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THE SIPRI TOP 100 ARMS-PRODUCING AND MILITARY SERVICES COMPANIES, 2016

AUDE FLEURANT, ALEXANDRA KUIMOVA, NAN TIAN, PIETER D. WEZEMAN AND SIEMON T. WEZEMAN

Arms sales of the world's 100 largest arms-producing and military services companies (the Top 100) totalled $374.8 billion in 2016 (see table 1). This represents a 1.9 per cent increase compared with 2015 (figures exclude China, see box 1).[1] This is the first year of growth in Top 100 arms sales after five consecutive years of decline. The arms sales of the Top 100 for 2016 are 38 per cent higher than those for 2002, when SIPRI began reporting corporate arms sales (see figure 1). The growth in arms sales was expected and was driven by the implementation of new national major weapon programmes, ongoing military operations in several countries and persistent regional tensions that are leading to an increased demand for weapons.

[1] Unless otherwise specified, all changes are expressed in real, or constant, terms (not current or nominal); 'Arms sales' refers to sales of military equipment and services to armed forces and ministries of defence worldwide; sales are only for those companies that are ranked.

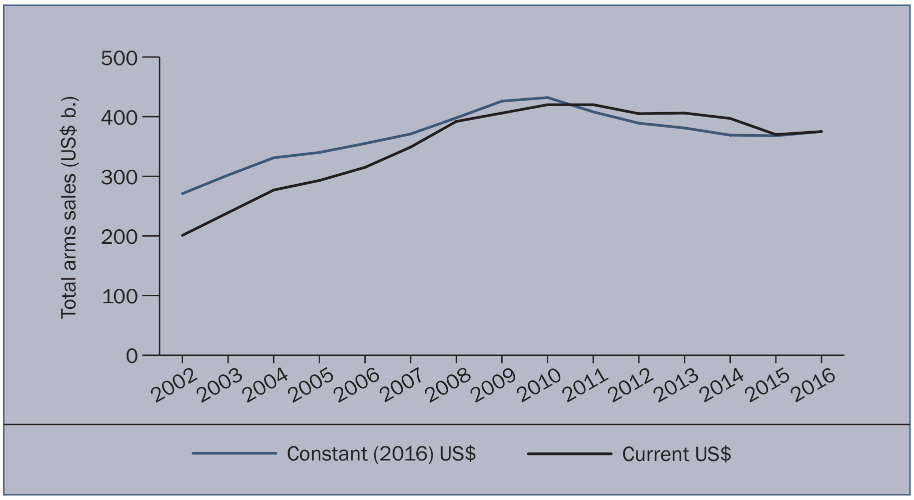

Figure 1. Total arms sales of companies in the SIPRI Top 100, 2002–16

Notes: The data in this graph refers to the companies in the SIPRI Top 100 in each year, which means that it refers to a different set of companies each year, as ranked from a consistent set of data. 'Arms sales' refers to sales of military equipment and services to armed forces and ministries of defence worldwide. For a full definition see <https://www.sipri.org/databases/armsindustry> or *SIPRI Yearbook 2017*.

KEY FACTS

- The arms sales of the SIPRI Top 100 arms-producing and military services companies (excluding China) totalled $374.8 billion in 2016. This represents an increase of 1.9 per cent compared with 2015 and is the first year of growth in Top 100 arms sales after five consecutive years of decline.
- Arms sales by US-based companies in the Top 100 rose by 4.0 per cent to $217.2 billion in 2016. With 38 companies ranked in the Top 100 for 2016, the USA accounted for 57.9 per cent of the total Top 100 arms sales.
- The sales of West European arms producers in the Top 100 were mostly stable in 2016. Their combined arms sales totalled $91.6 billion—an increase of 0.2 per cent compared with 2015.
- Arms sales by Russian companies in the Top 100 have continued to grow, rising by 3.8 per cent to $26.6 billion in 2016. However, the rate of growth has declined for the second year in a row.
- South Korean companies in the Top 100 increased their arms sales by 20.6 per cent to $8.4 billion in 2016.

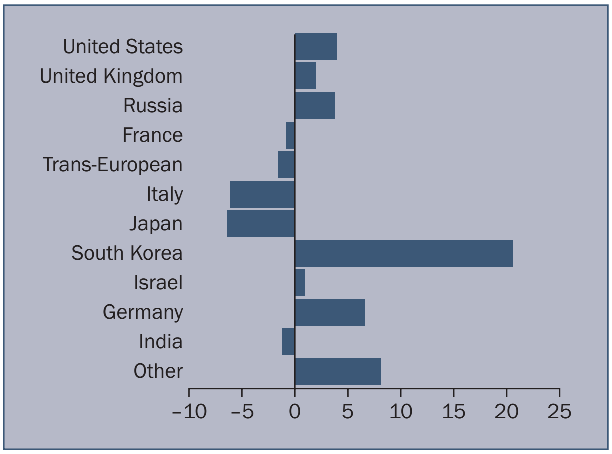

Figure 2. Percentage change in arms sales of companies in the SIPRI Top 100, by country, 2015–16

Notes: The change refers to the companies in the Top 100 for 2016. The figures are based on arms sales in constant (2016) US$. The category 'Other' consists of countries whose companies' arms sales comprise less than 1% of the total: Australia, Brazil, Canada, Norway, Poland, Singapore, Spain, Sweden, Switzerland, Turkey and Ukraine.

DEVELOPMENTS IN THE TOP 100

The Top 100 companies are ranked by the value of their arms sales. Companies based in the United States and Western Europe continued to dominate the Top 100 in 2016. A total of 63 US and West European companies are listed, which together accounted for 82.4 per cent of total arms sales for 2016 (the same percentage share as US and West European companies held in 2015). US-based companies increased their arms sales by 4.0 per cent, reversing a five-year decline (see figure 2). The USA has a decisive influence on the global trend given the high number of US-based companies listed in the Top 100. The combined sales of West European arms companies remained stable in 2016 at a total of $91.6 billion—a slight increase of 0.2 per cent compared with 2015.

The companies occupying the first 10 ranks of the Top 100 are all based in the USA and Western Europe. With combined arms sales of $194.8 billion in 2016, the top 10 companies accounted for 52.0 per cent of the total sales of the Top 100 in 2016 (almost the same percentage share as the top 10 held in 2015). An assessment of the SIPRI Top 100 yearly rankings over the longer term shows that the same 12 companies have occupied the first 10 ranks during the past 15 years.

A total of 10 Russian companies are listed in the Top 100 in 2016—one fewer than in 2015. Their combined sales were $26.6 billion, which is 3.8 per cent higher compared with the total in 2015. This rate of increase is lower than it was between 2014 and 2015, which is possibly due to the financial constraints caused by the recent falls in oil and gas prices, the impact of sanctions implemented by the European Union (EU) and the USA in 2014, and the effect of exchange rates on the rouble.

The combined sales of companies in the 'other established producers' category amounted to $20.9 billion in 2016, a decrease of 1.2 per cent compared with 2015.[2] By contrast, sales by 'emerging producers' grew by 12.3 per cent, reaching a combined total of $17.8 billion in 2016. This rise was driven by the large overall growth in the sales of South Korean companies, seven of which are listed in the Top 100 in 2016.

NATIONAL DEVELOPMENTS

United States

The combined sales of the 38 US-based companies in the Top 100 amounted to $217.2 billion in 2016, accounting for 57.9 per cent of the overall total

[2] SIPRI introduced the 'other established' and 'emerging' producers categories in the 2013 edition of the SIPRI Top 100 Fact Sheet. The other established producers category covers companies based in 6 countries (i.e. Australia, Israel, Japan, Poland, Singapore and Ukraine) that have mature and sometimes significant arms-producing capabilities but are not looking to develop their capabilities further. The companies in the emerging producers category are based in 4 countries (i.e. Brazil, India, South Korea and Turkey) that have stated objectives with regard to building significant indigenous arms-production capabilities and achieving some greater level of self-sufficiency in arms procurement.

Table 1. The SIPRI Top 100 arms-producing and military services companies in the world excluding China, 2016[a]

Figures for arms sales, total sales and profit are in millions of US$. Dots (. .) indicate that data is not available.

Rank[b] 2016	2015	Company[c]	Country	Arms sales (US$ m.) 2016	2015[d]	Total sales, 2015 (US$ m.)	Arms sales as a % of total sales, 2016	Total profit, 2016 (US$ m.)	Total employment, 2016
1	1	Lockheed Martin Corp.	USA	40 830	36 900	47 248	*86*	5 302	97 000
2	2	Boeing	USA	29 510	28 313	94 571	*31*	4 895	150 500
3	4	Raytheon	USA	22 910	22 055	24 069	*95*	2 174	63 000
4	3	BAE Systems	UK	22 790	22 689	24 008	*95*	2 351	83 000
5	5	Northrop Grumman Corp.	USA	21 400	20 313	24 508	*87*	2 200	67 000
6	6	General Dynamics Corp.	USA	19 230	19 483	31 353	*61*	2 955	98 800
7	7	Airbus Group[e]	Trans-European	12 520	12 869	73 652	*17*	1 101	133 780
S	S	BAE Systems Inc. (BAE Systems UK)	USA	9 300	9 417	10 000	*93*	. .	29 500
8	10	L-3 Communications	USA	8 890	8 881	10 511	*85*	647	38 000
9	9	Leonardo[f]	Italy	8 500	9 264	13 277	*64*	561	45 630
10	11	Thales	France	8 170	8 094	16 471	*50*	1 073	64 100
11	8	United Technologies Corp.	USA	6 870	9 620	57 244	*12*	5 436	. .
12	12	Huntington Ingalls Industries	USA	6 720	6 825	7 068	*95*	573	37 000
13	17	United Aircraft Corp.	Russia	5 160	4 465	6 216	*83*	–67	. .
14	16	Bechtel Corp.	USA	4 920	4 658	. .	. .	. .	53 000
15	19	Textron	USA	4 760	3 696	13 788	*35*	843	36 000
S	S	Pratt & Whitney (United Technology Corp. USA)	USA	4 530	4 587	15 100	*30*	. .	35 100
16	14	Rolls-Royce	UK	4 450	4 260	18 601	*24*	. .	49 900
17	25	Leidos	USA	4 300	3 332	7 043	*61*	246	32 000
18	13	Harris Corp.	USA	4 200	4 982	5 900	*71*	553	17 000
19	15	United Shipbuilding Corp.	Russia	4 030	4 553	4 501	*89*	90	89 650
20	18	Booz Allen Hamilton	USA	4 000	3 949	5 804	*69*	252	23 300
21	20	Mitsubishi Heavy Industries	Japan	3 670	3 856	35 947	*10*	805	. .
22	22	Honeywell International	USA	3 480	3 423	39 302	*9*	4 809	. .
23	23	DCNS	France	3 480	3 327	3 530	*99*	97	12 800
24	26	Almaz-Antey	Russia	3 430	3 191	3 727	*92*	. .	125 000
25	27	MBDA[g]	Trans-European	3 260	3 162	3 319	*98*	7	10 340
26	30	Rheinmetall	Germany	3 260	2 876	6 327	*52*	238	20 990
27	29	Elbit Systems	Israel	3 100	2 969	3 260	*95*	. .	. .
28	21	Babcock International Group	UK	2 950	3 024	6 136	*48*	776	35 000
29	24	Russian Helicopters	Russia	2 910	3 210	3 196	*91*	242	. .
30	33	Saab	Sweden	2 770	2 626	3 342	*83*	137	15 470
31	31	Science Applications International Corp.	USA	2 630	2 886	4 450	*59*	148	15 500
32	32	Israel Aerospace Industries	Israel	2 610	2 798	3 577	*73*	. .	. .
S	S	Sandia Corp. (Lockheed Martin USA)	USA	2 600	2 633	3 070	*85*	. .	12 210
33	36	Safran	France	2 600	2 378	18 232	*14*	2 111	66 490

Rank[b] 2016	Rank[b] 2015	Company[c]	Country	Arms sales (US$ m.) 2016	Arms sales (US$ m.) 2015[d]	Total sales, 2015 (US$ m.)	Arms sales as a % of total sales, 2016	Total profit, 2016 (US$ m.)	Total employment, 2016
34	34	CACI International	USA	2 540	2 562	3 744	*68*	143	19 900
35	35	Tactical Missiles Corp.	Russia	2 530	2 325	2 576	*98*	247	50 610
36	28	General Electric	USA	2 480	3 028	123 780	*2*	. .	295 000
37	37	Hindustan Aeronautics	India	2 380	2 354	2 590	*92*	490	. .
38	40	AECOM	USA	2 280	2 177	17 411	*13*	163	87 000
39	41	CSRA	USA	2 250	2 096	4 993	*45*	316	18 500
40	38	Indian Ordnance Factories	India	2 200	2 224	2 232	*98*	. .	85 890
41	43	Rafael	Israel	2 120	1 993	2 166	*98*	119	7 500
S	S	Bell Helicopter Textron (Textron USA)	USA	2 090	2 116	3 239	*64*	. .	. .
42	46	CEA	France	2 020	1 948	4 577	*44*	–83	15 620
43	39	Rockwell Collins	USA	1 960	2 248	5 259	*37*	728	19 000
44	52	High Precision Systems	Russia	1 940	1 712	1 975	*98*	. .	. .
45	58	Orbital ATK	USA	1 920	1 651	4 455	*43*	293	12 700
46	44	General Atomics[h]	USA	1 800	1 995	. .	. .	. .	. .
47	47	ThyssenKrupp	Germany	1 770	1 894	43 433	*4*	289	156 490
48	56	Korea Aerospace Industries	South Korea	1 760	1 624	2 671	*66*	231	3 880
49	48	Kawasaki Heavy Industries	Japan	1 730	2 067	. .	. .	. .	. .
50	51	United Engine Corp.	Russia	1 710	1 712	2 826	*61*	283	. .
51	55	ST Engineering	Singapore	1 690	1 644	4 836	*35*	351	21 970
52	69	Uralvagonzavod	Russia	1 680	992	2 095	*80*	29	. .
53	53	KRET	Russia	1 610	1 644	1 845	*87*	205	. .
S	S	Sukhoi (United Aircraft Corp. Russia)	Russia	1 610	1 566	1 610	*100*	. .	24 000
54	59	Fincantieri	Italy	1 600	1 494	4 899	*33*	15	. .
55	54	LIG Nex1	South Korea	1 600	1 654	1 603	*100*	76	3 120
56	50	United Instrument Manufacturing Corp.	Russia	1 580	1 800	1 700	*93*	. .	. .
57	45	Cobham	UK	1 550	1 743	2 623	*59*	81	10 690
S	S	United Launch Alliance (LM and Boeing USA)	USA	1 540	1 559	1 800	*86*	. .	. .
58	57	Serco	UK	1 500	1 450	4 713	*32*	45	47 000
59	60	ManTech International Corp.	USA	1 460	1 438	1 602	*91*	. .	. .
60	49	Dassault Aviation Groupe	France	1 390	1 849	3 967	*35*	425	11 940
61	87	Fluor Corp.	USA	1 380	861	18 114	*8*	3	38 760
62	66	Engility	USA	1 360	1 114	2 076	*66*	–6	9 100
63	77	Oshkosh Corp.	USA	1 350	952	6 279	*22*	216	13 800
S	S	Irkut (United Aircraft Corp. Russia)	Russia	1 320	1 284	1 623	*81*	18	. .
64	68	IHI Corp.	Japan	1 290	1 189	13 651	*9*	. .	. .
65	73	DynCorp International	USA	1 280	1 002	1 836	*70*	–53	10 700
66	113	KBR	USA	1 220	608	4 268	*29*	28	27 500
67	72	ASELSAN	Turkey	1 220	971	1 247	*98*	263	5 170
68	76	GKN	UK	1 210	845	11 906	*10*	329	58 000
69	–	Hewlett Packard Enterprise Company[i]	USA	1 200	. .	50 123	*2*	3 161	195 000
70	74	Hanwha Corp.	South Korea	1 190	1 063	40 593	*3*	1 110	. .

Rank[b] 2016	2015	Company[c]	Country	Arms sales (US$ m.) 2016	2015[d]	Total sales, 2015 (US$ m.)	Arms sales as a % of total sales, 2016	Total profit, 2016 (US$ m.)	Total employment, 2016
71	67	Hanwha Techwin	South Korea	1 190	965	2 265	*53*	69	3 040
72	63	Vectrus	USA	1 190	1 195	1 191	*100*	. .	. .
73	70	DSME	South Korea	1 190	984	9 808	*12*	–1 217	11 260
74	61	GenCorp	USA	1 180	1 235	1 761	*67*	18	4 970
75	62	PZG	Poland	1 140	1 131	1 268	*90*	. .	. .
76	81	Turkish Aerospace Industries	Turkey	1 120	864	1 300	*86*	. .	5 250
77	84	UkrOboronProm[j]	Ukraine	1 060	847	1 107	*95*	. .	80 000
S	S	UMPO (United Engine Corp. Russia)	Russia	970	944	1 063	*91*	262	. .
78	88	Krauss-Maffei Wegmann	Germany	950	842	996	*95*	. .	4 000
79	75	Austal	Australia	940	982	974	*97*	44	. .
80	83	Meggitt	UK	940	774	2 688	*35*	231	11 210
81	91	Embraer	Brazil	930	839	6 218	*15*	168	18 510
82	65	Nexter	France	910	1 129	958	*95*	. .	1 750
83	85	Cubic Corp.	USA	880	871	1 462	*60*	2	8 500
S	S	Austal USA (Austal Australia)	USA	870	881	870	*100*	. .	. .
84	89	The Aerospace Corp.	USA	870	840	940	*92*	. .	3 680
85	71	Bharat Electronics	India	850	1 002	1 310	*65*	. .	. .
86	111	NEC Corp.	Japan	830	678	24 476	*3*	251	107 730
87	90	RUAG	Switzerland	820	797	1 909	*43*	118	8 730
88	86	Moog	USA	820	871	2 412	*34*	127	10 500
89	96	CAE	Canada	780	744	2 039	*38*	194	8 500
90	–	Mitre Corp.	USA	770	476	1 542	*50*	. .	8 210
91	112	ViaSat	USA	770	618	1 559	*50*	22	4 300
92	80	Triumph Group	USA	770	901	3 532	*22*	–43	14 310
93	93	MIT	USA	770	810	973	*79*	. .	. .
94	98	Kongsberg Gruppen	Norway	770	726	1 886	*41*	77	7 160
S	S	BAE Systems Australia (BAE Systems UK)	Australia	740	742	892	*83*	. .	4 000
95	–	Hanwha Group[k]	South Korea	740	. .	55 430	*1*	. .	. .
S	107	Hanwha Systems (Hanwha Group South Korea)	South Korea	740	644	742	*100*	. .	2 060
96	105	Bharat Dynamics	India	730	651	726	*100*	. .	. .
97	100	Ultra Electronics	UK	720	605	1 061	*68*	92	4 000
S	S	Raytheon Australia (Raytheon USA)	Australia	720	722	717	*100*	. .	1 170
98	97	Navantia	Spain	710	737	801	*88*	–336	5 510
99	79	Mitsubishi Electric Corp.	Japan	700	989	38 928	*2*	1 932	. .
100	101	Poongsan Corp.	South Korea	700	650	1 753	*40*	119	3 580

[a] 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.

[b] Companies are ranked according to the value of their arms sales at the end of their financial year considered 2016 by SIPRI. An S denotes a subsidiary company. A dash (–) indicates that the company did not rank among the SIPRI Top 100 for 2015. Company names and structures are listed as they were on 31 Dec. 2016. Information about subsequent changes is provided in these notes. The 2015 ranks may differ from those published in *SIPRI Yearbook 2017* 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.

[c] For subsidiaries and operational companies owned by another company, the name of the parent company is given in parentheses along with its country. 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.

[d] Figures for previous year arms sales—i.e. a company's arms sales in 2015—are presented in constant 2016 US$, so as to be better comparable with the figures for arms sales in the current year, i.e. 2016. In previous editions of the *SIPRI Yearbook* and Top 100 lists, previous year arms sales were presented in current US$.

[e] Trans-European refers to companies whose ownership and control structures are located in more than one European country.

[f] Finmeccanica was renamed Leonardo in April 2016.

[g] Following a reassessment of MBDA, its status was changed from 'joint venture' to 'company'.

[h] The arms sales figure for this company is an estimate and subject to a high degree of uncertainty.

[i] Hewlett Packard Enterprise is a new company emerging from the split of Hewlett-Packard Company.

[j] Aircraft manufacturer Antonov was integrated in UkrOboronProm in 2016.

[k] In 2016 Hanwha Group acquired full ownership of Hanwha Thales, a joint venture previously owned by Hanwha Group and France-based Thales.

(see figure 3). Lockheed Martin, the world's largest arms producer, increased its arms sales by 10.7 per cent in 2016, reaching $40.8 billion and significantly widening the gap between it and Boeing—the second largest arms producer. Growth in Lockheed Martin's arms revenues was expected following its acquisition of helicopter manufacturer Sikorsky from United Technologies and increased deliveries of F-35 combat aircraft.

The growth in sales of military services companies is a noticeable trend in the USA. Military services companies have managed to increase sales mainly by acquiring smaller services companies divested by larger arms producers. The sales of DynCorp and KBR, for example, grew by 27.7 and 100.8 per cent respectively in 2016. The rise in KBR's sales was due to the acquisition of two companies in 2016 and new major contracts with the USA and the United Kingdom.

Major national developments in Western Europe

With arms sales of $36.1 billion in 2016, the eight British companies ranked in the Top 100 accounted for 9.6 per cent of the total. The combined arms sales of British companies grew by 2.0 per cent compared with 2015. BAE Systems, the UK's largest arms producer, increased its sales by 0.4 per cent compared with 2015. Arms sales by Rolls-Royce, the UK's second largest arms producer, rose by 4.5 per cent. The highest growth in arms sales (43.2 per cent) was recorded by GKN, an aerospace components manufacturer. Although arms sales for some British companies increased in 2016, the short-term economic and political outlook in the UK remains uncertain following its decision in 2016 to leave the EU.

The combined arms sales of the six French companies ranked in the Top 100 amounted to $18.6 billion, accounting for 5.0 per cent of the overall total

Box 1. Chinese arms-producing companies

Chinese companies are not covered by the SIPRI Top 100 due to the lack of data on which to make a reasonable estimate of arms sales for most companies. Nonetheless, some information is available on the major state-owned conglomerates under which most of the Chinese arms industry is organized.

Based on the growth in China's military spending, which has increased almost threefold between 2002 and 2016, as well as China's arms exports and limited information on individual companies, at least 9 or 10 companies would almost certainly be in the Top 100 if figures for arms sales were available. Of these, 4 to 6 would probably be in the top 20, and 2 (the aircraft producer AVIC and the land system producer Norinco) may be in the top 10.

for 2016. This represents a decrease in sales of 0.8 per cent compared with 2015. The slight fall was mostly due to a slowdown in deliveries of Rafale combat aircraft (produced by Dassault) compared with the previous year. Dassault's arms sales decreased by 24.8 per cent in 2016. The arms sales of land system producer Nexter also fell (by 19.4 per cent).

After a corporate restructuring, Italy's largest arms producer, Finmeccanica, was renamed Leonardo in 2016. The company's subsidiaries no longer exist, except for the US-based Leonardo DRS. The company also sold its civilian transportation business and will now chiefly focus its activities on aerospace and military capabilities. Leonardo's arms sales reached $8.5 billion in 2016—a decrease of 8.2 per cent compared with 2015. The arms sales of Italy's second largest arms producer, the naval shipyard Fincantieri, totalled $1.6 billion in 2016, representing an increase of 7.1 per cent. This was due to deliveries of littoral combat ships to the USA, and frigates and submarines to Italy.

The combined arms sales of the three German companies listed in the Top 100 for 2016 rose by 6.6 per cent to $6.0 billion. The arms sales of land systems producers Krauss-Maffei Wegmann and Rheinmetall rose by 12.8 and 13.3 per cent, respectively, due to increased German arms procurement. By contrast, ThyssenKrupp's sales fell by 6.6 per cent.

SIPRI categorizes companies that are owned by more than one West European state as 'Trans-European'. MBDA is listed as a Trans-European company in the Top 100 for 2016.[3] Its arms sales grew by 3.1 per cent to $3.3 billion in 2016. The arms sales of Airbus Group, which is ranked in the top 10 for 2016, totalled $12.5 billion—a decrease of 2.7 per cent compared with 2015. The fall is partly due to delays in delivering the A-400 military transport aircraft.

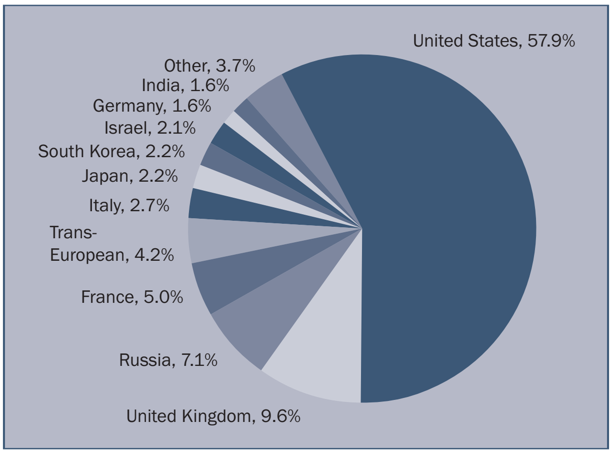

Figure 3. Share of arms sales of companies in the SIPRI Top 100 for 2016, by country

Notes: The Top 100 classifies companies according to the country in which they are headquartered, so sales by an overseas subsidiary will be counted towards the total for the parent company's country. 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, Norway, 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.

Russia

The combined arms sales of the 10 Russian companies listed in the Top 100 reached $26.6 billion in 2016, accounting for 7.1 per cent of the overall total. This represents an increase in sales of 3.8 per cent compared with 2015. It seems that the major economic difficulties experienced by Russia have had a mixed impact on the sales of the companies ranked in 2016. Five companies recorded sales growth, while the other five showed decreases. Russia's largest arms company, United Aircraft Corporation, is ranked 13th, with arms sales of $5.2 billion—a sharp increase of 15.6 per cent compared with 2015. By contrast, United Shipbuilding Corporation's arms sales declined by 11.5 per cent, placing it at 19th in the Top 100.

[3] Following a reassessment of MBDA, its status has been changed from 'joint venture' (between Airbus Group, BAE Systems and Finmeccanica) to 'company'. Its new status is reflected in adjustments for arms sales of the Top 100 for previous years.

Emerging producers

South Korean arms producers continue to dominate the emerging producer category with seven companies ranked in the Top 100 for 2016. Their combined arms sales totalled $8.4 billion, representing a 20.6 per cent increase in sales compared with 2015. South Korean arms producers held a 2.2 per cent share of the total Top 100 sales in 2016, putting South Korea alongside 'other established producers' such as Israel and Japan. The growth in sales is largely due to rising threat perceptions in South Korea. This has accelerated the acquisition of military equipment, which South Korea increasingly sources from its own arms industry based on policy considerations. The arms sales of Brazilian and Turkish companies also rose in 2016, growing by 10.8 and 27.6 per cent respectively. India is the only emerging producer showing a decline (–1.2 per cent) in arms sales in 2016.

Other established producers

The combined arms sales of the companies based in the six countries categorized as established arms producers fell by 1.2 per cent to a total of $20.9 billion in 2016. However, only companies based in Australia (–4.3 per cent) and Japan (–6.4 per cent) recorded overall decreases in sales.

The established producers category is heavily influenced by trends in Japan due to the number of Japanese companies ranked and their comparatively high volume of arms sales. The fall in Japan's arms sales in 2016 was driven by a decline in the sales of its largest arms companies, namely Mitsubishi Heavy Industries (–4.8 per cent), Kawasaki Heavy Industries (–16.3 per cent) and Mitsubishi Electric Corporation (–29.2 per cent). The decline is partially attributable to the appreciation of the yen against the US dollar and a reduction in orders.

Ukrainian company UkrOboronProm's arms sales rose by 25.1 per cent in 2016. This was mainly due to high local demand as a result of the ongoing conflict in eastern Ukraine, its absorption of the aircraft producer Antonov in 2016, and arms exports.

ABOUT THE AUTHORS

Aude Fleurant (Canada/France) is Director of the SIPRI Arms and Military Expenditure Programme.

Alexandra Kuimova (Russia) is a Research Assistant with the SIPRI Arms and Military Expenditure Programme.

Nan Tian (China/South Africa) is a Researcher with the SIPRI Arms and Military Expenditure Programme.

Pieter D. Wezeman (Netherlands/Sweden) is a Senior Researcher with the SIPRI Arms and Military Expenditure Programme.

Siemon T. Wezeman (Netherlands) is a Senior Researcher with the SIPRI Arms and Military Expenditure Programme.

sipri

STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE

Signalistgatan 9
SE-169 72 Solna, Sweden
Telephone: +46 8 655 97 00
Email: sipri@sipri.org
Internet: www.sipri.org