The Japanese 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 Japanese 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 Japanese 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 Japan. 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.

Synopsis
- Top level overview of the Japanese defense industry
- A breakdown of the Japanese defense industry by spend pattern valued from 2004 through 2009 and forecasted from 2010 through 2015
- A breakdown of the markets by segment valued from 2004 through 2009 and forecasted from 2010 through 2015
- Details of top companies active across the Japanese defense industry
- Emerging trends and opportunities in the Japanese defense industry in the last 12 months

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 Japanese 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 Japanese defense industry and the potential market entry strategies with an expert analysis of the competitive structure
- Identify top companies of the Japanese defense industry along with profiles of all those companies

Key Highlights
- With a defense budget of US$51.1 billion in 2009, Japan is the fifth largest defense spender in the world. While the Japanese defense budget grew at a CAGR of 2.41% over the review period, it is expected to grow at a CAGR of 3.22% during the forecast period, to reach US$62.3 billion by 2015. However, the Japanese government has maintained the defense budget at 1% of GDP, and this is expected to continue throughout the forecast period.

- Japanese defense expenditure is largely driven by the perceived threat of the rising military strength of North Korea, the security of sea routes due to Japan’s high dependency on imports of oil and other natural resources, and the security of offshore islands in the vicinity of the country.

- The Japanese Ministry of Defense (MoD) allocates 18% of its defense budget for capital expenditure, 2% for US forces stationed in Japan and the remaining budget for revenue expenditure, including the salaries of armed personnel and maintenance activities. The Japanese army, excluding expenditure on Special Action Committee on Okinawa (SACO) and US force realignment, receives 37% of the defense budget, while the air force and navy receive allocations of 24% and 23% respectively.

- The Japanese homeland security budget is included in the police budget, which grew by 54% in 2010 to reach US$3 billion. Homeland security expenditure is driven by frequent natural disasters, organized crime by organizations such as Boryokudan, the threat of terrorism, rising instances of information theft and the APEC (Asia Pacific Economic Cooperation) meeting in Japan throughout 2010. Increased demand for security is expected in the areas of airport security, port security, security of mass transport and security of biometric systems throughout the forecast period.

- The key opportunities expected to arise in the Japanese defense industry during the forecast period are expected to be in the areas of missiles and missile defense systems, in order to counter the perceived threat of the ballistic and nuclear missile systems being developed by North Korea. The country is also expected to procure tanks, advanced communication devices, multi-purpose helicopters and armored vehicles. The Japanese MoD is also expected to spend on surveillance aircrafts to guard the coastline of the country and monitor the offshore islands. In the forecast period, the government is also expected to procure new fleets of fighter aircraft and government upgrade its existing fleet of fighter aircraft. The country is also expected to invest in the research and development (R&D) of advanced technology such as sensors, stealth technology and advanced anti-stealth technology radars.

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