

# **The Global Defence Industry: the market**

## **Market Analysis – 2017-2023 Trends – Corporate Strategies**

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**Exclusive extracts from this 121-page-long report:**

**- What is the business?**

The defence market is one of the largest industries in the world, accounting for approximately 2.4% of global GDP. Its centre of gravity is the United States of America, which accounts for almost 40% of world defence budgets and is where the majority of top military contractors are based. Governments have a heavy hand in the industry as they generate the lion's share of demand, contribute to research and development budgets, and regulate supply. [...]

**- What are the main markets?**

In recent years, the defence industry's sphere of interest has expanded into areas such as cybersecurity, unmanned air and land systems, as well as training and support services. Contractors have been branching out into these pockets of growth through acquisitions and partnerships. [...]

**- Who are the key players?**

The defence market is dominated by large- and medium-scale contractors which have extensive system integration skills (including data processing and electronic warfare). Their main activities comprise air, land and naval hardware, armament, C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance) and technical support services (training, logistics, modernisation, etc.). Defence contractors commonly engage in space and satellite-related operations. Many participants in the military aircraft business, such as Airbus and Boeing, have significant operations in commercial aircraft. They derive military jets such as special mission aircraft from existing commercial platforms. [...]

**- How intense is competition?**

Over the past few years, global defence players have been challenged by cuts in defence budgets across many mature economies, but have emerged from this period in better shape. Profitability levels were higher in 2015-2016 than the previous couple of years, and balance sheets were strengthened as many players parted with non-core assets and streamlined internal structures: Lockheed Martin offloaded its commercial cybersecurity arm, Airbus Defense and Space sold its defence electronics activities, etc. [...]

To find out more on the sector and its leading corporations, please find enclosed the order form to obtain this exclusive report by Xerfi Global.

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