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WORLD: U.S., Russia Top Arms Exporters, Congressional Report Says

The report found that the total value of military weapon sales worldwide in 2004 rose to the highest level since 2000, reaching nearly \$37 billion.

by [Lyubov Pronina](#), [Defense News](#)
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MOSCOW -- The United States and Russia have retained their positions as the world's top arms exporters to developing nations, a U.S. congressional report said.

The report, "Conventional Arms Transfers to Developing Nations in 1997-2004," was prepared by the U.S. Congressional Research Service and posted on the State Department's Web site. It found that the total value of military weapon sales worldwide in 2004 rose to the highest level since 2000, reaching nearly \$37 billion.

The United States was first among suppliers to developing nations for each year covered in the report, while Russia has held the No. 2 position since 1999.

The United States in 2004 signed agreements worth \$12.4 billion, or 33.5 percent of all deals made, down from \$15.1 billion in 2003, the report said. Russia made deals worth \$6.1 billion, up from \$4.4 billion in 2003.

Britain was third in arms transfer agreements to developing countries, with \$3.2 billion in sales, followed by Israel with \$1.2 billion and France with \$1 billion.

Last year, developing nations accounted for 59 percent of all arms transfer agreements made worldwide, the report said.

Likewise, the United States and Russia kept the top two places in arms deliveries last year, totaling \$18.6 billion and \$4.6 billion, respectively, according to the report.

Agreements the United States concluded with developing nations in 2004 included:

- The sale of three fast missile craft and associated weapons to Egypt for \$536 million; .
- The \$436 million sale of two UHF long-range early warning radars to Taiwan; .
- The sale to Brazil of 10 UH-60L Black Hawk helicopters for \$183 million.

Of Russian deals in 2004, the report lists:

- The long-awaited \$1.5 billion contract with India for delivery of the Admiral Gorshkov aircraft carrier, with a batch of 16 MiG-29K fighters and six to eight Ka-28 and Ka-31 helicopters.
- A \$1 billion contract with China for eight battalions of S-300PMU-2 air defense systems.
- A \$900 million agreement with China for engines to be installed on the Chinese J-10 fighter aircraft, which Russian media reported was concluded only this year for \$300 million.

China and India remain Russia's largest clients, which could provide the country's defense industry sustained business during this decade. Yet Russia's success in arms trade with developing nations in the future will depend on its ability to expand its client base, the report concluded. To this end, Russia has sought to expand its prospects in Southeast Asia.

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Indeed, Sergei Chemezov, the head of Russian arms export agency Rosoboronexport, said Aug. 18 that talks with Thailand and Indonesia may lead to sales of Russian Sukhoi fighter jets.

Konstantin Makiyenko, deputy head of the Center for Analysis of Strategies and Technologies, a defense think tank here, said that the U.S. congressional estimates of Russia's 2004 sales come close to the official statistic, but are short by \$1 billion in the delivery data.

Rosoboronexport, which accounts for more than 90 percent of all Russia arms sales, reported that it had signed contracts worth \$5.5 billion last year.

Meanwhile, arms deliveries reached \$5.6 billion, Makiyenko said.