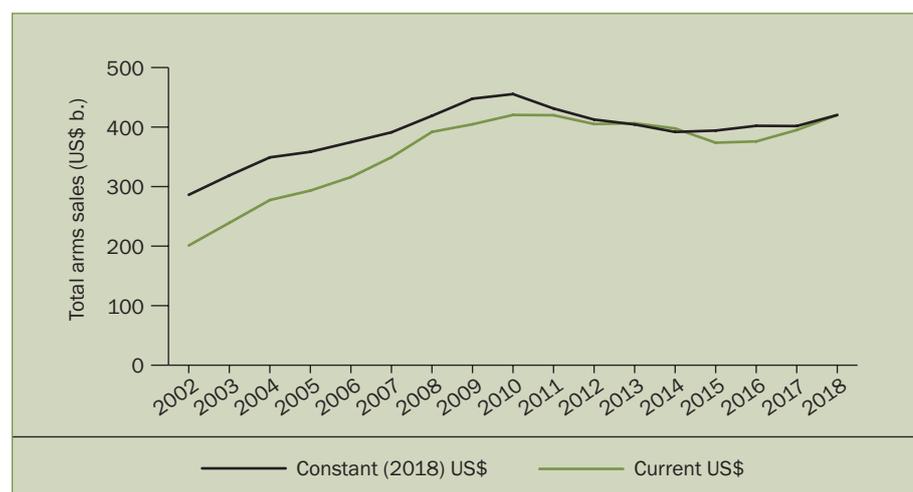


# THE SIPRI TOP 100 ARMS-PRODUCING AND MILITARY SERVICES COMPANIES, 2018

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Arms sales of the world’s largest arms-producing and military services companies (the SIPRI Top 100) were \$420 billion in 2018 (see annex 1).<sup>1</sup> This was an increase of 4.6 per cent compared with 2017 total Top 100 arms sales (figures exclude China, see box 1). The arms sales of the Top 100 in 2018 were 47 per cent higher than in 2002 (see figure 1). The growth in total Top 100 arms sales in 2018 was primarily driven by increases in sales by the highest-ranked companies—specifically the top five companies, all of which are based in the United States. The growth in Top 100 arms sales in 2018 can be correlated to increases in global military expenditure, particularly the rise in US spending from 2017 to 2018.

<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, 2002–18

*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 2017 and 2018, which refer to the set of companies listed in 2018. 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. 2019.

## KEY FACTS

- The arms sales of the SIPRI Top 100 arms-producing and military services companies (excluding China) were \$420 billion in 2018—an increase of 4.6 per cent compared with sales in 2017.
- Taken together, the arms sales of Top 100 companies based in the United States increased by 7.2 per cent in 2018. With 43 companies listed—one more than in 2017—the US companies’ share of total Top 100 arms sales was 59 per cent in 2018.
- The combined arms sales of the 27 arms producers in the Top 100 based in Europe were \$102 billion in 2018—a slight increase of 0.7 per cent compared with 2017. European companies accounted for 24 per cent of total Top 100 arms sales in 2018.
- Ten companies based in Russia were listed in the Top 100 in 2018. Their total arms sales were \$36.2 billion—a marginal decrease of 0.4 per cent on 2017. One Russian company ranked in the top 10 in 2018.
- Collectively, the arms sales of companies in the Top 100 based outside Europe, Russia and the USA accounted for \$36.2 billion of the total Top 100 arms sales in 2018, representing an 8.6 per cent share of the total.
- In 2018 the total sales of the 15 largest manufacturing companies were almost six times greater than the combined arms sales of the companies in the Top 100.



## DEVELOPMENTS IN THE TOP 100

The Top 100 companies are ranked by their annual arms sales. Companies are also categorized by the country in which their ownership and control structures are located. As has been the case every year since 2002, the vast majority of companies listed in the Top 100 in 2018 were based in the USA, Europe and Russia, with the USA having, by far, the highest number of companies listed.<sup>2</sup> A total of 70 companies based in the USA and Europe are listed in 2018, accounting for 83 per cent of total Top 100 arms sales. At \$348 billion in 2018, their combined arms sales were 5.2 per cent higher than in 2017.

Arms sales of companies based in Europe in the Top 100 were \$102 billion in 2018—a slight increase of 0.7 per cent compared with 2017. Despite an overall decrease of 4.8 per cent in 2018 (see figure 2), the combined arms sales of companies based in the United Kingdom listed in the Top 100 remained the highest in Europe. The decline in sales was partly because of ongoing delays in the UK's arms procurement programme.

The combined arms sales of the 10 companies based in Russia listed in the Top 100 for 2018 were \$36.2 billion. Of the countries with companies ranked in the Top 100, Russia had the second-largest share of total Top 100 arms sales (see figure 3). Arms sales of Russian companies decreased marginally (by 0.4 per cent) in 2018. Their share of total Top 100 arms sales dropped from 9.7 per cent in 2017 to 8.6 per cent in 2018. This was largely a result of the higher Top 100 total in 2018 due to the substantial growth in the combined arms sales of US and European companies.

The arms sales of the top 10 companies in the Top 100 for 2018 totalled \$210 billion—an increase of 5.8 per cent on 2017. In 2018, for the first time since 2002, the top 5 in the Top 100 consisted solely of companies based in the USA. These five companies had combined sales of \$148 billion or 35 per cent of total Top 100 arms sales. Companies ranked from 6th to 10th accounted for 15 per cent of the total.

## THE UNITED STATES

Taken together, the arms sales of the 43 companies based in the USA listed in the Top 100 were \$246 billion in 2018—an increase of 7.2 per cent on 2017. The USA's share of total Top 100 arms sales was 59 per cent in 2018.

<sup>2</sup> Developments relating to companies based in Russia are assessed separately from the regional discussion on Europe in this analysis.

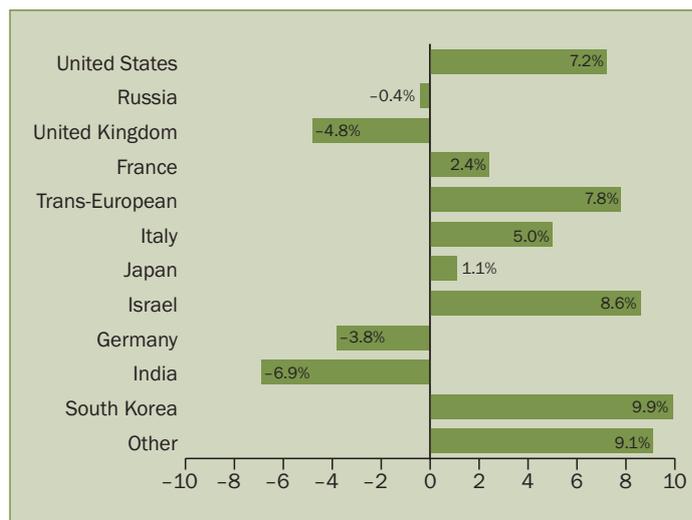
### **Box 1.** Chinese arms-producing companies

Chinese arms-producing companies are not covered by the SIPRI Top 100 because of a 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, NORINCO and CETC. 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.



Lockheed Martin is, by far, the largest arms producer in the world: in 2018 its share of total Top 100 arms sales was 11 per cent and its arms sales grew by 5.2 per cent. It has occupied the first position in the Top 100 every year since 2009. An important driver of Lockheed Martin's higher arms sales in 2018 was an increase in the deliveries of F-35 combat aircraft to the USA and other countries. In 2018 the arms sales of Boeing—the second-largest arms producer in the world—were \$29.2 billion or 6.9 per cent of total Top 100 arms sales. Northrop Grumman's arms sales grew by 14 per cent in 2018, to \$26.2 billion, making it the third-largest arms producer. The \$3.3 billion growth in its arms sales was the largest absolute increase of any company listed in the Top 100 for 2018 and was driven by its acquisition of Orbital-ATK and strong domestic and international demand for its weapons, including intercontinental ballistic missiles and missile defence systems. Arms sales by Raytheon (ranked 4th) and General Dynamics (ranked 5th) rose by 3.9 and 10 per cent, respectively.



**Figure 2.** Percentage change in arms sales of companies in the SIPRI Top 100, by country, 2017–18

*Notes:* The change refers to the companies in the Top 100 for 2018. The figures are based on arms sales in constant (2018) US dollars. The category 'Other' consists of countries whose companies' arms sales comprise less than 1% of the total: Australia, Canada, Poland, Singapore, Spain, Sweden, Switzerland, Turkey and Ukraine.

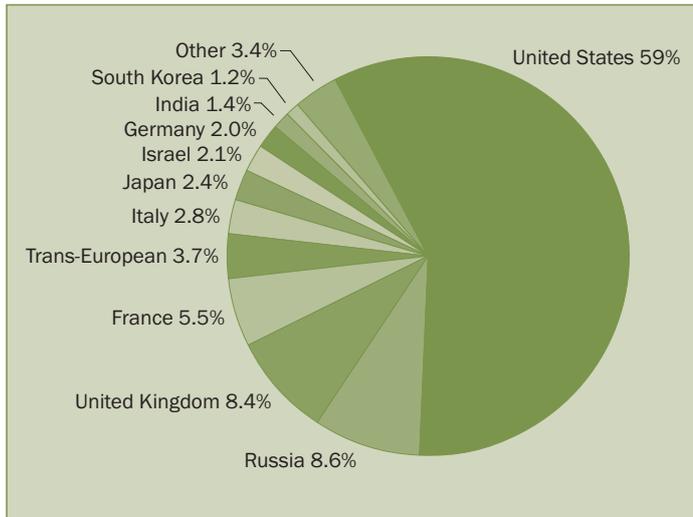
*Source:* SIPRI Arms Industry Database, Dec. 2019.

### A new phase of mergers and acquisitions in the US arms industry

The summary of the US 2018 National Defense Strategy published by the administration of President Donald J. Trump stated that the current security environment was characterized by 'Inter-state strategic competition' and that the US military advantage had atrophied and needed to be rebuilt in order to address the strategic competition from China and Russia.<sup>3</sup> This document emphasized the USA's commitment to continue with and strengthen its large-scale arms modernization programme announced in 2017. Following this announcement, several US arms companies included in the Top 100 merged or acquired other companies' business segments in 2017 and 2018, partly with the aim of gaining an advantage over their competitors. The larger deals included Northrop Grumman's acquisition of Orbital-ATK, United Technologies' acquisition of Rockwell Collins, and General Dynamics' acquisition of CSRA. There were also transactions of a smaller scale such as CACI International's acquisition of a business unit of General Dynamics, and Engility's acquisition of the information technology (IT) segment of SAIC.

Although smaller-scale mergers and acquisitions occur regularly among US arms-producing and military services companies, as they adjust to the prevailing military market conditions, mergers and acquisitions of large US arms companies have generally been infrequent. A major phase of mergers and acquisitions in the US arms-production sector occurred in the mid-1990s, when the end of the cold war led to a substantial decrease in US

<sup>3</sup> US Department of Defense (DOD), *Summary of the 2018 National Defense Strategy of the United States of America* (DOD: Washington, DC, Jan. 2018).



**Figure 3.** Share of arms sales of companies in the SIPRI Top 100 for 2018, by country

*Notes:* The Top 100 categorizes companies according to the country in which their ownership and control structures are located. 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, 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. 2019.

military expenditure (especially arms procurement spending), which, in turn, drove a consolidation within the arms industry. However, the current wave of larger-scale mergers and acquisitions among USA-based arms companies differs from the one in the 1990s. As noted above, the main motivation for the consolidations in 2017 and 2018 was the USA’s comprehensive and ambitious arms modernization programme aimed at designing and producing a new generation of weapon systems. The resulting spate of mergers and acquisitions indicates that US arms companies expect the programme to be technically challenging and some are attempting to improve their competitive edge by adding new capabilities so as to be better positioned against rival companies as the various projects under the programme are awarded.

## EUROPE

There were 27 companies based in Europe in the Top 100 for 2018, which together accounted for 24 per cent of total Top 100 arms sales. Of these, eight were based in the UK, six in France, four in Germany, two in Italy and one each in Poland, Spain, Sweden, Switzerland and Ukraine. Two of the 27 companies—

Airbus Group and MBDA—are categorized as ‘trans-European’ because their ownership and control structures are located in more than one European country.

Arms sales by companies based in the **UK** were \$35.1 billion in 2018, equivalent to a share of 8.4 per cent of total Top 100 arms sales. Although the combined arms sales of British companies remained the highest in Europe, six of the eight companies listed in the Top 100 reported a reduction in arms sales in 2018. For example, the arms sales of BAE Systems (ranked 6th), the largest arms company based in the UK, fell by 5.2 per cent in 2018, to \$21.2 billion.<sup>4</sup> The decrease can be attributed to the winding down of the production of Typhoon combat aircraft.

There was also a notable decrease in the arms sales of shipbuilder Babcock International Group (ranked 32nd). Its arms sales of \$3.2 billion in 2018 were 7.7 per cent lower than in 2017. In 2018 GKN, which produces a range of components including components for military systems, was acquired by Melrose Industries, a company that specializes in buying, and improving the performance of, manufacturing businesses. Based on this acquisition, Melrose Industries entered the Top 100 for the first time in 2018 (at rank 69), with arms sales of \$1.3 billion.

At \$23.2 billion in 2018, the combined arms sales of Top 100 companies based in **France** were the second highest in Europe. The six French

<sup>4</sup> The arms sales of the USA-based subsidiary of BAE Systems were approximately \$10 billion in 2018, equivalent to a share of 48 per cent of BAE Systems’ total arms sales.



companies accounted for 5.5 per cent of total Top 100 arms sales. There were decreases in the arms sales of three companies. The arms sales of Thales—a systems integrator and the only French company in the top 10 (ranked 10th)—fell by 1.4 per cent in 2018, to \$9.5 billion. The arms sales of Naval Group (ranked 21st) and CEA (ranked 47th) also fell in 2018—by 4.2 and 0.6 per cent, respectively. These decreases are in contrast to the sharp increase, of 30 per cent, in the arms sales of Dassault Aviation Groupe (ranked 34th), which rose to \$2.9 billion in 2018. The increase can be largely attributed to the growth in exports of Rafale combat aircraft to Egypt, India and Qatar.

The combined arms sales of the two **trans-European** companies listed in the Top 100 were \$15.4 billion in 2018. Airbus Group (ranked 7th) reported arms sales of \$11.7 billion in 2018—9.0 per cent higher than in 2017—mainly as a result of deliveries of military helicopters and of A400M transport aircraft. Its main arms-production facilities are located in France, Germany and Spain. MBDA (ranked 23rd) produces missiles and is a joint venture between three companies: BAE Systems (UK); Airbus Group (trans-European) and Leonardo (Italy). Its arms sales grew by 4.4 per cent in 2018, to \$3.8 billion.

With combined arms sales of \$11.7 billion, two companies based in **Italy** were listed in the Top 100 in 2018. Leonardo, the largest Italian arms producer, was ranked 8th, with arms sales of \$9.8 billion in 2018—an increase of 4.4 per cent on 2017. This was partly due to Leonardo's acquisition of another Italian company in 2018, Vitrociset, a diversified IT and military services company. Fincantieri, a shipbuilding company, was ranked 50th. Its arms sales rose by 8.0 per cent in 2018, to \$1.9 billion.

The combined arms sales of the four companies based in **Germany** listed in the Top 100 fell by 3.8 per cent in 2018, to \$8.4 billion. At \$3.8 billion, the arms sales of Rheinmetall (ranked 22nd)—the largest of the four—rose by 4.1 per cent. The increase was mainly because of growing sales of armoured vehicles to the German armed forces. Sales to other countries accounted for 65 per cent of Rheinmetall's total arms sales in 2018. However, the growth in sales by Rheinmetall was offset by a 19 per cent reduction in arms sales by ThyssenKrupp (ranked 57th), a large industrial engineering and steel production conglomerate, which also produces military ships. Arms sales represented 3.3 per cent, or \$1.7 billion, of its total sales in 2018. Significant fluctuations in annual arms sales are common for producers of military ships because of the long production timeline.

The five other European companies listed in the Top 100 for 2018 were Saab (**Sweden**), ranked 30th with arms sales of \$3.2 billion; UkrOboronProm (**Ukraine**), ranked 71st with arms sales of \$1.3 billion; PGZ (**Poland**), ranked 74th with arms sales of \$1.3 billion; Navantia (**Spain**), ranked 76th with arms sales of \$1.2 billion; and RUAG (**Switzerland**) ranked 95th with arms sales of \$900 million.

## **RUSSIA**

The combined arms sales of the 10 companies based in Russia listed in the Top 100 were \$36.2 billion in 2018, accounting for 8.6 per cent of the overall total. In general terms, the arms sales of companies in the Top 100 based in Russia have grown significantly over the decade 2009–18. This was mainly because of Russia's increased spending on arms procurement linked to the



implementation of a major military modernization plan for 2011–20 and, to a lesser extent, because of increases in arms exports.

Five companies based in Russia reported increases in their arms sales in 2018. Russia's largest arms producer, Almaz-Antey, was the only Russian company ranked in the top 10 (at 9th position) and accounted for 27 per cent of the total arms sales of Russian companies in the Top 100. Its arms sales rose by 18 per cent in 2018, to \$9.6 billion. This increase was based not only on strong domestic demand, but also on continuing growth in arms sales to other countries, in particular exports of the S-400 air defence system. The company has benefited significantly from Russia's increased spending on arms procurement in 2009–18: it rose from 24th to 9th position in the Top 100 over that period. In contrast to the strong growth by Almaz-Antey, arms sales by Russian Helicopters decreased by 30 per cent in 2018, to \$1.8 billion. It fell from 37th in the Top 100 in 2017 to 52nd in 2018. Four other companies reported decreases in their arms sales in 2018—two by more than 10 per cent: United Aircraft Corporation at rank 15 (–12 per cent) and KRET at rank 53 (–16 per cent).

All the Russian companies in the Top 100 are state-owned and are largely dependent on domestic demand. To reduce the level of this dependence, Russia introduced an initiative in 2016 to diversify its arms companies' production to include civilian production. The Russian Government's objective is to bring the share of civilian production of its arms companies' total sales to at least 17 per cent by 2020 and to 30 per cent by 2025. However, it is still too early to assess the impact of this initiative on Russian arms companies.

### **OTHER COUNTRIES WITH COMPANIES IN THE TOP 100**

Companies based in eight other countries were listed in the Top 100 in 2018. Six were based in Japan, three each in Israel, India and South Korea, two in Turkey and one each in Australia, Canada and Singapore. Together, they accounted for \$36.2 billion of the total Top 100 arms sales in 2018, representing an 8.6 per cent share of the total.

As was the case in 2017, **Japan** was the largest arms producer among this group in 2018. The combined arms sales of the six companies in the Top 100 based in Japan were \$9.9 billion in 2018, accounting for 2.4 per cent of the Top 100 total. Arms sales by most of these six remained fairly stable in 2018 compared with 2017 as they continued to be largely reliant on steady domestic demand. Fujitsu (ranked 72nd) was the sole Japanese company in the Top 100 to report a notable increase—of 10 per cent—in arms sales in 2018. It is the only Japanese company with significant arms sales outside Japan, which mainly consist of IT services provided to the British armed forces through a subsidiary based in the UK.

With combined arms sales of \$8.7 billion, the three companies based in **Israel** listed in the Top 100 for 2018 accounted for 2.1 per cent of the Top 100 total. Elbit Systems (ranked 28th), Israel Aerospace Industries (ranked 39th) and Rafael (ranked 44th) all increased their arms sales in 2018.

At \$3.5 billion, arms sales by Elbit Systems increased by 7.3 per cent in 2018. Elbit Systems' acquisition in 2018 of Israeli Military Industries, which had arms sales of \$600 million in 2017, suggests that it aims to continue to expand its sales in this area. Although domestic demand for arms is high,



sales to other countries account for a large proportion of the arms sales of Israeli companies. For example, approximately 45 per cent of Rafael's arms sales in 2018 came from exports.

Three companies based in **India** were listed in the Top 100 in 2018 and accounted for 1.4 per cent of total Top 100 arms sales. All three are state-owned and are almost entirely dependent on domestic demand. Their combined arms sales of \$5.9 billion in 2018 were 6.9 per cent lower than in 2017. Arms sales by Hindustan Aeronautics (ranked 38th) and Bharat Electronics (ranked 62nd) increased in 2018—by 3.5 and 5.9 per cent, respectively. However, these increases were offset by a 27 per cent fall in the arms sales of Indian Ordnance Factories, which was ranked 56th in 2018. The decrease was because of a reduction in orders from the Indian Army.

Three companies based in **South Korea** were listed in the Top 100 for 2018. With combined arms sales of \$5.2 billion, they accounted for 1.2 per cent of the Top 100 total. Their combined arms sales in 2018 were 9.9 per cent higher than in 2017. The South Korean company with the highest arms sales in 2018 was Hanwha Aerospace (formerly Hanwha Techwin), ranked 46th. Its arms sales increased by 4.6 per cent in 2018, to \$2.3 billion. Arms sales by Korea Aerospace Industries (ranked 60th) increased by 72 per cent in 2018 as the company recovered from a slump in sales in 2017, which was because of low deliveries that year due to technical problems with helicopters produced for the South Korean military. The arms sales of the third South Korean company, LIG Nex1 (ranked 67th), fell by 17 per cent in 2018, to \$1.3 billion. The shipbuilder, DSME—which was listed in 2017—was not in the Top 100 in 2018.

With the aim of becoming a major regional power, **Turkey** has been increasing its military spending over the past few years and is developing a comprehensive national military-industrial base. The two companies based in Turkey listed in the Top 100 benefited from these efforts in 2018: their collective arms sales increased by 22 per cent, to \$2.8 billion. Military electronics producer ASELSAN (ranked 54th) increased its arms sales by 41 per cent in 2018, to \$1.7 billion, while arms sales by Turkish Aerospace Industries (ranked 84th) rose very slightly (by 0.5 per cent), to \$1.1 billion. Although several smaller Turkish arms producers grew rapidly in 2018, they remained outside the Top 100.

Austal (ranked 80th), which is based in **Australia** but has its main production facilities in the USA, increased its arms sales by 12 per cent in 2018, to \$1.1 billion. CAE (ranked 87th), a flight-simulator company based in **Canada**, increased its arms sales by 19 per cent in 2018, to \$1.0 billion. At \$1.5 billion, arms sales by ST Engineering (ranked 61st)—a diversified arms-producing company based in **Singapore**—fell by 11 per cent in 2018.

The one South American company listed in the Top 100 in 2017, aircraft producer Embraer, was not ranked in the Top 100 in 2018. No African company has been listed in the Top 100 since 2004.

## **A COMPARISON OF THE TOP 100 WITH THE WORLD'S LARGEST MANUFACTURERS, 2018**

The arms industry is often perceived by policymakers as 'big business', contributing to employment, research and development, and export revenue.



One way to illustrate the relative importance of arms production to the global economy is to compare the largest arms-producing and military services companies from the Top 100 with the world’s largest companies in the manufacturing sector as listed in the Fortune Global 500. Such a comparison is appropriate because the production and development processes of most manufacturers and arms producers are quite similar. However, it should also be noted that there are very clear differences between the arms industry and the civilian industry. For example, unlike the civilian industry, the arms industry has a very limited pool of customers (mainly ministries of defence) and the arms industry is subject to specific legal frameworks for the transfer of arms to other countries.

Sales of the top 15 manufacturing companies totalled \$2453 billion in 2018 (see table 1). This is 10 times greater than the total arms sales of the top 15 arms producers (\$245 billion) and almost six times greater than the combined arms sales of the Top 100 (\$420 billion). To put this into clearer perspective, the sales of one company alone—Toyota, the world’s largest manufacturing company in 2018 with sales of \$265 billion—were 8.0 per cent higher than the total combined arms sales of the top 15 arms producers.

**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, 2018

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.) <sup>c</sup>
1	Toyota	265.2	1	Lockheed Martin Corp.	47.3	53.8
2	VW	260.0	2	Boeing	29.2	101.1
3	Apple	229.2	3	Northrop Grumman Corp.	26.2	30.1
4	Samsung	211.9	4	Raytheon	23.4	27.1
5	Daimler	185.2	5	General Dynamics Corp.	22.0	36.2
6	General Motors	157.3	6	BAE Systems	21.2	22.4
7	Ford Motors	156.8	7	Airbus Group	11.7	75.2
8	Hon Hai Precision Industry	154.7	8	Leonardo	9.8	14.4
9	Honda Motors	138.6	9	Almaz-Antey	9.6	9.9
10	Fiat Chrysler Group <sup>d</sup>	130.3	10	Thales	9.5	18.8
11	SAIC Motors	128.8	11	United Technologies Corp.	9.3	66.5
12	General Electric	122.3	12	L3 Technologies	8.3	10.2
13	BMW Group	111.2	13	Huntington Ingalls Industries	7.2	8.2
14	Nissan Group	107.9	14	Honeywell International	5.4	41.8
15	Boeing	93.4	15	United Aircraft Corp.	5.4	6.6
<b>Total top 15 sales</b>		<b>2 453</b>			<b>245</b>	<b>522</b>

Corp. = Corporation.

Note: Total top 15 sales are rounded to the nearest billion.

<sup>a</sup> Companies are ranked based on total sales as listed in the Fortune Global 500 for 2018.

<sup>b</sup> Companies are ranked based on total arms sales as listed in the SIPRI Top 100 for 2018.

<sup>c</sup> Total sales in this column are based on the data from the companies’ annual reports and SIPRI estimates.

<sup>d</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’, 2018; and SIPRI Arms Industry Database, Dec. 2019.



## Annex 1. The SIPRI Top 100 arms-producing and military services companies in the world excluding China, 2018<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 <sup>d</sup>	Arms sales, 2018 (US\$ m.)	Arms sales, 2017 (constant 2018 US\$ m.) <sup>e</sup>	Change in arms sales, 2017–18 (%)	Total sales, 2018 (US\$ m.)	Arms sales as a % of total sales, 2018
2018	2017							
1	1	Lockheed Martin Corp.	United States	47 260	44 935	5.2	53 762	88
2	2	Boeing	United States	29 150	27 577	5.7	101 126	29
3	3	Northrop Grumman Corp.	United States	26 190	22 908	14	30 095	87
4	4	Raytheon	United States	23 440	22 570	3.9	27 058	87
5	6	General Dynamics Corp.	United States	22 000	19 969	10	36 193	61
6	5	BAE Systems	United Kingdom	21 210	22 384	-5.2	22 428	95
7	7	Airbus Group	Trans-European <sup>f</sup>	11 650	10 691	9.0	75 195	15
8	9	Leonardo	Italy	9 820	9 403	4.4	14 447	68
9	10	Almaz-Antey	Russia	9 640	8 195	18	9 872	98
10	8	Thales	France	9 470	9 601	-1.4	18 767	50
11	11	United Technologies Corp.	United States	9 310	7 967	17	66 501	14
12	12	L3 Technologies	United States	8 250	7 936	4.0	10 244	81
13	13	Huntington Ingalls Industries	United States	7 200	6 626	8.7	8 176	88
14	16	Honeywell International	United States	5 430	4 567	19	41 802	13
15	14	United Aircraft Corp. <sup>g</sup>	Russia	5 420	6 168	-12	6 563	83
16	19	Leidos	United States	5 000	4 485	11	10 194	49
17	17	Harris Corp.	United States	4 970	4 557	9.1	6 801	73
18	15	United Shipbuilding Corp.	Russia	4 700	4 762	-1.3	5 565	84
19	20	Booz Allen Hamilton	United States	4 680	4 424	5.8	6 704	70
20	18	Rolls-Royce	United Kingdom	4 680	4 714	-0.7	20 972	22
21	21	Naval Group	France	4 220	4 404	-4.2	4 259	99
22	26	Rheinmetall	Germany	3 800	3 652	4.1	7 257	52
23	27	MBDA	Trans-European <sup>f</sup>	3 780	3 621	4.4	3 777	100
24	23	General Electric	United States	3 650	3 922	-6.9	121 615	3.0
25	25	Mitsubishi Heavy Industries <sup>g</sup>	Japan	3 620	3 669	-1.3	36 947	10
26	24	Tactical Missiles Corp.	Russia	3 600	3 443	4.6	3 668	98
27	22	Textron	United States	3 500	4 199	-17	13 972	25
28	29	Elbit Systems	Israel	3 500	3 263	7.3	3 684	95
29	33	CACI International	United States	3 490	3 052	14	4 986	70
30	31	Saab	Sweden	3 240	3 092	4.8	3 814	85
31	34	Safran	France	3 240	3 107	4.3	24 846	13
32	28	Babcock International Group	United Kingdom	3 180	3 445	-7.7	6 881	46
33	32	United Engine Corp.	Russia	2 950	2 926	0.8	3 904	76
34	51	Dassault Aviation Groupe	France	2 930	2 250	30	6 001	49
35	36	Science Applications International Corp.	United States	2 800	2 826	-0.9	4 659	60
36	52	AECOM	United States	2 770	2 120	31	20 156	14
37	45	General Atomics <sup>g</sup>	United States	2 750	2 273	21	..	..
38	38	Hindustan Aeronautics	India	2 740	2 647	3.5	2 883	95
39	40	Israel Aerospace Industries	Israel	2 650	2 500	6.0	3 682	72
40	35	High Precision Systems <sup>g</sup>	Russia	2 630	2 706	-2.8	2 711	97
41	42	Rockwell Collins	United States	2 630	2 355	12	8 665	30

Rank <sup>b</sup>		Company <sup>c</sup>	Country <sup>d</sup>	Arms sales, 2018 (US\$ m.)	Arms sales, 2017 (constant 2018 US\$ m.) <sup>e</sup>	Change in arms sales, 2017–18 (%)	Total sales, 2018 (US\$ m.)	Arms sales as a % of total sales, 2018
2018	2017							
42	56	KBR	United States	2 600	1 792	45	4 913	53
43	–	Perspecta <sup>h</sup>	United States	2 590	2 183	19	4 030	64
44	47	Rafael	Israel	2 540	2 236	14	2 595	98
45	43	Russian Electronics	Russia	2 330	2 171	7.3	2 668	87
46	50	Hanwha Aerospace	South Korea	2 320	2 219	4.6	4 047	57
47	48	CEA	France	2 300	2 314	–0.6	6 226	37
48	49	Kawasaki Heavy Industries <sup>g</sup>	Japan	2 260	2 199	2.8	14 456	16
49	30	Bechtel Corp. <sup>g</sup>	United States	2 000	3 226	–38	25 500	7.8
50	59	Fincantieri	Italy	1 900	1 759	8.0	6 461	29
51	55	Oshkosh Corp.	United States	1 850	1 884	–1.8	7 705	24
52	37	Russian Helicopters	Russia	1 810	2 601	–30	3 006	60
53	46	KRET	Russia	1 770	2 113	–16	1 931	92
54	62	ASELSAN	Turkey	1 740	1 237	41	1 866	93
55	58	Krauss-Maffei Wegmann <sup>g</sup>	Germany	1 680	1 767	–4.9	1 770	95
56	44	Indian Ordnance Factories	India	1 650	2 258	–27	1 682	98
57	54	ThyssenKrupp	Germany	1 650	2 046	–19	50 400	3.3
58	60	Cobham	United Kingdom	1 590	1 685	–5.6	2 484	64
59	63	DynCorp International	United States	1 560	1 454	7.3	2 148	73
60	100	Korea Aerospace Industries	South Korea	1 550	900	72	2 532	61
61	57	ST Engineering	Singapore	1 540	1 731	–11	4 965	31
62	66	Bharat Electronics <sup>g</sup>	India	1 460	1 379	5.9	1 725	85
63	67	ManTech International Corp.	United States	1 430	1 393	2.7	1 959	73
64	68	UralVagonZavod	Russia	1 370	1 281	6.9	2 209	62
65	90	Jacobs Engineering Group	United States	1 370	922	49	14 985	9.1
66	88	Fluor Corp.	United States	1 350	952	42	19 166	7.0
67	61	LIG Nex1	South Korea	1 340	1 622	–17	1 343	100
68	74	TransDigm Group	United States	1 330	1 219	9.1	3 811	35
69	64	Melrose Industries <sup>i</sup>	United Kingdom	1 320	1 504	–12	16 329	8.1
70	53	United Launch Alliance <sup>g</sup>	United States	1 320	1 997	–34	1 800	73
71	83	UkrOboronProm <sup>g</sup>	Ukraine	1 300	1 101	18	1 378	95
72	78	Fujitsu <sup>g</sup>	Japan	1 270	1 151	10	35 806	3.5
73	71	Serco Group	United Kingdom	1 260	1 333	–5.5	4 283	29
74	75	PGZ	Poland	1 250	1 273	–1.8	1 385	90
75	99	Teledyne Technologies	United States	1 240	881	41	2 902	43
76	89	Navantia	Spain	1 240	975	27	1 307	95
77	76	Hensoldt	Germany	1 240	1 232	0.7	1 298	95
78	79	Vectrus	United States	1 230	1 147	7.2	1 279	96
79	73	Aerojet Rocketdyne	United States	1 220	1 249	–2.3	1 896	64
80	82	Austal	Australia	1 140	1 015	12	1 383	82
81	81	Sierra Nevada Corp. <sup>g</sup>	United States	1 100	1 045	5.3	1 690	65
82	80	IHI Corp. <sup>g</sup>	Japan	1 090	1 100	–0.9	13 439	8.1
83	85	Nexter <sup>g</sup>	France	1 080	1 029	5.0	1 135	95
84	72	Turkish Aerospace Industries	Turkey	1 070	1 065	0.5	1 248	86
85	70	BWX Technologies	United States	1 070	1 331	–20	1 800	59
86	69	Engility	United States	1 070	1 331	–20	1 605	67



Rank <sup>b</sup>		Company <sup>c</sup>	Country <sup>d</sup>	Arms	Arms	Change in	Total	Arms
2018	2017			sales, 2018	sales, 2017			
				(US\$ m.)	(constant	2017–18 (%)	(US\$ m.)	% of total
					2018 US\$ m.) <sup>e</sup>			sales, 2018
87	102	CAE	Canada	1 010	851	19	2 546	40
88	97	MIT	United States	980	891	10	3 627	27
89	95	Meggitt	United Kingdom	970	938	3.4	2 775	35
90	94	Curtiss-Wright Corp.	United States	970	911	6.4	2 412	40
91	93	The Aerospace Corp.	United States	970	911	6.4	1 054	92
92	115	Ball Corp. <sup>g</sup>	United States	930	686	36	11 635	8.0
93	98	Moog	United States	920	881	4.5	2 709	34
94	104	QinetiQ	United Kingdom	910	874	4.1	1 215	75
95	96	RUAG	Switzerland	900	885	1.7	2 043	44
96	111	ViaSat	United States	860	717	20	2 068	42
97	103	Mitsubishi Electric Corp. <sup>g</sup>	Japan	860	853	0.8	40 947	2.1
98	128	Arconic	United States	840	533	58	14 014	6.0
99	101	NEC Corp. <sup>g</sup>	Japan	840	863	-2.7	26 394	3.2
100	109	Amphenol Corp.	United States	820	717	14	8 202	10

.. = 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.

<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 SIPRI Top 100 for 2017. 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 2017 are based on the updated arms-production figures in the 2018 company list in the SIPRI Arms Industry Database. 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> Country refers to the country in which the ownership and control structures of the company are located.

<sup>e</sup> To allow comparison with arms sales in 2018, figures for arms sales in 2017 are given in constant 2018 US dollars.

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

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

<sup>h</sup> Perspecta is the result of a merger between DXC, Vencore and Keypoint. Its arms sales figure for 2017 is 'pro forma', i.e. it is the combined 2017 arms sales of DXC and Vencore. Keypoint was not an arms company.

<sup>i</sup> Melrose Industries acquired GKN in 2018. The rank and sales for Melrose Industries for 2017 refer to those of GKN.

Source: SIPRI Arms Industry Database, Dec. 2019.

**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 2017 and 2018 are based on the list of companies ranked in 2018 (i.e. the annual comparison is between the same set of companies). Longer-term comparisons (e.g. between 2002 and 2018) 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 2002–18, 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, services and research and development 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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