

10-16-2009

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### Recommended Citation

LADB Staff. "Brazil, Venezuela, Chile Lead Latin American Arms Purchases." (2009). <https://digitalrepository.unm.edu/notisur/13820>

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## **Brazil, Venezuela, Chile Lead Latin American Arms Purchases**

by LADB Staff

Category/Department: Region

Published: 2009-10-16

The military-rearmament policies of Brazil, Venezuela, and Chile have set off alarms in South America. Nevertheless, the administrations of Presidents Luiz Inacio Lula da Silva of Brazil, Hugo Chavez of Venezuela, and Michelle Bachelet of Chile are trying to downplay their importance, claiming that the purchases are only to replace largely obsolete equipment.

Consequently, they argue, the arms purchases are not intended for offensive purposes but to meet the needs of their respective defense policies. With some small variations, the most developed centers of world power the US, France, and Russia, which are also the major arms suppliers and the most influential South American military analysts agree. Nevertheless, most of the press is depicting a worrisome outlook that points to the emergence of a "third millennium cold war."

Although Venezuela and Chile began rearming three years ago, it was a letter of intent signed by the governments of Brazil and France that set off the controversy. On Sept. 7, while attending the celebration of the 187th anniversary of Brazilian independence, French President Nicolas Sarkozy gave Lula a lengthy embrace to seal an unprecedented preliminary military agreement.

In the agreement, France committed to equip the South American giant with the most modern elements of its weapons industry: 36 combat planes, five submarines four conventional and one nuclear 50 helicopters, missiles, tanks, and latest-generation radar equipment that will make Brazil the strongest military power in the region. The cost is expected to be slightly more than 14 billion euros (US\$19 billion.)

### *French president's visit yields lucrative contract*

The most important part of the agreement, however, was the annex, through which France agreed to provide Brazil with the latest technology, including nuclear, to upgrade its arms industry and become the exclusive supplier of Rafale fighter jets, the jewel of the Dassault company, in Latin America. That, along with France's guarantee to buy 10 KC-390 military-transport planes the Brazilian Hercules is still in the development stage was not a generous concession.

The Brazilian Air Force could become the first to incorporate the Rafale, which until now has failed to penetrate other markets. (Switzerland, Holland, South Korea, Singapore, Saudi Arabia, and the Arab Emirates began negotiations but opted instead for the Boeing F/A-18 Hornet, the Eurofighter Typhoon designed by a consortium of European companies, or the Swedish Gripen, made by Saab.) "Sarkozy returned to Paris with the first signed Rafale sales contract," touted the French daily Le Figaro, which, in an uncharacteristic admission on Sept. 8, said, "Grupo Dassault owns Le Figaro."

Lula said categorically that, while the deal was not definitive and the bidding in which Boeing and Saab were participating remained open, signing the final agreement was a "political decision, a state matter that is the sole prerogative of this president." The partnership with France is being carried out parallel to implementation of a new National Defense Strategy approved in 2008. That strategy revised the hypotheses of conflict, made the sea and the Amazon defense priorities, and laid the foundation for reactivating the arms industry.

### *Brazil seeks to protect oil reserves*

The congressional debates held at that time made clear that Brazil had decided to invest "whatever it takes" to effectively protect its 8,500-km Atlantic coastline and the formidable oil wealth discovered in 149,000 sq km of its offshore territory. On Oct. 7, a new discovery was announced in the Bacia de Campos, off the coast of Rio de Janeiro, bringing reserves found since November 2007 to some 50 billion barrels.

However, state-owned oil company Petrobras estimates that, once all prospecting data is in, the total will be closer to 70 billion barrels. Besides reactivating the aeronautical industry and designing a "new" Air Force, Brazil will emphasize its Navy, with upgrading that includes 35 latest-generation frigates, corvettes, and patrol ships in addition to submarines.

The daily O Globo reported that a next stage calls for the purchase of eight ships designed with sophisticated electronic sensors and resources, a contract for which providers from the US, Spain, Japan, Germany, and France will compete. Brazil projects that in the next decade it will have the largest naval fleet in the region, larger than those of Chile, Venezuela, and Colombia.

"The program to revitalize the Navy is aimed at dissuading hostile presence in our waters and promoting an effective deterrent," said Marco Aurelio Garcia, the most influential of Lula's advisors, in an obvious reference to the Fourth Fleet of the US Southern Command (SOUTHCOM), reactivated in 2008 (see NotiSur, 2008-05-30, 2008-10-24), which has one of its two observation posts off Brazil's Atlantic Coast, precisely where the new oil reserves have been found. The plan calls for deploying a new squadron to the Amazonas estuary, entrance to an unexplored area rich in flora with medicinal properties.

### *Venezuela turns to Russia for upgrades*

The second cause for alarm is Venezuela, which, faced with the US's refusing to sell it arms and even blocking the sale of Brazilian Tucano planes because they have US components, is buying arms from Russia and has received from Iran the promise to transfer nuclear technology for peaceful uses. In 2008, Moscow authorized a US\$1 billion credit for the purchase of arms and in September authorized another, this time for US\$2.2 billion, on top of the US\$4.4 billion spent since 2005.

Venezuela has received 24 Sukhoi fighter jets, 50 combat helicopters, 100,000 AK-103 assault rifles, and will now receive 92 T-72 and T-90 tanks and an unspecified number of anti-aircraft systems, along with a number of Smerch rocket launchers and their corresponding radars. Press reports unconfirmed in either Moscow or Caracas say that Venezuela would also be interested in buying the small, sophisticated Varshavianka-class diesel-electric submarines and the Tor-M1 anti-aircraft systems.

"Russia is again our largest supplier. That is because the US blocked us from being able to continue buying equipment and spare parts for the systems they had sold us, such as the F-16 planes, which we are replacing with the Sukhoi. Venezuela has the right to expand its military capability to guarantee its sovereignty and defend its extensive petroleum reserves as well as its geographic position, which is envied by world powers," Chavez said to the Spanish daily El Pais.

In Washington, State Department spokesperson Ian Kelly was quoted by Spanish news agency EFE as saying that the US was concerned about Venezuela's ties with Russia and Iran and that Secretary of State Hillary Clinton spoke of the risks that an arms race would bring. However, in an Oct. 4 interview with Miami Herald columnist Andres Oppenheimer, Dan Restrepo, National Security Council (NSC) Latin American advisor, contradicted his colleagues. "[President Barack Obama] does not see Venezuela as a challenge to US national security. There is no Cold War nor Hot War. Those things belong to the past," said Restrepo.

### *Chile leads the arms race*

No one talks about Chile, but "it's the country leading the arms race in Latin America," said Carlos Gutierrez, an analyst at the Centro de Estudios Estrategicos (CEE) of the private Universidad de Arte y Ciencias Sociales (ARCIS) in Santiago, the most prestigious military-studies center in South America. Gutierrez said, "Chile has the top Latin American Air Force, with 48 F-16 fighter jets, which no one else has.

With the recent purchase of 350 Leopard 1 and 2 tanks, it has the best armored artillery in the region, and Navy chief Adm. Rodolfo Colina says the Chilean Navy is the second in the region, after Brazil's, and on a par with those of North Atlantic Treaty Organization (NATO) countries. Most experts, however, prefer not to speak of an arms race. An editorial in the Brazilian daily Folha de Sao Paulo said, "We need to begin burying the discourse that says that to be pacifist is to have minimal armed forces.

Buying weapons will not turn Brazil into a military power that threatens its neighbors. What Brazil will spend is the equivalent of US military expenditures in just 10 days." Julian Gonzalez, researcher for the Universidad de la Republica de Uruguay and a CEE expert, says, "We need to define terms, because an arms race is when two or more countries compete to improve their military capabilities, and that is not happening in the region.

What we are seeing is a phenomenon caused by the convergence of three factors: 1) in recent years there was little investment in weapons and now they have to be replaced because they are outdated; 2) more money is available now because export prices have improved; and 3) a geopolitical readjustment is taking place, new leaders with governments different from the traditional, a world in full transformation. And those elements are particularly valid for Brazil, whose strategy is to become an important global actor."

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