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Reconciliation of Estimates of the Value of Armaments Shipped
by Bloc Countries to Egypt, Syria, Yemen, and Afghanistan

Differences in the value of Bloc exports of arms to the Near East
contained in [] Project 30.1884 and those carried in EIC publications
prepared [] are generally explicable in terms of the different
purposes of the two studies []

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[] The main areas of difference are the following:

1. EIC publications attempt to measure Bloc credits for arms purchases in terms of the contractual relationships which reflect the financial burden upon the recipient countries. The figures presented in Project 30.1884, on the other hand, are based upon an estimated value of quantities of armaments believed to have been ordered or received. The latter is not necessarily the same as the contracted financial obligation.

2. Many of the values of arms derived [] are based upon U.S. production costs and probably overstate the actual selling price. This difference may be considerable, particularly because [] estimates for naval equipment and spare parts for aircraft are all based on U.S. production costs and U.S. Air Force procurement policies. Estimates for aircraft spare parts, for example, may amount to 50-75 percent of the total values shown for aircraft, whereas the quantities of spare parts included in the credit contracts, if any, are not known.

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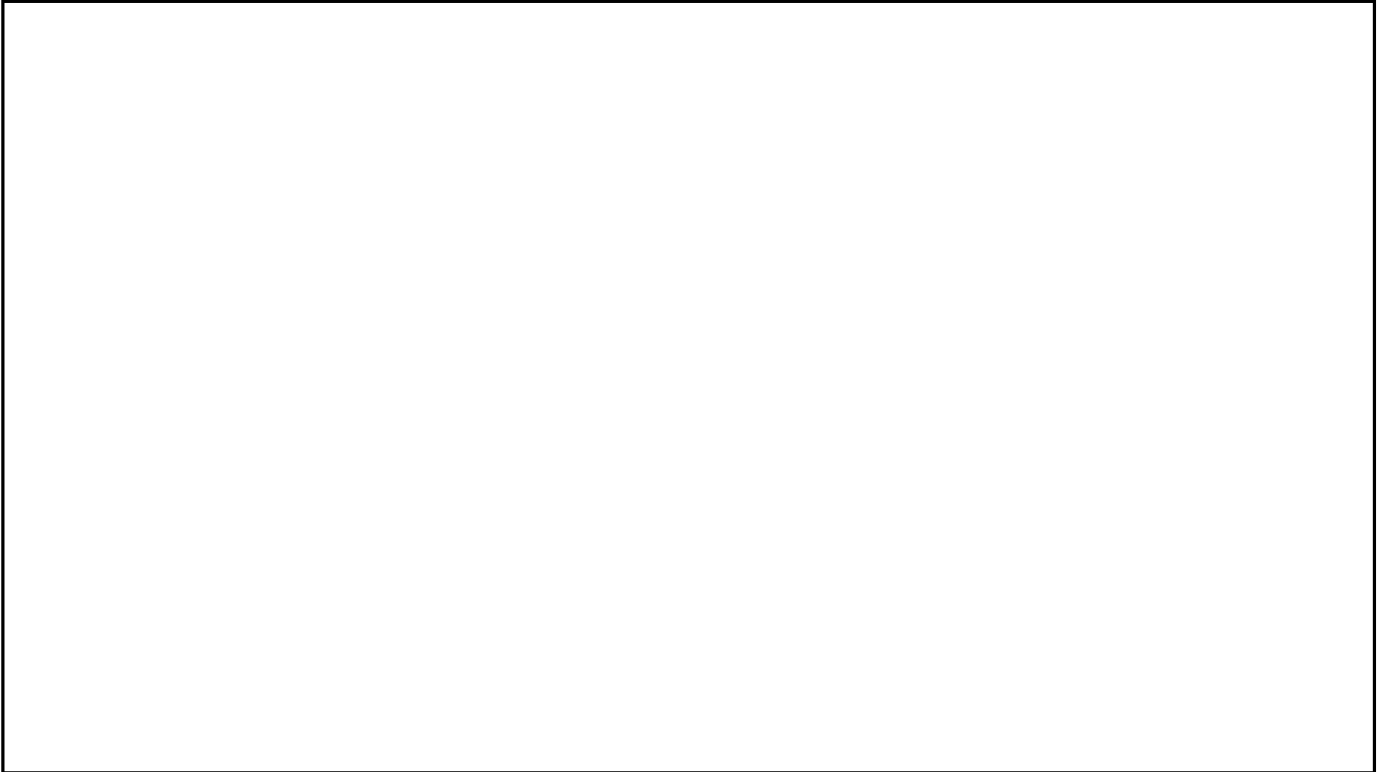
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3. Ammunition accounts for a considerable amount of totals for each country--roughly 1/3 in the cases of Syria, Yemen, and Afghanistan, and about 20 percent in the case of Egypt. The amounts of ammunition delivered by the Bloc are determined by estimates of units of fire required for each weapon. In many instances these units of fire are based upon U.S. and USSR fire power concepts which may not be applicable to the case of the countries included in the estimates. The quantities of ammunition, however, included in the credit contracts are in most cases unknown.

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7. The estimate of the value of Bloc arms deliveries to Afghanistan (as opposed to the price paid by the Afghani) requires more heroic assumptions than do the value estimates for other recipient countries. Not only are values imputed from U.S. costs, but the quantities of specific arms items are also imputed by estimating what would be necessary to equip fully the Afghan army. Thus it would appear that the value estimate for Afghanistan contains a strong upward bias.

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