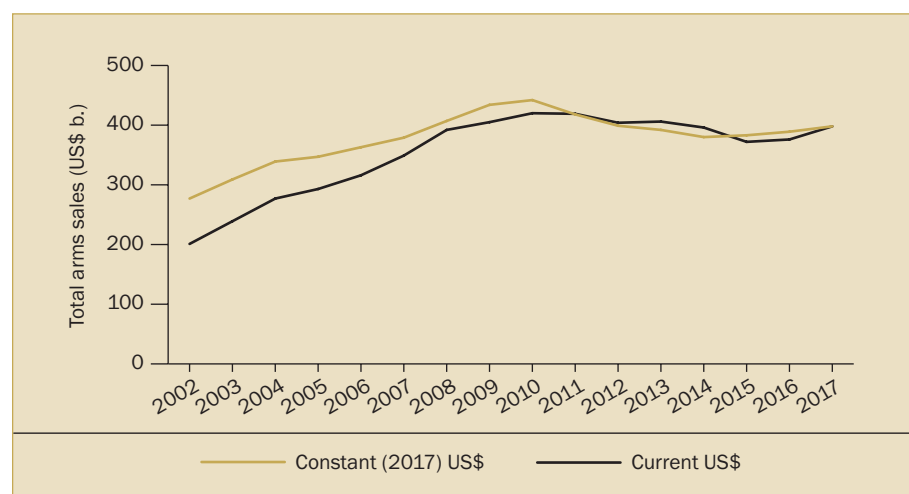


# THE SIPRI TOP 100 ARMS-PRODUCING AND MILITARY SERVICES COMPANIES, 2017

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Arms sales of the world’s 100 largest arms-producing and military services companies (the SIPRI Top 100) totalled \$398.2 billion in 2017 (see annex 1).<sup>1</sup> This was an increase of 2.5 per cent compared with 2016 and marks the third consecutive year of growth in Top 100 arms sales (figures exclude China, see box 1). The arms sales of the Top 100 in 2017 were 44 per cent higher than those in 2002 (see figure 1). The overall growth in arms sales of the Top 100 in 2017 was driven by increases in arms procurement spending by several states, in particular the United States and Russia.

<sup>1</sup> For further detail on methodology see ‘About the SIPRI Arms Industry Database’ in this fact sheet. The full data set is available on the SIPRI website.



**Figure 1.** Total arms sales of companies in the SIPRI Top 100, 2002–17

*Notes:* ‘Arms sales’ are defined as sales of military goods and services to military customers domestically and abroad. The data in this graph refers to the companies in the SIPRI Top 100 in each year, so the data covers a different set of companies each year, except for 2016 and 2017, which refer to the set of companies listed in 2017. 2002 is the first year for which SIPRI has sufficient data to include Russian companies in its Top 100 lists.

*Source:* SIPRI Arms Industry Database, Dec. 2018.

## KEY FACTS

- The arms sales of the SIPRI Top 100 arms-producing and military services companies (excluding China) totalled \$398.2 billion in 2017. This was 2.5 per cent higher than sales in 2016 and marks the third consecutive year of growth in Top 100 arms sales.
- Taken together, the arms sales of companies based in the United States grew by 2.0 per cent in 2017. With 42 companies listed in 2017—4 more than in 2016—the US companies’ share of total Top 100 arms sales was 57 per cent in 2017.
- The combined arms sales of West European arms producers grew by 3.8 per cent in 2017, to \$94.9 billion.
- The arms sales of the 10 Russian companies in the Top 100 rose by 8.5 per cent in 2017. Total arms sales by Russian companies in the Top 100 for 2017 were second only to those of US companies.
- A Russian company—Almaz-Antey—appears in the top 10 for the first time.
- Despite their continued growth, the combined arms sales of the Top 100 are only about one-sixth of the combined sales of the 15 largest manufacturing companies in the world.



## DEVELOPMENTS IN THE TOP 100

The Top 100 companies are ranked by their total annual arms sales. As has been the case every year since 2002, companies based in the USA and Western Europe continued to dominate the Top 100 in 2017: a total of 66 US and West European companies are listed. Their combined arms sales of \$321.5 billion were 2.5 per cent higher than in 2016, and together they accounted for 81 per cent of Top 100 arms sales in 2017.

The combined arms sales of West European arms producers in the Top 100 grew by 3.8 per cent in 2017, to \$94.9 billion. The arms sales of companies based in the United Kingdom were the highest in Western Europe (\$35.7 billion in 2017), accounting for 9.0 per cent of the Top 100 total in 2017 (see figure 2). Between 2002 and 2016, the annual combined arms sales of British companies in the Top 100 were second only to those of US companies. However, in 2017 Russia was the second largest arms producer in the Top 100: the combined arms sales of Russian companies (\$37.7 billion) accounted for 9.5 per cent of the Top 100 total in 2017.

The arms sales of the 10 largest companies in the Top 100 amounted to \$198.2 billion in 2017—an increase of 10 per cent (\$2.1 billion) compared with their arms sales in 2016. The top 10 accounted for 50 per cent of total Top 100 arms sales in 2017. Notably, 2017 was the first year that a Russian company appeared in the top 10: Almaz-Antey, which ranked 10th, is also the first company based outside the USA or Western Europe to be ranked in the top 10. Five US and four West European companies occupied the other nine positions in the top 10 in 2017.

## MAJOR ARMS-PRODUCING COUNTRIES

### The United States

The combined arms sales of the 42 USA-based companies in the Top 100 grew by 2.0 per cent in 2017, to \$226.6 billion, accounting for 57 per cent of the overall total (see figure 3). Considering the volume of US arms sales and the number of companies ranked in 2017, the USA will continue to be the world's largest producer of arms for the foreseeable future.

Lockheed Martin remains, by far, the largest arms producer in the world, with arms sales of \$44.9 billion in 2017—an increase of 8.3 per cent compared with 2016. The increase was mainly due to ongoing deliveries of F-35 combat aircraft, missiles and anti-missile systems, and Aegis naval combat systems. The growth in Lockheed Martin's arms sales and the 11 per cent drop in those of Boeing widened the gap between the top two arms producers to

#### **Box 1.** Chinese arms-producing companies

Chinese arms-producing companies are not covered by the SIPRI Top 100 due to the lack of data on which to make a reasonable or consistent estimate of arms sales dating back to 2002. Nonetheless, some information is available on several major companies that are part of the mainly state-owned Chinese arms industry.

SIPRI estimates that three Chinese arms companies would be ranked in the top 10 of the Top 100 arms-producing and military services companies: AVIC with arms sales of \$20.1 billion, NORINCO with \$17.2 billion and CETC with \$12.2 billion. Based on the limited information available and taking into account arms exports and the general growth in China's military spending, at least seven other arms companies would probably be in the Top 100 if figures for arms sales were available.



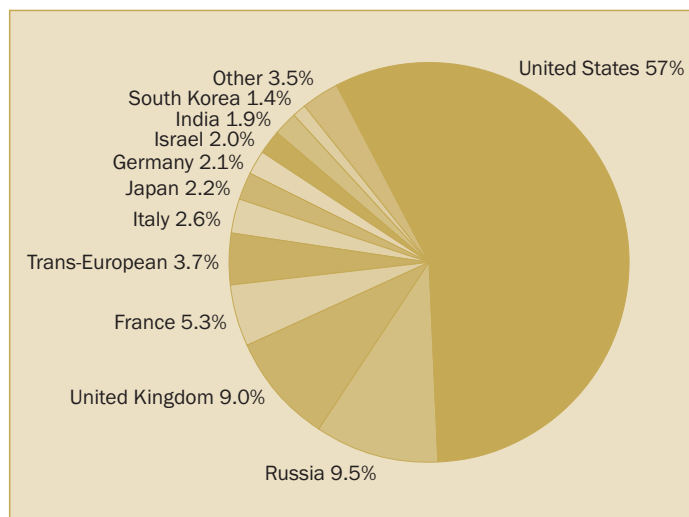
\$18.0 billion in 2017. The fall in Boeing's arms sales can be partially attributed to delays in the delivery of KC-46 tanker aircraft and the end of deliveries of C-17 transport aircraft.<sup>2</sup>

There were several large mergers and acquisitions by US companies in 2017. The acquisitions of Rockwell Collins by United Technologies and of Orbital ATK by Northrop Grumman were particularly noteworthy. The buying companies may have made the acquisitions with the aim of gaining an advantage against their competitors in the upcoming major arms-acquisition programmes announced by the USA in 2016 and 2017, which will include the modernization of US nuclear forces.

In contrast, the recent trend in consolidations of US military services companies slowed in 2017. In the past few years some of the larger arms-producing companies have spun off their military services activities in order to focus on their core capabilities and often also because the growth in revenue from such activities was far lower than anticipated. In many cases, the resulting smaller companies have then merged into larger military services companies. However, the only example of this in 2017 was the formation of DXC (ranked 82nd in the Top 100), following the merger of Computer Sciences Corporation and relevant parts of Hewlett Packard Enterprise Services' business.

## Western Europe

The combined arms sales of the seven British companies in the Top 100 amounted to \$35.7 billion in 2017—an increase of 2.3 per cent compared with 2016, largely due to increases in the arms sales of BAE Systems, Rolls-Royce and GKN (see annex 1). BAE Systems, which is ranked fourth in the Top 100, remains the UK's biggest arms producer. Its arms sales rose by 3.3 per cent, to \$22.9 billion in 2017. BAE Systems is a clear example of an internationalized arms-producing company: 29 000 of its 83 000 personnel are employed by a US subsidiary. GKN's arms sales rose by 20 per cent in 2017—the highest annual increase among British companies. This was the second consecutive year of double-digit growth in GKN's arms sales, which is due to high global demand for its aircraft components. In contrast, the arms sales of Babcock International—which is involved in the maintenance and production of British Navy ships including new nuclear submarines—fell by 1.9 per cent in 2017 after two consecutive years of significant growth. This was mostly due to a slowdown in domestic procurement.

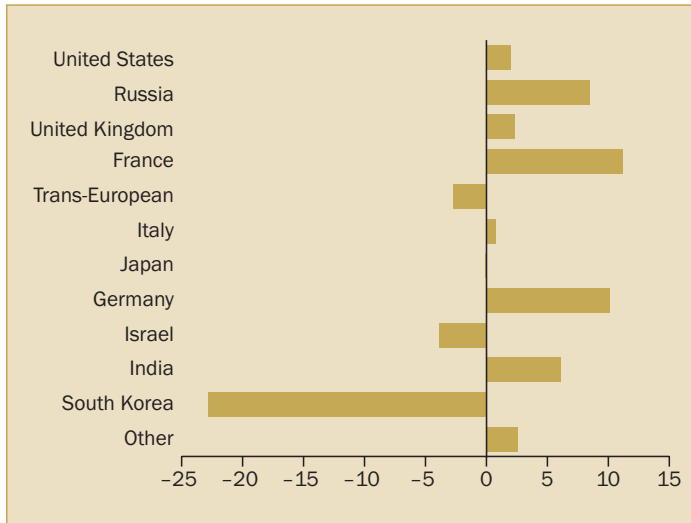


**Figure 2.** Share of arms sales of companies in the SIPRI Top 100 for 2017, by country

*Notes:* The Top 100 classifies companies according to the country in which they are headquartered. The Top 100 does not include the entire arms industry in each country covered, only the largest companies. The category 'Other' consists of countries whose companies' arms sales comprise less than 1% of the total: Australia, Brazil, Canada, Poland, Singapore, Spain, Sweden, Switzerland, Turkey and Ukraine. Figures do not always add up to a total of 100% because of the conventions of rounding.

*Source:* SIPRI Arms Industry Database, Dec. 2018.

<sup>2</sup> As Boeing altered its reporting in 2017, the method used to estimate its arms sales has changed compared with 2016, which may also explain the difference between the 2 years.



**Figure 3.** Percentage change in arms sales of companies in the SIPRI Top 100, by country, 2016–17

*Notes:* The change refers to the companies in the Top 100 for 2017. The figures are based on arms sales in constant (2017) US dollars. The category ‘Other’ consists of countries whose companies’ arms sales comprise less than 1% of the total: Australia, Brazil, Canada, Poland, Singapore, Spain, Sweden, Switzerland, Turkey and Ukraine.

*Source:* SIPRI Arms Industry Database, Dec. 2018.

The total arms sales of the six French companies in the Top 100 rose by 11 per cent, to \$21.3 billion in 2017. While all six companies increased their arms sales in 2017, the significant growth in the arms sales of the combat aircraft producer Dassault and the shipbuilder Naval Group stand out. Dassault’s arms sales grew by 48 per cent, to \$2.1 billion in 2017, due in large part to contracts with India and Qatar for combat aircraft. Naval Group’s arms sales rose by 15 per cent, to \$4.1 billion, which can be attributed to its ongoing production of submarines and frigates for the French Navy, Brazil and India, and of frigates for Egypt.

The two Italian arms companies ranked in the Top 100, Leonardo and Fincantieri, both had stable arms sales in 2017 compared with 2016, with slight increases of 0.9 and 0.4 per cent, respectively. Leonardo, which is one of the world’s largest arms producers, reported arms sales of \$8.9 billion in 2017. While there were modest increases in its defence electronics and aeronautics business segments, its helicopter business segment decreased in 2017, affecting overall results.

Arms sales by the four German companies in the Top 100 grew by 10 per cent overall in 2017, to \$8.3 billion. The growth was mainly due to the 61 per cent rise in the arms sales of Krauss-Maffei Wegmann (KMW)—the highest increase recorded by any company in the Top 100 for 2017. The sharp rise in KMW’s arms sales is largely attributable to the growing domestic demand for its armoured vehicles and to deliveries of tanks to Qatar. One of the four German companies is a new entrant to the Top 100: Hensoldt, which is ranked 74th, was formed after the acquisition by an investment fund (KKR) of a German division of Airbus Group that produces military electronics.

The one Spanish company in the Top 100, the shipyard Navantia, increased its arms sales by 23 per cent in 2017, to \$910 million. The Top 100 for 2017 also includes a Swedish company, Saab, whose arms sales fell by 5.3 per cent, and a Swiss company, RUAG, whose arms sales rose by 5.6 per cent.

SIPRI categorizes companies whose ownership and control structures are located in more than one European country as ‘trans-European’. Airbus Group, which was ranked seventh in 2017 and whose main arms-production facilities are located in France and Germany, falls into this category. Its arms sales fell by 13 per cent in 2017, to \$11.3 billion, which can be attributed to the above-mentioned sale of its German military electronics division and to delays in deliveries of the A400M military transport aircraft.

## Russia

The arms sales of the 10 Russian companies in the Top 100 amounted to \$37.7 billion in 2017, accounting for 9.5 per cent of total Top 100 arms sales.



Their combined arms sales were 8.5 per cent higher than in 2016.<sup>3</sup> In general terms, the arms sales of Russian companies have grown significantly since 2011 in line with Russia's increased spending on arms procurement for its armed forces. Arms exports by Russian companies have remained relatively stable over the same period.

Almaz-Antey, which produces advanced air defence systems (such as the S-400), is the first Russian company to be ranked in the top 10 since SIPRI began to include Russian companies in its Top 100 lists. Due to ongoing domestic and foreign demand, its arms sales grew by 17 per cent in 2017, to \$8.6 billion.

Eight of the nine other Russian companies included in the Top 100 also increased their arms sales, three by more than 15 per cent: United Engine Corporation (25 per cent), High Precision Systems (22 per cent) and Tactical Missiles Corporation (19 per cent). The only Russian company to report a decrease in arms sales in 2017 was UralVagonZavod. With a drop in arms sales of 33 per cent, it fell from 53rd position in 2016 to 66th in 2017. This decrease is probably due to delays in deliveries of new tanks and other armoured vehicles to Russia.

Russia started an initiative to consolidate its arms industry in 2007. The aim is to create larger companies that operate in specific arms-related sectors (e.g. United Aircraft Corporation and United Shipbuilding Corporation, which were the second and third largest Russian arms producers in 2017). The consolidation process, which is nearing completion, continued in 2017: the merger of United Instrument Manufacturing Corporation (UIMC) with Russian Electronics resulted in the formation of a new company that will continue to operate under the name Russian Electronics. The new company, which takes on UIMC's relatively large arms-production business and the more modest arms-related business of the original Russian Electronics, entered the Top 100 in 2017 in 47th position. Further consolidation is planned in the land systems sector over the next few years.

## **OTHER ESTABLISHED PRODUCERS**

Eight countries with companies ranked in the Top 100 for 2017 are categorized by SIPRI as 'other established producers': Australia, Canada, Israel, Japan, Poland, Singapore, South Korea and Ukraine.<sup>4</sup> In 2017 the combined arms sales of the 17 companies based in the countries in this category totalled \$27.9 billion, 6.9 per cent less than in 2016. They accounted for 7.0 per cent of the Top 100 total in 2017.

As was the case in previous years, Japan was the largest arms producer in the 'other established producers' category in 2017. The combined arms sales of the five Japanese companies in the Top 100 amounted to \$8.7 billion in 2017, accounting for 2.2 per cent of the Top 100 total. Arms sales by the three largest Japanese arms-producing companies—Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Fujitsu—remained stable. The arms sales of

<sup>3</sup> This includes the 'pro forma' arms sales in 2016 of the new company Russian Electronics, which was formed in 2017. See annex 1.

<sup>4</sup> The 'other established producers' category includes countries that rank arms-producing and military services companies in the Top 100 and have mature and, in many cases, significant arms-producing capabilities, but do not intend to develop their capabilities further.





the two other companies followed contrasting trajectories: NEC's arms sales rose by 7.8 per cent, while IHI Corporation's fell by 7.6 per cent. Although Japan lifted its long-standing ban on arms exports in 2014, it has not yet resulted in a notable increase in arms exports and Japanese companies remain largely reliant on domestic demand for arms sales. However, Fujitsu does generate significant overseas revenues from the provision of information technology services to the militaries of other countries.

With combined arms sales of \$7.9 billion, the three Israeli companies listed in 2017 accounted for 2.0 per cent of the Top 100 total. Considering the small size of the country, Israel's arms sales are relatively high: despite an overall decrease of 3.9 per cent in 2017, the total arms sales of Israeli companies remain comparable with those of German or Japanese companies in the Top 100. This is a result of high domestic demand and a large and diverse export customer base.

The South Korean arms industry has matured over the past few years and now covers all of the main arms-production sectors, including ships, aircraft, land systems, electronics and ammunition. South Korean companies have also increased their arms exports significantly in recent years. Four South Korean companies are listed in the Top 100 for 2017. With combined arms sales of \$5.5 billion, they accounted for 1.4 per cent of the Top 100 total. However, all four companies saw a drop in their arms sales in 2017, leading to an overall decrease of 23 per cent compared with 2016—the largest annual percentage decrease of any country that ranked companies in the Top 100 in 2017. Korea Aerospace Industries (KAI) and DSME had the largest reductions in arms sales. The 53 per cent (almost \$1 billion) fall in KAI's arms sales accounted for 60 per cent of the overall decrease in South Korean arms sales. KAI fell from 50th in the Top 100 in 2016 to 98th in 2017. Several of KAI's large programmes for the South Korean armed forces are coming to an end, while deliveries of new helicopters have been delayed. DSME's arms sales fell by 25 per cent in 2017. However, such dips in arms sales are not uncommon among shipbuilders, and it is likely that DSME's arms sales will increase in the coming years due to existing contracts with the Korean Navy and export customers.

As in 2016, one company from each of Australia, Canada, Poland, Singapore and Ukraine ranked in the Top 100 for 2017. There were marginal increases in the arms sales of the Australian and Canadian companies, and slight decreases in those of the Singaporean and Polish companies. Arms sales by UkrOboronProm, the company under which most of Ukraine's arms production is organized, fell by 11 per cent in 2017. This was largely due to inflation.

## **EMERGING PRODUCERS**

Three countries with companies ranked in the Top 100 are categorized by SIPRI as 'emerging producers' in 2017: Brazil, India and Turkey. Emerging producers have expressed ambitions to develop their arms-production capabilities to higher levels in most arms-production sectors (i.e. naval, air, land, electronics and ammunition). The combined arms sales of the seven companies based in the countries in this category were \$11.1 billion—an



increase of 8.1 per cent compared with 2016. These companies accounted for 2.8 per cent of total Top 100 arms sales in 2017.

India is the largest arms producer in this category, with four companies ranked in the Top 100. Their combined arms sales of \$7.5 billion in 2017 were 6.1 per cent higher than in 2016. The two largest Indian arms producers, Indian Ordnance Factories and Hindustan Aeronautics, are the highest ranking (37th and 38th, respectively) companies in 2017 among countries in the ‘emerging producers’ category. These two companies along with Bharat Electronics have been listed in the Top 100 since 2002. A fourth company, Bharat Dynamics, entered the Top 100 in 2017 (ranked 94th) with arms sales of \$880 million. There was a marginal decrease in Hindustan Aeronautics’ total arms sales, while the totals of the other three companies each rose by approximately 10 per cent. All four companies are state-owned and are almost entirely dependent on domestic demand. The overall increase in arms sales in 2017 is a result of India’s aims to modernize its armed forces and source its military equipment from Indian companies as far as possible.

Turkey has ambitions to develop its arms industry to fulfil its increasing demand for weapons and become less dependent on foreign suppliers. This is reflected in the increase of 24 per cent in 2017 in the combined arms sales of the two Turkish companies in the Top 100: ASELSAN, which produces electronics, and Turkish Aerospace Industries, which produces aircraft.

The only South American arms company in the Top 100 is Brazil’s Embraer, which is ranked 84th. Embraer’s arms sales decreased by 10 per cent in 2017, to \$950 million.

## **A COMPARISON OF THE TOP 100 WITH THE WORLD’S LARGEST MANUFACTURERS**

The arms industry is often perceived as ‘big business’. To provide a more realistic picture, the largest arms-producing and military services companies from the Top 100 are compared here with the world’s largest companies in the manufacturing sector as listed in the Fortune Global 500 for 2017. Such a comparison is appropriate since the production and development processes of most manufacturers and arms producers are similar.

Sales of the top 15 manufacturing companies totalled \$2311 billion in 2017 (see table 1). This is almost 10 times greater than the total arms sales of the top 15 arms producers (\$231.6 billion). To put this into clearer perspective, the sales of these 15 manufacturing companies are almost six times greater than the total combined arms sales of the Top 100 arms-producing companies (\$398.2 billion). The sales of one company alone—Toyota, the world’s largest manufacturing company, which totalled \$254.7 billion in 2017—are 10 per cent higher than the total combined arms sales of the top 15 arms producers.

Lockheed Martin, the world’s largest arms company, is ranked 178th in the Fortune Global 500 for 2017 and ranks outside the top 50 largest manufacturers. Its arms sales represent only 18 per cent of Toyota’s total sales and are about half the size of the total sales of the company ranked 15th in the Fortune Global 500: China Railway and Engineering Group.

One company, General Electric, ranks highly as both a manufacturer and as an arms producer: it is 22nd in the Top 100 for 2017 and was also the



10th largest manufacturing company. However, its arms sales represented only 3 per cent of its total sales and General Electric would not be included in the Fortune Global 500 on the basis of its arms sales alone.

Two other arms-producing companies, Boeing and Airbus Group, are among the 50 largest manufacturing companies in the world. However, Boeing’s arms sales accounted for only 29 per cent of its total sales in 2017. If Boeing were to produce only arms, it would fall to rank around 400th in the Fortune Global 500 for 2017. Similarly, Airbus Group would not feature in the Fortune Global 500 based on arms sales alone.

Undoubtedly, this is an imperfect and rather crude comparison. However, the contrasts shown by the available data indicate that claims championing the significant economic role and impact of the arms industry should be assessed very carefully.

**Table 1.** The top 15 manufacturing companies in the Fortune Global 500 compared with the top 15 arms-producing and military services companies in the SIPRI Top 100, 2017

Figures for arms sales and total sales are in billions of US dollars.

Rank <sup>a</sup>	Top 15 manufacturing companies	Total sales (US\$ b.)	Rank <sup>b</sup>	Top 15 arms producers	Arms sales (US\$ b.)	Total sales (US\$ b.)
1	Toyota	254.7	1	Lockheed Martin Corp.	44.9	51.0
2	VW	240.3	2	Boeing	26.9	93.4
3	Apple	215.6	3	Raytheon	23.9	25.3
4	Samsung Electronics	174.0	4	BAE Systems	22.9	23.5
5	Daimler	169.5	5	Northrop Grumman Corp.	22.4	25.8
6	General Motors	166.4	6	General Dynamics Corp.	19.5	31.0
7	Ford	151.8	7	Airbus Group	11.3	75.2
8	Hon Hai Precision Industry	135.1	8	Thales	9.0	17.8
9	Honda	129.2	9	Leonardo	8.9	13.0
10	General Electric	126.7	10	Almaz-Antey	8.6	9.1
11	Fiat Chrysler Group <sup>c</sup>	125.0	11	United Technologies Corp.	7.8	59.8
12	SAIC Motor	113.9	12	L-3 Communications	7.8	9.8
13	Nissan	108.2	13	Huntington Ingalls Industries	6.5	7.4
14	BMW	104.1	14	United Aircraft Corp.	6.4	7.7
15	China Railway and Engineering Group	97.0	15	United Shipbuilding Corp.	5.0	5.6
<b>Total top 15 sales</b>		<b>2311</b>			<b>231.6</b>	<b>455.6</b>

Corp. = Corporation.

Note: Figures may not add up to stated totals due to the conventions of rounding.

<sup>a</sup> Companies are ranked based on total sales as listed in the Fortune Global 500 for 2017.

<sup>b</sup> Companies are ranked based on total arms sales as listed in the SIPRI Top 100 for 2017.

<sup>c</sup> Fiat Chrysler Group is not listed separately in the Fortune Global 500, but as part of the holding company Exor.

Sources: *Fortune*, ‘The Fortune Global 500’, 2017; and SIPRI Arms Industry Database, Dec. 2018.





## Annex 1. The SIPRI Top 100 arms-producing and military services companies in the world excluding China, 2017<sup>a</sup>

Figures for arms sales and total sales are in millions of US dollars.

Rank <sup>b</sup>		Company <sup>c</sup>	Country	Arms sales, 2017 (US\$ m.)	Arms sales, 2016 (constant 2017 US\$ m.) <sup>d</sup>	Change in arms sales, 2016–17 (%)	Total sales, 2017 (US\$ m.)	Arms sales as a % of total sales, 2017
2017	2016							
1	1	Lockheed Martin Corp.	United States	44 920	41 486	8.3	51 048	88
2	2	Boeing	United States	26 930	30 132	-11	93 392	29
3	3	Raytheon	United States	23 870	23 393	2.0	25 348	94
4	4	BAE Systems	United Kingdom	22 940	22 208	3.3	23 490	98
5	5	Northrop Grumman Corp.	United States	22 370	21 851	2.4	25 803	87
6	6	General Dynamics Corp.	United States	19 460	19 635	-0.9	30 973	63
7	7	Airbus Group	Trans-European <sup>e</sup>	11 290	12 928	-13	75 239	15
8	9	Thales	France	9 000	8 420	6.9	17 799	51
9	8	Leonardo	Italy	8 860	8 781	0.9	12 990	68
10	13	Almaz-Antey	Russia	8 570	7 320	17	9 122	94
11	11	United Technologies Corp.	United States	7 780	7 015	11	59 837	13
12	10	L-3 Communications	United States	7 750	7 791	-0.5	9 753	79
13	12	Huntington Ingalls Industries	United States	6 470	6 862	-5.7	7 441	87
14	14	United Aircraft Corp.	Russia	6 440	6 182	4.2	7 744	83
15	19	United Shipbuilding Corp.	Russia	4 980	4 864	2.4	5 583	89
16	22	Honeywell International	United States	4 460	3 553	26	40 534	11
17	16	Rolls-Royce	United Kingdom	4 420	4 336	1.9	19 346	23
18	17	Leidos	United States	4 380	4 391	-0.2	10 170	43
19	23	Naval Group	France	4 130	3 586	15	4 167	99
20	15	Textron	United States	4 100	4 860	-16	14 198	29
21	20	Booz Allen Hamilton	United States	4 060	4 084	-0.6	5 804	70
22	36	General Electric	United States	3 830	2 532	51	122 100	3
23	35	Tactical Missiles Corp.	Russia	3 600	3 031	19	3 623	99
24	21	Mitsubishi Heavy Industries	Japan	3 570	3 573	-0.1	36 649	10
25	25	Rheinmetall	Germany	3 420	3 373	1.4	6 644	51
26	26	MBDA	Trans-European <sup>e</sup>	3 380	3 346	1.0	3 501	97
27	24	Babcock International Group	United Kingdom	3 230	3 294	-1.9	6 876	47
28	27	Elbit Systems	Israel	3 220	3 313	-2.8	3 395	95
29	32	Russian Helicopters	Russia	3 170	3 139	1.0	3 908	81
30	29	Bechtel Corp. <sup>f</sup>	United States	3 150	2 879	9.4	25 900	12
31	18	Harris Corp.	United States	3 040	4 288	-29	6 182	49
32	28	CACI International	United States	2 980	2 890	3.1	4 468	67
33	34	Safran	France	2 910	2 679	8.6	19 090	15
34	46	High Precision Systems	Russia	2 830	2 324	22	2 907	97
35	31	Science Applications International Corp.	United States	2 760	2 685	2.8	4 454	62
36	30	Saab	Sweden	2 670	2 818	-5.3	3 180	84
37	38	Indian Ordnance Factories	India	2 650	2 442	8.5	2 764	96
38	37	Hindustan Aeronautics	India	2 610	2 635	-0.9	2 764	94
39	39	CSRA	United States	2 580	2 297	12	5 400	48
40	51	United Engine Corp.	Russia	2 570	2 049	25	4 026	64
41	33	Israel Aerospace Industries	Israel	2 480	2 790	-11	3 538	70
42	47	Orbital ATK	United States	2 390	1 960	22	4 764	50

Rank <sup>b</sup>		Company <sup>c</sup>	Country	Arms sales, 2017 (US\$ m.)	Arms sales, 2016 (constant 2017 US\$ m.) <sup>d</sup>	Change in arms sales, 2016–17 (%)	Total sales, 2017 (US\$ m.)	Arms sales as a % of total sales, 2017
2017	2016							
43	41	Rockwell Collins	United States	2 300	2 277	1.0	6 822	34
44	48	General Atomics <sup>f</sup>	United States	2 220	1 950	14	..	..
45	45	Rafael	Israel	2 210	2 127	3.9	2 258	98
46	44	CEA	France	2 170	2 082	4.2	5 640	39
47	–	Russian Electronics <sup>g</sup>	Russia	2 140	1 894	13	3 771	57
48	42	Kawasaki Heavy Industries	Japan	2 140	2 112	1.3	14 035	15
49	40	Hanwha Techwin	South Korea	2 130	2 354	–9.5	3 729	57
50	61	Dassault Aviation Groupe	France	2 120	1 432	48	5 418	39
51	43	AECOM	United States	2 070	2 165	–4.4	18 203	11
52	54	KRET	Russia	2 060	1 929	6.8	2 398	86
53	49	ThyssenKrupp	Germany	1 920	1 831	4.8	46 706	4
54	64	Oshkosh Corp.	United States	1 840	1 378	33	6 830	27
55	78	KBR	United States	1 750	1 113	57	4 171	42
56	80	Krauss-Maffei Wegmann	Germany	1 750	1 086	61	1 803	97
57	52	ST Engineering	Singapore	1 680	1 706	–1.5	4 794	35
58	55	Fincantieri	Italy	1 660	1 653	0.4	5 657	29
59	58	Cobham	United Kingdom	1 580	1 510	4.6	2 632	60
60	56	LIG Nex1	South Korea	1 560	1 674	–6.8	1 558	100
61	68	ASELSAN	Turkey	1 420	1 101	29	1 469	97
62	65	DynCorp International	United States	1 420	1 307	8.6	2 004	71
63	67	GKN	United Kingdom	1 410	1 179	20	13 345	11
64	74	Bharat Electronics	India	1 380	1 232	12	1 616	86
65	60	ManTech International Corp.	United States	1 360	1 491	–8.8	1 717	79
66	53	UralVagonZavod	Russia	1 340	2 013	–33	2 223	60
67	63	Engility	United States	1 300	1 378	–5.7	1 932	67
68	66	BWX Technologies	United States	1 300	1 276	1.9	1 688	77
69	59	Serco	United Kingdom	1 250	1 462	–14	4 244	29
70	77	Turkish Aerospace Industries	Turkey	1 220	1 028	19	1 420	86
71	73	Aerojet Rocketdyne	United States	1 220	1 205	1.3	1 877	65
72	82	TransDigm Group	United States	1 190	970	23	3 504	34
73	76	PGZ	Poland	1 190	1 212	–1.8	1 323	90
74	–	Hensoldt <sup>h</sup>	Germany	1 160	1 200	–3.3	1 217	95
75	92	Vencore	United States	1 130	878	29	1 372	83
76	71	Vectrus	United States	1 120	1 215	–7.8	1 115	100
77	75	Fujitsu	Japan	1 110	1 119	–0.8	36 539	3
78	70	IHI Corp.	Japan	1 070	1 158	–7.6	14 175	8
79	88	Sierra Nevada Corp. <sup>f</sup>	United States	1 020	919	11	1 600	64
80	83	Austal	Australia	1 020	999	2.1	1 067	96
81	79	UkrOboronProm	Ukraine	1 020	1 148	–11	1 053	96
82	–	DXC <sup>i</sup>	United States	1 000	1 021	–2.1	24 556	4
83	87	Nexter	France	960	938	2.4	1 014	95
84	85	Embraer	Brazil	950	1 055	–10	5 821	16
85	72	DSME	South Korea	940	1 245	–25	9 821	10
86	86	Teledyne Technologies	United States	920	929	–1.0	2 604	35
87	108	Navantia	Spain	910	738	23	976	93
88	81	Jacobs Engineering Group	United States	900	1 011	–11	10 022	9
89	89	Precision Castparts Corp.	United States	900	899	0.2	9 003	10



Rank <sup>b</sup>		Company <sup>c</sup>	Country	Arms	Arms	Change in	Total	Arms
2017	2016			sales, 2017	sales, 2016	arms sales,	sales, 2017	sales as a
				(US\$ m.)	(constant 2017 US\$ m.) <sup>d</sup>	2016–17 (%)	(US\$ m.)	% of total sales, 2017
90	90	Cubic Corp.	United States	890	899	-1.0	1 486	60
91	98	Curtiss-Wright Corp.	United States	890	807	10	2 271	39
92	91	The Aerospace Corp.	United States	890	888	0.2	973	91
93	84	Meggitt	United Kingdom	880	916	-3.9	2 599	34
94	106	Bharat Dynamics	India	880	782	13	877	100
95	96	RUAG	Switzerland	870	824	5.6	1 985	44
96	102	MIT	United States	870	786	11	1 015	86
97	94	Moog	United States	860	847	1.5	2 498	35
98	50	Korea Aerospace Industries	South Korea	860	1 842	-53	1 833	47
99	97	NEC Corp.	Japan	850	789	7.8	..	..
100	99	CAE	Canada	840	809	3.8	2 181	38

.. = data not available; Corp. = Corporation.

<sup>a</sup> Although several Chinese arms-producing companies are large enough to rank among the SIPRI Top 100, it has not been possible to include them because of a lack of comparable and sufficiently accurate data for more than 3 years for some companies and no information at all for others.

<sup>b</sup> Companies are ranked according to the value of their arms sales at the end of what SIPRI considers to be their financial year. A dash (-) indicates that the company did not rank among the Top 100 for 2016. Company names and structures are listed as they were at the end of their financial year. Information about subsequent changes is provided in these notes. Rankings for 2016 are based on the updated arms-production figures. They may differ from those published in any earlier SIPRI publication and elsewhere owing to continual revision of data, most often because of changes reported by the company itself and sometimes because of improved estimations. Major revisions are explained in these notes.

<sup>c</sup> Holding and investment companies with no direct operational activities are not treated as arms-producing companies, and companies owned by them are listed and ranked as if they were parent companies.

<sup>d</sup> To allow comparison with arms sales in 2017, figures for arms sales in 2016 are given in constant 2017 US dollars.

<sup>e</sup> Trans-European refers to companies whose ownership and control structures are located in more than one European country.

<sup>f</sup> The arms sales figure for this company is an estimate with a high degree of uncertainty.

<sup>g</sup> Russian Electronics was formed following the merger of United Instrument Manufacturing Corporation and Russian Electronics. Its 2016 arms sales figures are 'pro forma', i.e. they are the combined 2016 arms sales of both companies.

<sup>h</sup> Hensoldt was created in 2017 as a result of the acquisition by an investment fund (KKR) of a German division of Airbus Group that produces military electronics. Its 2016 arms sales figures are 'pro forma', i.e. they are the arms sales of the division of Airbus Group in 2016.

<sup>i</sup> DXC is the result of the merger of Computer Sciences Corporation with relevant parts of Hewlett Packard Enterprise Services' (HPES) business. Its 2016 arms sales figures are 'pro forma', i.e. they are the arms sales of the estimated arms sales of the parts of HPES included in DXC.

Source: SIPRI Arms Industry Database, Dec. 2018.

**SIPRI** is an independent international institute dedicated to research into conflict, armaments, arms control and disarmament. Established in 1966, SIPRI provides data, analysis and recommendations, based on open sources, to policymakers, researchers, media and the interested public.

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## About the SIPRI Arms Industry Database

This fact sheet is based on data from the SIPRI Arms Industry Database. The database includes public and private companies but excludes manufacturing or maintenance units of the armed services. Only companies with operational activities in the field of arms and military services are included, not holding or investment companies. The data starts in 2002, as this is the first year for which SIPRI has sufficient data to include Russian companies. Chinese companies are not included in the database.

The data for all years is revised annually based on new information. Therefore, data in this fact sheet replaces all data for all years in previous SIPRI publications on the Top 100 arms-producing and military services companies.

Unless otherwise specified, all changes are expressed in real terms. All changes between 2016 and 2017 are based on the list of companies ranked in 2017 (i.e. the annual comparison is between the same set of companies). Longer term comparisons (e.g. between 2002 and 2017) are based on the sets of companies listed in the respective year (i.e. the comparison is between a different set of companies).

The SIPRI Arms Industry Database, which presents a more detailed data set for the years 2002–17, is available on the SIPRI website.

### Definitions

Sales of arms and military services (or ‘arms sales’ for short) are defined as sales of military goods and services to military customers domestically and abroad. Military goods and services are defined as goods and services that are designed specifically for military purposes and include the related technologies. Military goods are military-specific equipment and do not include general-purpose goods, such as fuel, office equipment and uniforms. Military services include technical services, such as information technology, maintenance, repair and operational support; services related to the operation of the armed forces, such as intelligence, training and logistics management; and armed security in conflict zones. They do not include the peacetime provision of purely civilian services, such as healthcare, catering and transportation, but supply services to operationally deployed forces are included.

The SIPRI definition of ‘arms sales’ serves as a guideline as there is no generally agreed standard definition. In some cases, the data on arms sales represents what a company considers to be the ‘defence’ share of its total sales. In other cases, SIPRI uses the figure for the total sales of a ‘defence’ division, which may include some unspecified civil sales. When such data is not reported by a company, arms sales are estimated by SIPRI based on, for example, contract awards and general information on a company’s arms-production and military services programmes.

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