Y 4
F76/1
EC 7/8

GOVERNMENT
Storage

1017

DOCUMENTS

FEB 12 1981

FARRELL LIBRARY
KANSAS STATE UNIVERSITY

96th Congress
2d Session

JOINT COMMITTEE PRINT

ECONOMIC DEVELOPMENT VERSUS MILITARY EXPENDITURES IN COUNTRIES RECEIVING U.S. AID: PRIORITIES AND THE COMPETITION FOR RESOURCES

REPORT

SUBMITTED TO THE

COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

AND

COMMITTEE ON FOREIGN RELATIONS
U.S. SENATE

BY THE

AGENCY FOR INTERNATIONAL DEVELOPMENT

IN ACCORDANCE WITH SECTION 620(s) OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

KSU LIBRARIES
ALL90 907593

DECEMBER 1980

Printed for the use of the Committees on Foreign Affairs and Foreign Relations of the House of Representatives and the Senate respectively

---

U.S. GOVERNMENT PRINTING OFFICE

70-095 O WASHINGTON : 1980

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

COMMITTEE ON FOREIGN AFFAIRS

CLEMENT J. ZABLOCKI, Wisconsin, *Chairman*

L. H. FOUNTAIN, North Carolina
DANTE B. FASCELL, Florida
BENJAMIN S. ROSENTHAL, New York
LEE H. HAMILTON, Indiana
LESTER L. WOLFF, New York
JONATHAN B. BINGHAM, New York
GUS YATRON, Pennsylvania
CARDISS COLLINS, Illinois
STEPHEN J. SOLARZ, New York
DON BONKER, Washington
GERRY E. STUDDS, Massachusetts
ANDY IRELAND, Florida
DONALD J. PEASE, Ohio
DAN MICA, Florida
MICHAEL D. BARNES, Maryland
WILLIAM H. GRAY III, Pennsylvania
TONY P. HALL, Ohio
HOWARD WOLPE, Michigan
DAVID R. BOWEN, Mississippi
FLOYD J. FITHIAN, Indiana
BERKLEY BEDELL, Iowa
GEORGE W. CROCKETT, JR., Michigan

WILLIAM S. BROOMFIELD, Michigan
EDWARD J. DERWINSKI, Illinois
PAUL FINDLEY, Illinois
JOHN H. BUCHANAN, JR., Alabama
LARRY WINN, JR., Kansas
BENJAMIN A. GILMAN, New York
TENNYSON GUYER, Ohio
ROBERT J. LAGOMARSINO, California
WILLIAM F. GOODLING, Pennsylvania
JOEL PRITCHARD, Washington
MILLICENT FENWICK, New Jersey
DAN QUAYLE, Indiana

JOHN J. BRADY, JR., *Chief of Staff*

COMMITTEE ON FOREIGN RELATIONS

FRANK CHURCH, Idaho, *Chairman*

CLAIBORNE PELL, Rhode Island
GEORGE McGOVERN, South Dakota
JOSEPH R. BIDEN, JR., Delaware
JOHN GLENN, Ohio
RICHARD STONE, Florida
PAUL S. SARBANES, Maryland
EDWARD ZORINSKY, Nebraska

JACOB JAVITS, New York
CHARLES H. PERCY, Illinois
HOWARD H. BAKER, JR., Tennessee
JESSE HELMS, North Carolina
S. I. HAYAKAWA, California
RICHARD G. LUGAR, Indiana

WILLIAM B. BADER, *Staff Director*
ALBERT A. LAKELAND, JR., *Minority Staff Director*

FOREWORD

In accordance with section 620(s) of the Foreign Assistance Act of 1961, as amended, the Agency for International Development has transmitted for the President to the Congress the annual report for 1980 on implementation of this provision.

There is some congressional concern about the worldwide rate of arms acquisitions, particularly in those developing countries where resources are scarce and sometimes inadequate to meet the basic human needs of their peoples. This report is being printed to assist Members of Congress in determining precisely what comparisons can be drawn, what conclusions can be reached, and what actions might be taken regarding the competition for resources which exists in developing countries between economic development and military security priorities.

CLEMENT J. ZABLOCKI,
Chairman, Committee on Foreign Affairs.
FRANK CHURCH,
Chairman, Committee on Foreign Relations.

LETTER OF TRANSMITTAL

U.S. INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY,
AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., August 29, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
United States Senate, Washington, D.C.

DEAR MR. SPEAKER AND MR. CHAIRMAN: 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 1980 on the implementation of this provision.

Sincerely yours,

JOSEPH C. WHEELER,
Acting Administrator.

Enclosure: As stated.

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 (AID). 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 (Public Law 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 Public Law 480. Development grants and grants under title II of Public Law 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 1980, the following countries have been found to exceed the comparative norms: Africa—Morocco; Near East—Syria, Israel, Yemen Arab Republic; Latin America—Ecuador, Nicaragua, Peru, Guyana.

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 checklist.

---

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

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 Public Law 480 sale is contemplated, further review is required.

This year the 1980 report takes the form of a supplement to the 1979 report which was published by the Agency for International Development. Readers are referred to that publication for a more complete description of the methodology, sources of data, and discussion of the problems of military budget comparisons.

CONTENTS

	Page
FOREWORD	III
LETTER OF TRANSMITTAL	V
PREFACE	VII
SUMMARY	1
1. Regional summaries of the countries found to exceed the statistical "norm"	2
2. Individual country assessments	4
TABLES:	
Africa:	
1. Basic economic data	11
2. Defense costs as percent of selected economic indicators	22
3. Countries of Africa ranked by ratio of defense expenditures/GNP	34
4. Countries of Africa ranked by ratio of defense expenditures/CGE	34
5. Countries of Africa ranked by ratio of military imports/total imports	35
6. Countries of Africa ranked by ratio of military imports/international reserves	35
7. Countries of Africa ranked by change in ratio of defense expenditures/GNP	36
8. Countries of Africa ranked by change in ratio of defense expenditures/CGE	36
9. Countries of Africa ranked by change in ratio of military imports/total imports	37
10. Countries of Africa ranked by change in ratio of military imports/international reserves	37
11. Summary statistics from ranking tables 3–10 for Africa	38
East Asia:	
1. Basic economic data	39
2. Defense costs as percent of selected economic indicators	42
3. Countries of East Asia ranked by ratio of defense expenditures/GNP	45
4. Countries of East Asia ranked by ratio of defense expenditures/CGE	45
5. Countries of East Asia ranked by ratio of military imports/total imports	45
6. Countries of East Asia ranked by ratio of military imports/international reserves	45
7. Countries of East Asia ranked by change in ratio of defense expenditures/GNP	46
8. Countries of East Asia ranked by change in ratio of defense expenditures/CGE	46
9. Countries of East Asia ranked by change in ratio of military imports/total imports	46
10. Countries of East Asia ranked by change in ratio of military imports/international reserves	46
11. Summary statistics from ranking tables 3–10 for East Asia	47

TABLES—Continued

Near East/South Asia: Page

1. Basic economic data ---- 48
2. Defense costs as percent of selected economic indicators ---- 54
3. Countries of Near East/South Asia ranked by ratio of defense expenditures/GNP ---- 61
4. Countries of Near East/South Asia ranked by ratio of defense expenditures/CGE ---- 61
5. Countries of Near East/South Asia ranked by ratio of military imports/total imports ---- 62
6. Countries of Near East/South Asia ranked by ratio of military imports/international reserves ---- 62
7. Countries of Near East/South Asia ranked by change in ratio of defense expenditures/GNP ---- 63
8. Countries of Near East/South Asia ranked by change in ratio of defense expenditures/CGE ---- 63
9. Countries of Near East/South Asia ranked by change in ratio of military imports/total imports ---- 64
10. Countries of Near East/South Asia ranked by change in ratio of military imports/international reserves ---- 64
11. Summary statistics from ranking tables 3–10 for Near East/South Asia ---- 65

Latin America:

1. Basic economic data ---- 66
2. Defense costs as percent of selected economic indicators ---- 72
3. Countries of Latin America ranked by ratio of defense expenditures/GNP ---- 79
4. Countries of Latin America ranked by ratio of defense expenditures/CGE ---- 79
5. Countries of Latin America ranked by ratio of military imports/total imports ---- 80
6. Countries of Latin America ranked by ratio of military imports/international reserves ---- 80
7. Countries of Latin America ranked by change in ratio of defense expenditures/GNP ---- 81
8. Countries of Latin America ranked by change in ratio of defense expenditures/CGE ---- 81
9. Countries of Latin America ranked by change in ratio of military imports/total imports ---- 82
10. Countries of Latin America ranked by change in ratio of military imports/international reserves ---- 82
11. Summary statistics from ranking tables 3–10 for Latin America ---- 83

Worldwide:

3. Countries of worldwide ranked by ratio of defense expenditures/GNP ---- 85
4. Countries of worldwide ranked by ratio of defense expenditures/CGE ---- 86
5. Countries of worldwide ranked by ratio of military imports/total imports ---- 87
6. Countries of worldwide ranked by ratio of military imports/international reserves ---- 88
7. Countries of worldwide ranked by change in ratio of defense expenditures/GNP ---- 89
8. Countries of worldwide ranked by change in ratio of defense expenditures/CGE ---- 90
9. Countries of worldwide ranked by change in ratio of military imports/total imports ---- 91
10. Countries of worldwide ranked by change in ratio of military imports/international reserves ---- 92
11. Summary statistics from ranking tables 3–10 for worldwide ---- 93

SUMMARY

The Soviet invasion of Afghanistan, along with other world events, has exacerbated feelings of insecurity throughout the world, especially in newly formed countries struggling to establish their identities. Unfortunately, these continue to be the countries which can least afford to assign a large proportion of their limited resources to military costs instead of to concentrated efforts for economic and social growth.

Seven African countries (Congo Republic, Mali, Mauritania, Somalia, Zimbabwe, Tanzania, and Upper Volta) were found to have exceeded the so-called norm of rises in defense expenditures as compared with their neighbors in Africa. Such a condition ordinarily would have triggered special examinations but in these especially needy cases, most with per capita GNP under $300, U.S. development aid is made available on a grant basis, not covered by section 620(s), on humanitarian grounds. Depriving the very poor of basic economic help would not affect their governments' judgments of security requirements and could have a devastating effect on chances for improving the human condition. There were also special circumstances which led to these increases; for example, Tanzania's involvement in toppling the Amin regime in Uganda. Consequently, while the distribution of domestic resources in these countries remains a primary programing consideration, the withholding of aid on the grounds of high defense expenditures is not contemplated.

In the case of newly independent Zimbabwe, it was decided that the new government should be allowed time to adjust from the civil war period. Hopefully, in the ensuing year, with the peaceful solution to security problems, development may receive priority attention.

While available statistical data did not identify Zambia as a country whose military costs have increased substantially, there are reports that large arms purchases may have been negotiated with the U.S.S.R. after requests for arms aid from the United States and other Western countries were unsuccessful. This follows upon Zambia's stated concern over border incursions by South Africa and President Kaunda's perceptions of continuing regional instability. The United States is responding to Zambia's very severe economic problems by providing economic support funds and Public Law 480 assistance, and will monitor any trend in resource allocation that would inhibit Zambia's ability to address development needs.

India's announcement this spring of an arms agreement with the Soviet Union to purchase $1.6 billion of military items aroused interest. Further information indicated it is an extension of an agreement signed in 1963. Repayment will be in Indian rupees, over 15 years, with a 2-year grace period. Because of its expanding growth, India's defense expenditures as a percentage of GNP have been on a downward track.

In the 1979 report, in the section on methodology, page 33, the efforts of the United Nations to find a satisfactory method of comparing national military expenditures was described at some length. Reference was made to the General Assembly's request to the Secretary General in December 1978 to carry out pilot tests of a proposed standard reporting instrument and to report back to the Assembly on his progress in the fall of 1980. Several countries have submitted data and the U.N. ad hoc panel on military budgeting is assembling and analyzing the material in preparation for submitting the report to the 35th session of the Assembly, which will convene in October 1980.

1. Regional Summaries of the Countries Found To Exceed the Statistical "Norm"

AFRICA

In Morocco, defense expenditures are still high as the conflict over the western Sahara continues. Because of this, increased dependence on imported fuel and uncertainties about export prices and tourism, the Government has had to cut back on the amount of resources devoted to development. For this reason, when an economic aid loan or Public Law 480 title I sale is contemplated, a review will be required to evaluate the country's commitment to development.

NEAR EAST

Syrian defense expenditures rose substantially in 1978 over 1977, yet, as a percentage of GNP, increased only slightly as production in several sectors, especially agriculture, improved dramatically. While Syria continues to emphasize economic development and considerations under section 620(s) would not rule out aid, political developments in the area make the availability of aid open to question at this time. There is little change in the level of defense spending in Israel which is expected to continue to average about one-third of GNP for the next several years. This stems from its conviction that it can participate in the peace process only from a strong defensive position. Israel, facing serious economic problems deriving from previous policies which promoted rapid economic expansion, increasing oil prices, and high military costs, is now attempting to slow inflation and reduce the balance-of-payments deficit. It will take time, political will, and continued U.S. assistance. Development has replaced defense as the focus of the major share of Yemen's budget. Twenty-seven percent was allocated for military costs in 1978; 34 percent for agriculture, housing, education, and health. Substantial investment is planned in transportation and communications infrastructure to lay a much needed base for further development. Since Saudi Arabia finances a large portion of Yemen's military imports from the United States, such costs are not a major drain on resources. Adequate funds remain to finance the Government's commitment to economic and social growth.

LATIN AMERICA

This area as a whole compares favorably with the rest of the world in terms of the share defense receives from total resources. The percentage of GNP and budgets assigned to the military are substantially lower in almost every country than in other geographical areas. However, some of the Latin American nations still have much to accomplish in economic and social growth and the gap between rich and poor is wide. Local tensions breed arms races and resources that could accelerate improvement in living conditions are siphoned off for arms. Because of this, as with other areas, the statistical comparison is made of countries within the region rather than on a global basis.

Ecuador's defense expenditures increased in 1978 by less than 1 percent over the previous year while GNP rose by 6.7 percent: both, in current prices. Thus, while GDP rose by 5.3 percent in real terms, defense expenditures actually declined in real terms. Defense costs represented 2½ percent of GNP and 15 percent of the national budget. The civilian government, inaugurated in August of 1979, has prepared a comprehensive development plan and, with over $1 billion in returns from petroleum exports, has substantial resources to implement it. Under Somoza, Nicaragua expanded its defense expenditures to combat the Sandinista movement. Military costs represented 2 percent of GNP in 1978, and 10½ percent of the budget. But this does not allow for secret expenditures and should be considered as an official figure of the Somoza government. With the overthrow of the Somoza regime, the Government of National Reconstruction (GNR) is in control but is struggling to stabilize the situation and budgetary policies are difficult to forecast. The civil war left the economy in disarray but major export crops are slowly moving toward prewar levels and the country is gradually moving back from the brink of bankruptcy. The government is working hard to establish confidence. Peru continued to spend 20 percent of its budget and 4 percent of its GNP for defense in 1978. After 2 years of declining economic growth, a stabilization program aided by favorable prices for Peru's major exports put Peru on a positive growth path in 1979. Nevertheless, half of Peru's population still lives in absolute poverty, and export performance may be less strong in the future. Peru's successful, enduring return to democracy depends on the new government's response to the most critical basic needs of its poor. It will require careful management of Peru's resources to meet these needs while maintaining stable and healthy growth. The present democratic government is new, having taken office on July 28, 1980, and it will require time to implement its own policies. Its decisions on the allotment of resources between competing defense and development will be kept under review. Guyana's defense budget increase has been modest, less than 1 percent in current prices in 1978 over the previous year. The Government is strongly committed to equitable growth and its expenditures for the development sectors has risen sharply. The World Bank and IMF are prominent participants in Guyana's economic and social growth plans and the Government has accepted the politically difficult remedies recommended by the latter.

2. Individual Country Assessments

AFRICA

Morocco

Although Morocco's defense expenditures as a percentage of central government expenditures increased from 9.97 percent in 1977 to 11.50 percent in 1978, defense expenditures as a percentage of GNP decreased from 4.04 percent in 1977 to 3.67 percent in 1978. In 1979, official statistics show defense expenditures taking about 22 percent of the state operating budget and 17.7 percent of the investment budget. While this represents an increase from the percentage allocated to defense in 1978, there was also an increase in the allocations for social programs. Continued conflict and tension over the western Sahara region accounts for Moroccan doubling of military imports as a percentage of total imports. A substantial portion of the increased Moroccan defense expenditures was financed by Middle Eastern countries.

Since Spain relinquished its claim to the western Sahara region in 1976, there has been tension between Morocco and Mauritania, and conflict with the Algerian and Libyan supported Polisario guerrillas. A Mauritanian coup in July 1978 also contributed to Moroccan national security problems. Attempts to arrange for negotiations between Morocco, the Polisario and Algeria have failed and the outlook for a political compromise is still uncertain. Most recently, Morocco has expressed concern over growing "radical" influences in Africa and continues to support the more moderate regimes in Africa.

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 recognized the importance of improving social conditions and reducing some disparities. The 1979 budget, while less ambitious than those in the 1972–77 period, increased operating allocations for education by 15.3 percent, giving that ministry 29 percent of the operating budget. The investment allocation for education increased 58 percent and accounted for 9.1 percent of the capital budget. The 1980 budget projects a 10-percent increase over the austerity budget of 1979, and like the 1979 budget, grants the largest individual allocations to the national defense and education.

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 included: (1) Continuation of government subsidies on staple foods, even though overall Government subsidies were reduced; (2) extension of Government retirement to 100,000 families; (3) a 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) an 8.5-percent increase in the operating budget of the Ministry of Health; (6) various tax reforms.

Conclusion.—Because of the widening gap between funds spent on defense and on development, in the event an economic loan or Public Law 480 title I sale were contemplated, a special review would be required to evaluate the country's commitment to development.

NEAR EAST

Syria

Syrian defense expenditures for 1978 were about $1.2 billion, an 18.4-percent increase over 1977. Yet, as a percentage of GNP, defense spending increased only slightly from 14.18 percent to 15.48 percent from 1977 to 1978; defense spending comprised approximately 36 percent of total government spending, up approximately 4 percent from 1977. One reason for the increase is attributed to the $1.6 billion in Baghdad summit receipts. What appears significant is the increased percentage of foreign reserves used for military imports, which went from 143.78 percent in 1977 to 202.70 percent in 1978. The 59-percent jump, however, reflects a reduction of foreign reserves in 1978 from $539 million in 1977 to $407 million. The reduction of reserves is a direct result of a slowdown in emigrant remittances and of capital flight. Inflation for 1978 was estimated to be about 15 percent.

The Syrian Government continues to support social programs and remains committed to economic growth. Considerable government effort has gone into improving the agricultural sector which made significant progress in 1978 over 1977, due to favorable weather conditions and labor intensive efforts. There were noteworthy increases in production in cereals, fruits, and animal products. The special emphasis on agricultural production, which employs about 35 percent of the labor force, appears to have been successful; agricultural productivity increased 23 percent from 1977 to 1978. However, there were decreases in the trade and industrial sectors, attributed to managerial and labor deficiences.

Conclusion.—Considerations under section 620(s) do not rule out assistance but other factors governing decisions are under continuing review. The question of providing economic support fund aid to Syria is at present an open question, closely related to political developments in the area.

Israel

Israel's spending for defense as a percentage of GNP hit a high of 42 percent in 1973, fluctuated downward to 27 percent in 1978, then rose to 32 percent in 1979, which by coincidence is also the average for the 1970–79 period. As Israeli Government expenditures have been roughly equal to GNP in recent years, the above percentages also approximate the defense share of Government spending. Defense spending is expected to continue to average about one-third of Israel's GNP and government expenditures for the next several years. The relatively large amount of Israel's resources devoted to defense reflects its continuing concern over its security situation and its conviction that it can participate in the peace process only from a strong defensive position.

Israel has serious economic problems. In late 1977, the Government of Israel moderated the austerity measures introduced earlier to reestablish balance-of-payments equilibrium. The upshot was a marked improvement in the rate of real economic growth from 1.5 percent in 1977 to 4.8 percent in both 1978 and 1979. Inflation, however, also accelerated rapidly from 43 percent in 1977 to 111 percent in 1979.

The Government's expansionary economic policies also contributed to a deterioration in the balance of payments; the current account deficit increased from $2.6 billion in 1977 to $3.8 billion in 1979. Nevertheless, capital inflows (primarily foreign aid and commercial borrowing abroad) produced an overall balance-of-payments surplus in both 1978 and 1979, and by the end of 1979 international reserves had risen to a record $3.1 billion (equivalent to about 4 months of estimated 1980 civilian imports).

Aid and commercial loan inflows boosted Israel's foreign debt to $15 billion by the end of 1979. The debt service ratio—that is, principal and interest payments on public and private foreign debt as a percentage of earnings from the export of goods and services—was 24 percent in 1977 and 25 percent in 1979. While the debt service ratio in recent years has been less than the high of 28 percent recorded in 1975, Israel still bears a relatively heavy debt burden

In November 1979, the Government of Israel announced an austerity program aimed at slowing the rate of inflation and reducing the balance-of-payments deficit on current account. The main features of the program are: (1) Reduced real Government spending in 1980, (2) tighter credit, (3) holding real wages constant through 1980, and (4) a variety of measures to encourage more exports and fewer imports. It remains to be seen how successful the Government will be in implementing this program. Even if fully implemented, the benefits will take some time to be fully realized. As a result of the austerity program, as well as the general worldwide economic slowdown, real GNP growth is expected to be somewhat lower in 1980, perhaps around 4.2 percent. However, inflation will probably continue at a high rate in 1980, and the current account deficit is projected to rise by approximately one-third to roughly $5 billion this year.

The U.S. assistance program is designed to help Israel deal with both its economic and defense problems. In recent years, the $1 billion in foreign military sales (FMS) credits and the approximately $800 million in economic assistance annually provided to Israel have been made available on very generous terms: About 60 percent grant and the balance in low-interest, long-term loans.

Of the $3 billion in military assistance associated with the Egyptian-Israeli Peace Treaty, $800 million is a grant for the construction of two airbases.

The balance of $2.2 billion, which is in the form of FMS loans, is being provided with a 10-year grace period, followed by a 20-year amortization period. The interest rate will be determined by the cost of money to the Treasury at the time of drawdown.

Conclusion.—Considerations under section 620(s) do not rule out assistance.

Yemen

Defense expenditures as a percentage of the Yemen Arab Republic's (YAR) Central Government expenditures have declined since 1975. Twenty-seven percent of the budget was allocated for defense in 1978, as compared to 37 percent in 1975. The YARG is committed to economic and social development. Their priorities are outlined in its 5-year plan covering 1976 to 1981, calling for a total investment of $3.5 billion in development. The Government's main commitment is for transportation and communications infrastructure, to lay a base for development, although funding for education and health have been the fastest rising elements in recent budgets. Thirty-four percent of the budget is allocated to agriculture, housing, education, and health. The emphasis on manpower training and management is consistent with Yemen's needs and a requirement to lay an institutional base for future development. Since 1973, the Yemenis have been trying to modernize the industrial, educational, and other sectors but the country is still behind most LDC's despite the financial boost since 1974 provided by remittances of some 600,000 workers in Saudi Arabia.

Military expenditures are not negatively affecting economic development efforts since Saudi Arabia has financed a large portion of the YAR's military imports over the past several years. The Saudis are concerned by the possibility of the spread of leftist influence on their borders and would be worried if unity between North and South Yemen were to take place. Due to continued tension in the area and the attack on North Yemen by South Yemen in February 1979, the United States approved and accelerated deliveries of new equipment requested in response to the crisis, also accelerated deliveries of military equipment approved in 1976 and 1978; all of this was financed by Saudi Arabia.

Conclusion.—Considerations under section 620(s) do not rule out assistance.

LATIN AMERICA

Ecuador

Ecuador's 1978 defense expenditures increased by less than 1 percent over 1977, compared with the 16.7-percent increase in GNP in nominal terms which occurred over the same period. With GDP growing in real terms by 5.3 percent, this represents a sharp decline of roughly 10 percent in real defense expenditures. In 1978, Ecuador's defense expenditures represented only 2½ percent of GNP and 15 percent of the country's Central Government expenditures. Because of a longstanding dispute with Peru over frontiers and Peru's sizable military equipment buildup over recent years, the Government of Ecuador (GOE) has felt it necessary to maintain a secure defense posture.

Ecuador's defense expenditures and particularly military imports are modest for a country whose 1979 petroleum exports were over one-half-billion dollars. Military imports in 1978 represented only 4 percent of total imports. However, in absolute terms, the 1978 expenditures for military imports represented a 50-percent decrease over the comparable figure for 1977.

70-095 O - 81 - 2

With the inauguration of civilian government in August 1979, after 9 years of military rule, Ecuador has accorded an increased priority to development, and it appears to have resources partially to finance planned expenditures for the accomplishment of its development objectives. GOE's new development plan contains 21 programing guidelines designed to meet the needs of the 60 percent of the population that is poor. These include provision for decentralization; a revitalized and viable rural sector intended to produce more for local consumption and export to offset declining petroleum sales; new institutional systems to distribute social services in broader geographic terms; and a concentrated manpower training program. To carry this out, in 1980, the educational budget is 37 percent higher; labor and social welfare, 30 percent higher.

Conclusion.—Considerations under section 620(s) do not rule out assistance.

Nicaragua

Nicaragua's defense expenditures as a percentage of central government expenditures increased during the mid-1970's to 10.6 percent in 1978 from 8.2 percent in 1974. As a percentage of GNP, defense expenditures have risen from 1.92 percent in 1977 to 2.04 percent in 1978. Under Somoza's rule, Nicaragua expanded its defense expenditures to combat the militant Sandinista movement. With the overthrow of the Somoza regime, the Government of National Reconstruction (GNR) is in control. Composed of a five-member junta, a nine-member National Directorate, and a state council, the Government is still struggling to work out national policies. It is difficult to forecast budgetary policies.

The civil war left Nicaragua's economy in disarray. Per capita GNP dropped from $991 in 1977 to $649 in 1979. Foreign exchange and fiscal resources have been recovering slowly from virtual bankruptcy. Unemployment is above 30 percent. In the agricultural sector, cultivation of the major export crops, cotton, sugar, and coffee is only slowly regaining prewar production levels.

A major problem faced by the Government of Nicaragua is the status of the private sector. Since the revolution, many entrepreneurs are reluctant to invest in economic reconstruction due to uncertainty about the new regime, and the Government is investing considerable effort and resources to establish confidence.

Current U.S. bilateral aid to Nicaragua is directed to the support of a moderate government while also assisting the long-term priority to improve the social and economic conditions of the poor. Approximately 45 percent of the population exists at or below the subsistence level. Illiteracy is more than 60 percent among the people. A major first project of the Sandinista government is a national literacy program with emphasis on the rural areas.

Conciusion.—Considerations under section 620(s) do not rule out assistance at this time.

Peru

By Latin American standards, Peru's military expenditures remained at a fairly high proportion of the Government budget and the country's GNP. While there was a drop in each case in 1978 com-

pared to 1977, the defense budget again claimed nearly a quarter of total government expenditures in 1979, some of which is used for infrastructure and civic action projects. After 2 years of declining economic growth, implementation of and adherence to an austere stabilization program, combined with favorable price increases for its primary exports, moved the economy back to positive growth in 1979.

Yet half of Peru's population continues to live in conditions of absolute poverty and 50 percent of all deaths are of children under 5. Malnutrition is the basic cause of 60 percent of those child deaths. Moreover, Peru's hard-won fiscal equilibrium may be difficult to maintain. Its petroleum resources are limited and world prices of silver and copper are volatile. Peru's debt service, while on the decline, will still be $4 billion in 1980, absorbing one-third of total export earnings.

But the survival of the new democratic government—inaugurated in July 1980—may well depend inter alia on its response to the most critical basic human needs of its poor. The problem will be to manage Peru's resources to sustain development after provision for military costs. In the 1979 budget, 7.3 percent is programed for social activities (housing, education, health, and social security); 18 percent for agriculture; 14 percent for mining; 7.4 percent for petroleum exploration; and 2 percent for electricity.

The United States desires to support the new civilian government and to help it carry out its commitment to development. However, the new civilian government will need time to launch its own policies and should not be judged on previous policy decisions. It has reiterated its determination to concentrate on employment generating investments, small farmer productivity and regionally focused planning and administration. While aid will continue to be administered without the requirement of special review, close contact will be maintained and every effort made to persuade the government to increase the proportion of resources assigned to development while exercising restraint in the area of military acquisitions.

Conclusion.—For the time being, section 620(s) considerations will not inhibit continuance of economic aid, but the new government's apportionment of budget resources to development and to defense will be kept under review.

Guyana

The percentage of Guyana's central government expenditures devoted to its defense budget was 6.94 percent in 1978—less than a 1-percent rise in current dollars over 1977 expenditures. Defense expenditures as a percentage of GNP were 3.08 percent in 1978—a drop from 1977 expenditures.

The Guyana defense force budget increase is mainly for salaries with only a minimal rise in expenditures for equipment. The Guyana defense force possesses no heavy armament apart from a small number of light artillery pieces.

More than 50 percent of the population is below the poverty level of $250 per capita income a year, and Guyana's Government is strongly committed to equitable growth through improved agricultural production and better management in the public sector. In 1980, Guyana plans on spending 11.9 percent of its public investment budget for

education, health, and housing, and 35.6 percent for agriculture, forestry, and fisheries. The World Bank and IMF are giving special attention, with Government cooperation, to the expansion of exports from the private sector and Guyana has accepted politically difficult IMF recommendations with regard to price policies and a restrained investment budget. As a result Guyana will receive IMF standby credits of $100 million over the next 3 years, and help from the World Bank for a hydroelectric project.

Conclusion.—Considerations under section 620(s) do not rule out assistance.

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						
1974	48825	12495	1088	4686	20	1689
1975	53907	19311	1312	6828	90	1352
1976	65443	21907	2001	6802	320	1988
1977	76494	25928	1956	8902	460	1918
1978	92944	32465	1843	10606	625	2233
(680) BENIN (DAHOMEY)						
1974	108300	14128	1560	191	5	35
1975	113300	15600	1684	269	---	15
1976	112700	21460	1750	237	---	19
1977	133400	25760	2133	307	10	21
1978	148900	23211	3384	---	10	16
(633) BOTSWANA						
1974	200	95	---	---	---	---
1975	220	108	---	280	---	---
1976	274	132	---	333	---	75
1977	317	205	13	379	10	100
1978	318	181	---	464	---	151
(695) BURUNDI						
1974	27342	3299	655	51	---	15
1975	31300	3617	750	74	10	31
1976	39873	5317	855	72	---	49
1977	43066	5391	950	94	5	95
1978	48968	6453	1290	119	---	83

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					
1974	484000	69450	7169	588	---	79
1975	564000	78727	9152	831	5	29
1976	644900	94391	10985	839	10	44
1977	778000	115347	11187	1093	10	45
1978	923000	147650	14585	1488	5	55
	(655) CAPE VERDE					
1974	---	946	44	33	---	---
1975	---	876	52	34	---	18
1976	---	903	78	41	---	33
1977	---	1363	90	46	---	42
1978	---	1513	85	49	20	40
	(676) CENTRAL AFRICAN REPUBLIC					
1974	71110	17464	1560	122	---	2
1975	79880	18224	1632	151	---	4
1976	93720	18800	2063	132	---	19
1977	106530	22800	2362	175	---	26
1978	120360	25500	2600	206	---	26
	(677) CHAD					
1974	89900	19250	4909	162	---	15
1975	106300	20321	5893	227	---	3
1976	117900	23140	5970	214	5	23
1977	130300	18200	5255	248	5	20
1978	151100	20100	5186	---	---	14

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						
1974	119400	46459	5810	362	---	24
1975	147800	64797	7178	528	10	14
1976	158400	56951	8205	526	5	12
1977	165000	59952	9000	532	30	14
1978	184300	75160	10000	593	---	11
(663) ETHIOPIA						
1974	5515	761	104	387	10	275
1975	5495	1033	209	435	30	288
1976	6001	1180	292	487	50	306
1977	7119	1352	388	578	450	225
1978	7278	1584	214	605	1100	164
(678) GABON						
1974	344500	102100	2553	786	---	103
1975	316700	202700	3649	1176	---	146
1976	475200	342500	3482	1306	10	116
1977	518000	392000	4290	1342	10	11
1978	733000	202800	2210	1312	10	25
(635) GAMBIA, THE						
1974	160	31	---	56	---	28
1975	173	45	---	63	---	29
1976	209	60	---	77	5	21
1977	254	87	---	80	---	24
1978	213	131	---	112	---	26

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						
1974	4613	780	58	942	10	92
1975	5281	1211	89	920	10	149
1976	6478	1605	127	976	20	103
1977	16447	2228	99	1159	20	163
1978	16900	3539	125	1108	40	288
(675) GUINEA						
1974	16700	3470	---	209	10	---
1975	19600	4082	---	265	20	42
1976	19700	9715	---	332	10	53
1977	22800	7902	---	325	---	51
1978	23584	7498	---	337	20	29
(657) GUINEA-BISSAU						
1974	3800	606	15	44	---	11
1975	---	1234	---	49	---	11
1976	4408	1424	297	78	---	17
1977	4340	1957	296	70	---	14
1978	4150	2296	299	78	5	11
(681) IVORY COAST						
1974	718500	178500	9818	1422	---	66
1975	807300	208045	11600	1749	5	103
1976	1072900	307200	17200	1988	10	77
1977	1520000	420900	19900	2627	10	186
1978	1671000	569500	35800	2968	70	449

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						
1974	19496	4479	284	1310	30	193
1975	22575	5846	380	1286	10	173
1976	27489	7226	412	1269	---	276
1977	35239	8167	850	1600	10	523
1978	41051	10215	677	2144	50	362
(632) LESOTHO						
1974	140	25	---	271	---	---
1975	181	42	---	299	---	14
1976	225	43	---	352	---	17
1977	277	67	---	377	---	27
1978	302	101	---	410	---	---
(669) LIBERIA						
1974	613	104	4	440	---	14
1975	714	133	5	502	---	14
1976	847	167	5	510	---	17
1977	823	205	7	555	---	27
1978	834	187	9	621	---	18
(670) LIBYA						
1974	3534	1297	115	5404	330	3615
1975	3497	1401	72	6514	550	2201
1976	4389	1754	108	6329	1000	3209
1977	5182	1914	80	7703	1200	4890
1978	5406	2480	130	9186	1900	4208

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						
1974	372500	66107	5314	371	---	49
1975	396800	66979	6493	491	---	36
1976	417700	84800	8270	411	10	42
1977	493800	95700	12229	482	5	69
1978	508600	127800	13775	---	20	59
(612) MALAWI						
1974	500	105	4	237	---	82
1975	581	145	4	309	---	61
1976	642	142	8	276	---	26
1977	746	200	14	307	---	88
1978	849	247	19	409	5	75
(688) MALI						
1974	191300	28700	5597	228	---	6
1975	249400	37900	8111	260	10	4
1976	277000	42637	9721	207	20	7
1977	327000	48150	12640	226	30	6
1978	363600	54770	12860	287	50	9
(682) MAURITANIA						
1974	16176	4213	340	220	---	104
1975	18044	7025	410	312	---	48
1976	21395	11567	1287	416	20	82
1977	22343	11062	1342	404	40	50
1978	22305	12200	1358	370	20	80

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					
1974	3226	628	4	337	---	131
1975	3433	865	5	373	---	166
1976	4078	1302	8	382	---	90
1977	4862	1691	9	500	---	68
1978	5350	1805	9	583	---	52
	(608) MOROCCO					
1974	34680	8706	1005	2234	20	417
1975	37870	11799	1200	3067	50	378
1976	43060	16112	1380	3623	220	491
1977	48210	19551	1950	4287	210	531
1978	53450	17049	1960	4263	470	649
	(656) MOZAMBIQUE					
1974	80052	8593	1246	565	---	---
1975	69560	9950	746	500	30	---
1976	70820	11950	---	383	10	---
1977	76769	12200	1427	450	30	---
1978	79475	12642	1900	415	120	---
	(683) NIGER					
1974	138100	16316	820	225	---	46
1975	149200	19362	1291	246	---	50
1976	207600	25417	1502	317	---	83
1977	281200	34059	1735	320	---	101
1978	372200	43600	2226	---	---	129

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						
1974	14092	4289	533	5052	20	5629
1975	16360	8186	720	8961	90	5611
1976	19206	9850	1037	11125	50	5205
1977	21105	11775	1259	14181	10	4257
1978	22030	11209	1305	14779	40	1915
(696) RWANDA						
1974	34600	3779	631	90	---	13
1975	48300	4822	700	128	---	26
1976	59500	5898	850	159	5	64
1977	67800	7454	935	185	---	83
1978	76600	7989	1284	271	10	88
(658) SAO TOME AND PRINCIPE						
1974	745	177	---	---	---	6
1975	---	223	---	---	---	4
1976	---	262	---	---	---	16
1977	---	426	---	---	---	20
1978	---	916	---	---	---	32
(685) SENEGAL						
1974	326700	52200	5900	738	---	6
1975	390000	68300	6800	866	---	31
1976	444000	85480	7850	903	---	25
1977	469700	97250	8947	1053	10	34
1978	476300	106200	9770	1170	20	20

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						
1974	471	115	4	256	---	55
1975	566	142	6	226	---	28
1976	604	149	6	203	---	25
1977	733	172	7	227	---	33
1978	798	191	8	337	---	35
(649) SOMALIA						
1974	1793	1169	135	188	90	42
1975	2184	1333	145	217	70	69
1976	2542	1739	165	222	100	85
1977	2725	1900	200	245	80	121
1978	3067	2077	422	322	170	129
(674) SOUTH AFRICA, REPUBLIC OF						
1974	23541	5435	754	11651	100	1159
1975	26119	6788	1060	12990	130	1092
1976	29585	8369	1439	12036	180	856
1977	33215	9432	1702	11815	130	746
1978	38112	9811	1566	13671	50	2354
(613) SOUTHERN RHODESIA						
1974	1820	398	39	---	10	---
1975	1967	415	45	---	5	---
1976	2112	456	61	---	---	---
1977	2175	591	98	---	10	---
1978	2297	745	154	---	---	---

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						
1974	1246	241	39	742	30	124
1975	1510	356	39	986	---	36
1976	1743	412	42	894	5	24
1977	2074	556	66	918	10	23
1978	2681	741	87	917	60	28
(645) SWAZILAND						
1974	133	34	1	160	---	13
1975	167	39	1	208	---	46
1976	230	44	1	224	---	73
1977	267	64	2	241	---	95
1978	278	85	4	308	---	117
(621) TANZANIA						
1974	15957	4142	494	823	5	50
1975	18957	6198	730	824	10	65
1976	23192	5829	780	722	50	112
1977	29139	7288	1012	832	60	282
1978	33398	8881	1349	1272	60	100
(693) TOGO						
1974	131200	20074	2350	142	---	54
1975	122600	34956	1760	287	10	41
1976	132700	48413	2799	251	10	67
1977	162300	56800	4266	352	10	46
1978	170500	63700	4789	596	10	70

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						
1974	1518	406	22	1391	10	418
1975	1743	503	27	1734	10	385
1976	1879	573	31	1894	10	371
1977	2118	733	37	2123	50	358
1978	2426	808	40	2372	---	450
(617) UGANDA						
1974	15902	2662	464	331	10	17
1975	22447	3140	606	321	70	31
1976	26401	4027	678	295	30	44
1977	48508	5165	992	485	5	47
1978	64234	6287	1187	465	20	53
(686) UPPER VOLTA						
1974	109100	13440	1509	211	---	84
1975	121200	20350	3195	282	5	77
1976	140360	22650	4317	261	---	71
1977	168900	28190	4530	288	---	56
1978	187400	30842	6765	---	---	37
(660) ZAIRE						
1974	1730	729	83	2165	50	136
1975	1799	586	70	1662	30	57
1976	2772	779	80	4111	120	61
1977	4011	904	67	2109	30	145
1978	6392	1304	42	1742	30	184
(611) ZAMBIA						
1974	1786	517	58	1336	10	172
1975	1496	675	46	1468	20	149
1976	1814	685	54	1133	30	100
1977	1906	686	54	1109	20	73
1978	2199	672	62	1069	60	60

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				
1974	2.23	8.71	0.43	1.1a
1975	2.43	6.79	1.32	6.6a
1976	3.06	9.13	4.70	16.1n
1977	2.56	7.54	5.17	23.9a
1978	1.98	5.68	5.89	27.9a
(680) BENIN (DAHOMEY)				
1974	1.44	11.04	2.62	14.2a
1975	1.49	10.79		
1976	1.55	8.15		
1977	1.60	8.28	3.26	47.6a
1978	2.27	14.58		62.5n
(633) BOTSWANA				
1974				
1975				
1976				
1977	4.10	6.34	2.64	10.0n
1978				
(695) BURUNDI				
1974	2.40	19.85		
1975	2.40	20.74	13.51	32.2a
1976	2.14	16.08		
1977	2.21	17.62	5.32	5.2a
1978	2.63	19.99		

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
(631) CAMEROON				
1974	1.48	10.32		
1975	1.62	11.62	0.60	17.24
1976	1.70	11.64	1.19	22.73
1977	1.44	9.70	0.91	22.22
1978	1.58	9.88	0.34	9.09
(655) CAPE VERDE				
1974		4.65		
1975		5.94		
1976		8.64		
1977		6.60		
1978		5.62	40.82	50.00
(676) CENTRAL AFRICAN REPUBLIC				
1974	2.19	8.93		
1975	2.04	8.96		
1976	2.20	10.97		
1977	2.22	10.36		
1978	2.16	10.20		
(677) CHAD				
1974	5.46	25.50		
1975	5.54	29.00		
1976	5.06	25.80	2.34	21.74
1977	4.03	28.87	2.02	25.00
1978	3.43	25.80		

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				
1974	4.87	12.51		
1975	4.86	11.08	1.89	71.43
1976	5.18	14.41	0.95	41.67
1977	5.45	15.01	5.64	214.29
1978	5.43	13.30		
(663) ETHIOPIA				
1974	1.89	13.67	2.58	3.64
1975	3.80	20.23	6.90	10.42
1976	4.87	24.75	10.27	16.34
1977	5.45	28.70	77.85	200.00
1978	2.94	13.51	181.82	670.73
(678) GABON				
1974	0.74	2.50		
1975	1.15	1.80		
1976	0.73	1.02	0.77	8.62
1977	0.83	1.09	0.75	90.91
1978	0.30	1.09	0.76	40.00
(635) GAMBIA, THE				
1974				
1975				
1976			6.49	23.81
1977				
1978				

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				
1974	1.26	7.44	1.06	10.87
1975	1.69	7.35	1.09	6.71
1976	1.96	7.91	2.05	19.49
1977	0.60	4.44	1.73	12.27
1978	0.74	3.53	3.61	13.89
(675) GUINEA				
1974			4.78	
1975			7.55	47.69
1976			3.01	18.87
1977				
1978			5.93	68.97
(657) GUINEA-BISSAU				
1974	0.39	2.48		
1975				
1976	6.74	20.86		
1977	6.82	15.13		
1978	7.20	13.02	6.41	45.45
(681) IVORY COAST				
1974	1.37	5.50		
1975	1.44	5.58	0.29	4.85
1976	1.60	5.60	0.50	12.99
1977	1.31	4.73	0.38	5.38
1978	2.14	6.29	2.36	15.59

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				
1974	1.46	6.34	2.29	15.54
1975	1.68	6.50	0.78	5.78
1976	1.50	5.70		
1977	2.41	10.41	0.63	1.91
1978	1.65	6.63	2.33	13.81
(632) LESOTHO				
1974				
1975				
1976				
1977				
1978				
(669) LIBERIA				
1974	0.65	3.85		
1975	0.70	3.76		
1976	0.59	2.99		
1977	0.85	3.41		
1978	1.08	4.81		
(670) LIBYA				
1974	3.25	8.87	6.11	9.13
1975	2.06	5.14	8.44	24.99
1976	2.46	6.16	15.80	31.18
1977	1.54	4.18	15.58	24.54
1978	2.40	5.24	20.68	45.15

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				
1974	1.43	8.04		
1975	1.64	9.69		
1976	1.98	9.75	2.43	23.81
1977	2.48	12.78	1.04	7.25
1978	2.71	10.78		33.90
(612) MALAWI				
1974	0.80	3.81		
1975	0.69	2.76		
1976	1.25	5.63		
1977	1.88	7.00		
1978	2.24	7.69	1.22	6.67
(688) MALI				
1974	2.93	19.50		
1975	3.25	21.40	3.85	250.00
1976	3.51	22.80	9.66	285.71
1977	3.87	26.25	13.27	500.00
1978	3.54	23.48	17.42	555.56
(682) MAURITANIA				
1974	2.10	8.07		
1975	2.27	5.84		
1976	6.02	11.13	4.81	24.39
1977	6.01	12.13	9.90	80.00
1978	6.09	11.13	5.41	25.00

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				
1974	0.12	0.64		
1975	0.15	0.58		
1976	0.20	0.61		
1977	0.19	0.53		
1978	0.17	0.50		
(608) MOROCCO				
1974	2.90	11.54	0.90	4.80
1975	3.17	10.17	1.63	13.23
1976	3.20	8.57	6.07	44.81
1977	4.04	9.97	4.90	39.55
1978	3.67	11.50	11.03	72.49
(656) MOZAMBIQUE				
1974	1.56	14.50		
1975	1.07	7.50	6.00	
1976			2.61	
1977	1.86	11.70	6.67	
1978	2.39	15.03	28.92	
(683) NIGER				
1974	0.59	5.03		
1975	0.87	6.67		
1976	0.72	5.91		
1977	0.62	5.09		
1978	0.60	5.11		

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				
1974	3.78	12.43	0.40	0.36
1975	4.40	8.80	1.00	1.60
1976	5.40	10.53	0.45	0.96
1977	5.97	10.69	0.07	0.23
1978	5.92	11.64	0.27	2.09
(696) RWANDA				
1974	1.82	16.70		
1975	1.45	14.52		
1976	1.43	14.41	3.14	7.81
1977	1.38	12.54		
1978	1.68	16.07	3.69	11.36
(658) SAO TOME AND PRINCIPE				
1974				
1975				
1976				
1977				
1978				
(685) SENEGAL				
1974	1.81	11.30		
1975	1.74	9.96		
1976	1.77	9.18		
1977	1.90	9.20	0.95	29.41
1978	2.05	9.20	1.71	100.00

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
(636) SIERRA LEONE				
1974	0.85	3.48		
1975	1.06	4.23		
1976	0.99	4.03		
1977	0.95	4.07		
1978	1.00	4.19		
(649) SOMALIA				
1974	7.53	11.55	47.87	214.29
1975	6.64	10.88	32.26	101.45
1976	6.49	9.49	45.05	117.65
1977	7.34	10.53	32.65	66.12
1978	13.76	20.32	52.80	131.78
(674) SOUTH AFRICA. REPUBLIC OF				
1974	3.20	13.87	0.86	8.63
1975	4.06	15.62	1.00	11.90
1976	4.86	17.19	1.50	21.03
1977	5.12	18.04	1.10	17.43
1978	4.11	15.96	0.37	2.19
(613) SOUTHERN RHODESIA				
1974	2.14	9.80		
1975	2.29	10.84		
1976	2.89	13.38		
1977	4.51	16.58		
1978	6.70	20.67		

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				
1974	3.13	16.18	4.04	24.19
1975	2.58	10.96		
1976	2.41	10.19	0.56	20.83
1977	3.18	11.87	1.09	43.48
1978	3.25	11.74	6.54	214.29
(645) SWAZILAND				
1974	0.75	2.94		
1975	0.60	2.56		
1976	0.43	2.27		
1977	0.75	3.13		
1978	1.44	4.71		
(621) TANZANIA				
1974	3.10	11.93	0.61	10.00
1975	3.85	11.78	1.21	15.38
1976	3.36	13.38	6.93	44.64
1977	3.47	13.89	7.21	21.28
1978	4.04	15.19	4.72	60.00
(693) TOGO				
1974	1.79	11.71		
1975	1.44	5.03	3.48	24.39
1976	2.11	5.78	3.98	14.93
1977	2.63	7.51	2.84	21.74
1978	2.81	7.52	1.68	14.29

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				
1974	1.45	5.42	0.72	2.39
1975	1.55	5.37	0.58	2.60
1976	1.65	5.41	0.53	2.70
1977	1.75	5.05	2.36	13.97
1978	1.65	4.95		
(617) UGANDA				
1974	2.92	17.43	3.02	58.89
1975	2.70	19.30	21.81	225.81
1976	2.57	16.84	10.17	68.18
1977	2.05	19.21	1.03	10.64
1978	1.85	18.88	4.30	37.74
(686) UPPER VOLTA				
1974	1.38	11.23		
1975	2.64	15.70	1.77	6.49
1976	3.08	19.06		
1977	2.68	16.07		
1978	3.61	21.93		
(660) ZAIRE				
1974	4.80	11.39	2.31	36.78
1975	3.89	11.95	1.81	52.63
1976	2.89	10.27	2.92	196.79
1977	1.67	7.41	1.42	20.69
1978	0.66	3.22	1.72	16.30
(611) ZAMBIA				
1974	3.25	11.22	0.75	5.81
1975	3.07	6.81	1.36	13.42
1976	2.98	7.88	2.65	30.00
1977	2.83	7.87	1.80	27.40
1978	2.82	9.23	5.61	100.00

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)

SOMALIA	10.55	
GUINEA-BISSA	7.01	
MAURITANIA	6.05	
NIGERIA	5.94	
SOUTHERN RHO	5.61	
CONGO. REP.	5.44	
SOUTH AFRICA	4.62	
ETHIOPIA	4.20	
MOROCCO	3.86	
TANZANIA	3.76	
CHAD	3.73	
MALI	3.70	
SUDAN	3.21	
UPPER VOLTA	3.15	
ZAMBIA	2.83	
TOGO	2.72	
MADAGASCAR	2.59	
BURUNDI	2.42	
ALGERIA	2.27	
CENTRAL AFRI	2.19	MED
MOZAMBIQUE	2.12	
MALAWI	2.06	
KENYA	2.03	
SENEGAL	1.98	
LIBYA	1.97	
UGANDA	1.95	
BENIN (DAHOM	1.94	
IVORY COAST	1.73	
TUNISIA	1.70	
RWANDA	1.53	
CAMEROON	1.51	
ZAIRE	1.16	
SWAZILAND	1.09	
SIERRA LEONE	0.98	
LIBERIA	0.96	
GHANA	0.67	
NIGER	0.61	
GABON	0.56	
MAURITIUS	0.18	
BOTSWANA	NA	
CAPE VERDE	NA	
GAMBIA, THE	NA	
GUINEA	NA	
LESOTHO	NA	
SAO TOME AND	NA	

MEAN VALUE = 2.89 MEAN + 1 ST. ERR. = 4.98

TABLE 4

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

CHAD	27.34	
MALI	24.87	
ETHIOPIA	21.10	
UGANDA	19.04	
UPPER VOLTA	19.00	
BURUNDI	18.81	
SOUTHERN RHO	18.63	
SOUTH AFRICA	17.00	
SOMALIA	15.42	
TANZANIA	14.54	
RWANDA	14.31	
CONGO. REP.	14.16	
GUINEA-BISSA	14.07	
MOZAMBIQUE	13.36	
SUDAN	11.81	
MADAGASCAR	11.78	
MAURITANIA	11.63	
BENIN (DAHOM	11.43	
NIGERIA	11.17	
MOROCCO	10.74	
		MED
CENTRAL AFRI	10.28	
CAMEROON	9.79	
SENEGAL	9.20	
ZAMBIA	8.55	
KENYA	8.52	
TOGO	7.51	
MALAWI	7.35	
ALGERIA	6.61	
CAPE VERDE	6.11	
IVORY COAST	5.51	
ZAIRE	5.32	
NIGER	5.10	
TUNISIA	5.00	
LIBYA	4.71	
SIERRA LEONE	4.13	
LIBERIA	4.11	
GHANA	3.99	
SWAZILAND	3.92	
GABON	1.09	
MAURITIUS	0.52	
BOTSWANA	NA	
GAMBIA, THE	NA	
GUINEA	NA	
LESOTHO	NA	
SAO TOME AND	NA	

MEAN VALUE = 10.94 MEAN + 1 ST. ERR. = 17.29

TABLE 5

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

ETHIOPIA	129.84	
SOMALIA	42.72	
CAPE VERDE	20.41	
LIBYA	18.13	
MOZAMBIQUE	17.79	
MALI	15.35	
MOROCCO	7.96	
MAURITANIA	7.65	
TANZANIA	5.96	
ALGERIA	5.53	
SUDAN	3.82	
ZAMBIA	3.71	
GUINEA-BISSA	3.21	
GUINEA	2.97	
CONGO. REP.	2.82	
GHANA	2.67	
UGANDA	2.67	MED
BURUNDI	2.66	
TOGO	2.26	
CHAD	2.18	
RWANDA	1.85	
MADAGASCAR	1.74	
BENIN (DAHOM	1.63	
ZAIRE	1.57	
KENYA	1.48	
IVORY COAST	1.37	
SENEGAL	1.33	
BOTSWANA	1.32	
TUNISIA	1.18	
GABON	0.75	
SOUTH AFRICA	0.73	
CAMEROON	0.63	
MALAWI	0.61	
NIGERIA	0.17	
CENTRAL AFRI	0.0	
GAMBIA, THE	0.0	
LESOTHO	0.0	
LIBERIA	0.0	
MAURITIUS	0.0	
NIGER	0.0	
SIERRA LEONE	0.0	
SWAZILAND	0.0	
UPPER VOLTA	0.0	
SAO TOME AND	NA	
SOUTHERN RHO	NA	

MEAN VALUE = 9.31 MEAN + 1 ST. ERR. = 32.23

TABLE 6

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

MALI	527.78	
ETHIOPIA	435.37	
SUDAN	128.88	
CONGO. REP.	107.14	
SOMALIA	98.95	
GABON	65.45	
SENEGAL	64.71	
ZAMBIA	63.70	
MOROCCO	55.98	
BENIN (DAHOM	55.06	
MAURITANIA	52.50	
TANZANIA	40.64	
LIBYA	34.85	
GUINEA	34.48	
ALGERIA	25.99	
CAPE VERDE	25.00	
UGANDA	24.19	MED
GUINEA-BISSA	22.73	
MADAGASCAR	20.57	
ZAIRE	18.50	
TOGO	18.01	
CAMEROON	15.66	
GHANA	13.08	
CHAD	12.50	
IVORY COAST	10.48	
SOUTH AFRICA	9.78	
KENYA	7.86	
TUNISIA	6.98	
RWANDA	5.68	
BOTSWANA	5.00	
MALAWI	3.33	
BURUNDI	2.63	
NIGERIA	1.16	
CENTRAL AFRI	0.0	
GAMBIA, THE	0.0	
LESOTHO	0.0	
LIBERIA	0.0	
MAURITIUS	0.0	
MOZAMBIQUE	0.0	
NIGER	0.0	
SAO TOME AND	0.0	
SIERRA LEONE	0.0	
SOUTHERN RHO	0.0	
SWAZILAND	0.0	
UPPER VOLTA	0.0	

MEAN VALUE = 61.05 MEAN + 1 ST. ERR. = 174.65

TABLE 7

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

MAURITANIA	30.99***	
MALAWI	30.60***	
SOUTHERN RHO	29.59***	
UPPER VOLTA	19.36***	
MADAGASCAR	16.97***	
SWAZILAND	15.22***	
TOGO	15.05***	
SOMALIA	13.06***	
ETHIOPIA	12.48***	
NIGERIA	12.01***	
LIBERIA	12.01***	
BENIN (DAHOM	9.85***	
MAURITIUS	8.50***	
IVORY COAST	8.06***	
SOUTH AFRICA	7.31***	
MOROCCO	7.15***	
KENYA	6.08***	
MALI	5.52**	
TANZANIA	4.29	MED
TUNISIA	3.78	
SENEGAL	3.43	
CONGO. REP.	3.34	
SUDAN	2.81	
SIERRA LEONE	2.27	
BURUNDI	1.07	
CENTRAL AFRI	0.51	
CAMEROON	0.08	
ALGERIA	-1.84	
RWANDA	-2.18	
NIGER	-3.24	
ZAMBIA	-3.65	
LIBYA	-8.93	
UGANDA	-11.91	
CHAD	-12.47	
GHANA	-20.91	
GABON	-21.29	
ZAIRE	-48.22	
BOTSWANA	NA	
CAPE VERDE	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	

MEAN VALUE = 3.97 MEAN + 1 ST. ERR. = 18.90

TABLE 8

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

MALAWI	23.37***	
SOUTHERN RHO	19.18***	
MAURITANIA	13.75***	
UPPER VOLTA	13.63***	
SWAZILAND	11.38***	
SOMALIA	10.97***	
MADAGASCAR	8.63***	
TANZANIA	6.48***	
MALI	5.76***	
KENYA	5.59***	
CAPE VERDE	4.84***	
CONGO. REP.	4.28***	
SOUTH AFRICA	4.25***	
CENTRAL AFRI	4.10***	
LIBERIA	3.52***	
SIERRA LEONE	3.34***	
ETHIOPIA	3.27***	
BENIN (DAHOM	2.91***	
UGANDA	1.55***	
		MED
IVORY COAST	1.02***	
NIGERIA	0.65	
CHAD	0.19	
MOROCCO	-0.28	
BURUNDI	-1.49	
RWANDA	-2.22	
NIGER	-2.38	
TUNISIA	-2.42	
ZAMBIA	-2.47	
CAMEROON	-2.69	
TOGO	-4.86	
SENEGAL	-4.91	
SUDAN	-5.61	
MAURITIUS	-5.72	
ALGERIA	-7.51	
LIBYA	-12.58	
GHANA	-19.92	
GABON	-21.59	
ZAIRE	-30.03	
BOTSWANA	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	

MEAN VALUE = 0.68 MEAN + 1 ST. ERR. = 11.01

TABLE 9

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

ETHIOPIA	109.31***	
ALGERIA	66.17***	
MOROCCO	61.22***	
IVORY COAST	60.52**	
TANZANIA	58.81***	
MOZAMBIQUE	56.55**	
CONGO. REP.	54.55	
MALI	48.50**	
ZAMBIA	43.10***	
TUNISIA	34.72*	
LIBYA	30.52**	
GHANA	29.10*	
		MED
MAURITANIA	5.86	
SUDAN	4.04	
SOMALIA	2.08	
GUINEA	0.31	
GABON	-0.23	
KENYA	-1.82	
ZAIRE	-8.25	
SOUTH AFRICA	-16.11	
CAMEROON	-20.12	
UGANDA	-23.45	
TOGO	-25.30	
NIGERIA	-34.17	
BENIN (DAHOM	NA	
BOTSWANA	NA	
BURUNDI	NA	
CAPE VERDE	NA	
CENTRAL AFRI	NA	
CHAD	NA	
GAMBIA, THE	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
LIBERIA	NA	
MADAGASCAR	NA	
MALAWI	NA	
MAURITIUS	NA	
NIGER	NA	
RWANDA	NA	
SAO TOME AND	NA	
SENEGAL	NA	
SIERRA LEONE	NA	
SOUTHERN RHO	NA	
SWAZILAND	NA	
UPPER VOLTA	NA	

MEAN VALUE = 22.33 MEAN + 1 ST. ERR. = 59.48

TABLE 10

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

ETHIOPIA	133.90***	
GABON	76.73*	
ALGERIA	76.07***	
MOROCCO	65.24***	
ZAMBIA	64.03***	
CONGO. REP.	54.93	
TUNISIA	53.30**	
SUDAN	49.08*	
TANZANIA	39.08**	
BENIN (DAHOM	37.64	
LIBYA	31.79*	
MALI	29.55	
IVORY COAST	26.18	MED
GUINEA	19.84	
MADAGASCAR	17.66	
NIGERIA	16.22	
GHANA	10.94	
MAURITANIA	1.23	
TOGO	-12.29	
KENYA	-13.43	
SOMALIA	-14.00	
CAMEROON	-19.43	
SOUTH AFRICA	-24.22	
ZAIRE	-25.60	
UGANDA	-39.43	
BOTSWANA	NA	
BURUNDI	NA	
CAPE VERDE	NA	
CENTRAL AFRI	NA	
CHAD	NA	
GAMBIA, THE	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
LIBERIA	NA	
MALAWI	NA	
MAURITIUS	NA	
MOZAMBIQUE	NA	
NIGER	NA	
RWANDA	NA	
SAO TOME AND	NA	
SENEGAL	NA	
SIERRA LEONE	NA	
SOUTHERN RHO	NA	
SWAZILAND	NA	
UPPER VOLTA	NA	

MEAN VALUE = 26.20 MEAN + 1 ST. ERR. = 66.70

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	LEVEL MEASURES					TOTAL	TREND MEASURES					TOTAL	TOTAL
	DE/ GNP	DE/ CGE	MI/ TI	MI/ IR	S + M SCORES		DE/ GNP	DE/ CGE	MI/ TI	MI/ IR	S + M SCORES		LEV+TRND SCORES
(FROM TABLE)	(3)	(4)	(5)	(6)			(7)	(8)	(9)	(10)			
ALGERIA	M		M	M	3				S	M	3	6	
BENIN (DAHOM		M		M	2		M	M	NA	M	3	5	
BOTSWANA	NA	NA			0		NA	NA	NA	NA	0	0	
BURUNDI	M	S			3				NA	NA	0	3	
CAMEROON					0						0	0	
CAPE VERDE	NA		M	M	2		NA	M	NA	NA	1	3	
CENTRAL AFRI					0			M	NA	NA	1	1	
CHAD	M	S			3				NA	NA	0	3	
CONGO, REP.	S	M	M	M	5			M	M	M	3	8	
ETHIOPIA	M	S	S	M	6		M	M	S	M	5	11	
GABON				M	1					M	1	2	
GAMBIA, THE	NA	NA			0		NA	NA	NA	NA	0	0	
GHANA			M		1				M		1	2	
GUINEA	NA	NA	M	M	2		NA	NA			0	2	
GUINEA-BISSA	S	M	M		4		NA	NA	NA	NA	0	4	
IVORY COAST					0		M		S		3	3	
KENYA					0		M	M			2	2	
LESOTHO	NA	NA			0		NA	NA	NA	NA	0	0	
LIBERIA					0		M	M	NA	NA	2	2	
LIBYA			M	M	2				M	M	2	4	
MADAGASCAR	M	M			2		M	M	NA		2	4	
MALAWI					0		S	S	NA	NA	4	4	
MALI	M	S	M	M	5		M	M	M	M	4	9	
MAURITANIA	S	M	M	M	5		S	S			4	9	
MAURITIUS					0		M		NA	NA	1	1	
MOROCCO	M	M	M	M	4		M		S	M	4	8	
MOZAMBIQUE		M	M		2		NA	NA	M	NA	1	3	
NIGER					0				NA	NA	0	0	
NIGERIA	S	M			3		M				1	4	
RWANDA		M			1				NA	NA	0	1	
SAO TOME AND	NA	NA	NA		0		NA	NA	NA	NA	0	0	
SENEGAL				M	1				NA	NA	0	1	
SIERRA LEONE					0			M	NA	NA	1	1	
SOMALIA	S	M	S	M	6		M	M			2	8	
SOUTH AFRICA	M	M			2		M	M			2	4	
SOUTHERN RHO	S	S	NA		4		S	S	NA	NA	4	8	
SUDAN	M	M	M	M	4					M	1	5	
SWAZILAND					0		M	S	NA	NA	3	3	
TANZANIA	M	M	M	M	4			M	M	M	3	7	
TOGO	M				1		M				1	2	
TUNISIA					0				M	M	2	2	
UGANDA		S	M		3			M			1	4	
UPPER VOLTA	M	S			3		S	S	NA	NA	4	7	
ZAIRE					0						0	0	
ZAMBIA	M		M	M	3				M	M	2	5	

70-095 O - 81 - 4

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						
1974	18042	2539	722	247	5	191
1975	23442	2869	853	279	---	141
1976	26700	3367	974	253	---	126
1977	27016	4114	1089	357	10	113
1978	30287	4585	1159	486	5	107
(484) CHINA REPUBLIC OF						
1974	524500	92622	---	7624	150	1189
1975	556700	127694	---	6874	160	1171
1976	650800	149900	---	8699	160	1610
1977	740600	171600	---	9939	180	1447
1978	---	214800	---	12751	190	1509
(497) INDONESIA						
1974	10201000	1947000	293997	6915	30	1492
1975	12086800	2640000	459360	8161	30	586
1976	15035000	3551000	521997	9696	80	1499
1977	18207000	4173000	608286	11003	60	2516
1978	20942000	5002000	667900	12809	90	2663
(442) KAMPUCHEA						
1974	472956	8400	---	---	290	31
1975	---	---	---	---	280	---
1976	---	---	---	---	5	---
1977	---	---	---	---	10	---
1978	---	---	---	---	40	---

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						
1974	7332500	1203000	301761	7601	80	1056
1975	9792900	1765300	438192	7996	190	1550
1976	13272600	2518900	695786	10116	340	2961
1977	17021400	3274400	922894	13280	290	4307
1978	22917600	4408000	1214900	18724	550	4920
(439) LAOS						
1974	193000	3140	---	---	120	14
1975	30	---	---	---	20	9
1976	31	---	---	---	20	12
1977	---	---	---	---	40	8
1978	---	---	---	---	20	21
(483) MALAYSIA						
1974	21861	6175	956	5170	40	1618
1975	21606	6913	1053	4789	70	1524
1976	27033	8031	1117	5167	40	2472
1977	31074	10198	1259	6251	60	2858
1978	34608	10967	1570	8007	80	3329
(492) PHILIPPINES						
1974	99948	11712	1944	4011	30	1504
1975	114260	18198	3549	4411	40	1360
1976	132710	20652	4110	4761	60	1642
1977	154060	22766	4325	5248	50	1524
1978	175780	26261	4800	6319	50	1881

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						
1974	272170	36514	7103	3501	40	1858
1975	296990	46438	7870	3676	40	1775
1976	336220	57142	9746	4107	70	1893
1977	381040	67371	12474	5318	50	1915
1978	441950	81550	14594	6242	120	2557
(730) VIET NAM(SOUTH), REPUBLIC OF						
1974	2199000	72000	---	---	800	239
1975	2773000	---	---	---	775	---
1976	---	---	---	---	---	---
1977	---	---	---	---	---	---
1978	---	---	---	---	---	---

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				
1974	4.00	28.44	2.02	2.69
1975	3.64	29.73		
1976	3.65	28.93		
1977	4.03	26.47	2.80	8.85
1978	3.83	25.28	1.03	4.67
(484) CHINA REPUBLIC OF				
1974			1.97	12.62
1975			2.33	13.66
1976			1.84	9.94
1977			1.81	12.44
1978			1.49	12.58
(497) INDONESIA				
1974	2.88	15.10	0.43	2.01
1975	3.80	17.40	0.37	5.12
1976	3.47	14.70	0.83	5.34
1977	3.34	14.58	0.55	2.38
1978	3.19	13.35	0.70	3.38
(442) KAMPUCHEA				
1974				
1975				935.48
1976				
1977				
1978				

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				
1974	4.12	25.08	1.05	7.58
1975	4.47	24.82	2.38	12.26
1976	5.24	27.62	3.36	11.48
1977	5.42	28.19	2.18	6.73
1978	5.30	27.56	2.94	11.18
(439) LAOS				
1974				857.14
1975				222.22
1976				166.67
1977				500.00
1978				95.24
(483) MALAYSIA				
1974	4.37	15.48	0.77	2.47
1975	4.87	15.23	1.46	4.58
1976	4.13	13.91	0.77	1.62
1977	4.05	12.35	0.96	2.10
1978	4.54	14.32	1.00	2.40
(492) PHILIPPINES				
1974	1.95	16.60	0.75	1.98
1975	3.11	19.50	0.91	2.94
1976	3.10	19.90	1.26	3.65
1977	2.81	19.00	0.95	3.28
1978	2.73	18.28	0.79	2.68
(493) THAILAND				
1974	2.61	19.45	1.14	2.15
1975	2.65	16.95	1.09	2.25
1976	2.90	17.06	1.70	3.70
1977	3.27	18.52	0.94	2.61
1978	3.30	17.90	1.92	4.69
(730) VIET NAM(SOUTH), REPUBLIC OF				
1974				334.73
1975				
1976				
1977				
1978				

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 BEFN CALCULATED FOR FACH TABLE

MED INDICATES THE MEDIAN VALUE. ONE-HALF OF THE OBSERVATIONS LIE ON EACH SIDF 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 GRFATER 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 AVFRAGE RATE OF CHANGE.

TABLE 3

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

KOREA. REPUB	5.36	
MALAYSIA	4.29	
BURMA	3.93	
		MED
THAILAND	3.29	
INDONESIA	3.27	
PHILIPPINES	2.77	
CHINA REPUBL	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 3.82 MEAN + 1 ST. ERR. = 4.75

TABLE 4

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

KOREA. REPUB	27.87	
BURMA	25.87	
PHILIPPINES	18.64	
		MED
THAILAND	18.21	
INDONESIA	13.96	
MALAYSIA	13.33	
CHINA REPUBL	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 19.65 MEAN + 1 ST. ERR. = 25.68

TABLE 5

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

KOREA. REPUB	2.56	
BURMA	1.91	
CHINA REPUBL	1.65	
THAILAND	1.43	MED
MALAYSIA	0.98	
PHILIPPINES	0.87	
INDONESIA	0.62	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 1.43 MEAN + 1 ST. ERR. = 2.11

TABLE 6

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

VIET NAM(SOU	435.37	
LAOS	297.62	
CHINA REPUBL	12.52	
KOREA. REPUB	8.96	
BURMA	6.76	
		MED
THAILAND	3.65	
PHILIPPINES	2.97	
INDONESIA	2.88	
KAMPUCHEA	2.63	
MALAYSIA	2.25	

MEAN VALUE = 77.56 MEAN + 1 ST. ERR. = 233.30

TABLE 7

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

KOREA. REPUB	6.98***	
THAILAND	6.82***	
PHILIPPINES	5.77***	
		MED
INDONESIA	0.74	
BURMA	0.13	
MALAYSIA	-1.11	
CHINA REPUBL	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 3.22 MEAN + 1 ST. ERR. = 6.91

TABLE 8

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

KOREA. REPUB	3.15***	
PHILIPPINES	1.67***	
THAILAND	-0.78***	
		MED
BURMA	-3.52	
MALAYSIA	-3.67	
INDONESIA	-4.23	
CHINA REPUBL	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = -1.23 MEAN + 1 ST. ERR. = 1.87

TABLE 9

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

KOREA. REPUB	19.68***	
INDONESIA	13.59***	
THAILAND	8.95***	
PHILIPPINES	1.62	MED
MALAYSIA	0.91	
CHINA REPUBL	-8.07	
BURMA	-10.52	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	

MEAN VALUE = 3.74 MEAN + 1 ST. ERR. = 14.79

TABLE 10

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

VIET NAM(SOU	43.45***	
BURMA	20.51*	
THAILAND	17.06***	
PHILIPPINES	6.84***	
INDONESIA	2.75***	
		MED
KOREA. REPUB	1.79***	
CHINA REPUBL	-0.98***	
MALAYSIA	-8.40***	
LAOS	-35.83	
KAMPUCHEA	-160.96	

MEAN VALUE = -11.38 MEAN + 1 ST. ERR. = 45.02

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	LEVEL MEASURES				TOTAL	TREND MEASURES				TOTAL	TOTAL
	DE/ GNP	DE/ CGE	MI/ TI	MI/ IR	S + M SCORES	DE/ GNP	DE/ CGE	MI/ TI	MI/ IR	S + M SCORES	LEV+TRND SCORES
(FROM TABLE)	(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)		
BURMA	M	S	M	M	5				M	1	6
CHINA REPUBL	NA	NA	M	M	2	NA	NA			0	2
INDONESIA					0			M	M	2	2
KAMPUCHEA	NA	NA	NA		0	NA	NA	NA		0	0
KOREA, REPUBL	S	S	S	M	7	S	S	S		6	13
LAOS	NA	NA	NA	M	1	NA	NA	NA		0	1
MALAYSIA	M				1					0	1
PHILIPPINES		M			1	M	M		M	3	4
THAILAND					0	M	M	M	M	4	4
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						
1974	100000	8673	1608	269	80	67
1975	126400	11800	2114	299	40	126
1976	137700	16125	2184	375	50	170
1977	146700	15633	2731	465	100	316
1978	155500	17380	3000	---	90	431
(231) BAHRAIN						
1974	291	78	8	1127	---	141
1975	331	122	13	1198	---	296
1976	184	203	19	1668	---	443
1977	548	259	28	2029	---	510
1978	562	283	33	---	5	500
(388) BANGLADESH						
1974	70034	7475	419	1168	20	138
1975	124844	9587	709	1379	10	148
1976	107436	15337	1104	954	10	289
1977	105365	18272	1517	1288	30	235
1978	129290	24968	2004	1712	5	316
(233) CYPRUS						
1974	311	73	7	499	---	268
1975	267	77	7	410	---	213
1976	344	79	8	531	---	290
1977	444	84	10	727	---	330
1978	510	93	9	883	---	365

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						
1974	4085	2356	608	3743	230	355
1975	4738	2876	532	5119	350	297
1976	6118	3322	684	5102	150	343
1977	7139	3835	801	5805	220	534
1978	8400	4290	804	6703	230	596
(240) GREECE						
1974	582100	123500	24126	5042	100	936
1975	691400	164600	43917	5272	260	931
1976	848400	205900	43700	5940	525	925
1977	995900	246100	55800	6832	480	1020
1978	1182300	291800	61600	7846	300	1171
(386) INDIA						
1974	697600	100520	21120	5384	190	1253
1975	726980	125910	24720	6395	170	1293
1976	769400	138280	25620	6120	490	2997
1977	868880	157600	26340	6858	725	5107
1978	899290	197190	29070	---	280	6688
(265) IRAN						
1974	3124000	1279100	372600	10410	1000	8383
1975	3518800	1604900	515300	18178	1200	8897
1976	4571500	1920700	618900	22112	2100	8833
1977	5347600	2489600	617400	22894	2400	12267
1978	5443900	2832300	775000	---	2100	12151

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					
1974	3136	1498	491	4681	625	3273
1975	3907	2282	462	5874	675	2727
1976	4737	2176	520	5267	1000	4601
1977	5621	2464	593	5935	1500	6996
1978	6014	4650	586	---	1500	---
	(271) ISRAEL					
1974	52979	38255	16554	7035	975	1201
1975	75370	59122	25600	7814	750	1182
1976	96800	84500	34645	7751	1000	1373
1977	140120	129500	45100	8230	1100	1571
1978	223860	181600	59465	10041	950	2678
	(278) JORDAN					
1974	279	144	45	618	70	347
1975	342	202	48	952	70	492
1976	542	259	56	1300	140	539
1977	623	323	69	1658	120	724
1978	714	359	89	2051	170	967
	(267) KUWAIT					
1974	3170	1163	172	2737	---	1400
1975	3450	1070	202	3294	50	1661
1976	3672	1519	300	4358	90	1945
1977	3764	1959	317	6144	310	2995
1978	3950	1969	297	6505	300	2617

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						
1974	8437	1343	274	3043	10	1665
1975	6150	2011	316	2283	10	1591
1976	2970	2072	327	1071	10	1692
1977	---	1851	255	1631	---	1958
1978	---	2490	390	---	20	2224
(134) MALTA						
1974	144	64	1	402	---	399
1975	184	94	1	429	---	498
1976	222	96	1	479	---	620
1977	259	93	1	592	---	732
1978	294	91	2	700	5	938
(367) NEPAL						
1974	12891	1226	81	150	10	127
1975	15802	1514	97	220	5	101
1976	16397	1913	135	189	---	135
1977	16392	2372	162	194	---	148
1978	20215	3087	189	---	---	154
(391) PAKISTAN						
1974	86825	17505	4949	2426	100	459
1975	112277	26103	6914	2803	100	407
1976	135040	31026	8103	2800	190	534
1977	154930	34111	8121	3189	220	517
1978	184280	40589	9150	4081	170	740

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						
1974	341700	63410	25110	5597	20	2354
1975	375900	87390	19898	4817	50	1534
1976	463600	122400	18845	4829	40	1301
1977	615400	223600	22082	5563	10	1391
1978	767400	219600	27354	6034	50	1880
(273) SAUDI ARABIA						
1974	82349	45743	8813	8107	340	14283
1975	130487	110935	23724	12535	250	23319
1976	145431	110935	31906	21514	470	27025
1977	188320	110400	31602	28029	925	30034
1978	185384	130000	35203	36900	1000	19407
(152) SPAIN						
1974	5112000	619000	133600	17237	100	6476
1975	6010000	721700	161800	18539	160	6108
1976	7203000	912400	176300	19987	180	5306
1977	9049000	1175200	158600	20757	290	6586
1978	10826500	1496700	189800	22308	110	10725
(383) SRI LANKA						
1974	21362	5553	172	754	---	78
1975	23749	6792	192	824	---	58
1976	26043	8225	181	703	10	92
1977	31357	10272	224	784	---	292
1978	38826	16967	309	1116	---	400

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					
1974	15140	5574	1683	1436	825	494
1975	19659	9663	3276	1928	380	730
1976	24705	11258	3636	2607	525	354
1977	29191	12973	4138	2837	775	539
1978	30685	13346	4750	2746	825	407
	(277) TURKEY					
1974	427100	79500	15831	4287	150	1859
1975	535700	115900	23741	5289	220	1069
1976	670000	156500	36557	5925	310	1129
1977	870240	239800	46410	6995	140	773
1978	1289990	346000	58940	5481	210	988
	(279) YEMEN ARAB REPUBLIC					
1974	4499	462	---	242	10	199
1975	5231	678	248	309	20	338
1976	7763	978	333	579	20	720
1977	11336	1443	489	884	30	1240
1978	---	2373	640	1155	90	1460

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				
1974	1.61	18.54	29.74	119.40
1975	1.67	17.92	13.38	31.75
1976	1.59	13.54	13.33	29.41
1977	1.86	17.47	21.51	31.65
1978	1.93	17.26		20.88
(231) BAHRAIN				
1974	2.75	10.26		
1975	3.93	10.66		
1976	3.93	9.36		
1977	5.11	10.81		
1978	5.87	11.66		1.00
(388) BANGLADESH				
1974	0.60	5.61	1.71	14.49
1975	0.57	7.40	0.73	6.76
1976	1.03	7.20	1.05	3.48
1977	1.44	8.30	2.33	12.77
1978	1.55	8.03	0.29	1.58
(233) CYPRUS				
1974	2.25	9.59		
1975	2.62	9.09		
1976	2.33	10.13		
*1977	2.25	11.90		
1978	1.76	9.68		

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				
1974	14.88	25.81	6.14	64.79
1975	11.23	18.50	6.84	117.85
1976	11.18	20.59	2.94	43.73
1977	11.22	20.89	3.79	41.20
1978	9.57	18.74	3.43	38.59
(240) GREECE				
1974	4.14	19.54	1.98	10.68
1975	6.35	26.68	4.93	27.93
1976	5.15	21.22	8.84	56.76
1977	5.60	22.67	7.03	47.08
1978	5.21	21.11	3.82	25.69
(386) INDIA				
1974	3.03	21.01	3.53	15.16
1975	3.40	19.63	2.66	13.15
1976	3.33	18.53	8.01	16.35
1977	3.03	16.71	10.57	14.20
1978	3.23	14.74		4.19
(265) IRAN				
1974	11.93	29.13	9.61	11.93
1975	14.64	32.11	6.60	13.49
1976	13.54	32.22	9.50	23.77
1977	11.55	24.80	10.48	19.58
1978	14.24	27.36		17.28

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				
1974	15.66	32.78	13.35	19.10
1975	11.82	20.25	11.49	24.75
1976	10.98	23.90	18.99	21.73
1977	10.55	24.07	25.27	21.44
1978	9.74	12.60		
(271) ISRAEL				
1974	31.25	43.27	13.86	81.18
1975	33.97	43.30	9.60	63.45
1976	35.79	41.00	12.90	72.83
1977	32.19	34.83	13.37	70.02
1978	26.56	32.75	9.46	35.47
(278) JORDAN				
1974	16.13	31.25	11.33	20.17
1975	14.04	23.76	7.35	14.23
1976	10.33	21.62	10.77	25.97
1977	11.08	21.36	7.24	16.57
1978	12.46	24.79	8.29	17.58
(267) KUWAIT				
1974	5.43	14.79		
1975	5.86	18.88	1.52	3.01
1976	8.17	19.75	2.07	4.63
1977	8.42	16.18	5.05	10.35
1978	7.52	15.08	4.61	11.46

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				
1974	3.25	20.40	0.33	0.60
1975	5.14	15.71	0.44	0.63
1976	11.01	15.78	0.93	0.59
1977		13.78		
1978		15.66		0.90
(134) MALTA				
1974	0.69	1.56		
1975	0.54	1.06		
1976	0.45	1.04		
1977	0.39	1.08		
1978	0.68	2.20	0.71	0.53
(367) NEPAL				
1974	0.63	6.61	6.67	7.87
1975	0.61	6.41	2.27	4.95
1976	0.82	7.06		
1977	0.99	6.83		
1978	0.93	6.12		
(391) PAKISTAN				
1974	5.70	28.27	4.12	21.79
1975	6.16	26.49	3.57	24.57
1976	6.00	26.12	6.79	35.58
1977	5.24	23.81	6.90	42.55
1978	4.97	22.54	4.17	22.97

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				
1974	7.35	29.60	0.36	0.85
1975	5.29	22.77	1.04	3.26
1976	4.06	15.40	0.83	3.07
1977	3.59	9.88	0.18	0.79
1978	3.56	12.46	0.83	2.66
(273) SAUDI ARABIA				
1974	10.70	19.27	4.19	2.38
1975	18.18	21.39	1.99	1.07
1976	21.94	28.76	2.18	1.74
1977	16.78	28.63	3.30	3.08
1978	18.99	27.08	2.71	5.18
(152) SPAIN				
1974	2.61	21.58	0.58	1.54
1975	2.69	22.42	0.86	2.69
1976	2.45	19.32	0.90	3.39
1977	1.75	13.50	1.40	4.40
1978	1.75	12.68	0.49	1.03
(383) SRI LANKA				
1974	0.81	3.10		
1975	0.81	2.83		
1976	0.70	2.20	1.42	10.87
1977	0.71	2.18		
1978	0.80	1.82		

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				
1974	11.12	30.19	57.45	167.00
1975	16.66	33.90	19.71	52.05
1976	14.72	32.30	20.14	148.31
1977	14.18	31.90	27.32	143.78
1978	15.48	35.59	30.04	202.70
(277) TURKEY				
1974	3.71	19.91	3.50	8.07
1975	4.43	20.48	4.16	20.58
1976	5.46	23.36	5.23	27.46
1977	5.33	19.35	2.00	18.11
1978	4.57	17.03	3.83	21.26
(279) YEMEN ARAB REPUBLIC				
1974			4.13	5.03
1975	4.74	36.58	6.47	5.92
1976	4.29	34.05	3.45	2.78
1977	4.31	33.89	3.39	2.42
1978		26.97	7.79	6.18

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	29.38	
SAUDI ARABIA	17.89	
SYRIA	14.83	
IRAN	12.89	
JORDAN	11.77	
EGYPT	10.40	
IRAQ	10.15	
KUWAIT	7.97	
BAHRAIN	5.49	
GREECE	5.41	
PAKISTAN	5.10	
TURKEY	4.95	MED
YEMEN ARAB R	4.30	
PORTUGAL	3.58	
INDIA	3.13	
CYPRUS	2.01	
AFGHANISTAN	1.90	
SPAIN	1.75	
BANGLADESH	1.49	
NEPAL	0.96	
SRI LANKA	0.76	
MALTA	0.53	
LEBANON	NA	

MEAN VALUE = 7.12 MEAN + 1 ST. ERR. = 14.13

TABLE 4

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

ISRAEL	33.79	
SYRIA	33.74	
YEMEN ARAB R	30.43	
SAUDI ARABIA	27.85	
IRAN	26.08	
PAKISTAN	23.18	
JORDAN	23.08	
GREECE	21.89	
EGYPT	19.81	
IRAQ	18.33	
TURKEY	18.19	
AFGHANISTAN	17.37	MED
INDIA	15.73	
KUWAIT	15.63	
LEBANON	14.72	
SPAIN	13.09	
BAHRAIN	11.24	
PORTUGAL	11.17	
CYPRUS	10.79	
BANGLADESH	8.16	
NEPAL	6.48	
SRI LANKA	2.00	
MALTA	1.64	

MEAN VALUE = 17.58 MEAN + 1 ST. ERR. = 26.69

TABLE 5

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

SYRIA	28.68	
IRAQ	22.13	
AFGHANISTAN	17.42	
ISRAEL	11.41	
IRAN	9.99	
INDIA	9.29	
JORDAN	7.76	
YEMEN ARAB R	5.59	
PAKISTAN	5.53	
GREECE	5.42	MED
KUWAIT	4.83	
EGYPT	3.61	
SAUDI ARABIA	3.01	
TURKEY	2.92	
BANGLADESH	1.31	
SPAIN	0.95	
PORTUGAL	0.50	
LEBANON	0.47	
MALTA	0.36	
BAHRAIN	0.0	
CYPRUS	0.0	
NEPAL	0.0	
SRI LANKA	0.0	

MEAN VALUE = 7.43 MEAN + 1 ST. ERR. = 15.22

TABLE 6

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

SYRIA	173.24	
ISRAEL	52.75	
EGYPT	39.89	
GREECE	36.34	
PAKISTAN	32.76	
AFGHANISTAN	26.26	
TURKEY	19.68	
IRAN	18.42	
JORDAN	17.08	
IRAQ	13.07	
		MED
KUWAIT	10.91	
INDIA	9.19	
BANGLADESH	7.17	
YEMEN ARAB R	4.29	
SAUDI ARABIA	4.12	
SPAIN	2.71	
PORTUGAL	1.69	
BAHRAIN	0.50	
LEBANON	0.45	
MALTA	0.27	
CYPRUS	0.0	
NEPAL	0.0	
SRI LANKA	0.0	

MEAN VALUE = 23.54 MEAN + 1 ST. ERR. = 61.85

70-095 O - 81 - 5

TABLE 7

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

BANGLADESH	28.34***	
BAHRAIN	17.81***	
NEPAL	12.71***	
SAUDI ARABIA	10.67***	
KUWAIT	10.16***	
TURKEY	6.03***	
SYRIA	5.01***	
AFGHANISTAN	4.71***	
GREECE	3.32***	
IRAN	1.16	
INDIA	0.16	MED
SRI LANKA	-1.47	
ISRAEL	-3.79	
MALTA	-3.83	
PAKISTAN	-4.37	
CYPRUS	-6.39	
JORDAN	-7.52	
EGYPT	-8.84	
IRAQ	-10.63	
SPAIN	-12.28	
PORTUGAL	-18.36	
LEBANON	NA	
YEMEN ARAB R	NA	

MEAN VALUE = 1.08 MEAN + 1 ST. ERR. = 12.03

TABLE 8

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

SAUDI ARABIA	9.72***	
BANGLADESH	8.34***	
MALTA	6.93***	
CYPRUS	2.88***	
BAHRAIN	2.71***	
SYRIA	2.68***	
GREECE	-0.08***	
NEPAL	-0.88***	
KUWAIT	-1.15***	
AFGHANISTAN	-1.68***	
TURKEY	-3.69*	
IRAN	-3.83	MED
EGYPT	-5.18	
PAKISTAN	-5.60	
JORDAN	-5.70	
LEBANON	-6.60	
ISRAEL	-7.75	
INDIA	-8.70	
SRI LANKA	-13.22	
SPAIN	-15.71	
IRAQ	-17.39	
PORTUGAL	-31.49	
YEMEN ARAB R	NA	

MEAN VALUE = -4.34 MEAN + 1 ST. ERR. = 5.02

TABLE 9

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

KUWAIT	42.27***	
GREECE	16.67***	
PAKISTAN	6.80***	
YEMEN ARAB R	6.23***	
SPAIN	1.57***	
PORTUGAL	-0.71	
SAUDI ARABIA	-3.70	MED
ISRAEL	-4.32	
TURKEY	-5.50	
JORDAN	-6.40	
SYRIA	-9.70	
EGYPT	-17.55	
BANGLADESH	-23.70	
AFGHANISTAN	NA	
BAHRAIN	NA	
CYPRUS	NA	
INDIA	NA	
IRAN	NA	
IRAQ	NA	
LEBANON	NA	
MALTA	NA	
NEPAL	NA	
SRI LANKA	NA	

MEAN VALUE = 0.15 MEAN + 1 ST. ERR. = 16.53

TABLE 10

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

KUWAIT	48.17***	
SAUDI ARABIA	26.00***	
GREECE	22.71***	
TURKEY	18.09***	
SYRIA	14.03***	
IRAN	11.13***	
LEBANON	9.94***	
PORTUGAL	7.71***	
PAKISTAN	6.55***	
		MED
JORDAN	-1.22	
SPAIN	-2.99	
YEMEN ARAB R	-4.86	
ISRAEL	-15.57	
EGYPT	-20.87	
INDIA	-24.97	
IRAQ	-29.50	
AFGHANISTAN	-34.90	
BANGLADESH	-37.93	
BAHRAIN	NA	
CYPRUS	NA	
MALTA	NA	
NEPAL	NA	
SRI LANKA	NA	

MEAN VALUE = -0.47 MEAN + 1 ST. ERR. = 22.82

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

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					
1974	459184	94000	7990	4597	40	1313
1975	1322644	318600	30904	4878	30	457
1976	7595700	1546800	180976	4055	50	1614
1977	20518013	2178753	418321	5484	40	3331
1978	50717400	4731400	1427100	5698	210	5148
	(511) BOLIVIA					
1974	43599	7634	817	514	5	193
1975	49518	11006	1156	683	10	157
1976	57616	15186	1291	754	5	169
1977	66968	18723	1367	897	5	237
1978	81780	19380	1600	1133	20	197
	(512) BRAZIL					
1974	713336	72928	13711	16928	60	5272
1975	995364	95373	19456	16948	100	4036
1976	1535400	165798	17365	17847	180	6544
1977	2312600	241860	23598	18628	140	7256
1978	3386300	344346	32314	21598	160	11894
	(513) CHILE					
1974	9534	2666	520	2602	70	102
1975	40746	9340	1603	2332	20	110
1976	142361	29533	2514	2285	130	461
1977	313377	70413	6790	3279	60	484
1978	469195	105089	13222	4184	50	1149

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					
1974	323955	29130	3204	2350	10	449
1975	404786	38460	4808	2372	40	523
1976	523110	43818	4870	2728	---	1161
1977	706170	59062	5138	3133	10	1820
1978	916669	77794	6582	4041	10	2503
	(515) COSTA RICA					
1974	12888	2195	---	820	---	45
1975	16261	2873	---	832	---	51
1976	20049	3682	---	935	---	98
1977	25680	4403	---	1217	---	202
1978	28924	5899	---	1416	---	209
	(517) DOMINICAN REPUBLIC					
1974	2833	513	48	1011	---	91
1975	3487	610	55	1127	---	116
1976	3812	568	64	1132	---	127
1977	4344	643	76	1235	---	185
1978	4655	708	86	1258	---	168
	(518) ECUADOR					
1974	88210	14933	1870	1327	5	350
1975	105880	17497	2542	1379	60	286
1976	126480	21678	2914	1469	90	515
1977	148650	26966	3891	2006	160	671
1978	174770	29125	4387	1946	80	687

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					
1974	3891	522	48	671	10	98
1975	4409	656	52	720	5	127
1976	5689	913	67	884	---	206
1977	7047	1003	83	1135	---	232
1978	7547	1185	110	1299	5	289
	(520) GUATEMALA					
1974	3112	324	27	879	---	202
1975	3577	362	44	941	10	305
1976	4291	575	53	1294	20	512
1977	5529	645	78	1505	5	690
1978	6207	733	59	1705	10	763
	(504) GUYANA					
1974	907	340	16	301	---	63
1975	1155	639	25	391	---	100
1976	1061	803	48	430	---	27
1977	1053	544	33	364	---	23
1978	1203	533	37	334	---	58
	(521) HAITI					
1974	3484	441	47	140	---	20
1975	4078	667	52	169	---	13
1976	5662	647	55	228	---	28
1977	6684	782	58	278	---	34
1978	6636	895	67	318	---	39

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						
1974	2000	323	26	474	---	44
1975	2106	423	35	481	---	97
1976	2437	508	43	581	40	131
1977	2915	608	50	737	5	180
1978	3385	730	63	881	5	185
(532) JAMAICA						
1974	2236	705	14	1298	---	190
1975	2591	934	17	1587	---	126
1976	2628	1131	24	1376	---	32
1977	2850	1165	24	1173	---	48
1978	3495	1571	29	1188	---	59
(523) MEXICO						
1974	795600	104130	5544	9365	10	1395
1975	964400	145126	8327	10541	20	1539
1976	1194600	204939	9149	10767	20	1398
1977	1626100	256867	11654	10235	10	1928
1978	2042600	319842	10125	13630	5	2246
(524) NICARAGUA						
1974	10181	1904	156	733	---	105
1975	10717	2087	212	666	---	122
1976	12518	2042	251	682	---	147
1977	15118	2838	290	935	10	149
1978	14670	2818	299	812	10	52

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						
1974	1780	354	13	1282	---	39
1975	1913	464	15	1388	5	34
1976	1951	455	15	1403	---	79
1977	2093	468	15	1531	5	71
1978	2259	596	17	1926	---	150
(526) PARAGUAY						
1974	166177	15710	2137	269	---	87
1975	188900	18995	2811	320	---	115
1976	210600	23092	3067	330	5	158
1977	258954	25776	3660	480	---	268
1978	305530	34436	4189	608	10	449
(527) PERU						
1974	444300	82650	15608	2653	80	968
1975	551900	118487	25464	3313	120	468
1976	758300	160358	38527	3006	230	332
1977	1030200	233195	77246	3122	420	399
1978	1615400	348654	92514	2661	150	432
(533) TRINIDAD & TOBAGO						
1974	3684	945	10	2272	---	390
1975	5112	1192	13	1930	---	751
1976	6058	1858	16	2508	---	1014
1977	7396	2246	19	2525	---	1483
1978	8591	2889	22	2713	---	1807

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					
1974	4551	789	118	640	---	232
1975	8201	1349	200	751	5	392
1976	12783	2047	297	784	5	490
1977	19605	3178	421	987	5	742
1978	29830	4573	597	1065	5	849
	(529) VENEZUELA					
1974	108440	39471	2160	5991	100	6506
1975	116950	40015	2335	7643	90	8875
1976	133450	43157	2380	9815	60	8596
1977	153750	50400	2733	13786	100	8210
1978	171860	48551	2763	15648	30	6516

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				
1974	1.74	8.50	0.87	3.05
1975	2.34	9.70	0.62	6.56
1976	2.38	11.70	1.23	3.10
1977	2.04	19.20	0.73	1.20
1978	2.81	30.16	3.69	4.08
(511) BOLIVIA				
1974	1.87	10.70	0.97	2.59
1975	2.33	10.50	1.46	6.37
1976	2.24	8.50	0.66	2.98
1977	2.04	7.30	0.56	2.11
1978	1.96	8.26	1.77	10.15
(512) BRAZIL				
1974	1.92	18.80	0.35	1.14
1975	1.95	20.40	0.59	2.48
1976	1.13	10.47	1.01	2.75
1977	1.02	9.76	0.75	1.93
1978	0.95	9.38	0.74	1.35
(513) CHILE				
1974	5.45	19.50	2.69	68.63
1975	3.93	17.16	0.86	18.18
1976	1.77	8.51	5.69	28.20
1977	2.17	9.64	1.83	12.40
1978	2.82	12.58	1.20	4.35

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
(514) COLOMBIA				
1974	0.99	11.00	0.43	2.2%
1975	1.19	12.50	1.69	7.6%
1976	0.93	11.11		
1977	0.73	8.70	0.32	0.5%
1978	0.72	8.46	0.25	0.4%
(515) COSTA RICA				
1974				
1975				
1976				
1977				
1978				
(517) DOMINICAN REPUBLIC				
1974	1.69	9.36		
1975	1.58	9.02		
1976	1.68	11.27		
1977	1.75	11.82		
1978	1.85	12.15		
(518) ECUADOR				
1974	2.12	12.52	0.38	1.4%
1975	2.40	14.53	4.35	20.9%
1976	2.30	13.44	6.13	17.4%
1977	2.62	14.43	7.98	23.8%
1978	2.51	15.06	4.11	11.6%

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				
1974	1.23	9.20	1.49	10.20
1975	1.18	7.93	0.69	3.94
1976	1.18	7.34		
1977	1.18	8.28		
1978	1.46	9.28	0.38	1.73
(520) GUATEMALA				
1974	0.87	8.33		
1975	1.23	12.15	1.06	3.28
1976	1.24	9.22	1.55	3.91
1977	1.41	12.09	0.33	0.72
1978	0.95	8.05	0.59	1.31
(504) GUYANA				
1974	1.76	4.71		
1975	2.16	3.91		
1976	4.52	5.98		
1977	3.13	6.07		
1978	3.08	6.94		
(521) HAITI				
1974	1.35	10.66		
1975	1.28	7.80		
1976	0.97	8.50		
1977	0.87	7.42		
1978	1.01	7.49		

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				
1974	1.30	8.05		
1975	1.66	8.27		
1976	1.76	8.46	6.88	30.53
1977	1.72	8.22	0.68	2.78
1978	1.86	8.63	0.57	2.70
(532) JAMAICA				
1974	0.63	1.99		
1975	0.66	1.82		
1976	0.91	2.12		
1977	0.84	2.06		
1978	0.83	1.85		
(523) MEXICO				
1974	0.70	5.32	0.11	0.79
1975	0.86	5.74	0.19	1.30
1976	0.77	4.46	0.19	1.43
1977	0.72	4.54	0.10	0.59
1978	0.50	3.17	0.04	0.29
(524) NICARAGUA				
1974	1.53	8.19		
1975	1.98	10.16		
1976	2.01	12.29		
1977	1.92	10.22	1.07	6.71
1978	2.04	10.61	1.23	19.23

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				
1974	0.73	3.67		
1975	0.78	3.23	0.36	14.71
1976	0.77	3.30		
1977	0.72	3.21	0.33	7.04
1978	0.75	2.85		
(526) PARAGUAY				
1974	1.29	13.60		
1975	1.49	14.80		
1976	1.46	13.28	1.52	3.16
1977	1.41	14.20		
1978	1.37	12.16	1.64	2.23
(527) PERU				
1974	3.51	18.88	3.02	8.26
1975	4.61	21.49	3.62	25.64
1976	5.08	24.03	7.65	69.28
1977	7.50	33.13	13.45	105.26
1978	5.73	26.53	5.64	34.72
(533) TRINIDAD & TOBAGO				
1974	0.27	1.06		
1975	0.25	1.09		
1976	0.26	0.86		
1977	0.26	0.85		
1978	0.26	0.76		

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				
1974	2.59	14.96		
1975	2.44	14.83	0.67	1.28
1976	2.32	14.51	0.64	1.09
1977	2.15	13.25	0.51	0.67
1978	2.00	13.05	0.47	0.59
(529) VENEZUELA				
1974	1.99	5.47	1.67	1.54
1975	2.00	5.84	1.18	1.01
1976	1.78	5.51	0.61	0.70
1977	1.78	5.42	0.73	1.29
1978	1.61	5.69	0.19	0.48

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 FACH 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 AVFRAGE RATE OF CHANGE.

70-095 O - 81 - 6

TABLE 3

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

PERU	6.61	
GUYANA	3.10	
ECUADOR	2.56	
CHILE	2.49	
ARGENTINA	2.43	
URUGUAY	2.07	
BOLIVIA	2.00	
NICARAGUA	1.98	
DOMINICAN RE	1.80	
HONDURAS	1.79	
VENEZUELA	1.69	MED
PARAGUAY	1.39	
EL SALVADOR	1.32	
GUATEMALA	1.18	
BRAZIL	0.99	
HAITI	0.94	
JAMAICA	0.84	
PANAMA	0.73	
COLOMBIA	0.72	
MEXICO	0.61	
TRINIDAD & T	0.26	
COSTA RICA	NA	

MEAN VALUE = 1.79 MEAN + 1 ST. ERR. = 3.12

TABLE 4

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

PERU	29.83	
ARGENTINA	24.68	
ECUADOR	14.75	
PARAGUAY	13.18	
URUGUAY	13.15	
DOMINICAN RE	11.98	
CHILE	11.11	
NICARAGUA	10.41	
GUATEMALA	10.07	
BRAZIL	9.57	
EL SALVADOR	8.78	MED
COLOMBIA	8.58	
HONDURAS	8.43	
BOLIVIA	7.78	
HAITI	7.45	
GUYANA	6.50	
VENEZUELA	5.56	
MEXICO	3.85	
PANAMA	3.03	
JAMAICA	1.95	
TRINIDAD & T	0.80	
COSTA RICA	NA	

MEAN VALUE = 10.07 MEAN + 1 ST. ERR. = 16.93

TABLE 5

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

PERU	9.54
ECUADOR	6.04
ARGENTINA	2.21
CHILE	1.51
BOLIVIA	1.16
NICARAGUA	1.15
PARAGUAY	0.82
BRAZIL	0.75
MED	
HONDURAS	0.62
URUGUAY	0.49
GUATEMALA	0.46
VENEZUELA	0.46
COLOMBIA	0.28
EL SALVADOR	0.19
PANAMA	0.16
MEXICO	0.07
COSTA RICA	0.0
DOMINICAN RE	0.0
GUYANA	0.0
HAITI	0.0
JAMAICA	0.0
TRINIDAD & T	0.0

MEAN VALUE = 1.62 MEAN + 1 ST. ERR. = 4.17

TABLE 6

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

PERU	69.99
ECUADOR	17.74
NICARAGUA	12.97
CHILE	8.37
BOLIVIA	6.13
PANAMA	3.52
HONDURAS	2.74
ARGENTINA	2.64
MED	
BRAZIL	1.64
PARAGUAY	1.11
GUATEMALA	1.02
EL SALVADOR	0.87
VENEZUELA	0.84
URUGUAY	0.63
COLOMBIA	0.47
MEXICO	0.37
COSTA RICA	0.0
DOMINICAN RE	0.0
GUYANA	0.0
HAITI	0.0
JAMAICA	0.0
TRINIDAD & T	0.0

MEAN VALUE = 8.19 MEAN + 1 ST. ERR. = 25.42

TABLE 7

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

GUYANA	14.82***	
PERU	14.63***	
ARGENTINA	8.25***	
JAMAICA	8.13***	
HONDURAS	7.49***	
NICARAGUA	5.40***	
ECUADOR	4.24***	
EL SALVADOR	3.32***	
GUATEMALA	3.20***	
DOMINICAN RE	2.77***	
PARAGUAY	0.77***	MED
PANAMA	-0.30***	
BOLIVIA	-0.48	
TRINIDAD & T	-1.06	
VENEZUELA	-5.45	
URUGUAY	-6.45	
MEXICO	-8.67	
HAITI	-9.64	
COLOMBIA	-11.31	
CHILE	-19.17	
BRAZIL	-20.50	
COSTA RICA	NA	

MEAN VALUE = -0.48 MEAN + 1 ST. ERR. = 9.15

TABLE 8

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

ARGENTINA	32.16***	
GUYANA	12.16***	
PERU	11.13***	
DOMINICAN RE	7.93***	
NICARAGUA	5.23***	
ECUADOR	3.63***	
HONDURAS	1.33***	
EL SALVADOR	0.62***	
VENEZUELA	0.05***	
JAMAICA	-0.22***	
GUATEMALA	-0.75**	MED
PARAGUAY	-2.65	
URUGUAY	-3.84	
PANAMA	-5.14	
HAITI	-7.56	
BOLIVIA	-8.83	
COLOMBIA	-8.87	
TRINIDAD & T	-9.12	
MEXICO	-12.75	
CHILE	-14.53	
BRAZIL	-21.27	
COSTA RICA	NA	

MEAN VALUE = -1.01 MEAN + 1 ST. ERR. = 10.30

TABLE 9

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

ECUADOR	53.85***	
ARGENTINA	30.58***	
PERU	25.63***	
BRAZIL	17.16***	
BOLIVIA	2.26***	
CHILE	-8.65***	
URUGUAY	-12.78	MED
COLOMBIA	-27.49	
MEXICO	-28.01	
EL SALVADOR	-30.57	
GUATEMALA	-33.20	
VENEZUELA	-48.13	
HONDURAS	-124.79	
COSTA RICA	NA	
DOMINICAN RE	NA	
GUYANA	NA	
HAITI	NA	
JAMAICA	NA	
NICARAGUA	NA	
PANAMA	NA	
PARAGUAY	NA	
TRINIDAD & T	NA	

MEAN VALUE = -14.16 MEAN + 1 ST. ERR. = 30.45

TABLE 10

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

ECUADOR	43.24***	
PERU	42.83***	
BOLIVIA	16.27***	
BRAZIL	0.84***	
ARGENTINA	-11.15***	
VENEZUELA	-22.28	
URUGUAY	-27.33	MED
MEXICO	-32.57	
EL SALVADOR	-40.45	
GUATEMALA	-44.35	
CHILE	-58.99	
COLOMBIA	-60.70	
HONDURAS	-121.23	
COSTA RICA	NA	
DOMINICAN RE	NA	
GUYANA	NA	
HAITI	NA	
JAMAICA	NA	
NICARAGUA	NA	
PANAMA	NA	
PARAGUAY	NA	
TRINIDAD & T	NA	

MEAN VALUE = -24.30 MEAN + 1 ST. ERR. = 20.60

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	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	M	5	M	S	S	M	6	11
BOLIVIA	M		M	M	3			M	M	2	5
BRAZIL		M	M		2			M	M	2	4
CHILE	M	M	M	M	4			M		1	5
COLOMBIA					0					0	0
COSTA RICA	NA	NA			0	NA	NA	NA	NA	0	0
DOMINICAN RE	M	M			2	M	M	NA	NA	2	4
ECUADOR	M	M	S	M	5	M	M	S	M	5	10
EL SALVADOR					0	M	M			2	2
GUATEMALA		M			1	M				1	2
GUYANA	M				1	S	S	NA	NA	4	5
HAITI					0			NA	NA	0	0
HONDURAS	M			M	2	M	M			2	4
JAMAICA					0	M	M	NA	NA	2	2
MEXICO					0					0	0
NICARAGUA	M	M	M	M	4	M	M	NA	NA	2	6
PANAMA				M	1			NA	NA	0	1
PARAGUAY		M	M		2			NA	NA	0	2
PERU	S	S	S	M	7	S	S	M	M	6	13
TRINIDAD & TI					0			NA	NA	0	0
URUGUAY	M	M			2					0	2
VENEZUELA					0		M		M	2	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	29.38	
SAUDI ARABIA	17.89	
SYRIA	14.83	
IRAN	12.89	
JORDAN	11.77	
SOMALIA	10.55	
EGYPT	10.40	
IRAQ	10.15	
KUWAIT	7.97	
GUINEA-BISSA	7.01	
PERU	6.61	
MAURITANIA	6.05	
NIGERIA	5.94	
SOUTHERN RHO	5.61	
BAHRAIN	5.49	
CONGO, REP.	5.44	
GREECE	5.41	
KOREA, REPUB	5.36	
PAKISTAN	5.10	
TURKEY	4.95	
SOUTH AFRICA	4.62	
YEMEN ARAB R	4.30	
MALAYSIA	4.29	
ETHIOPIA	4.20	
BURMA	3.93	
MOROCCO	3.86	
TANZANIA	3.76	
CHAD	3.73	
MALI	3.70	
PORTUGAL	3.58	
THAILAND	3.29	
INDONESIA	3.27	
SUDAN	3.21	
UPPER VOLTA	3.15	
INDIA	3.13	
GUYANA	3.10	
ZAMBIA	2.83	
PHILIPPINES	2.77	
TOGO	2.72	
MADAGASCAR	2.59	
ECUADOR	2.56	
CHILE	2.49	
ARGENTINA	2.43	
BURUNDI	2.42	
		MED
ALGERIA	2.27	
CENTRAL AFRI	2.19	
MOZAMBIQUE	2.12	
URUGUAY	2.07	
MALAWI	2.06	
KENYA	2.03	
CYPRUS	2.01	
BOLIVIA	2.00	
NICARAGUA	1.98	
SENEGAL	1.98	
LIBYA	1.97	
UGANDA	1.95	
BENIN (DAHOM	1.94	
AFGHANISTAN	1.90	
DOMINICAN RE	1.80	
HONDURAS	1.79	
SPAIN	1.75	
IVORY COAST	1.73	
TUNISIA	1.70	
VENEZUELA	1.69	
RWANDA	1.53	
CAMEROON	1.51	
BANGLADESH	1.49	
PARAGUAY	1.39	
EL SALVADOR	1.32	
GUATEMALA	1.18	
ZAIRE	1.16	
SWAZILAND	1.09	
BRAZIL	0.99	
SIERRA LEONE	0.98	
LIBERIA	0.96	
NEPAL	0.96	
HAITI	0.94	
JAMAICA	0.84	
SRI LANKA	0.76	
PANAMA	0.73	
COLOMBIA	0.72	
GHANA	0.67	
NIGER	0.61	
MEXICO	0.61	
GABON	0.56	
MALTA	0.53	
TRINIDAD & T	0.26	
MAURITIUS	0.18	
BOTSWANA	NA	
CAPE VERDE	NA	
GAMBIA, THE	NA	
GUINEA	NA	
LESOTHO	NA	
SAO TOME AND	NA	
CHINA REPUBL	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	
LEBANON	NA	
COSTA RICA	NA	

MEAN VALUE = 3.75 MEAN + 1 ST. ERR. = 8.03

TABLE 4

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

ISRAEL	33.79
SYRIA	33.74
YEMEN ARAB R	30.43
PERU	29.83
KOREA. REPUB	27.87
SAUDI ARABIA	27.85
CHAD	27.34
IRAN	26.08
BURMA	25.87
MALI	24.87
ARGENTINA	24.68
PAKISTAN	23.18
JORDAN	23.08
GREECE	21.89
ETHIOPIA	21.10
EGYPT	19.81
UGANDA	19.04
UPPER VOLTA	19.00
BURUNDI	18.81
PHILIPPINES	18.64
SOUTHERN RHO	18.63
IRAQ	18.33
THAILAND	18.21
TURKEY	18.19
AFGHANISTAN	17.37
SOUTH AFRICA	17.00
INDIA	15.73
KUWAIT	15.63
SOMALIA	15.42
ECUADOR	14.75
LEBANON	14.72
TANZANIA	14.54
RWANDA	14.31
CONGO. REP.	14.16
GUINEA-BISSA	14.07
INDONESIA	13.96
MOZAMBIQUE	13.36
MALAYSIA	13.33
PARAGUAY	13.18
URUGUAY	13.15
SPAIN	13.09
DOMINICAN RE	11.98
SUDAN	11.81
MADAGASCAR	11.78
MAURITANIA	11.63
MED	
BENIN (DAHOM	11.43
BAHRAIN	11.24
NIGERIA	11.17
PORTUGAL	11.17
CHILE	11.11
CYPRUS	10.79
MOROCCO	10.74
NICARAGUA	10.41
CENTRAL AFRI	10.28
GUATEMALA	10.07
CAMEROON	9.79
BRAZIL	9.57
SENEGAL	9.20
EL SALVADOR	8.78
COLOMBIA	8.58
ZAMBIA	8.55
KENYA	8.52
HONDURAS	8.43
BANGLADESH	8.16
BOLIVIA	7.78
TOGO	7.51
HAITI	7.45
MALAWI	7.35
ALGERIA	6.61
GUYANA	6.50
NEPAL	6.48
CAPE VERDE	6.11
VENEZUELA	5.56
IVORY COAST	5.51
ZAIRE	5.32
NIGER	5.10
TUNISIA	5.00
LIBYA	4.71
SIERRA LEONE	4.13
LIBERIA	4.11
GHANA	3.99
SWAZILAND	3.92
MEXICO	3.85
PANAMA	3.03
SRI LANKA	2.00
JAMAICA	1.95
MALTA	1.64
GABON	1.09
TRINIDAD & T	0.80
MAURITIUS	0.52
BOTSWANA	NA
GAMBIA. THE	NA
GUINEA	NA
LESOTHO	NA
SAO TOME AND	NA
CHINA REPUBL	NA
KAMPUCHEA.	NA
LAOS	NA
VIET NAM(SOU	NA
COSTA RICA	NA

MEAN VALUE = 13.01 MEAN + 1 ST. ERR. = 20.96

TABLE 5

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

ETHIOPIA	129.84
SOMALIA	42.72
SYRIA	28.68
IRAQ	22.13
CAPE VERDE	20.41
LIBYA	18.13
MOZAMBIQUE	17.79
AFGHANISTAN	17.42
MALI	15.35
ISRAEL	11.41
IRAN	9.99
PERU	9.54
INDIA	9.29
MOROCCO	7.96
JORDAN	7.76
MAURITANIA	7.65
ECUADOR	6.04
TANZANIA	5.96
YEMEN ARAB R	5.59
PAKISTAN	5.53
ALGERIA	5.53
GREECE	5.42
KUWAIT	4.83
SUDAN	3.82
ZAMBIA	3.71
EGYPT	3.61
GUINEA-BISSA	3.21
SAUDI ARABIA	3.01
GUINEA	2.97
TURKEY	2.92
CONGO, REP.	2.82
GHANA	2.67
UGANDA	2.67
BURUNDI	2.66
KOREA, REPUB	2.56
TOGO	2.26
ARGENTINA	2.21
CHAD	2.18
MED	
BURMA	1.91
RWANDA	1.85
MADAGASCAR	1.74
CHINA REPUBL	1.65
BENIN (DAHOM	1.63
ZAIRE	1.57
CHILE	1.51
KENYA	1.48
THAILAND	1.43
IVORY COAST	1.37
SENEGAL	1.33
BOTSWANA	1.32
BANGLADESH	1.31
TUNISIA	1.18
BOLIVIA	1.16
NICARAGUA	1.15
MALAYSIA	0.98
SPAIN	0.95
PHILIPPINES	0.87
PARAGUAY	0.82
GABON	0.75
BRAZIL	0.75
SOUTH AFRICA	0.73
CAMEROON	0.63
INDONESIA	0.62
HONDURAS	0.62
MALAWI	0.61
PORTUGAL	0.50
URUGUAY	0.49
LEBANON	0.47
GUATEMALA	0.46
VENEZUELA	0.46
MALTA	0.36
COLOMBIA	0.28
EL SALVADOR	0.19
NIGERIA	0.17
PANAMA	0.16
MEXICO	0.07
CENTRAL AFRI	0.0
GAMBIA, THE	0.0
LESOTHO	0.0
LIBERIA	0.0
MAURITIUS	0.0
NIGER	0.0
SIERRA LEONE	0.0
SWAZILAND	0.0
UPPER VOLTA	0.0
BAHRAIN	0.0
CYPRUS	0.0
NEPAL	0.0
SRI LANKA	0.0
COSTA RICA	0.0
DOMINICAN RE	0.0
GUYANA	0.0
HAITI	0.0
JAMAICA	0.0
TRINIDAD & T	0.0
SAO TOME AND	NA
SOUTHERN RHO	NA
KAMPUCHEA	NA
LAOS	NA
VIET NAM(SOU	NA

MEAN VALUE = 6.50 MEAN + 1 ST. ERR. = 22.57

TABLE 6

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

MALI	527.78	
ETHIOPIA	435.37	
LAOS	297.62	
SYRIA	173.24	
SUDAN	128.88	
CONGO. REP.	107.14	
SOMALIA	98.95	
PERU	69.99	
GABON	65.45	
SENEGAL	64.71	
ZAMBIA	63.70	
MOROCCO	55.98	
BENIN (DAHOM	55.06	
ISRAEL	52.75	
MAURITANIA	52.50	
TANZANIA	40.64	
EGYPT	39.89	
GREECE	36.34	
LIBYA	34.85	
GUINEA	34.48	
PAKISTAN	32.76	
AFGHANISTAN	26.26	
ALGERIA	25.99	
CAPE VERDE	25.00	
UGANDA	24.19	
GUINEA-BISSA	22.73	
MADAGASCAR	20.57	
TURKEY	19.68	
ZAIRE	18.50	
IRAN	18.42	
TOGO	18.01	
ECUADOR	17.74	
JORDAN	17.08	
CAMEROON	15.66	
GHANA	13.08	
NICARAGUA	12.97	
CHINA REPUBL	12.52	
CHAD	12.50	
KUWAIT	10.91	
		MED
IRAQ	10.72	
IVORY COAST	10.48	
SOUTH AFRICA	9.78	
INDIA	9.19	
KOREA. REPUB	8.96	
CHILE	8.37	
KENYA	7.86	
BANGLADESH	7.17	
TUNISIA	6.98	
BURMA	6.76	
BOLIVIA	6.13	
RWANDA	5.68	
BOTSWANA	5.00	
YEMEN ARAB R	4.29	
SAUDI ARABIA	4.12	
THAILAND	3.65	
PANAMA	3.52	
MALAWI	3.33	
PHILIPPINES	2.97	
INDONESIA	2.88	
HONDURAS	2.74	
SPAIN	2.71	
ARGENTINA	2.64	
BURUNDI	2.63	
MALAYSIA	2.25	
PORTUGAL	1.69	
BRAZIL	1.64	
NIGERIA	1.16	
LESOTHO	1.11	
PARAGUAY	1.11	
GUATEMALA	1.02	
EL SALVADOR	0.87	
VENEZUELA	0.84	
URUGUAY	0.63	
BAHRAIN	0.50	
COLOMBIA	0.47	
LEBANON	0.45	
MEXICO	0.37	
MALTA	0.27	
CENTRAL AFRI	0.0	
GAMBIA. THE	0.0	
LIBERIA	0.0	
MAURITIUS	0.0	
MOZAMBIQUE	0.0	
NIGER	0.0	
SAO TOME AND	0.0	
SIERRA LEONE	0.0	
SOUTHERN RHO	0.0	
SWAZILAND	0.0	
UPPER VOLTA	0.0	
KAMPUCHEA	0.0	
VIET NAM(SOU	0.0	
CYPRUS	0.0	
NEPAL	0.0	
SRI LANKA	0.0	
COSTA RICA	0.0	
DOMINICAN RE	0.0	
GUYANA	0.0	
HAITI	0.0	
JAMAICA	0.0	
TRINIDAD & T	0.0	

MEAN VALUE = 37.86 MEAN + 1 ST. ERR. = 122.94

TABLE 7

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

MAURITANIA	30.99***	
MALAWI	30.60***	
SOUTHERN RHO	29.59***	
BANGLADESH	28.34***	
UPPER VOLTA	19.36***	
BAHRAIN	17.81***	
MADAGASCAR	16.97***	
SWAZILAND	15.22***	
TOGO	15.05***	
GUYANA	14.82***	
PERU	14.63***	
SOMALIA	13.06***	
NEPAL	12.71***	
ETHIOPIA	12.48***	
NIGERIA	12.01***	
LIBERIA	12.01***	
SAUDI ARABIA	10.67***	
KUWAIT	10.16***	
BENIN (DAHOM	9.85***	
MAURITIUS	8.50***	
ARGENTINA	8.25***	
JAMAICA	8.13***	
IVORY COAST	8.06***	
HONDURAS	7.49***	
SOUTH AFRICA	7.31***	
MOROCCO	7.15***	
KOREA, REPUB	6.98***	
THAILAND	6.82***	
KENYA	6.08***	
TURKEY	6.03***	
PHILIPPINES	5.77***	
MALI	5.52***	
NICARAGUA	5.40***	
SYRIA	5.01***	
AFGHANISTAN	4.71***	
TANZANIA	4.29***	
ECUADOR	4.24***	
TUNISIA	3.78***	
SENEGAL	3.43***	
CONGO, REP.	3.34***	
EL SALVADOR	3.32***	
GREECE	3.32***	
GUATEMALA	3.20***	MED
SUDAN	2.81**	
DOMINICAN RE	2.77*	
SIERRA LEONE	2.27	
IRAN	1.16	
BURUNDI	1.07	
PARAGUAY	0.77	
INDONESIA	0.74	
CENTRAL AFRI	0.51	
INDIA	0.16	
BURMA	0.13	
CAMEROON	0.08	
PANAMA	-0.30	
BOLIVIA	-0.48	
TRINIDAD & T	-1.06	
MALAYSIA	-1.11	
SRI LANKA	-1.47	
ALGERIA	-1.84	
RWANDA	-2.18	
NIGER	-3.24	
ZAMBIA	-3.65	
ISRAEL	-3.79	
MALTA	-3.83	
PAKISTAN	-4.37	
VENEZUELA	-5.45	
CYPRUS	-6.39	
URUGUAY	-6.45	
JORDAN	-7.52	
MEXICO	-3.67	
EGYPT	-8.84	
LIBYA	-8.93	
HAITI	-9.64	
IRAQ	-10.63	
COLOMBIA	-11.31	
UGANDA	-11.91	
SPAIN	-12.28	
CHAD	-12.47	
PORTUGAL	-18.36	
CHILE	-19.17	
BRAZIL	-20.50	
GHANA	-20.91	
GABON	-21.29	
ZAIRE	-48.22	
BOTSWANA	NA	
CAPE VERDE	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	
CHINA REPUBL	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	
LEBANON	NA	
YEMEN ARAB R	NA	
COSTA RICA	NA	

MEAN VALUE = 2.10 MEAN + 1 ST. ERR. = 14.37

TABLE 8

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

ARGENTINA	32.16***	
MALAWI	23.37***	
SOUTHERN RHO	19.18***	
MAURITANIA	13.75***	
UPPER VOLTA	13.63***	
GUYANA	12.16***	
SWAZILAND	11.38***	
PERU	11.13***	
SOMALIA	10.97***	
SAUDI ARABIA	9.72***	
MADAGASCAR	8.63***	
BANGLADESH	8.34***	
DOMINICAN RE	7.93***	
MALTA	6.93***	
TANZANIA	6.48***	
MALI	5.76***	
KENYA	5.59***	
NICARAGUA	5.23***	
CAPE VERDE	4.84***	
CONGO, REP.	4.28***	
SOUTH AFRICA	4.25***	
CENTRAL AFRI	4.10***	
ECUADOR	3.63***	
LIBERIA	3.52***	
SIERRA LEONE	3.34***	
ETHIOPIA	3.27***	
KOREA, REPUB	3.15***	
BENIN (DAHOM	2.91***	
CYPRUS	2.88***	
BAHRAIN	2.71***	
SYRIA	2.68***	
PHILIPPINES	1.67***	
UGANDA	1.55***	
HONDURAS	1.33***	
IVORY COAST	1.02***	
NIGERIA	0.65***	
EL SALVADOR	0.62***	
CHAD	0.19***	
VENEZUELA	0.05***	
GREECE	-0.08***	
JAMAICA	-0.22***	
MOROCCO	-0.28***	
GUATEMALA	-0.75***	
THAILAND	-0.78***	MED
NEPAL	-0.88**	
KUWAIT	-1.15	
BURUNDI	-1.49	
AFGHANISTAN	-1.68	
RWANDA	-2.22	
NIGER	-2.38	
TUNISIA	-2.42	
ZAMBIA	-2.47	
PARAGUAY	-2.65	
CAMEROON	-2.69	
BURMA	-3.52	
MALAYSIA	-3.67	
TURKEY	-3.69	
IRAN	-3.83	
URUGUAY	-3.84	
INDONESIA	-4.23	
TOGO	-4.86	
SENEGAL	-4.91	
PANAMA	-5.14	
EGYPT	-5.18	
PAKISTAN	-5.60	
SUDAN	-5.61	
JORDAN	-5.70	
MAURITIUS	-5.72	
LEBANON	-6.60	
ALGERIA	-7.51	
HAITI	-7.56	
ISRAEL	-7.75	
INDIA	-8.70	
BOLIVIA	-8.83	
COLOMBIA	-8.87	
TRINIDAD & T	-9.12	
LIBYA	-12.58	
MEXICO	-12.75	
SRI LANKA	-13.22	
CHILE	-14.53	
SPAIN	-15.71	
IRAQ	-17.39	
GHANA	-19.92	
BRAZIL	-21.27	
GABON	-21.59	
ZAIRE	-30.03	
PORTUGAL	-31.49	
BOTSWANA	NA	
GAMBIA, THE	NA	
GUINEA	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
MOZAMBIQUE	NA	
SAO TOME AND	NA	
CHINA REPUBL	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	
YEMEN ARAB R	NA	
COSTA RICA	NA	

MEAN VALUE = -1.13 MEAN + 1 ST. ERR. = 8.96

TABLE 9

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

ETHIOPIA	109.31***	
ALGERIA	66.17***	
MOROCCO	61.22***	
IVORY COAST	60.52***	
TANZANIA	58.81***	
MOZAMBIQUE	56.55***	
CONGO, REP.	54.55*	
ECUADOR	53.85***	
MALI	48.50***	
ZAMBIA	43.10***	
KUWAIT	42.27***	
TUNISIA	34.72***	
ARGENTINA	30.58***	
LIBYA	30.52***	
GHANA	29.10***	
PERU	25.63***	
KOREA, REPUB	19.68***	
BRAZIL	17.16***	
GREECE	16.67***	
INDONESIA	13.59***	
THAILAND	8.95*	
PAKISTAN	6.80	
YEMEN ARAB R	6.23	
MAURITANIA	5.86	
SUDAN	4.04	
BOLIVIA	2.26	
SOMALIA	2.08	
PHILIPPINES	1.62	
SPAIN	1.57	MED
MALAYSIA	0.91	
GUINEA	0.31	
GABON	-0.23	
PORTUGAL	-0.71	
KENYA	-1.82	
SAUDI ARABIA	-3.70	
ISRAEL	-4.32	
TURKEY	-5.50	
JORDAN	-6.40	
CHINA REPUBL	-8.07	
ZAIRE	-8.25	
CHILE	-8.65	
SYRIA	-9.70	
BURMA	-10.52	
URUGUAY	-12.78	
SOUTH AFRICA	-16.11	
EGYPT	-17.55	
CAMEROON	-20.12	
UGANDA	-23.45	
BANGLADESH	-23.70	
TOGO	-25.30	
COLOMBIA	-27.49	
MEXICO	-28.01	
EL SALVADOR	-30.57	
GUATEMALA	-33.20	
NIGERIA	-34.17	
VENEZUELA	-48.13	
HONDURAS	-124.79	
BENIN (DAHOM	NA	
BOTSWANA	NA	
BURUNDI	NA	
CAPE VERDE	NA	
CENTRAL AFRI	NA	
CHAD	NA	
GAMBIA, THE	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
LIBERIA	NA	
MADAGASCAR	NA	
MALAWI	NA	
MAURITIUS	NA	
NIGER	NA	
RWANDA	NA	
SAO TOME AND	NA	
SENEGAL	NA	
SIERRA LEONE	NA	
SOUTHERN RHO	NA	
SWAZILAND	NA	
UPPER VOLTA	NA	
KAMPUCHEA	NA	
LAOS	NA	
VIET NAM(SOU	NA	
AFGHANISTAN	NA	
BAHRAIN	NA	
CYPRUS	NA	
INDIA	NA	
IRAN	NA	
IRAQ	NA	
LEBANON	NA	
MALTA	NA	
NEPAL	NA	
SRI LANKA	NA	
COSTA RICA	NA	
DOMINICAN RE	NA	
GUYANA	NA	
HAITI	NA	
JAMAICA	NA	
NICARAGUA	NA	
PANAMA	NA	
PARAGUAY	NA	
TRINIDAD & T	NA	

MEAN VALUE = 6.66 MEAN + 1 ST. ERR. = 42.45

TABLE 10

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

ETHIOPIA	133.90***	
GABON	76.73*	
ALGERIA	76.07***	
BOTSWANA	72.06*	
MOROCCO	65.24***	
ZAMBIA	64.03***	
CONGO. REP.	54.93*	
TUNISIA	53.30***	
SUDAN	49.08***	
KUWAIT	48.17***	
ECUADOR	43.24***	
PERU	42.83***	
TANZANIA	39.08***	
BENIN (DAHOM	37.64*	
LIBYA	31.79***	
MALI	29.55***	
IVORY COAST	26.18***	
SAUDI ARABIA	26.00***	
GREECE	22.71***	
BURMA	20.51*	
GUINEA	19.84*	
TURKEY	18.09***	
MADAGASCAR	17.66*	
THAILAND	17.06***	
BOLIVIA	16.27***	
NIGERIA	16.22***	
SYRIA	14.03***	
IRAN	11.13***	
GHANA	10.94***	
LEBANON	9.94*	
PORTUGAL	7.71*	
PHILIPPINES	6.84	
PAKISTAN	6.55	MED
INDONESIA	2.75	
IRAQ	2.17	
KOREA. REPUB	1.79	
MAURITANIA	1.23	
BRAZIL	0.84	
CHINA REPUBL	-0.98	
JORDAN	-1.22	
SPAIN	-2.99	
YEMEN ARAB R	-4.86	
MALAYSIA	-8.40	
ARGENTINA	-11.15	
TOGO	-12.29	
KENYA	-13.43	
SOMALIA	-14.00	
ISRAEL	-15.57	
CAMEROON	-19.43	
EGYPT	-20.87	
VENEZUELA	-22.28	
SOUTH AFRICA	-24.22	
INDIA	-24.97	
ZAIRE	-25.60	
URUGUAY	-27.33	
MEXICO	-32.57	
AFGHANISTAN	-34.90	
LAOS	-35.83	
BANGLADESH	-37.93	
UGANDA	-39.43	
EL SALVADOR	-40.45	
GUATEMALA	-44.35	
CHILE	-58.99	
COLOMBIA	-60.70	
HONDURAS	-121.23	
BURUNDI	NA	
CAPE VERDE	NA	
CENTRAL AFRI	NA	
CHAD	NA	
GAMBIA. THE	NA	
GUINEA-BISSA	NA	
LESOTHO	NA	
LIBERIA	NA	
MALAWI	NA	
MAURITIUS	NA	
MOZAMBIQUE	NA	
NIGER	NA	
RWANDA	NA	
SAO TOME AND	NA	
SENEGAL	NA	
SIERRA LEONE	NA	
SOUTHERN RHO	NA	
SWAZILAND	NA	
UPPER VOLTA	NA	
KAMPUCHEA	NA	
VIET NAM(SOU	NA	
BAHRAIN	NA	
CYPRUS	NA	
MALTA	NA	
NEPAL	NA	
SRI LANKA	NA	
COSTA RICA	NA	
DOMINICAN RE	NA	
GUYANA	NA	
HAITI	NA	
JAMAICA	NA	
NICARAGUA	NA	
PANAMA	NA	
PARAGUAY	NA	
TRINIDAD & T	NA	

MEAN VALUE = 6.74 MEAN + 1 ST. ERR. = 46.49

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	LEVEL MEASURES					TOTAL	TREND MEASURES					TOTAL	TOTAL
	DE/ GNP	DE/ CGE	MI/ TI	MI/ IR	S + M		DE/ GNP	DE/ CGE	MI/ TI	MI/ IR	S + M	LEV+TRND
(FROM TABLE)	(3)	(4)	(5)	(6)	SCORES		(7)	(8)	(9)	(10)	SCORES	SCORES
ALGERIA			M	M	2				S	M	3	5
BENIN (DAHOM				M	1		M	M	NA	M	3	4
BOTSWANA	NA	NA			0		NA	NA	NA	M	1	1
BURUNDI	M	M	M		3				NA	NA	0	3
CAMEROON				M	1						0	1
CAPE VERDE	NA		M	M	2		NA	M	NA	NA	1	3
CENTRAL AFRI					0			M	NA	NA	1	1
CHAD	M	S	M	M	5			M	NA	NA	1	6
CONGO, REP.	M	M	M	M	4		M	M	S	M	5	9
ETHIOPIA	M	S	S	M	6		M	M	S	M	5	11
GABON				M	1					M	1	2
GAMBIA, THE	NA	NA			0		NA	NA	NA	NA	0	0
GHANA			M	M	2				M	M	2	4
GUINEA	NA	NA	M	M	2		NA	NA		M	1	3
GUINEA-BISSA	M	M	M	M	4		NA	NA	NA	NA	0	4
IVORY COAST					0		M	M	S	M	5	5
KENYA					0		M	M			2	2
LESOTHO	NA	NA			0		NA	NA	NA	NA	0	0
LIBERIA					0		M	M	NA	NA	2	2
LIBYA			M	M	2				M	M	2	4
MADAGASCAR	M	M		M	3		S	M	NA	M	4	7
MALAWI					0		S	S	NA	NA	4	4
MALI	M	S	M	M	5		M	M	S	M	5	10
MAURITANIA	M	M	M	M	4		S	S	M		5	9
MAURITIUS					0		M		NA	NA	1	1
MOROCCO	M		M	M	3		M	M	S	M	5	8
MOZAMBIQUE		M	M		2		NA	NA	S	NA	2	4
NIGER					0				NA	NA	0	0
NIGERIA	M				1		M	M		M	3	4
RWANDA		M			1				NA	NA	0	1
SAO TOME ANDI	NA	NA	NA		0		NA	NA	NA	NA	0	0
SENEGAL				M	1		M		NA	NA	1	2
SIERRA LEONE					0			M	NA	NA	1	1
SOMALIA	S	M	S	M	6		M	S	M		4	10
SOUTH AFRICA	M	M			2		M	M			2	4
SOUTHERN RHO	M	M	NA		2		S	S	NA	NA	4	6
SUDAN	M	M	M	M	4				M	M	2	6
SWAZILAND					0		S	S	NA	NA	4	4
TANZANIA	M	M	M	M	4		M	M	S	M	5	9
TOGO	M		M	M	3		S				2	5
TUNISIA					0		M		M	M	3	3
UGANDA		M	M	M	3			M			1	4
UPPER VOLTA	M	M			2		S	S	NA	NA	4	6
ZAIRE				M	1						0	1
ZAMBIA	M		M	M	3				S	M	3	6
BURMA	M	S			3					M	1	4