

Table 9A.1. The 100 largest arms-producing companies (excluding China), 2003

Figures in columns 6, 7, 8 and 10 are in US\$ m., at current prices and exchange rates.

1	2	3	4	5	6	7	8	9	10	11
Rank ^a		Company (parent company)	Country/ region	Sector ^b	Arms sales		Total sales 2003	Column 6 as % of column 8	Profit 2003	Employment 2003
2003	2002				2003	2002				
1	2	Lockheed Martin ^c	USA	Ac El Mi Sp	24 910	18 870	31 824	78	1 053	130 000
2	1	Boeing ^d	USA	Ac El Mi Sp	24 370	22 170	50 485	48	718	157 000
3	4	Northrop Grumman ^e	USA	Ac El Mi SA/A Sh Sp	22 720	17 800	26 206	87	808	122 600
4	5	BAE Systems ^f	UK	A Ac El Mi SA/A Sh	15 760	14 070	20 542	77	10	92 500
5	3	Raytheon	USA	El Mi	15 450	14 510	18 109	85	365	77 700
6	6	General Dynamics ^g	USA	A El MV Sh	13 100	9 820	16 617	79	1 004	67 600
7	7	Thales	France	El Mi SA/A	8 350	6 840	11 929	70	126	57 440
8	9	EADS ^h	Europe	Ac El Mi Sp	8 010	5 630	34 010	24	172	109 140
9	8	United Technologies, UTC	USA	El Eng	6 210	5 640	31 034	20	2 361	203 300
10	10	Finmeccanica	Italy	A Ac El MV Mi SA/A	5 290	3 720	9 339	57	225	46 860
11	11	L-3 Communications ⁱ	USA	El	4 480	3 020	5 061	89	278	38 700
12	66	Halliburton ^j	USA	Comp (Oth)	3 920	480	16 271	24	-820	101 380
13	16	Computer Sciences Corp., CSC ^k	USA	Comp (Oth)	3 780	1 980	14 768	26	519	90 000
14	12	SAIC	USA	Comp (Oth)	3 700	3 000	6 720	55	351	42 700
S	S	Pratt & Whitney (UTC)	USA	Eng	3 030	2 490	7 505	40	..	..
15	13	Rolls Royce	UK	Eng	2 970	2 850	9 224	32	190	35 210
S	S	MBDA (BAE Systems, UK/ EADS, Europe/ Finmeccanica, Italy) ^l	Europe	Mi	2 710	1 690	2 710	100	..	10 000
16	14	Mitsubishi Heavy Industries ^m	Japan	Ac MV Mi Sh	2 430	2 780	20 472	12	187	59 949
17	15	General Electric	USA	Eng	2 400	2 200	134 187	2	15 002	305 000

18	17	Honeywell International	USA	El	2 270	1 830	23 103	10	1 324	108 000
S	S	KBR (Halliburton) ^j	USA	Comp (Oth)	2 170	480	9 276	23	-36	60 000
19	19	United Defense, UD ⁿ	USA	MV	2 050	1 730	2 050	100	141	7 300
20	18	GKN	UK	Ac	2 020	1 800	7 492	27	165	35 480
21	23	DCN ^o	France	Sh	1 870	1 370	1 870	100	46	12 780
22	30	Groupe Dassault Aviation	France	Ac	1 810	1 140	3 722	49	333	8 860
23	20	Rheinmetall	Germany	A El MV SA/A	1 810	1 580	5 923	31	-97	20 890
S	S	Rheinmetall DeTec (Rheinmetall)	Germany	A El MV SA/A	1 810	1 580	1 810	100	..	..
24	21	ITT Industries	USA	El	1 790	1 510	5 627	32	391	39 000
25	29	Groupe SNECMA	France	Eng	1 750	1 160	7 258	24	205	39 700
26	24	Saab	Sweden	Ac El Mi	1 700	1 310	2 133	80	92	13 320
S	-	DynCorp (CSC) ^p	USA	Comp (Oth)	1 660	1 359	..	..	..	14 000
27	32	CEA	France	Oth	1 540	1 100	3 175	49	-168	15 040
S	-	Brown & Root Services (Halliburton) ^j	USA	Comp (Oth)	1 540	..	..	..	..	..
28	26	ATK	USA	SA/A	1 460	1 250	2 366	62	162	13 000
29	35	Sukhoi ^{q r}	Russia	Ac	1 420	960	1 500	95	..	35 000
30	22	Textron	USA	Ac El Eng MV	1 400	1 390	9 859	14	259	43 000
31	41	Kawasaki Heavy Industries ^m	Japan	Ac Eng Mi Sh	1 370	880	10 008	14	55	29 310
32	34	Goodrich	USA	Comp (Ac)	1 320	1 020	4 383	30	100	20 000
33	25	Israel Aircraft Industries	Israel	Ac El Mi	1 310	1 260	1 868	70	15	14 350
34	31	Rockwell Collins	USA	El	1 270	1 120	2 542	50	258	14 500
35	28	Ordnance Factories ^s	India	A SA/A	1 210	1 180	1 426	85	..	130 000
36	36	Harris	USA	El	1 170	960	2 093	56	60	10 300
37	37	ThyssenKrupp, TK	Germany	Sh	1 110	950	40 787	3	578	190 100
S	S	ThyssenKrupp Werften (TK)	Germany	Sh	1 110	950	6 153	18	..	..
38	33	Smiths	UK	El	1 100	1 100	4 296	26	183	32 300
39	38	QinetiQ ^t	UK	Comp (Oth)	1 090	930	1 300	84	64	9 000
40	45	Titan ^u	USA	Comp (Oth)	1 010	730	1 775	57	29	11 500
41	53	DRS Technologies ^v	USA	El	940	610	1 001	94	45	5 800
42	39	DaimlerChrysler, DC ^w	Germany	Eng	920	920	153 992	1	506	362 060

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Rank ^a		Company (parent company)	Country/ region	Sector ^b	Arms sales		Total sales 2003	Column 6 as % of column 8	Profit 2003	Employment 2003
2003	2002				2003	2002				
43	50	Anteon ^x	USA	Comp (Oth)	920	640	1 042	88	36	7 600
44	42	Elbit Systems	Israel	El	900	860	900	100	46	5 200
45	43	Singapore Technologies, ST	Singap.	Ac El MV SA/A Sh	890	830	7 290	12	58	..
	S	ST Engineering (ST)	Singap.	Ac El MV SA/A Sh	890	830	1 618	55	187	11 750
46	49	VT Group	UK	Sh	840	660	1 096	77	25	8 640
47	51	Groupe SAGEM ^y	France	El	830	620	3 590	23	135	14 680
48	48	SEPI ^z	Spain	Sh	830	700	2 370	35	..	..
49	44	GIAT Industries	France	A MV SA/A	820	730	820	100	-722	6 000
50	54	Mitsubishi Electric ^m	Japan	El Mi	820	590	28 548	3	387	98 990
51	46	Rafael	Israel	Ac Mi SA/A Oth	790	720	830	95	30	5 000
52	27	URS Corporation	USA	Comp (El Oth)	720	..	3 187	23	58	26 000
	S	EG&G (URS Corporation)	USA	Comp (El Oth)	720	..	928	78	..	10 000
53	56	Krauss-Maffei Wegmann	Germany	MV	710	570	710	100	..	2 380
54	57	EDS ^{aa}	USA	Comp (Oth)	690	570	21 476	3	-1 698	132 000
55	60	Cobham	UK	Comp (Ac El)	680	540	1 360	50	30	8 990
56	59	Samsung ^{bb}	S. Korea	A El MV Mi Sh	670	550	..	..	..	..
57	55	Oshkosh Truck	USA	MV	660	590	1 926	34	76	6 100
58	62	Hindustan Aeronautics	India	Ac Mi	650	510	816	80	129	..
59	74	ManTech International ^{cc}	USA	Comp (Oth)	640	430	702	91	35	5 000
60	61	Diehl	Germany	Mi SA/A	630	510	1 751	36	..	10 730
61	67	RUAG	Switzerl.	A Ac Eng SA/A	620	470	907	68	19	5 670
62	72	Babcock International Group	UK	Sh	620	440	739	84	19	6 540
63	52	Korea Aerospace Industries ^{dd}	S. Korea	Ac	600	610	671	89	9	3 080
64	68	Fincantieri ^{ee}	Italy	Sh	570	460	2 644	22	102	9 490
65	85	Alvis	UK	MV Oth	570	340	570	100	33	2 800

66	69	Devonport Management Limited ^{ff}	UK	Sh	570	450	624	92	33	5 120
67	S	Avio ^{gg}	Italy	Eng	560	530	1 436	39	-8	4 800
68	64	Jacobs Engineering Group ^{hh}	USA	Comp (Oth)	560	490	4 615	12	128	21 100
69	73	CACI International	USA	Comp (Oth)	540	430	843	64	45	6 400
70	81	Engineered Support Systems	USA	El	540	380	573	95	43	2 950
	S	Samsung Techwin (Samsung)	S. Korea	A El Eng MV	520	420	1 455	36	37	3 920
71	82	Indra	Spain	El	510	360	1 114	46	81	6 370
72	71	The Aerospace Corporation ⁱⁱ	USA	Comp (Oth)	510	450	581	88	..	..
	S	US Marine Repair (UD)	USA	Comp (Sh)	510	240	545	93	..	..
73	79	NEC ^m	Japan	El	490	390	42 325	1	354	143 390
74	65	Aerokosmicheskoe Oborud. ^r	Russia	El	490	480	582	84	44	44 480
75	80	AM General Corporation ^{jj}	USA	MV	490	380	..	..	..	..
76	63	Irkut ^{r kk}	Russia	Ac	480	490	522	92	-14	16 346
77	76	Bharat Electronics	India	El	460	410	599	77	..	..
78	84	Israel Military Industries	Israel	A MV SA/A	460	350	514	90	..	2 900
79	78	CAE ^{ll}	Canada	El	450	390	780	58	46	5 000
80	88	Denel	S. Africa	A Ac El MV Mi SA/A	450	320	587	76	-50	10 930
81	70	Stewart & Stevenson	USA	MV	450	450	1 176	38	-53	3 300
82	86	Kongsberg Gruppen	Norway	El Mi SA/A	430	330	939	46	18	4 180
83	75	Mitre ^{mm}	USA	Comp (Oth)	430	420	785	55	..	..
	S	ADI (Transfield Group/ Thales, France)	Australia	El SA/A Sh	420	330	462	92	..	2 600
84	93	EDO	USA	El	410	290	461	89	15	2 640
85	-	Ericsson	Sweden	El	400	110	14 561	3	-1	51 580
	S	Ericsson Microwave (Ericsson)	Sweden	El	400	110	407	97	..	1 990
86	87	Ufimskoe MPO ^r	Russia	Eng	390	320	407	96	90	20 660
	S	MTU Aero Engines (DC)	Germany	Eng	390	430	2 144	18	..	8 400
	S	MTU Friedrichshafen (DC)	Germany	Eng	380	480	1 458	26	..	6 680
87	94	Tenix	Australia	El SA/A Sh	370	280	571	65	..	2 300
88	89	Ultra Electronics	UK	El	370	320	465	80	33	2 510

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Rank ^a		Company (parent company)	Country/ region	Sector ^b	Arms sales		Total sales 2003	Column 6 as % of column 8	Profit 2003	Employment 2003
2003	2002				2003	2002				
89	90	Cubic Corporation	USA	Comp (El Oth)	370	310	634	58	37	4 700
90	98	SMA	France	Comp (Ac)	360	230	360	100	4	..
91	91	Moog	USA	Comp (El Mi)	360	300	755	47	43	4 740
92	–	Curtiss-Wright	USA	Comp (Ac)	350	210	746	47	52	4 660
93	77	Toshiba ^m	Japan	El Mi	340	400	48 127	1	249	161 000
94	99	MMPP Salyut ^r	Russia	Comp (Ac)	340	230	532	64	8	15 000
95	92	Komatsu ^m	Japan	MV SA/A	320	290	10 320	3	233	31 640
96	97	Uralvagonzavod ^r	Russia	MV	320	270	717	44	39	34 000
97	58	Ishikawajima-Harima HI ^m	Japan	Eng Sh	310	550	9 035	3	–331	8 140
98	83	Silicon Graphics ^{mm}	USA	Comp (Oth)	300	360	962	31	–130	3 710
S	S	Samsung Thales (Thales, France/ Samsung, South Korea)	S. Korea	El	300	260	300	100	15	1 250
99	100	Meggitt	UK	Oth	290	230	658	45	34	3 480
S	S	Häggglunds Vehicle (Alvis, UK)	Sweden	MV	290	150	290	100	..	1 000
100	–	Groupe SNPE	France	A SA/A	280	200	885	32	46	5 310

Notes: This table includes companies supplying military goods and services to military customers. For definitions see the introduction to this appendix.

^a Companies are ranked according to the value of their arms sales in 2003. Companies with the designation S in column 1 or 2 are subsidiaries. A dash (–) in column 2 indicates either that the company did not make arms sales in 2002 or that it did not rank among the 100 largest companies in 2002. Company names and structures are listed as they were on 31 Dec. 2003. Information about subsequent changes is provided in these footnotes. The 2002 ranks may differ from those published in the SIPRI Yearbook 2004 due to the 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 footnotes.

^b Key to abbreviations: A = artillery, Ac = aircraft, El = electronics, Eng = engines, Mi = missiles, MV = military vehicles, SA/A = small arms/ammunition, Sh = ships, Sp = space and Oth = other. Comp (. . .) = components, services or anything less than final systems in the sectors within the parentheses; it is used only for companies that do not produce final systems.

^c Data for Lockheed Martin arms sales include management fees from the US Department of Energy for the management of nuclear weapons programmes.

^d Data for Boeing arms sales are for the Total Integrated Defense Systems unit, excluding the sales of the largely civilian Launch and Orbital Systems unit. Beginning in 2003 Boeing changed the way in which they report their market segments.

^e Northrop Grumman completed its acquisition of TRW Inc. on 11 Dec. 2002. They provided pro forma data in their 2002 annual report.

^f Data for BAE Systems arms sales are for total non-commercial sales, although it is known that some elements in its defence divisions are civilian in nature, and that some elements in the commercial divisions are military in nature.

^g Data for General Dynamics' arms sales include an estimate of \$300 million for the arms sales of Veridian in the first seven months of the year. Veridian was acquired by General Dynamics in Aug. 2003.

^h EADS (European Aeronautic Defence and Space Company) is 30.2% owned by DaimlerChrysler (Germany), 30.2% by Lagardère (France) together with French financial institutions and Sogepa (a French state holding company), and 5.5% by SEPI (a Spanish state holding company; see note z). EADS is registered in the Netherlands.

ⁱ Data for L-3 Communications' arms sales include \$470 million for Vertex Aerospace, which was acquired by L-3 Communications in Dec. 2003.

^j Arms sales data for Halliburton and its subsidiaries, KBR and Brown and Root Services, represent US Department of Defense (DOD) prime contracts awarded rather than arms sales. An uncertain share of these contracts is for military applications, and revenues received from the contracts may be spread out over several years. Some of the tasks performed under these contracts would usually be considered by SIPRI to be civilian in nature. The work done by these companies at times of war, however, presents particular definitional difficulties. See the section on sources and methods.

^k Computer Sciences Corporation is a provider of IT services and products to defence ministries. Figures for arms sales are for revenues from the US DOD, an unknown share of which is for military applications. Computer Sciences Corporation acquired Dyncorp in March 2003 and agreed in Dec. 2004 to sell that company to Veritas Capital.

^l MBDA was established in Dec. 2001 through the merger of Matra BAe Dynamics, EADS-Aérospatiale Matra Missiles and the missile activities of Alenia Marconi Systems. The company is 37.5% owned by BAE Systems, 37.5% by EADS and 25% by Finmeccanica.

^m For Japanese companies figures in the arms sales column represent new military contracts rather than arms sales.

ⁿ The Carlyle Group exited their investment in United Defense in April 2004.

^o Data for DCN are for sales revenue rather than value of production. In the SIPRI Yearbook 2004 data were for value of production.

^p Dyncorp was acquired by Computer Sciences Corporation in March 2003. Veritas Capital subsequently agreed to acquire Dyncorp in Dec. 2004. Arms sales represent US DOD prime contracts awarded rather than arms sales.

^q Data for Sukhoi are from the Centre for Analysis of Strategies and Technologies. In the SIPRI Yearbook 2004 data for Sukhoi were listed under KnAAPO.

^r This is the second year that Russian companies have been integrated into the SIPRI list of arms-producing companies. There may be other companies that should be in the list, but insufficient data are available. The situation in the Russian arms industry is still very fluid, and company names are likely to change as they are restructured. For all companies except Sukhoi and Irkut, data for total sales and profits are from Expert RA, the Russian rating agency, while data for arms sales share estimates and employment are from the Centre for Analysis of Strategies and Technologies.

^s Data for Ordnance Factories are based on the Indian Ministry of Defence Annual Report 2003–2004. In the SIPRI Yearbook 2004 an estimate of sales was made based on available total sales data for Apr.–Dec. 2002 and arms sales share for 2001.

^t QinetiQ was created on 1 July 2001 out of a major part of the British Ministry of Defence’s Defence Evaluation and Research Agency. In Feb. 2003 the British Government sold a 33.8% share in the company to the investment company the Carlyle Group, USA. The British government retained a 62.5% share.

^u Titan is a provider of IT services and products to defence ministries. Figures for arms sales are for total sales to the US Air Force, Army and Navy, an unknown share of which is for military applications.

^v DRS acquired Integrated Defense Technologies in the third quarter of 2003. DRS financial data include data for Integrated Defense Technologies only from 4 Nov. 2003 until the end of the DRS financial year on 31 Mar. 2004. Integrated Defense Technologies had approximate arms sales of \$300 million in 2002.

^w Data for DaimlerChrysler arms sales are for the arms-producing activities of MTU Aero Engines and MTU Friedrichshafen but exclude DaimlerChrysler’s 30.1% share in EADS. The private equity firm Kohlberg Kravis Roberts & Co. agreed in Nov. 2003 to acquire MTU Aero Engines.

^x Anteon is a provider of IT services and products to defence ministries. Figures for arms sales are for total sales to the US DOD, an unknown share of which is for military applications.

^y Data for SAGEM’s arms sales are based on the company’s reported ‘aeronautics and defence’ sales, and exclude their primarily civilian ‘security’ sales.

^z The state-owned holding company SEPI (Sociedad Estatal de Participaciones Industriales) is the owner of Spanish shipbuilder Izar. The military shipbuilding activities of Izar were transferred to a new company, ‘New Izar’, also fully owned by SEPI, on 31 Dec. 2004 (the new company is now known as Navantia). Arms sales data for 2002 are uncertain.

^{aa} EDS is a provider of IT services and products to defence ministries. Figures for arms sales represent total sales to defence ministries, an unknown share of which is for military applications.

^{bb} Data for Samsung arms sales are for the estimated arms sales of Samsung Techwin in addition to 50% of the sales of Samsung Thales.

^{cc} ManTech International is a provider of IT services and products to defence ministries. Figures for arms sales are for total sales to departments of defense and intelligence agencies, an unknown share of which is for military applications.

^{dd} Korea Aerospace Industries was established in 1999 through the consolidation of Samsung Aerospace, Daewoo Heavy Industries and Hyundai Space and Aircraft Company.

^{ee} Fincantieri is owned by Fintecna, which was formed in Nov. 2002 from the Institute for Industrial Reconstruction, an Italian state holding company which had been in a process of liquidation since 2000.

^{ff} Devonport Management Limited is owned by KBR, a subsidiary of Halliburton, USA.

^{gg} FiatAvio was acquired in July 2003 by the Carlyle Group (70%) and Finmeccanica (30%) and renamed Avio SpA.

^{hh} Data for Jacobs Engineering Group arms sales represent US DOD prime contracts awarded rather than arms sales.

ⁱⁱ The Aerospace Corporation operates a Federally Funded Research and Development Center for the US DOD.

^{jj} Limited financial data are publicly available for AM General. The SIPRI estimate of arms sales is based on a three-year average of US DOD prime contract awards plus a rough estimate of their exports.

^{kk} Irkut was partly privatized in Mar. 2004 when 23.3% of the company was sold on the Russian stock exchange. Irkut provides detailed information about the company on its website, and all data are from their own consolidated financial statements.

^{ll} Data for CAE arms sales are the total sales of their 'military' and 'marine' divisions, although it is known that an element of their 'marine' division is civilian in nature.

^{mm} Mitre operates three Federally Funded Research and Development Centers for the US DOD.

ⁿⁿ Silicon Graphics is a provider of IT services and products to defence ministries.

I. Selection criteria and sources of data

The [SIPRI Top 100](#) lists the world's 100 largest arms-producing companies (excluding China), ranked by their arms sales in 2003. The table contains information on the companies' arms sales in 2002 and 2003, and their total sales, profit and employment in 2003. It includes public and private companies, but excludes manufacturing or maintenance units of the armed services. Only companies with manufacturing activities in the field of military goods and services are listed, not holding or investment companies. Chinese companies are excluded because of the lack of data. Companies from other countries might also have been included at the lower end of the list had sufficient data been available.

Publicly available information on arms sales and other financial and employment data for the arms industry worldwide are limited. The sources of data for the [SIPRI Top 100](#) include the following:

- . Company annual reports and Internet sites.
- . A SIPRI questionnaire.
- . Corporation news published in the business sections of newspapers
- . Military journals and internet news services specializing in military matters.
- . Press releases, marketing reports, and the publication by governments of prime contract awards and country surveys were also consulted.

In the absence of data from these sources, estimates have been made by SIPRI. The scope of the data and the geographical coverage are largely determined by the availability of information. All data are continuously revised and updated and can be changed between different volumes of the SIPRI Yearbook.

II. Definitions

Arms sales: The data on arms sales are not standardized because there is no generally agreed definition of arms sales. The comparability of company arms sales is therefore limited.

Arms sales are defined by SIPRI as sales of military goods and services to military customers, including both sales for domestic procurement and sales for export. Military goods and services are those which are designed specifically for military purposes and the technologies related to such goods and services. They exclude sales of general-purpose goods (e.g., oil, electricity, office computers, cleaning services, uniforms and boots). They include all revenue related to the sale of military equipment, that is, not only for the manufacture but also for the research and development, maintenance, servicing and repair of the equipment. Sales related to post-war reconstruction are defined as arms sales if the contracts are awarded by a defence ministry. This definition serves as a guideline; in practice it is difficult to apply. Nor is there any good alternative, since no generally agreed standard definition of 'arms sales' exists. The data on arms sales in the [SIPRI Top 100](#) often reflect only what each company considers to be the defence share of their total sales. The comparability of company arms sales is therefore limited.

Total sales, profit and employment. Data on total sales, profit and employment are for entire companies, not for arms-producing divisions alone. All data are for consolidated sales, including those of national and foreign subsidiaries. The profit data represent profit after taxes. Employment data are year-end figures, except for those companies which publish only a yearly average. All data are presented on the financial year basis reported by the company in its annual report.

III. Calculations

Arms sales are sometimes estimated by SIPRI. In some cases SIPRI uses the figure for the total sales of a ‘defence’ division, although the division may also have some, unspecified, civil sales. When the company does not report a sales figure for a defence division or similar entity, estimates can sometimes be made based on data on contract awards, information on the company’s current arms production programmes and figures provided by company officials in media or other reports.

The data for arms sales are used as an approximation of the annual value of arms production. For most companies this is realistic. The main exception is shipbuilding companies. For these companies there is a significant discrepancy between the value of annual production and annual sales because of the long lead (production) time of ships and the low production run (number). Some shipbuilding companies provide estimates of the value of their annual production. These data are then used by SIPRI for those companies.

All data are collected in local currency and at current prices. For conversion from local currencies to US dollars, SIPRI uses the IMF annual average of market exchange rates. The data are provided in current dollars. Changes between years in these data are difficult to interpret because the change in dollar values is made up of several components: the change in arms 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 then do not have an impact on the dollar values but affect instead the value in local currency. If the value of the dollar declines, then the company’s revenue in local currency falls and, if its production inputs are paid for in local currency — which most often is the case — this has a negative impact on the company’s profit margins. Calculations in constant dollar terms are difficult to interpret for the same reasons. Without knowing the relative shares of arms sales derived from domestic procurement and from arms exports, it is impossible to interpret the exact meaning and implications of the arms sales data. These data should therefore be used with caution. This is particularly true for countries with strongly fluctuating exchange rates.