

Chapter 3:  
**The Budgets**

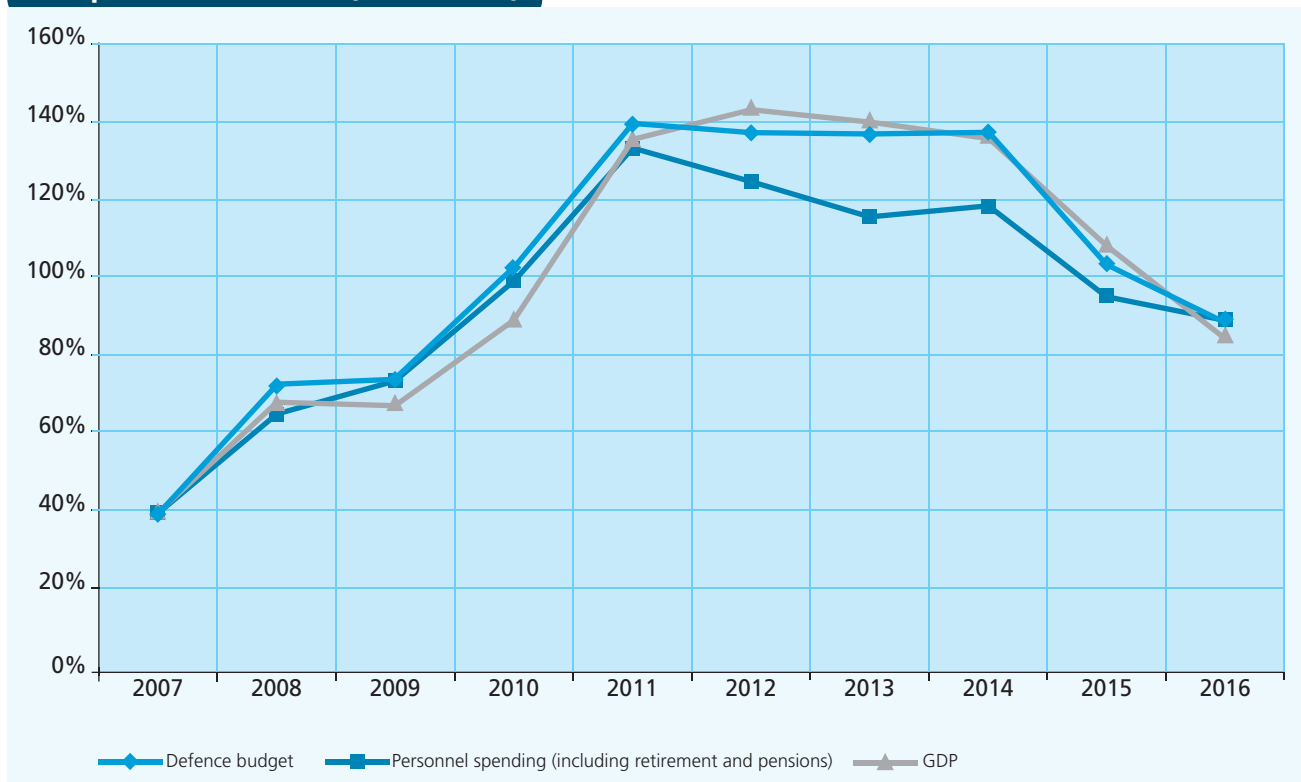


### Defence Budget (US\$)

Country	2006	2008	2010	2012	2014	2016
Argentina	1,952,165,821	2,628,157,098	3,138,200,705	4,351,981,686	4,219,130,969	4,287,426,700
Bolivia	197,291,177	254,520,509	336,894,359	400,819,204	490,559,378	568,421,520
Brazil	13,692,057,669	26,202,709,813	33,055,029,481	35,512,467,812	31,629,440,741	19,978,247,480
Chile	3,177,404,842	4,459,645,809	4,778,329,754	5,878,940,198	5,511,299,093	4,571,174,008
Colombia	2,872,392,573	6,004,957,107	6,178,261,917	7,907,923,506	8,416,388,574	4,916,946,842
Cuba*	71,162,500	84,233,333	89,170,833	120,008,333	118,850,000	293,154,167
Dominican Republic	213,117,635	269,120,373	332,298,929	353,297,867	417,072,353	454,610,819
Ecuador	952,621,138	1,388,349,715	2,156,832,116	2,396,048,031	2,773,004,221	2,510,507,785
El Salvador	106,363,230	115,409,495	132,874,110	144,067,030	149,455,885	146,139,840
Guatemala	134,476,326	156,210,263	159,860,766	210,816,824	257,962,025	264,313,810
Honduras	63,175,260	121,183,088	172,194,128	188,926,130	252,646,424	332,560,070
Mexico	3,288,106,264	4,706,150,462	4,875,854,577	6,287,762,898	7,299,439,730	5,978,115,551
Nicaragua	36,293,492	42,191,833	39,644,293	65,756,103	82,888,983	72,558,630
Paraguay	95,572,924	149,580,691	227,582,002	430,850,307	440,752,612	357,354,910
Peru	1,086,270,304	1,515,727,130	2,061,617,832	2,190,684,087	2,819,591,821	2,237,685,498
Uruguay	215,709,213	316,844,107	622,039,810	705,969,493	650,718,647	770,840,944
Venezuela	1,867,024,633	3,351,756,259	2,501,244,477	3,900,098,861	5,567,765,086	8,549,765,946
<b>TOTAL</b>	<b>30,021,205,000</b>	<b>51,766,747,085</b>	<b>60,857,930,090</b>	<b>71,046,418,372</b>	<b>71,096,966,541</b>	<b>56,289,824,520</b>
<b>Variation %</b>	<b>0.00%</b>	<b>72.43%</b>	<b>17.56%</b>	<b>16.74%</b>	<b>0.07%</b>	<b>-20.83%</b>

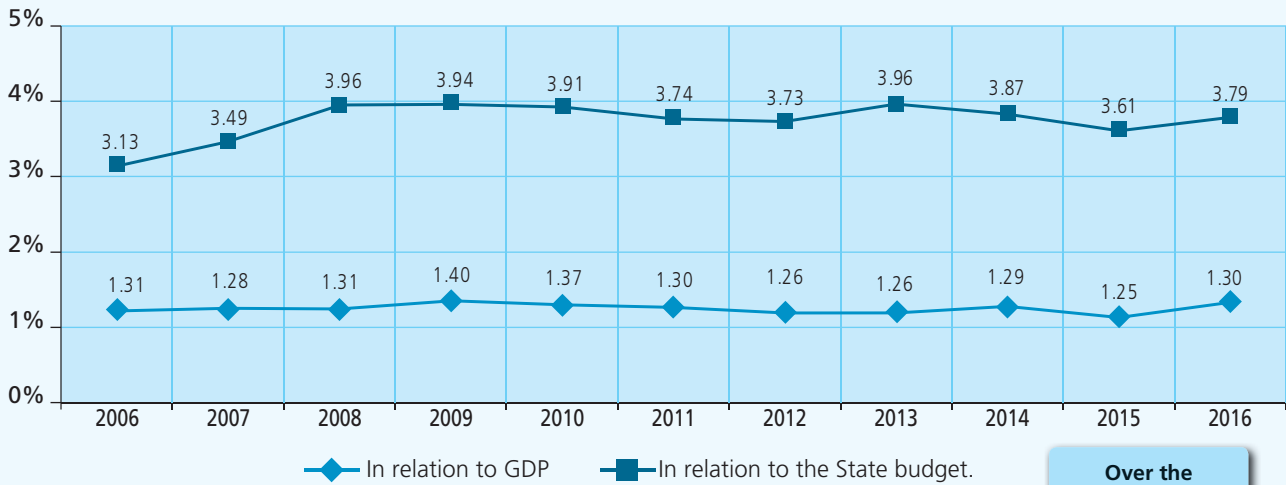
\* Cuba: "Defence, Internal Order and public administration" budget.

### Comparative Growth (2006-2016)



Note: Cuba has not been included. Fiscal year 2006 represents point 0 of the variation

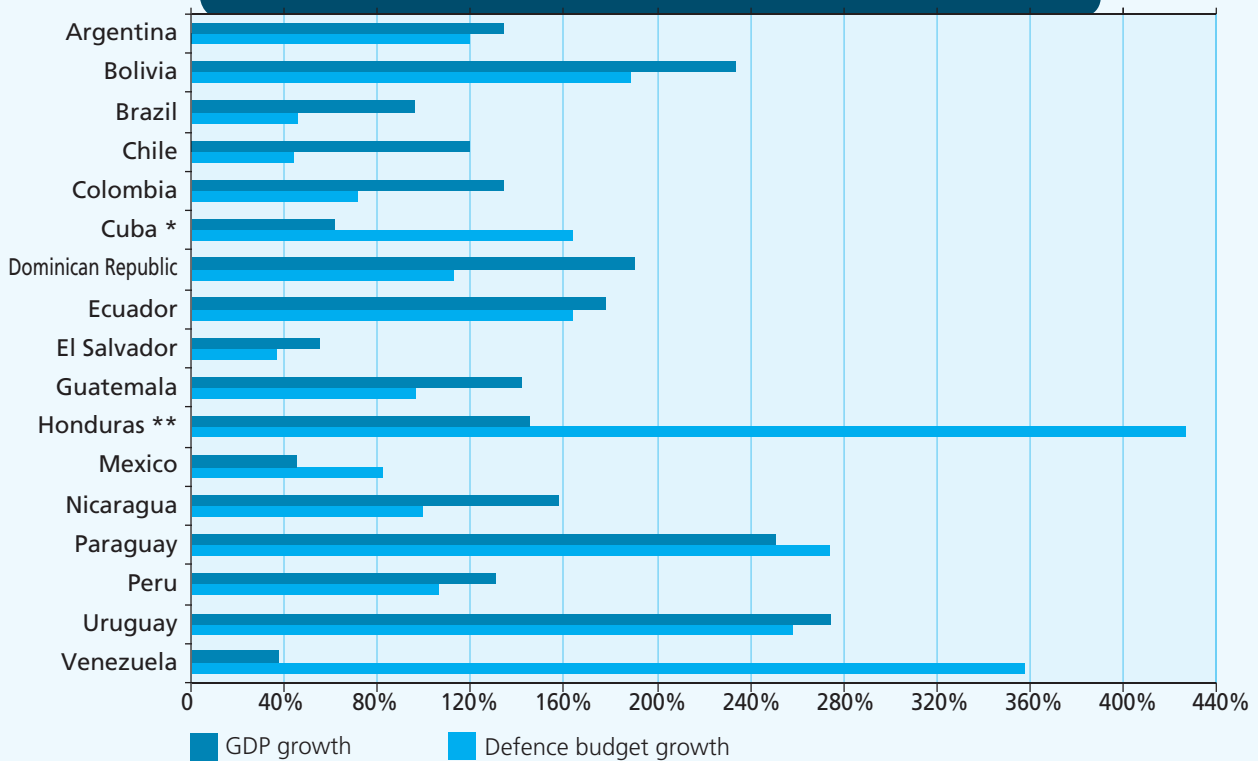
### Evolution of the Defence Budget in Latin America (%)



Between 2006 and 2016, the average share of the general state budget designated to defence was **3.7%**.

Over the same period, the defence budget averaged **1.3%** of GDP.

### GDP – Defence Budget: Comparative Growth (2006 – 2016)



\* Cuba: "Defence, Internal Order and public administration" budget.

\*\* Honduras: Retirement and pensions of police officers and firefighters incorporated as members of the Military Provision Institute are included as from 2007. No breakdown has been made to the budget items.

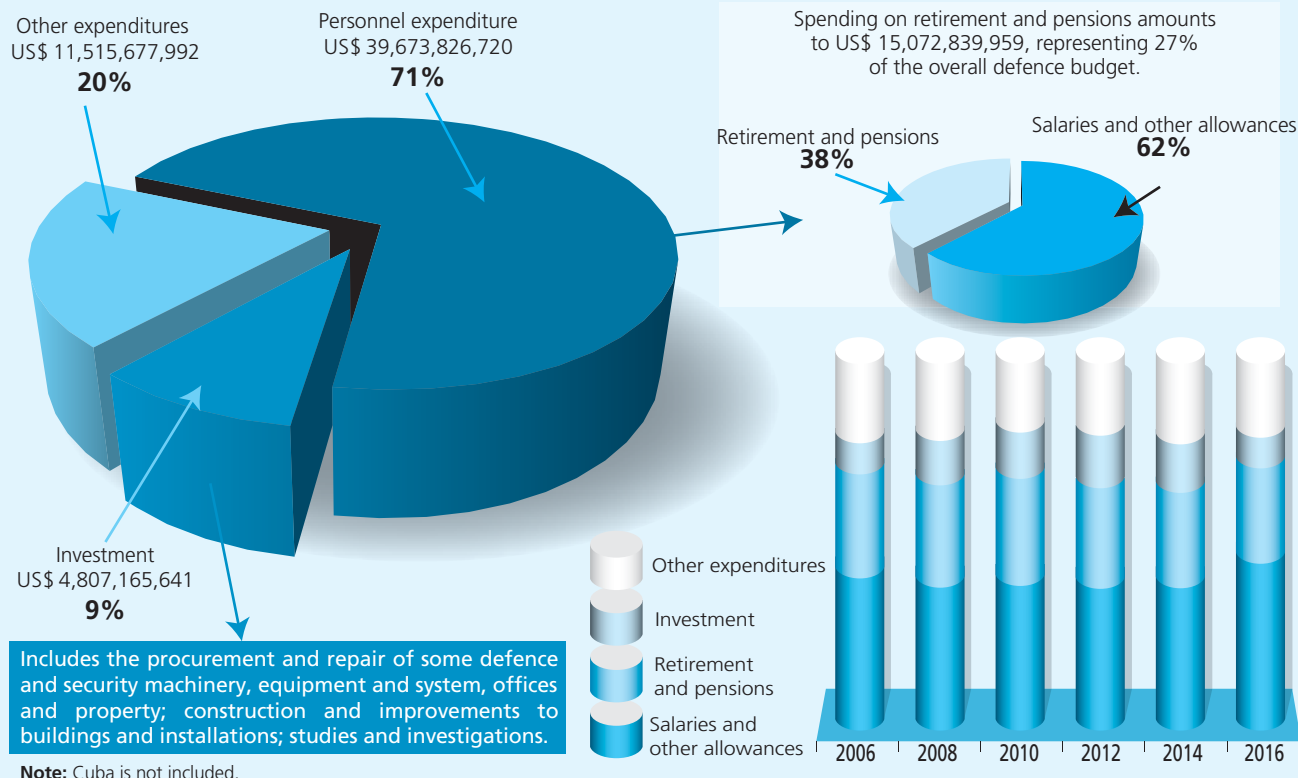
Source: Own compilation on the basis of the budget laws of each country. In the case of Cuba, 2006 and 2015 figures correspond to government budget execution (*Anuario Estadístico de Cuba 2014 and Panorama Económico y Social. Cuba 2015*).

For the GDP calculation, the data used for each year under review are those provided by the World Economic Outlook Database, IMF. *Cuba: Anuario Estadístico de Cuba 2014, Panorama Económico y Social*. For 2015 and the 2016 estimation: Chairmanship of the State Council and Council of Ministers.

The dollar exchange rate considered is that provided by the World Economic Outlook Database, IMF, for each year under review. This source has been taken for comparative purposes.

The defence budget is made up of all funds allocated to meet the needs of the defence system, regardless of the specific institutional classification expressed in the respective budgets. Only in the case of Cuba, the "Defence and Internal Order" (plus public administration for 2015 and 2016) activity is considered, as expressed in the Cuban budget. Central administration, decentralized organizations

### Defence Budget Breakdown, Latin America, 2016



### Personnel and Investment ( % )

Country	2006		2008		2010		2012		2014		2016	
	P	I	P	I	P	I	P	I	P	I	P	I
Argentina	77.1	2.4	78.7	3.1	75.4	3.1	76.4	3.9	78.4	2.3	80.8	2.4
Bolivia	69.9	3.8	62.1	5.2	62.2	5.8	63.6	3.7	63.0	5.0	66.1	3.0
Brazil	74.8	6.3	70.3	10.9	71.6	14.0	70.0	14.0	67.6	12.6	74.7	9.4
Chile	55.3	25.8	50.5	31.6	58.4	24.0	59.6	21.9	60.4	19.7	67.1	11.7
Colombia	48.9	12.7	43.9	25.5	48.8	14.0	49.3	11.3	49.8	11.9	56.2	5.5
Dominican Republic	76.0	3.8	73.7	8.7	80.7	4.6	78.7	1.6	80.0	1.2	79.5	1.5
Ecuador	73.0	5.3	78.6	1.8	74.4	15.3	81.4	7.2	75.9	8.7	83.7	6.7
El Salvador	75.0	7.7	72.6	7.4	72.6	3.0	75.0	2.4	77.2	1.5	79.4	1.5
Guatemala	51.9	11.6	55.8	2.3	61.6	1.4	62.7	4.8	56.3	13.2	67.1	7.9
Honduras	72.1	0.7	71.5	4.9	77.0	0.6	84.1	1.6	69.6	3.1	67.0	2.6
Mexico	79.5	0.8	78.7	3.0	75.2	5.3	74.3	4.8	70.9	9.8	65.7	14.2
Nicaragua	58.7	3.4	57.7	2.6	62.6	2.4	44.6	25.3	42.2	22.6	65.4	4.6
Paraguay	84.8	3.7	84.0	5.7	81.8	7.1	69.7	18.3	82.3	7.4	83.9	5.6
Peru	51.5	3.3	47.6	7.9	48.5	14.9	48.4	24.9	51.8	23.3	56.3	24.5
Uruguay	73.6	5.1	73.8	5.4	79.7	5.8	80.0	3.3	81.0	3.1	85.9	1.7
Venezuela	75.2	13.3	76.7	2.3	82.5	1.6	48.6	40.9	49.4	34.3	69.1	4.3

Source: Compilation based on the budget laws of each country.

The dollar exchange rate considered is that provided by the World Economic Outlook Database, IMF, for each year under review. This source has been taken for comparative purposes.

The defence budget is made up of all funds allocated to meet the needs of the defence system, regardless of the specific institutional classification expressed in the respective budgets. Central administration, decentralized organizations and social security items are included.

The following items are considered as "investment": real direct investment (Argentina); real assets (Bolivia); fiscal and social security budget investments and investment budget (Brazil); acquisition of non-financial assets and investment initiatives, and revenues into the copper fund (Chile); Investment (Colombia); Non-financial assets (Dominican Republic); Annual investment plan (Ecuador); Institutional investment (El Salvador); Properties, plants, equipment and intangible assets (Guatemala); Capital assets acquisition (Honduras); Investment (Mexico); Capital expenses/Machinery and equipment (Nicaragua); Physical investment (Paraguay); Acquisition of non-financial assets and revenues for the Fund for the Armed Forces (Peru); Investment (Uruguay); Real assets (Venezuela). The budget laws of each country present different degrees of details on investments.

In the case of Chile and Peru, extra-budgetary spending forecasts provided for by law have been included. For further details, see the "Countries" section of this publication.