

SIPRI YEARBOOK 2013

Armaments, Disarmament and International Security

The SIPRI Top 100 arms-producing and military services companies, 2011

SUSAN T. JACKSON



The SIPRI Top 100 arms-producing and military services companies, 2011

SUSAN T. JACKSON

Contents

The role of subsidiaries in the Top 100	229
Changes in the Top 100 for 2011	230
Table 4.4. Regional and national shares of arms sales for the SIPRI Top 100 arms-producing and military services companies, 2011 compared to 2010	228
Table 4.5. The SIPRI Top 100 arms-producing and military services companies in the world excluding China, 2011	233
Sources and methods	239

This is an offprint of section III of chapter 4 of

SIPRI Yearbook 2013: Armaments, Disarmament and International Security

Oxford University Press, 2013, ISBN 978-0-19-967843-3, hardback, xxii+574 pp., £100/\$185

The SIPRI Yearbook is published and distributed in print and online by Oxford University Press—more information is available at <<http://www.sipriyearbook.org>>

OXFORD
UNIVERSITY PRESS

www.sipriyearbook.org

III. The SIPRI Top 100 arms-producing and military services companies, 2011

SUSAN T. JACKSON

The SIPRI Top 100 lists the world's 100 largest arms-producing and military services companies (excluding Chinese companies), ranked by their arms sales in 2011. Sales of arms and services by companies in the SIPRI Top 100 totalled \$410 billion in 2011. In comparison with the Top 100 companies in 2010 (which is a slightly different set of companies), the 2011 arms sales represent a 5 per cent decrease in real terms (see table 4.4). The decrease in arms sales by the SIPRI Top 100 companies in 2011 is due to several factors, including the drawdown in Iraq and the United Nations embargo on arms transfers to Libya; programme delays due to austerity-related military spending cuts and related postponements in weapon programme commitments (see section I above); and the weak US dollar in many countries in 2011.¹

Many of the companies ranked at the lower end of the Top 100 increased arms sales but, because of their size, this had less impact on the total than if the larger companies had had similarly steep increases. In addition, in parallel with an increase of 51 per cent in the total sales of the Top 100 between 2002 and 2011 (see table 4.1 above), the cut-off for inclusion in the Top 100 (i.e. the arms sales of the company ranked 100) more than doubled from \$280 billion in 2002 to \$660 billion in 2011, reflecting an increase in the number of medium-sized companies in the Top 100 list. This is also reflected in the decrease of the shares of the top 10 and top 15 companies of the total for the Top 100 over the past decade; the top 10 were responsible for 54 per cent of the total arms sales in 2011 (down from 60 per cent in 2002) and the top 15 for 61 per cent (down from 68 per cent), marking a notable decrease in concentration. Overall, this difference shows that the largest companies account for a smaller, albeit still quite large, part of the world's arms sales. In part, this change is a reflection of how services are becoming a larger part of the sales of the largest companies.² It also reflects the way in which lower barriers to entry into the military services market allow more small companies to be involved in related areas.

The SIPRI Top 100 for 2011 appears in table 4.5. The companies in the SIPRI Top 100 account for the majority of the global financial value of sales of military goods and services—in particular, high-technology systems and services. Because of the lack of comparable financial data, the SIPRI

¹ Jackson, S. T., 'Arms production', *SIPRI Yearbook 2011*, p. 254.

² On military services see Jackson, S. T., 'The military services industry', *SIPRI Yearbook 2012*.

Table 4.4. Regional and national shares of arms sales for the SIPRI Top 100 arms-producing and military services companies, 2011 compared to 2010^a

Arms sales figures are in US\$ b., at current prices and exchange rates. Figures do not always add up to totals because of the conventions of rounding.

Number of companies	Region/ country ^b	Arms sales (\$ b.)		Change in arms sales, 2010–11 (%)		Share of total Top 100 arms sales, 2011 (%)
		2011	2010 ^c	Nominal ^d	Real ^e	
45	North America	245.7	248.9	-1	-4	59.9
44	United States	244.8	248.1	-1	-4	59.6
1	Canada	0.9	0.8	7	-	0.2
30	Western Europe	119.2	120.6	-1	-9	29.1
10	United Kingdom	46.4	49.9	-7	-14	11.3
6	France	23.0	23.0	-	-7	5.6
1	Trans-European ^f	16.4	16.4	-	-7	4.0
3	Italy	16.5	16.0	3	-4	4.0
4	Germany	8.2	6.8	20	12	2.0
2	Spain	2.4	2.8	-15	-22	0.6
1	Sweden	3.1	2.8	11	-3	0.8
1	Norway	1.4	1.5	-4	-12	0.4
1	Switzerland	1.0	0.8	25	7	0.3
1	Finland	0.8	0.7	17	8	0.2
6	Eastern Europe	14.3	11.3	26	13	3.5
6	Russia ^g	14.3	11.3	26	13	3.5
14	Other OECD	22.8	18.3	25	15	5.6
5	Japan ^h	9.8	6.6	48	35	2.4
3	Israel	7.1	6.7	7	-1	1.7
4	South Korea	4.4	3.8	17	8	1.1
1	Turkey	0.9	0.8	12	17	0.2
1	Australia	0.7	0.5	40	21	0.2
5	Other non-OECD	8.5	7.9	7	-2	2.1
3	India ⁱ	5.8	5.5	4	-3	1.4
1	Singapore	1.9	1.8	9	-5	0.5
1	Brazil	0.9	0.7	28	15	0.2
100	Total	410.4	406.9	1	-4	100.0

OECD = Organisation for Economic Co-operation and Development

^a Although it is known that several Chinese arms-producing enterprises are large enough to rank among the SIPRI Top 100, a lack of comparable and sufficiently accurate data makes it impossible to include them. There are also companies in other countries, such as Kazakhstan and Ukraine, that could be large enough to appear in the SIPRI Top 100 list were data available, but this is less certain.

^b Figures for a country or region refer to the arms sales of the Top 100 companies headquartered in that country or region, including those in its foreign subsidiaries. They do not reflect the sales of arms actually produced in that country or region.

^c Arms sales figures from 2010 refer to companies in the SIPRI Top 100 for 2011 and not to the companies in the Top 100 from 2010.

^d This column gives the change in arms sales in 2010–11 in current US dollars.

^e This column gives the change in arms sales in 2010–11 in constant (2011) US dollars.

^f The company classified as trans-European is EADS.

^g Russian arms sales for 2011 include the reported arms sales of UAC and UEC subsidiaries.

^h Figures for Japanese companies are based on contracts with the Japanese Ministry of Defence.

ⁱ Figures for India include a rough estimate for Ordnance Factories.

Source: Table 4.5.

Top 100 does not cover all arms-producing countries. However, with a few exceptions, the volume of arms production in omitted countries is believed to be relatively small. Several Chinese companies would appear in the Top 100 (and probably in the top 50) if data on their arms sales was available. Apart from the omission of China, analysis of the companies in the Top 100 is sufficient to capture the major trends in the global arms industry.

The role of subsidiaries in the Top 100

Major subsidiaries play a significant role in the company strategies of many of the parent companies in the SIPRI Top 100, and also account for a significant percentage of arms sales by these companies. Indeed, the activities of subsidiaries often explain more about individual domestic arms industries and company strategies than the financial reports of parent companies. Twenty major subsidiaries are listed (but not ranked) in table 4.5.³ These subsidiaries accounted for 14 per cent, or \$55 billion, of total arms sales in the Top 100 for 2011. While the number of major subsidiaries has remained consistent since 2002, their total arms sales has increased: the arms sales of major subsidiaries in the SIPRI Top 100 for 2002 totalled \$19 billion, or 10 per cent of total Top 100 arms sales.

While these figures do not capture all major subsidiaries, they are indicative of the major trends in subsidiaries in these major arms producers and represent company strategies more broadly. For instance, Sweden has significant foreign presence in its arms industry and, in particular in terms of foreign-ownership of former Swedish companies such as Hägglunds, Bofors and Kockums. However, data is not always available and these subsidiaries might be excluded from the table simply due to lack of data. The major subsidiary figures also do not reflect the level of international collaboration between countries. This information is based on SIPRI Top 100 lists for each year and include a different list of companies depending on the year.

³ While subsidiaries are not ranked in the Top 100 and their arms sales are not included in the country, regional and global totals (in order to avoid double counting), they are placed in table 4.5 to show where these subsidiaries would rank if they were independent companies. Not all companies report separately on the financial results of their subsidiaries, so the data presented here is incomplete.

Many of these subsidiaries operate outside the market in which the parent company is headquartered. There are a number of countries in which predominantly foreign-owned arms companies form a large part of the domestic arms industry but report their arms sales in the parent company's headquarter country. For example, while ASC's \$660 million in arms sales in 2011—due primarily to its participation in the Air Warfare Destroyer project—led to Australia re-entering the Top 100, three foreign-owned subsidiaries in Australia (BAE Systems Australia, Raytheon Australia and Thales Australia) recorded combined arms sales in 2011 of five times this amount (\$3320 million).⁴ Australia had left the SIPRI Top 100 in 2008 following BAE Systems' acquisition of Tenix in 2007.

Changes in the Top 100 for 2011

Factors that contributed to changes in the Top 100 for 2011 include company restructuring and significant new contracts, the impact of armed conflicts, and changes in government spending. The weak US dollar in many countries in 2011 is unlikely to have had a large overall impact on the total arms sales figure for the Top 100 for 2011, although there is quite a marked difference on a company-by-company basis depending on the position of the dollar for the markets in which those companies sell and according to the currency in which they report sales. For example, arms sales by Swiss-based RUAG increased by 25 per cent in nominal dollar terms but only by 7 per cent in Swiss francs; similarly, Sweden's Saab arms sales were unchanged in Swedish kronor but in nominal dollar terms increased by 11 per cent; in contrast, sales by Aselsan of Turkey increased by 23 per cent in Turkish lira and by only 12 per cent in nominal dollar terms.

Among changes attributable to acquisitions and divestitures is the entry of the US company Huntington Ingalls Industries as a new independent company following its spin-off from Northrop Grumman in early 2011.⁵ Mission Essential, a US military services company, also entered the list because of an increase in contracts with the US Government. The impact of armed conflict on arms and military services sales in 2011 was also notable. US-based companies such as AM General, KBR and L-3 Communications all attribute at least part of their sales decreases to the withdrawal of US troops from Iraq.⁶ In addition, the Russian company TRV Corporation left

⁴ ASC, *ASC Pty Ltd Annual Report 2011* (ASC: Adelaide, 2011), p. 7.

⁵ Bell, J. and Anderson, G., 'Northrop Grumman completes shipbuilding spin-off', *Jane's Defence Industry*, 31 Mar. 2011; and Northrop Grumman, 'Northrop Grumman completes spin-off of Huntington Ingalls Industries, Inc', News release, 31 Mar. 2011, <<http://investor.northropgrumman.com/phoenix.zhtml?c=112386&p=irol-newsArticle&id=1544584>>.

⁶ Coyne, T., 'AM General to lay off 350, cut Humvee production', Yahoo Finance, 29 Sep. 2011, <<http://news.yahoo.com/am-general-lay-off-350-cut-humvee-production-221612926.html>>; KBR, *KBR Annual Report 2011* (KBR: Houston, 2012), p. 33; and L-3 Communications, *Form 10-K Annual*

the SIPRI Top 100 in 2011 due to a decrease of \$790 million in arms sales following the imposition of UN sanctions against Libya.⁷ Conversely, several companies—including US-based Navistar, Fluor and DynCorp—increased arms sales because of continuing orders for vehicles, as well as logistics provision in those two countries.⁸

The impact of lowered military spending as part of austerity programmes began to be seen in weapon procurement cuts and delays in 2011. For example, the decrease in Nexter's arms sales in 2011 was due in large part to declining orders from the French armed forces.⁹ Navantia's decrease was due to programme delays caused by reduced military spending resulting from Spain's austerity measures; this was also the case for the British company QinetiQ.¹⁰ At the same time, however, even with decreasing orders from their home governments, some companies increased arms sales in 2011. Fincantieri increased its arms sales by securing contracts in markets without domestic suppliers and by participating in the Littoral Combat Ships programme with the Lockheed Martin–Austal USA consortium.¹¹ Meggitt had organic growth in training as well as increases due to the acquisition of PacSec.¹² Chemring's increase in arms sales in 2011 can be attributed to organic growth in munitions and counter-improvised explosive devices.¹³ Arms sales by all of the Japanese companies in the Top 100 in 2011 increased. Because Japanese arms sales are calculated on contracts rather than actual sales, this increase could be a sign that the Japanese Government is spending on domestic arms. If so, this increase could signal

Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2011 (US Securities and Exchange Commission: Washington, DC, 2012), pp. 51–52.

⁷ 'Russian missile maker lost \$790 mln over Libya war', RIA Novosti, 31 Jan. 2012, <<http://en.rian.ru/business/20120131/171042832.html>>.

⁸ Navistar International Corporation, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended October 31, 2011* (US Securities and Exchange Commission: Washington, DC, 20 Dec. 2011), p. 24; Fluor Corporation, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2011* (US Securities and Exchange Commission: Washington, DC, 22 Feb. 2012), p. 37; and DynCorp, *Form 10-K Annual Report under Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the Fiscal Year Ended December 31, 2011* (US Securities and Exchange Commission: Washington, DC, 2012).

⁹ Belan, G., 'Nexter: objective exports', European Security and Defence Press Association, 2 Mar. 2012, <<http://www.esdpa.org/2012/03/nexter-objective-exports>>.

¹⁰ Spanish Ministry of Finance and Public Administrations, Sociedad Estatal de Participaciones Industriales (SEPI), 'Navantia', [n.d.], <<http://www.sepi.es/default.aspx?cmd=0004&IdContent=15022&idLanguage=EN>>; and QinetiQ, *People Who Know: Annual Report 2011* (QinetiQ: Farnborough, 2011).

¹¹ Fincantieri, *Fincantieri Annual Report 2011* (Fincantieri: Trieste, 2011), pp. 6, 34.

¹² Meggit, *Annual Report and Accounts 2011* (Meggitt: Fareham, 2011), p. 18.

¹³ Bell, M., 'Chemring reports interim FY11 results below expectations', *Jane's Defence Industry*, 21 Nov. 2011; and Chemring Group PLC, 'Pre-close trading update', 18 Nov. 2011, <<http://www.chemring.co.uk/media/press-releases/2011/2011-11-18.aspx>>.

its support as Japan moves into the international arms market following the lifting of its 44-year ban on arms exports in 2011.¹⁴

As in previous years, increases in arms sales in 2011 by several companies can be partly explained by purchases for the purpose of force modernization. For example, part of the 29 per cent increase in Embraer's arms sales is attributed to deliveries of the Super Tucano to the Brazilian Air Force and to others in the region.¹⁵ Aselsan's increase is in large part because of the Turkish armed forces' modernization programme.¹⁶

¹⁴ See Jackson, S. T., 'Key developments in the main arms-producing countries', *SIPRI Yearbook 2012*, p. 220.

¹⁵ Embraer, *Embraer Annual Report 2011* (Embraer: São Paulo, 2011).

¹⁶ İş Investment, 'Aselsan', 30 May 2012, <http://www.isyatirim.com.tr/WebMailer/.../2_20120530152732784_1.pdf>.

Table 4.5. The SIPRI Top 100 arms-producing and military services companies in the world excluding China, 2011^a

Figures for arms sales, total sales and profit are in US\$ million. Dots (.) indicate that data is not available. Sector abbreviations are explained below.

Rank ^b	2010	Company ^c	Country	Sector	Arms sales		Total sales, 2011	Arms sales as % of total sales, 2011	Profit, 2011		Total employment, 2011
					2011	2010			2011	2011	
1	1	Lockheed Martin	USA	Ac El Mi Sp	36 270	35 730	46 499	78	2 655		123 000
2	3	Boeing	USA	Ac El Mi Sp	31 830	31 360	68 735	46	4 018		171 700
3	2	BAE Systems	UK	Ac A El MV Mi SA/A Sh	29 150	32 880	30 689	95	2 349		93 500
4	5	General Dynamics	USA	A El MV SA/A Sh	23 760	23 940	32 677	73	2 526		95 100
5	6	Raytheon	USA	El Mi	22 470	22 980	24 857	90	1 896		71 000
6	4	Northrop Grumman	USA	Ac El Mi Sh Sp	21 390	28 150	26 412	81	2 118		72 500
7	7	EADS	Trans-Eur.	Ac El Mi Sp	16 390	16 360	68 295	24	1 442		133 120
8	8	Finnmeccanica	Italy	Ac A El MV Mi SA/A	14 560	14 410	24 074	60	-3 206		70 470
9	9	BAE Systems Inc. (BAE Systems, UK)	USA	A El MV SA/A	13 560	17 900	14 417	94	5 178		37 300
10	10	L-3 Communications	USA	El	12 520	13 070	15 169	83	956		61 000
11	11	United Technologies	USA	Ac El Eng	11 640	11 410	58 190	20	5 347		199 900
12	12	Thales	France	El MV Mi SA/A	9 480	9 950	18 111	52	787		68 330
13	12	SAIC	USA	Comp(MV) Ser	7 940	8 230	10 587	75	56		41 100
14	13	Huntington Ingalls Industries	USA	Sh	6 380	-	6 575	97	-94		38 000
15	14	Honeywell	USA	El	5 280	5 400	36 529	14	2 067		132 000
16	15	Safran	France	El	5 240	4 800	16 315	32	895		59 800
17	16	Computer Sciences Corp.	USA	Ac	4 970	4 530	7 655	65	840		17 780
18	17	Rolls-Royce	UK	Ser	4 860	5 940	15 877	31	-4 225		98 000
19	18	United Aircraft Corp.	Russia ^d	Eng	4 670	4 330	18 068	26	1 854		40 400
20	19	Oshkosh Truck	USA	Ac	4 400	3 440	5 502	80	404		97 500
21	20	MBDA (BAE Systems, UK/EADS, trans-European/Finmeccanica, Italy)	Trans-Eur.	MV	4 370	7 080	7 585	58	273		13 100
22	21	General Electric	USA	El	4 170	3 710	4 170	100	227		9 850
23	22	ITT Exelis ^e	USA	Eng	4 100	4 300	147 300	3	14 151		301 000
24	23		USA	El	4 020	4 000	5 839	69	326		20 500

Rank ^b	2011	2010	Company ^c	Country	Sector	Arms sales		Total sales, 2011	Arms sales as % of total sales, 2011	Profit, 2011	Total employment, 2011
						2011	2010				
S	S	S	CASA (EADS, trans-Eur.)	Spain	Ac	3 940	..	4 332	91	132	6 980
S	S	S	Pratt & Whitney (United Technologies)	USA	Eng	3 700	4 080	13 430	28	1 999	35 870
22	20		Almaz-Antei	Russia ^d	Mi	3 690	3 950	4 337	85	32	93 280
23	25		Mitsubishi Heavy Industries	Japan ^g	Ac MV Mi Sh	3 620	2 960	35 347	10	307	68 890
24	22		DCNS	France	Sh	3 610	3 320	3 614	100	249	12 830
S	S	S	Eurocopter Group (EADS, trans-Eur.)	France	Ac	3 540	2 940	7 528	47	359	20 800
S	S	S	AgustaWestland (Finmeccanica)	Italy	Ac	3 440	2 920	5 443	63	320	13 300
25	29		Saab	Sweden	Ac El Mi	3 080	2 780	3 619	85	341	13 070
26	32		Rheinmetall	Germany	A El MV SA/A	2 980	2 660	6 192	48	313	21 520
27	31		Textron	USA	Ac El Eng MV	2 930	2 740	11 275	26	242	32 000
28	26		HewlettPackard	USA	Ser	2 930	2 890	127 245	2	7 074	349 600
29	36		CACI International	USA	Ser	2 860	2 450	3 578	80	144	13 700
30	30		Babcock International Group	UK	Sh	2 850	2 770	4 919	58	277	25 140
31	28		Rockwell Collins	USA	El	2 810	2 860	4 806	59	634	20 500
32	34		ManTech International	USA	Ser	2 770	2 500	2 870	97	133	9 300
33	33		Hindustan Aeronautics	India	Ac Mi	2 740	2 590	3 043	90	713	32 660
34	35		Elbit Systems	Israel	El	2 680	2 480	2 818	95	25	12 550
35	24		URS Corp.	USA	El	2 670	3 030	9 545	28	-466	46 000
36	42		Harris	USA	El	2 670	2 130	5 925	45	597	16 900
37	27		Alliant Techsystems	USA	SA/A	2 670	2 870	4 613	58	263	17 000
38	68		Kawasaki Heavy Industries	Japan ^g	Ac Eng Mi Sh	2 630	1 020	16 337	16	292	33 270
S	S	S	Sukhoi (United Aircraft Corp.)	Russia ^d	Ac	2 630	1 360	2 825	93	..	26 000
39	40		DynCorp International (Cerberus Capital)	USA	Ser	2 600	2 210	3 721	70	-58	29 000
40	47		Vetolety Rossii (OPK Oboronprom)	Russia ^d	Ac	2 560	1 910	3 537	72	238	40 000
41	37		Israel Aerospace Industries	Israel	Ac El Mi	2 500	2 400	3 440	73	83	17 000
42	39		Goodrich	USA	Comp(Ac)	2 420	2 230	8 075	30	810	28 000
S	S	S	EADS Astrium (EADS, trans-Eur.)	France	Sp	2 350	2 450	6 901	34	366	16 600

43	41	CEA	France	Oth	2 300	2 200	5 800	40	46	15 770
S	S	MBDA France (MBDA, trans-Eur.)	France	Mi	2 300	2 190	2 295	100	229	4 300
44	60	Fluor ⁱ	USA	Comp(Oth)	2 260	1 300	2 381	95	594	43 090
45	43	Sercor	UK	Oth	2 230	2 130	7 444	30	381	100 000
46	23	KBR ^f	USA	Ser	2 180	3 310	9 261	24	480	27 000
47	38	Cobham	UK	Comp(Ac El)	2 160	2 260	2 970	73	376	9 330
48	45	Indian Ordnance Factories	India	ASA/A	2 120	1 960	2 655	80	..	98 910
49	57	ThyssenKrupp	Germany	Sh	2 080	1 340	68 244	3	-2 479	180 050
S	S	Alenia Aeronautica (Finmeccanica)	Italy	Ac	2 050	1 920	3 712	55	-1 256	11 990
50	49	Navistar	USA	MV	2 000	1 800	13 958	14	1 778	20 800
51	50	Rafael	Israel	Ac Mi SA/A Oth	1 940	1 780	1 979	98	111	6 500
52	51	ST Engineering (Temasek)	Singapore	Ac El MV SA/A Sh	1 900	1 750	4 762	40	419	22 380
S	S	BAE Systems Australia (BAE Systems, UK)	Australia	Ac Sh	1 860	1 380	1 857	100	..	6 000
53	53	Samsung Techwin	South Korea	A El Eng MV	1 860	1 590	2 809	66	209	6 770
54	54	Krauss-Maffei Wegmann ⁱ	Germany	MV	1 740	1 590	1 807	96
55	44	Navantia	Spain	Sh	1 650	2 010	1 737	95	-60	5 530
56	46	QinetiQ	UK	Ser	1 580	1 920	2 355	67	413	10 180
57	64	Mitsubishi Electric	Japan ^g	El Mi	1 440	1 160	45 603	3	1 404	117 310
58	70	NEC	Japan ^g	El	1 440	980	38 052	4	-1 382	109 100
59	55	Kongsberg Gruppen	Norway	El Mi SA/A	1 440	1 500	2 699	53	255	6 680
60	63	Diehl	Germany	Mi SA/A	1 380	1 210	4 072	34	71	13 970
61	62	United Engine Corp.	Russia ^d	Eng	1 330	1 250	2 221	60	4	..
62	61	Group Dassault	France	Ac	1 240	1 270	4 594	27	392	11 470
63	73	Fincantieri	Italy	Sh	1 220	940	3 311	37	14	9 990
64	91	Uralvagonzavod	Russia ^d	MV	1 200	730	3 000	40	454	..
65	48	AM General ^h	USA	MV	1 130	1 900	2 000
66	56	Nexter	France	A MV SA/A	1 120	1 430	1 183	95	158	2 700
S	S	Thales Air Defence (Thales, France)	UK	Mi	1 120	..	1 117	100	37	..
67	65	Triumph Group	USA	Ac	1 090	1 080	3 408	32	281	12 600
68	75	Chemring Group	UK	SA/A	1 080	890	1 194	90	201	4 680
S	S	Irkut Corp. (United Aircraft Corp.)	Russia ^d	Ac	1 070	1 330	1 248	86	..	12 000

Rank ^b	2011	2010	Company ^c	Country	Sector	Arms sales		Total sales, 2011sales, 2011	Arms sales as % of total sales, 2011	Profit, 2011	Total employment, 2011
						2011	2010				
69	-		Radiotechnicheskie i Informatsonnie Sistemi	Russia ^d	El	1 050	..	2 093	50	-18	..
70	78		RUAG	Switzerland	Ac A Eng SA/A	1 040	830	2 001	52	109	7 740
71	72		Moog	USA	Comp(El Mi)	1 000	960	2 331	43	136	10 320
72	66		GKN	UK	Comp(Ac)	970	1 050	9 206	11	562	44 000
73	99		AAR Corp	USA	Oth	940	650	1 776	53	70	6 100
74	83		Meggitt	UK	Oth	940	780	2 331	40	518	19 540
75	77		CAE	Canada	El	900	840	1 840	49	184	8 000
S	S		Selex Elsasg (Finmeccanica)	Italy	Comp(El Oth)	900	750	1 674	54	-281	7 170
76	90		Korea Aerospace Industries	South Korea	Ac	890	740	1 160	77	68	3 000
77	71		Bharat Electronics	India	El	890	970	1 222	73	178	10 790
78	82		Cubic Corp.	USA	Comp(El) Ser	870	810	1 285	68	85	7 800
79	74		SRA International	USA	El	870	890	1 705	51	66	6 100
80	81		Precision Castparts Corp.	USA	Comp(Ac)	870	810	7 215	12	1 226	21 500
81	95		Embraer	Brazil	Ac	860	670	5 893	15	93	17 270
82	88		Aselsan	Turkey	El	850	760	897	94	96	4 390
S	S		Selex Galileo (Finmeccanica)	Italy	El	840	820	972	87	12	2 690
83	-		Doosan Group	South Korea	Comp(Oth)	830	610	23 723	4	271	38 000
84	86		Curtiss-Wright Corp.	USA	Comp(Ac Sh)	820	780	2 054	40	130	8 900
85	79		LIG Nex1	South Korea	El	820	810	817	100	23	26 480
86	67		Jacobs Engineering Group ^k	USA	Ser	800	1 020	10 382	8	331	45 700
87	97		Patria	Finland	Ac MV SA/A	770	660	859	90	56	3 430
S	S		Raytheon Australia (Raytheon, USA)	Australia	Comp(Ac) Ser	770	640	785	99	..	1 450
88	84		Hawker Beechcraft	USA	Ac	770	780	2 435	32	-633	6 000
89	89		Mitre ^l	USA	Oth	770	740	1 389	55	..	7 890
90	76		Ultra Electronics	UK	El	760	880	1 172	65	184	4 470
S	S		MBDA Italia (MBDA, trans-Eur.)	Italy	Mi	750	640	746	100	-8	1 250
91	100		GenCorp	USA	El Eng	740	650	918	81	3	3 270

92	87	Alion Science and Technology	USA	Oth	730	770	787	92	-44	2 990
93	-	Avio (Cinven)	Italy	Eng	730	640	2 818	26	16	5 120
93	S	Thales Nederland (Thales, France)	trans-Eur.	El	720	1 060	723	100	42	..
94	85	Indra	Spain	El	710	780	3 737	19	252	21 080
95	-	Mission Essential Personnel	USA	Ser	700	540	726	96	..	8 000
96	-	Aerospace Corp.	USA	Ser	700	640	939	74	..	4 600
S	S	Thales Australia (Thales, France)	Australia	A El MV Mi SA/A Sh	690	680	759	91	..	3 000
97	92	Esterline Technologies	USA	Comp(Ac Sh)	690	690	1 718	40	133	12 000
98	-	Fujitsu	Japan ^e	El	660	490	55 980	1	535	173 160
99	-	ASC	Australia	Sh	660	470	718	92	11	2 000
100	-	Flir Systems	USA	El	660	440	1 544	43	222	3 080

A = artillery; Ac = aircraft; El = electronics; Eng = engines; MI = missiles; MV = military vehicles; SA/A = small arms/ammunition; Ser = services; Sh = ships; Sp = space; Oth = other; Comp() = components, services or anything else less than final systems in the sectors within the parentheses—used only for companies that do not produce final systems.

^a Although several Chinese arms-producing enterprises are large enough to rank among the SIPRI Top 100, it has not been possible to include them because of lack of comparable and sufficiently accurate data. In addition, there are companies in other countries such as Kazakhstan and Ukraine, that also could be large enough to appear in the SIPRI Top 100 list if data were available, but this is less certain.

^b Companies are ranked according to the value of their arms sales in 2011. An S denotes a subsidiary company. A dash (–) indicates that the company did not rank among the SIPRI Top 100 for 2010. Company names and structures are listed as they were on 31 Dec. 2011. Information about subsequent changes is provided in these notes. The 2010 ranks may differ from those published in *SIPRI Yearbook 2012* 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 a holding or investment company, the name of the parent company is given in parentheses along with its country, where it differs.

^d This is the 10th year in which Russian companies have been covered by the SIPRI Top 100. There may be other Russian companies that should be in the list but for which insufficient data is available. Vertolety Rossii has operated as a subsidiary of OPK Oboronprom since 2005. However, since comparable financial data for Oboronprom for 2011 is not currently available, Vertolety Rossii is reported here as an independent company. For more detail on Russian arms industry consolidation see Jackson, S. T., 'Arms production', *SIPRI Yearbook 2011*; Jackson, S. T., 'Arms production', *SIPRI Yearbook 2010*; and Perlo-Freeman, S. et al., 'The SIPRI Top 100 arms-producing companies, 2007', *SIPRI Yearbook 2009*, pp. 286–87.

^e In 2011 ITT Corporation split into 3 stand-alone companies. ITT Exelis now accounts for all of the former corporation's arms sales.

^f The arms sales figures for KBR are an estimate based on payments from the US Department of Defense (DOD) for LOGCAP III and IV contracts and payments by the British Ministry of Defence (MOD).

- g* Arms sales figures for Japanese companies represent new military contracts rather than arms sales.
- h* Limited financial data is available for AM General. The SIPRI estimate of arms sales is based on a 2-year average of US DOD prime contract awards.
- i* The arms sales figures for Krauss-Maffei Wegmann are based on a small estimate of the company's non-military sales.
- j* The arms sales figures for Fluor are based on US DOD LOGCAP IV contracts.
- k* The arms sales figures for Jacobs Engineering Group are based on a 3-year average of US DOD prime contract awards.
- l* The arms sales figures for Mitre are based on a 5-year average of US DOD prime contract awards.

Sources and methods

Selection criteria and sources of data

The SIPRI Arms Industry 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 military goods and services are included; holding or investment companies are not.

The sources of data on the companies include company annual reports and websites, and news published in the business sections of newspapers, in military journals and by Internet news services specializing in military matters. Press releases, marketing reports, government publications of contract awards and country surveys are also consulted. Publicly available financial and employment data on the arms industry worldwide is limited. The scope of the data and the geographical coverage are largely determined by the availability of information.

SIPRI data on arms-producing and military services companies is revised on an ongoing basis as improved data becomes available. For this reason, it is not possible to make a strict comparison between editions of the SIPRI Yearbook. In addition, coverage may differ because of problems with obtaining data to make satisfactory estimates for all companies every year.

Definitions

Arms and military services sales ('arms sales') are defined by SIPRI as sales of military goods and services to military customers, including sales for both domestic procurement and export. Military goods and services are those that are designed specifically for military purposes and include the technologies related to these goods and services. Military goods are military-specific equipment and do not include general-purpose goods, such as oil, electricity, office computers, uniforms and boots. Military services are also military-specific. They include technical services, such as information technology, maintenance, repair and overhaul, and operational support; services related to the operation of the armed forces, such as intelligence, training, logistics and facilities management; and armed security in conflict zones. They do not include the peacetime provision of purely civilian services—such as health care, cleaning, catering and transport—but supply services to operationally deployed forces are included.

The SIPRI definition of arms sales serves as a guideline; in practice it is difficult to apply. Nor is there any good alternative, since no generally agreed standard definition exists. In some cases, the data on arms sales reflects only 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, although the division may also have some civil sales.

When the company does not report a sales figure for a defence division or similar entity, arms sales are sometimes estimated by SIPRI. Such estimates are based on data on contract awards, information on the company's current arms production and military services programmes, and figures provided by company officials in media or other reports. For all these reasons, the comparability of the company arms sales figures given in table 4.5 is limited.

Data on total sales, profit and employment is for entire companies, not for arms-producing and military services activities alone. All data is for consolidated sales, that is, including those of domestic as well as foreign subsidiaries. The data on profit represents profit after taxes. Employment data represents year-end figures except for those companies that publish only a yearly average. All data is presented on the financial year basis reported by the company in its annual report.

Calculations

All data is collected in local currency and at current prices. For conversion from local currencies to US dollars, SIPRI uses the International Monetary Fund (IMF) annual average of market exchange rates provided in *International Financial Statistics*. The data in table 4.5 is provided in current dollars. Changes between years in this data are difficult to interpret because the change in dollar values is made up of several components: the change in arms and

military services sales; the rate of inflation; and, for sales conducted in local currency, fluctuations in the exchange rate. Sales on the international arms market are often conducted in dollars. Fluctuations in exchange rates thus do not have an impact on the dollar values but affect instead the value in local currency. Calculations in constant dollar terms are difficult to interpret for the same reasons. Without knowing the relative shares of arms and military services sales derived from domestic procurement and from arms exports, it is impossible to interpret the exact meaning and implications of the arms sales data. This data should therefore be used with caution. This is particularly true for countries with strongly fluctuating exchange rates.

The SIPRI Arms Industry Network

Arms industry data was supplied by Laxman K. Behera (Institute for Defence Studies and Analyses, New Delhi), Vincent Boulanin (École des hautes études en sciences sociales, Paris), Gülay Günlük-Şenesen (Istanbul University), Jang Won Joon (Korea Institute for Industrial Economics and Trade, Seoul), Shinichi Kohno (Mitsubishi Research Institute, Tokyo), Valerie Miranda (Istituto Affari Internazionali, Rome) and Pere Ortega (Centre d'Estudis per la Pau J. M. Delàs, Barcelona).