



REPORT
on
ALLIED CONTRIBUTIONS
TO THE
COMMON DEFENSE

June 2002

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) – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

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 2002 Department of Defense Military Construction Appropriations Act (Public Law 107-64, Section 119).

U.S. RESPONSIBILITY SHARING POLICY

The September 11, 2001 terrorist attacks and the ensuing war on terrorism have reinforced the need to continue strengthening and adapting our security relationships with allies and other friendly nations. The military and peacekeeping operations of the past decade have demonstrated the importance of responsibility sharing. Our allies and friends have made important contributions, both military and non-military, to these operations - from Bosnia and Kosovo to the Persian Gulf and Afghanistan.

The United States and its allies are committed to achieving the common goals of promoting peace, sustaining freedom, and encouraging prosperity. Our regional security arrangements aim to provide the security and stability essential for democracy, economic progress, and the orderly resolution of international differences. The United States relies on its allies and friends to fulfill critical roles in regions such as Europe, Southwest Asia, and Northeast Asia to shape the security environment and meet and deter threats to regional and global security.

The responsibility and costs of meeting the challenges of current and future threats around the world cannot be met by any one nation alone. The cornerstone of effective alliance relationships is the fair and equitable sharing of the full range of mutual security responsibilities, and the appropriate balancing of costs and benefits. 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, economic and geographical circumstances. This is the basis of U.S. responsibility sharing policy.

The United States will continue to urge allied and partner nations to increase their responsibility sharing contributions where there is scope for greater effort, such as in defense spending and host nation support for some allies. For host nation support, the Department of Defense (DoD) will seek cost sharing arrangements in which host nations contribute 50 percent of total non-personnel stationing costs, at least as an interim goal. A number of countries are already at or above the 50 percent target (including Saudi Arabia, Japan, Norway, Spain and Luxembourg). In line with this goal, the United States and the Republic of Korea (ROK) recently concluded a new Special Measures Agreement, which will see the ROK increase its offsets to 50 percent by 2004.

It should be noted that the ratings assigned to the United States in some of the military contributions indicators appearing in this report can be misleading insofar as they measure only

those U.S. military forces formally committed to NATO. Therefore, these indicators do not depict the full extent of the United States' commitment to safeguarding common security worldwide, which is reflected both in the powerful U.S. military forces that are deployed abroad and those that are maintained at high-readiness on national territory. If the need arises, the United States can contribute high-readiness forces to NATO that greatly exceed those which are formally committed to the Alliance – depending of course upon the requirements of other global contingencies that may be occurring simultaneously.

ORGANIZATION OF THIS REPORT

This Report is organized into three chapters and a comprehensive data annex. The first chapter presents an Executive Summary 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_contrib2002.

CHAPTER I

EXECUTIVE SUMMARY

The Responsibility Sharing Report presents the Department of Defense's annual assessment of the relative contributions toward the common defense and mutual security by our NATO allies, our Pacific allies (Japan and the Republic of Korea), and the Gulf Cooperation Council (GCC) nations. The cornerstone of effective alliance relationships is the fair and equitable sharing of the full range of mutual security responsibilities, and the appropriate balancing of costs and benefits.

Assessments in this Report cover responsibility sharing contributions across a broad range of categories, including defense spending, NATO defense modernization spending, military forces (ground, naval, and air), multinational peace operations, cost sharing, and foreign assistance. National contributions are generally assessed relative to ability to contribute by measuring each nation's share of total allied contributions relative to its corresponding share of total allied Gross Domestic Product (GDP) or labor force. A nation is considered to be doing its *fair share* in a particular category if its share of total contributions is in balance with its share of total GDP or labor force.

CONTRIBUTIONS TO THE WAR ON TERRORISM

The quantitative data presented in this Report does not reflect nations' contributions to the war on terrorism. These contributions will be reflected in the 2003 report. Instead, a narrative description of some of the allied contributions is provided.

NATO

- NATO responded swiftly to the September 11, 2001 terror attacks, invoking Article V - the collective defense provision - of the 1949 Washington Treaty the next day.
- On October 4, NATO approved eight measures that "operationalized" the invocation of Article V, including deployment of NATO AWACS aircraft to support operations against terrorism. These aircraft began deploying to the United States on October 9.
- The UK and France contributed support aircraft to the air campaign over Afghanistan, deployed ground troops inside the country before the Taliban regime was overthrown, and dispatched naval forces to the Indian Ocean for maritime surveillance/interdiction operations.
- Other NATO nations, most notably Canada, Italy and the Netherlands, also sent naval forces to the Indian Ocean; Canada, Denmark, Germany, and Norway deployed special forces inside Afghanistan; and the Czech Republic has deployed a chemical defense unit to the region.
- The NATO allies provided the bulk of the sixteen-nation International Security Assistance Force in Kabul.

Pacific Allies

- Japan deployed a naval task force to the Indian Ocean to provide logistical and intelligence support – the first time that Japanese Self Defense Forces units have been sent abroad to support an ongoing combat operation.

- The Republic of Korea provided a medical formation, C-130 transport aircraft, and an amphibious landing ship.
- Japan and the Republic of Korea provided significant emergency financial assistance and humanitarian aid to Afghanistan, Pakistan, and other adjoining countries. Both also provided enhanced security at U.S. bases within their territory.

Gulf Cooperation Council (GCC)

- The GCC states provided critical support for operations in Afghanistan by granting overflight rights, and allowing the United States to base large contingents of aircraft, personnel, and equipment in their territory.
- Most GCC states increased security at bases hosting U.S. forces, provided key air traffic control and fuel storage services, and covered increased U.S. billeting costs.
- The GCC nations contributed generously to humanitarian operations in and around Afghanistan, and some provided significant economic assistance to Pakistan. They have also played a key role in efforts to block terrorist financing, including the seizure of al-Qaida financial assets.

OTHER RESPONSIBILITY SHARING CONTRIBUTIONS

NATO

Collectively, the non-U.S. NATO allies contributed roughly their *fair share* or more of defense spending, active-duty military personnel, peace operations personnel and funding, military forces, NATO Reaction Forces, and foreign assistance. However, they provided substantially less than their *fair share* of military transport aircraft capacity and tanker aircraft.

- **Defense Spending as a Percentage of GDP (Chart I-1):** Overall, the non-U.S. NATO members spent an average of 1.9 percent of GDP on defense in 2001 – as compared to 2.0 percent in 2000. Turkey, Greece, France, the United Kingdom, the Czech Republic, Portugal, Poland, and Italy ranked at or above this average. All other Alliance members fell below average, highlighting that there is clearly scope for greater effort in this area.
- **NATO Modernization Spending:** Non-U.S. NATO members spent an average of 19 percent of their defense budgets on modernization programs in 2001. Turkey, the United Kingdom, Norway, the Czech Republic, and France ranked above average, while all other members fell below average. Nonetheless, nine allies increased their percentages in 2001.
- **Military Forces:** Most NATO allies contributed more than their *fair share* in at least one of the following categories: active-duty military personnel, ground combat capability, naval tonnage, and combat aircraft capability. Greece and Turkey contributed far more than their *fair share* in all four categories, while Canada contributed less than its *fair share* in all four. Greece contributed its *fair share* of military transport aircraft capacity and Turkey contributed substantially more than its *fair share* of military transport aircraft capacity and tanker aircraft. The remaining NATO allies contributed substantially less than their *fair share* in both categories.
- **NATO Reaction Forces:** Fourteen allies contributed more than their *fair share* of least one category of NATO Reaction Forces (ground, air, and naval) - and several allies in all three. In contrast, Germany contributed less than its *fair share* in all three categories.

- **Multinational Peace Operations:** Our NATO allies made strong contributions to multinational peace operations in terms of personnel and funding. The Czech Republic was the only ally that contributed less than its *fair share* in both categories.
- **Foreign Assistance:** Eleven allies provided their *fair share* or more of foreign assistance. Italy contributed less than its *fair share*, as did less wealthy countries: the Czech Republic, Greece, Poland, and Turkey. Hungary is a net foreign aid recipient.
- **Cost Sharing:** Italy and Germany, the only NATO allies with substantial numbers of U.S. troops stationed on their soil, offset 37 percent and 21 percent (respectively) of U.S. stationing costs.

Pacific Allies

- Japan spent one percent of GDP on defense in 2001, however its defense budget was second only to the U.S. in *absolute* terms. Japan provided substantially less than its *fair share* of active-duty military personnel, military forces, and peace operations personnel. However, this 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. Japan provided more funding for foreign assistance than any other nation in this Report. It ranked second in cost sharing, offsetting 79 percent of U.S. stationing costs in 2000.
- The Republic of Korea (ROK) spent 2.8 percent of GDP on defense in 2001, which is above the average of 2.4 % for all nations covered in this report. The ROK contributed substantially more than its *fair share* of military forces. The ROK contributed substantially less than its *fair share* of multinational peace operations funding and personnel, military transport aircraft capacity, tanker aircraft and foreign assistance reflecting the focus on the North Korean threat. The ROK offset approximately 42 percent of U.S. non-personnel stationing costs in 2000. Under the terms of the new 2002-2004 Special Measures Agreement, ROK offsets will increase to 50 percent by 2004.

Gulf Cooperation Council (GCC)

- **Defense Spending as a Percentage of GDP (Chart I-1):** The GCC nations spent larger percentages of GDP on defense (5.8 to 16.1 percent) than any other country addressed in this Report in 2001.
- **Military Forces:** All GCC nations contributed their *fair share* or more of ground combat capability, combat aircraft capability, and active-duty military personnel. Saudi Arabia, Oman, UAE, and Kuwait contributed their *fair share* or more of military transport aircraft capacity. Saudi Arabia contributed substantially more than its *fair share* of tanker aircraft.
- **Multinational Peace Operations:** The GCC nations contributed substantially less than their *fair share* of peace operations personnel and funding. Only the UAE contributed peace operations personnel.
- **Foreign Assistance:** Kuwait contributed substantially more than its *fair share* of foreign assistance, ranking fourth among all nations assessed, while Saudi Arabia and the UAE contributed substantially less. Bahrain, Oman, and Qatar are net foreign assistance recipients.
- **Cost Sharing:** Saudi Arabia offset 80 percent of U.S. stationing costs in 2000 – ranking first of all nations in this Report. Kuwait ranked third, Qatar fourth, and Oman sixth.

The United States

- *Relative* to its ability to contribute, the United States contributed its *fair share* or better of defense spending, active-duty military personnel, UN peace operations funding, military forces, NATO Reaction Forces, and NATO modernization spending. The United States contributed less than its *fair share* of multinational peace operations personnel, and foreign assistance.
- The United States greatly outstrips all of its allies in a broad range of military capabilities that are not reflected in the static indicators assessed 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, precision strike, and theater ballistic missile defense capabilities.

CONCLUSION

The Department of Defense (DoD) considers that the nations addressed in this Report have recognized the importance of continuing to increase their efforts to share the roles, risks, and responsibilities of defending shared security interests. DoD will continue to urge allied and partner nations to maintain and increase their responsibility sharing contributions, particularly where there is scope for greater effort. Such areas include defense spending and host nation contributions for U.S. forces stationed overseas. Where it is appropriate to do so, DoD will seek cost sharing arrangements in which host nations contribute 50 percent of total non-personnel stationing costs, at least as an interim goal.

Chart I-1
Defense Spending as a Percentage of GDP

	1990	1995	1997	1998	1999	2000	2001
United States	5.6	3.9	3.4	3.2	3.1	3.1	3.0
<i>NATO Allies</i>							
Belgium	2.3	1.6	1.5	1.5	1.4	1.4	1.3
Canada	2.0	1.5	1.2	1.3	1.3	1.2	1.1
Czech Republic*	N/A	N/A	N/A	N/A	2.2	2.3	2.1
Denmark	2.0	1.7	1.7	1.6	1.6	1.5	1.5
France	3.5	3.1	2.9	2.8	2.7	2.6	2.6
Germany	2.7	1.7	1.6	1.5	1.5	1.5	1.5
Greece	4.6	4.3	4.5	4.8	4.8	4.8	4.8
Hungary*	N/A	N/A	N/A	N/A	1.6	1.8	1.8
Italy	2.5	2.1	2.0	2.0	2.0	2.1	1.9
Luxembourg	0.9	0.8	0.7	0.8	0.7	0.7	0.8
Netherlands	2.5	1.9	1.8	1.7	1.7	1.6	1.7
Norway	2.6	2.0	1.8	1.9	1.8	1.8	1.8
Poland*	N/A	N/A	N/A	N/A	2.2	2.0	1.9
Portugal	2.6	2.4	2.2	2.1	2.1	2.1	2.1
Spain	1.8	1.5	1.4	1.3	1.3	1.2	1.2
Turkey	5.2	4.9	4.8	4.8	5.3	5.0	5.0
United Kingdom	4.3	3.0	2.7	2.6	2.5	2.5	2.4
Subtotal (non-U.S. NATO)	3.0	2.3	2.1	2.1	2.0	2.0	1.9
Subtotal (NATO)	4.3	3.1	2.8	2.7	2.6	2.6	2.5
<i>Pacific Allies</i>							
Japan	0.9	0.9	1.0	1.0	1.0	1.0	1.0
Republic of Korea	3.8	2.9	3.0	3.2	2.8	2.8	2.8
Subtotal	1.1	1.1	1.1	1.1	1.1	1.1	1.2
<i>Gulf Cooperation Council</i>							
Bahrain	4.8	4.7	5.7	6.5	6.7	5.8	5.8
Kuwait	73.8	**	12.6	12.1	14.2	11.0	8.8
Oman	16.5	14.6	12.5	12.5	10.4	9.0	12.0
Qatar	2.7	8.4	11.9	13.1	11.5	8.9	8.8
Saudi Arabia	22.1	13.5	12.4	16.2	15.1	10.8	16.1
United Arab Emirates	7.7	4.9	4.9	6.4	5.9	5.4	5.2
Subtotal	23.1	11.4	10.7	13.4	12.1	9.1	12.1
Grand Total	3.9	2.8	2.6	2.5	2.4	2.4	2.4

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

* Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999

** 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, 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 chapter provides a discussion of Alliance and country responsibility sharing contributions, including contributions to the war on terrorism. Detailed assessments of contributions under each responsibility sharing indicator are presented in Chapter III.

NATO ALLIES

One of the fundamental objectives of U.S. national security 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 considerably.

In 1999, NATO adopted a new Strategic Concept that envisaged a larger, more capable and flexible Alliance to meet current and future challenges. The Strategic Concept reaffirms NATO's core function of collective defense while also reflecting the willingness to respond to crises that arise from regional or ethnic conflicts. The Strategic Concept provides guidance for developing the military capabilities necessary to carry out new missions and improve interoperability among NATO forces (see Defense Capabilities Initiative discussion below). The Strategic Concept also recognizes the importance of the European Security and Defense Identity (see below).

NATO is pursuing a policy of enlargement into Central and Eastern Europe to strengthen the Alliance and enhance European security and stability. The Czech Republic, Hungary and Poland joined NATO in 1999, and nine nations (Albania, Bulgaria, Estonia, Latvia, Lithuania, Macedonia, Romania, Slovakia, and Slovenia) are currently seeking admission in a second round of enlargement. NATO is expected to invite one or more of these nations to join the Alliance at its Prague Summit in November 2002. In the wake of the September 11th terror attacks, the U.S. has supported a NATO military transformation agenda that would include a new emphasis on capabilities to counter terrorism and weapons of mass destruction.

Contributions to the War on Terrorism

NATO responded swiftly to the September 11, 2001 terror attacks on the United States. The Alliance invoked Article V of the 1949 Washington Treaty (which states that an armed attack on any ally is considered an attack against all) for the first time in NATO's history. On October 4, NATO agreed to take eight measures to "operationalize" its invocation of Article V. Beginning October 9, NATO deployed five AWACS aircraft to patrol the skies over the continental United States and free U.S. AWACS aircraft for missions over Afghanistan. This was increased to seven on January 16. The AWACS aircraft returned to Europe in mid-May 2002. The Alliance also sent its Standing Naval Force Mediterranean (a task force comprising eight warships and one auxiliary vessel) to the eastern Mediterranean in order to demonstrate resolve and establish a NATO presence in the region. The other measures were: enhancing intelligence sharing, providing access

to ports and airfields, granting blanket overflight clearance, increasing security for U.S. bases on allied territory, 'backfilling' selected U.S. and allied military assets withdrawn from NATO's area of responsibility, and providing assistance to allies and other states that were subject to increased threats due to their support of the war against terrorism.

As of April 2002, more than sixty countries were providing support to the war on terrorism, and thirteen of these were supporting Operation ENDURING FREEDOM with troops on the ground in Afghanistan. For example, the United Kingdom deployed a naval task force comprising the aircraft carrier *Illustrious*, an amphibious assault ship, two other warships, and seven auxiliary vessels to the Indian Ocean for escort and maritime interdiction operations. The UK also deployed three submarines, two of which struck targets in Afghanistan using Tomahawk Missiles. The Royal Air Force supported the air campaign with tanker aircraft, reconnaissance and surveillance aircraft, C-130 transports, and AWACS aircraft. British special forces participated in critically-important operations within Afghanistan, and Royal Marine Commandos were deployed into the country to secure Bagram airfield. An additional 1,700 Royal Marine Commandos were preparing to deploy in early April 2002 to conduct additional combat operations in Afghanistan.

France contributed strategic reconnaissance aircraft, C-160 transports, aerial tankers, and an electronic intelligence aircraft to the air campaign in 2001. France deployed ground troops into Afghanistan at the end of November 2001 to secure the airfield at Mazar-i-Sharif. In December 2001, France dispatched the aircraft carrier *Charles de Gaulle*, three frigates, a tanker, and a nuclear attack submarine to reinforce coalition maritime surveillance in the Indian Ocean. French fighter aircraft commenced combat missions inside Afghanistan in early 2002.

Italy participated in coalition maritime surveillance/interdiction efforts in the Indian Ocean, providing the aircraft carrier *Garibaldi*, two frigates and a tanker. Italy also dispatched six Tornado reconnaissance aircraft to the region. Germany provided three frigates, three logistic ships and a patrol boat flotilla. Canada contributed a destroyer, a replenishment ship, and three frigates – one of which, the HMCS *Vancouver*, was integrated into the U.S.S. *John C. Stennis* carrier battle group. The Canadians also sent an elite counter-terrorist unit, maritime patrol aircraft, and air transports to the region. In early 2002, Canada deployed a 750-man battlegroup to Kandahar to aid U.S. Army forces in hunting down the remnants of the Taliban and al-Qaida.

The Netherlands contributed a total of three frigates, one tanker aircraft, one C-130 transport aircraft, four P-3 maritime patrol aircraft, and a submarine, deploying them to the Caribbean, the Persian Gulf, and the Indian Ocean. Those deployed to the Caribbean relieved U.S. military assets supporting U.S. Southern Command (SOUTHCOM). Denmark, Germany, and Norway deployed special forces units to Afghanistan where they engaged actively in combat operations against Taliban and al-Qaida forces. The Czech Republic contributed a Tu-154 transport aircraft to Operation ENDURING FREEDOM, and is deploying a nuclear/biological/chemical (NBC) defense unit to the region.

The NATO allies also contributed military assets to support humanitarian relief efforts in and around Afghanistan, and are leading peacekeeping operations in Afghanistan. As of March 2002, the United Kingdom commanded the sixteen-nation International Security Assistance Force (ISAF) in Kabul, to which it contributed a total of 1,800 troops. Other nations participating in ISAF include Denmark (48 troops), France (550 troops), Germany (860 troops plus headquarters personnel), Italy (350 troops), the Netherlands (220 troops), and Turkey (260 troops).

The following table provides a more extensive, but not exhaustive, list of allied contributions to the war on terrorism as of April 2002. It includes contributions from Pacific and Gulf Cooperation Council (GCC) allies as well as by NATO members.

Allied Military Contributions to Combat, Maritime Surveillance, Humanitarian and Peacekeeping Operations in and Around Afghanistan

Country	Contributions
Bahrain	1 frigate
Belgium	1 C-130 transport aircraft
Canada	1 CC-150 (Airbus) and 3 CC-130 transport aircraft 2 CP-140 maritime reconnaissance aircraft 1 destroyer, 3 frigates, 1 logistic ship Light infantry battlegroup (700 personnel) Special operations personnel
Czech Republic	1 Tu-154 transport aircraft NBC defense company
Denmark	1 C-130 transport aircraft 100 special operations personnel 4 F-16 fighter bombers (on standby awaiting deployment) 48 engineer/mineclearing troops (ISAF)
France	6 Mirage-2000 fighter-bombers (Kyrgyzstan) 2 Mirage IV and 1 C-160 Gabriel reconnaissance aircraft 2 KC-135 aerial tanker aircraft and DC-8, C-160, and Falcon 50 transport aircraft Aircraft carrier <i>Charles de Gaulle</i> , 3 frigates, 1 tanker, 1 submarine Infantry regiment (ISAF – 550 troops) and Engineer troops (Kyrgyzstan)
Germany	3 frigates, fast patrol boat group, 3 logistic ships 100 special operations personnel Infantry battalion task force (ISAF – 860 troops)
Greece	1 frigate (deploying) 1 C-130 transport aircraft Engineer company (ISAF – 120 troops)
Italy	Aircraft carrier <i>Garibaldi</i> , 2 frigates, 1 tanker 6 Tornado reconnaissance aircraft 350 infantry, engineer, reconnaissance and carabinieri troops (ISAF)
Japan	C-130 and U-4 transport aircraft 3 destroyers, 2 logistic ships (refueling support)
Netherlands	1 KDC-10 tanker/transport aircraft and 1 C-130 transport aircraft 4 P-3 maritime patrol aircraft 3 frigates Infantry company (ISAF – 221 troops)
Norway	C-130 transport aircraft Mineclearing vehicles and personnel (at Qandahar airport) Special operations personnel
Poland	Combat engineer platoon (preparing to deploy)
Republic of Korea	4 C-130 transport aircraft 1 amphibious transport ship (LST) Field hospital (140 personnel - deploying to Kyrgyzstan)
Spain	1 P-3 Orion maritime patrol aircraft (preparing to deploy) 3 C-130 transport aircraft (preparing to deploy) 2 frigates (preparing to deploy) Field hospital (at Bagram airbase)
Turkey	260 infantry troops (ISAF)
United Kingdom	VC-10 and Tristar aerial tanker aircraft and C-130 transport aircraft Nimrod and Canberra PR9 reconnaissance aircraft E-3 AWACS aircraft Aircraft carrier <i>Illustrious</i> , 1 amphibious ship, 2 frigates, 3 submarines, 7 auxiliary ships Special operations personnel 1,700 Royal Marine commandos (preparing to deploy) 1,800 airborne, headquarters, engineer, signals, NBC defense and support troops (ISAF)

The Defense Capabilities Initiative (DCI)

Since the late 1990s, the focus of NATO defense planning has shifted to developing capabilities needed to address new and emerging requirements by transforming existing forces through restructuring and the exploitation of advanced technologies. The Alliance has recognized that future conflicts would place a premium on the ability to deploy troops and equipment rapidly both within and beyond NATO territory, including to areas with little or no preexisting support infrastructure. The new focus was also motivated by the realization that the acquisition of long-range missiles, and nuclear, biological and chemical (NBC) weapons by hostile states could provide asymmetric means of countering NATO's conventional superiority. Accordingly, in April 1998, NATO launched the Defense Capabilities Initiative (DCI) as the principal vehicle for pursuing the military capabilities necessary to meet the challenges of the new security environment. The Allies endorsed a total of 58 short- and long-term DCI objectives in five functional areas: deployability and mobility; sustainability and logistics; consultation, command and control (C3); effective engagement; and survivability of forces and infrastructure. For a more detailed description of the DCI's origins and progress, please consult the 'Report to the Congress on NATO's Defense Capabilities Initiative' submitted in January 2002.

Mixed Results Thus Far

Since the last Report to Congress, the Alliance has made modest progress in some DCI areas, albeit with an uneven level of effort by its 19 members. Some progress is being achieved in the acquisition of advanced weapons systems. Major allies are seeking to acquire advanced fighters, long-range cruise missiles, medium lift transport aircraft, and attack and transport helicopters. However, most of these systems will not become available in sufficient numbers until the latter part of the decade. Belgium, Denmark, the Netherlands, Norway, and Portugal have commenced aircraft upgrades to increase day/night, all-weather capabilities. A trend towards more cooperative programs, including joint procurement, has also been evident. Such programs promise to deliver cost savings, interoperability improvements, and improved capability.

Nevertheless, in many other respects, progress toward meeting the DCI objectives has been disappointingly slow. The Alliance will continue to suffer from a substantial shortage in strategic and oversized cargo airlift capability until beyond 2006, notwithstanding the United Kingdom's decision in 2000 to lease four C-17 aircraft from the United States. Belgium, France, Germany, Italy, Portugal, Spain, Turkey, and the United Kingdom announced their intention to develop and procure a new transport aircraft, the A400M. However their level of financial commitment to the multi-billion dollar project is not clear, and the aircraft are not expected to enter service before 2008. Italy recently canceled its planned acquisition of 16 A400M aircraft, and Germany has obtained funding for only 40 of the 73 aircraft it has committed to purchase. Similarly, the Alliance's need for secure, deployable C3 capabilities remains unmet, and serious deficiencies remain in the area of NBC defense (with shortfalls in detection systems, and personal and collective protective equipment).

The success of the DCI continues to depend, to a large extent, upon the provision of sufficient resources. Without the necessary investment, neither the Alliance as a whole nor its individual member nations will meet the DCI goals, posing the risk that Alliance capabilities will be eroded over time. However, European defense outlays currently are projected to remain flat 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 trend toward increasing professionalization of European militaries.

European Security and Defense Identity (ESDI)

NATO established the European Security and Defense Identity (ESDI) in 1994 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 1998, the United Kingdom and France agreed that the EU “must have the capacity for autonomous action, backed up by credible military forces” and have the capability “to take decisions and approve military action *where the Alliance as a whole is not engaged.*” In April 1999, Alliance leaders agreed to work with the EU and reinforce NATO’s ESDI through four specific steps (called “Berlin Plus”). These steps included 1) assuring EU access to NATO operational planning, 2) ensuring availability of pre-identified NATO capabilities and common assets for the EU, 3) enhancing the Deputy Supreme Allied Commander Europe role to encompass serving both as the operational commander of an EU-led operation and as ESDI strategic coordinator within NATO, and 4) adapting NATO’s defense planning system to incorporate the availability of forces for EU-led operations. Berlin Plus will help to prevent the creation of an EU counterpart to Supreme Headquarters Allied Powers Europe (SHAPE) and a separate ‘EU’ army, and will ensure that EU operations are conducted in accordance with NATO doctrine via a common defense planning process.

In December 1999, the EU established the European Security and Defense Policy (ESDP) that included a 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 2001 EU Capabilities Improvement Conference resulted in additional pledges by EU members toward meeting the Headline Goal. The EU defense ministers identified capability shortfalls, such as strategic lift, aerial refueling, suppression of enemy air defense, and missile defense, which are consistent with NATO’s Defense Capabilities Initiative.

The EU declared the ESDP “operational” in December 2001, however this only applied to some of the less demanding crisis management tasks. The EU leaders recognized that the various capability shortfalls had to be rectified before the 2003 Headline Goal could be achieved.

NATO and EU members continue to work together to develop an agreement covering the four elements of Berlin Plus. The United States is engaged in a variety of efforts to develop a cooperative, coherent, mutually-reinforcing, and transparent relationship between NATO and the EU.

Cost Sharing in the Alliance

Although most NATO allies do not offset the same percentage of U.S. stationing costs as Japan, 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 NATO’s common-funded budgets, which totaled \$1.4 billion in 2001 (excluding contributions to the NATO Airborne Early Warning and Control Program). The U.S.’ one-quarter share of the NATO common-funded budgets (in which all 19 members participate) provides it with significant leverage in Alliance decision-making, and access to NATO facilities that would cost the U.S. far more to build and maintain on its own. NATO’s common budgets also provide a cost-effective means of dealing with large acquisitions, which, if funded separately, 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 peer review

process with the aim of increasing effectiveness, improving burdensharing, and anticipating future challenges to the Alliance.

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.

United Kingdom

The United Kingdom is one of the United States' closest allies, as demonstrated by its participation in Operation ENDURING FREEDOM and leadership of the International Security Assistance Force in Afghanistan. UK-U.S. military-to-military cooperation has no parallel. The UK also participates actively in NATO and the Partnership for Peace, and is a Permanent Member of the UN Security Council. British forces play major roles in NATO's conventional and nuclear force structures, as well as deploying around the world in response to regional crises and national commitments.

The United Kingdom's 2001 defense budget was virtually unchanged from 2000, declining by a marginal 1.4 percent in real terms, and defense spending relative to GDP (2.4 percent in 2001) remains among the highest in NATO. The UK devoted the second highest percentage of defense spending (29 percent) to NATO modernization programs (i.e., procurement, and research and development). The UK provides substantial host nation support for U.S. forces (over \$132 million), almost entirely in the form of indirect contributions (i.e., waived taxes, rents and other forgone revenues). British forces form the backbone of the Allied Command Europe (ACE) Rapid Reaction Corps (ARRC), and provide the second largest shares of NATO Reaction Forces and total allied naval tonnage. The UK continues to implement changes called for in the 1998 Strategic Defense Review (SDR), creating a more deployable, sustainable, and flexible force. The UK has recently added a "New Chapter" to the SDR to address the new challenges posed by a changed, post-September 11 security environment.

The UK contributes about 3,000 troops to KFOR, and is the lead nation in the Multinational Brigade Center (MNB-C) sector of Kosovo. Another 1,800 troops serve with NATO's Stabilization Force (SFOR) in Bosnia. During 2001, the UK acted as lead nation for and contributed 2,200 troops (out of a total of 4,500) to Operation ESSENTIAL HARVEST (the NATO mission to collect arms from ethnic Albanian rebels in Macedonia in August and September 2001). British forces also served 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 UK continues to assist in implementing the UN Security Council maritime sanctions against Iraq, and is the only ally that joins the United States in using offensive air power to enforce the northern and southern no-fly zones. Finally, it made the third largest financial contributions to UN peace operations in 2001, both in *absolute* terms (\$126 million) and relative to GDP, of all the nations covered in this Report.

The United Kingdom provided over \$5.0 billion in foreign assistance in 2000 (0.3 percent of GDP), and plans to continue increasing foreign aid to approximately \$5.2 billion in fiscal year 2004. The UK spent \$469 million on bilateral and multilateral humanitarian aid programs in 2001, and as of January 2002, had contributed an additional \$86 million in emergency humanitarian funding for Afghanistan, and \$37 million for Pakistan. The UK provides a substantial contribution to counter the proliferation of weapons of mass destruction. In July 2000, it announced plans to

provide \$120 million in the years 2001-2004 for nuclear safety and security programs in the former Soviet Union, including plutonium disposition, a 'nuclear cities' initiative, and ensuring the safe and secure storage of spent nuclear fuel from over a hundred decommissioned submarines. Furthermore, it announced that it would contribute \$18 million over the same three-year period to chemical weapon demilitarization and biological non-proliferation projects in Russia.

France

France bears an important share of the responsibility of defending Europe's security and stability. France endorses U.S. calls for European defense spending levels to be raised sufficiently to allow credible self-defense, the development of effective crisis reaction capabilities, and greater participation in international responses to global challenges. While France does not participate in the Alliance's military command structure, it has consistently demonstrated its willingness to engage in collective responses to common threats. France was among the first allies to seek a role in the war on terrorism, and plays a leading role in other allied operations. France's military is also undergoing a major restructuring towards a smaller, modernized, and all-professional force that will be both more deployable, and interoperable with U.S. and allied militaries.

France's defense spending in 2001 (\$33.6 billion) was the fourth highest of all the nations covered in this Report. In December 2001, an additional \$3.1 billion was allocated to defense. While most of these funds were devoted to the A400M transport aircraft project, \$398 million was designated for equipment upgrades associated with the war against terrorism. France devoted the sixth highest percentage of defense spending (19.9 percent) to NATO modernization programs (i.e., procurement, and research and development).

France is the second largest contributor of peacekeeping personnel in the world after the United States. During 2001, 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 borders between Iraq and Kuwait, and Eritrea and Ethiopia. At the end of the year, 5,200 French troops were serving in Kosovo, where France assumed command of KFOR in October 2001. France also currently commands SFOR's sensitive Multi-National Division (Southeast) sector in Bosnia, where it has about 2,200 troops. France contributed an additional 225 troops to NATO's Task Force Fox in the Former Yugoslav Republic of Macedonia. In addition to the troops serving in multinational peacekeeping operations, France had over 24,000 military personnel stationed abroad in 2000, including approximately 6,100 in Africa.

France consistently spends the largest share of GDP on official development assistance of all the Group of Seven (G-7) nations. Between 1998 and 2000, its foreign assistance outlays averaged nearly half a percent of GDP (0.46 percent). *Absolute* contributions increased in 2000 with total grant aid contributions of over \$5.8 billion.

France currently serves as administrative point of contact for the Missile Technology Control Regime (MTCR), and played an important role in establishing the MTCR's international code of conduct against proliferation of ballistics missiles in 2001. France participates in the Australia Group for the control of chemicals and technologies related to biological warfare, as well as the Nuclear Suppliers Group for the control of nuclear-related, dual-use technologies and equipment. It also works closely with the United States and other allies on a program for the disposition of Russia's weapons-grade plutonium, and, as a member of the UN Conference on Disarmament, is helping to develop guidelines for a fissile material cutoff treaty regime.

Germany

Germany's geographical location, economic strength, defense capability 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 over 300,000 at present to 270,000 personnel by 2006, and the number of Defense Ministry civilian employees reduced by nearly 40,000. Despite these cuts, the future force will be both more professional, as conscript strength will be trimmed from 135,000 to about 80,000, and more capable of conducting crisis response operations. The "readiness forces" configured for rapid deployment shall be tripled to about 150,000 personnel.

In 2001, German defense spending was \$27.5 billion, or 1.5 percent of GDP -- well below the average of 1.9 percent for all non-U.S. NATO nations. In view of the slowdown in the German economy and Germany's EU Stability and Growth Pact commitment to limiting budget deficits, defense spending is projected to decline by slightly over one percent, in nominal terms, during 2002. However, in the wake of the September 11 terror attacks, the German government introduced new taxes to cover expected cost increases associated with new security measures and the war on terrorism.

During 2001, Germany contributed small troop contingents to UN peace operations in the Republic of Georgia and along the Iraq-Kuwait border, and over 450 civilian police to the UN missions in Bosnia and Kosovo. There are 5,200 German troops serving with KFOR in Kosovo, and a battlegroup of over 800 personnel is deployed with SFOR in Bosnia. In August and September 2001, approximately 500 German soldiers participated in NATO's Operation ESSENTIAL HARVEST in the Former Yugoslav Republic of Macedonia (FYROM). Germany then assumed the leading role in the follow-on Operation AMBER FOX, which deployed approximately 700 NATO troops (including a German company and supporting elements) to support and provide emergency extraction for international monitors in FYROM. Germany also made very large financial contributions to UN peace operations, ranking second only to the United States in *absolute* terms (\$209 million), and ranking first in contributions relative to GDP.

German foreign development assistance contributions totaled over \$5.7 billion for 2000, ranking fourth among all the nations covered in this Report. In addition to these contributions, Germany provided extensive financial assistance in the pursuit of shared security objectives in the Balkans, including \$133 million through the Southeastern European Stability Pact and \$11.9 million for reconstruction projects. Germany has also pledged approximately \$280 million over four years to help with Afghanistan reconstruction efforts.

Germany contributed \$6.3 million to Russia and Ukraine for counterproliferation and nuclear threat reduction in 2001, including chemical weapons destruction, nuclear waste disposal, SS-19 and SS-24 missile silo closure, and nuclear incident emergency planning programs. Germany has also contributed a total of \$17.6 million to the Korean Peninsula Energy Development Organization to-date, and is scheduled to provide another \$4.7 million each year through 2010.

Since September 11, German federal and local governments have allocated considerable resources to enhance force protection for U.S. military personnel and dependents. Bundeswehr troops have been deployed to protect U.S. military facilities and additional support provided by local police. Germany contributed over \$1.2 billion in 2000 to offset the costs of maintaining

U.S. military forces on its soil, representing about 21 percent of U.S. non-personnel stationing costs in Germany. Almost all cost sharing was in the form of indirect contributions (i.e., waived taxes, rents and other forgone revenues).

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. Italy hosts U.S. forces and contributes significantly to United States power projection capability. NATO air bases in Italy, for example, were essential in the bombing campaign against Yugoslavia during the 1999 Kosovo crisis, and continue to provide essential staging and transportation points for NATO peacekeeping missions in the Balkans.

Italian real defense spending shrank by 3.6 percent from 2000 to 2001. As a proportion of GDP, defense spending declined from 2.1 to 1.9 percent over the same period. The ongoing transition to a smaller, fully professional military of 190,000 troops by the end of 2005 promises to create more proficient and deployable forces, but places additional pressure on the defense budget, and greatly complicates efforts to fund vital modernization programs.

Italy ranks third (after the United States and France) in personnel contributions to multinational peace support operations. At the end of 2001, Italy had roughly 6,000 Army and Carabinieri troops serving with KFOR (including about 1,400 in Albania), and is the lead nation in Multi-National Brigade (West). Another 1,000 Italian troops were serving with SFOR in Bosnia. During 2001, Italy also had 317 personnel serving in UN operations in Jerusalem, Congo, Bosnia, Kosovo, Lebanon, Western Sahara, Guatemala, and on the Iraq/Kuwait, India/Pakistan and Eritrea/Ethiopia borders. It also made the second largest financial contribution to UN peace support operations, relative to its share of total GDP, of all the nations in this Report. Italy provides the third highest share of NATO Reaction Forces.

Italy's foreign assistance spending in 2000 was over \$1.8 billion. The majority of Italian foreign assistance efforts are in support of poverty reduction strategies in sub-Saharan Africa.

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), Italy contributed four transport and reconnaissance aircraft, two helicopters, and 200 personnel.

Italy contributed over \$364 million in 2000 to offset the costs of maintaining U.S. military forces on its soil, representing about 37 percent of U.S. non-personnel stationing costs in Italy. Almost all cost sharing was in the form of indirect contributions (i.e., waived taxes).

PACIFIC ALLIES

The United States has important security relationships in Asia with Japan and the Republic of Korea (ROK). As with NATO, these two bilateral relationships were instrumental in helping to manage Cold War realities and are now adapting both to a fundamentally altered global geopolitical situation and 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 battle group. 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. willingness 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 efforts have historically focused on offsetting U.S. stationing costs. However, their active participation in shared regional and global military roles and missions has recently increased.

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 maintain 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.

Contributions to the War on Terrorism

Japan provided swift and significant support for U.S. actions in the war against terrorism. This support has been on the diplomatic, military, force protection/intelligence-sharing, financial, and humanitarian fronts. Perhaps most significantly, elements of the Japanese Self Defense Forces have deployed overseas for the first time in history to support an ongoing combat operation. On October 29, 2001, the Diet passed legislation authorizing the military to provide logistical support to Operation ENDURING FREEDOM. Since then, Japan's Maritime Self Defense Force has used three destroyers and two supply ships to support at-sea replenishment needs. The Japanese Air Self Defense Force is providing airlift support to U.S. forces and the Ground Self Defense Forces have exercised with U.S. Forces Japan to enhance security at U.S. military bases in Japan.

Japan provided significant emergency financial assistance, including to U.S. victims of the terrorist attacks, Pakistan, and other countries neighboring Afghanistan. Japan provided significant humanitarian relief assistance through relief agencies working in Afghanistan and in surrounding countries, and co-hosted international meetings on the reconstruction of Afghanistan, notably the January 21-22, 2002 ministerial conference in Tokyo.

Since September 11, the Republic of Korea has engaged in information sharing on terrorist issues, provided substantial humanitarian assistance to Afghanistan and neighboring countries, and increased force protection for Americans in-country. It offered -- and the United States accepted -- a military support package that included a 150-member mobile medical unit, C-130 aircraft and an LST (Landing Ship, Tank) naval craft to transport military personnel and supplies in support of Operation ENDURING FREEDOM. The ROK has contributed substantial aid to refugees in

Afghanistan and adjoining countries, and has pledged to provide long-term, open-ended support to the coalition effort and humanitarian assistance.

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. 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 ranks second in *absolute* defense expenditures among all the countries in this Report. Furthermore, Japanese annual defense spending has grown by 20 percent since 1990, compared to a decline of just under 20 percent for all nations covered in this Report combined during the same period.

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). Japan's cost sharing support for U.S. forces in 2000 was \$5.0 billion, covering 78.9 percent of U.S. basing costs.

A new five year (2001-2006) bilateral SMA went into effect on 1 April 2001. The new SMA will provide approximately \$7.3 billion over five years. Under the SMA, Japan pays virtually all of the costs of local national labor employed by U.S. forces, as well as a portion of 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 2000 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 2000, Japan provided over \$780 million for the construction, restoration, and maintenance of facilities under the FIP. In addition, Japan also provided over \$800 million in rents and \$566 million for other vicinity improvements in 2000.

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 be approximately \$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 \$4.0 to \$5.0 billion per year, depending on exchange rate fluctuations.

Japan's evolving international role means greater involvement in multinational efforts to promote regional and global stability. Japan has the largest foreign assistance budget of any nation in this Report (\$13 billion or 0.32 percent of its GDP in 2000). Japanese aid focuses on poverty reduction programs and emergency situation assistance and is primarily targeted to low-income and least developed countries. Japan's monetary contributions to UN peace operations during 2000 (\$118 million) were greater than all other nations in this Report except the United States, Germany, and the UK.

The formal U.S.-Japan cooperative research and development projects, valued at \$243.5 million, continued to show progress during 2001. Three of the seven formal cooperative projects were successfully completed, while the remaining programs will conclude by 2003.

The Republic of Korea (ROK)

The Mutual Defense Treaty between the United States and the Republic of Korea remains central to the stability of the Korean Peninsula and Northeast Asia. U.S. forces stationed in the Republic of Korea contribute significantly to the security and territorial integrity of the country, and demonstrate U.S. support for peaceful change and democratic evolution in the region.

The Republic of Korea makes major contributions to regional security by maintaining strong, modern, and proficient armed forces. In 2001, the ROK devoted 2.8 percent of its GDP to defense. ROK annual defense spending has grown by over 36 percent since 1990, compared to a decline of almost 25 percent for the U.S. and just under 20 percent for all nations in this Report combined over the same period. Furthermore, the Republic of Korea provides the second largest percentage of total allied ground combat capability, the third largest percentage of total allied active-duty military personnel, and the fourth largest percentage of combat aircraft capability.

The U.S. and South Korean governments recently concluded a new three-year, Special Measures Agreement (SMA) (2002-2004). The new agreement represents 'real and meaningful growth' in the Korean contribution to U.S. Forces Korea (USFK) non-personnel stationing costs. The ROK pledged \$490 million for 2002. This represents a 15 percent increase over the 2001 contribution of \$425 million and the biggest single increase in eight years. Under the new agreement, the ROK will be contributing 50 percent of stationing costs by 2004.

Another contribution to USFK is the Korean Augmentees to the United States Army (KATUSAs), which are funded by the Republic of Korea. In 2001, 4,882 KATUSAs were assigned to the U.S. Eighth Army, filling many positions that would otherwise have to be filled by U.S. military personnel. The KATUSAs provide a substantial level of assistance to the U.S. forces.

While the Republic of Korea has begun a subtle but definite shift in its security focus from a North Korean view to a broader Northeast Asian and worldview, Seoul's defense efforts in 2001 continued to focus on military readiness. However, during 2001, the ROK 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. It also sent military observers to India/Pakistan, Georgia, and Western Sahara. Korea's total troop contribution to major multinational peace operations in 2001 numbered 473.

Economic constraints limit the Republic of Korea's ability to allocate funding for foreign assistance, but its contributions nonetheless totaled \$224 million in 2000. The ROK is also 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 constructing light water reactors in North Korea.

GULF COOPERATION COUNCIL

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. Collective efforts are essential, as neither the United States nor its partners in the region can ensure the security of Southwest Asia alone.

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 (UAE). By July 2001, all but Qatar and the UAE had ratified the joint defense pact signed by the six member states in December 2000. 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. In June 2001 the Saudi Arabian Chief of Staff General Saleh bin Al-Muhaya, speaking on behalf of the GCC nations' chiefs of staff, stated that expansion of the Peninsula Shield Force to approximately 20,000 personnel will be completed by mid-2003. In early 2001, the GCC nations began operating their multinational air defense command and control network, allowing the states to share air surveillance capabilities.

The security framework in Southwest Asia is strikingly different from those in other regions of vital interest to the United States. The U.S. has no formal bilateral or multilateral defense treaties, and instead relies upon a range of executive agreements for military access, status of forces, and repositioning of equipment and supplies.

Contributions to the War on Terrorism

The GCC member states provided immediate and robust support to the war on terrorism and continue to serve as important coalition partners in support of Operation ENDURING FREEDOM. While the GCC member states have not been directly involved in combat operations, they have provided significant assistance critical to coalition operations including basing and over flight rights to a large contingent of U.S. forces. Additionally, host nation military bases, civilian airports, and other facilities have been used for the bed down and storage of U.S. aircraft, equipment, and personnel. The majority of GCC nations are providing troops and equipment for increased force protection requirements as well as additional air traffic control, and fuel storage.

The GCC nations were generous in their support to humanitarian operations in Afghanistan. Their contributions included the establishment of refugee camps in Pakistan, financial assistance and other humanitarian aid for Afghan refugees. Some of the member states have been involved in providing generous economic assistance packages to Pakistan. The GCC nations have also been key partners in the effort to block terrorist financing, including the seizure of assets associated with al-Qaida's financial network.

Other Responsibility Sharing Contributions

The GCC nations continue to spend above-average percentages of GDP on defense, noting that many have per capita GDPs that are lower (and in some cases, much lower) than the average for all the nations in this Report. A reduction in oil prices over 2001 had an adverse impact on GCC government budgets, however the UAE was the only GCC country to experience a decline in defense spending. Saudi Arabia's defense spending increased by 50.8 percent in 2001, reversing a 30 percent decrease between 1998 and 2000. Qatar increased defense spending by 5.3 percent in 2001 and Kuwait increased defense spending by 4.0 percent. After declining in both 1999 and 2000, Oman's defense spending increased by 40.1 percent in 2001.

In general, the GCC nations have large numbers of active-duty military personnel relative to their total labor force and their shares of total allied ground and air combat capability continued to far exceed their corresponding shares of total GDP. Relative to its share of total GDP, Bahrain contributes the largest shares of ground and air combat capability, and the third largest share of

naval tonnage of all the nations addressed in this Report. Saudi Arabia contributes the largest share of tanker aircraft and the second largest share of military transport aircraft capacity, relative to its GDP, 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 to nations in Southeast Asia, Africa and the Balkans. In 2000, Kuwait contributed \$155 million, a decline of nearly 10 percent over 1999 assistance levels. The UAE increased foreign assistance levels to \$153 million in 2000, primarily to Arab and Islamic countries through the Shabir Fund for Development. This represents a 43 percent increase over 1999 contributions and nearly doubles the amount provided in 1998.

The GCC nations provide a major contribution to regional security by allowing U.S. forces the use of military facilities, transit rights, and other forms of access. In 2001, the United States had defense cooperation agreements permitting access and prepositioning with Kuwait, Bahrain, Qatar, and the UAE. Kuwait continued to house the bulk of U.S. ground troops in the region (Operation DESERT SPRING) and much of our air power assigned to two Air Expeditionary Groups. Saudi Arabia provided access to U.S. forces enforcing the no-fly zone over southern Iraq (Operation SOUTHERN WATCH). Since 1995, Bahrain and Qatar have hosted several Air Expeditionary Force deployments in support of Operation SOUTHERN WATCH. 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. The U.S. Air Force recently established a limited prepositioning facility at Qatar's Al-Udeid Airbase, where U.S. Central Command (CENTCOM) is in the process of negotiating an enduring, expandable presence for all types of U.S. military aircraft. Qatar also hosts prepositioned U.S. Army assets at As-Saliyah airfield. The UAE provides access to U.S. forces and hosts more U.S. Navy ships than any port outside the United States. The UAE also provided the U.S. Navy with a highly valuable dedicated deepwater berthing space in the Jebel Ali port complex that can accommodate aircraft carriers. Oman likewise allows the United States to preposition equipment on its territory, and has granted access to its military bases since 1980.

Saudi Arabia covered approximately 80 percent of U.S. non-personnel stationing costs in 2000 and contributed substantially to offset the costs of Operation SOUTHERN WATCH. Kuwait contributed 47 percent of non-personnel stationing costs in 2000 and also offset U.S. prepositioning and exercise costs. Oman and Qatar offset 40 and 47 percent of stationing costs respectively. Bahrain offset around 18 percent of non-personnel stationing costs, however this is expected to increase to over 40 percent in 2001¹.

In September 2001, the UAE began redeploying its forces from Kosovo, where they had supported peacekeeping operations since 1999. It had deployed a mechanized infantry battalion in the French sector and special forces and an Apache helicopter squadron in the U.S. sector.

In spite of the efforts described above, 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 U.S. continues to urge the Gulf countries to work closely with other moderate Arab states to enhance their collective ability to defend the region.

¹ The increase in Bahrain's percentage contribution, from 2000 to 2001, is due to higher than normal U.S. military construction spending in 2000.

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, air and in space. Our 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 promotes and defends shared security interests first and foremost by maintaining military forces at bases in Europe, the Persian Gulf, and Northeast Asia. These forward-based units strengthen peace and stability within their respective regions, and enhance the ability to project U.S. influence and military power worldwide (particularly the forces permanently stationed in Europe). 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. They also provide a platform for the projection of power and influence well beyond the region that is more immediate, credible, and cost-effective than bases in the continental United States.

The United States spent approximately \$306 billion on defense during 2001. This represents a real decrease of 1.4 percent from 2000, although the percentage of GDP devoted to defense remained stable at three percent. Defense spending increases approved in the wake of the September 11 attacks will be depicted in the 2003 edition of this Report.

The U.S. contributed more military personnel for multinational peace operations than any other nation during 2001. During 2001 U.S. military personnel served with UN peacekeeping operations in Kosovo, East Timor, the Republic of Georgia, the Western Sahara, and on the Israeli, Iraq-Kuwait and Ethiopia-Eritrea borders. In addition, U.S. personnel served with NATO's Stabilization Force (SFOR) in Bosnia (about 3,000 personnel at the end of 2001), Kosovo Force (KFOR) (over 5,500 personnel at the end of 2001), and in the Multinational Force and Observers (MFO) on the Sinai Peninsula. Furthermore, the U.S. contributed more funding for UN peace operations than any other nation during 2000 (\$514 million).

The United States provided over \$12.7 billion in foreign assistance during 2000 – the second largest contribution after Japan's, and just over a fifth of the total contributed by all the nations covered in this Report combined. Furthermore, the U.S. ranks first in all of the remaining responsibility sharing indicators and U.S. defense spending, modernization spending, naval tonnage, combat aircraft capability, NATO air reaction forces, military transport aircraft capacity, and tanker aircraft contributions are greater than all other allies combined.

The United States hosts NATO forces training 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 Commonwealth of Independent States (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.

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. 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.

Since allied nations differ widely in population, standards of living, and levels of economic development, it is not equitable to measure allies' responsibility sharing efforts in purely *absolute* terms. The concept of equity is fundamental to assessing allied responsibility sharing because equitable distribution of effort among allies is essential to ensure continued support from allied governments and their publics. Domestic support, in turn, is necessary to sustain cohesive security relationships and defense alliances among nations.

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. The assessments presented in this chapter are therefore based upon the concept of *fair shares*. In most cases, they are calculated by measuring each nation's share of total allied contributions in a particular indicator relative to its share of either total allied Gross Domestic Product (GDP) or labor force (depending upon the indicator in question). Charts III-1A and III-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.

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 provided in Annex F.

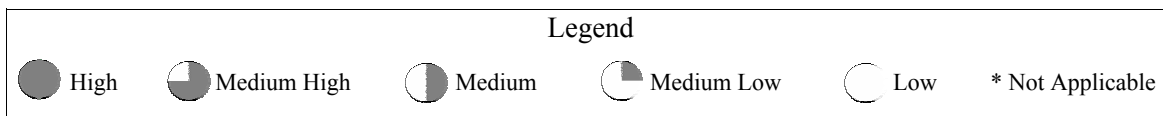
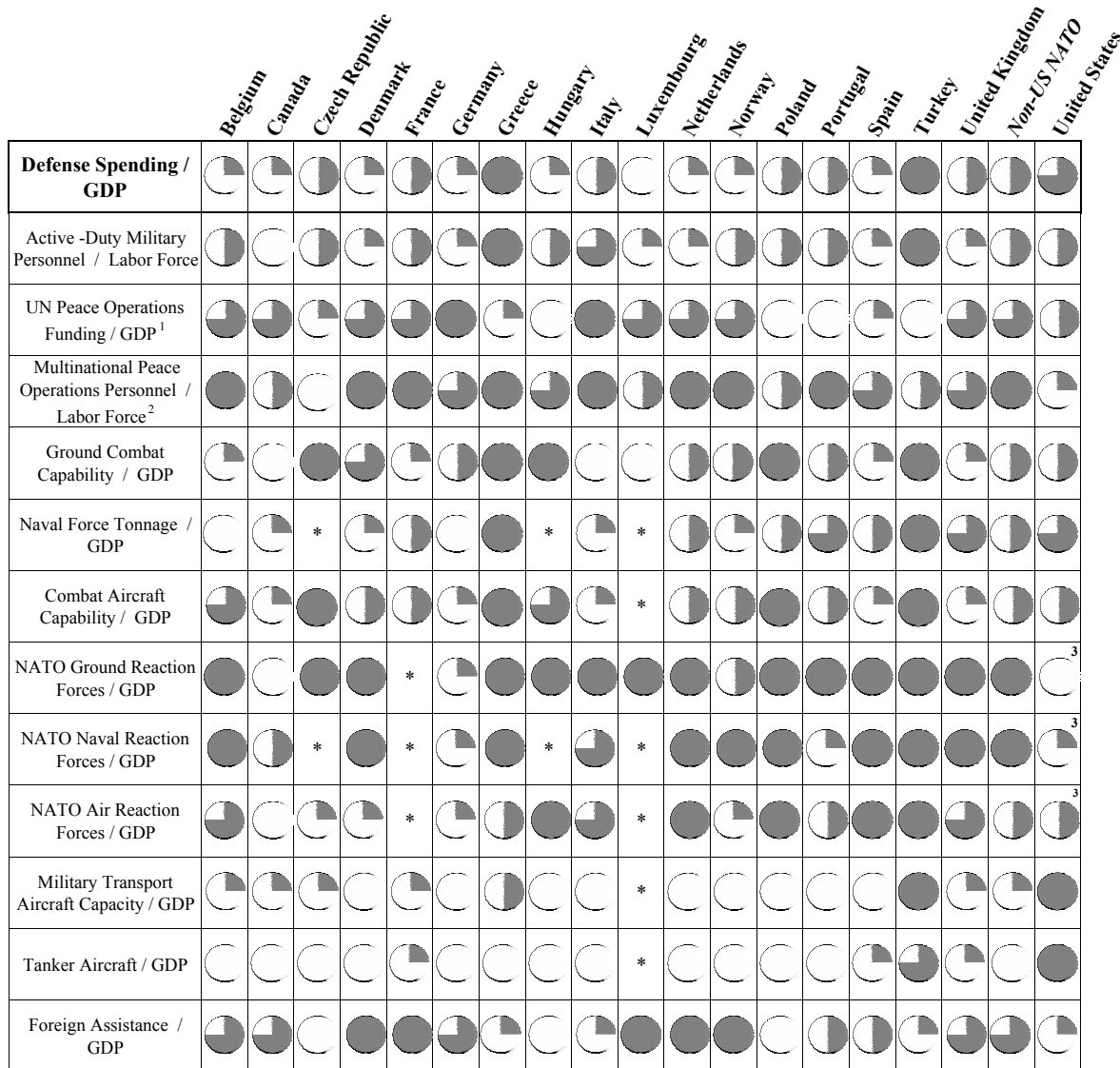
Responsibility Sharing Indicators

This chapter assesses allies' contributions in responsibility sharing indicators that are grouped together in eight major categories, which are described briefly below. (Note that these are not listed in order of priority).

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: funding contributions to UN peace operations and personnel contributions to multinational 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. **High Readiness Forces:** The post-Cold War environment places a premium on high readiness military forces – such as NATO’s Reaction Forces - that are suitable for multinational operations beyond national territory. This indicator measures each NATO member’s contribution of Reaction Forces as a share of aggregate NATO Reaction Forces. Each nation’s share of total Reaction Forces contributions is compared to its ability to contribute (its share of aggregate GDP) to assess relative performance. The Pacific and GCC nations do not have counterparts to the deployable, high-readiness forces provided by NATO.
 4. **Active-Duty Military Personnel:** The number of active-duty military personnel can provide an indication of a country’s responsibility sharing effort. Active-duty military strength is calculated as a percentage of labor force to assess relative performance.
 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. The ground forces measure includes tanks, artillery and attack helicopters. The naval analyses measure total naval tonnage. The air forces indicator includes combat, military transport, and tanker aircraft. Each nation’s share of total allied force contributions is compared with its share of aggregate GDP to assess relative performance.
 6. **NATO Defense Modernization Spending:** This indicator provides a broad assessment of allied defense modernization efforts by measuring the percentage of total defense spending devoted to major equipment procurement and research and development. Since complete and fully comparable defense budget data was readily available only for the NATO nations, the defense modernization efforts of our Pacific allies and the GCC nations were not assessed.
 7. **Cost Sharing:** This indicator covers *bilateral* cost sharing between the United States and nations that host U.S. troops and/or equipment. 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). The percentage of U.S. stationing costs paid by each host nation is measured to assess relative effort.
 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 organization (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.

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



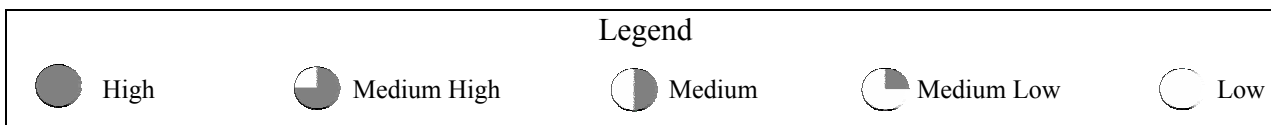
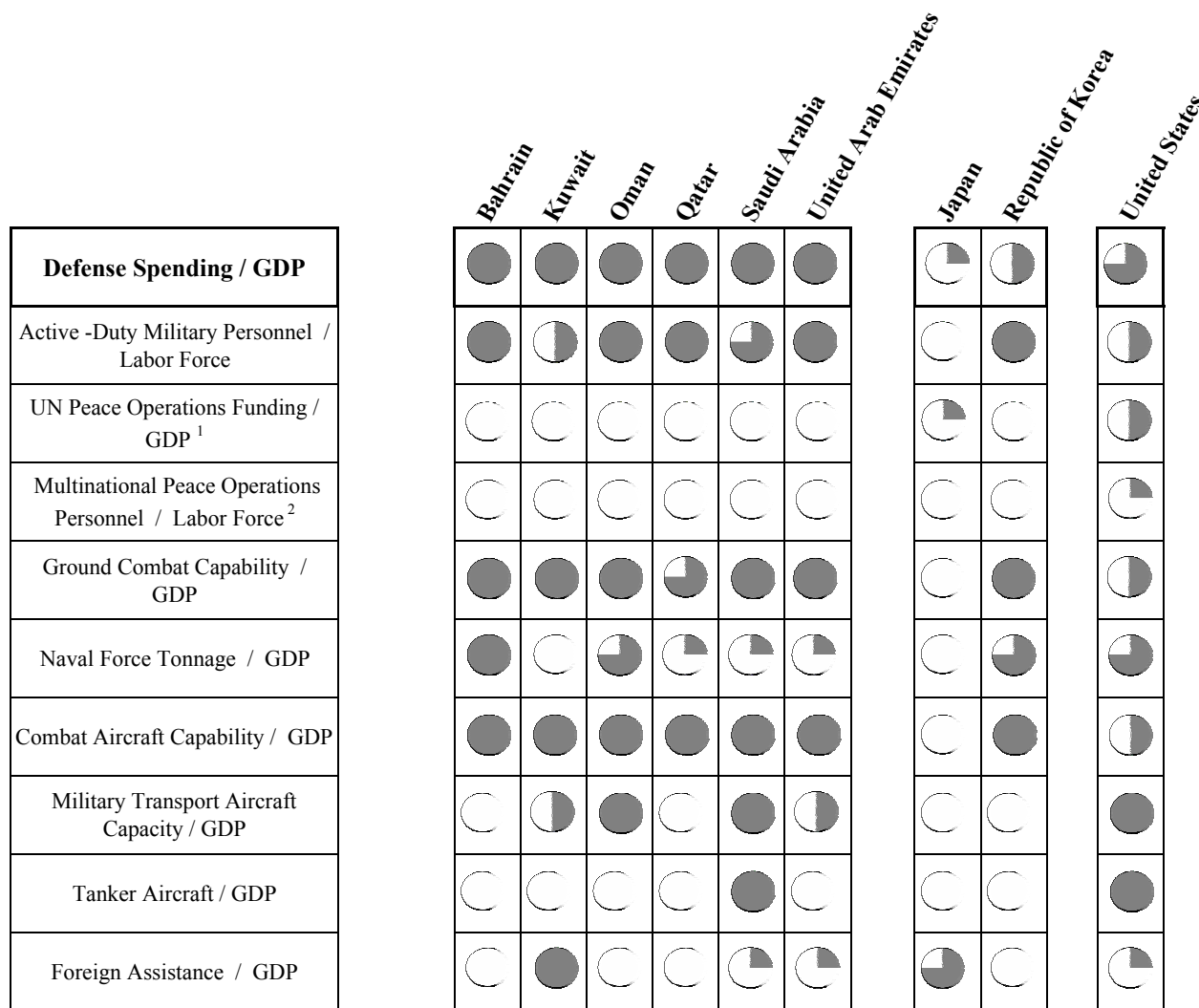
Notes:

- 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 NATO operations in the Former Yugoslav Republic of Macedonia.
- 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 III-1B
Country Performance in Selected Responsibility Sharing and Force Improvement Areas
Relative to Ability to Contribute



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 NATO operations in the Former Yugoslav Republic of Macedonia.
2. This addresses personnel contributed to UN and Major Non-UN Multinational Peace Operations.

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 nations’ contributions to be judged in relation to their ability to contribute.

Chart III-2 depicts the wide variations in 2001 per capita GDP (a widely accepted indicator of prosperity and standard of living) among the nations addressed in this Report – from slightly above \$2,000 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 *fairer* 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-2 reveals that half of the countries addressed in this Report that spend above-average percentages of GDP on defense, have below-average per capita GDP: Saudi Arabia, Oman, Kuwait, Bahrain, the United Arab Emirates (UAE), Turkey, Greece, and the Republic of Korea. In contrast, over half of those that have above-average standards of living spend below-average percentages of their GDP on defense: Luxembourg, Norway, Japan, and Denmark.

Chart III-2
Defense Spending as a Percentage of GDP vs. Per Capita GDP
2001

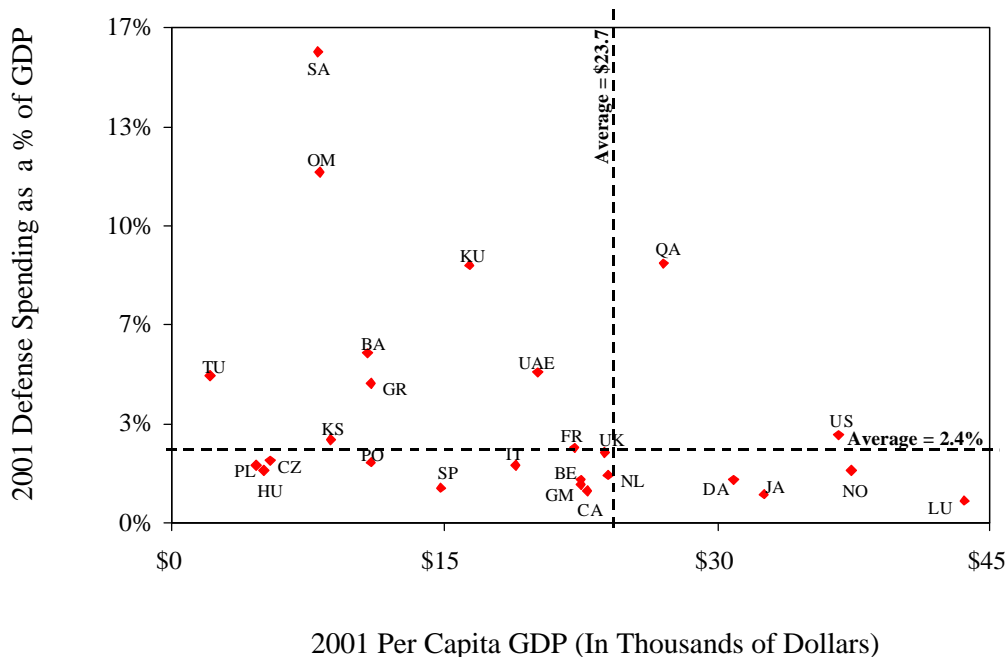
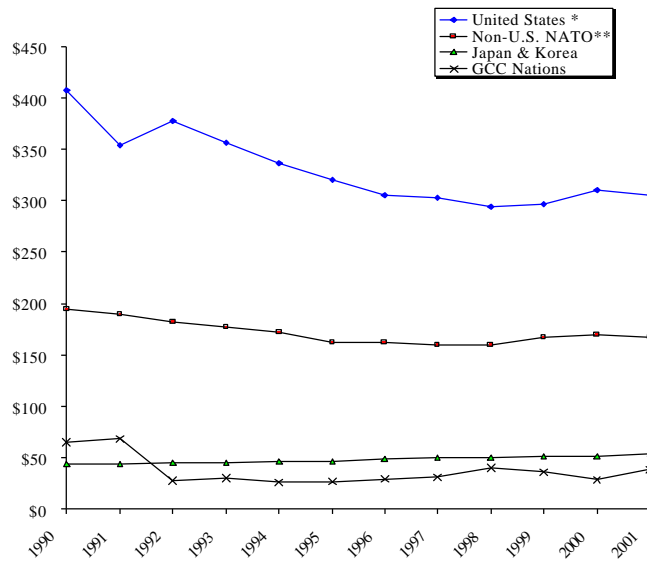


Chart III-3 depicts 1990-2001 defense spending trends for the United States, our NATO and Pacific allies, and our GCC partners. The chart shows that the United States experienced the steepest decline in defense spending over this period, while our NATO allies’ overall defense spending fell considerably, but much less sharply. From 2000 to 2001, United States and non-U.S. NATO defense spending all fell slightly while Pacific allies’ defense spending grew

slightly. Except for the UAE, the GCC countries’ defense spending grew noting, however, that many of these countries experienced a significant decrease in 2000 from 1999. 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 2001, reflecting adjustments in the post-Cold War security environment. The largest declines in percentage terms during this period were experienced by Germany (-29 percent), Belgium (-29 percent), the UK (-28 percent), the U.S. (-25 percent), and Canada (-25 percent). In contrast, several nations achieved real increases in their defense budgets over this period – Luxembourg (60 percent), the Republic of Korea (37 percent), Greece (36 percent), Turkey (28 percent), Japan (20 percent), and Portugal (6 percent).

Chart III-3
Defense Spending
 2001 Dollars in Billions - 2001 Exchange Rates



* U.S. defense outlays in 1991 were artificially depressed due to large allied cash contributions credited for Operation Desert Shield/Desert Storm.
 **The Czech Republic, Hungary, and Poland are not included prior to their admission to NATO (1990-1998).

A comparison of defense spending between 2000 and 2001 shows that fifteen countries achieved real defense spending growth. The biggest gains were posted by Saudi Arabia (51 percent), Oman (40 percent), Luxembourg (15 percent), Hungary (7 percent), Bahrain (6 percent), Qatar (5 percent), the Republic of Korea (4 percent), the Netherlands (4 percent), and Kuwait (4 percent). However, it should be noted that many of these countries experienced large declines in 2000 compared with 1999.

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.

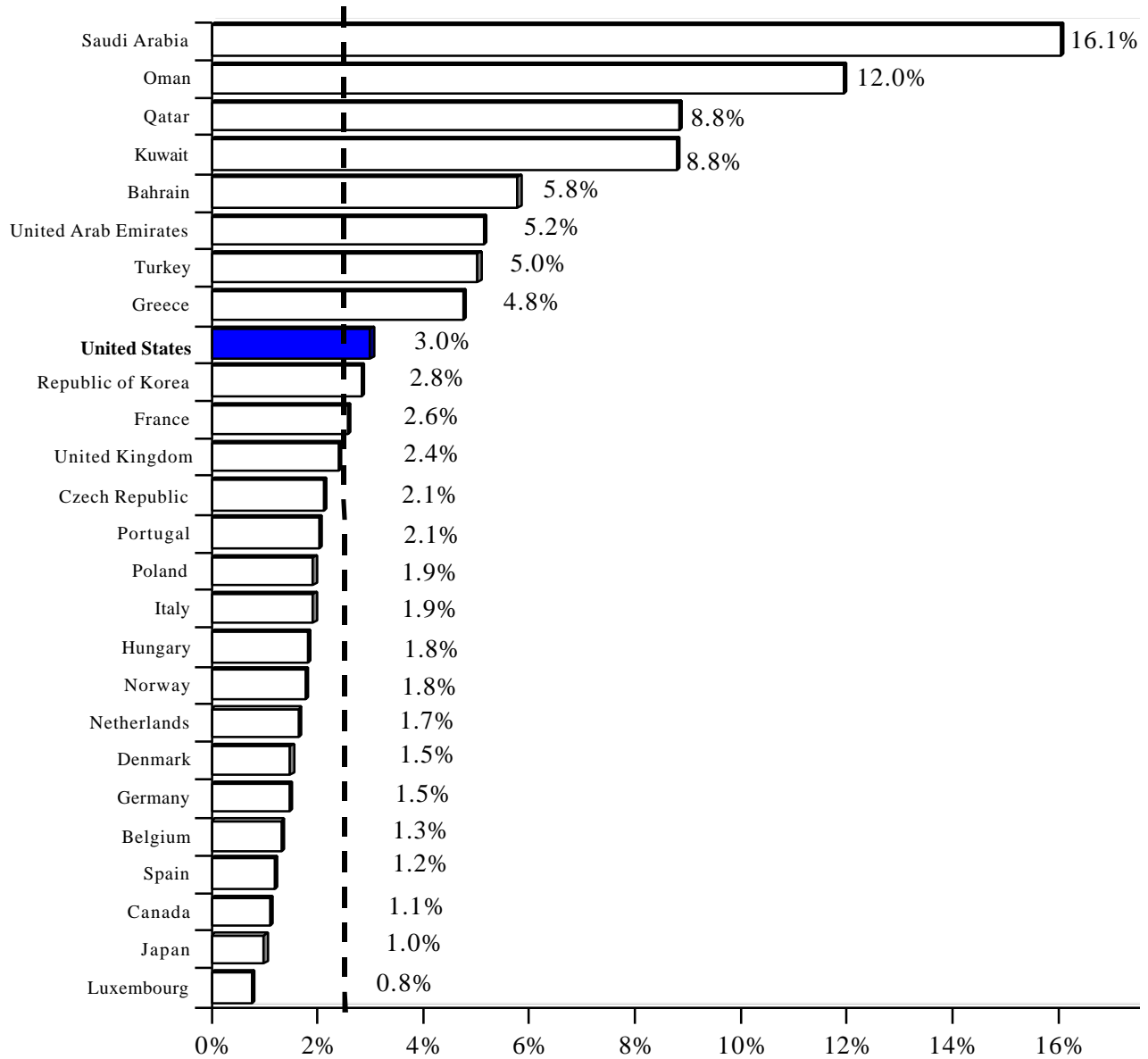
Defense Spending as a Percentage of GDP

Defense spending relative to GDP combines the most comprehensive indicator of defense effort (defense spending) with the most comprehensive indicator of ability to contribute (GDP). 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-4 shows the percentage of GDP spent on defense by the United States and its allies in 2001. (Trend data since 1990 are found in the Annex in Table E-5). For 2001 and throughout the 1990s, the pattern has remained relatively constant: 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 Norway) spent the smallest proportions of GDP on defense.

- United States' defense spending as a percentage of GDP has declined from 5.6 percent in 1990 to three percent in 2001. During this same period, non-U.S. NATO defense spending relative to GDP fell from three percent to about two percent.
- In 2001, Turkey (5 percent) and Greece (4.8 percent) again exceeded all other NATO nations in defense spending as a percentage of GDP. Countries that experienced growth in this indicator for 2001 were: Luxembourg (10.3 percent), Hungary (3.3 percent), the Netherlands (2.7 percent), Turkey (1.2 percent), Denmark (1.1 percent), and Norway (0.6 percent).
- Among NATO nations, France and the United Kingdom also continued to rank highly in this indicator, trailing Turkey, Greece, and the United States. On the other hand, Germany – which ranked sixth among NATO nations in this indicator at the end of the Cold War – now ranks 14th, followed by Belgium, Spain, Canada, and Luxembourg.
- Although Japan spent about one percent of GDP on its defense forces in 2001, in absolute terms, its defense spending remains the second highest of all the countries in this Report, after the United States. The Republic of Korea's 2001 defense spending increased by over four percent, and, as a percentage of GDP, increased by over two percent from 2000 levels (reflecting the fact that defense spending increased at a greater rate than GDP).
- The six GCC nations had the highest 2001 defense spending/GDP percentages of all the nations in this Report: Saudi Arabia (16.1 percent), Oman (12 percent), Qatar (8.8 percent), Kuwait (8.8 percent), Bahrain (5.8 percent) and the UAE (5.2 percent). All but Qatar and the UAE increased the percentage of GDP dedicated to defense in 2001. Two of them, Saudi Arabia, and Oman registered the greatest increases in this indicator (49 percent, and 34 percent, respectively) of all of the nations covered in this Report. However, we note that these countries also experienced large declines in 2000 compared with 1999.

Chart III-4 Defense Spending as a Percentage of GDP 2001



Dashed line represents the overall average defense spending as a percentage of GDP for all the nations covered in this Report -- 2.4 percent.

Assessment of Defense Spending Contributions

The dashed vertical line on Chart III-4 depicts the average level of defense spending as a percentage of GDP for all the nations in this Report (2.4 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 about 25 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. Ten nations were substantially (more than 20 percent) below average in this indicator, namely Hungary, Norway, 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 III-1A and III-1B.

MULTINATIONAL PEACE OPERATIONS

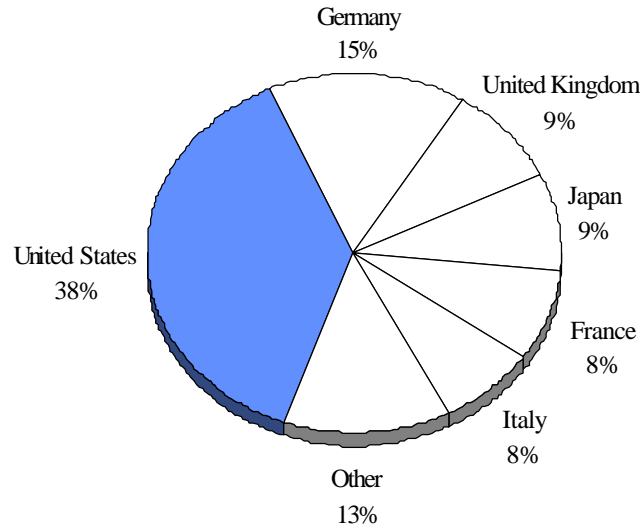
Contributions to multinational peace operations are among the most significant indicators of allied responsibility sharing, particularly when these require the deployment of troops for extended periods. Such contributions have become increasingly important as peace operations have proliferated over the 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 increased dramatically in 2000 with the advent of new operations in East Timor and the Democratic Republic of the Congo, and expansion of the operations in Sierra Leone and Kosovo. With the exceptions of Japan, Poland, Portugal and Qatar, every nation covered in this Report increased its contributions compared to 1999 – in many cases by considerable proportions. The UAE increased its contributions by over 400 percent, Oman's rose by over 300 percent, and Germany, Luxembourg, Bahrain, France, and Denmark all registered increases in excess of 200 percent.

Chart III-5 shows that the United States contributed the largest single share of UN peace operations funding in 2000, over a third of the total. Adding Germany, the United Kingdom, Japan, France, and Italy raises the figure to 87 percent of total contributions. However, it must be noted that these countries are all members of the 'Group of Seven' industrial nations that have the largest (and, in most cases, wealthiest) economies in the world.

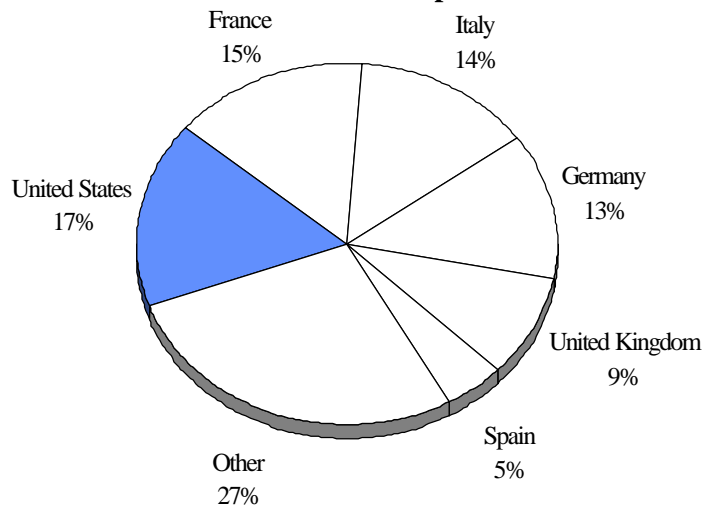
Chart III-5
2000 Funding Contributions for UN Peace Operations
 Millions of Constant 2001 Dollars



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 over 7,000 peacekeepers serving worldwide. By the end of 2001, this figure had risen to nearly 60,000.

Chart III-6 reveals that the peace operations personnel burden is distributed far more widely than the burden of funding UN peace operations. The U.S. and the “Big Four” NATO countries (France, Italy, Germany, and the UK) combined account for about two-thirds of total personnel. However, it is particularly noteworthy that major contributions are made by less wealthy nations such as Greece, Turkey and Poland. The United States contributed about one-sixth of the whole.

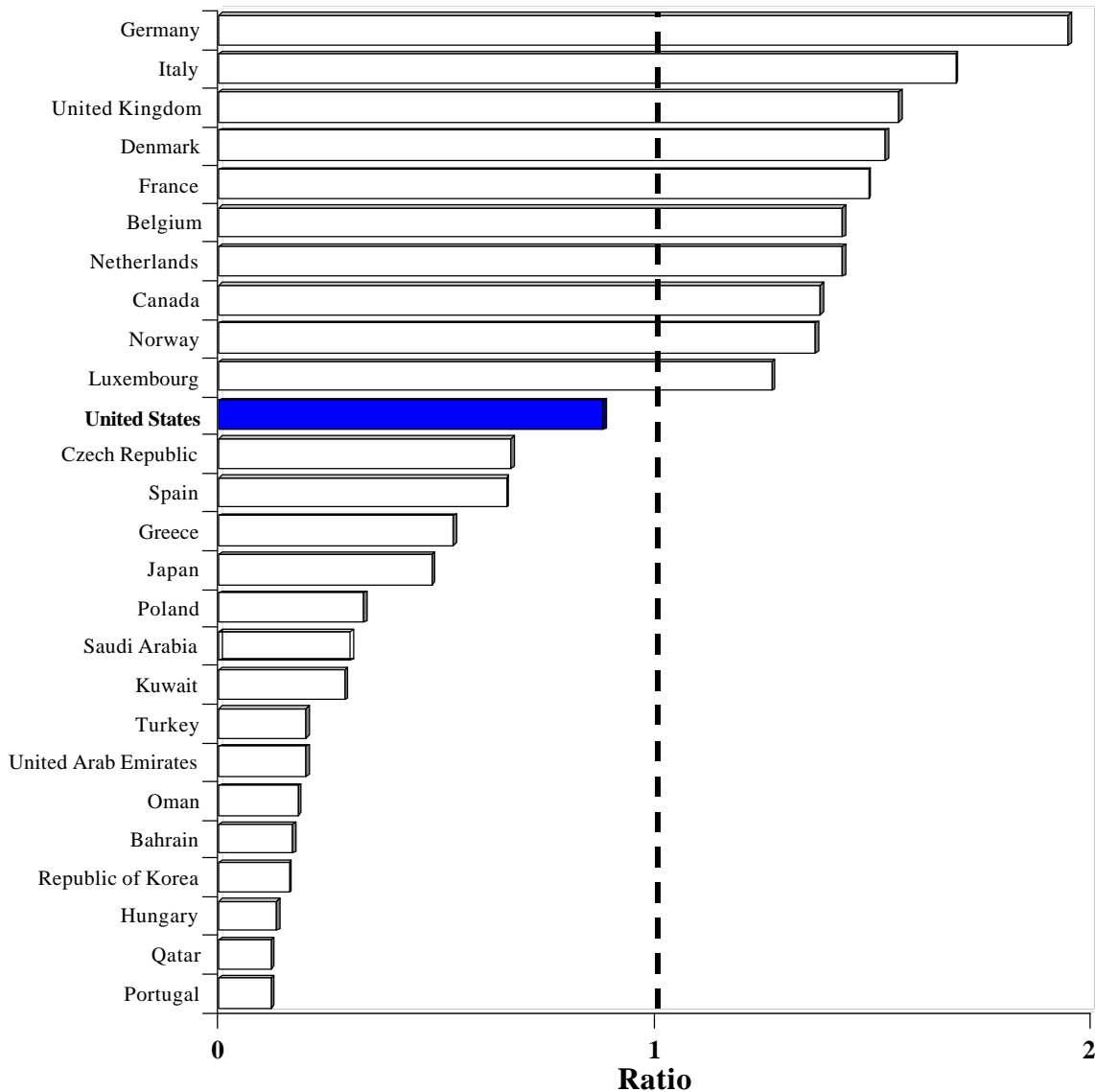
Chart III-6
2001 Personnel Contributions to Multinational Peace Operations*



*Major non-UN multinational operations and all UN operations

Chart III-7

Share of Funding Contributions to UN Peace Operations Relative to GDP Share 2000

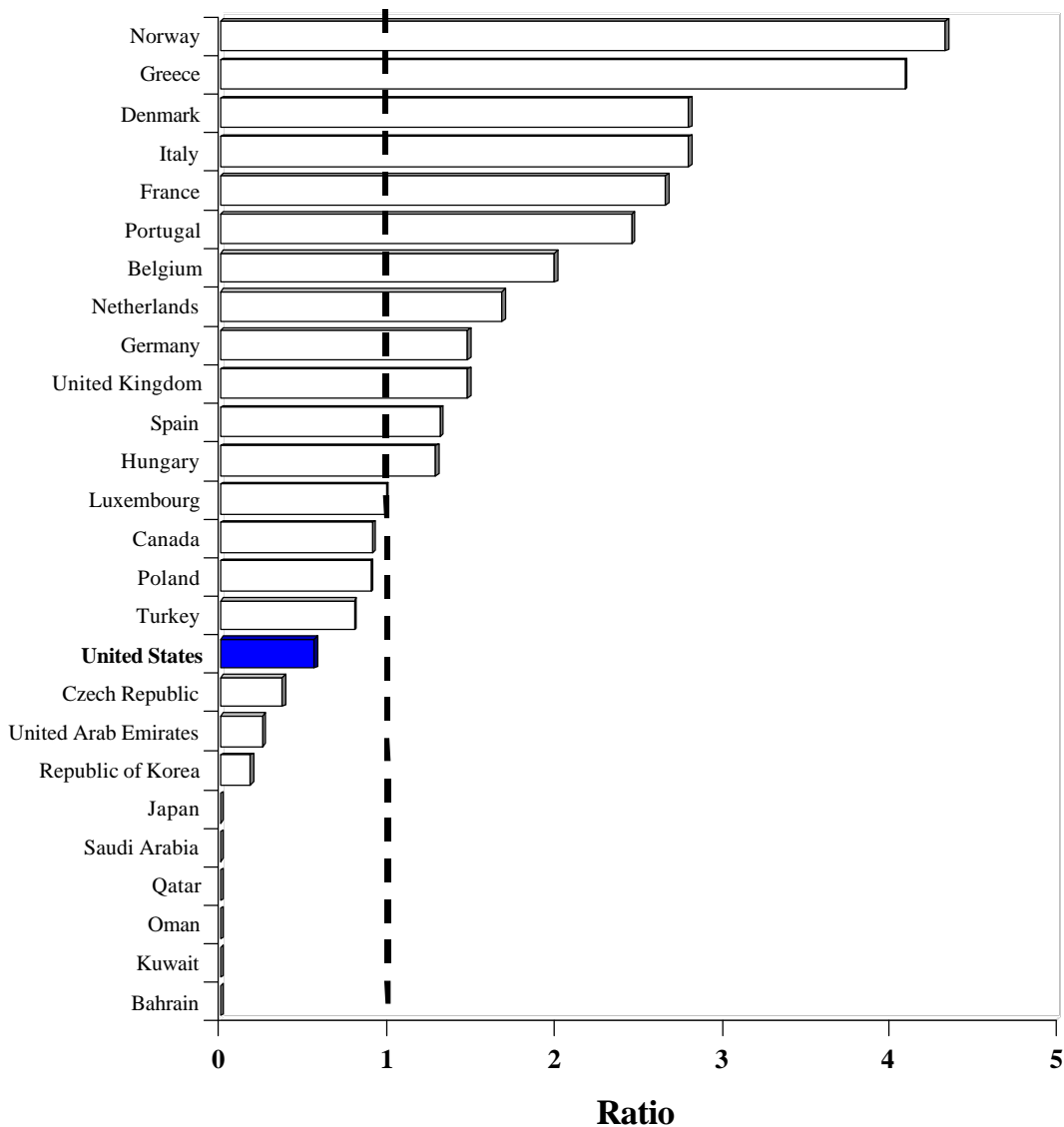


A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

NOTE: This chart only addresses funding for UN peace operations. It does not reflect funding for SFOR, KFOR, Operations Northern and Southern Watch, or NATO operations in the Former Yugoslav Republic of Macedonia.

Chart III-8

Share of Personnel Contributions to Multinational Peace Operations * Relative to Labor Force Share 2001



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-7 compares each nation's share of total funding contributed to UN peace operations to its share of total GDP for 2000. On this basis, ten nations, Germany, Italy, the United Kingdom, Denmark, France, Belgium, the Netherlands, Canada, Norway, and Luxembourg contributed substantially (at least 20 percent) more than their *fair share* of peace operations funding. However, fifteen nations contributed substantially (at least 20 percent) less than their *fair share*: the Czech Republic, Spain, Greece, Japan, Poland, Turkey, the Republic of Korea, Hungary, Portugal, and all of the GCC nations.

Chart III-8 presents nations' shares of total multinational peace operations personnel contributions relative to their shares of total labor force. Our NATO allies ranked highly in peace operations personnel contributions. Twelve nations (nearly half the total) contributed personnel shares that were substantially (at least 20 percent) greater than their labor force shares: Norway, Greece, Denmark, Italy, France, Portugal, Belgium, the Netherlands, Germany, the United Kingdom, Spain, and Hungary. Ten countries contributed substantially less than their *fair share*, including the U.S., the Czech Republic, the UAE, the Republic of Korea, Japan, and the remaining five GCC nations. The UAE was the only GCC nation that contributed peace operations personnel in 2001. However, the Republic of Korea's peacekeeping contribution is expected to increase in 2002. These assessments are summarized in Charts III-1A and III-1B.

HIGH READINESS 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. High readiness military units, suitable for deployment in multinational operations remote from national territory, are the practical manifestation of that capability.

NATO Reaction Forces

Of all the countries addressed in this Report, only our European allies maintain large contingents of deployable high readiness military units – in the form of NATO Reaction Forces. In accordance with NATO's post-Cold War strategic concept, members continue to develop forces that can be rapidly transported to remote theaters of operation; function in an environment where there are limited or no 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 a division, while the Czech Republic, Denmark, Hungary, Poland, Portugal, and Spain each contribute a brigade. Finally, the ARRC includes Multinational Division Central, which has 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. Standing Naval Force Atlantic (STANAVFORLANT) comprises six to ten destroyers and frigates. Canada, Germany, the

Netherlands, the UK, and the U.S. contribute one ship each on a full-time basis. Belgium, Denmark, Norway, Portugal, and Spain participate part-time. Standing Naval Force Mediterranean (STANAVFORMED) is organized on similar lines, with ships from Germany, Greece, Italy, the Netherlands, Spain, Turkey, the UK, and the United States. Mine Countermeasures Force Mediterranean (MCMFORMED) has four to six mine countermeasures vessels and a mine countermeasures command and support ship. Italy, Germany, Greece, Turkey, and the United Kingdom are full-time participants, and Belgium, the Netherlands, Spain and the U.S. are part-time. Mine Countermeasures Force Northern (MCMFORNORTH) has a similar makeup, with Belgium, Germany, the Netherlands, and the UK 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).

Chart III-9
2001 NATO Reaction Forces Contributions
(Ground, Air and Naval)

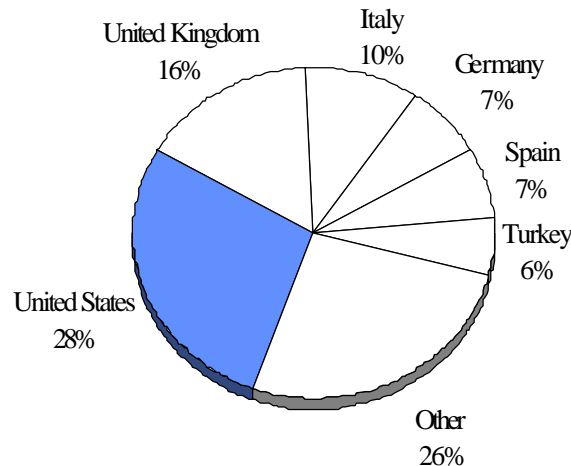


Chart III-9 shows that the U.S. contributes the largest single share of NATO Reaction Forces – over a quarter of the total. The UK and Italy collectively provide roughly a quarter of total NATO Reaction Forces, while Germany, Spain, and Turkey also make notable contributions.

Other High Readiness Forces

Although France does not participate in NATO's integrated military command structure, it possesses large, modern high-readiness 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, several nuclear attack submarines and replenishment auxiliaries. Until 1996, the all-professional *Force d'Action Rapide (FAR)* formed the ground component of the deployable 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, the French Army will have been transformed into a much more

deployable, all-professional 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 deployable, high-readiness forces provided by NATO. 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 is assuming a larger role in regional affairs under the revised Guidelines for U.S.-Japan Defense Cooperation, and the Republic of Korea has started to lay the foundation for a modernization program that will focus increasingly on capabilities with regional applications.

The United States encourages its GCC security partners to strengthen their provisions for collective defense of the Gulf region. At the end of December 2001, the six GCC nations signed a mutual defense agreement at a summit meeting in Manama, Bahrain, and announced their intention to expand the GCC's multinational Peninsula Shield Force (which is deployed in northeastern Saudi Arabia, near the Iraqi border) from its current strength of about 5,000 to at least 25,000 personnel. In late February 2001, the GCC states inaugurated the Cooperative Belt aircraft identification and tracking system, which comprises an interoperable regional air defense early warning and secure communications network.

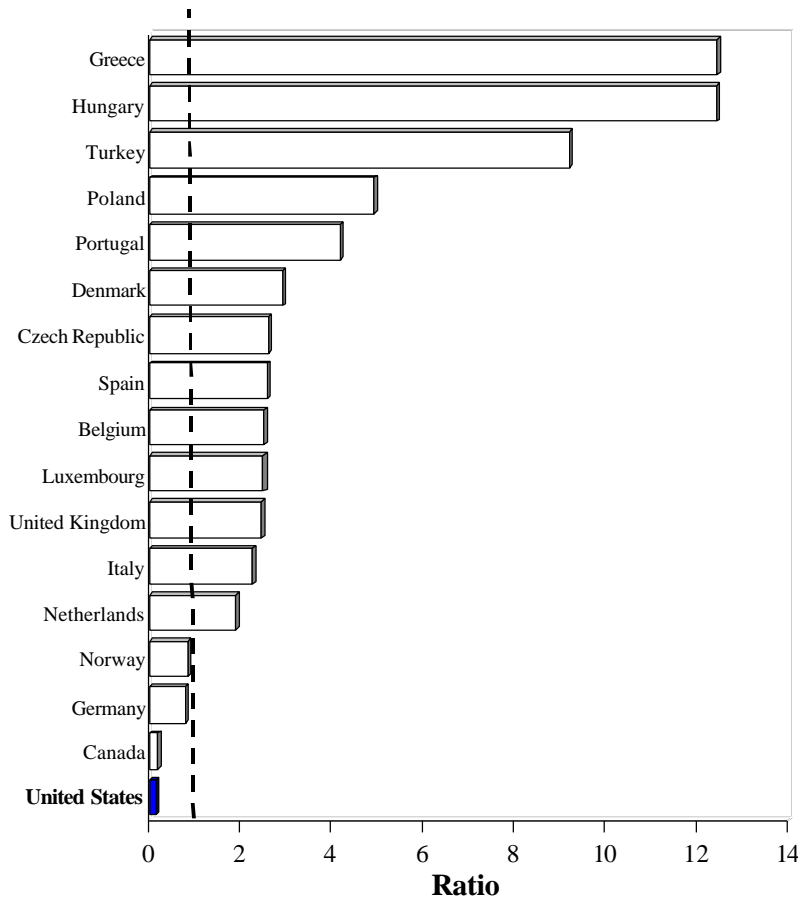
Finally, it must be noted that the United States maintains substantial high readiness forces above and beyond its NATO Reaction Forces. Examples include the Ready Brigade of the Army's 82nd Airborne Division, the Air Force's Air Expeditionary Wings, the Navy task forces operating in the Pacific and Indian 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 NATO Reaction Forces. Furthermore, the United States has greater capabilities to deploy and sustain military 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.

Assessment of NATO Reaction Forces Contributions Relative to GDP

Charts III-10A, B and C depict each nation’s share of NATO Reaction Forces relative to its share of GDP. These assessments are summarized in Charts III-1A and III-1B.

Ground: Thirteen allied nations contributed shares of NATO ground Reaction Forces that were substantially larger than their shares of total NATO GDP: Greece, Hungary, Turkey, Poland, Portugal, Denmark, the Czech Republic, Spain, Belgium, Luxembourg, the United Kingdom, Italy, and the Netherlands. Germany and Canada were the only allies that contributed Reaction Forces shares that were substantially smaller than their GDP shares, and the United States ranked last in this indicator. Greece’s and Hungary’s Reaction Forces shares were proportionally more than a dozen times larger than their GDP shares, and Turkey’s was over nine times greater.

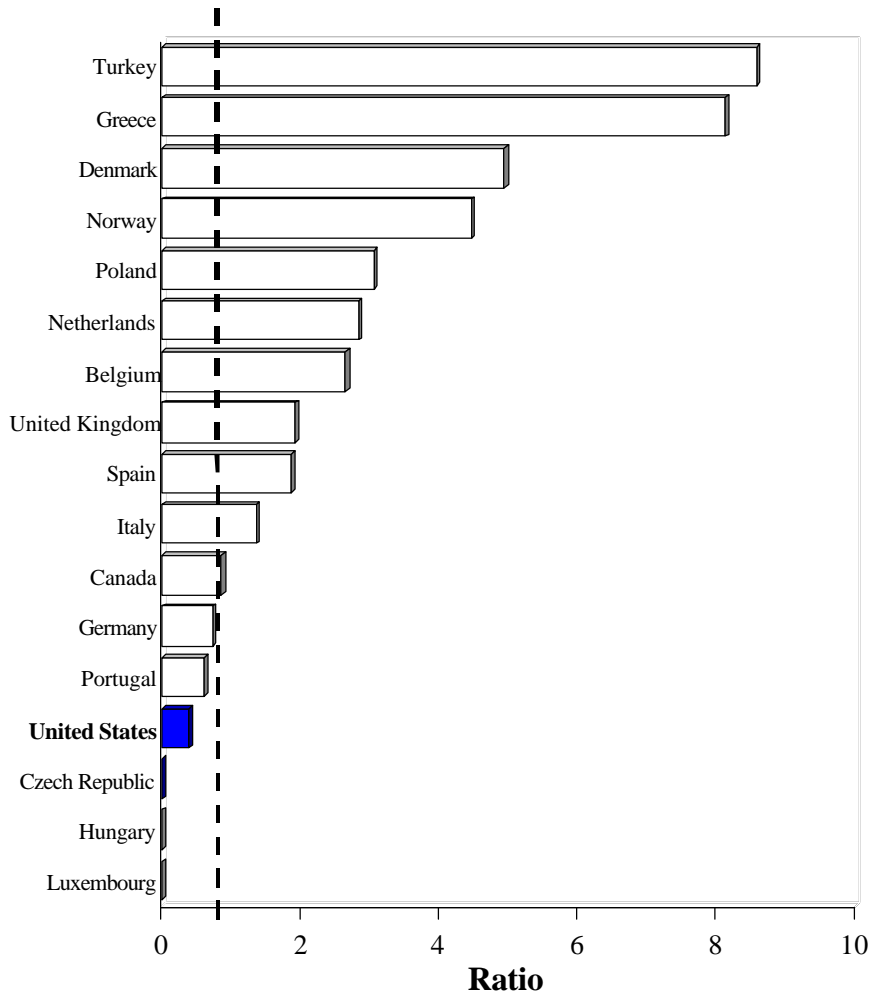
Chart III-10A
NATO Ground Reaction Forces Share
Relative to GDP Share
2001



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: Over half the nations assessed had naval Reaction Forces shares that were substantially larger than their shares of total Alliance GDP: Turkey, Greece, Denmark, Norway, Poland, the Netherlands, Belgium, the UK, Spain and Italy. Germany and Portugal had naval Reaction Forces shares that were substantially smaller than their GDP shares. The landlocked NATO members (the Czech Republic, Hungary and Luxembourg) do not have naval Forces. The U.S. ranked last among all of the nations that maintain naval forces. Turkey and Greece's Reaction Forces shares were proportionally more than eight times larger than their GDP shares.

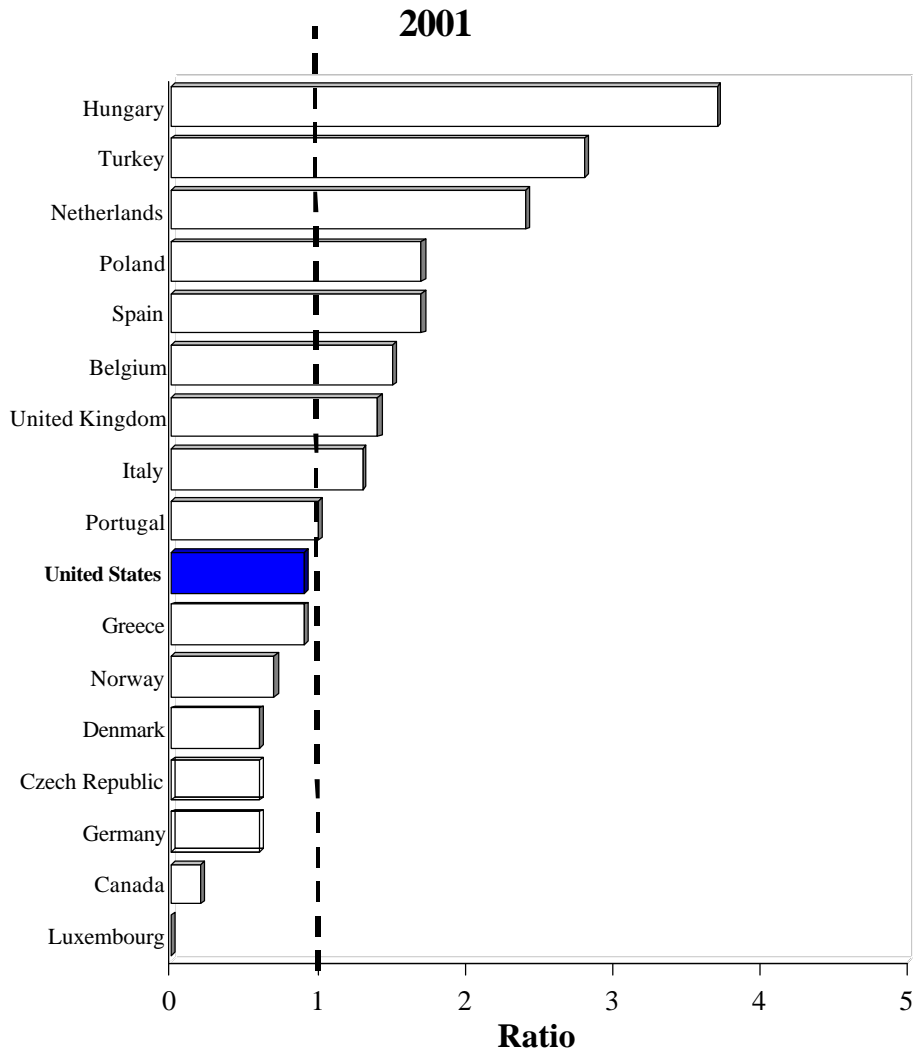
Chart III-10B
NATO Naval Reaction Forces Share
Relative to GDP Share
2001



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.

Air: Eight allied nations contributed shares of NATO Reaction Forces aircraft that were substantially larger than their shares of total NATO GDP: Hungary, Turkey, the Netherlands, Poland, Spain, Belgium, the UK and Italy. Five allies contributed Reaction Forces aircraft shares that were substantially smaller than their shares of total Alliance GDP: Norway, Denmark, the Czech Republic, Germany, and Canada. Luxembourg has no Air Force. The United States' air Reaction Forces contribution was roughly in balance with its share of total GDP. Hungary's Reaction Forces shares were proportionally more than three times larger than its GDP shares.

Chart III-10C NATO Air Reaction Forces Share Relative to GDP Share



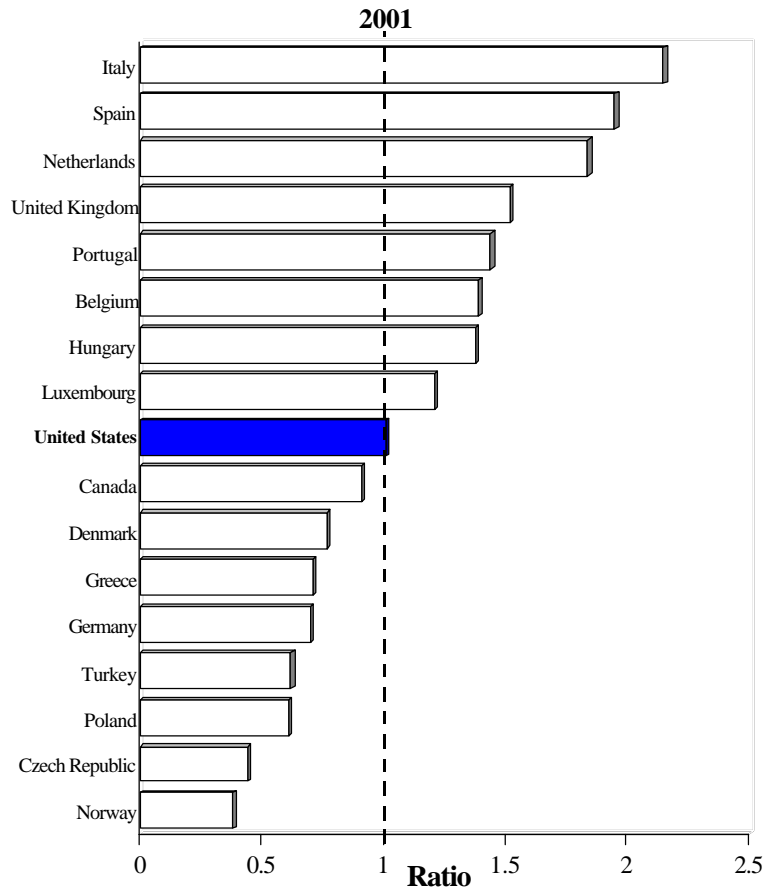
A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

Assessment of NATO Reaction Forces Contributions Relative to NATO-Committed Forces

In many cases, NATO allies’ Reaction Forces are the only readily deployable formations in force structures that include large numbers of non-deployable, low-readiness units suitable only for operations in close proximity to home territory. Given the importance of the ability to deploy troops and equipment rapidly, NATO is encouraging its member nations to increase the deployable proportion of their force structures. Chart III-10D offers insight into the proportion of allied force structures that are currently deployable by depicting each nation’s share of NATO Reaction Forces relative to its share of total NATO-committed forces.

Eight allied nations contributed Reaction Forces shares that were substantially larger than their shares of total NATO-committed forces: Italy, Spain, the Netherlands, the United Kingdom, Portugal, Belgium, Hungary and Luxembourg. Conversely, seven nations’ Reaction Forces shares were substantially smaller than their shares of total NATO-committed Forces: Denmark, Greece, Germany, Turkey, Poland, the Czech Republic, and Norway. However, it should be noted that while most NATO members commit nearly their entire armed forces to the Alliance, Portugal, Spain, Turkey, and the United States all retain significant military forces under national command. These nations accordingly rank higher, in comparison to others, than they would if the formations under national command were committed to NATO.

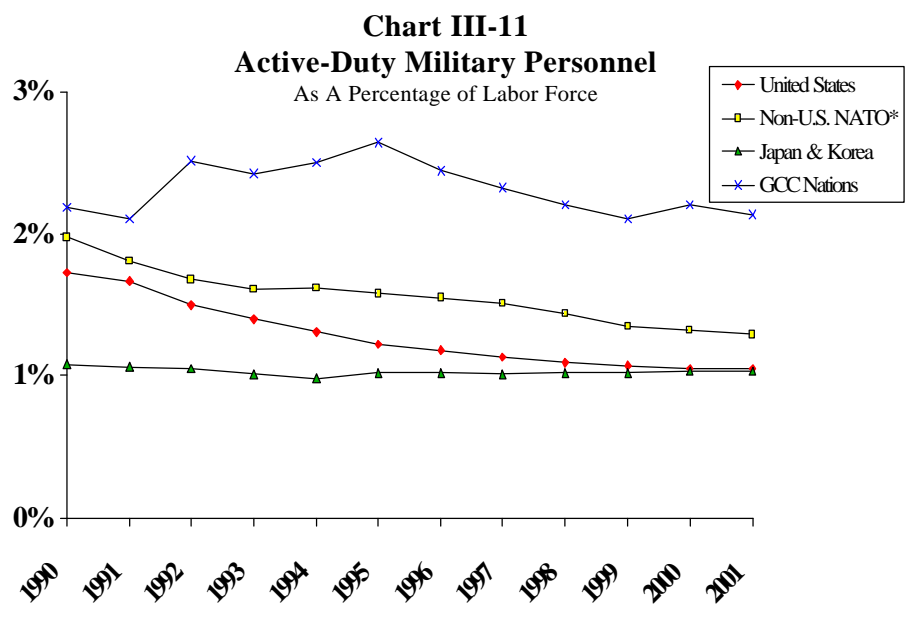
Chart III-10D
NATO Reaction Forces Share Relative to
NATO-Committed Forces Share



A ratio near 1 indicates a country’s Reaction Forces are in balance with its total NATO-committed forces.

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. A nation's *total* contributions of active-duty military personnel and forces can provide an indication of its commitment to collective security, and should be assessed for reasons of completeness. A nation's ability to contribute is determined by the size of its labor force. It should be noted that the active-duty military personnel assessment does not address qualitative factors (e.g., training, doctrine, leadership) that influence military capability.



*The Czech Republic, Hungary, and Poland are not included prior to their admission to NATO (1990-1998).

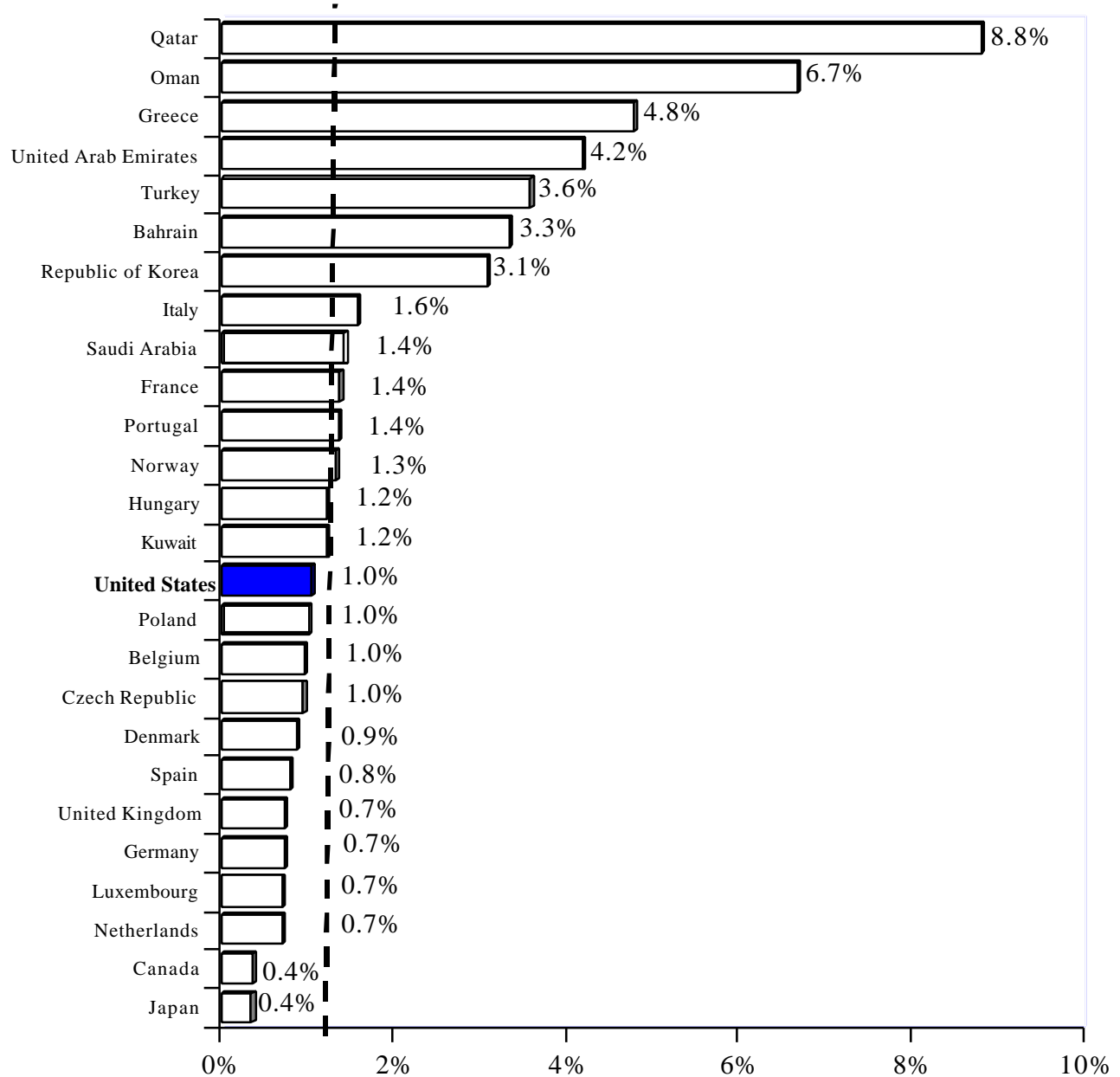
Chart III-11 shows active-duty military personnel as a percentage of labor force from 1990 to 2001. During this period, the U.S. percentage has experienced a slow but steady decline that was somewhat steeper than the decrease among our NATO allies. Following the Gulf War, the GCC countries as a group achieved a notable increase in this indicator through 1995. And, although it recently dropped somewhat from the 1995 peak, the percentage grew again in 2000 before falling slightly in 2001. Japan and the Republic of Korea combined have roughly the same percentage of their labor force on active-duty (one percent) as the U.S., but the combined Japanese and Korean level has remained fairly constant over the course of the past decade while the U.S. percentage has declined.

Assessment of Active-Duty Military Personnel Contributions

Chart III-12 depicts the percentage of its labor force that each nation had in active-duty military service during 2001. Twelve countries had above average percentages: Qatar, Oman, Greece, the UAE, Turkey, Bahrain, the Republic of Korea, Italy, Saudi Arabia, France, Portugal and Norway. However, eight allies had substantially below average percentages, including Denmark, Spain, the United Kingdom, Germany, Luxembourg, and the Netherlands. Canada and Japan ranked even lower, with percentages of labor force in active military service less than half the average. These assessments are summarized in Charts III-1A and III-1B.

Chart III-12

Active-Duty Military Personnel as a Percentage of Labor Force 2001



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.

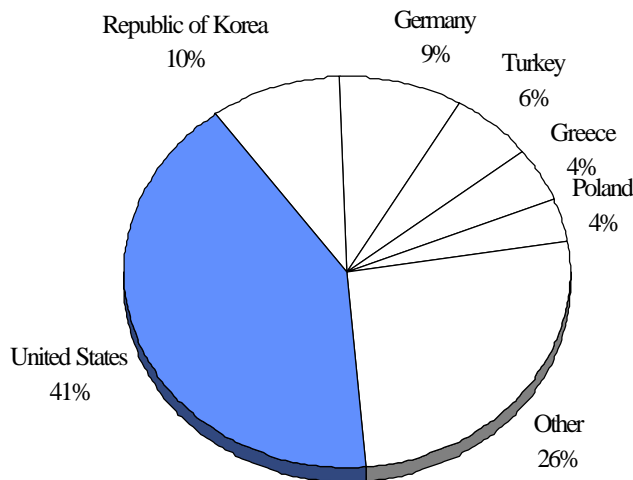
MILITARY FORCES

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 III-1A and III-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 tallies of combat units and weapons, although it does not consider factors such 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.

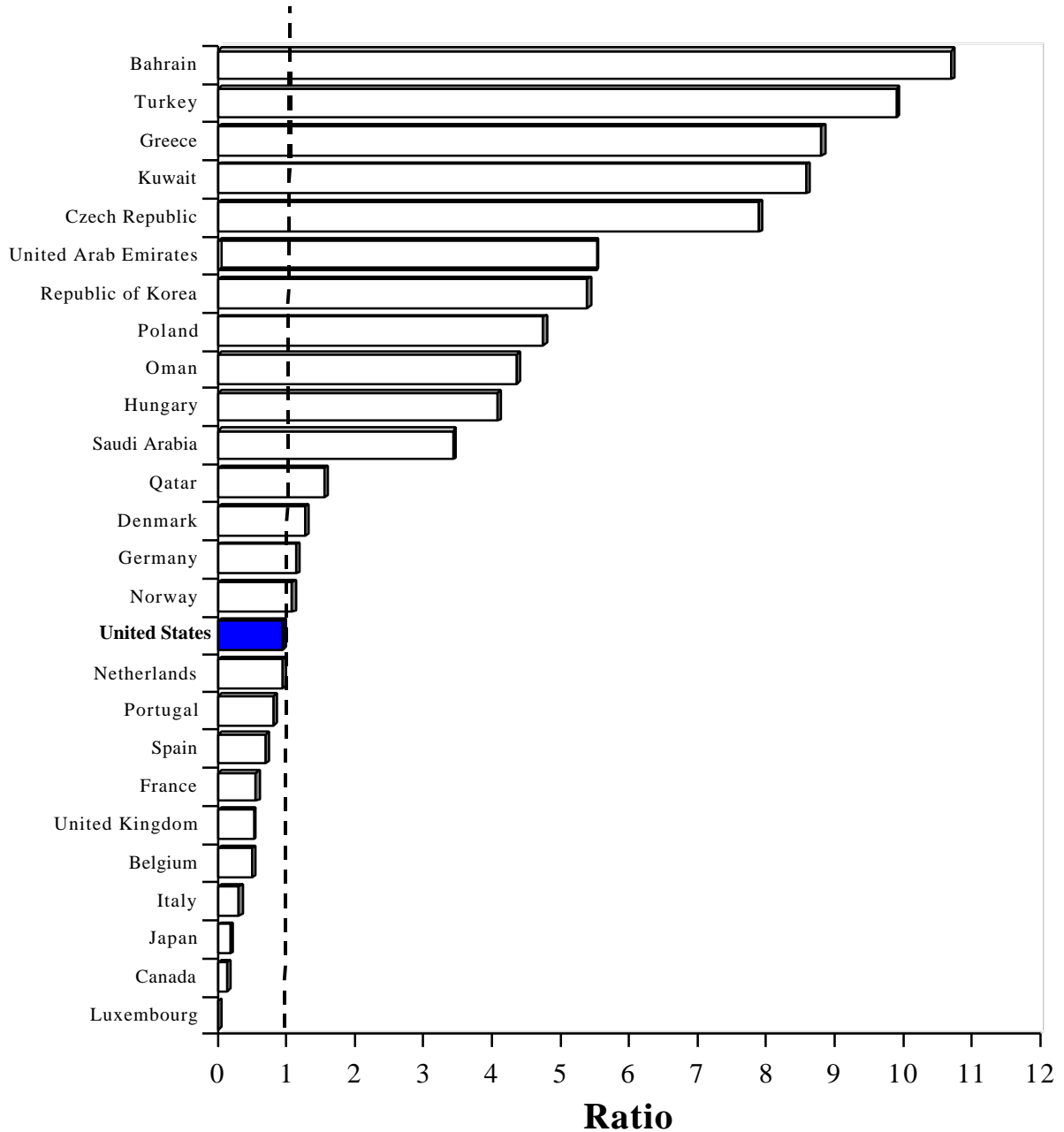
**Chart III-13
Ground Combat Capability
2001**



The largest contributors to aggregate ground capability are shown in Chart III-13. 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 attack helicopters, artillery, and tanks, although many of these are in reserve formations that could take as long as a year to achieve full combat readiness.

Chart III-14 compares nations’ ground combat capability contributions with their ability to contribute. In 2001, thirteen countries contributed substantially (at least 20 percent) more than their *fair shares*, including all the GCC countries, Turkey, Greece, the Czech Republic, the Republic of Korea, Poland, Hungary, and Denmark. There are also eight nations that contributed ground combat capability shares that were substantially less than their *fair shares*: Spain, France, the UK, Belgium, Italy, Japan, Canada and Luxembourg. The United States’ contribution was roughly in balance with its share of total GDP.

Chart III-14 Ground Combat Capability Share Relative to GDP Share 2001



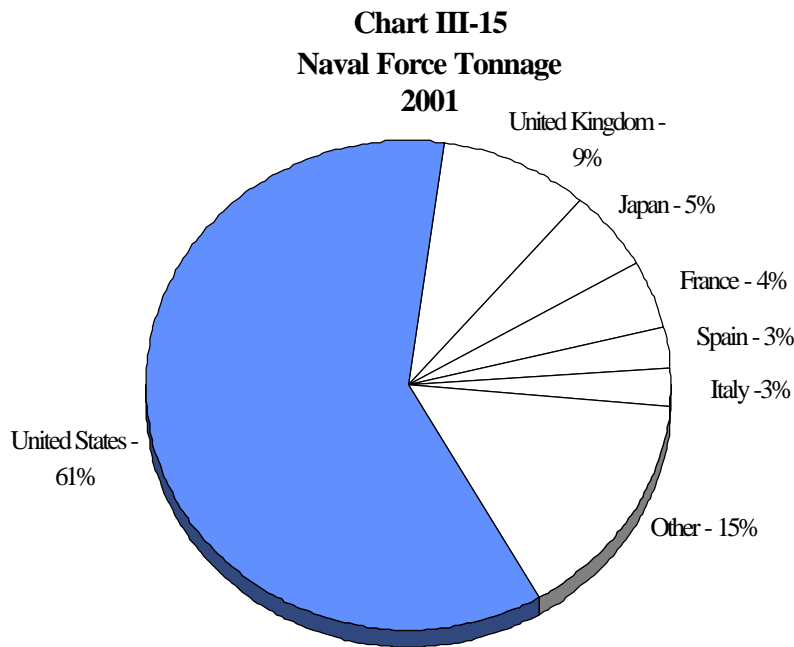
A ratio around 1 indicates that a country's contribution is in balance with its ability to contribute. A ratio above 1 suggests that a country is contributing beyond its *fair share*, while a ratio below 1 means contributions are not commensurate with ability to contribute.

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, however, does not give an indication of the number, effectiveness, or reliability of the weapons aboard the ships. It 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-15 shows the nations with the largest shares of aggregate fleet tonnage (excluding strategic missile submarines) for 2001. The United States has by far the single largest share of fleet tonnage with 61 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.

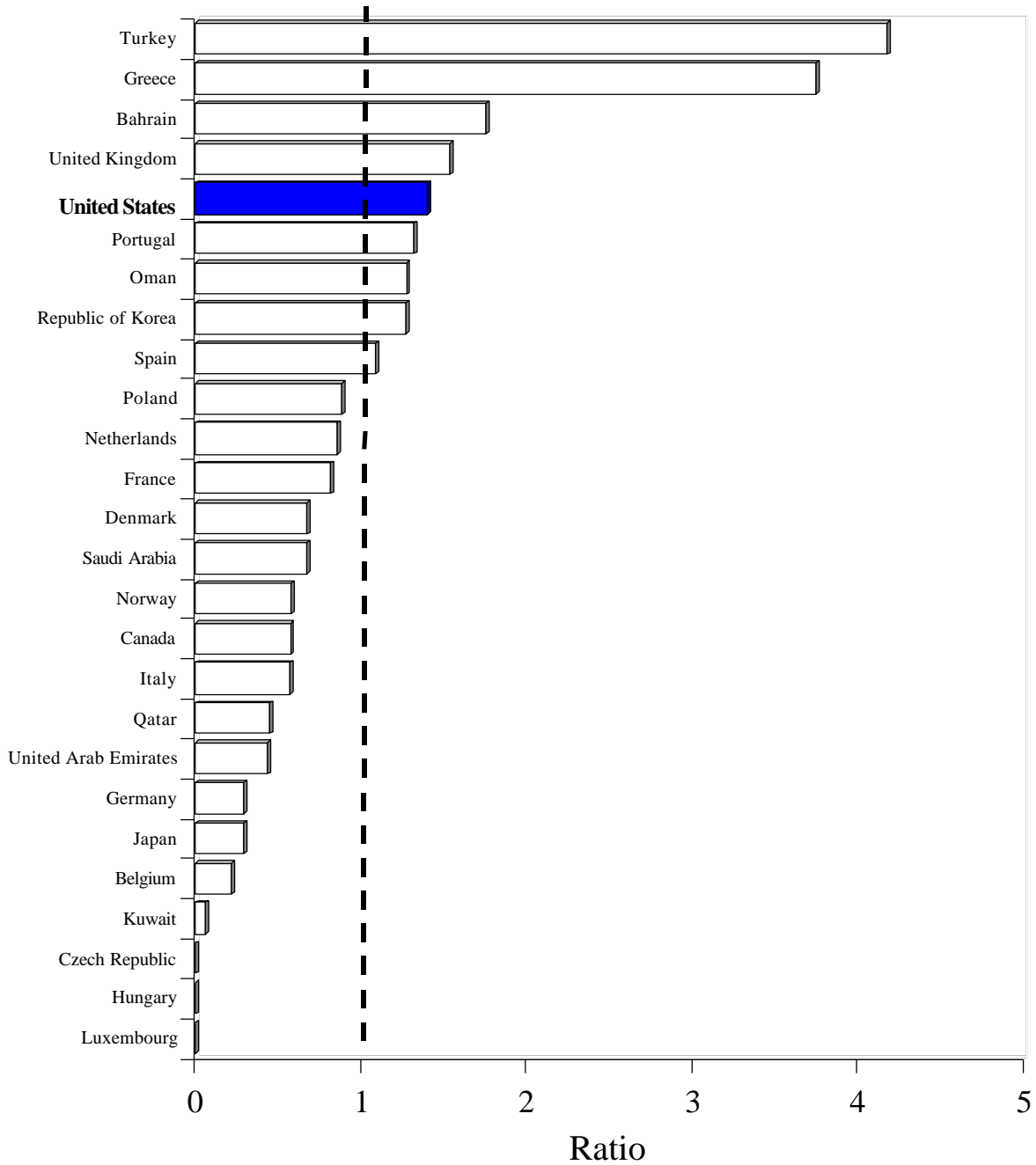
Chart III-16 depicts national shares of total fleet tonnage relative to GDP shares. In



2001, eight countries contributed shares of naval force tonnage that were substantially (at least 20 percent) greater than their GDP shares, including Turkey, Greece, Bahrain, the UK, the United States, Portugal, Oman and the Republic of Korea. Conversely, eleven nations contributed naval tonnage shares that were substantially smaller than their GDP shares, including Denmark, Saudi Arabia, Norway, Canada, Italy, Qatar, the UAE, Germany, Japan, Belgium, and Kuwait. The three landlocked allies – Luxembourg, Hungary, and the Czech Republic – of course contributed none at all. These assessments are summarized in Charts III-1A and III-1B.

Chart III-16

Naval Force Tonnage Share Relative to GDP Share 2001



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.

Combat Aircraft Capability

Nations’ combat aircraft 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 tallies of combat aircraft, 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 combat aircraft capability that incorporates these factors.

Chart III-17 depicts the distribution of tactical combat aircraft capability among nations addressed in this Report (including air force, naval, and marine assets). The United States possesses approximately 50 percent of all combat aircraft capability, followed by Turkey, France, the Republic of Korea, the United Kingdom, and Germany.

**Chart III-17
Combat Aircraft
Capability
2001**

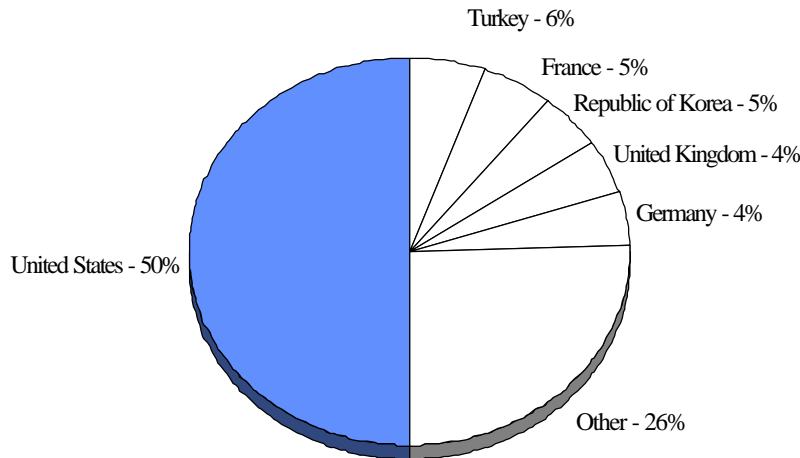
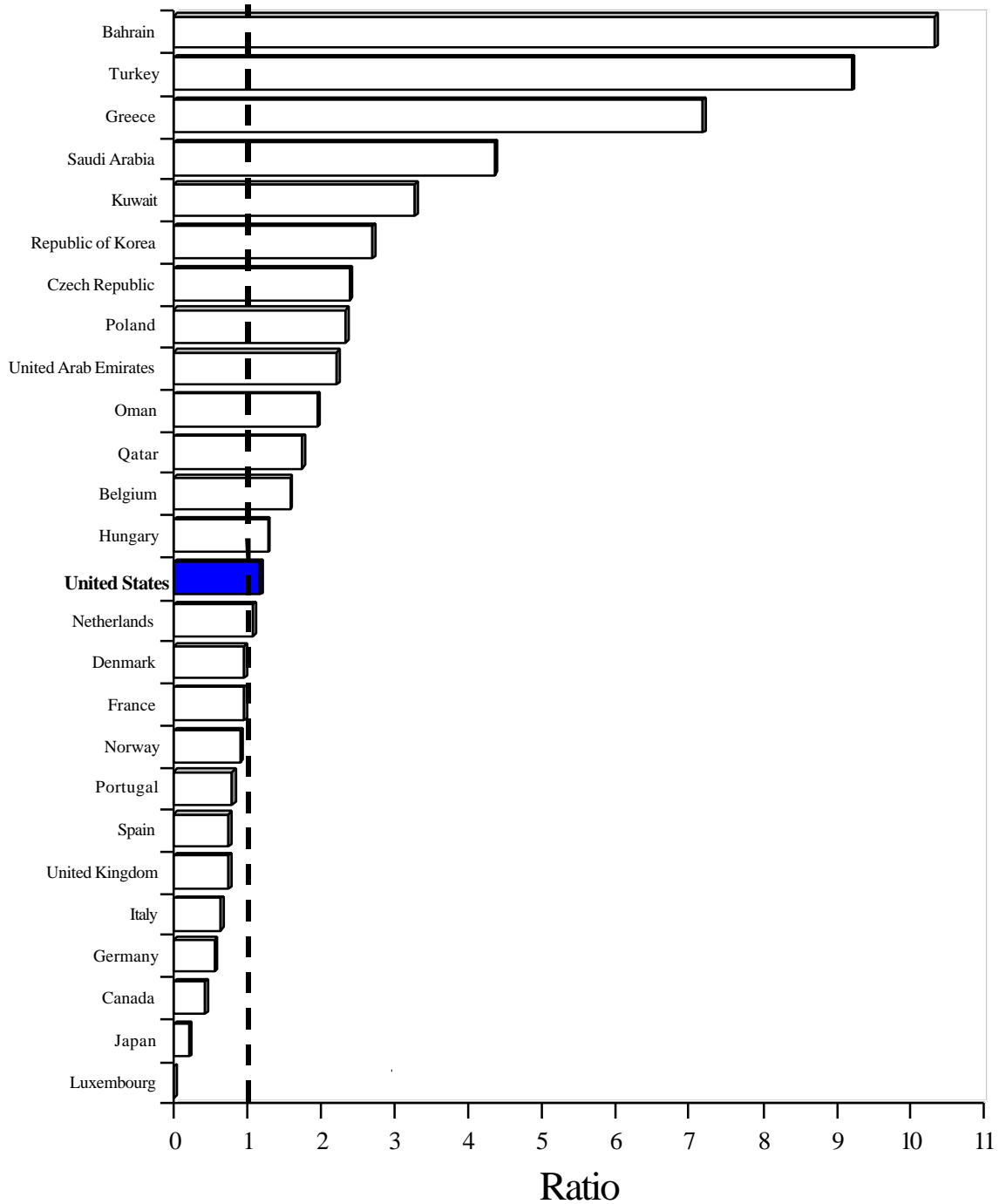


Chart III-18 depicts national shares of the total combat aircraft capability in relation to GDP shares. In 2001, half of the countries in this Report contributed shares of combat aircraft capability that were substantially (at least 20 percent) greater than their GDP shares. Turkey and Bahrain both made contributions that were, respectively, more than nine and ten times greater than their GDP shares. The contributions made by Saudi Arabia and Greece were over four and seven times greater. Other nations that made substantial contributions were Kuwait, the Republic of Korea, the Czech Republic, Poland, the UAE, Oman, Qatar, Belgium, and Hungary. In contrast, six nations (Spain, the United Kingdom, Italy, Germany, Canada, and Japan) had combat aircraft capability shares that were substantially less than their GDP shares. Luxembourg made no contributions, as it does not have an Air Force, although it does have pilots serving in the Belgian Air Force. The United States’ contribution was roughly in balance with its share of total GDP. These assessments are summarized in Charts III-1A and III-1B.

Chart III-18

Combat Aircraft Capability Share Relative to GDP Share 2001



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.

Military Transport Aircraft Capacity

Military transport aircraft capacity (i.e., total maximum payload computed in short tons) is an effective measure of the deployability of nations’ military forces. As with the other force indicators previously discussed, transport aircraft capacity does not consider qualitative factors that can greatly impact transport effectiveness, such as the ability to carry outsize cargo and provide inter-theater (strategic) airlift. For example only the United States and the United Kingdom possess military transport aircraft capable of transporting outsize cargo.

Chart III-19 depicts the distribution of transport aircraft capacity among nations addressed in this Report (including air force, army, naval, and marine assets). The United States possesses 77 percent of total military transport aircraft capacity, followed by the United Kingdom, France, Germany, Turkey, and Italy.

Chart III-19
Military Transport Aircraft Capacity
2001

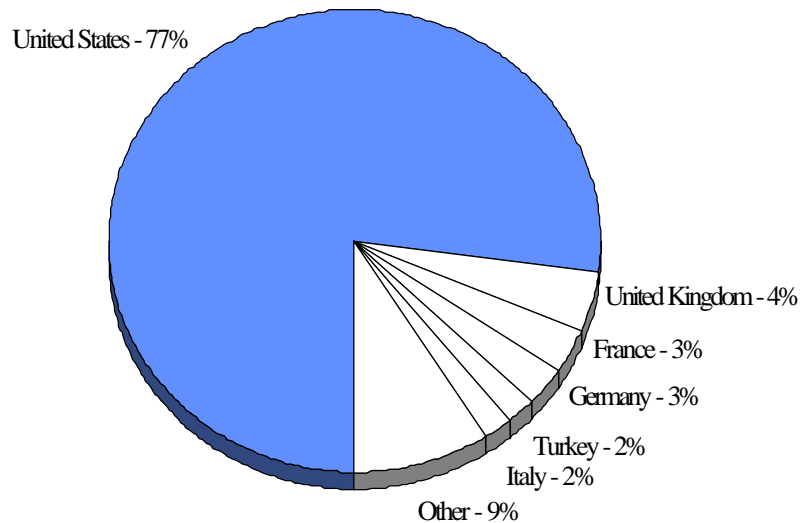
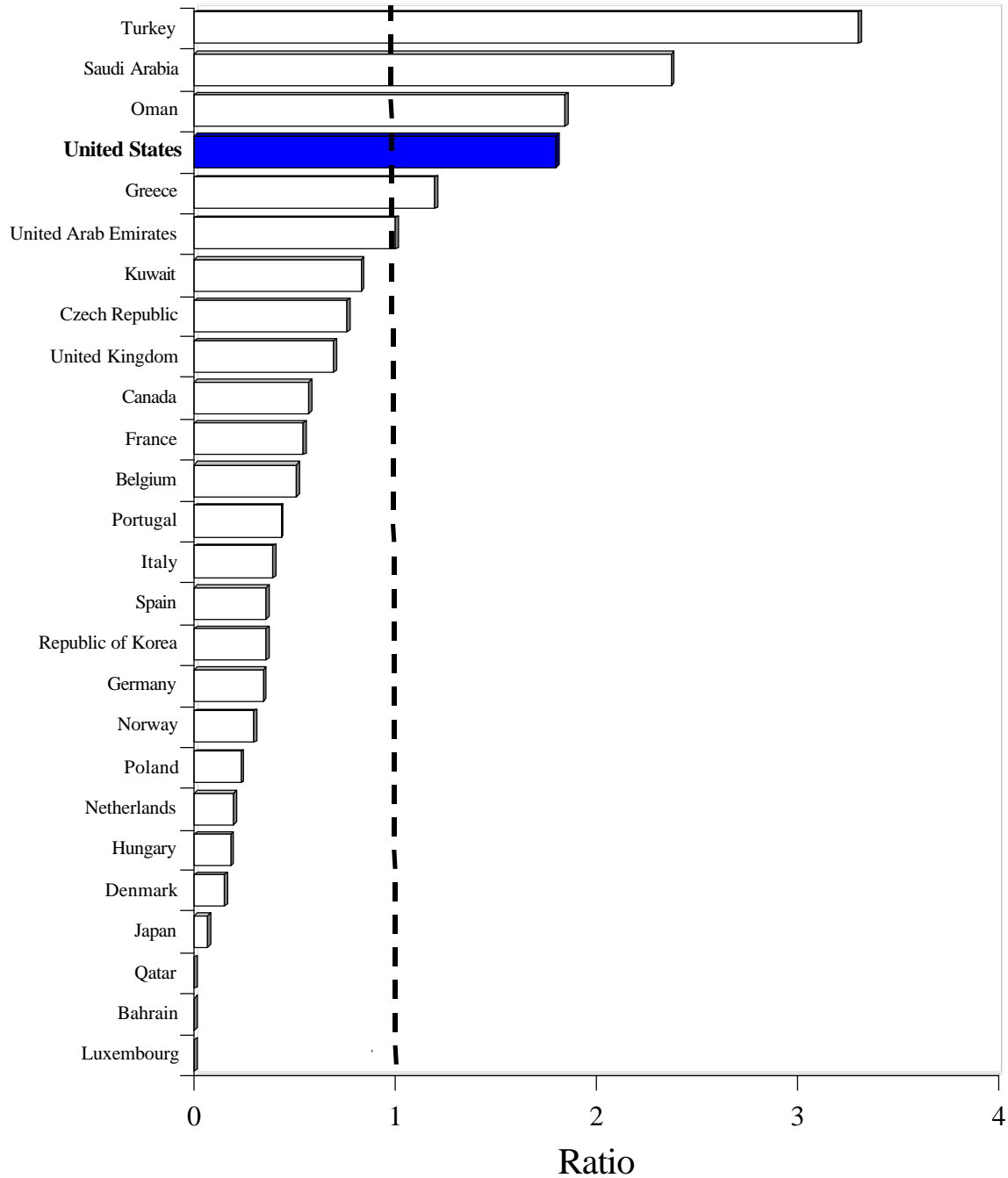


Chart III-20 depicts national shares of the total military transport aircraft capacity in relation to GDP shares. In 2001, only six of the countries in this Report (Turkey, Saudi Arabia, Oman, the United States, Greece, and the UAE) contributed shares of transport aircraft capacity that were equal to or greater than their GDP shares. Of the six, four (Turkey, Saudi Arabia, Oman, and the United States) contributed military transport aircraft shares that were substantially greater than their GDP Shares. Turkey’s military transport aircraft share was the largest at more than three times greater than its GDP share. In contrast, sixteen nations (the Czech Republic, the United Kingdom, Canada, France, Belgium, Portugal, Italy, Spain, the Republic of Korea, Germany, Norway, Poland, the Netherlands, Hungary, Denmark, and Japan) had transport aircraft shares that were substantially less than their GDP shares. Qatar and Bahrain have no military transport aircraft (though they do have government-owned airliners that operate in civilian markings). These assessments are summarized in Charts III-1A and III-1B.

Chart III-20

Military Transport Aircraft Capacity Share Relative to GDP Share 2001



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.

Tanker Aircraft

Tanker aircraft tallies are another effective indicator of the deployability of nations' military forces. As with the other force indicators previously discussed, tanker aircraft tallies do not consider qualitative factors. Such factors include fuel offload capacity and types of refueling equipment (i.e., boom or drogue), which impact the types of aircraft that can be refueled.

Chart III-21 depicts the distribution of tanker aircraft among nations addressed in this Report (including air force, army, naval, and marine assets). The United States possesses approximately 88 percent of tanker aircraft, followed by the United Kingdom, France, Saudi Arabia, and Italy.

**Chart III-21
Tanker Aircraft
2001**

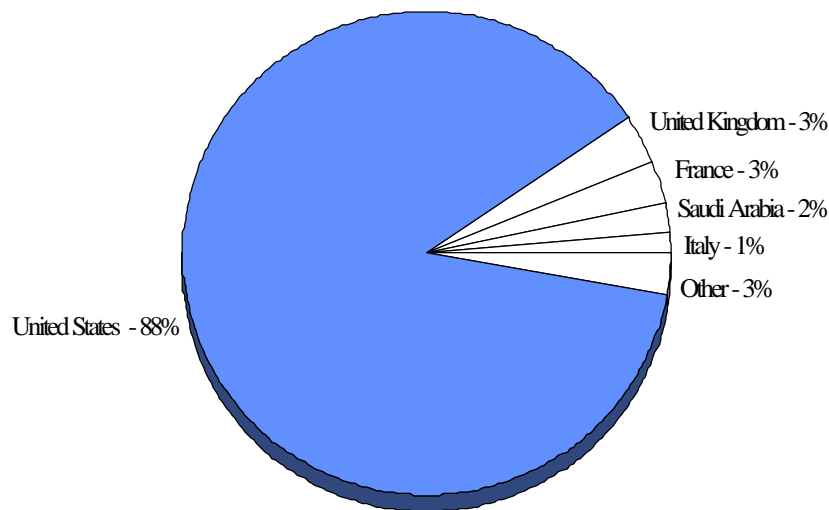
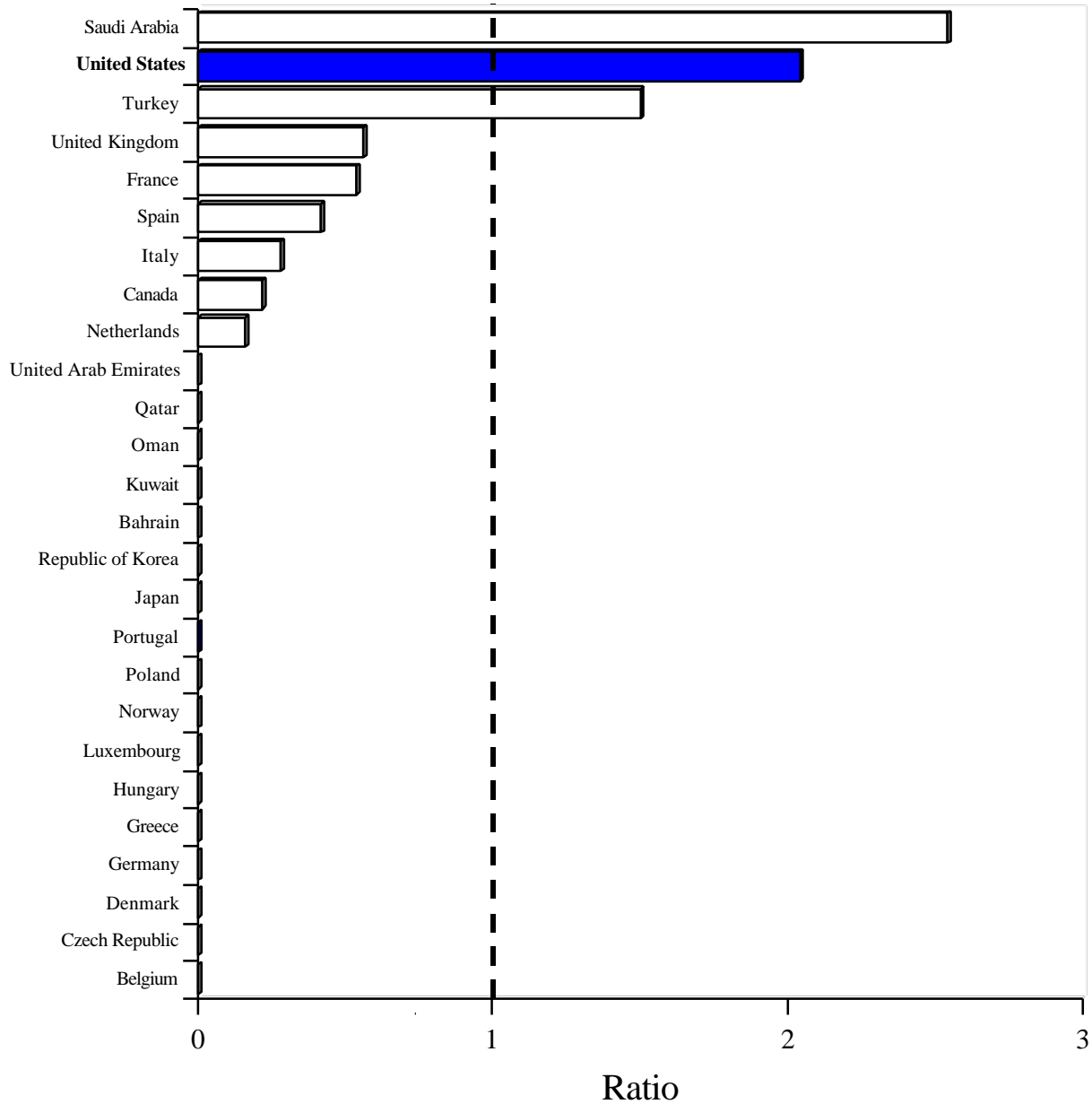


Chart III-22 depicts national shares of the total tanker aircraft inventory in relation to GDP shares. In 2001, only nine countries contributed tanker aircraft. Only three (Saudi Arabia, the United States, and Turkey) contributed shares of tanker aircraft that were greater than their GDP shares. All three countries contributed shares that were substantially greater than their GDP shares, with Saudi Arabia contributing almost three times more than its GDP share. The remaining six countries with tanker aircraft (United Kingdom, France, Spain, Italy, Canada, and the Netherlands) had shares that were substantially less than their GDP shares. These assessments are summarized in Charts III-1A and III-1B.

Chart III-22 Tanker Aircraft Share Relative to GDP Share 2001



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.

NATO DEFENSE MODERNIZATION SPENDING

The events of the past decade, from the 1991 Gulf War to Operation ENDURING FREEDOM, have demonstrated that new and enhanced military capabilities are needed to meet current and future challenges. The highest priority capability requirements 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). These requirements are particularly pressing for our NATO allies, who – as the 1999 Kosovo air campaign revealed – 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 in 1999, is intended primarily to close the gaps that exist 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 section 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, the defense modernization efforts of our Pacific allies and the GCC nations were not assessed.

Assessment of NATO Defense Modernization Spending

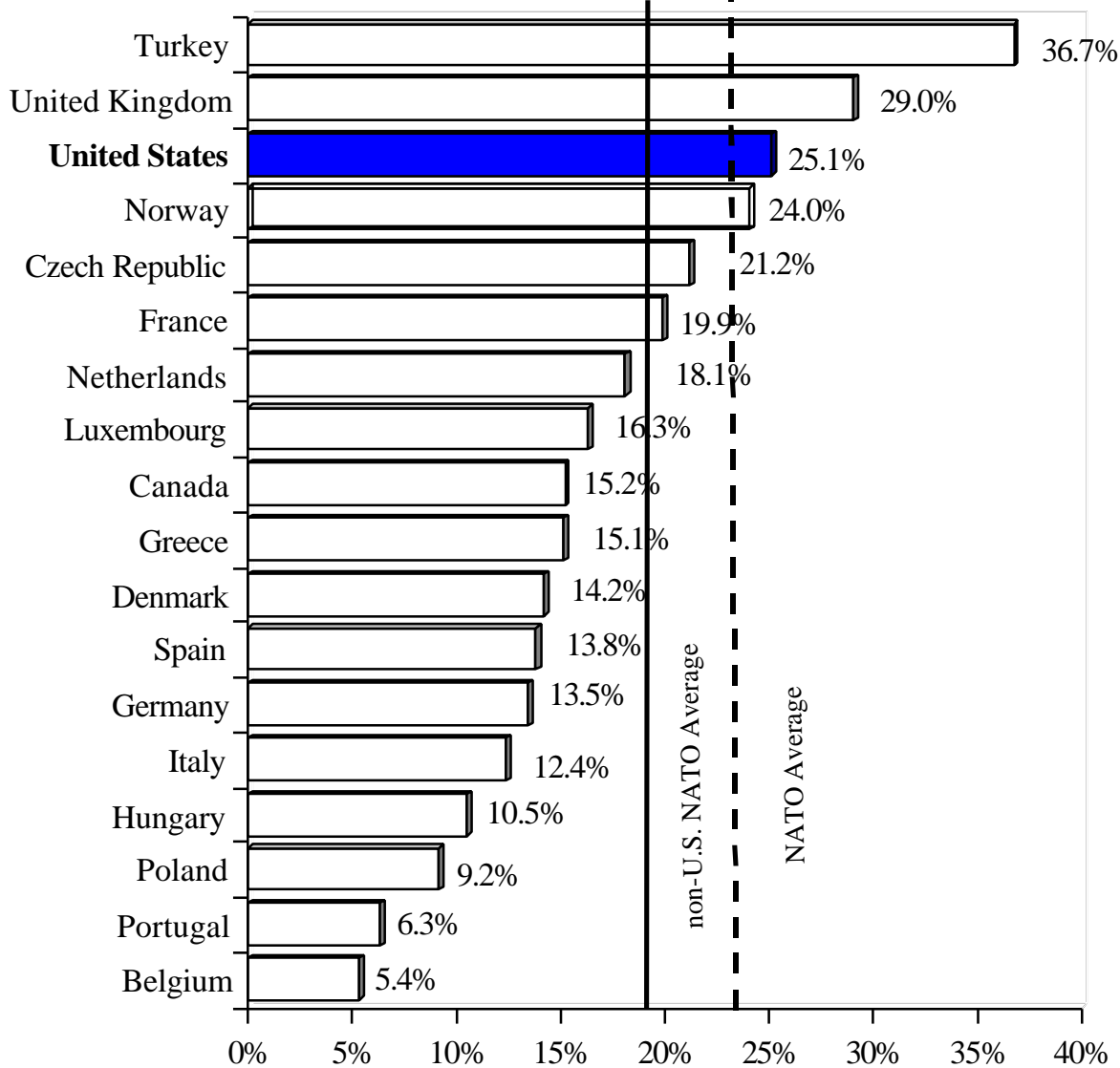
Chart III-23 depicts the percentage of 2001 defense spending that each NATO ally devoted to major equipment procurement and research and development. Four NATO nations spent above-average percentages of their defense budgets on modernization. Turkey, which has by far the lowest per-capita GDP in the Alliance (just \$2,106 in 2001), ranked first, followed by the United Kingdom, the U.S. and Norway. 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 fifth at 21 percent.

In addition to the Czech Republic, thirteen other nations' percentages were below the NATO average. These included less wealthy members, such as Portugal, Poland, Hungary, and Greece. Wealthier allies like Italy, Germany, Spain, Denmark, Canada, Luxembourg, the Netherlands, and France also ranked below-average. Belgium, which has the ninth highest per capita GDP in NATO, ranked last with a defense modernization spending percentage that was less than a quarter of the 22.9 percent NATO average.

Nine of our NATO allies increased their modernization spending percentages in 2001, and as a group, the average non-U.S. NATO percentage of defense spending devoted to modernization increased by 2.8 percent compared to 2000. Four allies registered particularly significant increases: Luxembourg (250 percent), Turkey (30 percent), Norway (19 percent) and Canada (10 percent). 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-23

NATO Modernization Spending as a Percentage of Defense Spending 2001



^a The solid line represents the non-U.S. NATO average --19.0 percent. The dashed line represents the overall NATO average modernization spending as a percentage of total defense spending -- 22.9 percent.

^b Complete and comparable data is not readily available for 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-24, in 2000 (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 about \$8.1 billion.

Cost sharing has been a particularly prominent aspect of our bilateral defense relationships with Japan and the Republic of Korea. As Chart III-24 shows, Japan provides a greater level of direct cost sharing (\$3.9 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 the Combined Defense Improvement Projects (CDIP) construction program 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 2000, it provided nearly \$433 million in direct cost sharing and over \$363 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 during 2000 included over \$372 million paid or pledged by Kuwait, Saudi Arabia, Bahrain, Oman, the UAE, and Qatar 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. NATO allies with the largest cost sharing contributions to the United States in 2000 were Germany (\$1.2 billion) and Italy (\$364 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 the O&M of NATO Headquarters and several non-military programs including civil preparedness. See Chart III-26 at the conclusion of this section for additional detail.

Chart III-24

U.S. Stationed Military Personnel & Bilateral Cost Sharing 2000 Dollars in Millions - 2000 Exchange Rates

	U.S. Stationed Military Personnel (Dec. 31, 2000)	Bilateral Cost Sharing		
		Direct Support	Indirect Support	Total
NATO Allies				
Belgium	1,574	\$0.00	\$49.21	\$49.21
Canada	161	NA	NA	NA
Czech Republic	14	NA	NA	NA
Denmark	25	\$0.01	\$0.05	\$0.06
France	65	NA	NA	NA
Germany	70,126	\$88.85	\$1,122.46	\$1,211.32
Greece	696	\$0.05	\$19.42	\$19.47
Hungary	373	\$0.00	\$4.23	\$4.23
Italy	11,348	\$8.30	\$355.90	\$364.20
Luxembourg	6	\$0.00	\$15.76	\$15.76
Netherlands	673	\$0.00	\$0.00	\$0.00
Norway	77	\$6.20	\$0.00	\$6.20
Poland	17	NA	NA	NA
Portugal	994	\$0.05	\$0.87	\$0.91
Spain	1,945	\$0.17	\$115.14	\$115.30
Turkey	2,059	\$0.13	\$4.58	\$4.71
United Kingdom	11,170	\$5.14	\$127.77	\$132.91
NATO Allies' Total	101,323	\$108.90	\$1,815.39	\$1,924.29
Pacific Allies				
Japan	40,025	\$3,877.29	\$1,125.90	\$5,003.19
Republic of Korea	36,171	\$432.90	\$363.38	\$796.28
Pacific Allies' Total	76,196	\$4,310.19	\$1,489.28	\$5,799.47
Gulf Cooperation Council (GCC)				
Bahrain	1,433	\$0.95	\$20.07	\$21.02
Kuwait	4,527	\$245.24	\$0.00	\$245.24
Oman	199	\$0.00	\$18.52	\$18.52
Qatar	53	\$0.00	\$11.00	\$11.00
Saudi Arabia	5,176	\$2.34	\$60.69	\$63.03
United Arab Emirates	425	\$0.07	\$13.21	\$13.28
GCC Allies' Total	11,813	\$248.60	\$123.48	\$372.08
Grand Total	189,332	\$4,667.69	\$3,428.16	\$8,095.84

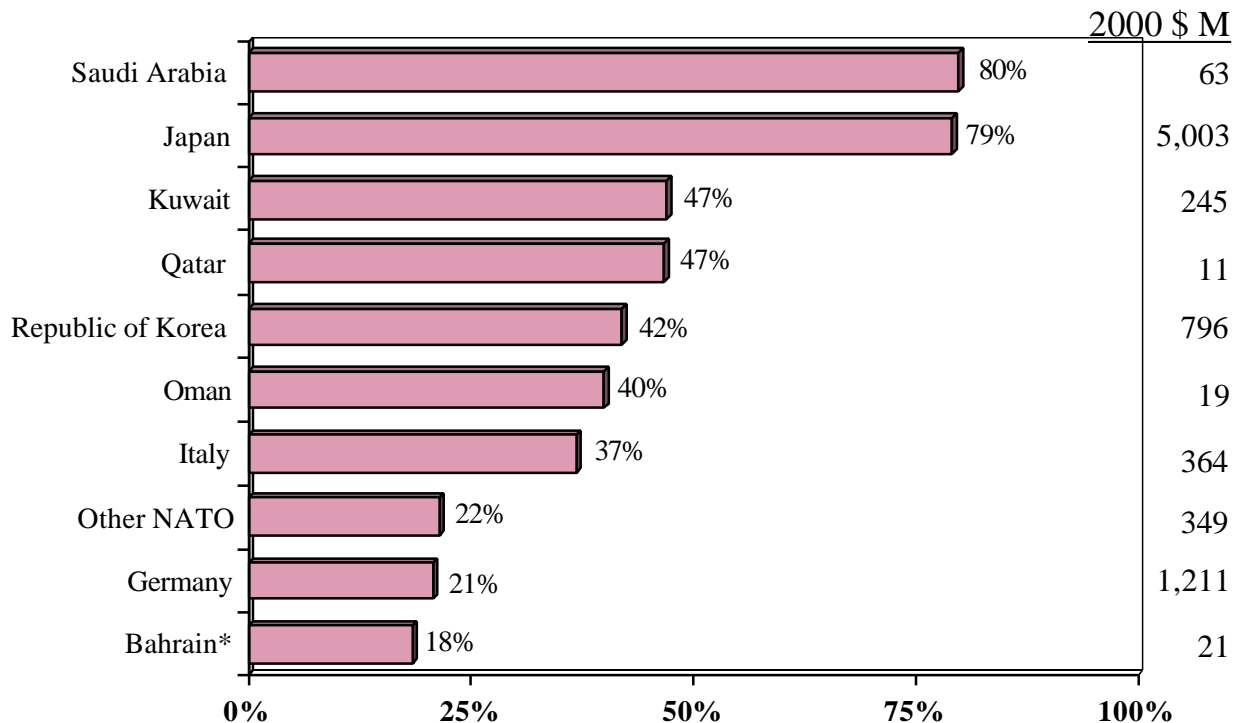
NA = Not Applicable

Assessment of Cost Sharing Contributions

In assessing cost sharing contributions, consideration needs to be given 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 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-25 shows the nations with the greatest U.S. cost offset percentages for 2000. Saudi Arabia leads all nations in covering 80 percent of costs associated with the stationing of U.S. forces, with Japan close behind at 79 percent. Kuwait, Qatar, the Republic of Korea, Oman, Italy, and Germany all offset over 20 percent of U.S. stationing costs. The Republic of Korea recently concluded a multi-year cost sharing agreement, which puts it on track to paying approximately 50% of non-personnel stationing costs by 2004. Nine other NATO allies collectively offset 22 percent of U.S. stationing costs. A cost offset percentage cannot be given for the UAE due to the lack of complete information regarding U.S. stationing costs there.

Chart III-25
Share of U.S. Overseas Stationing Costs Paid by Selected Allies
2000



* Bahrain's percentage contribution is expected to increase to over 40% for 2001. The projected increase in Bahrain's percentage contribution from 2000 to 2001 is due to a spike in U.S. military construction spending in 2000.

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 2001 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-26

NATO's Common-Funded Budgets - 2001*
2001 Dollars in Millions - 2001 Exchange Rates

	NATO Security & Investment Program	% of Total	Military Budget	% of Total**
Belgium	25.7	4.4%	14.8	3.1%
Canada	16.4	2.8%	27.3	5.7%
Czech Republic	5.3	0.9%	4.8	1.0%
Denmark	20.5	3.5%	8.8	1.8%
France	21.8	3.7%	31.6	6.6%
Germany	139.1	23.7%	82.0	17.1%
Greece	5.8	1.0%	2.0	0.4%
Hungary	3.8	0.6%	3.5	0.7%
Iceland	0.0	0.0%	0.2	0.0%
Italy	48.8	8.3%	31.6	6.6%
Luxembourg	1.2	0.2%	0.4	0.1%
Netherlands	28.5	4.9%	14.9	3.1%
Norway	17.7	3.0%	6.1	1.3%
Poland	14.5	2.5%	13.3	2.8%
Portugal	2.1	0.4%	3.4	0.7%
Spain	20.4	3.5%	18.7	3.9%
Turkey	6.2	1.1%	8.5	1.8%
United Kingdom	63.3	10.8%	85.7	17.8%
United States	144.6	24.7%	123.2	25.6%
Total	585.7	100.0%	480.8	100.0%
	Civil Budget	% of Total	TOTAL NATO Common Budgets	% of TOTAL**
Belgium	3.9	2.8%	44.4	3.7%
Canada	7.5	5.4%	51.2	4.2%
Czech Republic	1.2	0.9%	11.3	0.9%
Denmark	2.0	1.4%	31.3	2.6%
France	21.4	15.4%	74.8	6.2%
Germany	21.6	15.5%	242.7	20.1%
Greece	0.5	0.4%	8.3	0.7%
Hungary	0.9	0.6%	8.2	0.7%
Iceland	0.1	0.1%	0.3	0.0%
Italy	8.0	5.7%	88.4	7.3%
Luxembourg	0.1	0.1%	1.7	0.1%
Netherlands	3.8	2.7%	47.2	3.9%
Norway	1.5	1.1%	25.3	2.1%
Poland	3.4	2.4%	31.2	2.6%
Portugal	0.9	0.6%	6.4	0.5%
Spain	4.9	3.5%	44.0	3.6%
Turkey	2.2	1.6%	16.9	1.4%
United Kingdom	24.3	17.4%	173.3	14.4%
United States	31.2	22.4%	299.0	24.8%
Total	139.4	100.0%	1205.9	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. 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).

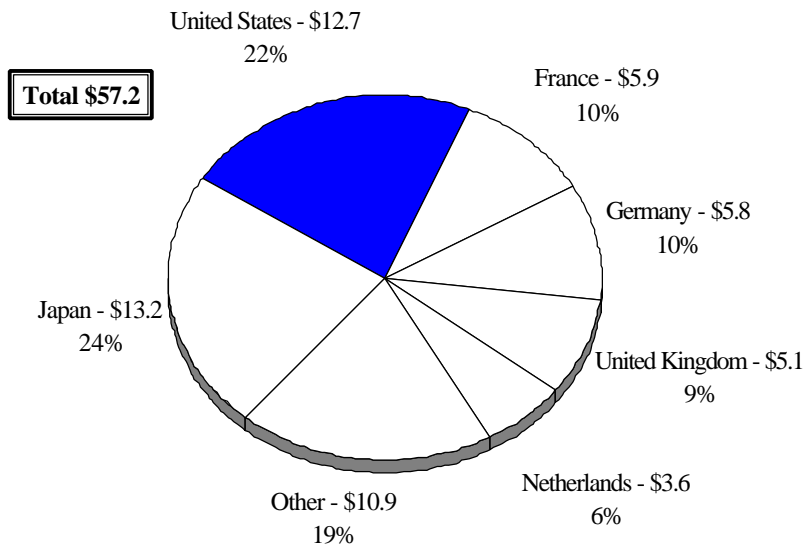
Foreign Assistance Contributions

As shown in Chart III-27, disbursements of foreign assistance by the nations included in this Report exceeded \$57 billion in 2000 (the latest year for which reliable data are available). Our allies and partners provided over \$44 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 2000 represented nearly one quarter (0.24 percent) of the combined GDPs of all the nations in this Report – a minor decrease over the 0.25 percent of total GDP reported for 1999.

Chart III-27 also shows that, as in the recent past, the four nations with the largest foreign assistance contributions (in absolute terms) in 2000 were Japan, the United States, France, and Germany. At the other end of the spectrum are those nations that contribute modest amounts of foreign aid, although this may be justified in the case of countries with relatively low standards of living (e.g., Portugal, Greece, Turkey, Poland, and the Czech Republic).

National and aggregated foreign assistance data is presented in the Annex, Table E-13.

Chart III-27
2000 Foreign Assistance Contributions
 Billions of Constant 2001 Dollars



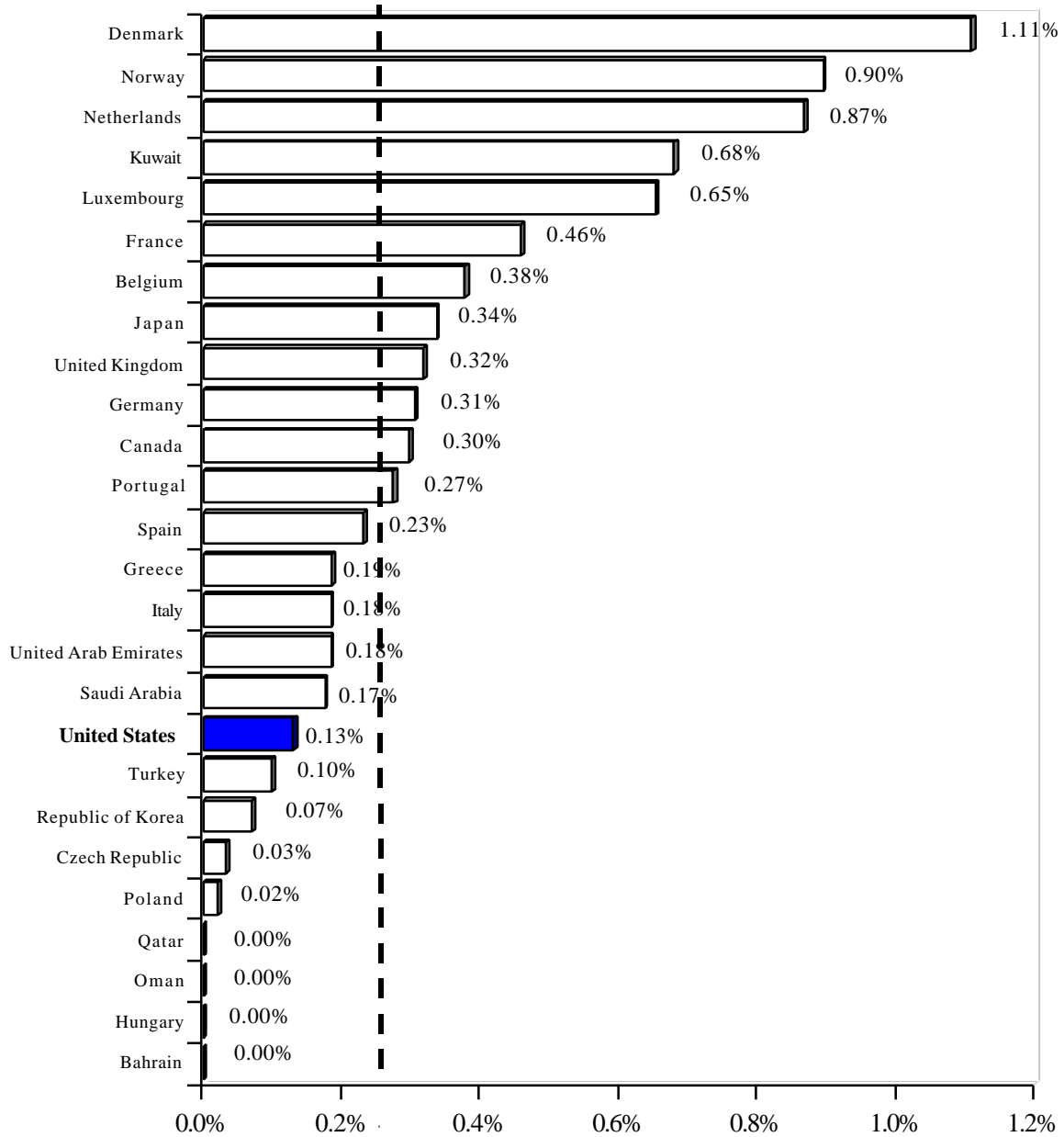
Assessment of Foreign Assistance Contributions

Chart III-28 depicts each nation’s average foreign assistance contributions as a percentage of its average GDP for the period 1998-2000. 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. For example, the United Kingdom’s foreign assistance as a percentage of GDP rose from 0.26 percent in 1999 to 0.36 percent in 2000. 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 1998-2000, the average percentage of GDP spent on foreign assistance by all nations in this Report was 0.25 percent. Judged on this basis, twelve of the countries addressed in this Report contributed above average percentages of their GDP as foreign assistance. The highest donors were Denmark, Norway, the Netherlands, Kuwait, and Luxembourg (the only nations that met or came close to the UN assistance target of 0.7 percent of GDP). The United States ranks fifth from last among all the nations in this Report that are net donors of foreign assistance, ahead of Turkey, the Republic of Korea, the Czech Republic, and Poland. Qatar, Oman, Hungary, and Bahrain are net recipients of foreign assistance. These assessments are summarized in Charts III-1A and III-1B.

Chart III-28

Foreign Assistance as a Percentage of GDP 1998 - 2000



Dashed line represents the overall average percentage of GDP spent on foreign assistance by all of the nations covered in this Report -- 0.25 %.

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 this 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 NATO allies demonstrated their commitment to collective security by invoking Article V of the Washington Treaty within a day of the September 11th terror attacks, and speedily implementing all eight measures sought by the United States to support the War on Terrorism. Several Alliance members also contributed substantial military forces to Operation ENDURING FREEDOM on a bilateral basis, and are now assuming most of the burden of peacekeeping operations in Afghanistan. Our European allies are pursuing various efforts to develop capabilities that will enable them to take on a larger share of the burden of defending common interests. NATO's Defense Capabilities Initiative (DCI) aims to transform the Alliance's military forces by enhancing deployability and mobility; sustainability and logistics; consultation, command and control (C3); effective engagement; and survivability of forces and infrastructure. The United States also encourages the EU's ongoing development of a European Security and Defense Policy (ESDP), and its 2003 "Headline Goal" of being able 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 against the North Korean threat. The ROK Army, for example, accounts for about a tenth of the total ground combat capability contributed by all the nations covered in this Report. The ROK has also supplied the bulk of the funding for the Korean Peninsula Energy Development Organization (KEDO), and thereby made a vital contribution to holding North Korea's nuclear program in check. Japan provides the second highest level of cost sharing for forward-based U.S. forces, and contributed more funding than any other country (including the United States) to foreign assistance in 2000 (the latest year for which complete data is available).

The War on Terrorism, contingency operations arising from regional conflicts, ethnic strife, and humanitarian disasters will continue to challenge U.S. and allied budgets and armed forces. The Department believes that the nations addressed 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 between 0.8 and 1.19 indicates that a country's contribution is roughly 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 below 0.8 indicate very low effort relative to ability to contribute.

Note: With the exception of cost sharing estimates, all dollar figures shown in the country summary charts are in 2001 dollars, using 2001 exchange rates. Cost sharing figures reflect 2000 contributions, and are calculated using 2000 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-6.
- 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-7 through C-11.

As with the military forces measures in Annex B, the same ranges for the ratios are used to determine whether a country's contribution is in balance with its ability to contribute, or whether it is substantially greater or less than its ability to contribute.

D. Bilateral Cost Sharing. This section presents detailed estimates of nations' bilateral cost sharing support for the United States during 2000, 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-12 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 and E-11, 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

War on Terrorism data have been obtained from a wide variety of Unclassified sources including U.S. embassies, the U.S. Defense and State Departments, allied armed forces and defense ministry web pages, and the open press.

Defense spending data have been obtained from a variety of sources. NATO's 18 December 2001 Press Release: *Financial and Economic Data Relating to NATO Defence* (available on NATO's website at <http://www.nato.int/docu/pr/2001/p01-156e.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 2001-2002*.

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 2001 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 Economist Intelligence Unit (EIU).

Multinational peace operations data includes a) 2000 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 2001. UN personnel contributions data have been obtained from the *December 2001 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 Balkans Task Force. Due to the Congressional deadline for this Report, the Department provides funding estimates for 2000 instead of 2001. Funding data for UN peace operations have been obtained from the *Status of Contributions as at 31 December 2000* produced by the United Nations' Secretariat.

NATO Reaction Forces data portrays national contributions to NATO's Reaction Forces. Ground forces contributions are quantified in combat maneuver brigade equivalents (excluding organic divisional combat support units), and naval contributions in numbers of ships and submarines. Air forces contributions are measured in terms of quantity of 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*.

Active-duty military personnel data are taken from NATO's 18 December 2001 Press Release: *Financial and Economic Data Relating to NATO Defence* and IISS' *The Military Balance 2001-2002*.

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 2001-2002*), 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.

Combat Aircraft capability 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, or any support or special mission aircraft. The quantity and quality of nations' equipment holdings are assessed using widely accepted static measures.

Military Transport Aircraft Capacity data includes military fixed wing transport aircraft (air force, army, marine, and naval assets) to include multi-role tanker/transports. Not included are transport aircraft with maximum payload capacity less than 12,000 lbs, aircraft identified as VIP transport, government-owned aircraft operated in civilian markings, and commercial aircraft available under contract or national legislation in a time of war or national emergency. Transport capacity is derived from number of aircraft multiplied by cargo capacity measured in short tons (maximum payload in pounds (lbs) (as stated in *Jane's All the Worlds Aircraft*) divided by 2,000).

Tanker Aircraft data includes fixed wing air-to-air refueling aircraft (air force, naval, and marine assets) to include multi-role tanker/transports.

Defense modernization spending data portrays the percentage of NATO members' 2001 defense budgets that were devoted to major equipment procurement and research-and-development. These are derived from information contained in NATO's annual *Defense Planning Questionnaire*.

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 2000 instead of 2001. A cost offset percentage cannot be calculated for the United Arab Emirates due to lack of information regarding U.S. stationing costs there. Canada, the Czech Republic, France, the Netherlands, and Poland do not provide host nation support and are thus not included in this analysis.

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 III-24 and III-25 generally display the more conservative *low* range figures for analysis. For Japan and the Republic of Korea, 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 States 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 2000. At this time, complete and reliable foreign assistance data are available only through 2000 due to complexities and delays in the OECD collection and reporting process, and data are still not complete for some countries for 1990, and 1995-1997. Assistance data are not available for the Czech Republic or Poland for years covered in this Report prior to 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.

B. COUNTRY SUMMARIES

BELGIUM

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$231.0	█ 11
Per Capita GDP.....	\$22,461	█ 11
Defense Spending (2001)		
Total (Billions).....	\$3.08	█ 17
Percentage of GDP.....	1.33%	█ 22
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$19.05	
Funding Share/GDP Share.....	1.43	█ 6
2001 Total Personnel.....	1,039	
Personnel Share/Labor Force Share.....	2.00	█ 7
Active-Duty Military Personnel (2001)		
Total (Thousands).....	41.2	█ 20
Percentage of Labor Force.....	0.96%	█ 17
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.50	█ 22
Naval Force Tonnage Share/GDP Share.....	0.22	█ 22
Combat Aircraft Capability Share/GDP Share.....	1.57	█ 12
Transport Aircraft Capacity Share/GDP Share.....	0.51	█ 12
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$916.39	█ 12
1998-2000 Average Percentage of GDP.....	0.38%	█ 7
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.00	
Indirect Support.....	\$49.21	
Total.....	\$49.21	
U.S. Stationing Cost Offset Percentage.....	34.6%	

CANADA

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$708.4	7
Per Capita GDP.....	\$22,812	9
Defense Spending (2001)		
Total (Billions).....	\$7.86	9
Percentage of GDP.....	1.11%	24
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$56.27	
Funding Share/GDP Share.....	1.38	8
2001 Total Personnel.....	1,784	
Personnel Share/Labor Force Share.....	0.91	14
Active-Duty Military Personnel (2001)		
Total (Thousands).....	59.4	15
Percentage of Labor Force.....	0.37%	25
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.14	25
Naval Force Tonnage Share/GDP Share.....	0.58	16
Combat Aircraft Capability Share/GDP Share.....	0.42	24
Transport Aircraft Capacity Share/GDP Share.....	0.57	10
Tanker Aircraft Share/GDP Share.....	0.22	8
Foreign Assistance		
2000 Total (Millions).....	\$1,958.25	7
1998-2000 Average Percentage of GDP.....	0.30%	11
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	} <u>Not Applicable</u>	
Indirect Support.....		
Total.....		
U.S. Stationing Cost Offset Percentage.....		

CZECH REPUBLIC

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$55.4	█ 20
Per Capita GDP.....	\$5,403	█ 23
Defense Spending (2001)		
Total (Billions).....	\$1.19	█ 23
Percentage of GDP.....	2.15%	█ 13
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$2.11	
Funding Share/GDP Share.....	0.67	█ 12
2001 Total Personnel.....	231	
Personnel Share/Labor Force Share.....	0.37	█ 18
Active-Duty Military Personnel (2001)		
Total (Thousands).....	48.7	█ 18
Percentage of Labor Force.....	0.95%	█ 18
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	7.90	█ 5
Naval Force Tonnage Share/GDP Share.....	0.00	█ 24 (tied for last)
Combat Aircraft Capability Share/GDP Share.....	2.38	█ 7
Transport Aircraft Capacity Share/GDP Share.....	0.76	█ 8
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$20.55	█ 22
1998-2000 Average Percentage of GDP.....	0.03%	█ 21
Host Nation Support/ Defense Cost Sharing (2000)		
(Millions)		
Direct Support.....	} <u>Not Applicable</u>	
Indirect Support.....		
Total.....		
U.S. Stationing Cost Offset Percentage.....		

DENMARK

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$165.8	█ 15
Per Capita GDP.....	\$30,943	█ 5
Defense Spending (2001)		
Total (Billions).....	\$2.46	█ 19
Percentage of GDP.....	1.49%	█ 20
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$14.55	
Funding Share/GDP Share.....	1.53	█ 4
2001 Total Personnel.....	969	
Personnel Share/Labor Force Share.....	2.80	█ 3
Active-Duty Military Personnel (2001)		
Total (Thousands).....	25.1	█ 22
Percentage of Labor Force.....	0.88%	█ 19
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	1.28	█ 13
Naval Force Tonnage Share/GDP Share.....	0.67	█ 13
Combat Aircraft Capability Share/GDP Share.....	0.96	█ 16
Transport Aircraft Capacity Share/GDP Share.....	0.15	█ 22
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$1,913.50	█ 8
1998-2000 Average Percentage of GDP.....	1.11%	█ 1
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.01	
Indirect Support.....	\$0.05	
Total.....	\$0.06	
U.S. Stationing Cost Offset Percentage.....	0.1%	

FRANCE

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$1,309.2	5
Per Capita GDP.....	\$22,157	12
Defense Spending (2001)		
Total (Billions).....	\$33.60	4
Percentage of GDP.....	2.57%	11
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$111.04	
Funding Share/GDP Share.....	1.49	5
2001 Total Personnel.....	8,546	
Personnel Share/Labor Force Share.....	2.66	5
Active-Duty Military Personnel (2001)		
Total (Thousands).....	367.0	5
Percentage of Labor Force.....	1.38%	10
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.57	20
Naval Force Tonnage Share/GDP Share.....	0.81	12
Combat Aircraft Capability Share/GDP Share.....	0.95	17
Transport Aircraft Capacity Share/GDP Share.....	0.54	11
Tanker Aircraft Share/GDP Share.....	0.54	5
Foreign Assistance		
2000 Total (Millions).....	\$5,859.84	3
1998-2000 Average Percentage of GDP.....	0.46%	6
Host Nation Support/ Defense Cost Sharing (2000)		
(Millions)		
Direct Support.....	} <u>Not Applicable</u>	
Indirect Support.....		
Total.....		
U.S. Stationing Cost Offset Percentage.....		

GERMANY

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$1,857.3	█ 3
Per Capita GDP.....	\$22,516	█ 10
Defense Spending (2001)		
Total (Billions).....	\$27.47	█ 5
Percentage of GDP.....	1.48%	█ 21
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$209.28	
Funding Share/GDP Share.....	1.95	█ 1
2001 Total Personnel.....	7,494	
Personnel Share/Labor Force Share.....	1.48	█ 9
Active-Duty Military Personnel (2001)		
Total (Thousands).....	306.5	█ 6
Percentage of Labor Force.....	0.73%	█ 22
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	1.15	█ 14
Naval Force Tonnage Share/GDP Share.....	0.29	█ 20
Combat Aircraft Capability Share/GDP Share.....	0.55	█ 23
Transport Aircraft Capacity Share/GDP Share.....	0.34	█ 17
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$5,758.85	█ 4
1998-2000 Average Percentage of GDP.....	0.31%	█ 10
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$88.85	
Indirect Support.....	\$1,122.46	
Total.....	\$1,211.32	
U.S. Stationing Cost Offset Percentage.....	20.6%	

GREECE

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$117.7	█ 17
Per Capita GDP.....	\$10,928	█ 18
Defense Spending (2001)		
Total (Billions).....	\$5.61	█ 13
Percentage of GDP.....	4.76%	█ 8
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$3.52	
Funding Share/GDP Share.....	0.54	█ 14
2001 Total Personnel.....	2,175	
Personnel Share/Labor Force Share.....	4.09	█ 2
Active-Duty Military Personnel (2001)		
Total (Thousands).....	210.8	█ 9
Percentage of Labor Force.....	4.78%	█ 3
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	8.79	█ 3
Naval Force Tonnage Share/GDP Share.....	3.75	█ 2
Combat Aircraft Capability Share/GDP Share.....	7.17	█ 3
Transport Aircraft Capacity Share/GDP Share.....	1.19	█ 5
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$247.53	█ 15
1998-2000 Average Percentage of GDP.....	0.19%	█ 14
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.05	
Indirect Support.....	\$19.42	
Total.....	\$19.47	
U.S. Stationing Cost Offset Percentage.....	28.6%	

HUNGARY

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$51.0	█ 21
Per Capita GDP.....	\$5,101	█ 24
Defense Spending (2001)		
Total (Billions).....	\$0.93	█ 24
Percentage of GDP.....	1.81%	█ 17
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$0.38	
Funding Share/GDP Share.....	0.13	█ 24
2001 Total Personnel.....	632	
Personnel Share/Labor Force Share.....	1.29	█ 12
Active-Duty Military Personnel (2001)		
Total (Thousands).....	49.5	█ 17
Percentage of Labor Force.....	1.22%	█ 13
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	4.08	█ 10
Naval Force Tonnage Share/GDP Share.....	0.00	█ 24 (tied for last)
Combat Aircraft Capability Share/GDP Share.....	1.27	█ 13
Transport Aircraft Capacity Share/GDP Share.....	0.18	█ 21
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$0.00	█ 23 (tied for last)
1998-2000 Average Percentage of GDP.....	0.00%	█ 23 (tied for last)
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.00	
Indirect Support.....	\$4.23	
Total.....	\$4.23	
U.S. Stationing Cost Offset Percentage.....	9.5%	

ITALY

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$1,096.9	6
Per Capita GDP.....	\$18,931	14
Defense Spending (2001)		
Total (Billions).....	\$21.33	7
Percentage of GDP.....	1.94%	16
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$105.79	
Funding Share/GDP Share.....	1.69	2
2001 Total Personnel.....	7,954	
Personnel Share/Labor Force Share.....	2.80	4
Active-Duty Military Personnel (2001)		
Total (Thousands).....	373.7	4
Percentage of Labor Force.....	1.59%	8
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.32	23
Naval Force Tonnage Share/GDP Share.....	0.57	17
Combat Aircraft Capability Share/GDP Share.....	0.64	22
Transport Aircraft Capacity Share/GDP Share.....	0.39	14
Tanker Aircraft Share/GDP Share.....	0.28	7
Foreign Assistance		
2000 Total (Millions).....	\$1,835.57	9
1998-2000 Average Percentage of GDP.....	0.18%	15
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$8.30	
Indirect Support.....	\$355.90	
Total.....	\$364.20	
U.S. Stationing Cost Offset Percentage.....	37.2%	
















LUXEMBOURG

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$19.3	■ 24
Per Capita GDP.....	\$43,569	■ 1
Defense Spending (2001)		
Total (Billions).....	\$0.15	■ 26
Percentage of GDP.....	0.77%	■ 26
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$1.37	
Funding Share/GDP Share.....	1.27	■ 10
2001 Total Personnel.....	23	
Personnel Share/Labor Force Share.....	0.99	■ 13
Active-Duty Military Personnel (2001)		
Total (Thousands).....	1.4	■ 26
Percentage of Labor Force.....	0.72%	■ 23
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.00	■ 26
Naval Force Tonnage Share/GDP Share.....	0.00	■ 24 (tied for last)
Combat Aircraft Capability Share/GDP Share.....	0.00	■ 26
Transport Aircraft Capacity Share/GDP Share.....	0.00	■ 24 (tied for last)
Tanker Aircraft Share/GDP Share.....	0.00	■ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$129.80	■ 20
1998-2000 Average Percentage of GDP.....	0.65%	■ 5
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.00	
Indirect Support.....	\$15.76	
Total.....	\$15.76	
U.S. Stationing Cost Offset Percentage.....	50.6%	

NETHERLANDS

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$384.3	 10
Per Capita GDP.....	\$24,020	 7
Defense Spending (2001)		
Total (Billions).....	\$6.35	 12
Percentage of GDP.....	1.65%	 19
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$31.59	
Funding Share/GDP Share.....	1.43	 7
2001 Total Personnel.....	1,478	
Personnel Share/Labor Force Share.....	1.69	 8
Active-Duty Military Personnel (2001)		
Total (Thousands).....	51.6	 16
Percentage of Labor Force.....	0.71%	 24
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.95	 17
Naval Force Tonnage Share/GDP Share.....	0.85	 11
Combat Aircraft Capability Share/GDP Share.....	1.07	 15
Transport Aircraft Capacity Share/GDP Share.....	0.19	 20
Tanker Aircraft Share/GDP Share.....	0.16	 9
Foreign Assistance		
2000 Total (Millions).....	\$3,621.38	 6
1998-2000 Average Percentage of GDP.....	0.87%	 3
Host Nation Support/ Defense Cost Sharing (2000)		
(Millions)		
Direct Support.....	} <u>Not Applicable</u>	
Indirect Support.....		
Total.....		
U.S. Stationing Cost Offset Percentage.....		

NORWAY

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$168.5	█ 14
Per Capita GDP.....	\$37,394	█ 2
Defense Spending (2001)		
Total (Billions).....	\$3.00	█ 18
Percentage of GDP.....	1.78%	█ 18
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$13.21	
Funding Share/GDP Share.....	1.37	█ 9
2001 Total Personnel.....	1,236	
Personnel Share/Labor Force Share.....	4.34	█ 1
Active-Duty Military Personnel (2001)		
Total (Thousands).....	31.4	█ 21
Percentage of Labor Force.....	1.33%	█ 12
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	1.10	█ 15
Naval Force Tonnage Share/GDP Share.....	0.58	█ 15
Combat Aircraft Capability Share/GDP Share.....	0.90	█ 18
Transport Aircraft Capacity Share/GDP Share.....	0.29	█ 18
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$1,345.79	█ 10
1998-2000 Average Percentage of GDP.....	0.90%	█ 2
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$6.20	
Indirect Support.....	\$0.00	
Total.....	\$6.20	
U.S. Stationing Cost Offset Percentage.....	66.7%	

POLAND

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$178.5	█ 12
Per Capita GDP.....	\$4,621	█ 25
Defense Spending (2001)		
Total (Billions).....	\$3.48	█ 14
Percentage of GDP.....	1.95%	█ 15
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$3.36	
Funding Share/GDP Share.....	0.33	█ 16
2001 Total Personnel.....	1,884	
Personnel Share/Labor Force Share.....	0.90	█ 15
Active-Duty Military Personnel (2001)		
Total (Thousands).....	178.3	█ 10
Percentage of Labor Force.....	1.02%	█ 16
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	4.74	█ 8
Naval Force Tonnage Share/GDP Share.....	0.89	█ 10
Combat Aircraft Capability Share/GDP Share.....	2.33	█ 8
Transport Aircraft Capacity Share/GDP Share.....	0.23	█ 19
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$42.95	█ 21
1998-2000 Average Percentage of GDP.....	0.02%	█ 22
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	} <u>Not Applicable</u>	
Indirect Support.....		
Total.....		
U.S. Stationing Cost Offset Percentage.....		

PORTUGAL

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$109.5	█ 18
Per Capita GDP.....	\$10,928	█ 17
Defense Spending (2001)		
Total (Billions).....	\$2.26	█ 21
Percentage of GDP.....	2.06%	█ 14
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$0.72	
Funding Share/GDP Share.....	0.12	█ 26
2001 Total Personnel.....	1,528	
Personnel Share/Labor Force Share.....	2.46	█ 6
Active-Duty Military Personnel (2001)		
Total (Thousands).....	70.4	█ 13
Percentage of Labor Force.....	1.37%	█ 11
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.81	█ 18
Naval Force Tonnage Share/GDP Share.....	1.32	█ 6
Combat Aircraft Capability Share/GDP Share.....	0.80	█ 19
Transport Aircraft Capacity Share/GDP Share.....	0.43	█ 13
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$312.07	█ 13
1998-2000 Average Percentage of GDP.....	0.27%	█ 12
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.05	
Indirect Support.....	\$0.87	
Total.....	\$0.91	
U.S. Stationing Cost Offset Percentage.....	0.9%	
















SPAIN

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$584.2	8
Per Capita GDP.....	\$14,778	16
Defense Spending (2001)		
Total (Billions).....	\$7.03	11
Percentage of GDP.....	1.20%	23
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$21.78	
Funding Share/GDP Share.....	0.66	13
2001 Total Personnel.....	2,716	
Personnel Share/Labor Force Share.....	1.32	11
Active-Duty Military Personnel (2001)		
Total (Thousands).....	134.0	11
Percentage of Labor Force.....	0.79%	20
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.70	19
Naval Force Tonnage Share/GDP Share.....	1.09	9
Combat Aircraft Capability Share/GDP Share.....	0.74	20
Transport Aircraft Capacity Share/GDP Share.....	0.36	15
Tanker Aircraft Share/GDP Share.....	0.42	6
Foreign Assistance		
2000 Total (Millions).....	\$1,255.81	11
1998-2000 Average Percentage of GDP.....	0.23%	13
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.17	
Indirect Support.....	\$115.14	
Total.....	\$115.30	
U.S. Stationing Cost Offset Percentage.....	50.3%	

TURKEY

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$143.3	 16
Per Capita GDP.....	\$2,106	 26
Defense Spending (2001)		
Total (Billions).....	\$7.22	 10
Percentage of GDP.....	5.04%	 7
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$1.84	
Funding Share/GDP Share.....	0.20	 19
2001 Total Personnel.....	2,144	
Personnel Share/Labor Force Share.....	0.80	 16
Active-Duty Military Personnel (2001)		
Total (Thousands).....	794.8	 2
Percentage of Labor Force.....	3.58%	 5
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	9.90	 2
Naval Force Tonnage Share/GDP Share.....	4.17	 1
Combat Aircraft Capability Share/GDP Share.....	9.20	 2
Transport Aircraft Capacity Share/GDP Share.....	3.30	 1
Tanker Aircraft Share/GDP Share.....	1.50	 3
Foreign Assistance		
2000 Total (Millions).....	\$133.10	 19
1998-2000 Average Percentage of GDP.....	0.10%	 19
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.13	
Indirect Support.....	\$4.58	
Total.....	\$4.71	
U.S. Stationing Cost Offset Percentage.....	3.4%	

UNITED KINGDOM

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$1,426.7	█ 4
Per Capita GDP.....	\$23,797	█ 8
Defense Spending (2001)		
Total (Billions).....	\$34.33	█ 3
Percentage of GDP.....	2.41%	█ 12
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$126.36	
Funding Share/GDP Share.....	1.56	█ 3
2001 Total Personnel.....	5,317	
Personnel Share/Labor Force Share.....	1.48	█ 10
Active-Duty Military Personnel (2001)		
Total (Thousands).....	219.2	█ 8
Percentage of Labor Force.....	0.74%	█ 21
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.52	█ 21
Naval Force Tonnage Share/GDP Share.....	1.53	█ 4
Combat Aircraft Capability Share/GDP Share.....	0.74	█ 21
Transport Aircraft Capacity Share/GDP Share.....	0.69	█ 9
Tanker Aircraft Share/GDP Share.....	0.56	█ 4
Foreign Assistance		
2000 Total (Millions).....	\$5,058.20	█ 5
1998-2000 Average Percentage of GDP.....	0.32%	█ 9
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$5.14	
Indirect Support.....	\$127.77	
Total.....	\$132.91	
U.S. Stationing Cost Offset Percentage.....	16.6%	
















UNITED STATES

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$10,189.5	█ 1
Per Capita GDP.....	\$36,663	█ 3
Defense Spending (2001)		
Total (Billions).....	\$305.89	█ 1
Percentage of GDP.....	3.00%	█ 9
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$513.56	
Funding Share/GDP Share.....	0.88	█ 11
2001 Total Personnel.....	9,567	
Personnel Share/Labor Force Share.....	0.56	█ 17
Active-Duty Military Personnel (2001)		
Total (Thousands).....	1482.0	█ 1
Percentage of Labor Force.....	1.05%	█ 15
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.96	█ 16
Naval Force Tonnage Share/GDP Share.....	1.41	█ 5
Combat Aircraft Capability Share/GDP Share.....	1.16	█ 14
Transport Aircraft Capacity Share/GDP Share.....	1.80	█ 4
Tanker Aircraft Share/GDP Share.....	2.04	█ 2
Foreign Assistance		
2000 Total (Millions).....	\$12,723.85	█ 2
1998-2000 Average Percentage of GDP.....	0.13%	█ 18
Host Nation Support/ Defense Cost Sharing (2000)		
(Millions)		
Direct Support.....	} <u>Not Applicable</u>	
Indirect Support.....		
Total.....		
U.S. Stationing Cost Offset Percentage.....		

JAPAN

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$4,132.6	 2
Per Capita GDP.....	\$32,556	 4
Defense Spending (2001)		
Total (Billions).....	\$41.24	 2
Percentage of GDP.....	1.00%	 25
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$118.29	
Funding Share/GDP Share.....	0.49	 15
2001 Total Personnel.....	30	
Personnel Share/Labor Force Share.....	0.00	 21
Active-Duty Military Personnel (2001)		
Total (Thousands).....	239.8	 7
Percentage of Labor Force.....	0.35%	 26
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	0.19	 24
Naval Force Tonnage Share/GDP Share.....	0.29	 21
Combat Aircraft Capability Share/GDP Share.....	0.20	 25
Transport Aircraft Capacity Share/GDP Share.....	0.07	 23
Tanker Aircraft Share/GDP Share.....	0.00	 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$13,236.45	 1
1998-2000 Average Percentage of GDP.....	0.34%	 8
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$3,877.29	
Indirect Support.....	\$1,125.90	
Total.....	\$5,003.18	
U.S. Stationing Cost Offset Percentage.....	78.9%	

REPUBLIC OF KOREA

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$416.1	9
Per Capita GDP.....	\$8,719	20
Defense Spending (2001)		
Total (Billions).....	\$11.84	8
Percentage of GDP.....	2.84%	10
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$3.82	
Funding Share/GDP Share.....	0.16	23
2001 Total Personnel.....	473	
Personnel Share/Labor Force Share.....	0.18	20
Active-Duty Military Personnel (2001)		
Total (Thousands).....	683.0	3
Percentage of Labor Force.....	3.09%	7
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	5.38	7
Naval Force Tonnage Share/GDP Share.....	1.27	8
Combat Aircraft Capability Share/GDP Share.....	2.69	6
Transport Aircraft Capacity Share/GDP Share.....	0.36	16
Tanker Aircraft Share/GDP Share.....	0.00	10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$224.07	16
1998-2000 Average Percentage of GDP.....	0.07%	20
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$432.90	
Indirect Support.....	\$363.38	
Total.....	\$796.28	
U.S. Stationing Cost Offset Percentage.....	41.9%	

BAHRAIN

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$7.7	■ 26
Per Capita GDP.....	\$10,799	■ 19
Defense Spending (2001)		
Total (Billions).....	\$0.44	■ 25
Percentage of GDP.....	5.79%	■ 5
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$0.07	
Funding Share/GDP Share.....	0.17	■ 22
2001 Total Personnel.....	0	
Personnel Share/Labor Force Share.....	0.00	■ 22 (tied for last)
Active-Duty Military Personnel (2001)		
Total (Thousands).....	11.0	■ 25
Percentage of Labor Force.....	3.33%	■ 6
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	10.69	■ 1
Naval Force Tonnage Share/GDP Share.....	1.76	■ 3
Combat Aircraft Capability Share/GDP Share.....	10.33	■ 1
Transport Aircraft Capacity Share/GDP Share.....	0.00	■ 24 (tied for last)
Tanker Aircraft Share/GDP Share.....	0.00	■ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$0.00	■ 23 (tied for last)
1998-2000 Average Percentage of GDP.....	0.00%	■ 23 (tied for last)
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.95	
Indirect Support.....	\$20.07	
Total.....	\$21.02	
U.S. Stationing Cost Offset Percentage*.....	18.4%	

* Bahrain's percentage contribution is expected to increase to over 40% for 2001. The projected increase in Bahrain's percentage contribution from 2000 to 2001 is due to a spike in U.S. military construction spending in 2000.

KUWAIT

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$37.0	█ 22
Per Capita GDP.....	\$16,392	█ 15
Defense Spending (2001)		
Total (Billions).....	\$3.26	█ 16
Percentage of GDP.....	8.79%	█ 4
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$0.62	
Funding Share/GDP Share.....	0.29	█ 18
2001 Total Personnel.....	0	
Personnel Share/Labor Force Share.....	0.00	█ 22 (tied for last)
Active-Duty Military Personnel (2001)		
Total (Thousands).....	15.5	█ 23
Percentage of Labor Force.....	1.21%	█ 14
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	8.58	█ 4
Naval Force Tonnage Share/GDP Share.....	0.06	█ 23
Combat Aircraft Capability Share/GDP Share.....	3.27	█ 5
Transport Aircraft Capacity Share/GDP Share.....	0.83	█ 7
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$154.72	█ 17
1998-2000 Average Percentage of GDP.....	0.68%	█ 4
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$245.24	
Indirect Support.....	\$0.00	
Total.....	\$245.24	
U.S. Stationing Cost Offset Percentage.....	47.0%	

OMAN

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$20.1	█ 23
Per Capita GDP.....	\$8,166	█ 21
Defense Spending (2001)		
Total (Billions).....	\$2.41	█ 20
Percentage of GDP.....	11.97%	█ 2
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$0.20	
Funding Share/GDP Share.....	0.18	█ 21
2001 Total Personnel.....	0	
Personnel Share/Labor Force Share.....	0.00	█ 22 (tied for last)
Active-Duty Military Personnel (2001)		
Total (Thousands).....	43.4	█ 19
Percentage of Labor Force.....	6.69%	█ 2
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	4.36	█ 9
Naval Force Tonnage Share/GDP Share.....	1.28	█ 7
Combat Aircraft Capability Share/GDP Share.....	1.94	█ 10
Transport Aircraft Capacity Share/GDP Share.....	1.84	█ 3
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$0.00	█ 23 (tied for last)
1998-2000 Average Percentage of GDP.....	0.00%	█ 23 (tied for last)
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.00	
Indirect Support.....	\$18.52	
Total.....	\$18.52	
U.S. Stationing Cost Offset Percentage.....	39.8%	

QATAR

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$16.5	█ 25
Per Capita GDP.....	\$27,031	████████████████████ 6
Defense Spending (2001)		
Total (Billions).....	\$1.46	██████ 22
Percentage of GDP.....	8.83%	████████████████████ 3
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$0.11	
Funding Share/GDP Share.....	0.12	█ 25
2001 Total Personnel.....	0	
Personnel Share/Labor Force Share.....	0.00	██████ 22 (tied for last)
Active-Duty Military Personnel (2001)		
Total (Thousands).....	12.3	████ 24
Percentage of Labor Force.....	8.81%	████████████████████ 1
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	1.55	████████████████████ 12
Naval Force Tonnage Share/GDP Share.....	0.45	████████ 18
Combat Aircraft Capability Share/GDP Share.....	1.75	████████████████████ 11
Transport Aircraft Capacity Share/GDP Share.....	0.00	████ 24 (tied for last)
Tanker Aircraft Share/GDP Share.....	0.00	████████████████████ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$0.00	██████ 23 (tied for last)
1998-2000 Average Percentage of GDP.....	0.00%	██████ 23 (tied for last)
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.00	
Indirect Support.....	\$11.00	
Total.....	\$11.00	
U.S. Stationing Cost Offset Percentage.....	46.8%	

SAUDI ARABIA

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$169.7	█ 13
Per Capita GDP.....	\$8,081	█ 22
Defense Spending (2001)		
Total (Billions).....	\$27.24	█ 6
Percentage of GDP.....	16.05%	█ 1
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$2.95	
Funding Share/GDP Share.....	0.30	█ 17
2001 Total Personnel.....	0	
Personnel Share/Labor Force Share.....	0.00	█ 22 (tied for last)
Active-Duty Military Personnel (2001)		
Total (Thousands).....	126.5	█ 12
Percentage of Labor Force.....	1.43%	█ 9
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	3.44	█ 11
Naval Force Tonnage Share/GDP Share.....	0.67	█ 14
Combat Aircraft Capability Share/GDP Share.....	4.35	█ 4
Transport Aircraft Capacity Share/GDP Share.....	2.37	█ 2
Tanker Aircraft Share/GDP Share.....	2.54	█ 1
Foreign Assistance		
2000 Total (Millions).....	\$285.35	█ 14
1998-2000 Average Percentage of GDP.....	0.17%	█ 17
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$2.34	
Indirect Support.....	\$60.69	
Total.....	\$63.03	
U.S. Stationing Cost Offset Percentage.....	79.9%	

UNITED ARAB EMIRATES

Selected Country Responsibility Sharing Indicators and Contributions

Statistics	Value	Rank Among 26 Nations Addressed in this Report
Gross Domestic Product (2001)		
Total (Billions).....	\$66.0	█ 19
Per Capita GDP.....	\$20,133	█ 13
Defense Spending (2001)		
Total (Billions).....	\$3.40	█ 15
Percentage of GDP.....	5.15%	█ 6
Multinational Peace Support Operations (2000-2001)		
2000 Total Funding (Millions).....	\$0.77	
Funding Share/GDP Share.....	0.20	█ 20
2001 Total Personnel.....	47	
Personnel Share/Labor Force Share.....	0.25	█ 19
Active-Duty Military Personnel (2001)		
Total (Thousands).....	65.0	█ 14
Percentage of Labor Force.....	4.19%	█ 4
Military Forces Measures (2001)		
Ground Combat Capability Share/GDP Share.....	5.51	█ 6
Naval Force Tonnage Share/GDP Share.....	0.44	█ 19
Combat Aircraft Capability Share/GDP Share.....	2.20	█ 9
Transport Aircraft Capacity Share/GDP Share.....	1.00	█ 6
Tanker Aircraft Share/GDP Share.....	0.00	█ 10 (tied for last)
Foreign Assistance		
2000 Total (Millions).....	\$152.94	█ 18
1998-2000 Average Percentage of GDP.....	0.18%	█ 16
Host Nation Support/ Defense Cost Sharing (2000) (Millions)		
Direct Support.....	\$0.07	
Indirect Support.....	\$13.21	
Total.....	\$13.28	
U.S. Stationing Cost Offset Percentage.....	<u>Not available</u>	

C. SELECTED INDICATORS

Table C-1
Selected Indicators of Ability to Contribute

Rank		GDP Share 2001		Labor Force (LF) Share 2001		Per Capita GDP 2001 (% of Highest Nation)
1	US	43.06%	US	29.88%	LU	100.00%
2	JA	17.47%	JA	14.24%	NO	85.83%
3	GM	7.85%	GM	8.82%	US	84.15%
4	UK	6.03%	UK	6.26%	JA	74.72%
5	FR	5.53%	FR	5.61%	DA	71.02%
6	IT	4.64%	IT	4.96%	QA	62.04%
7	CA	2.99%	TU	4.68%	NL	55.13%
8	SP	2.47%	KS	4.66%	UK	54.62%
9	KS	1.76%	PL	3.67%	CA	52.36%
10	NL	1.62%	SP	3.58%	GM	51.68%
11	BE	0.98%	CA	3.43%	BE	51.55%
12	PL	0.75%	SA	1.86%	FR	50.85%
13	SA	0.72%	NL	1.53%	UAE	46.21%
14	NO	0.71%	PO	1.08%	IT	43.45%
15	DA	0.70%	CZ	1.08%	KU	37.62%
16	TU	0.61%	GR	0.93%	SP	33.92%
17	GR	0.50%	BE	0.91%	PO	25.08%
18	PO	0.46%	HU	0.85%	GR	25.08%
19	UAE	0.28%	DA	0.60%	BA	24.79%
20	CZ	0.23%	NO	0.50%	KS	20.01%
21	HU	0.22%	UAE	0.33%	OM	18.74%
22	KU	0.16%	KU	0.27%	SA	18.55%
23	OM	0.08%	OM	0.14%	CZ	12.40%
24	LU	0.08%	BA	0.07%	HU	11.71%
25	QA	0.07%	LU	0.04%	PL	10.61%
26	BA	0.03%	QA	0.03%	TU	4.83%
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Non-U.S. NATO		36.37%		48.54%		38.41%
NATO		79.44%		78.42%		54.45%
Pacific Allies		19.22%		18.89%		59.77%
GCC		1.34%		2.69%		24.00%
Total Allies		56.94%		70.12%		42.99%
Grand Total		100.00%		100.00%		54.46%

Table C-2
Selected Indicators of Contributions

Rank		Defense Spending Share 2001		UN Peace Operations Funding Share 2000		Multinational Peace Operations Personnel Share 2001
1	US	54.19%	US	37.69%	US	16.71%
2	JA	7.31%	GM	15.36%	FR	14.92%
3	UK	6.08%	UK	9.27%	IT	13.89%
4	FR	5.95%	JA	8.68%	GM	13.09%
5	GM	4.87%	FR	8.15%	UK	9.28%
6	SA	4.82%	IT	7.76%	SP	4.74%
7	IT	3.78%	CA	4.13%	GR	3.80%
8	KS	2.10%	NL	2.32%	TU	3.74%
9	CA	1.39%	SP	1.60%	PL	3.29%
10	TU	1.28%	BE	1.40%	CA	3.12%
11	SP	1.25%	DA	1.07%	PO	2.67%
12	NL	1.12%	NO	0.97%	NL	2.58%
13	GR	0.99%	KS	0.28%	NO	2.16%
14	PL	0.62%	GR	0.26%	BE	1.81%
15	UAE	0.60%	PL	0.25%	DA	1.69%
16	KU	0.58%	SA	0.22%	HU	1.10%
17	BE	0.55%	CZ	0.15%	KS	0.83%
18	NO	0.53%	TU	0.13%	CZ	0.40%
19	DA	0.44%	LU	0.10%	UAE	0.08%
20	OM	0.43%	UAE	0.06%	JA	0.05%
21	PO	0.40%	PO	0.05%	LU	0.04%
22	QA	0.26%	KU	0.05%	BA	0.00%
23	CZ	0.21%	HU	0.03%	KU	0.00%
24	HU	0.16%	OM	0.01%	OM	0.00%
25	BA	0.08%	QA	0.01%	QA	0.00%
26	LU	0.03%	BA	0.01%	SA	0.00%
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	Non-U.S. NATO	29.64%		53.00%		82.33%
	NATO	83.83%		90.69%		99.04%
	Pacific Allies	9.40%		8.96%		0.88%
	GCC	6.77%		0.35%		0.08%
	Total Allies	45.81%		62.31%		83.29%
	Grand Total	100.00%		100.00%		100.00%

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

Rank	NATO Ground Reaction Forces		NATO Naval Reaction Forces		NATO Air Reaction Forces	
	Share 2001		Share 2001		Share 2001	
1	UK	20.12%	US	23.44%	US	52.57%
2	IT	14.23%	UK	15.63%	UK	11.78%
3	SP	8.65%	IT	8.59%	IT	8.41%
4	GM	8.37%	GM	7.81%	GM	5.87%
5	GR	8.37%	TU	7.03%	SP	5.55%
6	US	8.37%	NL	6.25%	NL	5.32%
7	TU	7.54%	SP	6.25%	TU	2.27%
8	PL	5.03%	GR	5.47%	BE	2.05%
9	NL	4.17%	DA	4.69%	PL	1.77%
10	HU	3.62%	NO	4.30%	HU	1.09%
11	BE	3.34%	BE	3.52%	CA	0.68%
12	DA	2.79%	CA	3.52%	NO	0.64%
13	PO	2.62%	PL	3.13%	PO	0.64%
14	CA	0.83%	PO	0.39%	DA	0.59%
15	CZ	0.83%	CZ	0.00%	GR	0.59%
16	NO	0.83%	HU	0.00%	CZ	0.18%
17	LU	0.28%	LU	0.00%	LU	0.00%
18						
19						
20						
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23						
24						
25						
26						
Non-U.S. NATO		91.63%		76.56%		47.43%
NATO		100.00%		100.00%		100.00%
Pacific Allies		N/A		N/A		N/A
GCC		N/A		N/A		N/A
Total Allies		91.63%		76.56%		47.43%
Grand Total		100.00%		100.00%		100.00%

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

Rank	Active-Duty Military Personnel Share 2001		Ground Combat Capability Share 2001		Naval Tonnage (All Ships Less SSBN) Share 2001		Combat Aircraft Capability Share 2001	
1	US	26.27%	US	41.32%	US	60.56%	US	50.07%
2	TU	14.09%	KS	9.47%	UK	9.24%	TU	5.57%
3	KS	12.11%	GM	9.04%	JA	5.13%	FR	5.25%
4	IT	6.62%	TU	5.99%	FR	4.50%	KS	4.73%
5	FR	6.51%	GR	4.38%	SP	2.69%	UK	4.45%
6	GM	5.43%	PL	3.58%	IT	2.64%	GM	4.34%
7	JA	4.25%	JA	3.30%	TU	2.53%	GR	3.57%
8	UK	3.89%	UK	3.16%	GM	2.32%	JA	3.55%
9	GR	3.74%	FR	3.13%	KS	2.24%	SA	3.12%
10	PL	3.16%	SA	2.47%	GR	1.86%	IT	2.98%
11	SP	2.38%	CZ	1.85%	CA	1.72%	SP	1.84%
12	SA	2.24%	SP	1.74%	NL	1.39%	PL	1.76%
13	PO	1.25%	UAE	1.54%	PL	0.67%	NL	1.74%
14	UAE	1.15%	NL	1.54%	PO	0.61%	BE	1.53%
15	CA	1.05%	IT	1.49%	SA	0.48%	CA	1.25%
16	NL	0.91%	KU	1.34%	DA	0.47%	DA	0.68%
17	HU	0.88%	DA	0.90%	NO	0.41%	NO	0.64%
18	CZ	0.86%	HU	0.88%	BE	0.21%	UAE	0.61%
19	OM	0.77%	NO	0.78%	UAE	0.12%	CZ	0.56%
20	BE	0.73%	BE	0.49%	OM	0.11%	KU	0.51%
21	NO	0.56%	CA	0.43%	BA	0.06%	PO	0.37%
22	DA	0.45%	PO	0.37%	QA	0.03%	BA	0.33%
23	KU	0.27%	OM	0.37%	KU	0.01%	HU	0.27%
24	QA	0.22%	BA	0.35%	CZ	0.00%	OM	0.16%
25	BA	0.19%	QA	0.11%	HU	0.00%	QA	0.12%
26	LU	0.02%	LU	0.00%	LU	0.00%	LU	0.00%
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Non-U.S. NATO		52.52%		39.74%		31.26%		36.79%
NATO		78.79%		81.06%		91.83%		86.86%
Pacific Allies		16.36%		12.77%		7.37%		8.28%
GCC		4.85%		6.17%		0.81%		4.86%
Total Allies		73.73%		58.68%		39.44%		49.93%
Grand Total		100.00%		100.00%		100.00%		100.00%

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

Rank		Military Transport Aircraft Capacity Share 2001		Tanker Aircraft Share 2001
1	US	77.34%	US	87.65%
2	UK	4.18%	UK	3.38%
3	FR	3.01%	FR	2.99%
4	GM	2.65%	SA	1.82%
5	TU	2.00%	IT	1.30%
6	IT	1.82%	SP	1.04%
7	SA	1.70%	TU	0.91%
8	CA	1.69%	CA	0.65%
9	JA	1.20%	NL	0.26%
10	SP	0.90%	BE	0.00%
11	KS	0.64%	CZ	0.00%
12	GR	0.59%	DA	0.00%
13	BE	0.50%	GM	0.00%
14	NL	0.32%	GR	0.00%
15	UAE	0.28%	HU	0.00%
16	NO	0.21%	LU	0.00%
17	PO	0.20%	NO	0.00%
18	CZ	0.18%	PL	0.00%
19	PL	0.17%	PO	0.00%
20	OM	0.16%	JA	0.00%
21	KU	0.13%	KS	0.00%
22	DA	0.10%	BA	0.00%
23	HU	0.04%	KU	0.00%
24	LU	0.00%	OM	0.00%
25	BA	0.00%	QA	0.00%
26	QA	0.00%	UAE	0.00%
	Non-U.S. NATO	18.56%		10.53%
	NATO	95.90%		98.18%
	Pacific Allies	1.83%		0.00%
	GCC	2.26%		1.82%
	Total Allies	22.66%		12.35%
	Grand Total	100.00%		100.00%

Table C-6
Selected Indicators of Contributions

Rank	Defense Spending For Modernization		Foreign Assistance Funding	
		Share 2001		Share 1998 - 2000*
1	US	70.64%	JA	24.59%
2	UK	9.17%	US	22.63%
3	FR	6.15%	FR	10.16%
4	GM	3.41%	GM	9.77%
5	TU	2.45%	UK	7.71%
6	IT	2.44%	NL	5.65%
7	CA	1.10%	CA	3.53%
8	NL	1.06%	IT	3.44%
9	SP	0.89%	DA	3.14%
10	GR	0.78%	NO	2.59%
11	NO	0.66%	SP	2.26%
12	DA	0.32%	BE	1.48%
13	PL	0.29%	KU	0.51%
14	CZ	0.23%	SA	0.51%
15	BE	0.15%	PO	0.46%
16	PO	0.13%	KS	0.44%
17	HU	0.09%	GR	0.36%
18	LU	0.02%	UAE	0.26%
19			LU	0.20%
20			TU	0.20%
21			PL	0.06%
22			CZ	0.03%
23			BA	0.00%
24			HU	0.00%
25			OM	0.00%
26			QA	0.00%
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Non-U.S. NATO		29.36%		51.17%
NATO		100.00%		73.80%
Pacific Allies		N/A		25.05%
GCC		N/A		1.15%
Total Allies		29.36%		77.37%
Grand Total		100.00%		100.00%

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

Table C-7
Selected Indicators of Contributions
Relative to Ability to Contribute

Rank		Ratio Defense Spending 2001 Share/ GDP Share		Ratio UN Peace Operations Funding 2000 Share / GDP Share		Multinational Peace Operations Personnel 2001 Share / LF Share	
1	SA	6.73	GM	1.95	NO	4.34	
2	OM	5.02	IT	1.69	GR	4.09	
3	QA	3.70	UK	1.56	DA	2.80	
4	KU	3.69	DA	1.53	IT	2.80	
5	BA	2.43	FR	1.49	FR	2.66	
6	UAE	2.16	BE	1.43	PO	2.46	
7	TU	2.11	NL	1.43	BE	2.00	
8	GR	2.00	CA	1.38	NL	1.69	
9	US	1.26	NO	1.37	GM	1.48	
10	KS	1.19	LU	1.27	UK	1.48	
11	FR	1.08	US	0.88	SP	1.32	
12	UK	1.01	CZ	0.67	HU	1.29	
13	CZ	0.90	SP	0.66	LU	0.99	
14	PO	0.86	GR	0.54	CA	0.91	
15	PL	0.82	JA	0.49	PL	0.90	
16	IT	0.82	PL	0.33	TU	0.80	
17	HU	0.76	SA	0.30	US	0.56	
18	NO	0.75	KU	0.29	CZ	0.37	
19	NL	0.69	TU	0.20	UAE	0.25	
20	DA	0.62	UAE	0.20	KS	0.18	
21	GM	0.62	OM	0.18	JA	0.00	
22	BE	0.56	BA	0.17	BA	0.00	
23	SP	0.50	KS	0.16	KU	0.00	
24	CA	0.46	HU	0.13	OM	0.00	
25	JA	0.42	QA	0.12	QA	0.00	
26	LU	0.32	PO	0.12	SA	0.00	
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Non-U.S. NATO		0.81		1.47		1.70	
NATO		1.06		1.15		1.26	
Pacific Allies		0.49		0.46		0.05	
GCC		5.06		0.26		0.03	
Total Allies		0.80		1.09		1.19	
Grand Total		1.00		1.00		1.00	

Table C-8
Selected Indicators of Contributions
Relative to Ability to Contribute

Rank	Ratio Active-Duty Military Personnel 2001 Share/ LF Share		Ratio Ground Combat Capability 2001 Share/ GDP Share		Ratio Naval Ship Tonnage (Less SSBN) 2001 Share/ GDP Share		Ratio Combat Aircraft Capability 2001 Share/ GDP Share	
1	QA	7.41	BA	10.69	TU	4.17	BA	10.33
2	OM	5.63	TU	9.90	GR	3.75	TU	9.20
3	GR	4.03	GR	8.79	BA	1.76	GR	7.17
4	UAE	3.53	KU	8.58	UK	1.53	SA	4.35
5	TU	3.01	CZ	7.90	US	1.41	KU	3.27
6	BA	2.80	UAE	5.51	PO	1.32	KS	2.69
7	KS	2.60	KS	5.38	OM	1.28	CZ	2.38
8	IT	1.33	PL	4.74	KS	1.27	PL	2.33
9	SA	1.21	OM	4.36	SP	1.09	UAE	2.20
10	FR	1.16	HU	4.08	PL	0.89	OM	1.94
11	PO	1.15	SA	3.44	NL	0.85	QA	1.75
12	NO	1.12	QA	1.55	FR	0.81	BE	1.57
13	HU	1.03	DA	1.28	DA	0.67	HU	1.27
14	KU	1.02	GM	1.15	SA	0.67	US	1.16
15	US	0.88	NO	1.10	NO	0.58	NL	1.07
16	PL	0.86	US	0.96	CA	0.58	DA	0.96
17	BE	0.80	NL	0.95	IT	0.57	FR	0.95
18	CZ	0.80	PO	0.81	QA	0.45	NO	0.90
19	DA	0.74	SP	0.70	UAE	0.44	PO	0.80
20	SP	0.66	FR	0.57	GM	0.29	SP	0.74
21	UK	0.62	UK	0.52	JA	0.29	UK	0.74
22	GM	0.62	BE	0.50	BE	0.22	IT	0.64
23	LU	0.60	IT	0.32	KU	0.06	GM	0.55
24	NL	0.60	JA	0.19	CZ	0.00	CA	0.42
25	CA	0.31	CA	0.14	HU	0.00	JA	0.20
26	JA	0.30	LU	0.00	LU	0.00	LU	0.00
Non-U.S. NATO		1.08		1.09		0.86		1.01
NATO		1.00		1.02		1.16		1.09
Pacific Allies		0.87		0.66		0.38		0.43
GCC		1.80		4.61		0.60		3.63
Total Allies		1.05		1.03		0.69		0.88
Grand Total		1.00		1.00		1.00		1.00

Table C-9
Selected Indicators of Contributions
Relative to Ability to Contribute

Rank	Ratio		Ratio	
	Transport Aircraft Capacity 2001 Share/ GDP Share		Tanker Aircraft 2001 Share/ GDP Share	
1	TU	3.30	SA	2.54
2	SA	2.37	US	2.04
3	OM	1.84	TU	1.50
4	US	1.80	UK	0.56
5	GR	1.19	FR	0.54
6	UAE	1.00	SP	0.42
7	KU	0.83	IT	0.28
8	CZ	0.76	CA	0.22
9	UK	0.69	NL	0.16
10	CA	0.57	BE	0
11	FR	0.54	CZ	0
12	BE	0.51	DA	0
13	PO	0.43	GM	0
14	IT	0.39	GR	0
15	SP	0.36	HU	0
16	KS	0.36	LU	0
17	GM	0.34	NO	0
18	NO	0.29	PL	0
19	PL	0.23	PO	0
20	NL	0.19	JA	0
21	HU	0.18	KS	0
22	DA	0.15	BA	0
23	JA	0.07	KU	0
24	LU	0.00	OM	0
25	BA	0.00	QA	0
26	QA	0.00	UAE	0
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Non-U.S. NATO		0.51		0.29
NATO		1.21		1.24
Pacific Allies		0.10		0.00
GCC		1.69		1.36
Total Allies		0.40		0.22
Grand Total		1.00		1.00

**Table C-10
Selected Indicators of Contributions
Relative to Ability to Contribute**

Rank		Ratio NATO Ground Reaction Forces 2001 Share/ GDP Share		Ratio NATO Naval Reaction Forces 2001 Share/ GDP Share		Ratio NATO Air Reaction Forces 2001 Share/ GDP Share
1	GR	12.44	TU	8.58	HU	3.74
2	HU	12.42	GR	8.12	TU	2.78
3	TU	9.21	DA	4.94	NL	2.42
4	PL	4.93	NO	4.46	PL	1.74
5	PO	4.18	PL	3.06	SP	1.66
6	DA	2.94	NL	2.84	BE	1.55
7	CZ	2.62	BE	2.66	UK	1.44
8	SP	2.59	UK	1.92	IT	1.34
9	BE	2.53	SP	1.87	PO	1.02
10	LU	2.50	IT	1.37	US	0.90
11	UK	2.47	CA	0.87	GR	0.88
12	IT	2.27	GM	0.74	NO	0.66
13	NL	1.90	PO	0.62	DA	0.62
14	NO	0.86	US	0.40	CZ	0.57
15	GM	0.79	CZ	0.00	GM	0.55
16	CA	0.20	HU	0.00	CA	0.17
17	US	0.14	LU	0.00	LU	0.00
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	Non-U.S. NATO	2.20		1.83		1.14
	NATO	1.00		1.00		1.00
	Pacific Allies	N/A		N/A		N/A
	GCC	N/A		N/A		N/A
	Total Allies	2.20		1.83		1.14
	Grand Total	1.00		1.00		1.00

Table C-11
Selected Indicators of Contributions
Relative to Ability to Contribute

Rank	Ratio		Ratio	
		Defense Spending for Modernization 2001 Share/ GDP Share		Foreign Assistance Funding 1998-2000 Share / GDP Share*
1	TU	3.21	DA	4.48
2	US	1.30	NO	3.62
3	GR	1.24	NL	3.50
4	UK	1.21	KU	2.75
5	FR	0.88	LU	2.64
6	CZ	0.79	FR	1.85
7	NO	0.74	BE	1.53
8	NL	0.52	JA	1.36
9	IT	0.42	UK	1.29
10	DA	0.37	GM	1.23
11	GM	0.35	CA	1.20
12	HU	0.33	PO	1.11
13	PL	0.31	SP	0.94
14	CA	0.29	GR	0.75
15	SP	0.29	IT	0.74
16	PO	0.22	UAE	0.74
17	LU	0.22	SA	0.71
18	BE	0.13	US	0.53
19			TU	0.40
20			KS	0.28
21			CZ	0.14
22			PL	0.09
23			BA	0.00
24			HU	0.00
25			OM	0.00
26			QA	0.00
<hr/>				
Non-U.S. NATO		0.64		1.41
NATO		1.00		0.94
Pacific Allies		N/A		1.27
GCC		N/A		0.86
Total Allies		0.64		1.35
Grand Total		1.00		1.00

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

D. BILATERAL COST SHARING

The following nations providing Host Nation Support are represented in this Annex:

Belgium
Denmark
Germany
Greece
Hungary
Italy
Luxembourg
Norway
Portugal
Spain
Turkey
United Kingdom
Japan
Republic of Korea
Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
United Arab Emirates

The following nations do not provide Host Nation Support:

Canada
Czech Republic
France
Netherlands
Poland

BELGIUM		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	\$0.00	\$0.17
Utilities	*	*
Facilities	*	*
Miscellaneous	*	*
Subtotal	\$0.00	\$0.17
Indirect Support		
Rent	\$26.53	\$26.53
Taxes	\$22.68	\$22.68
Miscellaneous	*	*
Subtotal	\$49.21	\$49.21
Total	\$49.21	\$49.38

DENMARK		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	*	*
Miscellaneous	\$0.01	\$0.02
Subtotal	\$0.01	\$0.02
Indirect Support		
Rent	\$0.04	\$0.04
Taxes	\$0.01	\$0.03
Miscellaneous	*	*
Subtotal	\$0.05	\$0.07
Total	\$0.06	\$0.08

* = Not Available / Not Applicable

GERMANY		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	\$82.38	\$82.38
Miscellaneous	\$6.48	\$9.97
Subtotal	\$88.85	\$92.34
Indirect Support		
Rent	\$385.06	\$385.06
Taxes	\$618.27	\$748.43
Miscellaneous	\$119.14	\$119.14
Subtotal	\$1,122.46	\$1,252.62
Total	\$1,211.32	\$1,344.97

GREECE		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	\$0.03	\$0.03
Facilities	\$0.03	\$0.03
Miscellaneous	*	*
Subtotal	\$0.05	\$0.05
Indirect Support		
Rent	\$19.42	\$19.42
Taxes	*	*
Miscellaneous	*	*
Subtotal	\$19.42	\$19.42
Total	\$19.47	\$19.47

* = Not Available / Not Applicable

HUNGARY		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	*	*
Miscellaneous	*	*
Subtotal	\$0.00	\$0.00
Indirect Support		
Rent	*	*
Taxes	\$4.23	\$4.23
Miscellaneous	*	*
Subtotal	\$4.23	\$4.23
Total	\$4.23	\$4.23

ITALY		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	*	*
Miscellaneous	\$8.30	\$8.30
Subtotal	\$8.30	\$8.30
Indirect Support		
Rent	\$44.00	\$44.00
Taxes	\$310.00	\$385.00
Miscellaneous	\$1.90	\$1.90
Subtotal	\$355.90	\$430.90
Total	\$364.20	\$439.20

* = Not Available / Not Applicable

LUXEMBOURG		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	*	*
Miscellaneous	*	*
Subtotal	\$0.00	\$0.00
Indirect Support		
Rent	\$15.76	\$15.76
Taxes	*	*
Miscellaneous	*	*
Subtotal	\$15.76	\$15.76
Total	\$15.76	\$15.76

NORWAY		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	\$0.17	\$0.17
Facilities	*	*
Miscellaneous	\$6.03	\$6.03
Subtotal	\$6.20	\$6.20
Indirect Support		
Rent	*	*
Taxes	*	*
Miscellaneous	*	*
Subtotal	\$0.00	\$0.00
Total	\$6.20	\$6.20

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.

PORTUGAL		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	\$0.05	\$0.05
Labor	*	*
Utilities	*	*
Facilities	*	*
Miscellaneous	*	*
Subtotal	\$0.05	\$0.05
Indirect Support		
Rent	*	*
Taxes	\$0.87	\$0.87
Miscellaneous	*	*
Subtotal	\$0.87	\$0.87
Total	\$0.91	\$0.91

SPAIN		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	*	*
Miscellaneous	\$0.17	\$0.17
Subtotal	\$0.17	\$0.17
Indirect Support		
Rent	\$90.91	\$90.91
Taxes	\$20.44	\$26.12
Miscellaneous	\$3.79	\$3.79
Subtotal	\$115.14	\$120.82
Total	\$115.30	\$120.99

* = Not Available / Not Applicable

TURKEY		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	*	*
Miscellaneous	\$0.13	\$0.13
Subtotal	\$0.13	\$0.13
Indirect Support		
Rent	\$2.61	\$2.61
Taxes	*	*
Miscellaneous	\$1.97	\$1.97
Subtotal	\$4.58	\$4.58
Total	\$4.71	\$4.71

UNITED KINGDOM		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	*	*
Facilities	\$5.01	\$5.01
Miscellaneous	\$0.13	\$0.99
Subtotal	\$5.14	\$6.00
Indirect Support		
Rent	\$23.38	\$23.38
Taxes	\$103.65	\$135.25
Miscellaneous	\$0.75	\$0.75
Subtotal	\$127.77	\$159.38
Total	\$132.91	\$165.37

* = Not Available / Not Applicable

JAPAN		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000^a		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	\$801.76	\$801.76
Labor ^p	\$892.77	\$1,413.40
Utilities ^p	\$217.34	\$275.45
Facilities	\$788.99	\$820.29
Miscellaneous	\$318.09	\$566.37
Subtotal	\$3,018.96	\$3,877.29
Indirect Support		
Rent	\$911.60	\$911.60
Taxes	\$214.30	\$214.30
Miscellaneous	*	*
Subtotal	\$1,125.90	\$1,125.90
Total	\$4,144.86	\$5,003.18

^a Dollar values for Japanese cost sharing are computed using the OECD exchange rate for 2000 of 1 U.S. dollar = 107.83 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 - 2000^a		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	\$1.13	\$1.13
Labor	\$210.81	\$210.81
Utilities	*	*
Facilities	\$126.13	\$126.13
Miscellaneous	\$94.83	\$94.83
Subtotal	\$432.90	\$432.90
Indirect Support		
Rent	\$242.60	\$242.60
Taxes	\$120.79	\$120.79
Miscellaneous	*	*
Subtotal	\$363.38	\$363.38
Total	\$796.28	\$796.28

^a Dollar values for Korean cost sharing are computed using the OECD exchange rate for 2000 of 1 U.S. dollar = 1,130.64 won.

BAHRAIN		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	\$0.00	\$0.00
Facilities	\$0.95	\$0.95
Miscellaneous	*	*
Subtotal	\$0.95	\$0.95
Indirect Support		
Rent	\$19.34	\$19.34
Taxes	\$0.50	\$0.50
Miscellaneous	\$0.23	\$0.23
Subtotal	\$20.07	\$20.07
Total	\$21.02	\$21.02

KUWAIT		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	\$8.55	\$8.55
Labor	\$0.55	\$0.55
Utilities	\$1.24	\$1.24
Facilities	\$8.15	\$8.15
Miscellaneous	\$226.74	\$226.74
Subtotal	\$245.24	\$245.24
Indirect Support		
Rent	*	*
Taxes	*	*
Miscellaneous	*	*
Subtotal	\$0.00	\$0.00
Total	\$245.24	\$245.24

* = Not Available / Not Applicable

OMAN		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	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	\$5.89	\$5.89
Miscellaneous	\$6.92	\$6.92
Subtotal	\$18.52	\$18.52
Total	\$18.52	\$18.52

QATAR		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	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

* = Not Available / Not Applicable

SAUDI ARABIA		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	\$1.63	\$1.63
Facilities	\$0.71	\$0.71
Miscellaneous	*	*
Subtotal	\$2.34	\$2.34
Indirect Support		
Rent	\$27.86	\$27.86
Taxes	\$25.77	\$25.77
Miscellaneous	\$7.06	\$7.06
Subtotal	\$60.69	\$60.69
Total	\$63.03	\$63.03

UNITED ARAB EMIRATES		
Estimated Defense Cost Sharing / Host Nation Support to the United States - 2000		
	Range Value (\$ millions)	
	Low	High
Direct Support		
Rent	*	*
Labor	*	*
Utilities	\$0.07	\$0.07
Facilities	*	*
Miscellaneous	*	*
Subtotal	\$0.07	\$0.07
Indirect Support		
Rent	\$11.00	\$11.00
Taxes	\$0.22	\$0.22
Miscellaneous	\$1.99	\$1.99
Subtotal	\$13.21	\$13.21
Total	\$13.28	\$13.28

* = Not Available / Not Applicable

E. ADDITIONAL STATISTICS

Table E-1
Gross Domestic Product (GDP)
(2001 Dollars in Billions - 2001 Exchange Rates)

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	7,331.3	8,245.0	8,917.7	9,299.5	9,679.5	10,081.1	10,189.5	1.1	39.0
<i>NATO Allies</i>									
Belgium	185.3	199.0	208.5	213.2	219.7	228.5	231.0	1.1	24.6
Canada	532.0	578.9	613.1	637.2	669.5	699.1	708.4	1.3	33.2
Czech Republic*	N/A	N/A	N/A	N/A	52.3	53.8	55.4	3.0	N/A
Denmark	129.8	143.1	151.1	155.2	158.6	163.6	165.8	1.3	27.7
France	1,075.7	1,131.1	1,164.8	1,205.5	1,241.6	1,283.8	1,309.2	2.0	21.7
Germany	1,415.8	1,687.6	1,724.3	1,758.0	1,790.4	1,844.3	1,857.3	0.7	31.2
Greece	90.0	95.7	101.6	105.0	108.6	113.3	117.7	3.9	30.8
Hungary*	N/A	N/A	N/A	N/A	46.7	49.1	51.0	3.8	N/A
Italy	921.3	981.3	1,012.2	1,030.5	1,047.1	1,077.6	1,096.9	1.8	19.1
Luxembourg	10.5	13.7	15.4	16.3	17.3	18.6	19.3	4.0	84.6
Netherlands	285.0	316.3	338.4	353.1	366.2	378.9	384.3	1.4	34.8
Norway	118.4	142.5	156.5	160.3	162.0	165.6	168.5	1.7	42.3
Poland*	N/A	N/A	N/A	N/A	169.0	175.8	178.5	1.5	N/A
Portugal	82.6	90.1	97.0	100.7	104.0	107.5	109.5	1.9	32.6
Spain	437.8	471.8	502.8	524.6	546.2	568.6	584.2	2.7	33.4
Turkey	109.0	127.6	146.9	151.4	144.3	154.6	143.3	-7.3	31.5
United Kingdom	1,113.2	1,214.5	1,289.3	1,327.9	1,356.1	1,395.2	1,426.7	2.3	28.2
Subtotal (non-U.S. NATO)	6,506.3	7,193.2	7,521.7	7,738.8	8,199.6	8,477.9	8,606.9	1.5	32.3
Subtotal (NATO)	13,837.6	15,438.2	16,439.4	17,038.3	17,879.1	18,559.0	18,796.4	1.3	35.8
<i>Pacific Allies</i>									
Japan	3,641.7	3,904.1	4,112.3	4,067.1	4,097.9	4,160.7	4,132.6	-0.7	13.5
Republic of Korea	225.7	323.3	362.5	338.2	375.1	408.1	416.1	2.0	84.3
Subtotal	3,867.4	4,227.5	4,474.8	4,405.3	4,472.9	4,568.8	4,548.7	-0.4	17.6
<i>Gulf Cooperation Council</i>									
Bahrain	4.3	5.9	6.3	6.6	6.9	7.3	7.7	5.0	80.1
Kuwait	23.7	**	35.8	36.6	35.7	36.3	37.0	2.1	56.6
Oman	12.4	16.4	18.0	18.5	18.3	19.1	20.1	5.0	62.4
Qatar	9.8	11.2	14.5	14.8	14.8	15.6	16.5	5.9	68.0
Saudi Arabia	136.9	150.9	157.2	159.6	160.3	167.5	169.7	1.3	23.9
United Arab Emirates	46.2	53.5	60.6	60.8	61.1	64.7	66.0	2.0	42.9
Subtotal	233.2	274.2	292.6	297.0	297.2	310.5	317.0	2.1	35.9
Grand Total	17,938.2	19,939.9	21,206.8	21,740.6	22,649.2	23,438.4	23,662.1	1.0	31.9

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

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

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

Table E-2
GDP Per Capita
(2001 Dollars - 2001 Exchange Rates)

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	29,328	31,340	33,269	34,378	35,463	36,609	36,663	0.1	25.0
<i>NATO Allies</i>									
Belgium	18,594	19,590	20,483	20,898	21,481	22,292	22,461	0.8	20.8
Canada	19,204	19,720	20,445	21,065	21,954	22,735	22,812	0.3	18.8
Czech Republic*	N/A	N/A	N/A	N/A	5,084	5,238	5,403	3.1	N/A
Denmark	25,253	27,376	28,592	29,284	29,809	30,662	30,943	0.9	22.5
France	18,968	19,555	20,011	20,643	21,181	21,799	22,157	1.6	16.8
Germany	22,383	20,666	21,014	21,431	21,812	22,452	22,516	0.3	0.6
Greece	8,920	9,159	9,675	9,983	10,319	10,743	10,928	1.7	22.5
Hungary*	N/A	N/A	N/A	N/A	4,640	4,901	5,101	4.1	N/A
Italy	16,237	17,126	17,599	17,894	18,164	18,656	18,931	1.5	16.6
Luxembourg	27,247	33,077	36,625	38,258	39,988	42,405	43,569	2.7	59.9
Netherlands	19,066	20,457	21,682	22,481	23,160	23,791	24,020	1.0	26.0
Norway	27,922	32,684	35,517	36,162	36,299	36,884	37,394	1.4	33.9
Poland*	N/A	N/A	N/A	N/A	4,373	4,550	4,621	1.6	N/A
Portugal	8,358	9,147	9,819	10,101	10,416	10,739	10,928	1.8	30.8
Spain	11,269	12,033	12,786	13,324	13,858	14,408	14,778	2.6	31.1
Turkey	1,939	2,071	2,304	2,337	2,192	2,313	2,106	-9.0	8.6
United Kingdom	19,339	20,721	21,848	22,416	22,791	23,365	23,797	1.9	23.1
Subtotal (non-U.S. NATO)	15,805	16,291	16,861	17,266	16,098	16,575	16,733	1.0	5.9
Subtotal (NATO)	20,914	21,910	23,019	23,706	22,855	23,586	23,725	0.6	13.4
<i>Pacific Allies</i>									
Japan	29,461	31,091	32,595	32,154	32,347	32,834	32,556	-0.8	10.5
Republic of Korea	5,266	7,171	7,881	7,285	8,004	8,633	8,719	1.0	65.6
Subtotal	23,230	24,771	25,993	25,477	25,774	26,258	26,043	-0.8	12.1
<i>Gulf Cooperation Council</i>									
Bahrain	8,868	10,192	10,233	10,388	10,351	10,584	10,799	2.0	21.8
Kuwait	11,054 **	20,130	18,104	18,013	16,914	16,568	16,392	-1.1	48.3 **
Oman	7,613	7,721	7,950	8,058	7,842	7,965	8,166	2.5	7.3
Qatar	20,036	21,922	27,409	27,433	26,515	25,940	27,031	4.2	34.9
Saudi Arabia	9,207	8,832	8,620	8,434	8,055	8,230	8,081	-1.8	-12.2
United Arab Emirates	24,061	23,175	23,149	21,882	20,794	20,818	20,133	-3.3	-16.3
Subtotal	10,834	11,230	11,145	10,914	10,424	10,582	10,456	-1.2	-3.5
Grand Total	21,113	22,163	23,239	23,661	23,009	23,670	23,727	0.2	12.4

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

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

** 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	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	125.9	132.3	136.3	137.7	139.4	140.9	141.8	0.7	12.7
<i>NATO Allies</i>									
Belgium	4.1	4.2	4.2	4.3	4.3	4.3	4.3	0.9	5.9
Canada	14.2	14.8	15.2	15.4	15.7	16.0	16.3	1.6	14.2
Czech Republic*	N/A	N/A	N/A	N/A	5.2	5.1	5.1	-0.4	N/A
Denmark	2.9	2.8	2.8	2.8	2.9	2.9	2.9	0.3	-0.1
France	24.9	25.3	25.7	25.9	26.2	26.3	26.6	1.2	7.2
Germany	30.4	40.6	41.1	41.3	41.5	41.8	41.9	0.1	37.9
Greece	4.0	4.2	4.2	4.4	4.4	4.4	4.4	0.2	10.1
Hungary*	N/A	N/A	N/A	N/A	4.0	4.0	4.0	0.0	N/A
Italy	23.1	22.5	22.7	23.0	23.2	23.4	23.6	0.8	1.9
Luxembourg	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.4	17.6
Netherlands	6.0	6.5	6.8	6.9	7.0	7.1	7.3	1.6	21.0
Norway	2.1	2.2	2.3	2.3	2.3	2.3	2.4	0.4	10.2
Poland*	N/A	N/A	N/A	N/A	N/A	17.3	17.4	0.6	N/A
Portugal	4.7	4.8	4.9	5.0	5.0	5.1	5.1	1.2	10.4
Spain	15.3	15.8	16.1	16.3	16.4	16.8	17.0	0.9	11.2
Turkey	20.7	22.0	22.3	22.9	23.7	22.5	22.2	-1.5	7.5
United Kingdom	28.8	28.6	28.9	29.0	29.4	29.6	29.7	0.5	3.3
Subtotal (non-U.S. NATO)	181.2	194.5	197.4	199.7	211.4	229.3	230.4	0.5	27.1
Subtotal (NATO)	307.0	326.8	333.7	337.3	350.8	370.1	372.2	0.5	21.2
<i>Pacific Allies</i>									
Japan	63.8	66.7	67.9	67.9	67.8	67.7	67.6	-0.1	5.9
Republic of Korea	18.5	20.9	21.7	21.5	21.6	22.0	22.1	0.7	19.2
Subtotal	82.4	87.5	89.5	89.4	89.4	89.6	89.7	0.1	8.9
<i>Gulf Cooperation Council</i>									
Bahrain	0.2	0.3	0.3	0.3	0.3	0.3	0.3	3.1	50.0
Kuwait	0.9	1.1	1.2	1.2	1.2	1.3	1.3	2.4	48.8
Oman	0.5	0.6	0.6	0.6	0.6	0.6	0.6	1.9	43.3
Qatar	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	27.3
Saudi Arabia	5.6	6.7	7.3	7.8	8.2	8.6	8.8	3.2	56.3
United Arab Emirates	0.7	1.1	1.4	1.4	1.5	1.5	1.6	3.3	123.3
Subtotal	8.0	9.8	10.8	11.4	11.9	12.4	12.8	3.0	60.0
Grand Total	397.4	424.1	434.1	438.1	452.1	472.1	474.6	0.5	19.4

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

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

Table E-4
Defense Spending
(2001 Dollars in Billions - 2001 Exchange Rates)

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	407.6	320.2	302.9	294.5	296.3	310.3	305.9	-1.4	-25.0
<i>NATO Allies</i>									
Belgium	4.3	3.2	3.1	3.1	3.2	3.2	3.1	-3.1	-28.6
Canada	10.4	8.8	7.5	8.1	8.4	8.1	7.9	-3.2	-24.5
Czech Republic*	N/A	N/A	N/A	N/A	1.1	1.2	1.2	-2.1	N/A
Denmark	2.6	2.5	2.5	2.5	2.5	2.4	2.5	2.4	-5.8
France	37.6	34.8	34.3	33.3	33.6	33.5	33.6	0.4	-10.7
Germany	38.9	28.3	27.2	27.2	27.7	27.7	27.5	-1.0	-29.3
Greece	4.1	4.1	4.6	5.0	5.2	5.5	5.6	2.3	36.4
Hungary*	N/A	N/A	N/A	N/A	0.8	0.9	0.9	7.2	N/A
Italy	22.9	20.2	20.1	20.6	21.0	22.1	21.3	-3.6	-6.7
Luxembourg	0.1	0.1	0.1	0.1	0.1	0.1	0.1	14.7	60.1
Netherlands	7.2	6.1	6.2	6.1	6.4	6.1	6.3	4.1	-12.0
Norway	3.0	2.8	2.8	3.0	3.0	2.9	3.0	2.3	-1.7
Poland*	N/A	N/A	N/A	N/A	3.7	3.5	3.5	-1.0	N/A
Portugal	2.1	2.2	2.1	2.1	2.1	2.2	2.3	1.6	5.5
Spain	7.7	7.0	6.8	6.7	6.8	7.1	7.0	-0.7	-9.2
Turkey	5.6	6.2	7.0	7.3	7.6	7.7	7.2	-6.2	28.3
United Kingdom	47.6	36.4	34.4	34.7	34.0	34.8	34.3	-1.4	-27.9
Subtotal (non-U.S. NATO)	194.3	162.8	158.8	159.8	167.2	169.1	167.3	-1.0	-13.9
Subtotal (NATO)	601.9	483.1	461.7	454.4	463.6	479.4	473.2	-1.3	-21.4
<i>Pacific Allies</i>									
Japan	34.3	37.1	39.3	39.0	40.0	40.0	41.2	3.1	20.3
Republic of Korea	8.7	9.5	11.0	11.0	10.6	11.4	11.8	4.2	36.7
Subtotal	42.9	46.5	50.3	49.9	50.6	51.4	53.1	3.3	23.6
<i>Gulf Cooperation Council</i>									
Bahrain	0.2	0.3	0.4	0.4	0.5	0.4	0.4	5.7	118.6
Kuwait	17.4 **	4.6	4.4	5.2	3.9	3.1	3.3	4.0	-81.3
Oman	2.0	2.4	2.2	2.3	1.9	1.7	2.4	40.1	17.7
Qatar	0.3	0.9	1.7	1.9	1.7	1.4	1.5	5.3	445.8
Saudi Arabia	30.3	20.3	19.5	25.9	24.3	18.1	27.2	50.8	-10.1
United Arab Emirates	3.6	2.6	3.0	3.9	3.6	3.5	3.4	-2.0	-4.2
Subtotal	53.8	31.1	31.2	39.7	35.9	28.2	38.2	35.5	-29.0
Grand Total	698.6	560.7	543.2	543.9	550.0	558.9	564.5	1.0	-19.2

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.

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

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

Table E-5
Defense Spending as a Percentage of GDP

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	5.6	3.9	3.4	3.2	3.1	3.1	3.0	-2.5	-46.0
<i>NATO Allies</i>									
Belgium	2.3	1.6	1.5	1.5	1.4	1.4	1.3	-4.2	-42.7
Canada	2.0	1.5	1.2	1.3	1.3	1.2	1.1	-4.4	-43.3
Czech Republic*	N/A	N/A	N/A	N/A	2.2	2.3	2.1	-5.0	N/A
Denmark	2.0	1.7	1.7	1.6	1.6	1.5	1.5	1.1	-26.2
France	3.5	3.1	2.9	2.8	2.7	2.6	2.6	-1.5	-26.7
Germany	2.7	1.7	1.6	1.5	1.5	1.5	1.5	-1.6	-46.1
Greece	4.6	4.3	4.5	4.8	4.8	4.8	4.8	-1.6	4.3
Hungary*	N/A	N/A	N/A	N/A	1.6	1.8	1.8	3.3	N/A
Italy	2.5	2.1	2.0	2.0	2.0	2.1	1.9	-5.3	-21.6
Luxembourg	0.9	0.8	0.7	0.8	0.7	0.7	0.8	10.3	-13.3
Netherlands	2.5	1.9	1.8	1.7	1.7	1.6	1.7	2.7	-34.7
Norway	2.6	2.0	1.8	1.9	1.8	1.8	1.8	0.6	-30.9
Poland*	N/A	N/A	N/A	N/A	2.2	2.0	1.9	-2.5	N/A
Portugal	2.6	2.4	2.2	2.1	2.1	2.1	2.1	-0.3	-20.5
Spain	1.8	1.5	1.4	1.3	1.3	1.2	1.2	-3.4	-31.9
Turkey	5.2	4.9	4.8	4.8	5.3	5.0	5.0	1.2	-2.4
United Kingdom	4.3	3.0	2.7	2.6	2.5	2.5	2.4	-3.6	-43.7
Subtotal (non-U.S. NATO)	3.0	2.3	2.1	2.1	2.0	2.0	1.9	-2.5	-34.9
Subtotal (NATO)	4.3	3.1	2.8	2.7	2.6	2.6	2.5	-2.5	-42.1
<i>Pacific Allies</i>									
Japan	0.9	0.9	1.0	1.0	1.0	1.0	1.0	3.8	6.0
Republic of Korea	3.8	2.9	3.0	3.2	2.8	2.8	2.8	2.2	-25.8
Subtotal	1.1	1.1	1.1	1.1	1.1	1.1	1.2	3.8	5.1
<i>Gulf Cooperation Council</i>									
Bahrain	4.8	4.7	5.7	6.5	6.7	5.8	5.8	0.6	21.4
Kuwait	73.8 **	12.6	12.1	14.2	11.0	8.6	8.8	1.9	-88.1 **
Oman	16.5	14.6	12.5	12.5	10.4	9.0	12.0	33.5	-27.5
Qatar	2.7	8.4	11.9	13.1	11.5	8.9	8.8	-0.6	225.0
Saudi Arabia	22.1	13.5	12.4	16.2	15.1	10.8	16.1	48.8	-27.5
United Arab Emirates	7.7	4.9	4.9	6.4	5.9	5.4	5.2	-3.9	-33.0
Subtotal	23.1	11.4	10.7	13.4	12.1	9.1	12.1	32.7	-47.8
Grand Total	3.9	2.8	2.6	2.5	2.4	2.4	2.4	0.0	-38.7

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

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

** 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
2001 Constant U.S. Dollars in Millions - 2001 Exchange Rates

	1994	1995	1996	1997	1998	1999	2000	% Change 99-00	% Change 94-00
United States	1,128.9	453.8	303.9	319.8	218.7	225.2	513.6	128.0	-54.5
<i>NATO Allies</i>									
Belgium	30.4	15.5	17.6	10.5	8.0	7.4	19.1	156.7	-37.3
Canada	98.6	94.9	37.4	29.2	23.7	21.4	56.3	162.6	-42.9
Czech Republic*	N/A	N/A	N/A	N/A	N/A	0.9	2.1	130.3	N/A
Denmark	18.7	17.5	7.3	6.4	5.0	4.8	14.5	206.0	-22.3
France	130.0	230.5	81.2	59.2	57.8	35.9	111.0	209.5	-14.6
Germany	216.9	195.5	89.0	74.5	66.1	59.0	209.3	254.8	-3.5
Greece	2.0	1.9	1.1	1.7	1.8	2.4	3.5	44.7	79.0
Hungary*	N/A	N/A	N/A	N/A	N/A	0.2	0.4	114.3	N/A
Italy	135.7	129.3	50.2	52.1	40.5	39.2	105.8	169.8	-22.1
Luxembourg	1.6	1.6	0.6	0.5	0.5	0.4	1.4	233.7	-12.7
Netherlands	40.3	38.3	15.8	13.9	12.4	11.8	31.6	167.3	-21.6
Norway	20.7	16.9	6.5	5.8	5.4	4.8	13.2	176.8	-36.1
Poland*	N/A	N/A	N/A	N/A	N/A	5.5	3.4	-39.0	N/A
Portugal	1.5	1.6	1.4	1.5	0.5	2.4	0.7	-69.5	-51.2
Spain	75.2	56.3	36.6	21.0	17.4	20.3	21.8	7.0	-71.0
Turkey	0.4	0.6	0.8	0.0	0.8	1.3	1.8	40.4	325.1
United Kingdom	218.9	221.1	96.3	63.1	47.3	43.9	126.4	187.7	-42.3
Subtotal (non-U.S. NATO)	990.9	1,021.6	442.0	339.5	287.2	261.7	722.2	176.0	-27.1
Subtotal (NATO)	2,119.8	1,475.5	746.0	659.3	505.9	486.9	1,235.8	153.8	-41.7
<i>Pacific Allies</i>									
Japan	294.2	356.1	98.0	136.5	146.5	220.5	118.3	-46.4	-59.8
Republic of Korea	2.9	3.5	1.5	1.4	1.9	1.3	3.8	184.7	29.7
Subtotal	297.1	359.6	99.5	137.9	148.4	221.9	122.1	-45.0	-58.9
<i>Gulf Cooperation Council</i>									
Bahrain	0.2	0.1	0.1	0.04	0.03	0.02	0.1	228.9	-64.0
Kuwait	2.2	1.8	0.5	0.5	0.2	0.3	0.6	125.9	-71.9
Oman	0.1	0.3	0.2	0.1	0.1	0.05	0.2	323.0	33.4
Qatar	0.2	0.0	0.1	0.1	0.4	0.6	0.1	-81.7	-29.9
Saudi Arabia	2.9	11.5	5.5	1.8	0.03	1.7	2.9	75.7	1.9
United Arab Emirates	0.2	1.5	0.8	0.5	2.3	0.1	0.8	435.8	376.2
Subtotal	5.8	15.2	7.2	3.1	3.0	2.8	4.7	70.7	-18.3
Grand Total	2,422.7	1,850.3	852.7	800.3	657.2	711.5	1362.6	91.5	-43.8

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

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

Table E-7
Personnel Contributions to Major Multinational Peace Operations

	1995 **	1996 **	1997 **	1998 **	1999	2000	2001	% Change 00-01
United States	2,449	700	637	583	11,948	11,138	9,567	-14.1
<i>NATO Allies</i>								
Belgium	682	845	146	11	331	1,011	1,039	2.8
Canada	956	1,034	889	297	3,394	2,006	1,784	-11.1
Czech Republic*	N/A	N/A	N/A	N/A	519	831	231	-72.2
Denmark	273	126	126	116	551	1,288	969	-24.8
France	494	503	474	664	8,218	8,577	8,546	-0.4
Germany	29	172	190	190	7,636	8,124	7,494	-7.8
Greece	12	18	13	12	1,436	2,043	2,175	6.5
Hungary*	N/A	N/A	N/A	N/A	386	641	632	-1.4
Italy	78	76	97	194	8,547	8,504	7,954	-6.5
Luxembourg	0	0	0	0	0	26	23	-11.5
Netherlands	230	97	93	169	2,639	1,569	1,478	-5.8
Norway	995	726	708	153	1,338	1,244	1,236	-0.6
Poland*	N/A	N/A	N/A	N/A	1,268	2,168	1,884	-13.1
Portugal	274	411	474	155	1,357	1,674	1,528	-8.7
Spain	22	46	56	71	2,454	2,725	2,716	-0.3
Turkey	17	40	42	42	1,671	2,361	2,144	-9.2
United Kingdom	437	415	459	416	7,390	5,430	5,317	-2.1
Subtotal (non-U.S. NATO)	4,499	4,509	3,767	2,490	49,135	50,222	47,150	-6.1
Subtotal (NATO)	6,948	5,209	4,404	3,073	61,083	61,360	56,717	-7.6
<i>Pacific Allies</i>								
Japan	0	45	45	44	30	30	30	0.0
Republic of Korea	255	239	27	32	451	476	473	-0.6
Subtotal	255	284	72	76	481	506	503	-0.6
<i>Gulf Cooperation Council</i>								
Bahrain	0	0	0	0	0	0	0	0.0
Kuwait	0	0	0	0	0	0	0	0.0
Oman	0	0	0	0	0	0	0	0.0
Qatar	0	0	0	0	0	0	0	0.0
Saudi Arabia	0	0	0	0	0	0	0	0.0
United Arab Emirates	0	0	0	0	0	1,200	47	-96.1
Subtotal	0	0	0	0	0	1,200	47	-96.1
Grand Total	7,203	5,493	4,476	3,149	61,564	63,066	57,267	-9.2

** 1995 - 1998 data reflects forces contributed only to UN operations. 1999 - 2001 data also includes forces committed to operations not under UN auspices.

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999. Yearly data rounded. Percent change calculated using non-rounded figures.

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

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	2,181.0	1,620.0	1,539.0	1,505.0	1,486.0	1,483.0	1,482.0	-0.1	-32.0
<i>NATO Allies</i>									
Belgium	106.3	46.6	45.1	43.2	42.1	41.6	41.2	-0.9	-61.3
Canada	87.1	69.7	61.3	60.3	59.6	58.8	59.4	1.1	-31.7
Czech Republic*	N/A	N/A	N/A	N/A	54.4	51.8	48.7	-6.1	NA
Denmark	31.0	27.1	25.3	25.1	27.3	24.4	25.1	3.0	-18.9
France	549.6	503.8	475.1	449.3	420.8	394.6	367.0	-7.0	-33.2
Germany	545.4	351.6	334.5	332.5	331.1	318.8	306.5	-3.8	-43.8
Greece	201.4	213.3	205.6	202.0	203.8	205.0	210.8	2.8	4.7
Hungary*	N/A	N/A	N/A	N/A	50.9	50.0	49.5	-1.1	N/A
Italy	493.1	435.4	419.4	402.2	390.9	381.3	373.7	-2.0	-24.2
Luxembourg	1.3	1.3	1.4	1.4	1.4	1.4	1.4	0.0	9.3
Netherlands	103.7	67.3	57.0	55.3	53.6	51.9	51.6	-0.7	-50.3
Norway	50.6	38.3	33.5	32.8	32.6	32.0	31.4	-1.8	-38.0
Poland*	N/A	N/A	N/A	N/A	187.5	191.0	178.3	-6.7	N/A
Portugal	87.5	77.7	71.9	71.4	70.5	67.7	70.4	3.9	-19.6
Spain	262.7	209.7	196.6	189.1	155.2	144.0	134.0	-6.9	-49.0
Turkey	768.9	804.6	828.1	787.6	789.0	792.9	794.8	0.2	3.4
United Kingdom	308.3	233.3	218.2	217.5	217.6	218.1	219.2	0.5	-28.9
Subtotal (non-U.S. NATO)	3,596.9	3,079.7	2,972.9	2,869.6	3,088.5	3,025.4	2,962.8	-2.1	-17.6
Subtotal (NATO)	5,777.9	4,699.7	4,511.9	4,374.6	4,574.5	4,508.4	4,444.8	-1.4	-23.1
<i>Pacific Allies</i>									
Japan	234.2	239.6	235.6	242.6	236.3	236.7	239.8	1.3	2.4
Republic of Korea	655.0	655.0	672.0	672.0	672.0	683.0	683.0	0.0	4.3
Subtotal	889.2	894.6	907.6	914.6	908.3	919.7	922.8	0.3	3.8
<i>Gulf Cooperation Council</i>									
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	15.5	1.3	-23.6
Oman	29.5	43.5	43.5	43.5	43.5	43.5	43.4	-0.2	47.1
Qatar	7.5	11.1	11.8	11.8	11.8	12.3	12.3	0.0	64.4
Saudi Arabia	67.5	105.5	105.5	105.5	105.5	126.5	126.5	0.0	87.4
United Arab Emirates	44.0	70.0	64.5	64.5	64.5	65.0	65.0	0.0	47.7
Subtotal	174.8	257.4	251.6	251.6	251.6	273.6	273.7	0.0	56.6
Grand Total	6,841.9	5,851.7	5,671.1	5,540.8	5,734.4	5,701.7	5,641.3	-1.1	-17.5

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

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

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

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	1.7	1.2	1.1	1.1	1.1	1.1	1.0	-0.7	-39.7
<i>NATO Allies</i>									
Belgium	2.6	1.1	1.1	1.0	1.0	1.0	1.0	-1.8	-63.4
Canada	0.6	0.5	0.4	0.4	0.4	0.4	0.4	-0.5	-40.2
Czech Republic*	N/A	N/A	N/A	N/A	1.1	1.0	1.0	-5.7	NA
Denmark	1.1	1.0	0.9	0.9	1.0	0.9	0.9	2.7	-18.8
France	2.2	2.0	1.8	1.7	1.6	1.5	1.4	-8.1	-37.7
Germany	1.8	0.9	0.8	0.8	0.8	0.8	0.7	-3.9	-59.2
Greece	5.0	5.0	4.9	4.6	4.6	4.7	4.8	2.6	-5.0
Hungary*	N/A	N/A	N/A	N/A	1.3	1.2	1.2	-1.1	N/A
Italy	2.1	1.9	1.8	1.7	1.7	1.6	1.6	-2.8	-25.6
Luxembourg	0.8	0.8	0.8	0.8	0.8	0.7	0.7	-2.3	-7.1
Netherlands	1.7	1.0	0.8	0.8	0.8	0.7	0.7	-2.3	-58.9
Norway	2.4	1.7	1.5	1.4	1.4	1.4	1.3	-2.3	-43.7
Poland*	N/A	N/A	N/A	N/A	N/A	1.1	1.0	-7.3	N/A
Portugal	1.9	1.6	1.5	1.4	1.4	1.3	1.4	2.7	-27.2
Spain	1.7	1.3	1.2	1.2	0.9	0.9	0.8	-7.8	-54.1
Turkey	3.7	3.7	3.7	3.4	3.3	3.5	3.6	1.8	-3.8
United Kingdom	1.1	0.8	0.8	0.7	0.7	0.7	0.7	0.0	-31.2
Subtotal (non-U.S. NATO)	2.0	1.6	1.5	1.4	1.5	1.3	1.3	-2.5	-35.2
Subtotal (NATO)	1.9	1.4	1.4	1.3	1.3	1.2	1.2	-1.9	-36.5
<i>Pacific Allies</i>									
Japan	0.4	0.4	0.3	0.4	0.3	0.3	0.4	1.4	-3.3
Republic of Korea	3.5	3.1	3.1	3.1	3.1	3.1	3.1	-0.7	-12.5
Subtotal	1.1	1.0	1.0	1.0	1.0	1.0	1.0	0.3	-4.7
<i>Gulf Cooperation Council</i>									
Bahrain	2.7	4.1	3.9	3.8	3.7	3.4	3.3	-3.0	22.2
Kuwait	2.4	1.6	1.3	1.3	1.2	1.2	1.2	-1.1	-48.7
Oman	6.5	7.5	7.2	7.1	7.0	6.8	6.7	-2.1	2.6
Qatar	6.8	9.3	9.8	9.1	9.1	8.8	8.8	0.0	29.2
Saudi Arabia	1.2	1.6	1.4	1.4	1.3	1.5	1.4	-3.1	19.9
United Arab Emirates	6.3	6.5	4.8	4.6	4.4	4.3	4.2	-3.2	-33.9
Subtotal	2.2	2.6	2.3	2.2	2.1	2.2	2.1	-2.9	-2.2
Grand Total	1.7	1.4	1.3	1.3	1.3	1.2	1.2	-1.6	-31.0

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

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

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	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	48.7	48.0	47.8	48.6	42.4	40.4	41.3	2.2	-15.2
<i>NATO Allies</i>									
Belgium	0.9	0.8	0.7	0.6	0.5	0.5	0.5	-0.1	-46.7
Canada	0.5	0.5	0.5	0.5	0.5	0.4	0.4	3.0	-16.0
Czech Republic*	N/A	N/A	N/A	N/A	2.4	1.9	1.8	-0.7	N/A
Denmark	0.8	0.8	0.8	0.9	1.0	1.0	0.9	-10.3	11.0
France	2.6	2.9	2.8	2.9	2.7	3.0	3.1	4.4	20.5
Germany	11.8	9.9	8.7	8.3	8.1	8.3	9.0	9.3	-23.6
Greece	2.9	4.3	3.8	4.0	4.0	4.5	4.4	-2.1	53.1
Hungary*	N/A	N/A	N/A	N/A	1.5	1.6	0.9	-44.4	N/A
Italy	3.8	3.4	2.8	2.2	1.6	1.5	1.5	2.6	-60.7
Luxembourg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Netherlands	3.2	2.5	1.9	1.9	1.7	1.7	1.5	-11.9	-51.3
Norway	0.8	0.9	0.7	0.8	0.7	0.8	0.8	-0.7	-4.2
Poland*	N/A	N/A	N/A	N/A	4.3	4.5	3.6	-19.6	N/A
Portugal	0.3	0.4	0.3	0.3	0.4	0.4	0.4	2.5	33.5
Spain	2.0	1.9	2.1	2.1	2.0	2.2	1.7	-21.2	-13.4
Turkey	6.0	7.4	7.0	6.7	6.5	6.0	6.0	0.2	-0.6
United Kingdom	2.4	2.9	2.4	2.6	2.4	2.5	3.2	26.5	29.3
Subtotal (non-U.S. NATO)	38.0	38.5	34.6	33.8	40.3	40.6	39.7	-2.1	4.5
Subtotal (NATO)	86.8	86.5	82.4	82.4	82.7	81.0	81.1	0.1	-6.6
<i>Pacific Allies</i>									
Japan	3.3	2.8	3.1	3.1	3.1	3.3	3.3	0.0	-0.1
Republic of Korea	6.8	7.0	8.8	8.8	8.6	9.9	9.5	-4.3	38.4
Subtotal	10.1	9.8	11.9	11.9	11.7	13.2	12.8	-3.2	25.9
<i>Gulf Cooperation Council</i>									
Bahrain	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.8	186.2
Kuwait	0.4	0.6	1.2	1.2	1.2	1.2	1.3	7.8	268.9
Oman	0.2	0.2	0.3	0.3	0.3	0.4	0.4	-2.0	61.5
Qatar	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.8	11.1
Saudi Arabia	1.9	1.8	2.6	2.6	2.5	2.4	2.5	3.7	32.8
United Arab Emirates	0.4	0.6	1.1	1.2	1.2	1.4	1.5	12.5	280.5
Subtotal	3.1	3.7	5.7	5.7	5.6	5.8	6.2	6.1	100.9
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.

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

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

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	58.8	54.5	54.2	62.1	60.7	60.1	60.6	-0.9	2.2
<i>NATO Allies</i>									
Belgium	0.3	0.2	0.3	0.2	0.2	0.2	0.2	-0.4	-30.6
Canada	1.7	2.2	2.4	2.0	1.7	1.8	1.7	-3.3	1.7
Czech Republic *	-	-	-	-	-	-	-	-	-
Denmark	0.4	0.6	0.7	0.5	0.5	0.4	0.5	5.9	5.9
France	5.8	5.8	5.8	4.5	4.7	4.5	4.5	0.2	-21.9
Germany	3.0	2.6	2.8	2.2	2.2	2.4	2.3	-5.4	-23.0
Greece	1.9	2.0	2.1	1.8	1.9	1.9	1.9	-1.1	-2.4
Hungary *	-	-	-	-	-	-	-	-	-
Italy	2.1	2.8	2.9	2.6	2.6	2.7	2.6	-0.4	27.3
Luxembourg *	-	-	-	-	-	-	-	-	-
Netherlands	1.2	1.6	1.5	1.5	1.5	1.5	1.4	-4.7	11.8
Norway	0.6	0.7	0.5	0.4	0.4	0.4	0.4	-0.4	-28.1
Poland*	N/A	N/A	N/A	N/A	0.6	0.7	0.7	-1.8	N/A
Portugal	0.7	0.7	0.7	0.6	0.6	0.6	0.6	-2.9	-8.4
Spain	2.3	2.6	2.6	2.3	2.5	2.7	2.7	-0.6	14.6
Turkey	2.6	3.0	3.0	2.4	2.6	2.6	2.5	-2.5	-4.1
United Kingdom	10.9	10.6	10.7	9.1	9.3	9.3	9.2	-0.5	-15.0
Subtotal (non-U.S. NATO)	33.5	35.4	36.0	30.2	31.4	31.7	31.3	-1.3	-6.8
Subtotal (NATO)	92.3	89.9	90.2	92.3	92.1	91.8	91.8	0.0	-0.6
<i>Pacific Allies</i>									
Japan	5.7	7.2	7.6	5.0	5.1	5.2	5.1	-0.9	-9.3
Republic of Korea	1.5	2.3	1.3	2.0	2.1	2.2	2.2	0.2	51.4
Subtotal	7.1	9.4	8.9	7.0	7.1	7.4	7.4	-0.6	3.3
<i>Gulf Cooperation Council</i>									
Bahrain	0.0	0.0	0.1	0.1	0.1	0.1	0.1	-0.4	330.1
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	74.0
Oman	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.4	47.9
Qatar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	151.7
Saudi Arabia	0.4	0.5	0.5	0.5	0.5	0.5	0.5	-0.4	19.1
United Arab Emirates	0.0	0.0	0.1	0.1	0.1	0.1	0.1	-0.4	353.6
Subtotal	0.5	0.7	0.9	0.8	0.8	0.8	0.8	-0.4	51.4
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.

Data not provided for Poland prior to its admission to NATO in 1999.

Table E-12
Percentage of Defense Expenditures
Dedicated to Modernization

	1990	1995	1997	1998	1999	2000	2001	% Change 00-01	% Change 90-01
United States	37.1	30.8	29.3	29.0	28.2	25.0	25.1	0.1	-32.4
<i>NATO Allies</i>									
Belgium	7.9	5.4	6.2	5.9	6.5	5.8	5.4	-6.1	-30.9
Canada	20.1	20.9	14.9	10.7	9.6	13.8	15.2	10.3	-24.0
Czech Republic*	N/A	N/A	N/A	N/A	18.9	23.9	21.2	-11.3	N/A
Denmark	14.9	12.5	13.7	14.4	11.4	14.8	14.2	-3.7	-4.5
France	N/A	23.7	22.0	19.4	19.4	18.9	19.9	5.4	N/A
Germany	16.6	11.9	11.3	13.2	13.6	14.0	13.5	-3.7	-18.8
Greece	21.4	20.0	19.4	20.7	19.5	17.9	15.1	-15.9	-29.5
Hungary*	N/A	N/A	N/A	N/A	21.1	12.4	10.5	-15.0	N/A
Italy	17.5	15.0	11.4	12.4	11.7	14.3	12.4	-13.2	-29.1
Luxembourg	3.2	2.4	3.5	6.5	5.0	4.6	16.3	249.9	401.9
Netherlands	18.7	17.2	17.7	16.1	17.7	17.7	18.1	2.2	-3.4
Norway	22.8	25.4	24.6	25.0	22.6	20.1	24.0	19.1	5.3
Poland*	N/A	N/A	N/A	N/A	11.1	9.0	9.2	1.5	N/A
Portugal	10.3	5.9	8.2	3.9	4.5	6.4	6.3	-2.0	-38.8
Spain	12.8	14.4	14.2	12.6	12.1	13.7	13.8	0.7	7.6
Turkey	20.0	29.7	27.1	20.8	25.6	28.3	36.7	29.7	84.1
United Kingdom	18.3	24.0	26.9	28.5	28.9	27.6	29.0	4.8	58.6
Subtotal (non-U.S. NATO)	17.4	19.2	18.6	18.2	18.1	18.5	19.0	2.8	9.5
Total (NATO)	31.6	26.9	25.6	25.2	24.6	22.7	22.9	0.9	-27.4

*Data not provided for Czech Republic, Hungary, and Poland prior to their admission to NATO in 1999.

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

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

Table E-13
Foreign Assistance
 2001 Constant U.S. Dollars in Millions - 2001 Exchange Rates

Country	1990	1995	1996	1997	1998	1999	2000	% Change	
								99-00	90-00
United States	14,821	9,634	12,100	10,071	12,191	13,228	12,724	-3.8	-14.2
<i>NATO Allies</i>									
Belgium	872	829	753	718	829	756	916	21.2	5.1
Canada	2,358	2,364	1,971	2,204	2,007	1,991	1,958	-1.6	-17.0
Czech Republic	^c	^c	^c	^c	17	16	21	29.8	^b
Denmark	1,184	1,461	1,557	1,623	1,664	1,719	1,914	11.3	61.6
France	6,571	6,882	6,161	5,854	5,596	5,660	5,860	3.5	-10.8
Germany	6,897	8,484	6,541	5,465	5,247	5,457	5,759	5.5	-16.5
Greece	6	129	152	158	174	184	248	34.5	4,188.3
Hungary	^a	^a	^a	^a	^a	^a	^a	^a	^a
Italy	3,023	1,753	2,239	1,342	2,229	1,728	1,836	6.2	-39.3
Luxembourg	25	58	67	87	102	109	130	18.5	412.7
Netherlands	2,575	2,764	2,648	2,723	2,921	2,981	3,621	21.5	40.6
Norway	1,282	1,293	1,317	1,401	1,518	1,503	1,346	-10.4	5.0
Poland	^c	^c	^c	^c	28	38	43	12.1	^b
Portugal	181	239	201	251	260	285	312	9.7	71.9
Spain	872	1,217	1,098	1,137	1,265	1,281	1,256	-2.0	44.0
Turkey	5	179	135	119	114	196	133	-32.2	2,385.8
United Kingdom	3,415	4,048	3,911	3,835	4,200	3,737	5,058	35.4	48.1
Subtotal (non-U.S. NATO)	29,267	31,700	28,753	26,916	28,126	27,641	30,410	10.0	3.9
Subtotal (NATO)	44,089	41,334	40,853	36,987	40,317	40,869	43,133	5.5	-2.2
<i>Pacific Allies</i>									
Japan	12,350	12,205	9,294	10,104	12,477	15,728	13,236	-15.8	7.2
Republic of Korea	66	110	129	188	200	352	224	-36.4	237.2
Subtotal	12,416	12,316	9,423	10,292	12,677	16,081	13,461	-16.3	8.4
<i>Gulf Cooperation Council</i>									
Bahrain	^a	^a	^a	^a	^a	^a	^a	^a	^a
Kuwait	1,673	524	466	453	413	171	155	-9.7	-90.8
Oman	^a	^a	^a	^a	^a	^a	^a	^a	^a
Qatar	^a	^a	^a	^a	^a	^a	^a	^a	^a
Saudi Arabia	4,777	227	355	270	358	208	285	37.1	-94.0
United Arab Emirates	1,218	87	40	142	83	107	153	43.4	-87.4
Subtotal	7,668	837	860	864	855	486	593	22.0	-92.3
Grand Total	64,173	54,487	51,136	48,143	53,849	57,436	57,187	-0.4	-10.9

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 U.S. continues to urge its allies and security partners to increase their efforts in one or more of the following responsibility sharing 'targets' specified in the 1997 Defense Authorization Act:

- 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, including:
 - a) national contributions to NATO's Reaction Forces and other multinational formations, or
 - 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 2001 for defense spending and multinational military activities, and through 2000 for cost sharing and foreign assistance. The chart shows that all but one of the countries covered in this Report met at least one of the Congressional responsibility sharing targets listed above, and roughly 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), NATO 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. Roughly half of our NATO allies experienced real reductions in their defense budgets in 2001, and, as a group, their real defense spending declined by about one percent from the 2000 level. Greece, Luxembourg, and Turkey were the only NATO allies to achieve the Congressional defense spending target in 2001. Greece and Turkey spent approximately five percent of their GDP on defense, while the United States spent three percent. Luxembourg achieved the Congressional defense spending target in 2001 by increasing its defense spending by over 10 percent. All NATO nations except Portugal achieved the multinational military activities target in 2001 by increasing

their personnel or funding contributions to peacekeeping operations and/or increasing reaction forces contributions. Eight NATO Allies (Belgium, the Czech Republic, Denmark, Greece, Luxembourg, the Netherlands, Poland, and the United Kingdom) met the Congressional foreign assistance target by making 2000 contributions that were at least 10 percent higher than the 1999 level. Denmark also met the target by spending just over one percent of its GDP on foreign assistance in 2000. For further information on the evolution of NATO Allies' military capabilities, refer to the Defense Capabilities Initiative (DCI) Report, delivered to Congress in January 2002 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 or foreign assistance targets. Only the Republic of Korea met the multinational military activities target by increasing funding for UN peacekeeping missions during 2000. However, Japan has the largest foreign assistance budget of any nation in this Report and Japan's monetary contributions to UN peace operations during 2000 were greater than those of all other nations except the United States, Germany, and the United Kingdom. Japan achieved the Congressional cost sharing target in 2001 -- offsetting 79 percent of the costs for U.S. forces stationed on its territory in 2001.
- Gulf Cooperation Council (GCC). All six GCC nations met the Congressional defense spending objective, since the shares of GDP they spent on defense during 2001 were all greater than the United States' three percent. Saudi Arabia spent just over 16 percent and Oman spent almost 12 percent of GDP on defense, while the remaining GCC nations had shares in the five to nine percent range. Moreover, Saudi Arabia's 2001 defense spending as a share of GDP was about 49 percent higher than in 2000 and Oman's was over 33 percent higher. Bahrain, Kuwait, Oman, Saudi Arabia, and the United Arab Emirates achieved the Congressional multinational military activities target by increasing their levels of funding for UN peace operations during 2000. Saudi Arabia and the United Arab Emirates met the foreign assistance target by increasing spending of its GDP on foreign assistance by 10 percent over the previous year. Saudi Arabia achieved the Congressional cost sharing target in 2001 -- offsetting 80 percent of the costs for U.S. forces stationed on its territory in 2001.

Chart F-1

Countries Achieving Congressional Targets*

	Defense Spending as % GDP (2001)	Multinational Military Activities (2000-2001)	Cost Sharing (2000)	Foreign Assistance (1999-2000)
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.