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Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

12 August 1986

Iran: The Search for Arms

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Summary

During the past five years, Iran has received arms and ammunition worth at least \$6.5 billion from Communist countries, the West, and private arms dealers. North Korea has been the largest supplier of military equipment during the period with over \$1.5 billion in deliveries, but China has already surpassed it in deliveries this year and is seeking to expand its sales. Iran's disadvantages in armor, aircraft, air defense, and other advanced military equipment have been minimized by its decision to fight mostly an infantry war. Over the long term, Tehran probably will seek sophisticated weapons; in the short run, however, it will focus its efforts on acquiring simple weapons, spare parts, air defense equipment, artillery, and ammunition. US efforts to discourage arms sales to Iran will complicate Iran's search, but Tehran will find the necessary weapons to wage its type of war.

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This paper was prepared by Persian Gulf Division, Office of Near Eastern and South Asian Analysis, with a contribution by Office of Global Issues. Comments and queries are welcome and may be directed to the Chief, Persian Gulf Division, NESA,

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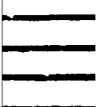
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Throughout the war Iranian leaders have emphasized their determination to be independent of both the United States and the Soviet Union for arms supplies. Accordingly, Iran has sought arms from Western Europe, China, Third World suppliers, and the gray market. We estimate that from 1981 through 1985 Iran signed contracts for at least \$9 billion worth of lethal and nonlethal military materiel, more than two-thirds of which has been delivered. It has contracted for at least another \$1 billion worth of equipment this year. Communist and non-Communist sales to Iran, based on estimated values of equipment delivered, have been roughly equal since about 1981. Each has delivered annually about \$600 million in military goods. [Redacted]

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Western Suppliers

Despite US efforts to influence governments to halt military sales to Iran, virtually all major Western countries have chosen to approve or ignore such sales by their arms manufacturers to Iran. At least 90 percent of the West's military sales to Iran come from private or government-controlled firms. When directly involved, governments usually classify supplies as "dual use," "non-lethal," or "support." Italy, Portugal, Spain, France, and Greece lead the list in terms of dollar values of equipment delivered since 1981 (see chart). Most of the sales have consisted of ammunition, small arms, spare parts, and support equipment.

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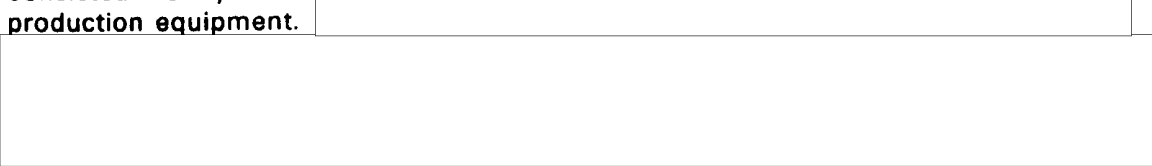
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Communist Countries

Sales from East European countries--a total of about \$200 million a year--have consisted mostly of small arms, ammunition, spare parts, and a small amount of production equipment.

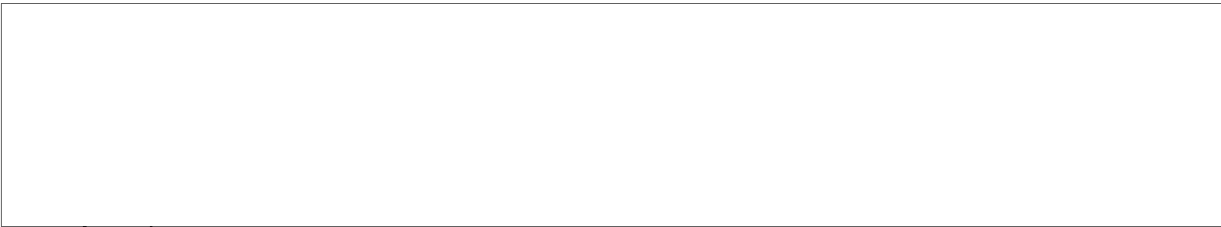


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Until 1986, North Korea was the single largest source of ammunition and military equipment to Iran--delivering roughly 25 percent of Iran's supplies from 1981 through 1985. Although Pyongyang replaced some of Iran's tank losses early in the war, it has sold Iran mostly artillery--130-mm and 122-mm field guns, 107-mm rocket launchers, and air defense artillery. It continues to deliver artillery and ammunition, including at least one delivery of 10,000 tons--probably some \$200 million worth of materiel. North Korea has not, however, signed new contracts with Tehran this year, and it already has been surpassed in deliveries by China.



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Arab Allies

Since 1981, Libya and Syria have supplied Iran military equipment and ammunition worth at least \$400 million and \$150 million respectively. Sales from Libya are remaining steady, but those from Syria appear to be dropping slightly. Early in the war, Libya sent Iran at least 100 T-54/55 tanks and BM-21 rocket launchers. Since 1984, it also has sent one to three Scud launchers and up to 40 missiles.



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Tripoli also supplied Tehran with SA-2 launchers last year. Meanwhile, in addition to small arms and ammunition, Syria has been supplying Tehran with recoilless rifles, mortars, antiaircraft guns, 130-mm field guns, and 122-mm rockets.



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Is Iran Getting Enough?

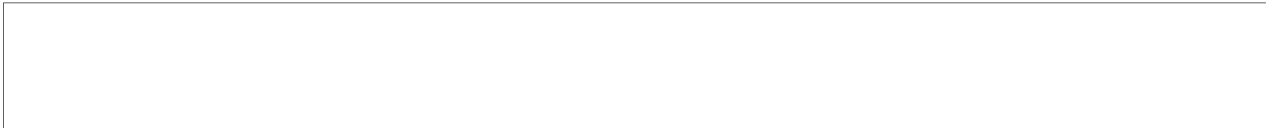
Despite occasional shortages in areas where combat is intense, we believe Iran is receiving supplies of artillery, small arms, and ammunition sufficient to continue its infantry-dominated warfare at least at the current level. During recent attacks at Al Faw and Mehran, for example, Iranian units shelled Iraq's forces with thousands of artillery rounds each day for periods of several days to a week.



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Significant shortages of major equipment, nonetheless, limit Iran's options to pressure Baghdad and lessen Tehran's capability to defend domestic targets from Iraqi air attacks. Tehran has been unable to replace armor lost in the war, and it now has less than one-sixth the number of operational armored vehicles of Iraq. The lack of armored vehicles has reduced the military's ability to maintain momentum during some offensives. As a result, Iran has fought mostly an infantry war in an effort to minimize its equipment disadvantages relative to Iraq. Tehran is likely to continue to rely on manpower, small arms, and artillery because of its difficulty in acquiring large quantities of advanced military equipment and because it has a large pool of military age men--at least ten million compared to Iraq's three and one-half million.

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Iran also suffers from a serious shortage of air defense equipment, aircraft, and aircraft parts. We estimate that it may have as few as 50 operational fighter aircraft. These shortages have prevented Tehran from effectively defending against recent Iraqi air raids on its economic facilities. Nonetheless, because the Iraqis have failed to bomb rear areas where the Iranians build up their forces prior to launching offensives, air defense shortcomings at the front have not been critical.

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Economic Considerations

We estimate that Iran will contract for about \$2 billion worth of military equipment this year. It pays for its purchases both in cash and through barter arrangements. Most deals with East European and Western firms are for cash, while North Korea and Libya continue to trade their materiel for oil. Although the evidence is sketchy, we believe the Iranians probably are paying cash to Beijing in some cases and in others bartering oil, which China sells on the spot market.

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Tehran will have difficulty increasing significantly its military purchases as long as oil prices remain at present levels. Iranian oil export earnings probably will fall by at least half compared with last year to about \$8 billion for 1986. This probably will force Iran to limit its purchases to the \$2 billion level and to critical items. Tehran also will continue to press suppliers for lower prices and easier payment terms.

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Outlook

If deliveries to Iran of heavy artillery and ammunition increase--and we believe this is likely, at least from the Chinese--Iran will strengthen its ability to launch large offensives or to support simultaneous smaller attacks in several areas. Stepped up pressure along the border is likely to lead to further reverses for the Iraqi military and deepen civilian discontent with Baghdad's management of the war.

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US efforts to reduce arms sales to Iran will help limit Tehran's military options and, in the eyes of Baghdad and its Arab allies, underscore US resolve to weaken the Iranian war effort. Unless Baghdad alters its strategy and takes more effective measures to improve its military's performance, however, US efforts probably will be insufficient to significantly degrade Iran's military capabilities.

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Countries Providing Military Materiel to Iran
In Order of Largest US Dollar Values of Equipment Delivered
1981-1985

<u>Non-Communist Countries</u>	<u>Estimated Value of Equipment Delivered (\$US millions)</u>
Libya	440
Italy	410
South Korea	310
Portugal	280
Spain	240
France	240
Greece	220
Japan	210
United Kingdom	190
Turkey	170
Switzerland	170
Syria	150
Israel	90
Belgium	60
West Germany	50
Sweden	50
Austria	20
Netherlands	20
 <u>Communist Countries</u>	
North Korea	1,620
China	570
USSR	370
East Germany	230
Bulgaria	190
Romania	80
Czechoslovakia	30
Poland	20
Yugoslavia	20

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Selected Deliveries of Military Materiel
to Iran in 1986

From the West

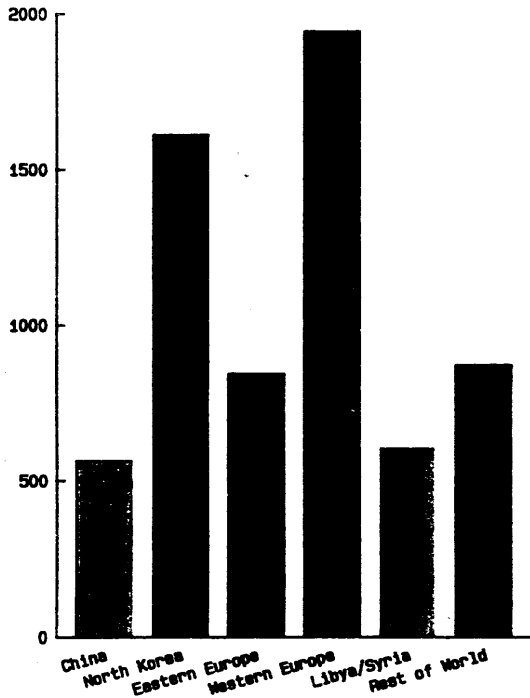
trucks
ammunition
small arms
protective masks
cluster bombs
artillery
diving suits
ammunition primers
explosive detonators
outboard motors
patrol boats

From Communist Countries

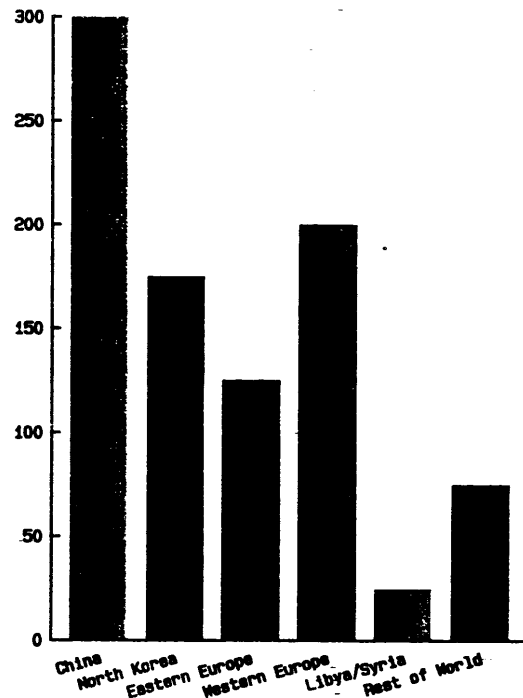
ammunition
small arms
styx antiship missiles
multiple rocket launchers
artillery
tank spare parts
SA-2 surface-to-air missiles
107-mm rockets



**Estimated Value of Equipment
Delivered to Iran: 1981-1985
(\$ U.S. Millions)**



**Estimated Value of Equipment
Delivered to Iran: January - July 1986
(\$ U.S. Millions)**





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SUBJECT: The Weakening Arms Embargo Against Iran







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