

# Russia rules the world's arms bazaar

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At a time when US-Russia ties are undergoing palpable tensions, the United States dropped behind Russia and France last year in sales of arms to the developing world. The US share dropped from 35.4% to 20.5% between 2004 and 2005.

In monetary terms, the value of these deals fell from US\$9.4 billion to about \$6.2 billion. By contrast, Russia last year made \$7 billion selling weaponry to Asia, Africa and Latin America, an increase from \$5.4 billion the year before. Russia's top customers are China, India and Iran.

Those are some of the findings of the latest report issued by the Congressional Research Service (CRS). [1] The fact that China is also a major military supplier of Iran, and Russia and China are major opponents of the US resolve to use its "diplomacy through sanctions" approach, promises to raise tensions among these three powers.

The CRS, a non-partisan arm of the US Congress, periodically issues major reports of issues of strategic concerns to the United States. Global arms transfers almost invariably stay close to the top of that list.

Even though US-China relations remain highly complicated as they swing from friendly to competitive, especially over North Korea, trade, Iran, oil and Central Asia, the Pentagon is wary that China continues to receive most of its cutting-edge military technology from Russia. That enables China to save a lot of time in developing indigenous technology of its own.

In addition to fulfilling its long-term sales agreement with China for Su-27 fighter jets, destroyers and submarines, Russia also agreed last year to sell China 30 Il-76TD military transport aircraft and eight aerial refueling tankers for more than \$1 billion, the document said. New arms deals between Moscow and Beijing also include sales of various military aircraft engines worth more than \$1.2 billion.

The chief source of China's evolving military power is not necessarily its consistent acquisition of Russia's top military platforms. Rather, it is China's focus on evolving permanent patterns that would guarantee its emergence as a world-class military power.

For instance, it is revamping its top educational institutions along the lines of America's Ivy League and other educational institutions, whose technological knowledge is constantly being fed into, ensuring that China will remain on top of the hierarchy of the world's military powers. China learned that lesson in 1978, when its visionary Deng Xiaoping insisted on his now-famous "four modernizations" program. An important aspect of that trend was keeping a steady linkage between economic development and advancements in technology, and

then utilizing those advancements to strengthen its military arm.

The Pentagon was only too aware of that linkage when it filed its 2006 Annual Report to Congress, in which it quoted from its other major document – the Quadrennial Defense Review 2006 – which stated, “China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional US military advantages.”

There is little doubt that Beijing remains highly focused on narrowing the gap between the military power of the People’s Liberation Army and the US military. As ambitious as that goal remains, Chinese strategic thinkers know they are well on their way to attaining that objective within a matter of decades. Of course, the Pentagon is equally determined on maintaining the gap, or even widening it.

That is one reason it watches with rapt attention all extant and new trends in China’s arms buildup and its new capabilities, especially in the realm of developing counter-network operations. These capabilities refer to operational maneuvers aimed at countering network-centric warfare in which no country’s military comes even close to the armed forces of the US.

The US is also concerned over China’s arms sales, which in 2005 totaled \$2.1 billion. The report pointed out that Iran and North Korea were reportedly among clients receiving Chinese missile technology. The document therefore warned that “China can present an obstacle to efforts to stem proliferation of advanced missile systems”.

It is within this counter-network warfare that Iran is emerging as a major source of concern to the US. After all, it played a crucial role in the emergence of the Hezbollah in Lebanon as a respectable fighting force. It was largely the transfer of Iran’s military technology and its asymmetric capabilities to Hezbollah that made it difficult for the high-tech-oriented Israeli military to “eradicate” the fighting capabilities of that organization during the 34-day war in July-August.

During that war, America’s war planners also watched the performance of Russia’s military technology in the hands of its adversaries. For instance, Hezbollah’s use of Russia’s RPG-29s made a name for themselves for making a high kill ratio of Israel’s heavily armored Merkava tanks. Those rocket-propelled grenades were transferred to Hezbollah presumably through Syria.

It was not so much the poor performance of the Israeli military as the impressive showing of Hezbollah fighters through the use of Iranian weapons and operational tactics as well as Russia’s weapons that worried the administration of US President George W Bush. In this context, the 2006 CRS report makes some interesting observations regarding Russia’s sale of weapons to developing countries. Russia’s two leading clients were China and India. In addition, it continues to seek expansion of its trade in the Middle East, North Africa and Southeast Asia.

The CRS report also notes that to expand its arms market, the Russian government “has adopted more flexible payment agreements for its prospective customers in the developing world, including a willingness in specific cases to forgive outstanding debts owed to it by a prospective client in order to secure new arms purchases”.

Considering the US-Iran conflict related to the latter's refusal to abandon uranium-enrichment activities, the CRS report's observations about Russia-Iran arms sales are also quite interesting. Russia has made an agreement to sell 29 TPR-M1 (SA-15 Gauntlet) surface-to-air defense systems for more than \$700 million. Russia has also agreed to "upgrade Iran's Su-24 and MiG-29 aircraft, as well as their T-72 main battle tanks".

At a time when America's strategic dominance in the Middle East faces precarious challenges in Iraq, it remains highly concerned about Iran's growing military capabilities as a result of the transfer of nuclear and missile technology from Russia and China.

One of the major expectations of the Bush administration is that Iran's neighbors in the Persian Gulf will read this latest arms-transfer report closely and start to share America's threat perception related to Iran's military preparedness. Only then are they expected to start committing themselves to policies of containing Iran in the near future, something that the Bush administration has been urging them to do.

Note 1.

Some other features of the report include:

As of September, a total of US\$6.64 billion had been appropriated for FY2002-FY2007 by the US Department of Defense for coalition support payments to Pakistan and other cooperating nations. Pentagon documents indicate that disbursements to Islamabad accounted for the great majority of the funds: about \$3.6 billion for operations from January 2002 through August 2005, an amount roughly equal to one-quarter of Pakistan's total military expenditures during that period.

North Korea illegally shipped 40 ballistic missiles to other countries in recent years, the New York Times reported, citing unnamed US officials familiar with the Congressional Research Service report.

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