

5. International arms transfers and developments in arms production

Overview

The volume of international transfers of major arms grew by 7.8 per cent between 2009–13 and 2014–18, reaching its highest level since the end of the cold war (see section I). This growth is a continuation of the steady upward trend that began in the early 2000s.

The five largest suppliers in 2014–18—the United States, Russia, France, Germany and China—accounted for 75 per cent of the total global volume of exports. Since 1950, the USA and Russia (or the Soviet Union before 1992) have consistently been by far the largest suppliers and, together with West European exporters, have historically dominated the top 10 list of suppliers (see section II).

Asia and Oceania was the main recipient region, accounting for 40 per cent of the global volume of imports of major arms in 2014–18. The Middle East accounted for 35 per cent of imports. The flow of arms to the Middle East grew by 87 per cent between 2009–13 and 2014–18. In contrast, the flow of arms to all other regions decreased between the two periods: to the Americas by 36 per cent, to Europe by 13 per cent, to Asia and Oceania by 6.7 per cent and to Africa by 6.5 per cent. The five largest arms importers were Saudi Arabia, India, Egypt, Australia and Algeria, which together accounted for 35 per cent of total arms imports (see section III).

Following the trend of recent years, there were few positive developments in official public transparency in arms transfers in 2018 (see section IV). The number of states reporting their arms exports and imports to the United Nations Register of Conventional Arms (UNROCA) remained at a very low level and no major changes occurred in the various national and regional reporting mechanisms. As more states ratified the Arms Trade Treaty (ATT), the number of states fulfilling their treaty obligation to report arms exports and imports has grown. However, the proportion of ATT states parties submitting a report decreased in 2018.

While SIPRI data on arms transfers does not represent their financial value, many arms-exporting states do publish figures on the financial value of their arms exports (see section V). Unlike the other arms transfers sections, which provide data for 2018, section V provides data for 2017 as that is the most recent year for which data is available. Based on such data, SIPRI estimates that the total value of the global arms trade in 2017 was at least \$95 billion.

In addition, this chapter reviews developments in the global arms industry (excluding Chinese companies) and provides an overview of developments

among the top arms-producing and military services companies (see section VI). Section VI discusses developments in 2017 as this is the most recent year for which data is available. Total sales of the companies ranked in the SIPRI Top 100 amounted to \$398 billion in 2017, a 2.5 per cent increase compared with 2016. The overall growth in arms sales of the Top 100 in 2017 was driven by increases in arms procurement spending by several states, in particular the USA and Russia as well as several countries participating in armed conflicts, notably in the Middle East.

SIEMON T. WEZEMAN AND AUDE FLEURANT