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AMI International Issues New Asia-Pacific Forecast for PACIFIC 2013

Bremerton, WA – 3 October 2013 –

AMI International has released its latest findings on the Asia-Pacific naval market in preparation for this month's Pacific 2013 International Maritime Exposition, to be held 7-9 October in Sydney, Australia in conjunction with the International Fleet Review.

The Asia-Pacific (A-P) naval market continues to show strong growth. The A-P region has passed the U.S. to become the world's largest naval market by volume totaling 1,066 vessels or approximately 28% of the market over the next 20 years. When measured by projected spend (of hulls, mechanical, electrical, and combat systems), the region represents just over a quarter of the entire global new build naval market – behind only the US at roughly 34%.

Guy Stitt, President of AMI International states, "There continues to be significant investment in new naval vessels and systems development throughout the world. While the more advanced economies of North America and Europe have slowed their naval recapitalization, the Asia Pacific region continues to show strong growth with 950 ships and 116 submarines expected to be commissioned over the next two decades at an estimated value of around US\$210 billion."

Asia-Pacific Future Naval Market (2013-2032)			
Country	# New Build Hulls	US\$M	Spend (%)
India	211	61,895	29.5%
South Korea	137	31,528	15.0%
China	113	26,216	12.5%
Australia	60	19,203	9.2%
Japan	72	19,191	9.2%
Taiwan	73	15,643	7.5%
Indonesia	157	10,311	4.9%
"Top 7" Totals	823	183,987	87.7%
A-P Total	1066	209,711	

The A-P region projected new procurement spend is led by **India** and **South Korea**. Taken together, the two countries represent 32% of the region's future naval market over the next 20 years by volume (number of new hulls), and about 45% by market value. Each country is expected to procure more than 100 new ships and submarines during the next two decades. These procurements are highlighted by several nuclear and conventional submarine programs, numerous multi-role surface combatant and patrol vessel programs, and India's new aircraft carrier construction programs, make them the region's premier new ship buyers in the coming decades.

Other major naval market opportunities in the region are seen in **China, Japan and Australia**. Taken together, those three countries are expected to build 245 new platforms worth a combined acquisition cost total of US\$65 billion through 2032. These countries are procuring air-independent propulsion (AIP) capable submarines, multi-mission destroyers and frigates and patrol vessels. Two of these major programs are occurring in Australia, the SEA 1000 Future Submarine program and the Air Warfare Destroyer (AWD) program. Additionally, the Royal Australian Navy's Canberra class amphibious assault ship "Canberra" is set to commission in 2014.

In other markets, **Malaysia and Indonesia**, naval spending is not as large as the market leaders above, but each country continues to focus on developing indigenous shipbuilding infrastructure, and each has plans to acquire submarines, frigates and patrol vessels to enhance warfare capabilities and conduct maritime security operations. Malaysia is also planning for new large amphibious ships, while Indonesia has just completed a new class of five Makassar class amphibious ships and is moving forward with the acquisition of new Type 209 submarines in partnership with Republic of Korea shipbuilders.

Vietnam is emerging regional market in the midst of a full scale fleet modernization procuring new submarines, frigates and fast attack craft. Vietnam still relies on the Russian supply chain, but will expand beyond that traditional supplier relationship acquiring new Sigma class corvettes with western systems and indigenous OPVs based on a European shipbuilder design.

Guy Stitt will be attending the International Fleet Review and the Pacific 2013 International Maritime Exhibition in Sydney.

About AMI: AMI International, based in Bremerton, Washington USA is a leading provider of focused market analysis and consulting for naval, maritime security, and unmanned systems markets around the world. AMI tracks the 151 ocean-based countries and report on naval business opportunities in those countries that have resources to consistently invest in naval and maritime security capabilities.

AMI's products and services provide clients with near term market opportunities and key capture advantage to win contracts. AMI clients gain insights into emerging markets and distinguish which projects to bid on and more importantly, what not to bid. AMI online market intelligence products include naval, missile and unmanned systems market research databases. Its flagship "Hot News" monthly naval market newsletter is considered a "must read" for key players in the industry. AMI maintains an active dialogue with senior sea service leaders, key decision-makers in the naval and defense industry, leading media covering the defense sector, and its network of international advisors and affiliates.

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