

An hourglass-shaped graphic with a globe in the top bulb and another globe in the bottom bulb. The hourglass is light blue and has a dark blue top and bottom. The globe in the top bulb is dark blue, and the globe in the bottom bulb is light blue. The text is centered within the hourglass.

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Report RL34723

*Conventional Arms Transfers to Developing Nations,
2000-2007*

Richard F. Grimmett, Foreign Affairs, Defense, and Trade Division

October 23, 2008

Abstract. This report provides Congress with official, unclassified, background data from U.S. government sources on transfers of conventional arms to developing nations by major suppliers for the period 2000 through 2007. It also includes some data on worldwide supplier transactions.

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CRS Report for Congress

Conventional Arms Transfers to Developing Nations, 2000-2007

October 23, 2008

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Prepared for Members and
Committees of Congress

Conventional Arms Transfers to Developing Nations, 2000-2007

Summary

This report is prepared annually to provide Congress with official, unclassified, quantitative data on conventional arms transfers to developing nations by the United States and foreign countries for the preceding eight calendar years for use in its policy oversight functions. All agreement and delivery data in this report for the United States are government-to-government Foreign Military Sales (FMS) transactions. Similar data are provided on worldwide conventional arms transfers by all suppliers, but the principal focus is the level of arms transfers by major weapons suppliers to nations in the developing world.

Developing nations continue to be the primary focus of foreign arms sales activity by weapons suppliers. During the years 2000-2007, the value of arms transfer agreements with developing nations comprised 66.6% of all such agreements worldwide. More recently, arms transfer agreements with developing nations constituted 67.7% of all such agreements globally from 2004-2007, and 70.5% of these agreements in 2007.

The value of all arms transfer *agreements* with developing nations in 2007 was nearly \$42.3 billion. This was an increase from \$38.1 billion in 2006. In 2007, the value of all arms *deliveries* to developing nations was \$17.2 billion, the lowest total in these deliveries values for the entire 2000-2007 period (in *constant* 2007 dollars).

Recently, from 2004-2007, the United States and Russia have dominated the arms market in the developing world, with both nations either ranking first or second for 3 out of 4 years in the value of arms transfer *agreements*. From 2004-2007, Russia made nearly \$39.3 billion, 27.9% of all such agreements, expressed in *constant* 2007 dollars. During this same period, the United States made \$34.7 billion in such agreements, 24.6% of all such agreements. Collectively, the United States and Russia made 52.5% of all arms transfer agreements with developing nations during this four-year period.

In 2007, the United States ranked first in arms transfer *agreements* with developing nations with \$12.2 billion or 28.8% of these agreements. The United Kingdom was second with \$9.8 billion or 23.2% of such agreements. Russia was third with \$9.7 billion or 23%. In 2007, the United States ranked first in the value of arms *deliveries* to developing nations at \$7.6 billion, or 44.2% of all such deliveries. Russia ranked second at \$4.6 billion or 26.7% of such deliveries.

In 2007, Saudi Arabia ranked first in the value of arms transfer *agreements* among all developing nations weapons purchasers, concluding \$10.6 billion in such agreements. India ranked second with \$5 billion in such agreements. Pakistan ranked third with \$4.2 billion.

Contents

Introduction and Overview	1
Major Findings	4
General Trends in Arms Transfers Worldwide	4
General Trends in Arms Transfers to Developing Nations	6
United States	8
Russia	9
China	11
Major West European Suppliers	12
Regional Arms Transfer Agreements	14
Near East	15
Asia	15
Leading Developing Nations Arms Purchasers	16
Weapons Types Recently Delivered to Near East Nations	17
United States	17
Russia	18
China	18
Major West European Suppliers	18
All Other European Suppliers	18
All Other Suppliers	18
Arms Values Data Tables and Charts for 2000-2007	21
Selected Weapons Deliveries to Developing Nations, 2000-2007	56
Worldwide Arms Transfer Agreements and Deliveries Values, 2000-2007	62
Total Worldwide Arms Transfer Agreements Values, 2000-2007	62
Total Worldwide Delivery Values 2000-2007	62
Description of Items Counted in Weapons Categories, 2000-2007	73
Regions Identified in Arms Transfer Tables and Charts	74

List of Tables

Figure 1. Worldwide Arms Transfer Agreements, 2000-2007 and Suppliers’ Share with Developing World (in millions of constant 2007 U.S. dollars)	28
Figure 2. Worldwide Arms Deliveries, 2000-2007 and Suppliers’ Share with Developing World (in millions of constant 2007 U.S. dollars)	33
Table 1. Arms Transfer Agreements with Developing Nations, by Supplier, 2000-2007 (in millions of current U.S. dollars)	34
Table 1A. Arms Transfer Agreements with Developing Nations, by Supplier, 2000-2007 (in millions of constant 2007 U.S. dollars)	35

Table 1B. Arms Transfer Agreements with Developing Nations, by Supplier, 2000-2007 (expressed as a percent of total, by year)	36
Table 1C. Regional Arms Transfer Agreements, by Supplier, 2000-2007 (in millions of current U.S. dollars)	37
Table 1D. Percentage of Each Supplier's Agreements Value by Region, 2000-2007	38
Table 1E. Percentage of Total Agreements Value by Supplier to Regions, 2000-2007	39
Table 1F. Arms Transfer Agreements with Developing Nations, 2000-2007: Leading Suppliers Compared (in millions of current U.S. dollars)	40
Table 1G. Arms Transfer Agreements with Developing Nations in 2007: Leading Suppliers Compared (in millions of current U.S. dollars)	41
Table 1H. Arms Transfer Agreements with Near East, by Supplier (in millions of current U.S. dollars)	42
Table 1I. Arms Transfer Agreements with Developing Nations, 2000-2007: Agreements by the Leading Recipients (in millions of current U.S. dollars)	43
Table 1J. Arms Transfer Agreements with Developing Nations in 2007: Agreements by Leading Recipients (in millions of current U.S. dollars)	44
Table 2. Arms Deliveries to Developing Nations, by Supplier, 2000-2007 (in millions of current U.S. dollars)	45
Table 2A. Arms Deliveries to Developing Nations, by Supplier, 2000-2007 (in millions of constant 2007 U.S. dollars)	46
Table 2B. Arms Deliveries to Developing Nations, by Supplier, 2000-2007 (expressed as a percent of total, by year)	47
Table 2C. Regional Arms Deliveries by Supplier, 2000-2007 (in millions of current U.S. dollars)	48
Table 2D. Percentage of Supplier Deliveries Value by Region, 2000-2007	49
Table 2E. Percentage of Total Deliveries Value by Supplier to Regions, 2000-2007	50
Table 2F. Arms Deliveries to Developing Nations, 2000-2007: Leading Suppliers Compared (in millions of current U.S. dollars)	51
Table 2G. Arms Deliveries to Developing Nations in 2007: Leading Suppliers Compared (in millions of current U.S. dollars)	52
Table 2H. Arms Deliveries to Near East, by Supplier (in millions of current U.S. dollars)	53
Table 2I. Arms Deliveries to Developing Nations, 2000-2007: The Leading Recipients (in millions of current U.S. dollars)	54
Table 2J. Arms Deliveries to Developing Nations in 2007: The Leading Recipients (in millions of current U.S. dollars)	55
Table 3. Numbers of Weapons Delivered by Suppliers to Developing Nations	57
Table 4. Number of Weapons Delivered by Suppliers to Asia and the Pacific	58

Table 5. Numbers of Weapons Delivered by Suppliers to Near East	59
Table 6. Numbers of Weapons Delivered by Suppliers to Latin America	60
Table 7. Number of Weapons Delivered by Suppliers to Africa	61
Table 8. Arms Transfer Agreements with the World, by Supplier, 2000-2007 (in millions of current U.S. dollars)	63
Table 8A. Arms Transfer Agreements with the World, by Supplier, 2000-2007 (in millions of constant 2007 U.S. dollars)	64
Table 8B. Arms Transfer Agreements with the World, by Supplier, 2000-2007 (expressed as a percent of total, by year)	65
Table 8C. Arms Transfer Agreements with the World, 2000-2007: Leading Suppliers Compared (in millions of current U.S. dollars)	66
Table 8D. Arms Transfer Agreements with the World in 2007: Leading Suppliers Compared (in millions of current U.S. dollars)	67
Table 9. Arms Deliveries to the World, by Supplier, 2000-2007 (in millions of current U.S. dollars)	68
Table 9A. Arms Deliveries to the World, by Supplier, 2000-2007 (in millions of constant 2007 U.S. dollars)	69
Table 9B. Arms Deliveries to the World, by Supplier 2000-2007 (expressed as a percent of total, by year)	70
Table 9C. Arms Deliveries to the World, 2000-2007: Leading Suppliers Compared (in millions of current U.S. dollars)	71
Table 9D. Arms Deliveries to the World in 2007: Leading Suppliers Compared (in millions of current U.S. dollars)	72

Conventional Arms Transfers to Developing Nations, 2000-2007

Introduction and Overview

This report provides Congress with official, unclassified, background data from U.S. government sources on transfers of conventional arms to developing nations by major suppliers for the period 2000 through 2007. It also includes some data on worldwide supplier transactions. It updates and revises CRS Report RL34187, *Conventional Arms Transfers to Developing Nations, 1999-2006*.

The data in this report provide a means for Congress to identify existing supplier-purchaser relationships in conventional weapons acquisitions. Use of these data can assist Congress in its oversight role of assessing whether the current nature of the international weapons trade affects U.S. national interests. For most of recent American history, maintaining regional stability, and ensuring the security of U.S. allies and friendly nations throughout the world, have been important elements of U.S. foreign policy. Knowing the degree to which individual arms suppliers are making arms transfers to individual nations or regions provides Congress with a context for evaluating policy questions it may confront. Such policy questions may include, for example, whether or not to support specific U.S. arms sales to given countries or regions or to support or oppose such arms transfers by other nations. The data in this report may also assist Congress in evaluating whether multilateral arms control arrangements or other U.S. foreign policy initiatives are being supported or undermined by the actions of arms suppliers.

The principal focus of this report is the level of arms transfers by major weapons suppliers to nations in the developing world — where most of the potential for the outbreak of regional military conflicts currently exists. For decades, during the height of the Cold War, providing conventional weapons to friendly states was an instrument of foreign policy utilized by the United States and its allies. This was equally true for the Soviet Union and its allies. The underlying rationale for U.S. arms transfer policy then was to help ensure that friendly states were not placed at risk through a military disadvantage created by arms transfers by the Soviet Union or its allies. Following the Cold War's end, U.S. arms transfer policy has been based on assisting friendly and allied nations in developing and maintaining their ability to deal with regional security threats and concerns.

The data in this report illustrate how global patterns of conventional arms transfers have changed in the post-Cold War and post-Persian Gulf War years. Relationships between arms suppliers and recipients continue to evolve in response to changing political, military, and economic circumstances. Where before the principal motivation for arms sales by foreign suppliers might have been to support

a foreign policy objective, today that motivation may be based as much on economic considerations as those of foreign or national security policy.

The developing world continues to be the primary focus of foreign arms sales activity by conventional weapons suppliers. During the period of this report, 2000-2007, conventional arms transfer agreements (which represent orders for future delivery) to developing nations comprised 66.6% of the value of all international arms transfer agreements. The portion of agreements with developing countries constituted 67.7% of all agreements globally from 2004-2007. In 2007, arms transfer agreements with developing countries accounted for 70.5% of the value of all such agreements globally. *Deliveries* of conventional arms to developing nations, from 2004-2007, constituted 64.7% of all international arms deliveries. In 2007, arms deliveries to developing nations constituted 55.6% of the value of all such arms deliveries worldwide.

The data in this new report supersede *all* data published in previous editions. Since these new data for 2000-2007 reflect potentially significant updates to and revisions in the underlying databases utilized for this report, only the data in this most recent edition should be used. The data are expressed in U.S. dollars for the *calendar* years indicated, and adjusted for inflation (see box notes on page 3). U.S. commercially licensed arms export delivery values are excluded (see box note on page 20). Also excluded are arms transfers by any supplier to subnational groups. The definition of developing nations, as used in this report, and the specific classes of items included in its values totals are found in box notes on page 3. The report's table of contents provides a detailed listing and description of the various data tables to guide the reader to specific items of interest.

CALENDAR YEAR DATA USED

All arms transfer and arms delivery data in this report are for the *calendar* year or *calendar* year period given. This applies to U.S. and foreign data alike. United States government departments and agencies publish data on U.S. arms transfers and deliveries but generally use the United States *fiscal* year as the computational time period for these data. As a consequence, there are likely to be distinct differences noted in those published totals using a fiscal year basis and those provided in this report which use a calendar year basis. **Details on data used are outlined in footnotes at the bottom of Tables 1, 2, 8, and 9.**

ARMS TRANSFER VALUES

The values of arms transfer agreements (or deliveries) in this report refer to the total values of conventional arms orders (or deliveries as the case may be) which include all categories of weapons and ammunition, military spare parts, military construction, military assistance and training programs, and all associated services.

DEFINITION OF DEVELOPING NATIONS AND REGIONS

As used in this report, the developing nations category includes all countries *except* the United States, Russia, European nations, Canada, Japan, Australia, and New Zealand. A listing of countries located in the regions defined for the purpose of this analysis — Asia, Near East, Latin America, and Africa — is provided at the end of the report.

CONSTANT 2007 DOLLARS

Throughout this report values of arms transfer agreements and values of arms deliveries for all suppliers are expressed in U.S. dollars. Values for any given year generally reflect the exchange rates that prevailed during that specific year. The report converts these dollar amounts (current dollars) into constant 2007 dollars. Although this helps to eliminate the distorting effects of U.S. inflation to permit a more accurate comparison of various dollar levels over time, the effects of fluctuating exchange rates are not neutralized. **The deflators used for the constant dollar calculations in this report are those provided by the U.S. Department of Defense and are set out at the bottom of tables 1A, 2A, 8A, and 9A. Unless otherwise noted in the report, all dollar values are stated in constant terms.** The exceptions to this rule are all regional data tables that are composed of four-year aggregate dollar totals (2000-2003 and 2004-2007). These tables are expressed in **current** dollar terms. And where tables rank leading arms suppliers to developing nations or leading developing nation recipients using four-year aggregate dollar totals, these values are expressed in **current** dollars.

Major Findings

General Trends in Arms Transfers Worldwide

The value of all arms transfer agreements worldwide (to both developed and developing nations) in 2007 was nearly \$60 billion. This was an increase in arms agreements values over 2006 of 9.2% (**Chart 1**)(**Table 8A**).

In 2007, the United States led in arms transfer *agreements worldwide*, making agreements valued at over \$24.8 billion (41.5% of all such agreements), up significantly from \$16.7 billion in 2006. Russia ranked second with \$10.4 billion in agreements (17.3% of these agreements globally), down from \$14.3 billion in 2006. The United Kingdom ranked third, its arms transfer agreements worldwide were \$9.8 billion in 2007, up from \$4.1 billion in 2006. The United States, Russia, and the United Kingdom collectively made agreements in 2007 valued at over \$45 billion, 75.2% of all international arms transfer agreements made by all suppliers (**Figure 1**)(**Tables 8A, 8B, and 8D**).

For the period 2004-2007, the total value of all international arms transfer agreements (\$208.3 billion) was substantially higher than the worldwide value during 2000-2003 (\$147.6 billion), an increase of 29.2%. During the period 2000-2003, developing world nations accounted for 67.7% of the value of all arms transfer agreements made worldwide. During 2004-2007, developing world nations accounted for 67.7% of all arms transfer agreements made globally. In 2007, developing nations accounted for 70.5% of all arms transfer agreements made worldwide (**Figure 1**)(**Table 8A**).

In 2007, the United States ranked first in the value of all arms *deliveries worldwide*, making nearly \$12.8 billion in such deliveries or 41.3%. This is the eighth year in a row that the United States has led in global arms deliveries. Russia ranked second in worldwide arms deliveries in 2007, making \$4.7 billion in such deliveries. The United Kingdom ranked third in 2007, making \$2.6 billion in such deliveries. These top three suppliers of arms in 2007 collectively delivered nearly \$20.1 billion, 64.8% of all arms delivered worldwide by all suppliers in that year (**Figure 2**)(**Tables 9A, 9B, and 9D**).

The value of all international arms deliveries in 2007 was \$31 billion. This is a decrease in the total value of arms deliveries from the previous year (a decline from \$33.6 billion). The total value of such arms deliveries worldwide in 2004-2007 (\$134.9 billion) was lower than the deliveries worldwide from 2000-2003 (\$143.6 billion, a decline of nearly \$10 billion) (**Figure 2**)(**Tables 9A and 9B**)(**Charts 7 and 8**).

Developing nations from 2004-2007 accounted for 64.7% of the value of all international arms deliveries. In the earlier period, 2000-2003, developing nations accounted for 65.1% of the value of all arms deliveries worldwide. In 2007, developing nations collectively accounted for 55.6% of the value of all international arms deliveries (**Figure 2**)(**Tables 2A, 9A, and 9B**).

Worldwide weapons orders increased in 2007. The total of nearly \$60 billion was an increase from \$54.9 billion in 2006, or 9.2%. Global arms agreement values for the other years covered here ranged from \$48.7 billion in 2005 to \$32.6 billion in 2003. Of the major arms orders secured in 2007 most were made by the traditional major suppliers. In some instances these orders represented significant new acquisitions by the purchasing country. In others they reflected the continuation or acceleration of a longer-term weapons-acquisition program.

The increase in new weapons sales can also be explained, in part, by the decision of some purchasing nations to acquire major systems they had deferred buying due to budgetary considerations. Some nations were completing the integration of major weapons systems they have already purchased into their force structures. Some of the growth in arms transfer agreements more recently also reflects contracts related to training and support services, as well as upgrades of existing weapons systems. Individual orders such as these can be expensive, and in given instances prove to be nearly as costly as orders for new units of military equipment.

Because the international arms market continues to be intensely competitive, several producing countries have focused sales efforts on prospective clients in nations and regions where individual suppliers have had competitive advantages resulting from well-established military-support relationships. Arms sales to new NATO member nations in Europe to support their military modernization programs have created new business for arms suppliers, while allowing these NATO states to sell some of their older generation military equipment, in refurbished form, to other less-developed countries.

There are inherent limitations on these European sales due to the smaller defense budgets of many of the purchasing countries. Yet creative seller financing options, as well as the use of co-assembly, co-production, and counter-trade agreements to offset costs to the buyers continue to facilitate new arms agreements. It seems likely that the United States and European countries or consortia will compete vigorously for prospective arms contracts within the European region in the foreseeable future. Such sales seem particularly important to European suppliers, as they can potentially compensate, in part, for lost weapons deals elsewhere in the developing world that result from reduced demand for new weapons.

Developed nations continue their efforts to protect important elements of their national military industrial bases by limiting arms purchases from other developed nations. However, several key arms suppliers have placed additional emphasis on joint production of various weapons systems with other developed nations as a more effective way to preserve a domestic weapons production capability, while sharing the costs of new weapons development. The consolidation of certain sectors of the domestic defense industries of key weapons-producing nations continues, in the face of intense foreign competition. Some supplying nations, meanwhile, have chosen to manufacture items for niche weapons categories where their specialized production capabilities give them important advantages in the international arms marketplace.

Despite the recent upward trend in weapons purchases with the developed world, some developing nations have limited their weapons purchases primarily due

to their limited financial resources to pay for such equipment. Other prospective arms purchasers in the developing world with significant financial assets have been cautious in launching new and costly weapons-procurement programs. Increases in the price of oil, while an advantage for major oil producing states in funding their arms purchases, has, simultaneously, caused economic difficulties for many oil consuming states, contributing to their decisions to curtail or defer new weapons acquisitions. A number of less affluent developing nations have chosen to upgrade existing weapons systems in their inventories, while reducing their purchases of new ones. This circumstance may curtail sales of some new weapons systems. Yet the weapons upgrade market can be very lucrative for some arms producers, and partially mitigate the effect of fewer opportunities for the sale of major items of military equipment.

Most recently, the nations in the Near East and Asia regions have resumed large weapons purchases in contrast with arms sales activity in the earliest years of this report. These major orders continue to be made by a select few developing nations in these regions. They have been made principally by India and China in Asia, and Saudi Arabia and the United Arab Emirates in the Near East. These purchasing tendencies are subject to abrupt change based on the strength of either the threat assessments of individual states or the strength of their individual economies. For the larger group of nations in these regions the strength of the economies of a wide range of nations in the developing world continues to be the most significant factor in the timing of many of their arms purchasing decisions.

Latin America, and, to a much lesser extent, Africa, are regions where some nations wish to modernize important sectors of their military forces. Some large arms orders (by regional standards) have been placed by a few states in these two regions within the last decade. Yet in Latin America and Africa, many countries are constrained in their weapons purchases by their financial resources. So long as there is limited availability of seller-supplied credit and financing for weapons purchases, and national budgets for military purchases remain relatively low, it seems likely that major arms sales to these two regions of the developing world will be limited to a small number of nations there.

General Trends in Arms Transfers to Developing Nations

The value of all arms transfer *agreements* with developing nations in 2007 was nearly \$42.3 billion, an increase from the \$38.1 billion total in 2006 **Chart 1**(**Figure 1**)(**Table 1A**). In 2007, the value of all arms *deliveries* to developing nations (\$17.2 billion) was lower than the value of 2006 deliveries (over \$21.4 billion), and the lowest total for the 2000-2007 period (**Charts 7 and 8**)(**Figure 2**)(**Table 2A**).

Recently, from 2004-2007, the United States and Russia have dominated the arms market in the developing world, with both nations either ranking first or second for 3 out of these 4 years in the value of arms transfer *agreements*. From 2004-2007, Russia made nearly \$39.3 billion, 27.9% of all such agreements, expressed in *constant* 2007 dollars. During this same period, the United States made \$34.7 billion in such agreements, 24.6% of all such agreements. Collectively, the United States and Russia made 52.5% of all arms transfer agreements with developing nations during this four year period. The United Kingdom, the third leading supplier, from

2004-2007 made \$21.3 billion or 15.1% of all such agreements with developing nations during these years. In the earlier period (2000-2003) the United States ranked first with \$46.4 billion in arms transfer agreements with developing nations or 48.3%; Russia made \$25.6 billion in arms transfer agreements during this period or 26.6%. France made nearly \$5 billion in agreements or 5.2% (**Table 1A**).

From 2000-2007, most arms transfers to developing nations were made by two major suppliers in any given year. The United States ranked first among these suppliers for five of the last eight years during this period, falling to third place in 2005. Russia has been a strong competitor for the lead in arms transfer agreements with developing nations, ranking second every year from 2000 through 2003, and first from 2004-2006. Although Russia has lacked the larger traditional client base for armaments held by the United States and the major West European suppliers, its recent successes in concluding new arms orders suggests that Russia is likely to continue to be, for some time, a significant leader in arms agreements with developing nations. Russia's most significant high value arms transfer agreements continue to be with India and China. Russia has also had some success in concluding arms agreements with clients beyond its principal two. Russia continues to seek to expand its prospects in North Africa, the Middle East, and Southeast Asia.

Most recently Russia has increased sales efforts in Latin America, despite having essentially abandoned major arms sales efforts there after the end of the Cold War. Venezuela has become a significant new arms client gained by Russia in this region. The Russian government has adopted more flexible payment arrangements for its prospective customers in the developing world, including a willingness in specific cases to forgive outstanding debts owed to it by a prospective client in order to secure new arms purchases. Additionally, Russia continues to seek to enhance the quality of its follow-on support services to make Russian products more attractive and competitive, and to assure its potential clients that it can effectively provide timely service and spare parts for the weapons systems it exports.

Major West European arms suppliers, particularly France and the United Kingdom, have concluded large orders with developing countries over the last eight years based on either long-term supply relationships or their having specialized weapons systems readily available. Germany has been a key source of naval systems for developing nations. Although it faces increased competition from these other major arms suppliers, the United States appears likely to hold its position as the principal supplier to key developing world nations, especially those able to afford major new weapons. The United States has developed for decades such a wide base of arms equipment clients globally that it is able to conclude a notable number of agreements annually to provide upgrades, ordnance and support services for the large variety of weapons systems it has previously sold to its clients. Thus, even when the United States does not conclude major new arms agreements in a given year, it can still register significant arms agreement values based on transactions in these other categories.

The principal arms-supplying nations continue to focus their sales efforts on the wealthier developing countries. Arms transfers to the less affluent developing nations are still constrained by the scarcity of funds in their defense budgets and the unsettled state of the international economy. The overall decline in the level of arms

agreements with developing nations that began after 2001 and continued through 2003 has halted. Arms transfer agreements with developing countries reached their highest total value in 2007 at nearly \$43.3 billion. From 2004 through 2007 there has been a steady increase in arms transfer agreements with developing countries, aid to an important degree by sales to the more affluent nations in this group. Those developing nations with notably increased oil revenues have been particularly active in seeking new weaponry most recently.

China, as well as other European and non-European suppliers, appears to have increased their participation in the arms trade with the developing world in recent years, albeit at lower levels, and with more uneven results, than those of the major suppliers. Nevertheless, these non-major arms suppliers have proven capable, on occasion, of making arms deals of consequence. Most of their annual arms transfer agreement values during 2000-2007 have been comparatively low, although the values are larger when they are aggregated together as a group. In individual cases they have been successful in selling older generation equipment, while they procure newer weapons to upgrade their own military forces. These arms suppliers also are more likely to be sources of small arms and light weapons and associated ordnance, rather than routine sellers of major military equipment. Most of these arms suppliers have not consistently ranked with the traditional major suppliers of advanced weaponry in the value of their arms agreements and deliveries (**Tables 1A, 1F, 1G, 2A, 2F, and 2G**).

United States. The total value — in real terms — of United States arms transfer agreements with developing nations rose from \$9.1 billion in 2006 to \$12.2 billion in 2007. The U.S. share of the value of all such agreements was 28.8% in 2007, up from a 24% share in 2006 (**Charts 1, 3 and 4**)(**Figure 1**)(**Tables 1A and 1B**).

In 2007, the total value of U.S. arms transfer agreements with developing nations was attributable to a few major deals with clients in the Near East and in Asia. A substantial number of smaller valued purchases by a wide number of traditional U.S. arms clients throughout the Near East and Asia contributed notably to the overall U.S. agreements total. The arms agreement total of the United States in 2007 illustrates the continuing U.S. advantage of having well-established defense-support arrangements with weapons purchasers worldwide, based upon the existing variety of U.S. weapons systems their militaries utilize. U.S. agreements with all of its clients in 2007 include not only sales of major weapons systems, but also the upgrading of systems previously provided. The U.S. totals also include agreements for a wide variety of spare parts, ammunition, ordnance, training, and support services which, in the aggregate, have significant value.

Among the larger valued arms transfer agreements the United States concluded in 2007 with developing nations were: with the United Arab Emirates for 26 UH-60M Black Hawk helicopters for over \$800 million, and for 20 High Mobility Artillery Rocket Systems (HIMARS) launchers and rockets for \$595 million. Other U.S. arms agreements in 2007 were with Egypt for co-production of 125 M1A1 Abrams tanks for \$771 million; with Saudi Arabia for 152 GE/Pratt&Whitney jet engines for \$386 million, and for F-15 aircraft follow-on services for \$319 million; with South Korea for 58 AN/VRC-90E SINCGAR radio systems for \$427 million

and for 210 SM-2 STANDARD Block III missiles for \$210 million; with Colombia for 15 UH-60L Black Hawk helicopters for \$217 million; and with Jordan for a C4SIR system for \$208 million.

Russia. The total value of Russia's arms transfer agreements with developing nations in 2007 was \$9.7 billion, a decrease from \$14.4 billion in 2006, placing Russia third in such agreements with the developing world. Russia's share of all developing world arms transfer agreements increased, then fell from 37.9% in 2006 to 23% in 2007 (**Charts 1, 3, and 4**)(**Figure 1**)(**Tables 1A, 1B, and 1G**).

Russian arms transfer agreement totals with developing nations have been notable during the last four years. During the 2004-2007 period, Russia ranked first among all suppliers to developing countries, making \$37.9 billion in agreements (in current 2007 dollars) (**Table 1F**). Russia's status as a leading supplier of arms to developing nations stems from a successful effort to overcome the significant economic and political problems associated with the dissolution of the former Soviet Union. Traditional arms clients of the former Soviet Union were generally less wealthy developing countries valued as much for their political support during the Cold War, as for their desire for Soviet weaponry. Several of these Soviet-era client states received substantial military aid grants and significant discounts on their arms purchases. After 1991 Russia consistently placed a premium on obtaining hard currency for the weapons it sold. Faced with stiff competition from Western arms suppliers in the post-Cold War period, Russia modified and adapted its selling practices in an effort to regain and sustain an important share of the developing-world arms market.

In recent years, Russian leaders have made significant efforts to provide more creative financing and payment options for prospective arms clients. They have agreed to engage in counter-trade, offsets, debt-swapping, and, in key cases, to make significant licensed production agreements in order to sell Russia's weapons. The willingness to license production has been a central element in several cases involving Russia's principal arms clients, India and China. Russia's efforts to expand its arms customer base have met with mixed results. Russia's arms sales efforts, apart from those with China and India, have been focused on Southeast Asia. Here Russia has secured arms agreements with Malaysia, Vietnam, and Indonesia. Most recently Russia has concluded major arms deals with Venezuela and with Algeria. Elsewhere in the developing world Russian military equipment can be competitive because it ranges from the most basic to the highly advanced. For less affluent developing nations Russia's less expensive armaments are particularly attractive.

The sale of military aircraft and missiles continues to be a significant portion of Russia's arms exports. But the absence of major new research and development efforts in this and other military equipment areas can jeopardize long-term Russian foreign arms sales prospects. Although military weapons research and development (R&D) programs exist in Russia, other major arms suppliers are currently more advanced in the process of developing and producing weaponry than in existing Russian R&D programs.

Despite these potential difficulties, Russia continues to have important arms development and sales programs involving India and China, which should provide it with sustained business throughout this decade. Through agreements concluded in the mid-1990s, Russia has sold major combat fighter aircraft, and main battle tanks to India, and has provided other major weapons systems though lease or licensed production. It continues to provide support services and items for these various weapons systems. Sales of advanced weaponry in South Asia by Russia have been a matter of ongoing concern to the United States because of long-standing tensions between India and Pakistan. When India acquires a new weapon system this typically leads Pakistan to seek comparable weapons or those with offsetting capabilities. A key U.S. policy objective is keeping a potentially destabilizing arms race in this region within check.¹

China has been Russia's other key arms client in Asia, especially for advanced aircraft and naval systems. Since 1996, Russia has sold China Su-27 fighter aircraft and agreed to licensed production of them. It has sold the Chinese quantities of Su-30 multi-role fighter aircraft, Sovremenny-class destroyers equipped with Sunburn anti-ship missiles, and Kilo-class Project 636 submarines. Russia has also sold the Chinese a variety of other weapons systems and missiles. In 2005, Russia agreed to sell China 30 IL-76TD military transport aircraft and 8 IL-78M aerial refueling tanker aircraft for more than \$1 billion. Russia also signed new arms transfer agreements with China for a number of AL-31F military aircraft engines for \$1 billion, and agreed to sell jet engines for China's FC-1 fighter aircraft at a cost in excess of \$250 million. Chinese arms acquisitions are apparently aimed at enhancing its military projection capabilities in Asia, and its ability to influence events throughout the region. These acquisitions continue to be monitored by U.S. policymakers. The U.S. policy interest is, among other things, ensuring that it provides appropriate military equipment to U.S. allies and friendly states in Asia to help offset any prospective threat China may pose to such nations, while keeping the U.S. military aware of any threat it may face in any confrontation with China.² In 2007 there were no especially large Chinese arms agreements with Russia, possibly because the Chinese military is focused on absorbing and integrating previous arms purchases from Russia into its force structure.

Among the most significant arms transfer deals Russia made in 2007 were with India. These agreements included the sale of 347 T-90 main battle tanks, 40 Su-30MKI combat fighter aircraft and a number of MiG-29 fighter aircraft. Also concluded was an agreement for the production of jet aircraft engines and one for

¹ For detailed background see CRS Report RL33515, *Combat Aircraft Sales to South Asia: Potential Implications*, by Christopher Bolkcom, Richard F. Grimmett, and K. Alan Kronstadt; CRS Report RL32115, *Missile Proliferation and the Strategic Balance in South Asia*, by Andrew Feickert and K. Alan Kronstadt; and CRS Report RL30427, *Missile Survey: Ballistic and Cruise Missiles of Selected Foreign Countries*, by Andrew Feickert.

² For detailed background see CRS Report RL30700, *China's Foreign Conventional Arms Acquisitions: Background and Analysis*, by Shirley Kan, Christopher Bolkcom, and Ronald O'Rourke; and CRS Report RL33153, *China Naval Modernization: Implications for U.S. Navy Capabilities — Background and Issues for Congress*, by Ronald O'Rourke.

long term defense production cooperation. An important portion of Russia's \$9.7 billion arms agreement total for 2007 was with India.

In 2007, Russia also made new arms sales with Indonesia for three Su-27SKM and three Su-30MK2 fighter aircraft for \$355 million, and for Mi-17 and Mi35M helicopters for over \$100 million. Iran contracted with Russia for five batteries of the S-300PMU1 air defense system, and Syria purchased the Buk-M1-2 air defense system.

China. The Iran-Iraq war in the 1980s provided China with the opportunity to become an important supplier of less expensive weapons to certain developing nations. During that conflict China demonstrated that it was willing to provide arms to both combatants in the war, in quantity and without conditions. Since that time China's arms sales have been more regional and targeted. From 2004-2007, the value of China's arms transfer agreements with developing nations averaged about \$2.3 billion annually. During the period of this report, the value of China's arms transfer agreements with developing nations were highest in 2007 at \$3.8 billion. A significant portion of that total can be attributed to a significant contract with Pakistan associated with the production of the J-17 fighter aircraft. Generally, China's sales figures reflect several smaller valued weapons deals in Asia, Africa, and the Near East, rather than one or two especially large agreements for major weapons systems (**Tables 1A, 1G, and 1H**)(**Chart 3**).

There have been few developing nations with significant financial resources that have sought to purchase Chinese military equipment during the eight-year period of this report, because most Chinese weapons for export are less advanced and sophisticated than weaponry available from Western suppliers or Russia. China, consequently, does not appear likely to be a key supplier of major conventional weapons in the international arms market for the foreseeable future. China's likely client base could be states in Asia and Africa seeking quantities of small arms and light weapons, rather than major combat systems. At the same time, China has been an important source of missiles in the developing world arms market. China supplied Silkworm anti-ship missiles to Iran. Credible reports persist in various publications that China has sold surface-to-surface missiles to Pakistan, a long-standing and important client. Iran and North Korea have also reportedly received Chinese missile technology, which may have increased their capabilities to threaten other countries in their respective neighborhoods. The continued reporting of such activities by credible sources raise important questions about China's stated commitment to the restrictions on missile transfers set out in the Missile Technology Control Regime (MTCR), including its pledge not to assist others in building missiles that could deliver nuclear weapons. Since China has some military products — particularly missiles — that some developing countries would like to acquire, it can present an obstacle to efforts to stem proliferation of advanced missile systems to some areas of the developing world where political and military tensions are significant, and where some nations are seeking to develop asymmetric military capabilities.³

³ For detailed background on the MTCR and proliferation control regimes and related policy (continued...)

China, among others, has been a key source of a variety of small arms and light weapons transferred to African states. Although the prospects for significant revenue earnings from these arms sales are limited, China may view such sales as one means of enhancing its status as an international political power, and increasing its ability to obtain access to significant natural resources, especially oil. Controlling the sales of small arms and light weapons to regions of conflict, in particular to some African nations, has been a matter of concern to the United States. The United Nations also has undertaken an examination of this issue in an effort to achieve consensus on a path to address it.⁴

Major West European Suppliers. Beyond the United States and Russia, the four major West European arms suppliers — France, the United Kingdom, Germany, and Italy — are the nations that can supply a wide variety of more highly sophisticated weapons to would-be purchasers. They can serve as alternative sources of armaments that the United States chooses not to supply for policy reasons. The United Kingdom sold major combat fighter aircraft to Saudi Arabia in the mid-1980s, when the U.S. chose not to sell a comparable aircraft for policy reasons. These four NATO nations have been allies of the United States and generally have supported the U.S. position in restricting arms sales to certain nations during the Cold War era. In the post-Cold War era, their national defense export policies have not been fully coordinated with the United States as likely would have been the case at the Cold War's height.

These leading European arms supplying states, particularly France, view arms sales foremost as a matter for national decision. France has also frequently used foreign military sales as an important means for underwriting development and procurement of weapons systems for its own military forces. So the potential exists for policy differences between the United States and major West European supplying states over conventional weapons transfers to specific countries. Such a conflict resulted from an effort led by France and Germany to lift the arms embargo on arms sales to China currently adhered to by members of the European Union. The United States viewed this as a misguided effort, and vigorously opposed it. The proposal to lift the embargo was ultimately not adopted, but it proved to be a source of significant tension between the U.S. and the European Union. Thus, arms sales activities of major European suppliers continue to be of interest to U.S.

³ (...continued)

issues see CRS Report RL31559, *Proliferation Control Regimes: Background and Status*, by Mary Beth Nikitin, Paul Kerr, Steve Bowman and Steven A. Hildreth, and CRS Report RL31848, *Missile Technology Control Regime (MTCR) and International Code of Conduct Against Ballistic Missile Proliferation (ICOC): Background and Issues for Congress*, by Andrew Feickert.

⁴ For background on China's actions and motivations for increased activities in Africa see CRS Report RL33055, *China and Sub-Saharan Africa*, by Raymond W. Copson, Kerry Dumbaugh, and Michelle Lau. For background on U.S. policy concerns regarding small arms and light weapons transfers see CRS Report RS20958, *International Small Arms and Light Weapons Transfers: U.S. Policy*, by Richard F. Grimmett.

policymakers, given their capability to make sales of advanced military equipment to countries of concern to U.S. national security policy.⁵

The four major West European suppliers (France, the United Kingdom, Germany, and Italy), as a group, registered a significant increase in their collective share of all arms transfer agreements with developing nations between 2006 and 2007. This group's share rose from 18.5% in 2006 to 32.2% in 2007. The collective value of this group's arms transfer agreements with developing nations in 2007 was \$13.6 billion compared with a total of \$7.1 billion in 2006. Of these four nations, the United Kingdom was the leading supplier with \$9.8 billion in agreements in 2007, a dramatic increase from \$4.1 billion in agreements in 2006. A substantial portion of the United Kingdom's \$9.8 billion agreement total in 2007 is attributable to an order valued in excess of \$9 billion from Saudi Arabia for 72 Typhoon Eurofighter aircraft. Germany's \$1.5 billion in arms agreements in 2007 resulted primarily from an agreement with South Korea for the purchase of an existing Patriot PAC-2 air defense system for \$1.2 billion (**Charts 3 and 4**)(**Tables 1A and 1B**).

Collectively, the four major West European suppliers held a 32.2% share of all arms transfer agreements with developing nations during 2007. In the period from 2004-2007 they have generally been important participants in the developing world arms market. Individual suppliers within the major West European group have had notable years for arms agreements, especially France in 2000 and 2005 (\$2.2 billion and \$6.8 billion, respectively). The United Kingdom also had large agreement years in 2004 (\$4.5 billion), in 2006 (\$4.1 billion), and \$9.8 billion in 2007. Germany concluded arms agreements totaling nearly \$2 billion in 2006, and \$1.5 billion in 2007. In the case of each of these three European nations, large agreement totals in one year have usually reflected the conclusion of very large arms contracts with one or more major purchasers in that particular year (**Table 1A and 1B**).

The Major West European suppliers have had their competitive position in weapons exports strengthened over the years through strong government marketing support for their foreign arms sales. As they all can produce both advanced and basic air, ground, and naval weapons systems, the four major West European suppliers have competed successfully for arms sales contracts with developing nations against both the United States, which has tended to sell to several of the same clients, and with Russia, which has sold to nations not traditional customers of either the West Europeans or the United States. But the demand for U.S. weapons in the global arms marketplace, from a large established client base, has created a more difficult environment for individual West European suppliers to secure, on a sustained basis, large new contracts with developing nations.

⁵ For detailed background see CRS Report RL32870, *European Union's Arms Embargo on China: Implications and Options for U.S. Policy*, by Kristin Archick, Richard F. Grimmett, and Shirley Kan. It should be noted that members of the European Union, and others, have agreed to a common effort to attempt some degree of control on the transfer of certain weapons systems, but the principal vehicle for this cooperation — the Wassenaar Arrangement — lacks a mechanism to enforce its rules. For detailed background see CRS Report RS20517, *Military Technology and Conventional Weapons Exports Controls: The Wassenaar Arrangement*, by Richard F. Grimmett.

Continuing strong demand for U.S. defense equipment as well as concern for maintaining their market share of the arms trade has led European Union (EU) member states to adopt a new code of conduct for defense procurement practices. This code was agreed to on November 21, 2005, at the European Defense Agency's (EA) steering board meeting. Currently voluntary, the EU hopes it will become mandatory, and through its mechanisms foster greater competition within the European defense equipment sector in the awarding of contracts for defense items. The larger hope is that by fostering greater intra-European cooperation and collaboration in defense contracting, and the resulting programs, that the defense industrial bases of individual EU states will be preserved, and the ability of European defense firms to compete for arms sales in the international arms marketplace will be substantially enhanced.

A few European arms suppliers have begun to phase out production of certain types of weapons systems. Such suppliers have increasingly engaged in joint production ventures with other key European weapons suppliers or even client countries in an effort to sustain major sectors of their individual defense industrial bases — even if a substantial portion of the weapons produced are for their own armed forces. The Eurofighter project is one example; the Eurocopter is another. Other European suppliers have also adopted the strategy of cooperating in defense production ventures with the United States such as the Joint Strike Fighter (JSF), rather than attempting to compete directly, thereby meeting their own requirements for advanced combat aircraft, while positioning themselves to share in profits resulting from future sales of this new fighter aircraft.⁶

Regional Arms Transfer Agreements

The markets for arms in regions of the developing world have traditionally been dominated by the Near East and by Asia. Nations in the Latin America and Africa regions, by contrast, have not been major purchasers of weapons, except on rare occasions. The regional arms agreement data tables in this report demonstrate this. United States policymakers have placed emphasis on helping to maintain stability throughout the regions of the developing world. Thus, the United States has made and supported arms sales and transfers it has believed would advance that goal, while discouraging significant sales by other suppliers to states and regions where military threats to nations in the area are minimal. Other arms suppliers do not necessarily share the U.S. perspective on what constitutes an appropriate arms sale. For in some instances the financial benefit of the sale to the supplier trumps other considerations. The regional and country specific arms-transfer data in this report provide an indication of where various arms suppliers are focusing their attention and who their principal clients are. By reviewing these data, policymakers can identify potential developments which may be of concern, and use this information to assist their review of options they may choose to consider given the circumstances. What follows below is a review of data on arms-transfer agreement activities in the two regions that lead in arms acquisitions, the Near East and Asia. This is followed, in

⁶ For detailed background on issues relating to the Joint Strike Fighter program see CRS Report RL30563, *F-35 Lightning II Joint Strike Fighter (JSF) Program: Background, Status, and Issues*, by Christopher Bolkcom.

turn, by a review of data regarding the leading arms purchasers in the developing world.

Near East.⁷ The primary catalyst for new weapons procurements in the Near East region in the last decade was the Persian Gulf crisis of August 1990-February 1991. This crisis, culminating in a U.S.-led war to expel Iraq from Kuwait, created new demands by key purchasers such as Saudi Arabia, Kuwait, the United Arab Emirates, and other members of the Gulf Cooperation Council (GCC) for a variety of advanced weapons systems. Subsequently, major concerns over the growing strategic threat from Iran has become the principal driver of GCC states' arms purchases. Because GCC states do not share a land border with Iran, their weapons purchases have focused primarily on air, naval, and missile defense systems. Egypt and Israel, meanwhile, have continued their military modernization programs, increasing their arms purchases from the United States.⁸

Most recently, the position of Saudi Arabia as principal arms purchaser in the Persian Gulf region has been re-established. In the period from 2000-2003, Saudi Arabia's total arms agreements were valued at \$3.2 billion (in current dollars), less than the levels of the U.A.E., Egypt, and Israel. For the period from 2004-2007, Saudi Arabia's total arms agreements were \$23.2 billion (in current dollars), making it the leading Near East purchaser once again.

The Near East has generally been the largest arms market in the developing world. However, in 2000-2003, it accounted for 42.3% of the total value of all developing nations arms transfer agreements (\$33.3 billion in current dollars), ranking it second behind Asia which was first with 46.9% of these agreements (\$35.2 billion in current dollars). But, during 2004-2007, the Near East region accounted for 46.3% of all such agreements (\$63.1 billion in current dollars), again placing it first in arms agreements with the developing world. The Asia region ranked second in 2004-2007 with \$57.6 billion in agreements or 42.3% (**Tables 1C and 1D**).

The United States dominated arms transfer agreements with the Near East during the 2000-2003 period with 73.6% of their total value (\$24.5 billion in current dollars). Russia was second during these years with 9.3% (\$3.1 billion in current dollars). Recently, from 2004-2007, the United States accounted for 32.8% of arms agreements with this region (\$20.7 billion in current dollars), while the United Kingdom accounted for 27.9% of the region's agreements (\$17.6 billion in current dollars). Russia accounted for 20.8% of the region's agreements in the most recent period (\$13.1 billion in current dollars) (**Chart 5**)(**Tables 1C and 1E**).

Asia. Efforts in several developing nations in Asia have been focused on upgrading and modernizing defense forces, and this has led to new conventional

⁷ In this report the Near East region includes the following nations: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, and Yemen. The countries included in the other geographic regions are listed at the end of the report.

⁸ For detailed background see CRS Report RL31533, *The Persian Gulf States: Issues for U.S. Policy, 2006*, by Kenneth Katzman.

weapons sales in that region. Since the mid-1990s, Russia has become the principal supplier of advanced conventional weaponry to China — selling fighters, submarines, destroyers, and missiles — while maintaining its position as principal arms supplier to India. Russian arms sales to these two countries have been primarily responsible for the increase in Asia's overall share of the arms market in the developing world. Russia has expanded its client base in Asia, receiving aircraft orders from Malaysia, Vietnam, and Indonesia. India has also expanded its weapons supplier base, purchasing the Phalcon early warning defense system aircraft in 2004 from Israel for \$1.1 billion, and numerous items from France in 2005, in particular 6 Scorpene diesel attack submarines for \$3.5 billion. In 2007, India made major purchases from Russia of T-90 main battle tanks, Su-30 MKI fighter aircraft, and MiG-29 fighter aircraft. The United States made a multi-billion dollar sale to Pakistan in 2006 of new F-16 fighter aircraft, weapons, and aircraft upgrades, while Sweden sold it a SAAB-2000 based AWACS airborne radar system for over a billion dollars. In 2007, Pakistan contracted with China for production of J-17 fighter aircraft. These transactions have placed Pakistan among the leading major Asian arms buyers of recent years. The data on regional arms-transfer agreements from 2000-2007 continue to reflect that Near East and Asian nations are the primary sources of orders for conventional weaponry in the developing world.

Asia has traditionally been the second largest developing-world arms market. In 2004-2007, Asia ranked second, accounting for 42.3% of the total value of all arms transfer agreements with developing nations (\$57.6 billion in current dollars). Yet in the earlier period, 2000-2003, the region ranked first, accounting for 46.9% of all such agreements (\$35.2 billion in current dollars) (**Tables 1C and 1D**).

In the earlier period (2000-2003), Russia ranked first in the value of arms transfer agreements with Asia with 49.8% (\$17.5 billion in current dollars). The United States ranked second with 19.8% (\$7 billion in current dollars). The major West European suppliers, as a group, made 12.5% of this region's agreements in 2000-2003. In the later period (2004-2007), Russia ranked first in Asian agreements with 35.9% (\$20.7 billion in current dollars), primarily due to major combat aircraft, and naval system sales to India and China. The United States ranked second with 19.3% (\$11.1 billion in current dollars). The major West European suppliers, as a group, made 17.4% of this region's agreements in 2004-2007. (**Chart 6**)(**Table 1E**).

Leading Developing Nations Arms Purchasers

India was the leading developing world arms purchaser from 2000-2007, making arms transfer *agreements* totaling \$31.9 billion during these years (in current dollars). In the 2000-2003 period, China ranked first in arms transfer agreements at \$10.1 billion (in *current* dollars). In 2004-2007 India ranked first in arms transfer agreements, with a large increase to \$24.2 billion from \$7.7 billion in the earlier 2000-2003 period (in *current* dollars). This increase reflects the continuation of a military modernization effort by India, underway since the 1990s, based primarily on major arms agreements with Russia. The total value of all arms transfer agreements with developing nations from 2000-2007 was \$217.6 billion in *current* dollars. Thus India alone accounted for 14.7% of all developing-world arms-transfer agreements during these eight years. In the most recent period, 2004-2007, India made \$24.2 billion in arms transfer agreements (in *current* dollars). This total constituted 17.8%

of all arms transfer agreements with developing nations during these four years (\$136 billion in *current* dollars). Saudi Arabia ranked second in arms transfer agreements during 2004-2007 with \$23.2 billion (in *current* dollars), or 17.1% of the value of all developing-world arms-transfer agreements (**Tables 1, 1I, and 1J**).

During 2000-2003, the top ten recipients collectively accounted for 66.9% of *all* developing world arms transfer agreements. During 2004-2007, the top ten recipients collectively accounted for 61.6% of all such agreements. Arms transfer *agreements* with the top ten developing world recipients, as a group, totaled \$34.1 billion in 2007 or 80.6% of all arms transfer agreements with developing nations in that year. These percentages reflect the continued concentration of major arms purchases by developing nations among a few countries (**Tables 1, 1I, and 1J**).

Saudi Arabia ranked first among all developing world recipients in the value of arms transfer *agreements* in 2007, concluding \$10.6 billion in such agreements. India ranked second in agreements at \$5 billion. Pakistan ranked third with \$4.2 billion in agreements. Seven of the top ten recipients were in the Near East region; three were in the Asian region (**Table 1J**).⁹

India was the leading recipient of arms *deliveries* among developing world recipients in 2007, receiving \$1.6 billion in such deliveries. Israel ranked second in arms deliveries in 2007 with \$1.5 billion. Egypt ranked third with \$1.5 billion (**Table 2J**).

Arms *deliveries* to the top ten developing nation recipients, as a group, were valued at \$11.1 billion, or 64.5% of all arms deliveries to developing nations in 2007. Five of these top ten recipients were in Asia; three were in the Near East; one was in Latin America, one was in Africa (**Tables 2 and 2J**).

Weapons Types Recently Delivered to Near East Nations

Regional weapons delivery data reflect the diverse sources of supply and type of conventional weaponry actually transferred to developing nations. Even though the United States, Russia, and the four major West European suppliers dominate in the delivery of the fourteen classes of weapons examined, it is also evident that the other European suppliers and some non-European suppliers, including China, are capable of being leading suppliers of selected types of conventional armaments to developing nations (**Tables 3-7**).

Weapons deliveries to the **Near East**, historically the largest purchasing region in the developing world, reflect the quantities and types delivered by both major and lesser suppliers. The following is an illustrative summary of weapons deliveries to this region for the period **2004-2007** from **Table 5**:

United States.

- 557 tanks and self-propelled guns

⁹ For countries included in the Asia region and the Latin American region see the listings of nations by regions given at the end of this report.

- 587 APCs and armored cars
- 6 minor surface combatants
- 94 supersonic combat aircraft
- 29 helicopters
- 748 surface-to-air missiles
- 77 anti-ship missiles

Russia.

- 230 tanks and self-propelled guns
- 260 APCs and armored cars
- 30 supersonic combat aircraft
- 30 helicopters
- 1,640 surface-to-air missiles

China.

- 60 other aircraft
- 80 anti-ship missiles

Major West European Suppliers.

- 20 tanks and self-propelled guns
- 60 APCs and armored cars
- 3 major surface combatants
- 27 minor surface combatants
- 6 guided missile boats
- 20 supersonic combat aircraft
- 10 helicopters
- 80 anti-ship missiles

All Other European Suppliers.

- 130 tanks and self-propelled guns
- 1,280 APCs and armored cars
- 10 minor surface combatants
- 9 guided missile boats
- 320 surface-to-air missiles
- 70 anti-ship missiles

All Other Suppliers.

- 560 APCs and armored cars
- 88 minor surface combatants
- 20 helicopters
- 30 surface-to-surface missiles
- 20 anti-ship missiles

Large numbers of major combat systems were delivered to the Near East region from 2004-2007, specifically, tanks and self-propelled guns, armored vehicles, major and minor surface combatants, supersonic combat aircraft, helicopters, air defense and anti-ship missiles. The United States and Russia made deliveries of supersonic combat aircraft to the region. The United States, China, and the European suppliers delivered many anti-ship missiles. The United States, Russia, and European

suppliers in general were principal suppliers of tanks and self-propelled guns, APCs and armored cars, surface-to-air missiles, as well as helicopters. Three of these weapons categories — supersonic combat aircraft, helicopters, and tanks and self-propelled guns — are especially costly and are a large portion of the dollar values of arms deliveries by the United States, Russia, and European suppliers to the Near East region during the 2004-2007 period.

The cost of naval combatants is also generally high, and the suppliers of such systems during this period had their delivery value totals notably increased due to these transfers. Some of the less expensive weapons systems delivered to the Near East are, nonetheless, deadly and can create important security threats within the region. In particular, from 2004-2007, the United States delivered 77 anti-ship missiles to the Near East region, China delivered 80, and the four major West European suppliers delivered 80. The United States delivered six minor surface combatants to the Near East, while the major West European suppliers collectively delivered three major surface combatants, 27 minor surface combatants and six guided missile boats. The non-major West European suppliers collectively delivered 70 anti-ship missiles. Other non-European suppliers collectively delivered 560 APCs and armored cars, 88 minor surface combatants, as well as 30 surface-to-surface missiles, a weapons category not delivered by any of the other major weapons suppliers during this period to any region.

UNITED STATES COMMERCIAL ARMS EXPORTS

United States *commercially licensed arms deliveries* data are not included in this report. The United States is the only major arms supplier that has two distinct systems for the export of weapons: the government-to-government Foreign Military Sales (FMS) system, and the licensed commercial export system. It should be noted that data maintained on U.S. *commercial* sales agreements and deliveries are incomplete, and are not collected or revised on an on-going basis, making them significantly less precise than those for the U.S. FMS program — which accounts for the overwhelming portion of U.S. conventional arms transfer agreements and deliveries involving weapons systems. There are no official compilations of *commercial agreement* data comparable to that for the FMS program maintained on an annual basis. Once an exporter receives from the State Department a *commercial license authorization* to sell — valid for four years — there is no current requirement that the exporter provide to the State Department, on a systematic and on-going basis, comprehensive details regarding any *sales contract* that results from the license authorization, including if any such contract is reduced in scope or cancelled. Nor is the exporter required to report that no contract with the prospective buyer resulted.

Annual *commercially licensed arms deliveries* data are obtained from shipper's export documents and completed licenses from ports of exit by the U.S. Customs and Border Protection Agency which are then provided to the U.S. Census Bureau. The Census Bureau takes these arms export data, and, following a minimal review of them, submits them to the Directorate of Defense Trade Controls in the Political-Military Bureau (PM/DDTC) of the State Department, which makes the final compilation of such data — details of which are not publicly available. Once compiled by the Directorate of Defense Trade Controls at the State Department, these *commercially licensed arms deliveries* data are not revised. By contrast, the U.S. Foreign Military Sales (FMS) program data, for *both* agreements and deliveries, maintained by the Defense Department, are systematically collected, reviewed for accuracy on an on-going basis, and are revised from year-to-year as needed to reflect any changes or to correct any errors in the information. This report includes all FMS deliveries data. By excluding U.S. commercial licensed arms deliveries data, the U.S. arms *delivery* totals will be understated.

Some have suggested that a systematic data collection and reporting system for commercial licensed exports, comparable to the one which exists now in the Department of Defense, should be established by the Department of State. Having current and comprehensive agreement and delivery data on commercially licensed exports would provide a more complete picture of the U.S. arms export trade, in this view, and thus facilitate Congressional oversight of this sector of U.S. exports.

Arms Values Data Tables and Charts for 2000-2007

Tables 1 through 1J present data on arms transfer *agreements* with developing nations by major suppliers from 2000-2007. These data show the most recent trends in arms contract activity by major suppliers. *Delivery* data, which reflect implementation of sales decisions taken earlier, are shown in **Tables 2 through 2J**. **Tables 8, 8A, 8B, 8C, and 8D** provide data on *worldwide* arms transfer *agreements* from 2000-2007, while **Tables 9, 9A, 9B, 9C, and 9D** provide data on *worldwide* arms *deliveries* during this period. To use these data regarding agreements for purposes other than assessing general trends in seller/buyer activity is to risk drawing conclusions that can be readily invalidated by future events — precise values and comparisons, for example, may change due to cancellations or modifications of major arms transfer agreements.

These data sets reflect the comparative magnitude of arms transactions by arms suppliers with recipient nations expressed in *constant* dollar terms, unless otherwise noted. Illustrative pie and bar charts are provided in this section to give the relative market share of individual arms suppliers globally, to the developing world and to specific regions. **Figure 1** provides the value of worldwide arms transfer agreements for 2000-2003, 2004-2007, and 2007, and the suppliers' share of such agreements with the developing world. **Figure 2** provides the value of worldwide arms deliveries for 2000-2003, 2004-2007, and 2007, and the suppliers' share of such deliveries with the developing world. Specific content of other individual data tables is described below.

Table 1 shows the annual *current* dollar values of arms transfer agreements to developing nations by major suppliers from 2000-2007. This table provides the data from which **Tables 1A** (*constant dollars*) and **Table 1B** (*supplier percentages*) are derived.

- **Regional Arms Transfer Agreements, 2000-2007**

Table 1C gives the values of arms transfer agreements between suppliers and individual regions of the developing world for the periods 2000-2003 and 2004-2007. These values are expressed in *current* U.S. dollars.¹⁰ **Table 1D**, derived from **Table 1C**, gives the percentage distribution of each supplier's agreement values within the regions for the two time periods. **Table 1E**, also derived from **Table 1C**, illustrates what percentage share of each developing world region's total arms transfer agreements was held by specific suppliers during the years 2000-2003 and 2004-2007.

- **Arms Transfer Agreements With Developing Nations, 2000-2007: Leading Suppliers Compared**

Table 1F gives the values of arms transfer agreements with the developing nations from 2000-2007 by the top eleven suppliers. The table ranks these suppliers

¹⁰ Because these regional data are composed of four-year aggregate dollar totals, they are expressed in *current* dollar terms.

on the basis of the total *current* dollar values of their respective agreements with the developing world for each of three periods — 2000-2003, 2004-2007, and 2000-2007.

- **Arms Transfer Agreements With Developing Nations in 2007: Leading Suppliers Compared**

Table 1G ranks and gives for 2007 the values of arms transfer agreements with developing nations of the top eleven suppliers in *current* U.S. dollars.

- **Arms Transfer Agreements With Near East 2000-2007: Suppliers and Recipients**

Table 1H gives the values of arms transfer agreements with the Near East nations by suppliers or categories of suppliers for the periods 2000-2003 and 2004-2007. These values are expressed in *current* U.S. dollars. They are a subset of the data contained in **Table 1** and **Table 1C**.

- **Arms Transfers to Developing Nations, 2000-2007: Agreements With Leading Recipients**

Table 1I gives the values of arms transfer agreements made by the top ten recipients of arms in the developing world from 2000-2007 with all suppliers collectively. The table ranks recipients on the basis of the total *current* dollar values of their respective agreements with all suppliers for each of three periods—2000-2003, 2004-2007, and 2000-2007.

- **Arms Transfers to Developing Nations in 2007: Agreements With Leading Recipients**

Table 1J names the top ten developing world recipients of arms transfer agreements in 2007. The table ranks these recipients on the basis of the total *current* dollar values of their respective agreements with *all* suppliers in 2007.

- **Developing Nations Arms Delivery Values**

Table 2 shows the annual *current* dollar values of arms *deliveries* (items actually transferred) to developing nations by major suppliers from 2000-2007. The utility of these particular data is that they reflect transfers that have occurred. They provide the data from which **Tables 2A** (constant dollars) and **Table 2B** (supplier percentages) are derived.

- **Regional Arms Delivery Values, 2000-2007**

Table 2C gives the values of arms deliveries by suppliers to individual *regions* of the developing world for the periods 2000-2003 and 2004-2007. These values are expressed in *current* U.S. dollars.¹¹ **Table 2D**, derived from **Table 2C**, gives the

¹¹ Because these regional data are composed of four-year aggregate dollar totals, they are (continued...)

percentage distribution of each supplier's deliveries values within the regions for the two time periods. **Table 2E**, also derived from **Table 2C**, illustrates what percentage share of each developing world region's total arms delivery values was held by specific suppliers during the years 2000-2003 and 2004-2007.

- **Arms Deliveries to Developing Nations, 2000-2007: Leading Suppliers Compared**

Table 2F gives the values of arms deliveries to developing nations from 2000-2007 by the top eleven suppliers. The table ranks these suppliers on the basis of the total *current* dollar values of their respective deliveries to the developing world for each of three periods — 2000-2003, 2004-2007, and 2000-2007.

- **Arms Deliveries to Developing Nations in 2007: Leading Suppliers Compared**

Table 2G ranks and gives for 2007 the values of arms deliveries to developing nations of the top ten suppliers in *current* U.S. dollars.

- **Arms Deliveries to Near East, 2000-2007: Suppliers and Recipients**

Table 2H gives the values of arms delivered to Near East nations by suppliers or categories of suppliers for the periods 2000-2003 and 2004-2007. These values are expressed in *current* U.S. dollars. They are a subset of the data contained in **Table 2** and **Table 2C**.

- **Arms Deliveries to Developing Nations, 2000-2007: The Leading Recipients**

Table 2I gives the values of arms deliveries made to the top ten recipients of arms in the developing world from 2000-2007 by all suppliers collectively. The table ranks recipients on the basis of the total *current* dollar values of their respective deliveries from all suppliers for each of three periods — 2000-2003, 2004-2007, and 2000-2007.

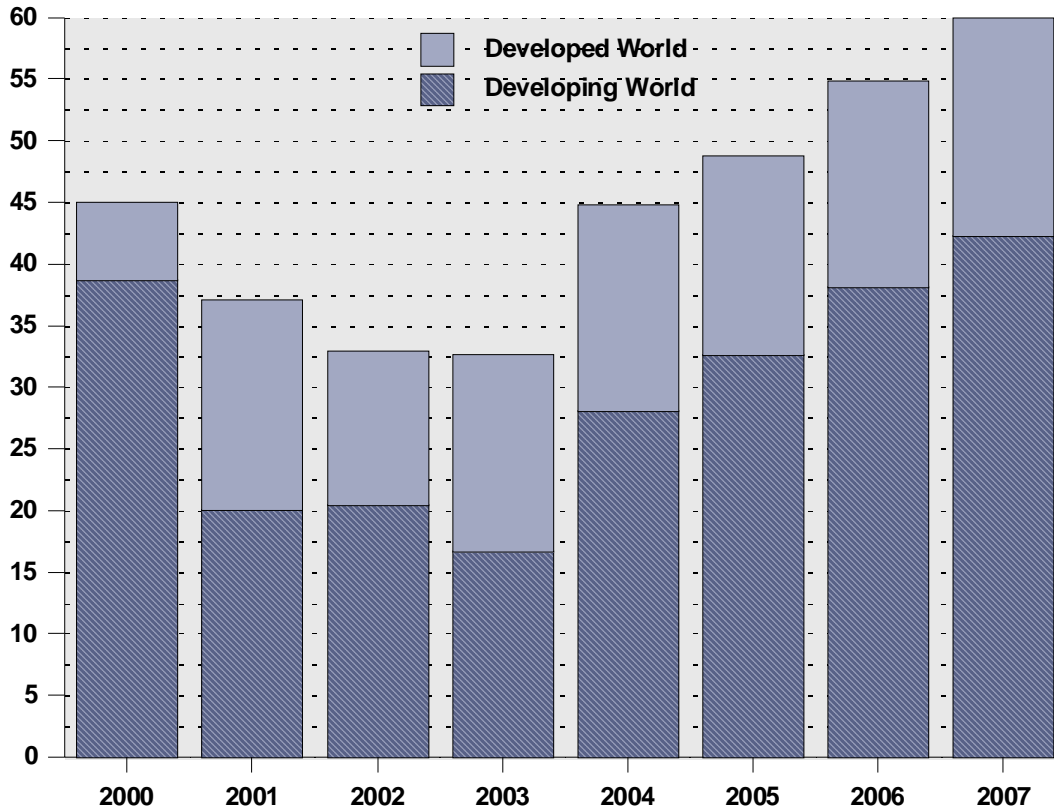
- **Arms Transfers to Developing Nations in 2007: Agreements With Leading Recipients**

Table 2J names the top ten developing world recipients of arms transfer agreements in 2007. The table ranks these recipients on the basis of the total *current* dollar values of their respective agreements with *all* suppliers in 2007.

¹¹ (...continued)
expressed in *current* dollar terms.

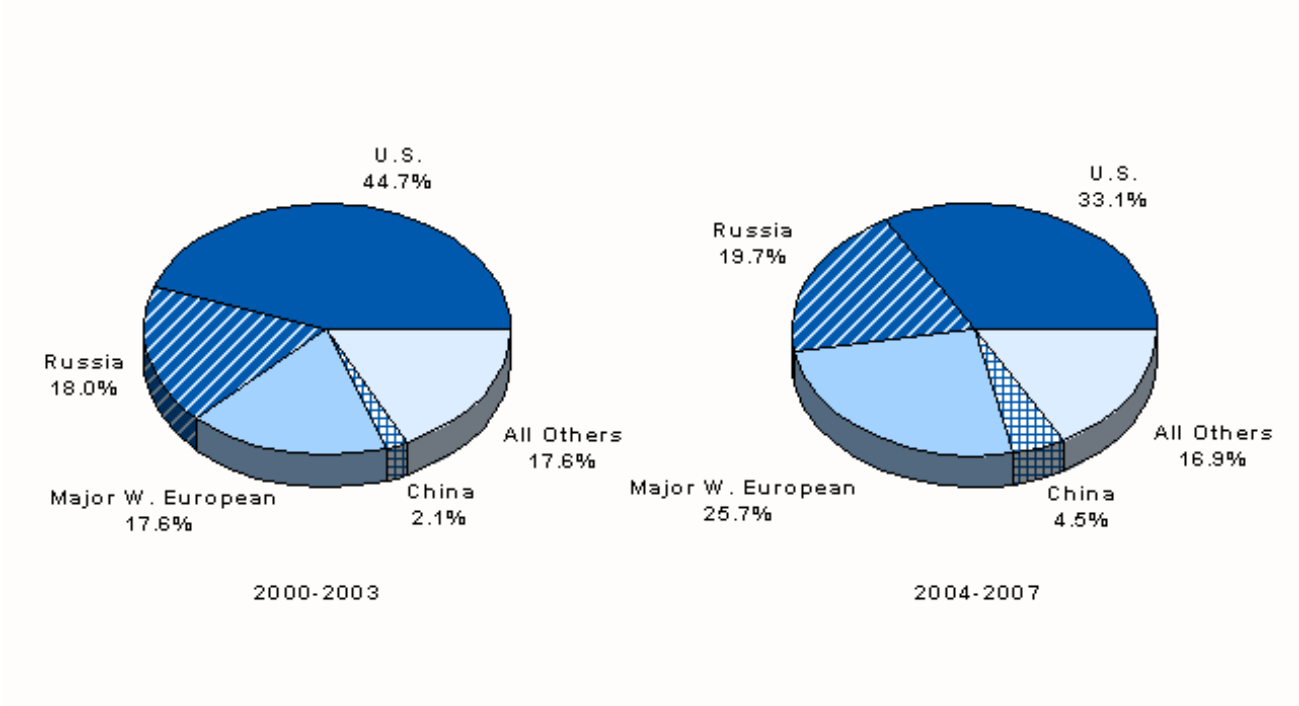
**Chart 1. Arms Transfer Agreements Worldwide, 2000-2007
Developed and Developing Worlds Compared**

In billions of constant
2007 dollars



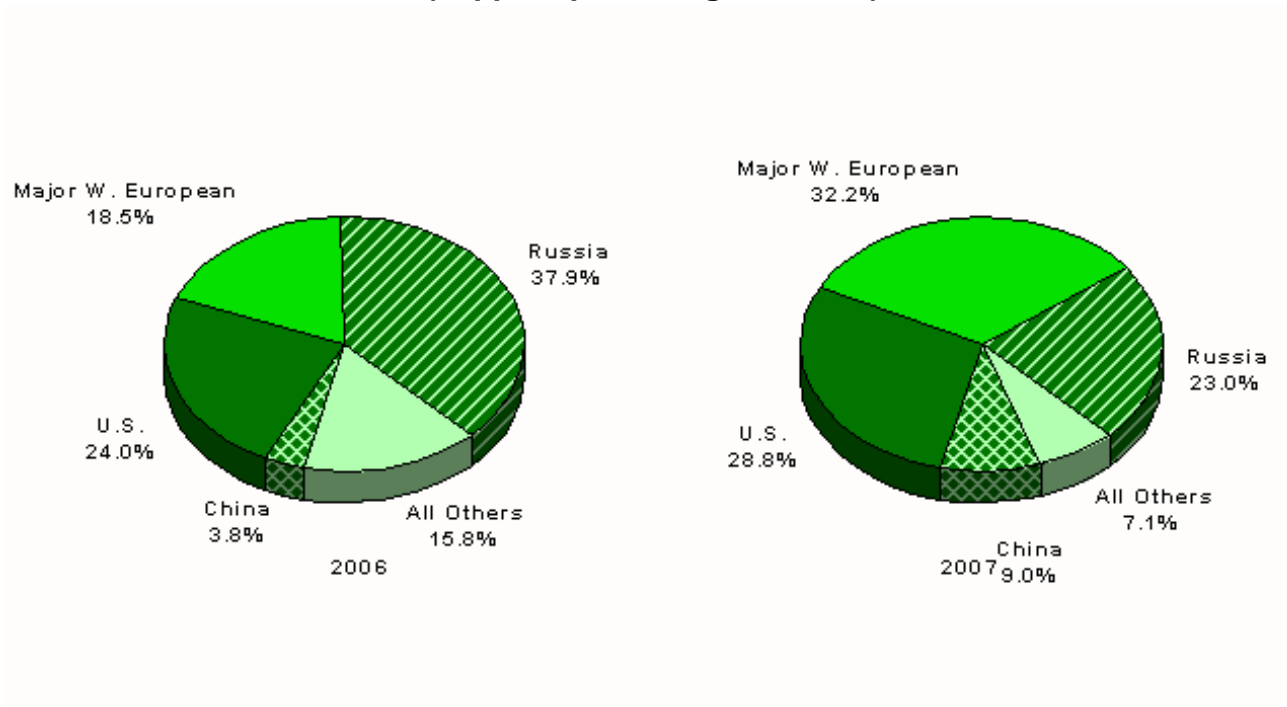
Source: U.S. Government

**Chart 2. Arms Transfer Agreements Worldwide
(supplier percentage of value)**



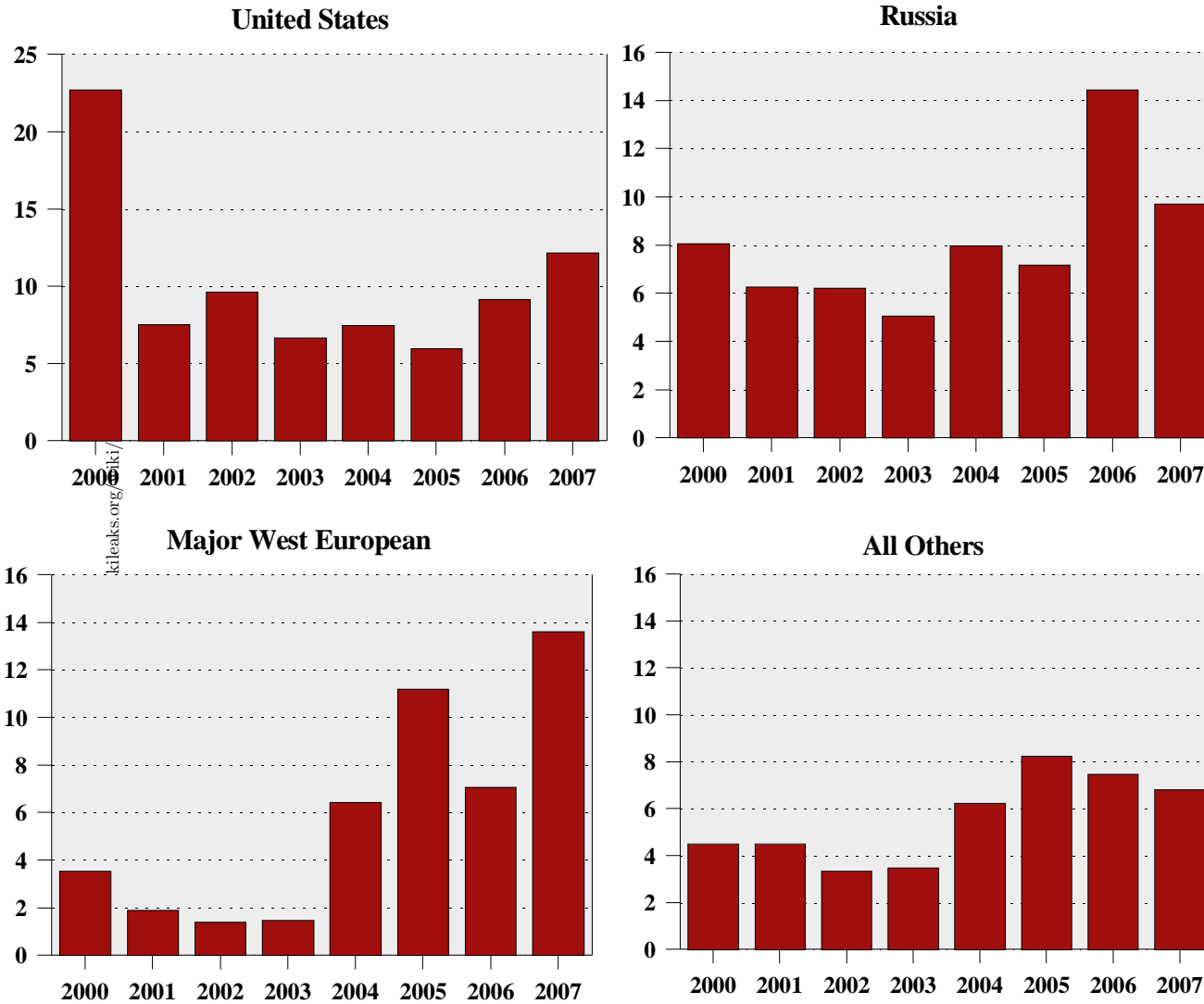
Source: U.S. Government

**Chart 3. Arms Transfer Agreements With Developing Nations
(supplier percentage of value)**



Source: U.S. Government

Chart 4. Arms Transfer Agreements With Developing Nations by Major Supplier, 2000-2007
 (billions of constant 2007 dollars)



Source: U.S. Government

Figure 1. Worldwide Arms Transfer Agreements, 2000-2007 and Suppliers' Share with Developing World (in millions of constant 2007 U.S. dollars)

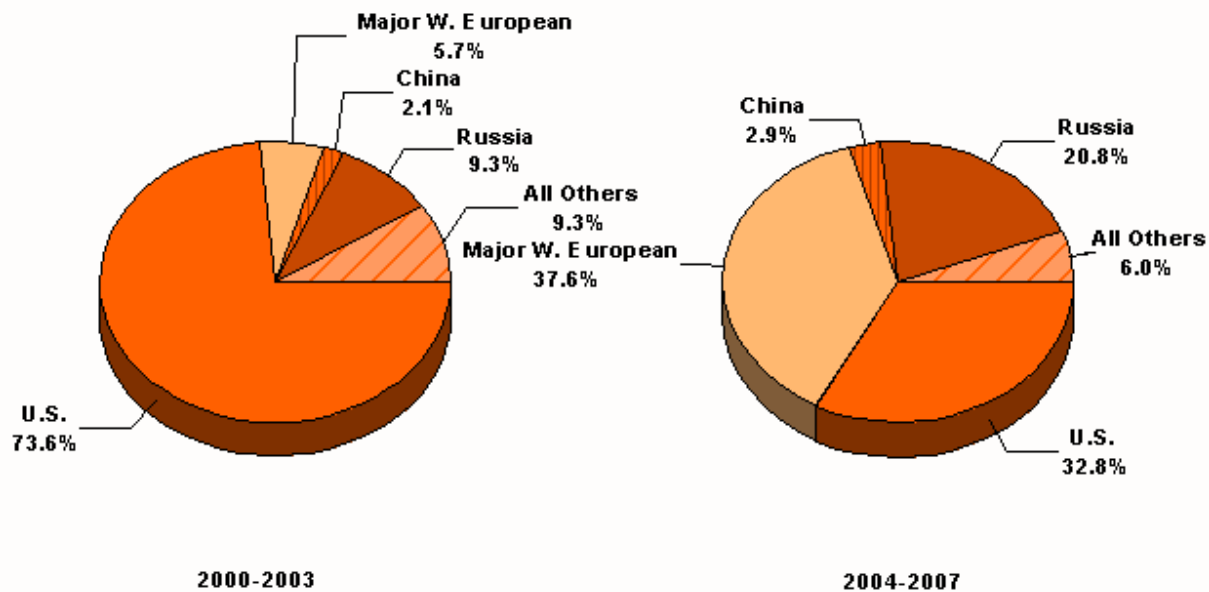
Supplier	Worldwide Agreements Value 2000-2003	Percentage of Total with Developing World
United States	65,948	70.40
Russia	26,610	96.00
France	13,656	36.30
United Kingdom	2,919	39.50
China	3,164	100.00
Germany	6,660	21.80
Italy	2,677	26.00
All Other European	15,601	38.20
All Others	10,322	64.90
TOTAL	147,558	65.10

Supplier	Worldwide Agreements Value 2004-2007	Percentage of Total with Developing World
United States	68,886	50.40
Russia	40,940	96.00
France	18,440	53.50
United Kingdom	23,506	90.70
China	9,383	100.00
Germany	7,199	61.10
Italy	4,367	61.90
All Other European	23,421	44.70
All Others	12,202	72.80
TOTAL	208,344	67.70

Supplier	Worldwide Agreements Value 2007	Percentage of Total with Developing World
United States	24,860	48.90
Russia	10,400	93.30
France	1,800	83.30
United Kingdom	9,800	100.00
China	3,800	100.00
Germany	1,500	100.00
Italy	900	88.90
All Other European	4,400	36.40
All Others	2,500	56.00
TOTAL	59,960	70.50

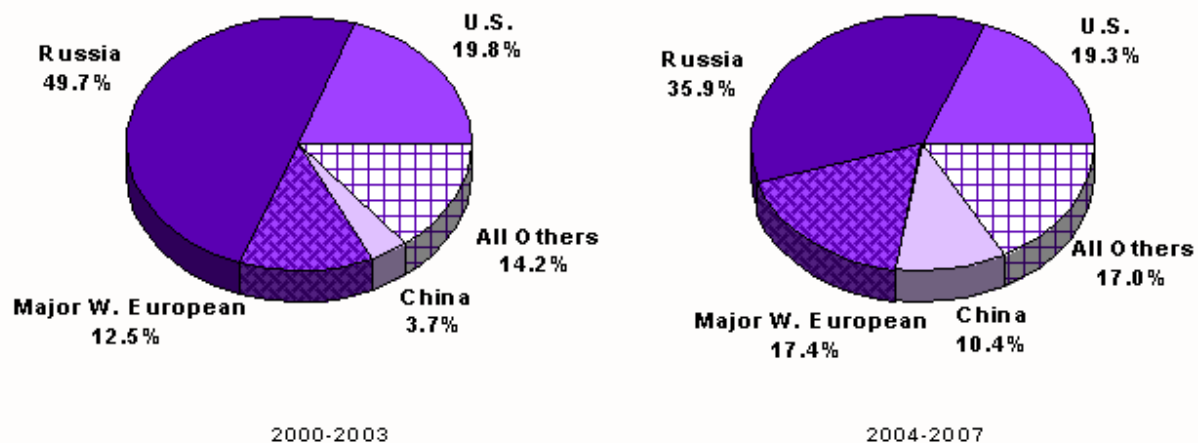
Source: U.S. Government

**Chart 5. Arms Transfer Agreements with
Near East
(supplier percentage of value)**



Source: U.S. Government

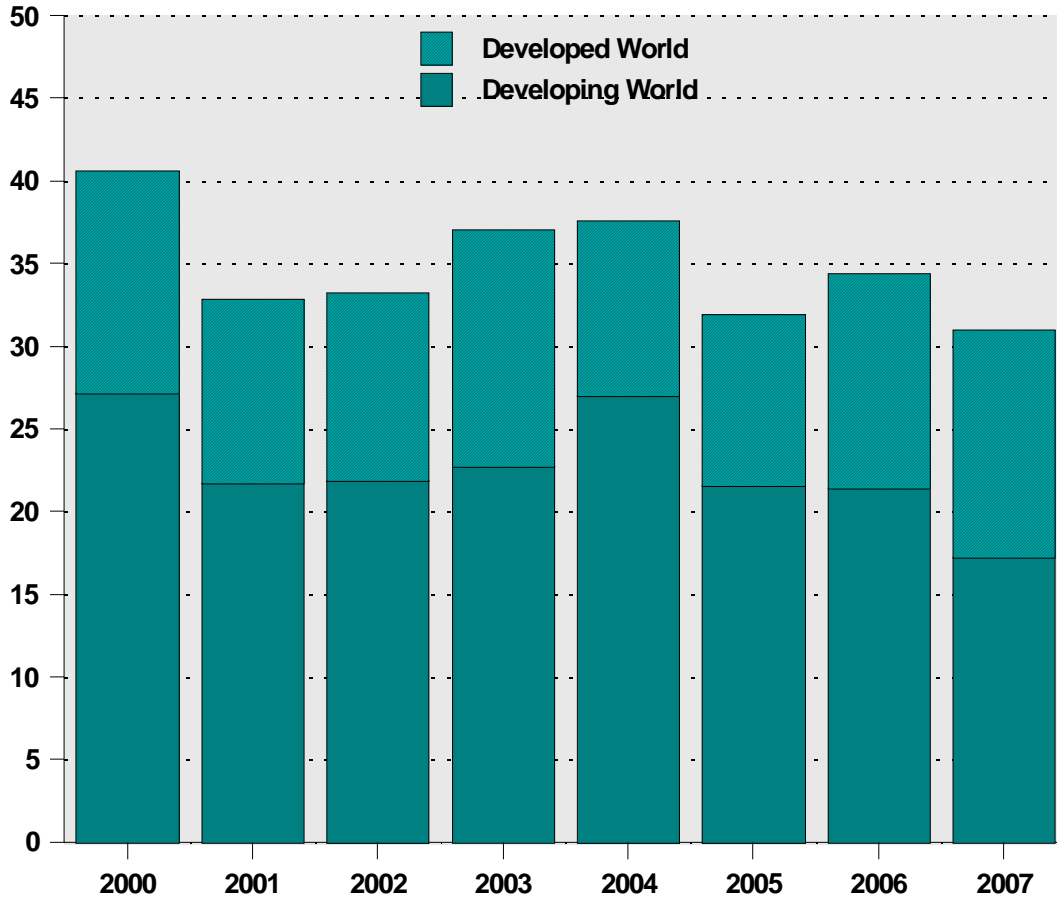
**Chart 6. Arms Transfer Agreements With Developing Nations in Asia
(supplier percentage of value)
(excludes Japan, Australia, and New Zealand)**



Source: U.S. Government

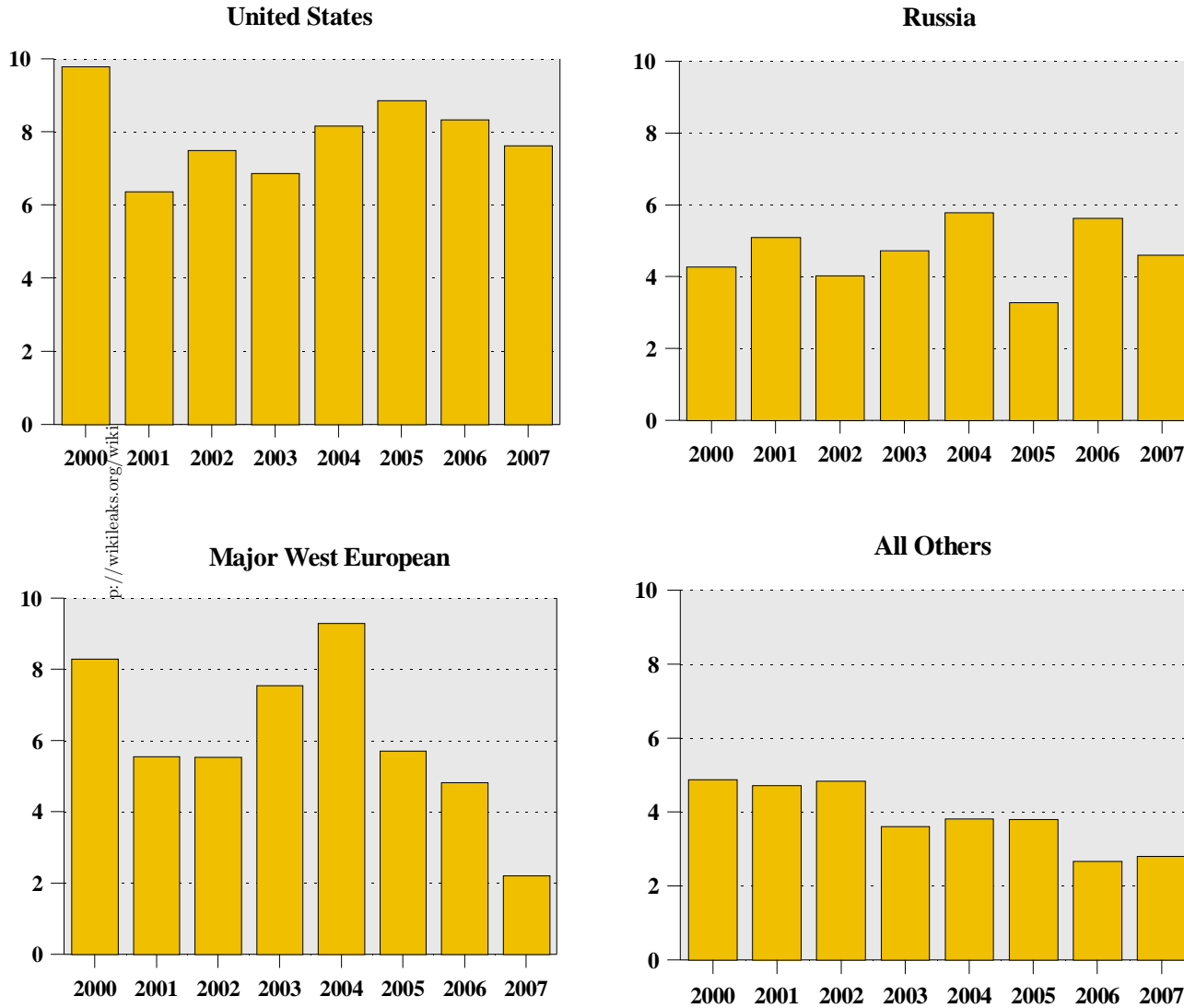
**Chart 7. Arms Deliveries Worldwide 2000-2007
Developed and Developing Worlds Compared**

In billions of constant
2007 dollars



Source: U.S. Government

**Chart 8. Arms Deliveries to Developing Countries by Major Supplier, 2000-2007
(in billions of constant 2007 dollars)**



Source: U.S. Government

Figure 2. Worldwide Arms Deliveries, 2000-2007 and Suppliers' Share with Developing World
(in millions of constant 2007 U.S. dollars)

Supplier	Worldwide Deliveries Value 2000-2003	Percentage of Total to Developing World
United States	50,551	60.30
Russia	19,752	91.60
France	10,056	66.30
United Kingdom	23,290	75.30
China	4,094	89.50
Germany	6,380	30.90
Italy	2,095	33.40
All Other European	15,266	56.00
All Others	12,132	48.20
TOTAL	143,617	65.10

Supplier	Worldwide Deliveries Value 2004-2007	Percentage of Total to Developing World
United States	51,216	64.30
Russia	20,125	95.90
France	12,174	73.00
United Kingdom	14,512	69.40
China	4,460	93.20
Germany	7,328	32.90
Italy	1,975	31.40
All Other European	12,248	37.40
All Others	10,881	39.90
TOTAL	134,918	64.70

Supplier	Worldwide Deliveries Value 2007	Percentage of Total to Developing World
United States	12,793	59.50
Russia	4,700	97.90
France	2,100	33.30
United Kingdom	2,600	34.60
China	1,400	85.70
Germany	1,000	40.00
Italy	500	40.00
All Other European	3,200	34.40
All Others	2,700	18.50
TOTAL	30,933	55.60

Source: U.S. Government

Table 1. Arms Transfer Agreements with Developing Nations, by Supplier, 2000-2007
(in millions of current U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2000-2007
United States	18,624	6,343	8,334	5,915	6,819	5,643	8,925	12,160	72,763
Russia	6,600	5,300	5,400	4,500	7,300	6,800	14,100	9,700	59,700
France	1,800	1,100	400	900	1,100	6,400	400	1,500	13,600
United Kingdom	0	200	700	100	4,100	2,800	4,000	9,800	21,700
China	600	1,100	400	600	900	3,000	1,400	3,800	11,800
Germany	3,000	100	100	0	100	800	1,900	1,500	5,500
Italy	100	200	0	300	600	600	600	800	3,200
All Other European	3,300	1,100	1,400	1,300	2,300	3,500	2,600	1,600	15,100
All Others	3,800	1,600	1,100	1,200	2,500	1,300	3,300	1,400	14,200
TOTAL	31,824	17,043	17,834	14,815	25,719	30,843	37,225	42,260	217,563

Source: U.S. Government

Note: Developing nations category excludes the U.S., Europe, Canada, Japan, Australia and New Zealand. All data are for the calendar year given except for U. S. MAP (Military Assistance Program), IMET (International Military Education and Training), and Excess Defense Article data which are included for the particular fiscal year. All amounts given include the values of all categories of weapons, spare parts, construction, all associated services, military assistance, excess defense articles, and training programs. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million. The United States total in 2000 includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates for 80 F-16 aircraft.

Table 1A. Arms Transfer Agreements with Developing Nations, by Supplier, 2000-2007
(in millions of constant 2007 U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	TOTAL 2000-2007
United States	22,673	7,491	9,585	6,654	7,445	5,956	9,142	12,160	81,105
Russia	8,035	6,259	6,210	5,062	7,970	7,177	14,442	9,700	64,856
France	2,191	1,299	460	1,012	1,201	6,755	410	1,500	14,828
United Kingdom	0	236	805	112	4,476	2,955	4,097	9,800	22,482
China	730	1,299	460	675	983	3,166	1,434	3,800	12,547
Germany	1,217	118	115	0	109	844	1,946	1,500	5,850
Italy	122	236	0	337	655	633	615	800	3,398
All Other European	1,583	1,299	1,610	1,462	2,511	3,694	2,663	1,600	16,422
All Others	1,191	1,889	1,265	1,350	2,730	1,372	3,380	1,400	15,577
TOTAL	38,744	20,126	20,511	16,665	28,081	32,552	38,129	42,260	237,067
Dollar inflation Index: (2007=1.00)*	0.8214	0.8468	0.8695	0.889	0.9159	0.9475	0.9763	1	

Source: U.S. Government

*Based on Department of Defense Price Deflator.

**Table 1B. Arms Transfer Agreements with Developing Nations, by Supplier, 2000-2007
(expressed as a percent of total, by year)**

	2000	2001	2002	2003	2004	2005	2006	2007
United States	58.52%	37.22%	46.73%	39.93%	26.51%	18.30%	23.98%	28.77%
Russia	20.74%	31.10%	30.28%	30.37%	28.38%	22.05%	37.88%	22.95%
France	5.66%	6.45%	2.24%	6.07%	4.28%	20.75%	1.07%	3.55%
United Kingdom	0.00%	1.17%	3.93%	0.67%	15.94%	9.08%	10.75%	23.19%
China	0.89%	6.45%	2.24%	4.05%	3.50%	9.73%	3.76%	8.99%
Germany	0.14%	0.59%	0.56%	0.00%	0.39%	2.59%	5.10%	3.55%
Italy	0.31%	1.17%	0.00%	2.02%	2.33%	1.95%	1.61%	1.89%
All Other European	4.08%	6.45%	7.85%	8.77%	8.94%	11.35%	6.98%	3.79%
All Others	4.66%	9.39%	6.17%	8.10%	9.72%	4.21%	8.87%	3.31%
[Major West European*]	9.11%	9.39%	6.73%	8.77%	22.94%	34.37%	18.54%	32.18%]
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: U.S. Government

*Major West European category includes France, United Kingdom, Germany, Italy.

Table 1C. Regional Arms Transfer Agreements, by Supplier, 2000-2007
(in millions of current U.S. dollars)

	Asia		Near East		Latin America		Africa	
	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007
United States	6,977	11,092	24,487	20,655	1,191	1,638	94	186
Russia	17,500	20,700	3,100	13,100	300	3,600	900	500
France	2,700	4,600	1,200	3,600	0	300	100	900
United Kingdom	400	2,400	500	17,600	0	700	0	0
China	3,300	6,000	700	1,800	100	200	600	1,200
Germany	1,100	1,800	100	1,500	0	1,100	0	0
Italy	200	1,200	100	1,000	200	100	200	300
All Other European	1,100	3,900	1,800	2,600	200	2,800	1,000	800
All Others	900	5,900	1,300	1,200	900	800	700	500
[Major West European*]	4,400	10,000	1,900	23,700	200	2,200	300	1,200]
TOTAL	35,177	57,592	33,287	63,055	2,891	11,238	3,594	4,386

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. The United States total for Near East in 2000-2003 includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

*Major West European category included France, United Kingdom, Germany, Italy.

Table 1D. Percentage of Each Supplier's Agreements Value by Region, 2000-2007

	Asia		Near East		Latin America		Africa		TOTAL	
	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007
United States	21.30%	33.04%	74.77%	61.53%	3.64%	4.88%	0.29%	0.55%	100.00%	100.00%
Russia	80.28%	54.62%	14.22%	34.56%	1.38%	9.50%	4.13%	1.32%	100.00%	100.00%
France	67.50%	48.94%	30.00%	38.30%	0.00%	3.19%	2.50%	9.57%	100.00%	100.00%
United Kingdom	44.44%	11.59%	55.56%	85.02%	0.00%	3.38%	0.00%	0.00%	100.00%	100.00%
China	48.15%	65.22%	25.93%	19.57%	3.70%	2.17%	22.22%	13.04%	100.00%	100.00%
Germany	91.67%	40.91%	8.33%	34.09%	0.00%	25.00%	0.00%	0.00%	100.00%	100.00%
Italy	28.57%	46.15%	14.29%	38.46%	28.57%	3.85%	28.57%	11.54%	100.00%	100.00%
All Other European	41.18%	38.61%	35.29%	25.74%	3.92%	27.72%	19.61%	7.92%	100.00%	100.00%
All Others	50.00%	70.24%	22.41%	14.29%	15.52%	9.52%	12.07%	5.95%	100.00%	100.00%
[Major West European*]	64.71%	26.95%	27.94%	63.88%	2.94%	5.93%	4.41%	3.23%	100.00%	100.00%
TOTAL	46.93%	42.26%	44.41%	46.27%	3.86%	8.25%	4.80%	3.22%	100.00%	100.00%

Source: U.S. Government

*Major West European category included France, United Kingdom, Germany, Italy.

Table 1E. Percentage of Total Agreements Value by Supplier to Regions, 2000-2007

	Asia		Near East		Latin America		Africa	
	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007
United States	19.83%	19.26%	73.56%	32.76%	41.20%	14.58%	2.62%	4.24%
Russia	49.75%	35.94%	9.31%	20.78%	10.38%	32.03%	25.04%	11.40%
France	7.68%	7.99%	3.61%	5.71%	0.00%	2.67%	2.78%	20.52%
United Kingdom	1.14%	4.17%	1.50%	27.91%	0.00%	6.23%	0.00%	0.00%
China	3.70%	10.42%	2.10%	2.85%	3.46%	1.78%	16.69%	27.36%
Germany	3.13%	3.13%	0.30%	2.38%	0.00%	9.79%	0.00%	0.00%
Italy	0.57%	2.08%	0.30%	1.59%	6.92%	0.89%	5.56%	6.84%
All Other European	5.97%	6.77%	5.41%	4.12%	6.92%	24.92%	27.82%	18.24%
All Others	8.24%	10.24%	3.91%	1.90%	31.13%	7.12%	19.48%	11.40%
[Major West European*	2.51%	17.36%	5.71%	37.59%	6.92%	19.58%	8.35%	27.36%]
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: U.S. Government

*Major West European category includes France, United Kingdom, Germany, Italy.

**Table 1F. Arms Transfer Agreements with Developing Nations,
2000-2007: Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Agreements Value 2000-2003
1	United States*	39,216
2	Russia	21,800
3	France	4,200
4	China	2,700
5	Israel	2,100
6	Ukraine	1,800
7	Germany	1,200
8	United Kingdom	1,000
9	Brazil	700
10	Italy	600
11	Poland	600

Rank	Supplier	Agreements Value 2004-2007
1	Russia	37,900
2	United States	33,547
3	United Kingdom	20,700
4	France	9,400
5	China	9,100
6	Israel	4,900
7	Germany	4,300
8	Italy	2,600
9	Spain	2,100
10	Ukraine	1,500
11	Netherlands	1,400

Rank	Supplier	Agreements Value 2000-2007
1	United States*	72,763
2	Russia	59,700
3	United Kingdom	21,700
4	France	13,600
5	China	11,800
6	Israel	7,100
7	Germany	5,500
8	Ukraine	3,300
9	Italy	3,200
10	Spain	2,500
11	Netherlands	1,500

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

*The United States total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

**Table 1G. Arms Transfer Agreements with Developing Nations
in 2007: Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Agreements Value 2007
1	United States	12,160
2	United Kingdom	9,800
3	Russia	9,700
4	China	3,800
5	France	1,500
6	Germany	1,500
7	Italy	800
8	Israel	700
9	Brazil	300
10	Ukraine	300
11	Switzerland	300

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

**Table 1H. Arms Transfer Agreements with Near East, by Supplier
(in millions of current U.S. dollars)**

Recipient Country	U.S.	Russia	China	Major West European*	All Other European	All Others	Total
2000-2003							
Algeria	0	400	100	0	100	0	600
Bahrain	400	0	0	0	0	0	400
Egypt	5,900	400	200	100	200	0	6,800
Iran	0	200	100	0	100	100	500
Iraq	0	100	0	0	200	100	400
Israel	5,000	0	0	0	100	0	5,100
Jordan	700	0	0	0	100	200	1,000
Kuwait	1,700	100	200	0	0	200	2,200
Lebanon	0	0	0	0	0	0	0
Libya	0	100	0	0	200	300	600
Morocco	0	0	0	100	0	0	100
Oman	900	0	0	400	0	0	1,300
Qatar	0	0	0	0	0	0	0
Saudi Arabia	2,700	0	0	500	0	0	3,200
Syria	0	400	0	0	0	300	700
Tunisia	0	0	0	0	0	0	0
U.A.E.**	7,100	800	0	800	400	200	9,300
Yemen	0	700	100	0	200	0	1,000
2004-2007							
Algeria	0	3,900	100	0	0	0	4,000
Bahrain	400	0	0	100	0	100	600
Egypt	4,300	500	300	0	300	100	5,500
Iran	0	2,100	400	0	300	100	2,900
Iraq	2,000	100	100	400	700	200	3,500
Israel	3,300	300	0	800	0	0	4,400
Jordan	1,100	200	0	0	300	0	1,600
Kuwait	1,100	0	0	0	0	0	1,100
Lebanon	0	0	0	0	0	100	100
Libya	0	400	0	800	200	100	1,500
Morocco	100	200	0	500	0	200	1,000
Oman	200	0	0	2,300	0	100	2,600
Qatar	0	0	0	0	0	100	100
Saudi Arabia	5,200	0	600	16,900	400	100	23,200
Syria	0	4,900	0	0	0	500	5,400
Tunisia	0	0	0	0	0	0	0
U.A.E.	2,700	200	0	1,600	200	300	5,000
Yemen	0	200	0	0	100	200	500

Source: U.S. Government

Note: 0=data less than \$50 million or nil. All data are rounded to nearest \$100 million.

*Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure.

**The United States total for 2000-2003 includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

**Table 11. Arms Transfer Agreements with Developing Nations,
2000-2007: Agreements by the Leading Recipients
(in millions of current U.S. dollars)**

Rank	Recipient	Agreements Value 2000-2003
1	China	10,100
2	U.A.E.*	9,300
3	India	7,700
4	Egypt	6,800
5	Israel	5,100
6	South Korea	4,700
7	Saudi Arabia	3,200
8	Malaysia	3,100
9	Singapore	2,300
10	Kuwait	2,200

Rank	Recipient	Agreements Value 2004-2007
1	India	24,200
2	Saudi Arabia	23,200
3	Pakistan	12,100
4	China	5,900
5	Egypt	5,500
6	Syria	5,400
7	U.A.E.	5,000
8	Venezuela	4,700
9	Israel	4,400
10	South Korea	4,200

Rank	Recipient	Agreements Value 2000-2007
1	India	31,900
2	Saudi Arabia	26,400
3	China	16,000
4	U.A.E.*	14,300
5	Pakistan	13,700
6	Egypt	12,300
7	Israel	9,500
8	South Korea	8,900
9	Syria	6,100
10	Venezuela	4,900

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

*The U.A.E. total includes a \$6.432 billion licensed commercial agreement with the United States in 2000 for 80 F-16 aircraft.

**Table 1J. Arms Transfer Agreements with Developing Nations
in 2007: Agreements by Leading Recipients
(in millions of current U.S. dollars)**

Rank	Recipient	Agreements Value 2007
1	Saudi Arabia	10,600
2	India	5,000
3	Pakistan	4,200
4	Syria	3,700
5	South Korea	2,700
6	U.A.E.	1,900
7	Iraq	1,900
8	Egypt	1,700
9	Oman	1,400
10	Israel	1,000

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

Table 2. Arms Deliveries to Developing Nations, by Supplier, 2000-2007
(in millions of current U.S. dollars)

	2000	2001	2002	2003	2003	2005	2006	2007	TOTAL 2000-2007
United States	8,027	5,389	6,500	6,096	7,471	8,388	8,126	7,613	57,610
Russia	3,500	4,300	3,500	4,200	5,300	3,100	5,500	4,600	34,000
France	1,900	1,000	900	1,900	5,200	2,000	400	700	14,000
United Kingdom	4,300	3,400	3,400	3,900	2,400	3,000	3,300	900	24,600
China	800	800	800	700	900	900	1,000	1,200	7,100
Germany	500	100	300	800	800	300	800	400	4,000
Italy	100	200	200	100	100	100	200	200	1,200
All Other European	2,100	1,800	1,900	1,500	900	1,300	1,100	1,100	11,700
All Others	1,100	1,400	1,500	1,000	1,700	1,400	500	500	9,100
TOTAL	22,327	18,389	19,000	20,196	24,771	20,488	20,926	17,213	163,310

Source: U.S. Government

Note: Developing nations category *excludes* the United States, Russia, Europe, Canada, Japan, Australia, and New Zealand. All data are for the calendar year given, except for U.S. MAP (Military Assistance Program), IMET (International Military Education and Training), excess defense articles, which are included for the particular fiscal year. Licensed commercial exports are excluded. All amounts given include the values of all categories of weapons and ammunition, military spare parts, military construction, military assistance and training programs, and all associated services. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

Table 2A. Arms Deliveries to Developing Nations, by Supplier, 2000-2007
(in millions of constant 2007 U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	TOTAL 2000-2007
United States	9,772	6,364	7,476	6,857	8,157	8,853	8,323	7,613	63,415
Russia	4,261	5,078	4,025	4,724	5,787	3,272	5,634	4,600	37,381
France	2,313	1,181	1,035	2,137	5,677	2,111	410	700	15,564
United Kingdom	2,235	4,015	3,910	4,387	2,620	3,166	3,380	900	27,614
China	974	945	920	787	983	950	1,024	1,200	7,783
Germany	609	118	345	900	873	317	819	400	4,381
Italy	122	236	230	112	109	106	205	200	1,320
All Other European	557	2,126	2,185	1,687	983	1,372	1,127	1,100	13,136
All Others	339	1,653	1,725	1,125	1,856	1,478	512	500	10,188
TOTAL	27,182	21,716	21,852	22,718	27,046	21,623	21,434	17,213	180,783
Dollar inflation index: (2007=1.00)*	0.8214	0.8468	0.8695	0.889	0.9159	0.9475	0.9763	1	

Source: U.S. Government

*Based on Department of Defense Price Deflator.

Table 2B. Arms Deliveries to Developing Nations, by Supplier, 2000-2007
(expressed as a percent of total, by year)

	2000	2001	2002	2003	2004	2005	2006	2007
United States	35.95%	29.31%	34.21%	30.18%	30.16%	40.94%	38.83%	44.23%
Russia	15.68%	23.38%	18.42%	20.80%	21.40%	15.13%	26.28%	26.72%
France	8.51%	5.44%	4.74%	9.41%	20.99%	9.76%	1.91%	4.07%
United Kingdom	19.26%	18.49%	17.89%	19.31%	9.69%	14.64%	15.77%	5.23%
China	3.58%	4.35%	4.21%	3.47%	3.63%	4.39%	4.78%	6.97%
Germany	2.24%	0.54%	1.58%	3.96%	3.23%	1.46%	3.82%	2.32%
Italy	0.45%	1.09%	1.05%	0.50%	0.40%	0.49%	0.96%	1.16%
All Other European	9.41%	9.79%	10.00%	7.43%	3.63%	6.35%	5.26%	6.39%
All Others	4.93%	7.61%	7.89%	4.95%	6.86%	6.83%	2.39%	2.90%
<i>[Major West European*</i>	30.46%	25.56%	25.26%	33.17%	34.31%	26.36%	22.46%	12.78%]
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: U.S. Government

*Major West European category includes France, United Kingdom, Germany, Italy.

Table 2C. Regional Arms Deliveries by Supplier, 2000-2007
(in millions of current U.S. dollars)

	Asia		Near East		Latin America		Africa	
	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007
United States	8,699	10,374	16,507	19,803	716	1,265	90	156
Russia	13,200	12,800	1,700	3,100	100	2,000	500	600
France	600	1,600	4,900	6,100	100	400	100	100
United Kingdom	600	600	14,400	8,000	0	200	0	700
China	1,600	2,300	900	900	0	100	400	800
Germany	1,100	900	400	300	0	0	200	1,100
Italy	100	100	100	0	200	100	100	300
All Other European	1,400	1,300	4,300	1,600	700	1,200	1,000	500
All Others	6,500	3,000	1,300	900	400	700	700	300
<i>[Major West European*</i>	2,400	3,200	19,800	14,400	300	700	400	2,200]
TOTAL	33,799	32,974	44,507	40,703	2,216	5,965	3,090	4,556

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million.

*Major West European category includes France, United Kingdom, Germany, Italy.

Table 2D. Percentage of Supplier Deliveries Value by Region, 2000-2007

	Asia		Near East		Latin America		Africa		TOTAL 2000-2003	TOTAL 2004-2007
	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007		
United States	33.44%	32.83%	63.46%	62.67%	2.75%	4.00%	0.35%	0.49%	100.00%	100.00%
Russia	85.16%	69.19%	10.97%	16.76%	0.65%	10.81%	3.23%	3.24%	100.00%	100.00%
France	10.53%	19.51%	85.96%	74.39%	1.75%	4.88%	1.75%	1.22%	100.00%	100.00%
United Kingdom	4.00%	6.32%	96.00%	84.21%	0.00%	2.11%	0.00%	7.37%	100.00%	100.00%
China	55.17%	56.10%	31.03%	21.95%	0.00%	2.44%	13.79%	19.51%	100.00%	100.00%
Germany	64.71%	39.13%	23.53%	13.04%	0.00%	0.00%	11.76%	47.83%	100.00%	100.00%
Italy	20.00%	20.00%	20.00%	0.00%	40.00%	20.00%	20.00%	60.00%	100.00%	100.00%
All Other European	18.92%	28.26%	58.11%	34.78%	9.46%	26.09%	13.51%	10.87%	100.00%	100.00%
All Others	73.03%	61.22%	14.61%	18.37%	4.49%	14.29%	7.87%	6.12%	100.00%	100.00%
[Major West European*]	10.48%	15.61%	86.46%	70.24%	1.31%	3.41%	1.75%	10.73%	100.00%	100.00%
TOTAL	40.42%	39.16%	53.23%	48.34%	2.65%	7.08%	3.70%	5.41%	100.00%	100.00%

Source: U.S. Government

*Major West European category includes France, United Kingdom, Germany, Italy.

Table 2E. Percentage of Total Deliveries Value by Supplier to Regions, 2000-2007

	Asia		Near East		Latin America		Africa	
	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007	2000-2003	2004-2007
United States	25.74%	31.46%	37.09%	48.65%	32.31%	21.21%	2.91%	3.42%
Russia	39.05%	38.82%	3.82%	7.62%	4.51%	33.53%	16.18%	13.17%
France	1.78%	4.85%	11.01%	14.99%	4.51%	6.71%	3.24%	2.19%
United Kingdom	1.78%	1.82%	32.35%	19.65%	0.00%	3.35%	0.00%	15.36%
China	4.73%	6.98%	2.02%	2.21%	0.00%	1.68%	12.94%	17.56%
Germany	3.25%	2.73%	0.90%	0.74%	0.00%	0.00%	6.47%	24.14%
Italy	0.30%	0.30%	0.22%	0.00%	9.03%	1.68%	3.24%	6.58%
All Other European	4.14%	3.94%	9.66%	3.93%	31.59%	20.12%	32.36%	10.97%
All Others	19.23%	9.10%	2.92%	2.21%	18.05%	11.74%	22.65%	6.58%
<i>[Major West European*</i>	7.10%	9.70%	44.49%	35.38%	13.54%	11.74%	12.94%	48.29%]
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: U.S. Government

*Major West European category includes France, United Kingdom, Germany, Italy.

**Table 2F. Arms Deliveries to Developing Nations, 2000-2007
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Deliveries Value 2000-2003
1	United States	26,012
2	Russia	15,500
3	United Kingdom	15,000
4	France	5,700
5	China	3,100
6	Sweden	2,500
7	Israel	1,700
8	Germany	1,700
9	Ukraine	1,300
10	North Korea	800
11	Belarus	600

Rank	Supplier	Deliveries Value 2004-2007
1	United States	31,598
2	Russia	18,500
3	United Kingdom	9,600
4	France	8,300
5	China	4,000
6	Germany	2,300
7	Israel	1,300
8	Netherlands	900
9	Ukraine	800
10	Italy	600
11	Brazil	500

Rank	Supplier	Deliveries Value 2000-2007
1	United States	57,610
2	Russia	34,000
3	United Kingdom	24,600
4	France	14,000
5	China	7,000
6	Germany	3,900
7	Israel	3,000
8	Sweden	2,900
9	Ukraine	2,200
10	Italy	1,200
11	North Korea	1,000

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

**Table 2G. Arms Deliveries to Developing Nations in 2007:
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Deliveries Value 2007
1	United States	7,613
2	Russia	4,600
3	China	1,200
4	United Kingdom	900
5	France	700
6	Germany	400
7	Netherlands	200
8	Spain	200
9	Ukraine	200
10	Italy	200
11	Israel	200

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

**Table 2H. Arms Deliveries to Near East, by Supplier
(in millions of current U.S. dollars)**

Recipient Country	U.S.	Russia	China	Major West European*	All Other European	All Others	Total
2000-2003							
Algeria	0	300	100	0	200	100	700
Bahrain	600	0	0	0	0	0	600
Egypt	5,100	200	300	100	100	0	5,800
Iran	0	300	0	0	100	400	800
Iraq	0	0	0	0	100	100	200
Israel	3,000	0	0	300	0	0	3,300
Jordan	600	0	400	100	100	100	1,300
Kuwait	1,000	100	0	300	0	200	1,600
Lebanon	0	0	0	0	0	0	0
Libya	0	100	0	0	100	200	400
Morocco	0	0	0	100	100	100	300
Oman	0	0	0	0	0	100	100
Qatar	0	0	0	0	0	0	0
Saudi Arabia	6,000	0	0	15,300	2,800	0	24,100
Syria	0	200	0	0	100	0	300
Tunisia	0	0	0	0	0	0	0
U.A.E.	200	300	100	3,300	300	100	4,300
Yemen	0	300	900	100	200	0	1,500
2004-2007							
Algeria	0	900	100	0	0	0	1,000
Bahrain	300	0	0	100	0	0	400
Egypt	5,500	200	500	0	400	0	6,600
Iran	0	400	200	0	0	200	800
Iraq	300	100	0	0	200	200	800
Israel	5,700	100	0	0	0	0	5,800
Jordan	600	100	0	0	0	0	700
Kuwait	1,500	0	0	0	0	0	1,500
Lebanon	0	0	0	0	0	0	0
Libya	0	200	0	0	200	0	400
Morocco	100	100	0	0	0	200	400
Oman	700	0	0	300	0	0	1,000
Qatar	0	0	0	0	0	0	0
Saudi Arabia	4,400	0	0	9,900	200	0	14,500
Syria	0	300	0	0	0	300	600
Tunisia	0	0	0	0	0	0	0
U.A.E.	600	300	0	4,000	400	0	5,300
Yemen	0	300	0	0	100	200	600

Source: U.S. Government

Note: 0=data less than \$50 million or nil. All data are rounded to nearest \$100 million.

*Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure.

**Table 2I. Arms Deliveries to Developing Nations, 2000-2007:
The Leading Recipients
(in millions of current U.S. dollars)**

Rank	Recipient	Deliveries Value 2000-2003
1	Saudi Arabia	24,100
2	China	8,500
3	Egypt	5,800
4	India	4,900
5	U.A.E.	4,300
6	Taiwan	4,100
7	South Korea	3,400
8	Israel	3,300
9	Pakistan	1,700
10	Kuwait	1,600

Rank	Recipient	Deliveries Value 2004-2007
1	Saudi Arabia	14,500
2	China	8,500
3	India	6,600
4	Egypt	6,600
5	Israel	5,800
6	U.A.E.	5,300
7	Taiwan	4,300
8	South Korea	3,200
9	Pakistan	3,100
10	South Africa	2,200

Rank	Recipient	Deliveries Value 2000-2007
1	Saudi Arabia	38,600
2	China	17,000
3	Egypt	12,400
4	India	11,500
5	U.A.E.	9,600
6	Israel	9,100
7	Taiwan	8,400
8	South Korea	6,600
9	Pakistan	4,800
10	Kuwait	3,100

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

**Table 2J. Arms Deliveries to Developing Nations in 2007:
The Leading Recipients
(in millions of current U.S. dollars)**

Rank	Recipient	Deliveries Value 2007
1	India	1,600
2	Israel	1,500
3	Egypt	1,500
4	Saudi Arabia	1,100
5	Pakistan	1,100
6	South Korea	1,000
7	Venezuela	1,000
8	South Africa	800
9	Taiwan	800
10	China	700

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

Selected Weapons Deliveries to Developing Nations, 2000-2007

Other useful data for assessing arms transfers are those that indicate *who* has actually *delivered* specific numbers of *specific classes* of military items to a *region*. These data are relatively “hard” in that they reflect actual transfers of military equipment. They have the limitation of not giving detailed information regarding either the sophistication or the specific name of the equipment delivered. However, these data show *relative trends* in the delivery of important classes of military equipment and indicate *who* the leading suppliers are from region to region over time. Data in the following tables set out actual deliveries of fourteen categories of weaponry to developing nations from 2000-2007 by the United States, Russia, China, the four major West European suppliers as a group, all other European suppliers as a group, and all other suppliers as a group. The tables show these deliveries data for all of the developing nations collectively, for Asia, for the Near East, for Latin America, and for Africa (**Tables 3-7**).

Care should be taken in using the quantitative data within these specific tables. Aggregate data on weapons categories delivered by suppliers do not provide precise indices of the quality and/or quantity of the weaponry delivered. The history of recent conventional conflicts suggests that quality and/or sophistication of weapons can offset quantitative advantage. Further, these data do not provide an indication of the relative capabilities of the recipient nations to use effectively the weapons delivered to them. Superior training — coupled with good equipment, tactical and operational proficiency, and sound logistics — may, in the last analysis, be a more important factor in a nation’s ability to engage successfully in conventional warfare than the size of its weapons inventory.

Table 3. Numbers of Weapons Delivered by Suppliers to Developing Nations

Weapons Category	U.S.	Russia	China	Major West European*	All Other European	All Others
2000-2003						
Tanks and Self-Propelled Guns	462	420	200	390	860	130
Artillery	209	440	630	110	630	670
APCs and Armored Cars	60	620	360	90	1,090	560
Major Surface Combatants	16	5	0	5	2	2
Minor Surface Combatants	4	4	40	45	90	92
Guided Missile Boats	0	0	1	9	0	0
Submarines	0	1	0	2	2	0
Supersonic Combat Aircraft	67	240	70	20	80	70
Subsonic Combat Aircraft	15	10	0	30	10	0
Other Aircraft	53	20	90	130	150	130
Helicopters	121	390	10	70	100	50
Surface-to-Air Missiles	3,017	1,770	550	50	720	540
Surface-to-Surface Missiles	0	40	0	0	0	40
Anti-Ship Missiles	309	170	60	170	0	50
2004-2007						
Tanks and Self-Propelled Guns	375	270	150	40	420	30
Artillery	239	20	440	10	1,260	750
APCs and Armored Cars	641	510	450	220	1,880	691
Major Surface Combatants	0	3	0	17	5	17
Minor Surface Combatants	21	3	43	48	40	97
Guided Missile Boats	0	0	0	6	9	1
Submarines	0	8	0	5	4	0
Supersonic Combat Aircraft	104	170	30	70	30	40
Subsonic Combat Aircraft	2	0	0	30	0	10
Other Aircraft	36	20	120	10	70	100
Helicopters	67	180	0	70	30	40
Surface-to-Air Missiles	1,222	2,810	530	10	390	150
Surface-to-Surface Missiles	0	0	0	0	0	30
Anti-Ship Missiles	260	360	120	140	80	20

Source: U.S. Government

Note: Developing nations category excludes the U.S., Russia, Europe, Canada, Japan, Australia and New Zealand. All data are for calendar years given. *Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure. Data relating to surface-to-surface and anti-ship missiles by foreign suppliers are estimates based on a variety of sources having a wide range of accuracy. As such, individual data entries in these two weapons delivery categories are not necessarily definitive.

Table 4. Number of Weapons Delivered by Suppliers to Asia and the Pacific

Weapons Category	U.S.	Russia	China	Major West European*	All Other European	All Others
2000-2003						
Tanks and Self-Propelled Guns	88	340	140	0	120	20
Artillery	108	10	370	10	100	170
APCs and Armored Cars	20	320	310	20	250	80
Major Surface Combatants	12	5	0	0	1	2
Minor Surface Combatants	0	2	11	4	26	21
Guided Missile Boats	0	0	0	0	0	0
Submarines	0	1	0	1	2	0
Supersonic Combat Aircraft	16	200	60	0	10	40
Subsonic Combat Aircraft	15	0	0	30	0	0
Other Aircraft	8	20	30	0	60	60
Helicopters	81	230	0	20	10	10
Surface-to-Air Missiles	2657	1090	510	0	70	480
Surface-to-Surface Missiles	0	0	0	0	0	0
Anti-Ship Missiles	232	140	0	80	0	0
2004-2007						
Tanks and Self-Propelled Guns	115	40	150	0	10	20
Artillery	108	20	190	10	110	60
APCs and Armored Cars	54	250	80	110	440	1
Major Surface Combatants	0	3	0	4	1	16
Minor Surface Combatants	6	3	14	11	8	0
Guided Missile Boats	0	0	0	0	0	0
Submarines	0	8	0	1	2	0
Supersonic Combat Aircraft	0	110	20	40	10	40
Subsonic Combat Aircraft	2	0	0	10	0	0
Other Aircraft	12	10	10	10	20	20
Helicopters	22	80	0	20	10	0
Surface-to-Air Missiles	474	1070	530	0	70	150
Surface-to-Surface Missiles	0	0	0	0	0	0
Anti-Ship Missiles	173	360	40	50	0	0

Source: U.S. Government

Note: Asia and Pacific category *excludes* Japan, Australia and New Zealand. All data are for calendar years given. *Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure. Data relating to surface-to-surface and anti-ship missiles by foreign suppliers are estimates based on a variety of sources having a wide range of accuracy. As such, individual data entries in these two weapons delivery categories are not necessarily definitive.

Table 5. Numbers of Weapons Delivered by Suppliers to Near East

Weapons Category	U.S.	Russia	China	Major West European*	All Other European	All Others
2000-2003						
Tanks and Self-Propelled Guns	327	70	0	340	430	30
Artillery	76	0	100	70	30	0
APCs and Armored Cars	39	150	50	20	290	120
Major Surface Combatants	2	0	0	2	1	0
Minor Surface Combatants	4	0	0	30	31	44
Guided Missile Boats	0	0	1	9	0	0
Submarines	0	0	0	1	0	0
Supersonic Combat Aircraft	47	30	0	20	30	0
Subsonic Combat Aircraft	0	0	0	0	0	0
Other Aircraft	30	0	40	90	50	40
Helicopters	15	80	0	30	20	20
Surface-to-Air Missiles	360	580	0	0	540	0
Surface-to-Surface Missiles	0	0	0	0	0	40
Anti-Ship Missiles	77	30	60	90	0	20
2004-2007						
Tanks and Self-Propelled Guns	557	230	0	20	130	0
Artillery	30	0	0	0	20	40
APCs and Armored Cars	587	260	0	60	1280	560
Major Surface Combatants	0	0	0	3	0	0
Minor Surface Combatants	6	0	0	27	10	88
Guided Missile Boats	0	0	0	6	9	0
Submarines	0	0	0	0	0	0
Supersonic Combat Aircraft	94	30	0	20	0	0
Subsonic Combat Aircraft	0	0	0	10	0	0
Other Aircraft	6	0	60	0	20	40
Helicopters	29	30	0	10	0	20
Surface-to-Air Missiles	748	1640	0	0	320	0
Surface-to-Surface Missiles	0	0	0	0	0	30
Anti-Ship Missiles	77	0	80	80	70	20

Source: U.S. Government

Note: All data for calendar years given. *Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure. Data relating to surface-to-surface and anti-ship missiles by foreign suppliers are estimates based on a variety of sources having a wide range of accuracy. As such, individual data entries in these two weapons delivery categories are not necessarily definitive.

Table 6. Numbers of Weapons Delivered by Suppliers to Latin America

Weapons Category	U.S.	Russia	China	Major West European*	All Other European	All Others
2000-2003						
Tanks and Self-Propelled Guns	0	0	0	50	130	20
Artillery	25	0	0	10	30	20
APCs and Armored Cars	1	0	0	0	0	0
Major Surface Combatants	2	0	0	2	0	0
Minor Surface Combatants	0	0	20	1	13	0
Guided Missile Boats	0	0	0	0	0	0
Submarines	0	0	0	0	0	0
Supersonic Combat Aircraft	4	0	0	0	0	0
Subsonic Combat Aircraft	0	0	0	0	0	0
Other Aircraft	7	0	0	30	20	20
Helicopters	25	10	0	10	30	0
Surface-to-Air Missiles	0	30	40	50	40	40
Surface-to-Surface Missiles	0	0	0	0	0	0
Anti-Ship Missiles	0	0	0	0	0	30
2004-2007						
Tanks and Self-Propelled Guns	0	0	0	20	0	0
Artillery	101	0	10	0	10	0
APCs and Armored Cars	0	0	0	0	0	0
Major Surface Combatants	0	0	0	7	4	0
Minor Surface Combatants	9	0	0	1	2	2
Guided Missile Boats	0	0	0	0	0	0
Submarines	0	0	0	2	2	0
Supersonic Combat Aircraft	10	10	0	10	20	0
Subsonic Combat Aircraft	0	0	0	0	0	10
Other Aircraft	18	10	10	0	20	30
Helicopters	16	40	0	10	0	10
Surface-to-Air Missiles	0	0	0	0	0	0
Surface-to-Surface Missiles	0	0	0	0	0	0
Anti-Ship Missiles	10	0	0	0	10	0

Source: U.S. Government

Note: All data for calendar years given. *Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure. Data relating to surface-to-surface and anti-ship missiles by foreign suppliers are estimates based on a variety of sources having a wide range of accuracy. As such, individual data entries in these two weapons delivery categories are not necessarily definitive.

Table 7. Number of Weapons Delivered by Suppliers to Africa

Weapons Category	U.S.	Russia	China	Major West European*	All Other European	All Others
2000-2003						
Tanks and Self-Propelled Guns	0	10	60	0	180	60
Artillery	0	430	160	20	470	480
APCs and Armored Cars	0	150	0	50	550	360
Major Surface Combatants	0	0	0	1	0	0
Minor Surface Combatants	0	2	9	10	20	27
Guided Missile Boats	0	0	0	0	0	0
Submarines	0	0	0	0	0	0
Supersonic Combat Aircraft	0	10	10	0	40	30
Subsonic Combat Aircraft	0	10	0	0	10	0
Other Aircraft	8	0	20	10	20	10
Helicopters	0	70	10	10	40	20
Surface-to-Air Missiles	0	70	0	0	70	20
Surface-to-Surface Missiles	0	40	0	0	0	0
Anti-Ship Missiles	0	0	0	0	0	0
2004-2007						
Tanks and Self-Propelled Guns	0	0	0	0	280	10
Artillery	0	0	240	0	1120	650
APCs and Armored Cars	0	0	370	50	160	130
Major Surface Combatants	0	0	0	3	0	1
Minor Surface Combatants	0	0	29	9	20	7
Guided Missile Boats	0	0	0	0	0	1
Submarines	0	0	0	2	0	0
Supersonic Combat Aircraft	0	20	10	0	0	0
Subsonic Combat Aircraft	0	0	0	10	0	0
Other Aircraft	0	0	40	0	10	10
Helicopters	0	30	0	30	20	10
Surface-to-Air Missiles	0	100	0	10	0	0
Surface-to-Surface Missiles	0	0	0	0	0	0
Anti-Ship Missiles	0	0	0	10	0	0

Source: U.S. Government

Note: All data are for calendar years given. *Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure. Data relating to surface-to-surface and anti-ship missiles by foreign suppliers are estimates based on a variety of sources having a wide range of accuracy. As such, individual data entries in these two weapons delivery categories are not necessarily definitive.

Worldwide Arms Transfer Agreements and Deliveries Values, 2000-2007

Ten tables follow. **Tables 8, 8A, and 8B** and **Tables 9, 9A, and 9B**, provide the total dollar values for arms transfer agreements and arms deliveries worldwide for the years 2000-2007 in the same format and detail as do **Tables 1, 1A, and 1B** and **Tables 2, 2A, and 2B** for arms transfer agreements with and arms deliveries to developing nations. **Tables 8C, 8D, 9C, and 9D** provide a list of the top eleven arms suppliers to the world based on the total values (*in current dollars*) of their arms transfer agreements and arms deliveries worldwide during calendar years 2000-2003, 2004-2007, and 2007. These tables are set out in the same format and detail as **Tables 1F and 1G** for arms transfer agreements with, and **Tables 2F and 2G** for arms deliveries to developing nations, respectively.

- **Total Worldwide Arms Transfer Agreements Values, 2000-2007**

Table 8 shows the annual *current* dollar values of arms transfer agreements worldwide. Since these figures do not allow for the effects of inflation, they are, by themselves, of limited use. They provide, however, the data from which **Tables 8A** (constant dollars) and **8B** (supplier percentages) are derived.

- **Total Worldwide Delivery Values 2000-2007**

Table 9 shows the annual *current* dollar values of arms deliveries (items actually transferred) worldwide by major suppliers from 2000-2007. The utility of these data is that they reflect transfers that have occurred. They provide the data from which **Tables 9A** (constant dollars) and **9B** (supplier percentages) are derived.

Table 8. Arms Transfer Agreements with the World, by Supplier, 2000-2007
(in millions of current U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	TOTAL 2000-2007
United States	17,474	11,414	12,987	14,455	12,602	12,852	16,307	24,860	122,951
Russia	6,700	5,500	5,800	4,700	7,500	7,300	14,300	10,400	62,200
France	3,700	4,400	700	2,800	2,900	8,400	4,500	1,800	29,200
United Kingdom	600	600	700	600	6,000	2,800	4,100	9,800	25,200
China	600	1,100	400	600	900	3,000	1,400	3,800	11,800
Germany	1,200	2,000	1,000	1,500	1,700	1,700	2,000	1,500	12,600
Italy	200	1,100	400	600	600	1,500	1,200	900	6,500
All Other European	4,100	2,700	4,400	2,100	5,700	6,400	5,900	4,400	35,700
All Others	2,400	2,600	2,200	1,600	3,100	2,200	3,900	2,500	20,500
TOTAL	36,974	31,414	28,587	28,955	41,002	46,152	53,607	59,960	326,651

Source: U.S. Government

Note: All data are for the calendar year given, except for U.S. MAP (Military Assistance Program) and IMET (International Military Education and Training), excess defense articles, which are included for the particular fiscal year. All amounts given include the values of all categories of weapons and ammunition, military spare parts, military construction, excess defense articles, military assistance and training programs, and all associated services. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million. The U.S. total in 2000 includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates for 80 F-16 aircraft.

Table 8A. Arms Transfer Agreements with the World, by Supplier, 2000-2007
(in millions of constant 2007 U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	TOTAL 2000-2007
United States	21,273	13,479	14,936	16,260	13,759	13,564	16,703	24,860	134,835
Russia	8,157	6,495	6,671	5,287	8,189	7,704	14,647	10,400	67,549
France	4,505	5,196	805	3,150	3,166	8,865	4,609	1,800	32,096
United Kingdom	730	709	805	675	6,551	2,955	4,200	9,800	26,425
China	730	1,299	460	675	983	3,166	1,434	3,800	12,547
Germany	1,461	2,362	1,150	1,687	1,856	1,794	2,049	1,500	13,859
Italy	243	1,299	460	675	655	1,583	1,229	900	7,045
All Other European	4,991	3,188	5,060	2,362	6,223	6,755	6,043	4,400	39,024
All Others	2,922	3,070	2,530	1,800	3,385	2,322	3,995	2,500	22,523
TOTAL	45,013	37,097	32,878	32,570	44,767	48,709	54,908	59,960	355,903
Dollar inflation index: (2007=1.00)*	0.8214	0.8468	0.8695	0.889	0.9159	0.9475	0.9763	1	

Source: U.S. Government

*Based on Department of Defense Price Deflator.

**Table 8B. Arms Transfer Agreements with the World, by Supplier, 2000-2007
(expressed as a percent of total, by year)**

	2000	2001	2002	2003	2004	2005	2006	2007
United States	47.26%	36.33%	45.43%	49.92%	30.74%	27.85%	30.42%	41.46%
Russia	18.12%	17.51%	20.29%	16.23%	18.29%	15.82%	26.68%	17.34%
France	10.01%	14.01%	2.45%	9.67%	7.07%	18.20%	8.39%	3.00%
United Kingdom	1.62%	1.91%	2.45%	2.07%	14.63%	6.07%	7.65%	16.34%
China	1.62%	3.50%	1.40%	2.07%	2.20%	6.50%	2.61%	6.34%
Germany	3.25%	6.37%	3.50%	5.18%	4.15%	3.68%	3.73%	2.50%
Italy	0.54%	3.50%	1.40%	2.07%	1.46%	3.25%	2.24%	1.50%
All Other European	11.09%	8.59%	15.39%	7.25%	13.90%	13.87%	11.01%	7.34%
All Others	6.49%	8.28%	7.70%	5.53%	7.56%	4.77%	7.28%	4.17%
<i>[Major West European*</i>	15.42%	25.78%	9.79%	18.99%	27.32%	31.20%	22.01%	23.35%]
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: U.S. Government

Note: Columns may not total due to rounding.

*Major West European category includes France, United Kingdom, Germany, Italy.

**Table 8C. Arms Transfer Agreements with the World,
2000-2007: Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Agreements Value 2000-2003
1	United States*	56,330
2	Russia	22,700
3	France	11,600
4	Germany	5,700
5	Israel	4,000
6	Ukraine	3,600
7	China	2,700
8	United Kingdom	2,500
9	Italy	2,300
10	Spain	2,100
11	Sweden	1,300

Rank	Supplier	Agreements Value 2004-2007
1	United States	66,621
2	Russia	39,500
3	United Kingdom	22,700
4	France	17,600
5	China	9,100
6	Germany	6,900
7	Israel	6,800
8	Spain	4,400
9	Italy	4,200
10	Sweden	4,100
11	Austria	3,000

Rank	Supplier	Agreements Value 2000-2007
1	United States*	122,951
2	Russia	62,200
3	France	29,200
4	United Kingdom	25,200
5	Germany	12,600
6	China	11,800
7	Israel	10,800
8	Italy	6,500
9	Spain	6,500
10	Ukraine	5,500
11	Sweden	5,400

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained. *The U.S. total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

**Table 8D. Arms Transfer Agreements with the World in 2007:
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Agreements Value 2007
1	United States	24,860
2	Russia	10,400
3	United Kingdom	9,800
4	China	3,800
5	Spain	2,000
6	France	1,800
7	Germany	1,500
8	Israel	1,000
9	Italy	900
10	South Korea	500
11	Switzerland	400

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million.
Where rounded data totals are the same, the rank order is maintained.

Table 9. Arms Deliveries to the World, by Supplier, 2000-2007
(in millions of current U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	TOTAL 2000-2007
United States	12,865	9,166	10,058	11,110	11,747	12,053	12,571	12,793	92,363
Russia	4,200	4,700	3,600	4,400	5,500	3,200	5,900	4,700	36,200
France	2,500	2,000	1,500	2,600	5,500	2,400	1,500	2,100	20,100
United Kingdom	5,900	4,200	4,900	4,900	3,300	3,700	4,300	2,600	33,800
China	900	900	900	800	900	900	1,100	1,400	7,800
Germany	1,300	700	1,300	2,200	2,000	1,500	2,500	1,000	12,500
Italy	300	500	600	400	200	900	300	500	3,700
All Other European	3,100	3,000	3,000	4,000	2,200	2,900	3,500	3,200	24,900
All Others	2,300	2,600	3,000	2,500	3,100	2,700	1,900	2,700	20,800
TOTAL	33,365	27,766	28,858	32,910	34,447	30,253	33,571	30,993	252,163

Source: U.S. Government

Note: All data are for the calendar year given, except for U.S. MAP (Military Assistance Program), IMET (International Military Education and Training), excess defense articles, which are included for the particular fiscal year. Licensed commercial exports are excluded. All amounts given include the values of all categories of weapons and ammunition, military spare parts, military construction, excess defense articles, military assistance and training programs, and all associated services. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

Table 9A. Arms Deliveries to the World, by Supplier, 2000-2007
(in millions of constant 2007 U.S. dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	TOTAL 2000- 2007
United States	15,662	10,824	11,568	12,497	12,826	12,721	12,876	12,793	101,767
Russia	5,113	5,550	4,140	4,949	6,005	3,377	6,043	4,700	39,879
France	3,044	2,362	1,725	2,925	6,005	2,533	1,536	2,100	22,230
United Kingdom	7,183	4,960	5,635	5,512	3,603	3,905	4,404	2,600	37,802
China	1,096	1,063	1,035	900	983	950	1,127	1,400	8,553
Germany	1,583	827	1,495	2,475	2,184	1,583	2,561	1,000	13,707
Italy	365	590	690	450	218	950	307	500	4,071
All Other European	3,774	3,543	3,450	4,499	2,402	3,061	3,585	3,200	27,514
All Others	2,800	3,070	3,450	2,812	3,385	2,850	1,946	2,700	23,013
TOTAL	40,620	32,789	33,189	37,019	37,610	31,929	34,386	30,993	278,536
Dollar inflation index: (2007=1.00)*	0.8214	0.8468	0.8695	0.889	0.9159	0.9475	0.9763	1	

Source: U.S. Government

*Based on Department of Defense Price Deflator.

Table 9B. Arms Deliveries to the World, by Supplier 2000-2007
(expressed as a percent of total, by year)

	2000	2001	2002	2003	2004	2005	2006	2007
United States	38.56%	33.01%	34.85%	33.76%	34.10%	39.84%	37.45%	41.28%
Russia	12.59%	16.93%	12.47%	13.37%	15.97%	10.58%	17.57%	15.16%
France	7.49%	7.20%	5.20%	7.90%	15.97%	7.93%	4.47%	6.78%
United Kingdom	17.68%	15.13%	16.98%	14.89%	9.58%	12.23%	12.81%	8.39%
China	2.70%	3.24%	3.12%	2.43%	2.61%	2.97%	3.28%	4.52%
Germany	3.90%	2.52%	4.50%	6.68%	5.81%	4.96%	7.45%	3.23%
Italy	0.90%	1.80%	2.08%	1.22%	0.58%	2.97%	0.89%	1.61%
All Other European	9.29%	10.80%	10.40%	12.15%	6.39%	9.59%	10.43%	10.32%
All Others	6.89%	9.36%	10.40%	7.60%	9.00%	8.92%	5.66%	8.71%
<i>[Major West European*</i>	29.97%	26.65%	28.76%	30.69%	31.93%	28.10%	25.62%	20.00%]
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: U.S. Government

*Major West European category includes France, United Kingdom, Germany, Italy.

**Table 9C. Arms Deliveries to the World, 2000-2007:
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Deliveries Value 2000-2003
1	United States	48,358
2	United Kingdom	18,400
3	Russia	16,100
4	France	9,800
5	Germany	5,000
6	Sweden	4,300
7	China	3,200
8	Ukraine	2,300
9	Israel	2,200
10	Canada	1,900
11	Italy	1,000
Rank	Supplier	Deliveries Value 2004-2007
1	United States	49,164
2	Russia	19,300
3	United Kingdom	13,900
4	France	11,500
5	Germany	7,000
6	China	4,300
7	Canada	3,000
8	Sweden	2,500
9	Israel	2,000
10	Italy	1,900
11	Netherlands	1,700
Rank	Supplier	Deliveries Value 2000-2007
1	United States	92,363
2	Russia	36,200
3	United Kingdom	33,800
4	France	20,100
5	Germany	12,500
6	China	7,800
7	Sweden	6,000
8	Canada	5,600
9	Israel	5,000
10	Ukraine	4,300
11	Italy	3,700

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

**Table 9D. Arms Deliveries to the World in 2007:
Leading Suppliers Compared
(in millions of current U.S. dollars)**

Rank	Supplier	Deliveries Value 2007
1	United States	12,793
2	Russia	4,700
3	United Kingdom	2,600
4	France	2,100
5	China	1,400
6	Germany	1,000
7	Canada	900
8	Sweden	800
9	Spain	600
10	Israel	500
11	Italy	500

Source: U.S. Government

Note: All foreign data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

Description of Items Counted in Weapons Categories, 2000-2007

Tanks and Self-propelled Guns: This category includes light, medium, and heavy tanks; self-propelled artillery; self-propelled assault guns.

Artillery: This category includes field and air defense artillery, mortars, rocket launchers and recoilless rifles — 100 mm and over; FROG launchers — 100mm and over.

Armored Personnel Carriers (APCs) and Armored Cars: This category includes personnel carriers, armored and amphibious; armored infantry fighting vehicles; armored reconnaissance and command vehicles.

Major Surface Combatants: This category includes aircraft carriers, cruisers, destroyers, frigates.

Minor Surface Combatants: This category includes minesweepers, subchasers, motor torpedo boats, patrol craft, motor gunboats.

Submarines: This category includes all submarines, including midget submarines.

Guided Missile Patrol Boats: This category includes all boats in this class.

Supersonic Combat Aircraft: This category includes all fighter and bomber aircraft designed to function operationally at speeds above Mach 1.

Subsonic Combat Aircraft: This category includes all fighter and bomber aircraft designed to function operationally at speeds below Mach 1.

Other Aircraft: This category includes all other fixed-wing aircraft, including trainers, transports, reconnaissance aircraft, and communications/utility aircraft.

Helicopters: This category includes all helicopters, including combat and transport.

Surface-to-air Missiles: This category includes all ground-based air defense missiles.

Surface-to-surface Missiles: This category includes all surface-surface missiles without regard to range, such as Scuds and CSS-2s. It excludes all anti-tank missiles. It also excludes all anti-ship missiles, which are counted in a separate listing.

Anti-ship Missiles: This category includes all missiles in this class such as the Harpoon, Silkworm, Styx and Exocet.

Regions Identified in Arms Transfer Tables and Charts

ASIA

Afghanistan
Australia
Bangladesh
Brunei
Burma (Myanmar)
China
Fiji
India
Indonesia
Japan
Cambodia
Kazakhstan
Kyrgyzstan
Laos
Malaysia
Nepal
New Zealand
North Korea
Pakistan
Papua New Guinea
Philippines
Pitcairn
Singapore
South Korea
Sri Lanka
Taiwan
Tajikistan
Thailand
Turkmenistan
Uzbekistan
Vietnam

NEAR EAST

Algeria
Bahrain
Egypt
Iran
Iraq
Israel
Jordan
Kuwait
Lebanon
Libya
Morocco
Oman
Qatar
Saudi Arabia
Syria
Tunisia
United Arab Emirates
Yemen

EUROPE

Albania
Armenia
Austria
Azerbaijan
Belarus
Bosnia/Herzegovina
Bulgaria
Belgium
Canada
Croatia
Czechoslovakia/
Czech Republic
Cyprus
Denmark
Estonia
Finland
France
FYR/Macedonia
Georgia
Germany
Greece
Hungary
Iceland
Ireland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Malta
Moldova
Netherlands
Norway
Poland
Portugal
Romania
Russia
Slovak Republic
Slovenia
Spain
Sweden
Switzerland
Turkey
Ukraine
United Kingdom
Yugoslavia/Federal
Republic (Serbia/
Montenegro)

AFRICA

Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Congo
Côte d'Ivoire
Djibouti
Equatorial Guinea
Ethiopia
Gabon
Gambia
Ghana
Guinea
Guinea-Bissau
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mauritius
Mozambique
Namibia
Niger
Nigeria
Réunion
Rwanda
Senegal
Seychelles
Sierra Leone
Somalia
South Africa
Sudan
Swaziland
Tanzania
Togo
Uganda
Zaire
Zambia
Zimbabwe

LATIN AMERICA

Antigua
Argentina
Bahamas
Barbados
Belize
Bermuda
Bolivia
Brazil
British Virgin Islands
Cayman Islands
Chile
Colombia
Costa Rica
Cuba
Dominica
Dominican Republic
Ecuador
El Salvador
French Guiana
Grenada
Guadeloupe
Guatemala
Guyana
Haiti
Honduras
Jamaica
Martinique
Mexico
Montserrat
Netherlands Antilles
Nicaragua
Panama
Paraguay
Peru
St. Kitts & Nevis
St. Lucia
St. Pierre & Miquelon
St. Vincent
Suriname
Trinidad
Turks & Caicos
Venezuela