

Global arms sales rise amid pandemic

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While the coronavirus pandemic is running rampant, hospitals are overcrowded and thousands of people are dying of COVID-19 every day, arms exports are exploding worldwide. This is according to the Stockholm International Peace Research Institute (SIPRI) report published in December. According to the report, the 100 largest arms companies sold \$531 billion worth of weapons in 2020—a 1.3 percent increase in sales compared to 2019.

The defence industry has been largely immune to the economic impact of the pandemic. While the global economy shrank by 3.1 percent in 2020, most of the 100 largest defence companies increased their sales. Only 15 companies in the top 100 saw their sales decline by a few percentage points.

“The industrial giants were shielded from losses by sustained state demand for military goods and services,” SIPRI researcher Alexandra Marksteiner noted. “In much of the world, military spending has increased, and some governments have accelerated payments to the arms industry to cushion the impact of the crisis.”

Leading the way in arms sales is the United States, which accounts for 41 of the hundred largest arms producers, who increased their exports by 1.9 percent and achieved total sales of \$285 billion last year. This corresponds to 54 percent of the world total. As of 2018, the top five arms companies are all based in the US.

The Chinese arms industry stands far behind the US in second place, selling \$66.8 billion worth of defence goods. Since Chinese arms companies were first included in the SIPRI rankings in 2015, their arms sales have increased by 17 percent.

The 26 European arms companies account for 21 percent of sales, or \$109 billion, according to SIPRI. The UK alone reported record sales of \$37.5 billion, a 6.2 percent increase. The UK's largest arms manufacturer BAE Systems, the only European arms manufacturer in the top 10 of the SIPRI ranking, increased its arms exports by 6.6 percent to \$24 billion.

Exports by French companies fell by 7.7 percent,

mainly due to Dassault's slump in deliveries. This will not be a continuing trend, a defence ministry spokesperson stressed to French news agency AFP. With arms exports of \$24.7 billion, French arms companies still account for 4.7 percent of the turnover of the top 100, meaning France is still one of the five largest arms exporting nations in the world.

The export turnover of Italy's leading arms groups increased by 2.4 percent between 2019 and 2020. Together, Italy's two largest arms corporations, Leonardo SpA and Fincantieri, account for 2.6 percent of the total sales of the top 100, with export sales of \$13.8 billion.

Germany's four largest arms exporters increased their 2020 sales by 1.3 percent to \$8.9 billion. The German defence company Rheinmetall (27th) increased its sales by 5.2 percent compared to the previous year, partly due to higher sales of armoured combat and transport vehicles.

The defence sales of Hensoldt (78th place), which specialises in military electronics, grew by 7.9 percent in 2020. Overall, the share of German defence companies in the total turnover of the top 100 is 1.7 percent.

A large part of the arms exported from Germany goes to reactionary monarchies and military dictatorships. In 2020 alone, the German government approved arms deliveries worth around one billion euros to states such as Egypt (752 million euros), Qatar (305 million euros), the United Arab Emirates (51 million euros) and Kuwait (23 million euros).

The trend continued last year. From January 1 to November 3, 2021, the German government approved exports of arms and other military equipment worth 3.78 billion euros. Twenty-seven percent of exports go to countries outside the EU and NATO. Weapons worth 181.1 million euros are destined for the bloody Sisi dictatorship in Egypt, and military equipment worth 134.1 million euros for the government of the far-right Brazilian president Jair Bolsonaro.

The total turnover of trans-European arms companies in the ranking also increased, amounting to \$16 billion in 2020, or three percent of the top 100's total. Airbus Group

(ranked 11th) alone reported \$12 billion in arms sales in 2020—5.7 percent more than in 2019. MBDA (ranked 30th), a joint venture specialising in missiles, reported sales of \$4.05 billion in 2020.

Russian defence sales, which account for five percent of global sales, fell for the third year in a row. Most recently, falling by 6.5 per cent—from \$28.2 billion in 2019 to \$26.4 billion in 2020. According to SIPRI, this is mainly due to the Russian government's diversification of product portfolios, according to which the share of civilian products must be 30 percent of total production by 2025 and 50 percent by 2050.

The decline in Russian arms sales contradicts the propaganda of the imperialist governments and media, which consistently portray Russia as the aggressor. In fact, it is the NATO powers that are massively arming and escalating the conflict with the Putin regime.

The increase in arms sales during the pandemic underlines the priorities of the capitalist ruling class. While there are supposedly no resources to fight COVID-19, hundreds of billions are being poured into armaments and war. The defence budgets of the leading imperialist powers have also continued to explode in the last two years.

In mid-December, the US Congress approved the largest military budget in history, at \$770 billion. In Germany, the “traffic light” coalition of the Social Democrats (SPD), Greens and Liberal Democrats (FDP) is planning another massive increase in the military budget. As Finance Minister of the outgoing grand coalition of the Christian Democrats and SPD, the now Chancellor Olaf Scholz increased defence spending in the last two years of the pandemic by more than 10 billion to officially over 50 billion euros.



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