The Italian Defense Industry - Market Opportunities and Entry Strategies, Analyses and Forecasts to 2017

Description: Product Synopsis

This report is the result of ICD Research/Strategic Defence Intelligence's extensive market and company research covering the Italian 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 Italian Defense Industry Market Opportunities and Entry Strategies, Analyses and Forecasts to 2017 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 Italian defense industry.

What is the current market landscape and what is changing?

In 2012, the Italian government allocated US$25.6 billion for the total defense budget, and the total defense budget recorded a CAGR of -4.74% during the review period. However, the defense budget, estimated to be US$26.8 billion in 2013, is expected to record a CAGR of -0.03% during the forecast period, to reach US$26.8 billion by 2017. Cumulatively, US$133.6 billion is expected to be allocated to the Italian MOD for defense during the forecast period.

What are the key drivers behind recent market changes?

Italy is facing economic constraints due to high fiscal debt, forcing the government to reduce its expenditure. This has led to constraints in the defense budget and reduced spending on the procurement of defense equipment. However, the Italian MOD's gradual modernization of its armed forces has helped to minimize budget cuts. Furthermore, Italy's membership of NATO, the UN, and the EU, and subsequent participation in peacekeeping operations, also require financial input.

What makes this report unique and essential to read?

The Italian Defense Industry Market Opportunities and Entry Strategies, Analyses and Forecasts to 2017 provides detailed analysis of the current industry size and growth expectations from 2013 to 2017, 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 2013 to 2017, 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 Italian 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 Italy. 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

In 2012, the Italian government allocated US$25.6 billion for the total defense budget. The total defense budget recorded a CAGR of -4.74% during the review period. However, the defense budget, estimated to be US$26.8 billion in 2013, is expected to record a CAGR of -0.03% during the forecast period, to reach US$26.8 billion by 2017. Cumulatively, US$133.6 billion is expected to be allocated to the Italian MOD for defense during the forecast period.

Homeland security expenditure, as represented by the internal security budget in the defense budget, stood at US$7.51 billion in 2012. While the homeland security budget registered a CAGR of -1.33% during the review period, this is expected to increase at a CAGR of 0.48% during the forecast period, to reach US$7.63 billion by 2017. The country is expected to procure transport vehicles to increase the mobility of its forces for surveillance purposes, materials armament, and technical equipment to protect the forces and increase effectiveness. Airport and port security is also expected to be heightened with CCTV cameras, biometric scanners, and other surveillance and monitoring equipment.

Italian defense imports fell continuously during 2008-2010 before recording a strong growth of 326% in 2011. The huge increase in imports in 2011 is mainly due to funding of F-35 aircraft imports from the US. Italy has a competitive domestic defense industry. The state-owned defense company, Finmeccanica, is an internationally renowned group capable of delivering advanced technology equipment such as fighter aircraft, defense technology, and helicopters. The advanced capability of the domestic defense industry and proposed defense budget cuts are expected to have a negative impact on imports. However, continued procurement of aircraft is expected to result in an increase in imports during the forecast period.

Key Highlights

In 2012, the Italian government allocated US$25.6 billion for the total defense budget. The total defense budget recorded a CAGR of -4.74% during the review period. However, the defense budget, estimated to be US$26.8 billion in 2013, is expected to record a CAGR of -0.03% during the forecast period, to reach US$26.8 billion by 2017. Cumulatively, US$133.6 billion is expected to be allocated to the Italian MOD for defense during the forecast period.

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