

# THE SIPRI TOP 100 ARMS-PRODUCING AND MILITARY SERVICES COMPANIES, 2015

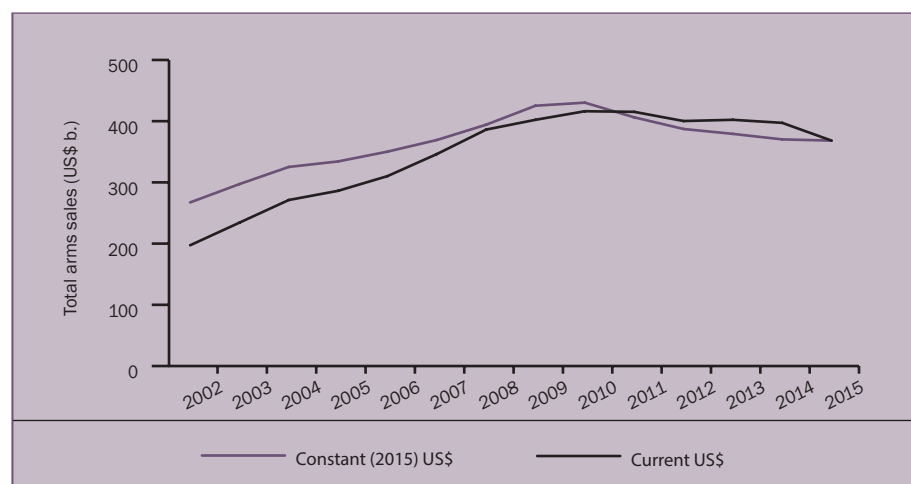
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Sales of the world's 100 largest arms-producing and military services companies totalled \$370.7 billion in 2015 (see table 1). Compared with 2014, this is a slight decline of 0.6 per cent (figures exclude China, see box 1).<sup>1</sup> While this continues the downward trend in arms sales that began in 2011, it signals a significant slowdown in the pace of decline. However, despite the decrease, Top 100 arms sales for 2015 are 37 per cent higher than those for 2002, when SIPRI began reporting corporate arms sales (see figure 1).

## DEVELOPMENTS IN THE TOP 100

Companies headquartered in the United States and Western Europe have dominated the list of Top 100 arms-producing and military services companies since 2002. And, true to form, this was the case for 2015: with sales

<sup>1</sup> Unless otherwise specified, all changes are expressed in real terms or constant terms (not current or nominal); 'sales' refers to sales of military equipment and services; sales are for only those ranked companies.



**Figure 1.** Total arms sales of companies in the SIPRI Top 100, 2002–15

*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 <<http://www.sipri.org/research/armaments/production/Top100>> or *SIPRI Yearbook 2016*.

## KEY FACTS

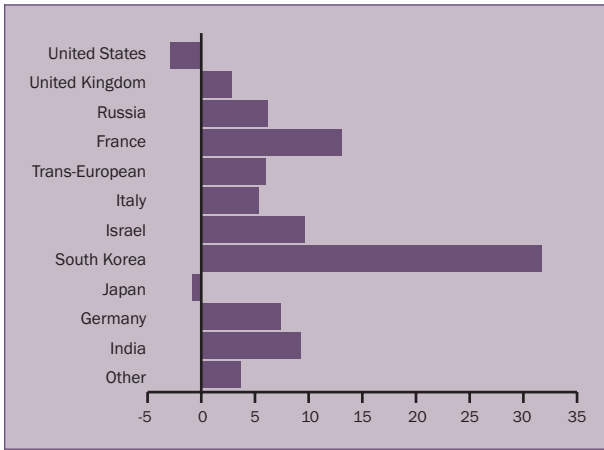
- The arms sales of the SIPRI Top 100 arms-producing and military services companies (excluding China) were \$370.7 billion in 2015. This represents a decrease of 0.6 per cent compared with 2014 and is the fifth consecutive year of decline.

- US-based companies' arms sales for 2015 fell by 2.9 per cent to \$209.7 billion, due to ongoing limitations on government spending, including military spending. However, with a 56.6 per cent share of the Top 100 arms sales in 2015, US companies' arms revenues remain way ahead of those of other countries.

- Following five consecutive years of declining sales, West European Top 100 arms producers' sales increased by 6.6 per cent to \$95.7 billion in 2015. With combined sales of \$21.4 billion, the six French companies listed in the Top 100 increased their arms sales by 13.1 per cent, helping to drive regional arms sales growth.

- South Korean companies in the Top 100 increased their arms sales by 31.7 per cent in 2015 to a total of \$7.7 billion, reflecting growing domestic military procurement and rising export sales.

- Growth in the Russian arms industry continued in 2015. The combined arms sales for Russian companies in the Top 100 totalled \$30.1 billion, a 6.2 per cent rise compared with 2014. However, this growth rate is substantially lower than the 48.4 per cent increase recorded between 2013 and 2014.



**Figure 2.** Percentage change in arms sales of companies in the SIPRI Top 100, by country, 2014–15

*Notes:* The change refers to the companies in the Top 100 for 2015. The figures are based on arms sales in constant (2015) US\$. The category ‘Other’ consists of countries whose companies’ arms sales comprise less than 1% of the total: Australia, Brazil, Finland, Norway, Poland, Singapore, Sweden, Switzerland, Turkey and Ukraine.

reaching \$305.4 billion, companies based in the USA and Western Europe accounted for 82.4 per cent of the Top 100 arms sales. The modest 0.6 per cent decrease in Top 100 sales compared with 2014 is primarily due to a decrease of 2.9 per cent in the revenues of US-based companies, which show a decline for the fifth consecutive year, with \$209.7 billion in arms sales for 2015 compared with \$215.6 billion in 2014 (see figure 2). While sales in the USA decreased, there was a noteworthy rise in arms sales of West European producers, which grew by 6.6 per cent in 2015 to reach \$95.7 billion compared with \$89.7 billion in 2014.

The top 10 companies in the SIPRI Top 100 are exclusively headquartered in the USA and Western Europe. With combined arms sales of \$191.4 billion, the 10 largest companies represent 51.6 per cent of the total sales of the Top 100 in 2015, compared with 49.5 per cent in 2014. The increase in share of the top 10 companies can be attributed to a modest growth in arms sales for several companies, and for US companies, the strength of the US dollar. Despite this slight rise, the share of the top 10 arms companies’ sales in the Top 100 has been generally decreasing from approximately 60 per cent of the Top 100 total arms sales in 2002 to approximately 50 per cent in more recent years. This is due to the increasing role of Russian and emerging producers.

With combined sales of \$30.1 billion for 2015, the Russian companies ranked in the Top 100 represent an 8.1 per cent share of the total. Sales in 2015 increased by 6.2 per cent over 2014, which is significantly slower than the 48.4 per cent growth rate between 2013 and 2014. The continued growth underlines the Russian Ministry of Defence’s commitment to fund military procurement despite the economic difficulties experienced by the country since 2014.

Companies in the ‘other established’ and ‘emerging’ producers categories account for 9.5 per cent of the Top 100 arms sales with a combined total of \$34.5 billion.<sup>2</sup> This represents an increase of 3.0 per cent for other established producers and a rise of 15.9 per cent for emerging producers. The significant expansion in the arms sales of emerging producers is mostly attributable to South Korean companies, which increased their sales by 31.7 per cent in 2015.

<sup>2</sup> 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, 2015<sup>a</sup>  
 Figures for arms sales, total sales and profit are in millions of US\$. Dots (.) indicate that data is not available.

Rank <sup>b</sup>		Company <sup>c</sup>	Country	Arms sales (US\$ m.)		Total sales, 2015 (US\$ m.)	Arms sales as a % of total sales, 2015	Total profit, 2015 (US\$ m.)	Total employment, 2015
2015	2014			2015	2014 <sup>d</sup>				
1	1	Lockheed Martin Corp. <sup>e</sup>	USA	36 440	36 523	46 132	79	3 605	126 000
2	2	Boeing	USA	27 960	28 334	96 114	29	5 176	161 400
3	3	BAE Systems	UK	25 510	23 903	27 355	93	1 456	82 500
4	4	Raytheon	USA	21 780	21 395	23 247	94	2 067	61 000
5	5	Northrop Grumman Corp.	USA	20 060	19 683	23 256	86	1 990	65 000
6	6	General Dynamics Corp.	USA	19 240	18 622	31 469	61	2 965	99 900
7	7	Airbus Group <sup>f</sup>	Trans-European	12 860	12 133	71 476	18	2 992	136 570
S	S	BAE Systems Inc. (BAE Systems UK)	USA	9 670	8 360	10 400	93	..	32 300
8	8	United Technologies Corp. <sup>g</sup>	USA	9 500	13 035	61 047	16	4 356	197 200
9	9	Finmeccanica	Italy	9 300	8 817	14 412	65	584	47 160
10	10	L-3 Communications	USA	8 770	9 822	10 466	84	282	38 000
11	12	Thales	France	8 100	7 194	15 596	52	897	62 190
12	13	Huntington Ingalls Industries	USA	6 740	6 688	7 020	96	404	35 500
13	11	Almaz-Antey	Russia	6 620	6 424	6 966	95	..	..
14	17	Safran	France	5 020	4 291	19 312	26	1 644	70 090
15	29	Harris Corp.	USA	4 920	3 114	7 467	66	324	21 000
16	16	Rolls-Royce	UK	4 790	5 044	20 403	23	1 650	50 500
17	14	United Aircraft Corp.	Russia	4 610	4 445	5 774	80	-1 785	..
18	19	Bechtel Corp.	USA	4 600	4 535	32 300	14	..	53 000
19	15	United Shipbuilding Corp.	Russia	4 510	4 351	5 202	87	230	..
S	S	Pratt & Whitney (United Technologies Corp. USA)	USA	4 225	3 925	14 082	30	1 900	33 401
20	23	Booz Allen Hamilton	USA	3 900	3 905	5 400	72	294	22 600
21	20	Textron	USA	3 650	4 455	13 423	27	698	35 000
22	25	Babcock International Group	UK	3 400	3 307	7 398	46	578	..
23	18	Honeywell International	USA	3 380	4 756	38 581	9	4 768	129 000
24	22	DCNS	France	3 320	3 279	3 370	98	64	12 770
25	24	Russian Helicopters	Russia	3 300	2 823	3 610	91	693	41 800
S	S	MBDA (BAE Systems UK/EADS W. Eur./Finmeccanica Italy) <sup>f</sup>	Trans-European	3 220	2 663	3 216	100	..	10 000
26	26	Leidos	USA	3 020	3 394	4 712	64	242	18 000
S	S	Sikorsky Aircraft Corp. (Lockheed Martin USA) <sup>h</sup>	USA	3 000	3 885	5 349	56	..	..
27	27	General Electric	USA	2 990	3 214	117 400	3	-6 126	333 000
S	S	AgustaWestland (Finmeccanica Italy)	Italy	2 990	2 936	4 967	60	305	12 510
28	21	Mitsubishi Heavy Industries <sup>i</sup>	Japan	2 970	3 458	33 376	9	..	..
29	33	Elbit Systems	Israel	2 950	2 570	3 108	95	207	12 130
30	31	Rheinmetall	Germany	2 870	2 489	5 748	50	..	20 680

Rank <sup>b</sup>		Company <sup>c</sup>	Country	Arms sales (US\$ m.)		Total sales, 2015 (US\$ m.)	Arms sales as a % of total sales, 2015	Total profit, 2015 (US\$ m.)	Total employment, 2015
2015	2014			2015	2014 <sup>d</sup>				
31	28	Science Applications International Corp.	USA	2 850	3 174	4 315	66	117	15 000
32	32	Israel Aerospace Industries	Israel	2 780	2 634	3 708	75	..	..
33	36	Saab	Sweden	2 640	2 203	3 223	82	166	14 690
34	35	CACI International	USA	2 530	2 733	3 744	68	143	19 900
35	34	Tactical Missiles Corp.	Russia	2 390	2 044	2 500	96	242	44 060
36	39	Hindustan Aeronautics	India	2 340	2 325	2 575	91	500	..
37	50	Kawasaki Heavy Industries <sup>j</sup>	Japan	2 300	1 835	12 723	18	..	..
38	46	Rockwell Collins	USA	2 220	2 233	5 244	42	686	19 500
39	54	Indian Ordnance Factories	India	2 160	1 776	2 203	98	..	..
40	30	AECOM	USA	2 150	3 084	17 990	12	-155	92 000
41	-	CSRA <sup>k</sup>	USA	2 070	..	4 250	49	87	18 000
S	S	Bell Helicopter Textron (Textron USA)	USA	2 030	2 633	3 454	59	400	..
42	41	Hewlett-Packard	USA	2 000	2 303	103 355	2	4 554	287 000
43	52	Rafael	Israel	1 980	1 829	2 018	98	118	..
44	57	General Atomics <sup>l</sup>	USA	1 970	1 632	..	..	..	..
45	43	CEA	France	1 950	1 916	4 562	43	-38	15 700
46	40	ThyssenKrupp	Germany	1 890	1 936	47 442	4	297	154 910
47	66	Dassault Aviation Groupe	France	1 850	1 104	4 631	40	535	12 150
48	42	United Instrument Manufacturing Corp.	Russia	1 850	1 666	1 854	100	46	41 500
49	37	High Precision Systems	Russia	1 770	1 710	1 767	100	248	27 300
S	S	Selex ES (Finmeccanica Italy)	Italy	1 750	1 773	2 346	75	29	10 260
S	S	Alenia Aermacchi (Finmeccanica Italy)	Italy	1 750	1 640	3 458	51	346	10 480
50	45	United Engine Corp.	Russia	1 720	1 622	2 879	60	7	88 500
51	44	KRET	Russia	1 680	1 630	1 969	85	164	50 700
52	64	LIG Nex1	South Korea	1 680	1 247	1 684	100	73	3 150
53	51	ST Engineering	Singapore	1 660	1 843	4 608	36	385	22 390
54	72	Korea Aerospace Industries	South Korea	1 650	1 087	2 565	65	159	3 530
55	49	Serco	UK	1 630	2 025	5 369	30	..	103 230
56	38	Orbital ATK <sup>i</sup>	USA	1 630	2 343	3 174	51	202	12 300
57	56	ManTech International Corp.	USA	1 420	1 692	1 559	91	51	..
58	58	Fincantieri	Italy	1 390	1 330	4 639	30	-321	20 020
59	69	GenCorp	USA	1 220	1 181	1 708	71	-16	4 820
60	60	Polish Armaments Group	Poland	1 190	1 210	1 326	90	..	18 000
61	71	Vectrus	USA	1 180	1 171	1 181	100	..	13 000
62	73	Jacobs Engineering Group <sup>i</sup>	USA	1 150	1 141	12 115	10	303	64 000
63	65	Nexter	France	1 130	1 104	1 187	95	..	3 320
64	86	Engility	USA	1 100	931	2 086	53	-230	9 800
65	76	Hanwha Techwin	South Korea	1 080	966	2 180	50	-89	4 190
S	S	UMPO (United Engine Corp. Russia)	Russia	1 050	888	1 146	92	190	..



Rank <sup>b</sup>		Company <sup>c</sup>	Country	Arms sales (US\$ m.)		Total sales, 2015 (US\$ m.)	Arms sales as a % of total sales, 2015	Total profit, 2015 (US\$ m.)	Total employment, 2015
2015	2014			2015	2014 <sup>d</sup>				
66	63	Uralvagonzavod	Russia	1 020	1 048	1 749	58	-165	..
67	139	DSME	South Korea	1 000	375	11 817	8	-2 720	13 200
68	85	Bharat Electronics	India	1 000	928	1 172	85	212	9 850
69	74	ASELSAN	Turkey	1 000	979	1 022	97	78	4 970
70	67	DynCorp International	USA	990	1 302	1 923	52	-131	12 000
71	83	Hanwha Corp.	South Korea	980	891	36 579	3	107	..
72	68	Austal	Australia	980	1 049	1 007	97	..	..
73	81	GKN	UK	950	920	11 748	8	..	50 000
74	55	Oshkosh Corp.	USA	940	1 732	6 098	15	229	13 300
75	80	QinetiQ	UK	910	920	1 155	79	162	6 210
76	75	Mitsubishi Electric Corp. <sup>j</sup>	Japan	890	917	36 268	2	..	..
77	78	Triumph Group	USA	890	1 011	3 886	23	263	14 600
78	91	Turkish Aerospace Industries	Turkey	890	736	1 035	86	..	4 800
79	82	Pilatus Aircraft	Switzerland	870	903	1 166	75	198	1 910
80	89	Meggitt	UK	870	827	2 516	35	474	11 930
81	92	UkrOboronProm	Ukraine	870	728	916	95	73	80 000
82	97	Cubic Corp.	USA	860	801	1 431	60	23	8 300
83	90	Moog	USA	860	861	2 525	34	132	10 690
84	59	Fluor Corp.	USA	850	1 502	18 114	5	412	38 760
85	84	Krauss-Maffei Wegmann	Germany	840	788	887	95	..	..
86	99	The Aerospace Corp. <sup>i</sup>	USA	830	791	917	90	..	3 620
87	94	RUAG	Switzerland	820	790	1 812	45	122	..
88	61	Embraer	Brazil	810	1 127	5 828	14	..	..
89	106	Teledyne Technologies	USA	810	741	2 298	35	198	9 200
90	96	MIT	USA	800	801	3 291	24	..	12 110
91	103	Alion Science & Technology Corp. <sup>l</sup>	USA	760	771	..	..	..	2 700
92	101	CAE	Canada	760	682	1 965	39	180	8 000
93	88	Kongsberg Gruppen	Norway	730	735	2 112	35	94	7 690
S	S	Admiralty Shipyards (United Shipbuilding Corp. Russia)	Russia	720	901	743	97	86	6 640
94	102	AirTanker	UK	700	715	739	95	151	..
95	108	Ultra Electronics	UK	680	687	1 109	61	38	4 840
96	112	Poongsan Corp.	South Korea	660	656	1 804	37	69	..
97	134	CMI Groupe	Belgium	660	370	1 461	45	125	4 680
98	93	RTI Group	Russia	660	611	1 269	52	..	..
99	129	Pacific Architects and Engineers	USA	650	481	2 100	31	..	15 000
100	113	Hanwha Thales	South Korea	640	619	636	100	26	1 860

<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 in 2015. An S denotes a subsidiary company. A dash (-) indicates that the company did not rank among the SIPRI Top 100 for 2014. Company names and structures are listed as they were on 31 Dec. 2015. Information about subsequent changes is provided in these notes. The 2014 ranks may differ from those published in *SIPRI Yearbook 2016* 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> 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.

<sup>d</sup> Figures for previous year arms sales—i.e. a company's arms sales in 2014—are presented in constant 2015 US\$, so as to be better comparable with the figures for arms sales in the current year, i.e. 2015. In previous editions of the *SIPRI Yearbook* and Top 100 lists, previous year arms sales were presented in current US\$.

<sup>e</sup> Lockheed Martin acquired helicopter producer Sikorsky from United Technologies on 5 Nov. 2015, and included Sikorsky's sales in its turnover for the period 6 Nov. 2015 to 31 Dec. 2015.

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

<sup>g</sup> United Technologies Corporation sales include Sikorsky's sales from 1 Jan. 2015 to 5 Nov. 2015.

<sup>h</sup> Sales figures for Sikorsky cover the whole of 2015.

<sup>i</sup> Arms sales figures for these companies are estimates and are subject to a high degree of uncertainty.

<sup>j</sup> Arms sales for these companies are based on annual contract values from the Japanese Ministry of Defense.

<sup>k</sup> CSRA is a new company formed following Computer Science Corp.'s divestment of its government services activities. After the divestment, the resultant company merged with SRA International to create CSRA. As Computer Science Corp. no longer receives revenues from arms sales it is not listed in the SIPRI Top 100 for 2015.

<sup>l</sup> Sales figures for these companies are based on data on US prime contract awards as recorded by [USAspending.gov](http://USAspending.gov). These figures may be underestimated because awards from classified (secret) US contracts and some exports are not included in this data.

## NATIONAL DEVELOPMENTS

### The United States

The USA accounted for the largest share of the arms industry Top 100 in 2015: it ranked 39 companies (7 of which are in the top 10) and accounted for 56.6 per cent of the total (see figure 3). This reflects the fact that the US Department of Defense is the largest single military spender, and it awards a very large proportion of its contracts to companies based in the country. Decreases in turnovers of US-based arms companies and the companies' mixed results for 2015 reflect persistent constraints on military spending caused by legally required spending caps enacted in 2010, as well as delays in deliveries of major platforms (such as the F-35) and the strength of the US dollar (which has negatively affected export sales).

In 2015, three new US companies entered the Top 100: CSRA (41), Engility (64) and Pacific Architects and Engineers (PAE) (99). All three are 'pure' services companies that were divested from larger arms companies—Computer Science Corporation, L-3 Communications and Lockheed Martin, respectively—following the drop in demand for services after the drawdown of large US military operations in Afghanistan and Iraq. After the companies began operating as independent entities in the first half of the 2010s, they acquired other small- and medium-sized services companies. Through these consolidations, CSRA and PAE have built up sufficient revenues to enter the Top 100 in 2015. Engility's inclusion in the Top 100 is based on recently discovered data. Engility has, in fact, had sufficient revenue to rank in the Top 100 since 2012, and the SIPRI data series has been updated to reflect this.

### France, Germany, Sweden and the United Kingdom

The combined arms sales of the six French companies listed in the Top 100 totalled \$21.4 billion in 2015—a rise of 13.1 per cent compared with 2014. This increase has acted as an important driver for the recent growth in arms sales in Western Europe. The upturn is mostly due to a 67.5 per cent surge in arms sales for Dassault Aviation Group, which produces the Rafale combat





aircraft, following deliveries to Egypt and payment for future deliveries by Qatar. The regional figure is also lifted by sales increases for Thales (up 12.6 per cent) and Safran (up 17 per cent), which produces several subsystems and parts of the Rafale, such as aircraft engines.

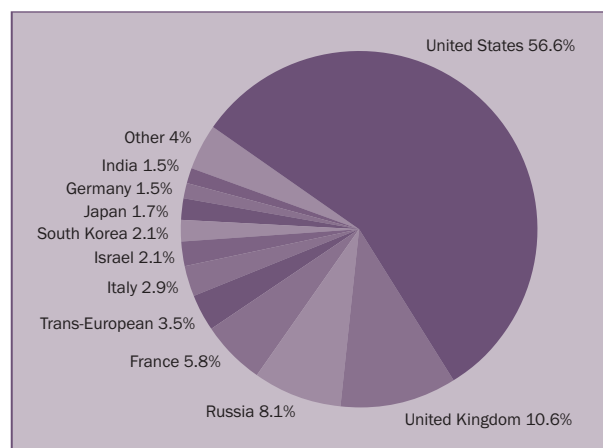
The three German companies ranked in the Top 100 in 2015 boosted their combined arms sales (\$5.6 billion) by 7.4 per cent over the previous year. The increase is slightly smaller than the one observed in 2014 and is largely the result of a 15.3 per cent growth of Rheinmetall's sales. Sweden's sole Top 100 company, Saab, showed a 19.8 per cent increase in its arms sales, partly due to the acquisition of submarine shipyard Kockums in 2014. British companies reversed the downward trend recorded in 2014 with a 2.8 per cent rise in their arms sales. Out of the nine British companies ranked, four showed an increase, the most significant one being BAE Systems with 6.7 per cent growth in 2015, following deliveries of Typhoon combat aircraft to Saudi Arabia and improved results for the company's naval activities.

### Russia

The combined sales of the 11 Russian companies ranked in the Top 100 reached \$30.1 billion in 2015, an increase of 6.2 per cent compared to 2014. This growth was led by rising sales for Russian Helicopters (up 16.9 per cent) and Tactical Missiles (also up 16.9 per cent) due to large investments in weapon acquisitions by the Russian Ministry of Defence and some important export sales during the year. The upturn in sales is partly explained by Russia's efforts to modernize its armed forces' equipment and capabilities through domestic military procurement. However, all of the Russian companies in the SIPRI Top 100 for 2015 are ranked lower than they were in 2014—even when 10 out of 11 saw an increase in sales. The lower rankings are mostly attributable to the fall of the Russian rouble during 2015.

### Emerging producers

The 2015 sales of the seven South Korean companies ranked in the Top 100 totalled \$7.7 billion and amounted to a combined increase of 31.7 per cent



**Figure 3.** Share of arms sales of companies in the SIPRI Top 100 for 2015, 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, Finland, Norway, Poland, Singapore, Sweden, Switzerland, Turkey and Ukraine.

Figures do not always add up to a total of 100% because of the conventions of rounding.

#### 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 10 major state-owned conglomerates under which most of the Chinese arms industry is organized.

Based on the overall industry picture and on limited information on individual companies, at least 9 of these 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.

China's military spending increased more than fivefold in real terms between 2000 and 2015, and the country has engaged in major efforts to develop its domestic industry. In addition, China's arms exports have grown substantially in the past decade.

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compared with 2014. This large upsurge is mostly due to LIG Nex1's increase of 34.7 per cent compared with 2014, and Korea Aerospace Industry's 51.7 per cent increase in turnover. Three companies that were not listed in the 2014 Top 100 are ranked in 2015: Poongsan, DSME and Hanwha Thales. All South Korean companies showed higher arms sales in 2015, reflecting the South Korean Ministry of Defense's increasing commitment to domestic procurement as well as ongoing success in the international market.

Indian (up 9.3 per cent) and Turkish companies (up 10.2 per cent) also saw robust growth in 2015, based on strong domestic demand for both countries and some exports for Turkey. Embraer, the sole Brazilian company ranked, showed a 28.1 per cent decline in its arms sales in 2015—possibly due to large public spending cuts in the context of an economic crisis, reducing state orders for defence equipment.

## Other established producers

Four of the six countries identified as other established producers (Australia, Japan, Poland, Singapore) displayed decreases in their arms sales in 2015. Of the 10 companies in the category, Singapore's ST Engineering showed the most significant decline with a 9.9 per cent drop due to a reduction in domestic demand for the company's products. In contrast, Ukraine's UkrOboronProm showed the largest rise in arms sales with 19.6 per cent. The increase reflected three developments: the impact of the acquisition of Antonov (the last independent major arms producer in Ukraine); large sales of military vehicles, ammunition, and communications and electronic equipment, primarily for the Ukrainian Ministry of Defence; and large increases in Ukraine's military expenditure resulting from the conflict in its eastern region.

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