
Description:  
Product Synopsis  
This report is the result of ICD's extensive market and company research covering the Czech defense industry. It provides detailed analysis of both historic and forecast defense industry values including key growth stimulators, analysis of the leading companies in the industry, and key news.

Introduction and Landscape

Why was the report written?

The Czech Defense Industry Market Opportunities and Entry Strategies, Analyses and Forecasts to 2016 offers the reader an insight into the market opportunities and entry strategies adopted by foreign original equipment manufacturers (OEMs) to gain market share in the Czech defense industry.

What is the current market landscape and what is changing?

The Czech defense market, which registered significant decline during the review period, is anticipated to remain steady at US$2.46 billion during the forecast period. The country's defense expenditure will continue to be driven by international peacekeeping operations and counter-terrorism amid budget cuts by the government. Defense expenditure as a percentage of GDP is also projected to decline as a result of the country's economy increasing at a faster rate than defense expenditure.

What are the key drivers behind recent market changes?

The Czech Republic is expected to invest US$12.29 billion in the fulfilment of its defense requirements. Factors such as international peacekeeping operations and counter-terrorism amid budget cuts by the Czech government are expected to stimulate defense expenditure over the forecast period.

What makes this report unique and essential to read?

The Czech Defense Industry Market Opportunities and Entry Strategies, Analyses and Forecasts to 2016 provides detailed analysis of the current industry size and growth expectations from 2011 to 2016, including highlights of key growth stimulators. It also benchmarks the industry against key global markets and provides detailed understanding of emerging opportunities in specific areas.

Key Features and Benefits

Market opportunity and attractiveness
The report provides detailed analysis of the current industry size and growth expectations from 2011 to 2016, including highlights of key growth stimulators. It also benchmarks the industry against key global markets and provides detailed understanding of emerging opportunities in specific areas.

Procurement dynamics
The report includes trend analysis of imports and exports, together with its implications and impact on the Czech defense industry.

Industry structure
The report covers five forces analysis to identify various power centers in the industry and how these are expected to develop in the future.

Market entry strategy
The report allows readers to identify possible ways to enter the market, together with detailed descriptions of how existing companies have entered the market, including key contracts, alliances and strategic initiatives.

Competitive landscape and strategic insights
The report helps the reader to understand the competitive landscape of the defense industry in the Czech
Republic. 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.

Key Market Issues
Limited defense budget deters investors from market entry
Czech Republic is expected to invest USD12.29 billion in its armed forces, of which expenditure on the acquisition of military hardware is forecast to be just USD1.77 billion, offering foreign OEMs limited opportunities to cater to the Czech defense industry. Furthermore, with a defense budget of USD2.4 billion, the Czech Republic invests a relatively small portion of its GDP towards defense in comparison with other European countries such as the UK and France.

Corruption hinders growth of the Czech defense sector
Incidents of malpractice within the country's military industrial base may limit the growth of the country's defense sector. Recent cases of corruption and bribes in defense deals such as the Pandur contract, leasing of Gripen fighters, and CASA aircraft deals prove the high corruption level in Czech Republic. In addition to damaging the country's image in the global arms market, it also discourages foreign OEMs from market entry.

Defense exports expected to decline during the forecast period
As a result of a lack of domestic defense capabilities, Czech Republic is dependent on foreign suppliers to meet its military requirements. The country's defense exports declined during the review period, dropping to a mere USD11 million in 2011, due to limited categories for export such as aircraft, armored vehicles and artillery.

Key Highlights
Czech Republic is expected to invest USD7.07 billion on its armed forces during the forecast period

Czech defense expenditure declined at a CAGR of -3.88% during the review period to reach USD2.4 billion in 2011. During the forecast period, it is expected to grow marginally at a CAGR of 1.33% to reach USD2.54 billion by 2016. Over the next five years the country's defense expenditure is expected to be driven by factors such as by international peacekeeping operations and counter-terrorism amid budget cuts by the government.

Foreign OEMs enter the market through strategic alliances, direct sales and the establishment of offices
Suppliers willing to enter the Czech defense market do so by establishing offices within the country, forming a joint venture with a domestic defense firm or through the direct supply of defense equipment. Of the three routes, entering the market through direct sales is the most preferred choice, and has been employed by countries such as India, Russia and Israel.

Sensor imports to rise over the forecast period
The present Czech radar equipment, besides newly acquired 3D radars FADR to be put in operation at the end of 2012, is technically and morally outdated with lifetime to end soon. During the forecast period, Czech is expected to procure sensor based equipment such as Mobile Air Defense Radar (MADR) and military airport radar with a focus on renewal and development of the stationary and mobile radars to improve Czech air defense systems.
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