CAMPAIGN AGAINST ARMS TRADE

Transition Security Project

Reparations for Yemen

A proposal for a windfall tax on British arms companies that enabled Saudi war crimes

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Executive Summary

Britain should pay reparations to the people of Yemen for its role in crimes committed against them by Saudi Arabia, the United Arab Emirates, and their coalition allies during the Yemeni civil war. These reparations should be part-funded by a windfall tax on the British arms companies who supplied the weapons, spare parts, training and engineering support that sustained the Saudi-led coalition's 2015–2022 intervention in that war. The amount raised by this windfall tax should then be matched by the British state. If the UK aid budget were restored to 0.7 per cent of Gross National Income (GNI), rather than cut to 0.3 per cent as the government currently plans — the additional reparation payments from the state could be drawn from these funds.

Yemen remains devastated by years of war. The Saudi-led coalition's indiscriminate bombing of civilian infrastructure, coupled with a punishing air-and-sea blockade, are among the leading causes of what became the world's worst humanitarian crisis in the late 2010s. Hundreds of thousands died from violence, hunger and preventable disease, and over half the country's population remain in need of humanitarian assistance. The richest states in the Middle East imposed a man-made humanitarian disaster on the poorest state in the region, with the collaboration of some of the richest countries in the world, including the United States and United Kingdom. Today, the UN's aid programme for Yemen remains underfunded as those wealthy states continue to evade accountability.

By our calculations, a windfall tax on profits made by two leading British arms companies from weapons they sold to the Saudis during the war could raise up to £3.9 billion. With the British state matching this sum, a reparations payment of £7.8 billion would help address the urgent humanitarian needs in Yemen — which British policy has helped to create — and provide a foundation for Yemen's economic recovery. We have reached this figure using data and information that is publicly available, in respect of the leading firms involved in UK arms exports to Saudi Arabia. Our calculations are necessarily provisional, given the limits of publicly available data. But they are a starting point to consider what is necessary to meet Britain's obligations to the people of Yemen. Any government that chose to implement the policy we propose would be able to access the information necessary for a more precise estimate.

British arms firms may protest that they provided these services and hardware to the Saudi-led coalition in accordance with British government policy. But this does not absolve them of their own responsibility for arming a military coalition that repeatedly committed war crimes.[1] Neither has the British government faced up to its complicity in the devastation of Yemen: indeed, between 12 January 2024 and 19 January 2025, it joined the US in launching a new round of air strikes on Yemen, killing an estimated 85 civilians.[2] More recently still, Britain has tightened its trade relationships with the Gulf monarchies that formed the Saudi-led coalition and cut international aid to fund an expansion of its own military budget.[3] These are political choices. The British state also has the option of recognising its complicity in the crimes committed against Yemeni civilians. As a first step, it can impose an arms embargo on the Saudi-led coalition's member states, and a windfall tax on profits made by arms companies from selling the coalition weapons used in the Yemen war.

Taking this step should also prompt a deeper reconsideration of the British state as a global military actor. Yemen is far from the only case in recent times where Britain and its allies have committed grave violations of international law. Rather, the devastation of Yemen is just one example of the results of projecting British military power across the world.

Recommendations

- The British government should levy a windfall tax on profits made by UK-based arms manufacturers from selling weapons used by Saudi Arabia and its coalition partners during the war in Yemen. Initial calculations suggest that such a levy could raise a combined £3.9 billion from BAE Systems and Rolls Royce alone. The British state should match whatever figure is raised by this windfall tax, funded from a UK aid budget restored to 0.7 per cent of GNI.
- The funded commitment of £7.8 billion should be paid as reparations to the Yemeni people, in recompense for Britain's role in the crimes committed against them by the Saudi-led coalition during the 2015–2022 war. In the first instance, such funds should be provided for the purposes of humanitarian relief, with any remainder paid into an appropriate Yemeni fund for long-term reconstruction.
- Britain should institute a full arms embargo on the participants in the Saudi-led coalition and any other state committing war crimes. Beyond those countries involved in the war in Yemen, this should include, as a starting point, Israel as well as states supplying arms to the Rapid Support Forces in Sudan. Further research should be carried out to ascertain the viability of similar windfall tax measures to apply to arms sales that have historically been made to countries violating international law.

1 "Yemen: 'Bombs fall from the sky day and night': Civilians under fire in northern Yemen", Amnesty International, 2015, https://www.amnesty.org/en/documents/mde31/2548/2015/en/; Ewen MacAskill, "UN report into Saudi-led strikes in Yemen raises questions over UK role", *The Guardian*, 27 January 2016, https://www.theguardian.com/world/2016/jan/27/un-report-into-saudi-led-strikes-in-yemen-raises-questions-over-uk-role; "Yemen: Latest Round of Saudi-UAE-Led Attacks Targets Civilians", Human Rights Watch, 2022, https://www.hrw.org/news/2022/04/18/yemen-latest-round-saudi-uae-led-attacks-targets-civilians.

2 See "Operation Poseidon Archer", Yemen Data Project, 2026, https://yemendataproject.org/data/

3 "UK and Gulf strike historic multi-billion-pound trade deal", Department for Business and Trade, 2026, https://www.gov.uk/government/news/uk-and-gulf-strike-historic-multi-billion-pound-trade-deal; Philip Loft and Philip Brien, "UK to reduce aid to 0.3% of gross national income from 2027", House of Commons Library, 2025, https://commonslibrary.parliament.uk/uk-to-reduce-aid-to-0-3-of-gross-national-income-from-2027/

Britain's collaboration in the Saudi-led intervention

In March 2015, a coalition of states led by Saudi Arabia intervened in the civil war in Yemen against the organisation Ansar Allah, commonly known as the Houthis. The coalition's actions in the war — which as the party allied to Britain are the focus of this briefing — included the indiscriminate aerial bombing of civilian targets and essential infrastructure, and the imposition of an air-and-sea blockade that played a central role in creating what the UN described at the time as the world's worst humanitarian crisis.[4]

From 2015 until the military intervention wound down in 2022, Saudi-led air raids in Yemen killed nearly 9000 civilians.[5] The Saudi coalition's blockade of Yemen, as well as the systematic destruction of agriculture, water and other civilian infrastructure, led to social and economic devastation that is estimated to have resulted in 377,000 deaths.[6] Many of the Saudi coalition's air raids were conducted with British-built aircraft and bombs. At the start of the war, then foreign secretary Philip Hammond declared that the UK would support the Saudi military "in every practical way short of engaging in combat", including the resupply of spare parts and ammunition as well as the continued maintenance necessary to keep the aircraft operational.[7] The British state and its arms industry lived up to this promise: more than 6,000 government and contractor personnel worked continuously in Saudi Arabia to maintain its aircraft.[8] As one BAE Systems contractor disclosed, Saudi fighter jets would have been rapidly grounded without the

4 Daniel Nikbakht and Sheena McKenzie, "The Yemen war is the world's worst humanitarian crisis, UN says", *CNN*, 3 April 2018, https://edition.cnn.com/2018/04/03/middleeast/yemen-worlds-worst-humanitarian-crisis-un-intl/index.html

5 See "Saudi Coalition Airwar", Yemen Data Project, 2026, https://yemendataproject.org/data/

6 See "Starvation Makers: The Use of Starvation by Warring Parties in Yemen as a Method of Warfare", Mwatana for Human Rights and Global Rights Compliance, 2021, https://www.mwatana.org/reports-en/starvation-makers-e and Taylor Hanna, David K. Bohl and Jonathan D. Moyer, "Assessing the Impact of War in Yemen: Pathways to Recovery", United Nations Development Programme, 2021, https://www.undp.org/yemen/publications/assessing-impact-war-yemen-pathways-recovery

7 Peter Foster, "UK 'will support Saudi-led assault on Yemeni rebels - but not engaging in combat'", *Daily Telegraph*, 27 March 2015, https://www.telegraph.co.uk/news/worldnews/middleeast/yemen/11500518/UK-will-support-Saudi-led-assault-on-Yemeni-rebels-but-not-engaging-in-combat.html

8 "UK Resumes Arms Sales to Saudi Arabia", Center for International Policy, 2020, https://internationalpolicy.org/publications/uk-resumes-arms-sales-to-saudi-arabia/

A destroyed house in Sana'a, Yemen, June 2015. Photo by Ibrahem Qasim, CC by SA

maintenance provided by Britain.[9] It appears that the UK's involvement extended even beyond this, with British special forces reported to have joined the Saudi-led coalition's ground offensive in 2017.[10]

The British military-industrial complex is deeply implicated in the destruction that resulted from Saudi-led attacks in Yemen. By 2025, nearly half of Yemen's population faced acute food insecurity while nearly half of children under five were acutely malnourished. With health and food systems in crisis, the 2025 Yemen Humanitarian Needs and Response Plan suggested that $2.47 billion in aid was required to support civilians.[11] As of January 2026, there was a funding shortfall of $1.8 billion to meet these needs and to address crises in the food and health systems.[12] Yemen's needs go far beyond the provision of urgent humanitarian aid: in 2019, the UN Development Program estimated that the war had reversed two decades of human development, illustrating that much wider support is needed to support Yemen's long-term recovery.[13]

In this context, the approach of the British government has been to provide Yemen with insufficient amounts of humanitarian aid while in parallel supporting the military assault that has devastated the country. For instance, in the 2024–25 financial year, the government gave £144 million in humanitarian assistance to Yemen at the same

9 "Britain's Hidden War", *Channel 4 Dispatches*, 1 April 2019, https://www.channel4.com/press/news/britains-hidden-war-channel-4-dispatches

10 Patrick Wintour, "'Serious' questions over SAS involvement in Yemen war", *The Guardian*, 27 March 2019, https://www.theguardian.com/uk-news/2019/mar/27/serious-questions-over-sas-involvement-in-yemen-war

11 "Yemen Humanitarian Needs and Response Plan 2025", United Nations Office for the Coordination of Humanitarian Affairs, 2025, https://www.unocha.org/publications/report/yemen/yemen-humanitarian-needs-and-response-plan-2025-january-2025-enar

12 "Yemen", United Nations Office for the Coordination of Humanitarian Affairs, 2026, https://www.unocha.org/yemen

13 Jonathan D. Moyer, David Bohl, Taylor Hanna, Brendan R. Mapes and Mickey Rafa, "Assessing the Impact of War on Development in Yemen", United Nations Development Programme, 2019, https://korbel.du.edu/pardee-resources/assessing-the-impact-of-war-on-development-in-yemen/

time as conducting airstrikes in the country alongside the US.[14] This encapsulates British policy toward Yemen: between 2014 and 2024, the British government donated at least £1 billion in humanitarian aid to Yemen while coordinating the sale of more than £20 billion in military equipment to the Saudi military.[15]

Britain's present aid policy entirely fails to meet the humanitarian need generated by military attacks *in which it has played a fundamental role*. Taking accountability for Britain's role in the devastation of Yemen would entail refraining from any further attacks on Yemen, instituting an arms embargo on exports to the Saudi-led coalition and paying substantial reparations to the people of Yemen. The question of reparations payments to Yemen was addressed in a joint report produced in 2022 by the Yemeni NGO Mwatana for Human Rights and the Lowenstein International Human Rights Clinic at Yale Law School.[16] The report's authors note that "under international law, when an international wrong occurs, reparations are owed," and that "the costs of war should not fall on those who do not participate in conflict"; in this case, Yemeni civilians.[17] While the report focuses primarily on the obligations on the warring parties to the conflict, it also notes that similar obligations will fall on states such as the UK, who supplied arms used in the war. The report's authors emphasise that "[a] State responsible for an international wrong, including through aid or assistance, has an obligation to make reparation for the damage caused."[18] As this indicates, British aid to Yemen should be seen and treated as a matter of justice rather than charity.

14 Philp Loft, "Yemen: humanitarian situation and UK aid", House of Commons Library, 2025, https://commonslibrary.parliament.uk/research-briefings/cbp-9326/

15 Ibid.

16 Yale Law School, "Report Shows Warring Parties Fail to Provide Reparations to Civilians in Yemen", 28 June 2022, https://law.yale.edu/yls-today/news/report-shows-warring-parties-fail-provide-reparations-civilians-yemen

17 "'Returned to Zero': The Case for Reparations to Civilians in Yemen", Mwatana for Human Rights and Lowenstein International Human Rights Clinic, 2022, https://www.mwatana.org/reports-en/zero-8, p. 15, p. 18.

18 Ibid, p. 150.

What Britain owes

As a starting point, a windfall tax should be levied on British arms manufacturers for the profits they have accrued from supplying the Saudi-led coalition's intervention. According to our calculations, which we outline in detail below, **a windfall tax could raise up to £3.56 billion from BAE Systems alone, and an additional £330 million from Rolls Royce** (BAE Systems is the leading UK arms supplier to the Saudi kingdom, principally of military aircraft, while Rolls Royce co-produce the engines for those aircraft). **A reparations payment of up to £3.9 billion would comfortably cover the current shortfall in humanitarian aid to Yemen, with funds left over to contribute to the process of substantive recovery and reconstruction.**

Any sums raised by a windfall tax along these lines should be matched by an equivalent payment out of the UK aid budget. The UN has a target for states to spend 0.7 per cent of GNI on development aid, which the UK met from 2013 onwards, before setting a lower target of 0.5 per cent in 2021. The aid budget was cut further to 0.3 per cent of GNI in February 2025 to fund an increase in military spending. House of Commons researchers estimate that this will result in a £9.2 billion aid budget in 2027, £6.1 billion less than it would have been had the target remained at 0.5 per cent of GNI.[19] Extrapolating from this, restoring the 0.7 per cent GNI target would yield a 2027 aid budget of around £21.5 billion, from which a reparations payment matching the projected £3.9 billion raised by the windfall tax could be made to Yemen. **This would yield a total reparations payment of up to £7.8 billion.**

Similar windfall taxes levied by other countries on their relevant arms suppliers, especially in the United States, could lay the economic basis for Yemen's recovery from the war. Meanwhile, an arms embargo on the member states of the Saudi-led coalition would reduce the chances of a repeat of their 2015–2022 intervention.

Arms companies might protest that they exported these services and hardware in accordance with British law, but decisions taken by the British state in respect of approving the export of arms cannot absolve arms exporters of their own responsibilities. The violations of international law committed by the Saudi-led coalition in Yemen have been copiously documented by the world's leading human rights organisations and relevant UN bodies.[20] During the war, a series of legal challenges made by campaigners against UK arms exports to Saudi Arabia ultimately failed, but these cases were focused on the narrow question of whether Whitehall had correctly followed its own processes

19 Loft and Brien, "UK to reduce aid to 0.3% of gross national income from 2027", House of Commons Library, https://commonslibrary.parliament.uk/uk-to-reduce-aid-to-0-3-of-gross-national-income-from-2027/

20 "Yemen: 'Bombs fall from the sky day and night': Civilians under fire in northern Yemen", Amnesty International, , https://www.amnesty.org/en/documents/mde31/2548/2015/en/; MacAskill, "UN report into Saudi-led strikes in Yemen raises questions over UK role", *The Guardian*, https://www.theguardian.com/world/2016/jan/27/un-report-into-saudi-led-strikes-in-yemen-raises-questions-over-uk-role; "Yemen: Latest Round of Saudi-UAE-Led Attacks Targets Civilians", Human Rights Watch, https://www.hrw.org/news/2022/04/18/yemen-latest-round-saudi-uae-led-attacks-targets-civilians

for approving arms exports, not on wider questions of international law. The fact that arms manufacturers have hitherto enjoyed the *legal* freedom in the UK to enable the Saudi-led assault on Yemen — regardless of the violations committed against the Yemeni people — does not provide immunity from any future consequences for them in terms of UK government *policy*. Any new or incoming government is entitled to change British policy in respect of arms exports to Saudi Arabia by imposing an embargo, and by levying a windfall tax along the broad lines envisaged in this briefing.

In addition to the much-needed economic relief for the people of Yemen, and the measure of justice these reparations would afford them, we envisage two further benefits from the adoption and implementation of this policy. First, it could set a precedent whereby such levies could be imposed on profits accrued from sales to other states guilty of violating international law and provide a barrier to future war profiteering.

Second, at a time in which Britain's military budget is set to double over the next decade, while its military retains its global deployments, it is essential to reconsider the nature of British power in the world. Conventional discourse tends to rest on the assumption that the British state is a benign force, endeavouring to uphold the "rules based international order", guilty of nothing more than the occasional policy misjudgement. Raising the question of what Britain owes to the people of Yemen as recompense for the grave crimes committed against them — in which the British government was a key accomplice — raises an important corrective to that conventional view, forcing recognition of the reality of Britain's interventions overseas. Facing up to the legacy of British interventions in Iraq, Afghanistan and Libya and its involvement in Saudi crimes against the Yemeni people, Emirati crimes against the Sudanese people, Israeli crimes against the Palestinian people, and US-Israeli crimes against the Iranian people, can help force a conversation about what sort of actor the British state is in the international system, and what sort of actor we would like it to be going forward. Likewise, reframing questions of British humanitarian aid as questions of Britain's debts and obligations to various peoples of the Global South, rather than examples of British munificence, can help us to confront Britain's real role in the world, not least in the context of recent drastic aid cuts to fund higher military spending[21].

These conversations are a basic prerequisite to any future discussion about British military spending and broader security strategy and foreign policy. Polls have repeatedly shown deep disquiet among the British public about arms exports to known violators of international law.[22] Likewise, they show that most of the public would prefer the military budget to remain the same or decrease.[23] When subject to democratic scrutiny, Britain's foreign policy is open to a much wider range of political choices.

The remaining sections of this briefing take an initial look at how one might calculate revenues for a windfall tax on the profits British arms companies have accrued from theirrole in the war in Yemen, using supplies to the Saudi military as a starting point. As noted below, the calculations are based on what data and information exists in the public domain, and so the final sums are necessarily provisional. Were this policy to be adopted, the government would have the means to access the information required to make more precise calculations.

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21 Loft and Brien, as note 19

22 "Saudi Crown Prince Visit: Only 6% of UK Supports Arms Sales to Saudi Arabia", Campaign Against Arms Trade, 2018, https://caat.org.uk/news/2018-03-06-2/; "Polling reveals huge public support for arms embargo", Palestine Solidarity Campaign, 2025, https://palestinecampaign.org/polling-reveals-huge-public-support-for-arms-embargo/

23 "Britons split on increased defence spending as public resists core tax and spend trade-offs", *Ipsos*, 4 June 2026, https://www.ipsos.com/en-uk/britons-split-increased-defence-spending-public-resists-core-tax-and-spend-trade-offs; "Britain and the world Insights on foreign policy and defence by More in Common for the Sunday Times", *More in Common*, 27 July 2025, https://www.moreincommon.org.uk/research/britain-and-the-world/

UK arms companies' profits from the war in Yemen

A few large companies have accounted for the bulk of UK arms sales to Saudi Arabia throughout the war on Yemen. Below, we use the available data to examine the role of these companies, outlining the main military equipment supplied from the UK to Saudi Arabia during the war and estimating the profits made from these supplies.

This briefing provides an initial analysis to demonstrate how a retrospective tax on arms companies could start to address Britain's role in supplying war crimes and genocide. As a result, it is not comprehensive. In particular, it does not consider the profits made by the UK suppliers of bombs and missiles to Saudi Arabia, MBDA and Raytheon UK, due to the difficulty of estimating these profits. In addition, it does not consider arms sales to the UAE and other countries in the Saudi-led coalition. While there were major UK arms sales to the UAE during the coalition's 2015–2022 intervention, it is harder to identify a) which export licences relate to equipment likely to have been used in Yemen and b) the companies receiving such export licences. For sales to Saudi Arabia, there is an unusually large amount of data based on government statements, corporate disclosures and media reporting that makes it easier to trace arms exports and the companies involved.

This does not mean that retrospective taxes should not be imposed on companies that supplied arms to the UAE and other coalition partners, but to make any estimates would require far greater disclosure from the government or arms companies on the precise nature of export licences issued and the companies receiving them. If the government imposes a windfall tax, it will be able to access this data.

As demonstrated in **Figure 1**, much of the equipment used by the Saudi Air Force in its bombing raids on Yemen — and the maintenance services that it relied upon — was supplied by British companies. The main source of data for the value of this equipment and its maintenance is from the published company reports of BAE Systems. This offers a useful case study for the profits made by supplying the Saudi military.

Figure 1, UK-made military equipment used by the Saudi military in Yemen between 2015 and 2022

Military equipment or service	Supplier	Role in War	Data on the value of sales to Saudi Arabia
Eurofighter Typhoon and Tornado	BAE Systems	Comprised half of the Saudi Air Force attack fleet in Yemen.[24]	Available in company annual reports.
Hawk trainer aircraft	BAE Systems	Training for Saudi Air Force pilots, including at the start of the war. Pilots conducting the Saudi bombing campaign were highly likely to have been trained using Hawk aircraft.	Available in company annual reports.
Aircraft servicing and maintenance	BAE Systems, with UK Ministry of Defence (MOD) support	BAE deployed between 5000 and 7000 employees to Saudi Arabia between 2015 and 2022, alongside 100 MOD personnel	Available in company annual reports
Fighter aircraft engines (Tornado and Typhoon)	Rolls Royce	Engine servicing and replacement.	Not available
Brimstone air-to-surface missiles	MBDA	Used by Saudi Air Force Typhoon fighter jets.[25]	Partial information in export licence statistics
Storm shadow air-to-surface missiles	MBDA	Used by Saudi Air Force Typhoon fighter jets.	Partial information in export licence statistics
Paveway IV guided bomb	Raytheon	Used by Saudi Air Force	Partial data in company reports

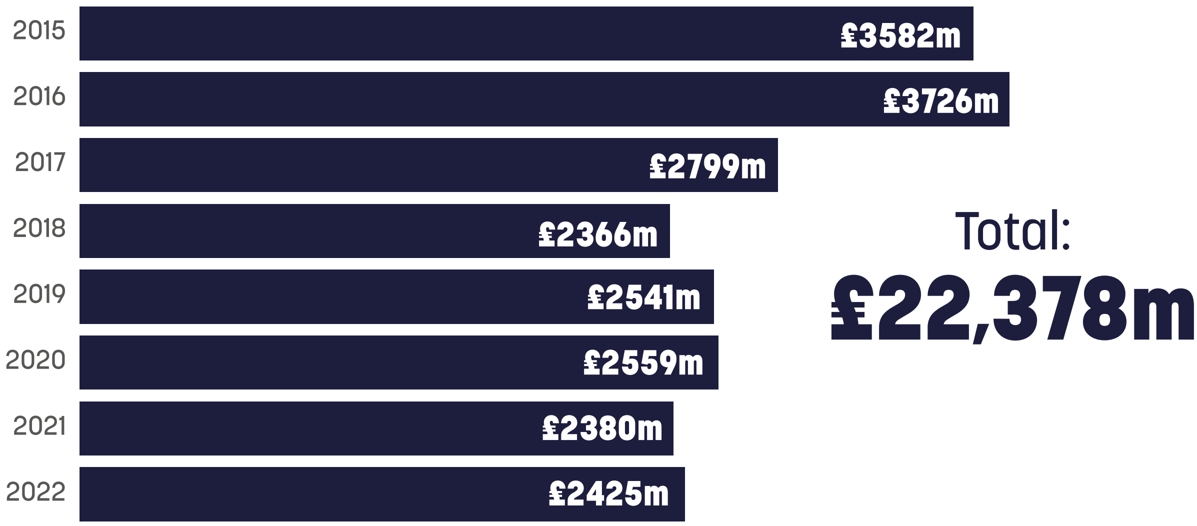
BAE Systems' profits from the Saudi-led assault on Yemen

BAE Systems is the largest military contractor in the UK and in 2024 was the world's fourth largest arms producing company. It has played a unique role in the war in Yemen due to its symbiotic relationship with the British government and its historic partnership with Saudi Arabia. Through a series of deals between the British government and the Saudi Air Force worth £40 billion between 1985 and 2007, BAE has been one of the Kingdom's prime military suppliers. These deals were followed by another contract worth at least £7 billion to supply Eurofighter Typhoons. Due to the value and length of these contracts, Saudi Arabia has historically been BAE's third largest customer after the US and UK. This meant that at the start of its assault on Yemen, the Saudi Air Force was trained on Hawk aircraft and equipped with Tornados and Typhoons (as well as American F-16s). BAE also played a critical role in repairing these British-made aircraft, preparing them for bombing missions and supplying spare parts. As a result, BAE is the logical starting point to assess the profits made by UK-based arms companies supplying Saudi Arabia during the war.

24 See Saudi Arabia", in International Institute for Strategic Studies, The Military Balance 2016, Routledge: 2016, pp. 350–353. Saudi Arabia's fleet for ground attack also included US F-16s; their F-15s are interceptor aircraft not used for ground attack.

25 "Written Evidence From the Foreign and Commonwealth Office", Houses of Parliament, 2016, https://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/committees-on-arms-export-controls/use-of-ukmanufactured-arms-in-yemen/written/31698.html

Figure 2: BAE Systems revenue from the Saudi Ministry of Defence during the bombing of Yemen (£m)



Source: BAE Systems

As **Figure 2** shows, BAE Systems made at least £2.3 billion every year from contracts with the Saudi military during the 2015–2022 intervention. These revenues were highest in 2015 and 2016 due to the delivery of new aircraft, while the lower figures in subsequent years relate to the ongoing maintenance and support, as well as spare parts, that BAE provided for the Saudi Air Force.

While not all of BAE's Saudi revenues may have related to equipment used in Yemen, it is likely that the vast majority does, including the Hawk trainer aircraft visible in **Figure 1**. BAE's discussion of their work in Saudi, outlined in various annual reports, is overwhelmingly related to the Saudi Air Force.[26] Moreover, BAE's US and other overseas subsidiaries do not appear to have significant sales to Saudi Arabia.

The Eurofighter Typhoon aircraft were delivered after the start of the war, in 2015 and 2017. Given the roughly £2.4 billion annual figure for ongoing maintenance and support, we may therefore estimate roughly £600 million of service work as having taken place before the start of the bombing campaign on March 26 2015, accounting for roughly one quarter of the annual total. Conversely, we may estimate roughly £600m as having been earned in the period in 2022 up to 1 April, before the halt to the bombing campaign.

As **Figure 3** shows, BAE was able to return a considerable surplus to its shareholders during the war in Yemen. While this was based on its global activity, BAE drew 15.2 per cent of its revenue from the Saudi Ministry of Defence between 2015 and 2022. It is evident that BAE remained a profitable company throughout the war and that Saudi revenue was significant to its operations.

26 See "Results, reports and events archive", BAE Systems, 2026, https://investors.baesystems.com/results-reports-events-archive

Figure 3: Shareholder payouts at BAE Systems during the Saudi bombing of Yemen (£m)

Source: LSEG

However, understanding the profits made directly from supplying the Saudi military requires deeper analysis. For instance, the profitability of BAE's activities may well vary and are not reported by revenue source. As a substitute, we look at the revenue and profits from the business unit that include sales to Saudi.[27] At a segmental level, only operating profits, or Earnings before Interest and Taxation (EBIT) are reported. Hence, we apply the ratio of EBIT to revenue for the relevant segment, then apply the *company-wide* ratio of net profit to EBIT.

Adjusting for the (significantly higher) profit rates in the segments containing arms sales to Saudi Arabia, the profits from BAE's reported sales to the Saudi military were **£1.575 billion** between 2015 and 2022.[28]

A full estimate of the profits gained by BAE from the war in Yemen, however, requires the inclusion of aircraft supplied and maintained before 2015 and then used in the war. While BAE could claim that, at the point of sale, they did not know that their equipment would later be used in the war, they continued to support and maintain the Saudi fleet throughout its bombing campaign. If we look at BAE's profits from arms sold to Saudi Arabia from 2008 onwards (crucially the year after the deal was signed for the Eurofighter Typhoons), the same method gives a total figure of **£2.165 billion** using the global profit rate, or **£2.513 billion** adjusting for the return on sales in the relevant business segments.[29] Adjusting for inflation, this rises to **£3.56 billion**.[30]

27 From 2017–2022 BAE reported a separate "Air" segment, but from 2015–2016 the Saudi business was split between "Platforms and Services (UK)" for the production of the aircraft, and "Platforms and Services (International)" for the support work. We combined these.

28 It is not surprising that BAE's return on sales is higher in these segments; export contracts are often more profitable, as they are for established systems, where the research and development has already been conducted, and where the higher unit costs of initial production have already been met. Also, these segments include contracts with the UK government, where BAE enjoys a monopoly position, in comparison to the competition they face for their US operations. It is of course impossible to tell whether the profit from their Saudi sales are higher or lower than those from their UK government contracts, but both of these can reasonably be expected to be higher than for their US operations, so using the figures for these segments is likely to provide a more accurate estimate. Of course, BAE themselves might be able to provide a more precise figure for their operating profit from their Saudi sales and operations.

29 In 2009, BAE Systems as a whole made a slight loss after tax for the year. For this year, the profit rate on BAE sales: to Saudi has been treated as 0; while specific factors such as tax, write-offs, etc. may have led to a negative profit for the year, they still made substantial operating profits on the segments involving the Saudi business, so it is not reasonable to treat these activities as loss-making overall.

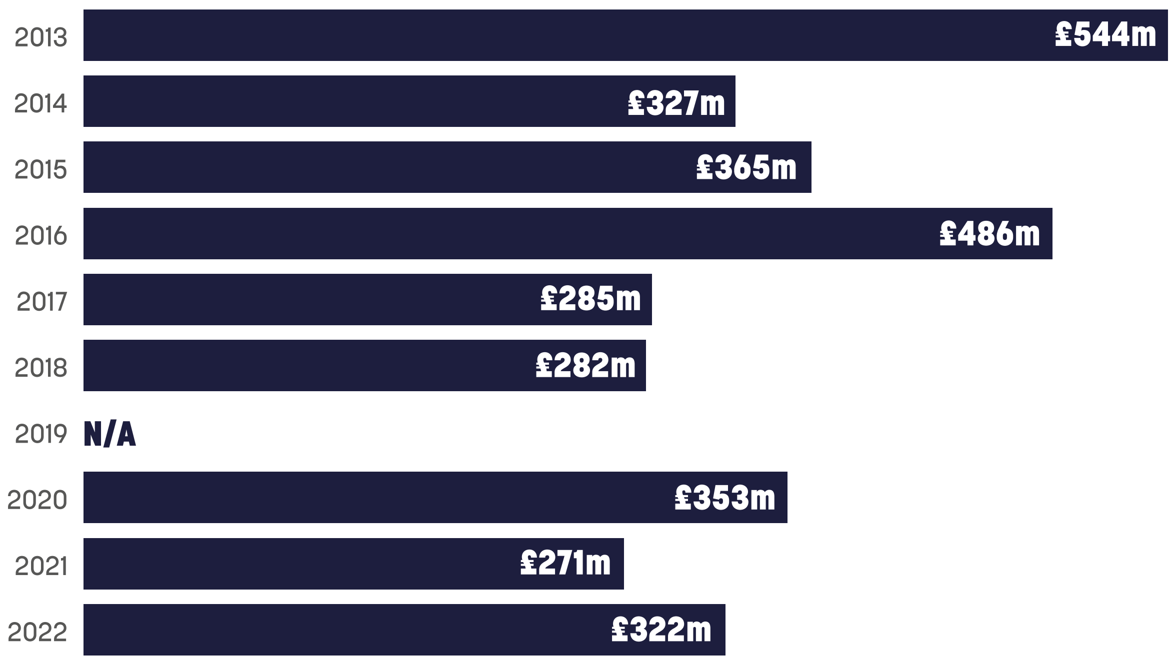
30 This is based on inflation data, as measured by the Consumer Price Index (CPI), from the IMF World Economic Outlook database. Estimated BAE Systems profit figures for each year from 2008–2022 have been inflated to 2026 prices based on the CPI for that year: see "World Economic Outlook", International Monetary Fund, 2026, https://data.imf.org/en/datasets/IMF.RES:WEO

Accountability for BAE Systems's role in supplying and maintaining the weapons used by the Saudi military to commit war crimes means returning these profits to communities in Yemen devastated by war. Imposing this on BAE, while blocking its arms sales to UK allies involved in war crimes and genocide, does not present a risk to the future viability of the company. In 2025, BAE Systems reported a £75 billion order backlog and lifted its sales and profit guidance. As demonstrated by its consistent payouts to shareholders during the war on Yemen, these profits represent a surplus that the company was able to distribute at the time of its collaboration in war crimes.

Rolls Royce's profits from the Saudi-led assault on Yemen

Rolls-Royce co-produce the engines for the Tornado and Typhoon aircraft, and their annual reports confirm they hold contracts to service the engines for the Saudi versions of these.[31] There are various ways to approach estimating the revenue from the sales and servicing of these engines. Rolls Royce provide figures for their revenue from Saudi Arabia in most years from 2013–2022, except 2019. These are presented in **Figure 4**.

Figure 4: Rolls Royce revenues from Saudi Arabia, 2013–2022



Source: Rolls-Royce annual reports, various

These revenues are divided between sales to civil airlines and military contracts. The precise division of civil and military revenues from Saudi Arabia would of course be known by Rolls Royce. Since Rolls Royce supply engines across the global civil aviation sector, we assume that the Saudi share of Rolls Royce's global civil aerospace revenues are proportionate to the Saudi share of the global commercial aircraft fleet.[32] This would mean Rolls Royce made £67m a year in Saudi civil aviation revenue over this period.

31 "Annual Reports Archive", Rolls Royce, 2026, https://www.rolls-royce.com/investors/results-reports-and-presentations/ar-annual-report-archive/accounts-and-archive.aspx

32 Saudi Arabia has 324 active commercial aircraft while there is a global commercial aircraft fleet of 30,300. This may have changed since the Yemen war, but it is a reasonable basis for an estimate. Rolls Royce's civil aerospace division received an average of around £6,300m over this period, which would mean £67m per year in Saudi civil aviation revenue according to global market share. See "Saudi Arabia", Air Fleets, 2026, https://www.airfleets.net/recherche/list-country-Saudi%20Arabia_0.htm#google_vignette; and "The global commercial airfleet: Shortages cap growth", IATA, 2025, https://www.iata.org/en/iata-repository/publications/economic-reports/the-global-commercial-aircraft-fleet/

Assuming that Rolls Royce's Saudi revenue for 2019 reflected the average of 2018 and 2020, we estimate that Rolls Royce's revenue from sales to the Saudi military between 2015 and 2022 would therefore total £2.1 billion. This is consistent with an equivalent method based on estimating Rolls Royce's share of the Saudi Air Force's maintenance costs plus the value of new engine deliveries during the war years, assuming a figure somewhat above the lowest estimates.[33]

Extending the figure back to 2008 in the same way as for BAE would be more difficult, given the lack of Saudi-specific data for years before 2013, but many new military aircraft that use Rolls Royce engines were delivered to Saudi Arabia in this period, so an additional £2 billion would be a conservative estimate in the context of revenues over the subsequent decade. Our estimate is therefore that Rolls Royce made £4.1 billion in revenue from military sales to Saudi Arabia related to the war in Yemen.

In terms of profits, the operating margin for Rolls Royce's defence business is consistently higher than that of the company as a whole (civil aerospace made a large loss in 2020 due to Covid). During the years 2015–2022, the operating margin for the predominantly defence units (including defence aerospace and nuclear) declined steadily from 17% in 2015 to 11.8% in 2022, while remaining higher in every year than the figure for the whole company.[34] Combining the annual margin with the estimated Saudi military revenue leads to an estimate for total operating profit from Saudi military business from 2015–2022 of **£300 million**. This may if anything be an underestimate, as Rolls Royce's defence aerospace business has generally had a higher operating margin than other of its other defence businesses.

Converting operating profit figures to final profit after taxation is challenging as during several years within this period Rolls Royce made very large overall losses due to huge financing costs. But this does not reflect the impact of the Saudi business specifically, rather problems the company was experiencing as a whole (including the impact of Covid); the operating profits from the Saudi business can reasonably be assumed to have increased final profits or reduced final losses, offset by its impact on taxes paid, or tax rebates received in years of loss. The appropriate amount to deduct would depend on the marginal tax rate paid by the company. At any rate, it is reasonable to suppose that the net impact on shareholder value of this business was at least **£250m**. Accounting for inflation, this leaves a final estimate of £330 million.[35]

Just as for BAE, accountability for Rolls Royce's role in supplying weapons to Saudi Arabia during the 2015–2022 intervention means that these profits should be paid as reparations to the people of Yemen. As this briefing has demonstrated, the profits accrued by arms companies that sold weapons to the Saudi military during the intervention provide the basis for Britain to begin to recognise its wider responsibility to Yemen.

33 Two sources respectively quote the unit cost of the EJ200 Typhoon engine as £6.9m and around $4m (roughly £2.5–3m during the years they were delivered), a rather large spread. The Eurofighter has two engines, and Saudi Arabia has 72 Typhoons, implying a total cost of between £390m at the low end to £990m at the high end. For maintenance and support, one could assume a share of the BAE revenues roughly equal to the engine's share of production costs, though this would again depend on the unit cost of the engine. A figure of £200m a year at the low end would not be unreasonable. See "Eurojet Turbo Lands Jet Engine Order", *American Machinist,* 3 January 2025, https://www.americanmachinist.com/news/article/55252628/eurojet-turbo-lands-jet-engine-order-rolls-royce; "EJ200", *Deagel*, 2026, https://www.deagel.com/Components/EJ200/a001716

34 as note 31

35 as note 30

CAMPAIGN
AGAINST
ARMS
TRADE

Transition
Security
Project