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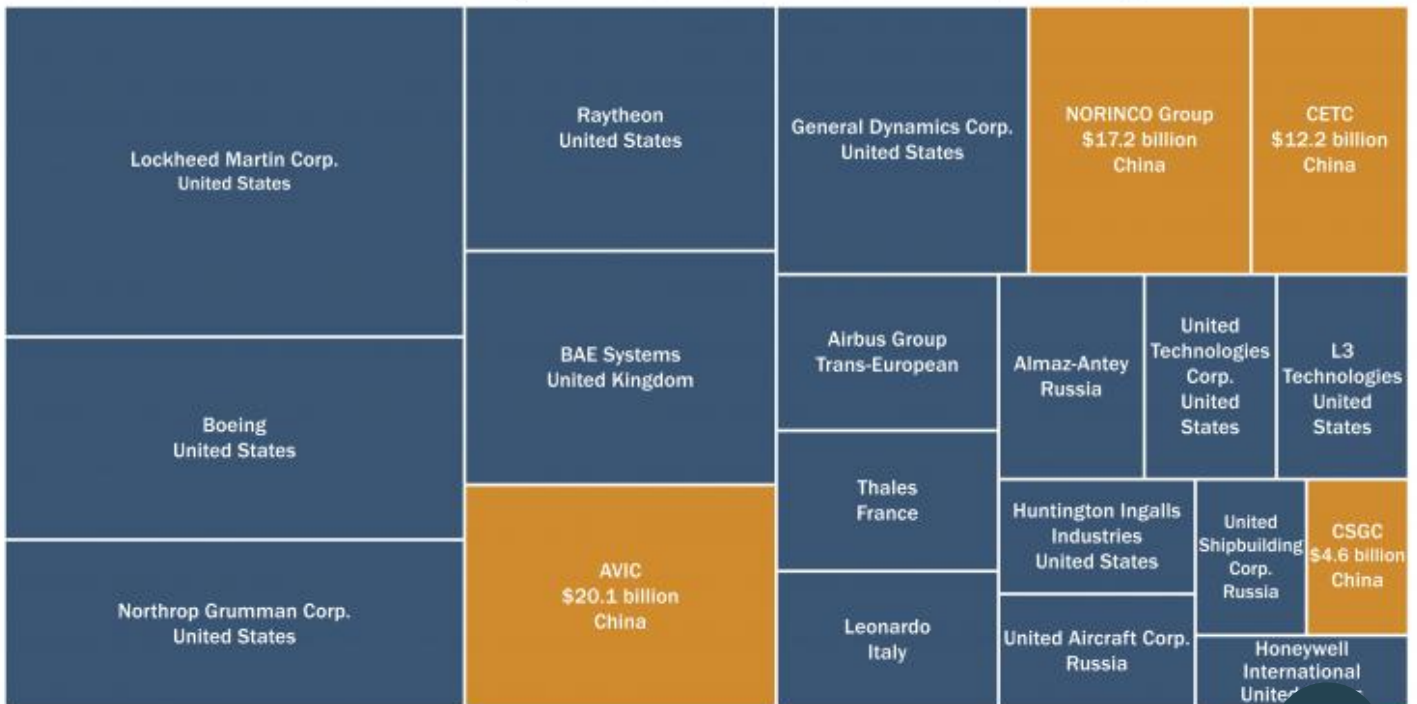
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SIPRI for the media

New SIPRI data reveals scale of Chinese arms industry

27 January 2020

ARMS SALES OF THE TOP 20 ARMS COMPANIES, INCLUDING SELECTED CHINESE COMPANIES, TOTALLED \$284.1 BILLION IN 2017



Note: All figures are in constant 2017 US\$ billions. Source: SIPRI Arms Industry Database, Dec. 2018.



(Stockholm, 27 January 2020) New research from the Stockholm International Peace Research Institute (SIPRI) suggests that China is the second-largest arms producer in the world, behind the United States but ahead of Russia. This research represents the most comprehensive picture of Chinese companies' weapons production to date.

In the past, a lack of transparency has meant that the value of Chinese companies' arms sales has been either unknown or difficult to reliably estimate. For this reason, the SIPRI Top 100—an annual ranking of the world's 100 largest arms-producing and military services companies—has so far not been able to include Chinese arms companies.

Advances in reliable estimates

SIPRI has identified information from 2015–17 on the value of arms sales by major Chinese arms companies. The research looks at four companies for which credible financial information is available. The companies cover three sectors of conventional arms production: aerospace, electronics and land systems. With the increase of available data on these companies, it is now possible to develop reasonably reliable estimates of the scale of the Chinese arms industry.

China has some of the world's largest arms producers

Based on estimated arms sales in 2015–17, the four major Chinese arms companies chosen for the study can now finally be compared with the major arms companies from the rest of the world. In 2017, of the 20 largest companies in the SIPRI Top 100, 11 were based in the USA, 6 in Western Europe and 3 in Russia. If the four Chinese arms companies investigated in the study were included in the Top 100, they would all rank among the top 20, with combined estimated arms sales totalling \$54.1 billion. Three of the companies would be ranked in the top 10.

The largest of the Chinese companies is Aviation Industry Corporation of China (AVIC), which with arms sales totalling \$20.1 billion would rank sixth largest in the world. China North Industries Group Corporation (NORINCO), which would place eighth in the Top 100 with sales of \$17.2 billion, is in fact the world's largest producer of land systems.

Weapon production more specialized

Contrary to most other major global arms producers, Chinese arms companies specialize primarily in one arms production sector, for example AVIC produces mostly aircraft and avionics. Most of the large non-Chinese arms companies produce a wider range of military products across different sectors—covering aerospace, land systems and shipbuilding within one company.

For editors



These new estimates are most likely still an underestimate. A lack of transparency in the arms sales figures of Chinese arms companies continues to hinder a complete understanding of China's arms industry. This new research, however, acts as an important scoping study that opens the possibility for further research and prepares the ground for a fuller estimate of Chinese arms sales.

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