
LEGISLATION AND POLICY

Conventional Arms Transfers to Developing Nations, 1998-2005

By

Richard F. Grimmett

**Specialist in National Defense Foreign Affairs, Defense,
and Trade Division Congressional Research Service**

[The following are excerpts from the *Conventional Arms Transfers to Developing Nations, 1998-2005*. Note: Not all sections, tables, and figures are included. Those that are included will keep their original section, footnote, table, chart, and figure number. The report in its entirety can be viewed at the following web site: <http://www.fas.org/sgp/crs/weapons/RL33696.pdf>.]

Introduction and Overview

This report provides the 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 1998 through 2005. It also includes some data on worldwide supplier transactions. It updates and revises the report entitled *Conventional Arms Transfers to Developing Nations, 1997-2004*, published by the Congressional Research Service on August 29, 2005.

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. Maintaining regional stability, and ensuring the security of U.S. allies and friendly nations throughout the world, for most of recent American history 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 foreign 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.

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.

In this context, the developing world continues to be the primary focus of foreign arms sales activity by conventional weapons suppliers. During the period of this report, 1998-2005, conventional arms transfer agreements (which represent orders for future delivery) to developing nations have comprised 66.8 percent of the value of all international arms transfer agreements. The portion of agreements with developing countries constituted 64.3 percent of all agreements globally from 2001-2005. In 2005, arms transfer agreements with developing countries accounted for 68.4 percent of the value of all such agreements globally. Deliveries of conventional arms to developing nations, from 2002-2005, constituted 67.8 percent of all international arms deliveries. In 2005, arms deliveries to developing nations constituted 69.9 percent 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 1998-2005 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. U.S. commercially licensed arms export delivery values are excluded. Also excluded are arms transfers by any supplier to sub-national 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 the following pages.

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. The 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 the tables.

Constant 2005 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 2005 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 (DoD). 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 (1998-2001 and 2002-2005). 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.

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.

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.

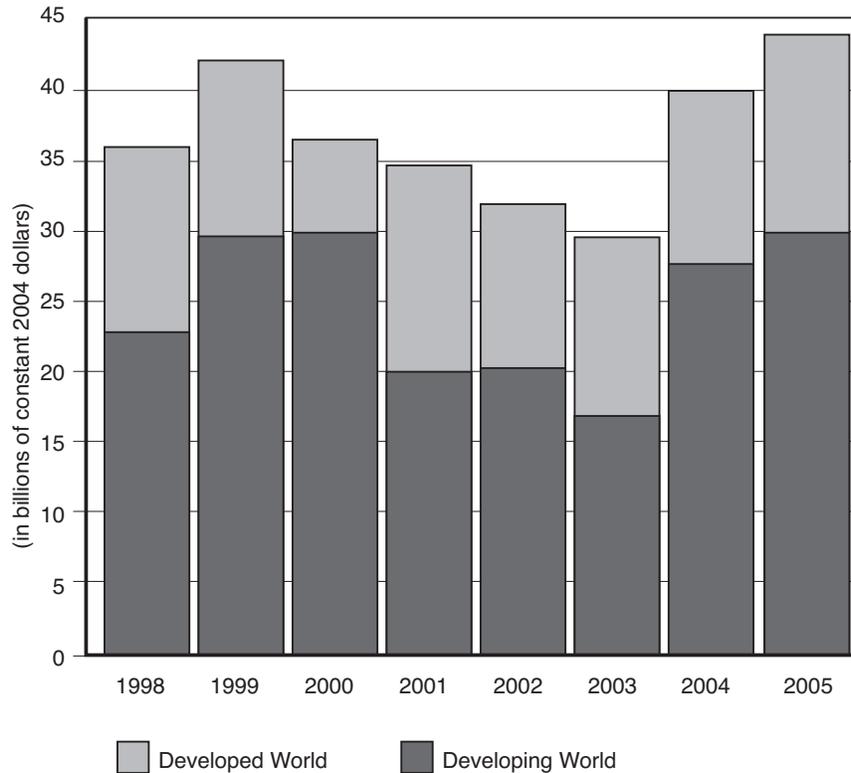
Major Findings

General Trends in Arms Transfers Worldwide

The value of all arms transfer agreements worldwide (to both developed and developing nations) in 2005 was nearly \$44.2 billion. This is a notable increase in arms agreements values over 2004, and is the highest total for arms agreements during the last eight years. (Chart 1).

In 2005, the United States led in arms transfer agreements worldwide, making agreements valued at nearly \$12.8 billion (28.9 percent of all such agreements), down from \$13.2 billion in 2004. France ranked second with \$7.9 billion in agreements (16.8 percent of these agreements globally), up substantially from \$2.2 billion in 2004. Russia ranked third, its arms transfer agreements worldwide standing at \$7.4 billion in 2005, up significantly from \$5.6 billion in 2004. The United States, France, and Russia collectively made agreements in 2005 valued at nearly \$28.1 billion, 63.5 percent of all international arms transfer agreements made by all suppliers. (Figure 1 on page 50 of this text.)

**Chart 1. Arms Transfer Agreements Worldwide, 1998-2005
Developed and Developing Worlds Compared**



For the period 2002-2005, the total value of all international arms transfer agreements (\$145.3 billion) was lower than the worldwide value during 1998-2001 (\$148.8 billion), a decrease of 2.4 percent. During the period 1998-2001, developing world nations accounted for 69.3 percent of the value of all arms transfer agreements made worldwide. During 2002-2005, developing world nations accounted for 64.3 percent of all arms transfer agreements made globally. In 2005, developing nations accounted for 68.4 percent of all arms transfer agreements made worldwide. (Figure 1)

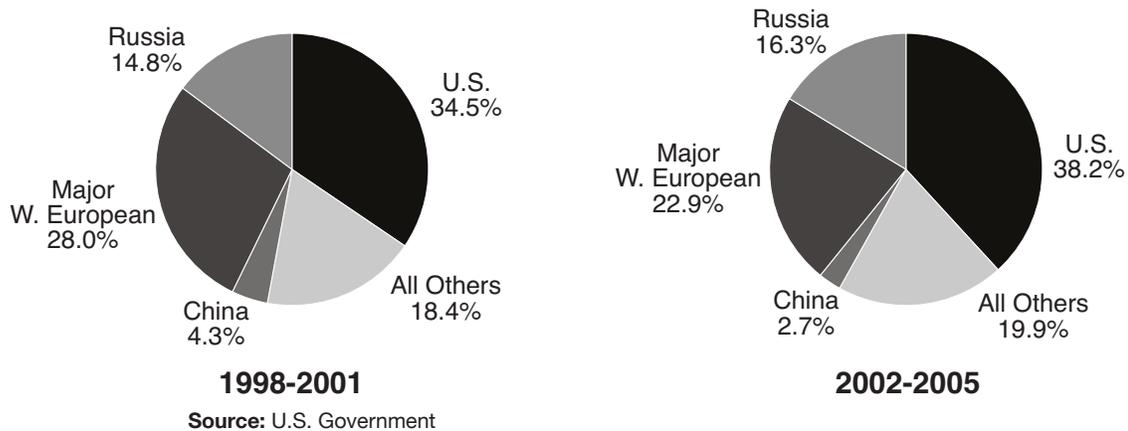
Table 1. Arms Transfer Agreements With Developing Nations, by Supplier, 1998-2005

	1998	1999	2000	2001	2002	2003	2004	2005	1998-2005
United States	6,504	8,814	12,731	7,413	9,362	6,988	9,097	6,182	67,091
Russia	1,800	3,600	6,300	5,300	5,300	4,300	5,200	7,000	38,800
France	5,500	1,100	2,200	900	400	900	1,000	6,300	18,300
United Kingdom	1,000	1,200	0	200	700	0	4,000	800	9,900
China	500	2,500	500	1,100	400	500	700	2,100	8,300
Germany	1,400	1,600	1,000	100	100	0	100	700	5,000
Italy	0	500	100	200	0	300	600	500	2,200
All Other European	1,400	4,000	1,200	1,000	1,400	1,200	2,400	3,300	15,900
All Others	1,000	1,700	1,900	1,700	1,100	1,100	2,500	1,300	12,300
Total	19,104	25,014	25,931	17,913	18,72	15,288	25,597	30,182	177,791

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. Military Assistance Program (MAP), International Military Education and Training (IMET), 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.

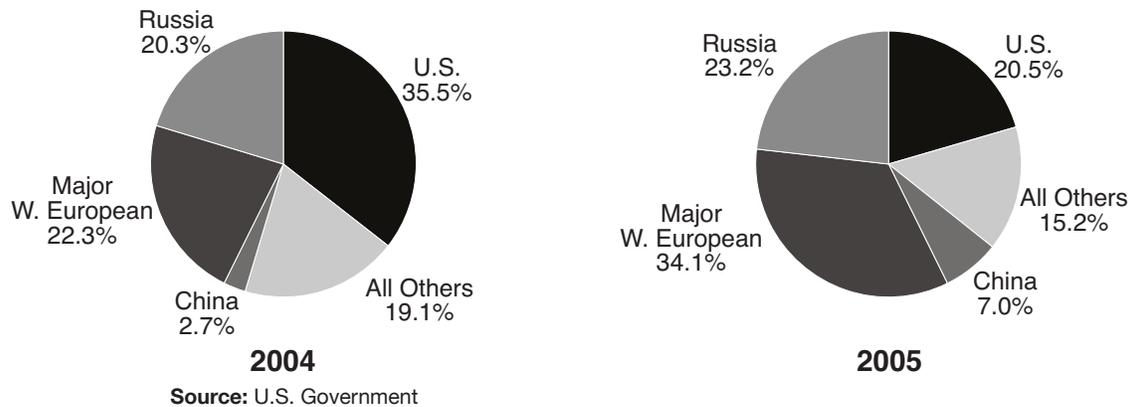
Source: U.S. Government

**Chart 2. Arms Transfer Agreements Worldwide
(Supplier Percentage of Value)**



In 2005, the United States ranked first in the value of all arms deliveries worldwide, making nearly \$11.6 billion in such deliveries or 45.6 percent. This is the eighth year in a row that the United States has led in global arms deliveries. The United Kingdom ranked second in worldwide arms deliveries in 2005, making \$3.1 billion in such deliveries. Russia ranked third in 2005, making \$2.8 billion in such deliveries. These top three suppliers of arms in 2005 collectively delivered nearly \$17.5 billion, 68.8 percent of all arms delivered worldwide by all suppliers in that year. (Figure 2 on page 56.)

**Chart 3. Arms Transfer Agreements With Developing Nations
(Supplier Percentage of Value)**



The value of all international arms deliveries in 2005 was \$25.4 billion. This is a notable decrease in the total value of arms deliveries from the previous year (a fall of \$7.3 billion), and the lowest deliveries total for the 1998-2005 period. Moreover, the total value of such arms deliveries worldwide in 2002-2005 (\$124.1 billion) was substantially lower in the value of arms deliveries by all suppliers worldwide from 1998-2001 (\$162.3 billion, a decline of over \$38 billion). (Figure 2, Charts 7, and 8).

Developing nations from 2002-2005 accounted for 67.8 percent of the value of all international arms deliveries. In the earlier period, 1998-2001, developing nations accounted for 68.6 percent of the value of all arms deliveries worldwide. In 2005, developing nations collectively accounted for 69.9 percent of the value of all international arms deliveries. (Figure 2)

Table 1C. Regional Arms Transfer Agreements, by Supplier, 1998-2005
(In Millions of Current U.S. Dollars)

	Asia		Near East		Latin America		Africa	
	1998-2001	2002-2005	1998-2001	2002-2005	1998-2001	2002-2005	1998-2001	2002-2005
United States	8,066	11,562	26,156	17,623	1,146	2,288	94	157
Russia	13,100	16,000	2,500	4,300	300	600	1,200	700
France	3,100	5,000	5,900	2,600	200	00	600	900
United Kingdom	1,300	2,200	400	4,900	0	400	700	0
China	2,700	2,000	900	1,000	100	100	1,000	600
Germany	2,400	500	100	500	0	0	1,600	0
Italy	100	300	100	700	200	100	300	300
All Other European	1,100	2,600	2,600	1,900	600	3,000	3,300	800
All Others	2,500	3,400	1,700	1,600	1,100	600	1,000	500
[Major West European*]	6,900	8,000	6,500	8,700	400	800	3,200	1,200
Total	34,366	43,562	40,356	35,123	3,646	7,388	9,794	3,957

Note: All foreign data are rounded to the nearest \$100 million. The United States total for Near East in 1998-2001 includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

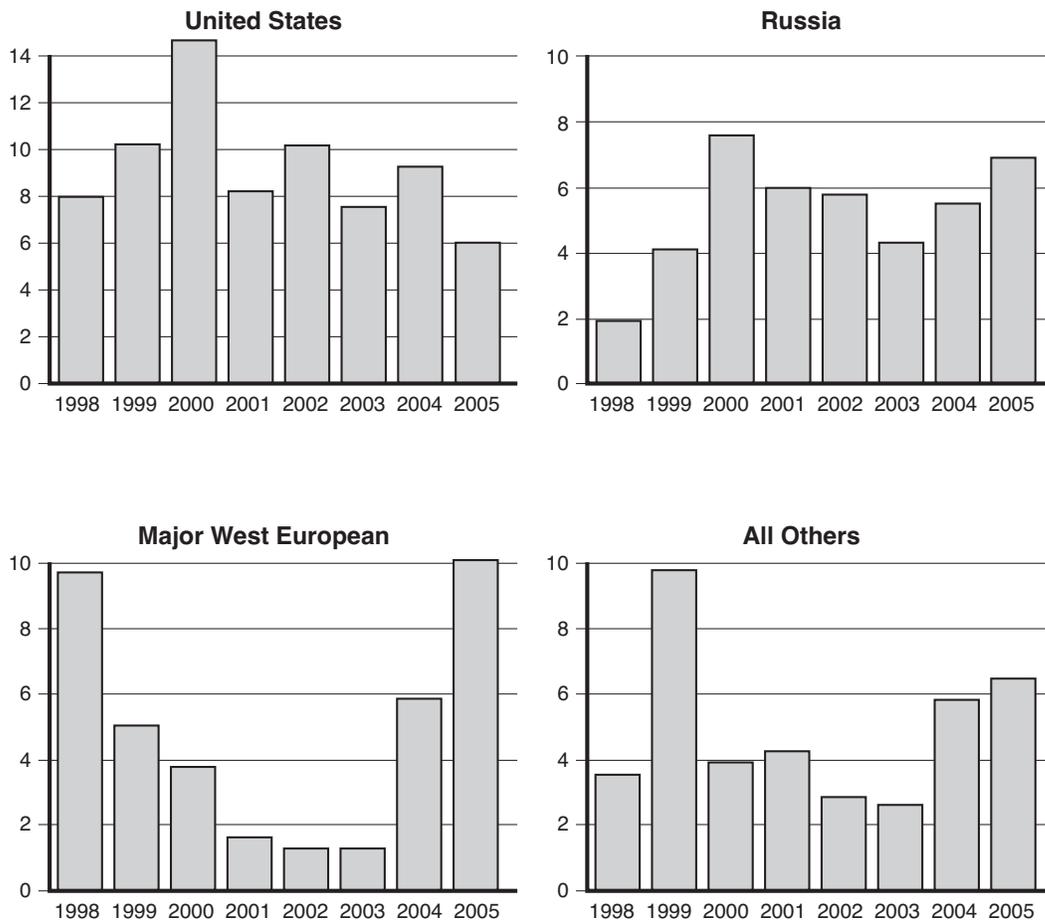
*Major or West European category included France, United Kingdom, Germany, Italy.

Source: U.S. Government

The increase in weapons orders worldwide in 2005 was significant. The total of \$44.2 billion was the largest for the entire period from 1998-2005. Global arms agreement values for the years other than 2005 ranged from \$41.8 billion in 1999 to \$29.3 billion in 2003. Various arms orders placed in 2005 include not only the sales by the traditional major suppliers, but also those of less noted suppliers in Eastern, as well as Western Europe. Some of the major weapons orders in 2005 reflect deferred purchases that were finally consummated by several nations.

Increasingly, developed nations have sought to protect important elements of their national military industrial bases by limiting arms purchases from other developed nations. However, several key 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. Meanwhile, a number of supplying nations has chosen to manufacture items for niche weapons where their specialized production capabilities give them important advantages in the evolving international arms marketplace.

**Chart 4. Arms Transfer Agreements With Developing Nations by Major Supplier, 1998-2005
(In Billions of Constant 2005 Dollars)**



The intensely competitive weapons marketplace has led several producing countries to focus sales efforts on prospective clients in nations and regions where individual suppliers have had competitive advantages resulting from well established military support relationships. Within Europe, arms

**Table 1F. Arms Transfer Agreements with Developing Nations, 1998-2005
Leading Suppliers Compared
(In Millions of Current U.S. Dollars)**

Rank	Supplier	Agreements 1998-2001
1	United States*	35,462
2	Russia	17,000
3	France	9,700
4	China	4,600
5	Germany	4,100
6	United Kingdom	2,400
7	Israel	2,200
8	Sweden	2,100
9	Ukraine	1,100
10	Belarus	1,000
11	North Korea	1,000

Rank	Supplier	Agreements 2002-2005
1	United States*	31,629
2	Russia	21,800
3	France	8,600
4	United Kingdom	7,500
5	China	3,700
6	Israel	2,500
7	Spain	2,300
8	Ukraine	1,700
9	Italy	1,400
10	Netherlands	1,400
11	Poland	1,000

Rank	Supplier	Agreements 1998-2005
1	United States*	67,091
2	Russia	38,800
3	France	18,300
4	United Kingdom	9,900
5	China	8,300
6	Germany	5,000
7	Israel	4,700
8	Ukraine	2,800
9	Spain	2,700
10	Italy	2,200
11	Sweden	2,200

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.

sales to new North Atlantic Treaty Organization (NATO) member nations 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. While there are inherent limitations on these European sales due to the smaller defense budgets of many of the purchasing countries, creative seller financing options, as well as the use of coassembly, co-production, and counter-trade to offset costs to the buyers, have continued to facilitate new arms agreements here. The United States and European countries or consortia seem likely to compete vigorously for prospective arms contracts within the European region in the foreseeable future. These 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.

**Table 1G. Arms Transfer Agreements With Developing Nations in 2005
Leading Suppliers Compared
(In Millions of Current U.S. Dollars)**

Rank	Supplier	Agreements 2005
1	Russia	7,000
2	France	6,300
3	United States	6,182
4	United Kingdom	2,800
5	Spain	2,200
6	China	2,100
7	Germany	700
8	Italy	500
9	Turkey	300
10	Brazil	300
11	Netherlands	200

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

Various developing nations have reduced their weapons purchases in recent years primarily due to their limited financial resources to pay for such equipment. Other prospective arms purchasers in the developing world with significant financial assets continue to exercise caution in launching new and costly weapons procurement programs. The general rise in the price of oil, while an advantage for significant oil producing states in funding their arms purchases, has, at the same time, caused economic difficulties for many oil consuming states, contributing to their decisions to defer or curtail new weapons procurements. The state of the world economy has induced a number of developing nations to choose to upgrade existing weapons systems in their inventories, while reducing their purchases of new ones. While such an approach may dampen sales of new weapons systems for a time, the weapons upgrade market can be very lucrative for some arms producers, thus partially offsetting the effect of loss of major new sales.

Finally, during recent years, new weapons sales have been limited, in part, by the practical need for some purchasing nations to absorb and integrated major weapons systems they have already purchased into their force structures. This requirement may increase the number of arms contracts related to training and for support services, even as it reduces the number of large orders for new military equipment.

More recently, although overall there appear to be fewer large weapons purchases being made by developing nations in the Near East and in Asia, when contrasted with sales activity over a decade

ago, some major purchases continue to be made by a select few developing nations in these regions. These purchases have been made principally by China and India in Asia, and Saudi Arabia in the Near East. Although these apparent trends are subject to abrupt change based on the strength of either the regional or international economies, or the threat assessments of individual states, the strength of individual economies of a wide range of nations in the developing world continues to be a significant factor in the timing of many of their arms purchasing decisions.

**Table 11. Arms Transfer Agreements of Developing Nations, 1998-2005:
Agreements by the Leading Recipients
(In Millions of Current U.S. Dollars)**

Rank	Recipient	Agreements Value 1998-2001
1	United Arab Emirates*	13,800
2	India	7,800
3	Egypt	7,500
4	Israel	6,600
5	China	6,500
6	Saudi Arabia	5,700
7	South Africa	5,100
8	Taiwan	4,000
9	South Korea	3,700
10	Singapore	3,200

Rank	Recipient	Agreements Value 2002-2005
1	India	12,900
2	China	10,200
3	Saudi Arabia	8,900
4	Egypt	6,100
5	Taiwan	4,900
6	United Arab Emirates	3,800
7	Pakistan	3,300
8	South Korea	3,200
9	Israel	2,900
10	Malaysia	2,800

Rank	Recipient	Agreements Value 1998-2005
1	India	20,700
2	United Arab Emirates	17,600
3	China	16,700
4	Saudi Arabia	14,600
5	Egypt	13,600
6	Israel	9,500
7	Taiwan	8,900
8	South Korea	6,900
9	South Africa	6,100
10	Pakistan	5,900

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 Arab Emirates 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 of Developing Nations in 2005
Agreements Leading Recipients
(In Millions of Current U.S. Dollars)**

Rank	Recipient	Agreement Value 2005
1	India	5,400
2	Saudia Arabia	3,400
3	China	2,800
4	United Arab Emirates	2,200
5	Venezuela	1,900
6	Pakistan	1,700
7	Iran	1,500
8	Egypt	1,300
9	Brazil	900
10	South Africa	800
11	Netherlands	200

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

In Latin America, and, to a much lesser extent, in Africa, some nations continue to express interest in modernizing important sectors of their military forces. Despite some large arms orders (by regional standards) by a few states in Latin America and Africa, most nations in these areas of the developing world are constrained in their weapons purchases by their limited 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 in these regions of the developing world will continue to be limited.

General Trends in Arms Transfers to Developing Nations

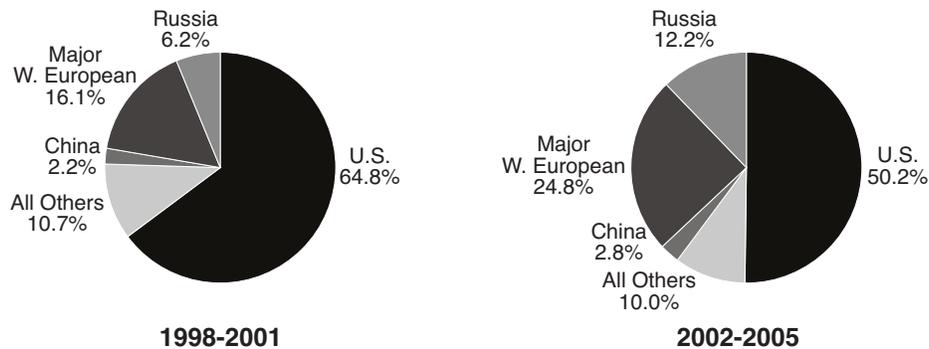
The value of all arms transfer agreements with developing nations in 2005 was nearly \$30.2 billion, a notable increase over the \$26.4 billion total in 2004. This was the highest annual total, in real terms, for the eight year period since 1998. In 2005, the value of all arms deliveries to developing nations (\$17.7 billion) was substantially lower than the value of 2004 deliveries (over \$23.6 billion), and the lowest total for the 1998-2005 period. (Charts 1, 7 and 8, Figures 1 and 2)

Recently, from 2002-2005, the United States and Russia have dominated the arms market in the developing world. The United States ranked first for 3 out of 4 years during this period, while Russia ranked second for 3 out of 4 these years in the value of arms transfer agreements. From 2002-2005, the United States made \$33.3 billion in arms transfer agreements with developing nations, 35.2 percent of all such agreements. Russia, the second leading supplier during this period, made \$21.8 billion in arms transfer agreements or 24.3 percent. France, the third leading supplier, from 2002-2005 made \$8.7 billion or 9.3 percent of all such agreements with developing nations during these years. In the earlier period (1998-2001) the United States ranked first with \$41.5 billion in arms transfer agreements with developing nations or 40.2 percent; Russia made \$19.7 billion in arms transfer agreements during this period or 19.1 percent. France made \$11.6 billion in agreements or 11.2 percent.

During the years from 1998-2005, most arms transfers to developing nations were made by two to three major suppliers in any given year. The United States has ranked first among these suppliers for seven of the last eight years during this period, falling to third place in 2005. Russia has been a continuing strong competitor for the lead in arms transfer agreements with developing nations, ranking second every year from 1999 through 2004, and first in 2005. Despite its lack of the larger traditional client base for armaments held by the United States and the major West European suppliers, Russia's

successes in obtaining new arms orders suggests that Russia is likely to continue to be, for the short term at least, a significant leader in new arms agreements with developing nations. Although, Russia's most significant high value arms transfer agreements continue to be with two Asian countries, China and India, Russia has had some recent success in securing arms agreements with clients beyond its principal two. In this regard, Russia has sought to expand its prospects in North Africa, the Middle East, and Southeast Asia. It even has increased sales efforts in Latin America, despite having essentially abandoned that region in the period following the Cold War's end. The Russian government has further stated that it 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. At the same time, Russia is seeking 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 service the weapons systems that it sells.

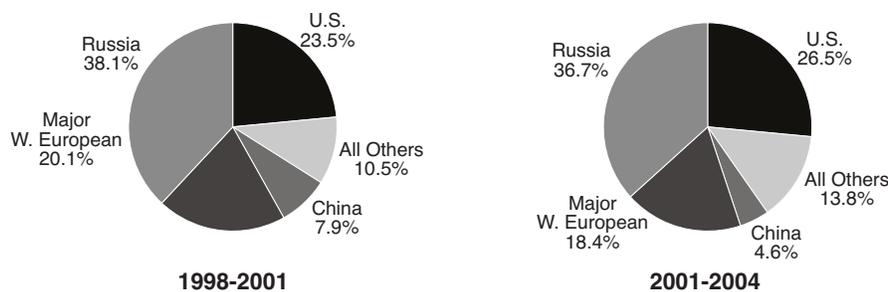
**Chart 5. Arms Transfer Agreements With Near East
(Supplier Percentage of Value)**



Source: U.S. government

Major West European arms suppliers such as France and the United Kingdom, in particular, 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 they can readily provide. While, there is notably increased competition between the United States and the other major arms suppliers, the U.S. seems likely to hold its position as the principal supplier to key developing world nations that are most able to afford major new weapons purchases. Even when it does not conclude major new weapons systems agreements in a given year, the fact that the U.S. has such a wide base of arms equipment clients globally means that it still will be able to conclude a notable number of agreements annually to provide support, upgrades, and ordnance for the large variety of weapons systems it has sold to its clients for decades.

**Chart 6. Arms Transfer Agreements With Developing Nations in Asia
(Supplier Percentage of Value)
(Excludes: Japan, Australia, and New Zealand)**



Source: U.S. government

Table 2. Arms Transfer Agreements with the World, by Supplier, 1998-2005
(In Millions of Current U.S. Dollars)

	1998	1999	2000	2001	2002	2003	2004	2005	1998-2005
United States	9,457	11,673	11,158	11,573	13,129	14,576	12,820	12,758	97,144
Russia	2,200	4,600	6,500	5,500	5,600	4,400	5,400	7,400	41,600
France	6,300	1,700	4,600	4,200	1,,200	2,000	2,100	7,900	30,000
United Kingdom	2,000	1,500	600	600	700	300	6,400	2,800	14,900
China	700	3,100	500	1,100	400	500	700	2,100	9,100
Germany	5,000	4,000	1,200	1,200	1,000	1,500	1,600	1,500	17,000
Italy	600	700	200	1,200	300	600	600	1,400	5,600
All Other European	1,900	5,800	4,100	3,000	4,400	2,000	6,700	5,900	33,800
All Others	1,300	2,100	2,500	2,600	2,200	1,600	2,600	2,400	17,300
Total	29,457	35,173	31,358	30,973	28,929	27,476	38,920	44,158	266,444

Note: All data are for the calendar year given except for U.S. Military Assistance Program (MAP), International Military Education and Training (IMET), 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.

Source: U.S. government

The prospects for purchases of new and highly expensive weapons appear to be on the increase most recently with the wealthier developing countries. Yet the unsettled state of the international economy, and the scarcity of funds in their defense budgets, continues to constrain such arms purchases by the less affluent developing nations. The overall level of the arms trade with developing nations was on the decline in the period from 2001 until 2004. The significant rise in agreements in 2004, and the notable increase in the level of arms transfer agreements in 2005, might indicate that such sales are beginning to trend upward again. But a significant increase in the total value of arms agreements in one or two years is not necessarily predictive of the immediate years to come.

Those arms suppliers who ranked well below the major ones, such as China, other European, and non-European suppliers, do appear to have increased their participation in the arms trade with the developing world in recent years, albeit at a much lower level. Nonetheless, 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 1998-2005 have been comparatively low, although larger when they are aggregated together as a group. In various cases they have been successful in selling older generation equipment, even while they procure newer weaponry to update 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 sellers of major military equipment. Thus it is unlikely that most of these countries will routinely rank with the traditional major suppliers of advanced weaponry in the value of their arms agreements and deliveries. (Tables 1F, 1G, 2F, and 2G).

United States

The total value in real terms of United States arms transfer agreements with developing nations fell significantly from \$9.4 billion in 2004 to about \$6.2 billion in 2005. The U.S. share of the value of all such agreements was 20.5 percent in 2005, down from a 35.4 percent share in 2004. (Charts 1, 3, and 4, Figure 1)

In 2005, the value of U.S. arms transfer agreements with developing nations was attributable to a substantial number of smaller valued purchases by a wide variety of U.S. clients in the Near East and in Asia, rather than by the conclusion of a few very expensive contracts with a small number of traditional clients. These arms agreement totals illustrate 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 2005 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 very significant value.

Among the larger valued arms transfer agreements the United States concluded in 2005 with developing nations were: with the United Arab Emirates (U.A.E.) for the upgrade of its AH-64A Apache helicopters to the AH-64D model, together with associated weapons for over \$740 million. Other U.S. arms agreements in 2005 were with the following:

- Egypt for 25 Avenger fire units for \$110 million, and for 50 turbine engines to upgrade CH-47 Chinook helicopters for \$73 million
- Kuwait for upgrade support of its FA-18 fighter aircraft for \$195 million
- Saudi Arabia for \$110 million in F-15 fighter engine overhauls
- Pakistan for 60 AGM-84L HARPOON missiles for \$160 million
- 6 PHALANX close-in-weapons systems for \$79 million
- 2000 TOW-2A missiles for \$65 million, and for a package of HF/VHF radio systems for \$77 million

**Table 2F. Arms Deliveries to Developing Nations, 1998-2005
Leading Suppliers Compared
(In Millions of Current U.S. Dollars)**

Rank	Recipient	Agreements Value 1998-2001
1	United States	35,554
2	United Kingdom	15,600
3	France	13,300
4	Russia	12,500
5	Sweden	2,800
6	China	2,500
7	Ukraine	1,600
8	Germany	1,500
9	Israel	1,300
10	Belarus	1,000
11	Italy	1,000

Rank	Recipient	Agreements Value 2002-2005
1	United States	27,625
2	Russia	15,500
3	United Kingdom	12,100
4	France	9,700
5	China	3,100
6	Israel	1,900
7	Germany	1,500
8	Sweden	1,400
9	Ukraine	1,000
10	Brazil	700
11	Spain	500

Rank	Recipient	Agreements Value 1998-2005
1	United States	63,179
2	Russia	28,000
3	United Kingdom	27,700
4	France	23,000
5	China	5,600
6	Sweden	4,200
7	Israel	3,200
8	Germany	3,000
9	Ukraine	2,600
10	Italy	1,400
11	Belarus	1,100

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

Source: U. S. government.

Russia

The total value of Russia's arms transfer agreements with developing nations in 2005 was \$7 billion, a notable increase from \$5.4 billion in 2004, placing Russia first in such agreements with the developing world. Russia's share of all developing world arms transfer agreements increased, rising from 20.3 percent in 2004 to 23.2 percent in 2005. (Charts 1, 3 and 4, Figure 1, and Table 1G)

**Table 2G. Arms Deliveries to Developing Nations in 2005
Leading Suppliers Compared
(In Millions of Current U.S. Dollars)**

Rank	Supplier	Deliveries Value 2005
1	United States	8,111
2	Russia	2,700
3	United Kingdom	2,400
4	France	1,300
5	China	800
6	Israel	400
7	Germany	200
8	Brazil	200
9	Ukraine	200
10	Poland	200

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

Source: U.S. government

Russian arms transfer agreement totals with developing nations have been notable during the last four years. During the 2002-2005 period, Russia ranked second among all suppliers to developing countries, making \$21.8 billion in agreements (in current 2005 dollars). (Table 1F). Russia's status as a leading supplier of arms to developing nations stems from an increasingly successful effort to overcome the significant economic and political problems associated with the dissolution of the former Soviet Union. The traditional arms clients of the former Soviet Union were generally less wealthy developing countries valued as much for their political support in the Cold War, as for their desire for Soviet weaponry. Many of these traditional Soviet client states received substantial military aid grants and significant discounts on their arms purchases. The Russia that emerged in 1991 consistently placed a premium on obtaining hard currency for the weapons it sold. Faced with stiff competition from Western arms suppliers in the 1990s, Russia gradually 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 major strides in providing more creative financing and payment options for prospective arms clients. They have also agreed to engage in counter-trade, offsets, debt-swapping, and, in key cases, to make significant licensed production agreements in order to sell its weapons. The willingness to license production has been a central element in several cases involving Russia's principal arms clients, China and India. Russia's efforts to expand its arms customer base have met with mixed results. Russia's arms sales efforts, beyond those with China and India, are focused on Southeast Asia. It has had some success in securing arms agreements with Malaysia, Vietnam, and Indonesia even though recurring financial problems of some clients in this region have hampered significant growth in Russian sales there. Russia has also made combat fighter aircraft sales in recent years to Algeria and Yemen. Elsewhere in the developing world Russian military equipment is competitive because it ranges from the most basic to the highly advanced, and can be less expensive than similar arms available from other major suppliers.

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

Despite these potential difficulties, Russia continues to have very significant arms development and sales programs involving China and India, 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 through lease or licensed production. And it continues to provide support services and items for these various weapons systems. In 2005, Russia agreed to sell India twenty-four SA-19 air defense systems for \$400 million and a number of Smerch multiple-launch rocket systems (MLRS) for about \$500 million. Russia also agreed to overhaul an Indian diesel submarine for about \$100 million, and to provide India with a number of BrahMos anti-ship missiles.

Russian arms sales of advanced weaponry in South Asia have been a matter of ongoing concern to the United States, because of long-standing tensions between India and Pakistan. The acquisition of a new weapon system by India has usually led Pakistan to seek comparable weapons or those with offsetting capabilities. Keeping a potentially destabilizing arms race in this region within check is a U.S. policy objective.¹

China has remained a central client for Russia's arms especially for 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. These arms acquisitions by China are apparently aimed at enhancing its military projection capabilities in Asia, and its ability to influence events throughout the region. Such acquisitions, in particular those of advanced military equipment from Russia, continue to be monitored by U.S. policy makers. 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

Elsewhere in 2005, Russia made an agreement with Iran for 29 TOR-M 1(SA-15 Gauntlet) surface-to-air defense systems for over \$700 million. Russia also agreed to upgrade Iran's Su-24 and MIG-29 aircraft, as well as their T-72 main battle tanks. Sales of advanced military equipment to Iran by Russia and others has been an issue of intense interest to U.S. policy makers for some time, given the hostile relations the U.S. and Iran have had since the overthrow of the Shah of Iran, and the rise to power of an anti-American government in Tehran. For a period of time, in the mid-1990s, the Russian government agreed not to make new advanced weapons sales to the Iranian government.

1. For detailed background see CRS Report RL33515, *Combat Aircraft Sales to South Asia: Potential Implications*; CRS Report RL32115, *Missile Proliferation and the Strategic Balance in South Asia*; CRS Report RL30427, *Missile Survey: Ballistic and Cruise Missiles of Selected Foreign Countries*.

2. For detailed background see CRS Report RL30700, *China's Foreign Conventional Arms Acquisitions: Background and Analysis*; CRS Report RL33153, *China Naval Modernization: Implications for U.S. Navy Capabilities-Background and Issues for Congress*.

That agreement has since been rescinded by Russia. As the U.S. focuses increasing attention on Iran's efforts to enhance its nuclear as well as conventional military capabilities, major arms transfers to Iran continue to be a matter of concern.³

**Table 2I. Arms Deliveries to Developing Nations, 1998-2005
The Leading Recipients
(In Millions of Current U.S. Dollars)**

Rank	Recipient	Agreements Value 1998-2001
1	Saudi Arabia	30,400
2	Taiwan	9,800
3	China	6,600
4	South Korea	5,200
5	Israel	4,700
6	United Arab Emirates	4,300
7	Egypt	3,800
8	Pakistan	2,900
9	Kuwait	2,400
10	Malaysia	2,100

Rank	Recipient	Agreements Value 2002-2005
1	Saudi Arabia	19,700
2	China	7,700
3	India	7,500
4	United Arab Emirates	7,100
5	Egypt	6,500
6	Israel	4,500
7	Taiwan	4,100
8	Pakistan	2,500
9	South Korea	2,400
10	Malaysia	1,400

Rank	Recipient	Agreements Value 1998-2005
1	Saudi Arabia	50,100
2	China	14,300
3	Taiwan	13,900
4	United Arab Emirates	11,400
5	Egypt	10,300
6	India	9,500
7	Israel	9,200
8	South Korea	7,600
9	Pakistan	5,400
10	Malaysia	3,400

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

Source: U. S. government.

Russia in 2005 sold Venezuela 10 Mi-17 and Mi-35 helicopters for about \$100 million. Recently, Venezuela's populist President, Hugo Chavez, has taken a hostile approach to relations with the United States. Among the actions he has taken that have raised concerns in the U.S. is his decision to seek advanced military equipment from Russia. Since Venezuela has major oil reserves, Chavez has

3. For detailed background see CRS Report RL 30551, *Iran: Arms and Weapons of Mass Destruction Suppliers*.

the financial resources to pay for such equipment. He has made clear that he plans to obtain significant new weapons systems from Russia.⁴

**Table 2J. Arms Deliveries to Developing Nations, 1998-2005
The Leading Recipients
(In Millions of Current U.S. Dollars)**

Rank	Recipient	Deliveries Value 2005
1	Saudi Arabia	3,500
2	Israel	1,700
3	India	1,600
4	Egypt	1,500
5	China	1,400
6	Taiwan	1,300
7	United Arab Emirates	1,200
8	South Korea	600
9	Pakistan	500
10	Afghanistan	500

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

Source: U. S. government.

China

The Iran-Iraq war of the 1980s provided the opportunity for China to become an important supplier of less expensive weapons to certain developing nations. In that conflict China demonstrated that it was willing to provide arms to both combatants in the war, in quantity and without conditions. From 2002-2005, the value of China's arms transfer agreements with developing nations averaged about \$950 million annually, a figure inflated by a very large agreements total in 2005. During the period of this report, the value of China's arms transfer agreements with developing nations peaked in 1999 at \$3 billion. Its sales figures that year resulted generally from several smaller valued weapons deals in Asia, Africa, and the Near East, rather than one or two especially large sales of major weapons systems. Similar arms deals with small scale purchasers in these regions are continuing. In 2005, China's arms transfer agreements total was \$2.1 billion, with an important portion of that total attributable to the sale of frigates and jet aircraft to Pakistan, a client of long standing. (Table 1G and Chart 3)

There are few clients with 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. Thus, China does not appear likely to be a major supplier of conventional weapons in the international arms market in the foreseeable future. Its likely clients are 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 traditional client. Iran and North Korea have also reportedly received

4. For detailed background on Chavez's policy initiatives in Venezuela, and U.S. concerns see CRS Report RL32488, *Venezuela: Political Conditions and U.S. Policy*.

Chinese missile technology, which has 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. Given the fact that it has some military products particularly missiles that some developing countries would like to acquire, China 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.⁵

China, among others, has been a key source of a variety of small arms and light weapons transferred to African states. While the prospects for significant revenue earnings from these arms sales is small, China views this as one means of enhancing its status as an international political power, and especially 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. Efforts to do so have also been a topic of focus by the United Nations (U.N.).⁶

Major West European Suppliers

Apart from the United States and Russia, the four major West European arms suppliers France, the United Kingdom, Germany, and Italy are the states 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. As an example, 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 nations have been close allies of the United States especially during the Cold War, and all are members of NATO. However, 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 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. A recent example of such a conflict was the 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 (E.U.). 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 E.U. Thus, arms sales activities of major European suppliers continue to be of interest to U.S. policy makers, given their capability to make sales of advanced military equipment to countries of concern to U.S. national security policy.⁷

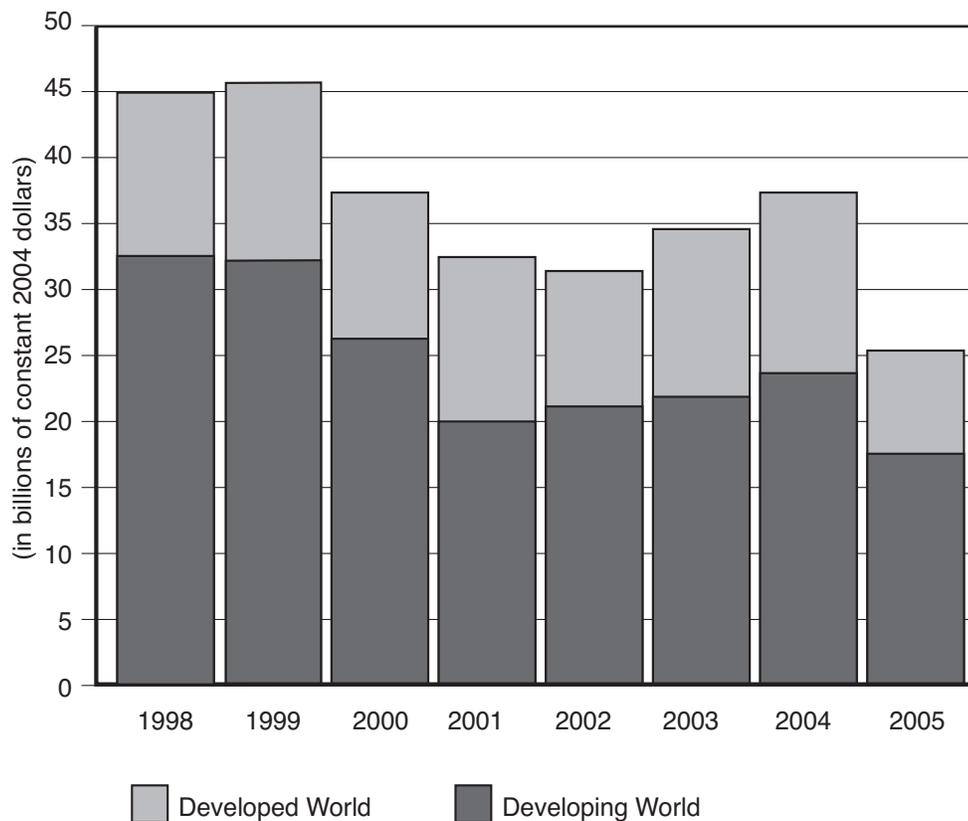
5. For detailed background on the MTCR and proliferation control regimes and related policy issues see CRS Report RL31559, *Proliferation Control Regimes: Background and Status*, and CRS Report RL31848, *Missile Technology Control Regime (MTCR) and International Code of Conduct Against Ballistic Missile Proliferation (ICOC): Background and Issues for Congress*.

6. For background on China's actions and motivations for increased activities in Africa see CRS Report RL33055, *China and Sub-Saharan Africa*. 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*.

7. For detailed background see CRS Report RL32870, *European Union's Arms Embargo on China: Implications and Options for U.S. Policy*. 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*.

The four major West European suppliers are France, the United Kingdom, Germany, and Italy. The four major Western European suppliers registered a significant increase in their collective share of all arms transfer agreements with developing nations between 2004 and 2005. This group's share rose from 22.3 percent in 2004 to 34.1 percent in 2005. The collective value of this group's arms transfer agreements with developing nations in 2005 was \$10.3 billion compared with a total of about \$5.9 billion in 2004. Of these four nations, France was the leading supplier with \$6.3 billion in agreements in 2005, a substantial increase from \$1 billion in agreements in 2004. A portion of France's total in 2005 was attributable to a \$3.5 billion agreement with India for 6 Scorpene diesel attack submarines. The United Kingdom registered \$2.8 billion in arms agreements in 2005, a significant portion reflects orders placed under the Al Yamamah military procurement arrangement with Saudi Arabia. Germany registered \$700 million in arms agreements in 2005 based on a number of smaller contracts for a variety of naval and ground forces equipment, increasing its agreements' total notably from \$100 million in 2004. Italy registered \$500 million in arms transfer agreements in 2005, based primarily on sales of helicopters to several established clients. (Charts 3 and 4)

**Chart 7. Arms Deliveries Worldwide 1998-2005
Developed and Developing Worlds Compared**

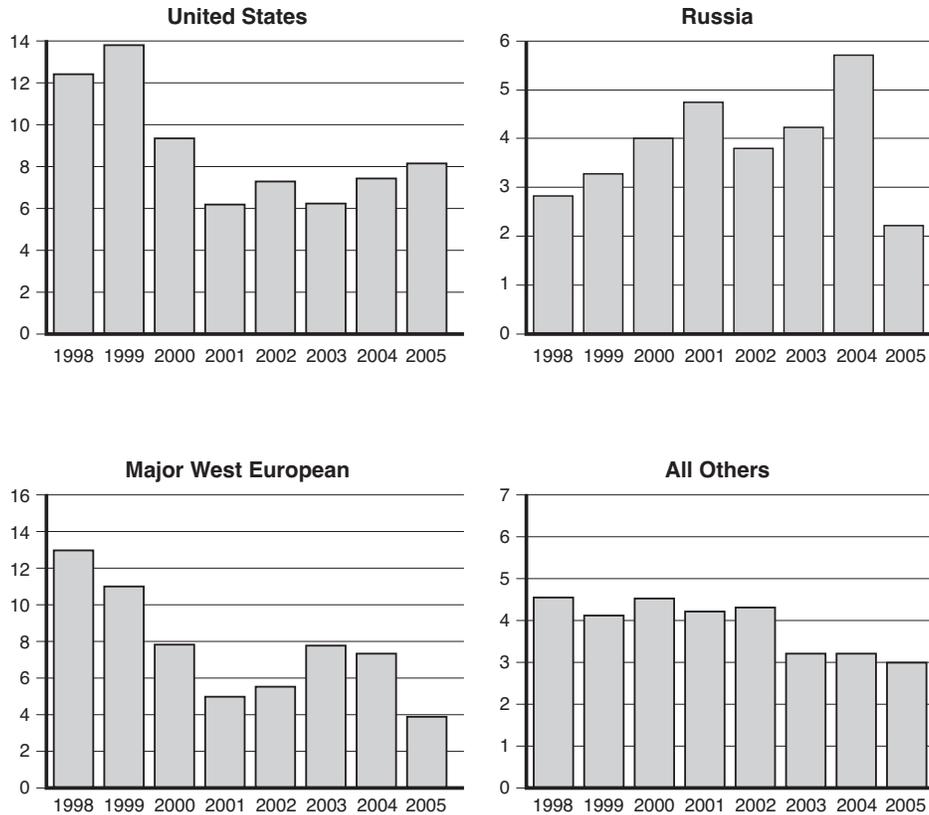


Source: U.S. Government

The four major West European suppliers collectively held a 34.1 percent share of all arms transfer agreements with developing nations during 2005. For several years after 1998, the major West European suppliers generally lost a share of arms transfer agreements. More recently this decline was halted, and the 2005 market share of arms agreements (34.1 percent) is the highest share the four major West European suppliers have held since 1998, when they held 41.4 percent of all arms agreements with developing nations. During the 2002-2005 period, they collectively held 20.1 percent of all arms transfer agreements with developing nations (\$18.8 billion). Individual suppliers within the

major West European group have had notable years for arms agreements, especially France in 1998 and 2005 (\$6.7 billion and \$6.3 billion respectively). The United Kingdom also had large agreement years in 2004 (\$4.1 billion), and \$2.8 billion in 2005. Germany concluded arms agreements totaling \$1.7 billion in 1998, with its highest total at \$1.9 billion in 1999. For each of these three 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.

**Chart 8. Arms Deliveries to Developing Countries by Major Supplier, 1998-2005
(In Billions of Constant 2005 Dollars)**



Source: U.S. government

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. Since they 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 U.S. However, 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 large new contracts with developing nations on a sustained basis.

The prospect of continuing strong demand for U.S. defense equipment as well as concern for maintaining their market share of the arms trade has led E.U. 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 (EDA) steering board meeting. Currently voluntary, the E.U. 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 E.U. 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.

This development coincides with a period when some 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; 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.⁸

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. The regional arms agreement data tables in this report demonstrate this. United States policy makers have placed emphasis on helping to maintain stability throughout the regions of the developing world. Thus, the U.S. 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, policy makers 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 turn, by a review of data regarding the leading arms purchasers in the developing world.

Near East⁹

The principal catalyst for new weapons procurements in the Near East region in the last decade was the Persian Gulf crisis of August 1990 through February 1991. This crisis, culminating in a 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. Egypt and Israel continued their modernization and increased their weapons purchases from the United States. The Gulf states' arms purchase demands were not only a response to Iraq's aggression against Kuwait, but a reflection of concerns regarding perceived threats from a potentially hostile Iran. Since the fall of Saddam Hussein, for many the conventional ground

8. For detailed background on issues relating to the Joint Strike Fighter program see CRS Report RL30563, F-35 *Joint Strike Fighter Program: Background, Status, and Issues*.

9. 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.

threat from Iraq has diminished and the perceived threat from Iran has increased. This has led the GCC states to emphasize acquisition of air and naval defense capabilities over major ground combat systems.¹⁰

In recent years, the position of Saudi Arabia as principal arms purchaser in the Persian Gulf region has declined from the extraordinarily high levels of the late 1980s and early 1990s. In the period from 1998-2001, Saudi Arabia's total arms agreements were valued at \$5.7 billion (in current dollars), less than the levels of the U.A.E., Egypt, and Israel. For the period from 2002-2005, Saudi Arabia's total arms agreements were \$8.9 billion (in current dollars), making it the leading Near East purchaser once again.

The Near East has historically been the largest arms market in the developing world. In 1998-2001, it accounted for 45.8 percent of the total value of all developing nations arms transfer agreements (about \$40.4 billion in current dollars), ranking it first ahead of Asia which was second with about 39 percent of these agreements. However, during 2002-2005, the Asia region accounted for 48.4 percent of all such agreements (about \$43.6 billion in current dollars), placing it first in arms agreements with the developing world. The Near East region ranked second with \$35.1 billion in agreements or 39 percent. (Table 1C)

The United States dominated arms transfer agreements with the Near East during the 1998-2001 period with 64.8 percent of their total value, \$26.2 billion in current dollars. France was second during these years with 14.6 percent, \$5.9 billion in current dollars. Recently, from 2002-2005, the United States accounted for 50.2 percent of arms agreements with this region, \$17.6 billion in current dollars, while the United Kingdom accounted for 14 percent of the region's agreements, \$4.9 billion in current dollars. Russia accounted for 12.2 percent of the region's agreements in the most recent period, \$4.3 billion in current dollars. (Chart 5 and Table 1E)

Asia

In Asia, efforts in several developing nations have been focused on upgrading and modernizing defense forces, and this has led to new conventional 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. Russia has also made progress in expanding 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 a myriad of items from France in 2005, in particular six Scorpene diesel attack submarines for \$3.5 billion. The data on regional arms transfer agreements from 1998-2005 continue to reflect that Near East and Asian nations are the primary sources of orders for conventional weaponry in the developing world.

Asia has historically been the second largest developing world arms market. Yet in 2002-2005, Asia ranked first, accounting for 48.4 percent of the total value of all arms transfer agreements with developing nations, \$43.6 billion in current dollars. In the earlier period, 1998-2001, the region accounted for 39 percent of all such agreements (\$34.4 billion in current dollars), ranking second.

In the earlier period (1998-2001), Russia ranked first in the value of arms transfer agreements with Asia with 38.1 percent (\$13.1 billion in current dollars). The United States ranked second with 23.5 percent (\$8.1 billion in current dollars). The major West European suppliers, as a group, made 20.1 percent of this region's agreements in 1998-2001. In the later period (2002-2005), Russia ranked

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

first in Asian agreements with 36.7 percent (\$16 billion in current dollars), primarily due to major combat aircraft, and naval system sales to India and China. The United States ranked second with 26.5 percent (\$11.6 billion in current dollars). The major West European suppliers, as a group, made 18.4 percent of this region's agreements in 2002-2005. (Chart 6)

Leading Developing Nations Arms Purchasers

India was the leading developing world arms purchaser from 1998-2005, making arms transfer agreements totaling \$20.7 billion during these years (in current dollars). In the 1998-2001 period, the U.A.E. ranked first in arms transfer agreements at \$13.8 billion (in current dollars). In 2002-2005 India ranked first in arms transfer agreements, with a substantial increase to \$12.9 billion from \$7.8 billion in the earlier 1998-2001 period (in current dollars). This increase reflects the continuation of a military modernization effort by India, underway since the 1990s, and based primarily on major arms agreements with Russia. The total value of all arms transfer agreements with developing nations from 1998-2005 was \$177.8 billion in current dollars. Thus India alone accounted for 11.6 percent of all developing world arms transfer agreements during these eight years. In the most recent period, 2002-2005, India made \$12.9 billion in arms transfer agreements (in current dollars). This total constituted 14.4 percent of all arm transfer agreements with developing nations during these four years (\$89.8 billion in current dollars). China ranked second in arms transfer agreements during 2002-2005 with \$10.2 billion (in current dollars), or 11.4 percent of the value of all developing world arms transfer agreements. (Tables 1, 1I and 1J)

During 1998-2001, the top ten recipients collectively accounted for 69 percent of all developing world arms transfer agreements. During 2002-2005, the top ten recipients collectively accounted for 67.1 percent of all such agreements. Arms transfer agreements with the top ten developing world recipients, as a group, totaled \$21.9 billion in 2005 or 72.6 percent 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)

India ranked first among all developing world recipients in the value of arms transfer agreements in 2005, concluding \$5.4 billion in such agreements. Saudi Arabia ranked second in agreements at \$3.4 billion. China ranked third with \$2.8 billion in agreements. Four of the top ten recipients were in the Near East region; three were in the Asian region; two were in the Latin American region. (Table 1J).¹¹

Saudi Arabia was the leading recipient of arms deliveries among developing world recipients in 2005, receiving \$3.5 billion in such deliveries. Israel ranked second in arms deliveries in 2005 with \$1.7 billion. India ranked third with \$1.6 billion (Table 2J).

Arms deliveries to the top ten developing nation recipients, as a group, were valued at \$13.8 billion, or 77.9 percent of all arms deliveries to developing nations in 2005. Six of these top ten recipients were in Asia; four were in the Near East (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. (Table 3).

11. 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.

Weapons deliveries to the Near East, historically the largest purchasing region in the developing world, reflect the substantial quantities and types delivered by both major and lesser suppliers. The next page is an illustrative summary of weapons deliveries to this region for the period 2001-2005:

United States

- 375 tanks and self-propelled guns
- 34 APCs and armored cars
- 2 major surface combatants
- 4 minor surface combatants
- 65 supersonic combat aircraft
- 20 helicopters
- 519 surface-to-air missiles
- 132 anti-ship missiles

Russia

- 10 tanks and self-propelled guns
- 120 APCs and armored cars
- 30 supersonic combat aircraft
- 40 helicopters
- 1,170 surface-to-air missiles

China

- 20 artillery pieces
- 5 minor surface combatants
- 60 anti-ship missiles

Major West European Suppliers

- 140 tanks and self-propelled guns
- 60 APCs and armored cars
- 5 major surface combatants
- 35 minor surface combatants
- 11 guided missile boats
- 30 supersonic combat aircraft
- 30 helicopters
- 40 anti-ship missiles

All Other European Suppliers

- 320 tanks and self-propelled guns
- 270 APCs and armored cars
- 1 major surface combatant
- 32 minor surface combatants
- 10 supersonic combat aircraft
- 20 helicopters
- 260 surface-to-air missiles

All Other Suppliers

- 500 APCs and armored cars
- 116 minor surface combatants
- 20 helicopters
- 40 surface-to-surface missiles
- 20 anti-ship missiles

Large numbers of major combat systems were delivered to the Near East region from 2002-2005, 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 significant deliveries of supersonic combat aircraft and anti-ship missiles to the region. 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 2002-2005 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 deadly and can create important security threats within the region. In particular, from 2002-2005, the United States delivered 132 anti-ship missiles to the Near East region, China delivered sixth, and the four major West European suppliers delivered forty. The United States delivered two major surface combatants and four minor surface combatants to the Near East, while the major West European suppliers collectively delivered five major surface combatants, thirty-five minor surface combatants and eleven guided missile boats. Other non-European suppliers collectively delivered 116 minor surface combatants, as well as forty 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 Department of State (DoS) a commercial license authorization to sell valid for four years there is no current requirement that the exporter provide to the DoS, 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 DoS, 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 DoS, these commercially licensed arms deliveries data are not revised. By contrast, the U.S. FMS program data, for both agreements and deliveries, maintained by the DoD, 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 DoD, should be established by the DoS. 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, and thus facilitate Congressional oversight of this sector of U.S. exports.

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

Weapons Category	U.S.	Russia	China	Major West European*	All Other European	All Others
1998-2001						
Tanks and Self-Propelled Guns	462	360	290	480	1,560	160
Artillery	229	540	460	50	670	1,010
APCs and Armored Cars	439	870	400	250	960	700
Major Surface Combatants	6	3	0	7	9	4
Minor Surface Combatants	2	2	37	34	124	73
Guided Missile Boats	0	0	1	14	0	0
Submarines	0	4	0	8	1	3
Supersonic Combat Aircraft	328	220	60	70	90	90
Subsonic Combat Aircraft	2	10	0	40	10	20
Other Aircraft	47	40	80	160	150	90
Helicopters	152	330	0	70	140	50
Surface-to-Air Missiles	1,560	1,380	430	1,740	1,240	820
Surface-to-Surface Missiles	0	0	0	0	0	20
Anti-Ship Missiles	301	180	120	320	0	10
2002-2005						
Tanks and Self-Propelled Guns	375	300	150	140	520	60
Artillery	177	20	450	80	1,370	160
APCs and Armored Cars	34	360	40	120	880	750
Major Surface Combatants	10	3	0	13	2	1
Minor Surface Combatants	19	6	53	45	64	147
Guided Missile Boats	0	0	0	11	0	0
Submarines	0	5	0	1	4	0
Supersonic Combat Aircraft	81	240	40	50	30	40
Subsonic Combat Aircraft	17	0	0	0	0	0
Other Aircraft	37	0	110	40	120	180
Helicopters	58	180	0	80	40	90
Surface-to-Air Missiles	2,099	1,630	510	0	80	620
Surface-to-Surface Missiles	0	0	10	0	0	40
Anti-Ship Missiles	338	180	80	70	10	50

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.

Source: U. S. government.

Summary of Data Trends, 1998-2005

The tables present data on arms transfer agreements with developing nations by major suppliers from 1998-2005. These data show the most recent trends in arms contract activity by major suppliers. Delivery data, which reflect implementation of sales decisions taken earlier. To use data regarding agreements for purposes other than assessing general trends in seller and 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.

What follows is a detailed summary of data trends from the tables in the report. The summary statements also reference tables and/or charts pertinent to the point(s) noted. Where graphic representations of some major points are made in individual charts, their underlying data are taken from the pertinent tables of this report.

Total Developing Nations Arms Transfer Agreement Values

Table 1 shows the annual current dollar values of arms transfer agreements with developing nations. Since these figures do not allow for the effects of inflation, they are, by themselves, of somewhat limited use. Some of the more noteworthy facts reflected by these data are summarized below.

- The value of all arms transfer agreements with developing nations in 2005 was \$30.2 billion. This was a substantial increase over 2004, and the highest total, in real terms, for arms transfer agreements with developing nations during the 1998-2005 period. (Chart 1 and Table 1)
- The total value of United States agreements with developing nations fell significantly from \$9.4 billion in 2004 to \$6.2 billion in 2005. The United States' share of all developing world arms transfer agreements also fell significantly from 35.5 percent in 2004 to 20.5 percent in 2005. (Chart 3).
- In 2005, the total value, in real terms, of Russian arms transfer agreements with developing nations increased notably from the previous year, rising from \$5.4 billion in 2004 to \$7 billion in 2005. The Russian share of all such agreements increased from 20.3 percent in 2004 to 23.2 percent in 2005. (Charts 3 and 4)
- The four major West European suppliers, as a group (France, United Kingdom, Germany, Italy), registered a significant increase in their collective share of all arms transfer agreements with developing nations between 2004 and 2005. This group's share rose significantly from 22.3 percent in 2004 to 34.1 percent in 2005. The collective value of this group's arms transfer agreements with developing nations in 2005 was \$10.3 billion compared with a total of \$5.9 billion in 2004. (Charts 3 and 4).
- France registered a substantial increase in its share of all arms transfer agreements with developing nations, rising from 3.9 percent in 2004 to 20.9 percent in 2005. The value of its agreements with developing nations rose dramatically from \$1 billion in 2004 to \$6.3 billion in 2005.
- In 2005, Russia ranked first in arms transfer agreements with developing nations at \$7 billion. France ranked second at \$6.3 billion. The United States ranked third with nearly \$6.2 billion. (Charts 3 and 4)

**Figure 1 Worldwide Arms Transfer Agreements
1998-2005 and Suppliers' Share with Developing World
(in Millions of Constant 2005 U.S. Dollars)**

Supplier Supplier	Worldwide Agreements Value 1998-2001	Percentage of Total Developing World
United States	51,335	80.80
Russia	21,863	90.20
France	19,744	58.60
United Kingdom	5,589	51.30
China	6,354	96.60
Germany	13,583	35.90
Italy	3,144	29.80
All other European	17,334	51.80
All Others	9,901	74.20
Total	148,847	69.30

Supplier Supplier	Worldwide Agreements Value 2002-2005	Percentage of Total Developing World
United States	55,887	59.50
Russia	23,791	95.60
France	13,511	64.60
United Kingdom	10,497	73.33
China	3,793	100.00
Germany	5,844	15.60
Italy	2,987	48.20
All other European	19,765	43.50
All Others	9,197	68.00
Total	145,272	64.30

Supplier Supplier	Worldwide Agreements Value 2005	Percentage of Total Developing World
United States	12,758	48.50
Russia	7,400	94.60
France	7,900	79.70
United Kingdom	2,800	100.00
China	2,100	100.00
Germany	1,500	46.70
Italy	1,400	35.70
All other European	5,900	55.90
All Others	2,400	54.20
Total	44,158	68.40

Regional Arms Transfer Agreements, 1998-2005

The values of arms transfer agreements between suppliers and individual regions of the developing world for the periods 1998-2001 and 2002-2005. These values are expressed in current U.S. dollars¹² gives the percentage distribution of each supplier's agreement values within the regions for the two time periods.

Near East

The Near East has historically been the largest arms market in the developing world. In 1998-2001, it accounted for nearly 45.8 percent of the total value of all developing nations arms transfer agreements (about \$40.4 billion in current dollars), ranking it first ahead of Asia which was second with about 39 percent of these agreements. However, during 2002-2005, the Asia region accounted for 48.4 percent of all such agreements (\$43.6 billion in current dollars), placing it first in arms agreements with the developing world. The Near East region ranked second with \$35.1 billion in agreements or 39 percent during 2002-2005.

The United States dominated arms transfer agreements with the Near East during the 1998-2001 period with 64.8 percent of their total value (\$26.2 billion in current dollars). France was second during these years with 14.6 percent (\$5.9 billion). Recently, from 2002-2005, the United States accounted for 50.2 percent of the value of arms agreements with this region (\$17.6 billion), while the United Kingdom accounted for 14 percent of the value of the region's agreements (\$4.9 billion). Russia accounted for 12.2 percent of the value of the region's arms agreements from 2002-2005 (\$4.3 billion). (Chart 5)

For the period 1998-2001, the United States maintained 73.8 percent of the value of its developing world arms transfer agreements with the Near East. In 2002-2005, the U.S. had 55.7 percent of the value of its agreements with this region.

For the period 1998-2001, the four major West European suppliers collectively made 38.2 percent of the value of their developing world arms transfer agreements with the Near East. In 2002-2005, the major West Europeans made 46.5 percent of their arms agreements with the Near East (Table 1D). For the period 1998-2001, France concluded 60.2 percent of the value of its developing world arms transfer agreements with the Near East. In 2002-2005, France made 29.6 percent of its agreements with the Near East. (Table 1D)

For the period 1998-2001, the United Kingdom concluded 16.7 percent of the value of its developing world arms transfer agreements with the Near East. In 2002-2005, the United Kingdom made 65.3 percent of its agreements with the Near East.

For the period 1998-2001, China concluded 19.2 percent of the value of its developing world arms transfer agreements with the Near East. In 2002-2005, China made 27 percent of its agreements with the Near East.

For the period 1998-2001, Russia concluded 14.6 percent of the value of its developing world arms transfer agreements with the Near East. In 2002-2005, Russia made 19.9 percent of its agreements with the Near East.

In the earlier period (1998-2001), by value, the United States ranked first in arms transfer agreements with the Near East with 64.8 percent. France ranked second with 14.6 percent. Russia ranked third with 6.2 percent. The major West European suppliers, as a group, made 16.1 percent of

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

this region's agreements in 1998-2001. In the later period (2002-2005), by value, the United States again ranked first in Near East agreements with 50.2 percent. The United Kingdom ranked second with 14 percent. Russia ranked third with 12.2 percent. The major West European suppliers, as a group, made 24.8 percent of this region's agreements in 2002-2005. (Chart 5 and Table 1E)

Asia

Asia has historically been the second largest market for arms in the developing world. Yet in 2002-2005, Asia ranked first, with 48.4 percent of the total value of all arms transfer agreements with developing nations (\$43.6 billion in current dollars). In the earlier period, 1998-2001, the region accounted for 39 percent of all such agreements (\$34.4 billion in current dollars), ranking second.

In the earlier period (1998-2001), Russia ranked first in the value of arms transfer agreements with Asia with 38.1 percent (\$13.1 billion). The United States ranked second with 23.5 percent (\$8.1 billion). The major West European suppliers, as a group, made 20.1 percent of this region's agreements in 1998-2001. In the later period (2002-2005), Russia ranked first in Asian agreements with 36.7 percent (\$16 billion), primarily due to major combat aircraft and naval craft sales to India and China. The United States ranked second with 26.5 percent (\$11.6 billion). The major West European suppliers, as a group, made 18.4 percent of this region's agreements in 2002-2005. (Chart 6)

Latin America

In the earlier period, 1998-2001, the United States ranked first in arms transfer agreements with Latin America with 31.4 percent. Russia ranked second with 8.2 percent. The major West European suppliers, as a group, made 11 percent of this region's agreements in 1998-2001. In the later period, 2002-2005, the United States ranked first with 31 percent. Russia ranked second with 8.1 percent. All other non-European suppliers collectively made 40.6 percent of the region's agreements in 2002-2005. Latin America registered an enormous increase in the total value of its arms transfer agreements from 1998-2001 to 2002-2005 rising from \$3.6 billion in the earlier period to \$7.4 billion in the latter, more than doubling the value of their arms agreements. (Table 1E)

Africa

In the earlier period, 1998-2001, Germany ranked first in agreements with Africa with 16.3 percent (\$1.6 billion). Russia was second with 12.3 percent (\$1.2 billion). China was third with 10.2 percent. The non-major European suppliers, as a group, made 33.7 percent of the region's agreements in 1998-2001. The United States made 1 percent. In the later period, 2002-2005, France was first in agreements with 22.7 percent (\$900 million). Russia was second with 17.7 percent (\$700 million). China ranked third with 15.2 percent (\$600 million). The major West European suppliers, as a group, made 30.3 percent of this region's agreements in 2002-2005 (\$1.2 billion). All other European suppliers collectively made 20.2 percent (\$800 million). The United States made 4 percent (\$157 million). Africa registered a notable decline in the total value of its arms transfer agreements from 1998-2001 to 2002-2005, falling from \$9.8 billion in the earlier period to about \$4 billion in the latter. This decline is attributable to the completion of large arms orders of South Africa during 1998-2001, as part of its defense modernization program. (Table 1E)

Arms Transfer Agreements With Developing Nations, 1998-2005: Leading Suppliers Compared

Table 1F gives the values of arms transfer agreements with the developing nations from 1998-2005 by the top eleven suppliers. The table ranks these suppliers on the basis of the total current

dollar values of their respective agreements with the developing world for each of three periods - 1998-2001, 2002-2005 and 1998-2005. Among the facts reflected in this table are the following:

- The United States ranked first among all suppliers to developing nations in the value of arms transfer agreements from 2002-2005 (\$31.6 billion), and first for the entire period from 1998-2005 (\$67.1 billion).
- Russia ranked second among all suppliers to developing nations in the value of arms transfer agreements from 2002-2005 (\$21.8 billion), and second from 1998-2005 (\$38.8 billion).
- France ranked third among all suppliers to developing nations in the value of arms transfer agreements from 2002-2005 (\$8.6 billion), and third from 1998-2005 (\$18.3 billion).
- The United Kingdom ranked fourth among all suppliers to developing nations in the value of arms transfer agreements from 2002-2005 (\$7.5 billion), and fourth from 1998-2005 (\$9.9 billion).
- China ranked fifth among all suppliers to developing nations in the value of arms transfer agreements from 2002-2005 (\$3.7 billion), and fifth from 1998-2005 (\$8.3 billion).

Arms Transfer Agreements With Developing Nations in 2005: Leading Suppliers Compared

Table 1G ranks and gives for 2005 the values of arms transfer agreements with developing nations of the top eleven suppliers in current U.S. dollars. Among the facts reflected in this table are the following:

- Russia, France, and the United States, the top three arms suppliers - ranked by the value of their arms transfer agreements - in 2005 collectively made agreements valued at nearly \$19.5 billion, 64.5 percent of all arms transfer agreements made with developing nations by all suppliers in that year (\$30.2 billion).
- In 2005, Russia ranked first in arms transfer agreements with developing nations, making \$7 billion in such agreements, or 23.2 percent of them.
- France ranked second and the United States third in arms transfer agreements with developing nations in 2005, making \$6.3 billion and \$6.2 billion in such agreements respectively.
- The United Kingdom ranked fourth in arms transfer agreements with developing nations in 2005, making \$2.8 billion in such agreements, while Spain ranked fifth with \$2.2 billion.

Arms Transfers to Developing Nations, 1998-2005: Agreements With Leading Recipients

Table 11 gives the values of arms transfer agreements made by the top ten recipients of arms in the developing world from 1998-2005 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 - 1998-2001, 2002-2005 and 1998-2005. Among the facts reflected in this table are the following:

- India was the leading developing world arms purchaser from 1998-2005, making arms transfer agreements totaling \$20.7 billion during these years (in current dollars). In the earlier 1998-2001 period, the United Arab Emirates (U.A.E.) ranked first in arms transfer agreements at \$13.8 billion (in current dollars). In 2002-2005, India ranked first in arms

transfer agreements, with a substantial increase to \$12.9 billion from \$7.8 billion in the earlier period (in current dollars). This increase reflects the continuation of a military modernization effort of India, beginning in the 1990s, and based primarily on major arms agreements with Russia. The total value of all arms transfer agreements with developing nations from 1998-2005 was \$177.8 billion in current dollars. Thus India alone accounted for 11.6 percent of all developing world arms transfer agreements during these eight years. In the most recent period, 2002-2005, India made \$12.9 billion in arms transfer agreements (in current dollars). This total constituted 14.4 percent of all arm transfer agreements with developing nations during 2002-2005, which totaled \$89.8 billion. China ranked second in arms transfer agreements during 2002-2005 with \$10.2 billion (in current dollars), or 11.4 percent of the value of all developing world arms transfer agreements. (Tables 1, 1H, 1I and 1J)

- During 1998-2001, the top ten recipients collectively accounted for 69 percent of all developing world arms transfer agreements. During 2002-2005, the top ten recipients collectively accounted for 67.1 percent of all such agreements. (Tables 1 and 1I)

Arms Transfers to Developing Nations in 2005: Agreements With Leading Recipients

Table 1J names the top ten developing world recipients of arms transfer agreements in 2005. The table ranks these recipients on the basis of the total current dollar values of their respective agreements with all suppliers in 2005. Among the facts reflected in this table are the following:

- India ranked first among all developing nations recipients in the value of arms transfer agreements in 2005, concluding \$5.4 billion in such agreements. Saudi Arabia ranked second with \$3.4 billion. China ranked third with \$2.8 billion.
- Four of the top ten developing world recipients of arms transfer agreements in 2005 were in the Near East. Three were in Asia. Two were in Latin America.
- Arms transfer agreements with the top ten developing world recipients, as a group, in 2005 totaled \$21.9 billion or 72.6 percent of all such agreements with the developing world. These percentages reflect the continuing concentration of arms purchases by developing world states in a few such states. (Tables 1 and 1J)

Developing Nations Arms Delivery Values

The annual current dollar values of arms deliveries (items actually transferred) to developing nations by major suppliers from 1998-2005. The utility of these particular data is that they reflect transfers that have occurred. They provide the data from which (constant dollars) and (supplier percentages) are derived. Some of the more notable facts illustrated by these data are summarized below.

- In 2005 the value of all arms deliveries to developing nations (\$17.7 billion) was a notable decrease in deliveries values from the previous year, (\$23.6 billion), and the lowest annual deliveries total for the entire period from 1998-2005. (Charts 7 and 8)
- The U.S. share of all deliveries to developing nations in 2005 was 45.8 percent, a substantial increase from 31.4 percent in 2004. In 2005, the United States, for the eighth year in a row, ranked first in the value of arms deliveries to developing nations (\$8.16 billion). The second leading supplier in 2005 was Russia at \$2.7 billion. Russia's share of all deliveries to developing nations in 2005 was 15.2 percent, a notable decline from 22.7 percent in 2004. The United Kingdom, the third leading supplier in 2005, made \$2.4 billion in deliveries. The United Kingdom's share of all arms deliveries to developing nations in 2005 was

13.6 percent, up from 10.1 percent in 2004. The share of major West European suppliers deliveries to developing nations in 2005 was 22 percent, down from 31.9 percent in 2004.

- The total value of all arms deliveries by all suppliers to developing nations from 1002-005 (\$84.1 billion in constant 2005 dollars) was dramatically lower than the value of arms deliveries by all suppliers to developing nations from 1998-2001 (\$111.3 billion in constant 2005 dollars).

During the years 1998-2005, arms deliveries to developing nations comprised 68.2 percent of all arms deliveries worldwide. In 2005, the percentage of arms deliveries to developing nations was 69.9 percent of all arms deliveries worldwide. (Table 2A and Figure 2)

Regional Arms Delivery Values, 1998-2005

The values of arms deliveries by suppliers to individual regions of the developing world for the periods 1998-2001 and 2002-2005 are expressed in current U.S. dollars.¹³ The percentage distribution of each supplier's deliveries values within the regions for the two time periods. This illustrates what percentage share of each developing world region's total arms delivery values was held by specific suppliers during the years 1998-2001 and 2002-2005. Among the facts are reflected in the following:

Near East

The Near East has generally led in the value of arms deliveries received by the developing world. In 1998-2001, it accounted for 55.4 percent of the total value of all developing nations deliveries (\$52.3 billion in current dollars). During 2002-2005 the region accounted for 54.5 percent of all such deliveries (\$43.8 billion in current dollars).

For the period 1998-2001, the United States made 62.4 percent of its developing world arms deliveries to the Near East region. In 2002-2005, the United States made 61.6 percent of its developing world arms deliveries to the Near East region.

For the period 1998-2001, the United Kingdom made 85.9 percent of its developing world arms deliveries to the Near East region. In 2002-2005, the United Kingdom made 97.5 of its developing world arms deliveries to the Near East region.

For the period 1998-2001, 52.6 percent of France's arms deliveries to the developing world were to the Near East region. In the more recent period, 2002-2005, 84.5 percent of France's developing world deliveries were to nations of the Near East region.

For the period 1998-2001, Russia made 16.7 percent of its developing world arms deliveries to the Near East region. In 2002-2005, Russia made 10.9 percent of such deliveries to the Near East.

In the earlier period, 1998-2001, the United States ranked first in the value of arms deliveries to the Near East with 42.4 percent (\$22.2 billion). The United Kingdom ranked second with 25.6 percent (\$13.4 billion). France ranked third with 13.4 percent (\$7 billion). The major West European suppliers, as a group, held 41.1 percent of this region's delivery values in 1998-2001. In the later period (2002-2005), the United States ranked first in Near East delivery values with 38.84 percent (\$17 billion). The United Kingdom ranked second with 27.2 percent (\$11.9 billion). France

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

ranked third with 18.7 percent (\$8.2 billion). The major West European suppliers, as a group, held 46.3 percent of this region's delivery values in 2002-2005.

**Figure 2. Worldwide Arms Deliveries, 1998-2005 and Suppliers' Share with Developing World
(In Millions of Constant 2005 U.S. Dollars)**

Supplier	Worldwide Agreements Value 1998-2001	Percentage of Total Developing World
United States	63,993	65.60
Russia	16,891	86.20
France	19,514	81.40
United Kingdom	22,367	81.80
China	3,503	83.40
Germany	6,616	26.70
Italy	1,984	59.40
All other European	16,826	57.90
All Others	10,637	47.20
Total	162,331	68.60

Supplier	Worldwide Agreements Value 2002-2005	Percentage of Total Developing World
United States	4,550	63.60
Russia	16,787	96.90
France	11,844	85.70
United Kingdom	16,881	75.60
China	3,456	93.90
Germany	5,480	28.60
Italy	1,279	33.50
All other European	11,717	45.10
All Others	11,331	49.00
Total	124,125	67.80

Supplier	Worldwide Agreements Value 2005	Percentage of Total Developing World
United States	11,552	70.20
Russia	2,800	96.40
France	1,600	81.20
United Kingdom	3,100	77.40
China	900	88.90
Germany	600	33.30
Italy	200	0.00
All other European	2,100	47.60
All Others	2,500	48.00
Total	25,352	69.90

Source: U.S. government

Asia

The Asia region has historically ranked second in the value of arms deliveries. In the earlier period, 1998-2001, 37.1 percent of all arms deliveries to developing nations were to those in Asia (\$35 billion). In the later period, 2002-2005, Asia accounted for 38.1 percent of such arms

deliveries (\$30.7 billion). For the period 2002-2005, Russia made 84.6 percent of its developing world arms deliveries to Asia. China made 56.7 percent of its developing world deliveries to Asia. Germany made 46.7 percent of its developing world deliveries to Asia., while the United States made 33.6 percent.

In the period from 1998-2001, the United States ranked first in the value of arms deliveries to Asia with 34.5 percent (\$12.1 billion). Russia ranked second with 26.6 percent (\$9.3 billion in current dollars). France ranked third with 17.4 percent (\$6.1 billion in current dollars). The major West European suppliers, as a group, held 25.7 percent of this region's delivery values in 1998-2001 (\$9 billion). In the period from 2002-2005, Russia ranked first in Asian delivery values with 43 percent (\$13.2 billion). The United States ranked second with 30.2 percent (\$9.3 billion).

Latin America

In the earlier period, 1998-2001, the value of all arms deliveries to Latin America was \$3.1 billion. The United States ranked first in the value of arms deliveries to Latin America with 39.2 percent (\$1.2 billion). Germany was second with 9.6 percent (\$300 million). The major West European suppliers, as a group, held 19.2 percent of this region's delivery values in 1998-2001. In the later period, 2002-2005, the United States ranked first in Latin American delivery values with 37.9 percent (\$1.2 billion). France was second with 9.3 percent (\$300 million). The major West European suppliers, as a group, held 15.5 percent of this region's delivery values in 2002-2005. All other non-European suppliers combined held 24.8 percent (\$800 million). During 2002-2005, the value of all arms deliveries to Latin America was \$3.2 billion, nearly the same as the \$3.1 billion deliveries total for 1998-2001.

Africa

In the earlier period, 1998-2001, the value of all arms deliveries to Africa was nearly \$4 billion. Russia ranked first in the value of arms deliveries to Africa with 25.1 percent (\$1 billion). China ranked second with 15.1 percent (\$600 million). The non-major West European suppliers, as a group, held 35.1 percent of this region's delivery values in 1998-2001 (\$1.4 billion). The United States held 2.1 percent. In the later period, 2002-2005, Germany ranked first in African delivery values with 22 percent (\$600 million). Russia and China tied for second with 18.4 percent each (\$500 million each). The United States held 4.9 percent in this later period. The major West European suppliers collectively held 29.4 percent (\$800 million). All other European suppliers collectively held 18.4 percent (\$500 million). During the 2002-2005 period, the value of all arms deliveries to Africa decreased notably from \$4 billion in 1998-2001 to \$2.7 billion.

Arms Deliveries to Developing Nations, 1998-2005: Leading Suppliers Compared

Table 2F gives the values of arms deliveries to developing nations from 1998-2005 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 - 1998-2001, 2002-2005 and 1998-2005. Among the facts reflected in this table are the following:

- The United States ranked first among all suppliers to developing nations in the value of arms deliveries from 2002-2005 (\$27.6 billion), and first for the entire period from 1998-2005 (\$63.2 billion).
- Russia ranked second among all suppliers to developing nations in the value of arms deliveries from 2002-2005 (\$15.5 billion), and fourth for the entire period from 1996-2003 (\$28 billion).

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- The United Kingdom ranked third among all suppliers to developing nations in the value of arms deliveries from 2002-2005 (\$12.1 billion), and third for the entire period from 1998-2005 (\$27.7 billion).

Arms Deliveries With Developing Nations in 2005: Leading Suppliers Compared

Table 2G ranks and gives for 2005 the values of arms deliveries to developing nations of the top ten suppliers in current U.S. dollars. Among the facts reflected in this table are the following:

- The United States, Russia, and the United Kingdom - 2005's top three arms suppliers - ranked by the value of their arms deliveries - collectively made deliveries in 2005 valued at \$13.2 billion, 74.6 percent of all arms deliveries made to developing nations by all suppliers.
- In 2005, the United States ranked first in the value of arms deliveries to developing nations, making \$8.1 billion in such deliveries, or 45.8 percent of them.
- Russia ranked second and the United Kingdom third in deliveries to developing nations in 2005, making \$2.7 billion and \$2.4 billion in such deliveries respectively.
- France ranked fourth in arms deliveries to developing nations in 2005, making \$1.3 billion in such deliveries, while China ranked fifth with \$800 million in deliveries.

Arms Deliveries to Developing Nations, 1998-2005: The Leading Recipients

Table 21 gives the values of arms deliveries made to the top ten recipients of arms in the developing world from 1998-2005 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 - 1998-2001, 2002-2005 and 1998-2005. Among the facts reflected in this table are the following:

- Saudi Arabia and China were the top two developing world recipients of arms from 1998-2005, receiving deliveries valued at \$50.1 billion and \$14.3 billion, respectively, during these years. The total value of all arms deliveries to developing nations from 1998-2005 was \$174.8 billion in current dollars (see Table 2). Thus, Saudi Arabia and Taiwan accounted for 28.7 percent and 8.2 percent, respectively, of all developing world deliveries during these eight years - together 36.8 percent of the total. In the most recent period - 2002-2005 - Saudi Arabia and China ranked first and second in the value of arms received by developing nations (\$19.7 billion and \$7.7 billion, respectively, in current dollars). Together, Saudi Arabia and China accounted for 34.2 percent of all developing world arms deliveries (\$27.4 billion out of \$80.2 billion - the value of all deliveries to developing nations in 2002-2005 (in current dollars).
- For the 2002-2005 period, Saudi Arabia alone received \$19.7 billion in arms deliveries (in current dollars), or 24.6 percent of all deliveries to developing nations during this period.
- During 1998-2001, the top ten recipients collectively accounted for 76.4 percent of all developing world arms deliveries. During 2002-2005, the top ten recipients collectively accounted for 79 percent of all such deliveries. (Tables 2 and 21)

Arms Transfers to Developing Nations in 2005: Agreements With Leading Recipients

Table 2J names the top ten developing world recipients of arms transfer agreements in 2005. The table ranks these recipients on the basis of the total current dollar values of their respective agreements with all suppliers in 2005. Among the facts reflected in this table are the following:

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- Saudi Arabia was the leading recipient of arms deliveries in 2005 among developing nations, receiving \$3.5 billion in such deliveries. Israel ranked second with \$1.7 billion. India ranked third with \$1.6 billion. (Tables 2 and 2J)
 - Arms deliveries in 2005 to the top ten developing nation recipients, collectively, constituted \$13.8 billion, or 77.9 percent of all developing nations deliveries. Six of the top ten arms recipients in the developing world in 2005 were in the Near East region; four were in the Asia region. (Tables 2 and 2J)

Selected Weapons Deliveries to Developing Nations, 1998-2005

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 1998-2005 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. (Tables 3-7)

Caution is warranted 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.

Regional Weapons Deliveries Summary, 2002-2005

The regional weapons delivery data collectively show that the United States was a leading supplier of several major classes of conventional weaponry from 2002-2005. Russia also transferred significant quantities of certain weapons classes during these years.

The major West European suppliers were serious competitors in weapons deliveries from 2002-2005 making notable deliveries of certain categories of armaments to every region of the developing world - most particularly to the Near East, Asia, and to Latin America. In Africa, all European suppliers, China and all other non-European suppliers were major sources of weapons delivered.

Regional weapons delivery data reflect the diverse sources of supply of conventional weaponry available to developing nations. Even though the United States, Russia, and the four major West European suppliers tend to dominate the delivery of the fourteen classes of weapons examined, it is also evident that the other European suppliers, and non-European suppliers, including China, are fully capable of providing specific classes of conventional armaments, such as tanks, missiles, armored vehicles, aircraft, artillery pieces, and the various missile categories, surface-to-surface, surface-to-air and anti-ship, to developing nations, should their systems prove attractive to prospective purchasers.

Noteworthy deliveries of specific categories of weapons to regions of the developing world by specific suppliers from **2002-2005** included the following:

Asia

Russia delivered 290 tanks and self-propelled guns, 180 APCs and armored cars, 3 major surface combatants, 4 minor surface combatants, 5 submarines, 180 supersonic combat aircraft, 90 helicopters, 410 surface-to-air missiles, and 180 antiship missiles.

The **United States** delivered 105 artillery pieces, 6 major surface combatants, 6 minor surface combatants; 8 supersonic combat aircraft, 38 helicopters, 1,558 surface-to-air missiles, and 182 antiship missiles.

China delivered 150 tanks and self-propelled guns, 270 artillery pieces, 9 minor surface combatants, 40 supersonic combat aircraft, and 510 surface-to-air missiles, and 20 anti-ship missiles.

The four **major West European suppliers** as a group delivered 1 major surface combatant, 7 minor surface combatants, 20 supersonic combat aircraft; and 20 helicopters.

All other European suppliers collectively delivered 80 tanks and self-propelled guns, 290 APCs and armored cars, 140 artillery pieces, 1 major surface combatant, 25 minor surface combatants, 3 submarines, and 100 surface-to-air missiles.

All other non-European suppliers collectively delivered 70 artillery pieces, 30 APCs and armored cars, 23 minor surface combatants, 20 supersonic combat aircraft, and 580 surface-to-air missiles.

Near East

Russia delivered 120 APCs and armored cars, 30 supersonic combat aircraft, 40 helicopters, and 1,170 surface-to-air missiles.

The **United States** delivered 375 tanks and self-propelled guns, 34 APCs and armored cars, 2 major surface combatants, 4 minor surface combatants, 65 supersonic combat aircraft, 20 helicopters, 519 surface-to-air missiles, and 132 anti-ship missiles.

China delivered 20 artillery pieces, 5 minor surface combatants, and 60 anti-ship missiles.

The four **major West European suppliers** collectively delivered 140 tanks and self-propelled guns, 60 APCs and armored cars; 5 major surface combatants, 35 minor surface combatants, 11 guided missile boats, 30 supersonic combat aircraft, 30 helicopters, and 40 anti-ship missiles.

All other European suppliers as a group delivered 320 tanks and self-propelled guns, 270 APCs and armored cars, 1 major surface combatant, 32 minor surface combatants, 10 supersonic combat aircraft, 20 helicopters, and 260 surface-to-air missiles.

All other suppliers collectively delivered 500 APCs and armored cars, 116 minor surface combatants, 20 helicopters, 40 surface-to-surface missiles, and 20 anti-ship missiles.

Latin America

Russia delivered 10 helicopters, and 30 surface-to-air missiles.

The **United States** delivered 2 major surface combatants, 9 minor surface combatants; 8 supersonic combat aircraft, 22 surface-to-air missiles, and 24 anti-ship missiles.

China delivered 6 minor surface combatants.

The four **major West European suppliers** collectively delivered 3 major surface combatants, 1 submarine, 10 helicopters, and 10 anti-ship missiles.

All other European suppliers collectively delivered 2 minor surface combatants, and 1 submarine.

All other non-European suppliers as a group delivered 20 tanks and self-propelled guns, 2 minor surface combatants, 10 supersonic combat aircraft, 10 helicopters, 40 surface-to-air missiles, and 30 anti-ship missiles.

Africa

Russia delivered 20 artillery pieces, 60 APCs and armored cars; 2 minor surface combatants, 30 supersonic combat aircraft, 40 helicopters, and 20 surface-to-air missiles.

China delivered 150 artillery pieces, 30 APCs and armored cars, and 33 minor surface combatants.

The four **major West European suppliers** collectively delivered 60 APCs and armored cars; 4 major surface combatants, 3 minor surface combatants, 20 helicopters, and 10 anti-ship missiles.

All other **European suppliers** collectively delivered 120 tanks and self-propelled guns, 1,180 artillery pieces, 320 APCs and armored cars, 5 minor surface combatants, 20 supersonic combat aircraft, 20 helicopters, and 20 surface-to-air missiles.

All other non-European suppliers as a group delivered 40 tanks and self-propelled guns, 50 artillery pieces, 220 APCs and armored cars, 1 major surface combatant; 6 minor surface combatants, 10 supersonic combat aircraft, and 60 helicopters.

Description of Items Counted in Weapons Categories, 1998-2005

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	Near East	Europe	Africa	Latin America
Afghanistan	Algeria	Albania	Angola	Antigua
Australia	Bahrain	Armenia	Benin	Argentina
Bangladesh	Egypt	Austria	Botswana	Bahamas
Brunei	Iran	Azerbaijan	Burkina Faso	Barbados
Burma (Myanmar)	Iraq	Belarus	Burundi	Belize
China	Israel	Bosnia/Herzegovina	Cameroon	Bermuda
Fiji	Jordan	Bulgaria	Cape Verde	Bolivia
India	Kuwait	Belgium	Central African Republic	Brazil
Indonesia	Lebanon	Canada	Chad	British Virgin Island
Japan	Libya	Croatia	Congo	Cayman Islands
Cambodia	Morocco	Czechoslovakia/ Czech Republic	Côte d'Ivoire	Chile
Kazakhstan	Oman	Cyprus	Djibouti	Colombia
Kyrgyzstan	Qatar	Denmark	Equatorial Guinea	Costa Rica
Laos	Saudi Arabia	Estonia	Ethiopia	Cuba
Malaysia	Syria	Finland	Gabon	Dominica
Nepal	Tunisia	France	Gambia	Dominican Republic
New Zealand	United Arab Emirates	FRY/Macedonia	Ghana	Ecuador
North Korea	Yemen	Georgia	Guinea	El Salvador
Pakistan		Germany	Guinea-Bissau	French Guiana
Papua New Guinea		Greece	Kenya	Grenada
Philippines		Hungary	Lesotho	Guadeloupe
Pitcairn		Iceland	Liberia	Guatemala
Singapore		Ireland	Madagascar	Guyana
South Korea		Italy	Malawi	Haiti
Sri Lanka		Latvia	Mali	Honduras
Taiwan		Liechtenstein	Mauritania	Jamaica
Tajikistan		Lithuania	Mauritius	Martinique
Thailand		Luxembourg	Mozambique	Mexico
Turkmenistan		Malta	Namibia	Montserrat
Uzbekistan		Moldova	Niger	Netherlands Antilles
Vietnam		Netherlands	Nigeria	Nicaragua
		Norway	Réunion	Panama
		Poland	Rwanda	Paraguay
		Portugal	Senegal	Peru
		Romania	Seychelles	St. Kitts and Nevis
		Russia	Sierra Leone	St. Lucia
		Slovak Republic	Somalia	St. Pierre and Miquelon
		Slovenia	South Africa	St. Vincent
		Spain	Sudan	Suriname
		Sweden	Swaziland	Trinidad
		Switzerland	Tanzania	Turks and Caicos
		Turkey	Togo	Venezuela
		Ukraine	Uganda	
		United Kingdom	Zaire	
		Yugoslavia/Federal Republic (Serbia/ Montenegro)	Zambia	
			Zimbabwe	
