

C4I Market Normalizes, but Still Shows Hunger for Communications and Networking Systems

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NEWTOWN, Conn. [March 29, 2007] - Forecast International's 2007 "C4I Market Overview" reports that the wave of accelerated R&D funding and procurement that followed the 9/11 terrorist attacks is now ending as the C4I market realigns itself to the period before September 11. In commenting on the current state of the market, Richard Sterk, Senior Analyst at Forecast International, said, "The majority of these rushed programs have now run their course, and starting around 2008-2009, the market should begin reverting back to a pre-9/11 pace."

This latest review of the C4I market is based on an examination of 131 C4I programs and 25 companies offering C4I products. According to the analysis, the C4I market will be worth \$8.253 billion in 2007, and will then steadily decline to \$2.721 billion in 2016. The total market over the 10-year period covered by the study (2007-2016) will have a value of at least \$50.704 billion.

"The panic-driven 9/11 shopping spree is over," said Sterk. "C4I budgets will now be reeled back into reality, with modernization of existing systems being the key focus over the next few years. In Europe, France, Germany and Finland are all making big pushes. In the Middle East, the government of Oman recently approved a massive expansion of its current capabilities. And let's not forget India, whose C4I overhaul is as big as its technical support outsourcing market."

"Homeland security efforts are now making a bit of an impact on the market with production of nuclear, biological and chemical detection systems," said Sterk.

"Another field that should start to make a pronounced appearance in the C4I market," Sterk said, "is cybernetics, the melding of human and technology interfaces."

General Dynamics, Raytheon, Thales, BAE Systems, and ThalesRaytheonSystems are projected to be the top five C4I defense companies over the next 10 years based on forecast sales volume and percentage of market share of companies examined within the overview.