

Iran Politics Report

January 23, 2019

The Direction of Iran's New Year Defense Budget

Source: Tasnim, BBC Persian, Radio Farda, ISNA

- Iran's total military budget for the new Persian year stands at 62 trillion rials.
- Iran's Military budget has had a 27 % decrease for the year 1398 in the Persian calendar.
- No official figures have been announced for the new budget, but a reliable analyst had reported that the budget of the regular army was drastically cut, while the budget of the IRGC was increased to nearly \$5 billion.

The change of rate in the 7 military institutions in Iran:

Intelligence Ministry: +31%

Police: -0.3%

Defense Ministry: -49.4%

Army Joint HQ: -9%

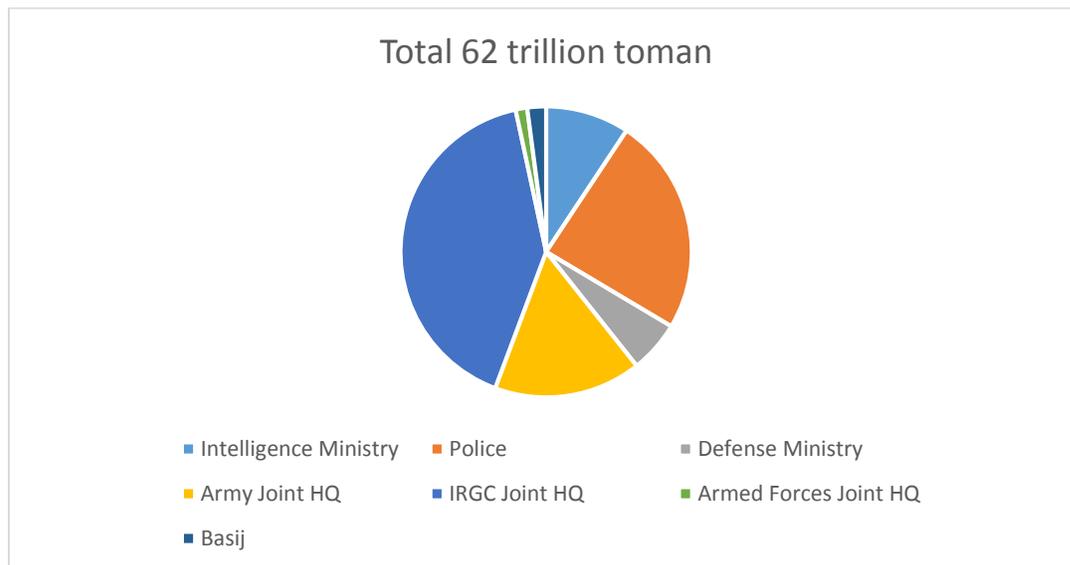
IRGC Joint HQ: +26%

Armed Forces Joint HQ: -75%

Basij: +1.5%

Total budget of the 7 institutions: -0.4%

The share of Iran's military and security institutions out of a total of 62 trillion toman



Iran's defense budget covers spending for the army, the IRGC, the Basij, the Defense Ministry, and the Joint Staff of the Armed Forces. Iran's total annual defense budget for the next year has been decreased by 27.3 percent while the budget for the Defense Ministry, which manufactures hardware such as missiles, has been decreased by 50 percent.

The IRGC's overall budget was increased from 202 trillion to 255 trillion rials or \$4.7 billion. This comes while the budget for Iran's conventional army (Artesh) was decreased to 102 trillion rials from the current year's 111 trillion rials, or less than half of the IRGC budget.

At the same time, there has been a decline in the Joint Staff of the Iranian Armed Forces budget from this year's 29 trillion rials to 4 trillion rials for next year, from what appears to be a draconian cut.

In the intelligence sector, the budget for the Intelligence Ministry's foreign intelligence has had an over 30% increase.

Iran's official budget numbers should be taken with a grain of salt, especially when it comes to military and intelligence activities. Given lack of overall transparency, money from various sources can be funneled to clandestine activities.

In January 2018, the Rouhani administration withdrew some \$4.8 billion from the National Development Fund to amend the budget allocated to the IRGC and state-controlled broadcaster IRIB.

IRGC controls many businesses and no one knows how the proceeds are spent. The government can also be forced by hardliners and the IRGC to withdraw money from the country's hard currency reserves, which are set aside for future contingencies.

IRAN HAS A STRONGER MILITARY THAN ISRAEL

GlobalFirePower ranks Iran as 13th strongest military and placed Israel as 16th, below Brazil and Indonesia.

Source: Jpost, January 21, 2019

It was the third year in a row that Israel fell in the site's ranking, falling one spot from the previous year and down five spots when it ranked 11th in 2016. Iran, meanwhile, climbed to 13th in 2018 from 20th in 2017.

According to the defense site, it only takes conventional military capabilities into account when compiling and factors in another 55 criteria, such as the range of weapons in its arsenal, amount of available manpower, abilities of the local defense industries, as well as natural resources, geographical size and economic strength. "The unique, in-house formula allows for smaller, more technologically-advanced nations to compete with larger, though lesser-developed ones," the site

said, adding that “a perfect PwrIndex (Power Index) score is 0.0000 which is realistically unattainable in the scope of the GFP formula.”

The site also allows for one to compare two specific countries against each other, showing military data such as total manpower available, active personnel, total amount of reservists, and total military personnel. The site also shows the total amount of arms such as aircraft, tanks, naval assets as well as artillery strength.

A comparison between Iran and Israel shows that while Iran has significantly more naval assets than Israel (398 versus 65), Iran has a total coastline of 2,440 km. compared to Israel’s 273 km.

Israel has far greater tank strength (2,760 assets versus 1,650) and has some 10,575 armored fighting vehicles, compared to Iran’s 2,215. The total amount of aircraft between the two countries are close, with Israel having 596 aircraft versus Iran’s 505.

According to the site, Israel’s total military personnel stands at 615,000, compared to Iran’s 934,000. But Iran’s total population is significantly larger than Israel, with 82 million people versus Israel’s 8.3 million people. Jerusalem meanwhile has a defense budget of \$20 billion versus Tehran’s budget of \$6.3 billion.

The United States topped the defense site’s list as the strongest military force, followed by Russia and China in second and third places, respectively. India placed fourth, followed by France and the United Kingdom.

In the Middle East, while Israel was outranked by Iran, Egypt (12) and Turkey (9), it continued to outrank other countries in the region, including Saudi Arabia (26), Syria (49), Jordan (76) and Lebanon (106).

While the Jewish state placed higher than other Western countries, like Canada (25) and Poland (22), it nevertheless ranked below Germany (10), Italy (11) Brazil (14) and Indonesia (15).

North Korea placed 18th in the list.