

# How the Ukraine War Helped the Arms Trade Go Boom

Welcome to the multipolar world of weapons exports, which is expected to grow even when the conflict is over.

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*This is part of our weeklong series marking the one-year anniversary of the Russian invasion of Ukraine, February 24, 2022. See all of the stories [here](#).*

Earlier this month, arms maker General Atomics made Ukraine a tempting offer. For the low price of \$0.50 a pop, the defense contractor [would send](#) Kyiv two of its top-of-the-line MQ-9 Reaper drones, which are usually valued at about \$30 million per plane. (Budget-conscious readers should keep in mind that shipping and handling — worth nearly \$20 million — were not included.)

While the PR stunt has yet to pay off, it serves as a reminder that, for arms makers, high-profile conflicts are a remarkable marketing opportunity. In just a few months, HIMARS and Javelin missiles went from obscure pieces of military equipment to widely recognized symbols of the brave Ukrainian resistance against Russian aggression.

This more subtle ad campaign has already started to pay dividends. Two weeks ago, the State Department approved a potential \$10 billion [deal](#) with Poland for a new fleet of HIMARS and related equipment. Warsaw also put in a nearly \$4 billion [order](#) for American Abrams tanks last year after sending Kyiv more than 200 of its Soviet-era T-72s. And other countries in eastern Europe — including Estonia, Finland, and Lithuania — have given Ukraine many of their Soviet-era arms and sought to replace them with cutting-edge Western weapons.

These sales are just one aspect of a broader boom in the global arms trade. While other factors — like increased U.S.-China tensions — have contributed to this trend, Russia's invasion of Ukraine has played a key role in [driving international demand for weapons](#) to new highs.

At this stage, it's hard to predict who will benefit the most from this boom. So far, Western weapons makers have experienced the largest boost, but the long-term impact may be the creation of a "multipolar" arms trade, according to Eric Woods of the James Martin Center for Nonproliferation Studies.

"The trend is towards diversification away from one or two big suppliers like it was during the Cold War," Woods told RS. "It's more multipolar, much like the rest of the international system."

One key reason for this shift is the relative stagnation of the Russian defense industry. While definitive arms sale numbers are nearly impossible to find, well-respected sources like the Stockholm International Peace Research Institute (SIPRI) have noted a fairly dramatic decline in Moscow's weapons sales in recent years, allowing the United States to open up a dominant lead as the world's leading exporter.

As Richard Connolly of the Royal United Services Institute (RUSI) points out, this apparent drop may be due to the fact that Russia has become more secretive about its arms sales in order to avoid triggering Western sanctions. But, Connolly notes, even official Russian numbers on weapons exports have stagnated at around \$15 billion annually in recent years, while other countries have seen spikes.

Contrary to many predictions, Russia has so far managed to keep up with major contracts that it agreed to before the war. Connolly attributes this resilience to the fact that Russia's defense industry makes different products for its domestic and foreign markets. And weapons factories throughout the country have dramatically expanded their operations since the invasion, with some production lines now "operating around the clock" in order to meet demand.

Despite Moscow's best efforts, however, countries have started to become more wary of its reliability as an exporter and more attuned to the potential costs of working with the Kremlin. India — the world's leading importer of Russian weapons — is particularly concerned about these downsides, according to Akriti Kalyankar of the Stimson Center.

"The war has really brought home to New Delhi that Russia is actually in decline and that India's dependence on Russia is something that it needs to change," Kalyankar said at a [recent panel](#) discussion. France, which SIPRI ranked as the second leading weapons exporter in 2021, has [tried to capitalize](#) on these concerns in order to supplant Russia as India's leading arms supplier. U.S. officials have also [suggested](#) that they are targeting the lucrative Indian import market.

Notably, both India and China have embarked on missions to expand their domestic weapons production. If successful, these initiatives would allow them to reduce their reliance on Moscow and perhaps even compete for defense contracts in the increasingly multipolar industry.

As Russia fights to hold its dwindling share of the market, U.S. companies have struggled to keep up with the massive spike in demand for weapons. This has helped to open up space for the growing number of mid-sized producers like Turkey, whose inexpensive Bayraktar drones have been in [high demand](#) after Ukraine deftly employed them to beat back Russia's initial invasion.

But perhaps the [biggest success story](#) is South Korea. Seoul's rapidly growing defense industry has strong support from President Yoon Suk Yeol, who [declared](#) last year that his aim is to become the world's fourth largest weapons exporter by 2027. (South Korea was the eighth leading exporter in 2021, according to SIPRI data.)

"The Ukraine war has given them a great chance to sell arms to major NATO countries," said Hoshik Nam, a PhD candidate in political science at the University of Iowa. After Russia's invasion, South Korea [reached](#) a nearly \$6 billion deal with Poland for tanks, howitzers, and ammunition, some of which have already been delivered. Norway and Estonia have also expressed interest in importing Korean weapons.

Seoul has some unique advantages as a weapons maker, according to Nam. Given that the country is still technically at war with North Korea, its defense industry is able to rapidly scale up to meet demand at times of crisis at a "relatively cheap price," and its weapons are largely compatible with NATO systems because of its long-standing defense relationship with the United States. And unlike their American peers, Korean contractors are more willing to transfer technologies for use by other countries.

There is, however, one big exception to Seoul's selling spree. According to Nam, it is "highly unlikely" that South Korea will budge in its pledge to not sell arms directly to Ukraine because of the country's sensitive relationships with Russia and North Korea, as well as its general policy against sending weapons into active war zones.

But this hasn't stopped Seoul from finding some creative solutions. Reports surfaced in November of last year that South Korea had agreed to sell 100,000 rounds of artillery ammunition to the United States, which it insisted would be the "end user" of the weapons. But American officials [told](#) the AP that the rounds would actually be headed to Ukraine after passing through the U.S.

As the war drags on, demand for weapons will likely continue to rise in Europe as Ukraine's supporters rebuild their stockpiles and modernize their militaries. But, as Jeff Abramson of the Arms Control Association argues, the weapons build-up will not end alongside the conflict. Instead, arms sales will likely continue to rise as weapons makers compete for clients in regions far removed from eastern Europe.

"Once you revitalize and grow that industry, you will see increased flows of weapons outside of the conflict in Ukraine," Abramson told RS. "That is the history of a burgeoning arms market — it doesn't stop [with] Ukraine."

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*Featured image: Hyundai Rotem shows off its K2 main battle tank in a 2022 expo in Seoul.  
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