The Saudi Arabian Defense Sector - Market Opportunities and Entry Strategies, Analyses and Forecasts to 2015

Description: This report offers insights into the market opportunities and entry strategies adopted by foreign OEMs (original equipment manufacturers) to gain a market share in the Saudi Arabian defense industry. In particular, it offers in-depth analysis of the following:

- Market opportunity and attractiveness: detailed analysis of the current industry size and growth expectations during 2010–2015, including highlights of the key growth stimulators. It also benchmarks the industry against key global markets and provides detailed understanding of emerging opportunities in specific areas.
- Procurement dynamics: trend analysis of imports and exports, together with its implications and impact on the Saudi Arabian defense industry.
- Industry structure: five forces analysis to identify various power centers in the industry and how these are likely to develop in the future.
- Market entry strategy: analysis of possible ways to enter the market, together with detailed descriptions of how existing players have entered the market, including key contracts, alliances, and strategic initiatives.
- Competitive landscape and strategic insights: analysis of competitive landscape of the defense industry in Saudi Arabia. It provides an overview of key defense companies (both domestic and foreign), together with insights such as key alliances, strategic initiatives, and a brief financial analysis.
- Business environment and country risk: a range of drivers at country level, assessing business environment and country risk. It covers historical and forecast values for a range of indicators, evaluating business confidence, economic performance, infrastructure quality and availability, labor force, demographics, and political and social risk.

Scope:

- analysis of Defense industry market size from 2004 through 2009 and forecasts till 2015
- analysis of defense budget allocation
- Benchmarking with key global markets
- Market opportunities
- Defense procurement dynamics
- Industry dynamics
- Market entry strategy
- Competitive landscape and strategic insights
- Business environment and country risk

Reasons to buy:

- Gain insight into Saudi Arabian defense industry with current, historic and forecast market values
- Get insight on market opportunity and attractiveness
- Get insight on industry procurement dynamics
- Gain insight on industry structure
- Gain insight into the regulations governing the Saudi Arabian defense industry and the potential market entry strategies with an expert analysis of the competitive structure
- Identify top companies of the Saudi Arabian defense industry along with profiles of all those companies

Key highlights:

The Saudi Arabian defense sector, estimated to be worth US$39.9 billion in 2009, is one of the largest defense markets globally. During 2004–09, the country's defense expenditure grew at a CAGR of 13.82%, and is expected to record a CAGR of 5.48% during 2010–15 to reach US$54.9 billion in 2015. The key drivers of this growth in expenditure include increases in cross-border insurgency, domestic unease with the ruling regime, the rising number of Al Qaeda training camps, focus on oil infrastructure security, and the country's regional rivalry with Iran to emerge as the most influential nation in the Middle East. This significant defense budget, together with limited existing domestic capabilities in the sector, is attracting foreign OEMs into the market.
The robust economy of the Saudi Arabia enables it to invest large amounts of money in the procurement of defense equipment and, indeed, during 2010–15, the nation is expected to spend an average of 9% of its GDP on its defense sector. The country has always prioritized its defense spending and, although the nation registered negative economic growth in 2009, its military spending increased from the previous year’s figures. As this trend is expected to continue in the medium-term, the Saudi Arabian defense sector is set to offer a plethora of opportunities to foreign OEMs.

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A large number of foreign corporations enter the defense market by winning contracts. 

Key Challenges

- Lack of investment opportunities
- Political underpinnings, bribery, corruption and political affiliations

Competitive Landscape and Strategic Insights

- Saudi Arabian defense sector is dominated by foreign players
- Domestic participation in the Saudi Arabian defense industry limited to only two companies

Key Foreign Companies

- BAE Systems Plc: overview
- BAE Systems Plc: defense products
- BAE Systems Plc: recent announcements and strategic initiatives
- BAE Systems Plc: alliances
- BAE Systems Plc: recent contract wins
- BAE Systems Plc: financial analysis
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