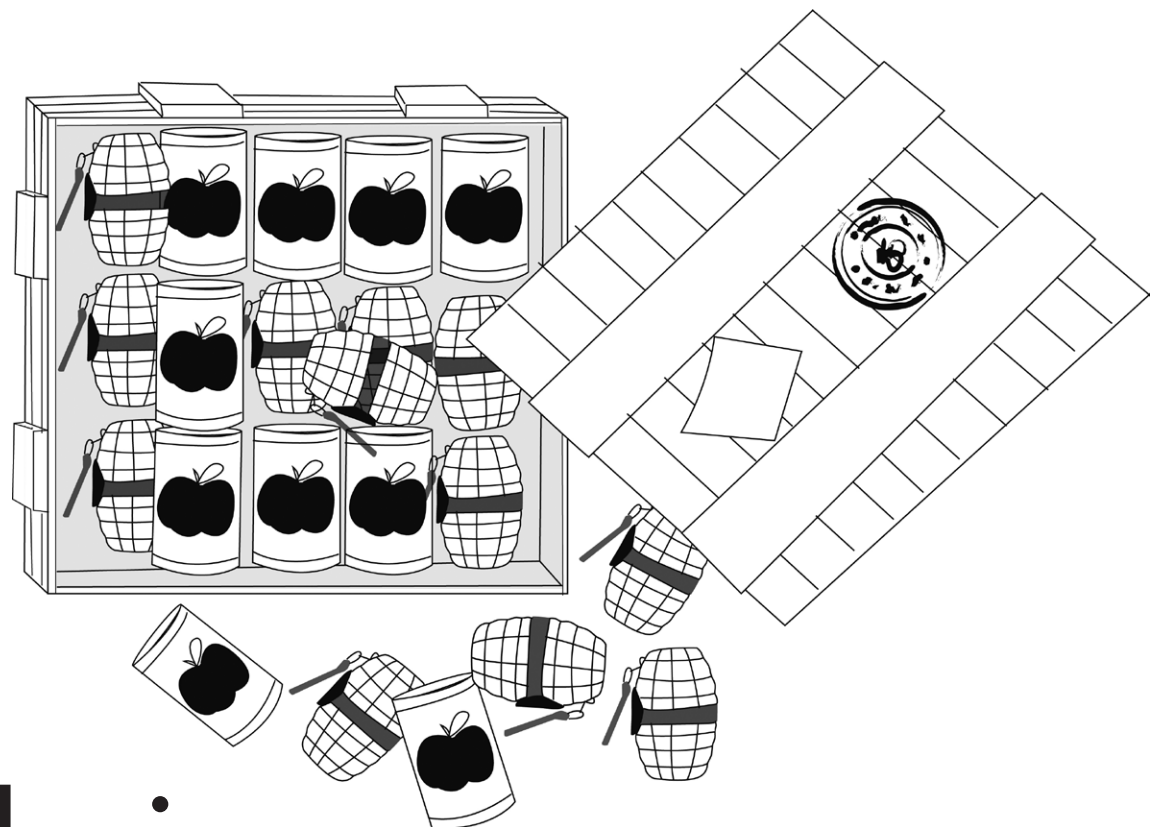


More than 600 million small arms and light weapons are estimated to be in circulation worldwide.¹ They are directly responsible for the deaths of more than 300,000 people every year through armed conflict, homicides and suicides. The indirect effects of small arms use and availability are graver still, and include injury, disease, poverty, trauma and underdevelopment for millions.



The illicit trade in small arms and light weapons

Nicolas Florquin

Contrary to other trafficked and deadly commodities such as narcotics, small arms usually begin their life legally. Perhaps as little as 1% of global small arms production is illegal; more than 1,200 companies in over 90 countries produce small arms, light weapons and ammunition with government authorisation. Asian producers are among the largest, and include China, India and Pakistan. China produces the full range of small arms including the Type-56 assault rifle modelled after the Russian Federation's Kalashnikov. Indonesia, Iran, North Korea, the Philippines and Vietnam also produce a wide range of weapons although in global terms they are relatively small-scale producers. Japan has a highly developed defence industry and is among the few states currently developing technology-intensive light weapons such as anti-tank guided weapons and man-portable air defence systems.

The legal small arms trade comprises transfers that are authorised or licensed by governments. The value of the global legal trade in small arms and light weapons is estimated to be US\$4 billion annually. Regrettably, the legal small arms trade lacks transparency. Only half of the world's countries report their small arms imports and exports to the UN Commodity Trade Statistics Database (COMTRADE).² In 2001-03, COMTRADE valued Japan's small arms exports to its recipients including Australia, Belgium, Canada, France, Germany, Kenya and the United States at around US\$70m. South Korean exports in the meantime averaged US\$20m annually over the period 2001-2003. No trade data is available for several high or medium-level small arms-producing Asian countries such as China, North Korea, Pakistan or Singapore. Large Asian importers include Japan, South Korea and countries experienc-

ing internal or international conflicts such as Afghanistan, Indonesia, Nepal and Sri Lanka.³

Black and grey markets

Corruption, battlefield seizure and stockpile mismanagement divert weapons from the legal to the illicit market. The 2001 *Small Arms Survey* estimates that approximately 10-20% of the global trade in small arms is illicit, indicating that small arms are regularly being transferred from legal to illicit circuits. Understanding how weapons move from one sphere to the other requires a better understanding of loopholes within the legal market.

While the illicit trade in small arms is difficult to ascertain, its annual worth is estimated to be several hundred million dollars. One component of the illicit trade is the black market, which involves transfers that clearly violate national and/or international laws and that take place without any official or covert government consent or control. The grey market, meanwhile, includes (often covert) transfers conducted by governments, or brokers or other entities sponsored by (or acting on behalf of) governments.

Government involvement in the grey market usually entails a hidden policy agenda or operation driving the transfer, while the black market includes only those transfers where corrupt individual government officials are acting for personal gain, or deals between non-state actors that do not involve government officials. While available data do not provide a reliable estimate, anecdotal evidence gathered during major arms smuggling investigations suggests that the larger illicit transfers tend to be 'grey'.

In Asia, weapons dispersed during conflict appear to be a significant source of illicit small arms. Decades of civil war have left several hundreds of thousands of weapons unchecked in countries

such as Cambodia and Burma. These arsenals include such destructive weapons as SA-7 surface-to-air missiles and RPG-7 rocket launchers. Private arms dealers are known to have sold some of these weapons to rebel groups in the region. Outside buyers include the Liberation Tigers of Tamil Eelam in Sri Lanka, ethnic insurgents in north-eastern India, various guerrilla groups in Burma, Muslim rebels in the Philippines, Maoist insurgents in Nepal and separatist rebels in Aceh, Indonesia.⁴ Large organised crime syndicates have also acquired weapons from Asia's post-conflict societies. These include triads in Macau, Hong Kong and Taiwan,⁵ Thai gangsters⁶ and the Russian Mafia.⁷

While the craft production of small arms most likely represents a minuscule proportion of global firearms production, it appears to be relatively prominent and technologically advanced in several Asian countries. Craft production involves the small-scale, hand-made construction of simple weapons or copies of existing ones in private workshops or homes without legal authorisation. Several countries in Asia produce such weapons. Craft production of small arms in Pakistan, for instance, has been estimated at roughly 20,000 units per year, produced mainly in Darra in the Northwest Frontier Province. Craft production of small arms is widespread throughout the Philippines. In 2002, an estimated 3,000 gunsmiths operated in Danao City in central Philippines alone, and at least 25,000 people relied on the gun trade for their livelihood. Yet in other cases, such as Papua New Guinea and the Solomon Islands, enterprises may be isolated and small-scale.

Fighting back

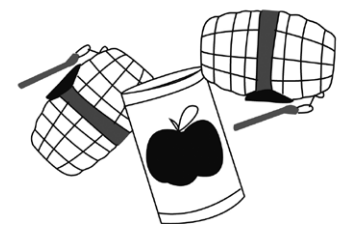
The international community is beginning to better understand the full dimensions of the challenge small arms pose to human security. Important international measures to address it

include the United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (PoA) and the United Nations Firearms Protocol. In the PoA, adopted in 2001, member states agreed to an extensive set of commitments centred on the prevention and reduction of small arms trafficking and proliferation. The UN Firearms Protocol, which entered into force in July 2005, commits states to regulate the manufacture and trade of firearms through a licensing system. Progress has also been made in the realm of addressing transfers of certain types of light weapons such as man-portable air defence systems.

There is also increasing awareness about the role of arms brokers, and even though international efforts to address arms brokering have not made significant progress, in recent years many states have improved national-level controls. Although a standard definition does not exist, an arms broker can be described as an individual who facilitates and organises arms transactions on behalf of suppliers and recipients for some form of compensation or financial reward. There have been concrete developments in the European Union and the Organization of American States regarding the issue of illicit brokering. The Association of Southeast Asian Nations has addressed the issue of illicit brokering at the regional level of transnational organised crime. The majority of states, however, continue to resist transparency regarding their legal transfers and official inventories. It is only with greater oversight, transparency and monitoring of legal weapons that the problem of the illicit trade will be successfully tackled. ◀

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Notes

1. This article draws heavily on previous research by Eric G. Berman, Sahar Hassan and Bertil Lintner for the *Small Arms Survey*. The 1997 report of the United Nations Panel of Governmental Experts on Small Arms provides a widely accepted definition of small arms and light weapons, according to which 'small arms' are: revolvers and self-loading pistols, rifles and carbines, sub-machine guns, assault rifles, and light machine guns. 'Light weapons' are: heavy machine guns, hand-held under-barrel and mounted grenade launchers, portable anti-tank and anti-aircraft guns, recoilless rifles, portable launchers of anti-tank missile and rocket systems, portable launchers of anti-aircraft missile systems and mortars of less than 100mm calibre.
2. This database is compiled by the International Trade Centre (ITC) in Geneva, based on voluntary submissions of national customs data to the United Nations Statistics division.
3. The largest small arms importer for the period 2001-2003 was the US, with imports averaging US\$599m, followed by Cyprus, whose imports averaged US\$190m.
4. See *Far Eastern Economic Review*, 13 December 2001; *Phnom Penh Post*, 20 September-3 October 1996; *Sunday, India*, 31 May-6 June 1998; *Jane's Intelligence Review*, June 2001.
5. *Far Eastern Economic Review*, 24 September 2001; *Phnom Penh Post*, 21 July-3 August 2000; *Bangkok Post*, 22 December 2000.
6. *The Week*, India, 1 October 2000.
7. *Bangkok Post*, 22 April 1998.