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Russia to Boost Military Spending to 40% of State Budget in 2025 – Bloomberg

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Maxim Shipenkov / EPA / TASS

Russia plans to boost defense spending to 13.2 trillion rubles ($142 billion) in 2025 from 10.4 trillion rubles projected for this year, Bloomberg reported Monday, citing draft budget proposals it had seen.

That increase would represent 6.2% of Russia's projected GDP, a historically high figure as the war in Ukraine shows little sign of ending anytime soon. Likewise, defense and national security spending would account for 40% of total government expenditures in 2025, surpassing the combined allocations for education, healthcare, social policies and the national economy, according to Bloomberg.

At the same time, Bloomberg reported that 30% of the 2025 budget — 12.9 trillion rubles — is allocated for classified or unspecified items, an increase from 11.1 trillion rubles in 2024.

In 2026 and 2027, Russia plans to decrease defense spending slightly, to 5.6% and 5.1% of

GDP, respectively. However, spending on national defense would still be higher than current levels, and several times higher than pre-war levels.

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Despite the war-driven surge in spending, the 2025 budget is expected to have a deficit of 0.5% of GDP, down from 1.7% in 2024, thanks to projected tax hikes, a progressive wealth tax, and increased non-oil and gas revenues, according to Bloomberg.

The draft budget for 2025-2027 is set to be submitted to lawmakers on Monday.

Last week, President Vladimir Putin listed defense spending and the integration of occupied Ukrainian territories among the government's top priorities for the upcoming draft budget.

Analysts have said that even after the war in Ukraine ends, Russia would need to maintain higher-than-average levels of defense spending for several years to rebuild its armed forces, with some military experts estimating the country may need 8 years to rebuild its military fully.

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