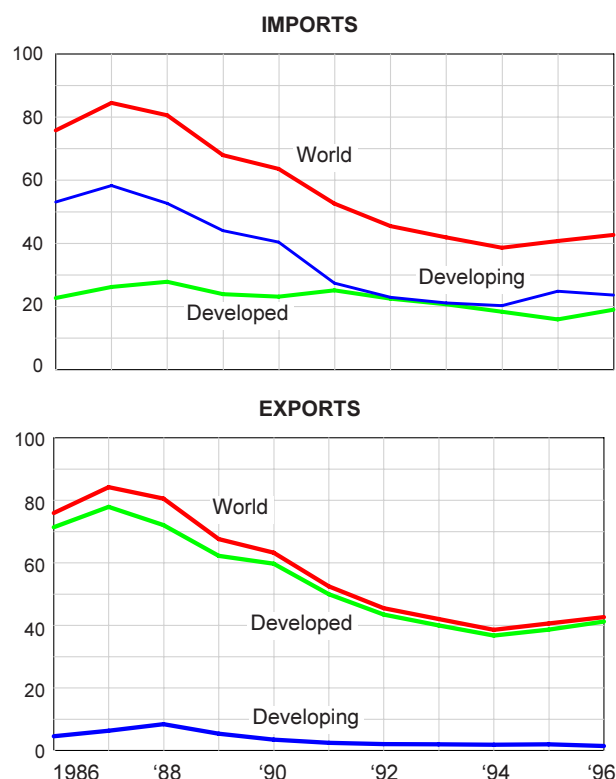


WMEAT 1997: Main Arms Transfer Tables II, III, and IV

HIGHLIGHTS

Figure 1. World Arms Trade, 1986-1996

(billions of constant 1996 dollars)



The volume of the world arms trade, \$42.7 billion in 1996, continued to edge upward from its 1994 post-cold-war low, increasing by \$2 billion from the previous year. The increase was the result of a \$3 billion rise in imports by the developed group of countries, while imports of the developing group dropped slightly by \$1 billion.

Table 1. Arms Exports: Shares and Growth
(in percent)

	World Share		Real Growth Rate*	
	1986	1996	Decade 86-96	2nd Half 92-96
World	100.0	100.0	-8.1	-1.6
Developed	94.0	96.6	-7.7	-1.4
Developing	6.0	3.4	-14.7	-6.7
Region				
North America	26.0	56.1	1.1	-4.4
Western Europe	21.3	29.4	-4.7	3.3
Eastern Europe	46.5	9.2	-25.8	6.7
Middle East	1.8	2.0	-5.9	7.9
East Asia	3.3	1.8	-16.2	-17.5
Oceania	.1	1.0	6.4	48.0
Southern Africa	.1	.4	13.0	5.3
Central Asia & Cauc.	—	.2	—	49.5
South America	.7	0	-30.3	-58.0
South Asia	.1	0	-8.5	-28.1
North Africa	.1	0	-43.9	-38.0
Central Africa	0	0	-18.7	0
Central Amer. & Car.	0	0	1.2	-42.4
Europe, all	67.8	38.6	-14.9	4.0
Africa, all	0.2	0.4	-1.2	3.2
Organization / Reference Group				
OECD	47.7	86.3	-1.1	-2.0
OPEC	.3	.4	1.3	34.0
NATO, all	48.7	85.0	-9	-2.3
Warsaw Pact (fmr)	46.0	9.4	-25.6	7.0
NATO Europe	19.8	26.0	-4.5	3.2
Latin America	.7	0	-25.5	-48.1
CIS	—	8.7	—	8.1

* Average annual rate, calculated as a compound rate curve fitted to all points (see Statistical Notes for details).

NOTE:

US Arms exports in dollar terms in Main Tables II-IV of *WMEAT 1997* have been revised upward significantly from previous editions, with new estimates for a major component, commercial arms sales. See the article, "Revision of US Arms Export Data Series," on the ACDA website under *WMEAT 1997*.

The preeminence of the developing country group as importers of arms, traditional in view of their large number and paucity of domestic arms producing industries, diminished markedly with the steep decline in their imports after the 1987 peak, while imports of the developed group remained fairly level (see Figure 1). In the years 1991-1994, the two groups approached equality in arms imports. The difference widened somewhat in 1995 and narrowed again in 1996.

At the same time, the traditional dominance of the developed group as exporters of arms has increased, with their share of the world total rising from 94% in 1986 to 97% in 1996 (Table 1). The US became the leading arms exporter in 1990, with a 39% share of the world total. This share reached 60% in 1992-1993 (with the demise of the Soviet bloc and the aftermath of the Gulf War), dropping to 55% in 1996.

These general trends were evident in previous editions of this report, but are more pronounced in this edition because of the use of a newly estimated and upwardly revised data series on US arms exports. The revision results from a new interim estimate for a major component of the US total, namely, "commercial" arms exports. Readers should be aware that the new interim series for US arms exports, while an improvement over the previously published series, is a temporary one pending the acquisition of a better data and a sounder series on commercial exports in future editions. (See the article, "Revision of US Arms Export Data Series", on this ACDA website under *WMEAT 1997*.) The US arms exports series has increased especially since about 1990, with the additional exports going primarily to US allies and other developed countries, thus augmenting the trends cited above.

The pattern of US arms exports to the world is markedly different from that of most other arms exporters. Figure 2 shows that the US is primarily a supplier of arms to developed countries. US

Table 2. Arms Imports: Shares and Growth
(in percent)

	World Share		Real Growth Rate*	
	1986	1996	Decade 86-96	2nd Half 92-96
World	100.0	100.0	-8.1	-1.5
Developed	30.0	44.5	-4.0	-5.8
Developing	70.0	55.5	-10.6	2.2
Region				
Middle East	36.2	38.1	-7.2	.2
East Asia	11.3	22.0	-1.0	5.4
Western Europe	10.3	21.3	-1.5	-10.0
Oceania	1.7	3.8	.1	8.1
North America	4.1	3.4	-9.3	-13.8
South America	1.9	2.7	-4.6	16.7
Eastern Europe	12.0	1.9	-26.8	56.7
South Asia	8.8	1.7	-24.7	-12.7
Central Asia & Cauc.	—	1.0	—	276.1
Southern Africa	3.3	.9	-20.5	-6.5
North Africa	3.6	.6	-25.8	12.3
Central Africa	2.0	.5	-24.7	-15.5
Central Amer. & Car.	4.4	.3	-33.2	-18.7
Europe, all	22.3	23.2	-7.2	-8.6
Africa, all	8.9	2.0	-22.9	-5.4
Organization / Reference Group				
OECD	17.6	34.1	-1.8	-7.6
OPEC	31.7	32.2	-7.6	2.9
NATO, all	12.5	20.8	-3.6	-11.9
Warsaw Pact (fmr)	12.0	2.6	-25.7	70.4
NATO Europe	8.5	17.6	-1.7	-12.0
Latin America	6.4	3.2	-.9	2.9
CIS	—	1.1	—	120.0

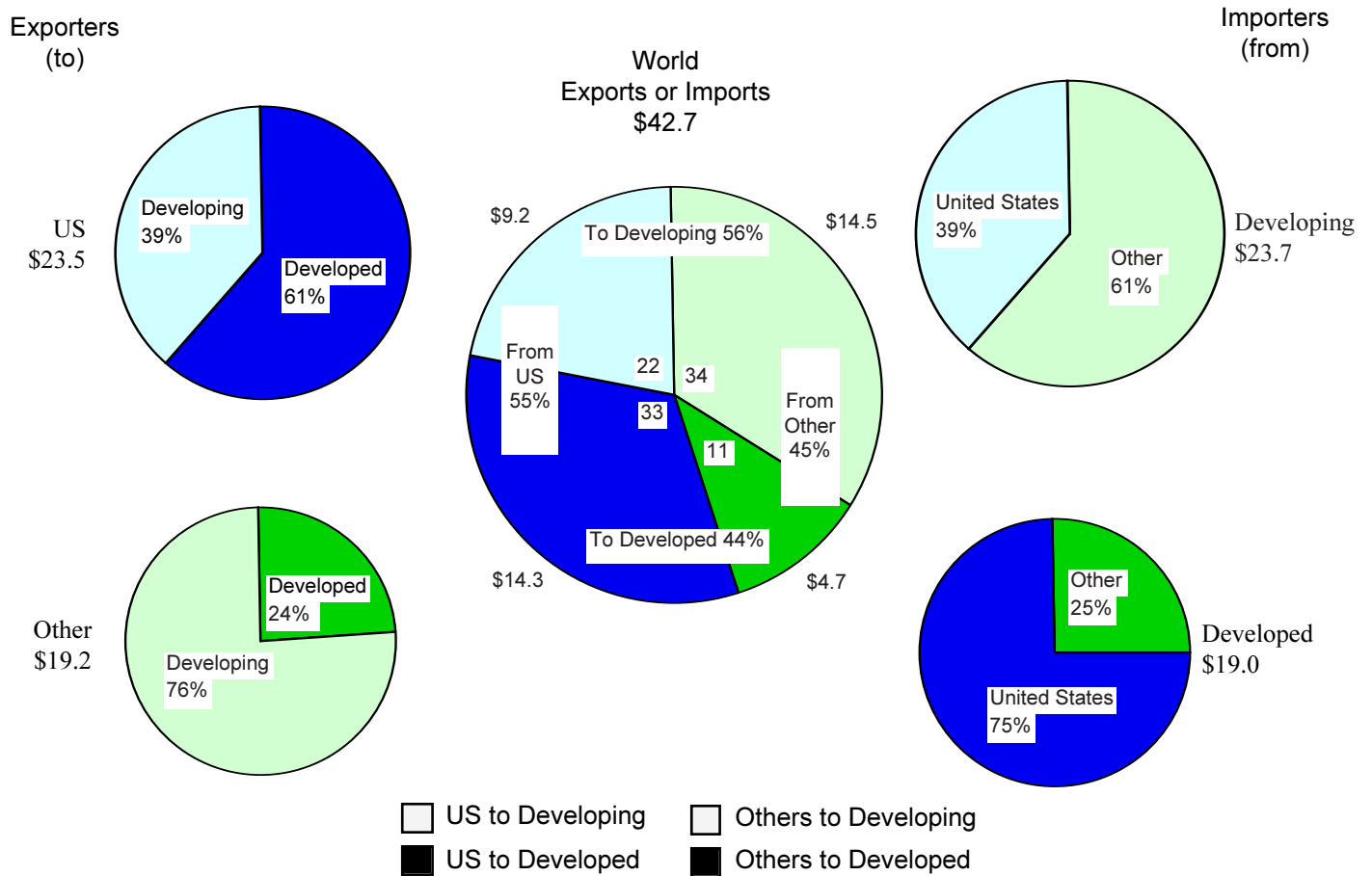
* Average annual rate, calculated as a compound rate curve fitted to all points (see Statistical Notes for details).

exports to developed countries in 1996 were 33% of world trade and 61% of total US arms exports. Most of this amount, 80%, went to fellow NATO members and other close allies Japan, Australia, South Korea, and Israel. Developed countries got 75% of their arms imports from the US.

On the other hand, the developing countries imported most of their arms, 61%, from non-US suppliers. The non-US group exported 76% of

Figure 2. World and U.S. Arms Trade Patterns, 1996

(Amounts in billions of dollars; shares in percent)



their arms to developing countries, or 34% of the world trade. In exception to this pattern, two of these exporters, Germany and Canada, resembled the US in exporting more to developed than to developing countries.

Other notable findings

- North America and Western Europe accounted for 85% of the world's arms exports in 1996. Eastern Europe provided an additional 9%, much lower than its 47% share a decade earlier. (See Table 1.)
- Five of the world's regions, including South America, were virtually out of the market as exporters, with a zero share in 1996.

- US exports in 1996 were nearly four times those of the next largest, the United Kingdom. The top ten exporters in 1996, with 94% of the world total, were:

		billion \$	% of total
1	United States	23.50	55
2	United Kingdom	6.10	14
3	Russia	3.30	8
4	France	3.20	8
5	Sweden	1.20	3
6	Germany	.83	2
7	Israel	.68	2
8	China-Mainland	.60	1
9	Canada	.46	1
10	Netherlands	.34	<1

- The top arms exporters to the developing groups of countries in 1996 were:

		billion \$	% of world
1	United States	9.2	39
2	United Kingdom	5.6	24
3	Russia	2.8	12
4	France	2.1	9
5	China-Mainland	.6	3
6	Israel	.4	2
7	Canada	.2	1

- Three importing regions accounted for over 80% of the world market in 1996: the Middle East (38%), East Asia (22%), and Western Europe (21%). These regions made up under 60% in 1986, when Eastern Europe and South Asia had larger shares (see Table 2).
- East Asia's arms imports, already large, grew at a 5% annual rate in the latter half of the decade. Because of very low starting levels, imports also grew sharply during that period in the Central Asia and Caucasus region and in Eastern Europe.
- Saudi Arabia was by far the largest arms importing country in 1996. The top ten, accounting for 57% of the total, were:

		billion \$	% of world
1	Saudi Arabia	9.8	23
2	Japan	2.4	6
3	China-Taiwan	2.0	5
4	Egypt	1.8	4
5	Kuwait	1.7	4
6	China-Mainland	1.5	4
7	United Kingdom	1.5	4
8	Turkey	1.4	3
9	Australia	1.3	3
10	South Korea	1.1	3

- Over the three-year period 1994-1996 (see Main Table III), the top six arms exporters and their share of world and developing country imports were as follows:

billion % of % of
dollars world developing

1	United States	67.3	56	42
2	United Kingdom	16.4	14	22
3	Russia	8.5	7	11
4	France	6.7	6	7
5	Germany	4.0	3	2
6	China	2.0	2	3

- In that same 1994-1996 period, the main arms importers, their share of world imports, and the share of their imports supplied by the United States, were as follows:

		billion dollars	% of world	% from US
1	Saudi Arabia	26.6	22.2	44
2	Japan	6.0	5.0	100
3	Egypt	5.7	4.7	67
4	Turkey	5.0	4.2	64
5	South Korea	4.8	4.0	67
6	China-Taiwan	4.1	3.4	81
7	United Kingdom	3.6	3.0	98
8	Australia	3.5	2.9	51
9	Kuwait	3.4	2.8	56
10	United States	3.3	2.8	0
11	Israel	2.9	2.4	91
12	Germany	2.7	2.3	96
13	China-Mainland	2.6	2.1	5
14	United Arab Emir's	2.2	1.9	35
15	Malaysia	2.0	1.7	18
16	Greece	1.8	1.5	62
17	Thailand	1.7	1.4	64
18	Spain	1.7	1.4	83
19	Netherlands	1.6	1.3	96
20	Italy	1.4	1.2	92

The data illustrate that in 1994-1996 several NATO and other allies who were leading world arms importers obtained their arms mainly from the United States, while developing countries Saudi Arabia, Malaysia, and Mainland China were less reliant on the US. This pattern resembles that for 1996 alone, as shown in Figure 2 above.

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