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# DEFENCE EXPENDITURES OF LEADING WORLD POWERS IN THE CONTEXT OF ENSURING MILITARY SECURITY

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## Abstract

The article examines current trends in defence financing among leading world powers. A comparative analysis of the structural elements of defence budgets in the United States, China, Russia, France and other countries has been conducted. Key priorities in defence funding are identified and proposals are provided for optimizing Ukraine's defence budget based on international experience. Particular attention is paid to the dynamics of global defence spending in the context of geopolitical challenges and the technological transformation of modern warfare.

**Key words:** defence budget, military expenditures, military security, armaments, armed forces, strategy.

## Introduction

In today's global geopolitical environment, characterized by increasing tensions in international relations, the issue of forming and effectively utilizing defence budgets has gained strategic importance. The armed aggression of the Russian Federation against Ukraine, China's growing military-political assertiveness, North Korea's missile threats, and instability across the Middle East and Africa have all prompted a rethinking of national approaches to defence and security policy.

Alongside traditional threats, new challenges are becoming increasingly prominent: cyberattacks, disinformation, space-based competition, and hybrid warfare. Under such conditions, technological innovation in the military domain becomes a critical factor not only in deterrence but also in achieving strategic superiority.

The aim of this study is to explore the trends in defence budget formation among leading countries, analyse their priorities in military funding, and develop proposals for enhancing Ukraine's defence budget under the conditions of ongoing war and its aspirations toward NATO integration.

## Result

### 1. Trends and Structure of Defence Expenditures Among Leading Global Powers (USA, China, Russia, NATO)

As of 2023, global military expenditures reached a record \$2.24 trillion USD, representing a 3.7% increase compared to 2022. The United States, China, and Russia were the principal contributors, accounting for 39%, 13%, and 3.9% of global military spending, respectively (SIPRI, 2023).

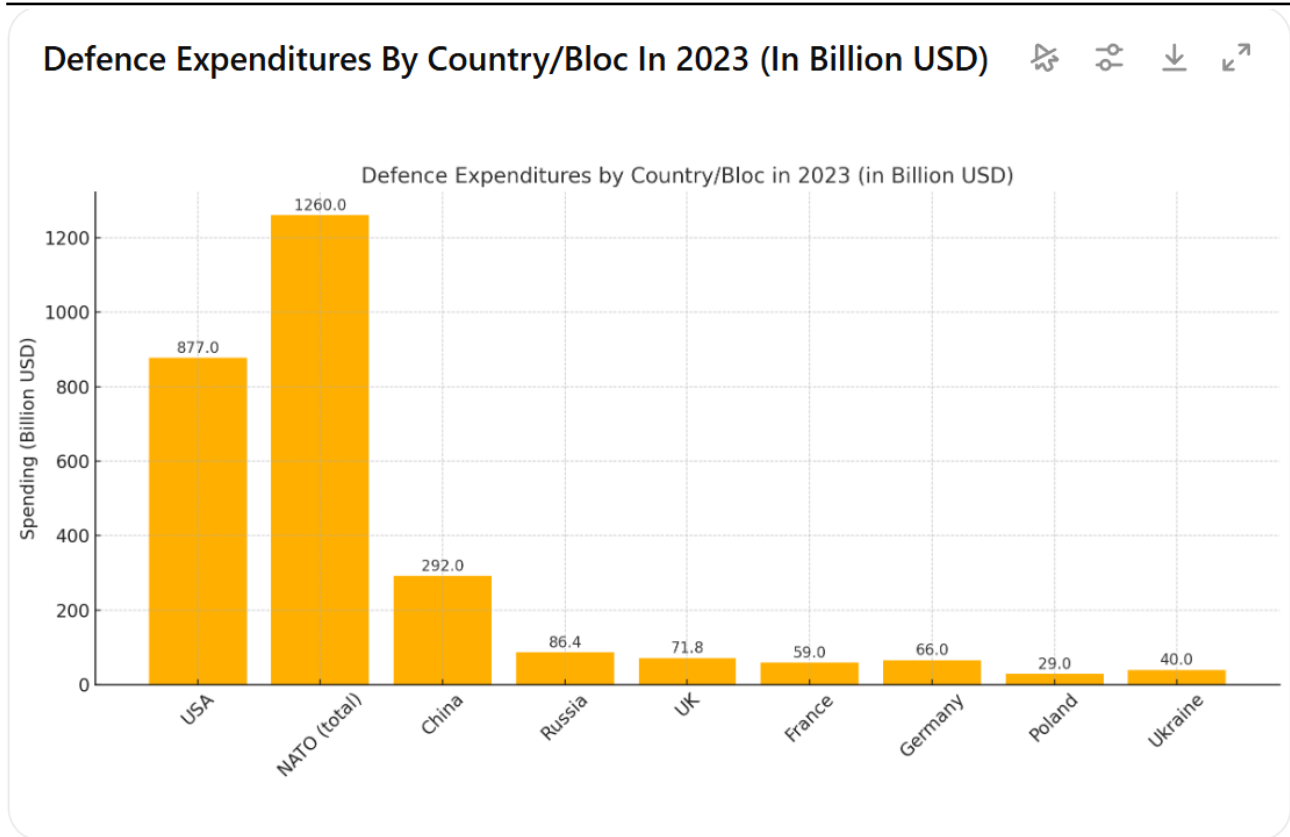


Figure 1: Defence Expenditures of Selected Countries in 2023 (in Billion USD)

The United States spent \$877 billion on defence in 2023, prioritising strategic nuclear forces, navy and air force modernisation, cyber and space operations, and support for allies — especially Ukraine — in the context of the ongoing war. The Indo-Pacific region remained a key strategic focus.

China's 2023 defence budget amounted to approximately \$292 billion USD. Beijing continued to prioritise military-civil fusion, high-precision missile systems, naval power enhancement, and artificial intelligence. Significant advances included the deployment of new Type 055 destroyers and progress on its next-generation aircraft carrier.

Russia's military expenditure for 2023 is estimated at \$86.4 billion USD. Despite sanctions, Moscow concentrated resources on sustaining operations in Ukraine, rearming ground forces, and expanding drone and artillery production. Hidden budget items reportedly comprised over 25% of total defence spending.

In NATO, the collective expenditure of its 31 member states reached \$1.26 trillion USD, accounting for more than 55% of global spending. Central and Eastern European nations — including Poland and the Baltic states — significantly boosted investments in air defence, heavy armour, and NATO logistics infrastructure. Poland spent over \$29 billion USD, exceeding 4% of its GDP — the highest among the alliance.

## 2. Defence Planning in Western European Countries

France, the United Kingdom, and Germany have demonstrated consistent commitment to strategic defence planning and rearmament. In 2023, France's defence budget stood at €54.6 billion (approx. \$59 billion USD), with plans to raise it to €69 billion by 2030 under the Military Programming Law 2024–2030. Priorities include space and cyber capabilities, nuclear modernisation, and the Scorpion programme for next-generation armoured vehicles.

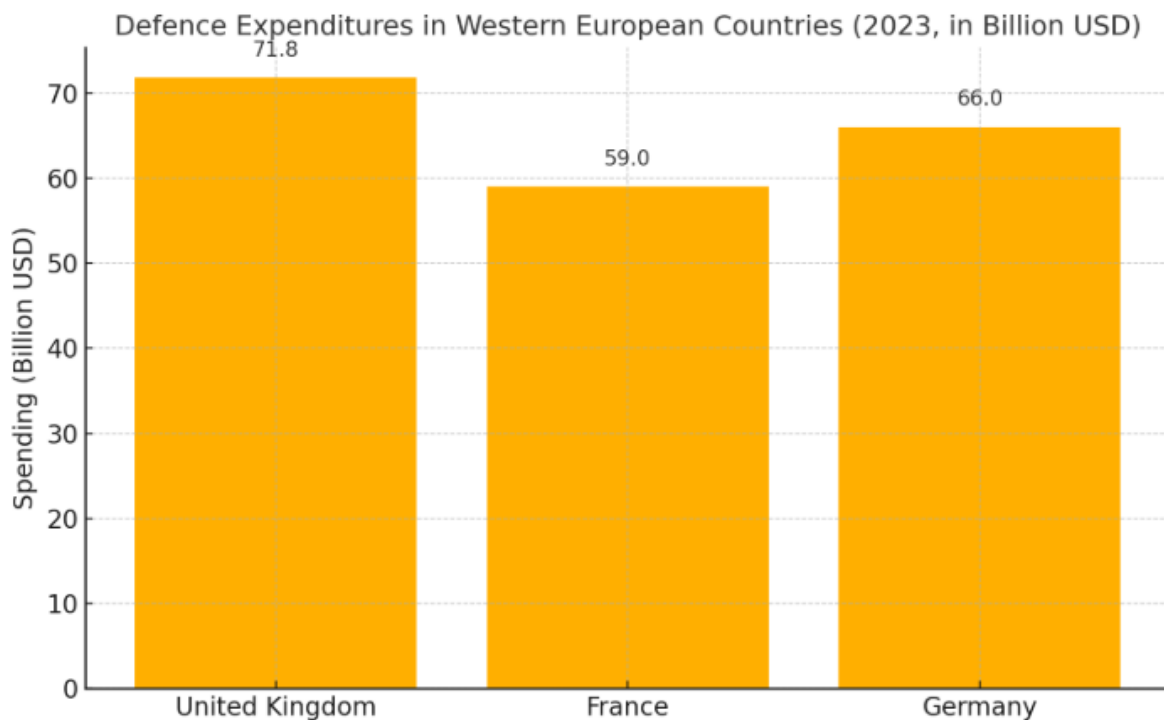

Defence Expenditures In Western European Countries (2023, I... 

Figure 2: Defence Expenditures in Western European Countries in 2023 (in Billion USD)

The United Kingdom's defence budget reached \$71.8 billion in 2023. Major initiatives included the "Future Soldier" programme, procurement of Type 26 destroyers, development of the Tempest 6th-generation fighter, and increased presence in the Arctic and Indo-Pacific.

Germany spent over \$66 billion USD, surpassing the NATO 2% of GDP threshold for the first time in a decade. The €100 billion special fund enabled accelerated investments in air defence, digital command systems, and Bundeswehr modernisation.

A common feature across Western European defence planning is multi-year programme-based budgeting, integration of private industry and academia, and sustained focus on emerging technologies.

### 3. Ukraine's Defence Financing in the Context of War

In 2023, Ukraine's total budgetary allocations for security and defence reached UAH 1.5 trillion, amounting to over 21% of total state expenditures and more than 7% of GDP. Over UAH 1 trillion was directed at the Ministry of Defence, covering operational costs and limited modernisation.

Between 2021 and 2023, Ukraine demonstrated a steady upward trend in defence spending, with defence allocations more than doubling due to the full-scale Russian invasion. While this reflects strong political will and societal support for national defence, the sustainability of such spending remains under pressure due to macroeconomic constraints, external debt obligations, and war-related disruptions in production and exports.



Figure 3: Ukraine's Defence Expenditures (2021–2023), in UAH Trillion

A key risk for Ukraine's defence financing is the imbalance between short-term operational needs and long-term development goals. The predominance of current expenditures (personnel, logistics, consumables) over capital investments (R&D, production, procurement) undermines strategic resilience. Additionally, high inflation and hryvnia volatility weaken the real value of procurement and increase dependency on foreign currency financing.

Ukraine's defence budget has been significantly supported by foreign military assistance. In 2023, partners such as the United States, European Union, United Kingdom, Poland, and the Nordic states provided tens of billions of dollars in aid, including lethal weapons, air defence systems, ammunition, and logistics support. According to Ukraine Support Tracker (Kiel Institute), the United States alone committed over \$40 billion in military aid between 2022–2023.

International support also plays a critical role in covering fiscal gaps, with macro-financial assistance and grants from the EU, IMF, and World Bank helping to stabilise the state budget, allowing Ukraine to allocate domestic resources for military needs.

To address current and future challenges, Ukraine must:

- implement multi-year defence planning integrated with national economic strategy;
- enhance transparency in defence procurement, especially amid emergency procedures;
- shift from donor-dependent budgeting to co-financed development of critical capabilities;
- deepen interoperability with NATO standards not only in doctrine, but in budgeting, auditing, and programme management.

Ukraine's ability to maintain high-intensity operations while preparing for long-term rearmament and transformation will determine its strategic endurance and post-war military posture.

## **Conclusions**

Global experience underscores the strategic importance of technology, long-term planning, and adaptive funding in national defence systems. Leading nations invest not only in traditional capabilities but also in AI, cyberdefence, and space operations. For Ukraine, embracing these approaches is vital amid a protracted war. Transitioning to a technology-oriented defence posture and aligning with NATO standards will be key to achieving military resilience and strategic autonomy.

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