The Georgia Defense Sector – Market Opportunities and Entry Strategies, Analyses and Forecasts to 2015

Description: Synopsis:

- Top level overview of the Georgian defense industry
- A breakdown of the Georgian defense industry by spend pattern valued from 2006 through 2010 and forecasted from 2011 through 2015
- A breakdown of the markets by segment valued from 2006 through 2010 and forecasted from 2011 through 2015
- Details of top companies active across the Georgian defense industry
- Emerging trends and opportunities in the Georgian defense industry in the last 12 months

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 Georgian 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 2011–2015, 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 Georgian 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 Georgia. 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 2006 through 2010 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 the Georgian 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 Georgian defense industry and the potential market entry strategies with an expert analysis of the competitive structure
- Identify top companies of the Georgian defense industry along with profiles of all those companies
Key Highlights:

Georgia's small defense budget and the proposed arms embargo make the market unattractive. Georgia's defense budget, which reached its peak of US$945.8 million in 2008, decreased to US$420.8 million in 2010 as the country is now focusing on economic development and will use the saved funds for economic stimulus projects. Defense expenditure recorded a CAGR of 4.52% during the review period. The country is expected to spend US$370.3 million in 2011 for defense-related activities and the budget is estimated to grow at a CAGR of 7.00% during the forecast period, stabilizing at 3.0% of GDP by 2014 to reach an estimated US$485.3 million by 2015.

The defense budget is primarily driven by threats from Russia, NATO membership requirements and the Defense Ministry's military modernization plans. During the review period an average of 33.0% of the total defense budget was allocated for capital expenditure while an average of 67% of the defense budget was allocated for revenue expenses. Capital expenditure, estimated to be an average of 23.0% of the total defense budget in 2011, is expected to increase to 31.0% of the total defense budget by 2015. Cumulatively during the forecast period the country's Defense Ministry is expected to spend US$559.7 million on capital expenditure.

Georgia's homeland security expenditure, which is estimated at US$317.5 million in 2011, is expected to grow at a CAGR of 8.15% during the forecast period to reach US$434.5 million by 2015. Homeland security expenditure is primarily driven by internal territorial disputes, along with drug and human trafficking. To curb these crimes, the government is expected to procure advanced computer systems, biometric systems, x-ray machines, alarm systems and advanced communication systems. The Defense Ministry of Georgia is also expected to procure fighter aircraft, missile defense systems, anti-tank and anti-aircraft capabilities and advanced communication systems, along with spending on training of its armed forces.

Contents:

1 Introduction
   1.1 About this Report
   1.2 Definitions
   1.3 Methodology
      1.3.1 Secondary research
      1.3.2 Primary research
      1.3.3 Conventions
   1.4 ICD Research Intelligence Terrorism Index
   1.5 About ICD Research
   1.6 About Strategic Defence Intelligence
2 Executive Summary
3 Market Attractiveness and Emerging Opportunities
   3.1 Defense Market Size and Forecast
      3.1.1 Georgian annual defense expenditure to reach US$485.3 million by 2015
      3.1.2 NATO membership, threats posed by Russia and modernization plans drive defense expenditure
      3.1.3 Defense expenditure as a percentage of GDP expected to decline
      3.1.4 Per-capita defense expenditure expected to reach US$110 by 2015
   3.2 Analysis of Defense Budget Allocation
      3.2.1 Capital expenditure allocation expected to increase during the forecast period
      3.2.2 Capital expenditure budget expected to grow during the forecast period
      3.2.3 MoD to spend US$1569.6 million on revenue expenditure during the forecast period
   3.3 Homeland Security Market Size and Forecast
      3.3.1 Homeland security market expected to grow at a CAGR of 8.15% during the forecast period
      3.3.2 Human trafficking, drug trafficking and internal disputes to drive homeland security expenditure
      3.3.3 Georgia falls under “some risk” of terrorism category
      3.3.4 Georgia has terrorism index score of 0.3
      3.3.5 Georgia faces moderate risk of terrorist attack
   3.4 Benchmarking with Key Global Markets
      3.4.1 Despite a small budget, Georgian defense expenditure will grow faster than leading spenders
      3.4.2 Georgia's per capita expenditure is less than its neighbors Russia and Turkey
      3.4.3 Georgia is a very small figure in the global defense market
      3.4.4 Georgia allocates a higher share of its GDP to defense than NATO requires
   3.5 Market Opportunities: Key Trends and Growth Stimulators
      3.5.1 Demand for fighter aircraft and missile defense systems expected to increase
      3.5.2 Anti-tank and anti-aircraft capabilities expected to be in demand
      3.5.3 Defense and logistics systems to be enhanced to enable informed actions against attack
3.5.4 Specialized training will witness a surge in demand
4 Defense Procurement Market Dynamics
4.1 Import Market Dynamics
4.1.1 Defense imports expected to recover by 2015
4.1.2 Ukraine is the major arms supplier to Georgia
4.1.3 Armored vehicles, sensors and missiles account for the majority of Georgia's arms imports
4.2 Export Market Dynamics
4.2.1 Georgia does not export arms due to an undeveloped domestic arms industry
5 Industry Dynamics
5.1 Five Forces Analysis
5.1.1 Bargaining power of supplier: high
5.1.2 Bargaining power of buyer: low
5.1.3 Barriers to entry: high
5.1.4 Intensity of rivalry: low
5.1.5 Threat of substitution: low
6 Market Entry Strategy
6.1 Market Regulation
6.1.1 Georgia does not disclose any offset obligations imposed by the country
6.1.2 FDI in defense sector permitted only after review by the government
6.2 Market Entry Route
6.2.1 Foreign military sales (FMS) and direct commercial sales (DCS) preferred market entry routes
6.2.2 Establishment of subsidiaries provides an alternative entry route
6.3 Key Challenges
6.3.1 Proposed arms embargo against Georgia makes it difficult for defense companies
6.3.2 Small defense budget does not attract investors and suppliers
7 Competitive Landscape and Strategic Insights
7.1 Competitive Landscape Overview
7.2 Key Public Sector Companies
7.2.1 Tbilisi Aircraft Manufacturing: overview
7.2.2 Tbilisi Aircraft Manufacturing: products and services
7.2.3 Tbilisi Aircraft Manufacturing: recent contracts and strategic initiatives
7.2.4 Tbilisi Aircraft Manufacturing: alliances
7.2.5 Tbilisi Aircraft Manufacturing: recent contract awards
7.2.6 Tbilisi Aircraft Manufacturing: financial analysis
8 Business Environment and Country Risk
8.1 Business Confidence
8.1.1 Market capitalization trend — Georgian stock exchange, Georgia
8.1.2 FDI inflows by sector
8.1.3 Deployment of credit by sector
8.2 Economic Performance
8.2.1 GDP at constant prices (US dollars)
8.2.2 GDP per capita at constant prices (US dollars)
8.2.3 GDP at current prices (US dollars)
8.2.4 GDP per capita at current prices (US dollars)
8.2.5 GDP split by key segments
8.2.6 Agriculture net output at current prices (Georgian lari)
8.2.7 Agriculture net output at current prices (US dollars)
8.2.8 Agriculture net output at current prices as a percentage of GDP
8.2.9 Manufacturing net output at current prices (Georgian lari)
8.2.10 Manufacturing net output at current prices (US dollars)
8.2.11 Manufacturing net output at current prices as a percentage of GDP
8.2.12 Mining, manufacturing and utilities net output at current prices (Georgian lari)
8.2.13 Mining, manufacturing and utilities at current prices (US dollars)
8.2.14 Mining, manufacturing and utilities at current prices as percentage of GDP
8.2.15 Construction net output at current prices (Georgian lari)
8.2.16 Construction net output at current prices (US dollars)
8.2.17 Construction net output at current prices as a percentage of GDP
8.2.18 Petroleum consumption
8.2.19 Inflation rate
8.2.20 Current account balance as a percentage of GDP
8.2.21 Exports as a percentage of GDP
8.2.22 Imports as a percentage of GDP
8.2.23 Exports growth
8.2.24 Imports growth
8.2.25 Fiscal balance as a percentage of GDP
8.2.26 Annual average exchange rate US$–GEL
8.2.27 End of the period exchange rate US$–GEL
8.2.28 External debt as a percentage of GDP
8.3 Infrastructure Quality and Availability
8.3.1 Total sea ports and airports
8.3.2 Railways and roadways
8.3.3 Automotive components export trend
8.3.4 Automotive components import trend
8.3.5 Passenger car penetration
8.3.6 Total installed capacity for electricity generation
8.3.7 Installed capacity for the generation of conventional thermal electricity
8.3.8 Electricity production
8.3.9 Electricity consumption
8.3.10 Installed capacity for the generation of hydro–electricity
8.3.11 Installed capacity for renewable electricity generation
8.3.12 Electricity exports
8.3.13 Electricity imports
8.3.14 Healthcare expenditure
8.3.15 Healthcare expenditure as a percentage of GDP
8.3.16 Healthcare expenditure per capita
8.3.17 R&D expenditure as a percentage of GDP
8.3.18 Total internet subscribers
8.3.19 Broadband internet subscribers
8.3.20 Personal computer penetration rate
8.3.21 Mobile phone penetration rate
8.4 Labor Force
8.4.1 Labor force
8.4.2 Unemployment rate
8.5 Demographics
8.5.1 Annual disposable income
8.5.2 Annual per-capita disposable income
8.5.3 Total population
8.5.4 Urban and rural population
8.5.5 Female percentage of population
8.5.6 Male percentage of population
8.5.7 Mean age of population
8.5.8 Median age of population
8.5.9 Population density
8.5.10 Age distribution of the total population
8.5.11 Age distribution of the male population
8.5.12 Age distribution of the female population
8.5.13 Number of households
8.6 Political and Social Risk
8.6.1 Political stability
8.6.2 Terrorism index
8.6.3 Transparency index
9 Appendix
9.1 Contact Us
9.2 About ICD Research
9.3 Disclaimer

List of Tables
Table 1: ICD Research Intelligence Terrorism Index, 2010
Table 2: Tbilisi Aircraft Manufacturing – Alliances

List of Figures
Figure 1: Georgian Defense Market Size and Forecast (US$ Million), 2006–15
Figure 2: Georgian Defense Expenditure as a Percentage of GDP (%), 2006–15
Figure 3: Georgian Per Capita Defense Expenditure, 2006–15
Figure 4: Georgian Defense Expenditure Allocation for Revenue and Capital Expenditure (%), 2006–15
Figure 5: Georgian Defense Capital Expenditure (US$ Million), 2006–15
Figure 6: Georgian Defense Budget Allocation for Revenue Expenditure (US$ Million), 2006–15
Figure 7: Georgian Homeland Security Expenditure (US$ Million), 2006–15
Figure 8: ICD Research Intelligence Terrorism Heat Map, 2010
Figure 9: ICD Research Intelligence Terrorism Index, 2010
Figure 10: Benchmarking with Key Global Markets - Historical vs. Expected Defense Budget Growth (%), 2006–15
Figure 11: Per-Capita Defense Expenditure of the World's Largest Military Spenders (US$), 2010
Figure 12: Defense Expenditure of the Largest Military Spenders in the World (US$ Billion), 2010 and 2015
Figure 13: Defense Expenditure as a Percentage of GDP of Largest Military Spenders (%), 2010
Figure 14: Georgian Defense Imports (US$ Million), 2006–09
Figure 15: Georgian Defense Imports by Country (%), 2006–09
Figure 16: Georgian Defense Imports by Category (%), 2006–09
Figure 17: Industry Dynamics — Porter's Five Forces Analysis
Figure 18: Georgian Stock Exchange Market Capitalization (US$ Billion), 2003–10
Figure 19: Georgian FDI Inflows by Sector (US$ Billion), 2004–09
Figure 20: Georgian Deployment of Credit by Sector (US$ Billion), 2003–10
Figure 21: Georgian GDP at Constant Prices (US$ Billion), 2003–15
Figure 22: Georgian GDP Per Capita at Constant Prices (US$, 2003–15
Figure 23: Georgian GDP at Current Prices (US$ Billion), 2003–15
Figure 24: Georgian GDP Per Capita at Current Prices (US$, 2003–15
Figure 25: Georgian GDP Split by Key Segments (%), 2003 and 2009
Figure 26: Georgian Agriculture Net Output at Current Prices (GEL Billion), 2003–15
Figure 27: Georgian Agriculture Net Output at Current Prices (US$ Billion), 2003–15
Figure 28: Georgian Agriculture Net Output at Current Prices as a Percentage of GDP (%), 2003–15
Figure 29: Georgian Manufacturing Net Output at Current Prices (GEL Billion), 2003–15
Figure 30: Georgian Manufacturing Net Output at Current Prices (US$ Billion), 2003–15
Figure 31: Georgian Manufacturing Net Output at Current Prices as a Percentage of GDP (%), 2003–15
Figure 32: Georgian Mining, Manufacturing and Utilities Net Output at Current Prices (GEL Billion), 2003–15
Figure 33: Georgian Mining, Manufacturing and Utilities Net Output at Current Prices (US$ Billion), 2003–15
Figure 34: Georgian Mining, Manufacturing and Utilities Net Output at Current Prices as a Percentage of GDP (%), 2003–15
Figure 35: Georgian Construction Net Output at Current Prices (GEL Billion), 2003–15
Figure 36: Georgian Construction Net Output at Current Prices (US$ Million), 2003–15
Figure 37: Georgian Construction Net Output at Current Prices as a Percentage of GDP (%), 2003–15
Figure 38: Georgian Petroleum Consumption (Tons), 2003–15
Figure 39: Georgian Inflation Rate (%), 2003–15
Figure 40: Georgian Current Account Balance as a Percentage of GDP (%), 2003–09
Figure 41: Georgian Imports as a Percentage of GDP (%), 2003–15
Figure 42: Georgian Imports as a Percentage of GDP (%), 2003–15
Figure 43: Georgian Exports Growth (%), 2003–15
Figure 44: Georgian Exports Growth (%), 2003–15
Figure 45: Georgian Fiscal Balance as a Percentage of GDP (%), 2003–09
Figure 46: Georgian Annual Average Exchange Rate US$– GEL, 2003–09
Figure 47: Georgian End of the Period Exchange Rate US$– GEL, 2003–09
Figure 48: Georgian External Debt as a Percentage of GDP (%), 2003–09
Figure 49: Georgian Sea Ports and Airports (Number of), 2009
Figure 50: Georgian Railways and Roadways (Kilometers), 2009
Figure 51: Georgian Automotive Components Exports (US$ Million), 2003–15
Figure 52: Georgian Automotive Components Imports (US$ Million), 2003–15
Figure 53: Georgian Passenger Car Penetration (per 1000 people), 2003–15
Figure 54: Georgian Total Installed Capacity for Electricity Generation (Million Kilowatts), 2003–15
Figure 55: Georgian Installed Capacity for the Generation of Conventional Thermal Electricity (Million Kilowatts), 2003–15
Figure 56: Georgian Electricity Production (Billion Kilowatt Hours), 2003–15
Figure 57: Georgian Electric Power Consumption (Billion Kilowatt Hours), 2003–15
Figure 58: Georgian Installed Capacity for the Generation of Hydro–Electricity (Million Kilowatts), 2003–15
Figure 59: Georgian Installed Capacity for the Generation of Renewable Electricity (Million Kilowatts), 2003–15
Figure 60: Georgian Electricity Exports (Billion Kilowatt Hours), 2003–15
Figure 61: Georgian Electricity Imports (Billion Kilowatt Hours), 2003–15
Figure 62: Georgian Healthcare Expenditure (US$ Billion), 2003–15
Figure 63: Georgian Healthcare Expenditure as a Percentage of GDP (%), 2003–15
Figure 64: Georgian Per Capita Healthcare Expenditure (US$), 2003–15
Figure 65: Georgian R&D Expenditure as a Percentage of GDP (%), 2003–15
Figure 66: Georgian Internet Subscriptions (Units), 2003–15
Figure 67: Georgian Broadband Internet Subscriptions (Units), 2003–15
Figure 68: Georgian Personal Computer Penetration Rate (per 100 people), 2003–15
Figure 69: Georgian Mobile Phone Penetration (%), 2003–15
Figure 70: Georgian Size of Labor Force in 15–59 Age Group (Million), 2003–15
Figure 71: Georgian Unemployment Rate (%), 2003–15
Figure 72: Georgian Annual Disposable Income (US$ Billion), 2003–15
Figure 73: Georgian Annual Per Capita Disposable Income (US$), 2003–15
Figure 74: Georgian Total Population (Million), 2003–15
Figure 75: Georgian Urban and Rural Population (%), 2003–15
Figure 76: Georgian Female Percentage of Population (%), 2003–15
Figure 77: Georgian Male Percentage of Population (%), 2003–15
Figure 78: Georgian Mean Age of Population (Years), 2003–15
Figure 79: Georgian Median Age of Population (Years), 2003–15
Figure 80: Georgian Population Density (per Square Kilometer), 2003–15
Figure 81: Georgian Population Distribution by Age (%), 2003–15
Figure 82: Georgian Male Population Distribution by Age (%), 2003–15
Figure 83: Georgian Female Population Distribution by Age (%), 2003–15
Figure 84: Georgian Households, Number of (Million), 2003–15
Figure 85: Global Terrorism Heat Map, 2010
Figure 86: Georgian Transparency Index, 2003–09

Ordering:

Order Online - http://www.researchandmarkets.com/reports/1543360/

Order by Fax - using the form below

Order by Post - print the order form below and send to

Research and Markets,
Guinness Centre,
Taylors Lane,
Dublin 8,
Ireland.
Fax Order Form
To place an order via fax simply print this form, fill in the information below and fax the completed form to 646-607-1907 (from USA) or +353-1-481-1716 (from Rest of World). If you have any questions please visit http://www.researchandmarkets.com/contact/

Order Information
Please verify that the product information is correct and select the format(s) you require.

- **Product Name:** The Georgia Defense Sector – Market Opportunities and Entry Strategies, Analyses and Forecasts to 2015
- **Web Address:** [http://www.researchandmarkets.com/reports/1543360/](http://www.researchandmarkets.com/reports/1543360/)
- **Office Code:** SCD2PWD8

Product Formats
Please select the product formats and quantity you require:

<table>
<thead>
<tr>
<th>Product Format</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic (PDF) - Single User</td>
<td>[ ]</td>
<td>USD 1250</td>
</tr>
<tr>
<td>Electronic (PDF) - Site License</td>
<td>[ ]</td>
<td>USD 2500</td>
</tr>
<tr>
<td>Electronic (PDF) - Enterprisewide</td>
<td>[ ]</td>
<td>USD 3750</td>
</tr>
</tbody>
</table>

Contact Information
Please enter all the information below in **BLOCK CAPITALS**

- **Title:** Mr [ ] Mrs [ ] Dr [ ] Miss [ ] Ms [ ] Prof [ ]
- **First Name:** __________________________  **Last Name:** __________________________
- **Email Address:** * __________________________
- **Job Title:** __________________________
- **Organisation:** __________________________
- **Address:** __________________________
- **City:** __________________________
- **Postal / Zip Code:** __________________________
- **Country:** __________________________
- **Phone Number:** __________________________
- **Fax Number:** __________________________

* Please refrain from using free email accounts when ordering (e.g. Yahoo, Hotmail, AOL)
Payment Information

Please indicate the payment method you would like to use by selecting the appropriate box.

☐ Pay by credit card: You will receive an email with a link to a secure webpage to enter your credit card details.

☐ Pay by check: Please post the check, accompanied by this form, to:

Research and Markets,
Guinness Center,
Taylors Lane,
Dublin 8,
Ireland.

☐ Pay by wire transfer: Please transfer funds to:

Account number 833 130 83
Sort code 98-53-30
Swift code ULSBIE2D
IBAN number IE78ULSB98533083313083
Bank Address Ulster Bank,
27-35 Main Street,
Blackrock,
Co. Dublin,
Ireland.

If you have a Marketing Code please enter it below:

Marketing Code: ________________________________

Please note that by ordering from Research and Markets you are agreeing to our Terms and Conditions at http://www.researchandmarkets.com/info/terms.asp

Please fax this form to:
(646) 607-1907 or (646) 964-6609 - From USA
+353-1-481-1716 or +353-1-653-1571 - From Rest of World