strategicdefence INTELLIGENCE

The Global Military IT, Data and Computing Market 2014–2024

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Executive Summary

The global military IT, data, and computing market is expected to grow at a CAGR of XX% during the forecast period

The global military IT, data, and computing market is expected to value US$XX billion by the end of 2014, which is estimated to increase to US$XX billion by 2024, representing a CAGR of XX% during the forecast period. The global market is expected to achieve a cumulative value of US$XX billion during the forecast period. Demand for such systems is anticipated to be driven by rapid technological advancements and the burgeoning interest of military nations in areas such as network centric warfare, embedded computing, information security, cloud computing, and cyber security. The military IT data and computing market is expected to be dominated by North America, followed by Europe and Asia Pacific. A major factor driving spending in this sector is the transition of modern warfare, from the battleground to networks and cyber space, with militaries across the world spending significantly on the development of their defensive and offensive capabilities in the areas of network centric warfare and cyber security.

1 Global Military IT, Data and Computing Market Size and Drivers

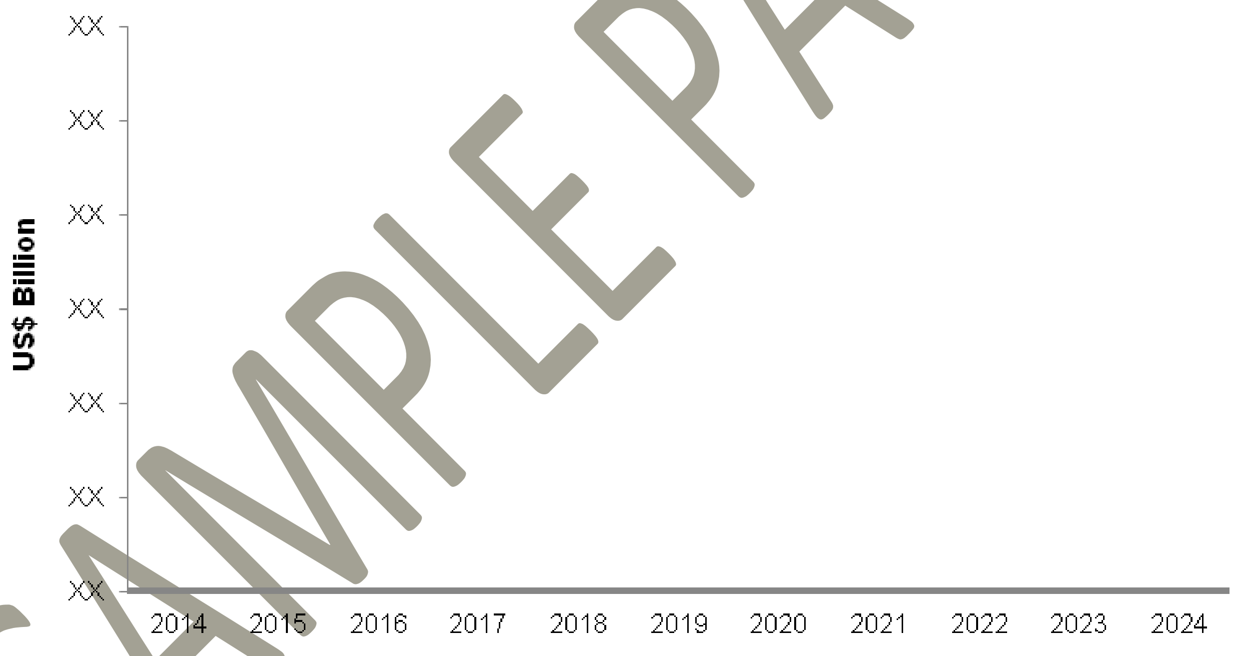
1.1 Military IT, Data, and Computing Market Size and Forecast 2014–2024

1.1.1 Global military IT, data, and computing market to show positive growth during the forecast period

The global military IT, data, and computing market is estimated to value US$XX billion in 2014 and increase at a CAGR of XX% during the forecast period, to reach its peak of US$XX billion by 2024. The market consists of four categories: networking, software, cyber security, and hardware. The networking segment is expected to account for XX% of the global military IT, data, and computing market, followed by the cybersecurity segment with a share of XX%. The software market will account for XX% of the overall military IT, data and computing market, whereas hardware will account for the remaining XX% market share. During the forecast period, the cumulative global expenditure on military IT, data, and computing is expected to reach US$XX billion.

The chart below shows the expected military IT, data and computing market value during 2014–2024:

Figure 1: Global Military IT, Data and Computing Market (US$ Billion), 2014–2024



Source: SDI analysis

1.2 Global Military IT, Data and Computing Market – Regional Analysis

1.2.1 North America to drive the demand for the military IT, data & computing market over the forecast period

The North American region is the forerunner in global military expenditure, as well as technical development and utilization. Similarly, the region generates the highest demand for the military information technology, data, and computing market across the world, due to the enormous consumption levels of the US military. Canada, the only other country in the region, lags much behind the country in consumption of military IT, making the region's market majorly dependent on the US. With a view on future network centric warfare, the US has been investing significantly on acquiring and deploying advanced IT infrastructure such as Enterprise Resource Planning (ERP) software products, Tactical Local Area Network (TACLAN) Family of Systems, Software support for Radars, Net-centric networking products, the transition to cloud computing, and cyber security over the last few years. Complemented by Canada's military IT expenditure, the US military has been driving the North American region's military IT, data, and computing market, which is valued at US$XX billion, and accounts for XX% of the world's total military IT, data, and computing market in 2014. Over the forecast period, the North American market is projected to grow at a CAGR of XX%, to reach US$XX billion by 2024, primarily due to programs such as Defense Information System Network (DISN), Warfighter Information Network Tactical (WIN-T), Next Generation Enterprise Network (NGEN), Consolidated Afloat Networks & Enterprise Services (CANES), and Global Combat Support Systems (GCSS) among others.

The table below gives a brief overview of the global military IT, data and computing market

Table 1: Global Military IT, Data and Computing Market Overview

Region	Market in 2014	Market in 2024	Total Market (2014–2024)	Annualized growth/decline (2014–2024)
North America	US$XX billion	US$XX billion	US$XX billion	XX%
Asia-Pacific	US$XX billion	US$XX billion	US$XX billion	XX%
Europe	US$XX billion	US$XX billion	US$XX billion	XX%
Middle East	US$XX billion	US$XX billion	US$XX billion	XX%
Latin America	US$XX billion	US$XX billion	US$XX billion	XX%
Africa	US$XX million	US$XX million	US$XX billion	XX%
Total military IT, Data and Computing Market	**US$XX billion**	**US$XX billion**	**US$XX billion**	**XX%**

Source: SDI analysis © SDI

1.3 Military IT, Data and Computing Sub-Sector Market Size Composition

1.3.1 Networking segment to account for the highest expenditure in the military IT, data and computing market

The demand for networking products and services is expected to be driven by the need to transform the existing military into a fully network-centric force in top defense spending nations, such as the US and the UK, and in fast growing defense markets, such as China, India and Brazil. This move is catalyzed by the experience gained by military forces in countries such as France and Australia while working in close collaboration with the US and UK militaries in international missions. Furthermore, this experience has enabled respective countries to pinpoint areas of improvement, including the requirement for a network centric capability. Subsequently other western nations and some developing countries, such as India and China, have shown interest in developing a networking centric force for their own armed force units.

The integration of the existing isolated communication network to achieve the goal of a network-centric force is also expected to drive the demand in some countries. The US will lead expenditure in this sector during the forecast period and has formulated a number of plans to integrate its defense infrastructure. The UK and Germany are also expected to spend substantial sums on this segment throughout the forecast period. The market for the networking segment is expected to attract an expenditure of US$XX billion in 2014, which is projected to grow at a CAGR of XX% to reach US$XX billion in 2024. The cumulative market for networking during the forecast period is expected to register a value of US$XX billion.

The table below gives a brief overview of the global military IT, data and computing market:

Table 2: Global Military IT, Data and Computing Market Overview

Category	Market in 2014	Market in 2024	Total Market (2014–2024)	Annualized growth/decline (2014–2024)
Networking	US$ XX billion	US$ XX billion	US$ XX billion	XX%
Cyber security	US$ XX billion	US$ XX billion	US$ XX billion	XX%
Software	US$ XX billion	US$ XX billion	US$ XX billion	XX%
Hardware	US$ XX billion	US$ XX billion	US$ XX billion	XX%
Total Military IT, Data and Computing Market	**US$XX billion**	**US$XX billion**	**US$XX billion**	**XX%**

Source: SDI analysis © SDI