

# U.S., European Weapons Makers Still Dominate Arms Bazaar

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UNITED NATIONS, Mar 3, 2011 (IPS) – The world’s key arms manufacturers are still firmly entrenched in the United States and Western Europe, while some of the newly-emerging military industries in China, India, Japan, Singapore, South Korea, Israel, Turkey and Kuwait are trailing mostly far behind.

A new study released by the Stockholm International Peace Research Institute (SIPRI) points out that only 10 of the world’s 100 largest arms manufacturers are now based in Asia and the Middle East, with none in Latin America or Africa.

The companies listed in the report include Hindustan Aeronautics and Bharat Electronics (India), Israel Aerospace Industries and Rafael (Israel), Mitsubishi Heavy Industries and Kawasaki Heavy Industries (Japan), Samsung (South Korea), ST Engineering (Singapore) and Aselsan (Turkey).

The weapons manufactured by some of these companies include fighter planes, helicopters, jet trainers, drones, fast attack craft, missiles, battle tanks and electronic warfare systems.

But many of the arms manufacturers in these countries are seeking collaborative partners with U.S. or European companies, either for joint military production or technology transfers, “in order to springboard into more sophisticated technologies”.

China, on the other hand, has its own vibrant arms industry with companies such as China North Industries Corporation (Norinco), China Aviation Industry Corporation and China Shipbuilding Industry Corporation producing a wide range of military products, including jet fighters, helicopters, warships and heavy artillery.

Still, the leaders in the defence industry come overwhelmingly from the United States and Western Europe, including companies such as Lockheed Martin, Northrop Grumman, Boeing, Raytheon, United Technologies (US), British Aerospace Systems, Aerospatiale-Matra and European Aeronautic Defence and Space Company, according to the study.

Asked whether Asian and Middle Eastern companies will catch up with the United States and Western Europe, Dr. Susan Jackson, SIPRI’s arms industry expert, told IPS: “As a project, we do not make forecasts.”

But it is generally hard to say where these companies will be in 10 years, especially given uncertainties on what countries will perceive as their purchasing needs, she added.

Jackson said it is challenging for arms producers outside of the United States and Western Europe to increase their arms sales to the same levels, especially when compared to the United States.

“The United States has such a large arms market and in the near term is likely to continue purchasing – which makes it difficult for companies outside of the U.S. market to increase their ranking even if they increase their arms sales,” said Jackson, researcher and head of SIPRI’s Arms Production Project Military Expenditure and Arms Production Programme.

The SIPRI report points out that despite the continuing global economic recession in 2009, total arms sales of the world’s 100 largest arms-producing companies increased by 14.8 billion dollars from 2008 to reach 401 billion dollars in 2009, according to the latest available figures.

This was a real increase of eight percent, according to new data on international arms production released last week by the Stockholm-based institute dedicated to research into conflicts, armaments, arms control and disarmament.

Jackson said U.S. government spending on military goods and services is a key factor in rising arms sales by U.S. arms-producing and military services companies and for Western European companies.

And some of the European countries have a foothold in the U.S. arms and military services market, making them beneficiaries of rising U.S. defence spending.

According to the data in the new report, 45 of the top 100 companies are based in the United States.

These companies generated just under 247 billion dollars in total arms sales, which is 61.5 percent of the top 100 arms sales, while 33 are based in nine Western European countries: Finland, France, Germany, Italy, Norway, Spain, Sweden, Switzerland and the UK.

These companies generated 120 billion dollars in total arms sales, which is 30 percent of the top 100 arms sales, while 26 of the key Western European arms producers are based primarily in four countries: France, Germany, Italy, and the UK.

Last week a London daily reported that the United States had expressed doubts about the suitability of corporate partnership with an Indian aerospace company in a hefty 11-billion-dollar contract to provide New Delhi with 126 new fighter planes.

Asked about the progress made by non-European and non-U.S. companies, Jackson singled out the Israeli arms industry, which relies heavily on the United States.

But one area in which Israel competes in the global arms markets in its own right is Unmanned Aerial Vehicle (UAV) research and development.

“There are other areas but UAVs are a good example because Israel is a leading producer of UAVs for the global arms market,” she pointed out.

Jackson said Israel decided earlier on that it would focus on niche markets and that is what it has done.

She said there will be more information on Israel, as well as South Korea and Turkey, in the SIPRI Yearbook due to be released in June.

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