Implementation of Section 620[s] of The Foreign Assistance Act of 1961, as Amended

A Report to Congress

July 1979

Agency for International Development
Department of State
Washington, D.C. 20523

IMPLEMENTATION OF SECTION 620(s) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

A REPORT TO CONGRESS

United States Agency for International Development
Department of State
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July 1979

LETTER OF TRANSMITTAL

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

OFFICE OF
THE ADMINISTRATOR

July 2, 1979

Honorable Thomas P. O'Neill, Jr.*
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

In accordance with Section 620(s) of the Foreign Assistance Act of 1961, as amended, I am pleased to transmit for the President, the Annual Report for 1979 on the implementation of this provision.

This year, on the recommendation of Congressional staff members, we have expanded the Report into booklet form and now include all of the tables which contain statistical data comparing defense expenditures with basic economic indicators, along with individual assessments in those cases where countries appear to have increased the proportion of their total resources assigned to military activities.

A.I.D. continues to share Congressional concern about the worldwide rate of arms acquisitions, particularly in those less developed countries whose limited resources are already inadequate to provide for the basic human needs of their peoples. We are especially mindful of the President's May 19, 1977 statement on conventional arms transfer policy which declares, *inter alia*, that the United States will assess the economic impact of arms transfers to those less developed countries receiving U.S. economic assistance.

We believe that our greatest contribution can be in the day-to-day association of A.I.D. representatives with their development planning counterparts in the developing countries. We take account of the priorities assigned to development and to defense in our annual assessment of country aid strategies and in our preparation of proposed foreign aid budgets. This provides us with a continuing opportunity to persuade decision makers in the functional areas, government budget makers and development planners, as well as national leaders that resources devoted to satisfying the desires of the people for better education, health facilities and adequate nutrition can have a more stabilizing effect on their society and enhance the confidence of their people in their leadership than expenditures on weapons in excess of the realistic requirements of security. Societies whose people have some expectation that their lives and their children's lives can be better have a stake in peace. Stable societies bolster their leaders' strength in international negotiations, are less susceptible to the blandishments of invasive social systems, and in unity can better withstand aggressive threats.

We believe this Report provides useful information about the LDC's apportionment of their resources and the factors that direct their decisions. We hope that it gives tangible evidence of A.I.D.'s determination to be responsive to Congress' desire to see resources devoted to the proper balance between economic and social growth and legitimate military requirements, rather than to the wasteful escalation of arms races that can only lead to destruction and human deprivation.

Sincerely yours,

Robert H. Nooter
Acting Administrator

Enclosure: as stated

*Indentical letter sent to Chairman, Senate Committee on Foreign Relations.

EXTRACT FROM FOREIGN ASSISTANCE ACT OF 1961 AS AMENDED

Section

620 (s): (1) In order to restrain arms races and proliferation of sophisticated weapons, and to ensure that resources intended for economic development are not diverted to military purposes, the President shall take into account before furnishing development loans, Alliance loans or supporting assistance to any country under this Act, and before making sales under the Agricultural Trade Development and Assistance Act of 1954, as amended:

(A) the percentage of the recipient or purchasing country's budget which is devoted to military purposes;

(B) the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment; and

(C) the amount spent by the recipient or purchasing country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, from any country.

(2) The President shall report annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate his actions in carrying out this provision.

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PREFACE:

Section 620(s) requires the President to report annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate his actions in carrying out this section. The President's authority to administer this provision has been delegated through the Secretary of State to the Administrator of the Agency for International Development (A.I.D.). The Administrator coordinates his report with the other Executive Agencies that have a direct interest in the matter and participate in the annual analyses of the quantity and nature of military expenditures by countries receiving assistance under the Foreign Assistance Act of 1961, as Amended, (FAA), and the Agricultural Trade Development and Assistance Act of 1954 (PL-480).

Section 620(s) requires the President to take into account the percentage of recipients' budgets devoted to military purposes and the degree to which recipients use their foreign exchange reserves to acquire military equipment. Before furnishing certain types of economic assistance, consideration must also be given to the amount spent by the recipient countries for the purchase of sophisticated weapons systems. The types of FAA authorized assistance covered by this provision are development loans, Alliance development loans, Supporting Assistance,[1] and sales of agricultural commodities under Title I of PL 480. Development grants and grants under Title II of PL 480 are not included.

In implementing this section, the Executive Agencies involved, including the Departments of State, Defense, Agriculture and Treasury, and the Arms Control and Disarmament Agency examine each economic aid recipient's defense expenditures as a percentage of its gross national product, and as a percentage of central government expenditures. Country data are compared to data for other similarly situated countries on both a regional and worldwide basis. Data on each country's military imports are also compared to those of other countries. In 1979 the following countries have been found to exceed the comparative norms. (See explanation of Methodology, page 33.)

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[1] Also known as Economic Support Fund (ESF), per Section 10(b)(6) of the International Security Assistance Act of 1978 (92 Stat 735).

AFRICA	EAST ASIA	NEAR EAST	LATIN AMERICA
Chad	Philippines	Israel	Ecuador
Mali	South Korea	Syria	Guyana
Mauritania			Honduras
Morocco			Paraguay
Somalia			Peru
Tanzania			
Upper Volta			

Because of statistical deficiencies and the difficulty of making comparisons between disparate country methods of accounting, budget systems, and definitions of defense costs, the statistical system is used primarily to establish a check list.

These countries which appear to have exceeded a so-called "norm", are then examined more realistically within their political, economic and security perspectives. After this examination, conclusions are reached. In some cases, no hindrance within the context of Section 620(s) is found and transactions can occur without further action, unless unforeseen circumstances develop. In other cases, the country situation is such that if a loan or PL 480 sale is contemplated, further review is required. (See Country Assessments beginning page 10.)

In the past, reports have been designated by fiscal years, e.g., last year's was entitled "The FY 1977 Report" and this year's would have been "The FY 1978 Report". The purpose was to try to relate the data, always a year and a half behind the current calendar, to the closest fiscal year economic aid program. That doesn't seem to be useful. So—the historic record will show this as a leap year as the Report's title jumps from "The FY 1977 Report" to "The 1979 Report".

SUMMARY

In the developing world, it is an unhappy fact that some of the poorest countries devote the largest shares of their resources to defense. In five out of seven African countries shown in a statistical regional comparison to be the highest military spenders, Chad, Mali, Mauritania, Tanzania and Upper Volta, U.S. bilateral economic aid is in the form of grants and Title II donations under PL 480, forms of assistance which are not specifically included in Section 620(s). However, A.I.D., concerned with the spirit of the statute and the plight of these people, has given them special attention in the Report. It has concluded that it is essential to continue humanitarian help as long as it can be put to effective use.
In the Middle East, high expenditures for defense continue, paradoxically, to be part of the cost of peace. While the statistical data did not put Egypt and Jordan above the norm in the regional comparison, both countries' military costs remain high.

In six of the countries cited, Ecuador, Guyana, Honduras, Paraguay, the Philippines and Israel, the growth of their economies has been such that while defense expenditures remain high in real terms, they are absorbing lower proportionate shares of the nations' total resources.
A.I.D. is concerned about apparent increases in military expenditures in Morocco and will conduct special studies at the time of proposed aid transactions to assess the conditions then pending.

Regional Summaries follow.

AFRICA

The countries in Africa continue their struggle for identity. Some of the poorest countries in the world are locked in border conflicts, convinced they must invest a large share of their very limited resources in weapons for war. *Chad,* having lost a large part of its country to Libya and experienced internecine struggle, spends more than a third of its budget on defense. There is some hope that the Kano Accord which calls for the formation of a Transitional Union Government among the dissidents may bring an end to this struggle. This could mean a drop in military costs and permit Chad to concentrate on the development program to which it is committed. While *Mali,* also one of the poorest countries in the world, spends more than a quarter of its budget on military costs, almost half of that is for police services and gendarmerie which other countries fund outside of their defense budget. Mali's dispute with Upper Volta has ended but relations with Algeria and Mauritania remain troubled. Nevertheless, after eleven years of military rule, elections will be held later this year and full civilian rule is scheduled for 1980. *Mauritania* is now governed by a Military Committee. Its defense expenditure represents 40 percent of the budget and 17 percent of GNP, a sizeable amount for a very poor country at an early stage of development. The recent droughts and the war in the Western Sahara have bankrupted the country's economy. However, the government is pledged to work toward a negotiated solution to the Western Sahara conflict so that resources can be directed toward development. Here as in Chad and Mali, the United States' aid effort is humanitarian and will be provided as long as it can be effective. *Morocco's* involvement in the Western Sahara conflict and its perceived threat from Algeria resulted in sharply increased defense expenditures. At the same time, social expenditures have increased. Morocco is feeling the financial strain of supporting both development and defense efforts when world prices for phosphate have dropped, other exports have declined and Middle East financial assistance has decreased. The United States is following developments in this area closely. Before each development loan

or PL 480 Title I transaction, a special review will be made to see if sufficient local resources are available to make the aid effective. *Somalia's* unsuccessful foray into Ethiopia was costly in terms of rising defense expenditures. After severing its ties with the Soviets, and faced with increasing reluctance on the part of the Arabs to back its military effort the Somalis turned to the West for more arms—which have not been forthcoming. As a result, military expenditures are smaller in 1978 and 1979, and the government is focusing on its very serious development needs. *Tanzania* is in the forefront in the struggle for majority rule in southern Africa and its increased defense costs reflect that effort. In addition, it fought off Amin's invasion of its territory and contributed to the downfall of that violent dictatorship, opening the way for what hopefully will be more humane democratic government in Uganda. The defense budget in *Upper Volta* goes primarily to personnel costs. After more than a decade of military government, the country turned to civilian rule and freely contested elections were held in late spring 1978. It is hoped that the long standing hostilities with Mali will subside under the new six nation Community of West African States (CEAO) to which both ascribe.

EAST ASIA

Philippine expenditures for defense are dropping in 1979, after peaking in 1978, as the government expanded its armed forces to fight two domestic insurgencies: the Muslim rebellion in Mindanao and the Sulu archipelago; and the New People's Communist Army which operates in several parts of the country. These costs should, however, be looked at against the Philippine growth process which has been successful. Budget expenditures for basic human needs absorb 40 percent of budget outlays. In spite of reduced exports, disruptions in oil prices and inflation, it is estimated that real rural incomes have increased. Because of a sustained average annual increase in real GNP of more than 10 percent since 1963, U.S. economic assistance to *Korea* is phasing out and only a PL 480 sales program remains. Defense expenditures have increased somewhat as Korea embarked on a five year Force Improvement Plan to overcome the imbalance resulting from a massive North Korean arms buildup in the early seventies. In addition, it began to assume a greater share of responsibility for its own defense as the first phases of the U.S. withdrawal of ground combat forces from Korea began in 1978.

NEAR EAST

The anomaly of spending more for arms to sustain the advantages won in the negotiations for peace is one we have to live with in the Middle East, as well as elsewhere. The dramatic events culminating in the Egyptian-Israeli Peace Treaty will not in the foreseeable future result in substantial decreases in expenditure for defense in Israel, Egypt, Syria or Jordan. The strong negative reaction of some Arab nations forces Israel and Egypt to maintain defense postures beyond the scale and duration of what might have otherwise been perceived as necessary. The United States is proposing to increase military assistance to Egypt and Israel to help them make the adjustments and build the confidence necessary to implement the peace.

Israel's defense spending had dropped in 1977 as a proportion of the central government budget and of GNP. In real terms, however, Israel's regular defense expenditures are expected to at least remain as high as at present. In addition, Israel has estimated the costs associated with its redeployment from Sinai to the Negev at from $3 to $4.5 billion. The U.S. proposes to provide Israel with $800 million in grant assistance for the construction of two new air bases in the Negev, and $2.2 billion in additional FMS credits to help defray the other costs associated with the Sinai redeployment. The computed data concerning *Egypt's* defense expenditures did not place it above the norm, probably due to phenomena in the comparison of levels and trends over the past five years. It is too early to predict future trends in Egyptian defense spending, but the budgetary impact of programs funded through proposed FMS financing will be quite limited; for example, during the first ten years, in terms of direct costs, only interest payments will have to be funded by the government of Egypt. However, this is not expected to impede improvement in development. Plans and disbursements of prior years should come into fruition during this period and U.S. bilateral functional economic aid will be more quickly effective as institutional and managerial structures are ready to operate. *Syria* and Jordan can be expected to maintain their present levels of military effort since they perceive no reason for optimism in the outcome of recent events. It is hoped that, as time goes by, they will recognize the possibilities inherent in the Israeli-Egyptian conciliation. In any event, the pace of growth has quickened in both countries and the results of that improvement are being distributed on a more equitable basis.

LATIN AMERICA

Comparison of countries on a worldwide basis (see Table 11, page 146) offers further evidence that, as a region, the proportion of resources that Latin America spends on defense is substantially less than in other parts of the world. The regional ranking shows six Latin American countries with a combined score of five or higher, while the number shrinks to two—Guyana and Peru—on the worldwide ranking. However, the statistical comparison is intended to provide a checklist for the more critical country analysis in which the relationship to neighboring countries is the relevant issue in arms races. The competition between *Ecuador*, Peru and Chile continued to engender escalating military buildups during 1975-1977. However, in 1977, Ecuador's defense expenditures, as a percentage of GNP and the central budget, dropped dramatically by 20 and 30 percent respectively. This would indicate that Ecuador is able to sustain its current defense spending without restricting its ability to devote a sizeable share of its increased petroleum earnings to development. The data give an inaccurate impression of *Guyana's* expenditures on defense which were a modest 6 percent of the budget and 3 percent of GNP in 1977 and have further decreased substantially in 1977-1979. In that time, expenditures for development have almost doubled. The Guyana Defense Force must maintain law and order for 800,000 people over a vast territory of 83,000 square miles. The Defense Force accomplishes this while providing considerable civic support. In *Honduras*, in 1978,

development received 42 percent of the central budget, while defense expenditures accounted for 7.8 percent, a drop from previous years. These funds were used to pay for military purchases in earlier years which peaked in 1976. No major new purchases of military items are planned except for patrol boats which will be used for narcotics interdiction. Honduras' GNP increased by 12 percent in 1978 over 1977 and its development priorities are energy, education, health, highways and ports, forest products and agriculture. *Paraguay's* GNP and central budget expenditures rose by 19 percent and 11 percent respectively in 1977 while its defense spending rose by 16 percent. This reflects the dynamism and capacity for growth due largely to external investments for hydro-electric power which has expanded employment and agricultural exports. Since the establishment of military rule in *Peru* in 1968, it has been the highest per capita spender on defense among the non-communist Latin American countries. Now, as Peru prepares to return to a civilian government, there has been a significant turn-around in military expenditures which dropped to 3.4 percent of GNP and 14 percent of the budget in 1979 compared with 5.6 percent and 22 percent respectively in 1978. The government has honored its commitment to the international financial community and to the United States not to make new arms purchases for the life of the military government. To overcome its serious financial crisis, Peru is carrying out a stringent austerity program while still maintaining its efforts in social and economic development.

INDIVIDUAL COUNTRY ASSESSMENTS

AFRICA

CHAD:

Chad's national budget for FY 1978 allocated $31.5 million, or 38 percent of the total budget, for defense expenditures. Thirty-five percent of these defense allocations were for equipment purchases and 65 percent for personnel costs, primarily salaries.

Already one of the poorest countries in the world, Chad has been troubled with civil war and rebellion for almost fourteen years. Libya has in the past provided considerable military and financial support to Chadian insurgents. Moreover, Libya has consolidated its occupation and is now claiming a large section of the northern part of Chad. At the request of the Chadian Government, France dispatched military personnel to Chad in April, 1978. France has also provided grant military assistance to Chad to supplement the limited funds budgeted by the Chadian Government for its own defense. The United States finances a small program of professional military training for Chadian officers.

Despite its serious security problems, the Chadian Government has demonstrated a sincere commitment to finding solutions to the cyclical drought problem and to increasing food production. Emphasizing labor intensity, increased agricultural productivity is to be achieved by persuading people to migrate to more fertile land. The government plans to provide tools, fertilizer, vaccines, extension services and training opportunities at a cost of half a million dollars.

The United States' interests in Chad are essentially humanitarian. U.S. development assistance is designed to support Chadian efforts at agricultural self-sufficiency and social and economic development. A consortium of U.S. companies is conducting oil exploration.

In February, tensions between the President and the Prime Minister led to heavy fighting in the capital. Mediation talks were held in Kano, Nigeria in early March by the President, Prime Minister and leading rebels. The Kano Accord, which was signed by all principal Chadian factions and the governments of Cameroon, Libya, Nigeria, Niger and Sudan calls for the formation of a new transitional Union Government. Should this new agreement mean an end to Chad's civil war, the new Government may be able to reduce military expenditures substantially.

Chad is a member of the eight-nation CILSS (Interstate Committee to Combat the Drought in the Sahel) organization. The United States is cooperating with other donors through the Club du Sahel to make the region self-sufficient in food production and economically self-sustaining by the end of the century.

Conclusion:

At present, U.S. assistance is in the form of development grants, including Title II PL 480. It will be continued as long as it can reach and effectively help the people who are in need.

MALI:

For a poor country, Mali's total defense expenditures are considerable. They represent more than a quarter of the national budget. However, the budget for the Ministry of Defense includes funding for internal as well as external security. The costs of the National Gendarmerie, the Police and the Horse Guards, amounting to 40 percent of the defense budget, represent expenditures related to internal security, which in most other countries are administered by the Ministry of Interior. In 1978, out of about $31 million budgeted for the Ministry of Defense, only about $19.6 million was spent for actual military goods and services, which would represent only 14 percent of the total budget expenditures for that year. It should also be noted that in 1978, the budgeted military expenditures amount to only about half of the expenditures for national education—about $40 million.

After 11 years of military rule, Mali is going through the transition to civilian government. A political party has been formed, the Malian People's Democractic Union, which recently held a Congress in Bamako to select a party leader and propose the type of civilian government to be established in Mali. Government elections are scheduled to be held later this year. Full civilian rule is scheduled for 1980.

Mali is a poor country at an early stage of development. It has an estimated per capita income of $90. Like most Sahelian countries, Mali is only just beginning to recover from the severe droughts that devastated the Sahel. The rains were back to normal in most of the Sahel in 1978 and it is expected that rainfall this year will reach normal levels. With adequate rainfall, Mali's economy can grow. However, to maintain sustained economic growth, Mali requires sizeable external economic assistance.

The U.S. is currently providing Mali with about $13.5 million in economic assistance in the form of a grant through a bilateral aid program and through the Sahel Development program—a long-term multilateral effort.

Conclusion:

U.S. assistance is in the form of development grants and PL 480 Title II assistance. It will be continued as long as it can reach and effectively help the people who are in need.

MAURITANIA:

A bloodless military coup took place in Mauritania during the night of July 9-10, 1978 and resulted in the overthrow of Moktar Ould Daddah's civilian regime. Mauritania's constitution was suspended and the Parliament and Mauritania's People's Party were dissolved. A new cabinet, comprised of both military officers and civilians, was named on July 12. On April 6, 1979, there was another change of government. The ruling military committee was reorganized and the position of Prime Minister was created. Mauritania is now being governed by a Military Committee for National Salvation (MCNS) comprised of 15 senior military officers.

One of the new Government's publicly stated goals is a negotiated solution to the Western Sahara conflict (formerly Spanish Sahara). It has pledged itself to work towards this goal. To show its good faith towards the new government, the Polisario, an Algerian-supported independence movement which has been conducting guerrilla activities in the Western Sahara against Mauritania and Morocco, declared a cease-fire in the Mauritanian-held portion of the Western Sahara shortly after the new government took power. The cease-fire was still in effect in June, 1979.

The war in the Sahara stems from the occupation and the administration of the area by Morocco and Mauritania. Under the terms of the November 14, 1975, Madrid Accords, the two countries joined with Spain in a joint administration of the territory. Upon Spain's withdrawal from the Western Sahara on February 26, 1976, Mauritania and Morocco claimed and administered their respective zones.

The recent droughts and the war in the Western Sahara have imposed a very heavy burden on the country's economy. In 1978, it is estimated that the Government of the Islamic Republic of Mauritania (GIRM), spent more than $86.9 million or 39 percent of the national budget on defense expenditures. This is a sizeable amount for a country with Mauritania's economic and social needs.

The current government recognizes that the need for development is critical. To achieve this, it is actively seeking a negotiated solution to the Sahara conflict. Free of the war, the GIRM hopes to be able to direct more of its resources to Mauritania's economic development and to improving the living standard of its citizens, particularly the rural poor.

Mauritania is a strong supporter of regional economic cooperation. It is a member of OMVS (the Senegal River Development Authority), as well as CILSS (the Interstate Committee to Combat the Drought in the Sahel), an organization which groups the six Sahel nations.

The United States is currently providing Mauritania with approximately $5 million in economic assistance through its bilateral program and through a long-term multilateral project—the Sahel Development Program. This program is designed to help the rural poor and assist the Sahel countries become self-sufficient in food production. In 1978, the United States provided Mauritania with about $2 million in emergency food aid.

Conclusion:

U.S. assistance is in the form of Development grants and Title II, PL 480. However, U.S. representatives will continue to show their concern and try to persuade the government to accelerate the apportionment of increased resources to the development process and less to military purposes. In the event that a loan or a Title I sale were proposed, a special review would be required to evaluate the country's commitment to development.

MOROCCO:

Moroccan defense expenditures increased sharply between 1972-75 and 1976-79 as a result of equipment modernization and of fighting in the Western Sahara. While the economy also expanded, defense expenditures as a percentage of GNP went from 3.5 percent to about 6 percent. In 1979, official projections show defense expenditures taking 18.5 percent of government expenditures. This represents a slight increase from the percentage allocated to defense in 1978. There is, at the same time, an increase in the allocations for social programs in 1979.

With U.S. support in the form of Foreign Military Sales (FMS), Morocco embarked on a military modernization program in 1975 to meet a perceived military threat posed by Soviet-supplied Algeria. There is a history of tension between the two countries, and Algeria outnumbers Morocco in major items of combat equipment. More recently, Morocco has been fighting Polisario guerrillas in the Western Sahara and within Morocco itself. However, a ceasefire was in effect in late spring and early summer in 1979. These guerrillas, who are supported by Algeria, reject Morocco's claimed sovereignty over the northern portion of the former Spanish colony of the Western Sahara. A substantial portion of the increased Moroccan defense expenditures was financed by Middle Eastern countries.

Real GNP grew an average of 7.3 percent annually between 1972 and 1977. Financing the development program became more difficult in the second half of the decade, however, as world prices for Morocco's phosphate exports fell, demand for other Moroccan exports stagnated and, finally, Middle Eastern financial assistance declined sharply in 1978. Morocco reacted by cutting back development expenditures, imposing import restrictions and tightening credit. It replaced the anticipated 1978-82 development plan with an interim 1978-80 plan.

This new development plan recognizes the importance of improving social conditions and reducing income disparities. The 1979 budget, while less ambitious than those in the 1972-77 period, increases operating allocations for education by 15.3 percent, giving that ministry 29 percent of the operating budget. The investment allocation for education is increased 85 percent and accounts for 9.1 percent of the capital budget. Although other social sector allocations remain inadequate, especially in view of Morocco's near middle income country status and the wide disparities between the more developed sections and the rest of the country, the government has begun to increase spending in these sectors. Specific actions in the 1979 budget include: (1) continuation of government subsidies on staple foods, even though overall government subsidies are reduced; (2) extension of government retirement to 100,000 families; (3) 193 percent increase in the housing and urban development investment budget, including construction of 25,000 low-income housing units; (4) a 50 percent increase in family subsidies; (5) 8.5 percent increase in the operating budget of the Ministry of Health; (6) various tax reforms.

Conclusion:

Because of the increase in Morocco's defense expenditures and the decrease in resources available for development, a special review will be necessary before a development loan or PL 480 sale can be approved.

SOMALIA:

In 1977, defense expenditures as a percent of central government expenditures rose to 10.5 percent over 9.5 percent in 1976. As a percentage of GNP, the rise was somewhat less, from 6.5 percent in 1976 to 7.3 percent in 1977. The government continues to be predominantly military in character as has been the case since the military coup in 1969.

The Somalis attacked Ethiopia in July 1977, in connection with a long standing territorial dispute, and subsequently severed their ties with the Soviets in November, 1977. However, they were defeated largely through the efforts of Cuban forces and subsequently withdrew from Ethiopian territory. They continue to maintain a friendly anticipatory attitude toward the United States.

The war was costly and defense expenditures rose. The Arab states have provided some financial aid and material but the Somalis are now seeking Western arms to provide for the defense of their internationally recognized borders. These arms have not been forthcoming. Former Arab backers, with the exception of Egypt, seem reluctant to continue funding Somali irredentist claims. Violence in the Ogaden seems to be diminishing, indicating that less foreign exchange is being spent in this area.

The Somali economy is dependent on foreign aid. Only 12 percent of the land is arable. Eighty percent of the population exists at or below the subsistence level. There is little economic infrastructure and virtually no health care outside the cities.

There are about 150,000 refugees in Somalia. Many of these people are from the Ogaden where the war and continuing violence have disrupted normal nomad grazing patterns. There are also refugees from other areas in Ethiopia. A large portion of U.S. PL 480 Title I assistance is used to feed the refugees. Other donors are providing food, medicine, farm implements and tents for use in the refugee camps.

U.S. Development Assistance programs are in the form of grants and are aimed at improving the quality of life of the poorest people in Somalia. A rural health program will try to improve basic hygiene and provide centers for first echelon medical care for the nomads. Agricultural programs will try to teach basic conservation techniques to Somali farmers. Livestock programs will teach simple techniques to improve the well-being of the herdsmen. In FY 1979, approximately $10.7 million of PL 480 Title I sales of wheat, rice and other grains were to be concluded.

Because the Government of the Somalia Democratic Republic (GSDR) has not found an arms supplier to replace the Soviet Union, military expenditures are smaller in 1978 and 1979 than in previous years. The government has always been interested in development assistance and has encouraged aid programs in all areas of the economy. Western and moderate Arab states have been anxious to fill the void left by the sudden departure of the Soviets without providing military equipment.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

TANZANIA:

Tanzania defense expenditures as a percentage of central government expenditures increased from 12.1 percent in 1976 to 15 percent in 1977. As a percentage of GNP, defense increased from 3.4 percent in 1976 to 3.8 percent in 1977. As a leader of the Front-Line states and a vocal supporter of majority rule in southern Africa, Tanzania has expanded its defense budget in recent years. This expansion reflects Tanzania's support to guerrilla activities in the area, as well as the need for building a defense capability from a very small base. There have been, in addition, significant increases in defense expenditures in recent months as a result of the conflict initiated by Uganda's invasion of Tanzania. However, the exact level of the increased expenditures and its impact on the national budget are not known.

Tanzania is strongly committed to achieving self-reliant economic growth. The principal constraint to improving the welfare of Tanzania's poor is their isolation in rural villages where they are denied or have only limited access to appropriate technology, production inputs and marketing facilities needed to improve low farm yields and to basic health and education services. In this framework, U.S. economic assistance efforts in Tanzania focus on developmental activities directed toward the rural population in specific regions, while concurrently increasing the capacity of national and regional governments to deliver resources and services to rural areas. These efforts are concentrated on the key areas of agriculture research, improved seeds, livestock development, credit and farmer training.

U.S. assistance also provides the backdrop for cooperation in attaining mutually desired goals, as manifested by the growing and important mutuality of interest and agreement between the U.S. and Tanzania on matters pertaining to peace and development in southern Africa.

Conclusion:

At present, U.S. bilateral economic aid is in the form of a development grant, hence not directly addressed in Section 620(s). However, A.I.D. is concerned over the limited local resources available for development and will keep this matter in mind in the course of administering the program. If a loan or PL 480 sale is contemplated, a special review will be made.

UPPER VOLTA:

Upper Volta's national budget for FY 1979 allocates $32 million, or 19 percent of the total budget, for defense expenditures, a substantial increase over recent years. However, 94 percent of the defense budget represents personnel costs.

Upper Volta returned to civilian rule in 1978, after more than a decade of military government. The new constitution, based on the French model of a strong executive branch and democratic parlimentary system, was approved by popular referendum; open and freely contested elections were held in late spring 1978.

Although the FY 1979 national budget is the first budget drawn up by the new civilian government, defense allocations have risen 30 percent over FY 1978, compared with 17 percent increase in the budget overall. The increase in defense allocations reflects on army pay boost effective October 1978 and personnel costs for 1,300 new recruits brought in at the same time.

Defense expenditures rose sharply following an outbreak of hostilities with Mali in 1974 and, like those of Mali, have never subsided, despite a lessening of tensions and peace agreement. Mali and Upper Volta are both members of the new Military Defense Agreement of the six-nation francophone Community of West African States (CEAO), which is designed to deter outside interference in the internal affairs of the region.

While these rising military expenditures are troubling for a country at Upper Volta's low level of economic development, the Government has demonstrated a commitment to meet the basic human needs of its people. Upper Volta is the headquarters for the Secretariat of the CILSS (Interstate Committee to Combat the Drought in the Sahel) organization. The United States is cooperating with other donors through the Club du Sahel in a long term multilateral program to help alleviate drought effects and promote food production. External aid flows to Upper Volta surpass its entire national budget. Free speech and other civil and political liberties are guaranteed and respected under the new constitution. Upper Volta has a free private press, unfettered trade unions, and no political prisoners. Human rights are well respected.

Conclusion:

At present, U.S. assistance is in the form of development grants, and Title II, PL 480. It will be continued as long as it can reach and effectively help the people who are in need.

EAST ASIA

PHILIPPINES:

Philippine military expenditures peaked in 1978; they declined in both absolute and relative terms in 1979, from $800 million to $753 million, and from 20.4 percent to 17.1 percent of total government expenditures.

In the early 1970's the Philippines began substantially to increase its ratios of defense expenditures to gross national product and to total government expenditures and of military imports to total imports. This major increase in expenditures was directly attributable to the expansion of the armed forces to fight two domestic insurgencies, both of which heightened their activity during that period and which maintain relatively high levels of activity down to the present: the Muslim insurgency in Mindanao and the Sulu archipelago; and the New People's Army, military arm of the Communist Party of the Philippines/ Marxist-Leninist, which operates in several parts of the country.

The Republic of the Philippines has experienced a very high rate of increase in ratio of defense expenditures to gross national product and to central government expenditures, as well as a high rate of increase in ratio of military imports to total imports and to international reserves. However, the ratios themselves in each of these areas remain very low when compared with other East Asian nations. For example, while the rate of change in ratio of defense expenditures to GNP is the highest for the region, the actual ratio of such expenditures to GNP is the lowest. When dealing with very low proportions, very slight changes are reflected as high rates of change.

However, economic and social development expenditures continue to grow, fueled largely by substantial inflows of capital from the international financial institutions and from bilateral donors. The relatively poor export performance of major commodities such as sugar has retarded foreign-exchange earnings, placing additional pressure on debt service. Nevertheless, the economy has continued to grow at a real rate in excess of 6 percent with moderate rates of inflation. The average annual growth rate of agriculture during the period 1970 to 1977

was 5 percent, and the Philippines is now self-sufficient in rice and corn, the two major foodgrains in the typical Filipine diet. In addition, recent data tends to confirm that there has been a relative increase in rural incomes. Recent disruptions in oil prices, however, will have a negative impact on this performance, and 1979 does not promise to be as successful as 1978.

Since 1974, the GOP has significantly increased expenditures for rural infrastructure, health and nutrition, and government expenditures for basic human need programs now constitute approximately 40 percent of total budgetary outlays.

In addition, the GOP has markedly improved the utilization of its labor force. While the labor force itself grew at an average annual rate of 4.6 percent between 1970 and 1976, employment grew at an annual rate of 5.1 percent in the same period. Unemployment stood at approximately 5 percent in 1976. It was estimated at 4.1 percent in 1977, the most recent year for which official figures are available.

As an indication of improvements made in health and nutrition, life expectancy at birth rose to 60 in 1975, up from 49 in 1960. Per capita caloric supply amounted to 112 percent of requirements in 1975, and this figure continues to rise with agricultural production increasing at 5 percent per year and population growth presently at about 2.6 percent and declining.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

SOUTH KOREA:

Defense expenditures as a share of GNP decreased from 5.7 percent in 1977 to an estimated 5.5 percent in 1978, with a slight increase to the 5.6 percent level projected for 1979. (The Korean government recently revised its GNP figures for a period of several years which had the effect of reducing the defense percentage of GNP from those shown in Table 2 on page 81.) The defense share remained below 5 percent until 1976, when expenditures in connection with the Korean five year Force Improvement Plan began. The plan is designed to overcome the imbalance resulting from a massive North Korean arms buildup in the early seventies. Subsequent information on North Korea forces has shown that the size of that buildup has been consistently underestimated, and as a result, a second Force Improvement Plan will be required. With the first phases of U.S. withdrawal of ground combat forces from Korea in 1978, additional defense requirements developed as the Republic of Korea Government (ROKG) was called upon to assume responsibility for a greater share of its own defense.

Because of Korea's sustained economic growth—an average annual increase in real GNP of more than 10 percent since 1963—U.S. economic assistance is being phased out. There is no more grant assistance or development loan program; a residual PL 480 sales program, associated with compensation to Korea for losses resulting from bilateral textile export restraints agreed to with the U.S. in 1971, remains.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

NEAR EAST

ISRAEL:

Israel's spending for defense as a percentage of GNP dropped from 36 percent in 1976 to 30 percent in 1977; and as a percentage of central government expenditure, from 41 to 36. Nevertheless, these statistics will remain relatively high reflecting Israel's continuing concern over its security situation and its conviction that it can participate in the peace process only from a strong defensive position. Defense costs in the past helped to bring the economic growth process to a standstill and contributed to high levels of inflation.

The economic situation has improved in the last few years. The current account deficit for the civil sector was reduced from over $2 billion in 1975 to about $1.5 billion in 1978. At the same time, foreign exchange reserves increased to almost $3 billion, representing about four months of estimated 1979 civilian imports.

Israel's GNP grew by 5 percent in real terms in 1978. The growth rate could be even a little higher in 1979. U.S. assistance has helped Israel regain some of the momentum which characterized its economy before 1973, in spite of the heavy defense burden which the country continues to carry.

Israel's debt service ratio—the ratio of public and private debt service to earnings on exports and services—has declined from a high of about 28 percent in 1975 to 23 or 24 percent in 1978, and it may continue to go down in 1979.

Of the $3 billion of U.S. military assistance proposed after the peace treaty was negotiated, the $800 million which is associated with the construction of two air bases will be provided on a grant basis. The $2.2 billion of Foreign Military Sales (FMS) is to be offered with a ten year grace period, followed by a twenty year amortization period. The interest rate will be determined by the cost of money to the Treasury at the time of drawdown. This is expected to result in additional debt service obligations of about $200 million annually by 1982, and $250 million in 1990 when repayments on principal begin.

In late 1977, the Government of Israel moderated the austerity measures introduced earlier to reestablish balance of payments equilibrium. The upshot was a rapid acceleration in the rate of economic growth during 1978. Government of Israel spokesmen have indicated concern that the redeployment of military and civilian personnal and facilities, to be undertaken pursuant to the terms of Israel's peace treaty with Egypt, will tend to overheat the economy, exacerbating already strong inflationary pressures. It will probably be necessary to take steps to moderate the pace of civilian economic activity to accommodate these new requirements. This does not mean that the rate of economic growth will be slower than it was in 1978. It is, however, likely that, for the next few years, military redeployment and establishment of physical infrastructure needed to support new military installations will be an important component of economic activity. The U.S. in accordance with Israeli requests hopes to mitigate this by the grant of the $800 million for the construction of the two new air bases in the Negev.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

SYRIA:

Syria's defense burden appears basically unchanged in 1977. Military expenditures in 1977 were the equivalent of 14.2 percent of GNP (down by one-half a percentage point from 1976) and comprised 31 percent of total government expenditures (down four-tenths of a percentage point). Expenditure data are lacking for 1978, but 25 percent of the government's planned budget was allocated to "national security" expenditures. In the 1979 budget, the proportion rises to 35 percent, based on the anticipated receipt of $1.8 billion in pledges made to Syria at the Baghdad summit. If these subsidies do not reach projected amounts, and it is doubtful they will, military expenditures will probably not rise to that level.

The Syrian Government remains committed to economic and social improvement. However, drought, higher energy prices, and the burdens of its Lebanon involvement sharply reduced growth in the last two years. For 1977 and 1978, the GNP annual growth rate is thought to have been about three percent, with a per capita GNP now estimated at nearly $800.

The government's priorities are an increase in agricultural productivity, and alleviation of the critical shortage of vital social infrastructure and services in rural areas. To help do this, approximately thirty donors made commitments amounting to $1 billion in 1977. This was 40 percent of the 1978 development budget, of which the American share was about 10 percent.

Both the foreign exchange costs of military imports and the domestic defense burden have been offset, in large part by financial assistance from Saudi Arabia and other Arab oil states. In 1977 and 1978, Arab "subsidies" amounted to roughly $550 million per year—an amount equivalent to 17 percent and 12 percent respectively of the government's total budget for those years. In 1979, military spending, in real terms, is projected to rise for the first time in several years, based on the aforementioned anticipated receipt of larger amounts of Arab assistance. On balance, an increase in the net military burden to the Syrian economy is not expected. Moreover, some modest acceleration of growth seems likely.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

LATIN AMERICA

ECUADOR:

Despite a large increase in Ecuador's foreign purchases of military equipment as shown by the 1977 statistics, the relative amount of resources the country devotes to military and defense expenditures remains low. Over the period 1975-1977, as foreign exchange earnings have increased (primarily from petroleum exports), there has been an escalation of military imports. Basic reasons for these purchases were Ecuador's intense concern with the equipment buildup of their neighbor Peru's military establishment and a need to replace outdated materiel.

It is significant, however, that for this same period, 1975 to 1977, two of the indicators used to determine the country's resources devoted to defense have decreased. Defense expenditures as a percentage of GNP and as a percentage of central government expenditures decreased by 20 percent and 30 percent respectively. In fact, the 1977 percentage for each of these factors is considerably lower than the average over the preceding four-year period. This would indicate that from an economic standpoint the Government of Ecuador is able to sustain its current defense spending while at the same time not restricting its ability to devote a sizeable share of its increased petroleum earnings to development.

In fact, spending for economic development purposes has been increasing and has not been affected by increased defense expenditures. This is due to prudent allocation of budgetary resources to programs of high economic priority and to increased government revenues from oil production. For instance, approximately 24 percent of the GOE budget is devoted to education and from 1970 to 1976 the health sector's share of the budget more than doubled, from 3.2 percent to 7.4 percent.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

GUYANA:

Six and one-tenth percent of Guyana's 1977 central government expenditures is devoted to defense. Defense expenditures as a percentage of GNP were only 3.1 percent in 1977. In addition, it is important to note that both of the percentages represent decreases from 1976. Significantly, of the 22 Latin American countries represented in the defense spending tables, only five have lower percentages of defense expenditures as proportions of central government spending.

Military imports have remained at a low level over the 1975-1977 period, totaling only $2 million (U.S.) in each of these three years, according to more recent information. Guyana uses an extremely small percentage of its foreign exchange earnings to acquire military equipment and is making no purchases of sophisticated weapons systems such as missiles or military jet aircraft. A declining trend in defense spending is confirmed by examination of expenditures under the capital budget for defense equipment and buildings. In 1976, Guyana budgeted 21.7 million Guyana dollars ($G) for these line items. This dropped to $G8.7 million in 1977 and to a low $G1.0 million in 1978. The 1979 budget figure is also $G1.0 million.

Even though Guyana's defense expenditures are relatively low, they do reflect certain responsibilities that the Guyana Defense Force (GDF) (Guyana's regular army) has for maintaining law and order throughout the vast hinterland of Guyana. Guyana, with a population of only 800,000 has 83,000 square miles of territory to safeguard. Decisions on the level of defense expenditures also are influenced by disputed territorial claims of Venezuela and Surinam.

The GDF also plays an important role in carrying out Guyana's development goals. The GDF is engaged in civic action projects such as building roads in the interior as well as producing a significant amount of food. GDF aircraft transport government officials to the interior for work on development projects, and the GDF plays a supportive role during periods of disaster, e.g., fires in the Georgetown rice export warehouse were finally brought under control through GDF assistance. GDF river-craft also supported the government's anti-smuggling campaign and thus help increase customs revenues.

Guyana's reduction in defense spending over the period 1977-1979 has been accompanied by a significant increase in capital expenditures in the development budget—91 percent from 1978 to 1979 ($G147.4 million to $G281.9 million). Sectors with major increases include agriculture as well as education and health which coincide with AID's sectoral priorities.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

HONDURAS:

Although the Honduras Central Government budgets have provided for increases in defense expenditures from $13.8 million in 1974 (8.79 percent of total budget) to a projected $31.8 million in 1978, (7.5 percent of total budget) this has been overshadowed by its continuing high allocations for development. The GOH allocated $174 million to development and investment programs in 1978, or 42 percent of total planned expenditures. Comparable figures for 1977 are $120 million or 38.5 percent of budget total.

Evidence of increasing emphasis on development are the proportionately large allocations in the 1978 Central Budget to the Ministries of Education, Health (and Social Security), Communications (and Public Works and Transport), and Natural Resources. These reveal that the priorities for 1978 were education, health, highways and ports and agriculture. Largest relative increases were allocated to the Ministries of Communications (64 percent), Natural Resources (31 percent) and Health (26 percent). Major infrastructure expenditures are planned for 1979 in hydroelectric power and forest products.

The increase in Defense expenditures can be explained in part by the necessity to pay for purchases made in earlier years, particularly in 1976, when military imports were recorded as $36 million representing 6.2 percent of total imports of $574 million. In 1977, military imports amounted to $2 million or 0.27 percent of total imports valued at $733 million. Indications are that no major new purchases of military items are contemplated with the exception of patrol boats which, among other things, would be utilized for narcotics interdiction, a major element of U.S. policy in Latin America. Major emphasis will be on routine upgrading of current military installations.

In 1978, Honduras continued to enjoy a healthy economic growth rate. Preliminary figures for 1978 indicate a Gross National Product (GNP) increase of 12 percent. By September 30, 1978, net foreign exchange reserves amounted to $156.8 million or 29 percent and 60 percent over the reserves held on equal dates in 1977 and 1976 respectively. Military imports were 27.48 percent of international reserves in 1976 dropping to a more normal 1.11 percent in 1977. This compares with 2.27 percent and 1.03 percent in 1974 and 1975 respectively.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

PARAGUAY:

The economic statistics for Paraguay for 1977 indicate that defense expenditures rose by 16 percent over 1976. Significantly, however, GNP rose by 19 percent and central government expenditures by 11 percent, indicating that defense spending was not disproportionate. More importantly, military imports remained at a significantly low level, reaching only $2,000,000 in 1977, according to more recent information, which is just over the average for the 1973-1976 period. Considering the level of Paraguay's international reserves, this amount of military imports does not appear to be exorbitant.

When comparing Paraguay's defense expenditures with such key economic indicators as GNP and central government expenditures, it is obvious that Paraguay's defense spending is not a major impediment to development and has remained very stable. For instance, over the period 1973-1977, when looking at defense spending as a percentage of GNP, we find that the average is 1.41 percent. This also is the actual percentage for 1977. When comparing defense expenditures as a percentage of central government spending, the average for the 1973-1977 period is 14.04 percent. The percentage in 1977 is 14.2, just over the average. A much more important indicator however is military imports as a percentage of total imports. The average for the mid-70s period indicated above is .58 percent and the figure for 1977 is .21 percent, well below the average. The 1977 figure is a decrease from 1976 when the figure was 1.52 percent.

The significance of these figures is the positive trend they establish of a fairly consistent level of defense spending and a low level of military imports. It is anticipated that as the country continues its rapid economic growth and accelerating foreign exchange earnings, the share of the country's resources devoted to military and defense expenditures will continue to decrease.

Conclusion:

U.S. assistance is in the form of Development grants and PL 480 Title II donations, and will continue to be made available.

PERU:

For the past decade, since the establishment of military rule in 1968, Peru's defense expenditures on a per capita basis, have generally exceeded those of other non-communist Latin American countries. As Peru prepares to restore constitutional, civilian government, probably before the end of 1979, there has been a significant turn-around in military expenditures. The following table plots the course of two significant measures for most of the period of military rule.

	1970	*71*	*72*	*73*	*74*	*75*	*76*	*77*	*78*	*79*
Defense Expenditures as % of GDP	3.1	3.2	3.2	3.5	3.5	4.6	5.0	6.3	5.6	3.4
Defense Expenditures as % of Central Govt. Expenditures	15.6	14.8	14.5	19.2	18.9	21.5	24.0	28.0	22.0	13.9

(The 1979 figures represent the planned budgetary figures.)

The apparent turnaround in 1978 was the result of a number of factors:

—Substantial completion of acquisition of major new weapons systems.

—A personal commitment by the President of Peru to President Carter to terminate acquisition of major arms for the life of the military government.

—The deepening financial crisis which made reduction of military expenditures imperative.

—Increasing public dissatisfaction with military rule.

In an effort to surmount its serious financial crisis, the GOP is carrying out a stringent austerity program in cooperation with the IMF, the IBRD and public and private creditors. A debt rescheduling has been completed—including debts for past military purchases—and government spending has been reduced. For 1979 the budget adopted by the government calls for a reduction in military expenditures in real terms of 36 percent and it appears likely that a substantial reduction will actually take place.

It is expected that Peru will return to civilian government late in 1979 or early in 1980. A further gradual reduction in defense outlays is not unlikely.

In spite of high military expenditures the military government has maintained an active policy of social and economic development. Programs have been curtailed to some extent by the financial crisis, in which military expenditures have played a part. However, the pace of development has not been significantly affected by defense outlays.

Conclusion:

Considerations under Section 620(s) do not rule out assistance.

Explanation of Methodology:

Because of understandable national sensitivities, complete and accurate data on foreign defense expenditures and military imports, their degree of sophistication and terms of trade are difficult to obtain. The material that is available is, in most cases, not comparable. Exchange rates are misleading, prices irreconcilable, budgets and accounting systems are very different, tax polices vary and it is often not clear whether figures refer to outlays, expenditures, deliveries, obligations, programs or projections. Nations differ considerably in the degree to which they use conscripts or volunteers and in the extent to which they subsidize domestic production or foreign trade in military hardware. The absence of a viable formula to identify, measure and compare military expenditures make it difficult to assess relative country performances.

In last year's Report, the search by the United Nations for such a formula was described at some length. In 1975, the General Assembly had adopted a Resolution, Number 3463, which requested the Secretary General to appoint a Group to study four specific technical issues of the measurement of military expenditures:

"(a) the definition and scope of the military sector and of military expenditures . . . and a standardized accounting system . . . ;

(b) the valuation of resources in the military sector . . .;

(c) the deflation for price change in military production..."

(d) the international value comparison and exchange rates relevant to military production. . . ."

Account was to be taken of different economic systems and different production structures within the military sector. Particular account was to be taken of price and currency variations among different countries.

At the thirty-third session of the General Assembly, a Resolution on the Reduction of Military Budgets was adopted on December 14, 1978 which contained the following ". . . Convinced that the systematic measurement and reporting of military expenditures is an important first objective in the move toward agreed and balanced reductions in military expenditure . . . and recognizing the need for the availability of a satisfactory instrument for standardized reporting on the military expenditure of Member States . . ." the Assembly requested the Secretary-General to carry out pilot tests with the cooperation of volunteer states from different regions and representing differing budgeting and accounting systems.

Among the countries involved in preparation for the tests have been the United Stated, Sweden, Peru, Nigeria, Japan, Rumania and Indonesia. The Secretary-General is to report on his progress in this matter at the thirty-fifth session of the General Assembly in the fall of 1980.

The analysis used in carrying out the provisions of Section 620(s) is accomplished in two parts:

FIRST: A statistical computation is made of each economic aid recipient's defense expenditures as a percentage of its gross national product and of its budget; and military imports as a percentage of total imports and of international reserves. Country data are compared to data for other countries in the region, and also on a worldwide basis.

SECOND: Those countries that are found to exceed the comparative norm are then examined more closely in political, security and economic perspectives. Such knowledge as is available on the acquisition of sophisticated weaponry is incorporated. An evaluation is made of the extent of economic and social development that has occurred in the same period.

At this point, a judicative decision is made as to (1) whether the allocation of resources by the developing country between defense and development is comprehensible and admissible within the context of Section 620(s), or (2) whether there is a sufficient area of doubt or concern to require more frequent examination of the situation.

In the former case, a blanket decision is made to confirm development loans, supporting assistance,[1] or sales under the Agricultural Trade Development and Assistance Act of 1954, as amended, for a period of twelve months or until the next Section 620(s) report is prepared. However, country situations are daily monitored by State and A.I.D. desks, and in the event of unanticipated events such as the outbreak of war or sudden and extraordinary arms buildup, a special review would be conducted.

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[1] Also known as Economic Support Fund (ESF), per Section 10(b)(6) of the International Security Assistance Act of 1978 (92 Stat 735).

In the second case, when the country's military expenditures appear excessive, whenever a proposal for a development loan, supporting assistance or sale under the Agricultural Trade Development and Assistance Act of 1954 as amended, is proposed, a special review of the recipient country's current political, economic and security situation is required to determine whether the transfer of resources at that time is acceptable within the context of Section 620(s). The special review will consist of an analysis, at the time of each transaction, of the information then available on the country's current military expenditures, its economic and development condition, and the political and security circumstances within the bounds of U.S. interests. Account will also be taken of the effect of the transfer, or the withholding of it, on the social sector to be benefitted. The A.I.D. regional bureau involved prepares this review and directs it to the A.I.D. Administrator with a recommendation for action, after collaboration with other interested executive branch agencies.

Basic data is presented in Table I. To provide cross country comparability, defense expenditures are expressed as a percentage of GNP and of central government expenditures. Similarly, military imports figures are expressed as a percentage of total imports and (this year for the first time) as a percentage of international reserves. These variables are presented in Table 2. The four resulting variables are analyzed in two ways. First, countries with defense expenditures or military imports above the regional median receive one point. Countries significantly (more than one standard deviation) above the regional mean receive a second point. Military import data is analyzed in the same fashion. This analysis appears in Tables 3-6. Second, countries experiencing growth in defense expenditures above the regional mean growth rate receive one point and countries experiencing growth in defense expenditures significantly (more than one standard deviation) above the regional mean receive a second point. Again, military import data is treated in a similar fashion. This analysis appears in Tables 7-10. Finally, a composite score for each country is obtained by summing all the points it has received through the preceding analysis (Table 11). Countries receiving five (occasionally four) or more points are subjected to closer scrutiny to ascertain whether they should receive assistance within the 620(s) context.

Tables 1 and 2 and derivative tables 3 through 10 show only rounded values for military imports. However, the summary statistics shown in table 11 are based on unrounded military import data. Thus, the analysis benefits from the most accurate information available without revealing the exact values of sensitive military imports.

This year, for the first time, a worldwide analysis has been included, similar to the regional methodology outlined above.

The standard error term is a statistical measure of dispersion around the mean. The mean plus and minus one standard error defines a range of values within which roughly two-thirds of all values lie. Outside this range it is fairly safe judgment that, allowing for the imperfections of the data, the values are really different from the mean value. This focuses attention on the values that are almost certainly deviant.

For the rankings by change in ratio (Tables 7-10) there is included a rough indicator of statistical reliability. Three asterisks indicate estimates where there is very strong evidence suggesting a greater rate of change than the group average rate of change. Two asterisks indicate estimates where there is strong evidence suggesting a greater rate of change than the group average rate of change. One asterisk indicates estimates where there is evidence suggesting a greater rate of change than the group average rate of change.

One of the main difficulties is lack of knowledge of the terms involved in arms transfer. Prices, grace periods, interest rates and maturity dates or the terms of barter arrangements are not shared with the U.S., even by its friends and allies.

The element of sophistication in realistic terms, is an incalculable in computing data or in making comparisons. What is sophisticated for one country is not for another, but in one sense, all modern weapons are sophisticated. If an article is already in the arsenal, and being replaced by same generation equipment, it is not regarded as an acquisition that raises the technological level. Detailed information on the relative "quality" or "sophistication" of weapons system has been lacking. Comparisons depend considerably on perception of threat, from whence it comes and the degree of defensive technology needed for protection. These are judgments difficult to make among sovereign nations. In the future, efforts will be made to seek and experiment with methods of evaluating major escalations in military technology, when that is possible. It will be necessary to depend on the Department of Defense for this information since the Agency responsible for producing this Report is without competence in this matter.

Although the format of this year's report has been changed substantially in an attempt to make it more readable, and one variable (international reserves) added, the methodology remains the same as used in prior years. A complete review of the methodology employed is underway and modifications reflecting advances in computer statistical software, data analysis techniques and the A.I.D. data base are planned to be introduced prior to the submission of next year's report.

In sub-section (B) of Section 620(s), the statute calls for:

> ". . . the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment."

To be more responsive to that requirement, a column has been added which gives international reserve figures in dollars valued currently as of December, 1977. These figures were obtained from *International Financial Statistics*, published by the International Monetary Fund. In both regional and worldwide ranking, military imports for the given calendar year were calculated as a percentage of the reserves.

The table on page 39 shows the countries' changes in position when the countries are: (a) ranked regionally with reserve figures not computed; (b) ranked regionally with reserves computed; (c) ranked worldwide, without reserves; and (d) ranked worldwide, with reserves. *For the purposes of this review, the countries selected for closer examination were those listed in column (a) i.e., ranked regionally without computing reserves.*

In most cases the reason for accelerated expenditures on defense is a real or perceived threat nearby. It is useful to compare a country more directly with those countries in the surrounding area which either constitute or share that threat. For those who want to see how the country would compare with others on a global basis, the ranking is available in table 11 in the worldwide tables.

There is debate over the usefulness of the reserves tables. They are included as a useful current measure of the countries' foreign resources. However, the reserve figures represent holdings at a given moment in time, in this case, at the close of calendar year 1977. Payments for military imports do not coincide with the year of deliveries, and terms may vary from barter deals to outright grants to long term, extended grace periods and varying interest rates. Military imports have a long lead time and the country may have ordered them years earlier at a more affluent time, and will have paid for them years hence.

	Regional Ranking		Worldwide Ranking	
	Without Reserves (a)	*With Reserves* (b)	*Without Reserves* (c)	*With Reserves* (d)
AFRICA				
Chad	6	6	5	7
Ethiopia	4	6	4	6
Gabon	2	4	2	4
Madagascar	6	6	5	6
Mali	8	10	9	11
Mauritania	10	12	9	11
Morocco	6	8	5	7
Senegal	4	6	4	6
Somali Republic	5	6	4	5
Tanzania	6	7	7	9
Togo	4	5	4	6
Upper Volta	7	7	6	6
Zaire	3	5	3	5
EAST ASIA				
Indonesia	1	1	5	5
Philippines	7	8	6	8
South Korea	8	9	6	6
NEAR EAST/ SOUTH ASIA				
Egypt	2	3	5	6
India	4	4	5	6
Israel	7	9	7	9
Jordan	3	5	5	7
Pakistan	3	5	4	6
Syria	5	6	6	7
Turkey	4	6	6	8
Yemen	3	3	4	4
LATIN AMERICA				
Ecuador	6	8	4	6
Guatemala	4	6	1	1
Guyana	7	9	5	6
Honduras	5	7	3	5
Nicaragua	5	7	4	5
Paraguay	5	5	3	3
Peru	12	14	9	11
Uruguay	4	5	4	5

Sources of Data

Gross National Product:

GNP data came from a wide variety of sources, including but not restricted to IBRD publications, the IMF publication *International Financial Statistics (IFS)* and the *UN Monthly Bulletin.* In general, several sources were checked in an attempt to find consensus. For Latin American countries, U.S. official country reports were also consulted.

For East Asian countries, the prime sources were country publications and *IFS* volumes, along with IMF and IBRD reports.

For Near East and South Asian countries the data came mostly from the *IFS,* IMF reports and the *UN Monthly Bulletin.* Alternate sources included IBRD reports, country government publications and, for NATO countries, NATO documents.

For African countries, use was made of the *IFS,* IMF and IBRD reports, the *UN Monthly Bulletin,* country publications, the *UN Yearbook of National Accounts Statistics,* and U.S. official reports.

Central Government Total Expenditures and Defense Expenditures:

Many sources were consulted as was the case with GNP data. For NATO countries, NATO statistics were used; for others, IMF and IBRD reports, the Inter-American Bank Reports, the IMF publication, *Government Finance Statistics Yearbook,* the *UN Statistical Yearbook* and OECD publications were used. In some cases, data were adjusted in an attempt to bring them into conformance with NATO definitions.

For countries not covered by current reports from the international organizations, data were derived from:

a) State/A.I.D. reports;
b) Country budgets and other publications, and
c) Discussions with U.S. officials.

Military Imports and Total Imports of Good and Services

Arms Control and Disarmament Agency (ACDA) figures were used exclusively for military imports.

For total imports of goods and services, principal sources include volumes of the *IFS*, IMF and IBRD reports, the IMF *Direction of Trade*, IMF *Balance of Payments Yearbook* and the *UN Monthly Bulletin*. In addition, country publications on national accounts and balance of payments, and State/A.I.D. reports were used.

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(638) ALGERIA						
1973	32540	9801	539	2798	40	1143
1974	48825	12495	1087	4683	20	1689
1975	53907	19311	1313	6828	90	1353
1976	65443	21907	1994	6800	270	1987
1977	76494	25928	1945	8902	280	1917
(680) BENIN (DAHOMEY)						
1973	86400	13000	1391	155	1	33
1974	97100	14128	1554	191	5	35
1975	107200	15600	1825	269	1	15
1976	112700	21460	1846	237	1	19
1977	133400	25760	2499	275	10	21
(633) BOTSWANA						
1973	130	71	---	201	---	---
1974	186	95	---	225	---	---
1975	209	108	---	238	---	---
1976	284	132	---	242	---	---
1977	296	205	---	274	10	---
(695) BURUNDI						
1973	24383	2837	502	34	1	22
1974	27342	3299	657	45	---	15
1975	31300	3617	749	65	10	31
1976	39873	5317	851	65	---	49
1977	43066	5391	949	81	5	95

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TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(631) CAMEROON						
1973	393100	60209	6202	517	---	51
1974	484000	69450	7153	589	---	79
1975	564000	81500	9128	831	5	29
1976	644900	96610	11014	839	10	44
1977	778000	105600	10138	1070	10	43
(655) CAPE VERDE						
1973	---	792	42	32	---	---
1974	900	946	45	33	---	---
1975	---	876	52	32	---	---
1976	---	903	78	37	1	---
1977	---	1363	90	40	---	---
(676) CENTRAL AFRICAN EMPIRE						
1973	63580	15842	1568	105	---	2
1974	71110	17464	1554	130	1	2
1975	79880	18224	1640	163	---	4
1976	93720	18800	1899	143	---	19
1977	106530	22800	2166	185	---	26
(677) CHAD						
1973	82600	17360	4201	150	1	1
1974	89900	19250	4909	171	---	15
1975	106300	20321	5893	240	1	3
1976	117900	23140	5970	222	10	23
1977	130300	17500	5408	265	1	19

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(679) CONGO, REP. OF						
1973	95800	26318	4711	260	1	8
1974	132100	46459	5807	369	1	24
1975	153100	64797	7193	540	10	14
1976	163400	59709	8180	542	5	12
1977	177020	59000	9499	542	20	14
(663) ETHIOPIA						
1973	4955	702	21	299	10	177
1974	5513	761	25	389	10	275
1975	5489	1033	57	436	30	288
1976	6040	1180	---	489	50	306
1977	7119	1352	---	581	430	225
(678) GABON						
1973	146600	54900	2086	484	---	48
1974	344500	102100	2553	791	---	103
1975	432800	202700	3649	1187	1	146
1976	475200	348200	3482	1324	10	116
1977	518000	417000	4170	1364	10	10
(635) GAMBIA, THE						
1973	112	23	---	36	---	16
1974	160	31	---	55	1	28
1975	173	45	---	62	---	29
1976	209	60	---	76	---	21
1977	254	87	---	81	1	24

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(641) GHANA						
1973	3475	578	37	540	1	189
1974	4629	780	58	942	10	94
1975	6002	1211	88	920	10	150
1976	9324	1605	127	976	20	104
1977	16447	2228	98	1167	10	162
(675) GUINEA						
1973	15400	4048	---	227	10	---
1974	16700	3470	---	209	10	---
1975	19600	4080	---	265	10	---
1976	19700	4661	---	332	10	---
1977	22800	6993	---	325	1	---
(657) GUINEA-BISSAU						
1973	4090	526	10	56	---	---
1974	3800	606	15	44	---	---
1975	---	---	---	49	1	---
1976	4408	1249	231	78	1	---
1977	---	1269	270	70	10	---
(681) IVORY COAST						
1973	553600	130200	6380	1154	10	88
1974	718500	178500	9818	1423	---	66
1975	807200	212900	11497	1749	5	103
1976	1072900	338000	17238	1988	10	77
1977	1520000	470300	19753	2451	10	186

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(615) KENYA						
1973	15418	3906	238	869	1	233
1974	19516	4479	282	1313	30	193
1975	22414	5846	380	1291	10	173
1976	27444	7226	412	1278	1	276
1977	35240	8167	849	1605	10	523
(632) LESOTHO						
1973	138	21	---	211	---	---
1974	162	25	---	271	---	---
1975	204	38	---	299	---	14
1976	220	47	---	352	---	17
1977	264	71	---	377	---	27
(669) LIBERIA						
1973	453	92	4	323	1	---
1974	613	104	4	440	1	14
1975	714	133	5	502	1	14
1976	847	167	5	522	1	17
1977	823	205	7	535	1	27
(670) LIBYA						
1973	1928	849	57	3477	180	2127
1974	3534	1297	115	5610	250	3616
1975	3348	1401	72	6665	480	2195
1976	4552	1754	109	6480	800	3206
1977	5182	1914	80	7703	950	4891

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(687) MADAGASCAR						
1973	295700	59730	4599	288	---	68
1974	372500	66107	5289	371	---	49
1975	396800	66979	6497	505	1	36
1976	417700	84800	8226	416	10	42
1977	493800	95700	12250	482	5	69
(612) MALAWI						
1973	402	85	3	192	---	67
1974	500	105	4	237	---	82
1975	581	145	4	309	1	61
1976	642	142	8	276	1	26
1977	746	200	13	309	---	88
(688) MALI						
1973	178800	27592	4884	166	5	4
1974	191300	28700	5597	228	1	6
1975	249400	37900	8111	260	10	4
1976	277000	42637	9721	207	10	7
1977	327000	48150	12664	231	30	6
(682) MAURITANIA						
1973	12262	3150	258	159	1	42
1974	16176	4213	341	221	1	104
1975	17592	7025	408	316	1	48
1976	21395	11567	1284	415	20	82
1977	22343	11062	1339	392	20	50

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(642) MAURITIUS						
1973	1868	373	3	194	---	67
1974	3226	628	4	337	---	131
1975	3433	865	5	377	---	166
1976	3900	1302	8	415	---	90
1977	5092	1691	9	498	---	67
(608) MOROCCO						
1973	21308	4832	764	1449	10	266
1974	28110	8706	1001	2231	10	417
1975	31820	11799	1204	3068	40	377
1976	37710	16112	1386	3623	220	491
1977	43404	19348	1954	4288	200	532
(656) MOZAMBIQUE						
1973	76809	9198	1499	545	---	---
1974	80052	8593	1246	565	---	---
1975	69560	9950	746	500	30	---
1976	70820	11950	---	383	10	---
1977	76769	12200	1427	450	20	---
(683) NIGER						
1973	123400	15096	800	171	1	51
1974	137700	16316	816	225	1	46
1975	148700	19362	1297	246	1	50
1976	204900	25417	1500	274	1	83
1977	277100	34059	1737	270	1	101

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(620) NIGERIA						
1973	8374	1986	419	3718	20	583
1974	14092	3902	535	5051	20	5626
1975	16360	7413	719	8961	80	5609
1976	19206	8941	733	11124	50	5203
1977	21105	10724	901	13647	10	4259
(696) RWANDA						
1973	25900	2876	670	62	---	15
1974	34600	3779	631	90	---	13
1975	48300	4822	699	128	1	26
1976	59500	5898	849	159	5	64
1977	67800	7454	932	185	---	83
(658) SAO TOME AND PRINCIPE						
1973	---	---	---	---	---	---
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
1976	---	---	---	---	---	---
1977	---	---	---	---	---	---
(685) SENEGAL						
1973	269100	48530	5241	530	1	12
1974	326700	52200	5899	749	1	6
1975	390000	68300	6830	878	---	31
1976	444000	85480	7864	883	1	25
1977	469700	97250	8947	904	210	34

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(636) SIERRA LEONE						
1973	388	90	4	185	1	52
1974	471	115	4	256	---	55
1975	566	140	5	226	---	28
1976	604	154	6	203	---	25
1977	681	172	7	227	---	33
(649) SOMALI REPUBLIC						
1973	1613	786	101	140	40	35
1974	1793	1169	134	188	60	42
1975	2184	1333	145	217	60	69
1976	2542	1739	165	222	50	85
1977	2725	1900	200	245	80	121
(674) SOUTH AFRICA, REPUBLIC OF						
1973	18867	4135	542	7695	80	1234
1974	23070	5435	756	11651	100	1159
1975	25868	6788	1059	12990	130	1216
1976	29181	8369	1440	12036	180	940
1977	32994	9432	1698	11774	130	829
(613) SOUTHERN RHODESIA						
1973	1515	306	25	627	5	---
1974	1823	398	39	---	10	---
1975	1973	415	45	---	10	---
1976	2117	456	61	---	1	---
1977	2176	591	99	---	10	---

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(650) SUDAN						
1973	887	211	39	460	10	61
1974	1236	241	39	742	20	124
1975	1495	356	38	986	1	36
1976	1743	412	42	894	5	24
1977	2074	556	66	918	20	23
(645) SWAZILAND						
1973	99	27	---	130	---	---
1974	133	34	1	165	---	---
1975	167	39	1	195	---	---
1976	230	44	1	205	---	---
1977	267	62	2	227	---	---
(621) TANZANIA						
1973	13053	3042	289	568	20	145
1974	15965	4142	493	806	5	50
1975	18849	5915	728	826	10	65
1976	22959	6445	780	721	40	112
1977	28115	6865	1078	813	70	282
(693) TOGO						
1973	94000	13800	1366	126	---	38
1974	131200	20074	2349	143	1	54
1975	122700	34956	1748	287	10	41
1976	136400	48413	2808	274	10	67
1977	169000	56381	4285	378	10	46

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(664) TUNISIA						
1973	1151	299	16	928	1	307
1974	1519	406	20	1391	1	418
1975	1740	503	29	1734	10	385
1976	1876	573	33	1894	10	371
1977	2083	727	39	2283	50	358
(617) UGANDA						
1973	12853	2105	373	246	10	16
1974	15910	2662	463	331	10	6
1975	19000	3261	607	321	60	4
1976	24329	3781	681	295	20	1
1977	29986	4736	990	490	5	5
(686) UPPER VOLTA						
1973	103970	12470	1359	155	1	63
1974	109100	13440	1505	212	1	84
1975	121200	20350	3195	282	5	77
1976	140360	22650	4326	234	1	72
1977	168900	28190	4539	288	1	57
(660) ZAIRE						
1973	1400	440	40	1437	20	235
1974	1730	729	82	2165	50	140
1975	1799	586	70	1662	30	59
1976	2772	779	80	1411	120	61
1977	4011	959	67	2109	50	145

TABLE 1

BASIC ECONOMIC DATA

REGION: AFRICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(611) ZAMBIA						
1973	1505	471	50	935	10	194
1974	1825	517	57	1316	10	172
1975	1566	675	46	1437	10	149
1976	1837	685	54	1175	30	100
1977	1844	686	54	1219	10	74

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(638) ALGERIA				
1973	1.66	5.50	1.43	3.50
1974	2.23	8.70	0.43	1.18
1975	2.44	6.80	1.32	6.65
1976	3.05	9.10	3.97	13.59
1977	2.54	7.50	3.15	14.61
(680) BENIN (DAHOMEY)				
1973	1.61	10.70	0.65	3.03
1974	1.60	11.00	2.62	14.29
1975	1.70	11.70	0.37	6.67
1976	1.64	8.60	0.42	5.26
1977	1.87	9.70	3.64	47.62
(633) BOTSWANA				
1973				
1974				
1975				
1976				
1977			3.65	
(695) BURUNDI				
1973	2.06	17.70	2.94	4.55
1974	2.40	19.90		
1975	2.39	20.70	15.38	32.26
1976	2.13	16.00		
1977	2.20	17.60	6.17	5.26

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(631) CAMEROON				
1973	1.58	10.30		
1974	1.48	10.30		
1975	1.62	11.20	0.60	17.24
1976	1.71	11.40	1.19	22.73
1977	1.30	9.60	0.93	23.26
(655) CAPE VERDE				
1973		5.30		
1974	4.94	4.70		
1975		5.90		
1976		8.60	2.70	
1977		6.60		
(676) CENTRAL AFRICAN EMPIRE				
1973	2.47	9.90		
1974	2.19	8.90	0.77	50.00
1975	2.05	9.00		
1976	2.03	10.10		
1977	2.03	9.50		
(677) CHAD				
1973	5.09	24.20	0.67	100.00
1974	5.46	25.50		
1975	5.54	29.00	0.42	33.33
1976	5.06	25.80	4.50	43.48
1977	4.15	30.90	0.38	5.26

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(679) CONGO, REP. OF				
1973	4.92	17.90	0.38	12.50
1974	4.40	12.50	0.27	4.17
1975	4.70	11.10	1.85	71.43
1976	5.01	13.70	0.92	41.67
1977	5.37	16.10	3.69	142.86
(663) ETHIOPIA				
1973	0.43	3.00	3.34	5.65
1974	0.46	3.30	2.57	3.64
1975	1.04	5.50	6.88	10.42
1976			10.22	16.34
1977			74.01	191.11
(678) GABON				
1973	1.42	3.80		
1974	0.74	2.50		
1975	0.84	1.80	0.08	0.68
1976	0.73	1.00	0.76	8.62
1977	0.81	1.00	0.73	100.00
(635) GAMBIA, THE				
1973				
1974			1.82	3.57
1975				
1976				
1977			1.23	4.17

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(641) GHANA				
1973	1.06	6.40	0.19	0.53
1974	1.25	7.40	1.06	10.64
1975	1.47	7.30	1.09	6.67
1976	1.36	7.90	2.05	19.23
1977	0.60	4.40	0.86	6.17
(675) GUINEA				
1973			4.41	
1974			4.78	
1975			3.77	
1976			3.01	
1977			0.31	
(657) GUINEA-BISSAU				
1973	0.23	1.80		
1974	0.40	2.50		
1975			2.04	
1976	5.24	18.50	1.28	
1977		21.30	14.29	
(681) IVORY COAST				
1973	1.15	4.90	0.87	11.36
1974	1.37	5.50		
1975	1.42	5.40	0.29	4.85
1976	1.61	5.10	0.50	12.99
1977	1.30	4.20	0.41	5.38

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(615) KENYA				
1973	1.55	6.10	0.12	0.43
1974	1.45	6.30	2.28	15.54
1975	1.70	6.50	0.77	5.78
1976	1.50	5.70	0.08	0.36
1977	2.41	10.40	0.62	1.91
(632) LESOTHO				
1973				
1974				
1975				
1976				
1977				
(669) LIBERIA				
1973	0.83	4.10	0.31	
1974	0.59	3.50	0.23	7.14
1975	0.65	3.50	0.20	7.14
1976	0.63	3.20	0.19	5.88
1977	0.82	3.30	0.19	3.70
(670) LIBYA				
1973	2.95	6.70	5.18	8.46
1974	3.27	8.90	4.46	6.91
1975	2.13	5.10	7.20	21.87
1976	2.39	6.20	12.35	24.95
1977	1.55	4.20	12.33	19.42

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(687) MADAGASCAR				
1973	1.56	7.70		
1974	1.42	8.00		
1975	1.64	9.70	0.20	2.78
1976	1.97	9.70	2.40	23.81
1977	2.48	12.80	1.04	7.25
(612) MALAWI				
1973	0.68	3.20		
1974	0.74	3.50		
1975	0.75	3.00	0.32	1.64
1976	1.30	5.90	0.36	3.85
1977	1.69	6.30		
(688) MALI				
1973	2.73	17.70	3.01	125.00
1974	2.93	19.50	0.44	16.67
1975	3.25	21.40	3.85	250.00
1976	3.51	22.80	4.83	142.86
1977	3.87	26.30	12.99	500.00
(682) MAURITANIA				
1973	2.11	8.20	0.63	2.38
1974	2.11	8.10	0.45	0.96
1975	2.32	5.80	0.32	2.08
1976	6.00	11.10	4.82	24.39
1977	5.99	12.10	5.10	40.00

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(642) MAURITIUS				
1973	0.16	0.80		
1974	0.12	0.60		
1975	0.15	0.60		
1976	0.20	0.60		
1977	0.17	0.50		
(608) MOROCCO				
1973	3.58	15.80	0.69	3.76
1974	3.56	11.50	0.45	2.40
1975	3.78	10.20	1.30	10.61
1976	3.67	8.60	6.07	44.81
1977	4.50	10.10	4.66	37.59
(656) MOZAMBIQUE				
1973	1.95	16.30		
1974	1.56	14.50		
1975	1.07	7.50	6.00	
1976			2.61	
1977	1.86	11.70	4.44	
(683) NIGER				
1973	0.65	5.30	0.58	1.96
1974	0.59	5.00	0.44	2.17
1975	0.87	6.70	0.41	2.00
1976	0.73	5.90	0.36	1.20
1977	0.63	5.10	0.37	0.99

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(620) NIGERIA				
1973	5.00	21.10	0.54	3.43
1974	3.79	13.70	0.40	0.36
1975	4.40	9.70	0.89	1.43
1976	3.82	8.20	0.45	0.96
1977	4.27	8.40	0.07	0.23
(696) RWANDA				
1973	2.59	23.30		
1974	1.82	16.70		
1975	1.45	14.50	0.78	3.85
1976	1.43	14.40	3.14	7.81
1977	1.37	12.50		
(658) SAO TOME AND PRINCIPE				
1973				
1974				
1975				
1976				
1977				
(685) SENEGAL				
1973	1.95	10.80	0.19	8.33
1974	1.81	11.30	0.13	16.67
1975	1.75	10.00		
1976	1.77	9.20	0.11	4.00
1977	1.90	9.20	23.23	617.65

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(636) SIERRA LEONE				
1973	1.02	4.40	0.54	1.92
1974	0.88	3.60		
1975	0.87	3.50		
1976	0.97	3.80		
1977	0.99	3.90		
(649) SOMALI REPUBLIC				
1973	6.24	12.80	28.57	114.29
1974	7.50	11.50	31.91	142.86
1975	6.65	10.90	27.65	86.96
1976	6.50	9.50	22.52	58.82
1977	7.32	10.50	32.65	66.12
(674) SOUTH AFRICA, REPUBLIC OF				
1973	2.87	13.10	1.04	6.48
1974	3.27	13.90	0.86	8.63
1975	4.09	15.60	1.00	10.69
1976	4.93	17.20	1.50	19.15
1977	5.15	18.00	1.10	15.68
(613) SOUTHERN RHODESIA				
1973	1.66	8.20	0.80	
1974	2.14	9.80		
1975	2.29	10.90		
1976	2.86	13.30		
1977	4.54	16.70		

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(650) SUDAN				
1973	4.38	18.40	2.17	16.39
1974	3.18	16.30	2.70	16.13
1975	2.57	10.80	0.10	2.78
1976	2.39	10.10	0.56	20.83
1977	3.19	11.90	2.18	86.96
(645) SWAZILAND				
1973				
1974	0.59	2.30		
1975	0.58	2.50		
1976	0.48	2.50		
1977	0.67	2.90		
(621) TANZANIA				
1973	2.21	9.50	3.52	13.79
1974	3.09	11.90	0.62	10.00
1975	3.86	12.30	1.21	15.38
1976	3.40	12.10	5.55	35.71
1977	3.83	15.70	8.61	24.82
(693) TOGO				
1973	1.45	9.90		
1974	1.79	11.70	0.70	1.85
1975	1.42	5.00	3.48	24.39
1976	2.06	5.80	3.65	14.93
1977	2.54	7.60	2.65	21.74

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(664) TUNISIA				
1973	1.35	5.20	0.11	0.33
1974	1.28	4.80	0.07	0.24
1975	1.68	5.80	0.58	2.60
1976	1.77	5.80	0.53	2.70
1977	1.85	5.30	2.19	13.97
(617) UGANDA				
1973	2.90	17.70	4.07	62.50
1974	2.91	17.40	3.02	166.67
1975	3.19	18.60	18.69	1,500.00
1976	2.80	18.00	6.78	2,000.00
1977	3.30	20.90	1.02	100.00
(686) UPPER VOLTA				
1973	1.31	10.90	0.65	1.59
1974	1.38	11.20	0.47	1.19
1975	2.64	15.70	1.77	6.49
1976	3.08	19.10	0.43	1.39
1977	2.69	16.10	0.35	1.75
(660) ZAIRE				
1973	2.86	9.10	1.39	8.51
1974	4.72	11.20	2.31	35.71
1975	3.91	12.00	1.81	50.85
1976	2.87	10.20	8.50	196.72
1977	1.67	7.00	2.37	34.48

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: AFRICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(611) ZAMBIA				
1973	3.32	10.60	1.07	5.15
1974	3.14	11.10	0.76	5.81
1975	2.93	6.80	0.70	6.71
1976	2.95	7.90	2.55	30.00
1977	2.94	7.90	0.82	13.51

RANKING TABLES FOR AFRICA

NOTE- LEVELS-- RATIO LEVELS REPRESENT TWO YEAR AVERAGES CALCULATED FROM THE MOST RECENT DATA.
CHANGES-- RATIO CHANGES ARE CONTINUOUS RATES OF CHANGE OVER THE LATEST PERIOD OF NOT LESS THAN FIVE YEARS.

THREE STATISTICS HAVE BEEN CALCULATED FOR EACH TABLE

MED INDICATES THE MEDIAN VALUE. ONE-HALF OF THE OBSERVATIONS LIE ON EACH SIDE OF THIS VALUE.

MEAN VALUE INDICATES THE UNWEIGHTED ARITHMETIC AVERAGE OF THE VALUES.

MEAN + 1 ST. ERR. INDICATES THE VALUE OF THE MEAN PLUS ONE STANDARD ERROR. VALUES LARGER THAN THIS CAN BE REGARDED AS SIGNIFICANT DEVIATIONS FROM THE MEAN.

RATES OF CHANGE ARE ESTIMATED BY REGRESSING THE LOG OF THE RATIO (DEP. VARIABLE) ON TIME (IND. VARIABLE). THIS METHOD USES ALL AVAILABLE DATA AND PROVIDES A MEASURE OF THE STATISTICAL RELIABILITY OF THE RESULTING ESTIMATE.

*** INDICATES ESTIMATES WHERE THERE IS VERY STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

** INDICATES ESTIMATES WHERE THERE IS STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

* INDICATES ESTIMATES WHERE THERE IS EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

TABLE 3

COUNTRIES OF AFRICA
RANKED BY RATIO OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

SOMALI REPUB	6.91	
MAURITANIA	6.00	
CONGO, REP.	5.19	
SOUTH AFRICA	5.04	
CHAD	4.61	
MOROCCO	4.09	
NIGERIA	4.04	
SOUTHERN RHO	3.70	
MALI	3.69	
TANZANIA	3.62	
UGANDA	3.05	
ZAMBIA	2.94	
UPPER VOLTA	2.88	
ALGERIA	2.79	
SUDAN	2.79	
TOGO	2.30	
ZAIRE	2.27	
MADAGASCAR	2.22	
		MED
BURUNDI	2.17	
CENTRAL AFRI	2.03	
LIBYA	1.97	
KENYA	1.96	
SENEGAL	1.84	
TUNISIA	1.81	
BENIN (DAHOM	1.76	
CAMEROON	1.51	
MALAWI	1.50	
IVORY COAST	1.45	
RWANDA	1.40	
SIERRA LEONE	0.98	
GHANA	0.98	
GABON	0.77	
LIBERIA	0.73	
NIGER	0.68	
SWAZILAND	0.58	
MAURITIUS	0.18	
BOTSWANA	NA	
CAPE VERDE	NA	
ETHIOPIA	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	

MEAN VALUE = 2.57 MEAN + 1 ST. ERR. = 4.17

TABLE 4

COUNTRIES OF AFRICA
RANKED BY RATIO OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

CHAD	28.35	
MALI	24.55	
GUINEA-BISSA	19.90	
UGANDA	19.45	
SOUTH AFRICA	17.60	
UPPER VOLTA	17.60	
BURUNDI	16.80	
SOUTHERN RHO	14.99	
CONGO, REP.	14.90	
TANZANIA	13.90	
RWANDA	13.45	
MAURITANIA	11.60	
MADAGASCAR	11.25	
SUDAN	11.00	
CAMEROON	10.50	
SOMALI REPUB	10.00	
CENTRAL AFRI	9.80	
MOROCCO	9.35	
SENEGAL	9.20	
		MED
BENIN (DAHOM	9.15	
ZAIRE	8.60	
NIGERIA	8.30	
ALGERIA	8.30	
KENYA	8.05	
ZAMBIA	7.90	
CAPE VERDE	7.60	
TOGO	6.70	
GHANA	6.15	
MALAWI	6.11	
TUNISIA	5.54	
NIGER	5.50	
LIBYA	5.20	
IVORY COAST	4.65	
SIERRA LEONE	3.86	
LIBERIA	3.25	
SWAZILAND	2.70	
GABON	1.00	
MAURITIUS	0.55	
BOTSWANA	NA	
ETHIOPIA	NA	
GAMBIA, THE	NA	
GUINEA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	

MEAN VALUE = 10.35 MEAN + 1 ST. ERR. = 16.58

TABLE 5

COUNTRIES OF AFRICA
RANKED BY RATIO OF MIL IMP/TOT IMP
(DERIVED FROM TABLE 2)

ETHIOPIA	42.12	
SOMALI REPUB	27.59	
LIBYA	12.34	
SENEGAL	11.67	
MALI	8.91	
GUINEA-BISSA	7.78	
TANZANIA	7.08	
ZAIRE	5.44	
MOROCCO	5.37	
MAURITANIA	4.96	
UGANDA	3.90	
ALGERIA	3.56	
MOZAMBIQUE	3.53	
TOGO	3.15	
BURUNDI	3.09	
CHAD	2.44	
CONGO, REP.	2.31	
BENIN (DAHOM	2.03	
BOTSWANA	1.82	
		MED
MADAGASCAR	1.72	
ZAMBIA	1.69	
GUINEA	1.66	
RWANDA	1.57	
GHANA	1.45	
SUDAN	1.37	
TUNISIA	1.36	
CAPE VERDE	1.35	
SOUTH AFRICA	1.30	
CAMEROON	1.06	
GABON	0.74	
GAMBIA, THE	0.62	
IVORY COAST	0.46	
UPPER VOLTA	0.39	
NIGER	0.37	
KENYA	0.35	
NIGERIA	0.26	
LIBERIA	0.19	
MALAWI	0.18	
CENTRAL AFRI	0.0	
LESOTHO	0.0	
MAURITIUS	0.0	
SIERRA LEONE	0.0	
SWAZILAND	0.0	
SAO TOME AND	NA	
SOUTHERN RHO	NA	

MEAN VALUE = 4.66 MEAN + 1 ST. ERR. = 12.67

TABLE 6

COUNTRIES OF AFRICA
RANKED BY RATIO OF MIL IMP/INTL RESERVES
(DERIVED FROM TABLE 2)

UGANDA	1050.00	
MALI	321.43	
SENEGAL	310.82	
ZAIRE	115.60	
ETHIOPIA	103.73	
CONGO, REP.	92.26	
SOMALI REPUB	62.47	
GABON	54.31	
SUDAN	53.89	
MOROCCO	41.20	
MAURITANIA	32.20	
TANZANIA	30.27	
BENIN (DAHOM	26.44	
CHAD	24.37	
CAMEROON	22.99	
LIBYA	22.19	
ZAMBIA	21.76	MED
TOGO	18.33	
SOUTH AFRICA	17.42	
MADAGASCAR	15.53	
ALGERIA	14.10	
GHANA	12.70	
IVORY COAST	9.18	
TUNISIA	8.33	
LIBERIA	4.79	
RWANDA	3.91	
BURUNDI	2.63	
GAMBIA, THE	2.08	
MALAWI	1.92	
UPPER VOLTA	1.57	
KENYA	1.14	
NIGER	1.10	
NIGERIA	0.60	
BOTSWANA	0.0	
CAPE VERDE	0.0	
CENTRAL AFRI	0.0	
GUINEA	0.0	
GUINEA-BISSA	0.0	
LESOTHO	0.0	
MAURITIUS	0.0	
MOZAMBIQUE	0.0	
SAO TOME AND	0.0	
SIERRA LEONE	0.0	
SOUTHERN RHO	0.0	
SWAZILAND	0.0	

MEAN VALUE = 75.80 MEAN + 1 ST. ERR. = 266.44

TABLE 7

COUNTRIES OF AFRICA
RANKED BY CHANGE IN RATIO
OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

MAURITANIA	31.36***	
MALAWI	24.14***	
SOUTHERN RHO	23.05***	
UPPER VOLTA	22.45***	
SOUTH AFRICA	15.77***	
MADAGASCAR	12.61***	
TOGO	12.53***	
TANZANIA	11.93***	
ALGERIA	11.70***	
TUNISIA	9.54***	
KENYA	9.26***	
MALI	8.80***	
MAURITIUS	6.07***	
MOROCCO	4.88**	
IVORY COAST	4.02	
BENIN (DAHOM	3.26	
CONGO, REP.	3.05	
UGANDA	2.20	MED
SOMALI REPUB	1.78	
NIGER	1.44	
LIBERIA	0.33	
SIERRA LEONE	0.22	
BURUNDI	0.17	
SENEGAL	-0.64	
CAMEROON	-2.38	
ZAMBIA	-3.07	
NIGERIA	-3.12	
CENTRAL AFRI	-4.62	
CHAD	-4.82	
SUDAN	-9.17	
GHANA	-10.74	
GABON	-11.50	
RWANDA	-15.10	
ZAIRE	-15.68	
LIBYA	-15.99	
BOTSWANA	NA	
CAPE VERDE	NA	
ETHIOPIA	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	
SWAZILAND	NA	

MEAN VALUE = 3.53 MEAN + 1 ST. ERR. = 15.04

TABLE 8

COUNTRIES OF AFRICA
RANKED BY CHANGE IN RATIO
OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

MALAWI	18.88***	
SOUTHERN RHO	17.27***	
UPPER VOLTA	13.14***	
MADAGASCAR	12.09***	
MAURITANIA	10.93***	
CAPE VERDE	10.42***	
TANZANIA	10.21***	
KENYA	9.67***	
MALI	9.48***	
SOUTH AFRICA	8.48***	
ALGERIA	6.65***	
CHAD	5.01***	
UGANDA	3.66***	
TUNISIA	2.30***	
NIGER	0.89***	
CENTRAL AFRI	0.44***	
CAMEROON	-0.39***	
CONGO, REP.	-1.20***	
		MED
SIERRA LEONE	-1.92	
BURUNDI	-2.29	
IVORY COAST	-3.84	
BENIN (DAHOM	-4.42	
LIBERIA	-5.25	
SENEGAL	-5.26	
SOMALI REPUB	-5.87	
ZAIRE	-6.16	
GHANA	-6.85	
ZAMBIA	-9.27	
MAURITIUS	-9.50	
MOROCCO	-11.86	
TOGO	-12.31	
LIBYA	-12.96	
SUDAN	-13.49	
RWANDA	-13.94	
NIGERIA	-23.55	
GABON	-35.86	
BOTSWANA	NA	
ETHIOPIA	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	
SWAZILAND	NA	

MEAN VALUE = -1.30 MEAN + 1 ST. ERR. = 10.24

TABLE 9

COUNTRIES OF AFRICA
RANKED BY CHANGE IN RATIO
OF MIL IMP/TOTAL IMP
(DERIVED FROM TABLE 2)

GABON	108.18*	
GUINEA-BISSA	97.30*	
SENEGAL	94.62***	
MADAGASCAR	82.80*	
TUNISIA	80.18***	
ETHIOPIA	75.74***	
MAURITANIA	65.52***	
MOROCCO	64.28***	
CONGO, REP.	57.47***	
MALI	53.22***	
TOGO	40.38*	
TANZANIA	39.79***	
ALGERIA	38.07**	
GHANA	37.22**	
LIBYA	27.55	
ZAIRE	23.69	
CAMEROON	22.02	MED
BURUNDI	18.53	
BENIN (DAHOM	16.33	
ZAMBIA	6.81	
SOUTH AFRICA	6.76	
CHAD	6.34	
KENYA	0.04	
SOMALI REPUB	-0.82	
NIGER	-11.11	
LIBERIA	-11.80	
UPPER VOLTA	-13.38	
MOZAMBIQUE	-15.01	
SUDAN	-15.68	
IVORY COAST	-16.56	
UGANDA	-19.56	
NIGERIA	-38.60	
GUINEA	-57.86	
BOTSWANA	NA	
CAPE VERDE	NA	
CENTRAL AFRI	NA	
GAMBIA, THE	NA	
LESOTHO	NA	
MALAWI	NA	
MAURITIUS	NA	
RWANDA	NA	
SAO TOME AND	NA	
SIERRA LEONE	NA	
SOUTHERN RHO	NA	
SWAZILAND	NA	

MEAN VALUE = 26.14 MEAN + 1 ST. ERR. = 68.03

TABLE 10

COUNTRIES OF AFRICA
RANKED BY CHANGE IN RATIO
OF MIL IMP/INT RESERVES
(DERIVED FROM TABLE 2)

GABON	249.18*	
TUNISIA	99.39***	
MAURITANIA	88.76***	
ETHIOPIA	85.45***	
MOROCCO	75.33***	
SENEGAL	71.84*	
CONGO, REP.	71.75***	
TOGO	68.98*	
GHANA	55.06**	
ALGERIA	52.98**	
MALI	49.21*	
MADAGASCAR	47.94	
BENIN (DAHOM	45.11*	
ZAIRE	45.04*	
SUDAN	35.93	
		MED
ZAMBIA	35.69	
UGANDA	34.25	
LIBYA	29.45	
SOUTH AFRICA	25.64	
TANZANIA	24.48	
CAMEROON	14.96	
BURUNDI	3.67	
UPPER VOLTA	3.54	
KENYA	-7.71	
IVORY COAST	-11.39	
NIGER	-19.57	
SOMALI REPUB	-19.82	
LIBERIA	-21.65	
NIGERIA	-43.69	
CHAD	-62.89	
BOTSWANA	NA	
CAPE VERDE	NA	
CENTRAL AFRI	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MALAWI	NA	
MAURITIUS	NA	
MOZAMBIQUE	NA	
RWANDA	NA	
SAO TOME AND	NA	
SIERRA LEONE	NA	
SOUTHERN RHO	NA	
SWAZILAND	NA	

MEAN VALUE = 37.56 MEAN + 1 ST. ERR. = 94.37

TABLE 11 --SUMMARY STATISTICS FROM RANKING TABLES 3-10 FOR AFRICA

KEY- M = RANKED VALUE ABOVE GROUP MEDIAN S = RANKED VALUE GREATER THAN THE MEAN PLUS ONE STANDARD ERROR

CALCULATION OF SCORES: M = 1, S = 2

COUNTRY (FROM TABLE)	LEVEL MEASURES DE/ GNP (3)	DE/ CGE (4)	MI/ TI (5)	MI/ IR (6)	TOTAL S + M SCORES	TREND MEASURES DE/ GNP (7)	DE/ CGE (8)	MI/ TI (9)	MI/ IR (10)	TOTAL S + M SCORES	TOTAL LFV+TRND SCORES
ALGERIA	M		M		2	M	M	M	M	4	6
BENIN (DAHOM				M	1	M			M	2	3
BOTSWANA	NA	NA			0	NA	NA	NA	NA	0	0
BURUNDI		S	M		3					0	3
CAMEROON		M		M	2		M	M		2	4
CAPE VERDE	NA		M		1	NA	S	NA	NA	2	3
CENTRAL AFRI		M			1		M	NA	NA	1	2
CHAD	S	S	M		5		M			1	6
CONGO. REP.	S	M	M	M	5	M	M	M	M	4	9
ETHIOPIA	NA	NA	S	M	3	NA	NA	S	M	3	6
GABON				M	1			S	M	3	4
GAMBIA, THE	NA	NA			0	NA	NA	NA	NA	0	0
GHANA					0				M	1	1
GUINEA	NA	NA			0	NA	NA		NA	0	0
GUINEA-BISSA	NA	S	M		3	NA	NA	M	NA	1	4
IVORY COAST					0	M				1	1
KENYA					0	M	M			2	2
LESOTHO	NA	NA			0	NA	NA	NA	NA	0	0
LIBERIA					0					0	0
LIBYA			M	M	2			M		1	3
MADAGASCAR	M	M			2	M	S	M		4	6
MALAWI					0	S	S	NA	NA	4	4
MALI	M	S	M	M	5	M	M	S	M	5	10
MAURITANIA	S	M	M	M	5	S	S	S	M	7	12
MAURITIUS					0	M		NA	NA	1	1
MOROCCO	M	M	M	M	4	M		S	M	4	8
MOZAMBIQUE	NA	NA	M		1	NA	NA		NA	0	1
NIGER					0		M			1	1
NIGERIA	M				1					0	1
RWANDA		M			1			NA	NA	0	1
SENEGAL		M	M	M	3			S	M	3	6
SIERRA LEONE					0			NA	NA	0	0
SOMALI REPUB	S	M	S	M	6					0	6
SOUTH AFRICA	S	S			4	S	M			3	7
SOUTHERN RHO	M	M	NA		2	S	S	NA	NA	4	6
SUDAN	M	M		M	3				M	1	4
SWAZILAND					0	NA	NA	NA	NA	0	0
TANZANIA	M	M	M	M	4	M	M	M		3	7
TOGO	M		M		2	M		M	M	3	5
TUNISIA					0	M	M	M	M	4	4
UGANDA	M	S	M	M	5		M		M	2	7
UPPER VOLTA	M	S			3	S	S			4	7
ZAIRE	M		M	M	3			M	M	2	5
ZAMBIA	M		M	M	3					0	3

TABLE 1

BASIC ECONOMIC DATA

REGION: EAST ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(482) BURMA						
1973	11719	2219	741	246	5	100
1974	18042	2551	722	256	5	191
1975	23442	2869	852	288	5	141
1976	26700	3569	1042	253	---	126
1977	27016	4267	1088	359	---	113
(442) CAMBODIA(KHMER REPUBLIC)						
1973	172034	4320	---	---	150	---
1974	472956	8400	---	---	290	---
1975	---	---	---	---	300	---
1976	---	---	---	---	1	---
1977	---	---	---	---	1	---
(484) CHINA REPUBLIC OF						
1973	388600	75369	---	4588	70	1124
1974	524500	92622	---	7623	140	1191
1975	556700	127694	---	6876	160	1169
1976	650800	140057	---	8693	160	1607
1977	740600	173680	---	9938	180	1447
(497) INDONESIA						
1973	6507700	1137000	187605	3836	20	807
1974	10201000	1947000	293997	6914	40	1492
1975	12086800	2640000	459360	8161	30	586
1976	15035000	3551000	521997	9696	80	1499
1977	18420000	4138000	608286	11003	60	2516

TABLE 1

BASIC ECONOMIC DATA

REGION: EAST ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(489) KOREA, REPUBLIC OF						
1973	4901600	645200	180656	4633	170	1094
1974	6747100	1029900	301761	7600	80	1056
1975	9080300	1521500	438192	7996	190	1550
1976	12143300	2121300	695786	10125	320	2961
1977	15240400	2788200	922894	13287	280	4307
(439) LAOS						
1973	149600	3440	---	---	150	---
1974	193000	3140	---	---	130	---
1975	30	---	---	---	20	---
1976	31	---	---	---	20	---
1977	---	---	---	---	30	---
(483) MALAYSIA						
1973	17443	4472	725	3103	40	1345
1974	21179	6014	956	5170	30	1618
1975	21672	6752	1053	4638	50	1524
1976	26853	7869	1117	5078	40	2472
1977	30934	10071	1259	6163	60	2858
(492) PHILIPPINES						
1973	71616	10342	1210	2210	20	1038
1974	99948	11712	1944	4010	30	1504
1975	114383	18198	3549	4410	40	1358
1976	132062	20652	4110	4761	60	1640
1977	152200	24594	4870	5249	60	1524

TABLE 1

BASIC ECONOMIC DATA

REGION: EAST ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(493) THAILAND						
1973	216100	34758	6013	2324	100	1306
1974	270800	36514	7120	3501	40	1858
1975	296400	46438	7848	3677	40	1775
1976	331300	57142	9771	4107	80	1893
1977	368900	67371	12464	5318	50	1915
(730) VIET NAM(SOUTH), REPUBLIC OF						
1973	1494000	51500	---	---	2700	194
1974	2199000	72000	---	---	825	239
1975	2773000	---	---	---	850	---
1976	---	---	---	---	---	---
1977	---	---	---	---	---	---

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: EAST ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(482) BURMA				
1973	6.32	33.40	2.03	5.00
1974	4.00	28.30	1.95	2.62
1975	3.63	29.70	1.74	3.55
1976	3.90	29.20		
1977	4.03	25.50		
(442) CAMBODIA(KHMER REPUBLIC)				
1973				
1974				
1975				
1976				
1977				
(484) CHINA REPUBLIC OF				
1973			1.53	6.23
1974			1.84	11.75
1975			2.33	13.69
1976			1.84	9.96
1977			1.81	12.44
(497) INDONESIA				
1973	2.88	16.50	0.52	2.48
1974	2.88	15.10	0.58	2.68
1975	3.80	17.40	0.37	5.12
1976	3.47	14.70	0.83	5.34
1977	3.30	14.70	0.55	2.38

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: EAST ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(489) KOREA, REPUBLIC OF				
1973	3.69	28.00	3.67	15.54
1974	4.47	29.30	1.05	7.58
1975	4.83	28.80	2.38	12.26
1976	5.73	32.80	3.16	10.81
1977	6.06	33.10	2.11	6.50
(439) LAOS				
1973				
1974				
1975				
1976				
1977				
(483) MALAYSIA				
1973	4.15	16.20	1.29	2.97
1974	4.51	15.90	0.58	1.85
1975	4.86	15.60	1.08	3.28
1976	4.16	14.20	0.79	1.62
1977	4.07	12.50	0.97	2.10
(492) PHILIPPINES				
1973	1.69	11.70	0.90	1.93
1974	1.95	16.60	0.75	1.99
1975	3.10	19.50	0.91	2.95
1976	3.11	19.90	1.26	3.66
1977	3.20	19.80	1.14	3.94

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: EAST ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(493) THAILAND				
1973	2.78	17.30	4.30	7.66
1974	2.63	19.50	1.14	2.15
1975	2.65	16.90	1.09	2.25
1976	2.95	17.10	1.95	4.23
1977	3.38	18.50	0.94	2.61
(730) VIET NAM(SOUTH), REPUBLIC OF				
1973				1,391.75
1974				345.19
1975				
1976				
1977				

RANKING TABLES FOR EAST ASIA

NOTE- LEVELS-- RATIO LEVELS REPRESENT TWO YEAR AVERAGES CALCULATED FROM THE MOST RECENT DATA.
CHANGES-- RATIO CHANGES ARE CONTINUOUS RATES OF CHANGE OVER THE LATEST PERIOD OF NOT LESS THAN FIVE YEARS.

THREE STATISTICS HAVE BEEN CALCULATED FOR EACH TABLE

MED INDICATES THE MEDIAN VALUE. ONE-HALF OF THE OBSERVATIONS LIE ON EACH SIDE OF THIS VALUE.

MEAN VALUE INDICATES THE UNWEIGHTED ARITHMETIC AVERAGE OF THE VALUES.

MEAN + 1 ST. ERR. INDICATES THE VALUE OF THE MEAN PLUS ONE STANDARD ERROR. VALUES LARGER THAN THIS CAN BE REGARDED AS SIGNIFICANT DEVIATIONS FROM THE MEAN.

RATES OF CHANGE ARE ESTIMATED BY REGRESSING THE LOG OF THE RATIO (DEP. VARIABLE) ON TIME (IND. VARIABLE). THIS METHOD USES ALL AVAILABLE DATA AND PROVIDES A MEASURE OF THE STATISTICAL RELIABILITY OF THE RESULTING ESTIMATE.

*** INDICATES ESTIMATES WHERE THERE IS VERY STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

** INDICATES ESTIMATES WHERE THERE IS STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

* INDICATES ESTIMATES WHERE THERE IS EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

TABLE 3

COUNTRIES OF EAST ASIA
RANKED BY RATIO OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

KOREA, REPUB	5.89	
MALAYSIA	4.12	
BURMA	3.97	
		MED
INDONESIA	3.39	
THAILAND	3.16	
PHILIPPINES	3.16	
CAMBODIA(KHM	NA	
CHINA REPUBL	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 3.95 MEAN + 1 ST. ERR. = 4.98

TABLE 4

COUNTRIES OF EAST ASIA
RANKED BY RATIO OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

KOREA, REPUB	32.95	
BURMA	27.35	
PHILIPPINES	19.85	
		MED
THAILAND	17.80	
INDONESIA	14.70	
MALAYSIA	13.35	
CAMBODIA(KHM	NA	
CHINA REPUBL	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 21.00 MEAN + 1 ST. ERR. = 28.65

TABLE 5

COUNTRIES OF EAST ASIA
RANKED BY RATIO OF MIL IMP/TOT IMP
(DERIVED FROM TABLE 2)

KOREA, REPUB	2.63	
CHINA REPUBL	1.83	
THAILAND	1.44	
		MED
PHILIPPINES	1.20	
MALAYSIA	0.88	
INDONESIA	0.69	
BURMA	0.0	
CAMBODIA(KHM	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 1.45 MEAN + 1 ST. ERR. = 2.15

TABLE 6

COUNTRIES OF EAST ASIA
RANKED BY RATIO OF MIL IMP/INTL RESERVES
(DERIVED FROM TABLE 2)

VIET NAM(SOU	103.73	
CAMBODIA(KHM	26.44	
CHINA REPUBL	11.20	
KOREA, REPUB	8.65	
		MED
INDONESIA	3.86	
PHILIPPINES	3.80	
THAILAND	3.42	
MALAYSIA	1.86	
BURMA	0.0	
LAOS	0.0	

MEAN VALUE = 20.37 MEAN + 1 ST. ERR. = 54.98

TABLE 7

COUNTRIES OF EAST ASIA
RANKED BY CHANGE IN RATIO
OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

PHILIPPINES	17.47***	
KOREA, REPUB	12.41***	
THAILAND	5.03	
		MED
INDONESIA	4.58	
MALAYSIA	-1.22	
BURMA	-9.27	
CAMBODIA(KHM	NA	
CHINA REPUBL	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 4.83 MEAN + 1 ST. ERR. = 14.35

TABLE 8

COUNTRIES OF EAST ASIA
RANKED BY CHANGE IN RATIO
OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

PHILIPPINES	12.33***	
KOREA, REPUB	4.47***	
THAILAND	0.03	
		MED
INDONESIA	-2.58	
BURMA	-5.08	
MALAYSIA	-6.32	
CAMBODIA(KHM	NA	
CHINA REPUBL	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 0.48 MEAN + 1 ST. ERR. = 7.45

TABLE 9

COUNTRIES OF EAST ASIA
RANKED BY CHANGE IN RATIO
OF MIL IMP/TOTAL IMP
(DERIVED FROM TABLE 2)

PHILIPPINES	9.89***	
INDONESIA	4.45***	
CHINA REPUBL	3.45***	
KOREA, REPUB	-0.10***	MED
MALAYSIA	-2.56	
BURMA	-7.88	
THAILAND	-25.08	
CAMBODIA(KHM	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = -2.55 MEAN + 1 ST. ERR. = 8.87

TABLE 10

COUNTRIES OF EAST ASIA
RANKED BY CHANGE IN RATIO
OF MIL IMP/INT RESERVES
(DERIVED FROM TABLE 2)

CAMBODIA(KHM	45.11***	
PHILIPPINES	20.36***	
CHINA REPUBL	12.18***	
INDONESIA	6.11***	
MALAYSIA	-8.33	MED
KOREA, REPUB	-13.88	
THAILAND	-14.77	
BURMA	-17.18	
VIET NAM(SOU	-70.21	
LAOS	NA	

MEAN VALUE = -4.51 MEAN + 1 ST. ERR. = 27.42

TABLE 11 --SUMMARY STATISTICS FROM RANKING TABLES 3-10 FOR EAST ASIA

KEY- M = RANKED VALUE ABOVE GROUP MEDIAN S = RANKED VALUE GREATER THAN THE MEAN PLUS ONE STANDARD ERROR

CALCULATION OF SCORES: M = 1, S = 2

COUNTRY (FROM TABLE)	LEVEL MEASURES DE/ GNP (3)	DE/ CGE (4)	MI/ TI (5)	MI/ IR (6)	TOTAL S + M SCORES	TREND MEASURES DE/ GNP (7)	DE/ CGE (8)	MI/ TI (9)	MI/ IR (10)	TOTAL S + M SCORES	TOTAL LEV+TRND SCORES
BURMA	M	M			2					0	2
CAMBODIA(KHMI	NA	NA	NA	M	1	NA	NA	NA	M	1	2
CHINA REPUBLI	NA	NA	M	M	2	NA	NA	M	M	2	4
INDONESIA					0			M		1	1
KOREA, REPUBI	S	S	S	M	7	M	M			2	9
LAOS	NA	NA	NA		0	NA	NA	NA	NA	0	0
MALAYSIA	M				1					0	1
PHILIPPINES		M			1	S	S	S	M	7	8
THAILAND			M		1	M	M			2	3
VIET NAM(SOUI	NA	NA	NA	M	1	NA	NA	NA	M	1	2

TABLE 1

BASIC ECONOMIC DATA

REGION: N.E.S. ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(306) AFGHANISTAN						
1973	90000	7785	1541	191	80	61
1974	100000	8617	1611	269	90	68
1975	126400	11861	2111	299	50	125
1976	137700	14677	2187	375	50	169
1977	146700	17713	2728	465	60	316
(231) BAHRAIN						
1973	133	42	6	511	---	74
1974	291	78	9	1127	1	142
1975	331	122	13	1198	1	296
1976	484	202	20	1668	1	442
1977	548	250	26	2029	1	510
(388) BANGLADESH						
1973	44266	6892	200	932	40	143
1974	70034	7475	419	1168	20	138
1975	124844	9587	709	1380	10	148
1976	107436	15337	1104	953	10	289
1977	105365	18272	1517	1291	20	235
(233) CYPRUS						
1973	347	68	4	516	1	307
1974	311	73	7	499	---	269
1975	268	77	7	410	---	215
1976	342	79	8	530	1	292
1977	423	84	8	726	1	332

TABLE 1

BASIC ECONOMIC DATA

REGION: N.E.S. ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(263) EGYPT						
1973	3634	1751	562	1985	850	363
1974	4085	2348	608	3743	150	356
1975	4722	2876	532	5119	360	294
1976	6118	3322	741	5102	160	339
1977	7139	3644	802	5802	200	534
(240) GREECE						
1973	497236	96400	19858	4330	40	1047
1974	582100	120560	24112	5040	100	936
1975	691400	161260	44024	5272	260	931
1976	838600	202370	44319	5943	525	925
1977	982200	241740	44480	6832	470	1020
(386) INDIA						
1973	588600	82770	16802	4118	170	1142
1974	697600	100520	21109	5384	190	1325
1975	726980	125910	24678	6395	170	1373
1976	769400	138080	25683	6121	310	3074
1977	849110	155680	27555	6375	460	5184
(265) IRAN						
1973	1832700	497600	152266	6614	525	1236
1974	3124000	1101200	372206	10410	975	8383
1975	3518800	1491600	514602	18178	1100	8897
1976	4571500	1778100	618779	22112	2000	8833
1977	5347600	2249200	616281	22894	2400	12266

TABLE 1

BASIC ECONOMIC DATA

REGION: N.E.S. ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(266) IRAQ						
1973	1544	699	215	1650	625	1553
1974	3136	1498	491	4681	650	3273
1975	3907	2282	461	5874	575	2727
1976	4737	2176	520	5267	825	4601
1977	5621	2464	594	5935	1100	6996
(271) ISRAEL						
1973	37430	29310	15388	5414	230	1815
1974	52979	38255	16564	7031	975	1201
1975	75268	59122	25600	7818	675	1182
1976	96895	84500	34645	7742	1000	1373
1977	138921	114850	41576	8120	1100	1571
(278) JORDAN						
1973	291	120	42	421	40	304
1974	374	150	45	618	70	347
1975	373	206	48	952	80	492
1976	544	228	56	1299	140	491
1977	623	314	67	1659	130	678
(267) KUWAIT						
1973	1769	553	79	2573	1	501
1974	3169	1163	171	2737	1	1399
1975	3503	1064	198	3294	50	1655
1976	3762	1519	147	4401	90	1929
1977	---	2125	300	5666	310	2990

TABLE 1

BASIC ECONOMIC DATA

REGION: N.E.S. ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(268) LEBANON						
1973	7350	1136	178	1366	20	862
1974	8437	1343	274	3043	10	1674
1975	6150	2011	316	2283	10	1579
1976	2970	2072	327	1071	10	1677
1977	---	1843	216	1631	1	1961
(134) MALTA						
1973	123	56	1	278	1	325
1974	144	64	1	402	---	402
1975	184	94	1	429	---	500
1976	222	96	1	479	---	622
1977	257	93	1	592	---	735
(367) NEPAL						
1973	10018	983	69	116	1	123
1974	12891	1226	81	150	10	127
1975	15802	1514	97	220	10	101
1976	16397	1913	134	189	---	135
1977	16392	2372	176	194	---	148
(391) PAKISTAN						
1973	66978	13296	4441	1390	130	480
1974	86825	17505	4954	2426	90	461
1975	112277	26103	6917	2803	90	406
1976	133260	31026	8098	2794	140	532
1977	151550	35254	9201	3193	200	518

TABLE 1

BASIC ECONOMIC DATA

REGION: N.E.S. ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(150) PORTUGAL						
1973	283200	48890	16720	3847	1	2839
1974	341300	63410	25110	5597	20	2354
1975	376400	87390	19925	4790	50	1534
1976	475400	122400	18850	4839	40	1302
1977	626400	223600	22136	5544	5	1391
(273) SAUDI ARABIA						
1973	30094	22810	4950	5201	80	3877
1974	82349	45743	7685	8107	340	14285
1975	130487	110935	19303	12535	250	23319
1976	145431	110935	27401	21514	470	27025
1977	188320	111400	27182	28029	925	30034
(152) SPAIN						
1973	4116900	503700	110814	11287	110	6772
1974	5032900	619000	136799	17237	100	6485
1975	5901600	721700	173208	18539	160	6090
1976	6968400	912400	197078	19986	180	5284
1977	8742900	1175200	233865	19881	290	6590
(383) SRI LANKA						
1973	16815	4749	147	466	10	87
1974	21319	5553	172	754	---	78
1975	23738	6792	149	824	---	58
1976	26204	8225	181	703	10	92
1977	31061	10340	207	783	1	292

TABLE 1

BASIC ECONOMIC DATA

REGION: N.E.S. ASIA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(276) SYRIA						
1973	9606	3340	1486	694	1300	413
1974	15140	5574	1683	1436	1000	500
1975	19659	9663	3276	1928	320	735
1976	24705	11258	3636	2607	460	361
1977	29191	12973	4138	2837	575	546
(277) TURKEY						
1973	309800	61400	12219	2509	50	2120
1974	427000	78000	15834	4286	140	1861
1975	535700	113050	23741	5289	230	1064
1976	670000	154250	36557	5925	310	1123
1977	817400	227500	46410	6999	140	774
(279) YEMEN ARAB REPUBLIC						
1973	3279	328	---	194	5	127
1974	4499	462	---	242	10	199
1975	5231	657	---	309	20	338
1976	7763	943	327	579	20	720
1977	---	1420	422	884	30	1240

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: N.E.S. ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(306) AFGHANISTAN				
1973	1.71	19.80	41.88	131.15
1974	1.61	18.70	33.46	132.35
1975	1.67	17.80	16.72	40.00
1976	1.59	14.90	13.33	29.59
1977	1.86	15.40	12.90	18.99
(231) BAHRAIN				
1973	4.36	13.80		
1974	2.92	10.90	0.09	0.70
1975	4.02	10.90	0.08	0.34
1976	4.09	9.80	0.06	0.23
1977	4.79	10.50	0.05	0.20
(388) BANGLADESH				
1973	0.45	2.90	4.29	27.97
1974	0.60	5.60	1.71	14.49
1975	0.57	7.40	0.72	6.76
1976	1.03	7.20	1.05	3.46
1977	1.44	8.30	1.55	8.51
(233) CYPRUS				
1973	1.12	5.70	0.19	0.33
1974	2.16	9.20		
1975	2.76	9.60		
1976	2.31	10.00	0.19	0.34
1977	1.93	9.70	0.14	0.30

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: N.E.S. ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(263) EGYPT				
1973	15.47	32.10	42.82	234.16
1974	14.89	25.90	4.01	42.13
1975	11.27	18.50	7.03	122.45
1976	12.11	22.30	3.14	47.20
1977	11.23	22.00	3.45	37.45
(240) GREECE				
1973	3.99	20.60	0.92	3.82
1974	4.14	20.00	1.98	10.68
1975	6.37	27.30	4.93	27.93
1976	5.28	21.90	8.83	56.76
1977	4.53	18.40	6.88	46.08
(386) INDIA				
1973	2.85	20.30	4.13	14.89
1974	3.03	21.00	3.53	14.34
1975	3.39	19.60	2.66	12.38
1976	3.34	18.60	5.06	10.08
1977	3.25	17.70	7.22	8.87
(265) IRAN				
1973	8.31	30.60	7.94	42.48
1974	11.91	33.80	9.37	11.63
1975	14.62	34.50	6.05	12.36
1976	13.54	34.80	9.04	22.64
1977	11.52	27.40	10.48	19.57

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: N.E.S. ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(266) IRAQ				
1973	13.94	30.80	37.88	40.24
1974	15.67	32.80	13.89	19.86
1975	11.80	20.20	9.79	21.09
1976	10.98	23.90	15.66	17.93
1977	10.56	24.10	18.53	15.72
(271) ISRAEL				
1973	41.11	52.50	4.25	12.67
1974	31.27	43.30	13.87	81.18
1975	34.01	43.30	8.63	57.11
1976	35.76	41.00	12.92	72.83
1977	29.93	36.20	13.55	70.02
(278) JORDAN				
1973	14.47	35.10	9.50	13.16
1974	12.07	30.10	11.33	20.17
1975	12.87	23.30	8.40	16.26
1976	10.23	24.40	10.78	28.51
1977	10.74	21.30	7.84	19.17
(267) KUWAIT				
1973	4.47	14.30	0.04	0.20
1974	5.39	14.70	0.04	0.07
1975	5.65	18.60	1.52	3.02
1976	3.92	9.70	2.04	4.67
1977		14.10	5.47	10.37

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: N.E.S. ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(268) LEBANON				
1973	2.43	15.70	1.46	2.32
1974	3.25	20.40	0.33	0.60
1975	5.13	15.70	0.44	0.63
1976	11.02	15.80	0.93	0.60
1977		11.70	0.06	0.05
(134) MALTA				
1973	0.50	1.10	0.36	0.31
1974	0.40	0.90		
1975	0.36	0.70		
1976	0.39	0.90		
1977	0.54	1.50		
(367) NEPAL				
1973	0.69	7.00	0.86	0.81
1974	0.63	6.60	6.67	7.87
1975	0.61	6.40	4.55	9.90
1976	0.82	7.00		
1977	1.07	7.40		
(391) PAKISTAN				
1973	6.63	33.40	9.35	27.08
1974	5.71	28.30	3.71	19.52
1975	6.16	26.50	3.21	22.17
1976	6.08	26.10	5.01	26.32
1977	6.07	26.10	6.26	38.61

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: N.E.S. ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(150) PORTUGAL				
1973	5.90	34.20	0.03	0.04
1974	7.36	39.60	0.36	0.85
1975	5.29	22.80	1.04	3.26
1976	3.96	15.40	0.83	3.07
1977	3.53	9.90	0.09	0.36
(273) SAUDI ARABIA				
1973	16.45	21.70	1.54	2.06
1974	9.33	16.80	4.19	2.38
1975	14.79	17.40	1.99	1.07
1976	18.84	24.70	2.18	1.74
1977	14.43	24.40	3.30	3.08
(152) SPAIN				
1973	2.69	22.00	0.97	1.62
1974	2.72	22.10	0.58	1.54
1975	2.93	24.00	0.86	2.63
1976	2.83	21.60	0.90	3.41
1977	2.67	19.90	1.46	4.40
(383) SRI LANKA				
1973	0.88	3.10	2.15	11.49
1974	0.81	3.10		
1975	0.63	2.20		
1976	0.69	2.20	1.42	10.87
1977	0.67	2.00	0.13	0.34

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: N.E.S. ASIA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(276) SYRIA				
1973	15.47	44.50	187.32	314.77
1974	11.12	30.20	69.64	200.00
1975	16.66	33.90	16.60	43.54
1976	14.72	32.30	17.64	127.42
1977	14.18	31.90	20.27	105.31
(277) TURKEY				
1973	3.94	19.90	1.99	2.36
1974	3.71	20.30	3.27	7.52
1975	4.43	21.00	4.35	21.62
1976	5.46	23.70	5.23	27.60
1977	5.68	20.40	2.00	18.09
(279) YEMEN ARAB REPUBLIC				
1973			2.58	3.94
1974			4.13	5.03
1975			6.47	5.92
1976	4.22	34.70	3.45	2.78
1977		29.70	3.39	2.42

RANKING TABLES FOR N.E.S. ASIA

NOTE- LEVELS-- RATIO LEVELS REPRESENT TWO YEAR AVERAGES CALCULATED FROM THE MOST RECENT DATA.
CHANGES-- RATIO CHANGES ARE CONTINUOUS RATES OF CHANGE OVER THE LATEST PERIOD OF NOT LESS THAN FIVE YEARS.

THREE STATISTICS HAVE BEEN CALCULATED FOR EACH TABLE

MED INDICATES THE MEDIAN VALUE. ONE-HALF OF THE OBSERVATIONS LIE ON EACH SIDE OF THIS VALUE.

MEAN VALUE INDICATES THE UNWEIGHTED ARITHMETIC AVERAGE OF THE VALUES.

MEAN + 1 ST. ERR. INDICATES THE VALUE OF THE MEAN PLUS ONE STANDARD ERROR. VALUES LARGER THAN THIS CAN BE REGARDED AS SIGNIFICANT DEVIATIONS FROM THE MEAN.

RATES OF CHANGE ARE ESTIMATED BY REGRESSING THE LOG OF THE RATIO (DEP. VARIABLE) ON TIME (IND. VARIABLE). THIS METHOD USES ALL AVAILABLE DATA AND PROVIDES A MEASURE OF THE STATISTICAL RELIABILITY OF THE RESULTING ESTIMATE.

*** INDICATES ESTIMATES WHERE THERE IS VERY STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

** INDICATES ESTIMATES WHERE THERE IS STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

* INDICATES ESTIMATES WHERE THERE IS EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

TABLE 3

COUNTRIES OF N.E.S. ASIA
RANKED BY RATIO OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

ISRAEL	32.84	
SAUDI ARABIA	16.64	
SYRIA	14.45	
IRAN	12.53	
EGYPT	11.67	
IRAQ	10.77	
JORDAN	10.48	
LEBANON	8.08	
PAKISTAN	6.07	
TURKEY	5.57	
GREECE	4.91	
		MED
KUWAIT	4.78	
BAHRAIN	4.45	
PORTUGAL	3.75	
INDIA	3.29	
SPAIN	2.75	
CYPRUS	2.11	
AFGHANISTAN	1.72	
BANGLADESH	1.23	
NEPAL	0.94	
SRI LANKA	0.68	
MALTA	0.48	
YEMEN ARAB R	NA	

MEAN VALUE = 7.28 MEAN + 1 ST. ERR. = 14.71

TABLE 4

COUNTRIES OF N.E.S. ASIA
RANKED BY RATIO OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

ISRAEL	38.60	
YEMEN ARAB R	32.20	
SYRIA	32.10	
IRAN	31.10	
PAKISTAN	26.10	
SAUDI ARABIA	24.55	
IRAQ	24.00	
JORDAN	22.85	
EGYPT	22.15	
TURKEY	22.05	
SPAIN	20.75	
GREECE	20.15	MED
INDIA	18.15	
AFGHANISTAN	15.15	
LEBANON	13.75	
PORTUGAL	12.65	
KUWAIT	11.90	
BAHRAIN	10.16	
CYPRUS	9.82	
BANGLADESH	7.75	
NEPAL	7.20	
SRI LANKA	2.10	
MALTA	1.22	

MEAN VALUE = 18.54 MEAN + 1 ST. ERR. = 28.50

TABLE 5

COUNTRIES OF N.E.S. ASIA
RANKED BY RATIO OF MIL IMP/TOT IMP
(DERIVED FROM TABLE 2)

SYRIA	18.96	
IRAQ	17.10	
ISRAEL	13.23	
AFGHANISTAN	13.12	
IRAN	9.76	
JORDAN	9.31	
GREECE	7.86	
INDIA	6.14	
PAKISTAN	5.64	
KUWAIT	3.76	
TURKEY	3.62	MED
YEMEN ARAB R	3.42	
EGYPT	3.29	
SAUDI ARABIA	2.74	
BANGLADESH	1.30	
SPAIN	1.18	
SRI LANKA	0.78	
LEBANON	0.50	
PORTUGAL	0.46	
CYPRUS	0.16	
BAHRAIN	0.05	
MALTA	0.0	
NEPAL	0.0	

MEAN VALUE = 5.83 MEAN + 1 ST. ERR. = 11.57

TABLE 6

COUNTRIES OF N.E.S. ASIA
RANKED BY RATIO OF MIL IMP/INTL RESERVES
(DERIVED FROM TABLE 2).

SYRIA	116.37	
ISRAEL	71.43	
GREECE	51.42	
EGYPT	42.33	
PAKISTAN	32.46	
AFGHANISTAN	24.29	
JORDAN	23.84	
TURKEY	22.85	
IRAN	21.10	
IRAQ	16.83	
INDIA	9.48	MED
KUWAIT	7.52	
BANGLADESH	5.99	
SRI LANKA	5.61	
SPAIN	3.90	
YEMEN ARAB R	2.60	
SAUDI ARABIA	2.41	
PORTUGAL	1.72	
LEBANON	0.32	
CYPRUS	0.32	
BAHRAIN	0.21	
MALTA	0.0	
NEPAL	0.0	

MEAN VALUE = 22.05 MEAN + 1 ST. ERR. = 50.84

TABLE 7

COUNTRIES OF N.E.S. ASIA
RANKED BY CHANGE IN RATIO
OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

BANGLADESH	28.61***	
NEPAL	11.51***	
CYPRUS	11.35***	
TURKEY	11.15***	
IRAN	7.82***	
BAHRAIN	5.28***	
GREECE	4.95***	
SAUDI ARABIA	4.41***	
INDIA	3.55***	
MALTA	1.93	
		MED
AFGHANISTAN	1.50	
SYRIA	1.06	
SPAIN	0.27	
PAKISTAN	-1.13	
ISRAEL	-5.01	
SRI LANKA	-7.03	
JORDAN	-7.64	
EGYPT	-8.47	
IRAQ	-9.11	
PORTUGAL	-16.45	
KUWAIT	NA	
LEBANON	NA	
YEMEN ARAB R	NA	

MEAN VALUE = 1.93 MEAN + 1 ST. ERR. = 11.77

TABLE 8

COUNTRIES OF N.E.S. ASIA
RANKED BY CHANGE IN RATIO
OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

BANGLADESH	23.54***	
CYPRUS	11.25***	
MALTA	6.80***	
SAUDI ARABIA	6.20***	
TURKEY	2.04***	
NEPAL	1.70***	
GREECE	-1.35***	
IRAN	-1.92***	
SPAIN	-2.24***	
INDIA	-3.95	
KUWAIT	-4.45	
		MED
PAKISTAN	-5.74	
SYRIA	-5.98	
BAHRAIN	-6.50	
AFGHANISTAN	-7.30	
ISRAEL	-7.98	
IRAQ	-8.07	
LEBANON	-8.45	
EGYPT	-9.05	
JORDAN	-12.09	
SRI LANKA	-12.19	
PORTUGAL	-34.24	
YEMEN ARAB R	NA	

MEAN VALUE = -3.63 MEAN + 1 ST. ERR. = 7.15

TABLE 9

COUNTRIES OF N.E.S. ASIA
RANKED BY CHANGE IN RATIO
OF MIL IMP/TOTAL IMP
(DERIVED FROM TABLE 2)

KUWAIT	139.19***	
NEPAL	83.13*	
GREECE	55.09***	
PORTUGAL	33.27***	
ISRAEL	22.48***	
INDIA	14.78***	
SPAIN	12.46***	
SAUDI ARABIA	8.75***	
IRAN	5.21***	
TURKEY	4.79***	
YEMEN ARAB R	3.71***	
		MED
JORDAN	-4.35	
PAKISTAN	-5.01	
CYPRUS	-6.77	
IRAQ	-13.09	
BAHRAIN	-20.95	
BANGLADESH	-25.28	
AFGHANISTAN	-32.75	
EGYPT	-52.84	
LEBANON	-53.02	
SRI LANKA	-57.42	
SYRIA	-58.20	
MALTA	NA	

MEAN VALUE = 2.42 MEAN + 1 ST. ERR. = 49.23

TABLE 10

COUNTRIES OF N.E.S. ASIA
RANKED BY CHANGE IN RATIO
OF MIL IMP/INT RESERVES
(DERIVED FROM TABLE 2)

NEPAL	124.98*	
KUWAIT	120.79***	
GREECE	66.50***	
PORTUGAL	59.31***	
TURKEY	53.74***	
ISRAEL	33.10***	
SPAIN	27.86***	
JORDAN	10.99***	
PAKISTAN	10.08***	
SAUDI ARABIA	4.87	
CYPRUS	-1.12	
		MED
IRAN	-8.84	
INDIA	-13.87	
YEMEN ARAB R	-15.67	
IRAQ	-19.82	
SYRIA	-26.41	
EGYPT	-35.52	
BANGLADESH	-38.12	
BAHRAIN	-42.37	
AFGHANISTAN	-53.63	
SRI LANKA	-68.00	
LEBANON	-76.37	
MALTA	NA	

MEAN VALUE = 5.11 MEAN + 1 ST. ERR. = 59.46

TABLE 11 --SUMMARY STATISTICS FROM RANKING TABLES 3-10 FOR N.E.S. ASIA

KEY- M = RANKED VALUE ABOVE GROUP MEDIAN S = RANKED VALUE GREATER THAN THE MEAN PLUS ONE STANDARD ERROR

CALCULATION OF SCORES: M = 1, S = 2

COUNTRY (FROM TABLE)	LEVEL MEASURES DE/ GNP (3)	DE/ CGE (4)	MI/ TI (5)	MI/ IR (6)	TOTAL S + M SCORES	TREND MEASURES DE/ GNP (7)	DE/ CGE (8)	MI/ TI (9)	MI/ IR (10)	TOTAL S + M SCORES	TOTAL LEV+TRND SCORES
AFGHANISTAN			S	M	3					0	3
BAHRAIN					0	M.		M		2	2
BANGLADESH					0	S	S			4	4
CYPRUS					0	M	S		M	4	4
EGYPT	M	M		M	3					0	3
GREECE	M		M	M	3	M	M	S	M	5	8
INDIA			M		1	M	M	M		3	4
IRAN	M	S	M	M	5	M	M	M		3	8
IRAQ	M	M	S	M	5					0	5
ISRAEL	S	S	S	M	7			M	M	2	9
JORDAN	M	M	M	M	4				M	1	5
KUWAIT			M		1	NA	M	S	M	4	5
LEBANON	M				1	NA				0	1
MALTA					0	M	M	NA	NA	2	2
NEPAL					0	M	M	S	M	5	5
PAKISTAN	M	M	M	M	4				M	1	5
PORTUGAL					0			S	M	3	3
SAUDI ARABIA	S	M			3	M	M	M	M	4	7
SPAIN		M			1		M	M	M	3	4
SRI LANKA					0					0	0
SYRIA	M	S	S	M	6					0	6
TURKEY	M	M		M	3	M	M		M	3	6
YEMEN ARAB RI	NA	S			2	NA	NA	M		1	3

TABLE 1

BASIC ECONOMIC DATA

REGION: LATIN AMERICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(510) ARGENTINA						
1973	360050	57300	5329	3047	50	1318
1974	459184	94000	7990	4597	40	1315
1975	1322644	318600	30904	4878	30	452
1976	7595700	1546800	180976	4057	50	1608
1977	20518013	2178753	418321	5433	40	3331
(511) BOLIVIA						
1973	26009	4517	416	339	10	72
1974	43599	7634	817	526	5	194
1975	49560	11006	1156	705	10	156
1976	58125	15186	1291	764	10	168
1977	69434	18723	1367	908	5	237
(512) BRAZIL						
1973	493838	52568	9988	9244	120	6415
1974	713336	72928	13711	16928	60	5272
1975	995364	95373	19456	16949	100	4034
1976	1533200	165798	18238	17845	180	6541
1977	2312600	241800	23696	18454	120	7256
(513) CHILE						
1973	1201	307	38	1733	70	180
1974	9534	2666	520	2602	70	103
1975	40746	9340	1607	2331	20	109
1976	142361	29533	2304	2186	130	460
1977	313377	70413	6760	3111	60	484

TABLE 1

BASIC ECONOMIC DATA

REGION: LATIN AMERICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(514) COLOMBIA						
1973	237970	23160	2571	1678	40	534
1974	323955	29130	3204	2349	10	449
1975	404786	38460	4808	2392	40	521
1976	523013	43818	4820	2728	1	1158
1977	766494	59062	5138	3133	10	1821
(515) COSTA RICA						
1973	9874	1831	---	541	---	51
1974	12891	2195	---	820	---	45
1975	16325	2873	---	832	---	51
1976	21303	3627	---	935	---	98
1977	25599	3981	---	1193	---	194
(517) DOMINICAN REPUBLIC						
1973	2268	377	35	644	1	88
1974	2833	505	48	1012	1	91
1975	3483	596	55	1128	1	116
1976	3791	555	64	1133	1	127
1977	4344	641	66	1235	1	185
(518) ECUADOR						
1973	60120	9433	1264	653	20	241
1974	88558	14933	1867	1327	5	350
1975	105880	17497	2537	1379	50	286
1976	127271	21678	2905	1469	70	515
1977	148650	27243	2861	1845	150	671

TABLE 1

BASIC ECONOMIC DATA

REGION: LATIN AMERICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(519) EL SALVADOR						
1973	3294	423	39	460	1	62
1974	3891	522	49	671	10	98
1975	4491	656	52	720	5	127
1976	5659	913	57	884	1	205
1977	7057	1003	62	1098	1	233
(520) GUATEMALA						
1973	2524	264	22	576	5	212
1974	3114	324	27	879	1	202
1975	3577	362	44	941	10	304
1976	4294	575	53	1294	20	511
1977	5529	619	42	1561	5	690
(504) GUYANA						
1973	619	270	9	223	---	14
1974	902	339	16	301	---	63
1975	1155	618	25	391	---	100
1976	1061	788	58	430	---	27
1977	1067	544	33	364	---	23
(521) HAITI						
1973	3107	329	49	105	---	17
1974	3634	441	47	140	---	20
1975	4579	667	52	169	---	13
1976	5797	647	55	228	---	28
1977	6179	782	58	292	---	34

TABLE 1

BASIC ECONOMIC DATA

REGION: LATIN AMERICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(522) HONDURAS						
1973	1751	256	25	339	---	42
1974	1973	323	26	474	1	44
1975	2061	427	35	486	1	97
1976	2420	493	43	574	40	131
1977	2898	644	50	733	1	180
(532) JAMAICA						
1973	1727	443	12	924	---	127
1974	2211	750	14	1173	1	190
1975	2601	940	17	1433	---	126
1976	2700	1165	27	1255	---	32
1977	3054	1188	26	1079	---	48
(523) MEXICO						
1973	608366	81237	4306	6329	5	1355
1974	795600	104130	5519	9365	10	1395
1975	977000	145126	8272	10541	20	1533
1976	1196800	199593	9181	10767	20	1253
1977	1590100	253346	11654	9826	10	1723
(524) NICARAGUA						
1973	7310	1139	113	478	1	117
1974	10200	1921	156	733	1	105
1975	10708	1963	212	666	1	122
1976	12515	2126	251	682	1	147
1977	15071	2740	288	936	10	149

TABLE 1

BASIC ECONOMIC DATA

REGION: LATIN AMERICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(525) PANAMA						
1973	1430	293	11	713	1	42
1974	1780	354	13	1282	1	39
1975	1913	450	15	1388	5	34
1976	2006	442	15	1403	1	79
1977	2215	452	15	1519	5	71
(526) PARAGUAY						
1973	124051	12106	1731	173	1	57
1974	166177	15710	2137	269	1	87
1975	188900	18995	2811	320	1	115
1976	210600	23061	3067	330	5	158
1977	258954	25776	3660	480	1	268
(527) PERU						
1973	355200	67925	13042	1673	80	568
1974	441915	82650	15621	2652	80	968
1975	551900	118487	25475	3313	100	467
1976	758300	160358	38486	3006	200	330
1977	1029868	233195	65295	3128	430	421
(533) TRINIDAD & TOBAGO						
1973	2403	562	7	972	---	47
1974	3481	953	10	2200	---	390
1975	5242	1182	13	1895	---	751
1976	5974	1864	17	2480	---	1014
1977	7047	2334	19	2605	---	1483

TABLE 1

BASIC ECONOMIC DATA

REGION: LATIN AMERICA

YEAR	GNP CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	CENTRAL GOVERNMENT EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	DEFENSE EXPENDITURES CURRENT PRICES (MILLIONS OF LOCAL CURRENCY)	TOTAL IMPORTS OF GOODS & SERVICES CURRENT PRICES (MILLIONS OF DOLLARS)	MILITARY IMPORTS CURRENT PRICES (MILLIONS OF DOLLARS)	INTERNATIONAL RESERVES CURRENT PRICES (MILLIONS OF DOLLARS)
(528) URUGUAY						
1973	2554	407	61	398	1	240
1974	4551	789	118	634	1	232
1975	8201	1349	200	751	5	218
1976	12759	2047	297	784	10	315
1977	19605	2903	421	987	10	459
(529) VENEZUELA						
1973	69380	14783	1360	4178	90	2412
1974	108440	39471	2171	5989	100	6513
1975	116252	40015	2321	7585	80	8861
1976	133521	43157	2374	9216	50	8578
1977	153750	50400	2722	12804	90	8214

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: LATIN AMERICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(510) ARGENTINA				
1973	1.48	9.30	1.64	3.79
1974	1.74	8.50	0.87	3.04
1975	2.34	9.70	0.62	6.64
1976	2.38	11.70	1.23	3.11
1977	2.04	19.20	0.74	1.20
(511) BOLIVIA				
1973	1.60	9.20	2.95	13.89
1974	1.87	10.70	0.95	2.58
1975	2.33	10.50	1.42	6.41
1976	2.22	8.50	1.31	5.95
1977	1.97	7.30	0.55	2.11
(512) BRAZIL				
1973	2.02	19.00	1.30	1.87
1974	1.92	18.80	0.35	1.14
1975	1.95	20.40	0.59	2.48
1976	1.19	11.00	1.01	2.75
1977	1.02	9.80	0.65	1.65
(513) CHILE				
1973	3.17	12.40	4.04	38.89
1974	5.45	19.50	2.69	67.96
1975	3.94	17.20	0.86	18.35
1976	1.62	7.80	5.95	28.26
1977	2.16	9.60	1.93	12.40

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: LATIN AMERICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(514) COLOMBIA				
1973	1.08	11.10	2.38	7.49
1974	0.99	11.00	0.43	2.23
1975	1.19	12.50	1.67	7.68
1976	0.92	11.00	0.04	0.09
1977	0.67	8.70	0.32	0.55
(515) COSTA RICA				
1973				
1974				
1975				
1976				
1977				
(517) DOMINICAN REPUBLIC				
1973	1.55	9.30	0.16	1.14
1974	1.69	9.50	0.10	1.10
1975	1.57	9.20	0.09	0.86
1976	1.68	11.50	0.09	0.79
1977	1.52	10.30	0.08	0.54
(518) ECUADOR				
1973	2.10	13.40	3.06	8.30
1974	2.11	12.50	0.38	1.43
1975	2.40	14.50	3.63	17.48
1976	2.28	13.40	4.77	13.59
1977	1.92	10.50	8.13	22.35

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: LATIN AMERICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(519) EL SALVADOR				
1973	1.18	9.20	0.22	1.61
1974	1.26	9.40	1.49	10.20
1975	1.15	7.90	0.69	3.94
1976	1.00	6.20	0.11	0.49
1977	0.88	6.20	0.09	0.43
(520) GUATEMALA				
1973	0.87	8.30	0.87	2.36
1974	0.86	8.30	0.11	0.50
1975	1.23	12.20	1.06	3.29
1976	1.23	9.20	1.55	3.91
1977	0.76	6.80	0.32	0.72
(504) GUYANA				
1973	1.44	3.30		
1974	1.77	4.70		
1975	2.14	4.00		
1976	5.50	7.40		
1977	3.11	6.10		
(521) HAITI				
1973	1.58	14.90		
1974	1.30	10.70		
1975	1.14	7.80		
1976	0.95	8.50		
1977	0.94	7.40		

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: LATIN AMERICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(522) HONDURAS				
1973	1.43	9.80		
1974	1.31	8.00	0.21	2.27
1975	1.70	8.20	0.21	1.03
1976	1.77	8.70	6.97	30.53
1977	1.73	7.80	0.14	0.56
(532) JAMAICA				
1973	0.69	2.70		
1974	0.64	1.90	0.09	0.53
1975	0.65	1.80		
1976	0.99	2.30		
1977	0.86	2.20		
(523) MEXICO				
1973	0.71	5.30	0.08	0.37
1974	0.69	5.30	0.11	0.72
1975	0.85	5.70	0.19	1.30
1976	0.77	4.60	0.19	1.60
1977	0.73	4.60	0.10	0.58
(524) NICARAGUA				
1973	1.54	9.90	0.21	0.85
1974	1.53	8.10	0.14	0.95
1975	1.98	10.80	0.15	0.82
1976	2.00	11.80	0.15	0.68
1977	1.91	10.50	1.07	6.71

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: LATIN AMERICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(525) PANAMA				
1973	0.78	3.80	0.14	2.38
1974	0.74	3.70	0.08	2.56
1975	0.78	3.30	0.36	14.71
1976	0.75	3.40	0.07	1.27
1977	0.69	3.40	0.33	7.04
(526) PARAGUAY				
1973	1.40	14.30	0.58	1.75
1974	1.29	13.60	0.37	1.15
1975	1.49	14.80	0.31	0.87
1976	1.46	13.30	1.52	3.16
1977	1.41	14.20	0.21	0.37
(527) PERU				
1973	3.67	19.20	4.78	14.08
1974	3.53	18.90	3.02	8.26
1975	4.62	21.50	3.02	21.41
1976	5.08	24.00	6.65	60.61
1977	6.34	28.00	13.75	102.14
(533) TRINIDAD & TOBAGO				
1973	0.30	1.30		
1974	0.27	1.00		
1975	0.25	1.10		
1976	0.28	0.90		
1977	0.26	0.80		

TABLE 2

DEFENSE COSTS AS PERCENT OF SELECTED ECONOMIC INDICATORS

REGION: LATIN AMERICA

YEAR	DEFENSE EXPENDITURES AS A % OF GNP	DEFENSE EXPENDITURES AS A % OF CENTRAL GOVERNMENT EXPENDITURES	MILITARY IMPORTS AS A % OF TOTAL IMPORTS	MILITARY IMPORTS AS A % OF INTERNATIONAL RESERVES
(528) URUGUAY				
1973	2.39	15.00	0.25	0.42
1974	2.60	15.00	0.16	0.43
1975	2.43	14.80	0.67	2.29
1976	2.33	14.50	1.28	3.17
1977	2.15	14.50	1.01	2.18
(529) VENEZUELA				
1973	1.96	9.20	2.15	3.73
1974	2.00	5.50	1.67	1.54
1975	2.00	5.80	1.05	0.90
1976	1.78	5.50	0.54	0.58
1977	1.77	5.40	0.70	1.10

RANKING TABLES FOR LAT. AMERICA

NOTE- LEVELS-- RATIO LEVELS REPRESENT TWO YEAR AVERAGES CALCULATED FROM THE MOST RECENT DATA.

CHANGES-- RATIO CHANGES ARE CONTINUOUS RATES OF CHANGE OVER THE LATEST PERIOD OF NOT LESS THAN FIVE YEARS.

THREE STATISTICS HAVE BEEN CALCULATED FOR EACH TABLE

MED INDICATES THE MEDIAN VALUE. ONE-HALF OF THE OBSERVATIONS LIE ON EACH SIDE OF THIS VALUE.

MEAN VALUE INDICATES THE UNWEIGHTED ARITHMETIC AVERAGE OF THE VALUES.

MEAN + 1 ST. ERR. INDICATES THE VALUE OF THE MEAN PLUS ONE STANDARD ERROR. VALUES LARGER THAN THIS CAN BE REGARDED AS SIGNIFICANT DEVIATIONS FROM THE MEAN.

RATES OF CHANGE ARE ESTIMATED BY REGRESSING THE LOG OF THE RATIO (DEP. VARIABLE) ON TIME (IND. VARIABLE). THIS METHOD USES ALL AVAILABLE DATA AND PROVIDES A MEASURE OF THE STATISTICAL RELIABILITY OF THE RESULTING ESTIMATE.

*** INDICATES ESTIMATES WHERE THERE IS VERY STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

** INDICATES ESTIMATES WHERE THERE IS STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

* INDICATES ESTIMATES WHERE THERE IS EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

TABLE 3

COUNTRIES OF LAT. AMERICA
RANKED BY RATIO OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

PERU	5.71	
GUYANA	4.30	
URUGUAY	2.24	
ARGENTINA	2.21	
ECUADOR	2.10	
BOLIVIA	2.09	
NICARAGUA	1.96	
CHILE	1.89	
VENEZUELA	1.77	
HONDURAS	1.75	
DOMINICAN RE	1.60	MED
PARAGUAY	1.43	
BRAZIL	1.11	
GUATEMALA	1.00	
HAITI	0.94	
EL SALVADOR	0.94	
JAMAICA	0.92	
COLOMBIA	0.80	
MEXICO	0.75	
PANAMA	0.72	
TRINIDAD & T	0.27	
COSTA RICA	NA	

MEAN VALUE = 1.74 MEAN + 1 ST. ERR. = 2.99

TABLE 4

COUNTRIES OF LAT. AMERICA
RANKED BY RATIO OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

PERU	26.00	
ARGENTINA	15.45	
URUGUAY	14.50	
PARAGUAY	13.75	
ECUADOR	11.95	
NICARAGUA	11.15	
DOMINICAN RE	10.90	
BRAZIL	10.40	
COLOMBIA	9.85	
CHILE	8.70	
HONDURAS	8.25	MED
GUATEMALA	8.00	
HAITI	7.95	
BOLIVIA	7.90	
GUYANA	6.75	
EL SALVADOR	6.20	
VENEZUELA	5.45	
MEXICO	4.60	
PANAMA	3.40	
JAMAICA	2.25	
TRINIDAD & T	0.85	
COSTA RICA	NA	

MEAN VALUE = 9.25 MEAN + 1 ST. ERR. = 14.70

TABLE 5

COUNTRIES OF LAT. AMERICA
RANKED BY RATIO OF MIL IMP/TOT IMP
(DERIVED FROM TABLE 2)

PERU	10.20	
ECUADOR	6.45	
CHILE	3.94	
HONDURAS	3.55	
URUGUAY	1.14	
ARGENTINA	0.98	
GUATEMALA	0.93	
BOLIVIA	0.93	
PARAGUAY	0.86	MED
BRAZIL	0.83	
VENEZUELA	0.62	
NICARAGUA	0.61	
PANAMA	0.20	
COLOMBIA	0.18	
MEXICO	0.14	
EL SALVADOR	0.10	
DOMINICAN RE	0.08	
COSTA RICA	0.0	
GUYANA	0.0	
HAITI	0.0	
JAMAICA	0.0	
TRINIDAD & T	0.0	

MEAN VALUE = 1.87 MEAN + 1 ST. ERR. = 4.61

TABLE 6

COUNTRIES OF LAT. AMERICA
RANKED BY RATIO OF MIL IMP/INTL RESERVES
(DERIVED FROM TABLE 2)

PERU	81.37	
CHILE	20.33	
ECUADOR	17.97	
HONDURAS	15.54	
PANAMA	4.15	
BOLIVIA	4.03	
NICARAGUA	3.70	
URUGUAY	2.68	
GUATEMALA	2.32	MED
BRAZIL	2.20	
ARGENTINA	2.16	
PARAGUAY	1.77	
MEXICO	1.09	
VENEZUELA	0.84	
DOMINICAN RE	0.66	
EL SALVADOR	0.46	
COLOMBIA	0.32	
COSTA RICA	0.0	
GUYANA	0.0	
HAITI	0.0	
JAMAICA	0.0	
TRINIDAD & T	0.0	

MEAN VALUE = 9.51 MEAN + 1 ST. ERR. = 29.09

TABLE 7

COUNTRIES OF LAT. AMERICA
RANKED BY CHANGE IN RATIO
OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

GUYANA	26.81***	
PERU	14.54***	
ARGENTINA	9.55***	
JAMAICA	8.42***	
NICARAGUA	6.99***	
HONDURAS	6.83***	
BOLIVIA	5.87***	
MEXICO	1.71***	
PARAGUAY	1.50***	
GUATEMALA	0.94***	
DOMINICAN RE	-0.44	MED
ECUADOR	-0.97	
PANAMA	-2.04	
TRINIDAD & T	-2.40	
VENEZUELA	-3.23	
URUGUAY	-3.28	
EL SALVADOR	-8.18	
COLOMBIA	-10.25	
HAITI	-13.55	
BRAZIL	-18.40	
CHILE	-19.86	
COSTA RICA	NA	

MEAN VALUE = 0.03 MEAN + 1 ST. ERR. = 10.86

TABLE 8

COUNTRIES OF LAT. AMERICA
RANKED BY CHANGE IN RATIO
OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

ARGENTINA	17.69***	
GUYANA	16.88***	
PERU	9.93***	
NICARAGUA	4.93***	
DOMINICAN RE	3.91***	
PARAGUAY	-0.36***	
URUGUAY	-1.04***	
JAMAICA	-2.31**	
GUATEMALA	-2.95	
PANAMA	-2.99	
HONDURAS	-3.73	MED
ECUADOR	-4.18	
MEXICO	-4.25	
COLOMBIA	-4.87	
BOLIVIA	-6.93	
VENEZUELA	-10.66	
TRINIDAD & T	-10.67	
EL SALVADOR	-12.05	
CHILE	-14.30	
HAITI	-16.28	
BRAZIL	-18.60	
COSTA RICA	NA	

MEAN VALUE = -2.99 MEAN + 1 ST. ERR. = 6.71

TABLE 9

COUNTRIES OF LAT. AMERICA
RANKED BY CHANGE IN RATIO
OF MIL IMP/TOTAL IMP
(DERIVED FROM TABLE 2)

URUGUAY	48.79***	
ECUADOR	44.90***	
NICARAGUA	33.33***	
PERU	29.03***	
HONDURAS	22.15***	
PANAMA	16.16***	
MEXICO	10.60***	
GUATEMALA	6.15***	
BRAZIL	-3.37	MED
PARAGUAY	-6.36	
CHILE	-6.85	
ARGENTINA	-12.55	
DOMINICAN RE	-14.15	
BOLIVIA	-30.37	
VENEZUELA	-33.64	
EL SALVADOR	-43.18	
COLOMBIA	-64.74	
COSTA RICA	NA	
GUYANA	NA	
HAITI	NA	
JAMAICA	NA	
TRINIDAD & T	NA	

MEAN VALUE = -0.24 MEAN + 1 ST. ERR. = 31.20

TABLE 10

COUNTRIES OF LAT. AMERICA
RANKED BY CHANGE IN RATIO
OF MIL IMP/INT RESERVES
(DERIVED FROM TABLE 2)

PERU	59.55***	
URUGUAY	53.05***	
ECUADOR	42.35***	
NICARAGUA	37.85***	
MEXICO	17.06***	
PANAMA	14.63***	
BRAZIL	6.37***	
GUATEMALA	-2.93**	
HONDURAS	-8.38	MED
DOMINICAN RE	-18.19	
PARAGUAY	-20.83	
ARGENTINA	-22.79	
BOLIVIA	-29.32	
CHILE	-31.64	
VENEZUELA	-34.19	
EL SALVADOR	-56.88	
COLOMBIA	-84.76	
COSTA RICA	NA	
GUYANA	NA	
HAITI	NA	
JAMAICA	NA	
TRINIDAD & T	NA	

MEAN VALUE = -4.65 MEAN + 1 ST. ERR. = 34.54

TABLE 11 --SUMMARY STATISTICS FROM RANKING TABLES 3-10 FOR LAT. AMERICA

KEY- M = RANKED VALUE ABOVE GROUP MEDIAN S = RANKED VALUE GREATER THAN THE MEAN PLUS ONE STANDARD ERROR

CALCULATION OF SCORES: M = 1, S = 2

COUNTRY (FROM TABLE)	LEVEL MEASURES DE/ GNP (3)	DE/ CGE (4)	MI/ TI (5)	MI/ IR (6)	TOTAL S + M SCORES	TREND MEASURES DE/ GNP (7)	DE/ CGE (8)	MI/ TI (9)	MI/ IR (10)	TOTAL S + M SCORES	TOTAL LEV+TRND SCORES
ARGENTINA	M	S	M		4	M	S			3	7
BOLIVIA	M			M	2	M				1	3
BRAZIL		M	M		2				M	1	3
CHILE	M	M	M	M	4					0	4
COLOMBIA		M			1					0	1
COSTA RICA	NA	NA			0	NA	NA	NA	NA	0	0
DOMINICAN REI		M			1		M			1	2
ECUADOR	M	M	S	M	5			S	M	3	8
EL SALVADOR					0					0	0
GUATEMALA			M	M	2	M	M	M	M	4	6
GUYANA	S			M	3	S	S	M	M	6	9
HAITI					0					0	0
HONDURAS	M		M	M	3	M		S	M	4	7
JAMAICA					0	M	M	NA	NA	2	2
MEXICO					0	M		M	M	3	3
NICARAGUA	M	M		M	3	M	M	M	M	4	7
PANAMA				M	1		M			1	2
PARAGUAY		M	M		2	M	M	M		3	5
PERU	S	S	S	M	7	S	S	S	M	7	14
TRINIDAD & TI					0			NA	NA	0	0
URUGUAY	M	M			2		M	M	M	3	5
VENEZUELA	M		M		2					0	2

RANKING TABLES FOR WORLD-WIDE

NOTE- LEVELS-- RATIO LEVELS REPRESENT TWO YEAR AVERAGES CALCULATED FROM THE MOST RECENT DATA.

CHANGES-- RATIO CHANGES ARE CONTINUOUS RATES OF CHANGE OVER THE LATEST PERIOD OF NOT LESS THAN FIVE YEARS.

THREE STATISTICS HAVE BEEN CALCULATED FOR EACH TABLE

MED INDICATES THE MEDIAN VALUE. ONE-HALF OF THE OBSERVATIONS LIE ON EACH SIDE OF THIS VALUE.

MEAN VALUE INDICATES THE UNWEIGHTED ARITHMETIC AVERAGE OF THE VALUES.

MEAN + 1 ST. ERR. INDICATES THE VALUE OF THE MEAN PLUS ONE STANDARD ERROR. VALUES LARGER THAN THIS CAN BE REGARDED AS SIGNIFICANT DEVIATIONS FROM THE MEAN.

RATES OF CHANGE ARE ESTIMATED BY REGRESSING THE LOG OF THE RATIO (DEP. VARIABLE) ON TIME (IND. VARIABLE). THIS METHOD USES ALL AVAILABLE DATA AND PROVIDES A MEASURE OF THE STATISTICAL RELIABILITY OF THE RESULTING ESTIMATE.

*** INDICATES ESTIMATES WHERE THERE IS VERY STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

** INDICATES ESTIMATES WHERE THERE IS STRONG EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

* INDICATES ESTIMATES WHERE THERE IS EVIDENCE SUGGESTING A GREATER RATE OF CHANGE THAN THE GROUP AVERAGE RATE OF CHANGE.

TABLE 3

COUNTRIES OF WORLD-WIDE
RANKED BY RATIO OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

ISRAEL	32.84		NICARAGUA	1.96
SAUDI ARABIA	16.64		KENYA	1.96
SYRIA	14.45		CHILE	1.89
IRAN	12.53		SENEGAL	1.84
EGYPT	11.67		TUNISIA	1.81
IRAQ	10.77		VENEZUELA	1.77
JORDAN	10.48		BENIN (DAHOM	1.76
LEBANON	8.08		HONDURAS	1.75
SOMALI REPUB	6.91		AFGHANISTAN	1.72
PAKISTAN	6.07		DOMINICAN RE	1.60
MAURITANIA	6.00		CAMEROON	1.51
KOREA, REPUB	5.89		MALAWI	1.50
PERU	5.71		IVORY COAST	1.45
TURKEY	5.57		PARAGUAY	1.43
CONGO, REP.	5.19		RWANDA	1.40
SOUTH AFRICA	5.04		BANGLADESH	1.23
GREECE	4.91		BRAZIL	1.11
KUWAIT	4.78		GUATEMALA	1.00
CHAD	4.61		SIERRA LEONE	0.98
BAHRAIN	4.45		GHANA	0.98
GUYANA	4.30		NEPAL	0.94
MALAYSIA	4.12		HAITI	0.94
MOROCCO	4.09		EL SALVADOR	0.94
NIGERIA	4.04		JAMAICA	0.92
BURMA	3.97		COLOMBIA	0.80
PORTUGAL	3.75		GABON	0.77
SOUTHERN RHO	3.70		MEXICO	0.75
MALI	3.69		LIBERIA	0.73
TANZANIA	3.62		PANAMA	0.72
INDONESIA	3.39		NIGER	0.68
INDIA	3.29		SRI LANKA	0.68
THAILAND	3.16		SWAZILAND	0.58
PHILIPPINES	3.16		MALTA	0.48
UGANDA	3.05		TRINIDAD & T	0.27
ZAMBIA	2.94		MAURITIUS	0.18
UPPER VOLTA	2.88		BOTSWANA	NA
ALGERIA	2.79		CAPE VERDE	NA
SUDAN	2.79		ETHIOPIA	NA
SPAIN	2.75		GAMBIA, THE	NA
TOGO	2.30		GUINEA	NA
ZAIRE	2.27		GUINEA-BISSA	NA
URUGUAY	2.24		LESOTHO	NA
MADAGASCAR	2.22	MED	MOZAMBIQUE	NA
ARGENTINA	2.21		SAO TOME AND	NA
BURUNDI	2.17		CAMBODIA(KHM	NA
CYPRUS	2.11		CHINA REPUBL	NA
ECUADOR	2.10		LAOS	NA
BOLIVIA	2.09		VIET NAM(SOU	NA
CENTRAL AFRI	2.03		YEMEN ARAB R	NA
LIBYA	1.97		COSTA RICA	NA

MEAN VALUE = 3.68 MEAN + 1 ST. ERR. = 8.17

TABLE 4

COUNTRIES OF WORLD-WIDE
RANKED BY RATIO OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

ISRAEL	38.60		CENTRAL AFRI	9.80
KOREA, REPUB	32.95		MOROCCO	9.35
YEMEN ARAB R	32.20		SENEGAL	9.20
SYRIA	32.10		BENIN (DAHOM	9.15
IRAN	31.10		CHILE	8.70
CHAD	28.35		ZAIRE	8.60
BURMA	27.35		NIGERIA	8.30
PAKISTAN	26.10		ALGERIA	8.30
PERU	26.00		HONDURAS	8.25
MALI	24.55		KENYA	8.05
SAUDI ARABIA	24.55		GUATEMALA	8.00
IRAQ	24.00		HAITI	7.95
JORDAN	22.85		BOLIVIA	7.90
EGYPT	22.15		ZAMBIA	7.90
TURKEY	22.05		BANGLADESH	7.75
SPAIN	20.75		CAPE VERDE	7.60
GREECE	20.15		NEPAL	7.20
GUINEA-BISSA	19.90		GUYANA	6.75
PHILIPPINES	19.85		TOGO	6.70
UGANDA	19.45		EL SALVADOR	6.20
INDIA	18.15		GHANA	6.15
THAILAND	17.80		MALAWI	6.11
SOUTH AFRICA	17.60		TUNISIA	5.54
UPPER VOLTA	17.60		NIGER	5.50
BURUNDI	16.80		VENEZUELA	5.45
ARGENTINA	15.45		LIBYA	5.20
AFGHANISTAN	15.15		IVORY COAST	4.65
SOUTHERN RHO	14.99		MEXICO	4.60
CONGO, REP.	14.90		SIERRA LEONE	3.86
INDONESIA	14.70		PANAMA	3.40
URUGUAY	14.50		LIBERIA	3.25
TANZANIA	13.90		SWAZILAND	2.70
PARAGUAY	13.75		JAMAICA	2.25
LEBANON	13.75		SRI LANKA	2.10
RWANDA	13.45		MALTA	1.22
MALAYSIA	13.35		GABON	1.00
PORTUGAL	12.65		TRINIDAD & T	0.85
ECUADOR	11.95		MAURITIUS	0.55
KUWAIT	11.90		BOTSWANA	NA
MAURITANIA	11.60		ETHIOPIA	NA
MADAGASCAR	11.25		GAMBIA, THE	NA
NICARAGUA	11.15		GUINEA	NA
SUDAN	11.00		LESOTHO	NA
DOMINICAN RE	10.90		MOZAMBIQUE	NA
		MED	SAO TOME AND	NA
CAMEROON	10.50		CAMBODIA(KHM	NA
BRAZIL	10.40		CHINA REPUBL	NA
BAHRAIN	10.16		LAOS	NA
SOMALI REPUB	10.00		VIET NAM(SOU	NA
COLOMBIA	9.85		COSTA RICA	NA
CYPRUS	9.82			

MEAN VALUE = 12.95 MEAN + 1 ST. ERR. = 21.37

TABLE 5

COUNTRIES OF WORLD-WIDE
RANKED BY RATIO OF MIL IMP/TOT IMP
(DERIVED FROM TABLE 2)

ETHIOPIA	42.12		PHILIPPINES	1.20
SOMALI REPUB	27.59		SPAIN	1.18
SYRIA	18.96		URUGUAY	1.14
IRAQ	17.10		CAMEROON	1.06
ISRAEL	13.23		ARGENTINA	0.98
AFGHANISTAN	13.12		GUATEMALA	0.93
LIBYA	12.34		BOLIVIA	0.93
SENEGAL	11.67		MALAYSIA	0.88
PERU	10.20		PARAGUAY	0.86
IRAN	9.76		BRAZIL	0.83
JORDAN	9.31		SRI LANKA	0.78
MALI	8.91		GABON	0.74
GREECE	7.86		INDONESIA	0.69
GUINEA-BISSA	7.78		VENEZUELA	0.62
TANZANIA	7.08		GAMBIA, THE	0.62
ECUADOR	6.45		NICARAGUA	0.61
INDIA	6.14		LEBANON	0.50
PAKISTAN	5.64		PORTUGAL	0.46
ZAIRE	5.44		IVORY COAST	0.46
MOROCCO	5.37		UPPER VOLTA	0.39
MAURITANIA	4.96		NIGER	0.37
CHILE	3.94		KENYA	0.35
UGANDA	3.90		NIGERIA	0.26
KUWAIT	3.76		PANAMA	0.20
TURKEY	3.62		LIBERIA	0.19
ALGERIA	3.56		MALAWI	0.18
HONDURAS	3.55		COLOMBIA	0.18
MOZAMBIQUE	3.53		CYPRUS	0.16
YEMEN ARAB R	3.42		MEXICO	0.14
EGYPT	3.29		EL SALVADOR	0.10
TOGO	3.15		DOMINICAN RE	0.08
BURUNDI	3.09		BAHRAIN	0.05
SAUDI ARABIA	2.74		CENTRAL AFRI	0.0
KOREA, REPUB	2.63		LESOTHO	0.0
CHAD	2.44		MAURITIUS	0.0
CONGO, REP.	2.31		SIERRA LEONE	0.0
BENIN (DAHOM	2.03		SWAZILAND	0.0
CHINA REPUBL	1.83		BURMA	0.0
BOTSWANA	1.82		MALTA	0.0
MADAGASCAR	1.72		NEPAL	0.0
ZAMBIA	1.69		COSTA RICA	0.0
		MED	GUYANA	0.0
GUINEA	1.66		HAITI	0.0
RWANDA	1.57		JAMAICA	0.0
GHANA	1.45		TRINIDAD & T	0.0
THAILAND	1.44		SAO TOME AND	NA
SUDAN	1.37		SOUTHERN RHO	NA
TUNISIA	1.36		CAMBODIA(KHM	NA
CAPE VERDE	1.35		LAOS	NA
SOUTH AFRICA	1.30		VIET NAM(SOU	NA
BANGLADESH	1.30			

MEAN VALUE = 4.15 MEAN + 1 ST. ERR. = 10.58

TABLE 6

COUNTRIES OF WORLD-WIDE
RANKED BY RATIO OF MIL IMP/INTL RESERVES
(DERIVED FROM TABLE 2)

UGANDA	1050.00		PHILIPPINES	3.80
MALI	321.43		NICARAGUA	3.70
SENEGAL	310.82		THAILAND	3.42
SYRIA	116.37		URUGUAY	2.68
ZAIRE	115.60		BURUNDI	2.63
ETHIOPIA	103.73		YEMEN ARAB R	2.60
CONGO, REP.	92.26		SAUDI ARABIA	2.41
PERU	81.37		GUATEMALA	2.32
ISRAEL	71.43		BOTSWANA	2.20
SOMALI REPUB	62.47		BRAZIL	2.20
GABON	54.31		ARGENTINA	2.16
SUDAN	53.89		GAMBIA, THE	2.08
GREECE	51.42		MALAWI	1.92
EGYPT	42.33		MALAYSIA	1.86
MOROCCO	41.20		PARAGUAY	1.77
PAKISTAN	32.46		PORTUGAL	1.72
MAURITANIA	32.20		UPPER VOLTA	1.57
TANZANIA	30.27		KENYA	1.14
BENIN (DAHOM	26.44		NIGER	1.10
CHAD	24.37		GUINEA-BISSA	1.09
AFGHANISTAN	24.29		MEXICO	1.09
JORDAN	23.84		VENEZUELA	0.84
CAMEROON	22.99		DOMINICAN RE	0.66
TURKEY	22.85		NIGERIA	0.60
LIBYA	22.19		EL SALVADOR	0.46
ZAMBIA	21.76		LEBANON	0.32
IRAN	21.10		CYPRUS	0.32
CHILE	20.33		COLOMBIA	0.32
TOGO	18.33		BAHRAIN	0.21
ECUADOR	17.97		CAPE VERDE	0.0
SOUTH AFRICA	17.42		CENTRAL AFRI	0.0
IRAQ	16.83		GUINEA	0.0
HONDURAS	15.54		LESOTHO	0.0
MADAGASCAR	15.53		MAURITIUS	0.0
ALGERIA	14.10		MOZAMBIQUE	0.0
GHANA	12.70		SAO TOME AND	0.0
CHINA REPUBL	11.20		SIERRA LEONE	0.0
INDIA	9.48		SOUTHERN RHO	0.0
IVORY COAST	9.18		SWAZILAND	0.0
KOREA, REPUB	8.65	MED	BURMA	0.0
TUNISIA	8.33		CAMBODIA(KHM	0.0
KUWAIT	7.52		LAOS	0.0
BANGLADESH	5.99		VIET NAM(SOU	0.0
SRI LANKA	5.61		MALTA	0.0
LIBERIA	4.79		NEPAL	0.0
PANAMA	4.15		COSTA RICA	0.0
BOLIVIA	4.03		GUYANA	0.0
RWANDA	3.91		HAITI	0.0
SPAIN	3.90		JAMAICA	0.0
INDONESIA	3.86		TRINIDAD & T	0.0

MEAN VALUE = 40.02 MEAN + 1 ST. ERR. = 167.16

TABLE 7

COUNTRIES OF WORLD-WIDE
RANKED BY CHANGE IN RATIO
OF DEF EXP/GNP
(DERIVED FROM TABLE 2)

MAURITANIA	31.36***	DOMINICAN RE	-0.44
BANGLADESH	28.61***	SENEGAL	-0.64
GUYANA	26.81***	ECUADOR	-0.97
MALAWI	24.14***	PAKISTAN	-1.13
SOUTHERN RHO	23.05***	MALAYSIA	-1.22
UPPER VOLTA	22.45***	PANAMA	-2.04
PHILIPPINES	17.47***	CAMEROON	-2.38
SOUTH AFRICA	15.77***	TRINIDAD & T	-2.40
PERU	14.54***	ZAMBIA	-3.07
MADAGASCAR	12.61***	NIGERIA	-3.12
TOGO	12.53***	VENEZUELA	-3.23
KOREA, REPUB	12.41***	URUGUAY	-3.28
TANZANIA	11.93***	CENTRAL AFRI	-4.62
ALGERIA	11.70***	CHAD	-4.82
NEPAL	11.51***	ISRAEL	-5.01
CYPRUS	11.35***	SRI LANKA	-7.03
TURKEY	11.15***	JORDAN	-7.64
ARGENTINA	9.55***	EL SALVADOR	-8.18
TUNISIA	9.54***	EGYPT	-8.47
KENYA	9.26***	IRAQ	-9.11
MALI	8.80***	SUDAN	-9.17
JAMAICA	8.42***	BURMA	-9.27
IRAN	7.82***	COLOMBIA	-10.25
NICARAGUA	6.99***	GHANA	-10.74
HONDURAS	6.83***	GABON	-11.50
MAURITIUS	6.07***	HAITI	-13.55
BOLIVIA	5.87***	RWANDA	-15.10
BAHRAIN	5.28***	ZAIRE	-15.68
THAILAND	5.03***	LIBYA	-15.99
GREECE	4.95***	PORTUGAL	-16.45
MOROCCO	4.88***	BRAZIL	-18.40
INDONESIA	4.58***	CHILE	-19.86
SAUDI ARABIA	4.41***	BOTSWANA	NA
IVORY COAST	4.02***	CAPE VERDE	NA
INDIA	3.55***	ETHIOPIA	NA
BENIN (DAHOM	3.26**	GAMBIA, THE	NA
CONGO, REP.	3.05*	GUINEA	NA
UGANDA	2.20	GUINEA-BISSA	NA
MALTA	1.93	LESOTHO	NA
SOMALI REPUB	1.78	MOZAMBIQUE	NA
MEXICO	1.71	SAO TOME AND	NA
---------- MED		SWAZILAND	NA
PARAGUAY	1.50	CAMBODIA(KHM	NA
AFGHANISTAN	1.50	CHINA REPUBL	NA
NIGER	1.44	LAOS	NA
SYRIA	1.06	VIET NAM(SOU	NA
GUATEMALA	0.94	KUWAIT	NA
LIBERIA	0.33	LEBANON	NA
SPAIN	0.27	YEMEN ARAB R	NA
SIERRA LEONE	0.22	COSTA RICA	NA
BURUNDI	0.17		

MEAN VALUE = 2.34 MEAN + 1 ST. ERR. = 13.08

TABLE 8

COUNTRIES OF WORLD-WIDE
RANKED BY CHANGE IN RATIO
OF DEF EXP/CGE
(DERIVED FROM TABLE 2)

BANGLADESH	23.54***		COLOMBIA	-4.87
MALAWI	18.88***		BURMA	-5.08
ARGENTINA	17.69***		LIBERIA	-5.25
SOUTHERN RHO	17.27***		SENEGAL	-5.26
GUYANA	16.88***		PAKISTAN	-5.74
UPPER VOLTA	13.14***		SOMALI REPUB	-5.87
PHILIPPINES	12.33***		SYRIA	-5.98
MADAGASCAR	12.09***		ZAIRE	-6.16
CYPRUS	11.25***		MALAYSIA	-6.32
MAURITANIA	10.93***		BAHRAIN	-6.50
CAPE VERDE	10.42***		GHANA	-6.85
TANZANIA	10.21***		BOLIVIA	-6.93
PERU	9.93***		AFGHANISTAN	-7.30
KENYA	9.67***		ISRAEL	-7.98
MALI	9.48***		IRAQ	-8.07
SOUTH AFRICA	8.48***		LEBANON	-8.45
MALTA	6.80***		EGYPT	-9.05
ALGERIA	6.65***		ZAMBIA	-9.27
SAUDI ARABIA	6.20***		MAURITIUS	-9.50
CHAD	5.01***		VENEZUELA	-10.66
NICARAGUA	4.93***		TRINIDAD & T	-10.67
KOREA, REPUB	4.47***		MOROCCO	-11.86
DOMINICAN RE	3.91***		EL SALVADOR	-12.05
UGANDA	3.66***		JORDAN	-12.09
TUNISIA	2.30***		SRI LANKA	-12.19
TURKEY	2.04***		TOGO	-12.31
NEPAL	1.70***		LIBYA	-12.96
NIGER	0.89***		SUDAN	-13.49
CENTRAL AFRI	0.44***		RWANDA	-13.94
THAILAND	0.03***		CHILE	-14.30
PARAGUAY	-0.36***		HAITI	-16.28
CAMEROON	-0.39***		BRAZIL	-18.60
URUGUAY	-1.04***		NIGERIA	-23.55
CONGO, REP.	-1.20***		PORTUGAL	-34.24
GREECE	-1.35***		GABON	-35.86
IRAN	-1.92*		BOTSWANA	NA
SIERRA LEONE	-1.92*		ETHIOPIA	NA
SPAIN	-2.24		GAMBIA, THE	NA
BURUNDI	-2.29		GUINEA	NA
JAMAICA	-2.31		GUINEA-BISSA	NA
INDONESIA	-2.58		LESOTHO	NA
GUATEMALA	-2.95		MOZAMBIQUE	NA
PANAMA	-2.99	MED	SAO TOME AND	NA
HONDURAS	-3.73		SWAZILAND	NA
IVORY COAST	-3.84		CAMBODIA(KHM	NA
INDIA	-3.95		CHINA REPUBL	NA
ECUADOR	-4.18		LAOS	NA
MEXICO	-4.25		VIET NAM(SOU	NA
BENIN (DAHOM	-4.42		YEMEN ARAB R	NA
KUWAIT	-4.45		COSTA RICA	NA

MEAN VALUE = -2.20 MEAN + 1 ST. ERR. = 8.36

BEST AVAILABLE

TABLE 9

COUNTRIES OF WORLD-WIDE
RANKED BY CHANGE IN RATIO
OF MIL IMP/TOTAL IMP
(DERIVED FROM TABLE 2)

KUWAIT	139.19***		PAKISTAN	-5.01
GABON	108.18*		PARAGUAY	-6.36
GUINEA-BISSA	97.30*		CYPRUS	-6.77
SENEGAL	94.62***		CHILE	-6.85
NEPAL	83.13*		BURMA	-7.88
MADAGASCAR	82.80*		NIGER	-11.11
TUNISIA	80.18***		LIBERIA	-11.80
ETHIOPIA	75.74***		ARGENTINA	-12.55
MAURITANIA	65.52***		IRAQ	-13.09
MOROCCO	64.28***		UPPER VOLTA	-13.38
CONGO, REP.	57.47***		DOMINICAN RE	-14.15
GREECE	55.09***		MOZAMBIQUE	-15.01
MALI	53.22***		SUDAN	-15.68
URUGUAY	48.79***		IVORY COAST	-16.56
ECUADOR	44.90***		UGANDA	-19.56
TOGO	40.38***		BAHRAIN	-20.95
TANZANIA	39.79***		THAILAND	-25.08
ALGERIA	38.07***		BANGLADESH	-25.28
GHANA	37.22***		BOLIVIA	-30.37
NICARAGUA	33.33***		AFGHANISTAN	-32.75
PORTUGAL	33.27***		VENEZUELA	-33.64
PERU	29.03***		NIGERIA	-38.60
LIBYA	27.55***		EL SALVADOR	-43.18
ZAIRE	23.69***		EGYPT	-52.84
ISRAEL	22.48***		LEBANON	-53.02
HONDURAS	22.15**		SRI LANKA	-57.42
CAMEROON	22.02		GUINEA	-57.86
BURUNDI	18.53		SYRIA	-58.20
BENIN (DAHOM	16.33**		COLOMBIA	-64.74
PANAMA	16.16**		BOTSWANA	NA
INDIA	14.78*		CAPE VERDE	NA
SPAIN	12.46		CENTRAL AFRI	NA
MEXICO	10.60		GAMBIA, THE	NA
PHILIPPINES	9.89		LESOTHO	NA
SAUDI ARABIA	8.75		MALAWI	NA
ZAMBIA	6.81		MAURITIUS	NA
SOUTH AFRICA	6.76		RWANDA	NA
CHAD	6.34		SAO TOME AND	NA
GUATEMALA	6.15		SIERRA LEONE	NA
IRAN	5.21	MED	SOUTHERN RHO	NA
TURKEY	4.79		SWAZILAND	NA
INDONESIA	4.45		CAMBODIA(KHM	NA
YEMEN ARAB R	3.71		LAOS	NA
CHINA REPUBL	3.45		VIET NAM(SOU	NA
KENYA	0.04		MALTA	NA
KOREA, REPUB	-0.10		COSTA RICA	NA
SOMALI REPUB	-0.82		GUYANA	NA
MALAYSIA	-2.56		HAITI	NA
BRAZIL	-3.37		JAMAICA	NA
JORDAN	-4.35		TRINIDAD & T	NA

MEAN VALUE = 11.31 MEAN + 1 ST. ERR. = 52.35

TABLE 10

COUNTRIES OF WORLD-WIDE
RANKED BY CHANGE IN RATIO
OF MIL IMP/INT RESERVES
(DERIVED FROM TABLE 2)

GABON	249.18*	IRAN	-8.84
NEPAL	124.98*	IVORY COAST	-11.39
KUWAIT	120.79***	INDIA	-13.87
TUNISIA	99.39***	KOREA, REPUB	-13.88
MAURITANIA	88.76***	THAILAND	-14.77
ETHIOPIA	85.45***	YEMEN ARAB R	-15.67
MOROCCO	75.33***	BURMA	-17.18
SENEGAL	71.84***	DOMINICAN RE	-18.19
CONGO, REP.	71.75***	NIGER	-19.57
TOGO	68.98***	IRAQ	-19.82
GREECE	66.50***	SOMALI REPUB	-19.82
PERU	59.55***	PARAGUAY	-20.83
PORTUGAL	59.31***	ARGENTINA	-22.79
GHANA	55.06***	SYRIA	-26.41
TURKEY	53.74***	LIBERIA	-28.66
URUGUAY	53.05***	BOLIVIA	-29.32
ALGERIA	52.98***	CHILE	-31.64
MALI	49.21***	VENEZUELA	-34.19
MADAGASCAR	47.94*	EGYPT	-35.52
BENIN (DAHOM	45.11***	BANGLADESH	-38.12
ZAIRE	45.04***	BAHRAIN	-42.37
ECUADOR	42.35***	NIGERIA	-43.69
NICARAGUA	37.85***	AFGHANISTAN	-53.63
SUDAN	35.93***	EL SALVADOR	-56.88
ZAMBIA	35.69***	CHAD	-62.89
UGANDA	34.25***	SRI LANKA	-68.00
ISRAEL	33.10***	LEBANON	-76.37
LIBYA	29.45***	COLOMBIA	-84.76
SPAIN	27.86***	CAPE VERDE	NA
SOUTH AFRICA	25.64***	CENTRAL AFRI	NA
TANZANIA	24.48***	GAMBIA, THE	NA
PHILIPPINES	20.36**	GUINEA	NA
GUINEA-BISSA	17.06	LESOTHO	NA
MEXICO	17.06	MALAWI	NA
CAMEROON	14.96	MAURITIUS	NA
PANAMA	14.63	MOZAMBIQUE	NA
CHINA REPUBL	12.18	RWANDA	NA
JORDAN	10.99	SAO TOME AND	NA
PAKISTAN	10.08	SIERRA LEONE	NA
	MED	SOUTHERN RHO	NA
BOTSWANA	6.37	SWAZILAND	NA
BRAZIL	6.37	CAMBODIA(KHM	NA
INDONESIA	6.11	LAOS	NA
SAUDI ARABIA	4.87	VIET NAM(SOU	NA
BURUNDI	3.67	MALTA	NA
UPPER VOLTA	3.54	COSTA RICA	NA
CYPRUS	-1.12	GUYANA	NA
GUATEMALA	-2.93	HAITI	NA
KENYA	-7.71	JAMAICA	NA
MALAYSIA	-8.33	TRINIDAD & T	NA
HONDURAS	-8.38		

MEAN VALUE = 14.89 MEAN + 1 ST. ERR. = 66.89

TABLE 11 --SUMMARY STATISTICS FROM RANKING TABLES 3-10 FOR WORLD-WIDE

KEY- M = RANKED VALUE ABOVE GROUP MEDIAN S = RANKED VALUE GREATER THAN THE MEAN PLUS ONE STANDARD ERROR

CALCULATION OF SCORES: M = 1, S = 2

COUNTRY (FROM TABLE)	LEVEL MEASURES DE/ GNP (3)	DE/ CGE (4)	MI/ TI (5)	MI/ IR (6)	TOTAL S + M SCORES	TREND MEASURES DE/ GNP (7)	DE/ CGE (8)	MI/ TI (9)	MI/ IR (10)	TOTAL S + M SCORES	TOTAL LFV+TRND SCORES
ALGERIA	M		M	M	3	M	M	M	M	4	7
BENIN (DAHOMI			M	M	2	M			M	2	4
BOTSWANA	NA	NA	M		1	NA	NA	NA		0	1
BURUNDI		M	M		2		M	M		2	4
CAMEROON				M	1		M	M	M	3	4
CAPE VERDE	NA		M		1	NA	S	NA	NA	2	3
CENTRAL AFRI					0		M	NA	NA	1	1
CHAD	M	S	M	M	5		M	M		2	7
CONGO, REP	M	M	M	M	4	M	M	S	M	5	9
ETHIOPIA	NA	NA	S	M	3	NA	NA	S	M	3	6
GABON				M	1			S	M	3	4
GAMBIA, THE	NA	NA			0	NA	NA	NA	NA	0	0
GHANA				M	1			M	M	2	3
GUINEA	NA	NA	M		1	NA	NA		NA	0	1
GUINEA-BISSAI	NA	M	M		2	NA	NA	M	M	2	4
IVORY COAST				M	1	M			M	2	3
KENYA					0	M	S	M		4	4
LESOTHO	NA	NA			0	NA	NA	NA	NA	0	0
LIBERIA					0					0	0
LIBYA			S	M	3			M	M	2	5
MADAGASCAR		M		M	2	M	S	M		4	6
MALAWI					0	S	S	NA	NA	4	4
MALI	M	S	M	M	5	M	S	S	M	6	11
MAURITANIA	M	M	M	M	4	S	S	S	M	7	11
MAURITIUS					0	M		NA	NA	1	1
MOROCCO	M		M	M	3	M		S	M	4	7
MOZAMBIQUE	NA	NA	M		1	NA	NA		NA	0	1
NIGER					0		M			1	1
NIGERIA	M				1					0	1
RWANDA		M			1			NA	NA	0	1
SENEGAL			S	M	3			S	M	3	6
SIERRA LEONEI					0		M	NA	NA	1	1
SOMALI REPUBI	M		S	M	4	M				1	5
SOUTH AFRICAI	M	M		M	3	S	S	M	M	6	9
SOUTHERN RHOI	M	M	NA		2	S	S	NA	NA	4	6
SUDAN	M	M		M	3				M	1	4
SWAZILAND					0	NA	NA	NA	NA	0	0
TANZANIA	M	M	M	M	4	M	S	M	M	5	9
TOGO	M		M	M	3	M		M	M	3	6
TUNISIA				M	1	M	M	M	M	4	5
UGANDA	M	M	M	M	4	M	M		M	3	7
UPPER VOLTA	M	M			2	S	S			4	6
ZAIRE	M		M	M	3			M	M	2	5
ZAMBIA	M		M	M	3				M	1	4
BURMA	M	S			3					0	3
CAMBODIA(KHMI	NA	NA	NA		0	NA	NA	NA	NA	0	0
CHINA REPUBLI	NA	NA	M	M	2	NA	NA		M	1	3
INDONESIA	M	M			2	M	M	M		3	5

TABLE 11 --SUMMARY STATISTICS FROM RANKING TABLES 3-10 FOR WORLD-WIDE (CONTINUED)

COUNTRY (FROM TABLE)	LEVEL MEASURES DE/ GNP (3)	DE/ CGE (4)	MI/ TI (5)	MI/ IR (6)	TOTAL S + M SCORES	TREND MEASURES DE/ GNP (7)	DE/ CGE (8)	MI/ TI (9)	MI/ IR (10)	TOTAL S + M SCORES	TOTAL LEV+TRND SCORES
KOREA, REPUBI	M	S	M		4	M	M			2	6
LAOS	NA	NA	NA		0	NA	NA	NA	NA	0	0
MALAYSIA	M	M			2					0	2
PHILIPPINES	M	M			2	S	S	M	M	6	8
THAILAND	M	M			2	M	M			2	4
VIET NAM(SOUI	NA	NA	NA		0	NA	NA	NA	NA	0	0
AFGHANISTAN		M	S	M	4					0	4
BAHRAIN	M				1	M		M		2	3
BANGLADESH					0	S	S			4	4
CYPRUS					0	M	S			3	3
EGYPT	S	S	M	M	6					0	6
GREECE	M	M	M	M	4	M	M	S	M	5	9
INDIA	M	M	M	M	4	M		M		2	6
IRAN	S	S	M	M	6	M	M			2	8
IRAQ	S	S	S	M	7					0	7
ISRAEL	S	S	S	M	7			M	M	2	9
JORDAN	S	S	M	M	6				M	1	7
KUWAIT	M	M	M		3	NA		S	M	3	6
LEBANON	M	M			2	NA				0	2
MALTA					0	M	M	NA	NA	2	2
NEPAL					0	M	M	S	M	5	5
PAKISTAN	M	S	M	M	5				M	1	6
PORTUGAL	M	M			2			S	M	3	5
SAUDI ARABIAI	S	S	M		5	M	M	M		3	8
SPAIN	M	M			2		M	M	M	3	5
SRI LANKA					0					0	0
SYRIA	S	S	S	M	7					0	7
TURKEY	M	S	M	M	5	M	M		M	3	8
YEMEN ARAB RI	NA	S	M		3	NA	NA	M		1	4
ARGENTINA		M			1	M	S			3	4
BOLIVIA					0	M				1	1
BRAZIL					0					0	0
CHILE			M	M	2					0	2
COLOMBIA					0					0	0
COSTA RICA	NA	NA			0	NA	NA	NA	NA	0	0
DOMINICAN RE		M			1		M			1	2
ECUADOR		M	M	M	3			S	M	3	6
EL SALVADOR					0					0	0
GUATEMALA					0		M			1	1
GUYANA	M				1	S	S		M	5	6
HAITI					0					0	0
HONDURAS			M	M	2	M		M	M	3	5
JAMAICA					0	M	M	NA	NA	2	2
MEXICO					0	M		M	M	3	3
NICARAGUA		M			1	M	M	M	M	4	5
PANAMA					0					0	0
PARAGUAY		M			1		M	M		2	3
PERU	M	S	M	M	5	S	S	M	M	6	11
TRINIDAD & TI					0			NA	NA	0	0
URUGUAY	M	M			2		M	M	M	3	5
VENEZUELA					0					0	0