



Arms Trade News

compiled by the Arms Control Association
on behalf of the Arms Transfers Working Group

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U.S./Americas

Commerce unveils proposed rules for moving USML items to CCL (pdf)

Department of Commerce, July 14, Proposed Revisions to the Export Administration Regulations (EAR): Control of Items the President Determines No Longer Warrant Control under the United States Munitions List (USML)

According to the U.S. Department of Commerce, this rule proposes a new regulatory construct for the transfer of items on the U.S. Department of State's U.S. Munitions List (USML) to the U.S. Department of Commerce's Commerce Control List (CCL) once the congressional notification requirements and corresponding amendments to regulations are completed. The proposed rules also include details for the transfer of a tranche of items from Category VII of the USML (Tanks and Military Vehicles) and proposes amending the EAR to establish a process to make certain items eligible for a License Exception Strategic Trade Authorization (STA). Finally, the rule proposes new definitions related to "specially designed," "end items," "parts," and "components," which may impact U.S. discussions on the Arms Trade Treaty.

Brazil will not reconsider air force upgrade until 2012

Reuters, July 9, Brazil to look again at fighter jet deal early 2012

Defense Minister Nelson Jobim said that no decision was to be made on three likely rival bids to provide new fighter jets for the Brazilian air force before early 2012, but also stressed that technology transfer considerations would play a large role. Brazilian press sources have estimated a potential deal to be worth between \$4 and \$6 billion dollars. The Rafale, a fighter aircraft that saw combat over Libya, is being offered by French manufacturer Dassault and was favored by former President Luiz Ignacio Lula da Silva. The U.S. company Boeing is offering a version of the F/A-18, which was touted by President Obama during a March visit. The Swedish Gripen from Saab is also under consideration. Up to 100 jets could eventually be purchased as part of the acquisition initiative that has already seen several reversals in recent years.

Brazil's unsecured ports a boon for gun smugglers

Christian Science Monitor, July 18, Brazil's new arms-trafficking frontier? The sea

Brazilian police have identified the ports of Paranagua and Santos as major entry points for illegal weapons smuggled into the country. According to a recent report, maritime smuggling has become an increasing problem due to minimal oversight of the mass volume of containers that pass through Brazilian ports every day. This trend will create

additional headaches for Brazilian police already having difficulty monitoring a 17,000 km porous border with 10 neighboring countries.

Grenada becomes first country to accede to the CCM

Cluster Munition Coalition, June 30, Grenada: first state to accede to cluster bomb ban

Grenada has become the 59th state party to the Convention on Cluster Munitions (CCM) and the first to join through accession. According to the Cluster Munition Coalition, U.S. forces used MK-20 Rockeye cluster munitions in Grenada during the 1983 invasion of the country. The provisions of the CCM will enter into force in Grenada on December 1, 2011.

Canada sold arms to 70 countries from 2007-2009, is 12th largest exporter

Postmedia News, July 11, Canada is world's 12th-largest exporter of arms

Customers for arms exports in recent years have included Zimbabwe and Libya according to the Canadian government, but more than half of reported sales were to NATO allies. A total of \$1.4 billion Canadian dollars' worth of arms were sold between 2006 and 2009, according to a government report. Canada does not report arms exports to the U.S. due to high industry integration; according to one expert, these unreported exports account for around three-fourths of the actual total.

Chinese technicians help Bolivia assemble new aircraft

Agence France-Presse, July 11, Bolivia forces assemble 6 Chinese warplanes

The Chinese government provided the six K-8 aircraft to Bolivia to help train their pilots for missions against targets related to anti-narcotics operations. Twenty-eight Chinese engineers are assisting Bolivian staff assemble the aircraft in a hangar in the department of Cochabamba.

Mexico to spend \$200 million on Italian transport planes

Shephard, July 6, Alenia Aeronautica receives Mexican C-27J order

The Mexican government has signed a contract worth approximately \$200 million with Alenia Aeronautica to purchase four C-27J tactical transport aircraft. The aircraft will be delivered between this fall and the end of 2012.

Middle East and North Africa

France airdrops arms to Libyan rebels

BBC, June 29, French arming of Libya's rebels strategic

The French military announced that it had conducted an airdrop of small arms and light weapons to a group of Libyan Berber rebels in the Nafusa Mountains in the Western part of the country. According to a spokesman, Libyan government forces had encircled this group of rebels. The action may be in violation of Security Council Resolution 1970

that establishes an arms embargo of Libya. [Russia](#) and the [African Union](#) were quick to officially condemn the airdrop.

German Leopard sale to Saudi Arabia causes uproar

Der Spiegel, July 4, Germany Wants to Supply Battle Tanks to Saudi Arabia

The magazine *Der Spiegel* reported that the Federal Security Council, a committee chaired by Chancellor Angela Merkel, has approved the sale to Saudi Arabia of 200 Leopard 2A7+ tanks, potentially [worth around 2 billion euros](#). The deal represents an about face; for the last 30 years [Israeli opposition](#) has made such a large transfer of tanks to the Middle Eastern country untenable. The opposition Social Democratic and Green parties have objected vocally to the deal and a parliamentary debate on the subject was held on July 6. Some members of Merkel's [ruling Christian Democrat Party](#) [have also objected](#). [According to one constitutional scholar](#) interviewed by *Der Spiegel*, parliamentarians may have some success forcing the government to share the proceedings of the "secret" Federal Security Council through an appeal to the Federal Constitutional Court. If the deal were to go through, it would [supplant a similar deal](#) that Saudi negotiators were exploring with Spanish manufacturers.

Saudi Arabia to spend additional \$30 billion on U.S. goods to upgrade navy

Reuters, July 6, Saudi plans to lift arms purchases from US to \$90 bln

Following the massive \$60 billion planned arms deal between the United States and Saudi Arabia announced last year, Saudi Arabia intends to spend an additional \$30 billion to upgrade its navy. Sources tell Reuters that the deal would include maintenance and training, and that the chances that the deal would fall through are "very remote". One analyst told the news agency that Saudi Arabia was responding to increasing regional threats such as the protests in Yemen and piracy in its waters.

Germany approves 10 billion euros in defense sales to Algeria

Handelsblatt, July 3, Deutschland gibt Rüstung für Algerien frei

Companies such as Rheinmetall, ThyssenKrupp, MAN, and Daimler will benefit from projects in Algeria worth \$10 billion euros that were recently approved by the Federal Security Council of Germany. One project involves the creation of an effective border control system that will assist Algeria in preventing an outflow of North African refugees to Europe. Chancellor Angela Merkel offered her country's assistance in constructing such a system during a December meeting with Algerian President Abdelaziz Bouteflika in Berlin. Rheinmetall and MAN are planning to manufacture armored vehicles in Algeria through a joint venture, while ThyssenKrupp intends to supply the navy with new frigates.

Algerian Navy purchases two corvettes from Russia

DefenceWeb, July 1, Algerian Navy purchases two Tiger corvettes from Russia

The two 'missile frigates' will be constructed by United Shipbuilding Corporation of Russia and are export models of Russia's new Steregushchy corvette design. A contract

for the deal was signed on June 30 and is the culmination of a tender process that began in 2007.

Human Rights Watch identifies more minefields in Libya

Human Rights Watch, July 8, Libya: Government Lays More Mines in Western Mountains

Following on from a previous [June 21](#) report of mine laying in the Nafusa mountains, Human Rights Watch (HRW) has confirmed the presence of another three minefields near the town of al-Qawalish. Brazilian-produced T-AB-1 antipersonnel mines and Chinese Type-72SP antivehicle mines were unearthed by rebel mine clearers. Brazilian Minister of External Relations Antonio Patriota has condemned the mine laying and his country is currently investigating how the mines were exported to Libya. According to HRW, Brazil is a member of the Mine Ban Treaty and has not exported or produced antipersonnel mines since 1989.

Top Israeli officials divided over missile sales to Turkey

The Jerusalem Post, July 5, FM thwarting sale of defense equipment to Turkey

Israeli Foreign Minister Avigdor Lieberman is blocking the sale of anti-tank and air-defense missiles to Turkey that are being pushed by the Defense Ministry as part of an initiative to repair relations. Previous to its military operations in Gaza during 2009, Israel had been a leading supplier of military goods to Turkey. A growing rift between the two countries has led to a near-complete halt in defense exports from Israel.

Germany will continue to subsidize Israeli submarine costs

The Associated Press, July 18, Germany to finance submarine for Israel

A deal that will reduce the cost to the Israeli government by a third for the construction of a sixth Dolphin-class submarine has been reached. Three of the vessels are already in service and two are currently under construction. The Dolphin-class is [believed to have a nuclear-armed cruise missile capability](#), and is assigned to patrol off the coast of Iran.

Arms smuggling by the Revolutionary Guards prompts U.S. condemnation

The New York Times, July 10, Panetta Says Iranian Arms in Iraq Are a 'Concern'

U.S. Secretary of Defense Leon Panetta has joined other officials in highlighting the increase in the smuggling of Iranian weapons into Iraq. In particular, high-powered rockets and parts for bombs have aided Shiite militias in targeting U.S. personnel, according to U.S. officials. U.S. Ambassador to Iraq James F. Jeffrey previously claimed that his government has “forensic evidence” that proves the Iranian origin of weapons retrieved in Iraq. The [Iranian Defense Minister has denied](#) these and similar claims regarding weapons in Afghanistan.

UAE shies away from Rafale deal, explores further purchase of F-16s

DefenseNews, July 6, UAE May Buy More F-16s

The high cost of the joint development of upgrades for the French Dassault Rafale has convinced the United Arab Emirates to consider purchasing more F-16s. The potential \$10 billion Rafale deal was discussed recently at the Paris Air Show but French insistence on pricing was firm.

Both Lockheed Martin, the producer of the F-16, and Dassault may soon be reliant on foreign sales in order to keep production lines open.

U.S. planning co-production of 125 Abrams tanks with Egypt

DefenceWeb, July 11, Egypt getting ready to purchase M1A1 tanks

On July 1, the Defense Security Cooperation Agency [notified](#) (pdf) Congress of a potential co-production project of 125 M1A1 Abrams tanks worth \$1.3 billion. Egypt has participated in the co-production of Abrams tanks since 1988 and presently has 973 units already in service.

Europe/Russia

Cyprus explosion linked to 2009 illegal Iranian shipment

The Telegraph, July 11, Iran explosives at centre of Cypriot intrigue

The explosion at a Cypriot military facility, which killed the head of the Cypriot navy, was centered on a confiscated shipment of an estimated 2,000 tons of artillery explosives that were hauled off an Iranian-hired vessel in 2009. The shipment from Bandar Abbas was headed for the Syrian port of Latakia; it was flagged by the United States and detained at the Cypriot port of Limassol. Documents released by Wikileaks claim the shipment also included shell casings and primers.

UK reveals arms exports figures for 2010

DefenseNews, July 18, U.K. Exports Slip, But Market Share Increases

Arms exports for 2010 totalled roughly 8 billion pounds (\$12.9 billion), according to the Defence and Security Organisation. The figures show a rise in global market share, but also a decline in military exports. The [Foreign and Commonwealth Office](#) has also [published](#) its annual report on strategic exports that provides data on violations prosecutions, seizures, and compliance visits.

Ukraine releases arms exports figures showing nearly \$1 billion in sales

defenceWeb, July 19, Ukraine exported nearly US\$1 billion of weapons last year, mainly to Africa

Figures from the State Service for Export Control show arms exports for 2010 totaling \$956.7 million, up from \$799.5 million in 2009. A large part of these earnings were generated by the sale of T-55 and T-72 Soviet-era tanks to the Democratic Republic of the Congo and Southern Sudan. The latter also purchased howitzers, mortars and small arms from Ukraine. It remains unclear, however, whether these weapons have yet been delivered; a former director of Ukraine's state-run exports company Ukrspetsexport expressed doubts that the figures were realistic.

Italian government blocking inquiry into arms cache movement

The Guardian, July 19, Italian government blocks investigation into missing arms cache

A shipment of weapons seized in the 1990s containing 30,000 assault rifles and various light weapons has been moved from its holding site in northern Sardinia to an unknown location by the Italian military, a source tells *The Guardian*. A prosecutor in Sardinia was blocked from investigating the transfer by the Prime Minister's office on grounds of official secrecy.

Azerbaijan begins licensed production of Russian rifles

APA, July 7, Azerbaijan starts serial production of AK-74M assault rifles basing on Russian license

The Ijmach company will produce 5,000 AK-74M rifles for the Ministry of Defense this year, based on a Russian license. The Azerbaijani version of the AK-74 will be known as the "Khazri" and has a slightly modified design.

Africa

Amnesty International ties Sudan arms imports to need for an ATT

Amnesty International UK, July 8, Sudan: China, Russia and USA provided weapons or military training for bloody conflict

Based on analyses of weapons and armaments used in fighting in Southern Kordofan, Amnesty International has called on states to exercise restraint and better judgment in transferring arms to the Southern People's Liberation Army (the armed forces of South Sudan) and the Sudanese armed forces. Amnesty points out, in particular, the transfer of Sukhoi Su-25 fighter jets to the Sudanese Air Force in 2008 and 2009 from Belarus, and significant U.S. military assistance to South Sudan.

Africom: US Navy assists in training Mozambique mine clearing troops

Africom Press Release, June 30, Soldiers take first step in combating Mozambique's landmines

U.S. Navy Explosive Ordnance Disposal technicians have trained 38 Mozambican soldiers in a de-mining course sponsored by a partnership between the U.S. Africa Command and the Mozambique government. According to Africa Command, Mozambique is one of the most heavily mined countries in the world and landmines kill or injure 20 people a month.

Asia

India gives final approval to \$2.4 billion Mirage upgrade

Agence France-Presse, July 14, French defence contractors secure \$2.4 billion Mirage jets deal

The 51 Mirage 2000 jets will mostly be upgraded on Indian soil and will acquire new navigation systems, mission computers, electronic warfare systems, and radars. French companies Dassault and Thales and European company MBDA will assist Hindustan

Aeronautics in upgrading the aircraft at the latter's Bangalore base. The project will likely last nine years, and will run parallel to a major fighter aircraft acquisition plan that is likely to cost the Indian government \$12 billion.

Local tensions prompt Philippines to consider new fighter fleet

Agence France-Presse, July 4, Philippines seeks modern US military hardware

The Philippines will ask the United States to provide it with modern maritime patrol aircraft and other hardware in order to defend its territorial claims in the South China Sea, the Defence Secretary Voltaire Gazmin told reporters. Gazmin noted that the Philippines is also interested in purchasing a new fleet of fighter aircraft. Its last F-5 fighter jet was decommissioned six years ago.

China purchases 123 Russian jet fighter engines

Russian Aviation, July 4, China has acquired Russian engines to the amount of \$500 million

The order for 123 AL-31FN engines are intended for use with China's J-10 and J-11 aircraft, both of which are versions of the Russian Sukhoi Su-27. China manufactures indigenous engines for the two fighter jets, but these do not match the quality and reliability of the Russian imports. The purchase is worth approximately \$500 million and the engines will be delivered by the end of 2013.

Russian Kilo-class submarines to be delivered to Vietnam by 2014

MaritimeSecurityAsia, July 6, Russia to supply Vietnam Six Submarines in 2014

Vietnam signed a contract to purchase six Kilo-class diesel-electric submarines according to a Russian state export company official. The deliveries will be made by 2014 and will enable Vietnam to better patrol its water in the South China Sea. According to RIA-Novosti, 29 Kilo-class submarines have so far been exported to China, India, Iran, Poland, Romania and Algeria.

British Minister of Defence in India selling the Eurofighter

The Times of India, July 10, India needs defence partners not suppliers: Liam Fox

UK Minister of Defence Liam Fox tells the *Times of India* in an interview that he has stressed the importance of buying a strategic partnership in his talks with Indian officials. The United Kingdom is part of the Eurofighter consortium that is attempting to convince the Indian government to purchase Eurofighter Typhoons for its medium multi-role combat aircraft tender. Fox noted that the French defense industry was relatively closed; the Typhoon's lone competitor for the contract is the Dassault Rafale.

Turkey close to signing submarine deal with Indonesia

Today's Zaman, June 30, Turkey, Indonesia close to sealing key submarine deal

A deal for a Turkish-German joint production project to provide two diesel-electric submarines for the Indonesia navy is nearing completion, according to a Turkish defense official. The German firm Howaldtswerke-Deutsche Werft GmbH (HDW) will work with a Turkish company to build the Type 209 submarines at the Gölcük shipyard. The defense official also noted that Turkey is hoping to expand its arms exports and that

it is opening new export offices in Belgium and Qatar, and one in either Azerbaijan or Turkmenistan.

Global Issues

Corruption must be taken seriously as part of an Arms Trade Treaty

Transparency International, July 11, Corruption risks may undermine UN Arms Trade Treaty

Tobias Bock from Transparency International emphasizes the need for anti-corruption mechanisms in an arms trade treaty. He asserts that the arms industry is highly supportive of the inclusion of anti-corruption measures that are in the draft paper prepared by the Chair of the negotiation process, Ambassador Roberto García Moritán of Argentina. Without these measures, the treaty will likely fail to be effective in its mission.

SIPRI publishes three papers on the Arms Trade Treaty

Stockholm International Peace Research Institute, July

The [first paper](#) makes the case for stronger arms imports controls in the Arms Trade Treaty, arguing, for example, that for an exporting state, import authorizations issued by the recipient country would provide reassurance that arms shipments were legitimate and would not be diverted. The [second addresses transshipment controls](#) and documentation while the [third discusses options for reporting and implementation](#), based, in part, on a survey of state reporting to the UN Register of Conventional Arms conducted by SIPRI.

About the Arms Transfers Working Group

The Arms Transfers Working Group (ATWG) is an alliance of arms control, development, human rights and academic organizations and affiliated individuals. ATWG serves as an information clearinghouse, forum and point of contact for strengthening efforts to address the economic, humanitarian and security implications of legal, illicit, and illegal arms transfers. ATWG participants focus on a wide range of concerns related to small arms and light weapons, major conventional weapons systems, and relevant dual-use technologies.

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