



n.b. P.M.  
JHP

2/10

Treasury Chambers, Parliament Street, SW1P 3AG  
071-270 3000

28 September 1990

Barry Potter  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON  
SW1

*Dear Barry*

**UK INTERNATIONAL EXPENDITURE**

You asked how UK international expenditures compared with those of other major countries.

... I attach a note which attempts to do this. I hope it is useful.

*Touced Tarkowski*

**T TARKOWSKI**  
Private Secretary

FROM: MRS S N FLINT - AEF1  
 DATE: 27 SEPTEMBER 1990  
 Ext: 4897

MR TARKOWSKI

cc: Mrs Brown - AEF1  
 Mr Rew - AEF1

#### UK INTERNATIONAL EXPENDITURE

You asked for figures on the UK's total expenditure internationally and also for comparative figures for France, West Germany, the US and Japan.

2. Shown below are total figures for UK expenditure overseas in 1989. Approximate figures for France and Germany's EC contributions and also net official development assistance for all 4 countries are given. Comparative figures for the other items do not appear to be available. IF division here, the FCO and CSO do not have access to any such figures and suggested that they would not be available within the UK. I must stress that the figures given below are from a variety of different sources, and there is no guarantee that the figures are directly comparable. The net EC contributions for other countries are estimates, based on 1988 figures. The most reliable, directly, comparable figures are those for official development assistance or oda.

#### 3. UK EXPENDITURE

|                                          | 1989  | £m |
|------------------------------------------|-------|----|
| Net contribution to EC                   | 2300  |    |
| [Of which aid:]                          | [138] |    |
| Other aid <sup>1</sup>                   | 1364  |    |
| Assistance to E Europe                   | 3     |    |
| International subscriptions <sup>2</sup> | 379   |    |
| Export Credit                            | 604   |    |
| Military <sup>3</sup>                    | 54    |    |
| Military grants <sup>4</sup>             | 25    |    |
| Social Security benefits <sup>5</sup>    | 537   |    |
|                                          | 5266  |    |

1. Excludes EC aid. Includes bilateral aid, multilateral assistance including contributions to international organisations such as the European Development Fund and agencies of the UN to provide assistance to developing countries, also subscriptions to the International Development Association and regional development banks.
  2. Includes subscription to the European Investment Bank and subscriptions to cover the administrative expenses of various international organisations.
  3. Contributions to the military budget and pension scheme of NATO and its agencies.
  4. Cash grants for military purposes and the value of goods and services of a military nature provided without charge to overseas countries and international organisations by the UK government.
  5. National insurance, retirement and war pensions paid to overseas residents, net of contributions received from overseas residents.
4. The UK figures for the net contribution to the EC and total aid are not directly comparable on an international basis. UK figures for EC contributions include total receipts to the private sector, figures for which are not available internationally. The OECD's Development Assistance Committee has agreed that the only internationally comparable standard for measuring aid is official development assistance (oda). Only some of the total UK aid programme is concessional enough to be classed as oda.

#### UK EXPENDITURE

| COMPARABLE INTERNATIONALLY | 1989  | £m |
|----------------------------|-------|----|
| Net EC contribution        | 2100  |    |
| Net oda                    | 1340  |    |
| oda as % of GNP            | 0.31% |    |

1989

£m

## WEST GERMANY

|                     |       |
|---------------------|-------|
| Net EC contribution | 3900  |
| Net oda             | 2568  |
| oda as % of GNP     | 0.41% |

## FRANCE

|                         |      |
|-------------------------|------|
| Net EC contribution     | 900  |
| (a) net oda (incl DOM)* | 3871 |
| (b) net oda (excl DOM)  | 2665 |
| oda at (a) as % of GNP  | 0.78 |
| oda at (b) as % of GNP  | 0.54 |

\* Includes French territories abroad which are classed as being part of France.

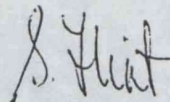
## JAPAN

|                 |      |
|-----------------|------|
| Net oda         | 4644 |
| oda as % of GNP | 0.32 |

## UNITED STATES

|                 |      |
|-----------------|------|
| Net oda         | 3970 |
| oda as % of GNP | 0.15 |

5. I am sorry that I am unable to provide a wider-ranging comparison but I hope these figures will be useful.



MRS S N FLINT