The Egyptian Defense Industry: Market Opportunities and Entry Strategies, Analyses and Forecasts to 2016

Description: Product Synopsis
This report is the result of ICD Research / Strategic Defence Intelligence's extensive market and company research covering the Egyptian 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 Egyptian 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 Egyptian defense industry.

What is the current market landscape and what is changing?
For the past three decades, Egypt has been receiving Foreign Military Financing from the US amounting to US$1.3 billion per year. However, the contract requires the country to spend the entire amount on purchasing military equipment from American. As a result, the vast majority of the Egyptian arsenal is produced by US contractors and Egypt is highly dependent on American financing and support. Moreover, the forthcoming five year plan is expected to prioritize the procurement of submarines, fast missile boats, advanced jet trainers, and advanced and upgraded air defense and C4ISR systems.

What are the key drivers behind recent market changes?
Although Egypt is not under any real threat of aggression from its neighbors, the perceived threat from Israel and the increasing political instability in the country are a cause of concern for the military, and these factors are expected to drive and determine the country's defense expenditure in the forecast period. In 1979, the US brokered a peace treaty between Israel and Egypt. Under the terms of the agreement the US provides FMF to both countries, with US$3 billion per year to Israel and US$1.3 billion per year to Egypt, and this is one of the main influences on the Egyptian defense budget.

What makes this report unique and essential to read?
The Egyptian defense Industry Market Opportunities and Entry Strategies, Analyses and Forecasts to 2016 provides detailed analysis of the current industry size and growth expectations from 2012 to 2016, including highlights of key growth stimulators. It also benchmarks the industry against key global markets and provides a detailed understanding of emerging opportunities in specific areas.

Key Features and Benefits
The report provides detailed analysis of the current industry size and growth expectations from 2012 to 2016, including highlights of key growth stimulators. It also benchmarks the industry against key global markets and provides a detailed understanding of emerging opportunities in specific areas.

The report includes trend analysis of imports and exports, together with their implications and impact on the Egyptian defense industry.

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

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.

The report helps the reader to understand the competitive landscape of the defense industry in Egypt. 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
Egypt does not follow open market and fair competition principles regarding defense deals; instead preferring to conduct private government to government or military to military talks regarding defense procurements, making it difficult for foreign firms to compete. Additionally, the country does not follow a structured defense budgeting mechanism, which often results in improper budget allocations and a high level of corruption in the armed forces. A number of foreign OEMs find the lack of transparency in Egypt’s defense deals, and delays in finalization, key challenges to the successful execution of defense deals in the country.

Egypt is currently undergoing its greatest political change in half a century, and the mass civil protests that started in January 2011 have led to the fall of the country’s authoritarian regime and the promise of democratic presidential elections in November 2011. As a result of this period of dramatic change, the country is currently characterized by political instability. This uncertainty has discouraged foreign defense companies from continuing to participate in Egypt’s defense sector and has deterred new participants from establishing operations in the country.

US FMF accounts for almost 80% of the country’s defense capital expenditure, and according to the contract, the whole amount is spent on military procurement from US contractors, resulting in a large quantity of US equipment in Egypt’s arsenal. The two countries enjoy a close relationship that is set to continue in the forecast period due to Egypt’s dependence on US companies for the maintenance and life support of its equipment and weapons. This relationship poses a greater roadblock for other foreign companies to enter the Egyptian defense market.

Key Highlights

The Egyptian defense industry, which valued US$4.24 billion in 2011, is expected to record a CAGR of 0.75% over the forecast period and value US$4.01 billion by 2016. This growth is expected to be driven by the increased internal stability of the country following the political unrest and resultant need for modern military hardware, maintenance, and support. Egypt is expected to allocate 1.3% of its GDP for defense expenditure during the forecast period; however, it is also expected that the recent downturn in the country’s economy due to the political uprising may bring about a change in the percentage of GDP the armed forces will spend during the forecast period.

Egypt’s location in the Middle East and the presence of transnational terrorist organizations and radical groups in the country have encouraged it to spend considerable amounts on homeland security. In 2010, Egypt spent US$3.15 billion on internal security forces, an increase of US$323 million over the previous year. In the forecast period, homeland security spending is expected to increase due to factors including the threat of international terrorism, dangers to maritime security, and the increased crime rate and growing sectarian violence that have followed the country’s political crisis.

Egypt is expected to procure equipment to strengthen all branches of its armed forces. Procurements expected to be made during the forecast period include attack, transport, and maritime patrol aircraft, attack and cargo helicopters, various weapon systems including anti-tank, anti-ship, air-to-air missiles and rockets, unmanned systems, C4ISR equipment, and engines, maintenance, and support for the country’s existing aircraft fleet. The air defense force has also been vigorously modernizing its Soviet air defense systems during the review period. As most of these systems are old, fleet-wide upgradation and new procurements are expected to continue in the forecast period.
3.2.4. The country is expected to spend US$XX billion on revenue expenditure over the forecast period.
3.2.5. The country's defense expenditure as per-capita defense spend declined over the review period.
3.3. Homeland Security Market Size and Forecast
3.3.1. Egypt spent US$XX billion on internal security in 2011.
3.3.2. Egypt is at a significant risk from external and internal threats.
3.3.3. Egypt experienced considerable terror activity during the review period.
3.4. Benchmarking with Key Global Markets
3.4.1. Egyptian defense expenditure expected to increase at a CAGR of XX% during the forecast period.
3.4.2. Egypt ranks XX in global defense spend.
3.4.3. Egypt allocates approximately XX% of its GDP for defense.
3.4.4. Egypt faces a substantial threat from foreign terrorist organizations.
3.5. Market Opportunities: Key Trends and Growth Stimulators
3.5.1. Modernization of Naval and coast guard assets to drive naval defense procurements.
3.5.2. Procurement of modern armored vehicles, support vehicles, advanced weapon systems and C4ISR systems to drive spending for the Land Forces.
3.5.3. Demand for air defense systems expected to increase as replacement of obsolete systems continues.
3.5.4. Procurement of new systems and modernization of existing systems in the Air Force to create a robust demand.
3.5.5. Demand for unmanned aerial vehicle (UAV) is expected to surge during the forecast period.
3.5.6. Demand for patrol vessels is expected to increase.
4 Defense Procurement Market Dynamics
4.1. Import Market Dynamics
4.1.1. Challenges to regional security dynamics to trigger defense imports.
4.1.2. US was the leading supplier of arms to Egypt in the review period.
4.1.3. Imports from Europe threatened due to the recent political upheaval.
4.1.4. Armored vehicles accounted for the majority of defense imports during the review period.
4.2. Export Market Dynamics
4.2.1. Defense Exports from Egypt negligible during the review period.
5 Industry Dynamics
5.1. Five Forces Analysis
5.1.2. Bargaining power of buyer: Low.
5.1.3. Barrier to entry: medium to high.
5.1.4. Intensity of rivalry: low.
5.1.5. Threat of substitution: medium.
6 Market Entry Strategy
6.1. Market Regulation
6.1.1. Egypt has not disclosed any offset obligation.
6.1.2. Defense procurements lacks legitimate procurement laws.
6.2. Market Entry Route
6.2.1. Government-to-government agreements are the preferred market entry route for foreign OEMs.
6.2.2. Technology transfer and license manufacturing agreements provides an attractive market entry route.
6.3. Key Challenges
6.3.1. Lack of transparency in Egyptian defense establishment.
6.3.2. Political uncertainty and internal instability discourages foreign participation.
6.3.3. US domination of the market to pose challenge to other foreign firms.
7 Competitive Landscape and Strategic Insights
7.1. Competitive Landscape Overview
7.1.1. Egyptian Defense Industry is predominantly state-run.
7.2. Key Domestic Companies
7.2.1. Abu Zaabal Tank Repair Factory: overview.
7.2.2. Abu Zaabal Tank Repair Factory: products and services.
7.2.3. Abu Zaabal Tank Repair Factory: recent announcements and strategic initiatives.
7.2.4. Arab Organization for Industrialization-Engine Factory: overview.
7.2.5. Arab Organization for Industrialization-Engine Factory: products and services.
7.2.6. Arab Organization for Industrialization-Aircraft Factory: overview.
7.2.7. Arab Organization for Industrialization-Aircraft Factory: products and services.
7.2.9. Arab Organization for Industrialization- Sakr Factory: products and services.
7.2.10. Arab Organization for Industrialization-Kader Factory: overview.
7.2.11. Arab Organization for Industrialization-Kader Factory: products and services.
7.2.15. Arab British Dynamics Company: products and services
7.2.16. Helwan Factory for Developed Industries: overview
7.2.17. Helwan Factory for Developed Industries: products and services
8 Business Environment and Country Risk
8.1. Demographics & Social Statistics
8.1.1. Population – Female
8.1.2. Population - Male
8.2. Economic Performance
8.2.1. Construction Output, Current Prices, Local Currency
8.2.2. Construction Output, Current Prices, US Dollars
8.2.3. Current Account Balance as Percentage of GDP
8.2.4. GDP at Purchasing Power Parity
8.2.5. GDP, Constant Prices (Local Currency)
8.2.6. GDP, Constant Prices (US$)
8.2.7. GDP, Current Prices (Local Currency)
8.2.8. GDP, Current Prices (US$)
8.2.9. General Government Final Consumption Expenditure
8.2.10. Gross Fixed Capital Formation, Current Prices
8.2.11. Inflation, average consumer prices
8.2.12. Manufacturing Output, Current Prices (Local Currency Bn)
8.2.13. Manufacturing Output, Current Prices (US$ Billions)
8.2.14. Market cap of Stock Exchange (US$ mn)
8.2.15. Wholesale Price Index
8.3. Energy and Utilities
8.3.1. Crude Oil Distillation Capacity
8.3.2. Electricity Exports
8.3.3. Electricity Imports
8.3.4. Electricity Installed Capacity
8.3.5. Fossil Fuels Proved Natural Gas Reserves
8.3.6. Fossil Fuels Proved Oil Gas Reserves
8.3.7. Hydroelectricity Installed Capacity
8.3.8. Natural Gas Consumption
8.3.9. Natural Gas Production
8.3.10. Net Conventional Thermal Electricity Generation
8.3.11. Net Geothermal, Solar, Wind, and Wood Electric Power Generation
8.3.12. Net Hydroelectric Power Generation
8.3.13. Petroleum Consumption
8.3.14. Petroleum Production
8.4. Minerals
8.4.1. Coal Consumption
8.4.2. Coal Production
8.5. Social & Political Risk
8.5.1. Political Stability Index
8.5.2. Transparency Index
8.6. Technology
8.6.1. Patents Granted
9 Appendix
9.1. Contact Us
9.2. About SDI
9.3. Disclaimer


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,
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 Egyptian Defense Industry: Market Opportunities and Entry Strategies, Analyses and Forecasts to 2016
Web Address: http://www.researchandmarkets.com/reports/2165261/
Office Code: SCD2PWX7

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