ISSUE BRIEF

U.S. ARMS SALES: 2021-EARLY 2022

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TRENDS IN U.S. ARMS SALES

Foreign military sales (FMS) for 2022 through the end of June, in terms of U.S. dollar value, have now surpassed the total value of FMS for the entirety of 2021. The drop in volume, in terms of dollars, between 2020 and 2021 was the greatest drop in recent memory. The climb again so far in 2022 is a signal this year will be a more typical year in terms of arms sales value.

Additionally at the end of June, the U.S. Department of State released a new report on direct commercial sales (DCS) for 2021, providing new information on commercial arms sales from the United States to recipient countries.

This issue brief examines these trends, as well as key takeaways for 2021 and what that could mean for 2022, as well as U.S. recipients of arms sales, weapons categories, and corporate beneficiaries. In addition, the Security Assistance Monitor is planning to release additional briefs, following this one, that cover issues such as transparency, institutional reforms, and implications for key regions and recipients.

KEY TAKEAWAYS

1. Notifications for foreign military sales (FMS) from the United States to other governments reached their lowest volume in recent memory in 2021, at just over $36 billion. But already by the end of June 2022, they had reached nearly $38 billion, more than all of 2021.

2. The Biden administration has moved away from the Trump-era focus on jobs as a justification for arms sales, focusing instead on efforts to strengthen countries allied with the United States that may hedge against the influence of China and Russia.

3. Europe and Eurasia took over from the MENA region as the region with the greatest value of newly announced FMS offers between 2020 and 2021, but so far in 2022 (as of the end of June), in terms of value, East Asia and the Pacific has overtaken them both.

4. The top five recipients of U.S. FMS offers so far for 2022, through the end of June, in terms of value, are Indonesia, Poland, Egypt, Jordan, and Bulgaria.

5. A newly released U.S. Department of State report reveals that authorizations for direct commercial sales (DCS) from U.S. manufacturers to foreign buyers were also at relatively low levels for 2021, compared to previous years, at just under $41 billion. (2022 data is not yet available.)

6. The top five recipients of U.S. direct commercial sale (DCS) authorizations for 2021, in terms of U.S. dollar value, were Japan, the UK, Australia, Israel, and the UAE.

7. Military aircraft and engines continue to dominate the value of major weapons sales because of their high costs, but so far this year, ground vehicles, as well as bombs and missiles, have also been significant for major sales. The category of sea vessels has moved down as a major source of new arms offers since 2021, when they were largely driven by sales to Greece.

8. As in 2020, a handful of companies benefited most from U.S. arms offers in 2021. The top three, again—Lockheed Martin, Boeing, and Raytheon Technologies—were involved in the vast majority of total offers for 2021.

U.S. FOREIGN MILITARY SALES IN RECENT YEARS

In 2020, the last year of the Trump administration, the United States had just completed one of its largest years in arms offers in recent history—nearly $111 billion in foreign military sales (FMS) offers alone. By contrast, 2021 was the lowest year for FMS offers in recent memory. But by the end of June 2022, FMS had already surpassed all of 2021 offers in terms of U.S. dollar value.

Year	U.S. Foreign Military Sales
2017	$63,064,950,000
2018	$49,114,200,000
2019	$69,778,752,000
2020	$110,967,911,000
2021	$36,025,600,000
2022*	$37,935,910,000

* Through June 30, 2022