

SECURITY ASSISTANCE PERSPECTIVES

Trends in Conventional Arms Transfers to the Third World by Major Supplier, 1978-1985

By

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[The following represents an extract of the major findings of an unclassified report of transfers of conventional arms to the Third World, published on 9 May 1986 under the above title. Copies of the complete study (Report No. 86-99F) are available from the Foreign Affairs and National Defense Division, Congressional Research Service, The Library of Congress, Washington, D.C., 20540.]

MAJOR FINDINGS

- Most arms suppliers registered declines between 1984 and 1985 in the value of their arms transfer agreements with the Third World (in constant 1985 dollars).
- The value of U.S. arms transfer agreements declined to \$5.3 billion in 1985, from \$7.1 billion in 1984 (in constant 1985 dollars). The U.S. share of all agreements was 17.8% in 1985, down from 20.6% in 1984.
- For the second year in a row, a major West European arms supplier ranked second among all arms suppliers to the Third World, making more sales agreements than the United States (United Kingdom in 1985, France in 1984, in constant 1985 dollars).
- The United Kingdom registered a substantial increase in its share of Third World arms transfer agreements between 1984 and 1985. This increase was attributable principally to a multi-billion dollar aircraft contract with Saudi Arabia. The United Kingdom's share increased to 21.8% in 1985, from 1.6% in 1984. The value of the United Kingdom's agreements with the Third World rose to \$6.5 billion in 1985, from \$559 million in 1984 (in constant 1985 dollars).
- Both the Soviet Union and France experienced notable declines in their shares of Third World arms transfer agreements between 1984 and 1985. The Soviet Union's share of agreements fell from 37.4% in 1984, to 30.4% in 1985. France's share of agreements fell from 21.7% in 1984, to 4.7% in 1985. While registering the highest total for any supplier in 1985, the value of the Soviet Union's agreements with the Third World fell to \$9.1 billion in 1985, from \$12.8 billion in 1984 (in constant 1985 dollars).

- The four Major West European suppliers [France, United Kingdom, West Germany, and Italy], as a group, increased their share of Third World arms transfer agreements between 1984 and 1985. This group's share rose from 25.6% in 1984, to 31.3% in 1985. The collective value of the Major West European suppliers' agreements with the Third World in 1985 (nearly \$9.4 billion) exceeded that of the largest single supplier--the Soviet Union (\$9.1 billion).
- The value of all arms transfer agreements with the Third World in 1985 (\$29.9 billion) was the lowest total for any year since 1978 (in constant 1985 dollars) though only slightly lower than the level of 1983 (\$30 billion). The value of all arms transfer agreements with the Third World remains well below the peak year of 1980 when agreements exceeded \$53.7 billion (in constant 1985 dollars).
- The Near East and South Asia region is the greatest Third World arms market. In 1982-1985 it accounted for over 75% of the total value of all Third World arms transfer agreements.
- In the Near East and South Asia region between 1982-1985, the United States had the largest share of arms transfer agreements of any single supplier with 26%. The Soviet Union's share during this period was 25.7%. The four Major West European suppliers, as a group, had 27.3% of all arms transfer agreements.
- Arms transfer agreements with the Latin American region became much more polarized during 1982-1985 than they had been during 1978-1981. The United States and the Soviet Union, which collectively accounted for 28.5% of these agreements in the earlier period, were responsible for 54.3% of these agreements between 1982-1985. The United States' share increased from 3.5% to 17.6%; the Soviet Union's share increased from 25% to 36.7%.
- The value of all non-Communist nations' arms transfer agreements with the Third World has exceeded that of such agreements by all Communist nations every year since 1978 (in constant 1985 dollars).
- The *value* of all arms *deliveries* to the Third World in 1985 was the lowest of any year since 1978; and 1985 marked the third year in a row that the real value of all deliveries to the Third World declined (in constant 1985 dollars).
- The *value* of all non-Communist nations' arms *deliveries* to the Third World has exceeded that of all such deliveries by all Communist nations for every year since 1978 (with the one exception of 1979) (in constant 1985 dollars).

Table 1A**Arms Transfer Agreements with the Third World, by Supplier***
(In millions of constant 1985 U.S. dollars)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Non-Communist								
Of which:								
United States	7,754	14,018	11,667	7,850	14,135	9,991	7,067	5,320
France	3,146	4,978	10,406	2,071	7,934	1,939	7,451	1,395
United Kingdom	4,014	1,862	2,785	1,798	1,546	607	559	6,520
West Germany	3,998	1,422	1,564	2,082	905	645	388	155
Italy	2,230	894	3,777	385	1,391	1,683	394	1,300
All Other	2,294	2,243	4,139	7,004	3,826	7,122	3,040	2,695
Total Non-Communist	23,436	25,418	34,338	21,190	29,738	21,987	18,899	17,385
Communist								
Of which:								
U.S.S.R.	5,750	15,872	16,831	9,873	13,996	4,400	12,837	9,105
All Other	2,222	1,701	2,536	8,767	4,406	3,622	2,594	3,450
Total Communist	7,972	17,573	19,367	18,641	18,402	8,022	15,431	12,555
GRAND TOTAL	31,408	42,991	53,705	39,831	48,140	30,009	34,330	29,940

* Third World category excludes Europe, NATO nations, Warsaw Pact nations, Japan, Australia, and New Zealand. All data are for the calendar year given, except for U.S. MAP (Military Assistance Program) and IMET (International Military Education and Training) data which are included for the particular fiscal year. All prices given include the values of weapons, spare parts, construction, all associated services, military assistance, and training programs. Statistics for foreign countries are based upon estimated selling prices. U.S. commercial sales contract values are excluded, as are MASF (Military Assistance Service Funded) related grant transfers to South Korea and Thailand. All data reflect termination of sales contracts.

Source: U.S. Government.

Table 1B

Arms Transfer Agreements with the Third World, by Supplier, 1978-1985
(Expressed as a percent of Grand Total, by year)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Non-Communist								
Of which:								
United States	24.69%	32.61%	21.72%	19.71%	29.36%	33.30%	20.59%	17.77%
France	10.02%	11.58%	19.38%	5.20%	16.48%	6.46%	21.71%	4.66%
United Kingdom	12.78%	4.33%	5.19%	4.52%	3.21%	2.02%	1.63%	21.78%
West Germany	12.73%	3.31%	2.91%	5.23%	1.88%	2.15%	1.13%	.52%
Italy	7.10%	2.08%	7.03%	.97%	2.89%	5.61%	1.15%	4.34%
All Other	7.30%	5.22%	7.71%	17.59%	7.95%	23.73%	8.85%	9.00%
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Total Non-Communist	74.62%	59.12%	63.94%	53.20%	61.77%	73.27%	55.05%	58.07%
(Major West European)*	42.63%	21.30%	34.51%	15.91%	24.46%	16.24%	25.61%	31.30%
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Communist								
Of which:								
U.S.S.R.	18.31%	36.92%	31.34%	24.79%	29.07%	14.66%	37.39%	30.41%
All Other	7.07%	3.96%	4.72%	22.01%	9.15%	12.07%	7.56%	11.52%
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Total Communist	25.38%	40.88%	36.06%	46.80%	38.23%	26.73%	44.95%	41.93%
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GRAND TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
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*(Major West European category includes France, United Kingdom, West Germany, and Italy.)

Table 2A

Arms Deliveries to the Third World, by Supplier
(In millions of constant 1985 U.S. dollars)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Non-Communist								
Of which:								
United States	10,322	8,629	7,154	6,995	8,834	10,129	5,756	5,823
France	2,851	2,097	3,534	4,792	3,782	4,394	3,666	3,270
United Kingdom	1,816	1,349	2,227	2,905	1,678	1,353	1,207	410
West Germany	1,059	1,107	1,288	1,367	519	1,193	2,475	395
Italy	1,211	953	854	1,248	1,165	927	1,067	565
All Other	1,999	2,493	2,234	3,585	4,671	2,812	4,717	1,450
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Total Non-Communist	19,258	16,628	17,291	20,891	20,649	20,809	18,888	11,913
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Communist								
Of which:								
U.S.S.R.	11,500	16,782	13,599	11,950	12,213	10,014	9,642	7,200
All Other	1,959	1,569	1,846	3,147	4,538	3,878	5,308	2,410
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Total Communist	13,460	18,350	15,445	15,097	16,751	13,892	14,949	9,610
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GRAND TOTAL	32,717	34,978	32,736	35,988	37,401	34,700	33,837	21,523
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Table 2B

Arms Deliveries to the Third World, by Supplier, 1978-1985
(Expressed as a percent of Grand Total, by year)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Non-Communist								
Of which:								
United States	31.55%	24.67%	21.85%	19.44%	23.62%	29.19%	17.01%	27.05%
France	8.71%	5.99%	10.80%	13.31%	10.11%	12.66%	10.83%	15.19%
United Kingdom	5.55%	3.86%	6.80%	8.07%	4.49%	3.90%	3.57%	1.90%
West Germany	3.24%	3.16%	3.93%	3.80%	1.39%	3.44%	7.31%	1.84%
Italy	3.70%	2.72%	2.61%	3.47%	3.11%	2.67%	3.15%	2.63%
All Other	6.11%	7.13%	6.82%	9.96%	12.49%	8.10%	13.94%	6.74%
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Total Non-Communist	58.86%	47.54%	52.82%	58.05%	55.21%	59.97%	55.82%	55.35%
(Major West European)*	21.20%	15.74%	24.14%	28.65%	19.10%	22.67%	24.87%	21.56%
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Communist								
Of which:								
U.S.S.R.	35.15%	47.98%	41.54%	33.21%	32.65%	28.86%	28.49%	33.45%
All Other	5.99%	4.49%	5.64%	8.75%	12.13%	11.17%	15.69%	11.20%
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Total Communist	41.14%	52.46%	47.18%	41.95%	44.79%	40.03%	44.18%	44.65%
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GRAND TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Table 3
Number of Weapons Delivered by Major Suppliers to the Third World*

<u>Weapons Category</u>	<u>United States</u>	<u>U.S.S.R.</u>	<u>Major Western European**</u>
<u>1978-1981</u>			
Tanks and Self-Propelled Guns	1,856	5,780	550
Artillery	1,936	6,750	1,110
APCs and Armored Cars	5,900	6,890	3,425
Major Surface Combatants	12	27	38
Minor Surface Combatants	26	116	125
Submarines	1	6	8
Supersonic Combat Aircraft	330	1,655	230
Subsonic Combat Aircraft	77	205	80
Other Aircraft	257	295	390
Helicopters	152	840	570
Guided Missile Boats	0	42	23
Surface-to-Air Missiles (SAMs)	3,436	15,055	1,335
<u>1982-1985</u>			
Tanks and Self-Propelled Guns	2,309	2,865	600
Artillery	1,538	4,495	785
APCs and Armored Cars	4,265	5,370	1,755
Major Surface Combatants	7	27	51
Minor Surface Combatants	23	93	86
Submarines	0	7	6
Supersonic Combat Aircraft	320	1,245	225
Subsonic Combat Aircraft	170	90	100
Other Aircraft	137	280	275
Helicopters	166	665	315
Guided Missile Boats	0	19	18
Surface-to-Air Missiles (SAMs)	3,067	10,550	1,505
<u>1978-1985</u>			
Tanks and Self-Propelled Guns	4,165	8,645	1,150
Artillery	3,474	11,245	1,895
APCs and Armored Cars	10,165	12,260	5,180
Major Surface Combatants	19	54	89
Minor Surface Combatants	49	209	211
Submarines	1	13	14
Supersonic Combat Aircraft	650	2,900	455
Subsonic Combat Aircraft	247	295	180
Other Aircraft	394	575	665
Helicopters	318	1,505	885
Guided Missile Boats	0	61	41
Surface-to-Air Missiles (SAMs)	6,503	25,605	2,840

* Third World category *excludes* Europe, NATO nations, Warsaw Pact nations, Japan, Australia, and New Zealand. All data are for calendar years given.

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

Source: U.S. Government.