

Continuity and Change: PRODUCTS AND PRODUCERS



A factory worker assembles part of an AK-47 assault rifle at the Izhmash plant in Izhevsk, the Russian Federation, in November 2002—55 years after the release of the inaugural Kalashnikov gun.

In a declining international small arms market, powerful forces for change are moving the global industry. Among the most visible aspects is the trend towards consolidation of major companies. In December 2003, two of the best-known small arms producers—Germany's Heckler & Koch (H&K) and Santa Barbara Sistemas, the Spanish subsidiary of General Dynamics—initiated a new joint venture that will manufacture a variety of new small arms for national security. The venture is similar to many initiatives launched in recent years. These firms and their counterparts in other leading producing countries, such as China and the Russian Federation, are investing heavily in innovative small arms and light weapons.

Alongside this trend of change is another of continuity. In recent combat in Afghanistan and Iraq, high-tech armies have continued to confront combatants using older weapons. Even the modern armies still rely greatly on technology little changed in decades. These conflicts and many others reveal unchanged demand for staple weapons, such as assault rifles, medium and heavy machine guns, and other veteran designs such as rocket-propelled grenade launchers (RPGs). As a result, rearmament programmes will tend to benefit smaller producers of older, less sophisticated weapons, often under licence from major companies.

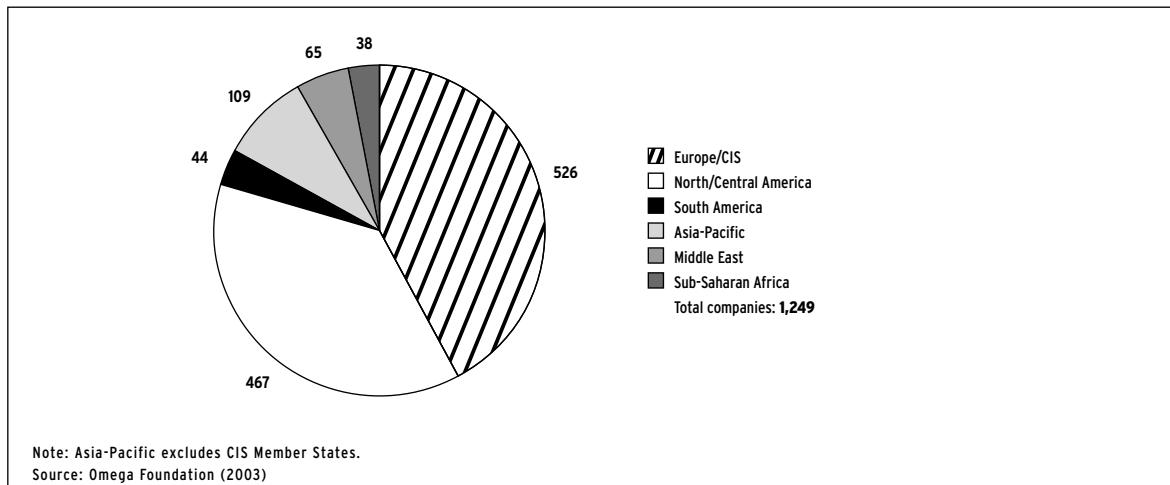
This chapter examines contradictory trends in global small arms and light weapons production. The key findings are as follows:

- At least 1,249 companies in more than 90 countries are involved in some aspect of small arms and light weapons production.
- The global small arms and light weapons industry is relatively stable, although producers from countries including Australia, Brazil, Israel, Singapore, and South Africa are challenging established European and North American producers.
- New small arms and light weapon designs are beginning to appear, as armed forces in Europe and elsewhere begin major rearmament programmes. This will boost global production in coming years.
- At least ten countries in Latin America have the capacity to produce small arms, light weapons, or ammunition. Brazil is Latin America's largest and most diversified producer.
- Small arms and light weapons technology is changing rapidly, but the most widespread weapons will continue to be the oldest and cheapest.

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New information and research suggests that at least 1,249 *companies* worldwide are involved in some aspect of small arms and light weapons production. Nevertheless, there appears to have been a slight decline in the number of *countries* worldwide with the capacity to produce small arms—a function of better information. Nearly half of all small arms-producing companies are located in Europe and the CIS.

Figure 1.2 Number of known small arms-producing companies, by region, 2003



The chapter provides a comprehensive update on two of the world's major producers—the United States and the Russian Federation. In both, production of commercial firearms appears to be declining, but production of military-style small arms appears to be increasing. More than three million firearms were produced in the United States in 2001. The lowest level since 1992, this figure represents a significant decline from the peak in 1994, when more than five million were produced. In recent years the Russian defence industry as a whole has experienced a significant increase in production, yet small arms and light weapons production has decreased from around one million in 2001 to some 650,000 in 2002.

Latin America illustrates the heterogeneity of much of the global small arms industry. While virtually every Latin American nation has some production capacity, actual manufacture ranges from very modest, state-run ammunition and/or small arms assembly plants, to large-scale, private production of a full range of small arms for export. In Latin America, small arms and light weapons makers are notably reliant on foreign designs and niche markets. The leading producer in the region is Brazil; medium-sized producers include Chile, Mexico, and Argentina. In contrast to the United States and the Russian Federation, there is little pressure to develop new military weapons in Latin America.

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The chapter also examines some of the main technological and product developments with respect to various categories of military-style small arms and light weapons. *Pistols and revolvers* are the most widely dispersed and numerous of all small arms, while *assault rifles* are now the most numerous and effective infantry small arm likely to be encountered. The international market for *mortars* is the most stable of all small arms and light weapons markets.

Among small arms and light weapons technology, old and cheap is often preferable. The RPG-7 rocket-propelled grenade launcher, now more than 40 years old, is a prime example of the extent to which such weapons undergo considerable modification and enhancement over time. With an estimated nine million or more units produced, the RPG-7 is exceptionally cheap, easy to use, and destructive over a wide area. For these reasons, it has become the weapon of choice for developing world armies and non-state actors alike. With no easy countermeasures to undermine its effectiveness, the RPG-7 and its later variants are likely to remain a standard light weapon for years to come.

Map 1.1 Latin American countries producing small arms and light weapons

