

IV. The financial value of states' arms exports

MARK BROMLEY AND PIETER D. WEZEMAN

Official data on the financial value of states' arms exports in the years 2006–15 is presented in table 10.6. The countries included in the table are those that provide data on the financial value of 'arms exports', 'arms export licences', 'arms export agreements' or 'arms export orders' and for which the average of the values given exceeds \$10 million. The data is taken from reports by, direct quotes from or direct communication with governments or official industry bodies. The stated data coverage reflects the language used by the original source. National practices in this area vary, but the term 'arms exports' generally refers to the financial value of the arms actually delivered; 'arms export licences' generally refers to the financial value of the licences for arms exports issued by the national export licensing authority; and 'arms export agreements' or 'arms export orders' refers to the financial value of contracts or other agreements signed for arms exports. The arms export data for the states in table 10.6 is based on national definitions and methodologies, and is thus not necessarily comparable.¹ Conversion to constant (2015) US dollars is made using the market exchange rates of the reporting year and the US consumer price index (CPI).

In some cases more than one set of data is given for a country's arms exports or arms export licences. For example, in the case of the United States, two sets of data on arms exports are given: (a) one covering Foreign Military Sales, which are the result of export agreements between the US Government and the recipient government, and (b) one covering direct commercial sales, which are the result of agreements between the exporting company in the USA and the recipient, subject to an export licence from the US Government.

According to the SIPRI Arms Transfers Database, countries that produce official data on the financial value of their arms exports account for over 90 per cent of the total volume of deliveries of major weapons. By adding together the data in table 10.6 it is therefore possible to arrive at a rough estimate of the financial value of the global arms trade. However, there are significant limitations in using the data presented in this way. First, as noted above, the data sets used are based on different definitions and methodologies and are not directly comparable. Second, several states (such as the United Kingdom) do not release data on arms exports, only on arms export

¹ There is no internationally agreed definition of what constitutes 'arms' and governments use different lists when collecting and reporting data on the financial value of their arms exports. In addition, there is no standardized methodology concerning how to collect and report such data, with some states reporting on export licences issued or used and other states using data collected from customs agencies.

Table 10.6. The financial value of states' arms exports according to national government and industry sources, 2006–15
 Figures are in constant (2015) US\$ m. Years are calendar years unless otherwise stated.

State	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Explanation of data
Austria	214	194	339	534	537	630	604	711	713	373	Arms exports
	451	2158	1525	3453	2545	2391	2061	3207	1199	1202	Arms export licences
Belgium	1296	1408	2153	1691	1444	1223	1285	828	5995	1237	Arms export licences
Bosnia and Herzegovina	..	..	45	35	14	60	54	53	..	..	Arms exports
	74	59	94	71	40	83	61	151	..	..	Arms export licences
Brazil	414	183	42	109	..	..	..	..	..	..	Arms exports
Bulgaria	165	232	242	223	371	338	290	317	536	1555	Arms exports
	647	591	766	485	426	327	463	663	1100	709	Arms export licences
Canada ^a	373	347	576	524	432	676	1077	673	721	528	Arms exports
Croatia	..	..	..	..	78	51	68	116	94	43	Arms exports
	..	..	..	344	641	224	316	962	640	424	Arms export licences
Czech Republic	137	272	306	269	312	268	363	389	568	624	Arms exports
	268	746	342	599	649	507	351	443	665	823	Arms export licences
Denmark	192	307	263	387	541	347	294	1056	195	149	Arms export licences
Estonia	<1	5	10	5	<1	4	<1	1	4	4	Arms exports
	<1	5	10	12	3	513	4	4	5	16	Arms export licences
Finland	78	117	150	134	85	142	77	301	296	109	Arms exports
	127	89	543	287	88	270	157	465	302	401	Arms export licences
France	5867	7069	5065	5665	5332	5342	4435	5242	5109	6721	Arms exports
	8487	8855	10617	12530	7368	9546	6389	9286	10916	18767	Arms export licences
Germany	2027	2362	2301	2055	3050	1882	1255	1260	2422	1725	Arms exports ^b
	11335	13644	13439	10803	7905	15812	11773	11266	8659	14216	Arms export licences ^c
Greece	130	52	77	348	425	331	451	..	..	..	Arms export licences
Hungary	24	27	24	26	27	26	36	42	44	51	Arms exports
	91	150	192	195	199	229	358	693	574	1423	Arms export licences
India ^d	111	95	218	76	..	..	89	119	163	264	Arms exports
Ireland	68	52	50	69	35	40	62	84	114	48	Arms export licences

State	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Explanation of data
Israel	3527	..	..	7623	7826	7376	7711	..	..	..	Arms exports
	5761	6401	6964	8175	7935	6132	..	6654	5667	5700	Arms export agreements
Italy	1431	1982	2866	3384	887	1498	3992	3745	4423	3564	Arms exports
	3233	7422	9129	10272	4680	7709	5518	2903	3521	8742	Arms export licences
Korea, South	297	966	1135	1288	1291	2510	2429	3476	3614	3541	Arms export agreements
Lithuania	6	69	50	68	22	70	25	22	25	30	Arms exports
	12	99	76	121	33	75	27	30	20	65	Arms export licences
Montenegro	..	..	27	12	9	..	4	4	12	4	Arms exports
	3	49	32	12	14	6	7	8	15	12	Arms export licences
Netherlands	1192	1367	806	870	973	1131	1090	342	333	657	Arms exports
	1659	1122	2029	2018	1314	609	1248	1301	2743	968	Arms export licences
Norway	535	624	760	791	660	672	688	571	468	381	Arms exports
Pakistan ^e	21	22	57	15	18	11	13	13	17	..	Arms exports
	8	55	26	..	37	25	29	22	56	..	Arms export agreements
Poland	406	449	593	2135	658	1244	840	1159	1222	1407	Arms export licences
Portugal	1	..	114	25	29	37	41	238	208	212	Arms exports
	1	42	123	43	30	45	69	197	338	75	Arms export licences
Romania	118	96	91	108	134	138	86	180	159	161	Arms exports
	129	193	131	182	165	194	185	301	249	220	Arms export licences
Russia	7642	8459	9192	9391	10870	14436	15691	15974	15618	14500	Arms exports
Serbia	105	146	361	224	278	240	204	313	356	..	Arms exports
	510	469	937	717	1091	541	610	1037	983	..	Arms export licences
Slovakia	47	58	61	68	22	15	33	42	48	63	Arms exports
	94	116	114	164	83	44	97	165	356	314	Arms export licences
South Africa	504	649	786	1019	1237	1333	1333	332	275	215	Arms export licences
Spain	1246	1460	1506	2067	1624	3561	2590	5279	4255	4126	Arms exports
	1912	3070	4073	4900	3222	4205	10565	5837	4870	11841	Arms export licences
Sweden	1653	1624	2121	1957	2073	2258	1487	1865	1161	884	Arms exports
	2396	1156	1604	1603	1995	1769	1209	1535	654	587	Arms export licences
Switzerland	373	443	734	739	668	1036	771	506	616	464	Arms exports

Turkey	414	480	634	740	689	861	1 239	1 414	1 652	1 660	Arms exports
United Kingdom	11 957	22 075	8 818	12 479	9 790	9 116	14 842	15 588	14 013	11 764	Arms export orders ^f
	3 516	2 053	3 977	5 313	4 084	10 258	3 534	7 068	3 434	8 893	Arms export licences
Ukraine	..	800	881	884	1 040	1 058	1 057	..	..	..	Arms exports
United States ^g	50 634	24 266	49 790	23 696	19 816	20 622	18 179	20 759	19 577	21 443	Arms exports ^h
	20 174	19 079	32 913	35 469	23 941	28 404	70 000	24 617	31 898	40 189	Arms export agreements ⁱ
	23 292	28 042	37 639	39 742	37 049	46 230	34 656	21 159	63 109	73 950	Arms export licences ^j

.. = not available or not applicable.

Note: The countries included in this table are those that provide official data on the financial value of either 'arms exports', 'contracts signed for arms exports', 'arms export orders placed' or 'licences for arms exports' for at least 6 of the 10 years covered and where the average of the values given exceeds \$10 million. The arms export data for the different states in this table is not necessarily comparable and may be based on significantly different definitions and methodologies.

^a Figures for Canada exclude exports to the USA.

^b These figures only include exports of 'war weapons' as defined under German legislation.

^c These figures include arms export licences for international collaborative projects.

^d Figures for India for 2003–2008 and 2013–15 cover the period 1 Apr.–31 Mar. (e.g. the figure for 2015 covers the period 1 Apr. 2015–31 Mar. 2016). The figure for 2009 covers the period 1 Apr. 2009–31 Dec. 2009.

^e Figures for Pakistan cover the period 1 Apr.–31 Mar. (e.g. the figure for 2014 covers the period 1 Apr. 2014–31 Mar. 2015).

^f These figures cover defence equipment and additional aerospace equipment and services.

^g US figures are for the period 1 Oct.–30 Sep. (e.g. the figure for 2015 covers the period 1 Oct. 2014–30 Sep. 2015).

^h These figures include items sold under the government-to-government Foreign Military Sales programme and sales by US industry direct to foreign governments as direct commercial sales.

ⁱ These figures only include items sold under the government-to-government Foreign Military Sales programme.

^j These figures only include sales by US industry direct to foreign governments as direct commercial sales.

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 <<https://www.sipri.org/databases/financial-value-global-arms-trade>>.

licences, agreements or orders, while others (such as China) do not release any data on either arms exports, licences, agreements or orders. Nonetheless, by adding together the data that states have made available on the financial value of their arms exports as well as estimates for those that only provide data on arms export licences, agreements or orders it is possible to estimate that the total value of the global arms trade in 2015 was at least \$91.3 billion.² However, the true figure is likely to be higher.

² Where figures for arms exports are available, these are used. Where figures for arms exports in 2015 are not available but figures for 2014 are available, the 2014 figure has been used. In the case of Canada, the figure for arms exports in 2015 has been doubled, as the arms export figures for Canada exclude exports to the USA, which the Canadian authorities claim account for more than half of Canada's exports of military technology. Where figures for arms exports are not available in 2015 or 2014, figures for arms export agreements or orders in 2014, where available, have been used. Based on an analysis of past cases in which states have released data on both arms exports and arms export agreements or orders, the full figure for arms export agreements or orders has been used, but with a one-year lag. Where figures for arms export agreements or orders are not available, figures for arms export licences in 2015 have been used. Based on an analysis of states that release data on both arms exports and arms export licences, half the figure for arms export licences, for the current year, has been used. This export licence-based estimate has also been used for Germany, even though it provides figures for arms exports. Germany's arms export figures only include exports of 'weapons of war', a much more limited category of goods and services than is generally covered by export licences, these figures therefore underestimate the total value of German arms exports.