8,498.23 |

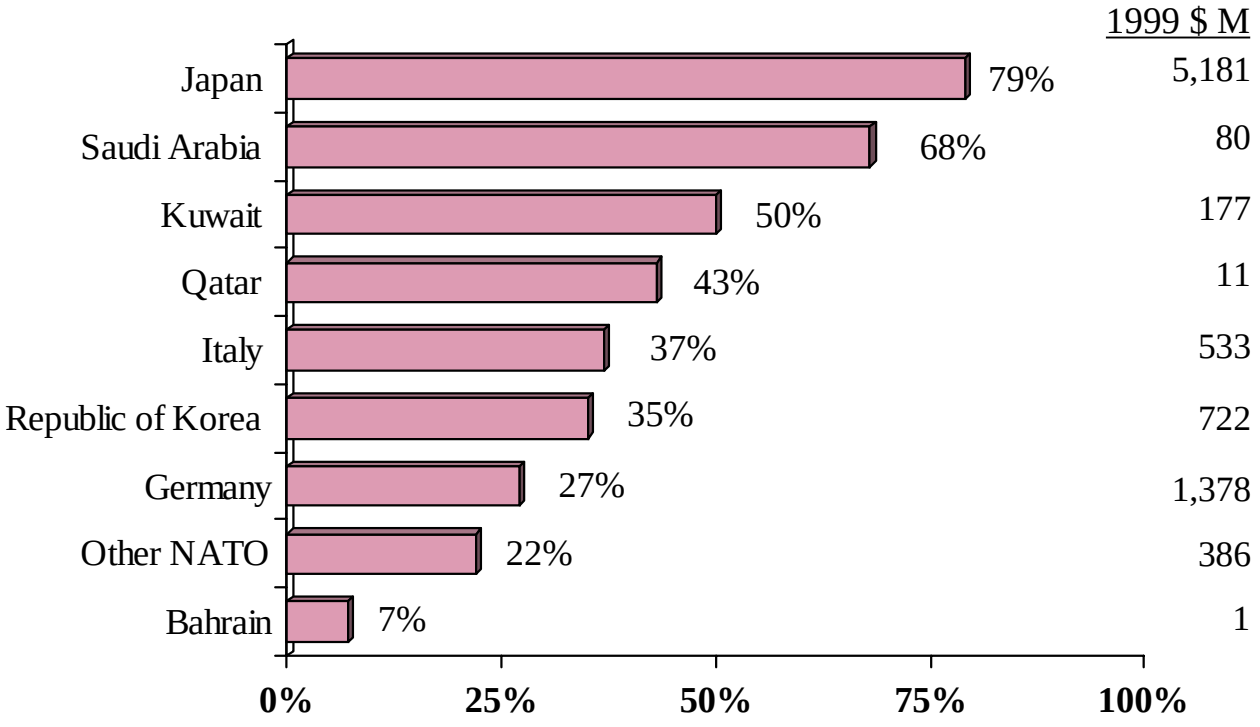
NA = Not Applicable

**Assessment of Cost Sharing Contributions**

Cost sharing objectives are not appropriate for all countries, due to the differences in the nature of our security relationships with various allies and partners. For instance, our European allies have no tradition of providing the kind of direct cash and in-kind support provided by Japan and the Republic of Korea, since NATO has for many years concentrated on strengthening participation in the military roles and missions of the Alliance. In contrast, due to the much different security situation in the Pacific, and the unique defense capabilities of Japan and the Republic of Korea, our responsibility sharing policy in this region has emphasized cost sharing rather than global military roles and missions.

Chart III-20 shows the nations with the greatest U.S. cost offset percentages for 1999. Japan leads all nations in covering 79 percent of costs associated with the stationing of U.S. forces, with Saudi Arabia close behind at 68 percent. Kuwait, Qatar, Italy, the Republic of Korea, and Germany all offset over 20 percent of U.S. stationing costs. Nine other NATO allies collectively offset 22 percent of U.S. stationing costs. Cost offset percentages cannot be given for Hungary, Oman, and the United Arab Emirates due to the lack of complete information regarding U.S. stationing costs in those countries.

# Chart III-20
## Share of U.S. Overseas Stationing Costs Paid by Selected Allies
### 1999




Although most of our NATO allies do not offset the same percentage of U.S. stationing costs as Japan, the ROK, and the GCC states, they provide significantly more military forces, are far more active in multinational military operations, and make substantial financial contributions to maintaining security and international stability. They also contribute to NATO's Common Budgets, which are the most efficient and important responsibility sharing mechanisms in the Alliance.

## Multilateral Cost Sharing: NATO's Common-Funded Budgets

NATO's long-standing arrangement for sharing the costs of mutually-beneficial projects is one of the Alliance's best tools for promoting responsibility sharing equity. A summary of 2000 outlays by each of the NATO common-funded budgets is provided below, showing each country's contribution and percentage share of costs incurred.

### Chart III-21

**NATO's Common-Funded Budgets - 2000***

**2000 Dollars in Millions - 2000 Exchange Rates**

| | NATO Security & Investment Program | % of Total | Military Budget | % of Total** |
|---|---|---|---|---|
| Belgium | 23.2 | 4.3% | 13.9 | 3.1% |
| Canada | 20.4 | 3.7% | 25.6 | 5.7% |
| Czech Republic | 3.1 | 0.6% | 4.5 | 1.0% |
| Denmark | 18.6 | 3.4% | 8.2 | 1.8% |
| France | 29.1 | 5.3% | 28.2 | 6.3% |
| Germany | 126.7 | 23.2% | 76.9 | 17.1% |
| Greece | 5.4 | 1.0% | 1.9 | 0.4% |
| Hungary | 2.3 | 0.4% | 3.3 | 0.7% |
| Iceland | 0.0 | 0.0% | 0.2 | 0.0% |
| Italy | 46.2 | 8.5% | 29.7 | 6.6% |
| Luxembourg | 1.1 | 0.2% | 0.4 | 0.1% |
| Netherlands | 25.7 | 4.7% | 13.9 | 3.1% |
| Norway | 15.9 | 2.9% | 5.7 | 1.3% |
| Poland | 8.6 | 1.6% | 12.4 | 2.8% |
| Portugal | 1.9 | 0.3% | 3.2 | 0.7% |
| Spain | 13.8 | 2.5% | 17.6 | 3.9% |
| Turkey | 5.8 | 1.1% | 8.0 | 1.8% |
| United Kingdom | 61.1 | 11.2% | 80.4 | 17.9% |
| United States | 136.3 | 25.0% | 115.6 | 25.7% |
| Total | 545.2 | 100.0% | 449.6 | 100.0% |

| | Civil Budget | % of Total | **TOTAL NATO Common Budgets** | **% of TOTAL**** |
|---|---|---|---|---|
| Belgium | 3.6 | 2.8% | 40.7 | 3.6% |
| Canada | 7.0 | 5.4% | 53.0 | 4.7% |
| Czech Republic | 1.2 | 0.9% | 8.8 | 0.8% |
| Denmark | 1.9 | 1.5% | 28.7 | 2.6% |
| France | 20.0 | 15.3% | 77.3 | 6.9% |
| Germany | 20.2 | 15.5% | 223.8 | 19.9% |
| Greece | 0.5 | 0.4% | 7.8 | 0.7% |
| Hungary | 0.8 | 0.6% | 6.4 | 0.6% |
| Iceland | 0.1 | 0.1% | 0.3 | 0.0% |
| Italy | 7.5 | 5.8% | 83.4 | 7.4% |
| Luxembourg | 0.1 | 0.1% | 1.6 | 0.1% |
| Netherlands | 3.6 | 2.8% | 43.2 | 3.8% |
| Norway | 1.4 | 1.1% | 23.0 | 2.0% |
| Poland | 3.2 | 2.5% | 24.2 | 2.2% |
| Portugal | 0.8 | 0.6% | 5.9 | 0.5% |
| Spain | 4.6 | 3.5% | 36.0 | 3.2% |
| Turkey | 2.1 | 1.6% | 15.9 | 1.4% |
| United Kingdom | 22.5 | 17.3% | 164.0 | 14.6% |
| United States | 29.2 | 22.4% | 281.1 | 25.0% |
| Total | 130.3 | 100.0% | 1125.1 | 100.0% |

*Due to rounding, the numbers shown may not add up to the totals.

**Calculation does not include contributions to the NATO Airborne Early Warning and Control Program.

# FOREIGN ASSISTANCE

Foreign assistance plays a prominent role in nations' overall responsibility sharing efforts. For, although economic aid does not directly increase U.S. and allied defense capabilities, it makes an important contribution to global peace and stability. For many years, most industrialized NATO countries and Japan have extended various types of assistance to developing countries. In addition, and of special significance in the post-Cold War era, NATO nations, Japan, and the Republic of Korea also provide assistance to the emerging democracies of Central and Eastern Europe, and the Newly Independent States (NIS) of the former Soviet Union.

The Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) encourages commitments of international aid, coordinated aid policies, and consistent aid reporting. The DAC's definition of Official Development Assistance (ODA) is recognized as the international standard for reporting aid provided to developing countries and multilateral institutions. Aid to 12 of the 22 emerging economies of Central Europe (including the Czech Republic, Hungary, and Poland) and the NIS does not qualify as Official Development Assistance for OECD purposes, but instead is categorized as Official Aid (OA). Both categories, ODA and OA, cover identical types of assistance, with the only difference being the recipient nations. Total foreign assistance evaluated in this Report is the sum of all ODA and OA.

Foreign assistance is comprised of both *bilateral* aid, assistance given by one nation directly to another, and *multilateral* aid, assistance given by a nation to an international development bank (e.g., the World Bank) or other multinational agency (e.g., the European Commission) that is pooled with other contributions and then disbursed. Multilateral assistance traditionally focuses on projects and programs with longer term objectives beyond providing immediate liquidity (e.g., human resources development, technical assistance, financial infrastructure improvement, and poverty reduction).

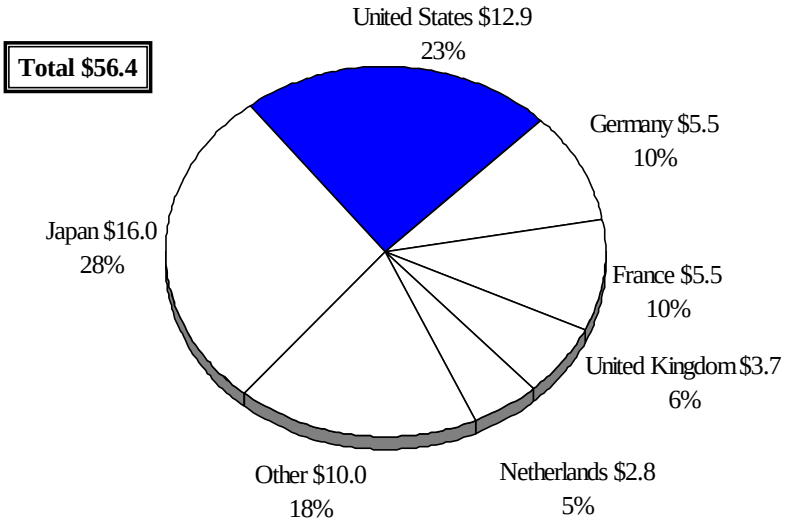
## Foreign Assistance Contributions

As shown in Chart III-22, disbursements of foreign assistance by the nations included in this Report exceeded $56 billion in 1999 (the latest year for which reliable data are available). Of this sum, our allies and partners provided over $43 billion while the United States provided nearly $13 billion. This aid reflects a commitment to promote democratization, government accountability and transparency, economic stabilization and development, defense economic conversion, respect for the rule of law and internationally recognized human rights, and to provide humanitarian relief. Total foreign aid in 1999 represented one quarter (0.25) percent of the combined GDPs of all the nations in this Report – a minor increase over the 0.24 percent of total GDP reported for 1998.

Chart III-22 also shows that, as in the recent past, the four nations with the largest foreign assistance contributions (in absolute terms) in 1999 were Japan, the United States, Germany, and France. At the other end of the spectrum are those nations that contribute very modest amounts of foreign aid, although this may be justified in the case of countries with relatively low standards of living (e.g., the Republic of Korea, Portugal, Greece, Poland, and the Czech Republic).

National and aggregated foreign assistance data is presented in the Additional Statistics section, Table E-14.

## Chart III-22
## 1999 Foreign Assistance Contributions
**Billions of Constant 2000 Dollars**




## Assessment of Foreign Assistance Contributions

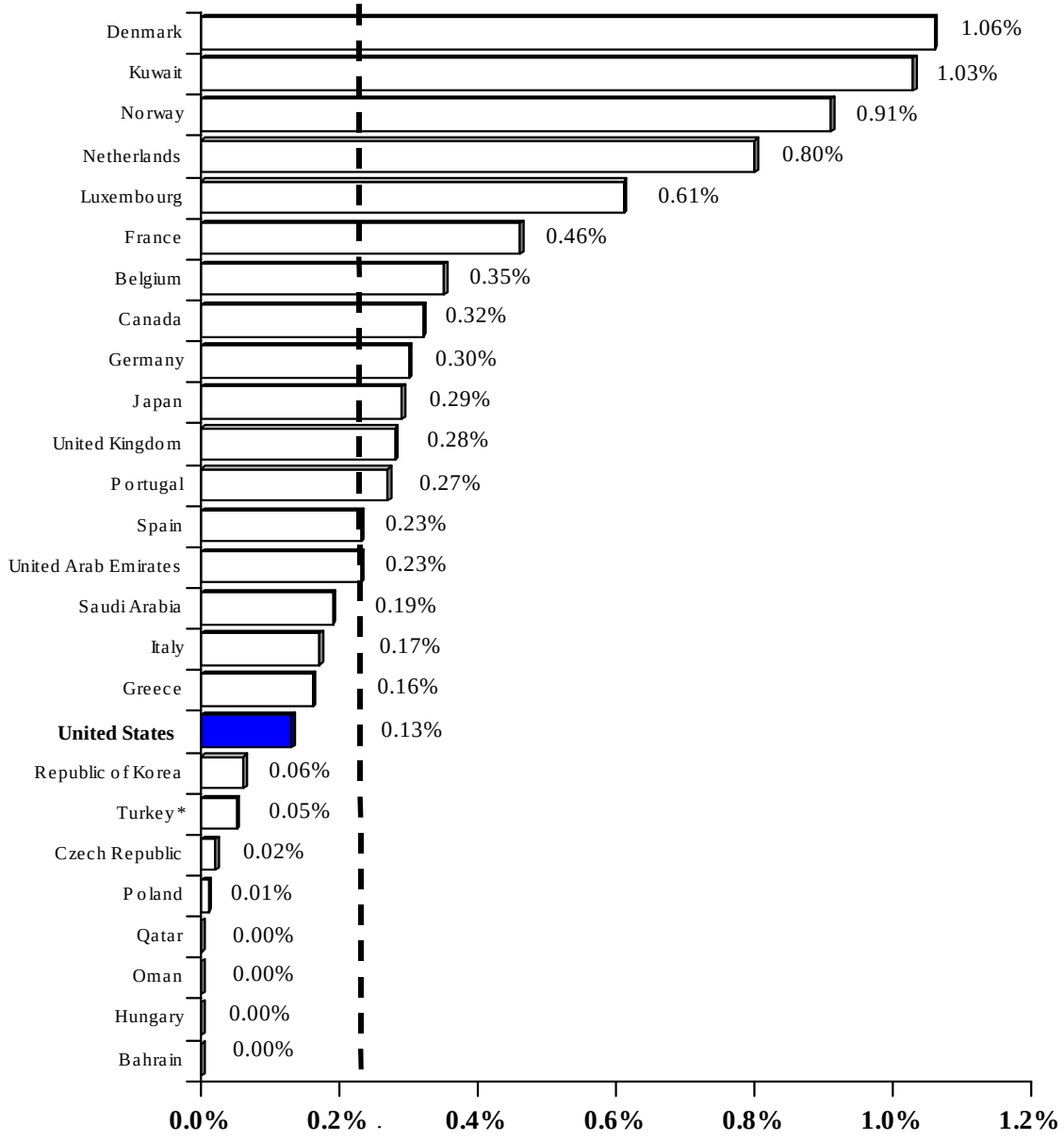
Chart III-23 depicts each nation's average foreign assistance contributions as a percentage of its average GDP for the period 1997-1999. In an effort to better reflect real trends in foreign assistance, the Department assessed these contributions based on a three year average. The use of a multi-year average lessens the effects of excessive year-to-year volatility in the size and timing of aid contributions, and thus produces more meaningful results. For example, the United Kingdom's foreign assistance as a percentage of GDP fell from 0.31 percent in 1998 to 0.26 percent in 1999. This was the result of multilateral contributions being delayed sufficiently that they were included in the 2000 aid totals instead of the 1999 totals.

Over the period 1997-1999, the average percentage of GDP spent on foreign assistance by all nations in this Report was 0.23 percent. Judged on this basis, 12 of the countries addressed in this Report contributed above average percentages of their GDP as foreign assistance. The highest donors were Denmark, Kuwait, Norway, and the Netherlands (the only nations that met or surpassed the UN assistance target of 0.7 percent of GDP). Luxembourg and France also had high foreign assistance percentages. Luxembourg plans to achieve the UN target of 0.7 percent of GDP in 2000, and reached a level of 0.65% percent in 1999. The United States ranks fifth from last among all the nations in this Report that are net donors of foreign assistance, ahead of the Republic of Korea, Turkey, the Czech Republic, and Poland.

Qatar, Oman, and Hungary are net recipients of foreign assistance.

These assessments are summarized in Charts I-1A and I-1B.

# Chart III-23
# Foreign Assistance as a Percentage of GDP
## 1997 - 1999




* 1999 data for Turkey is not available. Therefore, Turkish foreign assistance contributions for 1997-1998 are assessed in this chart against Turkish GDP for 1997 and 1998 only.

Dashed line represents the overall average percentage of GDP spent on foreign assistance by all of the nations covered in this Report -- 0.23 %.

See Annex, Section C.

# CONCLUSION

As stated in previous years' reports, the Department believes that our allies' and key security partners' efforts present a mixed, but generally positive picture in terms of shouldering responsibility for protecting shared security interests. As noted throughout the Report, there is no one set formula or strategy for increasing allied contributions to collective security that is appropriate for all allied nations. The United States will continue to encourage our allies and partners to assume a greater share of the burden of providing for the common defense using approaches tailored to the circumstances of particular nations or groups of nations. The launching of NATO's Defense Capabilities Initiative (DCI) is an important step in that direction. The DCI requires improvements in five major categories of military capability: 1) Deployability and Mobility; 2) Sustainability and Logistics; 3) Consultation, Command and Control; 4) Effective Engagement; and 5) Survivability of Forces and Infrastructure. The United States also welcomes and encourages the European Union's ongoing development of a European Security and Defense Identity (ESDI), which has a "Headline Goal" of being able, by 2003, to deploy a force of 50-60,000 troops within 60 days, and be able to sustain it for up to one year.

The responsibility sharing efforts of our non-NATO allies and security partners also present a generally positive picture. The members of the GCC continue to provide noteworthy host nation support, and maintain unusually high levels of defense spending – particularly considering their relatively low average per-capita GDP. As a front line ally that lives under constant threat of invasion and infiltration, the Republic of Korea contributes to shared security objectives primarily by maintaining large, capable armed forces with which to confront North Korea's massive war machine. The ROK Army, for example, accounts for a full tenth of the total ground combat capability contributed by all the nations covered in this Report. The Republic of Korea has also supplied the bulk of the funding for the Korean Energy Development Organization (KEDO), and thereby made a vital contribution to holding North Korea's nuclear program in check. Japan provides the highest level of cost sharing for forward-based U.S. forces of any allied nation, and contributed more funding than any other country (including the United States) to foreign assistance and UN peace operations in 1999 (the latest year for which complete data is available).

The 21st Century will certainly present many challenges that will impact U.S. and allied defense budgets, including regional conflicts, economic strife, and humanitarian missions. The Department believes that the nations covered in this Report have developed a heightened awareness of these challenges, and thus recognize the importance of continuing to increase their efforts to share the roles, risks, and responsibilities of defending shared security interests. The Department is committed to continuing its efforts to convince allied and partner nations to maintain and increase their responsibility sharing contributions.

# ANNEX

# DATA NOTES, COUNTRY SUMMARIES, AND ADDITIONAL STATISTICS

This Annex is organized into six sections, described below.

**A. Data Notes.** This section presents sources and notes pertaining to the data used in the Report and summarized in this Annex.

**B. Country Summaries.** This section provides summary information for responsibility sharing contributions on a country-by-country basis.

Military forces measures shown in these tables reflect a country's share of total contributions relative to its share of ability to contribute. Thus, a ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its "fair share," while a ratio below 1 means contributions are not commensurate with ability to contribute.

*Note*: With the exception of cost sharing estimates, all dollar figures shown in the country summary charts are in 2000 dollars, using 2000 exchange rates. Cost sharing figures reflect 1999 contributions, and are calculated using 1999 dollars and exchange rates.

**C. Selected Indicators.** Data upon which many of the Report's assessments are based involve a comparison of a country's contributions relative to its ability to contribute. This section provides the data upon which this analysis is based. The analysis is conducted in three stages:

- A country's *contribution* is expressed as a share of the total contributions of all nations in the Report (e.g., share of total defense spending, share of total active-duty military personnel). These data are presented in Tables C-2 through C-5.
- Similarly, a country's *ability to contribute* is expressed as a share of the total of all nations in the Report (i.e., share of total GDP, share of total labor force). These data are shown in Table C-1.
- By creating a ratio of the share of contribution divided by the share of ability to contribute, analysts can draw conclusions as to the extent and the equity of nations' efforts. These ratios are provided in Tables C-6 through C-9.

When this analysis results in a ratio of around 1.0, a country's contribution is judged to be in balance with its ability to contribute. Generally speaking, the Department gives a nation credit for "substantial contributions" relative to its ability to contribute when it achieves a ratio of 1.2 or greater. Ratios of 0.8 or less indicate very low effort relative to ability to contribute.

**D. Bilateral Cost Sharing.** This section presents detailed estimates of nations' bilateral cost sharing support for the United States during 1999, the most recent year for which complete data are available.

**E. Additional Statistics.** This section provides data values upon which many of the Selected Indicators are based. Most of the tables in this section also provide information such as subtotals and shares. The subtotals and grand total in Tables E-2, E-5, E-9, and E-13 are actually weighted averages. For example, the raw data for defense spending is summed for each group of nations and then divided by the sum of GDP for the same group of nations. This provides a more accurate figure than calculating an average based on the percentages portrayed.

*Note*: In Tables E-10 through E-12, only shares can be presented since actual data values are classified.

**F. Summary Assessment Based on Congressional Targets.** This section presents the Department's assessment of country contributions under the terms originally specified in the FY 1997 Defense Authorization Act.

# A. DATA NOTES

The assessments presented in this Report are only as good as the data upon which they are based. The Department has every confidence that the data used for the assessments in this Report are as complete, current, and comprehensive as they can be, given the deadlines established in the legislation.

## Data Sources

Defense spending data have been obtained from a variety of sources. NATO's 5 December 2000 Press Release: *Financial and Economic Data Relating to NATO Defence* (available on NATO's web site at http://www.nato.int/docu/pr/2000/p00-107e.htm) is the primary source for past and current defense spending data for the NATO nations, including the United States. Sources of defense spending data for Japan, the Republic of Korea, and the GCC nations include U.S. embassies in these nations, recent national defense white papers (where available), and the International Institute for Strategic Studies' (IISS) *The Military Balance 2000-2001*.

For purposes of standardization and comparability, this Report presents defense spending figures using the NATO definition wherever possible. According to this approach, defense expenditures are defined as outlays made by national governments specifically to meet the needs of the armed forces. In this context, the term "national government" limits "defense expenditures" to those of central or federal governments, to the exclusion of state, provincial, local, or municipal authorities. Regardless of when payments are charged against the budget, defense expenditures for any given period include all payments made during that period. In cases where actual 2000 defense outlays are not available, final defense budget figures are substituted. War damage compensation, veterans' pensions, payments out of retirement accounts, and civil defense and stockpiling costs for industrial raw materials or semi-furnished products are not included in this definition of defense spending. Defense spending figures depicted in this Report for the United States are based on the NATO definition and therefore may differ somewhat from other U.S. defense spending figures provided to Congress or used within the Department of Defense. NATO's definition of defense spending includes spending on programs funded outside of the Department of Defense, namely, the Department of State's International Security Assistance Programs, and the defense-related portions of the Coast Guard and the Department of Energy.

GDP data for NATO members, the Republic of Korea, and Japan are taken from the Organization for Economic Cooperation and Development (OECD). GDP data for the GCC countries (which are not reported by OECD) are drawn from the World Bank and Standard and Poor's Data Resources, Inc. (DRI).

Multinational peace operations data includes a) 1999 funding contributions to UN peacekeeping operations and b) contributions of personnel (troops, military observers and international police) to both UN and major non-UN peace operations as of

November 2000. UN personnel contributions data have been obtained from the *November 2000 Monthly Troop Contributors List* prepared by the UN's Department of Peacekeeping Operations, while those for the NATO-led peace operations in Bosnia and Kosovo (i.e., SFOR and KFOR) are based upon classified sources provided by the Department of Defense's Balkan Task Force. Due to the Congressional deadline for this Report, the Department provides funding estimates for 1999 instead of 2000. Funding data for UN peace operations have been obtained from the *Status of Contributions as at 31 December 1999* produced by the United Nations' Secretariat.

Multinational reaction forces data portrays national contributions to NATO's Reaction Forces, and the Gulf Cooperation Council's multinational Peninsular Shield Force. Ground forces contributions are quantified in combat maneuver brigade equivalents (excluding organic divisional combat support units), and naval contributions in numbers of aircraft carriers and principal surface combatants (cruisers, destroyers, frigates, and corvettes of more than 1,000 tons displacement). Air forces contributions are measured in terms of combat aircraft. Data for all NATO members that participate in the Alliance's integrated defense planning process were obtained from NATO's annual *Defense Planning Questionnaire*. Open sources such as *Jane's Defense* publications were employed in assembling data on France's reaction forces, while classified DoD sources were used to determine Peninsular Shield Force contributions.

Active-duty military personnel data are taken from NATO's 5 December 2000 Press Release: *Financial and Economic Data Relating to NATO Defence* and IISS' *The Military Balance 2000-2001*.

Military forces data (ground, naval, and air) are based on information provided by nations under the Conventional Forces Europe (CFE) data exchange (for those forces limited by CFE), supplemented with data from responses to NATO's *Defense Planning Questionnaire* (for those nations that participate in NATO's integrated defense planning process), open sources (such as *Jane's Defense* publications and magazines and IISS' *The Military Balance 2000-2001*), and DoD sources.

*Ground combat capability data* includes major combat systems, including tanks, artillery, and attack helicopters for army and marine units. Armored vehicles, anti-tank weapons, mortars, small arms, and transport and combat service support assets are not included in this assessment. The quantity and quality of nations' equipment holdings are assessed using widely accepted static measures. Estimates are normalized using the score of a United States armored brigade in order to express each nation's static ground force potential in terms of a standardized unit of measure.

*Naval tonnage data* includes aircraft carriers, attack submarines (non-strategic), principal surface combatants (cruisers, destroyers, frigates, and larger corvettes), mine warfare ships and craft (including mine layers), patrol combatant ships, and amphibious warfare ships. Strategic submarines, patrol craft, amphibious craft, or service support craft are not included.

*Air forces data* includes fixed-wing combat aircraft (air force, naval, and marine assets) in the following categories: fighter/interceptor, fighter/bomber, conventional bomber, and tactical fighter reconnaissance aircraft (including combat-capable trainer and electronic warfare aircraft). Not included are maritime patrol aircraft (MPA), anti-submarine warfare (ASW) aircraft, transports, air-to-air refueling aircraft, strategic bombers, or any support or special mission aircraft.

Defense modernization spending data portrays the percentage of NATO members' 2000 defense budgets that were devoted to major system procurement and research-and-development. These are derived from information provided by NATO.

Cost sharing data have been obtained from U.S. embassies and DoD components, including the military departments and commands. DoD components also provide estimates of U.S. stationing costs by country. Cost sharing data and stationing cost estimates for a given year are collected by the Department during the spring of the following year, and are then evaluated and published as budget exhibits. Due to the Congressional deadline for this Report, the Department provides estimates for 1999 instead of 2000. Cost offset percentages cannot be calculated for Hungary, Oman, and the United Arab Emirates due to lack of information regarding U.S. stationing costs in those countries.

Bilateral cost sharing is divided into two categories, according to whether the costs are borne by the host nation on-budget (direct cost sharing), or as imputed values of forgone revenues (indirect cost sharing). Direct cost sharing includes costs borne by host nations in support of stationed U.S. forces for rents on privately owned land and facilities, labor, utilities, and vicinity improvements. Indirect cost sharing includes forgone rents and revenues, including rents on government-owned land and facilities occupied or used by U.S. forces at no or reduced cost to the United States, and tax concessions or customs duties waived by the host nation.

Since this report uses multiple sources for cost sharing data, there is variability in some of the data collected, resulting in high and low range figures for several nations. Using the example of labor cost, the *low* figure is based on data collected by DoD components and only includes costs for personnel who support appropriated fund activities. The *high* figure is based on cost data collected by U.S. Embassies and includes *all* labor costs under U.S - host nation agreements.

Charts I-3, III-19, and III-20 generally display the more conservative *low* range figures for analysis. For Japan, the *high* range figure is considered to be a better measure and thus is depicted.

Foreign assistance data have been obtained from the OECD. The OECD's Development Assistance Committee (DAC) encourages commitments of international aid, coordinated aid policies, and consistent aid reporting. The DAC's definition of official development assistance (ODA) is recognized as the international standard for reporting aid provided to developing countries and multilateral institutions. This is immensely useful, since "aid" is an extremely broad term, and encompasses many different types of assistance, which can make contributions from various nations very difficult to compare directly.

The OECD has a 29-nation membership including all NATO countries, Japan, and the Republic of Korea. The OECD establishes economic and political conditions that nations must meet before receiving assistance (e.g., demonstrated commitment to political reform, and free and fair elections). Subsidies are provided in the form of trade and investment credits, grants, and loan guarantees, and are directed into areas such as food aid, medical supplies, and technical assistance in management training, privatization, bank and regulatory reform, environmental projects, market access/trade, nuclear reactor safety, and democratic institution building. The OECD is also

coordinating nuclear safety assistance to the New Independent State of the former Soviet Union (NIS).

Aid to 12 of the 22 emerging economies of Central Europe (including the Czech Republic, Hungary, and Poland) and the NIS does not qualify as official development assistance for OECD purposes, but instead is categorized as official aid (OA). Both categories, ODA and OA, cover identical types of assistance, with the only difference being the recipient nations. Other OA recipient nations include more advanced developing countries (e.g., Kuwait, Qatar, and the United Arab Emirates). Recipient nations move from one aid category to the other depending on their development status. Total foreign assistance evaluated in this Report is the sum of all ODA and OA.

Foreign assistance data in this Report cover the period 1990 through 1999. At this time, complete and reliable foreign assistance data are available only through 1999 due to complexities and delays in the OECD collection and reporting process, and data are still not complete for some countries for 1990, and 1995-1999. Assistance data are not available for the Czech Republic in any years prior to 1994, and after 1998, and data for Poland are only reported after 1998. This is to be expected since these nations, along with Hungary, are primarily recipients of foreign assistance. This is also the case with Bahrain, Oman, and Qatar, for which no foreign assistance contributions are reported. Turkish authorities did not report 1999 assistance efforts to the OECD.

# B. COUNTRY SUMMARIES

# BELGIUM

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $226.3 | **11** |
| Per Capita GDP | $22,050.4 | **11** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $3.23 | **15** |
| Percentage of GDP | 1.43% | **22** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 1011 | |
| Personnel as a Percentage of Labor Force | 0.0002% | **8** |
| 1999 Total Funding (Millions) | $7.46 | |
| Funding as a Percentage of GDP | 0.0033% | **5** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 42.2 | **20** |
| Percentage of Labor Force | 0.98% | **18** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.53 | **21** |
| Naval Force Tonnage Share/GDP Share | 0.22 | **22** |
| Combat Aircraft Share/GDP Share | 1.50 | **13** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $739.92 | **12** |
| 1997-1999 Average Percentage of GDP | 0.35% | **7** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $57.24 | |
| Total | $57.24 | |

# CANADA

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $687.4 | **7** |
| Per Capita GDP | $22,298.9 | **10** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $8.07 | **10** |
| Percentage of GDP | 1.17% | **24** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 2006 | |
| Personnel as a Percentage of Labor Force | 0.0001% | **16** |
| 1999 Total Funding (Millions) | $21.68 | |
| Funding as a Percentage of GDP | 0.0032% | **8** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 58.7 | **15** |
| Percentage of Labor Force | 0.37% | **25** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.15 | **25** |
| Naval Force Tonnage Share/GDP Share | 0.62 | **16** |
| Combat Aircraft Share/GDP Share | 0.36 | **24** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $1,922.46 | **7** |
| 1997-1999 Average Percentage of GDP | 0.32% | **8** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support<br>Indirect Support<br>Total | Not Applicable | |

# CZECH REPUBLIC

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $49.7 | **20** |
| Per Capita GDP | $4,841.4 | **23** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $1.11 | **21** |
| Percentage of GDP | 2.24% | **13** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 831 | |
| Personnel as a Percentage of Labor Force | 0.0002% | **13** |
| 1999 Total Funding (Millions) | $0.87 | |
| Funding as a Percentage of GDP | 0.0018% | **18** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 51.4 | **18** |
| Percentage of Labor Force | 0.99% | **17** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 8.95 | **4** |
| Naval Force Tonnage Share/GDP Share | 0.00 | **24 (tied for last)** |
| Combat Aircraft Share/GDP Share | 4.08 | **6** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $15.30 | **21** |
| 1997-1999 Average Percentage of GDP | 0.02% | **21** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support, Indirect Support, Total | Not Applicable | |

# DENMARK

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $159.2 | **14** |
| Per Capita GDP | $29,807.4 | **5** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $2.42 | **18** |
| Percentage of GDP | 1.52% | **20** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 1288 | |
| Personnel as a Percentage of Labor Force | 0.0004% | **4** |
| 1999 Total Funding (Millions) | $4.73 | |
| Funding as a Percentage of GDP | 0.0030% | **11** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 25.5 | **22** |
| Percentage of Labor Force | 0.88% | **20** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 1.52 | **13** |
| Naval Force Tonnage Share/GDP Share | 0.66 | **14** |
| Combat Aircraft Share/GDP Share | 0.90 | **21** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $1,667.35 | **9** |
| 1997-1999 Average Percentage of GDP | 1.06% | **1** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $17.64 | |
| Indirect Support | $0.05 | |
| Total | $17.69 | |

# FRANCE

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $1,308.4 | 5 |
| Per Capita GDP | $22,029.6 | 12 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $34.59 | 4 |
| Percentage of GDP | 2.64% | 11 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 8577 | |
| Personnel as a Percentage of Labor Force | 0.0003% | 7 |
| 1999 Total Funding (Millions) | $36.62 | |
| Funding as a Percentage of GDP | 0.0028% | 13 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 394.6 | 4 |
| Percentage of Labor Force | 1.49% | 10 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.55 | 20 |
| Naval Force Tonnage Share/GDP Share | 0.82 | 12 |
| Combat Aircraft Share/GDP Share | 1.24 | 15 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $5,454.09 | 4 |
| 1997-1999 Average Percentage of GDP | 0.46% | 6 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support<br>Indirect Support<br>Total | Not Applicable | |

# GERMANY

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $1,909.2 | 3 |
| Per Capita GDP | $23,218.2 | 8 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $28.36 | 5 |
| Percentage of GDP | 1.49% | 21 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 8124 | |
| Personnel as a Percentage of Labor Force | 0.0002% | 10 |
| 1999 Total Funding (Millions) | $60.88 | |
| Funding as a Percentage of GDP | 0.0032% | 6 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 322.5 | 6 |
| Percentage of Labor Force | 0.81% | 21 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.97 | 17 |
| Naval Force Tonnage Share/GDP Share | 0.31 | 20 |
| Combat Aircraft Share/GDP Share | 0.64 | 23 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $5,486.13 | 3 |
| 1997-1999 Average Percentage of GDP | 0.30% | 9 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $33.59 | |
| Indirect Support | $1,344.13 | |
| Total | $1,377.72 | |

# GREECE

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $111.7 | 17 |
| Per Capita GDP | $10,483.4 | 17 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $5.50 | 13 |
| Percentage of GDP | 4.92% | 8 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 2043 | |
| Personnel as a Percentage of Labor Force | 0.0005% | 3 |
| 1999 Total Funding (Millions) | $2.44 | |
| Funding as a Percentage of GDP | 0.0022% | 17 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 204.8 | 9 |
| Percentage of Labor Force | 4.58% | 3 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 9.70 | 2 |
| Naval Force Tonnage Share/GDP Share | 4.03 | 1 |
| Combat Aircraft Share/GDP Share | 10.30 | 1 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $177.62 | 16 |
| 1997-1999 Average Percentage of GDP | 0.16% | 17 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $23.48 | |
| Total | $23.48 | |

# HUNGARY

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $46.4 | **21** |
| Per Capita GDP | $4,623.5 | **24** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $0.78 | **22** |
| Percentage of GDP | 1.68% | **18** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 641 | |
| Personnel as a Percentage of Labor Force | 0.0002% | **14** |
| 1999 Total Funding (Millions) | $0.17 | |
| Funding as a Percentage of GDP | 0.0004% | **22** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 54.0 | **16** |
| Percentage of Labor Force | 1.32% | **13** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 8.14 | **5** |
| Naval Force Tonnage Share/GDP Share | 0.00 | **24 (tied for last)** |
| Combat Aircraft Share/GDP Share | 2.63 | **11** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $0.00 | **22 (tied for last)** |
| 1997-1999 Average Percentage of GDP | 0.00% | **23 (tied for last)** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $5.73 | |
| Total | $5.73 | |

# ITALY

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $1,075.7 | 6 |
| Per Capita GDP | $18,615.3 | 14 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $20.66 | 6 |
| Percentage of GDP | 1.92% | 16 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 8504 | |
| Personnel as a Percentage of Labor Force | 0.0004% | 5 |
| 1999 Total Funding (Millions) | $39.44 | |
| Funding as a Percentage of GDP | 0.0037% | 3 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 381.7 | 5 |
| Percentage of Labor Force | 1.63% | 8 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.33 | 23 |
| Naval Force Tonnage Share/GDP Share | 0.59 | 17 |
| Combat Aircraft Share/GDP Share | 1.06 | 16 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $1,692.97 | 8 |
| 1997-1999 Average Percentage of GDP | 0.17% | 16 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $532.64 | |
| Total | $532.64 | |

# LUXEMBOURG

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $17.5 | **24** |
| Per Capita GDP | $40,087.4 | **1** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $0.13 | **24** |
| Percentage of GDP | 0.72% | **26** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 26 | |
| Personnel as a Percentage of Labor Force | 0.0001% | **15** |
| 1999 Total Funding (Millions) | $0.42 | |
| Funding as a Percentage of GDP | 0.0024% | **14** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 1.4 | **26** |
| Percentage of Labor Force | 0.75% | **22** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.00 | **26** |
| Naval Force Tonnage Share/GDP Share | 0.00 | **24 (tied for last)** |
| Combat Aircraft Share/GDP Share | 0.00 | **26** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $107.84 | **18** |
| 1997-1999 Average Percentage of GDP | 0.61% | **5** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $16.71 | |
| Total | $16.71 | |

# NETHERLANDS

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $368.3 | **10** |
| Per Capita GDP | $23,184.8 | **9** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $5.99 | **12** |
| Percentage of GDP | 1.63% | **19** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 1569 | |
| Personnel as a Percentage of Labor Force | 0.0002% | **9** |
| 1999 Total Funding (Millions) | $11.52 | |
| Funding as a Percentage of GDP | 0.0031% | **9** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 53.5 | **17** |
| Percentage of Labor Force | 0.75% | **23** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 1.13 | **15** |
| Naval Force Tonnage Share/GDP Share | 0.94 | **11** |
| Combat Aircraft Share/GDP Share | 0.90 | **20** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $2,831.05 | **6** |
| 1997-1999 Average Percentage of GDP | 0.80% | **4** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support<br>Indirect Support<br>Total | Not Applicable | |

# NORWAY

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $156.8 | 15 |
| Per Capita GDP | $35,094.4 | 4 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $2.91 | 16 |
| Percentage of GDP | 1.86% | 17 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 1244 | |
| Personnel as a Percentage of Labor Force | 0.0005% | 2 |
| 1999 Total Funding (Millions) | $4.49 | |
| Funding as a Percentage of GDP | 0.0029% | 12 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 32.4 | 21 |
| Percentage of Labor Force | 1.38% | 12 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 1.20 | 14 |
| Naval Force Tonnage Share/GDP Share | 0.63 | 15 |
| Combat Aircraft Share/GDP Share | 0.96 | 18 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $1,385.30 | 10 |
| 1997-1999 Average Percentage of GDP | 0.91% | 3 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $5.05 | |
| Indirect Support | $0.00 | |
| Total | $5.05 | |

# POLAND

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $160.7 | **13** |
| Per Capita GDP | $4,150.1 | **25** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $3.21 | **15** |
| Percentage of GDP | 2.00% | **15** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 2168 | |
| Personnel as a Percentage of Labor Force | 0.0001% | **17** |
| 1999 Total Funding (Millions) | $5.02 | |
| Funding as a Percentage of GDP | 0.0031% | **10** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 191.0 | **10** |
| Percentage of Labor Force | 1.05% | **15** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 6.62 | **7** |
| Naval Force Tonnage Share/GDP Share | 1.01 | **10** |
| Combat Aircraft Share/GDP Share | 3.76 | **7** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $36.97 | **20** |
| 1997-1999 Average Percentage of GDP | 0.01% | **22** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support<br>Indirect Support<br>Total | } Not Applicable | |

# PORTUGAL

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $100.0 | **18** |
| Per Capita GDP | $9,983.1 | **20** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $2.20 | **19** |
| Percentage of GDP | 2.21% | **14** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 1674 | |
| Personnel as a Percentage of Labor Force | 0.0003% | **6** |
| 1999 Total Funding (Millions) | $2.31 | |
| Funding as a Percentage of GDP | 0.0023% | **15** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 73.0 | **13** |
| Percentage of Labor Force | 1.51% | **9** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.87 | **19** |
| Naval Force Tonnage Share/GDP Share | 1.50 | **5** |
| Combat Aircraft Share/GDP Share | 1.24 | **14** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $271.49 | **14** |
| 1997-1999 Average Percentage of GDP | 0.27% | **12** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $4.15 | |
| Total | $4.15 | |

# SPAIN

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $558.3 | **8** |
| Per Capita GDP | $14,134.7 | **16** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $7.08 | **11** |
| Percentage of GDP | 1.27% | **23** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 2725 | |
| Personnel as a Percentage of Labor Force | 0.0002% | **12** |
| 1999 Total Funding (Millions) | $20.15 | |
| Funding as a Percentage of GDP | 0.0036% | **4** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 160.1 | **11** |
| Percentage of Labor Force | 0.97% | **19** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.95 | **18** |
| Naval Force Tonnage Share/GDP Share | 1.16 | **8** |
| Combat Aircraft Share/GDP Share | 0.76 | **22** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $1,235.65 | **11** |
| 1997-1999 Average Percentage of GDP | 0.23% | **13** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.52 | |
| Indirect Support | $115.10 | |
| Total | $115.62 | |

# TURKEY

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $196.1 | **12** |
| Per Capita GDP | $2,926.8 | **26** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $11.20 | **9** |
| Percentage of GDP | 5.71% | **7** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 2361 | |
| Personnel as a Percentage of Labor Force | 0.0001% | **18** |
| 1999 Total Funding (Millions) | $1.71 | |
| Funding as a Percentage of GDP | 0.0009% | **20** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 793.1 | **2** |
| Percentage of Labor Force | 3.27% | **6** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 7.30 | **6** |
| Naval Force Tonnage Share/GDP Share | 3.16 | **2** |
| Combat Aircraft Share/GDP Share | 5.85 | **3** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $0.00 | **22 (tied for last)** |
| 1997-1999 Average Percentage of GDP | 0.05% | **20** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.16 | |
| Indirect Support | $34.29 | |
| Total | $34.45 | |

# UNITED KINGDOM

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $1,453.2 | 4 |
| Per Capita GDP | $24,336.3 | 7 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $35.17 | 3 |
| Percentage of GDP | 2.42% | 12 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 5430 | |
| Personnel as a Percentage of Labor Force | 0.0002% | 11 |
| 1999 Total Funding (Millions) | $46.32 | |
| Funding as a Percentage of GDP | 0.0032% | 7 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 218.1 | 8 |
| Percentage of Labor Force | 0.74% | 24 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.43 | 22 |
| Naval Force Tonnage Share/GDP Share | 1.53 | 4 |
| Combat Aircraft Share/GDP Share | 0.95 | 19 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $3,655.56 | 5 |
| 1997-1999 Average Percentage of GDP | 0.28% | 11 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $4.52 | |
| Indirect Support | $80.92 | |
| Total | $85.45 | |

# UNITED STATES

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $9,914.8 | **1** |
| Per Capita GDP | $35,974.4 | **3** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $296.37 | **1** |
| Percentage of GDP | 2.99% | **9** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 11138 | |
| Personnel as a Percentage of Labor Force | 0.0001% | **19** |
| 1999 Total Funding (Millions) | $220.14 | |
| Funding as a Percentage of GDP | 0.0022% | **16** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 1484.0 | **1** |
| Percentage of Labor Force | 1.05% | **16** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.98 | **16** |
| Naval Force Tonnage Share/GDP Share | 1.45 | **6** |
| Combat Aircraft Share/GDP Share | 1.03 | **17** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $12,929.62 | **2** |
| 1997-1999 Average Percentage of GDP | 0.13% | **18** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support<br>Indirect Support<br>Total | Not Applicable | |

# JAPAN

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $4,607.5 | 2 |
| Per Capita GDP | $36,358.9 | 2 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $45.50 | 2 |
| Percentage of GDP | 0.99% | 25 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 30 | |
| Personnel as a Percentage of Labor Force | 0.0000% | 21 |
| 1999 Total Funding (Millions) | $252.36 | |
| Funding as a Percentage of GDP | 0.0055% | 1 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 236.7 | 7 |
| Percentage of Labor Force | 0.35% | 26 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 0.17 | 24 |
| Naval Force Tonnage Share/GDP Share | 0.27 | 21 |
| Combat Aircraft Share/GDP Share | 0.18 | 25 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $16,035.83 | 1 |
| 1997-1999 Average Percentage of GDP | 0.29% | 10 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $3,957.19 | |
| Indirect Support | $1,223.85 | |
| Total | $5,181.04 | |

# REPUBLIC OF KOREA

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $475.5 | 9 |
| Per Capita GDP | $10,099.5 | 18 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $12.93 | 8 |
| Percentage of GDP | 2.72% | 10 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 476 | |
| Personnel as a Percentage of Labor Force | 0.0000% | 20 |
| 1999 Total Funding (Millions) | $1.56 | |
| Funding as a Percentage of GDP | 0.0003% | 23 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 683.0 | 3 |
| Percentage of Labor Force | 3.11% | 7 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 5.01 | 9 |
| Naval Force Tonnage Share/GDP Share | 1.12 | 9 |
| Combat Aircraft Share/GDP Share | 2.42 | 12 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $358.50 | 13 |
| 1997-1999 Average Percentage of GDP | 0.06% | 19 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $324.65 | |
| Indirect Support | $397.19 | |
| Total | $721.84 | |

# BAHRAIN

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $7.0 | **26** |
| Per Capita GDP | $10,083.5 | **19** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $0.51 | **23** |
| Percentage of GDP | 7.36% | **4** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 0 | |
| Personnel as a Percentage of Labor Force | 0.0000% | **22 (tied for last)** |
| 1999 Total Funding (Millions) | $0.02 | |
| Funding as a Percentage of GDP | 0.0003% | **24** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 11.0 | **25** |
| Percentage of Labor Force | 3.44% | **5** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 11.81 | **1** |
| Naval Force Tonnage Share/GDP Share | 1.97 | **3** |
| Combat Aircraft Share/GDP Share | 10.12 | **2** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $0.00 | **22 (tied for last)** |
| 1997-1999 Average Percentage of GDP | 0.00% | **23 (tied for last)** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $1.25 | |
| Indirect Support | $0.15 | |
| Total | $1.40 | |

# KUWAIT

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $32.8 | **22** |
| Per Capita GDP | $15,116.7 | **15** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $2.65 | **17** |
| Percentage of GDP | 8.08% | **2** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 0 | |
| Personnel as a Percentage of Labor Force | 0.0000% | **22 (tied for last)** |
| 1999 Total Funding (Millions) | $0.25 | |
| Funding as a Percentage of GDP | 0.0008% | **21** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 15.3 | **23** |
| Percentage of Labor Force | 1.22% | **14** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 9.19 | **3** |
| Naval Force Tonnage Share/GDP Share | 0.07 | **23** |
| Combat Aircraft Share/GDP Share | 3.41 | **8** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $147.40 | **17** |
| 1997-1999 Average Percentage of GDP | 1.03% | **2** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $172.09 | |
| Indirect Support | $4.90 | |
| Total | $176.99 | |

# OMAN

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $22.2 | **23** |
| Per Capita GDP | $8,720.7 | **21** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $1.75 | **20** |
| Percentage of GDP | 7.86% | **3** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 0 | |
| Personnel as a Percentage of Labor Force | 0.0000% | **22 (tied for last)** |
| 1999 Total Funding (Millions) | $0.05 | |
| Funding as a Percentage of GDP | 0.0002% | **26** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 43.5 | **19** |
| Percentage of Labor Force | 6.48% | **2** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 4.07 | **10** |
| Naval Force Tonnage Share/GDP Share | 1.17 | **7** |
| Combat Aircraft Share/GDP Share | 4.38 | **5** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $0.00 | **22 (tied for last)** |
| 1997-1999 Average Percentage of GDP | 0.00% | **23 (tied for last)** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $34.91 | |
| Total | $34.91 | |

# QATAR

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $13.8 | **25** |
| Per Capita GDP | $24,702.3 | **6** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $0.80 | **22** |
| Percentage of GDP | 5.78% | **6** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 0 | |
| Personnel as a Percentage of Labor Force | 0.0000% | **22 (tied for last)** |
| 1999 Total Funding (Millions) | $0.57 | |
| Funding as a Percentage of GDP | 0.0041% | **2** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 12.3 | **24** |
| Percentage of Labor Force | 8.22% | **1** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 1.82 | **12** |
| Naval Force Tonnage Share/GDP Share | 0.54 | **18** |
| Combat Aircraft Share/GDP Share | 2.69 | **10** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $0.00 | **22 (tied for last)** |
| 1997-1999 Average Percentage of GDP | 0.00% | **23 (tied for last)** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.00 | |
| Indirect Support | $11.00 | |
| Total | $11.00 | |

# SAUDI ARABIA

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $145.4 | **16** |
| Per Capita GDP | $7,093.4 | **22** |
| **Defense Spending (2000)** | | |
| Total (Billions) | $18.69 | **7** |
| Percentage of GDP | 12.85% | **1** |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 0 | |
| Personnel as a Percentage of Labor Force | 0.0000% | **22 (tied for last)** |
| 1999 Total Funding (Millions) | $1.57 | |
| Funding as a Percentage of GDP | 0.0011% | **19** |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 126.5 | **12** |
| Percentage of Labor Force | 1.47% | **11** |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 3.89 | **11** |
| Naval Force Tonnage Share/GDP Share | 0.79 | **13** |
| Combat Aircraft Share/GDP Share | 5.69 | **4** |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $192.97 | **15** |
| 1997-1999 Average Percentage of GDP | 0.19% | **15** |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $2.16 | |
| Indirect Support | $78.29 | |
| Total | $80.44 | |

# UNITED ARAB EMIRATES

## Selected Country Responsibility Sharing Indicators and Contributions

| Statistics | Value | Rank Among 26 Nations Addressed in this Report |
|---|---|---|
| **Gross Domestic Product (2000)** | | |
| Total (Billions) | $61.0 | 19 |
| Per Capita GDP | $20,133.7 | 13 |
| **Defense Spending (2000)** | | |
| Total (Billions) | $3.95 | 14 |
| Percentage of GDP | 6.47% | 5 |
| **Multinational Peace Support Operations (1999-2000)** | | |
| 2000 Total Personnel | 1200 | |
| Personnel as a Percentage of Labor Force | 0.0008% | 1 |
| 1999 Total Funding (Millions) | $0.14 | |
| Funding as a Percentage of GDP | 0.0002% | 25 |
| **Active-Duty Military Personnel (2000)** | | |
| Total (Thousands) | 65.0 | 14 |
| Percentage of Labor Force | 4.33% | 4 |
| **Military Forces Measures (2000)** | | |
| Ground Combat Capability Share/GDP Share | 5.36 | 8 |
| Naval Force Tonnage Share/GDP Share | 0.48 | 19 |
| Combat Aircraft Share/GDP Share | 3.12 | 9 |
| **Foreign Assistance** | | |
| 1999 Total (Millions) | $95.25 | 19 |
| 1997-1999 Average Percentage of GDP | 0.23% | 14 |
| **Host Nation Support/ Defense Cost Sharing (1999)** (Millions) | | |
| Direct Support | $0.06 | |
| Indirect Support | $14.62 | |
| Total | $14.68 | |

# C. SELECTED INDICATORS

## Table C-1
## Selected Indicators of Contributions

| Rank | GDP Share 2000 | | Labor Force (LF) Share 2000 | | Per Capita GDP 2000 (% of Highest Nation) | |
|---|---|---|---|---|---|---|
| **1** | US | 41.55% | US | 29.97% | LU | 100.00% |
| **2** | JA | 19.31% | JA | 14.32% | JA | 90.70% |
| **3** | GM | 8.00% | GM | 8.37% | US | 89.74% |
| **4** | UK | 6.09% | UK | 6.21% | NO | 87.54% |
| **5** | FR | 5.48% | FR | 5.59% | DA | 74.36% |
| **6** | IT | 4.51% | TU | 5.13% | QA | 61.62% |
| **7** | CA | 2.88% | IT | 4.94% | UK | 60.71% |
| **8** | SP | 2.34% | KS | 4.64% | GM | 57.92% |
| **9** | KS | 1.99% | PL | 3.83% | NL | 57.84% |
| **10** | NL | 1.54% | SP | 3.50% | CA | 55.63% |
| **11** | BE | 0.95% | CA | 3.38% | BE | 55.01% |
| **12** | TU | 0.82% | SA | 1.82% | FR | 54.95% |
| **13** | PL | 0.67% | NL | 1.51% | UAE | 50.22% |
| **14** | DA | 0.67% | CZ | 1.09% | IT | 46.44% |
| **15** | NO | 0.66% | PO | 1.02% | KU | 37.71% |
| **16** | SA | 0.61% | GR | 0.94% | SP | 35.26% |
| **17** | GR | 0.47% | BE | 0.91% | GR | 26.15% |
| **18** | PO | 0.42% | HU | 0.87% | KS | 25.19% |
| **19** | UAE | 0.26% | DA | 0.61% | BA | 25.15% |
| **20** | CZ | 0.21% | NO | 0.50% | PO | 24.90% |
| **21** | HU | 0.19% | UAE | 0.32% | OM | 21.75% |
| **22** | KU | 0.14% | KU | 0.26% | SA | 17.69% |
| **23** | OM | 0.09% | OM | 0.14% | CZ | 12.08% |
| **24** | LU | 0.07% | BA | 0.07% | HU | 11.53% |
| **25** | QA | 0.06% | LU | 0.04% | PL | 10.35% |
| **26** | BA | 0.03% | QA | 0.03% | TU | 7.30% |
| **Non-U.S. NATO** | | 35.97% | | 48.43% | | 41.78% |
| **NATO** | | 77.52% | | 78.40% | | 58.55% |
| **Pacific Allies** | | 21.30% | | 18.96% | | 72.95% |
| **GCC** | | 1.18% | | 2.64% | | 23.87% |
| **Total Allies** | | 58.45% | | 70.03% | | 48.61% |
| **Grand Total** | | 100.00% | | 100.00% | | 60.04% |

## Table C-2
## Selected Indicators of Contributions

| Rank | Defense Spending Share 2000 | | UN Peace Operations Funding Share 1999 | | Multinational Peace Operations Personnel Share 2000 | |
|---|---|---|---|---|---|---|
| **1** | US | 53.33% | JA | 33.97% | US | 17.66% |
| **2** | JA | 8.19% | US | 29.63% | FR | 13.60% |
| **3** | UK | 6.33% | GM | 8.20% | IT | 13.48% |
| **4** | FR | 6.22% | UK | 6.24% | GM | 12.88% |
| **5** | GM | 5.10% | IT | 5.31% | UK | 8.61% |
| **6** | IT | 3.72% | FR | 4.93% | SP | 4.32% |
| **7** | SA | 3.36% | CA | 2.92% | TU | 3.74% |
| **8** | KS | 2.33% | SP | 2.71% | PL | 3.44% |
| **9** | TU | 2.02% | NL | 1.55% | GR | 3.24% |
| **10** | CA | 1.45% | BE | 1.00% | CA | 3.18% |
| **11** | SP | 1.27% | PL | 0.68% | PO | 2.65% |
| **12** | NL | 1.08% | DA | 0.64% | NL | 2.49% |
| **13** | GR | 0.99% | NO | 0.60% | DA | 2.04% |
| **14** | UAE | 0.71% | GR | 0.33% | NO | 1.97% |
| **15** | BE | 0.58% | PO | 0.31% | UAE | 1.90% |
| **16** | PL | 0.58% | TU | 0.23% | BE | 1.60% |
| **17** | NO | 0.52% | SA | 0.21% | CZ | 1.32% |
| **18** | KU | 0.48% | KS | 0.21% | HU | 1.02% |
| **19** | DA | 0.44% | CZ | 0.12% | KS | 0.75% |
| **20** | PO | 0.40% | QA | 0.08% | JA | 0.05% |
| **21** | OM | 0.31% | LU | 0.06% | LU | 0.04% |
| **22** | CZ | 0.20% | KU | 0.03% | BA | 0.00% |
| **23** | QA | 0.14% | HU | 0.02% | KU | 0.00% |
| **24** | HU | 0.14% | UAE | 0.02% | OM | 0.00% |
| **25** | BA | 0.09% | OM | 0.01% | QA | 0.00% |
| **26** | LU | 0.02% | BA | 0.00% | SA | 0.00% |
| **Non-U.S. NATO** | | 31.06% | | 35.84% | | 81.54% |
| **NATO** | | 84.39% | | 65.47% | | 99.20% |
| **Pacific Allies** | | 10.51% | | 34.18% | | 0.80% |
| **GCC** | | 5.10% | | 0.35% | | 0.00% |
| **Total Allies** | | 46.67% | | 70.37% | | 82.34% |
| **Grand Total** | | 100.00% | | 100.00% | | 100.00% |

## Table C-3
## Selected Indicators of Contributions

| | Multinational Reaction Forces Share 2000 | | Active-Duty Military Personnel Share 2000 |
|---|---|---|---|
| US | 22.74% | US | 25.87% |
| UK | 14.95% | TU | 13.83% |
| FR | 8.97% | KS | 11.91% |
| GM | 8.35% | FR | 6.88% |
| IT | 8.33% | IT | 6.66% |
| TU | 6.37% | GM | 5.62% |
| NL | 6.11% | JA | 4.13% |
| SP | 4.78% | UK | 3.80% |
| GR | 4.77% | GR | 3.57% |
| BE | 2.78% | PL | 3.33% |
| DA | 2.55% | SP | 2.79% |
| CA | 2.20% | SA | 2.21% |
| PL | 2.09% | PO | 1.27% |
| PO | 1.73% | UAE | 1.13% |
| HU | 1.32% | CA | 1.02% |
| NO | 0.90% | HU | 0.94% |
| CZ | 0.22% | NL | 0.93% |
| KU | 0.22% | CZ | 0.90% |
| SA | 0.22% | OM | 0.76% |
| BA | 0.07% | BE | 0.74% |
| LU | 0.07% | NO | 0.56% |
| OM | 0.07% | DA | 0.44% |
| QA | 0.07% | KU | 0.27% |
| UAE | 0.07% | QA | 0.21% |
| JA | 0.00% | BA | 0.19% |
| KS | 0.00% | LU | 0.02% |
| **Non-U.S. NATO** | 76.52% | | 53.32% |
| **NATO** | 99.26% | | 79.19% |
| **Pacific Allies** | 0.00% | | 16.04% |
| **GCC** | 0.74% | | 4.77% |
| **Total Allies** | 77.26% | | 74.13% |
| **Grand Total** | 100.00% | | 100.00% |

## Table C-4
## Selected Indicators of Contributions

| Rank | Ground Combat Capability Share 2000 | | Naval Tonnage (All Ships Less SSBN) Share 2000 | | Tac Air Combat Aircraft Share 2000 | |
|---|---|---|---|---|---|---|
| **1** | US | 40.51% | US | 60.10% | US | 42.78% |
| **2** | KS | 9.98% | UK | 9.29% | FR | 6.80% |
| **3** | GM | 7.79% | JA | 5.18% | UK | 5.78% |
| **4** | TU | 6.00% | FR | 4.49% | GM | 5.14% |
| **5** | GR | 4.54% | SP | 2.70% | GR | 4.82% |
| **6** | PL | 4.46% | IT | 2.65% | KS | 4.81% |
| **7** | JA | 3.31% | TU | 2.59% | TU | 4.81% |
| **8** | FR | 3.00% | GM | 2.45% | IT | 4.78% |
| **9** | UK | 2.60% | KS | 2.23% | SA | 3.47% |
| **10** | SA | 2.37% | GR | 1.89% | JA | 3.39% |
| **11** | SP | 2.21% | CA | 1.78% | PL | 2.53% |
| **12** | CZ | 1.87% | NL | 1.46% | SP | 1.78% |
| **13** | NL | 1.75% | PL | 0.68% | BE | 1.42% |
| **14** | HU | 1.58% | PO | 0.63% | NL | 1.40% |
| **15** | IT | 1.47% | SA | 0.48% | CA | 1.05% |
| **16** | UAE | 1.37% | DA | 0.44% | CZ | 0.85% |
| **17** | KU | 1.26% | NO | 0.41% | UAE | 0.80% |
| **18** | DA | 1.01% | BE | 0.21% | NO | 0.63% |
| **19** | NO | 0.79% | UAE | 0.12% | DA | 0.60% |
| **20** | BE | 0.50% | OM | 0.11% | PO | 0.52% |
| **21** | CA | 0.42% | BA | 0.06% | HU | 0.51% |
| **22** | OM | 0.38% | QA | 0.03% | KU | 0.47% |
| **23** | PO | 0.37% | KU | 0.01% | OM | 0.41% |
| **24** | BA | 0.34% | CZ | 0.00% | BA | 0.29% |
| **25** | QA | 0.11% | HU | 0.00% | QA | 0.16% |
| **26** | LU | 0.00% | LU | 0.00% | LU | 0.00% |
| **Non-U.S. NATO** | | 40.36% | | 31.68% | | 43.42% |
| **NATO** | | 80.88% | | 91.78% | | 86.20% |
| **Pacific Allies** | | 13.29% | | 7.41% | | 8.21% |
| **GCC** | | 5.83% | | 0.81% | | 5.60% |
| **Total Allies** | | 59.49% | | 39.90% | | 57.22% |
| **Grand Total** | | 100.00% | | 100.00% | | 100.00% |

## Table C-5
## Selected Indicators of Contributions

| Rank | Defense Spending For Modernization Share 2000 | | Foreign Assistance Funding Share 1997 - 1999* | |
|---|---|---|---|---|
| **1** | US | 74.49% | JA | 24.89% |
| **2** | UK | 9.88% | US | 22.03% |
| **3** | GM | 4.00% | FR | 10.68% |
| **4** | TU | 3.60% | GM | 10.35% |
| **5** | IT | 2.46% | UK | 7.47% |
| **6** | GR | 0.97% | NL | 5.19% |
| **7** | CA | 0.90% | CA | 3.82% |
| **8** | SP | 0.88% | IT | 3.29% |
| **9** | NL | 0.84% | DA | 3.08% |
| **10** | NO | 0.57% | NO | 2.59% |
| **11** | PL | 0.33% | SP | 2.26% |
| **12** | DA | 0.30% | BE | 1.43% |
| **13** | BE | 0.26% | KU | 0.57% |
| **14** | CZ | 0.24% | SA | 0.51% |
| **15** | PO | 0.17% | PO | 0.48% |
| **16** | HU | 0.10% | KS | 0.48% |
| **17** | LU | 0.01% | GR | 0.31% |
| **18** | | | UAE | 0.20% |
| **19** | | | LU | 0.18% |
| **20** | | | TU | 0.11% |
| **21** | | | PL | 0.04% |
| **22** | | | CZ | 0.02% |
| **23** | | | BA | 0.00% |
| **24** | | | HU | 0.00% |
| **25** | | | OM | 0.00% |
| **26** | | | QA | 0.00% |
| **Non-U.S. NATO** | | 25.51% | | 51.32% |
| **NATO** | | 100.00% | | 73.34% |
| **Pacific Allies** | | 0.00% | | 25.37% |
| **GCC** | | 0.00% | | 1.28% |
| **Total Allies** | | 25.51% | | 77.97% |
| **Grand Total** | | 100.00% | | 100.00% |

* Foreign Assistance Funding Share does not include data from Hungary, Bahrain, Oman, and Qatar.

## Table C-6
## Selected Indicators of Contributions

| Rank | Ratio Defense Spending 2000 Share/ GDP Share | | Ratio UN Peace Operations Funding 1999 Share / GDP Share | | Multinational Peace Operations Personnel 2000 Share / LF Share | |
|---|---|---|---|---|---|---|
| **1** | SA | 5.52 | JA | 1.76 | UAE | 6.00 |
| **2** | KU | 3.47 | QA | 1.31 | NO | 3.98 |
| **3** | OM | 3.38 | IT | 1.18 | GR | 3.43 |
| **4** | BA | 3.16 | SP | 1.16 | DA | 3.35 |
| **5** | UAE | 2.78 | BE | 1.06 | IT | 2.73 |
| **6** | QA | 2.48 | GM | 1.02 | PO | 2.60 |
| **7** | TU | 2.45 | UK | 1.02 | FR | 2.43 |
| **8** | GR | 2.11 | CA | 1.01 | BE | 1.76 |
| **9** | US | 1.28 | NL | 1.01 | NL | 1.65 |
| **10** | KS | 1.17 | PL | 1.00 | GM | 1.54 |
| **11** | FR | 1.14 | DA | 0.95 | UK | 1.39 |
| **12** | UK | 1.04 | NO | 0.92 | SP | 1.23 |
| **13** | CZ | 0.96 | FR | 0.90 | CZ | 1.21 |
| **14** | PO | 0.95 | LU | 0.76 | HU | 1.17 |
| **15** | PL | 0.86 | PO | 0.74 | LU | 1.04 |
| **16** | IT | 0.82 | US | 0.71 | CA | 0.94 |
| **17** | NO | 0.80 | GR | 0.70 | PL | 0.90 |
| **18** | HU | 0.72 | CZ | 0.56 | TU | 0.73 |
| **19** | NL | 0.70 | SA | 0.35 | US | 0.59 |
| **20** | DA | 0.65 | TU | 0.28 | KS | 0.16 |
| **21** | GM | 0.64 | KU | 0.24 | JA | 0.00 |
| **22** | BE | 0.61 | HU | 0.12 | BA | 0.00 |
| **23** | SP | 0.54 | KS | 0.11 | KU | 0.00 |
| **24** | CA | 0.50 | BA | 0.10 | OM | 0.00 |
| **25** | JA | 0.42 | UAE | 0.07 | QA | 0.00 |
| **26** | LU | 0.31 | OM | 0.07 | SA | 0.00 |
| **Non-U.S. NATO** | | 0.86 | | 1.00 | | 1.68 |
| **NATO** | | 1.09 | | 0.84 | | 1.27 |
| **Pacific Allies** | | 0.49 | | 1.60 | | 0.04 |
| **GCC** | | 4.31 | | 0.29 | | 0.00 |
| **Total Allies** | | 0.80 | | 1.20 | | 1.18 |
| **Grand Total** | | 1.00 | | 1.00 | | 1.00 |

## Table C-7
## Selected Indicators of Contributions

| Rank | Ratio Multinational Reaction Forces 2000 Share/ GDP Share | | Ratio Active-Duty Military Personnel 2000 Share/ LF Share | |
|---|---|---|---|---|
| **1** | GR | 10.19 | QA | 6.78 |
| **2** | TU | 7.76 | OM | 5.35 |
| **3** | HU | 6.78 | GR | 3.78 |
| **4** | PO | 4.12 | UAE | 3.58 |
| **5** | NL | 3.96 | BA | 2.84 |
| **6** | DA | 3.83 | TU | 2.70 |
| **7** | PL | 3.11 | KS | 2.57 |
| **8** | BE | 2.93 | IT | 1.35 |
| **9** | BA | 2.55 | PO | 1.24 |
| **10** | UK | 2.45 | FR | 1.23 |
| **11** | SP | 2.04 | SA | 1.21 |
| **12** | IT | 1.85 | NO | 1.14 |
| **13** | FR | 1.64 | HU | 1.09 |
| **14** | KU | 1.63 | KU | 1.01 |
| **15** | NO | 1.37 | PL | 0.87 |
| **16** | QA | 1.28 | US | 0.86 |
| **17** | CZ | 1.07 | CZ | 0.82 |
| **18** | GM | 1.04 | BE | 0.81 |
| **19** | LU | 1.01 | SP | 0.80 |
| **20** | OM | 0.80 | DA | 0.73 |
| **21** | CA | 0.76 | GM | 0.67 |
| **22** | US | 0.55 | LU | 0.62 |
| **23** | SA | 0.37 | NL | 0.62 |
| **24** | UAE | 0.29 | UK | 0.61 |
| **25** | JA | 0.00 | CA | 0.30 |
| **26** | KS | 0.00 | JA | 0.29 |
| **Non-U.S. NATO** | | 2.13 | | 1.10 |
| **NATO** | | 0.43 | | 1.01 |
| **Pacific Allies** | | 0.00 | | 0.85 |
| **GCC** | | 0.63 | | 1.81 |
| **Total Allies** | | 0.44 | | 1.06 |
| **Grand Total** | | 1.00 | | 1.00 |

## Table C-8
## Selected Indicators of Contributions

| Rank | Ratio Ground Combat Capability 2000 Share/ GDP Share | | Ratio Naval Tonnage (All Ships Less SSBN) 2000 Share/ GDP Share | | Ratio Tac Air Combat Aircraft 2000 Share/ GDP Share | |
|---|---|---|---|---|---|---|
| **1** | BA | 11.81 | GR | 4.03 | GR | 10.30 |
| **2** | GR | 9.70 | TU | 3.16 | BA | 10.12 |
| **3** | KU | 9.19 | BA | 1.97 | TU | 5.85 |
| **4** | CZ | 8.95 | UK | 1.53 | SA | 5.69 |
| **5** | HU | 8.14 | PO | 1.50 | OM | 4.38 |
| **6** | TU | 7.30 | US | 1.45 | CZ | 4.08 |
| **7** | PL | 6.62 | OM | 1.17 | PL | 3.76 |
| **8** | UAE | 5.36 | SP | 1.16 | KU | 3.41 |
| **9** | KS | 5.01 | KS | 1.12 | UAE | 3.12 |
| **10** | OM | 4.07 | PL | 1.01 | QA | 2.69 |
| **11** | SA | 3.89 | NL | 0.94 | HU | 2.63 |
| **12** | QA | 1.82 | FR | 0.82 | KS | 2.42 |
| **13** | DA | 1.52 | SA | 0.79 | BE | 1.50 |
| **14** | NO | 1.20 | DA | 0.66 | PO | 1.24 |
| **15** | NL | 1.13 | NO | 0.63 | FR | 1.24 |
| **16** | US | 0.98 | CA | 0.62 | IT | 1.06 |
| **17** | GM | 0.97 | IT | 0.59 | US | 1.03 |
| **18** | SP | 0.95 | QA | 0.54 | NO | 0.96 |
| **19** | PO | 0.87 | UAE | 0.48 | UK | 0.95 |
| **20** | FR | 0.55 | GM | 0.31 | NL | 0.90 |
| **21** | BE | 0.53 | JA | 0.27 | DA | 0.90 |
| **22** | UK | 0.43 | BE | 0.22 | SP | 0.76 |
| **23** | IT | 0.33 | KU | 0.07 | GM | 0.64 |
| **24** | JA | 0.17 | CZ | 0.00 | CA | 0.36 |
| **25** | CA | 0.15 | HU | 0.00 | JA | 0.18 |
| **26** | LU | 0.00 | LU | 0.00 | LU | 0.00 |
| **Non-U.S. NATO** | | 1.12 | | 0.88 | | 1.21 |
| **NATO** | | 1.04 | | 1.18 | | 1.11 |
| **Pacific Allies** | | 0.62 | | 0.35 | | 0.39 |
| **GCC** | | 4.93 | | 0.68 | | 4.73 |
| **Total Allies** | | 1.02 | | 0.68 | | 0.98 |
| **Grand Total** | | 1.00 | | 1.00 | | 1.00 |

## Table C-9
## Selected Indicators of Contributions

| Rank | Ratio Defense Spending for Modernization 2000 Share/ GDP Share | | Ratio Foreign Assistance Funding 1997-1999 Share / GDP Share | |
|---|---|---|---|---|
| **1** | TU | 4.39 | DA | 4.50 |
| **2** | GR | 2.06 | KU | 4.41 |
| **3** | US | 1.79 | NO | 3.87 |
| **4** | UK | 1.62 | NL | 3.40 |
| **5** | CZ | 1.17 | LU | 2.60 |
| **6** | NO | 0.87 | FR | 1.95 |
| **7** | IT | 0.55 | BE | 1.50 |
| **8** | NL | 0.54 | CA | 1.34 |
| **9** | HU | 0.50 | GM | 1.27 |
| **10** | GM | 0.50 | JA | 1.22 |
| **11** | PL | 0.49 | UK | 1.21 |
| **12** | DA | 0.44 | PO | 1.15 |
| **13** | PO | 0.39 | SP | 0.98 |
| **14** | SP | 0.38 | UAE | 0.96 |
| **15** | CA | 0.31 | SA | 0.79 |
| **16** | BE | 0.27 | IT | 0.71 |
| **17** | LU | 0.09 | GR | 0.68 |
| **18** | | | US | 0.54 |
| **19** | | | KS | 0.26 |
| **20** | | | TU | 0.19 |
| **21** | | | CZ | 0.09 |
| **22** | | | PL | 0.06 |
| **23** | | | BA | 0.00 |
| **24** | | | HU | 0.00 |
| **25** | | | OM | 0.00 |
| **26** | | | QA | 0.00 |
| **Non-U.S. NATO** | | 0.71 | | 1.42 |
| **NATO** | | 1.29 | | 0.96 |
| **Pacific Allies** | | 0.00 | | 1.14 |
| **GCC** | | 0.00 | | 1.14 |
| **Total Allies** | | 0.44 | | 1.31 |
| **Grand Total** | | 1.00 | | 1.00 |

* Foreign Assistance Funding Share does not include data from Hungary, Bahrain, Oman, and Qatar.

# D. BILATERAL COST SHARING

# BELGIUM

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | $0.00 | $0.23 |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.23** |
| **Indirect Support** | | |
| Rent | $35.99 | $35.99 |
| Taxes | $21.25 | $21.25 |
| Miscellaneous | * | * |
| **Subtotal** | **$57.24** | **$57.24** |
| **Total** | **$57.24** | **$57.48** |

# CANADA

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Total** | **$0.00** | **$0.00** |

# CZECH REPUBLIC

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Total** | **$0.00** | **$0.00** |

# DENMARK

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | $11.14 | $11.14 |
| Labor | * | * |
| Utilities | $1.86 | $1.86 |
| Facilities | $4.64 | $4.64 |
| Miscellaneous | * | * |
| **Subtotal** | **$17.64** | **$17.64** |
| **Indirect Support** | | |
| Rent | $0.04 | $0.04 |
| Taxes | $0.01 | $0.04 |
| Miscellaneous | * | * |
| **Subtotal** | **$0.05** | **$0.08** |
| **Total** | **$17.69** | **$17.72** |

# FRANCE

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Total** | **$0.00** | **$0.00** |

# GERMANY

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | $1.49 | $1.49 |
| Utilities | * | * |
| Facilities | $16.39 | $16.39 |
| Miscellaneous | $15.71 | $15.85 |
| **Subtotal** | **$33.59** | **$33.73** |
| **Indirect Support** | | |
| Rent | $538.30 | $538.30 |
| Taxes | $690.97 | $855.43 |
| Miscellaneous | $114.86 | $114.86 |
| **Subtotal** | **$1,344.13** | **$1,508.60** |
| **Total** | **$1,377.72** | **$1,542.32** |

# GREECE

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | $0.00 | $0.03 |
| Facilities | $0.00 | $0.03 |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.06** |
| **Indirect Support** | | |
| Rent | $23.48 | $23.48 |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$23.48** | **$23.48** |
| **Total** | **$23.48** | **$23.55** |

# HUNGARY

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | $5.73 | $5.73 |
| Miscellaneous | * | * |
| **Subtotal** | **$5.73** | **$5.73** |
| **Total** | **$5.73** | **$5.73** |

# ITALY

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | $0.00 | $2.88 |
| **Subtotal** | **$0.00** | **$2.88** |
| **Indirect Support** | | |
| Rent | $0.00 | $0.00 |
| Taxes | $532.16 | $601.91 |
| Miscellaneous | $0.48 | $0.48 |
| **Subtotal** | **$532.64** | **$602.39** |
| **Total** | **$532.64** | **$605.27** |

# LUXEMBOURG

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | $16.71 | $16.71 |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$16.71** | **$16.71** |
| **Total** | **$16.71** | **$16.71** |

# NETHERLANDS

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Total** | **$0.00** | **$0.00** |

# NORWAY

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | $0.03 | $0.03 |
| Facilities | $0.23 | $0.23 |
| Miscellaneous | $4.79 | $6.17 |
| **Subtotal** | **$5.05** | **$6.43** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Total** | **$5.05** | **$6.43** |

In addition to these cost estimates, Norway provides wartime host nation support (WHNS), which is primarily focused on support and prestocking for the Norway Air-Landed Marine Expeditionary Brigade and NATO Composite Force.

# POLAND

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Total** | **$0.00** | **$0.00** |

# PORTUGAL

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | $0.00 | $0.03 |
| Labor | $0.00 | $0.31 |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.33** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | $4.15 | $4.15 |
| Miscellaneous | * | * |
| **Subtotal** | **$4.15** | **$4.15** |
| **Total** | **$4.15** | **$4.48** |

# SPAIN

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | $0.50 | $0.50 |
| Labor | * | * |
| Utilities | $0.01 | $0.01 |
| Facilities | $0.01 | $0.01 |
| Miscellaneous | * | * |
| **Subtotal** | **$0.52** | **$0.52** |
| **Indirect Support** | | |
| Rent | $84.33 | $84.33 |
| Taxes | $27.14 | $31.81 |
| Miscellaneous | $3.62 | $3.62 |
| **Subtotal** | **$115.10** | **$119.76** |
| **Total** | **$115.62** | **$120.28** |

# TURKEY

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | $0.10 | $0.10 |
| Labor | * | * |
| Utilities | * | * |
| Facilities | $0.06 | $0.06 |
| Miscellaneous | * | * |
| **Subtotal** | **$0.16** | **$0.16** |
| **Indirect Support** | | |
| Rent | $5.27 | $5.27 |
| Taxes | $25.05 | $25.05 |
| Miscellaneous | $3.98 | $3.98 |
| **Subtotal** | **$34.29** | **$34.29** |
| **Total** | **$34.45** | **$34.45** |

# UNITED KINGDOM

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | $0.00 | $2.25 |
| Facilities | $4.39 | $4.39 |
| Miscellaneous | $0.13 | $0.30 |
| **Subtotal** | **$4.52** | **$6.95** |
| **Indirect Support** | | |
| Rent | $12.87 | $12.87 |
| Taxes | $56.97 | $82.84 |
| Miscellaneous | $11.08 | $11.08 |
| **Subtotal** | **$80.92** | **$106.79** |
| **Total** | **$85.45** | **$113.74** |

# JAPAN

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999[a]**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | $739.87 | $739.87 |
| Labor[b] | $725.26 | $1,341.63 |
| Utilities[b] | $246.06 | $277.42 |
| Facilities | $1,043.64 | $1,043.64 |
| Miscellaneous | $554.63 | $554.63 |
| **Subtotal** | **$3,309.46** | **$3,957.19** |
| **Indirect Support** | | |
| Rent | $837.14 | $837.14 |
| Taxes | $386.72 | $386.72 |
| Miscellaneous | * | * |
| **Subtotal** | **$1,223.85** | **$1,223.85** |
| **Total** | **$4,533.31** | **$5,181.04** |

[a] Dollar values for Japanese cost sharing are computed using the OECD exchange rate for 1999 of 1 U.S. dollar = 113.89 yen.

[b] *Low* figure only includes costs for support of appropriated fund activities. *High* figure includes *all* costs under U.S. - Japan host nation agreements.

# REPUBLIC OF KOREA

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999[a]**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | $1.47 | $1.47 |
| Labor | $156.18 | $187.30 |
| Utilities | $0.00 | $0.00 |
| Facilities | $109.67 | $109.67 |
| Miscellaneous | $57.33 | $59.12 |
| **Subtotal** | **$324.65** | **$357.56** |
| **Indirect Support** | | |
| Rent | $224.04 | $224.04 |
| Taxes | $173.15 | $173.15 |
| Miscellaneous | $0.00 | $0.00 |
| **Subtotal** | **$397.19** | **$397.19** |
| **Total** | **$721.84** | **$754.75** |

[a] Dollar values for Korean cost sharing are computed using the OECD exchange rate for 1999 of 1 U.S. dollar = 1,186.71 won.

# BAHRAIN

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | $0.30 | $0.30 |
| Facilities | $0.95 | $0.95 |
| Miscellaneous | * | * |
| **Subtotal** | **$1.25** | **$1.25** |
| **Indirect Support** | | |
| Rent | * | * |
| Taxes | * | * |
| Miscellaneous | $0.15 | $0.15 |
| **Subtotal** | **$0.15** | **$0.15** |
| **Total** | **$1.40** | **$1.40** |

# KUWAIT

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | $8.54 | $8.54 |
| Labor | $64.06 | $64.06 |
| Utilities | $0.84 | $0.84 |
| Facilities | $3.19 | $3.19 |
| Miscellaneous | $95.46 | $95.46 |
| **Subtotal** | **$172.09** | **$172.09** |
| **Indirect Support** | | |
| Rent | $4.90 | $4.90 |
| Taxes | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$4.90** | **$4.90** |
| **Total** | **$176.99** | **$176.99** |

# OMAN

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | $5.72 | $5.72 |
| Taxes | $15.85 | $15.85 |
| Miscellaneous | $13.34 | $13.34 |
| **Subtotal** | **$34.91** | **$34.91** |
| **Total** | **$34.91** | **$34.91** |

# QATAR

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | * | * |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.00** | **$0.00** |
| **Indirect Support** | | |
| Rent | $7.00 | $7.00 |
| Taxes | $2.03 | $2.03 |
| Miscellaneous | $1.97 | $1.97 |
| **Subtotal** | **$11.00** | **$11.00** |
| **Total** | **$11.00** | **$11.00** |

# SAUDI ARABIA

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | $1.40 | $1.40 |
| Facilities | $0.75 | $0.75 |
| Miscellaneous | * | * |
| **Subtotal** | **$2.16** | **$2.16** |
| **Indirect Support** | | |
| Rent | $23.71 | $23.71 |
| Taxes | $47.04 | $47.04 |
| Miscellaneous | $7.54 | $7.54 |
| **Subtotal** | **$78.29** | **$78.29** |
| **Total** | **$80.44** | **$80.44** |

# UNITED ARAB EMIRATES

**Estimated Defense Cost Sharing / Host Nation Support to the United States - 1999**

| | Range Value ($ millions) | |
|---|---|---|
| | **Low** | **High** |
| **Direct Support** | | |
| Rent | * | * |
| Labor | * | * |
| Utilities | $0.06 | $0.06 |
| Facilities | * | * |
| Miscellaneous | * | * |
| **Subtotal** | **$0.06** | **$0.06** |
| **Indirect Support** | | |
| Rent | $11.00 | $11.00 |
| Taxes | $2.02 | $2.02 |
| Miscellaneous | $1.60 | $1.60 |
| **Subtotal** | **$14.62** | **$14.62** |
| **Total** | **$14.68** | **$14.68** |

# E. ADDITIONAL STATISTICS

# Table E-1
# Gross Domestic Product (GDP)
## (2000 Dollars in Billions - 2000 Exchange Rates)

| | 1990 | | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|---|
| **United States** | 7,163.1 | | 8,055.7 | 8,343.3 | 8,697.6 | 9,072.1 | 9,448.6 | 9,914.8 | 4.9 | 38.4 |
| | | | | | | | | | | |
| ***NATO Allies*** | | | | | | | | | | |
| Belgium | 184.3 | | 198.4 | 200.4 | 207.5 | 213.1 | 218.5 | 226.3 | 3.6 | 22.8 |
| Canada | 532.6 | | 580.6 | 590.5 | 613.8 | 632.8 | 659.3 | 687.4 | 4.3 | 29.1 |
| Czech Republic | 49.0 | | 48.3 | 50.2 | 50.3 | 49.1 | 49.0 | 49.7 | 1.4 | 1.5 |
| Denmark | 128.3 | | 141.4 | 145.0 | 149.5 | 153.3 | 155.7 | 159.2 | 2.2 | 24.1 |
| France | 1,096.2 | | 1,153.0 | 1,165.5 | 1,187.5 | 1,226.1 | 1,262.1 | 1,308.4 | 3.7 | 19.4 |
| Germany | 1,469.5 | | 1,751.5 | 1,764.8 | 1,790.4 | 1,828.9 | 1,855.8 | 1,909.2 | 2.9 | 29.9 |
| Greece | 89.4 | | 95.1 | 97.3 | 100.6 | 104.3 | 107.7 | 111.7 | 3.8 | 25.0 |
| Hungary | 40.1 | | 38.0 | 38.5 | 40.3 | 42.2 | 44.1 | 46.4 | 5.2 | 15.6 |
| Italy | 925.5 | | 985.8 | 996.6 | 1,014.7 | 1,030.3 | 1,045.0 | 1,075.7 | 2.9 | 16.2 |
| Luxembourg | 10.5 | | 13.7 | 14.1 | 15.1 | 15.8 | 16.6 | 17.5 | 5.6 | 67.4 |
| Netherlands | 277.2 | | 307.6 | 316.9 | 328.9 | 341.0 | 353.2 | 368.3 | 4.3 | 32.9 |
| Norway | 111.9 | | 134.1 | 140.7 | 147.3 | 150.3 | 151.6 | 156.8 | 3.4 | 40.1 |
| Poland | 111.3 | | 124.0 | 131.5 | 140.4 | 147.1 | 153.1 | 160.7 | 5.0 | 44.4 |
| Portugal | 77.4 | | 84.4 | 87.1 | 90.3 | 93.8 | 96.5 | 100.0 | 3.6 | 29.3 |
| Spain | 436.8 | | 466.9 | 477.9 | 496.2 | 515.8 | 535.2 | 558.3 | 4.3 | 27.8 |
| Turkey | 142.6 | | 167.1 | 178.8 | 192.2 | 198.2 | 188.2 | 196.1 | 4.2 | 37.5 |
| United Kingdom | 1,178.8 | | 1,275.6 | 1,308.2 | 1,354.2 | 1,383.4 | 1,412.0 | 1,453.2 | 2.9 | 23.3 |
| **Subtotal (non-U.S. NATO)** | 6,861.4 | | 7,565.6 | 7,703.8 | 7,919.2 | 8,125.5 | 8,303.5 | 8,585.0 | 3.4 | 25.1 |
| **Subtotal (NATO)** | 14,024.4 | | 15,621.3 | 16,047.1 | 16,616.7 | 17,197.7 | 17,752.2 | 18,499.8 | 4.2 | 31.9 |
| | | | | | | | | | | |
| ***Pacific Allies*** | | | | | | | | | | |
| Japan | 4,044.2 | | 4,344.3 | 4,563.7 | 4,636.5 | 4,520.1 | 4,532.0 | 4,607.5 | 1.7 | 13.9 |
| Republic of Korea | 264.3 | | 378.6 | 404.2 | 424.4 | 396.0 | 438.3 | 475.5 | 8.5 | 79.9 |
| **Subtotal** | 4,308.5 | | 4,723.0 | 4,967.9 | 5,060.9 | 4,916.1 | 4,970.2 | 5,083.0 | 2.3 | 18.0 |
| | | | | | | | | | | |
| ***Gulf Cooperation Council*** | | | | | | | | | | |
| Bahrain | 4.2 | | 5.8 | 6.1 | 6.2 | 6.6 | 6.7 | 7.0 | 4.4 | 65.1 |
| Kuwait | 22.9 | * | 29.3 | 30.7 | 31.1 | 31.3 | 30.8 | 32.8 | 6.3 | 43.0 |
| Oman | 13.7 | | 18.1 | 18.6 | 19.9 | 20.4 | 20.9 | 22.2 | 6.6 | 62.4 |
| Qatar | 7.3 | | 8.3 | 8.7 | 10.8 | 12.1 | 13.0 | 13.8 | 6.3 | 90.3 |
| Saudi Arabia | 107.5 | | 123.5 | 129.8 | 134.0 | 132.0 | 135.2 | 145.4 | 7.5 | 35.2 |
| United Arab Emirates | 45.8 | | 50.9 | 56.1 | 57.5 | 57.7 | 58.9 | 61.0 | 3.6 | 33.1 |
| **Subtotal** | 201.5 | | 235.9 | 250.0 | 259.4 | 259.9 | 265.5 | 282.3 | 6.3 | 40.1 |
| | | | | | | | | | | |
| **Grand Total** | 18,534.5 | | 20,580.2 | 21,264.9 | 21,937.0 | 22,373.7 | 22,987.9 | 23,865.1 | 3.8 | 28.8 |

Yearly data rounded. Percent change calculated using non-rounded figures.

* Figures for 1990 reflect severe distortions due to the Gulf War.

# Table E-2
# GDP Per Capita
## (2000 Dollars - 2000 Exchange Rates)

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 28,716.8 | 30,657.6 | 31,461.6 | 32,484.6 | 33,563.4 | 34,625.9 | 35,974.4 | 3.9 | 25.3 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 18,492.7 | 19,537.7 | 19,728.7 | 20,377.6 | 20,881.5 | 21,348.8 | 22,050.4 | 3.3 | 19.2 |
| Canada | 19,225.9 | 19,779.4 | 19,899.4 | 20,468.1 | 20,922.2 | 21,623.7 | 22,298.9 | 3.1 | 16.0 |
| Czech Republic | 4,727.4 | 4,680.2 | 4,864.8 | 4,885.2 | 4,773.3 | 4,767.8 | 4,841.4 | 1.5 | 2.4 |
| Denmark | 24,950.5 | 27,049.0 | 27,553.7 | 28,296.0 | 28,921.5 | 29,277.4 | 29,807.4 | 1.8 | 19.5 |
| France | 19,321.0 | 19,830.3 | 19,963.7 | 20,262.6 | 20,834.1 | 21,355.1 | 22,029.6 | 3.2 | 14.0 |
| Germany | 23,231.5 | 21,448.8 | 21,549.2 | 21,819.9 | 22,295.7 | 22,607.4 | 23,218.2 | 2.7 | -0.1 |
| Greece | 8,856.3 | 9,093.4 | 9,298.1 | 9,582.4 | 9,887.3 | 10,154.5 | 10,483.4 | 3.2 | 18.4 |
| Hungary | 3,872.9 | 3,708.6 | 3,770.8 | 3,958.0 | 4,174.9 | 4,382.6 | 4,623.5 | 5.5 | 19.4 |
| Italy | 16,312.3 | 17,204.8 | 17,363.7 | 17,643.6 | 17,890.2 | 18,114.6 | 18,615.3 | 2.8 | 14.1 |
| Luxembourg | 27,258.8 | 33,091.6 | 33,801.7 | 35,807.5 | 37,123.3 | 38,455.4 | 40,087.4 | 4.2 | 47.1 |
| Netherlands | 18,537.3 | 19,896.4 | 20,406.4 | 21,070.7 | 21,721.0 | 22,364.1 | 23,184.8 | 3.7 | 25.1 |
| Norway | 26,392.4 | 30,773.9 | 32,116.1 | 33,441.9 | 33,908.2 | 34,100.4 | 35,094.4 | 2.9 | 33.0 |
| Poland | 2,920.4 | 3,212.6 | 3,404.2 | 3,632.7 | 3,805.5 | 3,960.2 | 4,150.1 | 4.8 | 42.1 |
| Portugal | 7,834.7 | 8,508.9 | 8,770.6 | 9,072.7 | 9,395.8 | 9,657.3 | 9,983.1 | 3.4 | 27.4 |
| Spain | 11,244.2 | 11,908.9 | 12,169.0 | 12,618.4 | 13,101.9 | 13,576.8 | 14,134.7 | 4.1 | 25.7 |
| Turkey | 2,537.8 | 2,709.8 | 2,851.2 | 3,015.3 | 3,058.5 | 2,859.5 | 2,926.8 | 2.4 | 15.3 |
| United Kingdom | 20,479.7 | 21,766.1 | 22,248.6 | 22,948.8 | 23,354.4 | 23,741.6 | 24,336.3 | 2.5 | 18.8 |
| **Subtotal (non-U.S. NATO)** | 14,582.0 | 15,099.0 | 15,303.8 | 15,659.5 | 16,002.2 | 16,284.6 | 16,749.4 | 2.9 | 14.9 |
| **Subtotal (NATO)** | 19,479.1 | 20,451.3 | 20,878.9 | 21,483.8 | 22,102.9 | 22,678.4 | 23,472.0 | 3.5 | 20.5 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 32,717.3 | 34,596.9 | 36,259.1 | 36,749.0 | 35,736.2 | 35,773.1 | 36,358.9 | 1.6 | 11.1 |
| Republic of Korea | 6,166.0 | 8,396.8 | 8,874.6 | 9,229.0 | 8,528.7 | 9,353.3 | 10,099.5 | 8.0 | 63.8 |
| **Subtotal** | 25,880.3 | 27,674.2 | 28,982.8 | 29,397.1 | 28,430.7 | 28,639.6 | 29,245.3 | 2.1 | 13.0 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 8,778.6 | 9,968.4 | 10,126.1 | 9,957.5 | 10,258.8 | 9,945.7 | 10,083.5 | 1.4 | 14.9 |
| Kuwait | 10,715.6 * | 16,281.7 | 16,268.1 | 15,684.4 | 15,399.4 | 14,620.6 | 15,116.7 | 3.4 | 41.1 * |
| Oman | 8,427.4 | 8,493.8 | 8,413.7 | 8,783.5 | 8,887.9 | 8,478.0 | 8,720.7 | 2.9 | 3.5 |
| Qatar | 14,833.4 | 15,133.5 | 15,491.3 | 18,921.6 | 22,360.8 | 22,055.4 | 24,702.3 | 12.0 | 66.5 |
| Saudi Arabia | 7,230.7 | 6,769.3 | 6,893.5 | 6,879.6 | 6,539.2 | 6,796.3 | 7,093.4 | 4.4 | -1.9 |
| United Arab Emirates | 23,876.0 | 22,033.1 | 22,978.8 | 22,365.3 | 20,760.4 | 20,030.4 | 20,133.7 | 0.5 | -15.7 |
| **Subtotal** | 9,359.8 | 9,209.2 | 9,422.0 | 9,438.1 | 9,133.2 | 9,261.2 | 9,567.8 | 3.3 | 2.2 |
| **Grand Total** | 20,412.9 | 21,435.2 | 22,001.6 | 22,543.7 | 22,843.2 | 23,338.1 | 24,070.4 | 3.1 | 17.9 |

Yearly data rounded. Percent change calculated using non-rounded figures.

* Figures for 1990 reflect severe distortions due to the Gulf War.

Subtotals are weighted averages. These are calculated by summing GDP for the group and dividing by the sum of population for the group.

# Table E-3
# Labor Force
# (Millions)

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 125.9 | 132.3 | 133.9 | 136.3 | 137.7 | 139.4 | 141.8 | 1.8 | 12.7 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 4.1 | 4.2 | 4.2 | 4.2 | 4.3 | 4.3 | 4.3 | 0.6 | 5.7 |
| Canada | 14.2 | 14.8 | 14.9 | 15.2 | 15.4 | 15.7 | 16.0 | 1.6 | 12.1 |
| Czech Republic | 5.5 | 5.1 | 5.1 | 5.1 | 5.2 | 5.2 | 5.2 | 0.1 | -5.2 |
| Denmark | 2.9 | 2.8 | 2.8 | 2.8 | 2.9 | 2.9 | 2.9 | 0.7 | 0.2 |
| France | 24.9 | 25.4 | 25.6 | 25.8 | 25.9 | 26.2 | 26.4 | 0.9 | 6.4 |
| Germany | 30.4 | 39.6 | 39.6 | 39.8 | 39.7 | 39.7 | 39.6 | -0.1 | 30.6 |
| Greece | 4.0 | 4.2 | 4.2 | 4.2 | 4.4 | 4.4 | 4.5 | 0.8 | 11.8 |
| Hungary | 4.7 | 4.0 | 4.0 | 3.9 | 3.9 | 4.0 | 4.1 | 2.0 | -13.5 |
| Italy | 23.1 | 22.5 | 22.6 | 22.7 | 23.0 | 23.2 | 23.4 | 0.9 | 1.0 |
| Luxembourg | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 1.9 | 14.0 |
| Netherlands | 6.0 | 6.5 | 6.6 | 6.8 | 6.9 | 7.0 | 7.2 | 1.8 | 19.2 |
| Norway | 2.1 | 2.2 | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 0.4 | 9.4 |
| Poland | 17.7 | 17.7 | 17.5 | 17.6 | 17.6 | 18.0 | 18.1 | 0.8 | 2.2 |
| Portugal | 4.4 | 4.5 | 4.5 | 4.6 | 4.7 | 4.8 | 4.8 | 1.1 | 10.9 |
| Spain | 15.3 | 15.8 | 16.0 | 16.1 | 16.3 | 16.4 | 16.6 | 0.9 | 8.5 |
| Turkey | 21.1 | 22.7 | 22.9 | 22.4 | 23.0 | 23.8 | 24.3 | 2.0 | 15.1 |
| United Kingdom | 28.8 | 28.6 | 28.8 | 28.9 | 29.0 | 29.2 | 29.4 | 0.7 | 2.3 |
| **Subtotal (non-U.S. NATO)** | 209.3 | 220.8 | 221.8 | 222.6 | 224.7 | 227.3 | 229.3 | 0.9 | 9.5 |
| **Subtotal (NATO)** | 335.1 | 353.1 | 355.7 | 358.9 | 362.4 | 366.6 | 371.1 | 1.2 | 10.7 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 63.8 | 66.7 | 67.1 | 67.9 | 67.9 | 67.8 | 67.8 | 0.0 | 6.2 |
| Republic of Korea | 18.5 | 20.8 | 21.2 | 21.6 | 21.4 | 21.6 | 22.0 | 1.8 | 18.5 |
| **Subtotal** | 82.4 | 87.5 | 88.3 | 89.5 | 89.3 | 89.4 | 89.7 | 0.4 | 8.9 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 6.7 | 45.5 |
| Kuwait | 0.9 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.3 | 1.6 | 45.3 |
| Oman | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 3.9 | 47.3 |
| Qatar | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.0 | 36.4 |
| Saudi Arabia | 5.6 | 7.1 | 7.4 | 7.8 | 8.3 | 8.2 | 8.6 | 5.5 | 52.6 |
| United Arab Emirates | 0.7 | 1.1 | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 | 2.7 | 116.1 |
| **Subtotal** | 8.0 | 10.2 | 10.8 | 11.4 | 11.9 | 11.9 | 12.5 | 4.6 | 56.6 |
| **Grand Total** | 425.5 | 450.8 | 454.8 | 459.7 | 463.6 | 468.0 | 473.3 | 1.1 | 11.2 |

Yearly data rounded. Percent change calculated using non-rounded figures.

# Table E-4
# Defense Spending
## (2000 Dollars in Billions - 2000 Exchange Rates)

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 394.4 | 309.8 | 295.1 | 293.1 | 285.2 | 287.0 | 296.4 | 3.3 | -24.8 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 4.4 | 3.3 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 0.5 | -26.4 |
| Canada | 10.6 | 9.0 | 8.2 | 7.6 | 8.3 | 8.6 | 8.1 | -6.0 | -23.8 |
| Czech Republic | 2.5 | 1.0 | 1.0 | 0.9 | 1.0 | 1.1 | 1.1 | 4.3 | -55.1 |
| Denmark | 2.6 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.4 | -3.1 | -8.1 |
| France | 38.3 | 35.5 | 34.8 | 34.9 | 33.9 | 34.2 | 34.6 | 1.1 | -9.7 |
| Germany | 40.5 | 29.3 | 28.9 | 28.1 | 28.2 | 28.6 | 28.4 | -1.0 | -30.1 |
| Greece | 4.1 | 4.1 | 4.4 | 4.6 | 5.1 | 5.3 | 5.5 | 4.4 | 32.6 |
| Hungary | 1.0 | 0.5 | 0.6 | 0.6 | 0.6 | 0.7 | 0.8 | 8.1 | -20.1 |
| Italy | 22.9 | 20.2 | 20.3 | 20.1 | 20.6 | 21.0 | 20.7 | -1.8 | -9.7 |
| Luxembourg | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.7 | 37.1 |
| Netherlands | 7.1 | 6.0 | 6.1 | 6.1 | 6.0 | 6.3 | 6.0 | -5.0 | -15.8 |
| Norway | 3.0 | 2.8 | 2.9 | 2.8 | 3.0 | 3.0 | 2.9 | -2.2 | -4.0 |
| Poland | 3.0 | 2.7 | 3.3 | 3.0 | 3.2 | 3.1 | 3.2 | 2.3 | 8.3 |
| Portugal | 2.1 | 2.2 | 2.1 | 2.1 | 2.0 | 2.2 | 2.2 | 2.5 | 5.1 |
| Spain | 7.7 | 6.9 | 6.7 | 6.8 | 6.6 | 6.7 | 7.1 | 5.9 | -7.7 |
| Turkey | 7.3 | 8.1 | 8.7 | 9.1 | 9.4 | 9.9 | 11.2 | 13.1 | 53.2 |
| United Kingdom | 49.5 | 37.9 | 38.0 | 35.8 | 36.2 | 35.5 | 35.2 | -1.1 | -28.9 |
| **Subtotal (non-U.S. NATO)** | 206.7 | 172.0 | 171.8 | 168.4 | 170.0 | 172.1 | 172.6 | 0.3 | -16.5 |
| **Subtotal (NATO)** | 601.1 | 481.8 | 466.9 | 461.5 | 455.1 | 459.1 | 469.0 | 2.1 | -22.0 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 39.1 | 42.5 | 44.2 | 45.4 | 44.8 | 45.7 | 45.5 | -0.5 | 16.3 |
| Republic of Korea | 10.1 | 11.1 | 11.8 | 12.9 | 12.8 | 12.4 | 12.9 | 4.5 | 27.5 |
| **Subtotal** | 49.3 | 53.6 | 56.0 | 58.3 | 57.6 | 58.1 | 58.4 | 0.5 | 18.6 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 0.2 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 22.2 | 193.9 |
| Kuwait | 9.0 * | 2.2 | 3.2 | 2.8 | 2.4 | 2.3 | 2.6 | 13.6 | -70.5 |
| Oman | 1.8 | 1.7 | 1.7 | 1.8 | 1.5 | 1.3 | 1.7 | 29.5 | -5.2 |
| Qatar | 0.2 | 0.5 | 0.6 | 1.1 | 1.0 | 1.1 | 0.8 | -25.0 | 413.6 |
| Saudi Arabia | 27.9 | 12.6 | 18.0 | 19.1 | 18.9 | 18.1 | 18.7 | 3.4 | -33.0 |
| United Arab Emirates | 2.0 | 1.7 | 1.8 | 2.2 | 2.5 | 3.5 | 3.9 | 13.8 | 92.7 |
| **Subtotal** | 41.1 | 19.0 | 25.7 | 27.3 | 26.6 | 26.7 | 28.3 | 6.1 | -31.0 |
| **Grand Total** | 691.4 | 554.4 | 548.6 | 547.1 | 539.3 | 544.0 | 555.8 | 2.2 | -19.6 |

Yearly data rounded. Percent change calculated using non-rounded figures.

Figures for all NATO members (including the United States) are based on the NATO definition of defense expenditures. See Section A of the Annex, Data Notes, for more details.

* Figures for 1990 reflect severe distortions due to the Gulf War.

# Table E-5
# Defense Spending as a Percentage of GDP

| | 1990 | | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **United States** | 5.5 | | 3.8 | 3.5 | 3.4 | 3.1 | 3.0 | 3.0 | -1.6 | -45.7 | |
| ***NATO Allies*** | | | | | | | | | | | |
| Belgium | 2.4 | | 1.7 | 1.6 | 1.5 | 1.5 | 1.5 | 1.4 | -3.0 | -40.0 | |
| Canada | 2.0 | | 1.5 | 1.4 | 1.2 | 1.3 | 1.3 | 1.2 | -9.9 | -40.9 | |
| Czech Republic | 5.1 | | 2.0 | 1.9 | 1.8 | 2.0 | 2.2 | 2.2 | 2.8 | -55.8 | |
| Denmark | 2.1 | | 1.8 | 1.7 | 1.7 | 1.6 | 1.6 | 1.5 | -5.2 | -26.0 | |
| France | 3.5 | | 3.1 | 3.0 | 2.9 | 2.8 | 2.7 | 2.6 | -2.5 | -24.3 | |
| Germany | 2.8 | | 1.7 | 1.6 | 1.6 | 1.5 | 1.5 | 1.5 | -3.8 | -46.2 | |
| Greece | 4.6 | | 4.3 | 4.5 | 4.6 | 4.8 | 4.9 | 4.9 | 0.7 | 6.1 | |
| Hungary | 2.4 | | 1.4 | 1.6 | 1.5 | 1.4 | 1.6 | 1.7 | 2.8 | -30.9 | |
| Italy | 2.5 | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.9 | -4.6 | -22.3 | |
| Luxembourg | 0.9 | | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.7 | -4.7 | -18.1 | |
| Netherlands | 2.6 | | 2.0 | 1.9 | 1.9 | 1.8 | 1.8 | 1.6 | -8.9 | -36.7 | |
| Norway | 2.7 | | 2.1 | 2.0 | 1.9 | 2.0 | 2.0 | 1.9 | -5.4 | -31.5 | |
| Poland | 2.7 | | 2.2 | 2.5 | 2.1 | 2.2 | 2.1 | 2.0 | -2.6 | -25.0 | |
| Portugal | 2.7 | | 2.6 | 2.4 | 2.4 | 2.2 | 2.2 | 2.2 | -1.0 | -18.7 | |
| Spain | 1.8 | | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 | 1.3 | 1.5 | -27.8 | |
| Turkey | 5.1 | | 4.8 | 4.8 | 4.7 | 4.8 | 5.3 | 5.7 | 8.5 | 11.4 | |
| United Kingdom | 4.2 | | 3.0 | 2.9 | 2.6 | 2.6 | 2.5 | 2.4 | -3.9 | -42.3 | |
| **Subtotal (non-U.S. NATO)** | 3.0 | | 2.3 | 2.2 | 2.1 | 2.1 | 2.1 | 2.0 | -3.0 | -33.3 | |
| **Subtotal (NATO)** | 4.3 | | 3.1 | 2.9 | 2.8 | 2.6 | 2.6 | 2.5 | -2.0 | -40.8 | |
| ***Pacific Allies*** | | | | | | | | | | | |
| Japan | 1.0 | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | -2.2 | 2.1 | |
| Republic of Korea | 3.8 | | 2.9 | 2.9 | 3.0 | 3.2 | 2.8 | 2.7 | -3.7 | -29.1 | |
| **Subtotal** | 1.1 | | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.1 | -1.7 | 0.6 | |
| ***Gulf Cooperation Council*** | | | | | | | | | | | |
| Bahrain | 4.1 | | 4.5 | 4.4 | 5.6 | 5.4 | 6.3 | 7.4 | 17.0 | 78.0 | |
| Kuwait | 39.2 | * | 7.6 | 10.5 | 9.1 | 7.6 | 7.6 | 8.1 | 6.8 | -79.4 | * |
| Oman | 13.5 | | 9.4 | 9.3 | 8.9 | 7.3 | 6.5 | 7.9 | 21.5 | -41.6 | |
| Qatar | 2.1 | | 6.2 | 7.1 | 10.1 | 8.2 | 8.2 | 5.8 | -29.5 | 169.8 | |
| Saudi Arabia | 25.9 | | 10.2 | 13.9 | 14.2 | 14.3 | 13.4 | 12.9 | -3.8 | -50.4 | |
| United Arab Emirates | 4.5 | | 3.3 | 3.3 | 3.8 | 4.4 | 5.9 | 6.5 | 9.9 | 44.8 | |
| **Subtotal** | 20.4 | | 8.1 | 10.3 | 10.5 | 10.2 | 10.1 | 10.0 | -0.2 | -50.7 | |
| **Grand Total** | 3.7 | | 2.7 | 2.6 | 2.5 | 2.4 | 2.4 | 2.3 | -1.6 | -37.6 | |

Yearly data rounded. Percent change calculated using non-rounded figures.

* Figures for 1990 reflect severe distortions due to the Gulf War.

Subtotals are weighted averages. These are calculated by summing defense spending for the group and dividing by the sum of GDP for the group.

# Table E-6
# Funding Contributions to UN Peace Operations
**2000 Constant U.S. Dollars in Millions - 2000 Exchange Rates**

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | % Change 98-99 | % Change 94-99 |
|---|---|---|---|---|---|---|---|---|
| **United States** | 1,103.0 | 443.4 | 297.0 | 312.6 | 213.9 | 220.1 | 2.9 | -80.0 |
| ***NATO Allies*** | | | | | | | | |
| Belgium | 30.4 | 15.6 | 17.7 | 10.5 | 8.0 | 7.5 | -6.7 | -75.5 |
| Canada | 99.6 | 95.8 | 37.8 | 29.6 | 24.1 | 21.7 | -9.9 | -78.2 |
| Czech Republic | 6.6 | 0.0 | 0.0 | 8.8 | 1.3 | 0.9 | -32.4 | -86.8 |
| Denmark | 18.5 | 17.3 | 7.2 | 6.3 | 5.0 | 4.7 | -4.8 | -74.4 |
| France | 132.5 | 235.0 | 82.8 | 60.4 | 59.0 | 36.6 | -38.0 | -72.4 |
| Germany | 225.1 | 202.9 | 92.4 | 77.3 | 68.5 | 60.9 | -11.2 | -73.0 |
| Greece | 2.0 | 1.9 | 1.1 | 1.7 | 1.8 | 2.4 | 35.7 | 24.9 |
| Hungary | 0.0 | 0.0 | 2.6 | 0.2 | 0.2 | 0.2 | -4.1 | 367.7 |
| Italy | 136.4 | 129.9 | 50.4 | 52.4 | 40.7 | 39.4 | -3.1 | -71.1 |
| Luxembourg | 1.6 | 1.6 | 0.6 | 0.5 | 0.5 | 0.4 | -8.4 | -73.3 |
| Netherlands | 39.2 | 37.2 | 15.3 | 13.5 | 12.0 | 11.5 | -4.3 | -70.6 |
| Norway | 19.5 | 15.9 | 6.2 | 5.5 | 5.1 | 4.5 | -12.2 | -76.9 |
| Poland | 1.8 | 1.2 | 2.0 | 2.3 | 5.3 | 5.0 | -5.5 | 182.2 |
| Portugal | 1.4 | 1.5 | 1.3 | 1.5 | 0.5 | 2.3 | 363.9 | 63.3 |
| Spain | 74.4 | 55.7 | 36.3 | 20.8 | 17.2 | 20.2 | 16.9 | -72.9 |
| Turkey | 0.6 | 0.8 | 1.1 | 0.0 | 1.0 | 1.7 | 64.1 | 201.9 |
| United Kingdom | 232.0 | 234.4 | 102.1 | 66.9 | 50.0 | 46.3 | -7.4 | -80.0 |
| **Subtotal (non-U.S. NATO)** | 1,021.4 | 1,046.9 | 457.1 | 358.2 | 300.3 | 266.2 | -11.3 | -73.9 |
| **Subtotal (NATO)** | 2,124.5 | 1,490.3 | 754.0 | 670.8 | 514.1 | 486.4 | -5.4 | -77.1 |
| ***Pacific Allies*** | | | | | | | | |
| Japan | 336.3 | 408.2 | 113.1 | 157.6 | 168.5 | 252.4 | 49.8 | -25.0 |
| Republic of Korea | 3.4 | 4.1 | 1.7 | 1.6 | 2.2 | 1.6 | -29.4 | -54.8 |
| **Subtotal** | 339.7 | 412.3 | 114.8 | 159.2 | 170.7 | 253.9 | 48.8 | -25.3 |
| ***Gulf Cooperation Council*** | | | | | | | | |
| Bahrain | 0.2 | 0.1 | 0.1 | 0.0 | 0.0 | 0.02 | -29.3 | -89.1 |
| Kuwait | 1.8 | 1.5 | 0.5 | 0.4 | 0.2 | 0.2 | 60.1 | -86.2 |
| Oman | 0.2 | 0.3 | 0.2 | 0.1 | 0.1 | 0.05 | -27.5 | -71.9 |
| Qatar | 0.1 | 0.0 | 0.1 | 0.1 | 0.3 | 0.6 | 69.2 | 389.5 |
| Saudi Arabia | 2.6 | 10.3 | 5.0 | 1.7 | 0.03 | 1.6 | 5027.6 | -39.9 |
| United Arab Emirates | 0.2 | 1.4 | 0.8 | 0.5 | 2.2 | 0.1 | -93.7 | -10.8 |
| **Subtotal** | 5.0 | 13.6 | 6.6 | 2.9 | 2.8 | 2.6 | -7.3 | -48.5 |
| **Grand Total** | 2,469.2 | 1,916.1 | 875.4 | 832.8 | 687.6 | 742.9 | 8.0 | -69.9 |

Yearly data rounded. Percent change calculated using non-rounded figures.

# Table E-7
# Personnel Contributions to Major Multinational Peace Operations

| | 1995 * | 1996 * | 1997 * | 1998 * | 1999 | 2000 | % Change 99-00 |
|---|---|---|---|---|---|---|---|
| **United States** | 2,449 | 700 | 637 | 583 | 11,948 | 11,138 | -6.8 |
| ***NATO Allies*** | | | | | | | |
| Belgium | 682 | 845 | 146 | 11 | 331 | 1,011 | 205.4 |
| Canada | 956 | 1,034 | 889 | 297 | 3,394 | 2,006 | -40.9 |
| Czech Republic | 115 | 49 | 36 | 8 | 519 | 831 | 60.1 |
| Denmark | 273 | 126 | 126 | 116 | 551 | 1,288 | 133.8 |
| France | 494 | 503 | 474 | 664 | 8,218 | 8,577 | 4.4 |
| Germany | 29 | 172 | 190 | 190 | 7,636 | 8,124 | 6.4 |
| Greece | 12 | 18 | 13 | 12 | 1,436 | 2,043 | 42.3 |
| Hungary | 78 | 102 | 179 | 165 | 386 | 641 | 66.1 |
| Italy | 78 | 76 | 97 | 194 | 8,547 | 8,504 | -0.5 |
| Luxembourg | 0 | 0 | 0 | 0 | 0 | 26 | 0.0 |
| Netherlands | 230 | 97 | 93 | 169 | 2,639 | 1,569 | -40.5 |
| Norway | 995 | 726 | 708 | 153 | 1,338 | 1,244 | -7.0 |
| Poland | 938 | 1,045 | 1,080 | 1,053 | 1,268 | 2,168 | 71.0 |
| Portugal | 274 | 411 | 474 | 155 | 1,357 | 1,674 | 23.4 |
| Spain | 22 | 46 | 56 | 71 | 2,454 | 2,725 | 11.0 |
| Turkey | 17 | 40 | 42 | 42 | 1,671 | 2,361 | 41.3 |
| United Kingdom | 437 | 415 | 459 | 416 | 7,390 | 5,430 | -26.5 |
| **Subtotal (non-U.S. NATO)** | 5,630 | 5,705 | 5,062 | 3,716 | 49,135 | 50,222 | 2.2 |
| **Subtotal (NATO)** | 8,079 | 6,405 | 5,699 | 4,299 | 61,083 | 61,360 | 0.5 |
| ***Pacific Allies*** | | | | | | | |
| Japan | 0 | 45 | 45 | 44 | 30 | 30 | 0.0 |
| Republic of Korea | 255 | 239 | 27 | 32 | 451 | 476 | 5.5 |
| **Subtotal** | 255 | 284 | 72 | 76 | 481 | 506 | 5.2 |
| ***Gulf Cooperation Council*** | | | | | | | |
| Bahrain | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Kuwait | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Oman | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Qatar | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Saudi Arabia | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| United Arab Emirates | 0 | 0 | 0 | 0 | 0 | 1,200 | 0.0 |
| **Subtotal** | 0 | 0 | 0 | 0 | 0 | 1,200 | 0.0 |
| **Grand Total** | 8,334 | 6,689 | 5,771 | 4,375 | 61,564 | 63,066 | 2.4 |

* 1995 - 1998 data reflects forces contributed only to UN operations. 1999 and 2000 data also includes forces committed to operations not under UN auspices.

Yearly data rounded. Percent change calculated using non-rounded figures.

# Table E-8
# Active-Duty Military Personnel
# (Thousands)

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 2,181.0 | 1,620.0 | 1,575.0 | 1,539.0 | 1,505.0 | 1,486.0 | 1,484.0 | -0.1 | -32.0 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 106.3 | 46.6 | 46.1 | 45.1 | 43.2 | 42.6 | 42.2 | -1.1 | -60.3 |
| Canada | 87.1 | 69.7 | 66.0 | 61.3 | 60.3 | 59.6 | 58.7 | -1.5 | -32.6 |
| Czech Republic | NA | 86.4 | 70.0 | 61.7 | 59.1 | 54.4 | 51.4 | -5.6 | NA |
| Denmark | 31.0 | 27.1 | 28.4 | 25.3 | 25.1 | 27.3 | 25.5 | -6.8 | -17.7 |
| France | 549.6 | 503.8 | 500.7 | 475.1 | 449.3 | 420.8 | 394.6 | -6.2 | -28.2 |
| Germany | 545.4 | 351.6 | 339.4 | 334.5 | 332.5 | 331.1 | 322.5 | -2.6 | -40.9 |
| Greece | 201.4 | 213.3 | 211.6 | 205.6 | 202.0 | 203.8 | 204.8 | 0.5 | 1.7 |
| Hungary | 94.0 | 70.5 | 64.3 | 49.1 | 43.3 | 50.9 | 54.0 | 6.1 | -42.6 |
| Italy | 493.1 | 435.4 | 430.6 | 419.4 | 402.2 | 390.9 | 381.7 | -2.3 | -22.6 |
| Luxembourg | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 0.7 | 10.8 |
| Netherlands | 103.7 | 67.3 | 63.9 | 57.0 | 55.3 | 53.6 | 53.5 | -0.1 | -48.4 |
| Norway | 50.6 | 38.3 | 38.2 | 33.5 | 32.8 | 32.6 | 32.4 | -0.6 | -36.0 |
| Poland | 312.8 | 278.6 | 248.5 | 241.8 | 240.7 | 187.5 | 191.0 | 1.9 | -38.9 |
| Portugal | 87.5 | 77.7 | 73.3 | 71.9 | 71.4 | 70.5 | 73.0 | 3.5 | -16.6 |
| Spain | 262.7 | 209.7 | 202.8 | 196.6 | 189.1 | 155.2 | 160.1 | 3.2 | -39.1 |
| Turkey | 768.9 | 804.6 | 818.4 | 828.1 | 787.6 | 789.0 | 793.1 | 0.5 | 3.2 |
| United Kingdom | 308.3 | 233.3 | 221.2 | 218.2 | 217.5 | 217.6 | 218.1 | 0.2 | -29.3 |
| **Subtotal (non-U.S. NATO)** | 4,003.7 | 3,515.2 | 3,424.7 | 3,325.4 | 3,212.7 | 3,089.0 | 3,058.1 | -1.0 | -23.6 |
| **Subtotal (NATO)** | 6,184.7 | 5,135.2 | 4,999.7 | 4,864.4 | 4,717.7 | 4,575.0 | 4,542.1 | -0.7 | -26.6 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 234.2 | 239.6 | 240.5 | 235.6 | 242.6 | 236.3 | 236.7 | 0.2 | 1.1 |
| Republic of Korea | 655.0 | 655.0 | 660.0 | 672.0 | 672.0 | 672.0 | 683.0 | 1.6 | 4.3 |
| **Subtotal** | 889.2 | 894.6 | 900.5 | 907.6 | 914.6 | 908.3 | 919.7 | 1.3 | 3.4 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 6.0 | 10.7 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 0.0 | 83.3 |
| Kuwait | 20.3 | 16.6 | 15.3 | 15.3 | 15.3 | 15.3 | 15.3 | 0.0 | -24.6 |
| Oman | 29.5 | 43.5 | 43.5 | 43.5 | 43.5 | 43.5 | 43.5 | 0.0 | 47.5 |
| Qatar | 7.5 | 11.1 | 11.8 | 11.8 | 11.8 | 11.8 | 12.3 | 4.5 | 64.4 |
| Saudi Arabia | 67.5 | 105.5 | 105.5 | 105.5 | 105.5 | 105.5 | 126.5 | 19.9 | 87.4 |
| United Arab Emirates | 44.0 | 70.0 | 64.5 | 64.5 | 64.5 | 64.5 | 65.0 | 0.8 | 47.7 |
| **Subtotal** | 174.8 | 257.4 | 251.6 | 251.6 | 251.6 | 251.6 | 273.6 | 8.8 | 56.5 |
| **Grand Total** | 7,248.7 | 6,287.2 | 6,151.7 | 6,023.6 | 5,883.9 | 5,734.9 | 5,735.4 | 0.0 | -20.9 |

Yearly data rounded. Percent change calculated using non-rounded figures.

# Table E-9
# Active-Duty Military Personnel as a Percentage of Labor Force

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 98-99 | % Change 90-99 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 1.7 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.0 | -1.9 | -39.6 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 2.6 | 1.1 | 1.1 | 1.1 | 1.0 | 1.0 | 1.0 | -1.7 | -62.5 |
| Canada | 0.6 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | -3.1 | -39.9 |
| Czech Republic | NA | 1.7 | 1.4 | 1.2 | 1.1 | 1.1 | 1.0 | -5.7 | NA |
| Denmark | 1.1 | 1.0 | 1.0 | 0.9 | 0.9 | 1.0 | 0.9 | -7.4 | -17.8 |
| France | 2.2 | 2.0 | 2.0 | 1.8 | 1.7 | 1.6 | 1.5 | -7.1 | -32.5 |
| Germany | 1.8 | 0.9 | 0.9 | 0.8 | 0.8 | 0.8 | 0.8 | -2.5 | -54.7 |
| Greece | 5.0 | 5.0 | 5.0 | 4.9 | 4.6 | 4.6 | 4.6 | -0.3 | -9.0 |
| Hungary | 2.0 | 1.8 | 1.6 | 1.3 | 1.1 | 1.3 | 1.3 | 4.0 | -33.6 |
| Italy | 2.1 | 1.9 | 1.9 | 1.8 | 1.7 | 1.7 | 1.6 | -3.2 | -23.4 |
| Luxembourg | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.7 | -1.2 | -2.7 |
| Netherlands | 1.7 | 1.0 | 1.0 | 0.8 | 0.8 | 0.8 | 0.7 | -1.9 | -56.7 |
| Norway | 2.4 | 1.7 | 1.7 | 1.5 | 1.4 | 1.4 | 1.4 | -0.9 | -41.5 |
| Poland | 1.8 | 1.6 | 1.4 | 1.4 | 1.4 | 1.0 | 1.1 | 1.1 | -40.2 |
| Portugal | 2.0 | 1.7 | 1.6 | 1.6 | 1.5 | 1.5 | 1.5 | 2.3 | -24.8 |
| Spain | 1.7 | 1.3 | 1.3 | 1.2 | 1.2 | 0.9 | 1.0 | 2.2 | -43.8 |
| Turkey | 3.6 | 3.5 | 3.6 | 3.7 | 3.4 | 3.3 | 3.3 | -1.4 | -10.4 |
| United Kingdom | 1.1 | 0.8 | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 | -0.4 | -30.8 |
| **Subtotal (non-U.S. NATO)** | 1.9 | 1.6 | 1.5 | 1.5 | 1.4 | 1.4 | 1.3 | -1.9 | -30.3 |
| **Subtotal (NATO)** | 1.8 | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 | 1.2 | -1.9 | -33.7 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 0.4 | 0.4 | 0.4 | 0.3 | 0.4 | 0.3 | 0.3 | 0.2 | -4.8 |
| Republic of Korea | 3.5 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | -0.2 | -12.0 |
| **Subtotal** | 1.1 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.9 | -5.1 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 2.7 | 4.1 | 4.0 | 3.9 | 3.8 | 3.7 | 3.4 | -6.3 | 26.0 |
| Kuwait | 2.4 | 1.6 | 1.3 | 1.3 | 1.3 | 1.2 | 1.2 | -1.6 | -48.1 |
| Oman | 6.5 | 7.5 | 7.4 | 7.1 | 7.0 | 6.7 | 6.5 | -3.8 | 0.1 |
| Qatar | 6.8 | 9.3 | 9.1 | 8.4 | 8.4 | 7.9 | 8.2 | 4.5 | 20.6 |
| Saudi Arabia | 1.2 | 1.5 | 1.4 | 1.4 | 1.3 | 1.3 | 1.5 | 13.6 | 22.8 |
| United Arab Emirates | 6.3 | 6.5 | 5.1 | 4.8 | 4.6 | 4.4 | 4.3 | -1.9 | -31.7 |
| **Subtotal** | 2.2 | 2.5 | 2.3 | 2.2 | 2.1 | 2.1 | 2.2 | 3.9 | -0.1 |
| **Grand Total** | 1.7 | 1.4 | 1.4 | 1.3 | 1.3 | 1.2 | 1.2 | -1.1 | -28.9 |

Yearly data rounded. Percent change calculated using non-rounded figures.

Subtotals are weighted averages. These are calculated by summing active duty military personnel for the group and dividing by the sum of labor force for the group.

# Table E-10
# Ground Combat Capability
# as a Percentage of Total

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 45.0 | 43.8 | 43.1 | 44.2 | 44.9 | 42.2 | 40.5 | -4.0 | -10.0 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 0.8 | 0.6 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.2 | -40.6 |
| Canada | 0.5 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 | -9.7 | -11.4 |
| Czech Republic | N/A * | 2.3 | 2.2 | 2.1 | 2.1 | 2.3 | 1.9 | -20.5 | N/A * |
| Denmark | 0.7 | 0.7 | 0.9 | 0.8 | 0.8 | 1.0 | 1.0 | 2.3 | 35.4 |
| France | 2.4 | 2.7 | 2.8 | 2.6 | 2.7 | 2.7 | 3.0 | 10.5 | 25.4 |
| Germany | 10.9 | 8.8 | 8.4 | 8.0 | 7.7 | 8.1 | 7.8 | -3.7 | -28.6 |
| Greece | 2.6 | 3.7 | 3.8 | 3.5 | 3.7 | 4.0 | 4.5 | 14.0 | 72.0 |
| Hungary | 2.1 | 1.7 | 1.8 | 1.6 | 1.6 | 1.5 | 1.6 | 5.6 | -26.2 |
| Italy | 3.5 | 2.8 | 2.8 | 2.5 | 2.0 | 1.7 | 1.5 | -13.0 | -58.1 |
| Luxembourg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Netherlands | 2.9 | 2.2 | 1.8 | 1.8 | 1.8 | 1.7 | 1.7 | 4.9 | -39.9 |
| Norway | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 5.7 | 4.7 |
| Poland | 5.5 | 4.0 | 4.1 | 3.9 | 3.9 | 4.3 | 4.5 | 4.6 | -19.6 |
| Portugal | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 4.5 | 41.5 |
| Spain | 1.9 | 1.7 | 1.9 | 1.9 | 2.0 | 2.0 | 2.2 | 11.0 | 19.3 |
| Turkey | 5.6 | 6.4 | 6.9 | 6.5 | 6.1 | 6.6 | 6.0 | -8.7 | 7.8 |
| United Kingdom | 2.3 | 2.7 | 2.4 | 2.2 | 2.4 | 2.6 | 2.6 | 1.4 | 15.5 |
| **Subtotal (non-U.S. NATO)** | 42.8 | 41.8 | 41.8 | 39.5 | 38.9 | 40.4 | 40.4 | -0.2 | -5.7 |
| **Subtotal (NATO)** | 87.8 | 85.6 | 84.9 | 83.8 | 83.8 | 82.6 | 80.9 | -2.1 | -7.9 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 3.1 | 2.7 | 2.8 | 2.8 | 2.8 | 3.1 | 3.3 | 5.6 | 8.5 |
| Republic of Korea | 6.3 | 7.6 | 7.9 | 8.2 | 8.1 | 8.6 | 10.0 | 15.7 | 58.0 |
| **Subtotal** | 9.4 | 10.3 | 10.6 | 11.0 | 11.0 | 11.8 | 13.3 | 13.0 | 41.9 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 3.6 | 208.1 |
| Kuwait | 0.3 | 0.5 | 0.6 | 1.1 | 1.1 | 1.2 | 1.3 | 5.6 | 275.8 |
| Oman | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 10.4 | 79.0 |
| Qatar | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 7.3 | 17.2 |
| Saudi Arabia | 1.7 | 2.3 | 2.4 | 2.4 | 2.4 | 2.5 | 2.4 | -4.1 | 38.5 |
| United Arab Emirates | 0.4 | 0.6 | 0.8 | 1.0 | 1.1 | 1.2 | 1.4 | 18.4 | 267.1 |
| **Subtotal** | 2.8 | 4.1 | 4.5 | 5.2 | 5.3 | 5.6 | 5.8 | 4.2 | 105.7 |
| **Grand Total** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 |

Yearly data rounded. Percent change calculated using non-rounded figures.

* Ground Combat Capability Data is not available for the Czech Republic until after formal separation from Slovakia occurred in 1993.

# Table E-11
# Naval Force Tonnage
# as a Percentage of Total

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 58.3 | 54.1 | 53.0 | 53.8 | 61.7 | 60.7 | 60.1 | -0.9 | 3.0 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 0.3 | 0.2 | 0.2 | 0.3 | 0.2 | 0.2 | 0.2 | -2.9 | -29.8 |
| Canada | 1.7 | 2.2 | 2.2 | 2.4 | 2.0 | 1.7 | 1.8 | 2.9 | 6.0 |
| Czech Republic * | - | - | - | - | - | - | - | - | - |
| Denmark | 0.4 | 0.6 | 0.7 | 0.7 | 0.5 | 0.5 | 0.4 | -16.2 | 0.8 |
| France | 5.7 | 5.8 | 5.9 | 5.8 | 4.5 | 4.7 | 4.5 | -3.7 | -21.5 |
| Germany | 3.0 | 2.5 | 2.7 | 2.8 | 2.2 | 2.2 | 2.4 | 9.0 | -18.0 |
| Greece | 1.9 | 2.0 | 2.1 | 2.1 | 1.8 | 1.9 | 1.9 | -0.6 | -0.5 |
| Hungary * | - | - | - | - | - | - | - | - | - |
| Italy | 2.1 | 2.7 | 2.8 | 2.9 | 2.6 | 2.6 | 2.7 | 1.5 | 28.8 |
| Luxembourg * | - | - | - | - | - | - | - | - | - |
| Netherlands | 1.2 | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | -3.7 | 18.3 |
| Norway | 0.6 | 0.7 | 0.8 | 0.5 | 0.4 | 0.4 | 0.4 | -4.5 | -27.2 |
| Poland | 0.8 | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0.7 | 10.5 | -12.2 |
| Portugal | 0.7 | 0.6 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 8.8 | -5.0 |
| Spain | 2.3 | 2.5 | 2.5 | 2.6 | 2.3 | 2.5 | 2.7 | 9.2 | 16.2 |
| Turkey | 2.6 | 3.0 | 3.0 | 2.9 | 2.4 | 2.6 | 2.6 | 0.0 | -0.8 |
| United Kingdom | 10.8 | 10.5 | 10.8 | 10.7 | 9.1 | 9.3 | 9.3 | 0.0 | -13.9 |
| **Subtotal (non-U.S. NATO)** | 36.9 | 39.8 | 40.9 | 40.4 | 33.1 | 31.4 | 34.5 | 9.9 | -6.3 |
| **Subtotal (NATO)** | 92.4 | 76.6 | 74.0 | 73.4 | 87.5 | 83.0 | 81.8 | -1.5 | -11.5 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 5.6 | 7.1 | 7.3 | 7.5 | 5.0 | 5.1 | 5.2 | 1.7 | -7.7 |
| Republic of Korea | 1.5 | 2.2 | 2.4 | 1.3 | 2.0 | 2.1 | 2.2 | 8.5 | 52.2 |
| **Subtotal** | 7.7 | 10.4 | 10.8 | 9.8 | 7.5 | 7.1 | 8.1 | 13.0 | 5.4 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 1.2 | 335.3 |
| Kuwait | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | 76.1 |
| Oman | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 1.2 | 49.7 |
| Qatar | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | 154.7 |
| Saudi Arabia | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1.2 | 20.6 |
| United Arab Emirates | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 1.2 | 359.1 |
| **Subtotal** | 0.6 | 0.7 | 0.8 | 1.0 | 0.8 | 0.8 | 0.9 | 10.3 | 54.2 |
| **Grand Total** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 |

Yearly data rounded. Percent change calculated using non-rounded figures.
* The Czech Republic, Hungary, and Luxembourg do not have Naval forces and are not assessed in this indicator.

# Table E-12
# Tactical Combat Aircraft
# as a Percentage of Total

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 43.4 | 36.1 | 37.4 | 35.7 | 43.8 | 44.2 | 42.8 | -3.3 | -1.4 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 1.5 | 1.8 | 1.5 | 1.6 | 1.4 | 1.4 | 1.4 | 0.9 | -3.3 |
| Canada | 1.4 | 1.8 | 1.7 | 1.8 | 1.0 | 1.0 | 1.0 | 3.3 | -23.1 |
| Czech Republic | 3.1 | 2.0 | 1.1 | 1.2 | 1.8 | 0.8 | 0.9 | 0.3 | -72.3 |
| Denmark | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 3.3 | -18.6 |
| France | 7.1 | 7.8 | 8.0 | 8.3 | 6.8 | 6.9 | 6.8 | -1.2 | -4.0 |
| Germany | 5.0 | 5.3 | 5.5 | 5.8 | 4.7 | 4.9 | 5.1 | 5.1 | 3.4 |
| Greece | 3.1 | 4.6 | 4.8 | 5.1 | 4.5 | 4.7 | 4.8 | 3.5 | 56.5 |
| Hungary | 0.8 | 1.4 | 1.1 | 0.8 | 1.1 | 0.5 | 0.5 | 0.0 | -34.7 |
| Italy | 4.6 | 5.2 | 5.1 | 5.3 | 4.6 | 4.8 | 4.8 | 0.1 | 3.4 |
| Luxembourg * | - | - | - | - | - | - | - | - | - |
| Netherlands | 1.9 | 1.6 | 1.6 | 1.7 | 1.5 | 1.4 | 1.4 | 1.5 | -24.7 |
| Norway | 0.6 | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 3.3 | 0.5 |
| Poland | 4.2 | 4.1 | 4.2 | 3.7 | 2.5 | 2.5 | 2.5 | 1.3 | -39.7 |
| Portugal | 0.8 | 1.3 | 0.9 | 1.0 | 0.8 | 0.7 | 0.5 | -30.3 | -32.4 |
| Spain | 1.9 | 1.8 | 1.9 | 2.1 | 1.8 | 1.7 | 1.8 | 2.8 | -8.7 |
| Turkey | 3.5 | 4.2 | 4.1 | 4.4 | 4.1 | 4.7 | 4.8 | 2.8 | 35.9 |
| United Kingdom | 7.0 | 6.7 | 6.6 | 6.6 | 5.4 | 5.6 | 5.8 | 3.7 | -17.3 |
| **Subtotal (non-U.S. NATO)** | 47.1 | 51.0 | 49.6 | 50.7 | 43.2 | 42.8 | 43.4 | 1.5 | -7.8 |
| **Subtotal (NATO)** | 90.5 | 87.1 | 87.0 | 86.4 | 87.0 | 87.0 | 86.2 | -0.9 | -4.7 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 2.6 | 3.4 | 3.6 | 3.8 | 3.5 | 3.3 | 3.4 | 3.3 | 30.6 |
| Republic of Korea | 3.8 | 4.6 | 4.7 | 4.7 | 4.6 | 4.4 | 4.8 | 9.7 | 27.8 |
| **Subtotal** | 6.4 | 8.0 | 8.3 | 8.5 | 8.1 | 7.7 | 8.2 | -27.1 | -12.1 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 46.4 | 251.0 |
| Kuwait | 0.5 | 0.5 | 0.5 | 0.6 | 0.4 | 0.5 | 0.5 | 3.3 | -0.2 |
| Oman | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 3.3 | 12.0 |
| Qatar | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 3.3 | 17.4 |
| Saudi Arabia | 1.7 | 2.9 | 2.7 | 2.8 | 2.9 | 3.4 | 3.5 | 3.3 | 99.0 |
| United Arab Emirates | 0.4 | 0.9 | 0.9 | 1.0 | 0.8 | 0.8 | 0.8 | 4.5 | 119.2 |
| **Subtotal** | 3.2 | 5.0 | 4.7 | 5.1 | 4.9 | 5.3 | 5.6 | 5.1 | 77.2 |
| **Grand Total** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 |

Yearly data rounded. Percent change calculated using non-rounded figures.

* Luxembourg does not have Air forces and is not assessed in this indicator.

# Table E-13
# Percentage of Defense Expenditures Dedicated to Modernization

| | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change 99-00 | % Change 90-00 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 37.1 | 30.8 | 30.2 | 29.3 | 29.0 | 28.2 | 26.3 | -6.7 | -28.9 |
| | | | | | | | | | |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 7.9 | 5.4 | 5.3 | 6.2 | 5.9 | 6.5 | 8.4 | 28.6 | 6.9 |
| Canada | 20.1 | 20.9 | 17.6 | 14.9 | 10.7 | 9.6 | 11.8 | 22.4 | -41.4 |
| Czech Republic | N/A | N/A | 10.6 | 11.8 | 10.6 | 18.9 | 23.0 | 21.7 | N/A |
| Denmark | 14.9 | 12.5 | 12.5 | 13.7 | 14.4 | 11.4 | 12.8 | 12.2 | -14.1 |
| France * | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Germany | 16.6 | 11.9 | 11.6 | 11.3 | 13.2 | 13.6 | 14.8 | 8.4 | -10.9 |
| Greece | 21.4 | 20.0 | 21.4 | 19.4 | 20.7 | 19.5 | 18.4 | -5.8 | -14.0 |
| Hungary | N/A | N/A | 7.7 | 26.8 | 21.6 | 21.1 | 13.2 | -37.6 | N/A |
| Italy | 17.5 | 15.0 | 14.3 | 11.4 | 12.4 | 11.7 | 12.5 | 7.1 | -28.7 |
| Luxembourg | 3.2 | 2.4 | 4.1 | 3.5 | 6.5 | 5.0 | 5.4 | 8.2 | 68.1 |
| Netherlands | 18.7 | 17.2 | 20.3 | 17.7 | 16.1 | 17.7 | 14.7 | -16.8 | -21.5 |
| Norway | 22.8 | 25.4 | 25.2 | 24.6 | 0.7 | 22.6 | 20.7 | -8.6 | -9.2 |
| Poland | N/A | N/A | 7.4 | 10.0 | 10.2 | 11.1 | 10.7 | -3.8 | N/A |
| Portugal | 10.3 | 5.9 | 6.3 | 8.2 | 3.9 | 4.5 | 7.8 | 72.9 | -23.5 |
| Spain | 12.8 | 14.4 | 14.1 | 14.2 | 12.6 | 12.1 | 13.1 | 7.8 | 2.5 |
| Turkey | 20.0 | 29.7 | 30.9 | 27.1 | 20.8 | 25.6 | 33.7 | 31.5 | 69.0 |
| United Kingdom | 18.3 | 24.0 | 26.1 | 26.9 | 28.5 | 28.9 | 29.5 | 2.1 | 61.3 |
| **Subtotal (non-U.S. NATO)** | 16.7 | 17.6 | 18.4 | 17.7 | 17.3 | 18.1 | 19.4 | 7.3 | 15.7 |
| | | | | | | | | | |
| **Total (NATO)** | 31.0 | 26.8 | 26.5 | 25.7 | 25.2 | 24.9 | 24.1 | -3.2 | -22.1 |

* NOTE: Complete and comparable data is not readily available for France or the Pacific and GCC nations.

Comperable data not readily availiable for the Czech Republic, Hungary and Poland prior to 1996.

Yearly data rounded. Percent change calculated using non-rounded figures.

# Table E-14
# Foreign Assistance
## 2000 Constant U.S. Dollars in Millions - 2000 Exchange Rates

| Country | 1990 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | % Change 98-99 | % Change 90-99 |
|---|---|---|---|---|---|---|---|---|---|
| **United States** | 14,481 | 13,735 | 9,413 | 11,822 | 9,843 | 11,922 | 12,930 | 8.4 | -10.7 |
| ***NATO Allies*** | | | | | | | | | |
| Belgium | 850 | 676 | 809 | 735 | 701 | 809 | 740 | -8.6 | -13.0 |
| Canada | 2,274 | 2,335 | 2,286 | 1,908 | 2,141 | 1,953 | 1,922 | -1.6 | -15.5 |
| Czech Republic | [c] | 28 | [c] | [c] | [c] | 16 | 15 | -4.8 | [b] |
| Denmark | 1,140 | 1,344 | 1,407 | 1,499 | 1,572 | 1,608 | 1,667 | 3.7 | 46.2 |
| France | 6,526 | 7,651 | 6,835 | 6,119 | 5,813 | 5,562 | 5,454 | -1.9 | -16.4 |
| Germany | 6,973 | 7,694 | 8,576 | 6,612 | 5,518 | 5,301 | 5,486 | 3.5 | -21.3 |
| Greece | 6 | 113 | 123 | 145 | 151 | 167 | 178 | 6.3 | 3,116.3 |
| Hungary | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] |
| Italy | 2,958 | 2,710 | 1,715 | 2,191 | 1,312 | 2,181 | 1,693 | -22.4 | -42.8 |
| Luxembourg | 24 | 57 | 56 | 65 | 84 | 99 | 108 | 9.2 | 341.0 |
| Netherlands | 2,440 | 2,255 | 2,617 | 2,509 | 2,580 | 2,765 | 2,831 | 2.4 | 16.0 |
| Norway | 1,189 | 1,277 | 1,195 | 1,217 | 1,294 | 1,404 | 1,385 | -1.3 | 16.5 |
| Poland | [c] | [c] | [c] | [c] | [c] | 27 | 37 | 36.9 | [b] |
| Portugal | 170 | 309 | 223 | 189 | 239 | 247 | 271 | 10.1 | 59.9 |
| Spain | 842 | 1,316 | 1,174 | 1,060 | 1,099 | 1,224 | 1,236 | 1.0 | 46.8 |
| Turkey | 3 | 89 | 117 | 88 | 78 | 101 | [c] | [b] | [b] |
| United Kingdom | 3,467 | 4,184 | 4,095 | 3,956 | 3,877 | 4,237 | 3,656 | -13.7 | 5.4 |
| **Subtotal (non-U.S. NATO)** | 28,862 | 32,038 | 31,228 | 28,292 | 26,458 | 27,701 | 26,680 | -3.7 | -7.6 |
| **Subtotal (NATO)** | 43,343 | 45,773 | 40,641 | 40,115 | 36,301 | 39,623 | 39,609 | 0.0 | -8.6 |
| ***Pacific Allies*** | | | | | | | | | |
| Japan | 12,558 | 12,316 | 12,465 | 9,552 | 10,393 | 12,786 | 16,036 | 25.4 | 27.7 |
| Republic of Korea | 68 | 140 | 113 | 152 | 193 | 204 | 358 | 75.4 | 426.7 |
| **Subtotal** | 12,626 | 12,456 | 12,578 | 9,704 | 10,586 | 12,990 | 16,394 | 26.2 | 29.8 |
| ***Gulf Cooperation Council*** | | | | | | | | | |
| Bahrain | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] |
| Kuwait | 1,624 | 426 | 416 | 389 | 357 | 154 | 147 | -4.5 | -90.9 |
| Oman | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] |
| Qatar | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] | [a] |
| Saudi Arabia | 3,753 | 203 | 321 | 258 | 348 | 195 | 193 | -1.2 | -94.9 |
| United Arab Emirates | 1,208 | 83 | 40 | 135 | 79 | 102 | 95 | -7.0 | -92.1 |
| **Subtotal** | 6,585 | 712 | 777 | 782 | 784 | 452 | 436 | -3.7 | -93.4 |
| **Grand Total** | 62,553 | 58,941 | 53,995 | 50,601 | 47,671 | 53,065 | 56,439 | 6.4 | -9.8 |

NOTE: Total Foreign Assistance includes net disbursements of Official Development Assistance (ODA) and Official Aid (OA) to developing countries and territories and those in transition (e.g., Central and Eastern European Countries and the New Independent States of the former Soviet Union).

[a] These nations are net aid recipients [b] Incomplete data

[c] Data not Available

# ANNEX F

# CONGRESSIONAL TARGET SUMMARY ASSESSMENT

This section presents the Department's assessment of country contributions under the terms originally specified in the FY 1997 Defense Authorization Act.

**Assessment Stipulated by the FY 1997 Defense Authorization Act**

The 1997 Defense Authorization Act established the following responsibility sharing 'targets' for our allies and security partners:

- Increase defense spending as a share of GDP by 10 percent over the previous year, or to a level commensurate with the U.S.;
- Increase military assets contributed or pledged to multinational military activities a) national contributions to NATO's Reaction Forces and other multinational formations; and b) funding or personnel contributions to UN/non-UN peacekeeping operations);
- Increase offsets for U.S. stationing costs to a level of 75 percent by September 30, 2000; and
- Increase foreign assistance by 10 percent over the previous year, or to a level equal to at least one percent of GDP.

Chart F-1 presents an overview assessment of our NATO and Pacific allies', and Gulf Cooperation Council (GCC) security partners' performance in relation to these targets. This is based on the most recent, complete, and reliable data available; that is, through 2000 for defense spending and multinational military activities, and through 1999 for cost sharing and foreign assistance. The chart shows that all but four of the countries covered in this Report met at least one of the Congressional responsibility sharing targets listed above, and nearly half the countries meet at least two of them. It must be emphasized that all nations make contributions in the wide range of responsibility sharing indicators outlined in Chapter One including aggregate resources for defense (e.g., total defense spending), defense modernization spending, military forces (ground, naval and air), and contributions to multinational peace operations, cost sharing, and foreign assistance. National strengths are clearly evident, as are areas of concern – such as relatively low shares of GDP allocated to defense for a number of nations – where more clearly needs to be done.

- NATO Allies. Fewer than half of our NATO allies experienced real reductions in their defense budgets in 2000, and, as a group, their real defense spending remained virtually unchanged from the 1999 level. Greece and Turkey were the only NATO allies to achieve the Congressional defense spending target in 2000. Both nations spent roughly five percent of their GDP on defense, while the United States spent three percent. Belgium, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Norway, Poland, Portugal, Spain, and Turkey achieved the multinational military activities target in 2000 by increasing their personnel or funding contributions to peacekeeping operations and/or increasing reaction forces contributions. Three NATO Allies met the Congressional foreign assistance target. Two of these: Portugal and Poland, did so by making 1999 contributions that were at least 10 percent higher than the 1998 level. Denmark did not substantially increase its contributions, but met the target nonetheless by spending over one percent of its GDP on foreign assistance in 1999. For further information on the evolution of NATO Allies' military capabilities,

refer to the classified Defense Capabilities Initiative (DCI) Report, delivered to Congress in January, 2001 in response to section 1039 of the National Defense Authorization Act for Fiscal Year 2000.

- Pacific Allies. Neither Japan nor the Republic of Korea achieved the Congressional defense spending target in 2000. Japan and the Republic of Korea both met the multinational military activities target in 2000. Japan increased funding for UN peacekeeping missions over 1998 levels and the Republic of Korea increased personnel. Finally, Japan also met the Congressional foreign assistance target by contributing roughly 25 percent more foreign assistance funding in 1999 than it had in 1998. The Republic of Korea appears to have met the Congressional foreign assistance target by contributing roughly 75 percent more foreign assistance funding in 1999 than it had in 1998 due largely to a 37 percent increase in official development assistance combined with a reversal of the 1998 negative net official aid disbursements. And, of all the nations covered in this report, Japan was the only one that achieved the Congressional cost sharing target in 2000 -- offsetting 79 percent of the costs for U.S. forces stationed on its territory.

- Gulf Cooperation Council (GCC). All six GCC nations met the Congressional defense spending objective, since the shares of GDP they spent on defense during 2000 were all greater than United States' 3.0 percent. Saudi Arabia spent almost 13 percent of GDP on defense, while the remaining GCC nations had shares in the 5 to 10 percent range. Moreover, Bahrain's 2000 defense spending as a share of GDP was about 17 percent higher than in 1999 and Oman's was over 21 percent higher. Kuwait, Qatar and Saudi Arabia achieved the Congressional multinational military activities target by increasing their levels of funding for UN peace operations during 1999. The United Arab Emirates achieved the target by increasing its level of personnel. Only Kuwait met the foreign assistance target by spending over one percent of its GDP on foreign assistance.

# Chart F-1
# Countries Achieving Congressional Targets*

| | Defense Spending as % GDP (2000) | Multinational Military Activities (1999-2000) | Cost Sharing (1999) | Foreign Assistance (1998-99) |
|---|---|---|---|---|
| **NATO Allies** | | | | |
| Belgium | | ✓ | | |
| Canada | | | | |
| Czech Republic | | ✓ | | |
| Denmark | | ✓ | | ✓ |
| France | | ✓ | | |
| Germany | | ✓ | | |
| Greece | ✓ | ✓ | | |
| Hungary | | ✓ | | |
| Italy | | ✓ | | |
| Luxembourg | | | | |
| Netherlands | | | | |
| Norway | | ✓ | | |
| Poland | | ✓ | | ✓ |
| Portugal | | ✓ | | ✓ |
| Spain | | ✓ | | |
| Turkey ** | ✓ | ✓ | | |
| United Kingdom | | | | |
| **Pacific Allies** | | | | |
| Japan | | ✓ | ✓ | ✓ |
| Republic of Korea | | ✓ | | ✓ |
| **Gulf Cooperation Council** | | | | |
| Bahrain | ✓ | | | |
| Kuwait | ✓ | ✓ | | ✓ |
| Oman | ✓ | | | |
| Qatar | ✓ | ✓ | | |
| Saudi Arabia | ✓ | ✓ | | |
| UAE | ✓ | ✓ | | |

*Congressional targets are as follows:

1. Increase defense spending share of GDP by 10% over the previous year, or to a level commensurate with the U.S.
2. Increase military assets contributed or pledged to multinational military activities.
3. Increase offsets for U.S. stationing costs to a level of 75% by September 30, 2000.
4. Increase foreign assistance by 10% over the previous year, or to a level equal to at least 1% of GDP.

** We are unable to assess Turkish foreign assistance efforts due to the unavailability of data for 1999.