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THE IMPACT OF THE RUSSIA-UKRAINE CONFLICT ON ARMS TRADE

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Abstract

The global landscape of armed conflict in 2024–25. continued to deteriorate. The most marked change in armed conflict has been the return of large-scale conventional interstate warfare in Europe and state-led military aggression in the Middle East. Since the conflict between Russia and Ukraine has been going on for more than three years, the depletion of war material reserves on both sides has reached alarming levels, so Ukraine has been receiving generous aid from European countries and the USA. In addition to tanks, vehicles, artillery pieces, and missile systems, the greatest demand is for mortar ammunition, artillery projectiles, and rockets of Western systems that have already been delivered. Given that the global order is changing rapidly and that Russia, for now, does not intend to unilaterally end the conflict with Ukraine, Western countries, primarily NATO members, are demanding an enormous increase in military allocations for defense budgets, which range up to 800 billion euros (dollars). All this leads to an even wider escalation of the conflict, with an uncertain outcome. This, however, altered the global arms trade situation, leading to Ukraine becoming the world's largest arms importer. Stockholm International Peace Research Institute (SIPRI) is in the period 2020-2024. identified 162 countries as recipients of weapons. The top five recipients of arms were Ukraine, India, Qatar, Saudi Arabia, and Pakistan, which together account for 35% of total arms imports. Arms imports to Ukraine increased nearly 100-fold compared to the period 2015–2019. The paper shows the obvious change of events in the field of arms trade, with a special emphasis on the conflict between Russia and Ukraine.

Key words: *Armed conflict, arms production, arms trade, transparency, military expenditure*

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Introduction

At the beginning of the 21st century, the policy of using force in international relations prevailed over the policy of peaceful coexistence and peaceful settlement of disputes, which introduced an offensive spirit into modern warfare strategies. In this regard, equipping armies with modern weapons becomes a priority task for governments and is one of the key issues of internal and external security policy. Since the beginning of the 21st century, there have been several dozen conflicts of greater or lesser intensity in the world, in which weapons have been used massively. Numerous initiatives in the direction of calming the tension did not bear fruit, so weapons became the basic tool for resolving conflicts. These weapons can be of different origins - purchased from other countries through legal channels and procedures, acquired illegally from various suppliers (state or non-state), or produced in their own defense industry.

Arms production is represented in a large number of countries. The degree of development, the availability of research and development capacities, especially the material basis of this branch of industry, are in the strict focus not only of the country where the industry exists, but also of the entire international community. Weapons are means of special purpose and as such cannot be classified in any category of other products (e.g, food products, textiles, leather, wood products, chemical products, metals, non-metals, machines, electrical and optical devices, vehicles, etc.). Due to their special purpose, these funds are subject to different economic laws and regulations. Their production, circulation (export and import), and maintenance are the responsibility of state bodies and institutions, often with elements of state secrecy. Arms trafficking is a multi-dimensional, multi-agency, geographical, and historical practice. It is multidimensional because economic, political, and military aspects are in the foreground. The economic dimension includes microeconomics and macroeconomics. The political dimension mainly consists of the domains of internal and external politics. On the other hand, probably the most prominent aspect of the arms trade is its use as a diplomatic tool in international affairs. The military dimension is as important as the other two dimensions. By delivering or receiving high-tech weapons and systems, countries can improve deterrence capabilities or power projection, and change strategic conditions in different regions of the world. Finally, arms trafficking activities have different characteristics in different time periods [1].

In the context of Russia's special military operation in Ukraine, the positioning of the USA as the main exporter of weapons to all regions of the world is evident. Second, the decline of Russia as the second exporter is obvious, because that place now belongs to France. The Russia-Ukraine conflict generated different military-political behaviors in the rest of the world, especially in Europe, the Middle East, Asia, and even Africa. Efforts to import weapons have been intensified in Taiwan, the Philippines, Japan, South Korea, Australia, India, Pakistan, Saudi Arabia, and Qatar, as well as in a large number of European countries. Therefore, the import of weapons has increased sharply due to only one event - the conflict between Russia and Ukraine, and the biggest winners in that process are, of course, the USA, whose share in world exports has increased significantly.

The decline of the arms trade in the post-Cold War years (1992–2002)

In the first years after the end of the Cold War, the international arms trade began to decline. However, despite this trend, the overall financial volume of the arms trade remained very high. Specifically, the total value of the global arms trade declined until 2002, when it equaled pre-1963 levels. The end of the Cold War called into question the purpose of enormous military budgets [2]. Total world military expenditures in 1991 dropped sharply by 8% [3]. In the same year, there was a sharp drop in the volume of arms trade – from 71 billion dollars in 1985 to 32 billion dollars in 1991. As a result of the downward trend in the global arms trade since the late 1980s, the share of total world trade has declined from 2.2% in 1981 to 0.7% in 1991 [3]. In a broader sense, the world's total defense budgets were reduced by 35%, while from 1989 to 1999, the size of the global armed forces was reduced by approximately one quarter [4]. Since the mid-1990s, the volume of military aid in the form of conventional weapons has also begun to decline [5].

Between 1992 and 2002, there was a further decline in the demand for weapons for two reasons. First, countries preferred to improve and modernize weapons in their stocks instead of buying new ones, which were much more expensive due to the application of new technologies [6]. Second, the potential danger of an occupation in which the rival camp (Warsaw Pact) could use conventional weapons no longer existed.

After the liberal counter-revolution at the end of 1991, the Soviet Union disintegrated into newly independent countries. The defense industrial base of the Soviet Union was mainly in present-day Russia and Ukraine, with Russia inheriting the largest part of the Soviet Union's defense industry. This fact made it the second-largest arms supplier in the world from 1992 to 2002. The plan was to earn as much foreign exchange as possible through exports and to reinvest that money in research and development. However, already in the final phase of the Cold War, the inherited Soviet defense technology lagged behind the West, so the gap between the key capitalist countries and Russia widened.

In the decade after the end of the Cold War, the European continent was very dynamic in terms of the defense sector, as an obvious process of monopolization and internationalization took place in the European defense industries. In 1998, six prominent European arms-producing countries – France, Germany, Italy, Spain, Sweden, and Great Britain, published a letter of intent to reform the defense industry for a more competitive European defense market. In 2000, the letter of intent was codified into the framework "Farnborough Agreement". The arms exports of these six countries accounted for approximately 90% of total exports to the EU and 25% of total world exports between 1998 and 2002 [7, 8].

In addition to internal dynamics, there are also external factors that affect European arms exports. One of them is the European Union's arms embargo on China, which has been in place since 1989. As time passed, the embargo was not lifted, but its flexible rules were exposed to different interpretations by European suppliers. Therefore, in

the mid-1990s, the financial value of European arms exports to China – predominantly dual-use goods – exceeded pre-1989 sales. On the other hand, different interpretations of arms export licenses are not unique to the China embargo. For example, some European countries (France, Great Britain, and Italy) adopted more permissive arms sales policies after the Cold War, while others, such as Germany and Sweden, followed a more restrictive pattern. There are also differences in the profile of customers of the leading European arms exporters. For example, by the end of the 1990s, more than 4/5 of France's and Great Britain's arms sales were received by developing countries, while almost 4/5 of Germany's arms were absorbed by developed European countries, including Turkey [9].

The rise of the arms trade (2003–2019)

The international arms trade continued to decline until 2002. Despite some ebbs and flows in the late 1990s, a forty-year low in terms of global arms shipments occurred in 2002. However, from that year onwards, the fluctuating upward trend continued until 2019.

The incremental increase in the international arms trade began in 2003, and the factors that contributed to that increase relate to the micro- and macro-level. At the micro level, national arms trade policies are jointly shaped by the defense industrial bourgeoisie and national governments, the development of weapons technology, and new international arms control mechanisms. On the other hand, macro factors include intra-systemic imperialist competition, basic events in the world economy and politics, regional military confrontations, as well as international interventions.

Despite the lack of causal and theoretical research, an upward trend in the international arms trade was detected in the literature in the late 2000s. In almost all analyses, a consensus was reached that the terrorist attacks on the USA on September 11, 2001, were a turning point in the global arms trade. The US's call for a global "war on terror" and the corresponding increase in the military budgets of key capitalist countries fueled the arms trade. The US invasions of Afghanistan in 2001 and Iraq in 2003 also gave further impetus to the arms trade. Moreover, even the volume of international military aid, which had declined sharply in the post-Cold War era, rose again, especially in the early years of the anti-terrorist campaign [5].

However, there is a problem with explaining the increase in the arms trade by focusing only on the "war on terror" because most conventional weapons cannot serve counter-terrorism purposes. In other words, most of the complex weapons systems traded since 2002 would not be used in counterterrorism operations.

The rise of the international arms trade after September 11, 2001, was interrupted by the global economic crisis in 2008. The annual growth rate of the world economy dropped to 1.8% and -1.6% in 2008 and 2009, while in 2007 it was 4.3%. Nevertheless, the world's military spending continued to grow until 2012 because of the high military expenditures in the period 2008-2011. were already defined in the mid-2000s. It is common for an economic crisis to affect the arms trade for at least a few years after it started because orders take time to ship. However, the 2008 crisis was so severe

that between 2008 and 2010, the international arms trade quickly went into recession. If calculated in three-year periods, the growth of arms sales from 2005-2007. until 2008–2010. was only 1.5%, while between 2008 and 2010 and 2011–2013 was 15.1%.

There is no doubt that certain defense industrial bases are economically more damaged by the crisis due to uneven and combined development. To illustrate, China maintained its economic growth during the global recession. Furthermore, its arms sales increased by 195% between 2004 and 2008. and 2009–2013. year [10]. Spain, for example, unlike China, was one of the countries most affected by the crisis. Regarding the relationship between the arms trade and the economic crisis, the Spanish Secretary of State for Defense admitted in 2010 that "they should not have acquired systems that they will not use for conflict scenarios that do not exist and, even worse, with means that we did not have then and do not have now" [11].

In addition to macro factors, such as the attacks of September 11, 2001, the war in Iraq, and the economic crisis of 2008, there are also micro factors that are changing the practice of arms production and trade. The events between 2003 and 2010 were closely related to the transformations that took place in the period 1992-2002. year. For example, important dual-purpose technologies and network-centric military systems have become necessary for national armed forces in their asymmetric fight against terrorism [12].

Concentration in the defense sector was very high at the beginning of the period 2003–2010. year. Eminent arms monopolies bought smaller firms that could not survive in conditions of insufficient demand. Nevertheless, the escalation of demand after September 11, 2001, led to the emergence of new market participants, which reduced the total share of the five largest defense companies in the world from 44% in 2003 to 35% in 2011 [13].

Although major defense corporations gained new business opportunities during the arms trade boom after September 11, 2001, government subsidies to these companies did not end. Governments have maintained direct and indirect subsidies, such as arms marketing, advisory support in purchases, providing loans to the buyer's country, guaranteeing the purchase, and promoting research and development [2].

There have been significant changes in the percentage distribution of international arms stockpiles in the years since September 11, 2001. First, the US share, which accounted for almost half of interstate arms shipments in 1992–2002, declined to 30% of total shipments between 2003 and 2010. Despite the dramatic decline, the US remained the largest exporter. Second, Russian arms exports seem to have recovered from the crisis resulting from the collapse of the Soviet Union. Third, the total share of the third tier of arms exporters, excluding China, rose radically from 14% to 21%. Finally, Germany significantly increased its share, while Great Britain recorded the lowest export value.

The arms trade since the beginning of the conflict between Russia and Ukraine

Arms trade is a scientific discipline in which foreign policy issues (security, human rights, and the international system of balance of power) are linked to economic issues

(business, trade, and profit). Numerous studies point out that the transfer of weapons can have both a positive and a negative effect on the conflict, depending on a number of related situations. The seriousness of the conflict, why (whom) the conflict arose, the historical and geographical connections of the rivals, the types of weapons traded, the existing stockpiles of weapons, the mentality of political decision makers, commitment to allies, and propensity for foreign interventions are all determinants that shape the relationship between arms trade and conflict.

However, research in this area warns of the negative consequences of the arms trade in critical regions where there is an arms race and violent events - coups, outlaws, and terrorist actions. For example, arms shipments to Third World countries are not the only reason for the frequency of conflicts, but easy access to advanced weapons leads to harmful regional arms races, escalation, and prolongation of conflicts. Some empirical studies have concluded that although the import of weapons is not the cause of conflict, in unstable conditions, it significantly increases the likelihood of conflict.

The global arms market is significantly different from other markets. Essentially, the key players in this market are the states, as they determine the military budget and orders. At the same time, the states involved in this market are primarily guided by political reasons - they export weapons to strengthen and expand their own geopolitical sphere of influence. It is also believed that arms exports contribute to improving the trade balance of exporting countries, preserving jobs, encouraging innovation, and increasing the competitiveness of the defense industry. To date, there is no consensus on the extent to which arms exports affect national economies. Figures on revenues from the export of modern weapons often conceal the accompanying costs of public investment in the military-industrial complex.

At the same time, the current state and dynamics of the arms market are directly affected by the scale of current armed conflicts. All countries that have territorial disputes are potential arms buyers. This fact determines the specifics of the market and its division into "gray" and "black" markets.

After the end of the Cold War, there was a certain "lull" in the arms market and a reduction of military budgets in almost all countries of the world. In that period, the former USSR collapsed, new independent states were created, the Warsaw Pact ceased to exist, and all members of that pact (Poland, Bulgaria, Hungary, Romania, Czechoslovakia (the Czech Republic and Slovakia were later created) became members of the NATO Pact. The former German Democratic Republic united with the Federal Republic of Germany into one state. Therefore, the armament policy present during the Cold War, when the members of the Warsaw Pact and the NATO Pact were equipped only by the USA and the Soviet Union, has now been changed to a policy of independent equipping of the armed forces from suppliers around the world. However, even today, the majority of NATO members are equipped with weapons from the USA [9].

On the other hand, the Russian Federation, created by the dissolution of the USSR, equips other countries, primarily in Africa, Asia, and the Middle East. Surplus weapons found after the collapse of the Soviet Union were offered to interested parties, and their price was competitive with weapons from the USA, France, Great Britain, or Germany.

Imports of major weapons (aircraft, air defense systems, anti-submarine warfare weapons, armored vehicles, artillery, engines, missiles, sensors, satellites, and ships) by European countries increased by 155% between 2015–19. and 2020–24. However, there was almost no change in the global volume of arms transfers between the two periods (–0.6%), as the increase in arms transfers to Europe and the Americas was offset by an overall decrease in transfers to other regions of the world (Figure 1).

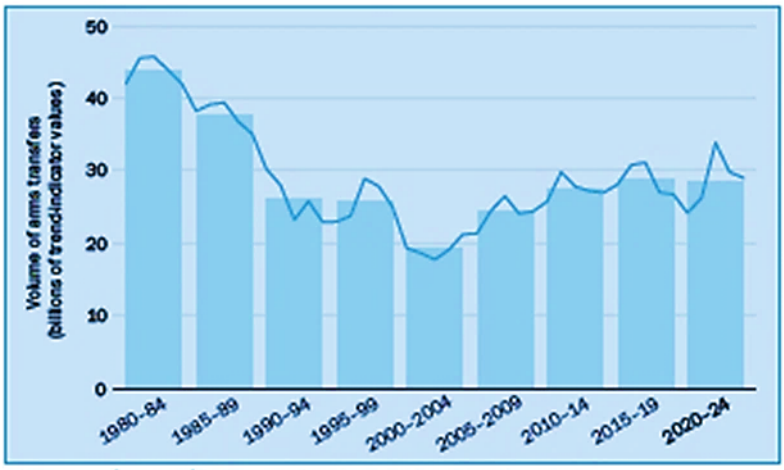

Figure 1. The trend in international transfers of major arms, 1980-2024.

Ukraine was the world's largest importer of major weapons in the period 2020–24, as its imports increased almost 100 times compared to the period 2015–19. It is the only European country among the world's ten largest arms importers in the period 2020–24. (the next two European countries in terms of imports were Great Britain and Poland, in 13th and 14th place). The United States was by far the largest exporter of major arms in 2020–24, accounting for 43% of global arms exports (Figure 2). Arms exports from Russia decreased by 64% between 2015–19. and 2020–2024. year, which contributed to the drop to third place, behind the USA and France [14].

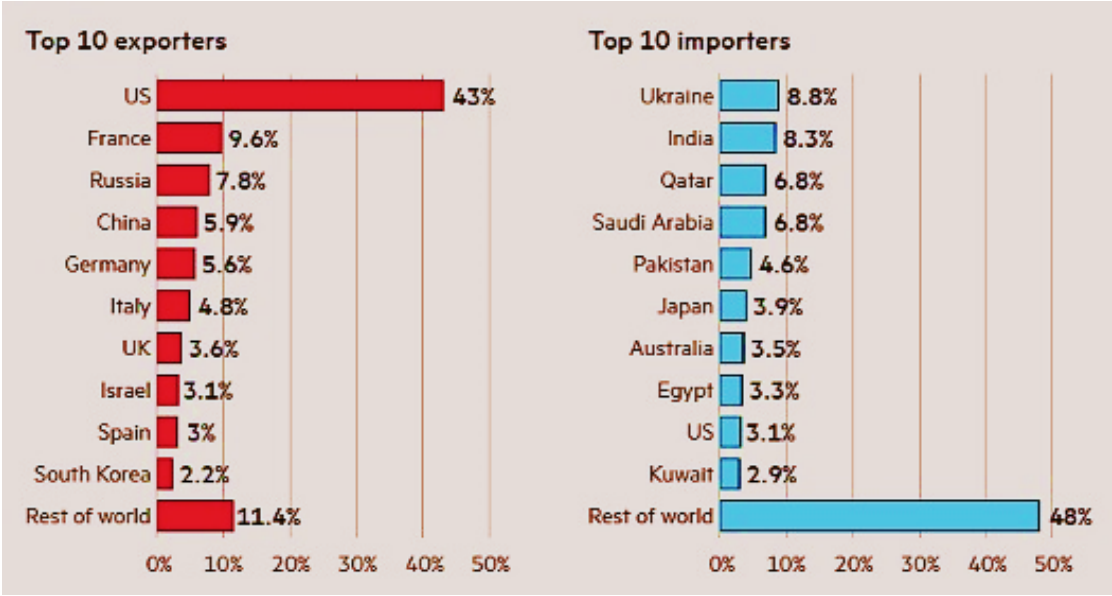

Figure 2. Share of global major arms transfers, largest exporters/importers, 2020-24.

The Stockholm International Peace Research Institute (SIPRI) has identified 64 states as major arms exporters in 2020–24. The top five arms exporters during that period - the US, France, Russia, China, and Germany - accounted for slightly less than three-quarters (72%) of total arms exports (Figure 2). Arms exports from the US and France increased between 2015–19. and 2020–24. year, while arms exports from Russia, China, and Germany decreased (Figure 3). The US and Western European countries together accounted for 73 percent of total arms exports in 2020–24, compared with 61 percent in 2015–19 [14].

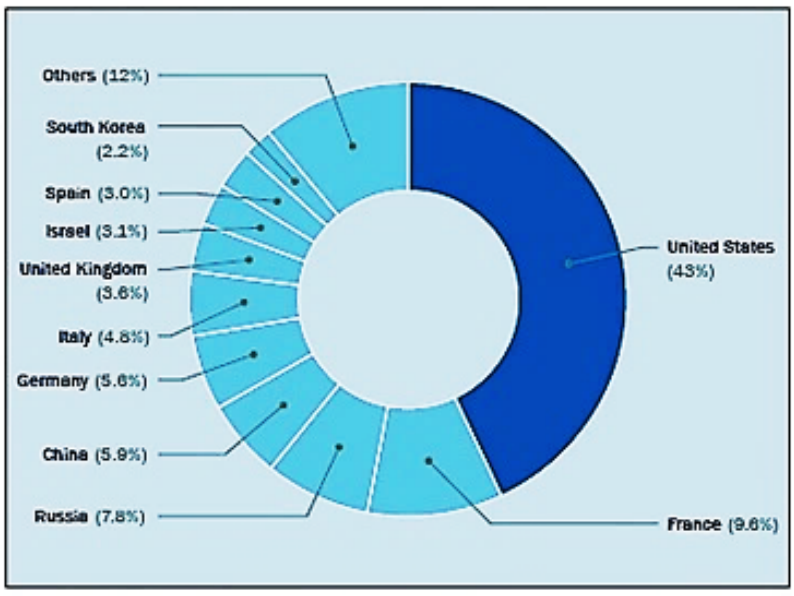

Figure 3. Global share of exports of major arms by the 10 largest exporters, 2020–24.

Figure 4 shows the changes in the volume of arms exports of the ten largest exporters.

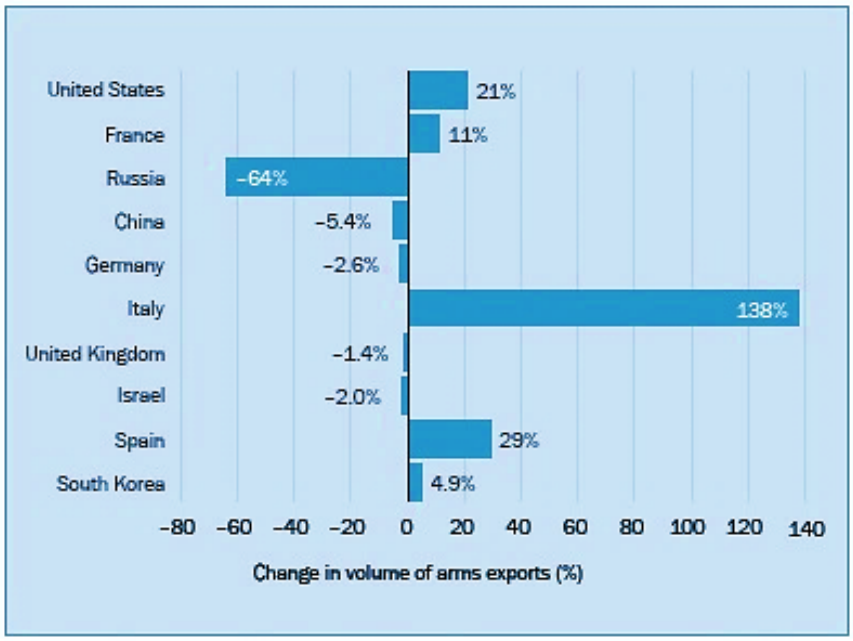

Figure 4. Changes in volume of exports of major arms since 2015–19 by the the 10 largest exporters in 2020–24.

With the beginning of Russia's special military operation in Ukraine, allocations to the military budget and the import of weapons have significantly increased, with Poland leading the way (from 0.4% in the period 2015-19 to 2.4% of the global share in the period 2020-24), the Netherlands (from 0.6% to 1.8%), Denmark (from 0.2% to 0.9%), Romania (from 0.2% to 0.8%), Belgium (from 0.1% to 0.7%) and Hungary (from 0.05% to 0.7%) [14].

US arms exports grew by 21% between 2015–19. and 2020–2024. and their share of global arms exports rose from 35% to 43%, which is almost the same as the share of the next eight largest exporters combined. The US delivered major weapons to 107 countries in 2020-2024. year. US arms exports to European countries more than tripled (+233 percent) between 2015–19. and 2020–2024. year. For the first time in two decades (ie, from 2000–2004), the largest share of US arms exports went to Europe, increasing from 13% in 2015–19. to 35% in the period 2020–2024. year. Ukraine, the UK, the Netherlands, and Norway were among the top 10 recipients of US arms exports in 2020-2024. year. Ukraine accounted for 9.3% of total US arms exports and 26% of exports to Europe during that period. US arms exports to Ukraine in the period 2020–2024. In 2010 was mainly in the form of aid, with the majority of transfers (71%) being used weapons from stockpiles to ensure prompt delivery.

France was the second largest arms exporter in the period 2020–2024. French arms exports accounted for 9.6% of global arms transfers in this period, increasing by 11% from 2015–19. and by 72% from 2010–14. France delivered weapons to 65 countries in the period 2020-2024, and most of them went to the countries of Asia and Oceania (35%), followed by the countries of the Middle East (28%) and Europe (15%). Arms

exports from France to European countries almost tripled between 2015–19. and 2020–24. (+187%), mainly due to the delivery of fighter jets to Greece and Croatia, and various weapons, including artillery, missiles, and ships – to Ukraine after a full Russian invasion in February 2022.

In the period 2020–24. by far the largest share of French arms exports went to India (28%), almost double the share that went to European recipient countries combined (15%). Qatar was the second largest recipient with 9.7% of total French arms exports. Indicative of the mentioned period, France has many unfulfilled arms deliveries, most of which are combat aircraft (214), warships (22), armored vehicles (537), and artillery systems (251).

Arms exports from Russia fell by 64% between 2015–19. and 2020–2024. year. Russia accounted for 7.8% of global arms exports in 2020–2024. The decline in Russian arms exports began before the special military operation in Ukraine in 2022. In 2020 and 2021, the volume of exports was much lower (22 to 73% lower) than in any year of the previous two decades (ie, 2000–19). This is mainly the result of a decrease in orders from China and India. In 2024, the volume of Russian arms exports remained at approximately the same level as in 2023, which was 47% less than in 2022. The reduction from 2022 is likely to be largely related to Russia's decision to prioritize the production of major weapons for its own armed forces over production for export, the effects of multilateral trade sanctions imposed on Russia, and increased pressure from the US and its allies on countries to avoid purchasing Russian weapons.

Russia delivered major weapons to 33 countries in 2020–24. year. A total of 74% of Russian arms exports went to countries in Asia and Oceania, 12% to those in Africa, 7.4% to Europe (Armenia, Belarus, and Serbia), and 6.4% to the Middle East. Two-thirds of Russian arms exports went to three countries in 2020–24: India (38%), China (17%), and Kazakhstan (11%). Russian upcoming export shipments are low compared to US shipments. They are also well below those of France and South Korea for several weapon categories. The most significant upcoming Russian deliveries are under agreements with India, Iran, and Saudi Arabia.

China accounted for 5.9% of global arms exports in 2020–24, a slightly smaller share than in 2015–19. Although China is seeking to increase its arms exports globally, many of the world's largest importers still choose not to buy weapons from China for political reasons. Most of China's arms exports (77%) went to countries in Asia and Oceania, followed by those in Africa (14%). China supplied arms to 44 countries in 2020–24, but nearly two-thirds of its arms exports (63%) went to just one country, Pakistan.

German arms exports accounted for 5.6% of global arms exports in 2020–24 and were 2.6% lower than in 2015–19. Countries in the Middle East received the largest share of German arms exports in 2020–24. (37%), followed by countries in Europe (34%) and Asia and Oceania (21%). Three countries accounted for almost half of all German arms exports: Ukraine (19%), Egypt (19%), and Israel (11%).

Arms exports from Italy were 138% higher in 2020–24. than in 2015–19, giving it a 4.8% share of global arms exports. The largest share of Italian arms exports (71%) went to countries in the Middle East. Among other exporters in the top ten, arms exports from Great Britain (–1.4%) and Israel (–2.0%) remained relatively stable. Spain (+29%) and South Korea (+4.9%) increased their arms exports between the two periods.

Weapon importers, 2020–2024.

SIPRI identified 162 countries as importers of major weapons in 2020–24. The top five arms importers, Ukraine, India, Qatar, Saudi Arabia, and Pakistan, received 35% of global arms imports during that period. Countries in Asia and Oceania accounted for 33% of total arms imports in 2020–24, followed by those in Europe (28%), the Middle East (27%), the Americas (6.2%), and Africa (4.5%).

Imports of major arms by African states fell by 44% between 2015–19. and 2020–24. year, which is mainly a consequence of the decrease in arms imports by the two largest importers in the region: Algeria (-73%) and Morocco (-26%).

Major suppliers to Africa in 2020–24. were Russia (which accounted for 21% of Africa's major arms imports), China (18%), and the US (16%).

Sub-Saharan African countries accounted for 2.2% of global major arms imports in 2020–2024. Their combined arms imports were 4.2% higher than in 2015–2019, but 42% lower than in 2010–2014. While imports of major arms by countries in sub-Saharan Africa have remained relatively low overall, imports by countries in West Africa have risen sharply over the past 15 years as the security situation in many of those countries has worsened. The sharp increase during these periods is primarily due to large increases in arms imports by Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, and Senegal. Nigeria was by far the largest arms importer among West African states, accounting for 34% of West Africa's major arms imports in 2020–24.

Many arms suppliers, including new suppliers like Turkey, use arms exports to increase their influence in this part of the world. The largest supplier to West African countries in the period 2020–24. It was China, which participated with 26%, followed by France (14%) and Russia and Turkey (each with 11%). While the US delivered only 4.6% of major weapons to West African states in 2020–24, it had the largest number of recipients (10) in West Africa. China, France, and Turkey supplied major weapons to nine countries, and Russia supplied to four countries. Senegal accounted for 79% of total major arms imports from France, while Mali accounted for 54% of imports from Russia. Less than 5.0% of West African arms imports were in the form of aid in 2020–2024. year. Of this aid, most came from the US, which donated weapons to Burkina Faso, Mali, and Niger before the coups and foreign policy changes in these countries that occurred during that period.

Tensions between India and China, and Pakistan largely drive their arms imports. India was the second largest arms importer in the world in 2020–24. with an 8.3% share in global imports. The largest share of Indian imports came from Russia (36%). However, this was a significantly lower share than in the period 2015–19. (55%) and 2010–14. (72%). India is shifting its arms supply relations towards Western suppliers, primarily France, Israel, and the US. Despite recent statements by the two sides that relations between India and Russia remain friendly, the change is also visible in new and planned orders from India, most of which will come from Western suppliers.

Arms imports into Pakistan increased by 61% between 2015–19. and 2020–2024. , when it began receiving deliveries - including fighter jets and frigates - as part of a major arms procurement program. Pakistan accounted for 4.6% of global arms imports in

2020–2024, making it the fifth largest arms importer in the world. China supplied the largest share of Pakistan's major arms imports in all five-year periods from 1990 to 1994, and that share has continued to grow: China supplied 81% of Pakistan's arms imports in 2020–2024. year, which is a big increase compared to 74% in the period 2015–19.

It is symptomatic information in the period 2015-2024. year, the largest number of weapons imported into European Union countries from the USA (Figure 5).

Figure 5. Share of major arms imports coming from the US,
in European NATO countries, 2015-19 compared with 2020-24

Imports of major types of weapons by European countries were 155% higher in 2020–24. than in the period 2015–19. Ukraine received 8.8% of global arms imports in 2020–24, making it the largest arms importer in Europe and the world. The UK (with a 2.5% share of global arms imports) and Poland (2.4%) were the next largest European arms importers. The largest arms exporter to European countries was the US with 53% in 2020–24, compared to 41% in 2015–19. The next largest suppliers to the region were Germany (with 6.8%) and France (5.3%).

Since Russia's special military operation in February 2022, at least 35 countries have delivered weapons to Ukraine, mostly as aid. Although Ukraine imported very

slightly more weapons before 2022, it was by far the largest importer of weapons globally in 2023 and 2024, making it the world's largest importer in 2020–2024. Most of the weapons transferred to Ukraine came from the USA (45%), followed by Germany (12%) and Poland (11%). In 2024, Ukraine's ability to attack with longer-range weapons has increased, as several countries have supplied it with missiles and aircraft, and some have allowed Ukraine to use these weapons to attack targets on Russian territory. For example, France, Great Britain, and the US have delivered missiles with a range of 300 km, while Denmark, the Netherlands, and Norway have delivered fighter jets, and Belgium and France are preparing to do so.

The deep-rooted arms supply relationship between the US and European NATO countries is visible in the large number of upcoming deliveries to those countries from the US. This includes a total of 472 fighter jets and 150 combat helicopters ordered by the US from the end of 2024.

Russia's earlier operation in Ukraine in 2014 increased the demand for arms among European NATO member states, and their arms imports more than doubled between 2015–19. and 2020–24. (+105%). Around the same time (2017–21), transatlantic relations were strained during the first administration of President Trump. This tension has increased during 2024 as part of trends in international arms transfers, from 2024 to the second Trump administration. As a result, European NATO countries were urged to take steps to reduce their dependence on arms imports and strengthen the arms industry in Europe. However, the US accounted for 64% of European NATO arms imports in 2020–24, a significantly higher share than in 2015–19 (52%). The next largest suppliers to European NATO countries were France and South Korea (with 6.5% each), Germany (4.7%), and Israel (3.9%).

Conclusions

Starting his second presidential term, Trump opened up many issues in relations with European allies in the NATO alliance. One of those issues is the allocation of 5% of GDP to NATO member countries, in order to increase operational capabilities, modernize existing, and produce new types of weapons. Knowing that the European Union does not have its own armed forces, rather it is the sum of the individual shares of the member states, some of them opposed such a decision. The statement of the President of the European Commission that the European Union will allocate 800 billion dollars by 2030 to the production and supply of weapons to member countries was particularly condemned. Slovakia and Hungary, for example, were explicitly against such a proposal, but relented because of other problems they could solve by accepting the decision.

Another obvious example of changes in the arms trade is the positioning of new actors, such as Turkey, South Korea, Israel, or Australia. The Turkish military industry has grown over the past twenty years into a respectable and competitive manufacturer, supplying modern weapon systems and military equipment. In this respect, its sphere of interest extends to regions where other countries have been present for decades, such as Russia or China. South Korea, in cooperation with the US and other countries, is strengthening its own defense capabilities and developing modern weapons and

military equipment known in the world. Israel, on the other hand, has very significant research, development, and production capacities in the field of cutting-edge weapons systems and military equipment. Long-term and fruitful cooperation with the USA contributed to Israel having sophisticated systems not only for its own defense, but also for export. Australia has been investing in the development and production of weapons and military equipment for years and is growing into a regional leader in this regard. In the last five years, there has been a drastic increase in defense expenditures, which are focused on the purchase or own development of modern weapons systems.

Regarding the territorial or geographical spread of arms export-import, it can be stated that it has not changed radically since the end of the Cold War. They are still neuralgic points and sources of potential conflicts in the Middle East, Africa, and Asia. Tensions between great powers, such as India and Pakistan or India and China, and the still current operation between Russia and Ukraine are somewhat changing the contemporary landscape of interstate conflicts. Knowing that in the last five years there have been more than 60 conflicts between various countries of the world, it can be said that the development, production, export-import of weapons is at the forefront of many countries. Supply channels are different, as they have been for decades. Whether it is state institutions (manufacturers) or brokers, lifers, or illegal ways of supplying weapons, such an increase in the volume of export-import of weapons has not been recorded in history. Not only are astronomical buy-sell amounts being reached, but the range of funds available on the market is constantly increasing. It's not just small arms and light weapons; it's not about howitzers and cannons, ammunition and rockets, it's about submarines, state-of-the-art planes and helicopters, tanks and other combat vehicles, radars, and unmanned aerial vehicles (popular drones).

It can be concluded that with the beginning of Russia's special military operation in Ukraine, in addition to large human casualties, the destruction of infrastructure, and the annexation of territories with a majority Russian population in Ukraine, there was a reshaping of the policies and strategies of certain surrounding countries, in this case, NATO members. When it is known that NATO members are Croatia, Slovenia, Slovakia, Cyprus, Estonia, Lithuania, or Portugal, the allocation imposed by Trump's decree for the so-called defense will cause incalculable economic and even political repercussions in those countries. Instead of spending on health, education, and development of civilian production, large funds will be spent on the acquisition of assets that may never be used outside the territory of those countries.

Another feature of increased defense spending is the acquisition of the most advanced weapons systems in the world, regardless of cost. Looking at the allocations for the defense of the countries of the European Union in the three years of the conflict between Russia and Ukraine, it can be concluded that these amounts are much higher than before the start of the special operation. Even though NATO countries are not directly involved in the conflict, they have threatened their own defense capacities with the delivery of weapons and equipment from stockpiles. On the other hand, the revitalization and modernization of the production capacities of their military industries (valid for the entire European Union) is not achievable in such a short period, in which they expect the conflict to end. Therefore, by extending the duration

of the conflict between Russia and Ukraine, regardless of the great help of NATO countries, the participation of the US military industry will many times exceed the optimistic expectations of its general managers, because the volume of deliveries has reached several hundred billion dollars. It will not be returned in monetary equivalent, but in the rights and lease of deposits of rare metals and other mineral raw materials, which are found in large quantities in Ukraine.

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