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UAS Market Outlook 2008, part 1

The demand for unmanned aerial vehicles or "systems" (UAS) continues to expand. Unmanned aircraft, while largely dominated by North America's military industry, are being incorporated into virtually all modern militaries. To service these needs, there are now an estimated 450 companies worldwide that are either developing or manufacturing UAS. These companies produced an estimated 3,100 aircraft of varying sizes during 2007. Estimates for total UAS spending last year are valued



Despite limited applications in the civilian market, spending related to the development and production of unmanned aerial vehicle systems is expected to more than double over the next 10 years. Photo courtesy of AAI Corp.

at more than \$3 billion. This includes research and design, aircraft manufacture and maintenance, overhaul and modifications. The vast majority of UAS aircraft produced, about 81%, were "small-" or "micro-" surveillance and reconnaissance aircraft. While overwhelming in number these small reconnaissance aircraft (with wing or rotor spans less than 15 ft wide) represent only about 19% of the total UAS procurement expenditures (valued at between \$1.5 and \$1.6 billion). Production of medium and large reconnaissance aircraft

is expected to grow from 31 units during 2007 up to between 70 and 80 aircraft per year by the end of this decade. Production of "medium-" and "large-" class reconnaissance aircraft were valued at about US\$415 million last year. Aerospace analysts at **The Teal Group** recently reported that total UAS spending will more than double over the next 10 years growing from \$3.4 billion annually to \$7.3 billion by 2017. Total UAS expenditures are expected to be worth close to \$55 billion over the forecast - representing a 10% increase from their study published in early 2007.

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