

# Report of Proliferation-Related Acquisition in 1997

---

## Table of Contents

### [Scope Note](#)

### [Acquisition by Country:](#)

[Egypt](#)

[India](#)

[Iran](#)

[Iraq](#)

[Libya](#)

[North Korea](#)

[Pakistan](#)

[Syria](#)

### [Key Suppliers:](#)

[China](#)

[Russia](#)

[North Korea](#)

### [Western Countries](#)

### [Trends](#)

---

### [Scope Note](#)

The Director of Central Intelligence (DCI) submitted this report in response to a Congressionally directed action in Section 721 of the FY 1997 Intelligence Authorization Act. The act requires that:

"(a) Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter, the Director of Central Intelligence shall submit to Congress a report on

(1) the acquisition by foreign countries during the preceding 6 months of dual-use and other technology useful for the development or production of weapons of mass destruction (including nuclear weapons, chemical weapons, and biological weapons) and advanced conventional munitions; and

(2) trends in the acquisition of such technology by such countries."

At the request of the DCI, the DCI Nonproliferation Center (NPC) drafted this report and coordinated it throughout the Intelligence Community. As directed by Section 721, subsection (b) of the Act, it is unclassified. Accordingly, the report does not present the details of the Intelligence Community's assessments of weapons of mass destruction and advanced conventional munitions programs that are available in various classified reports and briefings for the Congress.

This report represents only a small part of the extensive interaction between the Intelligence Community and the Congress on nonproliferation issues. The Community's frequent testimonies and briefings on the Hill, its response to hundreds of questions for the record, and the provision of other classified products-including oral presentations and written documents-provide a much richer and deeper analysis of the available intelligence on programs and activities of proliferation concern.

The US Intelligence Community continues to devote significant resources to combating the proliferation of weapons of mass destruction. These weapons pose a grave threat to US and global security. Although the proliferation of WMD is extremely difficult to assess and to contain, progress has been made in improving collection and analyses and in making both the acquisition and development of WMD more difficult and costly for such countries. Nevertheless, the Intelligence Community is continuing to look for new ways to ensure that it is addressing proliferation in all of its facets, with particular focus on the areas of combating chemical and biological weapons and the acquisition of such technologies by rogue states or terrorist organizations.

---

## [1997 Acquisition by Country:](#)

Following are summaries by country of acquisition activities (solicitations, negotiations, contracts, and deliveries) related to weapons of mass destruction (WMD) and advanced conventional weapons (ACW) that occurred from 1 January through 31 December 1997. We chose to exclude countries that already have substantial ACW and WMD programs, such as China and Russia, as well as countries that demonstrated

little acquisition activity of concern. The countries deemed of concern are listed in alphabetical order.

## Egypt

During 1997, Egypt continued to obtain ballistic missile components and associated equipment from North Korea. According to information obtained in 1997 from a North Korean Army defector, Egypt and North Korea are partners in joint missile development.

## India

India has tried to alleviate problems caused by foreign export controls by relying primarily on indigenous resources for the development and production of its ballistic missiles. While striving to achieve independence from foreign suppliers, however, India's ballistic missile programs still benefited from the acquisition of foreign equipment and technology. India sought items for its ballistic missile program during the reporting period from a variety of sources.

India also continued to seek nuclear-related items in 1997, some of which could be used in nuclear weapons applications. The most sought-after goods were of Russian-, UK- and US-origin. India's nuclear weapons program has continued to advance since the country's first nuclear detonation in 1974. The acquisition of foreign equipment could benefit India in its efforts to develop and produce more sophisticated nuclear weapons.

## Iran

Iran remains one of the most active countries seeking to acquire WMD technology and ACW. Iran's efforts during 1997 continued to focus on acquiring equipment, materials, and technology that would support an indigenous Iranian capability to produce various kinds of WMD. Numerous interdiction efforts by the US Government have thwarted key portions of Iran's attempts to purchase arms and WMD-related goods, but Iran's acquisition efforts have remained unrelenting.

During the reporting period, entities in Russia, China, and North Korea continued to supply missile-related goods and technology to Iran. Iran is using these goods and technologies to achieve its goal of becoming self-sufficient in the production of medium-range ballistic missiles. The foreign equipment obtained in 1997 will be essential for achieving that goal. Iran already is capable of producing short-range Scud missiles.

Iran obtained material related to chemical warfare (CW) primarily from Chinese firms during 1997. Iran already has manufactured and stockpiled chemical weapons, including blister, blood, and choking agents and the bombs and artillery shells for delivering them. However, Tehran is seeking foreign equipment and expertise to create a more advanced and self-sufficient CW infrastructure.

Tehran continued to purchase dual-use biotech equipment from around the world, ostensibly for civilian uses. Its biological warfare (BW) program began during the Iran-Iraq war, and Iran may have some limited capability for BW deployment. Outside assistance is both important and difficult to prevent, given the dual-use nature of the materials and equipment being sought and the many legitimate end uses for these items.

Iran was actively seeking modern battle tanks, surface-to-air missiles, aircraft, and other weapon systems and spare parts from the former Soviet Union (FSU), China, and Europe. Iran's armed forces employ weapons from a wide variety of sources, including old US weapons, FSU aircraft seized from Iraqi pilots fleeing the Gulf war, and Chinese antiship cruise missiles. As with its WMD programs, Tehran is seeking arms production technology to lessen its dependence on foreign sources.

Russian entities continued to market and support a variety of nuclear-related projects in Iran in 1997, ranging from the sale of laboratory equipment for nuclear research institutes to the construction of a 1,000-megawatt nuclear power reactor in Bushehr, Iran, that will be subject to International Atomic Energy Agency (IAEA) safeguards. These projects, along with other nuclear-related purchases from abroad, helped to build Iran's nuclear technology infrastructure, which in turn would be useful in supporting nuclear weapons research and development.

Russia has committed to observe certain limits on its nuclear cooperation with Iran. For example, President Yel'tsin has stated publicly that Russia will not provide militarily useful nuclear technology to Iran.

During the reporting period, China continued to work on two previously contracted projects entailing supply to Iran's civil nuclear program at a small nuclear research reactor and a zirconium production facility. These are or will be under IAEA safeguards. China pledged in late 1997 not to engage in any new nuclear cooperation with Iran. This pledge appears to be holding, although the Iranians continue to seek assistance, which will require careful monitoring in the future. Importantly, China has ceased cooperation with Iran on the nuclear project of greatest concern, the supply of a uranium conversion facility.

Iran claims to desire the establishment of a complete nuclear fuel cycle for its civilian energy program. In that guise, it seeks to obtain whole facilities, such as the uranium conversion facility, that in fact could be used in any number of ways in support of efforts to produce fissile material needed for a nuclear weapon. The year 1997 was not particularly good for Iran's nuclear weapons acquisition efforts, thanks to outside efforts to curtail the flow of critical technologies and equipment. Still, Tehran is attempting to acquire fissile material and technology for weapons development and has set up an elaborate system of military and civilian organizations to support its effort.

## [Iraq](#)

Iraq has purchased numerous dual-use items for legitimate civilian projects that also could be diverted for WMD purposes, although in principle they are subject to UN scrutiny. Since the Gulf war, Baghdad has

rebuilt key portions of its chemical production infrastructure for industrial and commercial use. Some of these facilities could be converted fairly quickly for production of CW agents.

Iraq's continued refusal to disclose fully the extent of its BW program is one indication that Baghdad intends to reconstitute its BW capability when possible. Iraq has purchased vaccines, growth media, and thousands of pesticide sprayers in 1997 that have both civilian and potential BW applications--purchases that could enhance a future effort by Iraq to move forward on its BW program.

Baghdad is developing two ballistic missiles that fall within the UN-allowed 150-km range restriction. The Al Samoud liquid-propellant missile--described as a scaled-down Scud--was flight-tested in 1997. Technicians for Iraq's pre-war Scud missiles are working on the Al Samoud program and, although under UNSCOM supervision, are developing technological improvements that could be applied to future longer-range missile programs. The Ababil-100 solid-propellant missile is also under development, although progress on this system lags behind the Al Samoud. Iraq could convert both of these programs into development of longer-range missile systems after economic sanctions are lifted and UN inspections cease.

## Libya

Libya continued to obtain ballistic missile-related equipment, materials, and technology in 1997. Outside assistance is critical to keeping its fledgling ballistic missile development programs from becoming moribund. Nevertheless, the UN embargo has had a dramatic impact on restricting the flow of ballistic missile goods and technology reaching Libya.

Libya remains heavily dependent on foreign suppliers for precursor chemicals and other key CW-related equipment. UN sanctions continued to severely limit that support in 1997. Nevertheless, Tripoli has not given up its goal of establishing its own offensive CW capability and continues to pursue an independent production capability for the weapons.

Libya also sought to obtain spare parts for its military aircraft from sources in Russia and Eastern Europe. Once again, the UN embargo has greatly affected Tripoli, restricting its ability to keep Libya's Air Force operational.

## North Korea

During the reporting period, North Korea sought missile-related test equipment from sources worldwide. Since the early 1980s, North Korea has pursued an aggressive program to develop increasingly more capable ballistic missiles for both indigenous use and export. The more sophisticated these missiles have become, the more important test equipment has become in validating their design and verifying performance and reliability.

P'yongyang does not require significant outside assistance to produce weapons of mass destruction. It produced enough plutonium for at least one nuclear weapon prior to the 1994 Agreed Framework that froze nuclear weapons material production at the Yongbyon complex. North Korea produces and is capable of using a wide variety of CW agents and delivery means, and is capable of supporting a limited BW effort.

## Pakistan

Pakistan sought a wide variety of dual-use nuclear-related equipment and materials in 1997 from sources throughout the world. Islamabad has a well-developed nuclear weapons program, including facilities for uranium conversion and enrichment. Acquisition of nuclear-related goods from foreign sources will be important for the development and production of more advanced nuclear weapons.

Chinese and North Korean entities continued to provide assistance to Pakistan's ballistic missile program in 1997. (The United States imposed sanctions against North Korean entities for their role in transferring ballistic missile-related technology to Pakistan.) Such assistance is critical for Islamabad's efforts to achieve independence from foreign sources and to produce long-range ballistic missiles.

## Syria

Syria continued to seek CW-related equipment and precursors from various sources during the reporting period. Syria already has a stockpile of the nerve agent sarin and may be trying to develop more potent nerve agents.

Damascus is seeking independence from foreign sources for key elements of its CW program, including precursor chemicals and key production equipment. For now, Syria still requires acquisitions from external sources.

In 1997, Syria acquired Scud-related equipment and materials from various sources. Damascus also committed significant resources to establishing a solid-propellant rocket motor development and production capability. Foreign equipment and assistance have been and will continue to be essential for this effort. In addition, Russia began delivering the first of a large quantity of advanced conventional weapons to Syria. The vast majority of Syria's arsenal consists of weapons from the former Soviet Union. Russia intends to keep its predominant position as the key supplier of arms to Syria.

---

## Key Suppliers:

### China

During 1997, China took a number of steps to strengthen its control over nuclear exports. This is in line with its May 1996 commitment not to assist unsafeguarded nuclear facilities.

China also pledged in late 1997 not to engage in any new nuclear cooperation with Iran and to complete work on two remaining nuclear projects--a small research reactor and a zirconium production facility--in a relatively short period of time. Beijing to date appears to be implementing these pledges and has ceased cooperation with Iran on the nuclear project of greatest concern, supply of a uranium conversion facility. The Intelligence Community will continue to monitor carefully Chinese nuclear cooperation with Iran.

In a May 1997 directive, China provided interim guidance for all governmental and non-governmental entities on nuclear-related dual-use goods. The control list associated with the May directive is substantively identical to the dual-use list used by the Nuclear Suppliers Group. In September 1997, China promulgated nationwide nuclear export controls.

During 1997, Chinese entities provided a variety of missile-related items and assistance to countries of proliferation concern. China also was an important supplier of ACW to Iran, but apparently has halted C-801/C-802 anti-ship cruise missile sales to Iran as promised in late 1997.

Iran continued to obtain CW-related production equipment and technology from Chinese firms. In May 1997, the United States imposed sanctions on seven Chinese entities for knowingly and materially contributing to Iran's CW program.

China has provided extensive support in the past to Pakistan's WMD programs. China's involvement with Pakistan will continue to be monitored closely.

## Russia

Russian firms supplied a variety of ballistic missile-related goods and technical know-how to foreign countries during the reporting period. For example, Iran's success in gaining technology and materials from Russian companies, combined with recent indigenous advances, means that Iran could have a medium-range ballistic missile much sooner than otherwise expected.

During 1997, Russia was an important source of dual-use technology for civilian nuclear programs in Iran and India. By its very nature, this technology may be of use in the nuclear weapons programs of these countries.

Russia also was an important source of conventional weapons and spare parts for Middle Eastern countries like Iran and Syria, who are seeking to upgrade and replace their existing conventional weapons inventories.

Following intense engagement with the United States, Russian officials have taken some positive steps.

Russia has committed to observe certain limits on its nuclear cooperation with Iran, such as not providing militarily useful nuclear technology. (Also, although just beyond the scope of this reporting period, in January 1998 the Russian Government issued a broad decree prohibiting Russian companies from exporting items known or believed to be used for developing WMD or their delivery systems, whether or not these items are on Russia's export control list.) These actions, if enforced, could be an important step in countering the proliferation of WMD and their delivery systems. Monitoring Russian proliferation behavior, therefore, will have to remain a very high priority for some time to come.

## North Korea

Throughout 1997, North Korea continued to export ballistic missile-related equipment and missile components and materials to countries of concern. Pyongyang attaches a high priority to the development and sale of ballistic missiles, equipment, and related technology. North Korea has little else to export to raise significant amounts of hard currency besides ballistic missiles and other weapons.

---

## Western Nations

Among Western nations, Germany, the United States, the United Kingdom, Italy, and France were the favorite targets of acquisition for foreign WMD programs, especially for dual-use goods not controlled by multilateral export control regimes such as the Nuclear Suppliers Group, the Australia Group, and the Missile Technology Control Regime. Western export controls were effective in thwarting many of those acquisition attempts that could be identified, but covert acquisition of dual-use goods by ostensibly civilian end users remains difficult to manage.

---

## Trends

Despite our efforts, countries of concern continued to acquire WMD-related equipment, materials, and technology, as well as modern conventional weapons. The cooperation of supplier countries--especially China and Russia--remains key to future efforts to stem the flow of dual-use goods, technology, and modern weapons to countries of concern.

Countries determined to maintain WMD programs over the long term have been placing significant emphasis on securing their programs against interdiction and disruption. Many of them--with Iran being the most prominent example--are responding to Western nonproliferation efforts by relying more on ostensibly legitimate commercial firms as procurement fronts and by developing more sophisticated procurement networks. Furthermore, in response to broader, more effective export controls, these

countries have been trying to reduce their dependence on imports by developing indigenous production capabilities. While these capabilities may not always be a good substitute for foreign imports--particularly for more advanced technologies--in many cases they may prove to be adequate.

North Korea recently acknowledged that it is an exporter of ballistic missiles. As states such as North Korea achieve self-sufficiency and become exporters of WMD-related goods and conventional weapons, our opportunities to prevent acquisition of such items by other countries of concern will be further complicated.

---

[\[Return to Top\]](#) [\[Reports Page\]](#) [\[CIA Homepage\]](#)