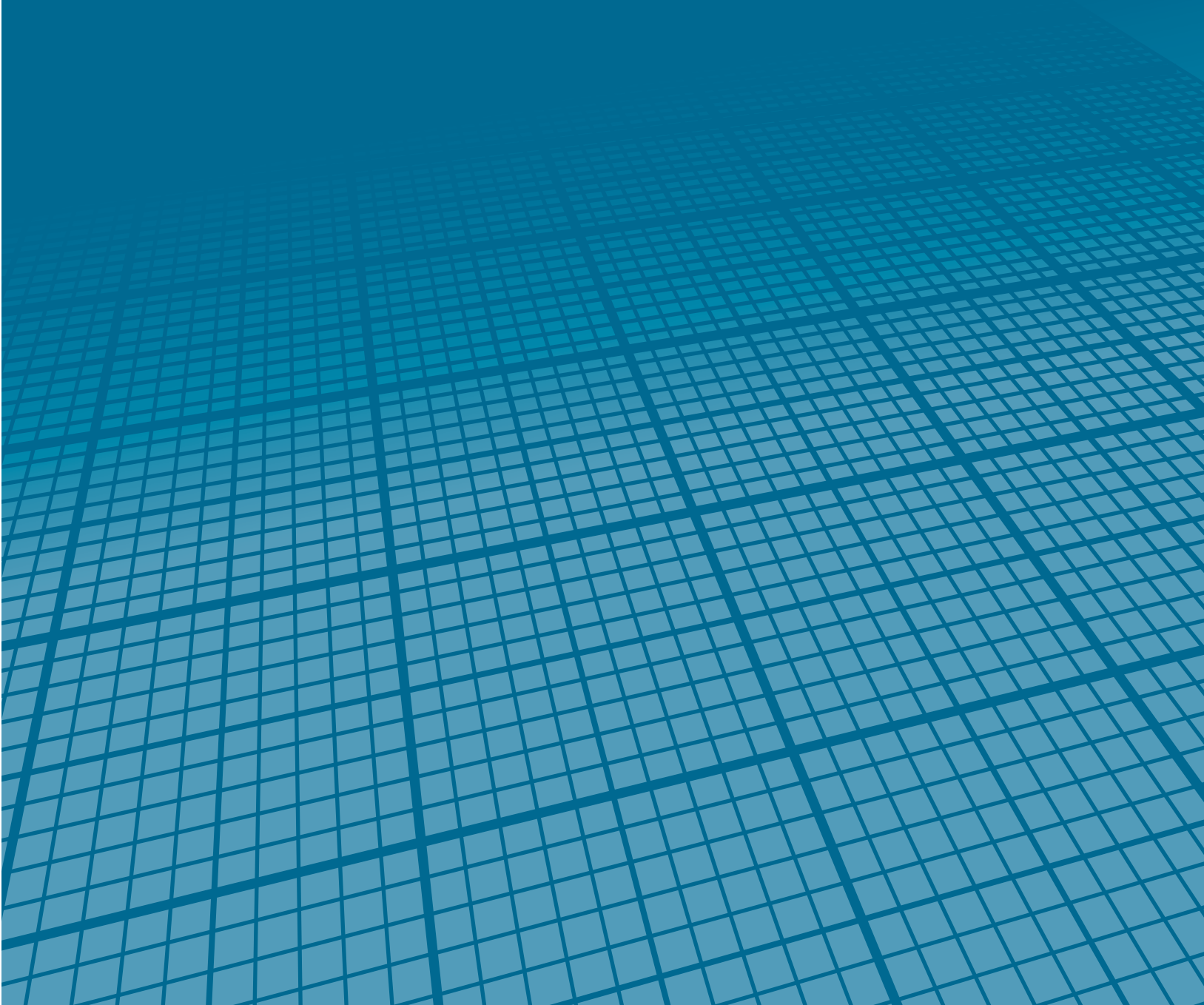


Chapter 3:

# The Budgets

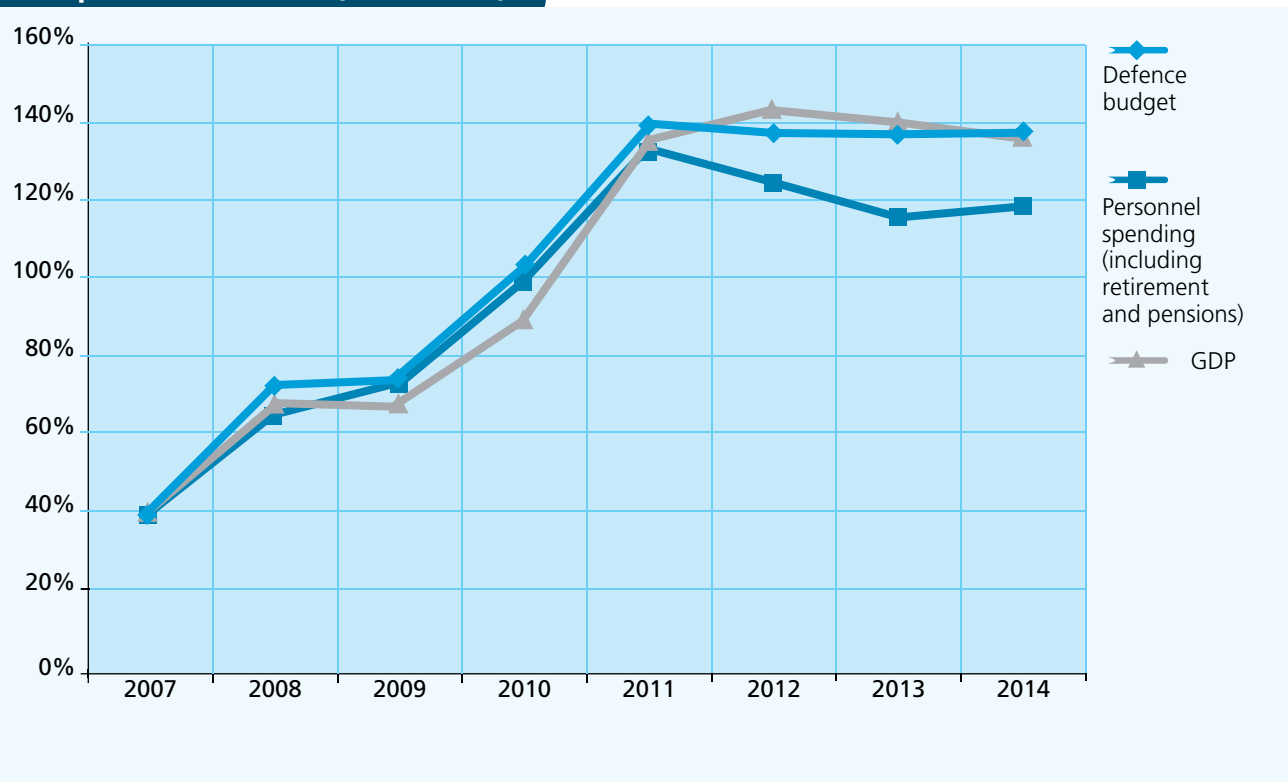


### Defence Budget (US\$)

Country	2006	2008	2010	2011	2012	2013	2014
Argentina	1,952,165,821	2,628,157,098	3,138,200,705	3,772,748,302	4,351,981,686	4,947,769,486	4,219,130,969
Bolivia	197,291,177	254,520,509	336,894,359	368,164,404	400,819,204	453,385,115	490,559,378
Brazil	13,692,057,669	26,202,709,813	33,055,029,481	39,829,080,222	35,512,467,812	31,677,477,434	31,629,440,741
Chile	3,177,404,842	4,459,645,809	4,778,329,754	5,531,192,182	5,878,940,198	5,975,561,311	5,511,299,093
Colombia	2,872,392,573	6,004,957,107	6,178,261,917	6,935,015,513	7,907,923,506	8,419,264,316	8,416,388,574
Cuba*	71,162,500	84,233,333	89,170,833	93,516,667	140,370,833	300,775,000	299,345,833
Dom. Republic	213,117,635	269,120,373	332,298,929	333,481,771	353,297,867	371,290,891	417,072,353
Ecuador	952,621,138	1,388,349,715	2,156,832,116	2,288,966,006	2,396,048,031	2,396,048,031	2,773,004,221
El Salvador	106,363,230	115,409,495	132,874,110	145,784,585	144,067,030	153,316,645	149,455,885
Guatemala	134,476,326	156,210,263	159,860,766	197,818,891	210,816,824	258,945,362	257,962,025
Honduras	63,175,260	121,183,088	172,194,128	175,902,076	188,926,130	216,011,344	252,646,424
Mexico	3,288,106,264	4,706,150,462	4,875,854,577	6,247,798,082	6,287,762,898	6,985,999,813	7,299,439,730
Nicaragua	36,293,492	42,191,833	39,644,293	53,774,224	65,756,103	85,080,114	82,888,983
Paraguay	95,572,924	149,580,691	227,582,002	325,182,128	430,850,307	470,599,579	440,752,612
Peru	1,086,270,304	1,515,727,130	2,061,617,832	2,097,553,421	2,190,684,087	2,528,561,934	2,819,591,821
Uruguay	215,709,213	316,844,107	622,039,810	720,498,530	705,969,493	676,792,188	650,718,647
Venezuela	1,867,024,633	3,351,756,259	2,501,244,477	2,390,330,558	3,900,098,861	5,247,976,766	5,567,765,086
TOTAL	30,021,205,000	51,766,747,085	60,857,930,090	71,506,807,559	71,066,780,872	71,164,855,330	71,277,462,374
Variation %	0.00%	23.14%	16.04%	17.50%	-0.62%	0.14%	-0.16%

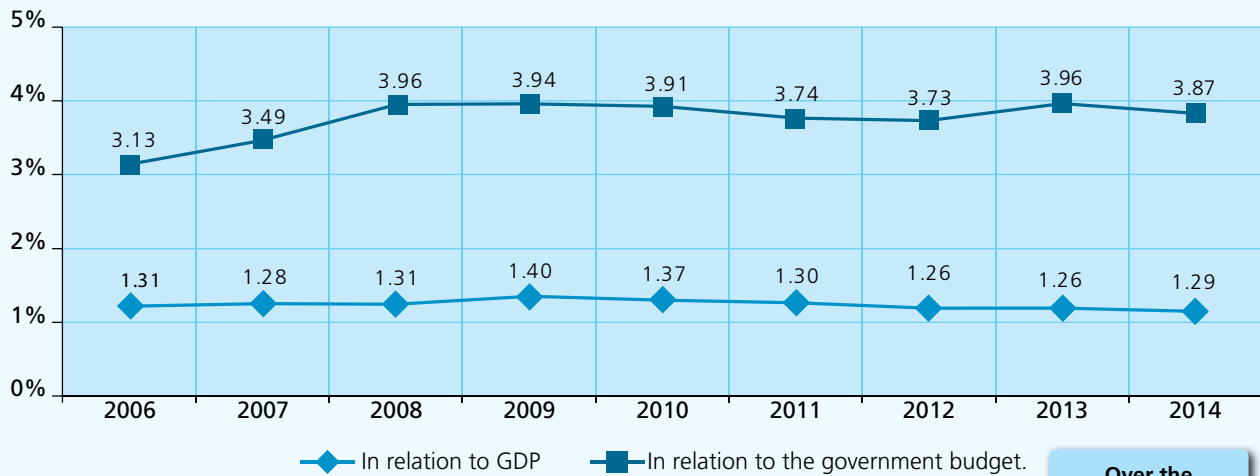
\*Cuba: Budget for the "Defence and interior order" activity. 2013 and 2014: "Defence, interior order and public administration"

### Comparative Growth (2006-2014)



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

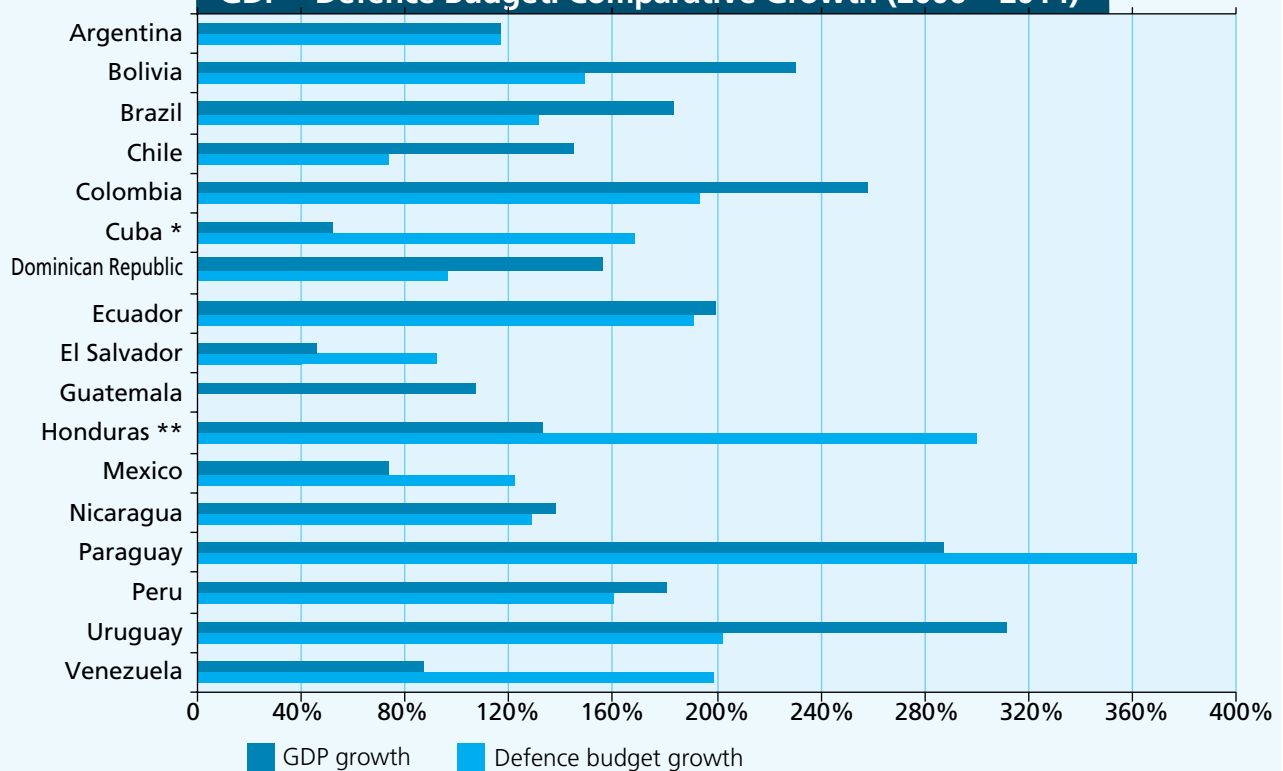
### Evolution of the Defence Budget in Latin America (%)



Between 2006 and 2014, the average share of the general government 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 – 2014)



\*Cuba: Budget for the "Defence, interior order and public administration".

\*\* 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.

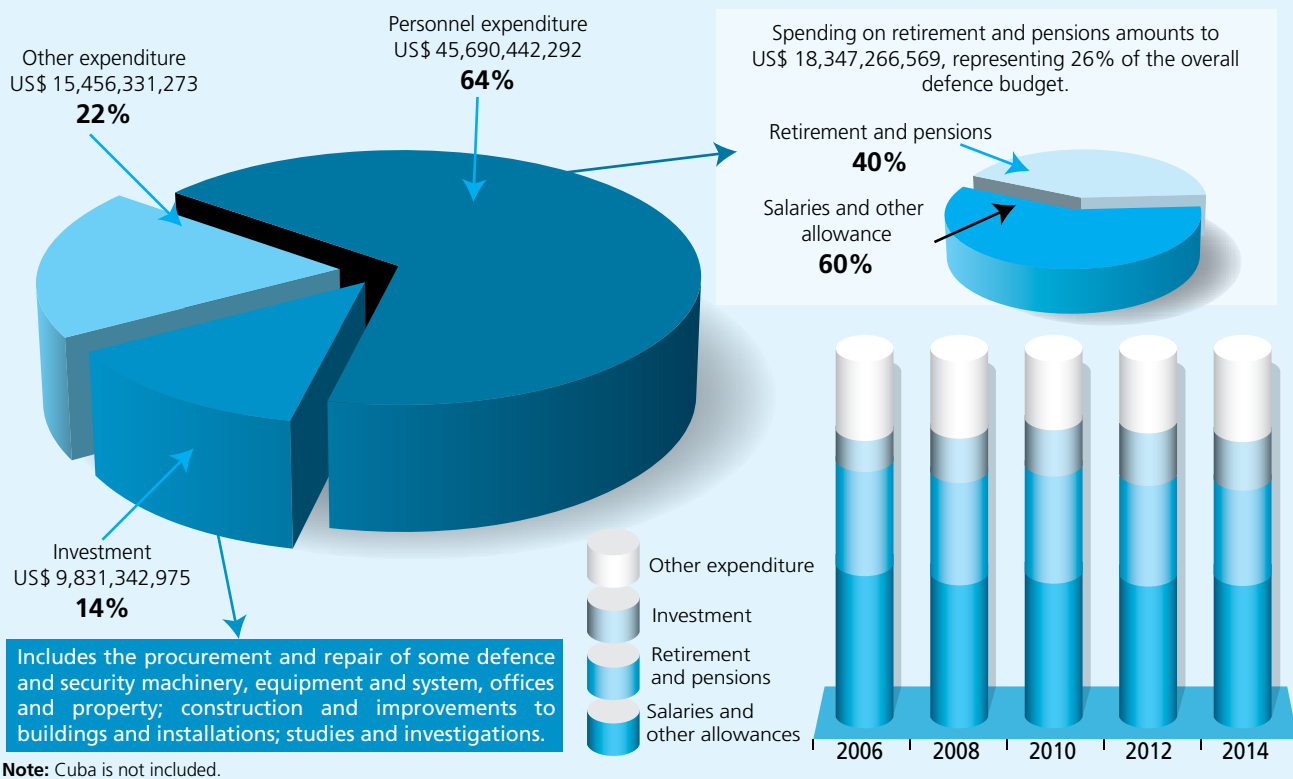
**Source:** Compilation based on the budget laws of each country. In the case of Cuba, 2006 and 2013 figures correspond to government budget execution (*Anuario Estadístico de Cuba 2010 and Panorama Económico y Social. Cuba 2011*).

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 2012, Panorama Económico y Social*. For 2013 and the 2014 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 2013 and 2014) activity is considered, as expressed in the Cuban budget. Central administration, decentralized organizations and social security items are included. For further details, see the "Countries" section in the publication. In the case of Chile and Peru, extra budgetary spending forecasts foreseen by law have been included.

### Defence Budget Breakdown, Latin America, 2014



### Personnel and Investment (%)

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

P: Personnel / I: Investment

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.