

# 7. International arms transfers

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## I. Introduction

The volume of international transfers of major conventional weapons continues to increase. The upward trend in the volume of deliveries that began in 2005 continued in 2009, and the average annual level for the period 2005–2009 was 22 per cent higher than the annual average for 2000–2004 (see figure 7.1).<sup>1</sup>

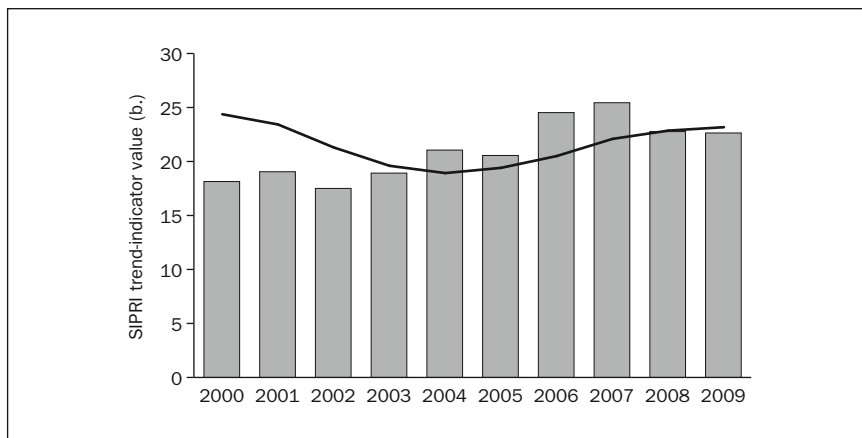
The five largest suppliers for 2005–2009—the United States, Russia, Germany, France and the United Kingdom—accounted for 76 per cent of the volume of exports of major conventional weapons, down from 80 per cent in 2000–2004 (see table 7.1). Although the dominant position of the USA and Russia as by far the largest suppliers of arms is unlikely to be challenged in the near future, the number of second-tier arms suppliers is growing. Several governments in major arms-exporting states are making high-level political visits to potential recipients and establishing or reorganizing arms export promotion agencies to assist their domestic arms industries in securing export contracts.<sup>2</sup> Section II of this chapter details significant developments among the main supplier states in 2009.

The major recipient region for the period 2005–2009 was Asia and Oceania (41 per cent of all imports), followed by Europe (24 per cent), the Middle East (17 per cent), the Americas (11 per cent) and Africa (7 per cent). The major recipient countries for 2005–2009 were China (9 per cent), India (7 per cent), South Korea (6 per cent), the United Arab Emirates (UAE, 6 per cent) and Greece (4 per cent). In the period 2005–2009 the volume of arms transferred to China was 20 per cent lower than in 2000–2004 and to India was 7 per cent lower.

Recent acquisitions by certain states in Latin America, the Middle East, North Africa and South East Asia suggest that a pattern of reactive arms

<sup>1</sup> SIPRI data on arms transfers refers to actual deliveries of major conventional weapons. SIPRI uses a trend-indicator value (TIV) to compare the data on deliveries of different weapons and to identify general trends. TIVs give an indication only of the volume of international arms transfers and not of the actual financial values of such transfers. Since year-on-year deliveries can fluctuate, a 5-year moving average is employed to provide a more stable measure of trends. For a description of the TIV and its calculation see appendix 7A and the SIPRI Arms Transfers Programme website at <<http://www.sipri.org/databases/armstransfers/background>>.

<sup>2</sup> On developments in arms production see chapter 6 in this volume.



**Figure 7.1.** The trend in international transfers of major conventional weapons, 2000–2009

*Note:* The bar graph shows annual totals and the line graph shows the five-year moving average. Five-year averages are plotted at the last year of each five-year period. See appendix 7A for an explanation of the SIPRI trend-indicator value.

*Source:* SIPRI Arms Transfers Database, as of 12 Feb. 2010, <<http://www.sipri.org/databases/armstransfers/>>.

acquisitions is emerging, that could develop into regional arms races. There have been significant increases in the volume of arms imported by Israel (102 per cent), Singapore (147 per cent) and Algeria (102 per cent). While these three states were not among the 10 largest arms importers for the period 2000–2004, they ranked sixth, seventh and ninth for 2005–2009, respectively. To illustrate the concerns raised by these trends, section III of this chapter examines arms transfers to North Africa.

Iraqi armed forces are re-equipping themselves following the 2003 invasion and subsequent conflict. The United Nations arms embargo on the Iraqi Government was lifted in 2004, and in 2005–2009 Iraq was the 24th largest recipient of major conventional arms.<sup>3</sup> As the country prepares for the final withdrawal of foreign armed forces, section IV discusses international transfers to the Iraqi armed forces.

Section V presents conclusions.

Appendix 7A explains the methodology behind SIPRI's data collection and the trend-indicator value used to measure the volume of arms transfers. It provides trend-indicator value (TIV) data on all recipients and suppliers of major conventional weapons for the period 2005–2009.<sup>4</sup> Although an estimate of the total financial value of the global arms trade in 2008

<sup>3</sup> On developments in multilateral arms embargoes see appendix 12A in the volume.

<sup>4</sup> On TIV see note 1.

**Table 7.1.** The five largest suppliers of major conventional weapons and their main recipients, 2005–2009

Supplier	Share of global arms exports (%)	Main recipients (share of supplier's transfers, %)		
		1st	2nd	3rd
USA	30	South Korea (14)	UAE (11)	Israel (11)
Russia	23	China (35)	India (24)	Algeria (11)
Germany	11	Turkey (14)	Greece (13)	South Africa (12)
France	8	UAE (25)	Singapore (21)	Greece (12)
UK	4	USA (23)	India (15)	Saudi Arabia (10)

UAE = United Arab Emirates.

Source: SIPRI Arms Transfers Database, <<http://www.sipri.org/databases/armstransfers/>>.

cannot be given, appendix 7B presents official data on the financial value of orders, export licences and arms exports for 1999–2008. Appendix 7C describes the current status of existing mechanisms for international public transparency in arms transfers. Except where indicated, the information on deliveries and contracts referred to in this chapter is taken from the SIPRI Arms Transfers Database.<sup>5</sup>

## II. Major supplier developments, 2009

### The United States

In August 2009 US President Barack Obama initiated a comprehensive review of the US export control system.<sup>6</sup> It remains unclear when this review will be completed or what impact it will have on US transfers of arms, military equipment and related technologies. In its first year in office, the Obama Administration showed little sign of departing from the preceding Administration of President George W. Bush regarding the supply of arms to states long-regarded as allies in regions of tension or involved in efforts to combat international terrorism. The USA continues to restrict transfers of technology to key allies (e.g. technology associated with the F-35 Joint Strike Fighter, JSF, combat aircraft programme). By early 2010

<sup>5</sup> The SIPRI Arms Transfers Database, available at <[http://www.sipri.org/databases/arms\\_transfers/](http://www.sipri.org/databases/arms_transfers/)>, contains data on all transfers of major conventional weapons between 1950 and 2009. The data for 2005–2009 and for 2009 on which most of this chapter is based is given in the 'Register of major conventional weapon transfers, 2009' and the 'Register of major conventional weapons, 2005–2009', which are available at <[http://www.sipri.org/databases/armstransfers/recent\\_trends](http://www.sipri.org/databases/armstransfers/recent_trends)>. The data on which this chapter is based is valid as of 12 Feb. 2010. The figures in this chapter may differ from those in previous editions of the SIPRI Yearbook because the SIPRI Arms Transfers Database is updated annually.

<sup>6</sup> White House, Statement of the press secretary, 13 Aug. 2009, <[http://www.whitehouse.gov/the\\_press\\_office/Statement-of-the-Press-Secretary/](http://www.whitehouse.gov/the_press_office/Statement-of-the-Press-Secretary/)>.

the US Congress had still not ratified defence cooperation treaties agreed in 2007 with the UK and Australia.

For 2005–2009, Asia and Oceania accounted for 39 per cent of US deliveries of major conventional weapons, followed by the Middle East (36 per cent) and Europe (18 per cent).<sup>7</sup> South Korea was the largest recipient of US exports of major conventional weapons for 2005–2009 (see table 7.1). The USA delivered 40 F-15K combat aircraft and advanced air-to-air and air-to-surface missiles to South Korea in this period, with 21 more F-15Ks on order. In addition, it continues to provide equipment for South Korea's indigenously built destroyers and frigates.

Pakistan accounted for around 3 per cent of US exports for 2005–2009. Most of these deliveries were provided as aid for use in counterterrorism efforts. US military (and economic) aid to Pakistan was secured with the Enhanced Partnership with Pakistan Act in October 2009.<sup>8</sup> This act makes the provision of aid conditional on Pakistan increasing its cooperation with the USA in combating al-Qaeda and the Taliban. This conditionality has drawn criticism from the Pakistani military leadership and media, which have expressed concern that it infringes on Pakistan's sovereignty.<sup>9</sup> Although the USA accounted for 35 per cent of Pakistan's arms imports for 2005–2009, China was Pakistan's largest supplier for this period, accounting for 37 per cent of imports. China's share is likely to grow in the future. In 2009, for example, while the USA delivered the first of 18 F-16C combat aircraft, China delivered the first of 42 JF-17 combat aircraft, with Pakistan planning to acquire up to a total of 300 JF-17 and 36 J-10 combat aircraft from China.

The Obama Administration approved upgrades for Taiwan's Patriot surface-to-air missile (SAM) systems and the delivery of associated Patriot Advanced Capability-3 (PAC-3) missiles, which have an anti-ballistic missile (ABM) capability.<sup>10</sup> These sales were agreed by the Bush Administration in 2008 and are part of a package of deals that have been under discussion since 2001.<sup>11</sup> The USA has not yet decided on a further Taiwan-

<sup>7</sup> See table 7A.4 in appendix 7A.

<sup>8</sup> Enhanced Partnership with Pakistan Act, US Public Law 111-73, signed into law 15 Oct. 2009. US aid is either in the form of donations of surplus equipment or as financing of Pakistani orders for new equipment from the USA. For the latter, the USA budgeted in 2005–2009 c. \$1.5 billion in aid. Lum, T., *U.S. Foreign Aid to East and South Asia: Selected Recipients*, Congressional Research Service (CRS) Report for Congress RL31362 (US Congress, CRS: Washington, DC, 8 Oct. 2008).

<sup>9</sup> Bokhari, F., 'Pakistan generals voice concern over US accord', *Jane's Defence Weekly*, 21 Oct. 2009, p. 7; and Rizvi, H.-A., 'Limited options', *Daily Times* (Lahore), 4 Oct. 2009.

<sup>10</sup> White, A., 'US, Taiwan agree \$3.2bn Patriot deal', *Jane's Defence Weekly*, 26 Aug. 2009, p. 15.

<sup>11</sup> See Wezeman, S. T., Bromley, M. and Wezeman, P. D., 'International arms transfers', *SIPRI Yearbook 2009*, p. 303.

ese request for 66 F-16C combat aircraft. As in previous cases of US arms sales to Taiwan, China has strongly protested.<sup>12</sup>

Israel and the UAE were the main destinations of US arms exports to the Middle East, each accounting for 11 per cent of US deliveries for 2005–2009. The last of 102 F-16I combat aircraft ordered by Israel in 1999 and 2001 was delivered in 2009. Although Israel currently has no outstanding orders of comparable size, negotiations are ongoing for an order for up to 100 F-35 combat aircraft. Israel will remain a major recipient of US arms and military equipment because it receives substantial financial aid to buy US military equipment.<sup>13</sup>

In 2009 the USA delivered 18 AH-64D combat helicopters to the UAE. The UAE also placed preliminary orders for 12 C-130J and 6 C-17 transport aircraft that could be used to support coalition troops in Afghanistan.<sup>14</sup> In 2008 it ordered Patriot SAM systems with PAC-3 missiles and is close to signing an order for the more advanced Terminal High-Altitude Area Defence (THAAD) ABM SAM system—acquisitions that have been made in response to a perceived threat from Iranian ballistic missiles. Several other Middle Eastern countries have recently ordered or announced plans to buy ABM SAM systems from the USA. Kuwait has ordered a modernization of its Patriot SAM systems and requested PAC-3 missiles. The Patriot SAM systems with PAC-3 missiles are among the systems being offered for Turkey's long-range air and missile defence systems (T-LORAMIDS) programme.<sup>15</sup>

Aircraft accounted for around 70 per cent of US exports of major conventional weapons in the period 2005–2009. The USA delivered 292 F-16 and 48 F-15 combat aircraft to 11 countries in 2005–2009.<sup>16</sup> The USA is currently the only country offering a fifth-generation combat aircraft already

<sup>12</sup> Phipps, G., 'US to outline Taiwan defence package'; and Grevatt, J., '... as China raises spectre of embargo over Patriot sale', *Jane's Defence Weekly*, 13 Jan. 2010, p. 5.

<sup>13</sup> US President Obama requested \$2.775 billion in foreign military financing (FMF) aid for Israel for US FY 2010, in line with an agreement made by the Bush Administration in 2007 to increase FMF aid annually to reach \$3 billion in 2012. Sharp, J. M., *U.S. Foreign Aid to Israel*, Congressional Research Service (CRS) Report for Congress RL33222 (US Congress, CRS: Washington, DC, 4 Dec. 2009). See also Stålenheim, P., Perdomo, C. and Sköns, E., 'Military expenditure', *SIPRI Yearbook 2008*, pp. 202–205.

<sup>14</sup> US Defense Security Cooperation Agency, 'United Arab Emirates: logistics support for C-17 Globemaster Aircraft', Transmittal no. 09-61, News release, 18 Dec. 2009; and US Defense Security Cooperation Agency, 'United Arab Emirates: logistics support and training for 12 C-130J-30 Aircraft', Transmittal no. 09-67, News release, 28 Dec. 2009, <[http://www.dsca.mil/PressReleases/36-b/36b\\_index.htm](http://www.dsca.mil/PressReleases/36-b/36b_index.htm)>.

<sup>15</sup> There have been conflicting reports over whether or not China and Russia would participate in this project. France is reportedly interested. Kemal, L., 'China, Russia decline to bid for Turkey's missile project', *Today's Zaman*, 8 Dec. 2009; and 'European manufacturer to enter Turkish missile tender', *Today's Zaman*, 6 Feb. 2010.

<sup>16</sup> The recipients were Chile, Greece, Israel, Jordan, South Korea, Oman, Pakistan, Poland, Portugal, Singapore and the UAE.

in production for export—the F-35 combat aircraft.<sup>17</sup> In 2009 the Netherlands and the UK ordered their first F-35s as part of the final development phase, while Australia selected the F-35 as its future combat aircraft.<sup>18</sup>

Access to US technology remains a problem in the USA's relations with close allies. Several partners in the F-35 programme have been informed that they would not be granted access to software to maintain or modify their F-35s.<sup>19</sup> Despite these restrictions, both the Dutch and Norwegian defence ministries continue to support the purchase of the F-35 over other combat aircraft.<sup>20</sup> The USA's refusal to share technology gives other suppliers an edge over the USA in competitions for combat aircraft. For example, in the ongoing competitions for new combat aircraft in Brazil and India, competitors from Western Europe and Russia are willing to offer extensive technology transfers and access to software codes.<sup>21</sup> Suppliers that are able to offer combat aircraft without any US components may win orders from countries interested in developing an indigenous aircraft industry with export potential.<sup>22</sup>

## Russia

Asia and Oceania accounted for 69 per cent of the volume of major conventional weapons exported from Russia for the period 2005–2009, followed by Africa (14 per cent), the Americas (8 per cent) and the Middle East (6 per cent). Combat aircraft accounted for 40 per cent of the volume of Russian exports during this period. It is expected that deliveries of major

<sup>17</sup> Although there is no agreed definition for '5th generation' combat aircraft, it is generally agreed that its key attributes are a high level of stealth (including weapons carried internally), advanced sensors integrated into a wider network and a 'super cruise' ability (i.e. the ability to fly a prolonged period faster than the speed of sound). Currently, the only aircraft in service meeting those requirements is the US F-22, which is not available for export. The Russian Sukhoi PAK FA, to be produced in cooperation with India, made its first flight in late 2009. For a brief discussion of the scope of the F-35 programme see Wezeman, S. T. et al., 'International arms transfers', *SIPRI Yearbook 2007*, pp. 390–91.

<sup>18</sup> Australian Department of Defence (DOD), *Defending Australia in the Asia Pacific Century: Force 2030, Defence White Paper 2009* (DOD: Canberra, 2009), p. 78.

<sup>19</sup> Kerr, J., 'Australia orders first batch of F-35As', *Jane's Defence Weekly*, 2 Dec. 2009, p. 5. Countries that have contributed funding to the programme include Australia, Canada, Denmark, Italy, the Netherlands, Norway, Turkey and the UK.

<sup>20</sup> Norwegian Ministry of Defence, 'The Joint Strike Fighter recommended to replace the F-16', Press Release no. 80/2009, 20 Nov. 2008, <<http://www.regjeringen.no/en/dep/smk/press-center/Press-releases/2008/the-joint-strike-fighter-recommended-to-.html?id=537010>>; and 'Minister says not buying JSF could cost millions', *Radio Netherlands*, <<http://www.defpro.com/news/details/6843/>>, 16 Apr. 2009.

<sup>21</sup> Anderson, G. and Caffrey, C., 'Final offers submitted for Brazil's F-X2', *Jane's Defence Weekly*, 14 Oct. 2009, p. 10; and Leclercq, M., 'Brazil to assemble French fighters for Latin market', *Agence France-Presse*, 7 Sep. 2009.

<sup>22</sup> E.g. the fact that the Swedish Gripen-NG offered to Brazil has a US engine was brought up as a liability in the Brazilian combat aircraft competition. In 2005 the USA prevented Brazil from selling 24 Super Tucano light combat aircraft to Venezuela because they contained US-made components. 'Brazil won't buy off-the-shelf arms like Venezuela: minister', *Agence France-Presse*, 16 Sep. 2009.

conventional weapons to China will continue to decline as its domestic arms industries are increasingly able to meet domestic procurement needs. In addition, Russia faces increased competition for Indian orders from Israel, the USA and European suppliers. Russian President Dmitry Medvedev has announced his support for the joint development and production of military products with other countries to help 'strengthen our ties with these states'.<sup>23</sup> Russia has also attempted to increase its competitiveness in Latin America, the Middle East and North Africa by offering payments through barter, Russian participation in economic projects, credit and exchanges of debt for arms.<sup>24</sup>

Despite decreasing arms sales to China, Rosoboronexport—the Russian state arms export agency—announced in 2009 that China remains interested in Russian military transport and tanker aircraft, aircraft engines, and air-defence and naval systems.<sup>25</sup> Yet the November 2009 meeting of the Russian–Chinese Joint Commission on Military-Technical Cooperation concluded with no significant new deals.<sup>26</sup> In contrast, Ukraine signed a contract worth an estimated \$350 million to supply four Zubr air-cushion landing craft to China.<sup>27</sup> Earlier reports had suggested that China planned to order up to 10 of these craft from Russia.<sup>28</sup>

Russia accounted for 77 per cent of India's arms imports for 2005–2009, followed by the UK (8 per cent) and Israel (5 per cent). In March 2010 it was announced that the Indian Government had agreed to pay \$2.3 billion for the modernized *Gorshkov* aircraft carrier, with delivery rescheduled for 2012.<sup>29</sup> Russia will also deliver an Akula-II nuclear submarine on a lease to the Indian Navy in the second half of 2010.<sup>30</sup> In October 2009 India and Russia concluded a 10-year bilateral agreement on military-technical cooperation (for 2011–20) under which commitments were made for the joint development of helicopters, infantry fighting vehicles and a fifth-

<sup>23</sup> 'Medvedev backs co-production of Russian arms with other countries', RIA Novosti, 11 June 2009, <<http://en15.rian.ru/russia/20090611/121955938.html>>; and 'Russian arms exports to grow by up to \$800 mln in 2009', RIA Novosti, 27 May 2009, <<http://en.rian.ru/russia/20090527/155102926.html>>.

<sup>24</sup> Chernyak, I., [Kalashnikov series: the general director of Rosoboronexport, Anatoly Isaikin: despite the crisis, our arms exports set records], *Rossiiskaya gazeta*, 10 Apr. 2009.

<sup>25</sup> Solovev, V., [Rosoboroneksport strengthens its position], *Nezavisimoe Voennoe Obozrenie*, 6 Feb. 2009.

<sup>26</sup> Mukhin, V., [Russian–Chinese arms embargo], *Nezavisimaya gazeta*, 30 Nov. 2008.

<sup>27</sup> Two will be built in Ukraine and two in China. [FSC More' to build Zubr amphibious hovercraft for PRC: minister of industrial policy], Interfax, 7 Aug. 2009.

<sup>28</sup> Minnick, W., 'China to buy armed hovercraft', *Defense News*, 11 Sep. 2006, p. 48.

<sup>29</sup> The sum had reportedly been agreed in Dec. 2009. 'Aircraft carrier Admiral *Gorshkov*', Press Information Bureau of India, 15 Mar. 2010, <<http://www.pib.nic.in/release/release.asp?relid=59626&kwid=/fn>>; and Luthra, G. R., 'Gorshkov price is settled with Russia at \$2.3 billion', *Thaindian News*, 17 Dec. 2009 <[http://www.thaindian.com/newsportal/business/gorshkov-price-is-settled-with-russia-at-23-billion\\_100290643.html](http://www.thaindian.com/newsportal/business/gorshkov-price-is-settled-with-russia-at-23-billion_100290643.html)>.

<sup>30</sup> Solovyov, D., 'Russia to lease nuclear submarine to India—report', Reuters, 12 Jan. 2010.

generation combat aircraft.<sup>31</sup> At the same time, the USA's efforts to increase its share of the Indian defence market were rewarded in 2009 when India and the USA overcame disagreements over end-use monitoring provisions for contracts for six C-130J transport aircraft and eight P-8A maritime patrol aircraft agreed in 2008. This demonstrated that India and the USA can accommodate each other's requirements to facilitate arms transfers, increasing competition for Indian defence orders.

Russia secured deals with Viet Nam in 2009 for eight Su-30MK combat aircraft and six Type-636 (Kilo Class) submarines. Viet Nam exercised an option to purchase 12 more Su-30MKs in February 2010.<sup>32</sup> The arrangement for securing orders from Viet Nam is believed to be comparable to that used to secure a major deal with Algeria in 2006.<sup>33</sup> In this case, Russia is cancelling Viet Nam's debt and helping the country to modernize its shipbuilding industry; in exchange, Viet Nam will purchase Russian arms and provide Russia with access to oil.<sup>34</sup>

Venezuela accounted for 7 per cent of Russian arms exports for 2005–2009 and was Russia's fourth largest recipient. In September 2009 Venezuela received a \$2.2 billion credit for arms purchases after officially recognizing the independence of Abkhazia and South Ossetia. While most reports mention a firm deal for 92 T-72M1M tanks, it is not clear what the remainder of the credit will be used to purchase. Much attention has been paid to statements by Venezuelan President Hugo Chávez that suggest that air-defence systems are a priority, while other armoured vehicles and various artillery systems are also rumoured to be covered by the credit arrangement.<sup>35</sup>

Russia has targeted the Middle East as a potential market for air defence equipment, armoured vehicles and aircraft. In 2009 it announced high hopes for a deal worth at least \$2 billion to supply helicopters, tanks, armoured vehicles and air-defence systems to Saudi Arabia.<sup>36</sup> Saudi Arabia is reportedly tying the deal to a Russian guarantee not to deliver five S-300

<sup>31</sup> The 10-year agreement was signed by Indian Prime Minister Manmohan Singh and President Medvedev in Dec. 2009. 'Defence pact with Russia to boost defence capability: India', *Hindustan Times*, 8 Dec. 2009; Majumdar, B., 'India, Russia agree arms pact likely worth \$5 bln', Reuters, 15 Oct. 2009; and 'Russia, India to jointly develop 5th-generation fighter', RIA Novosti, 15 Oct. 2009, <<http://en.rian.ru/russia/20091015/156475971.html>>.

<sup>32</sup> 'Russia, Vietnam sign fighter jet deal—report', Agence France-Presse, 10 Feb. 2010.

<sup>33</sup> Wezeman et al. (note 18), p. 395.

<sup>34</sup> Grevatt, J., 'Oil, debt underpin Russian submarine sale to Vietnam', *Jane's Defence Weekly*, 6 May 2009, p. 19.

<sup>35</sup> 'Chavez announces Russian missile purchase', Agence France-Presse, 11 Sep. 2009; Toothtaker, C., 'Venezuela gets \$2.2B in credit for Russian arms', Associated Press, 13 Sep. 2009; Daniel, F. J. and Rondon, P., 'Venezuela buys powerful missiles with Russian loan', Reuters, 13 Sep. 2009; 'Venezuela to build strong air defenses with Russian aid', RIA Novosti, 14 Sep. 2009, <[http://en.rian.ru/military\\_news/20090914/156118402.html](http://en.rian.ru/military_news/20090914/156118402.html)>; and Nikol'skii, A., [Smerch to shield Venezuela], *Vedomosti*, 15 Sep. 2009. See also chapter 5, section III, in this volume.

<sup>36</sup> 'Russia, Saudi Arabia "set to finalise arms deal"', Agence France-Presse, 30 Aug. 2009.

(SA-20) long-range SAM systems to Iran—with French, Israeli and US leaders also publicly appealing to the Russian Government to stop the delivery.<sup>37</sup> Russia and Israel have reportedly discussed the impact of each other's arms exports on their respective security, with Russia highlighting concerns about Israeli exports of military equipment to Georgia and Israel highlighting Russian arms sales to Iran.<sup>38</sup> Apart from international pressure, other factors that have been given to explain the delay in Russian deliveries of S-300s to Iran include the lack of payment and technical problems.<sup>39</sup> However, reports in early 2010 indicated that Russia intends to press ahead with the deliveries to Iran.<sup>40</sup>

### Germany, France and the United Kingdom

Germany, France and the UK have traditionally formed a second tier of suppliers after the USA and Russia. They collectively accounted for 23 per cent per cent of global arms exports for the period 2005–2009. As a group, their largest recipient regions for the period 2005–2009 were Europe (36 per cent), Asia (29 per cent) and the Middle East (12 per cent). In recent years there have been ongoing efforts at the European Union (EU) level to both harmonize member states' arms export policies and integrate the activities of its arms manufacturers.<sup>41</sup> However, states continue to maintain final control on all aspects of export licensing and promote the products of their indigenous arms producers abroad. This continues to lead to differences between EU member states regarding the acceptability of certain destinations and the amount of technology transfer attached to individual deals.<sup>42</sup>

<sup>37</sup> Clover, C. and England, A., 'Saudis seek Russian pledge on missiles', *Financial Times*, 29 Sep. 2009; [Barack Obama grabs Russia's arms], *Kommersant*, 23 Sep. 2009; 'Russia to review air defence sale to Iran: Peres', Agence France-Presse, 19 Aug. 2009; and Ravid, B., 'France implores Moscow to cancel sale of missiles to Iran', *Ha'aretz*, 11 Sep. 2009.

<sup>38</sup> Keinon, H., 'Russia unlikely to sell S-300s to Iran', *Jerusalem Post*, 17 Feb. 2009. In Jan. 2009 Russia imposed a unilateral arms embargo on Georgia, prohibiting transfers from Russia and threatening sanctions against foreign entities that contribute to a 'destabilizing build-up' of arms and military equipment in Georgia. [Decree of the President of the Russian Federation on measures to prohibit deliveries to Georgia of military and dual-use goods], Russian Presidential Decree no. 64s, 16 Jan. 2009, <<http://graph.document.kremlin.ru/doc.asp?ID=50420>>.

<sup>39</sup> Similar reasons have been given to explain the delay in Russia's delivery of 8 MiG-31E combat aircraft to Syria. At the same time, Russia has begun deliveries of Pantsyr-S1 short- to medium-range air-defence systems. 'Iran "has not paid Russia" in "frozen" missile deal', Agence France-Presse, 21 Oct. 2009.

<sup>40</sup> [Vladimir Nazarov: military strike against Iran would be a huge mistake], *Kommersant*, 15 Feb. 2010; and 'Russia "fixing" technical issues delaying S-300 deliveries to Iran', RIA Novosti, 15 Feb. 2010, <<http://en.rian.ru/world/20100215/157891672.html>>.

<sup>41</sup> Bromley, M., *The Impact on Domestic Policy of the EU Code of Conduct on Arms Exports: The Czech Republic, the Netherlands and Spain*, SIPRI Policy Paper no. 21 (SIPRI: Stockholm, May 2008).

<sup>42</sup> On EU transfer controls and technology transfers see chapter 12 in this volume.

The volume of Germany's arms exports for 2005–2009 was more than twice the volume for 2000–2004. Armoured vehicles and ships accounted for 71 per cent of Germany's exports in this period. A significant proportion of German exports of armoured vehicles were transfers of surplus German equipment. In the period 2005–2009, Germany exported 1116 second-hand armoured vehicles, compared to 636 newly built armoured vehicles.<sup>43</sup>

During the period 2005–2009 Germany delivered three Type-209 submarines to South Africa and an additional ten submarines were built under licence in Brazil, Italy, South Korea and Turkey. During 2009, Turkey signed a €2 billion (\$2.8 billion) deal with Germany for the licensed production of six Type-214 submarines, but there was no reported progress on the contract for the transfer of Type-214 submarines to Pakistan.<sup>44</sup> A contract for four Type-214 submarines for Greece was cancelled because of Greece's outstanding €545 million (\$758 million) debt to the supplier.<sup>45</sup> However, later reports indicated that Greece was willing to accept three Type-214 submarines in an effort to resolve the dispute.<sup>46</sup>

The volume of France's arms exports was 30 per cent higher in 2005–2009 than in 2000–2004. French exports have been boosted by deliveries of 25 Mirage-2000 combat aircraft to Greece and 34 to the UAE and of 6 La Fayette frigates to Singapore.<sup>47</sup> Aircraft accounted for about 37 per cent of France's arms exports for the period 2005–2009. During 2009 French companies signed a €1 billion (\$1.4 billion) deal with India for the modernization of around 51 Mirage-2000 combat aircraft, a €360 million (\$500 million) deal with Iraq for 24 EC-135 light helicopters, a €212 million (\$294 million) deal with Mexico for 6 EC-225 helicopters and a deal with Saudi Arabia for 3 A-330 multi-role tanker transport (MRTT) aircraft in addition to the 3 ordered in 2008.

There are indications that French arms exports are being boosted by two interlinked factors: strong political support for arms exports and a willingness to engage in far-reaching technology transfer agreements. In September 2009, during French President Nicolas Sarkozy's visit to Brazil, France reached final agreement with Brazil on the transfer of 4 conventionally

<sup>43</sup> Countries that either received German armoured vehicles or had them on order during 2005–2009 include Australia, Austria, Belgium, Brazil, Canada, Chile, the Czech Republic, Denmark, Greece, Lithuania, Luxembourg, Netherlands, Pakistan, Romania, Singapore, Spain, Sweden, Switzerland, Turkey and the UAE.

<sup>44</sup> Bokhari, F., 'Pakistan displays naval offensive capabilities', *Jane's Defence Weekly*, 17 Mar. 2010, p. 32.

<sup>45</sup> 'ThyssenKrupp cancels Greek submarine order', Reuters, 21 Sep. 2009.

<sup>46</sup> Fish, T. and Valmas, T. L., 'Hellenic Navy accepts Greek-built submarines', *Jane's Defence Weekly*, 25 Nov. 2009, p. 6.

<sup>47</sup> Transfers to Greece, Singapore and the UAE accounted for 58% of France's arms exports during 2005–2009. The UAE is reportedly interested in selling its fleet of 60 Mirage-2000 combat aircraft, recently supplied by France, in order to help finance the acquisition of new combat aircraft, with French Rafale and US F-35 combat aircraft in the running. Trimble, S., 'Dubai 09: UAE reveals fifth-generation fighter ambitions', *Flightglobal*, 15 Nov. 2009.

powered submarines and technology to assist in the development of Brazil's first nuclear-powered submarine, valued at almost €7 billion (\$9.7 billion), and 50 EC-725 helicopters, worth around €2 billion (\$2.8 billion). In both deals, French offers of technology transfer appear to have been a major influence on Brazil's decision, with the conventional submarines and helicopters to be manufactured in Brazil.<sup>48</sup> Brazil's national defence strategy of December 2008 stresses the development of an 'autonomous technological capacity', and Brazil is seeking to leverage advantages for its domestic arms industry via extensive technology transfer agreements in arms import deals.<sup>49</sup> In December 2009 Brazil signed a €2.5 billion (\$3.5 billion) deal with Italy's Iveco Defence Vehicles for 2044 armoured personnel carriers, with production also due to take place in Brazil.<sup>50</sup>

The volume of British arms exports was 13 per cent lower in 2005–2009 than in 2000–2004. During 2009 British companies signed several agreements, including a deal with Norway for 200 Sting Ray anti-submarine torpedoes, a deal with Canada for 25 UFH/M-777 155-mm towed guns and a £500 million (\$775 million) contract with Saudi Arabia to service the Saudi fleet of Eurofighter Typhoon combat aircraft.<sup>51</sup> Transfers of aircraft accounted for 44 per cent of British arms exports for the period 2005–2009. The 24th and final British-built Hawk trainer aircraft for India was delivered in 2009. The first 5 of 42 Hawk trainer aircraft to be built under licence in India were also produced.<sup>52</sup> Also during 2009, the first 8 of 72 Eurofighter Typhoons were delivered to Saudi Arabia.<sup>53</sup> Sales of additional Eurofighter Typhoons from the UK to Saudi Arabia were discussed in 2009, although Saudi Arabia was also said to be considering purchases of F-15 combat aircraft from the USA.<sup>54</sup>

There are calls in the UK for the government to play a more active role in promoting British arms exports, similar to the role the French Government has played in arms sales since 2007. In 2008 the British Government made the Department for Business, Innovation and Skills responsible for pro-

<sup>48</sup> Zibechi, R., 'Brazil emerges as a military power', *Americas Program Special Report* (Washington, DC: Center for International Policy, 14 Oct. 2009), <<http://americas.irc-online.org/am/6494>>.

<sup>49</sup> Brazilian Ministry of Defence (MOD), *National Strategy of Defence* (MOD: Brasília, 8 Dec. 2008).

<sup>50</sup> Kington, T., 'Brazil inks deal for Iveco personnel carriers', *Defence News*, 21 Dec. 2009.

<sup>51</sup> Jennings, G. and Gelfand, L., 'Saudi Arabia and UK agree RSAF Typhoon support deal', *Jane's Defence Weekly*, 21 Oct. 2009, p. 17.

<sup>52</sup> BAE Systems, 'BAE Systems completes Indian Hawk aircraft deliveries', Press Release no. 209/2009, 5 Nov. 2009, <[http://www.baesystems.com/Newsroom/NewsReleases/autoGen\\_109105114126.html](http://www.baesystems.com/Newsroom/NewsReleases/autoGen_109105114126.html)>.

<sup>53</sup> 'Britain delivers first Eurofighter jets to Saudi', *Agence France-Presse*, 12 June 2009. On BAE Systems see chapter 6, section II, in this volume.

<sup>54</sup> Hefher, T. and Shalal-Esa, A., 'Saudi weighs Eurofighter, F-15 for new fighter deal', *Reuters*, 18 June 2009.

moting arms exports abroad.<sup>55</sup> Although the main opposition party called for this responsibility to be returned to the Ministry of Defence, senior executives within the British defence industry have stated that the current system is working well for them and may not need to be changed.<sup>56</sup> Sweden is also exploring the possibility of better coordinating the government's role in promoting arms exports and in late 2009 announced plans to create a new arms export authority.<sup>57</sup>

### III. Arms transfers to North Africa

In recent years concerns have been expressed that regional rivals Algeria and Morocco are engaged in an 'arms race', which is also influencing Libya's arms acquisition plans.<sup>58</sup> Although Algeria, Libya, Morocco and Tunisia accounted for only 3 per cent of global arms imports for the period 2005–2009, their total imports were 62 per cent higher than 2000–2004.<sup>59</sup> Algeria accounted for 89 per cent of transfers to North Africa during 2005–2009, but Morocco, which accounted for less than 6 per cent of the volume for the same period, has placed significant orders in 2008 and 2009, lending weight to arms race fears. The likelihood of interstate conflict between Algeria and Morocco is low. However, these reactive acquisitions do not contribute to an improvement in Algerian–Moroccan relations or improve the chances of an acceptable political settlement being reached in the UN-

<sup>55</sup> Holtom, P., Bromley, M. and Wezeman, P. D., 'International arms transfers', *SIPRI Yearbook 2008*, p. 302.

<sup>56</sup> Chuter, A., 'U.K Tories aim to boost arms exports', *Defence News*, 13 Sep. 2009.

<sup>57</sup> Tolgfors, S., Swedish minister for Defence, 'Ny myndighet ska driva på den svenska vapen-exporten' [New authority should run Swedish weapons exports], *Dagens Industri*, 25 June 2009.

<sup>58</sup> The classic arms race model defines an arms race as a situation in which a state's build-up of weaponry is positively related to the amount of weaponry its rival has and to the grievance felt towards the rival and negatively related to the amount of arms it has already. Richardson, L. F., *Arms and Insecurity: A Mathematical Study of Causes and Origins of War* (Boxwood Press: Pittsburgh, Pa., 1960). However, this model is designed for situations in which 20–30 years of time series data are available. For situations that are developing as the analysis is undertaken, the only approach is to analyse the motivations behind specific arms acquisitions and look for evidence of competitive behaviour. 'North African arms race', Al-Jazeera, 15–16 Apr. 2008, <<http://english.aljazeera.net/programmes/insidestory/2008/04/20086150573511579.html>>; 'L'Algérie et le Maroc augmentent leur budget défense. Maghreb: les dessous d'une course à l'armement' [Algeria and Morocco increased their defence budget. Maghreb: an arms race revealed], *El Watan*, 12 May 2009; 'Libya fuels North African "arms race"', United Press International, 20 Oct. 2009; 'Morocco doubles military budget', Afrol News, 9 Dec. 2009, <<http://www.afrol.com/articles/31948>>; Sorenson, D. S., 'Civil–military relations in North Africa', *Middle East Policy*, vol. 14, no. 4 (2007), p. 108; Tran, P., 'North Africa emerging as hungry defense market', *Defense News*, 11 Sep. 2006; and Vatanka, A. and Weitz, R., 'Russian roulette: Moscow seeks influence through arms exports', *Jane's Intelligence Review*, Jan. 2007, p. 39.

<sup>59</sup> These 4 countries comprise North Africa. Egypt is considered to be in the Middle East and Mauritania to be in sub-Saharan Africa. Tunisia was not a significant importer of major conventional weapons for the period 2005–2009 and has not announced plans to procure significant quantities of major conventional weapons.

backed talks on the future status of Western Sahara.<sup>60</sup> This section provides an overview of recent and upcoming international transfers of arms and military equipment to Algeria, Morocco and Libya to help assess arms race claims. It considers a number of the factors driving these acquisitions and the concerns regarding them. It also highlights the competition between major suppliers to secure contracts in the region.

Recent orders for arms by Algeria, Libya and Morocco are influenced by a perceived need to carry out extensive modernization of their armed and security forces. Various political and security reasons—such as national prestige, regional rivalry, internal security and counterterrorism—are also at play.<sup>61</sup> It is also assumed that these acquisitions and procurement plans reflect the continued influence of the armed forces in these states.<sup>62</sup> In the cases of Algeria and Libya, increased oil and gas revenues have been cited as providing the means to upgrade existing holdings and acquire new weapons, which has attracted the attention of a number of major arms suppliers.<sup>63</sup> The correlation between increased resource revenues and spending on arms imports raises questions about whether windfall revenues from natural resources would deliver more security in these countries if invested in development, education and health programmes.<sup>64</sup>

In addition to receiving financial rewards and gaining access to natural resources, European states and the USA supply arms to North Africa in order to maintain political influence with and the stability of favourable regimes, as well as to support counterterrorism operations and assist with improving border security capabilities to prevent illicit trafficking of arms and drugs and irregular migration.

## Algeria

Military spending has increased dramatically in Algeria over the past decade, and it is estimated to have had the highest military expenditure in

<sup>60</sup> Western Sahara is a largely Moroccan-controlled territory in North Africa. A Spanish colony until 1976, it is a disputed territory claimed by Morocco and the Polisario Front, a nationalist independence group supported by Algeria. Its legal status remains unresolved.

<sup>61</sup> Cordesman, A. H. and Nerguizian, A., *The North African Military Balance: Force Developments in the Maghreb* (Center for Strategic and International Studies: Washington, DC, Jan. 2009), pp. 2–3; and Wezeman, P. D., ‘Arms transfers to Central, North and West Africa’, SIPRI Background Paper, Apr. 2009, <[http://books.sipri.org/product\\_info?c\\_product\\_id=377](http://books.sipri.org/product_info?c_product_id=377)>, pp. 3–4.

<sup>62</sup> Cook, S. A., *Ruling but not Governing: The Military and Political Development in Egypt, Algeria, and Turkey* (Johns Hopkins University Press: Baltimore, MD, 2007); Gelfand, L., ‘Spending to thrive’, *Jane’s Defence Weekly*, 28 Jan. 2009, pp. 22–27; Joffé, G., ‘Political dynamics in North Africa’, *International Affairs*, vol. 85, no. 5 (2009), pp. 931–49; and Sorenson (note 58).

<sup>63</sup> On the relationship between resource revenues and military expenditure see chapter 5 in this volume.

<sup>64</sup> ‘Challenges to economic security’, *Arab Human Development Report 2009: Challenges to Human Security in the Arab Countries* (United Nations Development Programme, Regional Bureau for Arab States: New York, 2009), pp. 99–119; and Spencer, C., ‘North Africa: the hidden risks to regional stability’, Chatham House Middle East and North Africa Briefing Paper 2009/01, Apr. 2009.

Africa in 2009.<sup>65</sup> The increase in military spending has accompanied strong economic growth, based on increased oil and gas production and prices. The volume of Algerian imports of major conventional weapons for the period 2005–2009 increased by 102 per cent in comparison with 2000–2004, with Algeria rising from the 18th to the 9th largest recipient of major conventional weapons globally. During the period 2005–2009, Russia accounted for an estimated 92 per cent of these transfers. Other suppliers included China, France, South Africa, Spain, Ukraine and the UK.

In March 2006 Algeria and Russia concluded an arms deal reported to be worth \$6.5 billion. Under the deal, Russia agreed to cancel \$4.5 billion of Algeria's Soviet-era debt, much of which was due to arms imports, in exchange for orders for arms.<sup>66</sup> Russia has delivered to Algeria an estimated 15 of 38 Pantsyr mobile air-defence systems and 28 Su-30MKA combat aircraft in 2008–2009, 185 T-90S tanks in 2006–2008, and missiles for these platforms. Delivery of 16 Yak-130 trainer aircraft and 2 Type-636E (Kilo Class) submarines are expected in 2010–11.

Algeria is seeking to acquire helicopters and naval equipment from France, Germany, Italy or the UK. Reports in 2009 suggested that Algeria will follow up its 2007 order for six EH-101-400 helicopters and four Super Lynx-300 helicopters from AgustaWestland with an order for up to 100 helicopters for Algerian border security forces.<sup>67</sup> Algeria's major naval procurement plans relate to the acquisition of four frigates, two of which are to be built in Algeria. British, French, German and Italian shipbuilders are competing for the order.<sup>68</sup>

This military modernization programme marks a shift in Algeria's procurement priorities, as it focuses on the upgrading and replacement of major conventional platforms acquired in the 1970s and 1980s rather than the acquisition of equipment for counterinsurgency operations.<sup>69</sup> The continuing influence of the military in Algerian politics has played a role in the acquisition of new weapons.<sup>70</sup>

## Morocco

Unlike neighbouring Algeria, Morocco does not have significant oil and gas fields and has therefore not benefited from the high prices for these commodities. Nevertheless, military spending in Morocco increased by 127 per

<sup>65</sup> See appendix 5A in this volume.

<sup>66</sup> Vatanaka and Weitz (note 58), p. 39.

<sup>67</sup> Ghimrassa, B., 'Algeria and Italy in major arms deal', *Asharq Alawsat*, 17 Sep. 2009; and O'Connell, D. and Ripley, T., '\$5 billion Algerian helicopter deal for UK plant', *Sunday Times*, 27 Sep. 2009.

<sup>68</sup> 'Algeria seeks European stealth frigates', United Press International, 2 Oct. 2009.

<sup>69</sup> Gelfand (note 62), p. 24.

<sup>70</sup> Gelfand (note 62), pp. 22–27; and Sorenson (note 58).

cent during the period 2000–2009, in contrast to an increase of 105 per cent for Algeria.<sup>71</sup> The volume of transfers to Morocco for the period 2005–2009 declined by around 25 per cent in comparison with 2000–2004, ranking it the 64th largest arms importer in the world. During 2005–2009, 78 per cent of Moroccan imports came from Russia, followed by Belgium (8 per cent), Switzerland (7 per cent) and the USA (7 per cent). Transfers to Morocco in 2005–2009 included 12 Tunguska mobile air-defence systems from Russia, and surplus artillery and armoured personnel carriers from Belgium, Switzerland and the USA.

In recent years, a number of significant orders for the Moroccan armed forces have been announced. France is modernizing 27 Moroccan Mirage F-1 combat aircraft with RC400 radar and MICA air-to-air missiles. Although Morocco was expected to be the first export customer for France's Rafale combat aircraft, it instead opted for 24 F-16C combat aircraft and missiles from the USA. In 2009 Morocco also ordered 24 PC-9 trainer aircraft and 3 CH-47D helicopters from the USA. Particular attention has been paid to whether Moroccan orders for advanced combat aircraft are in direct response to Algerian combat aircraft received from Russia.<sup>72</sup>

Despite losing its first export order for Rafale, France secured a €470 million (\$653 million) deal with Morocco in 2008 for the first export of the FREMM frigate, with delivery scheduled for 2013. Also in 2008, Morocco ordered three SIGMA frigates from the Netherlands in a €510 million (\$709 million) deal, to be delivered in 2012–14.

Factors behind Morocco's acquisitions are its regional rivalry with Algeria, the placating of the armed forces with the procurement of new equipment and the dormant conflict in Western Sahara.<sup>73</sup> Mohamed Abdelaziz, the president of the Polisario Front, has stated that he is concerned that Moroccan arms acquisitions could have a negative impact on UN-backed talks to resolve the Western Sahara issue.<sup>74</sup> In early 2009 the UN Mission for the Referendum in Western Sahara (MINURSO) reported an improved situation on the ground with regard to Moroccan and Polisario forces in Western Sahara.<sup>75</sup> Although talks continued in 2009, there was

<sup>71</sup> See appendix 5A in this volume.

<sup>72</sup> Sorenson (note 58), p. 108.

<sup>73</sup> Cordesman and Nerguizian (note 61), p. 24; and Sorenson (note 58), p. 108.

<sup>74</sup> 'Morocco arms move may hit Sahara talks: Polisario', Reuters, 2 Mar. 2008. On background to the conflict and Polisario Front see note 60.

<sup>75</sup> United Nations, Security Council, Report of the Secretary-General on the situation concerning Western Sahara, S/2009/200, 13 Apr. 2009, paras 13–26. On MINURSO see also appendix 3A, table 3A.2, in this volume.

little change in positions from the main protagonists (Algeria, Morocco and the Polisario Front).<sup>76</sup>

## Libya

Following the lifting of the UN arms embargo in 2003, it was expected that Libya would seek to modernize, upgrade and replace a significant quantity of the major conventional weapons that it had acquired in the 1970s and 1980s.<sup>77</sup> Libya, like Algeria, has both the desire to modernize its armed forces and the means to pay for it; thus, Libya has come to be regarded as a promising market for a number of major arms suppliers.<sup>78</sup> The heads of government of France, Italy, Russia and the UK have visited Libyan leader Muammar Qadhafi in recent years, accompanied by arms company representatives and rumours of multi-billion dollar arms deals.<sup>79</sup> To date these efforts have not resulted in significant orders. For the period 2005–2009, Libya was ranked as the 110th largest arms importer in the world, and its only imports of major conventional weapons in 2005–2009 were the first 6 of 10 A-109K helicopters from Italy for border patrols and the first consignment of MILAN-3 anti-tank missiles from France.

In August 2008 Italy and Libya signed a Treaty of Friendship, Partnership and Cooperation, under which Italian companies will assist Libya in the strengthening of its border controls to combat terrorism, organized crime, drug trafficking and irregular migration.<sup>80</sup> Italy has concluded a number of deals with Libya in recent years to assist with the development of Libyan border security capabilities, and in January 2008 Libya signed a contract for an ATR-42MP maritime patrol aircraft for border control purposes.<sup>81</sup> By equipping Libyan border security agencies, Italian companies

<sup>76</sup> Moroccan Embassy, 'Moroccan initiative for negotiating an autonomy statute for the Sahara Region', Washington, DC, [n.d.], <[http://dcusa.themoroccanembassy.com/moroccan\\_embassy\\_moroccan\\_sahara\\_initiative.aspx](http://dcusa.themoroccanembassy.com/moroccan_embassy_moroccan_sahara_initiative.aspx)>; and United Nations (note 68), para. 12.

<sup>77</sup> See Hart, J. and Kile, S. N., 'Libya's renunciation of nuclear, biological and chemical weapons and ballistic missiles', *SIPRI Yearbook 2005*.

<sup>78</sup> Cowan, G. and Smith, M., 'Suitors eye Libyan market', *Jane's Defence Weekly*, 2 Jan. 2008, p. 19.

<sup>79</sup> Holtom, Bromley and Wezeman (note 55), pp. 303–304; and Wezeman, Bromley and Wezeman (note 11), pp. 305–306.

<sup>80</sup> Human Rights Watch (HRW), *Pushed Back, Pushed Around: Italy's Forced Return of Boat Migrants and Asylum Seekers, Libya's Mistreatment of Migrants and Asylum Seekers* (HRW: New York, 2009).

<sup>81</sup> 'Italian customs service delivers three FPB to Libyan Coast Guard', *Al Defaiya*, 20 June 2009; Finmeccanica, 'Finmeccanica and AgustaWestland JV in Libya in the aeronautics and security systems sector EUR 80 million contract signed for ten A109 Power helicopters', Press release, 17 Jan. 2006, <[http://www.finmeccanica.it/Holding/EN/Corporate/Sala\\_stampa/Comunicati\\_stampa/Anno\\_2006/](http://www.finmeccanica.it/Holding/EN/Corporate/Sala_stampa/Comunicati_stampa/Anno_2006/)>; Finmeccanica, 'Agreement signed with the Libyan Government to create a joint venture in the sector of electronics for defence and security', Press release, 2 Apr. 2007, <[http://www.finmeccanica.com/Holding/EN/Corporate/Sala\\_stampa/Comunicati\\_stampa/Anno\\_2007/](http://www.finmeccanica.com/Holding/EN/Corporate/Sala_stampa/Comunicati_stampa/Anno_2007/)>; Finmeccanica, 'SELEX Sistemi Integrati signed an agreement with Libya, worth EUR 300 million, for border security and control', Press release, 7 Oct. 2009, <[http://www.finmeccanica.it/Holding/EN/Corporate/Sala\\_stampa/Comunicati\\_stampa/Anno\\_2009/](http://www.finmeccanica.it/Holding/EN/Corporate/Sala_stampa/Comunicati_stampa/Anno_2009/)>; and Alenia Aeronautica, 'Libya signs

appear to hope that they will benefit from the prospective modernization of the Libyan armed forces.<sup>82</sup>

In November 2006 Libya signed a contract with France worth €140 million (\$195 million) to refurbish Libyan Mirage F-1 combat aircraft.<sup>83</sup> Reports appeared in 2007 that Libya and France were negotiating a €4.5 billion (\$6.3 billion) arms deal for Rafale combat aircraft, helicopters, Gowind corvettes and patrol vessels.<sup>84</sup> However, the only order placed with France since 2007 has been for an undisclosed number of MILAN-3 anti-tank missiles, although contradictory reports on the planned sale of 14 Rafales appeared in 2009.<sup>85</sup>

Vladimir Putin failed to replicate Russia's 2006 Algerian 'arms-for-debt cancellation' arrangement in Libya during a presidential visit in April 2008.<sup>86</sup> Russian hopes for the conclusion of a deal for \$2 billion worth of arms faded in October–November 2008 as Qadhafi stressed during his visits to Russia, Ukraine and Belarus that Libya was being presented with a lot of offers for military equipment. However, in 2009 the Russian media claimed that Russia had concluded deals with Libya for 3 BPS-500 (Project-12418) fast attack craft and the overhaul of 145 Libyan T-72 tanks.<sup>87</sup> In January 2010, during the visit of Libyan Defence Minister Younis Jaber to Moscow, there were premature reports that Libya had ordered 12–15 Su-35 combat aircraft, 4 Su-30 combat aircraft, 6 Yak-130 trainer aircraft and air-defence systems.<sup>88</sup> Negotiations continue on a package of arms worth an estimated \$2 billion.<sup>89</sup>

As demonstrated by its courting by major suppliers and a potential loosening of restrictions on arms exports to Libya by the USA, Libya is no longer considered a threat to international peace and security but rather a potentially lucrative market.<sup>90</sup> Libya does not face significant external threats to its national security that would justify large-scale acquisitions

order for ATR-42MP maritime patrol aircraft', Press release, 17 Jan. 2008, <<http://www.alenia-aeronautica.it/Eng/Media/Pages/PressReleases.aspx?btnPagX=6&anno=2008&tip=&tst=>>.

<sup>82</sup> Gething, M. J., 'Aermacchi wins overhaul work on Libyan trainers', *Jane's Defence Weekly*, 15 Aug. 2007, p. 18.

<sup>83</sup> Lewis, J. A. C., 'France to refurbish Libyan Mirages', *Jane's Defence Weekly*, 29 Nov. 2006, p. 19.

<sup>84</sup> 'Libya, France sign MOU for purchase of 14 Rafale fighters', Agence France-Presse, 10 Dec. 2007; and Lewis, J. A. C., 'Libyan–French accord offers promise of major acquisitions', *Jane's Defence Weekly*, 19 Dec. 2007, p. 5.

<sup>85</sup> 'Deal near on Libya Rafale buy', *Defense News*, 23 Mar. 2009, p. 3; and Johnson, R. F., 'Dassault denies sale of Rafale to Libya is imminent', *Jane's Defence Weekly*, 1 Apr. 2009, p. 21.

<sup>86</sup> Wezeman, Bromley and Wezeman (note 11), pp. 305–306.

<sup>87</sup> 'Russia, Libya sign warship contract worth up to \$200 mln', RIA Novosti, 10 Mar. 2009, <<http://en.rian.ru/russia/20090310/120495201.html>>; and 'Russia set to modernize Libya's Soviet-era tanks', RIA Novosti, 17 Aug. 2009, <[http://en.rian.ru/military\\_news/20090817/155830388.html](http://en.rian.ru/military_news/20090817/155830388.html)>.

<sup>88</sup> Nikol'skii, A., [Qadhafi did not disappoint], *Vedomosti*, 26 Jan. 2010.

<sup>89</sup> 'Russia says talk of \$2 bln arms contract with Libya premature', RIA Novosti, 30 Jan. 2010, <<http://en.rian.ru/russia/20100130/157722762.html>>.

<sup>90</sup> Wolf, J., 'U.S. eyes arms sales to Libya', Reuters, 6 Mar. 2009; and Seetharaman, D. and Wolf, J., 'U.S. eyes Vietnam, Libya arms sales', Reuters, 14 Dec. 2009.

and has therefore not been under pressure to buy, but has rather been able to play suppliers against each other. However, it has been suggested that Qadhafi and Libya's influential armed and security forces are unlikely to accept lagging behind their North African neighbours and new orders for major conventional weapons will be placed soon.<sup>91</sup>

#### IV. Arms transfers to Iraq

Arms supplies have played a significant role in the conflict in Iraq and have the potential to further destabilize the country's fragile political situation. This section discusses arms flows—including both major conventional weapons and small arms and light weapons (SALW)—to Iraq during the past five years, with a particular focus on Iraq's efforts in 2009 to rebuild its armed forces and exert greater control over arms acquisitions and limit its dependence on the USA for its security needs and arrangement of arms supplies.

Since 2003 Iraqi and US officials have alleged that armed non-state groups in Iraq have received arms and training from sources in Iran and Syria.<sup>92</sup> In mid-2009 US intelligence sources suggested that it had become increasingly difficult to smuggle weapons from Iran to Iraq, but that those weapons entering Iraq tended to be more sophisticated than before.<sup>93</sup> However, an analysis of the weapons captured from these armed groups suggests that a large proportion of their holdings have been taken from Iraqi stockpiles.<sup>94</sup> The US Government has established new accountability procedures for SALW supplies to Iraq to prevent diversion to these groups.<sup>95</sup> Nonetheless, concerns remain that non-state actors continue to steal or buy weapons from Iraqi armed forces personnel and therefore the risk of post-shipment diversion remains and with it the potential for increased armed violence in Iraq in the future.<sup>96</sup> The instability that these armed groups could cause has not only affected acquisitions by the Iraqi armed forces and US troops in Iraq, but also influenced Saudi Arabia's decision to invest in an advanced border security system along its border with Iraq.<sup>97</sup>

<sup>91</sup> Lutterbeck, D., 'Arming Libya: transfers of conventional weapons past and present', *Journal of Contemporary Security Policy*, vol. 30, no. 3 (Dec. 2009).

<sup>92</sup> Felter, J. and Fishman, B., *Iranian Strategy in Iraq, Politics and 'Other Means'*, Occasional Paper Series (Combating Terrorism Center: West Point, NY, 13 Oct. 2008), pp. 71–82; and Muir, J., 'All quiet on Iraq's western front', BBC News, 18 Nov. 2009, <<http://news.bbc.co.uk/2/hi/8363899.stm>>.

<sup>93</sup> US Department of Defense (DOD), *Measuring Stability and Security in Iraq*, Report to Congress (US DOD: Washington, DC, Sep. 2009), pp. 26–27.

<sup>94</sup> Felter and Fishman (note 92), appendix C.

<sup>95</sup> US DOD (note 93), p. 59; and Williams, P., *Criminals, Militias, and Insurgents: Organized Crime in Iraq* (Strategic Studies Institute: Carlisle, PA, June 2009), p. 183.

<sup>96</sup> US DOD (note 93), p. 59; and Williams (note 95).

<sup>97</sup> Irish, J., 'EADS near \$1 billion Saudi–Iraq border deal: executives', Reuters, 24 June 2008; and Taverna, M. A., 'Saudi win will help EADS lessen dependence on commercial aircraft', *Aviation Week & Space Technology*, 13 July 2009, p. 27.

Iraq was subject to a UN arms embargo during the 1990s, which was lifted in June 2004 for transfers to the Iraqi Government.<sup>98</sup> Iraq ranked as the 24th largest arms importer for the period 2005–2009, with more than 11 000 light armoured personnel carriers (APCs) accounting for the majority of its major conventional weapon imports. The USA was the largest supplier of major conventional weapons to Iraq during this period, accounting for 52 per cent of the volume of deliveries, followed by Russia (14 per cent), Ukraine (7 per cent), Hungary (6 per cent), Italy (5 per cent), Poland (4 per cent) and Turkey (4 per cent).<sup>99</sup> Large numbers of SALW were also delivered during 2005–2009, including over 600 000 SALW from several European countries arranged by the USA and significant numbers supplied directly from China, Serbia and the USA.<sup>100</sup> The Iraqi armed forces have been increasingly able to pursue a military campaign to defeat a range of armed non-state groups but have remained dependent on foreign forces, mainly US, for support from combat aircraft and other major conventional weapons.<sup>101</sup>

### Developments in 2009 and the future

The level of violence in Iraq in 2009 showed a marked drop in comparison to 2007–2008.<sup>102</sup> However, with the withdrawal of US combat forces from Iraqi cities in June 2009, the planned withdrawal of US troops from Iraq by 2011 and the risk that violence could flare up again, the Iraqi Government has focused attention on rebuilding its armed forces and acquiring more major conventional weapons.<sup>103</sup> By the end of 2009, Iraq had placed orders for 280 M-1A1 tanks, 24 Bell-407 helicopters and 6 C-130J transport aircraft from the USA; over 400 BTR-4 APCs and 6 An-32 transport aircraft from Ukraine; 24 EC-135 helicopters from France; and 22 Mi-17 helicopters

<sup>98</sup> On the embargo see appendix 12A in this volume.

<sup>99</sup> As of 30 Sep. 2009 the US had provided \$20.72 billion to develop the Iraqi security forces since 2003, but only part of this money was used to fund weapons. US Special Inspector General for Iraq Reconstruction (SIGIR), *Quarterly Report to the United States Congress* (SIGIR: Arlington, VA, 30 Oct. 2009), p. 45. See also chapter 5, section IV, in this volume.

<sup>100</sup> 'Probing the grey area: irresponsible small arms transfers', *Small Arms Survey 2007: Guns and the City* (Cambridge University Press: Cambridge, 2007) pp. 81–85; 'Serbia, Iraq agree on \$100 m weapons deal', Agence France-Presse, 28 Aug. 2009; and Wright, R. and Tyson, A. S., 'Iraqis to pay China \$100 million for weapons for police', *Washington Post*, 4 Oct. 2007.

<sup>101</sup> E.g. when Iraqi troops launched a major offensive against opposition forces in Mar. 2008, aircraft from Multinational Force–Iraq provided air support. Cordesman, A. H. and Mausner, A., *Withdrawal from Iraq: Assessing the Readiness of Iraqi Security Forces* (Center for Strategic and International Studies: Washington, DC, Aug. 2009), pp. 21–22.

<sup>102</sup> SIGIR (note 99), pp. 44–45. See also appendix 2A, section III, in this volume.

<sup>103</sup> The extent of the Iraqi plans was reflected in Iraqi discussions with the USA about possible arms purchases, details of which can be found in US notifications to Congress about possible FMS contracts. These are published on the website of the US Defense Security Cooperation Agency (DSCA), <<http://www.dsc.osd.mil/>>. See also Perlo-Freeman, S. et al., 'Military expenditure', *SIPRI Yearbook 2009*, pp. 208–209.

bought from Russia via the USA and upgraded by a US company. While these weapons can play a role in internal military operations, they are also a major step in rebuilding Iraq's military capabilities for responding to external threats.

A major and costly next step will be to re-establish an air force and air-defence system. In 2007 Iraq revealed long-term plans to build an air force with 38 squadrons.<sup>104</sup> However, in 2009 the air force was still small and equipped with only a few light aircraft and helicopters suitable for attacking ground targets. Iraq still lacks combat aircraft and land-based air-defence systems to defend its air space, although in late 2009 Iraq received an air surveillance radar from the USA to enable it to begin to monitor its air space. During 2009 discussions about the possible procurement of combat aircraft continued, although no orders have been placed.<sup>105</sup> In preparation for the acquisition of combat aircraft, Iraq ordered 15 T-6A trainer aircraft from the USA in 2009 and has received the first 4.

It remains to be seen when, and to what extent, Iraq's significant arms procurement plans will be fulfilled. The economic crisis and drop in oil prices have drastically curtailed Iraq's ability to finance its own arms procurement plans, and as a result of a lower security budget, the level of US military assistance has also been cut.<sup>106</sup> Based on what is known about current orders and procurement plans, it seems reasonable to assume that the USA will remain the main supplier of arms to Iraq for the coming years. According to the US Government, during the period September 2006 to August 2008 Iraq ordered \$3.6 billion worth of goods and services via the US Government Foreign Military Sales (FMS) programme, and in 2009 it was reported that FMS contracts with Iraq valued at \$5.5 billion were being executed.<sup>107</sup> However, Iraq is experiencing problems fulfilling the specific financial requirements and procedures for using this programme. Iraq's poor credit rating and inability to pay for military equipment and services in advance in 2009 has held up the signing and implementation of contracts for weapons from or via the USA.<sup>108</sup>

To avoid the problems associated with the FMS programme and to decrease dependence on the USA, Iraq continues to seek other suppliers. Other advantages for buying from non-US suppliers include lower prices and quicker deliveries of weapons. For example, in 2009 Iraq was discuss-

<sup>104</sup> US Department of Defense (DOD), *Measuring Stability and Security in Iraq*, Report to Congress (US DOD: Washington, DC, Dec. 2007), p. 49.

<sup>105</sup> Wall, R., 'Iraqi Air Force advisers pressed to complete their work', *Aviation Week & Space Technology*, 5 Oct. 2009, p. 39; and Al-Nidawi, O. F. and Bay, A., 'Iraq needs a real air force', *Wall Street Journal*, 11 Sep. 2009, p. 17.

<sup>106</sup> See chapter 5, section IV, in this volume.

<sup>107</sup> Financial Policy and Internal Operations Business Operations, US Defense Security Cooperation Agency, 'Historical facts book', 30 Sep. 2008, <<http://www.dsca.mil/programs/biz-ops/facts-book/default.htm>>, p. 3; and SIGIR (note 99), p. 49.

<sup>108</sup> Chon, G., 'Iraq is struggling to buy equipment', *Wall Street Journal*, 30 Sep. 2009.

ing the procurement of light and medium combat aircraft not only with the USA but also with France, the Czech Republic and South Korea, as well as exploring possible arms deals with Brazil, Russia, Serbia and Ukraine.<sup>109</sup>

## V. Conclusions

Since the end of the cold war, the five largest suppliers of major conventional weapons have remained the same: the USA, Russia, Germany, France and the UK. However, their share of global arms exports is slowly declining as a number of states are challenging the established second tier of arms suppliers. It has become increasingly difficult to compare the official data on export orders and actual arms exports published by the major arms suppliers, demonstrating the continued utility of SIPRI data for monitoring and measuring international arms transfers. It is expected that in the coming years SIPRI data will show a change with regard to the largest importer, as China will drop from the top spot. Asian and Middle Eastern countries are expected to remain among the world's largest importers.

SIPRI data shows that the overwhelming majority of arms transfers to North Africa for the period 2005–2009 were destined for Algeria. However, Morocco has placed significant orders for combat aircraft, missiles and naval vessels that will lead to a significant increase in its volume of arms imports. The timing of the conclusion of deals for major conventional weapons by regional rivals Algeria and Morocco is worrying for a region that lacks security- and confidence-building transparency mechanisms. Although it is unlikely that these acquisitions in themselves will lead to conflict, they do not help to improve relations between the two countries. Furthermore, their acquisitions are likely to influence Libyan plans.

Despite problems accessing US military assistance for arms procurement, Iraq continues to rely on the USA for the provision of arms and military equipment to rebuild its armed forces. It has made arrangements for the acquisition of arms and military equipment from other suppliers using its own funds, but its ambitious procurement plans have been hit by the economic crisis and declining oil prices. Nevertheless, the timetable for the withdrawal of US forces from Iraq lends a sense of urgency to international efforts to provide Iraq with the arms and military equipment it seeks to meet its perceived internal and external security needs.

<sup>109</sup> Kim, J. K., 'Iraq Asks for Korea's T-50 trainer jets', *Korea Times*, 15 Mar. 2009; Cody, E., 'France hopes to jump start its arms sales with new Iraqi Government', *Washington Post*, 4 July 2009; Rolfsen, B., 'Iraq may get used U.S. F-16s', *Defense News*, 7 Sep. 2009; Kominek, J., 'Czech Republic courts Iraq with L-159 trainers', *Jane's Defence Weekly*, 11 Nov. 2009; 'Iraq signs weapons deals with foreign countries to improve security', 15 Apr. 2009, BBC Monitoring Middle East, Text of report by Iraqi Media Network weekly newspaper *Al-Sabah* on 15 Apr. 2009; and Interfax, 'Ukraine signs first of set of contracts for supplying arms worth \$550 m to Iraq', *Kyiv Post*, 11 Dec. 2009.

# Appendix 7A. The suppliers and recipients of major conventional weapons, 2005–2009

THE SIPRI ARMS TRANSFERS PROGRAMME

## I. Introduction

The SIPRI Arms Transfers Programme maintains the SIPRI Arms Transfers Database, which contains information on deliveries of major conventional weapons to states, international organizations and non-state armed groups since 1950.<sup>1</sup> SIPRI ascribes a trend-indicator value (TIV) to each weapon or subsystem included in the database. SIPRI then calculates the volume of transfers to, from and between all of the above-listed entities using the TIV and the number of weapon systems or subsystems delivered in a given year. TIV figures do not represent financial values for weapon transfers; they are an indicator of the volume of transfers. Therefore, TIV figures should not be cited directly. They are best used as the raw data for calculating trends in international arms transfers over periods of time, global percentages for suppliers and recipients, and percentages for the volume of transfers to or from particular states.

The database covers the period from 1950 to the most recent full calendar year. Data collection and analysis are continuous processes. As new data becomes available, the database is updated for all years included in the database.<sup>2</sup>

Section II outlines the sources and methods for arms transfers data. Tables 7A.1 and 7A.2 present, respectively, the SIPRI TIV for all recipients and suppliers of major conventional weapons for the period 2005–2009. Table 7A.3 presents the sources of the weapons transferred to the 10 largest recipients of major conventional weapons in the period 2005–2009. Table 7A.4 shows the regional distribution of the exports of the 10 largest suppliers of major conventional weapons for the period 2005–2009.

## II. Sources and methods for arms transfers data

### Sources

Data on arms transfers are collected from a wide variety of sources: newspapers and other periodicals; annual reference books; monographs; official national and international documents; information from industry; and blogs and other Internet publications. The common criterion for all these sources is that they are open, that is, published and available to the public.

<sup>1</sup> SIPRI Arms Transfers Database, <<http://www.sipri.org/databases/armstransfers/>>.

<sup>2</sup> Thus, data from several editions of the SIPRI Yearbook or other SIPRI publications cannot be combined or compared. Readers who require time-series TIV data for periods before the years prior to 2005 should contact the SIPRI Arms Transfers Programme via <<http://www.sipri.org/>>.

Such open information cannot, however, provide a comprehensive picture of world arms transfers. Published reports often provide only partial information, and substantial disagreement between them is common. Since publicly available information is inadequate for the tracking of all weapons and other military equipment, SIPRI covers only what it terms major conventional weapons. Order and delivery dates and exact numbers (or even types) of weapons ordered and delivered, or the identity of suppliers or recipients, may not always be clear. Exercising judgement and making informed estimates are therefore important elements in compiling the SIPRI Arms Transfers Database. All sources of data as well as calculations of estimates are documented in the SIPRI Arms Transfers Database. Estimates are conservative and may very well be underestimates.

### **Selection criteria**

SIPRI uses the term ‘arms transfer’ rather than ‘arms trade’ or ‘arms sale’. SIPRI covers not only sales of weapons, including manufacturing licences, but also other forms of weapon supply, such as aid and gifts.

The weapons transferred must be destined for the armed forces, paramilitary forces or intelligence agencies of another country. Weapons supplied to or from an armed non-state actor in an armed conflict are included as deliveries to or from the individual armed non-state actor, identified under separate ‘recipient’ or ‘supplier’ headings. Supplies to or from international organizations are also included and categorized in the same fashion. In cases where deliveries are identified but it is not possible to identify either the supplier or the recipient with an acceptable degree of certainty, transfers are registered as coming from ‘unknown’ suppliers or going to ‘unknown’ recipients. Suppliers are termed ‘multiple’ only if there is a transfer agreement for weapons produced by two or more cooperating countries and if it is not clear which country will make the delivery.

To qualify for inclusion in the database, weapons must be transferred voluntarily by the supplier. This includes weapons delivered illegally—without proper authorization by the government of the supplier or the recipient country—but excludes captured weapons and weapons obtained from defectors. Finally, the weapons must have a military purpose. Systems such as aircraft used mainly for other branches of government but registered with and operated by the armed forces are excluded. Weapons supplied for technical or arms procurement evaluation purposes only are not included.

### **The coverage: major conventional weapons**

SIPRI covers only what it terms major conventional weapons, defined as:

1. *Aircraft*: all fixed-wing aircraft and helicopters, including unmanned reconnaissance/surveillance aircraft, with the exception of microlight aircraft, powered and unpowered gliders and target drones.

2. *Armoured vehicles*: all vehicles with integral armour protection, including all types of tank, tank destroyer, armoured car, armoured personnel carrier, armoured support vehicle and infantry fighting vehicle. Only vehicles with very light armour protection (such as trucks with an integral but lightly armoured cabin) are excluded.

3. *Artillery*: naval, fixed, self-propelled and towed guns, howitzers, multiple rocket launchers and mortars, with a calibre equal to or above 100 millimetres.

4. *Sensors*: (a) all land-, aircraft- and ship-based active (radar) and passive (e.g. electro-optical) surveillance systems with a range of at least 25 kilometres, with the exception of navigation and weather radars, (b) all fire-control radars, with the exception of range-only radars, and (c) anti-submarine warfare and anti-ship sonar systems for ships and helicopters. In cases where the system is fitted on a platform (vehicle, aircraft or ship), the register only notes those systems that come from a different supplier from that of the platform.

5. *Air defence systems*: (a) all land-based surface-to-air missile (SAM) systems, and (b) all anti-aircraft guns with a calibre of more than 40 mm. This includes self-propelled systems on armoured or unarmoured chassis.

6. *Missiles*: (a) all powered, guided missiles and torpedoes with conventional warheads, and (b) all unpowered but guided bombs and shells. Unguided rockets, free-fall aerial munitions, anti-submarine rockets and target drones are excluded.

7. *Ships*: (a) all ships with a standard tonnage of 100 tonnes or more, and (b) all ships armed with artillery of 100-mm calibre or more, torpedoes or guided missiles, with the exception of most survey ships, tugs and some transport ships.

8. *Engines*: (a) engines for military aircraft, for example, combat-capable aircraft, larger military transport and support aircraft, including helicopters; (b) engines for combat ships, such as fast attack craft, corvettes, frigates, destroyers, cruisers, aircraft carriers and submarines; (c) engines for most armoured vehicles—generally engines of more than 200 horsepower output. In cases where the system is fitted on a platform (vehicle, aircraft or ship), the register only notes those systems that come from a different supplier from the supplier of the platform.

9. *Other*: (a) all turrets for armoured vehicles fitted with a gun of at least 20-mm calibre or with guided anti-tank missiles, (b) all turrets for ships fitted with a gun of at least 57-mm calibre, and (c) all turrets for ships fitted with multiple guns with a combined calibre of at least 57 mm. In cases where the system is fitted on a platform (vehicle or ship), the register only notes those systems that come from a different supplier from the supplier of the platform.

The statistics presented refer to transfers of weapons in these nine categories only. Transfers of other military equipment—such as small arms and light weapons, trucks, artillery under 100-mm calibre, ammunition, support equipment and components, as well as services or technology transfers—are not included.

### **The SIPRI trend indicator**

The SIPRI system for the valuation of arms transfers is designed as a trend-measuring device. It allows the measurement of changes in the total flow of major weapons and its geographical pattern. The trends presented in the tables of SIPRI trend-indicator values are based only on actual deliveries during the year or years covered in the relevant tables and figures, not on orders signed in a year.

The TIV system, in which similar weapons have similar values, shows both the quantity and quality of the weapons transferred—in other words, it describes the transfer of military resources. It does not reflect the financial value of (or payments for) weapons transferred. This is impossible for three reasons. First, in many cases no reliable data on the value of a transfer is available. Second, even if the value of a transfer is known, in almost every case it is the total value of a deal, which may include not only the weapons themselves but also other items related to these weapons (e.g. spare parts, armament or ammunition) as well as support systems (e.g. specialized vehicles) and items related to the integration of the weapon in the armed forces (e.g. training, or software changes to existing systems). Third, even if the value of a transfer is known, important details about the financial arrangements of the transfer (e.g. credit or loan conditions and discounts) are often unavailable.<sup>3</sup>

Measuring the military implications of transfers would require a concentration on the value of the weapons as a military resource. Again, this could be done from the actual money values of the weapons transferred, assuming that these values generally reflect the military capability of the weapon. However, the problems listed above would still apply (e.g. a very expensive weapon may be transferred as aid at a 'zero' price, and therefore not show up in financial statistics, but still be a significant transfer of military resources). The SIPRI solution is a system in which military resources are measured by including an evaluation of the technical parameters of weapons. The purpose and performance of a weapon are evaluated, and it is assigned a value in an index that reflects its value as a military resource in relation to other weapons. This can be done under the condition that a number of benchmarks or reference points are established by assigning some weapons a fixed place in the index, thus forming its core. All other weapons are compared to these core weapons.

In short, the process of calculating the SIPRI TIV for individual weapons is as follows. For a number of weapon types it is possible to find the average unit acquisition price in open sources. It is assumed that such real prices roughly reflect the military resource value of a system. For example, a combat aircraft bought for \$10 million may be assumed to be a resource twice as great as one bought for \$5 million, and a submarine bought for \$100 million may be assumed to be 10 times the resource a \$10 million combat aircraft would repre-

<sup>3</sup> It is possible to present a very rough idea of the economic factors from the financial statistics now available from most arms-exporting countries. However, most of these statistics lack sufficient detail. Such data is available from the SIPRI Arms Transfers Programme via <<http://www.sipri.org/contents/armstrad/>>.

sent. Weapons with a real price are used as the core weapons of the valuation. Weapons for which a price is not known are compared with core weapons in the following steps.

1. The description of a weapon is compared with the description of the core weapon. In cases where no core weapon exactly matches the description of the weapon for which a price is to be found, the closest match is sought.

2. Standard characteristics of size and performance (weight, speed, range and payload) are compared with those of a core weapon of a similar description. For example, a 15 000-kilogram combat aircraft would be compared with a combat aircraft of similar size.

3. Other characteristics, such as the type of electronics, loading or unloading arrangements, engine, tracks or wheels, armament and materials, are compared.

4. Weapons are compared with a core weapon from the same period.

Weapons in a 'used' condition are given a value 40 per cent of that of a new weapon. Used weapons that have been significantly refurbished or modified by the supplier before delivery (and have thereby become a greater military resource) are given a value of 66 per cent of the value when new. In reality there may be huge differences in the military resource value of a used weapon depending on its condition and the modifications during the years of use.

The SIPRI trend indicator does not take into account the conditions under which a weapon is operated (e.g. an F-16 combat aircraft operated by well-balanced, well-trained and well-integrated armed forces has a much greater military value than the same aircraft operated by a developing country; the resource is the same but the effect is very different). The trend indicator also accepts the prices of the core weapons as genuine rather than reflecting costs that, even if officially part of the programme, are not exclusively related to the weapon itself. For example, funds that appear to be allocated to a particular weapon programme could be related to optional add-ons and armament or to the development of basic technology that will be included (free of cost) in other programmes. Such funds could also act, in effect, as government subsidies to keep industry in business by paying more than the weapon is worth.

In cases where subsystems, such as sensors and engines, are produced and delivered by suppliers other than the supplier of the platform on which the subsystems are fitted, the TIV calculation of the value of the platform would be reduced by the value of components. The TIV of the components would be listed as coming from a supplier different to the supplier of the platform.

**Table 7A.1.** The recipients of major conventional weapons, 2005–2009

The table includes all countries and non-state actors that imported major conventional weapons in the five-year period 2005–2009. Ranking is according to 2005–2009 total imports. Figures are SIPRI trend-indicator values (TIV). Figures and percentages may not add up because of the conventions of rounding. The right-hand column shows the recipient state's share of global arms imports for 2005–2009.

Rank 2005– 2009	Rank 2004– 2008 <sup>a</sup>	Recipient	Volume of imports (TIV)						% share, 2005– 2009
			2005	2006	2007	2008	2009	2005–09	
1	1	China	3 511	3 831	1 474	1 481	595	10 892	9
2	2	India	1 036	1 257	2 179	1 810	2 116	8 398	7
3	4	South Korea	686	1 650	1 758	1 821	1 172	7 087	6
4	3	UAE	2 198	2 026	938	748	604	6 514	6
5	5	Greece	389	598	1 796	563	1 269	4 615	4
6	6	Israel	1 113	1 117	859	665	158	3 912	3
7	14	Singapore	543	52	368	1 123	1 729	3 816	3
8	7	United States	501	581	731	808	831	3 453	3
9	11	Algeria	156	308	471	1 518	942	3 394	3
10	13	Pakistan	332	262	613	939	1 146	3 292	3
11	10	Turkey	1 005	422	585	578	675	3 264	3
12	23	Malaysia	51	410	546	541	1 494	3 041	3
13	9	Chile	400	1 041	723	577	231	2 972	3
14	12	Australia	470	682	629	380	757	2 919	3
15	8	Egypt	628	777	676	214	217	2 513	2
16	15	Poland	97	459	1 006	623	94	2 279	2
17	17	Venezuela	23	442	805	764	172	2 206	2
18	16	Japan	301	459	469	584	391	2 203	2
19	18	South Africa	181	689	768	387	139	2 164	2
20	24	Norway	14	469	494	536	576	2 090	2
21	19	United Kingdom	27	333	702	506	288	1 855	2
22	25	Spain	307	287	323	361	430	1 708	1
23	20	Taiwan	763	625	12	12	102	1 514	1
24	28	Iraq	165	253	268	351	365	1 401	1
25	31	Indonesia	31	58	577	241	452	1 359	1
26	21	Italy	148	420	488	189	112	1 357	1
27	26	Canada	106	102	427	427	80	1 143	1
28	22	Saudi Arabia	148	185	64	115	626	1 138	1
29	27	Iran	78	470	344	91	91	1 075	1
30	33	Brazil	192	193	207	212	210	1 014	1
31	38	Portugal	131	218	60	159	431	999	1
32	30	Germany	195	401	76	95	137	905	1
33	41	Austria	22	2	305	220	330	879	1
34	29	Romania	494	69	90	70	56	778	1
35	35	Peru	368	193	172	2	33	767	1
36	39	Netherlands	76	57	215	132	243	723	1
37	36	Czech Republic	622	51	15	20	5	712	1
38	32	Viet Nam	333	42	1	250	44	670	1
39	42	Jordan	35	81	182	136	195	629	1
40	45	Oman	164	281	4	66	93	607	1
41	62	Afghanistan	31	3	41	152	344	571	0
42	34	Yemen	306	60	160	45	–	571	0

## 312 MILITARY SPENDING AND ARMAMENTS, 2009

Rank 2005– 2009	Rank 2004– 2008 <sup>a</sup>	Recipient	Volume of imports (TIV)					% share, 2005– 2009	
			2005	2006	2007	2008	2009		
43	56	Colombia	15	48	144	92	250	549	0
44	46	Finland	91	118	114	152	70	544	0
45	51	Syria	7	70	–	292	175	543	0
46	78	NATO	–	116	–	–	420	536	0
47	37	Denmark	92	102	191	90	47	523	0
48	48	Georgia	74	100	174	77	81	506	0
49	54	Bulgaria	149	20	45	123	153	489	0
50	47	Hungary	13	265	205	5	2	488	0
51	50	Azerbaijan	45	148	210	21	49	473	0
52	53	Belgium	0	5	157	177	84	423	0
53	44	Switzerland	164	82	114	14	31	405	0
54	52	Sweden	82	124	62	64	46	378	0
55	40	Sudan	96	68	33	128	39	364	0
56	57	Kuwait	16	–	276	5	17	314	0
57	55	Bangladesh	9	214	75	12	–	310	0
58	61	France	–	60	69	7	149	286	0
59	43	Eritrea	281	–	4	–	–	285	0
60	150	Qatar	–	–	–	–	285	285	0
61	58	Belarus	6	254	–	–	–	260	0
62	65	Ecuador	48	15	2	140	46	251	0
63	60	Kazakhstan	42	41	82	25	49	240	0
64	63	Morocco	90	48	32	49	–	220	0
65	69	Tunisia	168	2	–	7	8	186	0
66	49	Mexico	47	69	11	–	57	185	0
67	68	Bahrain	63	63	26	19	7	178	0
68	67	Sri Lanka	25	42	30	64	–	161	0
69	82	Nigeria	–	14	57	17	73	161	0
70	79	Estonia	17	6	30	50	56	158	0
71	59	Thailand	61	44	8	12	34	158	0
72	70	Namibia	–	72	6	66	10	154	0
73	77	Chad	–	9	18	89	23	139	0
74	74	New Zealand	8	5	71	2	48	134	0
75	84	Uruguay	20	7	3	65	37	132	0
76	85	Kenya	–	–	89	–	35	124	0
77	71	Lithuania	15	45	4	26	26	116	0
78	76	Croatia	–	–	14	99	3	116	0
79	75	Latvia	7	11	51	44	0	113	0
80	72	Myanmar	79	29	3	–	–	110	0
81	80	Russia	–	5	100	–	1	106	0
82	83	Angola	40	7	20	20	11	98	0
83	90	Albania	42	–	5	13	25	85	0
84	86	Equatorial Guinea	–	–	33	41	6	79	0
85	64	Argentina	3	9	24	21	11	69	0
86	81	Philippines	14	20	16	10	4	65	0
87	88	Gabon	–	22	21	21	–	64	0
88	89	African Union	51	8	–	4	–	63	0
89	92	Cambodia	–	14	40	–	4	58	0
90	91	Cyprus	20	26	12	–	–	58	0
91	87	Ireland	4	11	18	21	1	53	0

Rank 2005– 2009	Rank 2004– 2008 <sup>a</sup>	Recipient	Volume of imports (TIV)					% share, 2005– 2009	
			2005	2006	2007	2008	2009		
92	135	Lebanon	1	–	3	–	47	50	0
93	101	Turkmenistan	–	–	–	–	47	47	0
94	95	Senegal	14	8	19	1	3	45	0
95	94	Jamaica	13	13	15	2	–	43	0
96	96	Zimbabwe	20	20	–	–	–	40	0
97	104	Barbados	–	–	13	13	13	38	0
98	107	Mali	13	–	8	2	7	30	0
99	98	Uganda	17	5	–	3	1	26	0
100	114	Mongolia	–	–	–	14	12	26	0
101	103	Zambia	0	23	3	–	–	26	0
102	106	Burkina Faso	19	1	4	–	1	24	0
103	105	Rwanda	–	3	15	6	–	24	0
104	102	North Korea	5	5	5	5	5	23	0
105	109	Tanzania	9	11	0	–	0	21	0
106	110	Tajikistan	–	13	7	–	–	20	0
107	113	Bolivia	1	8	2	3	5	18	0
108	111	Malta	18	–	–	–	–	18	0
109	100	DRC	–	17	–	–	–	17	0
110	130	Libya	–	3	3	–	11	17	0
111	140	Palestinian Authority	–	–	2	–	14	15	0
112	93	Ghana	0	0	13	–	–	14	0
113	108	Slovenia	2	2	2	–	6	13	0
114	123	Botswana	–	–	–	–	10	10	0
115	117	Sierra Leone	–	10	–	–	–	10	0
116	118	Laos	4	–	–	7	–	10	0
117	120	Seychelles	10	–	–	–	–	10	0
118	121	Maldives	–	10	–	–	–	10	0
119	116	Hezbollah (Lebanon) <sup>b</sup>	0	9	–	–	–	10	0
120	122	Central African Rep.	–	9	–	–	–	9	0
121	99	Dominican Republic	2	–	–	–	6	8	0
122	115	Djibouti	8	–	–	–	–	8	0
123	125	Niger	–	–	–	7	0	7	0
124	127	Trinidad & Tobago	–	–	6	–	–	6	0
125	128	Cameroon	5	0	–	1	–	6	0
126	129	Comoros	–	–	–	5	–	5	0
127	131	Slovakia	4	–	1	–	–	5	0
128	136	Benin	–	–	3	–	2	5	0
129	97	Nepal	5	–	–	–	–	5	0
130	132	Congo	4	0	0	–	–	4	0
131	119	Kyrgyzstan	3	2	–	–	–	4	0
132	134	El Salvador	–	–	–	4	–	4	0
133	151	Luxembourg	–	–	–	–	4	4	0
134	138	Brunei	1	2	–	–	–	2	0
135	137	United Nations	1	1	–	–	–	2	0
136	73	Armenia	–	–	1	–	–	1	0
137	141	Guinea	1	–	0	–	–	1	0
138	152	Bahamas	–	–	–	–	1	1	0
139	139	Lesotho	–	1	–	–	–	1	0
140	142	Haiti	–	–	1	–	–	1	0

Rank 2005– 2009	Rank 2004– 2008 <sup>a</sup>	Recipient	Volume of imports (TIV)					% share, 2005– 2009	
			2005	2006	2007	2008	2009	2005–09	2009
141	133	Paraguay	1	–	–	–	–	1	0
142	143	Honduras	–	–	–	0	–	0	0
143	144	Guatemala	–	–	–	0	–	0	0
144	145	Guyana	–	–	–	0	–	0	0
145	146	UIC (Somalia) <sup>b</sup>	–	0	–	–	–	0	0
146	147	Macedonia	–	0	–	–	–	0	0
147	148	LTTE (Sri Lanka) <sup>b</sup>	0	–	–	–	–	0	0
<b>Total</b>			<b>20 557</b>	<b>24 528</b>	<b>25 443</b>	<b>22 768</b>	<b>22 640</b>	<b>115 936</b>	<b>100</b>

0 = <0.5; DRC = Democratic Republic of the Congo; NATO = North Atlantic Treaty Organization; UAE = United Arab Emirates.

*Note:* The SIPRI data on arms transfers relates to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and to identify general trends, SIPRI uses a trend-indicator value. This value is only an indicator of the volume of international arms transfers and not of the financial values of such transfers. Thus, it is not comparable to economic statistics such as gross domestic product or export/import figures. The method for calculating the trend-indicator value is described in section II of this appendix.

<sup>a</sup> The rank order for recipients in 2004–2008 differs from that published in *SIPRI Yearbook 2009* because of subsequent revision of figures for these years.

<sup>b</sup> These are deliveries to a non-state actor or rebel group: LTTE = Liberation Tigers of Tamil Eelam; UIC = Union of Islamic Courts.

*Source:* SIPRI Arms Transfers Database, <<http://www.sipri.org/databases/armstransfers/>>.

**Table 7A.2.** The suppliers of major conventional weapons, 2005–2009

The table includes all countries and non-state actors that exported major conventional weapons in the five-year period 2005–2009. Ranking is according to 2005–2009 total exports. Figures are SIPRI trend-indicator values (TIV). Figures and percentages may not add up because of the conventions of rounding. The right-hand column shows the supplier state's share of global arms exports for 2005–2009.

Rank 2005– 2009	Rank 2004– 2008 <sup>a</sup>	Supplier	Volume of exports (TIV)						% share, 2005– 2009
			2005	2006	2007	2008	2009	2005–09	
1	1	United States	6 600	7 394	7 658	6 093	6 795	34 539	30
2	2	Russia	5 321	6 156	5 243	6 026	4 469	27 216	23
3	3	Germany	1 875	2 510	3 002	2 499	2 473	12 359	11
4	4	France	1 633	1 577	2 342	1 831	1 851	9 234	8
5	5	United Kingdom	915	808	987	1 027	1 024	4 762	4
6	6	Netherlands	583	1 221	1 322	554	608	4 288	4
7	7	Italy	743	525	706	424	588	2 986	3
8	10	Spain	108	757	565	603	925	2 958	3
9	8	China	306	599	412	544	870	2 731	2
10	11	Sweden	537	417	367	457	353	2 130	2
11	9	Ukraine	281	557	799	269	214	2 120	2
12	12	Israel	315	282	379	271	760	2 007	2
13	13	Switzerland	267	306	324	467	270	1 634	1
14	14	Canada	235	231	343	236	177	1 222	1
15	17	Belgium	161	58	19	228	217	684	1
16	15	South Africa	24	129	148	161	154	616	1
17	18	South Korea	48	94	228	80	163	612	1
18	16	Poland	17	236	148	76	93	570	0
19	19	Belarus	24	35	6	292	–	356	0
20	20	Finland	27	97	24	67	40	254	0
21	21	Turkey	46	61	35	43	36	220	0
22	25	Austria	3	61	93	16	33	206	0
23	24	Czech Republic	68	45	31	33	19	196	0
24	23	Montenegro <sup>b</sup>	..	71	109	–	–	180	0
25	27	Brazil	1	28	26	72	49	176	0
26	28	Chile	–	–	–	133	–	133	0
27	38	Singapore	3	–	–	1	124	128	0
28	37	Portugal	–	–	–	87	40	127	0
29	40	Australia	50	5	1	6	51	113	0
30	33	Jordan	17	–	13	28	44	101	0
31	35	Iran	1	91	–	2	5	99	0
32	32	Bulgaria	66	5	9	8	7	94	0
33	26	Uzbekistan	4	–	–	–	90	94	0
34	34	India	13	28	21	11	22	94	0
35	36	Hungary	82	–	6	–	–	88	0
36	29	Libya	45	12	–	9	12	78	0
37	41	Moldova	18	3	15	20	11	68	0
38	30	Norway	12	14	1	2	17	45	0
39	42	Romania	2	8	32	–	3	45	0
40	22	Denmark	1	5	3	15	12	36	0
41	39	Greece	13	23	–	–	–	36	0
42	31	Slovakia	–	7	18	8	–	33	0

Rank 2005– 2009	Rank 2004– 2008 <sup>a</sup>	Supplier	Volume of exports (TIV)						% share, 2005– 2009
			2005	2006	2007	2008	2009	2005–09	
43	52	Venezuela	–	6	–	3	17	27	0
44	47	UAE	11	9	3	–	–	23	0
45	45	Pakistan	20	–	–	–	–	20	0
46	43	Indonesia	8	8	–	–	–	16	0
47	49	Kyrgyzstan	–	–	–	16	–	16	0
48	50	Viet Nam	–	14	–	–	–	14	0
49	48	Kazakhstan	–	12	–	–	–	12	0
50	54	Serbia <sup>b</sup>	–	6	–	–	–	6	0
51	55	Qatar	–	6	–	–	–	6	0
52	61	Ireland	–	–	–	1	4	5	0
53	58	Philippines	–	–	4	–	–	4	0
54	59	Syria	–	3	–	–	–	3	0
55	60	Argentina	–	2	–	–	–	2	0
56	63	Oman	1	–	–	–	–	1	0
57	64	Costa Rica	–	–	–	0	–	0	0
58	65	Luxembourg	–	–	0	–	–	0	0
–	–	Unknown supplier <sup>c</sup>	53	8	2	50	0	113	0
<b>Total</b>			<b>20 557</b>	<b>24 528</b>	<b>25 443</b>	<b>22 768</b>	<b>22 640</b>	<b>115 936</b>	<b>100</b>

0 = <0.5; UAE = United Arab Emirates.

Note: The SIPRI data on arms transfers relates to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and to identify general trends, SIPRI uses a trend-indicator value. This value is only an indicator of the volume of international arms transfers and not of the financial values of such transfers. Thus, it is not comparable to economic statistics such as gross domestic product or export/import figures. The method for calculating the trend-indicator value is described in section II of this appendix.

<sup>a</sup> The rank order for suppliers in 2004–2008 differs from that published in *SIPRI Yearbook 2009* because of subsequent revision of figures for these years.

<sup>b</sup> The figure for 2005 for Serbia is for the State Union of Serbia and Montenegro. From 2006 onwards Serbia and Montenegro are separate states.

<sup>c</sup> One or more unknown supplier(s).

Source: SIPRI Arms Transfers Database, <<http://www.sipri.org/databases/armstransfers/>>.

**Table 7A.3.** The 10 largest recipients of major conventional weapons and their suppliers, 2005–2009

Figures are the supplier's share, as a percentage, of the total volume of imports per recipient. Only suppliers with a share of 1 per cent or more of total imports of any of the 10 largest recipients are included in the table. Smaller suppliers are grouped together under 'Other'. Figures may not add up because of the conventions of rounding.

Supplier	Recipient									
	China	India	South Korea	UAE	Greece	Israel	Singapore	USA	Algeria	Pakistan
Brazil	-	-	-	-	1	-	-	-	-	-
Canada	-	-	<0.5	-	<0.5	<0.5	<0.5	21	<0.5	-
China	..	-	-	-	-	-	-	-	2	37
France	3	2	10	35	23	-	51	4	2	9
Germany	<0.5	1	20	1	35	2	6	7	-	4
Israel	-	5	-	-	<0.5	..	3	3	-	-
Italy	-	<0.5	<0.5	<0.5	4	-	1	1	-	1
Libya	-	-	-	<0.5	-	-	-	-	-	1
Netherlands	-	<0.5	1	-	4	-	-	-	-	-
Poland	-	3	-	-	-	-	-	<0.5	-	-
Romania	-	-	-	1	-	-	-	-	-	-
Russia	89	77	3	-	1	-	-	-	92	1
South Africa	-	-	-	<0.5	-	-	-	9	1	-
Spain	-	-	-	-	-	-	-	4	2	-
Sweden	3	-	-	-	-	-	-	<0.5	-	3
Switzerland	-	-	<0.5	<0.5	3	-	2	18	-	5
Turkey	-	-	-	<0.5	-	-	-	-	-	1
Ukraine	3	-	-	-	-	-	-	1	1	2
United Kingdom	1	8	-	-	2	-	-	31	1	-
United States	-	2	66	60	26	98	37	..	-	35
Uzbekistan	-	1	-	-	-	-	-	-	-	-
Other	-	-	-	<0.5	-	-	<0.5	<0.5	-	-

**Table 7A.4.** The 10 largest suppliers of major conventional weapons and their destinations, by region, 2005–2009

Figures are the supplier's share, as a percentage, of the total volume of exports per recipient region. Figures may not add up because of the conventions of rounding. For the states in each region and subregion see page xxiv.

Recipient region	Supplier									
	USA	Russia	Germany	France	UK	Netherlands	Italy	Spain	China	Sweden
Africa	<0.5	14	13	2	6	<0.5	6	3	12	12
North Africa	<0.5	12	1	1	<0.5	–	1	–	2	<0.5
Sub-Saharan Africa	<0.5	2	12	1	6	<0.5	6	3	9	12
America	5	8	7	7	33	24	33	26	5	1
South America	2	8	5	5	11	21	31	20	5	–
Asia and Oceania	39	69	25	47	24	19	12	9	63	7
Central Asia	<0.5	1	–	–	–	–	–	–	–	<0.5
East Asia	28	44	19	38	9	17	9	9	6	1
Oceania	5	–	4	4	<0.5	2	<0.5	–	–	1
South Asia	5	24	2	5	15	1	3	–	57	5
Europe	18	3	40	18	24	49	38	62	–	80
European Union	17	1	39	17	18	48	37	8	–	77
Middle East	36	6	15	27	13	8	11	<0.5	21	–
Other	1	<0.5	–	–	–	–	–	–	–	–

Notes for tables 7A.3 and 7A.4: – = nil; <0.5 = between 0 and 0.5; UAE = United Arab Emirates.

Source for tables 7A.3 and 7A.4: SIPRI Arms Transfers Database, <<http://www.sipri.org/databases/armstransfers/>>.

# Appendix 7B. The financial value of the arms trade, 1999–2008

MARK BROMLEY

Table 7B.1 presents official data on the financial value of the arms trade in 1999–2008. The countries included in the table are those that provide official data on the financial value of ‘arms exports’, ‘licences for arms exports’ or ‘arms export agreements’ for at least 6 of the 10 years covered and for which the average of the values given exceeds \$10 million. In all cases, the ‘Stated data coverage’ follows the language used in the official publication from which the data has been extracted. National practices in this area vary, but ‘arms exports’ generally refers to the financial value of arms actually exported, ‘licences for arms exports’ generally refers to the financial value of licences for arms exports issued by the national export licensing authority, and ‘arms export agreements’ refers to the financial value of agreements signed for arms exports. The arms export data for the different states in the table are not necessarily comparable and may be based on significantly different definitions and methodologies.

In previous years SIPRI presented an estimate of the total financial value of the global arms trade. However, in 2009 only three of the established five largest arms exporters in terms of officially reported financial values—France, Russia and the United States—released data on the financial value of their actual arms exports for 2008; the other two—Israel and the United Kingdom—did not. For this reason, no estimate of the total financial value of the global arms trade are given.

In previous years Israel released a figure for the value of actual arms exports, but it did not do so for 2007 and 2008. Official data from the Israeli Government refers only to ‘contracts signed’.<sup>1</sup> The UK previously released data on the value of its actual arms exports, but it did not do so for 2008. Official data from the British Government refers only to ‘export orders placed’. In November 2008 the British Government announced that it was ceasing production of data on actual arms exports due to ‘the technical difficulty of continuing to produce reliable statistics’.<sup>2</sup>

<sup>1</sup> Opall-Rome, B., ‘Israel 3rd among world arms suppliers: MoD’, *Defense News*, 5 Oct. 2009, p. 6.

<sup>2</sup> British Ministry of Defence, ‘Cessation of defence export delivery and defence employment statistics in UK defence statistics’, 14 Nov. 2008, <<http://www.mod.uk/DefenceInternet/DefenceNews/DefencePolicyAndBusiness/CessationOfDefenceExportDeliveryAndDefenceEmploymentStatisticsInUkDefenceStatistics.htm>>

**Table 7B.1.** The financial value of global arms exports according to national government and industry sources, 1999–2008

Figures are in US\$ m. at constant (2008) prices. Conversion to constant (2008) US dollars is made using the market exchange rates of the reporting year and the US consumer price index (CPI). Years are calendar years, unless otherwise stated.

State	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Stated data coverage
Australia	430	27	62	295	450 <sup>d</sup>	..	..	..	..	..	Arms exports
Austria	..	..	..	50	153	6	155	194	176	308	Arms exports
Belgium	544	649	420	264	325	23	351	410	1 960	1 386	Licences for arms exports
Brazil	857	897	924	1 291	880	770	351	1 178	1 279	1 956	Licences for arms exports
Canada	516	224	353	200	57	325	314	376	166	379	Arms exports
Canada	378	402	465	517	605	564	293	339	..	..	Arms exports <sup>b</sup>
Czech Republic	124	100	65	87	110	127	121	125	247	278	Arms exports
Denmark	..	..	..	..	140	176	166	244	678	311	Licences for arms exports
Denmark	..	..	83	128	106	144	120	175	279	239	Licences for arms exports
Finland	55	27	44	61	65	59	141	71	107	136	Arms exports
France	..	28	40	66	135	464	60	115	81	494	Licences for arms exports
France	5 354	3 155	3 445	4 990	5 673	10 080	5 229	5 402	6 452	4 648	Arms exports
France	6 503	8 056	4 398	4 230	5 573	4 785	5 640	7 699	8 044	9 644	Licences for arms exports
Germany	2 002	783	399	358	1 761	1 598	2 235	1 841	1 582	2 089	Arms exports <sup>c</sup>
Germany	4 167	3 275	4 010	3 670	6 425	5 388	5 780	5 613	5 213	8 478	Licences for arms exports
Greece	62	24	55	59	148	21	40	118	46	70	Licences for arms exports
Hungary	..	21	11	8	15	13	16	21	24	22	Arms exports
India	..	..	..	..	65	57	44	83	136	174	Licences for arms exports
Ireland	28	..	..	27	90	87	67	91	89	160 <sup>d</sup>	Arms exports
Ireland	83	36	38	41	46	38	41	62	47	45	Licences for arms exports
Israel	2 076	2 206	2 432	2 394	2 750	2 964	2 866	3 204	..	..	Arms exports
Israel	2 820	3 115	3 063	4 817	3 511	4 218	3 859	5 233	5 815	6 326	Arms export agreements
Italy	1 220	696	603	549	832	679	1 139	1 300	1 801	2 603	Arms exports
Italy	1 846	986	939	1 036	1 693	2 109	1 866	2 937	6 742	8 292	Licences for arms exports
Korea, South	255	69	243	168	281	479	287	267	876	1 030	Arms exports

Netherlands	504	480	708	507	1 520	883	1 611	1 507	1 242	1 843	Licences for arms exports
Norway	203	151	217	344	500	341	420	486	567	690	Arms exports
Poland	..	50	61	96	242	372	398	368	408	539	Licences for arms exports
Portugal	15	25	21	7	41	24	16	1	38	111	Licences for arms export
Romania	87	48	30	53	81	48	51	107	87	122	Arms exports
Russia	4 382	4 601	4 505	5 769	6 554	6 589	6 754	6 942	7 684	8 350	Arms exports
	..	..	..	..	..	..	..	..	11 422	9 400	Arms export agreements
Slovakia	72	55	113	37	50	92	69	86	105	104	Licences for arms exports
South Africa	232	250	245	291	479	483	..	457	590	714	Licences for arms exports
Spain	194	159	251	310	506	575	574	1 132	1 326	1 368	Arms exports
	..	..	371	638	353	623	1 686	1 736	2 787	3 700	Licences for arms exports
Sweden	572	597	360	423	938	1 131	1 273	1 501	1 475	1 927	Arms exports
	1 119	633	2 813	723	1 306	1 007	2 235	2 176	1 050	1 457	Licences for arms exports
Switzerland	200	158	186	213	329	369	228	339	402	667	Arms exports
Turkey	109	154	163	297	387	223	372	376	436	576	Arms exports
Ukraine	..	625	608	598	585	..	..	..	727	800	Arms exports
United Kingdom	2 052	3 256	2 683	1 690	1 896	2 903	2 788	2 669	4 301	..	Arms exports
	..	..	3 382	3 601	5 930	4 211	4 135	3 194	1 865	3 612	Licences for arms exports
United States	10 549	8 961	7 282	9 043	9 329	9 488	7 996	10 861	20 052	8 010	Arms export agreements
	21 641	16 086	11 111	11 785	12 998	13 402	13 196	13 299	12 941	12 232	Arms exports
	18 387	21 849	13 789	15 549	16 944	14 455	14 115	17 116	25 667	37 796	Arms export agreements

.. = data not available.

<sup>a</sup> This figure is for the period 1 July 2003–30 June 2004.

<sup>b</sup> These figures exclude exports to the USA.

<sup>c</sup> These figures cover only exports of 'war weapons' as defined by German national legislation.

<sup>d</sup> This figure is for the period 1 Apr. 2008–31 Mar. 2009.

Sources: Published information or direct communication with governments or official industry bodies. For a full list of sources and all available financial data on arms exports see <[http://www.sipri.org/research/armaments/transfers/measuring/financial\\_values](http://www.sipri.org/research/armaments/transfers/measuring/financial_values)>.

# Appendix 7C. Transparency in arms transfers

MARK BROMLEY AND PAUL HOLTOM

## I. Introduction

Official and publicly accessible data on arms transfers is important for assessing states' arms export and arms procurement policies. However, publishing data on arms sales and acquisitions is a sensitive issue for nearly all states. This appendix analyses recent developments in official international, regional and national reporting mechanisms which aim, in whole or in part, to increase the quality and quantity of publicly available information on international arms transfers.

Section II describes trends in reporting to the United Nations Register of Conventional Arms (UNROCA), while section III considers reporting on arms exports by individual states and by the European Union (EU). Section IV considers the available information on the brokers who arrange and facilitate arms sales. Confidential intergovernmental exchanges of information on arms transfers, such as those that occur within the Organization for Security and Co-operation in Europe (OSCE), the Organization of American States (OAS) and the Wassenaar Arrangement, are not addressed here.<sup>1</sup>

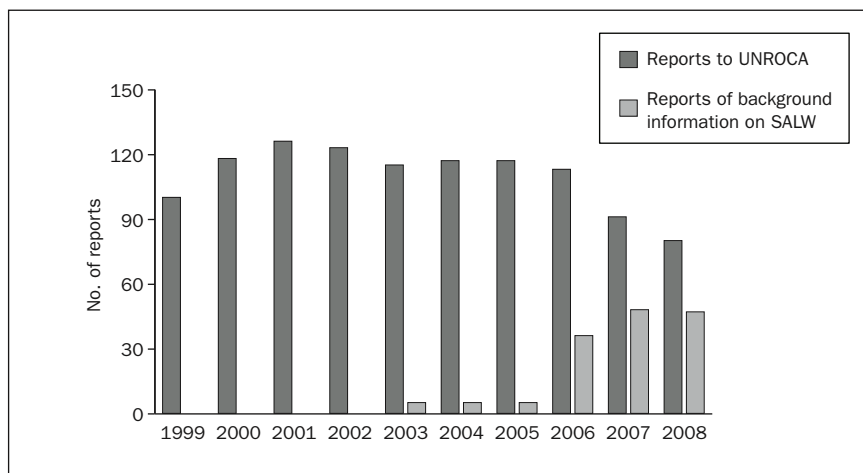
## II. The United Nations Register of Conventional Arms

UNROCA is the key international mechanism of official transparency on arms transfers. Established in 1991, it requests all UN member states to report information about the export and import of seven categories of conventional weapons.<sup>2</sup> While UNROCA has made a significant contribution to greater public transparency in this area, a number of factors limit its utility, including incomplete submissions or non-submissions by certain states, discrepancies between different states' reports and the limited coverage of the reporting categories.<sup>3</sup>

<sup>1</sup> See also chapter 12 in this volume. Another source of information on the international arms trade is the customs data of the UN Commodity Trade Statistics Database (Comtrade). The Norwegian Initiative on Small Arms Transfers (NISAT) collects and collates customs data from Comtrade in order to produce an annual register of small arms exports. See the NISAT Small Arms Trade Database at <http://www.prio.no/NISAT/Small-Arms-Trade-Database/>. Comtrade data is not discussed in this appendix because it is neither intended nor designed to be a tool for increasing the amount of publicly available information on international arms transfers.

<sup>2</sup> The categories are battle tanks, armoured combat vehicles, large-calibre artillery systems, combat aircraft, attack helicopters, warships, and missiles or missile launchers. States are also invited to submit information on their holdings and procurement from domestic production of major conventional weapons as well as international transfers of small arms and light weapons.

<sup>3</sup> See Holtom, P., 'Nothing to report: the lost promise of the UN Register of Conventional Arms', *Contemporary Security Policy*, vol. 31, no. 1 (Apr. 2010), pp.61–87.



**Figure 7C.1.** Number of reports submitted to the United Nations Register of Conventional Arms (UNROCA), 1999–2008

SALW = small arms and light weapons.

Source: UNROCA database, <[http://disarmament.un.org/un\\_register.nsf](http://disarmament.un.org/un_register.nsf)>.

The recent downward trend in states' participation in UNROCA continued during 2009 (see figure 7C.1). As of 31 December 2009, only 79 states had submitted reports on their arms transfers during 2008.<sup>4</sup> This is even fewer than the previous low of 85, in 1998. The drop reflects a fall in the number of states submitting 'nil reports'—a report that simply declares that the country neither imported nor exported arms—as 34 of the states that submitted a nil report for 2005 and 2006 did not report for 2007 or 2008. In 2009 a group of governmental experts (GGE) appointed by the UN Secretary-General to review the continuing operation and development of UNROCA reported that it 'was unable to make judgements about States' reasons for not submitting "nil" returns'.<sup>5</sup> However, it noted that 'outreach, updating national points of contact and follow-up by the Office for Disarmament Affairs' are essential for making states aware of this option.

There may be other reasons for a decline in reporting. Kenya submitted nil reports to UNROCA for 2005–2007, but as of December 2009 had not submitted a report for 2008. Kenya's nil report for 2007 was contradicted by sub-

<sup>4</sup> Indonesia submitted its report on 5 Jan. 2010, bringing the total number of submissions on arms transfers during 2008 to 80. In comparison, 90 states had reported to the Register by 31 Dec. 2008, 112 by 31 Dec. 2007 and 113 by 31 Dec. 2006. UNROCA database, <[http://disarmament.un.org/un\\_register.nsf](http://disarmament.un.org/un_register.nsf)>.

<sup>5</sup> United Nations, General Assembly, 'Continuing operation of the United Nations Register of Conventional Arms and its further development', Note by the Secretary-General, A/64/296, 14 Aug. 2009, para. 19. GGE reviews take place every 3 years. One of the main tasks of each GGE is to consider ways to increase levels of reporting to UNROCA towards universal participation. The GGE reports of 1994, 1997, 2000, 2003 and 2006 are available at <[http://www.un.org/disarmament/conv\\_arms/Register/HTML/Register\\_GGE\\_Reports.html](http://www.un.org/disarmament/conv_arms/Register/HTML/Register_GGE_Reports.html)>.

missions by China and Ukraine that detailed exports to Kenya during 2007.<sup>6</sup> The discrepancy in reports, and allegations that Ukrainian exports to Kenya were actually transferred to the Government of Southern Sudan, led to negative publicity, which may have led Kenya to suspend its participation in UNROCA.

The conflict in South Ossetia in 2008 also appears to have had an impact on Georgia's participation in UNROCA. Georgia consistently submitted reports on its arms imports and exports for 1998–2007 but has not submitted a report for 2008. Since the Rose Revolution of November 2003, and the election of Mikheil Saakashvili as president, Russian officials have called for limits on 'destabilizing' arms transfers to Georgia. These calls have had a mixed impact. The Czech Republic, Turkey and Ukraine continued to supply arms to Georgia. However, it appears that bilateral pressure on Israel and states in the western Balkans led to some deals being cancelled.<sup>7</sup> Georgia's decision not to submit a report to UNROCA for 2008 may be an attempt to limit Russia's ability to monitor its arms imports.

Following limited but positive recommendations on expanding the scope of UNROCA by the 2003 and 2006 GGEs, it was hoped that the 2009 GGE would recommend further expansions, and thereby increase its relevance for UN members. Proposals to expand the existing categories were discussed, including several which have been discussed by previous GGEs: to include force-projection and force-multiplier systems, to amend the parameters of weapons covered by existing categories, and to include information on unmanned aerial vehicles (UAVs).<sup>8</sup> Following on from the positive response to the *invitation* to report background information on international transfers of small arms and light weapons (SALW), the GGE considered the case for *requesting* states to submit information on SALW transfers to a new, eighth category of UNROCA.<sup>9</sup>

The 2009 GGE did not recommend expansion of UNROCA and so there will be no changes to the scope of UNROCA before the next GGE in 2012. The 2009 GGE recognized that a new category for SALW would 'assist in monitoring and highlighting destabilizing accumulations of SALW' and noted the possibility of UNROCA losing relevance if it did not include SALW. However, the GGE failed to reach consensus on the creation of such a category.<sup>10</sup> The 2009 GGE report contained only one substantive recommendation: that the UN Secretary-General seek the views of member states on whether the absence of SALW as a full category in UNROCA has limited the relevance of the register and directly affected decisions on participation.<sup>11</sup>

<sup>6</sup> Bromley, M. and Kelly, N., 'Transparency in arms transfers', *SIPRI Yearbook 2009*, pp. 337–38.

<sup>7</sup> Holtom, P., 'Arms transfers to Georgia', Presentation at the Conference on Caucasus Studies: Migration–Society–Language, Malmö University, 28–30 Nov. 2008, <<http://195.178.225.22/CSmsl/program.html>>.

<sup>8</sup> United Nations, A/64/296 (note 5), para. 43–8.

<sup>9</sup> Forty-seven states reported on international transfers of SALW for 2008, representing more than half of the states that submitted reports to UNROCA. Sixty-five states have reported to UNROCA on international transfers of SALW at least once for 2005–2008.

<sup>10</sup> United Nations, A/64/296 (note 5) para. 51.

<sup>11</sup> United Nations, A/64/296 (note 5), para. 75.

### III. National and regional reports on arms exports

Since the early 1990s an increasing number of governments have published national reports on arms exports.<sup>12</sup> As of January 2010, 32 states had published at least one national report on arms exports since 1990, and 28 have done so since 2006 (see table 7C.2 below).

Albania published its first national report on arms exports in December 2009, providing information on export and import licences granted during 2007 and 2008, broken down by the destination or origin of the goods.<sup>13</sup>

South Africa's National Conventional Arms Control Committee (NCACC), which oversees the implementation of the country's arms export policy, is legally obliged to provide the parliament and the public with annual reports on arms exports.<sup>14</sup> Despite this obligation, prior to 2009 the most recent public report, released in 2007, detailed arms transfers during 2003 and 2004.<sup>15</sup> Reports detailing transfers in 2005 and 2006 were presented to the parliament but were blocked from public release.<sup>16</sup> In August 2009 the opposition Democratic Alliance (DA) party attacked the NCACC's record on arms export controls, alleging that the NCACC had recently authorized—or was considering—transfers to Iran, Libya, Syria, Venezuela, Zimbabwe and North Korea.<sup>17</sup> In response, the ruling African National Congress (ANC) stated that the DA was potentially guilty of releasing classified information and the individuals involved could face up to 20 years in jail, although no action was taken.<sup>18</sup> Following the controversy, the NCACC gave its first briefing to parliament since August 2005 and released a public report detailing arms exports from South Africa in 2008.<sup>19</sup>

Under the European Union's Common Rules governing the control of exports of military technology and equipment (Common Rules), EU member states exchange data on the financial value of their export licence approvals and actual exports along with information on their denials of arms export licences. The data on licences and exports, along with aggregated data on denials, is compiled in a publicly available annual report. The EU published its

<sup>12</sup> A list of the published reports is maintained on the SIPRI website at <[http://www.sipri.org/research/armaments/transfers/transparency/national\\_reports](http://www.sipri.org/research/armaments/transfers/transparency/national_reports)>.

<sup>13</sup> Albanian State Export Control Authority, *Annual Report on Export Control for 2007 and 2008* (Albanian Ministry of Defence: Tirana, 2009).

<sup>14</sup> National Conventional Arms Control Act, Act no. 41 of 2002, Assented to 12 Feb. 2003, *Government Gazette* (Cape Town), 20 Feb. 2003.

<sup>15</sup> South African National Conventional Arms Control Committee (NCACC), 2003 and 2004 annual reports, 2007, available on the SIPRI website (note 12).

<sup>16</sup> Democratic Alliance (DA), 'Arming dictators all over the world: National Conventional Arms Control Committee in crisis', 2 Aug. 2009, <<http://www.da.org.za/newsroom.htm?action=view-news-item&id=7065>>.

<sup>17</sup> Democratic Alliance (note 16).

<sup>18</sup> Ncana, N., 'ANC wants Maynier off arms panel', *The Times* (Johannesburg), 2 Sep. 2009.

<sup>19</sup> South African National Conventional Arms Control Committee (NCACC), 2008 annual reports, 27 Aug. 2009, available on the SIPRI website (note 12). See also Parliamentary Monitoring Group, 'National Conventional Arms Control Committee (NACC) Introductory & Annual Report 2008 briefing', 2 Sep. 2009, <<http://www.pmg.org.za/print/18065>>.

**Table 7C.1.** Numbers of EU member states submitting a complete data set to the EU annual report, 2004–2009<sup>a</sup>

Annual report	Year covered	No. of states making submissions	No. of states making full submissions	Proportion of states making full submissions (%)
11th	2009	27	19	70
10th	2008	27	17	63
9th	2007	25	15	60
8th	2006	25	17	68
7th	2005	25	13	52
6th	2004	22 <sup>b</sup>	6	26

<sup>a</sup> A ‘complete data set’ is taken to be data on the financial value of both arms export licences issued and actual exports, broken down by both destination and EU Common Military List category.

<sup>b</sup> Because the 6th annual report covers export licences issued and actual exports in 2003, the 10 member states that joined the EU in May 2004 were not obliged to submit data. Instead, they were invited to submit figures for 2003 if they were available, which 7 of them did.

Source: Council of the European Union, EU annual reports, <<http://www.consilium.europa.eu/showPage.aspx?id=1484>>.

11th annual report in November 2009, covering transfers during 2008.<sup>20</sup> The level of detail on export licences and actual exports in the EU annual report has increased substantially since publication of the sixth annual report in 2004, when states were asked to submit data on the financial value of both arms export licences and actual arms exports, broken down by both destination and EU Common Military List category.

All 27 EU member states supplied information to the 11th annual report and 19 provided data for all requested categories. This is the highest proportion of states that have submitted a complete data set to the EU annual report since the enlargement of the EU in 2004 (see table 7C.1). However, the three largest arms exporters in the EU—France, Germany and the United Kingdom—all failed to make full submissions, thereby diluting the overall value of the report as a transparency instrument. Germany and the UK have long had technical difficulties with collecting and submitting data on actual arms exports disaggregated by EU Common Military List categories. The fact that the UK has decided to cease collecting data on actual arms exports is likely to further limit its ability to make full submissions to the EU annual report.<sup>21</sup>

In 2009 five states in South Eastern Europe—Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia (FYROM), Montenegro and Serbia—produced a regional report on arms exports, containing infor-

<sup>20</sup> Council of the European Union, Eleventh annual report according to Article 8(2) of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, C265, 6 Nov. 2009. All 11 annual reports are available at <<http://www.consilium.europa.eu/showPage.aspx?id=1484>>.

<sup>21</sup> See appendix 7B.

mation on arms export licences granted during 2007.<sup>22</sup> The structure and format of the report are modelled on the EU annual report.<sup>23</sup> All of the participating states have already published national arms export reports, many of which contain more detailed information than the regional report. However, the publication of the regional report provides the first instance of the EU model of regional reporting being used by non-EU states.

#### IV. Publishing information on brokering licences

Governments and arms manufactures often rely on arms brokers to arrange and facilitate sales.<sup>24</sup> However, arms brokers have been implicated in facilitating the supply of arms to states subject to UN or regional arms embargoes along with terrorist, insurgent and organized crime groups and other 'undesirable' end-users. Effective controls on arms brokering are therefore widely seen as necessary for limiting illicit arms transfers. Information on the activities of arms brokers, and on states' interpretation of their brokering controls, remains largely outside the public domain. In recent years a number of states have started to provide some information on the individuals and companies that have been licensed to act as brokers or on approvals and denials of particular licences for brokering activities.

Since 2004 Estonia has published online information on companies or individuals that are registered to act as arms brokers, including the names of the individuals registered to act as brokers, the countries between which they can arrange transactions and the date of entry into the register.<sup>25</sup> Information on brokering authorizations and licences issued or denied is published in Estonia's Strategic Goods Commission activity reports.<sup>26</sup> Since 2005 the UK has included information on approvals and denials of licences for brokering activities by country of destination in its annual and quarterly arms export reports, giving information on the exporter country, the number of licences

<sup>22</sup> States reached agreement on producing the report in June 2009 and it was published by the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC) in Dec. 2009. SEESAC, *Regional Report on Arms Exports in 2007* (SEESAC: Belgrade, 2009).

<sup>23</sup> The possibility of producing a regional version of the EU annual report for South Eastern Europe was discussed during an EU-sponsored outreach event in Slovenia in May 2008. Council of the European Union, Tenth Annual Report according to Operative Provision 8 of the European Code of Conduct on Arms Exports', *Official Journal of the European Union*, C300, 22 Nov. 2008, p. 2.

<sup>24</sup> One definition of a broker (in this case, of SALW) is 'a person or entity acting as an intermediary that brings together relevant parties and arranges or facilitates a potential transaction of small arms and light weapons in return for some form of benefit, whether financial or otherwise.' United Nations, General Assembly, Report of the Group of Governmental Experts established pursuant to General Assembly resolution 60/81 to consider further steps to enhance international cooperation in preventing, combating and eradicating illicit brokering in small arms and light weapons, A/62/163, 30 Aug. 2007, Para. 8.

<sup>25</sup> Estonian Ministry of Foreign Affairs, 'Registered brokers of military goods', <<http://www.vm.ee/?q=en/node/5035>>.

<sup>26</sup> The activity reports of the Estonian Strategic Goods Commission are available at <<http://www.vm.ee/?q=en/node/5039>>.

issued or denied, and a description of the goods.<sup>27</sup> Since 2006, Romania's annual and quarterly arms export reports have included perhaps the most detailed information released by any state on approvals and denials of brokering licences and actual transfers covered by brokering licences.<sup>28</sup> Information is sorted by the country of destination and military list category and includes the exporter country, the number of licences issued or denied, the criteria under which any licences were refused, and a description of the goods concerned.

In June 2003 the Council of the European Union adopted Common Position 2003/468/CFSP, aimed at setting agreed minimum standards in the control of arms brokering across all EU member states. The common position requires member states to establish a system for exchanging information on brokering activities including denials of brokering licence applications.<sup>29</sup> In April 2008 member states agreed to share information on approvals of brokering licences and to publish information on approvals and denials of brokering licences in the EU annual report.<sup>30</sup> The 11th annual report contains a table providing information on brokering licences granted and denied by the EU member states during 2008.<sup>31</sup> The table presents information broken down by either destination or individual licence—depending on the reporting state—and includes details of the destination of the goods, the origin of the goods, their financial value, their EU Common Military List category and the quantity of items involved. Although in several cases not all categories of information have been provided, the table is a notable boost to transparency in this area. It provides details of brokering licences issued by 11 EU member states, the majority of which have not previously published such detailed information.<sup>32</sup>

<sup>27</sup> The reports are available on the website of the British Department for Business, Innovation and Skills, <<http://www.exportcontroldb.bis.gov.uk/>>.

<sup>28</sup> The reports are available on the SIPRI website (note 12).

<sup>29</sup> Council of the European Union, Council Common Position 2003/468/CFSP of 23 June 2003 on the control of arms brokering, *Official Journal of the European Union*, L159, 25 June 2003, Article 5.

<sup>30</sup> Council of the European Union (note 23), p. 3.

<sup>31</sup> Council of the European Union (note 20).

<sup>32</sup> The states are Austria, Bulgaria, the Czech Republic, Germany, Lithuania, the Netherlands, Poland, Romania, Spain, Sweden and the UK.

**Table 7C.2.** States participating in international, regional, and national reporting mechanisms which aim, in whole or in part, to increase the quality of publicly available information on international arms transfers, 2007–2009

An x denotes that the state reported at least once in the period 2007–2009.

State	UNROCA		National report		European Union annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials <sup>a</sup>	Exports	Complete data set <sup>b</sup>
Albania	x (nil)	x	x			
Andorra	x (nil)					
Antigua and Barbuda	x (nil)	x				
Argentina	x	x (nil)				
Armenia	x (nil)	x				
Australia	x	x				
Austria	x		x		x	x
Azerbaijan	x					
Bahamas	x (nil)					
Bangladesh	x	x				
Belarus	x		x			
Belgium	x	x	x <sup>c</sup>		x	
Belize	x (nil)					
Bhutan	x (nil)					
Bolivia	x (nil)	x				
Bosnia and Herzegovina	x	x	x	x		
Brazil	x					
Brunei Darussalam	x (nil)	x				
Bulgaria	x	x	x		x	x
Burkina Faso	x					
Burundi	x (nil)					
Canada	x	x	x			
Chile	x	x				
China	x					
Colombia	x	x				
Comoros	x (nil)					
Cook Islands	x (nil)					
Costa Rica	x (nil)					
Croatia	x	x				
Cuba	x (nil)					
Cyprus	x	x			x	x
Czech Republic	x	x	x	x	x	x
Denmark	x	x	x	x	x	
Djibouti	x (nil)					
El Salvador	x (nil)	x (nil)				
Estonia	x		x		x	x
Fiji	x (nil)	x (nil)				
Finland	x		x		x	x
France	x	x	x		x	

State	UNROCA		National report		European Union annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials <sup>a</sup>	Exports	Complete data set <sup>b</sup>
Gabon	x (nil)					
Gambia	x (nil)					
Georgia	x	x				
Germany	x	x	x	x	x	
Ghana	x (nil)	x (nil)				
Greece	x	x			x	x
Grenada	x (nil)					
Guatemala	x (nil)					
Haiti	x (nil)	x				
Hungary	x	x			x	x
Iceland	x (nil)					
India	x					
Indonesia	x	x				
Ireland	x	x			x	x
Israel	x					
Italy	x	x	x		x	
Jamaica		x (nil)				
Japan <sup>d</sup>	x (nil)					
Jordan	x					
Kazakhstan	x	x				
Kenya	x (nil)					
Kiribati	x (nil)					
South Korea	x	x				
Kyrgyzstan	x (nil)					
Latvia	x	x			x	x
Lebanon	x (nil)	x (nil)				
Liechtenstein	x (nil)	x				
Lithuania	x	x			x	x
Luxembourg	x (nil)	x			x (nil)	x (nil)
Malaysia	x					
Maldives	x (nil)					
FYROM	x (nil)		x			
Mali	x (nil)	x (nil)				
Malta	x (nil)	x (nil)			x	x
Mauritius	x (nil)					
Mexico	x	x				
Micronesia	x (nil)					
Moldova	x (nil)	x				
Monaco	x (nil)					
Mongolia	x (nil)					
Montenegro	x	x	x	x		
Mozambique	x (nil)					
Namibia	x (nil)					
Nauru	x (nil)					
Netherlands	x	x	x	x	x	x
New Zealand	x	x				
Nicaragua	x (nil)					

State	UNROCA		National report		European Union annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials <sup>a</sup>	Exports	Complete data set <sup>b</sup>
Norway	x	x	x	x		
Pakistan	x					
Palau	x (nil)					
Panama	x (nil)	x				
Paraguay	x (nil)					
Peru	x	x				
Philippines	x	x				
Poland	x	x			x	
Portugal	x	x	x		x	x
Romania	x	x	x	x	x	x
Russia	x					
Saint Lucia	x (nil)	x (nil)				
Saint Vincent and the Grenadines	x (nil)	x				
Samoa	x (nil)					
San Marino	x (nil)					
Senegal	x	x				
Serbia	x (nil)		x	x		
Seychelles	x (nil)					
Sierra Leone	x (nil)					
Singapore	x					
Slovakia	x	x	x		x	x
Slovenia	x	x	x		x	x
Solomon Islands	x (nil)					
South Africa	x					
Spain	x		x		x	x
Suriname	x (nil)					
Swaziland	x (nil)	x (nil)				
Sweden	x	x <sup>e</sup>	x		x	
Switzerland	x	x	x			
Tajikistan	x (nil)					
Togo	x (nil)	x (nil)				
Tonga	x (nil)					
Trinidad and Tobago		x				
Turkey	x	x				
Tuvalu	x (nil)					
Ukraine	x	x	x			
United Kingdom	x	x	x	x	x	
United States	x		x			
Viet Nam	x (nil)					
Zambia	x (nil)					
<b>126 states</b>	<b>124 (63 nil)</b>	<b>65 (11 nil)</b>	<b>29</b>	<b>10</b>	<b>27</b>	<b>19</b>

FYROM = Former Yugoslav Republic of Macedonia; SALW = small arms and light weapons.

*Note:* The European Union Annual Report is the annual report according to Article 8(2) of Council Common Position 2008/944/CFSP defining Common Rules governing control of exports of military technology and equipment and, until 2008, the annual report according to Operative Provision 8 of the European Union Code of Conduct on Arms Exports.

<sup>a</sup> A country is marked as providing information about export licence denials if it identifies the countries for which export licences have been denied.

<sup>b</sup> A country is marked as providing information on all categories submitted if it provided data on the financial value of both arms export licences and actual arms exports, broken down by both destination and EU Military List category.

<sup>c</sup> Since early 2003 the 3 regional governments of Belgium (Brussels, Flanders and Wallonia) have been responsible for reporting on export licences and exports.

<sup>d</sup> Japan submitted background information to UNROCA on the procurement of SALW through national production in 2006, 2007 and 2008.

<sup>e</sup> Sweden did not submit information on the number of SALW imported and exported, only the categories of weapon systems, and the origin or destination.

*Sources:* UNROCA database, <[http://disarmament.un.org/un\\_register.nsf](http://disarmament.un.org/un_register.nsf)>; national reports, <[http://www.sipri.org/research/armaments/transfers/transparency/national\\_reports/](http://www.sipri.org/research/armaments/transfers/transparency/national_reports/)>; and Council of the European Union, EU annual reports, <[http://consilium.europa.eu/cms3\\_fo/showPage.asp?id=1484](http://consilium.europa.eu/cms3_fo/showPage.asp?id=1484)>.