



The Lure and Promise of Foreign Markets: Security Assistance as a Business

Pentagon contractors, despite their dominance, need their international arms business to grow substantially if they hope to compensate for declining sales to the U.S. military. Targets of opportunity do exist overseas. Between now and 2018, countries outside the United States expect to purchase more than \$100 billion worth of conventional arms. In addition to direct sales, the U.S. will spend around \$14 billion in fiscal 2013 for foreign military assistance – that's money spent on training foreign armies and providing them with weapons. Foreign military sales are managed at the Department of Defense level by the Defense Security Cooperation Agency. In addition to the DoD agency, each service has a management agency. Half of those opportunities will be in Asian countries, and the other half about equally split between Europe and the Middle East. Even Africa has military requirements; Army requirements alone top more than 273 cases for 32 African nations totaling more than \$716 million.

While missile-defense systems are among the most sought-after U.S. technologies, the United States has sold to allies everything from boots to entrenching tools, rifles to trucks. Military leaders overseas are champions of American manufacturers because they believe they can build closer ties with allies if everyone owns the same equipment.

The opportunities clearly are there, but there needs to be caution against over optimism. In Europe, American firms must contend not only with shrinking defense budgets but also strong protectionist tendencies. In Asia, the defense budgets are expanding and there is a general preference for U.S. hardware, but some of the biggest spenders, including Japan, Taiwan and South Korea, are investing in their domestic industrial base. In the Middle East and throughout Africa, there are fewer challenges from domestic industries, but U.S. firms there face cutthroat competition from European Russian and Chinese arms manufacturers.

Many U.S. defense companies are not convinced they need a permanent presence in a given country to court customers. You cannot "parachute" in; make a sale and leave. A solid understanding of the client is key to a satisfied customer. Relationships are a "huge deal" in the international arms community, and Strategic opportunities international can supply to its clients that subject matter expertise and in-county linkages that are critical for achieving this customer satisfaction. Strategic Opportunities International possesses years of experience operating throughout Africa and the Middle East in all types of environments. We possesses personal contacts in many countries, situational, environment and cultural awareness as well as well defined planning capabilities.

About Strategic Opportunities International (SOI). SOI is a service disabled veteran owned small business. President and founder of SOI is Peter Aubrey, Colonel U.S. Army (retired). An accomplished Special Forces and Sub-Saharan Africa Foreign Areas Officer. COL(r) Aubrey at his retirement was one of the US Army's leading Sub Sahara specialist, with extensive intelligence, training and diplomatic experiences in both peacetime, hazardous duty and combat environments. He commanded infantry, special operations, security assistance and intelligence organizations up through brigade level.