



ARMS TRADE II

March 1984

THE IRAQ-IRAN WAR AND THE ARMS TRADE

The Iraqi decision to invade Iran in September 1980 was obviously based on a misperception of Iran's military capability and will to defend itself. Instead of the envisaged quick victory, a protracted and bloody war - with more than 300 000 soldiers and civilians killed, according to moderate estimates - has put severe strains on the economies of the two countries.

Both Iraq and Iran rely largely on outside support, in the form of weapon supplies and other forms of aid, in order to continue the war. The question arises: Who are supplying Iraq and Iran with weapons? Another relevant question is: What differences are there between peace-time arms transfers and arms resupply during conflict?

This Fact Sheet presents some preliminary answers to these questions - the facts and figures presented are drawn from SIPRI's files on the global trade in major conventional weapons.

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INTRODUCTION

The Iraq-Iran war, now in its fourth year, has developed into an economic war in which both sides try to disrupt the main source of revenue of the other - the flow of oil. Militarily, the Gulf war is a war of attrition, in which neither adversary so far appears to have the military strength to defeat the other or the will to negotiate a peaceful settlement of the conflict. Recent developments have, however, increased the likelihood of a technological and/or geographical escalation of the conflict - thus making the war a global concern. Arms resupplies nevertheless continue to reach the adversaries in sufficient quantities for the war to go on.

This in part reflects the limited abilities of the United States and the Soviet Union to stop the war through diplomacy. On the other hand, these countries do not perceive the war, in its present and still limited form, as a threat to their interests in the area. On the contrary, the Soviet Union is directly supplying Iraq, and it is in the interests of both major powers that their allies deliver weapons to both belligerent states. After the war, Iraq and Iran will have to rebuild their civilian and military structures. The continued war thus creates the conditions for Iraq's and Iran's future reliance on the major powers. The nature of these reliances, however, remains highly obscure. The USA and the USSR do not, therefore, wish to limit their future options by committing themselves too deeply at the present stage.

ARMS RESUPPLY DURING THE WAR

The weapon flows to Iraq and Iran are illustrated in the table. Only confirmed deliveries of major weapons,¹ or other forms of support, have been included. Arms resupply during war in general is more complex, covert and unverifiable than in peace-time; the table undoubtedly underestimates the complexity of the real situation.

First, the number of arms suppliers increased dramatically after the outbreak of the war: in the case of Iraq, from 3 to 18; and for Iran, from 5 to 17. Second, the supply patterns have changed. Third, unlikely groupings of countries emerge as suppliers, or supporters, of the same party. Iran, for example, has received weapons from such politically disparate countries as Israel, Libya, North and South Korea, South Africa, Syria and Taiwan. Furthermore, both countries rely to a significant extent on private arms dealers and circuitous delivery routes via third countries for their supply of small arms, spare parts and munitions.

Iraq has for several years tried to extend the sources of its weapons and move away from dependence on the Soviet Union. The main western benefactor of this policy is France, although the USSR is still by far the largest single arms supplier. France has sold to Iraq approximately \$5 billion worth of arms since the start of the war, mostly on credit terms but also in exchange for oil. During 1982-83, Iraq accounted for 40 per cent of total French arms exports. In 1983, France leased to Iraq five Super Etendard fighters armed with Exocet anti-ship missiles. This shows France's fear of an Iraqi defeat; it also increases Iraq's capacity to attack oil tankers and other targets in the Gulf. Other French deliveries include Mirage fighters, missile-armed helicopters and Roland surface-to-air missiles. Egypt, Italy and Spain are also among the main suppliers of arms to Iraq. Egypt has retransferred weapons from a multitude of original suppliers. Egypt's arms exports to Iraq during 1982 reportedly totalled \$1 billion.

Iran's main suppliers of major weapons are Libya, Syria and North Korea. It is reported that 40 per cent of Iran's arms imports during 1982, or \$800 million, came from North Korea. Support has also been given by Israel, South Africa and Taiwan, often referred to as pariahs in the international system. With foreign assistance Iran is also in the process of enhancing its significant, indigenous capacity to produce weapons and munitions. Otherwise, Iran is heavily dependent on the private, international market for supplies. The most absurd example is probably the case of the private arms

dealer who purchased captured Iranian equipment - M-47 tanks, howitzers and mortars - from Iraq, and then resold it to Iran.

EFFECT ON REGIONAL ARMS PROCUREMENT

Many of the current procurement programmes of the Gulf Cooperation Council (GCC) countries² were initiated before the war started, fuelled by other regional developments, for example the Iranian revolution and emerging Shi'ite fundamentalist movements in the largely Sunni Muslim-dominated GCC states, Iraq's growth as a major regional power and the Soviet invasion of Afghanistan. The present threats arising from the Iraq-Iran war have resulted in further military acquisition programmes in the neighbouring oil-producing Arab states. Since late 1980, all of the six GCC members have purchased major warships or missile-armed fast attack craft, sophisticated jet fighters, helicopters, main battle tanks or other modern armoured vehicles, and a wide range of anti-air, anti-ship and anti-tank missiles.

The main threat currently seen by the GCC states is an Iraqi attack on tankers passing through the Gulf, and the likely ensuing Iranian attempts to mine, or otherwise block, the Straits of Hormuz. In effect, all security threats in the area are threats to the oil flow. This makes them not only a regional but also a global concern. From the outset of the war, the United States and the Soviet Union have striven to keep the conflict from spreading beyond Iraq and Iran. The USA has pledged to protect free shipping through the Gulf. US policy in the region is focused on protecting Western access to Gulf oil by supporting friendly regimes and building up US military installations in the Gulf.

Foreign intervention is unwanted, and the Gulf states are trying to prevent such a development, primarily through substantial arms imports. Another effort is the possible setting up of a joint GCC rapid deployment force; extensive manoeuvres have already taken place under the GCC umbrella. Another method is more co-ordinated arms procurement, as exemplified by the recent Saudi Arabian decision to acquire a complete low-level air defence radar network from France, including improved Shahine/Crotale surface-

to-air missiles; and the simultaneous Kuwaiti order for a similar French air defence radar system.

CONCLUSIONS

The main conclusions to be drawn from the facts concerning the arms trade in the Iraq-Iran war are the following:

1. The weapon flows are in many ways different from those before the war. There is a dramatic increase in the number of suppliers, the patterns of supply are different from those before the war, and there are supplier groupings and interests which are not easily explained along standard political lines.
2. The procurement methods of wartime supply are different. Secret trade routes and arms merchants play a more significant role than in peace-time. The private, international arms market is booming. Many governments also profit markedly from the war.
3. The United States and the Soviet Union are maintaining a low profile - support is primarily given indirectly to both parties, often through their allies.
4. Except possibly for France, very few of the states involved in the arms resupply show signs of wanting to see an end to the war.
5. A massive rearmament process is likely to emerge in Iraq and Iran once the war ends, particularly in the field of high-technology weaponry. This will affect arms procurement policies throughout the region.
6. The prospects for arms trade restraint in the area seem bleak. The flows of arms resupply illustrate the fierce competition between supplier states. There are many semi-official and private suppliers willing to furnish the belligerent states of this conflict with weapons and other forms of support.

NOTES:

¹ The term 'major weapons' conforms with SIPRI's general practice of covering deliveries of aircraft, armoured vehicles including heavy artillery, missiles and warships. 'Other support' includes deliveries of small arms, ammunition, and spare parts, provision of financial aid, transit rights, military advisers or troops, and training. Excluded are deliveries of civilian ships and aircraft, so-called dual technology and industrial assistance.

² The GCC members are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The GCC was originally intended to co-ordinate the economic, cultural, scientific, educational and health activities of the participating states. Defence co-operation, on internal security matters and against external threats, has received increasing emphasis during 1982-83.

Arms resupply and other support to Iraq and Iran 1980-83, by region

| Country ^a | Iraq | | | Iran | | |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Major weapons before war | Major weapons during war | Other support during war | Major weapons before war | Major weapons during war | Other support during war |
| USA | | x ^b | | x | x ^c | x ^c |
| USSR | x | x | x | x | x ^d | x ^d |
| China | | x | | | x | |
| Belgium | | | x ^e | | | |
| France | x | x | x | x | x ^f | |
| FR Germany | | x ^g | x ^g | | | |
| Greece | | | | | x ^e | x ^e |
| Italy | | x | x | x | x | |
| Portugal | | | x ^e | | | |
| Spain | | x | x | | | |
| United Kingdom | | | x ^e | x | | x ^e |
| Czechoslovakia | | x | x | | | |
| German DR | | x | x | | x | |
| Hungary | | x | | | | |
| Poland | | x | x | | | |
| Yugoslavia | | x | | | | |
| Austria | | x ^h | | | | |
| Switzerland | | x | | | x | |
| Egypt | | x | x ^{e,j} | | | |
| Israel | | | | | x | x |
| Jordan | | x | x ^{e,j} | | | |
| Kuwait | | | x ^j | | | |
| Saudi Arabia | | | x ^j | | | |
| Syria | | | | | x | x |
| United Arab Emirates | | | x ^j | | | |
| Yemen, South | | | | | | x |
| Pakistan | | | x | | | |
| Korea, North | | x | x | | x | x |
| Korea, South | | | | | x ^k | x |
| Philippines | | | x ^j | | | |
| Taiwan | | | | | | x |
| Viet Nam | | | | | | x |
| Algeria | | | | | x | x |
| Libya | | | | | x | x |
| Morocco | | | x | | | |
| Ethiopia | | | x ^e | | | |
| South Africa | | | | | x | |
| Sudan | | | x ⁱ | | | |
| Argentina | | | | | | x ^{e,i} |
| Brazil | x | x | x | | x ^l | |

NOTES TO TABLE

- a Sometimes without official sanction or knowledge.
- b 60 Hughes helicopters; Learjet-35A reconnaissance aircraft; Hercules transports.
- c Not officially sanctioned; private dealers and individual companies; often via Israel.
- d Via Libya, North Korea, Syria and WTO countries.
- e Small arms, ammunition, or spares.
- f Last three of 12 Kaman Class FACs ordered 1974.
- g Bo-105 helicopters direct and from Spain; Roland-2 SAMs from Euromissile; tank transporters.
- h GHN-45 155-mm howitzers via Jordan.
- i Training, military advisers, or troops.
- j Financial support.
- k US-made AAMs for F-4 Phantom fighters.
- l Armoured vehicles via Libya.

