



U.S. Defense Department sold more than \$15 billion in arms in the first quarter of Fiscal Year 2009, report reveals

By Matt Schroeder

Arms sold by the Defense Department to foreign recipients totaled more than \$15 billion in the first quarter of Fiscal Year 2009, according to a report obtained by the Federation of American Scientists (FAS). The quarterly report, which is dated February 2009 and is required by Section 36(a) of the Arms Export Control Act, indicates that defense articles and services sold through Defense Department (DSCA) Security Assistance programs from October through December 2008 were worth approximately \$15.79 billion.¹ The United Arab Emirates was the largest buyer, accounting for \$7 billion of sales. Saudi Arabia was a distant second with \$1.87 billion, and Iraq was third with \$947 million in sales. The remaining top ten recipients are listed in the table below. Sales to the top ten countries accounted for more than 80% of total sales, and nearly 89% of unclassified arms sales. These data show that a handful of countries continue to account – in dollar value terms – for the vast majority of arms sold through the US Defense Department.

DSCA Security Assistance Sales 1 October 2008 through 31 December 2008	
Country	Total Estimated Case Value
United Arab Emirates	\$7,017,276,438
Saudi Arabia	\$1,874,981,657
Iraq	\$947,469,859
NAMO	\$871,283,087
Egypt	\$479,317,918
South Korea	\$476,861,899
Switzerland	\$303,522,255
Turkey	\$258,385,648
Canada	\$255,271,952
Colombia	\$219,957,504

Source: Quarterly report required under Section 36(a) of the Arms Export Control Act, February 2009
Table compiled by the Federation of American Scientists

¹ A more complete accounting of the value of arms sales in FY2009 will be released within the next couple months as part of the “supporting information” in the Congressional Budget Justification for Foreign Operations. Data from previous years is available on the [Federation of American Scientists’ website](http://www.fas.org).

The report contains new or more detailed data on the following:

- [Outstanding letters of offer that include Major Defense Equipment worth \\$1 million or more as of 31 December 2008.](#)
- [Arms sales agreements \(i.e. “accepted letters of offer”\) that include Major Defense Equipment worth \\$1 million or more during the first quarter of FY2009.](#)
- [Total value of defense articles and services sold to each country/purchaser during FY09 as of 31 December 2008.](#)
- [Foreign Military Sales \(FMS\) Direct Credits and Grant Apportionment for FY09 as of 31 December 2008.](#)
- [Foreign Military Sales projections for FY09 as of 31 December 2008.](#)
- [Foreign Military Construction Sales, 1 October 2008 through 31 December 2008.](#)
- [U.S. Munitions items sold, leased, or otherwise transferred by the DoD to other U.S. government entities, 1 October 2008 through 31 December 2008.](#)
- [Security Assistance Surveys authorized between 1 October and 31 December 2008.](#)
- [Excess Defense Articles transfers under Foreign Military Sales and Grants, 1 October 2008 through 31 December 2008.](#)
- [Waivers of nonrecurrent cost \(NC\) recoupment charges, 1 October 2008 through 31 December 2008.](#) *Note: this section contains detailed commodity data.*
- [Concluded government-to-government agreements regarding foreign coproduction of defense articles of United States origin, 1 October 2008 through 31 December 2008.](#)

Much of this data is not available in other reports, or is not as detailed. For example, the Section 36(a) report contains specific data on missile sales, most of which are redacted in the Annual Military Assistance Report (i.e. Section 655 report), the most comprehensive publicly available source of data on U.S. arms exports.² Data on sales of other commodities in the Section 36(a) report are also notably more specific than comparable data in the Annual Military Assistance Report. For example, the report reveals that an October 2008 ammunition sale to Israel consisted of “HEDP, White Star & Practice” 40 mm ammunition valued at \$9,897,682. Comparable data on ammunition (deliveries) in the Annual Military Assistance Report is aggregated into commodity categories that are so broad (e.g. “cartridge, 37 mm to 75 mm”) that the data are almost meaningless.

The Section 36(a) report is not a substitute for the Annual Military Assistance Report. It only includes disaggregated data³ on sales agreements, not actual deliveries, and only on a small sub-set of Defense

² It should be noted that the commodity-specific data in the Section 36(a) report is on agreements (i.e. accepted Letters of Offer and Acceptance) while the data on Defense Department exports in the Section 655 report is on arms that were delivered to the foreign recipient.

³ By disaggregated data, we are referring to country-specific data that is disaggregated by commodity.

Department arms sales (i.e. sales of Major Defense Equipment valued at \$1 million or more). Furthermore, the data on commercial sales were withheld from public release by the Department of State.⁴ The Section 36(a) report is a useful supplement to the Annual Military Assistance Report, however, and its narrow and specific commodity categorization is a model for other reports, many of which, like the Annual Military Assistance Report, are in dire need of an overhaul (See [Eight Recommendations for Improving Transparency in US Arms Transfers](#)).

The FAS has submitted requests for more recent editions of the Section 36(a) report, and will post them on the Strategic Security Blog and our '[U.S. Arms Transfers: Government Data](#)' webpage as they become available.

About the Author

Matt Schroeder is the Manager of the Arms Sales Monitoring Project. Since joining FAS in February 2002, he has written more than 100 books, articles and other publications on US arms transfers, arms export policies, and the illicit small arms trade. He is a co-author of the book *The Small Arms Trade* (Oxford: Oneworld Publications, 2007) and is the editor of *Missile Watch*, an online e-newsletter that tracks the illicit proliferation and use of man-portable air defense systems (MANPADS). He is a consultant for the Geneva-based Small Arms Survey and is coordinating a multi-year assessment of the authorized international trade in small arms and light weapons for the Survey.

⁴ To the State Department's credit, however, they recently [posted a CSV file](#) containing the data on commercial exports in the FY08 Section 655 report. CSV files are readily convert able into excel spreadsheets, databases, and other use-friendly research tools.