



A Thriving Trade: Global Legal Small Arms Transfers

Introduction

Based on both official and unofficial sources, the annual legal global trade in small arms and light weapons represents a brisk business, estimated at between US\$ 4-6 billion. It accounts for at least 80-90 per cent of the total annual value of trade in small arms.

It is essential to emphasize that—initially at least—the overwhelming majority of small arms are sold and transferred legally. This is true for transfers both to governments and their agencies, and to private citizens. This legalized trade in small arms is a legitimate economic activity, based on the security, or other needs of states and individuals.

Figure 4.1 Small arms transfers: The legality spectrum

LEGAL TRANSFERS:

These occur with either active or passive involvement of governments or their authorized agents, and in accordance with both national and international law.

ILLICIT GREY MARKET TRANSFERS:

These happen when governments or their agents exploit loopholes or circumvent national and/or international laws or policy.

ILLEGAL BLACK MARKET TRANSFERS:

In clear violation of national and/or international laws and without official government consent or control, these transfers may involve corrupt government officials acting on their own for personal gain.

Legal transfers—as opposed to grey or black market transfers (ILLICIT TRANSFERS)—are defined as those carried out by governments or their authorized agents in accordance with both international and national laws and with the policies of exporting and recipient states. Although officially authorized, available evidence suggests that even legal small arms transfers may, under unfavourable circumstances, contribute to destabilizing accumulations of weapons and provide a ready supply to the grey or black small arms markets. For this reason, any study of illicit small arms transfers should also examine their legal context.

There are several ways in which legal transfers of small arms can contribute to destabilizing small arms accumulations, as well as feeding into illegal markets. First, as they are replaced by newer models, older weapons can ‘cascade’ into the black or grey markets. Second, new weapons may add to already saturated stockpiles, driving prices down and increasing the market availability of small arms. Third, legal transfers can end up in countries where inadequate stockpile monitoring and security, as well as corrupt officials, may render these weapons easy targets for re-transfer into the illicit market.

In order to preclude, or at least mitigate, these circumstances, it is necessary to develop a comprehensive evidence base on the legal trade in small arms. With such a picture, states and their agencies are better equipped to ensure that the weapons they export stay within the legal market.

The global illicit small arms trade is examined in Chapter 5 of this Survey.

Box 4.1 Scrutinizing the scope of legal transfers

Legal transfers are defined as transfers that occur with the involvement, whether active or passive, of governments or government authorities, in accordance with both national and international law. 'Active' means that arms sales are initiated and officially carried out by governments; 'passive' means that governments license arms sales by private companies.

According to the 1997 *UN Report of the Panel of Governmental Experts on Small Arms*, 'legitimate trade occurs among Governments or among legal entities authorized by Governments'. With legal transfers, governments approve sales through legal instruments, such as export licences on the part of the seller, end user/end-use certificates on the part of the recipient, or through approval by national parliaments or specific government agencies. In many countries, the defence industry is nationalized; thus, any sale of small arms is implicitly a legal government sale.

Some legal transfers are less than transparent; however, this does not necessarily mean that they are illicit. Many countries maintain secrecy regarding such transfers due to national security or commercial confidentiality concerns. Such transfers fall under the heading of legal covert transfers; that is, transfers that are not necessarily in violation of any national or international law but that are nevertheless carried out in a clandestine manner.

To shed light on the ambiguous area of legal covert trade, it is helpful to look at the way the issue has been addressed by the UN, which has noted that 'during the Cold War ... States have secretly carried out transfers of small arms and light weapons. Such transfers are not necessarily illicit. Any transfer not approved by the competent authorities in the recipient State could, however, be classified by that State as interference in its internal affairs and therefore illegal' (United Nations, 1997).

A number of governments and researchers have identified sub-categories of legal transfers. The problem with such detailed definitions is that they are based on national legislation, gun laws, and reporting practices and are, in general, not universally applicable.

Each country has its own way of classifying arms transfers. For example, the United States, arguably the largest exporter by value of small arms and ammunition, categorizes three methods of legal transfers:

- Foreign Military Sales (FMS): Direct government-to-government sales of new or used weapons;
- Free or low-cost transfers of arms: These may take the form of grants, loans, or aid provided to countries with the express purpose of procuring arms. Such transfers usually take place when the importing country is unable to pay for the arms or if payment would put undue financial strain on the country of destination; and
- Direct Commercial Sales (DCS): Negotiated between the arms manufacturing industry and the buyer.

By way of comparison, Australia identifies the following legal small arms transfer forms:

- Government-to-government transfers, including in the form of aid;
- Commercial sales;
- Private imports: Individuals ordering and importing declared firearms;
- Private sales (e.g. through a firearms dealer); and
- Club armours: selling or buying of firearms for, or on behalf of, club members (Mouzos, 1999).

By comparing and contrasting these American and Australian definitions, it can be seen that national classifications or definitions of legal arms transfers are generally based on domestic gun legislation or export control regulations and do not currently reflect any universally accepted norms or terminology.

It follows that these two examples of arms sales classifications are by no means applicable to the rest of the world. Even within the US, distinctions are made between trade in military small arms exports and trade in firearms although, for the most part, the UN definition of small arms covers both categories. Thus, it is clear that there is an urgent need to develop universally applicable and acceptable definitions, norms, and standards in the area of small arms and light weapons.

Each country has its own way of classifying arms transfers, based on national legislation, gun laws, and reporting practices.

In surveying the global legal trade in small arms and light weapons, this chapter addresses the following four questions:

- What are the available sources of data on the worldwide legal small arms trade?
- How comprehensive and accurate are these data?
- What is the scope (i.e. volume, value, trade flow) of the global legal trade in small arms?
- Which countries are the major legal small arms suppliers and recipients?

Data issues

In the field of small arms, many researchers contend that a comprehensive, accurate, and meaningful assessment of global trade is currently impossible.¹ To start with, precise dollar figures for the global small arms trade, both legal and illicit, have been virtually impossible to calculate. Now, however, the increasing quantity and quality of government export reports and UN statistics vastly exceeds that of ten, or even five, years ago. Every year, in fact, more countries reveal data on their arms exports. It is this statistical data on the small arms trade, along with some anecdotal media reports, that this chapter analyzes. It is expected that, as greater quantities of reliable data become available, a more accurate picture of the small arms trade will emerge. This, in turn, will open avenues to new policy options to stem the uncontrolled flow of small arms and light weapons and to reduce the destabilizing accumulations of these weapons.

Lack of uniformity in national reporting makes it difficult to estimate the global legal trade in small arms.

Major conventional weapons research: Collecting data on arms transfers is not new. Research institutes such as the Stockholm International Peace Research Institute (SIPRI) in Sweden and the International Institute of Strategic Studies (IISS) in the United Kingdom have supplied data on arms transfers and military spending for decades. The UN Register of Conventional Arms (UNRCA) is now entering its seventh year; 90 countries made submissions for its 1999 calendar year (United Nations, 2000).² However, data from these sources are concerned primarily with larger conventional arms rather than with small arms and light weapons.

Small arms trade research: In addition, a number of research institutions and NGOs have begun to collect information on small arms transfers in the last few years. Most notable is the Norwegian Initiative on Small Arms Transfers (NISAT), which has a searchable website (www.nisat.org) with extensive data on this subject. Others, such as the Institute for Security Studies (ISS) in South Africa, the Regional Centre for Strategic Studies (RCSS) in Sri Lanka, and the Institute for Defence Studies and Analyses (IDSA) in India, collect regional data on small arms transfers. However, such specialized institutions are hard put to produce comprehensive assessments of the value or volume of these transfers. Investigative reporting and analyses by a number of NGOs (e.g. Human Rights Watch, Oxfam), as well as reports in specialized defence and military publications, also contribute to the growing reservoir of information on both legal and illicit small arms transfers.

National reporting: As mentioned previously, in recent years, there has been a significant improvement in the quality and quantity of official information on small arms transfers. A small, but growing, number of countries have adopted more transparent policies by publishing regular arms export reports that include information on small arms transfers.

Unfortunately, official data on small arms transfers contained in these various government reports do not lend themselves to direct comparison since there is no universal definition, terminology, or reporting format. For example, a number of countries include hand grenades in the same export category as bombs and torpedoes. Some list ammunition in their small arms category while others list it separately, often in categories that include ammunition for major weapons systems. Such lack of uniformity makes it difficult to create an accurate picture of the global legal trade in small arms.

Inter-governmental monitoring: International organizations, such as the United Nations (UN), the European Union (EU), and the Organization for Security and Cooperation in Europe (OSCE), also contribute to the growing volume of information on small arms transfers.³ For example, customs data are compiled under the auspices of the UN in its COMTRADE database (see below); an annual report in accordance with its Code of Conduct on Arms Exports is published by the EU; and fact-finding missions and field reports have been executed by the OSCE.

Small arms customs data: One of the only sources of comprehensive international data on the legal small arms trade is the COMTRADE database, which reports national customs trade data to the United Nations Statistical Division. However, even despite harmonized customs reporting systems, these data are not entirely comparable. In addition, only 33 countries currently submit data on exports of military firearms, pistols, and revolvers to this database—and they do not include a number of the world's major small arms exporters, such as Bulgaria, Israel, and the Russian Federation. Furthermore, the categories reported do not coincide with the previously cited definition of small arms formulated by the UN panel of experts. Finally, COMTRADE reports only data for countries that export over US\$ 50,000 worth of arms per category ('military firearms' or 'pistols and revolvers') over a period of five years. Thus, reports from countries submitting data beneath this threshold are not reflected. And yet, inadequate as these data are for a variety of reasons, COMTRADE is virtually the only source for determining the financial magnitude of the small arms trade.

Small arms, light weapons, and associated ammunition may comprise only five per cent of the total value of legal arms exports; yet these weapons can account for up to 90 per cent of casualties in armed conflicts.

The scope of the legal global trade in small arms

The scope of the legal global small arms trade is described below in terms of financial value and physical volume.

Share: There are diverse and quite disparate estimates for the value of the annual legal global trade in small arms as a percentage of total arms trade. An analysis of available official statistics from government export reports suggests that the average annual value of legal small arms exports accounts for only about three per cent of total conventional arms exports; when associated ammunition is included, this figure climbs to about five per cent (see Table 4.1). Although a figure of 13 per cent, generated by the US Arms Control and Disarmament Agency (ACDA), is often cited as the value of annual trade in small arms and ammunition as a percentage of total arms exports (Renner, 1999), current research suggests that this estimate is substantially overvalued.

Table 4.1 Small arms and ammunition as a percentage of total legal arms exports

Country	Reporting Year	Value Total Arms Exports	Value Small Arms Exports	Small Arms as % of Total Arms Exports	Ammunition Exports	Ammunition as % of Total Arms Exports	Small Arms & Ammunition Exports	Arms & Ammunition as % of Total Arms Exports
Belgium	1999	\$238.0 mil.	\$33.0 mil.	14.0%	\$23.0 mil.	10%	\$56.0 mil.	24%
Canada	1998	\$292.0 mil.	\$6.0 mil.	2.0%	\$13.0 mil.	4%	\$19.0 mil.	6%
Finland	1998	\$31.0 mil.	\$0.5 mil.	2.0%	\$4.0 mil.	13%	4.5 mil.	15%
Netherlands	1998	\$369.0 mil.	\$1.0 mil.	0.20%	\$46.0 mil.	12%	\$47.0 mil.	12%
Norway	1998	\$130.0 mil.	\$0.075 mil.	0.05%	\$32.5 mil.	25%	\$32.5 mil.	25%
Russian Fed.	1999	\$3400.0 mil.	n.a.	n.a.	n.a.	n.a.	\$100.0 mil.	3%
South Africa	1999	\$178.0 mil.	n.a.	n.a.	n.a.	n.a.	\$9.0 mil.	5%
South Korea	1997	\$69.4 mil.	\$5.3 mil.	8.0%	\$38.3 mil.	55%	\$43.6 mil.	63%
Sweden	1998	\$413.0 mil.	\$0.353 mil.	0.08%	\$42.0 mil.	10%	\$42.0 mil.	10%
United States	1998	\$20000.0 mil.	n.a.	n.a.	n.a.	n.a.	\$ 1000.0 mil.	5%
Weighted Averages				3.0%		12%		5%

Sources: Government reports and press reports

Small arms, light weapons, and associated ammunition—despite the fact that they comprise only an estimated five per cent of the total value of legal arms exports—may nevertheless account for up to 90 per cent of casualties in armed conflicts (EFFECTS).

Value: The SIPRI Yearbook 2000 estimates that the global legal trade in conventional arms in 1998 was worth between US\$ 35-49 billion. Applying the range of estimates of the small arms trade cited above (between 5-13 per cent) to the SIPRI data for conventional arms results in a range of US\$ 2-6 billion annually. Other data, however, suggests that any figure below US\$ 3 billion may be too low.

Although one study (Boutwell and Klare, 2000) estimated that the legal trade in small arms is worth between US\$ 7-10 billion, existing data suggests that this figure is too high. Adding together existing information from both official sources (e.g. government export reports, customs data, UN data) and unofficial estimates cited in the press and elsewhere gives a figure of about US\$ 3 billion for the total legal trade. However, official figures for several possible major small arms exporters, such as Israel and Bulgaria, are not available. In addition, figures available for a number of countries do not include light weapons or ammunition. If one includes estimates for the value of these countries' small arms exports, then the range of US\$ 4-6 billion is an estimate substantiated by official export data figures.⁴

Attempts to estimate the value of the legal global trade in small arms are complicated by a number of other factors. The sales prices of small arms manufactured in China or the Russian Federation are not comparable to those made, for instance, in the US or Belgium. Furthermore, small arms are often donated or sold below market prices. Thus, the utility of trying to quantify the monetary value of the legal global trade in small arms without a better evidence base is questionable. Nevertheless, despite the limited value of current monetary estimates of the global trade in small arms, enough data—both official and unofficial, including media reports—does exist to identify trade patterns and provide illustrative accounts of transfers.

Volume: Quantifying the volume (i.e. actual quantities) of the legal global trade in small arms is considered by many researchers and policy-makers even more fundamentally crucial than the monetary value. Quantification refers to information on the actual numbers of guns and ammunition transferred and thus, indirectly, the military capabilities of given security forces. It is the volume that is more important when it comes to the leakage or diversion of small arms from legal to illicit markets.

With the exception of a few countries (e.g. Italy, the UK, the US), very little official information on the magnitude of the legal small arms trade, including ammunition, is available. Based on data currently available, it is therefore virtually impossible to calculate a 'fool-proof figure' for the total number of small arms and light weapons traded annually. Without more reliable, in-depth data, only an informed estimate is possible.

Based on the estimate of US\$ 4-6 billion in legal transfers cited earlier, and adding an illicit trade estimate of less than US\$ 1 billion annually, it is calculated that at least 80-90 per cent of the total world trade in small arms is legal (ILLICIT TRANSFERS). This is substantially greater than the 50-60 per cent estimate reported by the Office of the UN Secretary General in the year 2000 (Annan, 2000).

Small arms exporters

Small arms are produced in at least 95 of the world's 200-some countries (PRODUCERS). However, fewer than two-thirds of the states that produce small arms officially admit to exporting them. A recent study estimated that nearly 70 countries were exporting small arms as of the year 2000 (Lumpe, 2000). The Small Arms Survey positively identified at least 60 of them, using official and unofficial data. However, this figure did not include countries that are known sources of illicit small arms transfers, such as Albania, Libya, and Afghanistan. When such countries are also included, it is probable that more than 70 countries are involved in the export of small arms, both legal and illicit.

The annual legal global trade in small arms and light weapons is estimated to be worth between US\$ 4-6 billion.

At least 80-90 per cent of the total world trade in small arms starts out legally.

At least 95 countries produce small arms. At least 60 countries admit to legally exporting them while as many as 200 countries legally import small arms for use by their security forces and/or by private individuals.

According to information submitted to the 1999 UN International Study on Firearm Regulation, only 35 of a total of 78 reporting states officially admitted to having legal businesses within their territories that export firearms, small arms components, and/or ammunition.⁵ In addition, the results are rendered incomplete by the fact that certain exporters, such as France, Iran, and Norway, which were part of the study, provided no information on legal firearms exports. Other states, such as Croatia, Indonesia, and Malaysia, which were also part of the study, denied any legal exports of firearms, despite submitting customs data to the COMTRADE database. Moreover, a number of well-known small arms exporters, such as Bulgaria, Italy, Israel, the Netherlands, Pakistan, and Portugal, did not respond to the study.

Thus, based on current information from all available sources, it appears that at least 60 of the 95 producer countries are involved in the legal export of small arms. What is not clear is whether the other 35 or so producers of small arms are also legal exporters, illicit exporters, or solely domestic producers? On the receiving end of the exports equation, it appears that a far larger number of states—in fact, virtually all countries in the world—are legal importers of small arms, for use by government security forces and/or by private individuals. This aspect of the legal small arms trade is treated later in the chapter.

UN data on legal small arms exports

The COMTRADE database provides information on exports and imports of military firearms, pistols and revolvers. The category 'military firearms' does not include sporting firearms, revolvers, pistols, ammunition, or grenades, all of which fall under different categories.⁶

In the category of military firearms, according to COMTRADE's incomplete data, the total value of exports in 1998 was US\$ 709 million. While this figure is useful as a reference point for the total annual trade in small arms, it must be kept in mind that only 26 of the 60 or more countries that legally export small arms submitted data at least once during the period 1994-98. The top 1998 exporters, in descending financial value, were the USA, the Netherlands, the UK, China, and Canada.⁷

Twenty-seven countries also provided data over the 1994-98 reporting period to COMTRADE on the export of pistols and revolvers.⁸ The total value of their exports for 1998 was over US\$ 148 million. The top five exporters in 1998, in descending order, were Germany, Italy, the US, the Czech Republic, and Switzerland. Taken together, these COMTRADE figures place the value of military firearms, pistols, and revolver exports that passed through customs during 1998 at over US\$ 850 million.

The value of military firearms, pistols, and revolver exports that passed through customs during 1998 was over US\$ 850 million.

Countries that have exported an average of more than US\$ 1 million worth of small arms annually over the five-year period 1994-98 are listed in Table 4.2. Despite the insights provided by this table, there are a number of caveats with the COMTRADE data. First, COMTRADE does not include many of the world's major and mid-level small arms producers and exporters, such as Belgium, Brazil, Bulgaria, Pakistan, and the Russian Federation. Second, the data are mostly customs data; thus, many transactions are not covered (e.g. military transfers, such as 'donations' of surplus arms, which do not go through customs). Third, the data do not correspond to the UN definition of 'small arms and light weapons'. Fourth, a threshold of exports exceeding US\$ 50,000 over five years must be attained for the country to even be listed in the report.

In addition to COMTRADE, there is also a significant amount of data from government export reports, industry reports, and other official and unofficial sources which permit a classification by value of the world's small arms exporters into major, mid-level, and minor categories. An additional 'shadow category' remains: the one for countries that are known to be legal small arms exporters but for which neither official nor unofficial data have been provided.

Table 4.3 uses a number of sources to classify countries as to their small arms exports by value.

Table 4.2 Average annual value of small arms exported through customs, 1994-98

Country	Military Firearms Value of exports	Country	Pistols and Revolvers Value of exports
United States	\$367 million	Austria*	\$57 million
Netherlands*	\$140 million	Germany	\$48 million
United Kingdom*	\$57 million	United States	\$42 million
China*	\$23 million	Italy	\$34 million
Switzerland	\$16 million	Czech Republic*	\$15 million
Romania*	\$10 million	Spain	\$13 million
Canada	\$6 million	Canada	\$8 million
Poland	\$5 million	Switzerland	\$8 million
Austria*	\$3 million	Portugal	\$6 million
		United Kingdom*	\$5 million
		Argentina	\$4 million
		China*	\$4 million
		Poland	\$2 million
		Rep. of Korea	\$2 million

* Certain countries did not submit data for all five years but instead for a briefer period only: Austria (1994), China (1998), the Netherlands (1997-98), Romania (1995-96), the UK (1994-96, 1998), and the Czech Republic (1995-98).

Source: COMTRADE, UN Customs Data

It must be emphasized that the data available are not comparable in all respects. Still, they provide a general picture of global small arms exports. Some countries' figures, such as Sweden's, include exports of parts for small arms while others, such as Spain, cover only exports of pistols and revolvers based on COMTRADE data. The table's source legend provides additional information. While dollar values are available for two-thirds of identified legal exporters of small arms, no figures are available for the remaining third, which includes possible major exporters such as Bulgaria and Israel.

Official government data on legal exports of small arms

A growing number of countries now produce annual arms export reports, with comprehensive data on the value and, in some cases, the volume of exports to individual countries (SIPRI, 2000). In addition, some countries provide information on arms transfers as part of their national customs data. All told, nearly 30 countries provide public information, either from government or industry sources, on arms exports (SIPRI, 2000, pp. 436-440).

Countries such as Canada, Chile, Finland, South Africa, the UK, and the US also provide official data on the value of small arms exports, disaggregated by importing country. However, only Italy, the UK, and the US provide data on actual quantities of small arms exports. Other countries, such as Belgium, the Netherlands, Norway, and Sweden, provide data on small arms exports, but not disaggregated by country; or if so, then within a category that contains military exports other than small arms and light weapons.

As a result, there are a number of problems regarding the usefulness, reliability, and accuracy of such official data. As pointed out earlier, each reporting country has its own definition of 'small arms'.

Table 4.3 The 60 known legal small arms exporting countries

1. Major Exporters (More Than US\$ 75 Million Annually)		2. Mid-Level Exporters (Between US\$ 1 Million and US\$ 75 Million Annually)		3. Minor Exporters (Less Than US\$ 1 Million Annually)	4. Value Unknown
Country/Year	US\$ Value/Source	Country/Year	US\$ Value/Source	Country	Country
Brazil (99)	\$100-150 million(D)	Argentina (98)	\$3 million (B)	Australia (B)	Armenia (C)
Germany* auth (99)	\$384 million(A)	Austria (94)	\$60 million (B)	Chile (A)	Belarus (C)
Russian Fed.* (99)	\$100-150 million(D)	Belgium (99)	\$33 million (A)	Colombia (B)	Bosnia (C)
United States* auth(98)	over \$1.2 billion (A)	Canada* (98)	\$26 million (D)	Croatia (B)	Bulgaria (C)
4 Countries:	Total: ±\$2 billion	China (98)	\$27 million (B)	Denmark (B)	Cyprus* (E)
		Czech Republic* (99)	\$59 million (C)	Japan (B)	Ecuador* (E)
		Finland* (98)	\$5 million (A)	India (B)	Egypt (C)
		France (99)	\$23 million (A)	Indonesia (B)	Greece (C)
		Italy (98)	\$28 million (B)	Latvia (B)	Hungary* (E)
		Pakistan* (99)	\$30 million (C)	Malaysia (B)	Iran (C)
		Poland* (99)	\$40 million (C)	Mexico (B)	Israel (C)
		Romania (95,96 avg.)	\$10 million (B)	Netherlands** (A)	Kazakhstan (C)
		Spain (98)	\$7 million (B)	New Zealand (B)	Jordan (C)
		South Africa* (99)	\$9 million (A)	Norway (B)	North Korea (C)
		South Korea* (97)	\$43 million (A)	Philippines (B)	Singapore (E)
		Sweden* (98)	\$40 million (A)	Portugal (B)	Slovenia* (E)
		Switzerland (98)	\$10 million (B)	Slovakia (B)	Ukraine (C)
		United Kingdom (98)	\$44 million (B)	Swaziland*** (A)	Zimbabwe (C)
		18 Countries:	Total: \$497 million	Thailand (B)	18 Countries:
				Turkey (B)	Unknown
				20 Countries:	Value
				less than	
				\$10 million total	

Source Code
A – National government reports
B – COMTRADE
C – Figures reported in the press
D – Calculation based on several reports
E – Declared exporter in firearms study
* – Includes ammunition
** – COMTRADE reported that US\$ 187 million worth of military firearms, pistols, and revolvers passed through Dutch customs as exports in 1998
*** – Re-exports of commercial firearms, no domestic production
auth. – Authorized sales may not correspond to actual sales

So, while national efforts to increase transparency are to be commended, there are still serious gaps, as will be demonstrated below.

Nevertheless, reviewing each of these reports individually does provide valuable insights into the legal trade in small arms and light weapons. For most countries, the most recent data are from 1998, as it appears to take a year on average to compile data from the previous year. There are several reasons why an analysis of government reports of the legal small arms trade is useful:

- It illustrates the lack of norms and standards so essential for comparable data by highlighting the different definitions of small arms used by individual governments;
- It points out substantial data gaps while at the same time accentuating the usefulness of the data reported;
- It highlights patterns in legal small arms trade, both in terms of suppliers and recipients, and provides evidence of instances in which weapons are legally transferred to regions of conflict and instability, countries with records of human rights violations, or centres of illicit trafficking; and,
- It highlights the transparency of certain countries' reporting practices, providing impetus to others to improve their small arms transfers reporting standards and transparency.

The following section analyzes selected official government reports that are in the public domain. As will be seen, reporting methodology differs widely, with some countries concentrating on the volume of licenses, transfers, etc. while others focus on the financial value. These reports were chosen solely based on availability, easy access to the research community, and relatively comprehensive coverage of small arms and light weapons. A more detailed study of these reports will be presented in a forthcoming Small Arms Survey Occasional Paper .

Austria: The report on its military exports for 1998 listed export licences granted by weapons category and geographical export region. Austria granted a total of 14,258 licenses for small arms exports in 1998 and 2,735,751 licenses for ammunition exports. This is not to say that all these transactions took place, as they were only licenses granted, and not necessarily acted upon in 1998. At the time of the report, the monetary value of the licenses was not available. The primary recipients of Austrian small arms licenses were EU countries (5,065 licenses) and non-EU countries in Europe (8,692 licenses). The primary recipients for Austrian ammunition licenses in 1998 were Australia and the Pacific region (1,049,768 licenses). Licenses, however, give no actual indication of value or volume as they may be granted for one weapon only—or for thousands at a time.

Belgium: In terms of value, Belgium exported US\$ 33 million (BEF 1.3 billion)⁹ in 1999 under the category, 'military arms other than revolvers, pistols and swords', a marked decrease from the US\$ 79 million (BEF 3.1 billion) exported in 1995. This category does not include military vehicles, motorized weapons, ammunition, or projectiles, which are listed separately.

Brazil: Value-related data on Brazil's small arms exports is available from the Brazilian Ministry of Industry and Commerce. Although all amounts cited below exclude pistols and revolvers, which constitute the majority of Brazilian small arms exports,¹⁰ in 1999, Brazil exported US\$ 44,883,106 worth of small arms. Previous years' exports of small arms were as follows: US\$ 59,293,712 in 1996; US\$ 47,445,181 in 1997; and US\$ 42,729,865 in 1998.¹¹

Canada: Since 1996, Canada has provided fairly detailed and easily accessible public information on its arms exports in the form of *The Export of Military Goods from Canada: Annual Report*. The Department of Foreign Affairs and International Trade (DFAIT) produces this report from its Export and Import Controls Bureau. Export data for 1998 lists the value of exports in Canadian dollars by importing country and military good component category. Category 2001 is defined as 'arms and automatic weapons with a calibre of 12.7 mm or less and accessories'. Unfortunately, actual quantities of weapons and accessories are not given, although there is an indication as to whether the exports were 'firearms' or 'parts'. Other categories, such as 2002, include light weapons as well as larger weapon systems, so it is difficult to assess Canada's actual exports of small arms and light weapons in terms of the UN definition based on the data provided by the Canadian Government.

The main drawback of the report is that it does not enumerate all Canadian small arms exports. Due to Canadian and US defence-sharing arrangements, exports to the US are not listed. The report does state, however, that 1998 military exports to the US accounted for about half of all Canadian military exports. Based on US customs import data, Canada exported to the US over US\$ 17 million worth of pistols and revolvers and over US\$ 3.5 million of military rifle parts between 1996 and 1998.

By value, the top six destinations for Canada's small arms exports between 1996-98 were: the United States, the Netherlands, Denmark, Germany, Thailand, and Italy. The top importers of Canadian small arms were Western countries, with the exception of Thailand and the Philippines.

The total value of Canadian small arms exports (Category 2001, not including ammunition and larger weapons systems and excluding US defence-sharing exports) for 1998 was US\$ 6.5 million (CAD 9.4 million). This is a considerable drop from its 1997 small arms exports, which amounted to US\$ 16 million (CAD 23 million).



Arms export licenses give no actual indication of value or volume as they may be granted for one weapon only—or for thousands at a time.

Canada's top six destinations by value for small arms exports between 1996-98 were: the US, the Netherlands, Denmark, Germany, Thailand, and Italy.

Chile: Chile reports its exports of firearms using customs data, which is accessible on the web at www.exportmall.cl.¹² While these data do not include government military exports, they do list commercial exports of military firearms, as well as pistols and revolvers. The Chilean commercial small arms export market is modest in comparison to others (only US\$ 355,000 worth for 1997 and 1998 combined). Nonetheless, Chile has one of the more transparent small arms exports reporting practices. The major destinations for Chilean exports of firearms, by value, during 1997 and 1998 were the US, Canada, and the Cape Verde Islands.

Finland: Finland provides a very detailed report of its 'defence materiel exports', disaggregated by country. Category A is 'light weapons and their components' and is further broken down by type. For the most part, Finland's exports of small arms consist of sniper rifles. The Finnish report also details the export of 'ammunition shots, etc. and their components' under Category C. Value is given in Finnish marks in the official report; however, the actual quantity of weapons exported is not given. The Finnish small arms export industry by value is quite small, only US\$ 417,000 (FIM 2,458,700) total exports in 1998 for Category A defence items. It has a larger market for its Category C ammunition: US\$ 4.5 million (FIM 26,294,000) total exports in 1998. Finland's primary export markets in Europe are Germany, Norway, Denmark, Spain, and Sweden. Oman is its major non-European market.

Germany: In 2000, Germany published a comprehensive report on the values of its 1999 small arms export licenses, worth a total of \$US 384 million (DM 746 million). For category A 0001 (firearms and parts), it issued 3,284 small arms export licenses worth US\$ 237 million (DM 461 million) in 1999.¹³ It also issued 1,138 licenses for ammunition (category A 0003) worth US\$ 147 million (DM 285 million).

Germany lists total military export licenses by country. When a large number of exports fall under one category, that category's percentage of total exports is listed. This provides a partial view of which countries are importing small arms. For example, in 1999, Germany authorized firearms exports to the US worth US\$ 174.4 million (DM 338.5 million)—the bulk of total German small arms exports. It authorized US\$ 10.1 million (DM 19.7 million) for Switzerland, and US\$ 7.5 million (DM 14.6 million) worth of firearms and parts for Spain. Other major authorizations for firearms exports included Lithuania with US\$ 1.85 million (DM 3.58 million); Bulgaria, US\$ 1.44 million (DM 2.79 million); and Thailand US\$ 405,000 (DM 785,000). Germany reported exports under category A 0001 items to nearly every EU country although neither specific amounts nor percentages were provided. The German report can be found on the web at www.bmw.de.

Italy: Data are regularly provided to the Italian Senate on authorizations and deliveries of overall arms exports. Unlike many other countries, quantities of weapons exported, by company, are also given in the report. According to this report, in 1998, Beretta alone exported 525 pistols worth US\$ 300,000 (ITL 572 million) and parts worth US\$ 200,000 (ITL 450 million). At the time of this writing, full details of the Italian report could not be accessed. However, these figures do not correspond at all to COMTRADE data which reflected US\$ 28 million worth of pistols and revolvers exported by Italy in 1998.

Netherlands: The Netherlands publishes details of its small arms exports in semi-annual and annual reports. In 1999, the Netherlands exported US\$ 686,000 (NLG 1.5 million) worth of 'small calibre weapons 12.7mm'. Previous figures for this category were US\$ 823,000 (NLG 1.8 million) in 1998 and US\$ 640,000 (NLG 1.4 million) in 1997.

In comparison with data submitted by the Netherlands to COMTRADE, which reported over US\$ 187 million worth of military firearms and pistols exports in 1998, glaring discrepancies are evident. However, the Netherlands has gone through a recent upgrade of its armed forces and purchased new small arms for its troops. Since replaced weapons were slated for destruction, it appears that these exports were not older weapons cascaded into other markets. One possible explanation for the far higher COMTRADE figures is that they represent small arms 'in transit' that have been held in customs

In 1999 Germany issued licenses worth US\$ 384 million for the export of firearms and ammunition.

Italy exported US\$ 28 million worth of pistols and revolvers in 1998, according to COMTRADE data.

warehouses in the Netherlands before being shipped elsewhere. Since many countries declare goods in transit that pass through their customs, the Netherlands could be following suit in supplying this information to COMTRADE. In any case, these data indicate the importance of the Netherlands as a major trans-shipment point for small arms.

Norway: Norway has been active in promoting transparency in the small arms trade, most notably through its support of NISAT. In its 1998 report on military exports, Norway reported US\$ 76,000 (NOK 609,000) in military small arms. It also exported US\$ 32.5 million (NOK 261 million) worth of ammunition and explosives in 1999. Norway's exports of hand grenades fall under the same category as exports of bombs, torpedoes, and rockets, which amounted to US\$ 1 million (NOK 8 million) in 1998.

South Africa: The South African Directorate Conventional Arms Control (DCAC) based in the Department of Defence has published data on South Africa's conventional arms exports since 1995. It divides them into five categories. Category B covers 'all types of infantry hand-held and portable assault weapons and associated ammunition of a calibre smaller than 12.7mm'. As is the case with all governments that provide such information, this definition does not correspond to the UN definition on small arms and light weapons. Light weapons of a calibre greater than 12.7 mm, as well as grenades and portable missiles, are covered under Category A, which also includes tanks and fighter aircraft.

South Africa's small arms exports have decreased somewhat since 1997, when a total of US\$ 15.2 million (ZAR 93.2 million) worth of Category B arms were exported. In 1998 South African exports of Category B arms totalled US\$ 8.4 million (ZAR 51.3 million), and in 1999 exports were up to US\$ 9 million (ZAR 55 million). The top recipients of South African small arms in 1999 were Singapore, Germany, Greece, Colombia, and Pakistan.

South Korea: South Korea published the value of its arms exports from 1990 to 1997 in its Defense Ministry White Paper. Although the categories of weapons were somewhat ambiguous, there were two—'guns' and 'ammunition'—that would logically cover small arms according to the UN definition. In 1997, South Korea exported US\$ 5.3 million worth of guns and US\$ 38.3 million worth of ammunition. The eight-year high for gun exports from South Korea was in 1995, when US\$ 12.2 million worth was exported. The total value of guns exported from South Korea from 1990-97 (inclusive) was US\$ 51.5 million, and for ammunition, US\$ 179.1 million.

Sweden: The Swedish Government has reported the value of its arms sales since 1993. The 1998 report stated that no small-calibre barrel weapons were exported in 1997 or 1998. However, Sweden does export small arms parts, the value of which was US\$ 705,000 (SEK 6 million) in 1997 and US\$ 352,000 (SEK 3 million) in 1998. These categories do not include ammunition, of which Sweden exported US\$ 16 million (SEK 138 million) worth in 1997 and US\$ 42 million (SEK 358 million) worth in 1998. One must take into account that Sweden's ammunition exports also include ammunition for larger weapons systems.

United Kingdom: In its 1999 Annual Report on Strategic Export Controls, issued in August 2000, the UK listed exports of small arms, by quantity, value, and country of destination, for the first time. Formerly, small arms were lumped together with other military items in a more general military equipment category. This report states that small arms data were derived from customs records for tariff codes 9301000 (military weapons), 93020010 (pistols), and 93020090 (revolvers).

The report indicates that the UK exported 4,471 'weapons and small arms' to countries outside the EU in 1999, including a donation of 10,000 self-loading rifles to Sierra Leone that was not declared through customs. The fact that these 10,000 rifles do not appear in the customs data highlights the limitations of depending exclusively on customs data to monitor a country's small arms exports. Another limitation of the UK report is that it does not list small arms exports to EU countries. Following Sierra Leone, which was far and away the largest recipient of small arms from the UK, the top 1999 importers were Chile, the United States, the Philippines, the United Arab Emirates, and Switzerland.



The Netherlands is a major trans-shipment point for small arms.

The top recipients of South African small arms in 1999 were Singapore, Germany, Greece, Colombia, and Pakistan.

Sierra Leone was far and away the largest recipient of small arms from the UK in 1999.

The US is the world's largest exporter of small arms, light weapons, and ammunition—with sales and authorizations in the amount of US\$ 3.7 billion to a total of 154 nations for fiscal years 1996–98.

United States: According to available data, the US is the world's largest exporter of small arms and light weapons in terms of value. A report by the General Accounting Office (GAO) in 2000 calculated that the US authorized the export or delivery of US\$ 3.7 billion worth of small arms, light weapons and associated ammunition to a total of 154 nations for fiscal years 1996 through 1998 (GAO Report, 2000a).

The US Government provides arms export data through a multiplicity of reports from its various departments and agencies. The result is that, despite laudable efforts at transparency, data are often contradictory, incomplete, and not comparable.

- **The 655 Report:** To strengthen public oversight of arms trade data, the 655 Report, prepared jointly by the Department of Defense (DOD) and the Department of State (DOS), is issued each year. However, each department prepares different sections of the report and each uses different reporting methods.

For example, DOS reports authorized commercial sales, as opposed to actual deliveries. These approvals or licenses granted for commercial sales are valid for a period of four years. This time frame allows for interventions on the part of Congress or the public at large to intervene in the case of arms transfers which may be perceived as particularly dangerous. As a result, a number of announced arms transfers never actually take place. The US is one of the few countries that publishes data on proposed sales in a manner timely enough that such transfers can be stopped if concerns arise.

In contrast to the State Department, the US Defense Department reports actual deliveries of foreign military sales, grants of 'Excess Defence Articles' (EDA),¹⁴ and military assistance. As a result, there are two completely different reporting systems and sets of data on exports that are, consequently, not comparable. In addition, each department lists weapons systems in a different manner. For example, the DOD lists the category 'rifles' in its report while the DOS is more descriptive, sometimes distinguishing between models (e.g. M-16) and whether or not they are 'military' or 'non-military'. Further, even within the DOD, foreign military sales have a different reporting format and terminology than EDA transfers. The result is that, despite—or precisely because of—this profusion of facts and figures, there is little clarity on the actual number or nature of small arms deliveries.

Still, the US is one of the few countries that reports quantities of actual weapons exported, or approved for export, by type. To its credit, the drawbacks of the 655 Report have been acknowledged and steps taken to provide a more accurate picture of actual military exports. To improve monitoring, the Foreign Relations Authorization Act for Fiscal Years 2000 and 2001 instructs actual deliveries of commercial sales of defence articles to be reported to the State Department in order that they be included in future 655 Reports.

- **US Customs Data:** A secondary official data source on US arms exports is to be found in the form of customs data, compiled by the US Census Bureau, and provided, dating back to 1989, on CD-ROM. This customs data states that it includes FMS, as well as actual commercial deliveries of small arms. However, there is clear evidence that this is not always the case; for example, the inclusion of FMS under customs data appears to be by chance rather than by design. This may be due to the fact that arms are sometimes shipped through military transport channels and do not go through customs ports. However, in theory, as customs data supposedly include FMS, it should be listed in a subset. As the following evidence shows, this does not always occur.
- **BATF Reports:** A third source of US firearms export data is the Bureau of Alcohol, Tobacco and Firearms (BATF). In the BATF's 1998 annual report, available on their website at www.atf.treas.gov, firearms exports are listed by category. However, this weapons categorization does not appear to match customs categories, nor does it go into specific detail, as do the 655 Report data. Nevertheless, in 1998, a total of 215,896 firearms were exported by the US according

to BATF data. Of this figure, 29,537 were pistols, 15,788 revolvers, 65,807 rifles, 89,699 shotguns, 12,529 machine guns, 23 'other weapons', and 2,513 miscellaneous firearms.

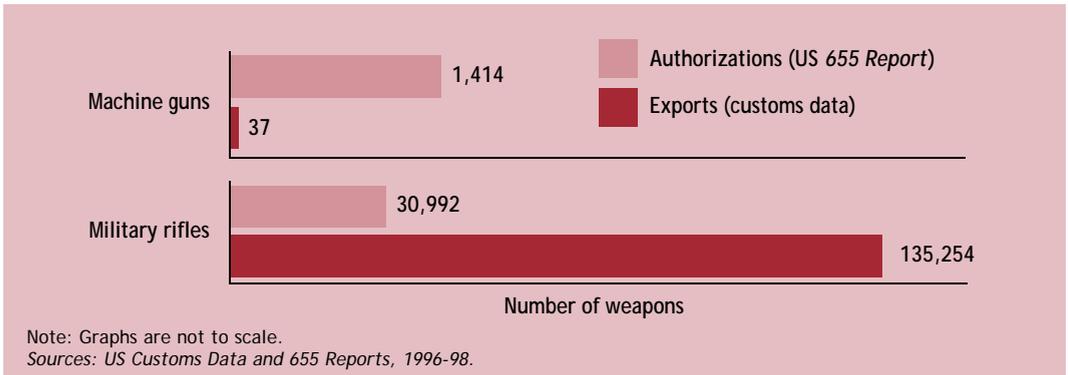
Comparing the incomparable: The incomparability of data from the diverse reports cited above is best illustrated in the case of military rifles and machine guns exported to Israel from 1996 to 1998 (see Figure 4.2). A comparison of 655 Report authorizations and customs data on deliveries for these three years reveals major discrepancies. As Direct Commercial Sales (DCS) licenses shown in the 655 Report are valid for four years, it is possible that previous 655 Reports announced these transfers, although these data were not available.

In addition to the data in Figure 4.2, the 1998 655 Report also states that 127 'non-military rifles, all types' were authorized for sale to Israel under DCS in 1998, yet customs data shows that 3,926 'muzzle loading' and 'center fire' firearms were exported to Israel by the US in that year. These are not minor discrepancies; on the contrary, the figures involved are in a magnitude of thousands to tens of thousands of weapons exported. One possible explanation for these transfers is that Israel is a major centre for re-fitting small arms.

Transfers to Israel are not the only example that highlights the ambiguity, discrepancies, and incomparability of available data on small arms transfers from the US. Table 4.4 compares customs data on transfers from the US to Thailand of military rifles, shotguns, machine guns, and non-military rifles with data from the 655 Report over a period of three years (no EDA transfers of small arms to Thailand were reported for this time period). Notable discrepancies appear with respect to transfers in all categories.

While customs data purportedly includes FMS, in fact, this is often not the case. In addition, free transfers of EDA also do not always appear in customs data. For example, in 1999 the US transferred 704 M-3 machine guns to Macedonia under an EDA grant; yet there is no record of this transfer in customs data. Under another 1999 EDA grant, the US transferred 40,000 and 40,500 rifles to Lithuania and Estonia respectively that were not recorded in customs data.

Figure 4.2 Discrepancies in export reporting: US small arms transfers to Israel, 1996-98



In addition, customs data may contain parts for weapons being exported for further assembly or finishing in another country. Depending on customs practices in a given country, parts could be exported either as weapon parts or as a complete weapon. Also, when comparing the UK customs data for exports to the US against the US customs data on UK imports for the same shipment, the numbers seldom, if ever, tally. While figures may not vary widely, these inconsistencies nevertheless profile the problem of using non-standardized customs data.

Despite an agreed Harmonized Tariff Schedule used internationally by customs officials, different countries may classify weapons differently. In addition, due to transport and processing time lags,

Table 4.4 Discrepancies in reporting: US small arms transfers to Thailand, 1996-98

Year	US Customs Data				655 Report					
					DCS Authorizations				FMS	
	Military Rifles	Machine guns	Shotguns	Non-military rifles	Military Rifles	Machine guns	Shotguns	Non-military rifles	Military rifles	Machine guns
1996	510	—	3,646	1,628	—	—	221	1,622	39	292
1997	685	—	2,873	1,175	1,348	—	135	1,197	300	
1998	10,100	1	1,096	576	29	36	202	942	19	12
Total	11,295	1	7,615	3,379	1,377	36	558	3,761	358	304

Sources: US Customs Data and 655 Reports, 1996-98.

exports from a supplier country may not show up as imports in the recipient country until the following year. In end effect, the current analysis can only conclude that neither customs data nor 655 Reports provide a complete picture of total actual US transfers of small arms and light weapons to other states. Table 4.5 presents the top importers of US small arms over a ten-year period, based on US customs data.

Even more worrisome than the data are the destinations of some of these small arms transfers—for example, to Israel, the Philippines, and Thailand (see Map 4.1)—countries already saturated with weapons. Despite all the facts and figures, the US Congress and the US public may not be receiving a totally transparent or accurate picture of the US arms trade. Certainly, greater concern and caution should be exercised in cases such as those cited here—and they are not the only ones.

Finally, to provide an overview of the quantity of weapons exported from the US, Table 4.6 presents total US exports of specific types of small arms over the last ten years, according to customs data. Again, inconsistencies with other reports crop up; for example, the BATF report reflects different figures (e.g. US exports in 1998: 45,325 pistols and revolvers, and 12,529 machine guns).

Table 4.5 Top importers of small arms from the United States (1990-99), by category

Military Rifles		Machine Guns		Pistols & Revolvers	
Israel	146,775	Lebanon	11,787	Belgium	276,967
Germany	66,449	Thailand	4,763	Thailand	164,718
Kuwait	56,723	Taiwan	4,015	Canada	164,690
Bosnia	42,637	Colombia	3,795	Germany	148,912
Taiwan	39,869	Italy	3,109	Philippines	82,269
Mexico	35,996	Turkey	2,894	Venezuela	80,423
U.A.E.	35,292	Kuwait	2,460	Turkey	76,444
Thailand	30,918	Egypt	1,876	Mexico	58,092
Philippines	27,671	Jordan	1,775	Taiwan	56,024
Brazil	21,477	U.A.E.	1,715	Italy	48,051

Source: US Customs Data

Other reports: There are other countries—for example, Australia, Portugal, and Spain—that report their military exports but provide no breakdown as to what percentage constitutes small arms and light weapons. Although these governments are clearly attempting to create a climate of transparency with respect to military exports, such reports provide little relevant information on the small arms trade. Denmark, Switzerland, and France published reports in early 2001. The data from these reports will be covered in a subsequent publication of the Small Arms Survey .

Table 4.6 Quantities of small arms exported by the United States (1990-99)

Year	Military Rifles	Machine Guns	Military Shotguns	Pistols and Revolvers
1990	22,633	3,079	4,482	191,44
1991	38,260	4,799	8,393	227,480
1992	28,997	6,238	11,390	207,211
1993	28,272	2,802	7,693	169,627
1994	67,452	12,780	21,680	195,874
1995	26,384	3,180	6,593	218,826
1996	110,973	2,828	20,233	193,676
1997	149,343	3,079	3,929	148,023
1998	105,159	6,434	4,561	124,295
1999	88,354	10,302	3,239	116,467
Total	665,872	55,521	92,193	1,782,925

Source: US Customs Data

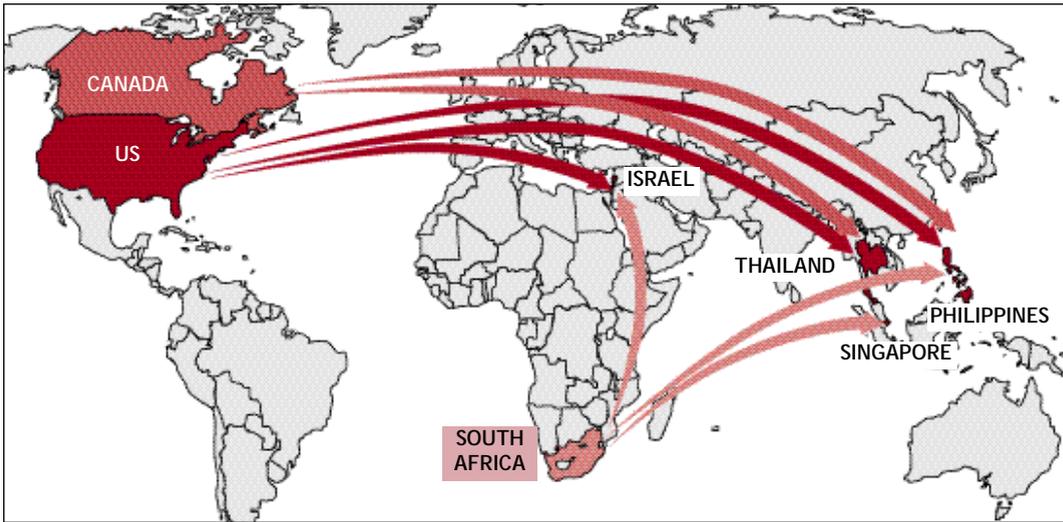
Disturbing small arms transfers: Research sometimes reveals major small arms transfers going to states where caution should be the key word. Several top small arms importers deserve special attention. These are legal recipient states in which the accumulation or clandestine transfer of such weapons has historically greased the 'slippery slope' between legal and illicit dealing and, as a result, has had destabilizing effects on entire regions. Four cases in point:

- **Israel** is one of the most untransparent countries with respect to small arms imports and exports reporting. As a regular recipient of major military small arms transfers from the US and South Africa, one might reasonably wonder about the quantities Israel imports, recalling that its military forces mainly use the domestically produced Galil and Uzi. Moreover, Israel has, in the past, demonstrated a notorious 'nonchalance' in regulating its arms brokers, some of whom have been implicated or actually caught evading sanctions in transferring arms to non-state actors, such as the Liberation Tigers of Tamil Elam (LTTE) in Sri Lanka, drug lords in Colombia, and rebel forces in Sierra Leone (BROKERS).
- **The Philippines**, which receives substantial legal small arms transfers from the US, as well as from the UK, Canada, and South Africa, should be another source of concern. As a country saturated with weapons and prone to insurgencies within its own borders, the Philippines poses a threat to the region (ILLICIT TRANSFERS).
- **Thailand** is another major small arms recipient, especially from the US, Canada, and Germany, with the dubious 'tradition' of having had a number of its nationals implicated in less-than-licit arms transfers. Thailand is a major source of illicit small arms transfers to non-state actors in the South Asia region (ILLICIT TRANSFERS).
- **Singapore:** South Africa's arms transfers to Singapore should also be scrutinized in greater detail as this country is reputed to be a source of black market weapons (US Department of Commerce, 1999).

In the period 1990-98, the US exported a total of some 666,000 military rifles, 56,000 machine guns, 92,000 military shotguns, and 1,800,000 pistols and revolvers, according to customs figures.

The examples above demonstrate the role of legal transfers in the destabilizing accumulations of small arms and suggest how such legal transfers can be diverted to the grey and black markets. There are recognized difficulties in end-use monitoring of legal small arms sales. A US GAO report in the year 2000 strongly criticized the effectiveness of monitoring the end-use of weapons originating from the US; it is likely that these findings could be applied to virtually all the world's countries (GAO Report, 2000b).

Map 4.1 Legal arms transfers to countries of concern



UN data on the world's major small arms importers

Import—as opposed to export—reports are another data source in determining the trade in small arms. Customs data is one of the most helpful information sources in this regard.

Among its many functions, the COMTRADE database also reports total military firearms imports by country. Again, the same limitations apply as for export data. According to COMTRADE, the top five recipients of military firearms in 1998 were the Netherlands, Turkey, South Korea, the UK, and Australia. For pistols and revolvers, the top five recipients were the US, Germany, the Philippines, Switzerland, and Turkey. The top five importers of military firearms, and pistols and revolvers over the longer five-year period 1994-98 are listed in Table 4.7.

With regard to military firearms, pistols and revolvers, a far greater number of countries supply data to COMTRADE on imports than on exports. Again, the data threshold is US\$ 50,000 worth of arms over a period of five years, so countries supplying data beneath this 'critical mass' would not be reflected. Currently, 68 countries have supplied data on imports of military firearms and/or pistols and revolvers: 40 have declared imports of military firearms while 62 have declared imports of pistols and revolvers.

As frequently pointed out in the course of this chapter, the problem with data, in this instance with the COMTRADE data, is that it is not a comprehensive reflection of the reality of the small arms trade. It is, however, a preliminary snapshot for legal small arms transfers for those countries able and willing to compile and publicly report such data. If more countries—particularly major weapons importers—followed suit, a more complete picture of the legal small arms trade would be available.

National customs data

Yet another data source in determining the trade in small arms is nationally reported customs data. The countries below had readily accessible customs data on small arms imports.

According to COMTRADE, the top five recipients of military firearms in 1998 were the Netherlands, Turkey, South Korea, the UK, and Australia.

Table 4.7 Major small arms importers worldwide, 1994-98

Country	Military Firearms: Value of imports	Country	Pistols and Revolvers: Value of imports
Netherlands	US\$ 320 million	United States	US\$ 774 million
United Kingdom	US\$ 161 million	Germany	US\$ 109 million
Saudi Arabia	US\$ 110 million	Thailand	US\$ 81 million
United States	US\$ 99 million	Turkey	US\$ 74 million
Turkey	US\$ 63 million	Switzerland	US\$ 36 million

Source: COMTRADE

United States: Despite its position as one of the world's major small arms producers and exporters, the US also imports a significant amount of small arms. US customs data reveal information on large imports of military rifles from Eastern Europe and China since the early 1990s. While many of these weapons may be destined for US private markets, the numbers are truly staggering.

In the years 1990-97, the US imported more than 1.15 million military rifles from China although these imports dropped to zero after 1997 once the US ban on assault rifles went into effect. Similarly, during the period 1990-99, the US imported significant quantities of military rifles from the Russian Federation and countries in Central and Eastern Europe: 338,767 from Russia (after 1992), 138,750 from Ukraine, 114,876 from Romania, 91,690 from the Czech Republic (after 1993), 21,140 from Poland, and 3,060 from Bulgaria. In all, over the period 1990-99, the US imported more than 2.75 million military rifles from abroad—almost one for every ten US citizens.

Over the same time period, the US imported more than 8.29 million pistols and revolvers. In 1999 alone, more than 1.7 million guns, including hunting rifles, were imported into the US, whereas more than 3.7 million firearms were domestically produced (BATE, 1998). While a large number of these imports were probably for private domestic use, the final destination of many such firearms, particularly rifles, is unclear. There is evidence, however, that the large US domestic market for firearms is a ready source of weapons supply to the black market, notably in Mexico (Lumpe, 1997).

Australia: Based on 1999 customs data, Australia imported 20,351 firearms falling under tariff classifications 9301, 9302, and 9303, which are 'military weapons', 'pistols and revolvers', and 'other firearms', respectively (Australian Customs Service, 14 July 2000).

El Salvador: This country also reports firearm imports. In 1999 it provided the following commercial import authorizations: 17,741 pistols, 7,991 revolvers, 8,110 shotguns, 2,809 rifles, and 202 carbines.¹⁵ The Ministry of Defence also reported that the following firearms were legally imported into El Salvador in 1998: 6,989 pistols, 5,950 revolvers, 3,117 shotguns, 1,431 rifles, and 61 carbines (Godnick, 2000).

Paraguay: According to customs data on small arms imports, between 1997-99 (inclusive), Paraguay legally imported 35,384 pistols and revolvers and 80 military firearms. The main exporter of pistols and revolvers to Paraguay for that time period was Brazil, which accounted for a total of 22,118 weapons. Of the 80 military firearms legally imported by Paraguay, 79 were for the National Police and one for the Supreme Court Justice Department (Paraguayan Customs Data).

Swaziland: In 1999 Swaziland registered 407 legal firearms imports. In addition, it registered 360 temporary importation permits for firearms granted to visitors or people transiting the country (Swaziland Embassy, 28 April 2000).

Uruguay: In 1999, Uruguay's customs data on civilian firearms imports revealed a total of 6,260 pistols and revolvers. The only suppliers were Argentina, Brazil, and the US (Uruguayan Customs Data).

Between 1990-99, the US imported more than 2.75 million military rifles from abroad—almost one for every ten of its citizens.

Unofficial information

A substantial amount of unofficial data on legal transfers of small arms comes from the print and electronic media, particularly specialized defence publications. In addition, national defence industry associations in many countries collect and publish information on exports and imports of small arms and light weapons. The problem with such unofficial data is that they are rarely comprehensive; transfers of small arms are often reported on an ad hoc basis. Below are some examples of reports from unofficial sources. Although not all of the countries below provide official small arms export information, some of the following media reports nevertheless cite official sources:

- **Croatia:** Jane's Intelligence Review reported that Croatia was supplying the French and Colombian militaries with small arms (Simunovic, 2000).
- **Poland:** The same Jane's report stated that Poland had annual exports of firearms and explosives worth approximately US\$ 40 million.
- **Bulgaria:** Another press report claimed that Bulgaria would supply about 200,000 Kalashnikov-style¹⁶ rifles to India in a deal struck in October 2000. A similar deal between Bulgaria and India for 100,000 assault rifles was agreed in 1994, but never took place (Raghuvanshi, 2000). No official confirmation of this agreement has been published.
- **The Czech Republic:** A November 2000 press report quoted a military spokeswoman of the Czech Republic detailing the country's exports of military equipment. She said that, in 1999, the Czech Republic exported over US\$ 59.2 million worth of non-military weapons, ammunition, and explosives. Although unclear from the context of the press report, these non-military weapons probably consist of hunting and sporting weapons and may include pistols and revolvers (CTK, 10 November 2000).
- **Pakistan:** The official Associated Press of Pakistan reported that in 1999 the country's exports of machine guns, rifles, anti-tank rockets, mortars, and ammunition totalled US\$ 30.2 million. It said that the value of Pakistani defence exports had doubled from 1997 to 1999 (Khaleej Times, UAE, 17 November 2000).
- **The Russian Federation:** According to domestic media reports, the Russian Federation supplied 4,000 Kalashnikovs to Indonesia in August 2000. Mention of this transfer was contained within a report of the sale of MI-17 helicopters to Indonesia. This is the way such transfers sometimes come to light and receive attention in the press—i.e. 'buried' within the report of sales of larger weapons systems (Novichkov, 2000). In addition, it was reported that the Russian Federation substantially increased its exports of Kalashnikov rifles to countries in Africa over the time period 1999-2000. It was estimated that the value of these transfers to Africa was in the tens of millions of dollars (Bull, 2000). Press reports also stated that Russian exports of small arms ammunition for the first six months of the year 2000 were 20 times greater than exports for the first six months of 1999. Countries importing Russian small arms ammunition during the first six months of 2000 were: Bulgaria, the Czech Republic, France, Germany, Kazakhstan, Latvia, Moldova, Mongolia, Singapore, Ukraine, the United Kingdom, and the US (Timergaliyeva, 2000).

In 1999-2000, the value of Russian exports of Kalashnikov rifles to Africa was estimated in the tens of millions of dollars.

Conclusions

In surveying data on the global legal trade in small arms and light weapons, one of the primary goals has been to draw together an initial evidence base. This has been facilitated by the fact that an ever increasing number of countries are producing annual reports on such transfers. This is a recent development to be encouraged. However, the utility of such reports in determining volumes, trends, or patterns in the global legal small arms trade still suffers formidable constraints. As with any statistics, data must be viewed as a trend indicator and only a rough approximation of reality.

Thus, while countries are to be commended for their increased transparency regarding military exports over the last decade, the data still do not provide a clear picture of the legal trade in small arms and light weapons nationally, much less globally.

In terms of imports, it is clear that certain Western countries are the major small arms importers. Others with a high level of demand for weapons due to their civilian gun culture, import substantial quantities of small arms. As to what happens to these weapons, any given country's stockpile security of military weapons and national gun legislation plays a major role in determining whether or not they may be diverted to the black market.

In terms of exports, it is also evident that large legal small arms transfers are going to areas of conflict and instability. While governments may cite political justifications for such transfers, countries should carefully assess small arms transfers to zones of war and conflict, taking into consideration what could happen to the weapons should the government of the receiving state collapse. There is also the ethical issue of small arms transfers to countries with records of human rights abuses, not to mention the political and strategic ramifications of exporting weapons to areas buffeted by political turmoil and civil unrest.

That is not all. Regional considerations—for example, countries acting as small arms suppliers or serving as a major source of illicit small arms transfers—must also be taken into account. Weapons replacement and the final disposal of old weapons also constitute crucial questions in terms of regional peace, security, and sustainable development.

Destabilization is another major issue. The role of legal transfers in augmenting and destabilizing small arms stockpiles must be carefully assessed, as well as the proclivity for legal transfers to be diverted into the grey or black markets. Then there are the recognized difficulties in end-use monitoring of legal sales of small arms.

Secrecy remains one of the overriding problems in assessing the legal trade in small arms. Many countries, including a few that are actively pursuing policies of greater transparency in arms transfers in the international arena, have been unwilling even to release customs data on military exports which they still classify as secret. Many others provide scant or no official data on their small arms exports.

And yet—a clear picture of the legal trade in small arms is an acknowledged prerequisite to assessing and addressing the far more pressing problem of illicit arms trafficking. This can be accomplished only if universal norms and standards for definitions and reporting formats are developed and implemented, including both explicit quantitative volumes and values for small arms and ammunition transfers. The most efficient way to promote transparency would be for all countries to publish their customs data on small arms, and to require that all legal transfers pass through customs. In this way, the COMTRADE database could become one of the most important international transparency initiatives.

Finally, the precedent set by many countries with respect to transparency in arms transfers should be followed and universalized. It is time to make those major small arms exporters that provide no official data on their exports aware of the changing international climate with respect to transparency.

However, until all the major small arms producers report on their small arms exports in a conscientious and consistent manner, using standardized terminology and reporting structures, the total volume and value of the global legal trade in small arms will remain elusive and only an 'educated guess'.

Future editions of the Small Arms Survey will provide updates of the reports analyzed here, as well as new data and reports that come to light. Through the compilation of an authoritative body of information on the legal small arms trade, it will be possible to define and better analyze trends over time. This chapter, indeed this volume, represents a significant first step.



Secrecy remains one of the persistent problems in assessing the legal trade in small arms.

The swiftest path to greater transparency in the international small arms trade: process all arms transfers through customs and make this data public.

For further information and current developments on small arms issues please check our website at www.smallarmssurvey.org

4 List of Abbreviations

ACDA	US Arms Control and Disarmament Agency
BATF	Bureau of Alcohol, Tobacco and Firearms
BEF	Belgian Francs
CAD	Canadian Dollars
COMTRADE	UN Customs Database (Commercial Trade)
DCAC	South African Directorate Conventional Arms Control
DCS	Direct Commercial Sales
DFAIT	Department of Foreign Affairs and International Trade
DM	Deutsche Mark
DOD	Department of Defense
DOS	Department of State
EDA	Excess Defense Articles
EU	European Union
FIM	Finnish Mark
FMS	Foreign Military Sales
FY	Fiscal Year
GAO	General Accounting Office
IDSA	Institute for Defence Studies and Analyses
IISS	International Institute of Strategic Studies
ISS	Institute for Security Studies
ITL	Italian Lira
NGO	Non-Governmental Organization
NISAT	Norwegian Initiative on Small Arms Transfers
NLG	Dutch Guilders
NOK	Norwegian Kroner
OSCE	Organization for Security and Cooperation in Europe
RCSS	Regional Centre for Strategic Studies
SEK	Swedish Kroner
SIPRI	Stockholm International Peace Research Institute
UK	United Kingdom
UN	United Nations
UNRCA	UN Register of Conventional Arms
US	United States
ZAR	South African Rand

4 Endnotes

1 Chris Smith wrote, 'Light weapons were, and still are, impossible to map and measure with the precision which the research community came to expect' (Smith, 1999).

2 During the year 2000, a UN group of governmental experts was established to study, for the third time, possibilities for expanding the scope of the UN Register of Conventional Arms, to include, among other things, transfers of small arms and light weapons (UN General Assembly Resolution, 53/77, 4 December 1998, section V).

3 For example, the UN 'Report of the Panel of Experts on Violations of Security Council Sanctions against UNITA' can be found at www.un.org/News/dh/latest/angolareport_eng.htm.

4 To further complicate matters, some figures include ammunition for, and export of, larger weapons systems that do not

fall within the UN definition of small arms and light weapons.

5 The 1998 UN International Firearms Study dealt only with commercial firearms, which includes handguns (e.g. pistols, revolvers), long guns (e.g. rifles, shotguns), and ammunition. It excluded military-style small arms and light weapons that are used by government security forces.

6 The definition of military firearms (category 9301), according to the Harmonized Tariff Schedule used internationally by customs officials, is as follows: Military weapons other than revolvers and pistols, to include, military rifles, military shotguns, howitzers, mortars, machineguns, grenade launchers, flame throwers, and others. Some countries in their own national customs reports give data for specific sub-categories, such as military rifles or machine guns. This category does not include weapons for

hunting or sport. Some weapons in the 9301 category are not small arms or light weapons, such as mortars over 100mm and howitzers.

7 The 26 countries that reported sales of military firearms at least once to COMTRADE during the period 1994–98 were: Argentina, Australia, Austria, Canada, Chile, China, Croatia, Denmark, Finland, Indonesia, Japan, Latvia, Malaysia, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Slovakia, Spain, Switzerland, Turkey, UK, and the USA.

8 The 27 COMTRADE countries reporting exports of pistols and revolvers at least once between 1994–1998 were: Argentina, Australia, Austria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Germany, India, Italy, Malaysia, Mexico, Netherlands, Philippines, Poland, Portugal, Republic of Korea, Spain, Sweden, Switzerland, Thailand, Turkey, UK, and the USA.

9 Currency conversions for all figures in this chapter that were listed in values other than US\$ were calculated based on the inter-bank exchange rate of 1 January 2000. When values were for currencies other than US\$, the original figure is given in parenthesis after the US\$ figure.

10 For example, based on US customs data, in 1999 Brazil exported over US\$ 25 million worth of pistols and revolvers to the US alone although it exports to many other countries as well.

11 These data were obtained from the Brazilian Government by the NGO Viva Rio.

12 These data are listed in US dollars, no conversion has been made.

13 Hunting and sporting rifles, as well as pistols and revolvers, are included in this category.

14 The US Government has a searchable website of all EDA exports and authorisations at www.dscs.osd.mil/programs/eda/search.asp.

15 This figure may not correspond to actual imports.

16 For the purposes of this study, the term 'Kalashnikov' will be used for all models of the Russian-made assault rifle. This is due to the fact that reports often use the term 'AK-47' even when it is clear that a newer model of the rifle (such as an AK-74 or AKM) was transferred. For Kalashnikov model rifles manufactured in countries other than the former Soviet Union, the term Kalashnikov-style will be used.

4 Appendix

Appendix 4.1 Publicly-available government arms export reports (deliveries and/or authorizations), and their information on the small arms trade

Country	Data on small arms exports and/or authorizations	Data on small arms exports and/or authorizations disaggregated by importing country
Australia	No	No
Austria	Yes	No
Belgium	Yes	No
Brazil	Yes	No
Canada	Yes	Yes
Chile	Yes	Yes
Denmark	Yes	Yes
Finland	Yes	Yes
France	Yes	Yes
Germany	Yes	Yes
Italy	Yes	No
Netherlands	Yes	No
Norway	Yes	No
Portugal	No	No
South Africa	Yes	Yes
South Korea	Yes	No
Spain	No	No
Sweden	Yes	No
Switzerland	Yes	Yes
United Kingdom	Yes	Yes
United States	Yes	Yes

4 Bibliography

- Annan, Kofi. 2000. *We the Peoples: The Role of the United Nations in the 21st Century*. New York: United Nations Department of Public Information.
- Austria. Government of Austria. 1999. Report on the Export of Arms by the Republic of Austria for the Year 1998, Pursuant to Paragraph 8 of the Operative Provisions of the EU Code of Conduct for Arms Exports. 23 June.
- Boutwell, Jeffrey and Michael T. Klare. 1999. *Light Weapons and Civil Conflict: Controlling the Tools of Violence*. Lanham, Maryland: Rowman & Littlefield Publishers, Inc.
- _____. 2000. 'A Scourge of Small Arms.' *Scientific American*. June, pp. 48-53.
- Belgium. Press Department of the Belgian Ministry of Foreign Affairs, Foreign Trade and International Cooperation. 1999. *Rapport sur l'Exportation d'Armes 1999*.
- Bull, Kylie. 2000. 'Is Vladimir Putin the Salesman with a Hidden Agenda?' *Jane's Defence Industry*. 1 May.
- Canada. Canadian Department of Foreign Affairs and International Trade (DFAIT). Import and Export Controls Bureau. 1996. *The Export of Military Goods from Canada: Annual Report*
- _____. 1997. *The Export of Military Goods from Canada: Annual Report*
- _____. 1998. *The Export of Military Goods from Canada: Annual Report*
- Finland. Ministry of Defence. 1999. *Export of Defence Materiel*.
- Germany. Bundesministerium für Wirtschaft und Technologie. 1999. *Rüstungsexportbericht 1999*.
- Godnick, Bill. 2000. *Small Arms in Central America*. Background Paper. Geneva: Small Arms Survey.
- Italy. Camera dei Deputati. 1999. *Relazione sulle Operazioni Autorizzate e Svolte per il Controllo dell'Esportazione, Importazione e Transito dei Materiali di Armamento nonché dell'Esportazione e del Transito dei Prodotti ad Alta Tecnologia*.
- Lumpe, Lora. 1997. 'The US Arms Both Sides of Mexico's Drug War.' *Covert Action Quarterly*. Summer, pp. 39-46.
- Lumpe, Lora, ed. 2000. *Running Guns: The Global Black Market in Small Arms*. London: Zed Books.
- The Netherlands. Ministerie van Economische Zaken. 2000. *Inhoudsopgave openbaar jaarrapport Nederlands wapenexportbelied 1999*.
- Norway. Utenriksdepartementet. 1999. *Eksporten av forsvarsmateriell fra Norge I 1998*.
- Novichkov, Nikolai. 2000. 'Indonesia to Buy 4 MI-17 Helicopters from Russia.' *Itar-Tass*. 12 September.
- Raghuvanshi, Vivek. 2000. 'Bulgaria to Supply AK-47s to Indian Government.' *Defense News*. 20 November, p. 40.
- Renner, Michael. 2000. 'Arms Control Orphans.' *Bulletin of the Atomic Scientists*. Vol.55, No.1. January/February.
- Republic of Korea. Ministry of National Defense. 1999. *White Paper*.
- Simunovic, Pjer. 2000. 'CEE Arms Exporters Making a Comeback.' *Jane's Intelligence Review*. 1 April.
- Smith, Chris. 1999. 'Areas of Major Concentration in the Use and Traffic of Small Arms.' In Jayantha Dhanapala et al., eds. *Small Arms Control: Old Weapons New Issues*. Aldershot: Ashgate.
- Stockholm International Peace Research Institute. 2000. *SIPRI Yearbook 2000: Armaments, Disarmament and International Security*. New York: Oxford University Press.
- South Africa. Directorate Conventional Arms Control. 2000. *South African Export Statistics for Conventional Arms 1997-1999*.
- Sweden. Ministry for Foreign Affairs. Strategic Export Control Division. 1999. *Swedish Arms Exports in 1998: A Government Report*. May.
- Timergaliyeva, Daima. 2000. 'Russia: Export of Small Arms Ammunition Increases.' *Itar-Tass*. 17 October.
- United Kingdom. Foreign Office. The Department of Trade and Industry and the Ministry of Defence. 2000. *Annual Report on Strategic Export Controls*. August.
- United Nations. 1996. *Report of the Disarmament Commission, General Assembly*. A/51/42, Supplement No. 42, Annex I.
- _____. 1997. *Report of the Panel of Governmental Experts on Small Arms*. A/52/298.
- _____. 1998. *United Nations International Study on Firearm Regulation*. New York: United Nations.
- _____. 2000. *UN Register of Conventional Arms*.

- A/55/299, Add. 3. 9 November.
- United Nations Statistics Division. 1999. PC-TAS Trade Analysis System . CD-ROM for 1994-1998, based on the COMTRADE database.
- United States. United States Department of Commerce. Bureau of Export Administration. 2000. Annual Report: FY 1999 .
- United States. United States Department of Commerce. Economics and Statistics Administration. U.S. Census Bureau. 1990-1999. U.S. Exports History; U.S. Imports History .
- United States. United States Department of Defense. United States Department of State. 2000. 655 Report: US Defense Exports Authorizations and Sales FY 1999.
- United States. United States Department of the Treasury. Bureau of Alcohol, Tobacco and Firearms. 2000. Commerce in Firearms in the United States . February.
- United States EDA (Excess Defense Articles). <<http://www.dsca.osd.mil/programs/eda/search.asp>>
- United States General Accounting Office (GAO). 2000a. Conventional Arms Transfers: U.S. Efforts to Control the Availability of Small Arms and Light Weapons. July.
- _____. 2000b. Foreign Military Sales: Changes Needed to Correct Weaknesses in End-Use Monitoring Program . August.