

The Ministry of Defence is supporting German arms manufacturers abroad

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On 15 September, Germany's minister of defence, Thomas de Maizière, visited Moscow. Among those he met was his Russian counterpart, Anatoly Serdyukov. One of the issues they discussed were the military reforms currently being conducted in the two countries. Serdyukov promised he would check the possibilities of buying German military equipment and weapons by the Russian Ministry of Defence and indicated the areas in which the ministry was interested in co-operating with the Bundeswehr.

Commentary

- Over the past few years, Germany has been the world's third largest exporter of weapons and military equipment. Half of its exports go to EU and NATO member states, and 49% to "third countries". The Bundeswehr has also been one of the major customers. The shrinking budgets of the defence ministries in NATO and EU member states and the reform of the German army (staff reductions and new rules in the policy of military equipment and weapons procurement) are forcing German weapons manufacturers to search for other outlets, for example in the BRIC countries and other third states, where the spending on the defence ministry's budget has been maintained at the same level or has even increased. The German government and the Ministry of Defence thus want to minimise the negative impact which the reduction in the defence budgets of Germany, the EU and NATO is having on the condition of the German arms industry and labour market. On the one hand, the government will be simplifying the procedures for granting permits to export military equipment and weapons to other countries (one example is the controversial consent granted for the sale of 200 Leopard 2A7+ tanks to Saudi Arabia). On the other hand, the Ministry of Defence will become more engaged as an advocate representing the interests of German arms manufacturers abroad and will be supporting the conclusion of business contracts by offering military and technical co-operation. The Ministry of Defence may also offer training in the operation of German arms products which the German army is also equipped with (for example, the co-operation with Russia), which will make the offer from the German firms more attractive.
- German weapon manufacturers see the modernisation of the Russian army as an opportunity for selling their products to Russia in the future (according to a report by the Joint Conference Church and Development (GKKE) of 2010, the value of German exports

of military equipment and weapons to Russia reached 144 million euros). The Russian Ministry of Defence can be interested in hi-tech niche products (for example training simulators and training centres) as well as training in the operation of these provided by the Bundeswehr. Examples of such co-operation include the construction of the modern combat training centre by Rheinmetall Defence in Mulino near Moscow this year and the related visits by representatives of the Russian army to similar centres of the Bundeswehr, and also training offered by the Bundeswehr to Russian non-commissioned officers and officers. The possible increase in the share of German firms in the modernisation of the Russian army and an intensification of military and technical co-operation will continue to be explained by Germany as an instrument for building increasing trust between Russia and NATO member states.