

# World military spend hits all-time high of \$2.24 trillion

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Global military spending rose to a record last year, spurred by a policy U-turn in Europe where governments boosted capabilities by the most since the end of the Cold War in the wake of Russia's all-out invasion of Ukraine.

Defense expenditure increased by 3.7 per cent in real terms to reach a record high of \$2.24 trillion in 2022, the Stockholm International Peace Research Institute, SIPRI, said on Monday. Half the annual increase was due to Ukraine's ballooning military budget. Arms budgets are expanding across Europe in response to Russia's aggression at the same time as tensions in East Asia are prompting larger outlays.

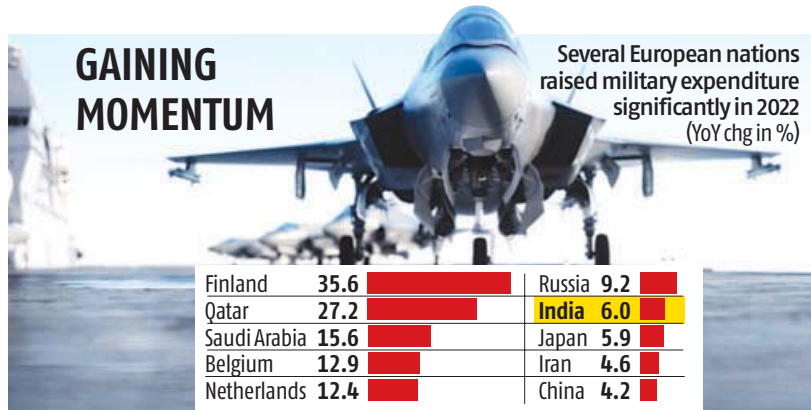
"The continuous rise in global military expenditure in recent years is a sign that

we are living in an increasingly insecure world," SIPRI senior researcher Nan Tian said. In another sign of how the world is sliding back into a situation last seen during the Cold War, military expenditure in central and western European countries exceeded the 1989 level for the first time.

Finland and Sweden were among the countries that increased such spending the most. Finland's purchase of F-35 fighter jets contributed to a 36 per cent jump. Defence budgets of existing Nato members, meanwhile, increased by 0.9 per cent from 2021, as outlays declined in countries including Italy, Turkey and Greece.

In West Asia, Saudi Arabia increased its expenditure by an estimated 16 per cent to become the fifth largest spender globally. Qatar boosted outlays by 27 per cent.

The US remains the largest spender in the world by a large margin, as its military



budget is bigger than those of all other countries that make the top-10 list of the biggest weapons' buyers combined, according to SIPRI's estimate. Russia's 2014

annexation of Crimea put an end to a brief period of shrinking defence budgets, with global expenditure growing for eight straight years since. **BLOOMBERG**

## Eye on China: Australia plans biggest defence shake-up since World War II

A government review of Australia's military readiness has recommended sweeping changes to the defense forces, as the country adjusts to a rapidly changing strategic environment in the Indo-Pacific region.

Australia's military is not "fit for purpose" as it currently stands, the Defence Strategic Review released on Monday found. It recommended the government reprioritise spending toward purchasing long-range missiles and military drones, while boosting domestic defense manufacturing. "This is a watershed moment for defense policy in

our country's history," Defence Minister Richard Marles said. The review found Australia faces a "radically different" strategic environment including a military build-up by China that is "the largest and most ambitious" by any country World

War II. All this is happening as the US, for 80 years the dominant regional player, is no longer the "unipolar leader of the Indo-Pacific." China Foreign Ministry spokeswoman Mao Ning said that her nation hoped "some countries do not use China as an excuse to expand their military capabilities and hype up China threat, which is groundless." **BLOOMBERG**

