

9. International arms transfers and developments in arms production

Overview

The volume of international transfers of major arms in 2016–20 was at almost the same level as in 2011–15 and remained at its highest level since the end of the cold war (see section I). However, the volume of transfers in 2016–20 was still 35 per cent lower than the peak reached in 1981–85, at the height of the cold war. Overall, the Covid-19 pandemic of 2020 and the resulting economic crisis appeared to have little effect on arms deliveries in 2020 or on new orders for major arms during the year.

The five largest suppliers in 2016–20—the United States, Russia, France, Germany and China—accounted for 76 per cent of the total volume of exports of major arms (see section II). Since 1950, the USA and Russia (or the Soviet Union before 1992) have consistently been by far the largest suppliers. In 2016–20 US arms exports accounted for 37 per cent of the global total and were 15 per cent higher than in 2011–15. In contrast, Russia's arms exports decreased by 22 per cent and its share of the global total dropped from 26 per cent in 2011–15 to 20 per cent in 2016–20. Arms exports by France (up by 44 per cent) and Germany (up by 21 per cent) grew between 2011–15 and 2016–20, while China's fell by 7.8 per cent. Many of the 65 states identified by SIPRI as exporters of major arms in 2016–20 supply only small volumes of arms. The top 25 arms-supplying states accounted for 99 per cent of total global arms exports. States in North America and Europe (including Russia) accounted for 86 per cent of all arms exports.

SIPRI identified 164 states as importers of major arms in 2016–20. The five largest arms importers were Saudi Arabia, India, Egypt, Australia and China, which together accounted for 36 per cent of total arms imports (see section III). The region that received the largest volume of major arms in 2016–20 was Asia and Oceania, accounting for 42 per cent of the global total, followed by the Middle East, which received 33 per cent. The flow of arms to two regions increased between 2011–15 and 2016–20: the Middle East (by 25 per cent) and Europe (by 12 per cent). Meanwhile, flows to the other three regions decreased: Africa (by 13 per cent), the Americas (by 43 per cent) and Asia and Oceania (by 8.3 per cent).

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 IV). Based on this data, SIPRI estimates that the total

value of the global arms trade was at least \$118 billion in 2019 (the most recent year for which data is available).

In addition to presenting data and analysis of international arms transfers, this chapter provides information on the global arms industry (see section V). The arms sales of the world's 25 largest arms-producing and military services companies totalled \$361 billion in 2019 (the most recent year for which data is available)—an increase of 8.5 per cent compared with 2018. The 2019 SIPRI ranking is the first to include data for some Chinese arms companies. The top 25 arms companies in 2019 are concentrated in North America (12 companies) and Europe (8 companies) but the ranking also includes 4 Chinese companies and 1 from the United Arab Emirates. The top five companies are all based in the USA.

For the first time, SIPRI has mapped the international presence of the arms industry, focusing on the 15 largest arms companies in 2019. The data set is made up of 400 foreign entities, defined as branches, subsidiaries and joint ventures registered in a country other than that in which the parent company is headquartered. Taking account of these foreign entities, the reach of the world's 15 largest arms companies extends across at least 49 different countries.

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