

CHAPTER 9

COMMON-FUNDED RESOURCES: NATO BUDGETS AND FINANCIAL MANAGEMENT

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THE PRINCIPLES OF COMMON FUNDING

NATO is an intergovernmental organisation to which member nations allocate the resources needed to enable it to function on a day-to-day basis and to provide the facilities required for consultation, decision-making and the subsequent implementation of agreed policies and activities. It serves a political Alliance supported by an essential military structure which provides for the common defence of the member countries, cooperation with NATO's Partner countries and implementation of Alliance policies in peacekeeping and other fields.

In the military context, apart from a limited number of permanent headquarters and small standing forces, the vast majority of military forces and assets belonging to NATO member countries remain under national command and control until such time as some or all of these, depending on the country, may be assigned to NATO for the purposes of undertaking specific military tasks. The forces of NATO countries contributing to the Stabilisation Force led by NATO in Bosnia and Herzegovina (SFOR) and to the Kosovo Force (KFOR) are thus assigned to NATO temporarily in order to fulfil the Alliance's mandates but are trained, equipped, maintained and financed by the individual defence budgets of member nations.

In order to facilitate consultation and joint decision-making in the framework of their Alliance, each member country maintains a diplomatic and military presence at NATO headquarters as well as civil and/or military representation at the headquarters of the various NATO agencies and military commands. The costs of maintaining and staffing their national delegations and military missions are also a national responsibility, financed in accordance with the different accounting principles and practices of each country.

The two examples given above - the costs of maintaining military forces and the costs of civil and military representation in Alliance forums - illustrate expenditures which would have to be taken into account in any analysis of the total cost to each nation of its NATO membership. Such expenditures would have to be offset by a similar analysis of the economic benefits obtained by each member country as a result of its participation in the Alliance.

However, the rationale for NATO membership extends far beyond the confines of a financial balance sheet drawn up on the above basis and embraces

political, economic, scientific, technological, cultural and other factors which do not lend themselves readily to translation into financial terms. Moreover, to arrive at a meaningful conclusion each member country would have to factor into the calculation the costs which it would have incurred, over time, in making provision for its national security independently or through alternative forms of international cooperation.

The purpose of this chapter is not to attempt any such theoretical calculation, which must remain a matter for each nation to address in accordance with its own procedures and practices. The aim of the chapter is rather to describe the principles of common-funding and cost-sharing which apply throughout the Alliance and the major budgets used to manage the Alliance's financial resources. Taken together, these expenditures represent less than half of one percent of the total defence expenditures of NATO countries (see Table 3).

NATO funds are devoted essentially to those expenditures which reflect the interests of all member countries. The common funding structure is diverse and decentralised. Certain multinational cooperative activities relating to research, development, production and logistic support do not involve all and, in some instances, may only involve a small number of member countries. These activities, most of which are managed by NATO Production and Logistics Organisations, are subject to the general financial and audit regulations of NATO but otherwise operate in virtual autonomy under charters granted by the North Atlantic Council. Reference is made to them below (see Financial Management).

With few exceptions, NATO funding does not therefore cover the procurement of military forces or of physical military assets such as ships, submarines, aircraft, tanks, artillery or weapon systems. Military manpower and materiel are assigned to the Alliance by member countries, which remain financially responsible for their provision. An important exception is the NATO Airborne Early Warning and Control Force, a fleet of radar-bearing aircraft jointly procured, owned, maintained and operated by member countries and placed under the operational command and control of a NATO Force Commander responsible to the NATO Strategic Commanders. NATO also finances investments directed towards collective requirements, such as air defence, command and control systems or Alliance-wide communications systems which cannot be designated as being within the responsibility of any single nation to provide. Such investments are subject to maintenance, renewal and ultimately replacement in accordance with changing requirements and technological developments and the expenditures this requires also represent a significant portion of NATO funding.

The starting point for the process of seeking and obtaining approval for common funding of a given project is the identification and recognition of the need for expenditure and a determination that the responsibility for that expen-

diture cannot reasonably be attributed to a single country and that it will serve the interests of all contributing countries. The requirement must be duly generated, stated and authenticated and this in itself calls for a complex interaction of national and international administrative processes. Once recognised, the requirement for expenditure must be judged eligible for common funding by member countries on a defined scale. The determination of whether the requirement is eligible for common funding is made by consensus of the member countries which would be liable to support the cost.

Over the years since the establishment of the Alliance, the application of these principles has given rise to the elaboration of complex rules involving scales of integral or partial funding support and the exclusion of various cost elements, for example, national or local taxes. Another major and perhaps surprising exclusion dating from the time of NATO's establishment is the remuneration of military personnel serving at NATO Headquarters or at any of the international headquarters forming part of the military structure of the Alliance. This remains a charge to the assigning nation. Some 15 000 military personnel are routinely posted to international headquarters, all of whom are paid for by their nations. Remuneration of the international civilian staff at NATO Headquarters in Brussels and at NATO military headquarters is financed respectively by NATO's common-funded civil and military budgets. Significant areas of NATO-related funding are subject to conventions of this nature accepted by all the member countries.

The criteria for common funding are held under constant review and changes may be introduced as a result of new contingencies - for example, the need to develop clear definitions of those parts of NATO's peacekeeping costs which should be imputed to international budgets and those which should be financed by national budgets. Other changes in existing conventions relating to common funding may result from organisational or technological developments or simply from the need to control costs in order to meet requirements within specific funding limitations. Despite these challenges, the principle of common funding on the basis of consensus remains fundamental to the workings of the Alliance. It continues to be upheld by all the member countries and can be seen as a reflection of their political commitment to NATO and of the political solidarity which is the hallmark of the implementation of agreed NATO policies.

COST SHARING

As a general rule, all member countries participate in the expenditures which are accepted for common funding. Thus, all member countries contribute to financing the expenditures of the International Staff, the International Military Staff and Military Committee agencies and to the common-funded elements of

Peace Support Operations and Partnership for Peace activities. The expenditures of the NATO Airborne Early Warning and Control Force, however, are financed by the 13 countries participating in the Force. Expenditure relating to other parts or entities within the international military structure and expenditure under the NATO Security Investment Programme are shared according to the nature of the nations' participation in NATO's integrated command arrangements.

By convention, the agreed cost sharing formulae which determine each member country's contributions are deemed to represent each country's "ability to pay". However the basis for the formulae applied is as much political as it is economic. The formulae applied to the Civil and Military Budgets and to the NATO Security Investment Programme were originally negotiated in the early 1950s. They have subsequently been adapted, largely proportionally, to reflect new membership and differing degrees of participation in the integrated command arrangements. Their relationship to current measurements of relative economic capacity such as GDP or purchasing power parities is consequently imprecise.

Currently, the Civil Budget is financed under a single 19-nation formula. The greater part of the Military Budget covering the international military structure is financed under a slightly different 19-nation formula and two 18-nation formulae. The NATO Security Investment Programme is similarly financed under two different 19 and 18-nation cost-sharing formulae. The part of the military budget which funds the NATO Airborne Early Warning and Control Force is governed by a 13-nation and a 14-nation formula which reflect the industrial/commercial orientation of the cost sharing arrangements for the related procurement organisation, NAPMO (see Chapter 14).

Tables 1 and 2 show the range of member countries' cost shares under the civil and military budgets and for the NATO Security Investment Programme.

THE CIVIL BUDGET

The Civil Budget is established and executed under the supervision of the Civil Budget Committee and is primarily funded from the appropriations of Ministries of Foreign Affairs. It covers the operating costs of the International Staff at the NATO Headquarters in Brussels; the execution of approved civilian programmes and activities; and the construction, running and maintenance costs of facilities including the personnel costs associated with providing conference services for all meetings of NATO committees and subordinate groups, security services, etc. During recent years, a growing portion of budgetary

resources has been devoted to funding activities with Partner countries. The total budget approved for 2000 amounts to approximately US\$ 133 million¹. Personnel costs absorb approximately 61 percent (US\$ 80 million). Special programme costs such as those for the NATO Science Programme or for information activities consume approximately 26 percent (US\$ 35 million). The balance (13 percent or approximately US\$ 18 million) covers other operating and capital costs.

THE MILITARY BUDGET

The Military Budget, established and executed under the supervision of the Military Budget Committee, is largely financed from the appropriations of Ministries of Defence. It covers the operating and maintenance costs and, with the exception of major construction and system investments financed by the NATO Security Investment Programme, the capital costs of the international military structure. This includes the Military Committee, the International Military Staff and associated Agencies, the two NATO Strategic Commands (ACE and ACLANT) and associated command, control and information systems, research and development agencies, procurement and logistics agencies, and the NATO Airborne Early Warning and Control Force.

Currently, the budget also supports the operating costs of the NATO command structure for peacekeeping activities in Bosnia and Herzegovina and Kosovo. The total budget approved for 2000 amounts to approximately US\$ 751.5 million. It should be noted that this figure excludes the very substantial costs of assignment of military personnel, which are borne by the respective contributing countries. Of the common-funded total, mission operating and maintenance expenses absorb approximately 43 percent or US\$ 323 million; civilian personnel costs approximately 30 percent or US\$ 225 million; general administrative expenses approximately 22 percent or US\$ 166 million; and capital investment approximately 5 percent or US\$ 37.5 million.

THE NATO SECURITY INVESTMENT PROGRAMME (NSIP)

The NATO Security Investment Programme is implemented under the supervision of the Infrastructure Committee within annual contribution ceilings approved by the North Atlantic Council. The ceiling agreed for 2000 is approx-

1 Caution should be exercised when comparing figures given in this chapter with figures published in earlier editions of the Handbook. Changes may be due to fluctuations in the rate of the dollar.

imately equivalent to US\$ 688 million. The Programme finances the provision of the installations and facilities needed to support the roles of the NATO Strategic Commands recognised as exceeding the national defence requirements of individual member countries. The investments cover such installations and facilities as communications and information systems, radar, military headquarters, airfields, fuel pipelines and storage, harbours, and navigational aids. As is the case for the military budget, the NSIP Programme also covers the eligible requirements for Peace Support Operations such as SFOR and KFOR including Communications, Information Systems, Local Headquarters Facilities, Power Systems, and Repairs to Airfields, Rail, and Roads. The introduction of Partnership for Peace in 1994 added a new cooperative dimension to the programme. More recently, the Defence Capabilities Initiative, launched at the Washington Summit in 1999 has provided additional guidance on the future development of the programme.

RESOURCE MANAGEMENT

Since the mid 1990s, under pressures to optimise the allocation of military common-funded resources, member countries have reinforced NATO's management structure by promoting the development of "capability packages" and by establishing the Senior Resource Board (SRB) which has responsibility for overall resource management of NATO's military resources (i.e. excluding resources covered by the Civil Budget). The capability packages identify the assets available to and required by NATO military commanders to fulfil specified tasks. They are a prime means of assessing common-funded supplements (in terms of both capital investment and recurrent operating and maintenance costs) as well as the civilian and military manpower required to accomplish the task. These packages are reviewed by the Senior Resource Board composed of national representatives, representatives of the Military Committee and the NATO Strategic Commanders and the Chairmen of the Military Budget, Infrastructure and NATO Defence Manpower Committees. The Board endorses the capability packages from the point of view of their resource implications prior to their approval by the North Atlantic Council. It also annually recommends for approval by the North Atlantic Council a comprehensive Medium Term Resource Plan which sets financial ceilings for the following year and planning figures for the four subsequent years. Within these parameters the Military Budget and Infrastructure and Defence Manpower Committees oversee the preparation and execution of their respective budgets and plans. The Board further produces an Annual Report which allows the North Atlantic Council to monitor the adequacy of resource allocations in relation to requirements and to review the military common-funded resource implications for NATO's common-funded budgets of new Alliance policies.

FINANCIAL MANAGEMENT

Financial management within NATO is structured to ensure that the ultimate control of expenditure rests with the member countries supporting the cost of a defined activity and is subject to consensus among them. Control may be exercised, at all levels of decision-making, either in terms of general limitations or by specific restrictions. Examples of general limitations are the allocation of fixed resources or ceilings for operating costs and capital investment (as agreed by the Senior Resource Board) or civilian and military manpower complements, within which financial managers (the Secretary General, NATO Strategic Commanders and Subordinate Commanders and other designated Heads of NATO bodies) have relative discretion to propose and execute their budgets. Specific restrictions may take many forms, ranging from the imposition of specific economy measures to the temporary immobilisation of credits for a given purpose or the restriction of credit transfers. Such restrictions or controls may be stipulated in the terms in which approval of the budget is given or exercised by contributing countries through exceptional interventions in the course of the execution of the budget. Approval of the respective budgets can be seen as the translation into concrete measures of policies - political, organisational or financial - which contributing member countries wish to implement. Such policies evolve over time in response to the changing international environment and the requirement for corresponding adaptation of the Organisation's structures and tasks.

This dynamic process of adjustment over the five decades of the Alliance's existence largely explains the diversity and decentralisation of the financial management structure of NATO. No single body exercises direct managerial control over all four of the principal elements of the Organisation's financial structure, namely the International Staff (financed by the Civil Budget); the international military structure (financed by the Military Budget); the Security Investment Programme; and specialised Production and Logistics Organisations. The latter fall into two groups: those which are financed under arrangements applying to the international military structure; and those which operate under charters granted by the North Atlantic Council, with their own Boards of Directors and finance committees and distinct sources of financing within national treasuries.

The financial management of the organisational budgets (i.e. the Civil and Military Budgets) differs from that of the Security Investment Programme. The diversity and decentralisation of the financial management structure of the organisational budgets is sanctioned by Financial Regulations approved by the North Atlantic Council. The Regulations, which are complemented by rules and procedures adapting them to the particular requirements of the various NATO

bodies and programmes, provide basic unifying principles around which the overall financial structure is articulated.

The Regulations prescribe that each NATO body shall have its own budget, expressed in the currency of the host country, with exchange counter-values being determined via a common accounting unit. The budget is annual, coinciding with the calendar year. It is prepared under the authority of the Head of the respective NATO body, reviewed and recommended for approval on the basis of consensus by a finance committee composed of representatives of contributing member countries, and approved for execution by the North Atlantic Council. Failure to achieve consensus before the start of the financial year entails non-approval of the budget and the financing of operations, under the supervision of the finance committee, through provisional allocations limited to the level of the budget approved for the preceding year. This regime may last for six months, after which the Council is required to decide either to approve the budget or to authorise continuation of interim financing. This contingency measure, though rarely applied, reinforces the principle of collective intergovernmental control of expenditure implicit in the requirement for unanimous approval of the budget by all contributing member countries.

When the budget has been approved, the Head of the NATO body has discretion to execute it through the commitment and expenditure of funds for the purposes authorised. This discretion is limited by different levels of constraint prescribed by the Financial Regulations regarding such matters as recourse to restricted or full international competitive bidding for contracts for the supply of goods and services, or transfers of credit to correct over or under-estimates of the funding required. Discretionary authority to execute a budget may be further limited by particular obligations to seek prior approval for commitments and expenditure. These may occasionally be imposed by the finance committee in the interests of ensuring strict application of new policies or of monitoring the implementation of complex initiatives such as organisational restructuring.

While budgetary credits must be committed, to the extent justified by actual requirements, during the financial year for which they are approved, the liquidation of commitments by expenditure is permitted during the two succeeding financial years.

Implementation of the NATO Security Investment Programme has its starting point in the capability packages. Once these have been approved, authorisation of individual projects can commence under the responsibility of the Infrastructure Committee. The Host Nation (usually the nation on whose territory the project is to be implemented) prepares an authorisation request which includes the technical solution, the cost, a specification of eligibility for common-funding, and the bidding procedure to be followed. Particular arrange-

ments apply with regard to international competitive bidding procedures designed to facilitate maximum participation by member countries. If a nation wishes to carry out any type of bidding procedure other than international competitive bidding, it must request exemption from the Infrastructure Committee. When the Committee has agreed to the project, the Host Nation can proceed with its physical implementation.

The financial management system which applies to the Security Investment Programme is based on an international financial clearing process. Nations report on the expenditure foreseen on authorised projects within their responsibility. Nations will in most cases have expenditure either exceeding or below their agreed contribution to the budget. With international financial clearing these inequalities are balanced out by the transfer of funds between nations. Once a project has been completed, it is subject to a Joint Final Acceptance Inspection to ensure that the work undertaken is in accordance with the work authorised. Only when this report is accepted by the Infrastructure Committee does NATO formally take responsibility for the work and for the capability which it provides.

Currently, there are several levels of financial reporting. Twice a year the International Staff prepares for each Host Nation Semi-Annual Financial Reports. These report on projects under implementation. Quarterly, the pre-paysheet and paysheet are published. These reports refer to the transfer of funds between host nations. An NSIP Expenditure Profile is prepared every spring. This report covers the NSIP expenditure levels for the next 10 years. It focuses on resource allocation and serves as the basis for the NSIP portion of the Senior Resource Board's Medium Term Resource Plan. The NSIP Financial Statements are prepared in the spring of each year. The financial statements portray the financial situation of the NSIP as at 31 December of each year and the summary of activity during the year in a manner similar to that in private enterprise. The focus in this latter report is on financial reporting and it serves as the baseline for Infrastructure Committee discussion on the state of the NSIP.

FINANCIAL CONTROL

Although the Head of the respective NATO body is ultimately responsible for the correct preparation and execution of the budget, the administrative support for this task is largely entrusted to his Financial Controller. The appointment of this official is the prerogative of the North Atlantic Council, although the latter may delegate this task to the relevant finance committee. Each Financial Controller has final recourse to the finance committee in the case of persistent

disagreement with the Head of the respective NATO body regarding an intended transaction.

The Financial Controller is charged with ensuring that all aspects of execution of the budget conform to expenditure authorisations, to any special controls imposed by the finance committee and to the Financial Regulations and their associated implementing rules and procedures. He may also, in response to internal auditing, install such additional controls and procedures as he deems necessary for maintaining accountability. A major task of the Financial Controller is to ensure that the funds required to finance execution of the budget are periodically called up from contributing member countries in accordance with their agreed cost shares and in amounts calculated to avoid the accumulation of excessive cash holdings in the international treasury. The outcome of all these activities is reflected in annual financial statements prepared and presented for verification to the International Board of Auditors.

The International Board of Auditors is composed of representatives of national audit institutions. It operates under a Charter guaranteeing its independence, granted by the North Atlantic Council to which it reports directly. It has powers to audit the accounts of all NATO bodies, including the Production and Logistics Organisations, and the NATO Security Investment Programme. Its mandate includes not only financial but also performance audits. Its role is thus not confined to safeguarding accountability but extends to a review of management practices in general.

Table 1
PERCENTAGE COST SHARES OF NATO MEMBER COUNTRIES
CIVIL AND MILITARY BUDGETS

NATO Member Country	Civil Budget		Military Budget (Headquarters, Agencies and Programmes)		Military Budget (NATO Airborne Early Warning & Control Force)	
	"19"	"19"	"19"	"18"	"14"	"13"
Belgium	2.76	2.8	3.3	2.5869	3.2821	3.2821
Canada	5.35	5.33	5.95	7.1994	9.1343	9.1343
Czech Republic	0.9	0.9	1.08	0	0	0
Denmark	1.47	1.68	1.94	1.5282	1.9389	1.9389
France	15.35	15.25	0	0	0	0
Germany	15.54	15.54	18.2	21.4886	27.2638	27.2638
Greece	0.38	0.38	0.46	0.4728	0.5999	0.5999
Hungary	0.65	0.65	0.78	0	0	0
Iceland	0.05	0.04	0.05	0	0	0
Italy	5.75	5.91	7.08	5.5485	7.0397	7.0397
Luxembourg	0.08	0.08	0.1	0.0825	0.1045	0.1045
Netherlands	2.75	2.84	3.28	2.8625	3.6317	3.6317
Norway	1.11	1.16	1.36	1.1146	1.4142	1.4142
Poland	2.48	2.48	2.97	0	0	0
Portugal	0.63	0.63	0.75	0.5323	0.6754	0.6754
Spain	3.5	3.5	4.19	2.77	3.1	3.1
Turkey	1.59	1.59	1.9	1.2419	1.5757	1.5757
United Kingdom	17.25	16.09	19.12	20.8558	0	0
United States	22.41	23.15	27.49	31.716	40.239	40.239
Total	100	100	100	100	100	100

Table 2
PERCENTAGE COST SHARES OF NATO MEMBER COUNTRIES
NATO SECURITY INVESTMENT PROGRAMME

NATO Member Country	Expenditures shared at 18	Expenditures shared at 19
Belgium	4.24	3.72
Canada	4.025	3.22
Czech Republic	1.0333	0.9
Denmark	3.44	3
France	0	12.9044
Germany	23.135	20.254
Greece	1.05	1
Hungary	0.7463	0.65
Iceland	0	0
Italy	9.1	7.745
Luxembourg	0.2	0.1845
Netherlands	4.74	4.14
Norway	2.895	2.6
Poland	2.8474	2.48
Portugal	0.392	0.345
Spain	3.7793	3.2916
Turkey	1.13	1.04
United Kingdom	11.7156	10.1925
United States	25.5311	22.333

Table 3*
DEFENCE EXPENDITURES OF NATO COUNTRIES (1980-2000)
 (Based on current prices and exchange rates. Currency unit = millions)

MEMBER COUNTRY (CURRENCY)	1980	1985	1990	1995	1996	1997	1998	1999	2000 (EST)
Belgium (Belgian francs)	115 754	144 183	155 205	131 156	131 334	131 796	133 007	136 252	140 256
Czech Republic (Czech koruny)	//	//	//	//	//	//	//	41 167	44 022
Denmark (Danish kroner)	9 117	13 344	16 399	17 468	17 896	18 521	19 079	19 428	19 349
France	110 514	186 715	231 911	238 432	237 375	241 103	236 226	239 488	243 936
Germany (DM)	48 518	58 650	68 376	58 986	58 671	57 602	58 327	59 854	59 617
Greece (Drachmas)	96 975	321 981	612 344	1 171 377	1 343 276	1 510 684	1 724 621	1 853 189	1 981 984
Hungary (Forint)	//	//	//	//	//	//	//	187 672	218 023
Italy (1000 Italian lire)	7 643	17 767	28 007	31 561	36 170	38 701	40 763	43 062	4 3002
Luxembourg (Lux. francs)	1 534	2 265	3 233	4 194	4 380	4 797	5 197	5 330	5 468
Netherlands (Dutch guilder)	10 476	12 901	13 513	12 864	13 199	13 345	13 561	14 534	14 192
Norway (Norw. kroner)	8 242	15 446	21 251	22 224	22 813	23 010	25 087	25 809	25 675
Poland (Zlotys)	//	//	//	//	//	//	//	12 599	14 065
Portugal (Escudos)	43 440	111 375	267 299	403 478	401 165	418 772	420 654	452 843	475 178
Spain (Pesetas)	350 423	674 883	922 808	1 078 751	1 091 432	1 123 046	1 124 054	1 180 075	1 266 429
Turkey (1000 Turkish lira)	203	1 235	13 866	302 864	611 521	1 183 327	2 289 430	4 167 636	6 998 960
United Kingdom (Pounds sterling)	11 593	18 301	22 287	21 439	22 330	21 612	22 551	22 548	22 823
Total NATO Europe (US dollars)	111 981	92 218	186 189	184 352	186 821	172 732	175 306	179 671	164 559
Canada (Canadian dollars)	5 788	10 332	13 473	12 457	11 511	10 831	11 168	12 360	11 948
United States (US dollars)	138 191	258 165	306 170	278 856	271 417	276 324	274 278	280 969	296 373
Total North America (US dollars)	143 141	265 731	317 717	287 933	279 860	284 146	281 806	289 288	304 441
Total NATO (US dollars)	255 122	357 949	503 906	472 284	466 681	456 879	457 112	468 960	468 999

The figures given in Table 3 represent payments actually made or to be made during the course of the fiscal year. They are based on the definition of defence expenditures used by NATO. In view of the differences between this and national definitions, the figures shown may diverge considerably from those which are quoted by national authorities or given in national budgets. For countries providing military assistance, this is included in the expenditures figures. For countries receiving assistance, figures do not include the value of items received. Expenditures for research and development are included in equipment expenditures and pensions paid to retirees in personnel expenditures.

France is a member of the Alliance without belonging to the integrated military structure and does not participate in collective force planning. The defence data relating to France are indicative only.

Iceland has no armed forces. The Czech Republic, Hungary and Poland joined the Alliance in 1999.

* Source: Financial and Economic Data Relating to NATO Defence, M-DPC-2(2000)107 published on 5.12.2000.

Table 4
DEFENCE EXPENDITURES OF NATO COUNTRIES AS % OF GROSS DOMESTIC PRODUCT
(1980-2000)
(Based on current prices) (averages)

MEMBER COUNTRY (CURRENCY)	1980- 1984	1985- 1989	1990- 1994	1995- 1999	1996	1997	1998	1999	2000 (Est.)
Belgium (Belgian francs)	3.2	2.8	2.0	1.5	1.6	1.5	1.5	1.4	1.4
Czech Republic (Czech koruny)	//	//	//	//	//	//	//	2.2	2.3
Denmark (Danish kroner)	2.4	2.0	1.9	1.7	1.7	1.7	1.6	1.6	1.5
France (French francs)	4.0	3.8	3.4	2.9	3.0	2.9	2.8	2.7	2.7
Germany (DM)	3.3	3.0	2.1	1.6	1.6	1.6	1.5	1.5	1.5
Greece (Drachmas)	5.3	5.1	4.4	4.6	4.5	4.6	4.8	4.8	4.9
Hungary (Forinth)	//	//	//	//	//	//	//	1.6	1.7
Italy (1000 Italian lire)	2.1	2.3	2.1	1.9	1.9	1.9	2.0	2.0	1.9
Luxembourg (Lux. francs)	1.0	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.7
Netherlands (Dutch guilder)	3.0	2.8	2.3	1.8	1.9	1.8	1.7	1.8	1.6
Norway (Norw. kroner)	2.7	2.9	2.8	2.2	2.2	2.1	2.3	2.2	1.9
Poland (Zlotys)	//	//	//	//	//	//	//	2.0	2.0
Portugal (Escudos)	2.9	2.7	2.6	2.3	2.4	2.4	2.2	2.2	2.2
Spain (Pesetas)	2.3	2.1	1.6	1.4	1.4	1.4	1.3	1.3	1.3
Turkey (1000 Turkish lira)	4.0	3.3	3.8	4.4	4.1	4.1	4.4	5.4	6.0
United Kingdom (Pounds sterling)	5.2	4.5	3.8	2.8	3.0	2.7	2.7	2.5	2.4
Total NATO Europe (US dollars)	3.5	3.2	2.6	2.2	2.2	2.2	2.1	2.1	2.1
Canada (Canadian dollars)	2.0	2.1	1.9	1.4	1.4	1.2	1.3	1.3	1.2
United States (US dollars)	5.6	6.0	4.7	3.3	3.5	3.3	3.1	3.0	3.0
Total North America (US dollars)	5.3	5.6	4.4	3.2	3.3	3.2	3.0	2.9	2.9
Total NATO (US dollars)	4.5	4.5	3.5	2.7	2.8	2.7	2.6	2.6	2.5

