Commentary
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The World in the Grip of a Military-Industrial Fever

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Summary

The revenues of global companies producing weapons and providing military services are rising sharply. By the end of 2024, they reached their highest level in the past four decades. There is no doubt that in 2025, global militarisation will continue to break new records. The vicious cycle of militarisation is becoming the new normal in a wide range of countries.

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The Stockholm International Peace Research Institute (SIPRI) has released its annual report on the revenues of the world's leading arms producers. More precisely, it is not so much a report as a database, meticulously tracking statistical trends and forming the basis for a list of the top 100 companies producing weapons and providing military services. SIPRI has maintained this database since 1989. The newly updated information is compiled based on the results of 2024, meaning it does not yet reflect political decisions or the statistics influenced by them for the concluding year of 2025.

It should be emphasised right away that SIPRI researchers work only with officially available data. In some cases, when official statistics have obvious gaps, analysts have to make certain adjustments: extrapolating some figures or making logical inferences. Naturally, this narrows the overall picture, since, for obvious reasons, much data in the military-industrial sphere is carefully kept out of the public eye. Nevertheless, even this "narrowed" dataset provides a very good insight into global military trends. The essence of these trends in recent years is clear: militarisation is steadily increasing worldwide.

Key statistical findings

SIPRI analysts summarised the main conclusion from the data as follows: *"Global arms revenues rose sharply in 2024, as demand was boosted by the wars in Ukraine and Gaza, global and regional geopolitical tensions, and ever-higher military expenditure. For the first time since 2018, all five of the largest arms companies increased their arms revenues."*

> Moreover, they emphasise that last year's revenues of the world's leading arms producers set an all-time record since data collection began in 1989.

Overall, the revenues of the top 100 arms manufacturers and military service providers increased by 5.9% compared to 2023, reaching a total of $679 billion. Over the past decade—from 2015 to 2024—their revenues grew by 26%. The main contribution to the 2024 growth came from companies based in Europe and the United States. In contrast, in Asia and Oceania, military-industrial revenues slightly declined according to official data, while in other regions they continued to rise.

Of the top 100 largest companies, 39 were American. Their combined revenues ($334 billion) rose by 3.8% compared to the previous year. Twenty-six companies on the list were European, which managed to increase their revenues by 13% to $151 billion. The two Russian companies in the top 100 saw an even larger growth of 23%, reaching $31.2 billion. SIPRI experts emphasise that they did not have access to information on other major Russian producers. In the Middle East, the revenues of the nine companies on the list jumped by 14%, reaching $31 billion—the largest figure in nearly four decades of observation.

From Asia and Oceania, 23 companies made the ranking. Their combined revenues fell by 1.2%, settling at $130 billion. The database compilers explain this decline mainly by a 10% drop in the revenues of Chinese companies, which they attribute to a series of high-profile corruption cases that caused some major military contracts to be delayed or even cancelled.

Among the top five global arms manufacturers and military service providers, four are American and one is British. In the top ten, there are six American, two Chinese, one British, and one Russian company. Across the entire top 100, there are seven Chinese and seven British companies. Companies from all European Union countries combined total 14. Again, these figures are based solely on officially available data, which likely do not fully capture the complete reality. Nevertheless, the overall picture is characteristic and largely expected.

New records expected in 2025

By 2024, the global military-industrial complex had already set some historic records. The key one: the highest revenues ever recorded for the top 100 producers since the Stockholm Institute began compiling the data. It goes without saying that this is no accident, but a clear, long-term trend. Unfortunately, it is a natural outcome of today's global military-political environment.

More broadly, this trend reflects the realities of a transforming international system. Against the backdrop of an increasingly unclear global balance of power and rising ambitions by many states to secure a more influential role in world affairs, the institutional foundations of the old system are naturally eroding. A predictable consequence of this erosion is that most states are increasingly relying on military power as their ultimate instrument in international relations.

> Therefore, it is entirely reasonable to predict that by the end of 2025, the SIPRI database will set new records.

Looking ahead, this trend is likely to continue for at least several years, fully in line with the Olympic motto *"Citius, Altius, Fortius"* ("Faster, Higher, Stronger"). During the current year, several high-profile political decisions have been taken that effectively cement this trajectory.

Perhaps the most notable and characteristic decision in this area in the past year was made at the NATO summit in The Hague. There, Euro-Atlantic allies agreed to raise their defence and related expenditures to 5% of GDP by 2035. Of this, 3.5% is to be allocated to the development of forces and equipment, and 1.5% to the creation and maintenance of critical infrastructure necessary for military operations.

The increase in NATO members' military spending will not happen all at once, but gradually over the next ten years—faster in some countries, slower in others. To grasp the scale of these changes: in 2024, the average level of military spending across the North Atlantic Alliance was 2.2% of GDP. SIPRI analysts calculated what such an increase in defence investment would mean, for example, for the European Union member states within NATO. If by 2035 they fully meet the commitments made in The Hague and raise defence and related spending to 5% of GDP, their expenditures in absolute terms would nearly quadruple over the decade—from $361.2 billion to $1,348.6 billion.

Judging by current dominant trends in the EU, there is little doubt that most member states will achieve these targets. At both the level of Brussels institutions and many national governments, the issue of militarisation and the development of the military-

industrial complex has become central. Officially, the EU leadership has given itself five years to prepare for war. Of course, few actually want to fight, either in the EU or globally, but behind this rhetoric lies the old maxim: "If you want peace, prepare for war." It is also clear that militarisation is increasingly influencing other spheres of society.

As we have already noted, from an informational and psychological perspective, this increasingly looks like a kind of "military-industrial fever." One after another, EU countries are adopting strategic documents designed to establish a long-term and systematic path of militarisation. Among the most notable this year are the ReArm Europe Plan for EU rearmament and the Joint White Paper for European Defence Readiness 2030. Building on these initiatives, a corresponding Readiness Roadmap 2030 was prepared in October. Similar processes are gaining momentum in many EU countries. As we have also pointed out, the most impressive—and potentially far-reaching—developments for all of Europe are unfolding in Germany.

> At the same time, the European Union is just one vivid example of global militarisation in action. Comparable trends are evident almost everywhere in the world.

Russia, for instance, is expected to spend at least 7.2% of GDP on defence this year. Naturally, such high figures are driven by the war in Ukraine and will likely decrease once the conflict ends. Meanwhile, the U.S. Congress is approaching the adoption of a record-breaking military budget: in May, the administration of Donald Trump requested more than $1 trillion for 2026. And the list could go on.

Of course, there is often a wide gap between plans, programmes, and even allocated budgets on the one hand, and the results of their implementation on the other. Such problems can be observed in many countries. In some cases, there is insufficient production capacity to fulfil even pre-paid orders on time. In the EU, the situation is further complicated by tensions between supranational impulses from the European Commission and the national interests of member states. Elsewhere, grand plans collide with the realities of corruption. Yet none of this will prevent new records in global militarisation—both in terms of arms manufacturers' revenues and rapidly growing military expenditures by national governments.

The vicious circle of militarisation

The engine of global militarisation is driven by several factors.

First, as noted earlier, it is largely an objective process amid the transformation of the international system, which is accompanied by a growing number and scale of military conflicts. *Second*, against this backdrop, most countries are undergoing profound changes in how they perceive national security threats—both at the level of political elites and society as a whole. Elites and societies are gradually coming to accept that ever more resources must be spent on defence, even if this comes at the expense of social sectors.

Third, under these conditions, the military-industrial sector increasingly appears as a promising "point of economic growth." This is a classic pattern: through large-scale investments in the defence industry, a country can not only enhance its military capabilities but also significantly improve its economic indicators—at least over the course of several years.

Fourth, this agenda is vigorously promoted by a powerful military-industrial lobby. At times, references to it may sound like conspiracy theories, but its ability to persuade government officials and influence political decisions rarely goes unnoticed.

Finally, *fifth*, against the backdrop of the factors mentioned, corresponding narratives and perceptions of normality are cemented in public discourse. These, in turn, set the framework for what politicians perceive as expected or possible. The constant emphasis on increasing military readiness—and, consequently, developing the military-industrial complex—becomes politically advantageous and easily marketable.

> This creates a self-reinforcing mechanism, a vicious circle of militarisation: politicians embed the preconditions for militarisation in society, and society, in turn, effectively demands even greater militarisation from the same politicians.

This closed loop has, many times throughout history, led nations and states straight to the tragedies of war. One can, of course, hope that in the modern world nuclear weapons will restrain such developments among major powers. Yet this does not, unfortunately, eliminate destructive wars, which in conditions of runaway militarisation only multiply. Moreover, as the experience of the Cold War has shown, nuclear weapons are not a panacea for major crises; on the contrary, they can in some cases even stimulate them under the principle of "escalate to de-escalate."

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