

# Russian Arms Exports to the Middle East: A Means or an End?

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When the Soviet Union became the primary arms supplier to the Middle East during the Cold War, it gained much influence in the region. The collapse of the Soviet Union seriously harmed Russian preeminence, and only in recent years has Russia begun gradually to recover its status as a superpower in the field of weapons production and export (capturing approximately 17 percent of total global export contracts<sup>1</sup>). As in the past, active participation in this arena is considered highly prestigious internationally, and Russia deems this effort as particularly important. Indeed, arms export has always been seen as a tool to its international standing, both from an economic standpoint, with arms constituting Russia's primary export market, as well as from the political standpoint, as an essential component of foreign policy. In fact, for Russia the Middle East is an important region more from a strategic standpoint than from an economic one (the supply to the Middle East represents on average approximately 16 percent of Russian arms exports over the last decade), and Russia is rebuilding its presence in the region by initiating arms supply deals with local actors.

The following article reviews Russia's arms exports to the Middle East in recent years, along with its use of these exports to promote Russia's political and strategic goals.

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### Russia's Arms Export Policy

The Soviet Union consistently regarded arms export as a primary tool to promote its political objectives in the international arena,<sup>2</sup> and Soviet arms export flourished not primarily due to their (not insignificant) quality, rather primarily due to the special export policies. Weapons were usually supplied at small, token prices not to the country that was the highest bidder, rather to the countries or non-state organizations that embraced a pro-Soviet or anti-Western orientation. This approach, intended to recruit “clients” to support the Soviet Union’s policies in the international arena, typified Soviet policy, whereby all considerations, including economic, were subject to the political-strategic interests.

Following the collapse of the Soviet Union, Russia entered a period of political and economic paralysis. Only a portion of the defense production infrastructure remained in Russian territory, and its operation was severely limited given the lack of government investment. As a result, the export market dropped significantly: Russian control over the global weapons market plummeted from approximately 40 percent in the late 1980s to a meager 10 percent in 1994. In subsequent years, United States control of the market, which was about 50 percent in the 1990s, slid to about 37 percent between 2001 and 2008.<sup>3</sup> In turn, Russia’s recovery began in the late 1990s and gained momentum in the decade that followed: between 2001 and 2008, Russia controlled about 17 percent of the global arms market. This recovery was chiefly due to both the price of energy sources and a conceptual change in foreign and military policy, which emphasized Russia’s return to the international arena.

Russia was traditionally viewed by the West as an international player of secondary importance and was forced, after a difficult decline from its Soviet-era accomplishments, to make concerted efforts to regain its leading position in the international arena. From a business standpoint, Russia began over the years to operate according to the competitive principles of the international free weapons market and participate in open exhibitions alongside prominent Western arms manufacturers.<sup>4</sup> After considerable recovery efforts, Russia’s status in the weapons and technology market in recent years grew and new markets developed (China – 35 percent, India – 24 percent, South Korea, Taiwan, North Africa (Algeria – 11 percent). The quality of the weapons produced has also become increasingly competitive in relation to Western weapons.

In addition, as a consequence of the changes in its geopolitical approach and its foreign and security goals, the Russian defense establishment has undergone several transformations. First, previous policies were revamped once the systems that oversaw the arms export and the security technology were released from the political constraints. The control over exports also changed hands, a result of both a bureaucratic transformation in the industry and competition for control over the prestigious field of foreign trade.<sup>5</sup> Beyond that, underlying assumptions regarding the precedence of economic over political considerations have fluctuated a great deal, based on leadership changes and the economic situation, including the world crisis. From among the influential factors, one can also identify shifts in the Russian security doctrine, which have prompted changes in security export policies.

Among the recent developments in this field are the new guidelines that were published in February 2010,<sup>6</sup> which established new trends in weapons and technology export policy within Russia's industrial security system. Unlike earlier years, when the economic issue took the lead, these directives noted the tight bond between export policies and Russian foreign policy, as well as the close integration of economic and political-strategic considerations. These principles are intended to serve Russia's foreign policy interests, which in recent years have focused on promoting a multi-polar policy, in part to strengthen its presence in the Middle East and to transform it into a key global player – equal in value to the United States – and enhance Russia's influence in global processes. This interest naturally dictates that Russia must adopt assertive foreign policies in the promotion of its geopolitical and economic objectives. Arms export serves to intensify Russia's influence in areas where it is in competition with its rivals and with other arms manufacturers, with Russia aspiring to become a competitor of the United States and of NATO.

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At the same time, the adoption of an export policy tightly integrated with international political considerations indicates Russia's awareness of its limited influence in international relations, particularly in the struggle for real influence over political and

economic issues versus players such as the United States, the European Union, and China. As in the Cold War, weapons thus remain a vital (and possibly exclusive) form of leverage for Russia to build its influence over what it sees as important countries.<sup>7</sup>

### Russian Arms Export to the Middle East

The Middle East has long been a locus of world tension and consequently is an attractive target for arms export. The Soviet Union succeeded early on in establishing itself in this market, and signed arms deals with countries in the region beginning in the 1950s. These were accompanied by consulting deals, in whose framework Soviet military advisors were sent to the region and took active part in local conflicts. These deals provided the Soviet Union with political access and the use of military infrastructures (ports, airports, and more). Following the collapse of the Soviet Union, the Middle East stopped – at least initially – being Russia’s primary client, with only Iran and Syria remaining major Russian clients (table 1).

**Table 1. Arms Transfer Agreements with the Middle East, in millions of current U.S. dollars, 2001-2008**

	2001-2004		2005-2008		Dynamics of presence ("+ " – positive; "- " – negative; "0" – no presence)	
	Russia	US	Russia	US	Russia	US
Egypt	300	5,200	500	5,200	+	No change
Iran	300	0	1,900	0	+	0
Iraq	100	300	100	3,500	No change	+
Israel	3,200	300	0	2,700	-	+
Jordan	0	700	200	1,000	+	+
Kuwait	100	1,700	0	1,500	-	+
Libya	300	0	300	0	No change	0
Saudi Arabia	100	4,100	200	11,200	+	+
Syria	1,100	0	4,700	0	+	0
UAE	100	800	300	10,000	+	+
Yemen	700	0	200	0	-	0

0=less than \$ 50 million or nil

**Source:** Table adapted from Richard F. Grimmett, “Conventional Arms Transfers to Developing Nations, 2001-2008,” <http://www.fas.org/sgp/crs/weapons/R40796.pdf>.

From Russia's vantage, the Middle East remained an extremely important target: as a theater for intense international activity; given its geopolitical significance; due to its proximity to Russia's southern borders, home to a large Muslim population that is exposed to ideological influences of the Middle East; and due to the fact that the Middle East is the primary arena of international conflict in the world today. These factors dictate that Russia, with its international aspirations, would try to establish an active presence in the region. Therefore, following its considerable success in the weapons market in other areas, Russia has set its sights on the Middle East as its next target and is investing considerable effort to regain a politically influential role in the region, alongside the United States. According to Russia's perception and especially due to its economic situation, building influence in the international system is achieved more through political than through economic means. Thus in order to reinforce its regional position, Russia is coupling new political ties with parties in the area to the supply of arms and technological assistance, and the scope of the weapons supply to the Middle East indicates Russia's political-strategic interests in the region over its economic interests. In other words, Russia gains more of a political reputation by its presence in the region than what it profits from actual arms supply deals, some of which are not even realized for many years. This Russian dynamic with Middle East states differs from its relationship with India or with China, its two main clients.

Clear examples that Russia's political aspirations are the dominant consideration in the region include its willingness to supply free of charge weapons to the Palestinian Authority (such as the 50 armored personnel carriers that were recently provided) and attack helicopters to Lebanon (the future profit will be the establishment of a Russian presence on Lebanese soil in the form of consultants, instructors, and technical staff). The willingness to erase the Syrian and Libyan debts also matches this trend.

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Russia's varied market indicates its holistic approach. Unlike in the past when partners were essentially political allies, namely anti-Western countries, today Russia aims to develop partnerships with everyone, from

“axis of evil” states to those identified with the pro-Western camp. This enables Russia to appear as a mediating or bridging party in order to gain credit in the international system. In addition, Russia controls its Middle East arms export in such a way that it maintains the regional equilibrium, certainly in the deals with its two primary clients in the region, Iran and Syria. Beyond what was provided to these countries openly and secretly, Russia adopts ambivalent policies, specifically regarding cardinal issues: on the one hand Russia signs deals providing the countries with what they want, and on the other hand it takes its time in actually executing the requests. This practice is just another dimension of Russia’s use of its arms deals as leverage in gaining influence and promoting its political aims, principally in competition with the West.<sup>8</sup>

In recent years Russia scored several achievements, but for a number of reasons most of them fell short of original goals. Often Russia sought payment on old debts to the Soviet Union, but the inability or unwillingness of the regional states to pay these debts blocked potential deals. Some of the deals were enabled only after Russia agreed to erase past debts (as in the case of Syria and Libya). Moreover, the Russian weapons industry had already stagnated by the final days of the Soviet Union and continued to lag through most of the 1990s. Thus the Russian systems were not competitive from a technological standpoint in comparison to Western technology.

It appears that after all the upheaval, Russia has slowly returned as a powerful country in the field of security production and export. After a decade of concentrated efforts, today<sup>9</sup> Russia’s arms sales in the region constitute 21-26 percent of total Russian arms sales worldwide. Russia, however, remains determined and persistent, and one should not rule out the possibility that continued efforts will reap additional future successes, especially in light of last decade’s dynamics whereby Russia renewed its presence in the area.

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Over the last decade, as it labored to continue its recovery, the Russian weapons industry began to bridge many gaps, primarily in the fields of electronics and information systems. There remained critical lacunae (for example, the purchase of UAVs from Israel was intended to assist the

Russian industry with this gap), but in many areas the Russians offer the most advanced systems available today. For example, a series of SU-30/35 aircraft in various models include some of the most advanced planes in the world.<sup>10</sup> In addition, all of the systems appearing under names that were used during the period of the Soviet Union<sup>11</sup> have been updated and their components have been completely changed.

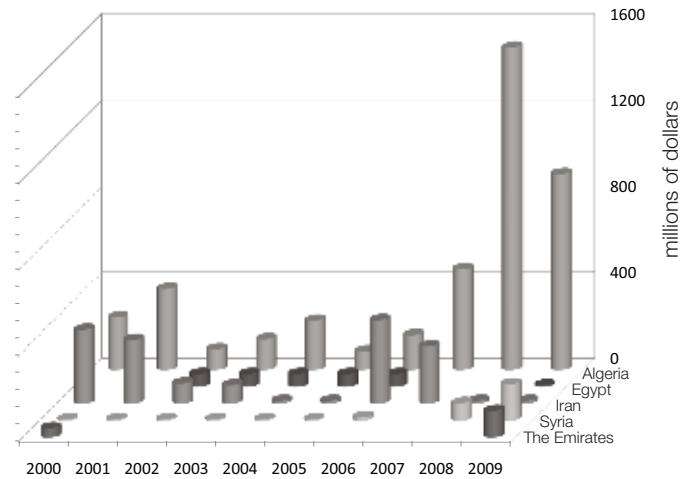
Apart from the weapon systems, special emphasis has been placed on areas where Russia displays singular assets, particularly in the missile, space, and nuclear fields. Russia's progressive space and missile industries, which have lifted their veils of secrecy, produce and market satellites that are indigenously developed or developed under partnership with Western companies or with experts from the client country who are eager to gain additional knowledge. Also marketed by Russia are capabilities to launch satellites, which have been purchased by many clients (including Israel). The Russian nuclear industry, which almost disappeared with the collapse of the Soviet Union, succeeded in becoming a Russian export product as well, both overtly and covertly (illegally) by leaking information and even selling nuclear materials that were stolen from Russian infrastructures.

Current Russian clients in the Middle East include (figure 1):

- a. The "axis of evil" states: Iran and Syria, which are Russia's big clients in the region. Joining them are the radical organizations, specifically Hizbollah and Hamas. These groups enjoy Russian weaponry that reaches them via indirect routes.
- b. The moderate Middle East states: Egypt, Saudi Arabia, Jordan, Lebanon, and the Gulf states. One can also include the Palestinian Authority. Although Russia has high expectations of some of them, e.g., Saudi Arabia, most of these countries will remain small clients at best, and for some, the justification to supply them with weapon systems is explicitly political.
- c. North African states: the supply of arms to Algeria and Sudan signals a positive trend for Russia.

### *Iran*

After the Iran-Iraq war, Iran purchased Russian equipment, which was supplied in the early 1990s. No overt formal aid was given in the field of missile development. Presumably, however, in the late 1990s much Russian technology permeated the Iranian missile programs in various



**Figure 1.** Russian Arms Exports to Selected States in the Middle East, 2000-2009

ways, such as the sale of X-55 cruise missiles by Ukraine, the BM-25 missiles from North Korea (a North Korean version of the Russian submarine-launched SS-N-6 missile), and the transfer of RD-216 engine technologies (which served the Russian R-12 missile). In the field of satellites, Iran ordered the ZOHREH communications satellite from Russia. The contract was signed with Russia in 2001, cancelled by the Iranians in 2003, signed again in 2005, and still has yet to be completed.

Over the past decade, intermittent reports appeared regarding the sale of Russian arms to Iran in the multibillions, but in the end the deals did not materialize except for one \$900 million transaction for the TOR-M1 short range air defense systems. The most notable deal that was actually signed in 2007 was the deal to purchase the S-300 long range air defense systems. Execution of this deal was postponed every time with different excuses, but in practice the motive was in order to gain leverage and put pressure on Iran. The question of supplying these systems has become a sensitive issue in Russia-Iran relations and Russia-United States relations, and it is clear that the last word has yet to be spoken.



*Syria*

Syria was a loyal client of the Soviet Union and served as a base for many Soviet advisors. These ties were severed with the fall of the Soviet Union. The main issue between Russia and Syria was the large debt accrued through the purchase of Soviet weapon systems. A breakthrough was achieved in 2005, when the Russians agreed to erase 73 percent of the debt. In exchange, the Syrians provided Russia with a renewed foothold in two of its ports, Tartus and Latakia. Despite Russia's expectations of large scale purchases from Syria, the deals amounted to a relatively limited number of systems. Although the Syrians were interested in the S-300 air defense systems and the ISKANDER-E surface-to-surface missiles, the purchases amounted to KORNET and METIS anti-tank missiles (a portion of which made their way to Hizbollah) and IGLA-S portable anti-aircraft missiles. This sale raised concern in the United States and in Israel, fearing that these systems would reach Hizbollah. In order to mitigate these concerns, a heavier mounted system, called STRELETS, was developed specifically for this transaction. Another recent deal involved the purchase of eight MiG-31 planes that were apparently intended to serve Syria in intelligence missions. The deal is currently suspended, with its future unclear.

*Egypt*

Egypt was a Russian client from the 1950s until the 1970s. Despite Egypt's turn to the United States, a considerable amount of Soviet equipment remains in use today, including AFVs, planes, and strategic SAM systems. Beyond purchasing spare parts from Russia, Egypt purchased a project for the improvement of outdated anti-aircraft missiles, the PECHORA-M2. The system uses old missiles but is mobile and equipped with electronic systems and new computers.

*Lebanon*

Lebanon is a small client, but in recent years Russia tried to obtain a foothold in the country by offering to supply it with 10 MiG-29 fighter jets gratis. Lebanon, whose air force had not used fighter jets since the 1970s, declined the offer but requested MI-24 attack helicopters instead. Russia responded affirmatively to the request during President Suleiman's visit to Moscow in February 2010.

*The Gulf States*

The Gulf states were never clients of the Soviet Union, and as Western allies, they were not candidates for Soviet involvement. After the collapse of the Soviet Union, Russia attempted to gain entry into this attractive market and in the 1990s succeeded in selling Kuwait a line of products: BMP-3 armored personnel carriers, anti-tank missiles, and long range SMERCH rockets. Another Russian success was the sale of a large quantity of BMP-3 armored personnel carriers to the Emirates in 2000. This deal continued in recent years in the form of supplying armored personnel carrier enhancements to the United Arab Emirates, as well as supplying light weaponry, anti-tank missiles, and portable anti-aircraft missiles. The most interesting deal was the purchase of PANTSYR S-1 advanced short range air defense systems for defending target points, which was developed in Russia with funding by the client. It was later sold to Syria as well.

*Algeria*

Export to Algeria has become Russia's greatest success in the Middle East over the last decade. Even early in beginning of the decade, Algeria purchased SU-24 fighter-bomber planes. In 2004, negotiations began on a large deal estimated at \$7 billion that was signed in 2006. This deal included MiG-29SMT fighter planes, SU-30MKA aircraft, YAK-130 training aircraft, short range and long range strategic SAM systems (TUNGUSKA – M1 and S-300PMU, respectively), T-90 tanks, and other equipment. Algeria was dissatisfied with some of the equipment and returned it to Russia; it was eventually replaced with improved models.

*Libya*

With the lifting of the sanctions on Libya, the Russians renewed their trade with the country in hopes of establishing purchasing deals and upgrading old Soviet equipment. These negotiations did not yield results for a decade until 2009, at which point Russia erased Libya's \$1.8 billion debt and sold Libya three MOLNIYA ships. In 2010, a large scale purchasing deal was signed whose details are not fully known, but which in part includes YAK-130 training aircraft, T-90 tanks, and the improvement of the old T-72 tanks that were in Libya's possession. It is

common knowledge that Libya intends to purchase SU-30MK2 and SU-35 advanced fighter aircraft as well as S-300PMU2 strategic SAM systems.

## Conclusion

After the many attempts that followed the collapse of the Soviet Union, Russia is gradually regaining its status as a superpower in the production and export of security equipment and now offers advanced weapons that are competitive with Western products. Russian exports have expanded to many markets in Asia and continue to spread rapidly. In addition to export, Russia is also broadening its production in various countries (China, for example), either with a license or through forgery, a worrisome prospect for these countries' regional neighbors.

Over the past decade, the Middle East has once again become an attractive target for Russia's arms deals and it is likely that this trend will continue. Aside from revenue, this status provides Russia with an important tool for gaining regional influence. Arms deals with various countries in the region serve Russia's interests in amplifying its presence in the Middle East and promoting its other objectives vis-à-vis its rivals in the international arena. Thus in the last decade, the role of political-strategic considerations is growing in the formation of export policy regarding Russia's sensitive weapons and technologies, primarily in the Middle East.

This trend, which is intended to serve Russia's assertive foreign policy that has developed in recent years, is meant to attain its goals of a multi-polar world order and the empowerment of Russia's status in the international arena. Russia is successfully utilizing its presence in the Middle East while managing an effective threshold policy. In this framework security and technological exports serve as a point of leverage towards attaining political-strategic goals and are operated as a branch of foreign policy. At the same time, this trend reflects Russia's limitation in promoting its goals using the economic tools that are generally accepted between influential international players such as the United States or European countries. Due to this limitation, Russia is taking advantage of its Middle Eastern weapons export to build its influence in both the region and in the international arena.

## Notes

- 1 Richard F. Grimmett, "Conventional Arms Transfers to Developing Nations, 2001-2008," <http://www.fas.org/sgp/crs/weapons/R40796.pdf>.
- 2 The Russian term for the combined field of arms exports, security assistance, and military cooperation, in use since the Soviet era, is "Military-Technical Cooperation" (BTC). Arms deals are called military technical agreements.
- 3 Paul Holtom, Mark Bromley, Pieter Wezeman, and Siemon Wezeman, "Trends in International Arms Transfers, 2009," SIPRI Fact Sheet, <http://books.sipri.org/files/FS/SIPRIFS1003.pdf>; and [http://www.export.by/en/?act=s\\_docs&mode=view&id=1651&type=by\\_class&indclass=34641&mode2=archive&doc=64](http://www.export.by/en/?act=s_docs&mode=view&id=1651&type=by_class&indclass=34641&mode2=archive&doc=64).
- 4 Changes were also made to the weapons markings since the Soviet era. In the past, the weapons were identified by their NATO code or by the United States intelligence code. These systems are currently identified by their Russian names (S-300 instead of SA-10, BUK instead of GADFLY, SA-11).
- 5 As of now, the issue is the responsibility of the State Committee for Military-Technological Cooperation (FSVTS), which answers to the president. At the head of the committee stands M. Dmitriyev, a close associate of Prime Minister Putin. This is an extremely powerful body, which controls all of Russia's security export procedures, aid, and cooperation. Operating alongside it is a government branch that deals with foreign sales – ROSOBORONEXPORT. Russia, however, has additional mechanisms that deal with the production and export of weapons, each with different and sometimes conflicting interests. Disputes between the different bodies, personalities, and interests have existed throughout the years and are not likely to be resolved anytime soon. For the most part, there are conflicts of interest between the general considerations versus the political and strategic considerations, and these have intensified in recent years. The various considerations define which weapons and sensitive technologies, illegal in the international system, will not be supplied, such as nuclear, missile, and systems technologies, which have the potential to upset the regional security balance.
- 6 Russia's security concept is generally accepted as a combination of its military doctrine, international security concept, and foreign policy.
- 7 Under the special circumstances of the 1990s, Russia and the former Soviet Union saw the development of "leakage," with illegal weapons, information, and technology transfers to various parties in the world, especially the Middle East. In this context, nuclear and missile technology found their way to the Middle East, including Iran, and certain weapons reached terrorist organizations. Although the Russian government denied taking any part, in at least some of these cases, supplying these weapons served Russian interests. Until recently, an underground arms transfer network was also in operation; the purpose was to smuggle sensitive weapons or smuggle to elements that by international law were forbidden to receive weapons. See

for example *Global Alternative*, May 8, 2009, [mailto:http://aglob.info/articles.php?article\\_id=2761](mailto:http://aglob.info/articles.php?article_id=2761).

- 8 Vladimir Socor, "Moscow Uses Anti-Iran Sanctions as Bargaining Leverage on Washington," 2010, [http://www.acus.org/new\\_atlanticist/moscow-uses-anti-iran-sanctions-bargaining-leverage-washington](http://www.acus.org/new_atlanticist/moscow-uses-anti-iran-sanctions-bargaining-leverage-washington).
- 9 The economic crisis also harmed the sale and prices of energy sources, a primary source of income for Russia. The lack of development in exportable infrastructure forced Russia to identify additional alternatives, with weapons at the forefront.
- 10 ROSOBORONEXPORT reported last year that the weapons export potential is estimated in the range of \$27 billion to about 30 countries in the coming years. As of now, Russia's annual exports come to approximately \$9 billion. See [http://www.export.by/en/?act=s\\_docs&mode=view&id=1651&type=by\\_class&indclass=34641&mode2=archive&doc=64](http://www.export.by/en/?act=s_docs&mode=view&id=1651&type=by_class&indclass=34641&mode2=archive&doc=64).
- 11 The MiG-29SMT aircraft is a completely different aircraft than the MiG-29 from the 1980s, and the S-300PMU2 anti-aircraft missile system is a much more advanced system than the S-300 of the Soviet Union days (the system referred to as the SA-10 in the West).