

## U.S. Arms and Ammunition Exports Capture Only a Fraction of Aid to Ukraine

[Mitch Semanik](#), Office of Industry and Competitiveness Analysis

*The Russian invasion of Ukraine has greatly contributed to recent increases in global security assistance to Ukraine, including international transfers of arms and ammunition, especially from the United States. While U.S. exports of arms and ammunition to Ukraine have increased in response to this conflict, most security assistance is not directly recorded in the international trade data. This EBOT examines the different ways the United States sends aid to Ukraine and why some aid is not included in U.S. export data.*

### U.S. Increasing Security Assistance to Ukraine contributing to Global Arms Sales

Global arms sales increased from \$35 billion in 2021 to \$52 billion in 2022, according to the Defense Security Cooperation Agency (DSCA), a part of the U.S. Department of Defense (DOD) tasked with furthering U.S. interests abroad by building foreign security capacities around the world. The most significant geopolitical factor contributing to this increase was the Russian invasion of Ukraine. Ukraine and neighboring countries increased or replenished their stockpiles of military equipment and systems in response to this invasion by relying on more than 54 countries involved in the global arms industry, including the United States. Between 2014 and October 2023, the United States committed more than \$46.7 billion in security assistance (including arms sales) to Ukraine, \$44 billion of which occurred since February 2022. Another factor increasing the value of arms sales is the rising value of the equipment and systems, which are more sophisticated and require more technology than older counterparts. For example, in 2022, the quantity of U.S. exports of arms and ammunition (HS chapter 93) to Ukraine increased 47 percent, whereas the value of those exports increased 1,600 percent.

### Different Methods for Providing Security Assistance to Ukraine

There are three main programs through which the United States government supplies security assistance to Ukraine. The first is the presidential drawdown authority (PDA), which allows the president to move equipment and weapons systems from existing inventories to Ukraine. Between August 2021 and September 2023, the PDA was used 47 times for a total of \$24.7 billion to provide for advanced defense equipment to Ukraine, including missile systems, as well as communication and intelligence equipment, and the requisite training. Congress increased the funding limit specific for the PDA in 2022 from \$100 million to \$11 billion to allow for this unprecedented use. The second program used to aid Ukraine is the Ukraine Security Assistance Initiative (USAI), which allows the United States to send new equipment and weapon systems, rather than reallocating them through the PDA. In 2022 and 2023, the USAI received \$18.6 billion in funding and in addition to equipment, provided training and advisory support to Ukraine as well. Lastly, the Foreign Military Financing (FMF) program provided \$4.7 billion in funding to Ukraine and other countries impacted by the invasion. Funding for these three programs totaled \$48.7 billion in 2022 and 2023, and the Biden administration has requested an additional \$24 billion in funding in 2024.

The United States is increasing its production of equipment and weapons systems to both provide direct support to Ukraine and replenish its own diminishing stockpiles. For example, the United States is upgrading its artillery round production from 24,000 rounds per month to 90,000 rounds by 2025 in response to increased demand from Ukraine. Congress also funded the replenishment of DOD equipment stocks, totaling \$25.9 billion in 2022–23, some of which were sent to Ukraine via the PDA. Finally, the United States used its FMF budget to support other nations replacing their stockpiles after donating equipment and weapons systems to Ukraine.

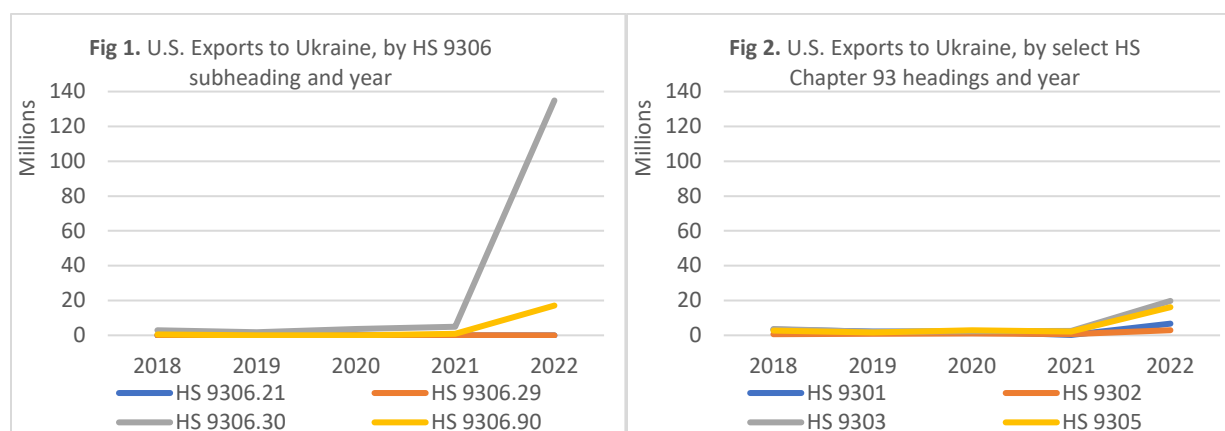
### U.S. Exports of Arms and Ammunition Capture Only a Fraction of Security Assistance to Ukraine

Total U.S. exports of arms and ammunition (HS chapter 93) to Ukraine totaled \$197.6 million in 2022, much lower than the billions of dollars in security assistance discussed above. U.S. exports are lower because they only reflect arms and ammunition directly traded from the United States to Ukraine, and

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not the vast amount of goods moved from other nations under the PDA or other non-weapon related goods categorized under security assistance (e.g., communication equipment). For example, as part of its aid package, the U.S. transferred ammunition from its stockpiles in Israel and South Korea to Ukraine. The United States also sent tanks to Germany for training before they were sent to Ukraine. These transfers contributed to increases in U.S. arms exports to Israel, South Korea, and Germany increased \$94 million (31 percent), \$56 million (27 percent), and \$32 million (25 percent) between 2021–22, respectively.

In addition to other avenues for aid, direct U.S. exports to Ukraine increased significantly in 2022. The largest increase occurred in HS heading 9306, which contains trade of bombs, missiles, and ammunition (figure 1). U.S. exports of HS heading 9306 increased from \$5.8 million in 2021 to \$152 million in 2022, driven mostly by exports of HS subheading 9306.30 (non-shotgun ammunition) which increased from \$4.8 million to \$134 million. The other notable increase was in 9306.90 (a bucket HS subheading for arms and ammunition, mostly consisting of guided missiles), which increased from \$1 million in 2021 to \$17 million in 2022. Other increases in U.S. exports of arms and ammunition to Ukraine occurred in HS headings 9031 (military weapons), 9302 (revolvers and pistols), 9303 (other firearms), and 9305 (parts) (figure 2). U.S. exports of 9304 (air guns) and 9307 (swords), the other HTS headings in chapter 93, did not have significant increases as they were not pertinent to the Ukrainian conflict.



Sources: [USITC DataWeb/Census](#), accessed August 23, 2023.

Note: HS subheadings 9306.21 and 9306.29 include shotgun cartridges and parts thereof, HS subheading 9306.30 includes non-shotgun cartridges and parts thereof, and HS subheading 9306.90 includes guided missiles, bombs, and other ammunition.

Due to the inherently dangerous nature of arms and ammunition, their complex global supply chain, and legal restrictions, weapons contracts and international transfers of arms are complicated. However, because of the need to supply Ukraine in a timely manner, in part by U.S. exports, there are several tools the U.S. government has used, in conjunction with PDA, USAI, and FMF to streamline the arms fulfillment process. One process called “undefinitized contracting” allows contractors to begin fulfilling an arms contract before it has been fully finalized – eliminating the potential of a lengthy lead time. Similarly, by using indefinite delivery or indefinite quantity contracts, the United States can add new orders onto existing contracts so that they are essentially open-ended. Lastly, the United States has started allowing more private weapons sales to Ukraine, an avenue that can be used to transfer weapons more quickly to Ukraine because it has less oversight and regulation. In the first half of 2022, the U.S. State Department authorized \$300 million in private arms deals to Ukraine, compared to only \$15 million in 2021.

Sources: Bureau of Political-Military Affairs, “[U.S. Security Cooperation with Ukraine](#),” 10/26/23; Clark, “[Ukrainian Tank Crews, Maintainers](#),” 5/15/23; Congressional Research Service, “[U.S. Security Assistance to Ukraine](#),” 10/5/23; Garamone, “[U.S. Sends Ukraine \\$400 Million in Military Equipment](#),” 3/3/23; Lopez, “[Department Moves Quick to Replenish Weapons](#),” 9/9/22; Lopez, “[Ukraine, Asia Drove 50% Increase in FY22 Arms Sales](#),” 1/25/23; Schreck, “[She’s a Doctor. He Was a Limo Driver](#),” 10/6/22; Schmitt, et al., “[Pentagon Sends U.S. Arms Stored in Israel to Ukraine](#),” 1/17/23; Schwartz and Miller, “[U.S. Faces Hurdles in Ramping Up Munitions](#),” 8/1/23.

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