**A thriving industry**

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The Stockholm International Peace Research Institute (SIPRI) estimates that six countries – the US, Russia, France, China, Germany, and Italy – were responsible for 80 percent of global weapons exports from 2018 to 2022. The US alone counted for 40 percent, while Russia was a distant second at 16 percent.

It is difficult to place an exact value on the global arms industry. What exactly constitutes ‘arms’ is debated, while the same products can be sold for different prices. Weapons may also be shipped discreetly or on the black market. Nonetheless, SIPRI uses a ‘trend-indicator value’ that allocates a specific value to individual weapons or weapons systems based on their capabilities.

Maintaining and growing their market share is a prerogative for countries that export weapons. For Russia, weapons deals are a key method to gain access to hard currency. But weapons exporters also gain leverage over recipient countries by shaping their security situation, helping to lock in long-term constructive relations with other countries. The strength of national weapons industries can often fluctuate. After the Soviet collapse, for example, state funding for Russia’s arms industry declined markedly, while much of the weapons manufacturing infrastructure formerly under Moscow’s control was spread across the former Soviet Union.

But even Eastern European countries seeking to make their armed forces more interoperable with Nato and Western weapons struggled to wean themselves off Russian weapons. Increasing exports to China and India meanwhile helped sustain Russia’s arms industry in the 1990s. And after Putin came to power in 2000, Russia’s weapons industry managed to flourish by rebuilding part of its former client base and expanding across Asia, the Middle East, and Africa.

Despite remaining the world’s second-largest arms exporter, Russia’s industry has faced significant headwinds in recent years. Sales had already declined following the imposition of the first round of sanctions in 2014, which limited technology imports to Russia and punished countries for purchasing Russian weapons.

Sales to China, Russia’s other major weapons market have declined substantially since the 2000s, despite a slight rebound in 2018. And while China has developed its own domestic industry, it has also begun to export overseas to traditional Russian markets.

The struggles of Russia’s defense industry since the start of the war in Ukraine have also forced the Kremlin to reach out to recipient countries. In March 2022, US intelligence indicated that Russia asked China for military assistance, a claim denied by both Russia and China. Russia has also reportedly turned to India in search of spare parts, sought artillery shells from North Korea, and purchased drones and missiles from Iran. Contrastingly, the US has provided Ukraine with $30 billion worth of both excess weapons and vehicles and some of its latest weaponry. Doing so has weakened Russian military capabilities significantly without having to involve US forces directly. US weapons exports surged in 2022, spurred by deliveries to Ukraine and other allies increasingly wary of Russia and China.

Other countries have also sought to take advantage of the struggles facing Russia’s defense industry. French weapons exports had already increased from 7 percent of the global total from 2013 to 2017 to 11 percent from 2018 to 2022. France has also looked to rejuvenate its image as a leading arms exporter after the 2021 AUKUS deal between Australia, the US, and the UK terminated a high-profile French-Australian submarine program, humiliating Paris.

As India’s second-largest arms source, France is a frontrunner in a deal to deliver 27 Rafale fighter jets to the Indian Navy, having already delivered 36 to India since a deal was signed in 2016. And as sanctions have hindered Russia’s ability to provide essential parts, Serbia, another Russian weapons customer, declared it was in talks to place an order for French jets as well.

Germany’s arms industry has also exported significant quantities in recent years, with 2022 being the second-largest year for arms exports in German history. Germany’s ruling coalition initially wanted to scale back the country’s arms exports to avoid sending weapons to countries deemed human rights offenders, before the war in Ukraine saw exports surge.

However, the difficulties many European countries faced when they attempted to send German-built Leopard tanks to Ukraine demonstrated some of the underlying issues affecting Western weapons industries. Many Leopard tanks did not function properly and required significant refurbishment and additional parts, while other countries were unwilling to part with the few working tanks in their possession. Despite the hundreds of Leopards that Ukraine requested, only a few dozen have been delivered.

Western weapons stockpiles have also been significantly reduced in an effort to bolster the Ukrainian military. The focus on high-tech “luxury” weapons has meanwhile meant that European countries have struggled to transition to mass production industries. Russia’s focus on using artillery and relying on its ammunition stockpilehave undercut the West’s technological and industrial advantages by forcing Ukraine to engage in artillery battles.

Both US and Russian defense industries have also struggled to produce cheap drones, which have had a significant impact in recent conflicts, most notably during the 2020 war between Armenia and Azerbaijan. Turkey in particular has rapidly developed its homegrown drone industry, and Turkish drones have been used against Russian weapons to great effect during the 2020 Armenia-Azerbaijan war as well as in Libya and Syria.

Turkey has sold many drones to Ukraine, while Iran has sold its own arsenal to Russia. Both Turkey and Iran are aiming to pitch their products as low-cost alternatives to Western manufacturers. Turkey, however, is still in talks to buy Russia’s S-400 missile defense system. Its provision of weapons to Ukraine, while it continues to negotiate weapons deals with Russia, demonstrates the complicated nature of the global arms industry.

The war in Ukraine continues to underline how integral the arms industry is to geopolitics and the importance of being able to manufacture weapons domestically and cheaply. China, for example, has not provided weapons to either Ukraine or Russia, but its largest civilian drone maker, DJI, is one of the most important suppliers for their militaries.

Excerpted: ‘How the War in Ukraine is Shaking up the Global Arms Industry’. Courtesy: Counterpunch.org