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“Continental Shift” in Global Economy Bolsters World Naval Market

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According to Guy Stitt, President of AMI International, “We are witnessing a continental shift in the world’s naval market brought about by changes in the global economy. AMI’s newly released World Market Overview is a ‘must read’ to better understand where you should focus your R&D, and sales and marketing investments for international sales.” This shift, he asserts, is from the traditional economic powers in the Americas and Europe to the emerging and developing economies that are in the midst of rebuilding and modernizing their sea services.

The current slower growth rates in advanced economies, coupled with fiscal imbalances, are driving their defense budgets lower which is negatively impacting the future naval ship construction forecasts and fleet structures for the legacy naval powers. The picture in the rest of the world, however, is much different. Across the Asia-Pacific, Middle East-North Africa and Latin America, many emerging and developing countries are sustaining GDP growth sufficient to invest in expanding their navies, coast guards and other maritime security agencies; this is causing an uptick in overall naval ship construction activities.

The executive summary “World Naval Market Overview: Construction Trends” examines the worldwide naval ship construction market by ship type, region, and systems as they relate to the requirements identified in 510 new construction projects in AMI’s Worldwide Naval Projections Report (WNPR). These projects total 2933 ships and submarines to be built through 2031 for US\$756 billion along with the many systems and equipment to be installed.

- *While the United States is forecast to remain the world’s largest naval market by value at US\$285B, the number of new construction ships it will produce through 2031 is declining.*
- *The Asia-Pacific region recently surpassed Europe as the world’s second largest naval market spending US\$181B on 741 vessels.*
- *Sea services in the Middle East and North Africa region have experienced significant growth since 2008 with a regional market value of US\$48B for 642 vessels.*

The report also discusses changes in the global naval shipbuilding base and the technological advances that are having an effect on ship designs and the systems that they will be outfitted with. Additionally, the rapid application of unmanned systems throughout the naval domain is discussed and direction is provided on where the opportunities for greater application will be found.

Pat Bright, AMI's Chief Analytical Officer indicates, "The frigate is becoming the new capital ship in many fleets, incorporating high speed anti-ship missiles, short and medium range air defense systems and more advanced anti-submarine warfare capabilities." These systems are further enhanced by helicopters and unmanned systems that can provide surveillance, tracking and targeting information at longer ranges, as well as new mission capabilities such as mine warfare, which has not historically been inherent to these types of ships.

About AMI International

AMI is based in Bremerton, Washington USA with Advisory Services led out of the Washington DC area. AMI is a leading provider of focused market analysis and consulting for naval, maritime security and unmanned systems markets around the world. AMI 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.

For more information about AMI's products and services, visit www.amiinter.com. To arrange an interview with AMI International or for questions regarding sales, call us at +1 (360) 373-2686 or contact a member of our team directly:

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