On Tuesday, 23rd July 2019, the Bussola Institute conducted a Workshop to consider the political, economic and strategic issues related to international arms sales to the Gulf states and their influence on the security of the region. The Workshop was led by Bussola’s Senior Advisor for Research, Dr Christian Koch, and the principal speakers were Professor David des Roches, from the National Defense University in Washington DC, and Dr David Roberts from King’s College London.

The Workshop set out to explore the dynamics of the international debate around sales of armaments and other types of military equipment, with particular reference to the Gulf states, which remain some of the largest and most important customers for international defence suppliers. While the US and European manufacturers remain the principal sources of military equipment for Gulf customers, the Workshop also sought to understand the extent to which these old and long-standing supply relationships will endure, and whether the growing importance of Asian markets for Gulf countries is likely to engender some change, and what impact this could have on broader matters of regional security and the future shape of defence relationships.

Des Roches pointed out that the Gulf countries, particularly Saudi Arabia, the UAE and Qatar, continue to be some of the largest export markets for defence sales from around the world. This tallies with continuing high levels of defence expenditure across the Gulf, which has been intensified over the past four years by operational requirements in Yemen.

He also emphasised that for European states, it is essential to maintain high levels of defence export sales, not only to support this lucrative component of overall foreign trade but also to enable countries to retain certain key defence manufacturing capabilities that would otherwise not be economically viable if they were limited only to supplying domestic markets. This is different from the United States where the domestic market is still of sufficient size to maintain key defence capabilities such as military aircraft manufacture and naval ship-building.
In the US, Congress maintains oversight of all Foreign Military Sales (FMS) activities such that all defence contracts with foreign states have to secure political approval.

For US legislators, some recent developments in the Arab Gulf have made defence exporting more challenging. Des Roches explained that the US political view of operations in Yemen is largely unfavourable and this has coloured decision-making on the continued supply of smart munitions and military aircraft, particularly to Saudi Arabia and the UAE.

![U.S. Arms Transfers to Rivaling Middle Eastern Allies](image)

Similar, strongly negative media coverage of the death of Jamal Khashoggi in October 2018 has had an adverse effect on Congress’ willingness to approve military sales, particularly to Saudi Arabia.

Finally, the stronger relationship that has developed between the Trump administration and Gulf rulers has also become the focus for political opposition from Trump adversaries, particularly within the Democratic Party which now controls the lower House of Representatives. Accordingly, it is observable that some military contracts are being delayed, or declined altogether, in order to thwart the will of the administration.
In short, while European suppliers arguably have an over-riding measure of self-interest in maintaining defence export markets in the Gulf region, the US is not bound by the same constraints and is therefore more prone to make decisions based on the political mood of the moment rather than by longer-term strategic necessity.

David Roberts agreed that European countries with developed defence manufacturing industries have a “fundamental dependency” to maintain strong defence export markets. His research reveals that 80% of defence equipment and materiel manufactured in Europe is sold outside the European Union (EU). By the same token, his research shows that Gulf spending on defence and security has increased by 200 per cent over the past decade. It is, he argued, therefore inevitable that there is important linkage between European defence exports and the continent’s wider political and diplomatic relationships with the Gulf states. In turn, it is also noteworthy that defence exports have a marked effect on the overall levels of exports in other sectors.

In addition to the financial imperatives of exporting military arms and equipment to the Gulf states, Roberts went on to outline three further issues that underpin military sales.

First, he emphasised the importance of the historical ties that have grown up between Europe and America, and their Gulf markets. The US, the UK and France have long and often complicated histories of involvement in each other’s military development. This has encouraged the development of strong relationships founded on trust. And, as he pointed out, this is not a one-way street. Military analysts now take the view that, through their need to defend against ballistic missile and armed drone attacks, mostly

---

The World's Biggest Arms Importers
Countries with the most defense imports from 2008-2018 (in billion TIV)*

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>TIV</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>33.9</td>
</tr>
<tr>
<td>2</td>
<td>Saudi Arabia</td>
<td>23.0</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
<td>14.5</td>
</tr>
<tr>
<td>4</td>
<td>Australia</td>
<td>12.2</td>
</tr>
<tr>
<td>5</td>
<td>Algeria</td>
<td>12.1</td>
</tr>
<tr>
<td>6</td>
<td>UAE</td>
<td>11.9</td>
</tr>
<tr>
<td>7</td>
<td>Pakistan</td>
<td>11.6</td>
</tr>
<tr>
<td>8</td>
<td>South Korea</td>
<td>11.1</td>
</tr>
<tr>
<td>9</td>
<td>Egypt</td>
<td>10.2</td>
</tr>
<tr>
<td>10</td>
<td>United States</td>
<td>8.6</td>
</tr>
</tbody>
</table>

* TIV (trend-indicator value) is based on the known unit production costs of weapons and represents the value according to the volume rather than the money paid in the actual deal.

Source: SIPRI

---

David Roberts agreed that European countries with developed defence manufacturing industries have a “fundamental dependency” to maintain strong defence export markets. His research reveals that 80% of defence equipment and materiel manufactured in Europe is sold outside the European Union (EU). By the same token, his research shows that Gulf spending on defence and security has increased by 200 per cent over the past decade. It is, he argued, therefore inevitable that there is important linkage between European defence exports and the continent’s wider political and diplomatic relationships with the Gulf states. In turn, it is also noteworthy that defence exports have a marked effect on the overall levels of exports in other sectors.

In addition to the financial imperatives of exporting military arms and equipment to the Gulf states, Roberts went on to outline three further issues that underpin military sales.

First, he emphasised the importance of the historical ties that have grown up between Europe and America, and their Gulf markets. The US, the UK and France have long and often complicated histories of involvement in each other’s military development. This has encouraged the development of strong relationships founded on trust. And, as he pointed out, this is not a one-way street. Military analysts now take the view that, through their need to defend against ballistic missile and armed drone attacks, mostly
mounted from Yemen, both Saudi Arabia and the UAE have become some of the most experienced operators of missile air defence in the world. This has resulted in the development of improved military air defence doctrine that is of benefit not only to Gulf neighbours but also to Western allies.

This shared military history combined with a sense of trust built over generations remains an important factor when seeking new equipment and maintaining older systems.

In turn, this long history of trusted relationships leads to a third factor of accepted military influence, both in terms of military doctrine and intelligence sharing. Roberts argued that it is the sense of consistency and reliability, underpinned by commitment to unchanging values and standards, that also leads the Gulf states to see Europe and the US as their preferred suppliers of military hardware.

Finally, Roberts articulated his research into what French philosopher Michel Foucault termed the ‘dispositif’ dimension and its impact on decision making concerning the acquisition of military equipment. As he argued, buying military systems is not simply about the hardware and their specific capabilities in terms of range, or speed, or accuracy. Rather it is the combination of the equipment itself with other factors including: training, education, shared doctrine, legal structures and other factors; the joint capabilities dimension often referred to by the military as the combination of: **doctrine, organization, training, materiel, leadership and education, personnel, and facilities** (DOTMLPF) required to accomplish a mission. This all-encompassing set of factors that shape decision-making in terms of equipment acquisition means that it becomes much more difficult to make significant changes in terms of equipment suppliers than might be assumed at first glance.

---

1 *Dispositif* is a term used by the French philosopher Michel Foucault, generally to refer to the various institutional, physical, and administrative mechanisms and knowledge structures which enhance and maintain the exercise of power within a social body.
Both speakers then went on to discuss whether any of these factors were changing or are likely to change in light of the Gulf states’ recent military experience in Yemen and a greater willingness to pursue new import relationships or increased military self-sufficiency.

Both speakers agreed that many of the threats, particularly from within Europe to embargo arms sales to the Gulf states because of human rights concerns, have proved to be little more than empty rhetoric. That said, recent research shows that both Saudi Arabia and the UAE have been forced to seek alternative sources of supply for military equipment that has been embargoed by Western governments. These have included armed drones and surface to surface missiles; both equipment areas that the US and European governments see as potentially escalatory in terms of their effect and therefore need to be more tightly controlled.

As well as looking to new sources of supply in India, China and South Korea, it was noted that the Gulf states are also looking to build their own equipment manufacturing capabilities, both to increase levels of self-sufficiency and as part of the development of a wider, knowledge-based industrial platform. This means that it appears likely that the Gulf states will gradually reduce their reliance on Western supplies of military sales over time. However, it was also agreed that it seems unlikely that the long-established military supply relationships will be replaced or supplanted quickly.

Western military equipment continues to be seen as the most sophisticated available and while China has clearly set its sights on developing its own high-end military equipment capabilities the collected view of the workshop is that the Gulf-West axis is likely to prevail for years to come.