India's independence created a steady stream of new customers, intent on creating their own military establishment. While they were colonies or protectorates these states possessed only small "constabularies" that were more like police forces than regular armies. The newly-independent states purchased mainly used or second-line equipment that was not technologically sophisticated.

Second, the 1973 and 1978 oil price increases created a number of extremely wealthy arms customers, most of them in the Middle East. These clients demanded and received the most sophisticated weapons in the arsenals of the superpowers, occasionally even before a superpower's own military had received the equipment. The Shah of Iran, the most extreme case, was given a "blank cheque" in the early 1970s by Secretary of State Henry Kissinger to purchase any non-nuclear weapon the United States produced, and he received F-14 fighters before the US Navy was fully equipped with them. The Soviet Union's most favoured customers were kept on a slightly tighter leash, but by the late 1970s clients such as Syria or India were receiving top-of-the-line MiG fighters as these planes came into service in the Warsaw Pact. Other suppliers also offered their most sophisticated weapons for sale.

Finally, the 1967, 1969-1970, 1973 and 1982 wars in the Middle East triggered, as all wars do, huge demands for arms. Between 1967 and 1974, Israel, Egypt, Syria and Jordan purchased $6,442 million worth of arms. The Iran-Iraq war added to this pressure, and the early 1980s witnessed a series of large arms purchases throughout the Persian Gulf region.

The supplier's side of the market has evolved more slowly, and it has some more permanent features. Based both on their market share and on their motivation for selling arms one can distinguish three persistent "tiers" of suppliers:

- first tier: the United States and Soviet Union
- second tier: other industrialized suppliers
- third tier: the emerging developing world suppliers

The share of the first-tier states has been slipping since World War II, first as the French, Germans, Poles and Czechs re-entered the market in the 1960s, and later, as new suppliers such as Brazil, Israel, China and Turkey began exporting arms. In the 1963-1966 period, the United States and Soviet Union accounted for more than 73 percent of total transfers; today they account for only 59 percent. †† But there does not appear to be any danger of them being caught by suppliers such as France, which are unlikely to increase their market share beyond current levels.

Much attention has been paid in recent years to the developing world suppliers, whose share of the market has increased from just over four percent in the 1963-1966 period to about 12 percent today. Before 1980 the arms trade was virtually entirely a North-South traffic and no Third World state was capable of supplying more than a small proportion of its military needs. But a series of embargoes and other supply restrictions pushed Israel, China, Brazil, Argentina, Egypt, Turkey, Chile, Taiwan and South Korea (among others) to produce their own arms. As the Brazilian air force minister said in 1977, "the time has come to free ourselves from the United States and the countries of Europe." Although in many cases the arms are destined primarily for domestic use, the same forces that push first- and second-tier states to export arms brought most of these new producers into the international arms market as exporters. The only major arms producer that does not export large quantities of arms is India.

As a last element in this statistical summary one should examine the customer profile of major suppliers. The Soviet Union has fewer clients than the United States (46 in 1982-1986 versus 79 for the United States), and its largest customers are either Warsaw Pact states (Poland, Bulgaria, East Germany and Czechoslovakia are the main clients), or states with which it has signed "Friendship and Cooperation" treaties: Angola, Vietnam, Ethiopia, Iraq, Syria and Cuba. Not all of these states are "obedient" clients of the Soviet Union, however, and Iraq and Syria have been particularly troublesome for the Russians. In addition, many buyers of Soviet weapons such as India, Peru and Jordan have virtually no attachment to the "international socialist community." The most prominent clients of the United States are likewise close political allies. West Germany, Britain, the Netherlands and Turkey are the largest customers from the North Atlantic Treaty Organization (NATO). Israel, Egypt, Saudi Arabia, South Korea, Taiwan, Pakistan and Japan, are close non-NATO allies.

Second- and third-tier states have a more diverse customer profile. Britain and France maintain close ties with many ex-colonies in Asia and Africa, but they have aggressively pursued new markets in South America and the Middle East. Other second-tier suppliers such as Germany, Italy and Czechoslovakia have tended to concentrate their efforts in specific geographic areas: West Germany's largest market is South America and Czechoslovakia's biggest customer is Libya. Third-tier states operate on the fringes of the market, offering a range of inexpensive, unsophisticated, rugged, and easy-to-operate weapons to customers who either cannot use or cannot afford better weapons. Some, such as Brazil and Chile, have supplied both sides in the Iran-Iraq war. International "pariahs" such as Israel or South Africa have great difficulty exporting arms openly, and Israel, for example, has cultivated close (and secret) ties with various other "outcasts" such as Guatemala or Iran.

†† Other indicators suggest the actual share of the superpowers may be even closer to 50 percent.