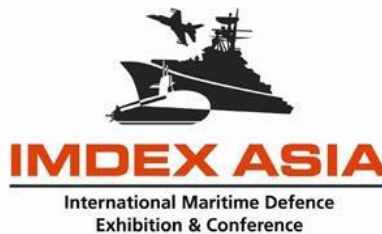


Asia-Pacific Maritime Security (OPV & Patrol Vessel) Market Outlook 2010-2029



As part of AMI's knowledge partnership with IMDEX organizer Experia Events Pte Ltd, Hot News includes periodic focused naval market assessments from AMI Advisory Services in support of the upcoming IMDEX Asia 2011 event in Singapore 18-20 May.

This month's assessment looks at the outlook for maritime security capabilities, specifically for offshore and other patrol vessels, in the Asia-Pacific naval market.

Maritime security remains a pressing concern for Asian and Pacific nations. Continuing, and by some measures growing, threats of piracy and other disruptions to safe and secure sea commerce in the region has ensured a robust market for maritime security capabilities that will be a centerpiece of many exhibitor displays at IMDEX. The maritime security market, however, is different from other naval market segments in several respects.

First, the buyers of maritime security capabilities tend to be a broader set of agencies and services whose budgets, decision making, and operational cultural can be very different from the traditional navy buyer of specific types of warships.

Second, in contrast to more traditional naval market segments such as submarines or frigates, maritime security is more fragmented and less centered on specific platforms. Most nations in the region operate in a "layered maritime security" framework that includes basic physical security of ports and harbors, land-based coastal surveillance posts, maritime patrol aircraft (fixed and rotary wing), extensive long range and even spaced based command, control, communications (C3), ISR, maritime domain awareness capabilities and, increasingly, unmanned and robotic systems.

Still, the centerpiece of most regional maritime security forces remains the manned patrol vessel. AMI tracks the current and future market for these core sea-based components of maritime security networks—namely patrol vessels ranging from the 7M RHIB boat to 120M Coast Guard Cutters little different in form or function from naval frigates. Today, some 150 OPVs and 6,000 smaller patrol vessels are in the inventory of navies, coast guards and maritime security agencies around the world.

Over the next 20 years, AMI forecasts that about 200 new OPVs and another 1,000 new patrol vessels will be built worldwide. This represents a market value of about USD 35B in new ship and related systems expenditures. In the Asia-Pacific region, the future PV/OPV market is

forecasted to amount to USD 7B over the same period—representing about 20% of the future global market for these types of ships.

Compared to other higher value segments in the naval market—submarines, frigates and amphibious ships--the patrol/OPV market is relatively modest. That said, the PV/OPV segment remains the largest volume segment as measured by numbers of ships and craft expected to be built.

And as good order at sea remains an elusive goal in many parts of the Asia-Pacific region, capabilities that help A-P nations improve maritime security--from fences and sensor stations to fast intercept craft and highly capable ships and aircraft—will remain in high demand. This will make maritime security an ensuring feature of this year's and future IMDEX events.

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