



"U.S Government's DOD budget set at \$379.9 billion" reports visiongain

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With the 2004 U.S Government's DOD budget set at \$379.9 billion (a \$15 billion increase on 2003), the defence cuts of the 1990's are a feature of the past. Across all the major defence markets, government defence spending has increased steadily since the late 1990's. Increasingly contracts are going to firms previously involved in commercial-sector communications technology provision.

PR9.NET October 27, 2004 - San Francisco, CA and London, UK - The total sales in 2001 for the six major defence contractors, was \$14.2 billion (£7.73 billion), whilst in 1990 the major 13 defence contractors had sales of \$12.4 billion (£6.75 billion). This is compounded with the fact that the total assets of those top six 2001 companies were over twice that of the top thirteen's assets in 1990: \$11.20 billion 2001 (£6.10 billion) as opposed to \$4.60 billion (£2.50 billion).

With the expenditure rising in the Defense sector, reducing costs is essential in maintaining Government budgets. Governments are heading towards different avenues for research and development in Defense by providing companies chances to win future projects. Many large-scale communications contracts, which will be next to win future projects such as the UK's Vehicle Descriptions Fire Support Team (FIST). "One former commercial technology provider had COTS technology provision for government systems at the mainstay of its approach. In the final quarter of 2003, exceeded sales predictions with \$31.5 million sales figures, 51% of which came from Government contracts", says a leading visiongain Defense analyst.

A key sector of Defense is the study of Commercial Off The Shelf (COTS) communications components and the rise of their use within military systems are provided. The technology and the possible pitfalls in transposing COTS for military purposes in various ways can be minimised and avoided. Military solutions, once the territory of manpower-intensive, predictable doctrine have been replaced by the requirement for a more sophisticated, rapid and precise approach. This has led to a closer relationship between the commercial technology industry, and the defence community. This close relationship is typified by the blurring of the boundaries between the defence and telecommunications industries.

The need for improved connectivity and situational awareness on the ground is set to fuel development in the largest market segment-land systems. "Promising areas of growth include software defined radio (SDR), Wideband Networking Radio (WNR), data-links for air defence, squad-level radios and air-to-ground connectivity for close air support. Sizeable SDR procurements post-2010 are expected to underline a revenue potential of \$1,303.0 million in 2013", adds visiongain analyst.

If you are interested in an overview of Military Communications & COTS – Please send an email to Senh Ip – Corporate communications at – Senh.ip@visiongain.com including: Full name, Company name, Title, Contact Tel Number, Fax and Email. Following this information, an overview will be emailed to you.

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