

Military Body Armour & Personal Protective Equipment (PPE) Market 2013-2023

The development of the SCE as an all encompassing force protection system has increased the demand for military body armour and PPE in recent years. The commitment to the procurement, development and advancement of this system is expected to sustain spending in the market sector throughout the early part of the forecasting period. Despite the reduction in troop deployment, which will have an impact on spending, the commitment to developing the next generation of force protection, using lessons learnt in Iraq and Afghanistan will provide demand in the Australian national market. The media and public backlash focussed upon the lack of equipment and preparedness of the Australian military has had a major impact on military body armour and PPE procurement plans. There was great dismay at the lack of effective military body armour and protective equipment provided to Australian troops. Therefore significant investment will take place in body armour and PPE to ensure that all Australian troops are fully protected. It is estimated that individual soldier equipment now costs in excess of \$26,000 per person.

This commitment to procuring the most advanced personal protection equipment possible for the Australian forces is further underlined by the helmet upgrade programme which is expected to continue through 2013. In November 2011, the Australian government stated that upgrade work involving 2,000 helmets had been completed in October 2011, with new harnesses and padding being fitted to increase comfort and functionality. A further 1,500 helmets were upgraded in 2012 with an unspecified number to undergo upgrade in 2013 and 2014.

5.7.2 Australia Military Body Armour & PPE Contracts & Programmes

Table 5.19 Australian National Military Body Armour & PPE Market Major Contracts (Company, Date, Value, Details)

Company	Date	Value	Details
Craig International Ballistics	May-10	\$1.2m	Supply the Australian armed forces with SAPI plates.
Australian Defence Apparel	2010	\$0.95m	3 Contracts for Inspection, Launder and Repair 201 MCBAS Soft armour inserts.
Australian Defence Apparel	Feb-10	\$0.35m	Contract to produce 400 TBAS tier 1 systems.
Australian Defence Apparel	Feb-10	\$0.74m	Contract for manufacture 400 sets of TBAS tier 2.
Craig International Ballistics	May-10	\$1.12m	Contract for front and Back ballistic plates.
Craig International Ballistics	May-10	\$1.45m	Contract to supply hard ballistic plates and soft armour inserts.

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5.13 Turkish National Military Body Armour & PPE Market Forecast

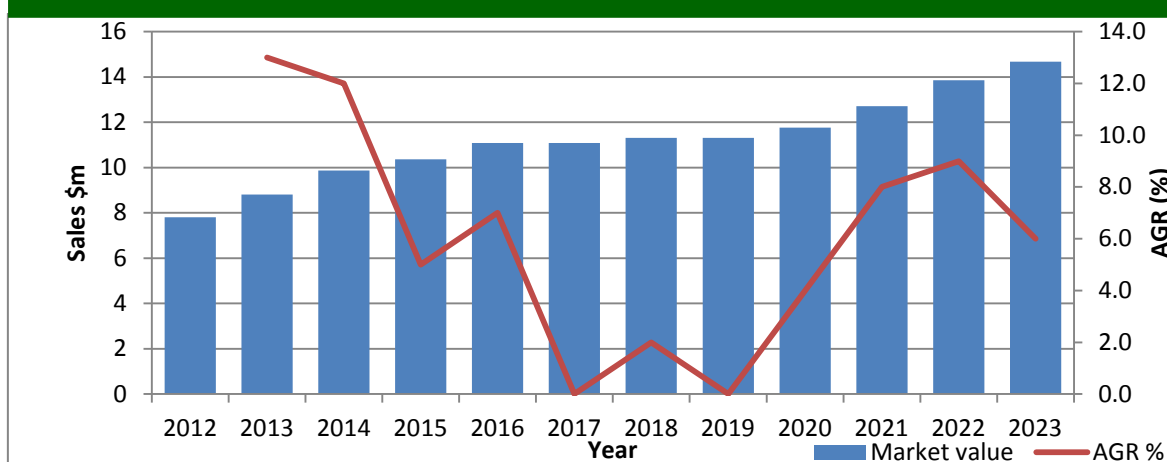
2013-2023

Table 5.35 Turkish National Military Body Armour & PPE Market Forecast 2013-2023 (\$m, AGR %, CAGR%, Cumulative)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-23
Sales \$m	7.8	8.8	9.9	10.4	11.1	11.1	11.3	11.3	11.8	12.7	13.8	14.7	126.9
AGR (%)		13.0	12.0	5.0	7.0	0.0	2.0	0.0	4.0	8.0	9.0	6.0	
CAGR 2013-18 (%)	5.1						2018-23	5.4					
CAGR 2013-23 (%)	5.2												

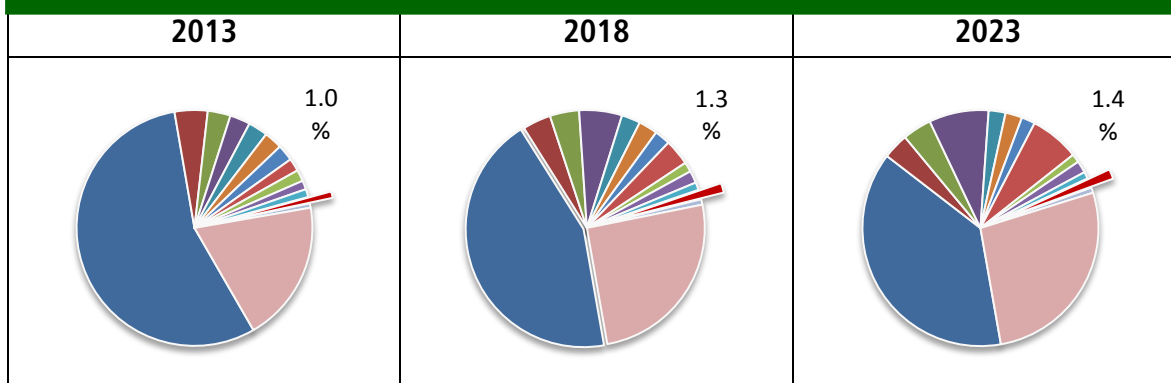
Source: Visiongain 2013

Figure 5.34 Turkish National Military Body Armour & PPE Market Forecast 2013-2023 (\$m, AGR %)



Source: Visiongain 2013

Figure 5.35 Turkish National Military Body Armour & PPE Market Share Forecast 2013, 2018 and 2023 (% Share)



Source: Visiongain 2013

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7. Expert Opinion

7.1 Shachar Bernhard – V.P. Marketing ArmorSource

7.1.1 ArmorSource a Leading Company

Visiongain: *Could you tell me about Armorsource's position in the market and how you forecast this in the next few years?*

SB: ArmorSource have a leading position in the market in many aspects. ArmorSource won the first order of Lightweight Advanced Combat Helmets (LW-ACH) to the U.S. Army in the amount of up to 375,000 units. ArmorSource also provide Ultra-Lightweight Ballistic Helmets to the Italian, Singapore, Spanish and Dutch Governments, as well as other military and law enforcement forces worldwide and during the last five years ArmorSource produced and delivered to its customers over than 400,000 ballistic helmets.

Besides having the most progressive lightweight armouring technologies, with a production capacity of up to 40,000 ballistic helmets per month ArmorSource most probably have the largest production capacity of ballistic helmets in the world.

7.1.2 Budget Cuts Impact Business

Visiongain: *Have cuts in US & European defence budgets actually had a meaningful impact upon Body Armour and Personal Protective Equipment demand?*

SB: It is difficult to link cancelation of solicitations and/or continued delay of projects directly to the defence budget cut. But we in fact we have seen in the last years less solicitations turned into firm orders in EU and the US.

7.1.3 Alternative Markets Continued Demand

Visiongain: *Are you seeing a growth or trend in alternative, developing markets and if so which regions?*

SB: Alternative markets are still buying like they had before, however still, mostly lower-end products. So this is not an alternative to the US and EU markets that traditionally are looking in many cases for higher end products.

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8.1 3M Ceradyne

Table 8.2 3M Ceradyne Company Overview (HQ, Product Specialisation, Website)

Headquarters	Costa Mesa, California, US
Product Specialism	Technical Ceramics
Website	www.ceradyne.com

Source: *Visiongain 2013*

8.1.1 3M Ceradyne Maintains Prominent Position

3M Ceradyne is a world leader in advanced ceramic systems and components. Its product specialisation in terms of the Military Body Armour and PPE market is Technical Ceramics, more specifically hard armour plate inserts. It is a key supplier of ESAPI, ESBI, XSAPI and XSBI plates to the US military. 3M Ceradyne also provide armour plating for combat and tactical vehicles, small boats, naval vessels, helicopters, and fixed wing aircraft.

In November 2012, 3M completed its acquisition of Ceradyne. In a press release it was announced that: "The combination of Ceradyne and 3M will enable new technologies and innovation for uniquely tailored materials requiring advanced ceramics. Ceradyne will join the 3M Advanced Materials Division within 3M's Industrial Business Group".

Visiongain believes this acquisition alongside the prominent position of the company within the armour plate insert industry will stand it in good position for the future. Clearly cuts in US government spending will have an impact on revenue figures. However the reputation it holds for producing top quality products could open avenues to international markets and will ensure continual demand, albeit at a lower level, from the US DoD.

8.1.2 3M Ceradyne Main Regional Focus

- USA