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AMI International Releases 2011 World Naval Market Forecast

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- *World naval market growing despite slowdowns in the U.S. and Europe.*
- *The Asia-Pacific region has passed Europe to become the world's second largest naval market, led by India, China and the Republic of Korea.*
- *SE Asia set to spend more than US\$21B through 2030 on new construction ships and related equipment, including surface combatants, submarines and amphibious ships.*

AMI International has released findings from its latest forecast of the global naval market, "World Naval Market Overview 2011." AMI's current report projects new naval ship and related equipment expenditures to reach US\$745B over the next 20 years, up about 13% from its 2008 world naval market forecast.

The European and U.S. markets continue to show weakness due to ongoing fiscal issues. Despite slowdowns, the U.S. remains the world's largest naval market with over US\$286 billion expected to be spend on nearly 500 new ships, subs and craft through 2030.

Turkey is the bright spot in an otherwise soft NATO Europe, with almost 100 new hulls worth an estimated US\$13B to be procured over the same period.

In contrast to Europe, the Asia-Pacific (A-P) naval market continues to show strong growth. As predicted at this year's IMDEX 2011 naval show, the A-P region has overtaken Europe to become the world's second largest naval market. This includes more than 800 new ships and submarines worth over US\$180B in the next two decades.

India and China lead the A-P region in projected naval spending. Each country is expected to procure more than 100 new ships and submarines over the next 2 decades. Other "Top 5" naval buyers in the A-P region include South Korea, Japan and Australia.

AMI's Vice President for Advisory Services, Bob Nugent, notes, "The A-P naval market continues to show a pattern of steady growth across a wide variety of naval capabilities, and spending

remains evenly distributed across the region. India and China are modernizing their navies at a deliberate pace, acquiring a balanced portfolio of new ship and submarine programs. Taken together, the two countries represent about the 30% of the region's future naval market by number of hulls, and about 45% by market value."

New aircraft carrier construction programs in India and China are at the top of the region's naval spending list. But submarine procurement in the region also looks to remain brisk, with more than 100 new hulls forecasted for the region through 2031. This represents more than 40% of the 270 new submarines AMI forecasts will be procured worldwide over the next two decades.

Naval market demand remains strong in Southeast Asia as well, with the top six markets in the region set to spend more than US\$25B on new naval ships through 2031. New naval procurements in the region are led by Indonesia, Malaysia, and Thailand. Patrol vessel, frigate, and amphibious ships are the core of future new naval projects in SE Asia, followed by fast attack craft (FAC) and submarines.

Given this market outlook, AMI expects high interest from exhibitors and visitors alike at the upcoming leading naval expos and conferences that will cover the regional market, including LIMA 2011, Pacific 2012, DEFEXPO 2012, and IMDEX 2013.

World Naval Market Overview: 2011-2031

Program Status	In Progress		Planned		Projected		Totals	
Region	Hulls	US\$B	Hulls	US\$B	Hulls	US\$B	Hulls	US\$B
Asia-Pacific	414	81862.5	212	75166.3	179	27775	805	184803.8
Caribbean & Latin America	123	5101	80	9282.8	87	12931	290	27314.8
MENA	165	11885.9	278	18376.4	241	14909	684	45171.3
NATO	200	65593.6	208	58772	190	29361	598	153726.6
Non-NATO Europe	22	557	12	2938.5	27	5305	61	8800.5
Russia	129	31215	5	5000	0	0	134	36215
Sub-Saharan Africa	0	0	12	1773	29	1310	41	3083
U.S.	324	186792.6	157	65100	25	34786.0	506	286678.6
Totals	1377	383007.6	964	236409	778	126377	3119	745793.6

About AMI International

AMI is a leading provider of focused market analysis and consulting for naval, maritime security, and unmanned systems markets around the world. AMI, based in Bremerton, Washington USA with Advisory Services led out of the Washington DC area, tracks naval business opportunities in over 70 countries that consistently invest in naval and maritime security capabilities.

AMI's product line includes 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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