

Implications of Trump's Arms Sales Strategy

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Summary

The United States faces rapidly growing demands on its defense industrial base (DIB). Since President Trump's inauguration, the administration has introduced a series of measures to address these pressures, including Executive Order 14383, "Establishing an America First Arms Transfer Strategy." The strategy seeks to strengthen the U.S. defense industrial base by leveraging revenues from arms sales, expanding allied industrial participation, and encouraging greater defense investment by partners. Its success, however, depends on sustained allied burden sharing as well as alignment among Congress, the executive branch, and industry. Although the strategic rationale behind the policy is likely to endure amid intensifying geopolitical competition, political uncertainty may complicate its implementation.

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A New Arms Transfer Strategy

Global events, such as the COVID-19 pandemic, the war in Ukraine, and the U.S.-Israel-Iran War, compounded by long-standing acquisition challenges, have exposed the limits of U.S. arms supplies and the defense industrial base (DIB). In February 2026, the Trump administration announced Executive Order 14383, “Establishing an America First Arms Transfer Strategy,” which argues that arms sales and transfers can strengthen the U.S. DIB by generating demand for domestic production while encouraging allies and partners to invest more heavily in their own defense capabilities. Although continued U.S. leadership in advanced defense technologies is likely to preserve many of its long-term strategic advantages, the policy’s outcome depends largely on its political implementation.

The new arms strategy builds on a policy trend that began during the first Trump administration and prioritizes the resiliency of the U.S. industrial base. In 2017, EO 13806, “Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain Resiliency of the United States,” identified supply chain vulnerabilities and weaknesses in the defense industrial base as direct threats to U.S. national security. The Biden administration, likewise, released the 2024 National Defense Industrial Strategy, announcing a whole-of-government approach to enhancing the U.S. defense industrial base. Together, these initiatives demonstrate that revitalizing the defense industrial base has become a bipartisan priority.¹



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The EO serves to implement the 2025 National Security Strategy (NSS) and the 2025 National Defense Strategy (NDS). The NSS connects American national power with defense industrial production capacity,¹ while the NDS identifies industrial capacity as a key pillar for empowering allies and partners for collective defense.² By explicitly linking arms transfers with the DIB, the new arms transfer strategy reflects growing concern over U.S. production capacity and the need for greater allied burden sharing.

Political concerns lie at the core of contemporary defense industrial challenges. Because the EO draws clear connections between the DIB and arms transfers, it inevitably raises questions about U.S. relations with allies.

Without addressing growing political fissures between the United States and its partners, the EO will fall short of expectations.

1. The White House. *National Security Strategy of the United States of America*. November 2025, <https://www.whitehouse.gov/wp-content/uploads/2025/12/2025-National-Security-Strategy.pdf>

2. The Department of War. *2026 National Defense Strategy: Restoring Peace Through Strength for a New Golden Age of America*. January 23, 2026, <https://media.defense.gov/2026/Jan/23/2003864773/-1/-1/0/2026-NATIONAL-DEFENSE-STRATEGY.PDF>

Modernizing Defense Acquisitions

The EO states clearly that “it will ensure that future arms sales prioritize American interests by using foreign purchases and capital to build American production and capacity.” This means that the goal is for foreign arms purchases to strengthen the U.S. industrial base. To do this, the administration is developing a new “sales catalog” designed to steer allies and partners toward U.S. weapons. Rather than responding to allied demand, future arms transfers will increasingly advance U.S. industrial priorities.

The strategy rests on a simple premise: arms transfers and the defense industrial base are mutually dependent.

The DIB consists of public and private entities that develop and produce military and military-related technology and equipment.³ Arms transfers—including foreign military sales, direct commercial sales, and excess defense articles—depend on that industrial capacity to fulfill foreign demand. Thus, managing the DIB and acquisition process is central to sustaining smooth arms transfers.

Administrations since World War II have repeatedly tried to modernize the defense acquisition system. Reforms include efforts like the Department of Defense’s Planning, Programming, and Budgeting System in the 1960s and the Defense Innovation Unit in the 2010s, which sought to make procurement more efficient, flexible, and transparent to maximize U.S. defense industrial potential.

However, the rapid consumption of munitions in Ukraine and the Middle East has revealed that previous reforms were not designed for contemporary needs.

To give an example, the Joint Capabilities Integration and Development System (JCIDS) was introduced in 2003 to make acquisitions more efficient. Yet, in practice, JCIDS often slowed rather than accelerated procurement. Studies show that validating capability requirements alone added two and a half years to acquisition timelines. Such delays increased costs and stifled military development and production.⁴

The Trump administration’s response has been to redesign the acquisition process around exportability. EO 14268, which was announced in 2025 and focused on reforming the arms sales systems, defined exportability as “the process to identify, develop, and integrate technology protection features into United States defense systems early in the acquisition process to protect critical technologies, capabilities, and program information and thus enable export to partners.”⁵

3. J. Paul Dunne. “The Defense Industrial Base.” In *Handbook of Defence Economics, Volume 1*, edited by Keith Hartley and Todd Sandler. Elsevier Science B.V., 1995.

4. Bill Greenwalt and Dan Patt. “Required to Fail | Beyond Documents: Accelerating Joint Advantage through Direct Resourcing and Experimentation,” February 10, 2025, <https://www.hudson.org/technology/required-fail-beyond-documents-accelerating-joint-advantage-through-direct-resourcing-dan-patt-william-greenwalt>

5. White House. “Reforming Foreign Defense Sales to Improve Speed and Accountability,” White House, April 9, 2025, <https://www.whitehouse.gov/presidential-actions/2025/04/reforming-foreign-defense-sales-to-improve-speed-and-accountability/>



Photo: U.S. Army Pacific Public Affairs, Public Domain

In the U.S. Department of Defense's November 2025 memo, "Unifying the Department's Arms Transfer and Security Cooperation Enterprise to Improve Efficiency and Enable Burden-Sharing,"⁶ DoD further expects its allies to spend more on their defense and use that money to buy U.S. weapons.⁷

The United States has successfully used exportability to expand production and increase sales. For instance, the F-35 was designed for foreign sales from the beginning, as it leveraged international collaboration to reduce the unit price.

In contrast, the highly confidential F-22 was banned from export and ultimately halted due to unsustainable costs in the absence of export sales.⁸ This contrast demonstrates the logic behind the new strategy: designing systems for export expands production runs, lowers unit costs, and strengthens the industrial base. Therefore, exportability serves as the underlying mechanism of the new arms transfer strategy.

6. Secretary of War. "Memorandum for Senior Pentagon Leadership Commanders of Combatant Commands Defense Agency and DOW Field Activity Directors. Unifying the Department's Arms Transfer and Security Cooperation Enterprise to Improve Efficiency and Enable Burden-Sharing," Department of War, November 7, 2025, <https://media.defense.gov/2025/Nov/10/2003819440/-1/-1/1/UNIFYING-THE-DEPARTMENTS-ARMS-TRANSFER-AND-SECURITY-COOPERATION-ENTERPRISE-TO-IMPROVE-EFFICIENCY-AND-ENABLE-BURDEN-SHARING.PDF>

7. Marco Rubio and Pete Hegseth. "Rubio, Hegseth: Trump order arms US allies better, faster," USA Today, Feb 16, 2026, <https://www.usatoday.com/story/opinion/2026/02/16/trump-streamline-weapons-sales-us-allies/88591201007/>

8. Chloe Anderson. "Why Does US Export the F-35 But Not the F-22?," Defense Feeds, June 17, 2025, <https://defensefeeds.com/analysis/weapons/us-export-the-f-35-but-not-the-f-22/>

Leveraging Allied Capacity

Exportability is not the only pathway toward a stronger DIB. The current administration has declared its plan to pursue armament collaboration, such as subcontracting, licensed production, and coproduction. Unlike traditional outsourcing, these arrangements involve governments directly in production, enable defense technology sharing, and foster deeper cooperation among allies.

Subcontracting has emerged as a solution to the U.S. shortage in shipbuilding capacity. The 2026 U.S. Navy Shipbuilding Plan, for instance, proposed that the U.S. government could provide “U.S. prime contractors with greater flexibility to subcontract work with foreign partners to fabricate large-scale, non-sensitive modules (i.e. hull structures) in allied overseas facilities.” This approach is illustrated by the Navy’s growing interest in and formal requests for information from Korean shipbuilders for future tankers and destroyers.⁹ Rather than relying solely on domestic capabilities, Washington is exploring how to leverage foreign capacity to facilitate naval buildups and support its DIB.¹⁰

The United States has also embraced deeper collaboration, such as licensed production and coproduction, to enable allies to assemble or manufacture U.S.-designed weapons locally.¹¹ For instance, the United States authorized Japan to produce PAC-3 interceptor missiles under license in July 2005.¹²

Building on this arrangement, the United States expanded Japanese production in 2024 to address munition shortages and help replenish stocks supplied to Ukraine.¹³ More recently, President Trump offered Ukraine the right to produce PAC-3 interceptors domestically.¹⁴

If well designed, such programs could strengthen the U.S. DIB, reduce production backlogs, lower costs, and improve interoperability with allies. However, they may also be less efficient than unilateral procurement when political priorities and economic interests diverge. Those risks are especially significant given the complexity of U.S. arms-transfer regulations and the number of government and industry stakeholders involved.¹⁵ Although the F-35 shows that multinational production can succeed, involving foreign partners in an already complex acquisition process can slow down coordination and delivery. Expanding overseas production may also disadvantage some domestic firms and, over time, weaken U.S. domestic production capacity.¹⁶

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9. Ethan Gossrow. “U.S. Navy Eyes South Korean Yards for Tankers and Destroyers,” July 10, 2026, <https://www.navalnews.com/naval-news/2026/07/us-navy-rfi-south-korea-shipbuilding-destroyers/>
 10. U.S. Navy. *U.S. Navy Shipbuilding Plan*. May 2026, <https://media.defense.gov/2026/May/11/2003928909-1/-1/1/NAVY%20SHIPBUILDING%20PLAN%20MAY%202026.PDF>
 11. Defense Business Board. “Industry Partnerships for Crises,” December 12, 2024, https://dbb.defense.gov/Portals/35/Documents/Reports/2025/Industry%20Partnerships%20for%20Crises%20Study%20Report_CLEARED_%2022%20Nov_red.pdf

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12. Taipei Times. “Japan inks deal with US to produce Patriot Missiles,” Ju 17, 2005, <https://www.taipeitimes.com/News/world/archives/2005/07/17/2003263872>
 13. Ken Moriyasu. “U.S. wants Japan to co-produce 100-plus Patriot missiles,” Nikkei Asia. August 9, 2024, <https://asia.nikkei.com/politics/defense/u.s.-wants-japan-to-co-produce-100-plus-patriot-missiles>
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 16. Luke A. Nicastro. “The 2024 National Defense Industrial Strategy: Issues for Congress,” Congress.gov, January 29, 2024, <https://www.congress.gov/crs-product/IN12310?q=%7B%22search%22%3A%22foreign+military+sales+defense+industrial+base%22%7D&s=3&r=3>

Burden Sharing in Practice

Beyond strengthening the defense industrial base, exportability and industrial collaboration also advance another objective: greater burden sharing. The 2025 EO 14268 sought burden sharing, both by sharing the cost of production and by increasing allies' capacity to meet capability targets independently.¹⁷ The new EO in 2026 extends this logic by moving away from the "first-come, first-served" arms transfer model in favor of geopolitical prioritization.¹⁸ The United States will "prioritize arms sales and transfers to partners that have invested in their own self-defense and capabilities, have a critical role or geography in United States plans and operations, or contribute to our economic security."¹⁹ Allies seeking timely acquisitions of U.S. equipment must persuade domestic audiences to increase defense spending while aligning with U.S. security interests.

Most U.S. allies and partners have already begun moving in the direction envisioned by the strategy. Many spent 2 percent of GDP on their defense in 2025, while several also expanded investments in U.S. defense production and their own military capabilities.²⁰

At NATO's 2026 Ankara Summit, President Trump announced \$3 billion in additional allied defense investment and new joint ventures between U.S. firms and foreign partners.²¹ The South Korea-owned Hanwha Philly Shipyard, meanwhile, is expected to help build new FF(X)-class frigates.²²

However, implementation remains the strategy's greatest challenge. Even though the administration is pressing its allies to buy American armaments, it has been struggling to meet the resulting demands.²³ The Iran War depleted U.S. munition stockpiles and deepened the strategic divisions between the United States and its allies.²⁴ Aside from losing European support in the Middle East, the United States had to cancel some arms transfers to Europe.²⁵

17. White House. "Reforming Foreign Defense Sales to Improve Speed and Accountability," White House, April 9, 2025, <https://www.whitehouse.gov/presidential-actions/2025/04/reforming-foreign-defense-sales-to-improve-speed-and-accountability/>

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19. White House. "Establishing an America First Arms Transfer Strategy," White House, February 6, 2026, <https://www.whitehouse.gov/presidential-actions/2026/02/establishing-an-america-first-arms-transfer-strategy/>

20. North Atlantic Treaty Organization. "Defence expenditures and NATO's 5% commitment," December 18, 2025, <https://www.nato.int/en/what-we-do/introduction-to-nato/defence-expenditures-and-natos-5-commitment>

21. Lockheed Martin Corporation. "Lockheed Martin Secures First Contract for PAC-3 MSE Accelerated Production, Strengthening The Arsenal of Freedom," Lockheed Martin Corporation, April 10, 2026, <https://news.lockheedmartin.com/2026-04-10-Lockheed-Martin-Secures-First-Contract-for-PAC-3-R-MSE-Accelerated-Production,-Strengthening-the-Arsenal-of-Freedom>; Anthony L. Velocci, Jr. "Opinion: Aerospace and Defense Faces A Day of Reckoning," Aviation Week, May 8, 2026, <https://aviationweek.com/defense/budget-policy-operations/opinion-aerospace-defense-faces-day-reckoning>

22. Lim Hui Jie. "Hanwha Ocean shares jump 10% after Trump says firm to build warships for U.S. Navy," CNBC, December 22, 2025, <https://www.cnbc.com/2025/12/23/hanwha-ocean-shares-jump-10percent-after-trump-says-firm-to-build-warships-for-us-navy.html>

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24. Helene Cooper and Eric Schmitt. "Trump's Plans to Boost Weapons Production Might Not Deliver for Years," New York Times, April 30, 2026, <https://www.nytimes.com/2026/04/30/us/politics/trumps-hegseth-weapons-production.html>; Mark Cancian and Chris H. Park. "Last Rounds? Status of Key Munitions at the Iran War Ceasefire," Center for Strategic and International Studies, April 21, 2026, <https://www.csis.org/analysis/last-rounds-status-key-munitions-iran-war-ceasefire#h2-the-seven-critical-munitions>

25. Helene Cooper and Eric Schmitt. "Trump's Plans to Boost Weapons Production Might Not Deliver for Years," New York Times, April 30, 2026, <https://www.nytimes.com/2026/04/30/us/politics/trumps-hegseth-weapons-production.html>



Photo: Raw Pixel, Public Domain

Without a coherent approach to alliance management, the administration cannot expect arms sales to generate the revenues needed to “supercharge” its DIB.²⁶ Allies will also look for alternatives if the United States presses too hard without adequate consultation. Hence, the strategy could be self-defeating, eroding U.S. influence over time.²⁷

This risk has been seen before: in the 1980s, Japan attempted to indigenously produce its fighter aircraft, FSX, to bypass the United States.²⁸

Likewise, European defense production has grown substantially since 2022 and led to more procurement within Europe rather than from the United States. In 2023 and 2024, European armed forces procured 52 percent of military equipment from Europe and only 34 percent from the United States.²⁹ This trend toward independence is visible even in the historically loose Visegrad Group³⁰ and in minilateral projects like the Global Combat Air Programme (GCAP) between the United Kingdom, Japan, and Italy.³¹ These efforts reflect a growing demand for alternatives and autonomy from the United States.

26. The Department of War. *2026 National Defense Strategy: Restoring Peace Through Strength for a New Golden Age of America*. January 23, 2026, <https://media.defense.gov/2026/Jan/23/2003864773-1/-1/0/2026-NATIONAL-DEFENSE-STRATEGY.PDF>

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31. Christopher W. Hughes. “Japan’s Defence Industrial Strategy and Fighter Aircraft Production: Striving for Tier-One Status and the GCAP Project,” *Defence Studies* 25 no. 2 (2025): 279–300. doi:10.1080/14702436.2025.2472700.

Risks and Opportunities Ahead

Even with bipartisan support, revitalizing the DIB depends on the defense industry. So far, defense companies have responded positively to the administration's pressure by pledging additional investments in production capacity.³² However, it is uncertain whether punitive measures to expand overseas production will work over the long run. Because the United States and its allies depend on a small number of prime contractors for major weapons systems, penalizing domestic firms could reduce production and increase costs.³³ The strategy could therefore undermine the industrial capacity it aims to expand.

Congress poses another constraint. Although the EO seeks to use arms transfers to revive the U.S. DIB, Congress ultimately controls the budget. The administration's willingness to bypass Congress on Middle East arms sales may make it harder to secure sustained congressional support.³⁴ Recent executive actions have prompted changes in acquisition systems and arms transfer procedures, but maintaining and funding those reforms will ultimately require congressional support.³⁵

The United States nevertheless retains a major advantage: its defense firms remain leaders in systems integration, resilient sourcing, and advanced weapons development. This technological lead sustains allied dependence on U.S. defense technology and systems.³⁶ As long as the United States maintains its technological lead and U.S. allies lack comparable alternatives, Washington will retain substantial influence over arms sales and transfers.

Conclusion

Trump's new arms strategy aims to advance two interconnected goals: strengthening the U.S. defense industrial base and increasing allied burden sharing. This strategic logic is compelling at a time of rising demand for weapons and mounting production capacity requirements. Whether the policy succeeds, however, will depend less on that logic and more on its political execution. Success will require congressional support, close coordination with industry, and sustained allied confidence. To maintain global leadership, the administration will need to balance its America First industrial goals with the needs of partners seeking reliable and accessible suppliers.

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32. Ellen Mitchell, "Defense industry flummoxed by Trump's executive order on profits," *The Hill*, January 25, 2026, <https://thehill.com/policy/defense/5701388-defense-industry-flummoxed-by-trumps-executive-order-on-profits/>; Lockheed Martin Corporation. "Lockheed Martin Secures First Contract for PAC-3 MSE Accelerated Production, Strengthening The Arsenal of Freedom," Lockheed Martin Corporation, April 10, 2026, <https://news.lockheedmartin.com/2026-04-10-Lockheed-Martin-Secures-First-Contract-for-PAC-3-R-MSE-Accelerated-Production-Strengthening-the-Arsenal-of-Freedom>; Anthony L. Velocci, Jr. "Opinion: Aerospace and Defense Faces A Day of Reckoning," *Aviation Week*, May 8, 2026, <https://aviationweek.com/defense/budget-policy-operations/opinion-aerospace-defense-faces-day-reckoning>
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Chi Fang is a PhD candidate in the Department of Political Science at the University of California, San Diego. His research explores how grand strategy and military doctrine shape a state's decisions regarding weapons acquisitions—specifically, when states choose to produce or procure weapons. His dissertation reconceptualizes weapons acquisition within the context of interstate bargaining and technological diffusion, using social network analysis and qualitative methods to investigate the production and flow of arms since World War II. He also employs mixed methods to examine how Central and Eastern European and Northeast Asian countries have redirected their military doctrines and weapons programs after experiencing geopolitical shocks. This research unveils how international political dynamics influence the organizational structures behind weapons acquisition programs. Chi's broader research interests include coercive diplomacy, Indo-Pacific geopolitics, and Taiwan. His articles examine the causes and consequences of gray zone tactics in the Western Pacific. He is a 2025–26 Hans J. Morgenthau predoctoral fellow at the University of Notre Dame and was a 2024–25 U.S.-Asia grand strategy predoctoral fellow at the University of Southern California. He holds an MA and BA in diplomacy from National Chengchi University in Taiwan.

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