

UAV market could decline in a few years

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The global UAV market has a few years of rising business ahead before a decline begins, according to a market research firm. Pictured: The Hermes 900, made by Elbit Systems of Israel. (File)

UAV production will increase for the next three years before declining for the next seven as demand falls, according to a report by market research firm Forecast International.

With the end of the Iraq and Afghan wars, the report predicts "production of about 1,000 UAVs of all types in 2014, with output rising to nearly 1,100 units in each of the following two years. Thereafter, production is forecast to average about 960 UAVs annually for the remaining seven years of the 2014-2023 forecast period."

Some 41,800 land- and sea-based unmanned systems, worth about \$10.5 billion, expected to be produced between 2014 and 2023.

However, there is good news for UAV manufacturers. "While UAV production is expected to remain relatively stable over the next 10 years, the value of production will steadily climb, from about \$942 million in 2014 to \$2.3 billion in 2023," said Forecast International. "China manufacturer AVIC is expected to account for the lion's share (\$5.76 billion) of the 10-year market value, based on production of hundreds of pricey UAVs, nearly all earmarked for Chinese consumption. Northrop Grumman, builder of the U.S. Air Force's expensive RQ-4B Global Hawk and the U.S. Navy's MQ-4C Triton, is next in line with forecast production worth \$2.58 billion."

Conflict in Ukraine will also spur demand in Eastern Europe. "Poland wants UAVs capable of carrying out reconnaissance and surveillance missions, as well as strikes on ground targets," said Larry Dickerson, Forecast International's senior unmanned vehicles analyst. "Warsaw will make a decision on purchasing new unmanned aircraft before the end of 2014, but an announcement could come much sooner."

South Korea is also buying Global Hawk Block 30 UAVs.

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