

# ***SECURITY ASSISTANCE PERSPECTIVES***

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## **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).

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- 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         |
| <b>Total Non-Communist</b> | <b>23,436</b> | <b>25,418</b> | <b>34,338</b> | <b>21,190</b> | <b>29,738</b> | <b>21,987</b> | <b>18,899</b> | <b>17,385</b> |
| 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         |
| <b>Total Communist</b>     | <b>7,972</b>  | <b>17,573</b> | <b>19,367</b> | <b>18,641</b> | <b>18,402</b> | <b>8,022</b>  | <b>15,431</b> | <b>12,555</b> |
| <b>GRAND TOTAL</b>         | <b>31,408</b> | <b>42,991</b> | <b>53,705</b> | <b>39,831</b> | <b>48,140</b> | <b>30,009</b> | <b>34,330</b> | <b>29,940</b> |

\* 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%       |
| 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%      |
| 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%      |
| Total Communist        | 25.38%      | 40.88%      | 36.06%      | 46.80%      | 38.23%      | 26.73%      | 44.95%      | 41.93%      |
| 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 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         |
| <hr/>               |               |               |               |               |               |               |               |               |
| Total Non-Communist | 19,258        | 16,628        | 17,291        | 20,891        | 20,649        | 20,809        | 18,888        | 11,913        |
| <hr/>               |               |               |               |               |               |               |               |               |
| 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         |
| <hr/>               |               |               |               |               |               |               |               |               |
| Total Communist     | 13,460        | 18,350        | 15,445        | 15,097        | 16,751        | 13,892        | 14,949        | 9,610         |
| <hr/>               |               |               |               |               |               |               |               |               |
| <b>GRAND TOTAL</b>  | <b>32,717</b> | <b>34,978</b> | <b>32,736</b> | <b>35,988</b> | <b>37,401</b> | <b>34,700</b> | <b>33,837</b> | <b>21,523</b> |
| <hr/> <hr/>         |               |               |               |               |               |               |               |               |

**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%       |
| 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%      |
| 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%      |
| Total Communist        | 41.14%      | 52.46%      | 47.18%      | 41.95%      | 44.79%      | 40.03%      | 44.18%      | 44.65%      |
| 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> |
|--------------------------------|----------------------|-----------------|---------------------------------|
| <b><u>1978-1981</u></b>        |                      |                 |                                 |
| 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                           |
| <b><u>1982-1985</u></b>        |                      |                 |                                 |
| 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                           |
| <b><u>1978-1985</u></b>        |                      |                 |                                 |
| 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.