



“With the UK remaining the 2nd largest defence exporter in the world, over the past 10 years with a 9% global share, the defence market is not only essential to the safeguarding of the UK, but also to drive forward the economy and highlight how strong our engineering skills are.”

Nick Parker, Operations Director

Defence overview & outlook

Autumn 2017



Defence overview



The UK remains the **second largest** global defence exporter. In 2016 the UK won defence orders worth **£5.9 billion**.

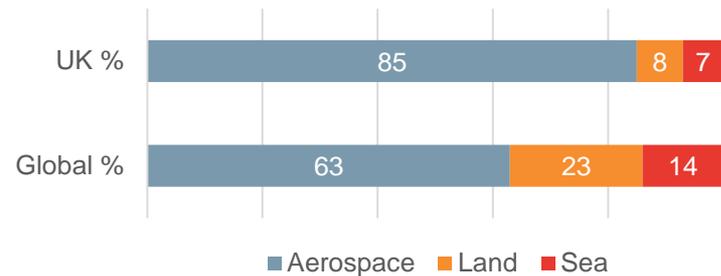
The UK share of the global defence export market was estimated to be **9%** in 2016 with the UK's largest defence export markets being the Middle East, North America and Europe.

In 2016, the value of UK security export sales was **£4.3 billion**, moving the UK upwards to 5th place in the overall rankings.

The UK's largest security export markets were Europe, Asia-Pacific and the Middle East.



UK and global defence export market (based on orders / contracts signed) by sector 2007 to 2016



The aerospace sector by value accounted for **63%** of all global defence exports. This is primarily due to the the fact that high value aircraft reside in this domain.

The UK is dependent on its aerospace sector which includes platforms, equipment and support. As a world leader in aerospace technology this strength is vital to securing high value export opportunities in growth markets where air superiority is, and will remain a key priority for nearly all nations.



Defence outlook



A future where unmanned ships will be integrated into a single defence system, supported in the sea and the sky - is becoming a reality.

The British defence technology company **QinetiQ**, has announced the **£4.5 million** contract for the 4th stage of the **Maritime Autonomous Platform Exploitation** aka 'maple' project.

Maple enables its user to integrate defence systems such as boats, drones or submarines from various suppliers to control them from a safe distance. It also allows small teams to control numerous machines, which would otherwise require a lot of manpower.

With the UK exiting the EU, there is uncertainty around the impact on the defence sector. The relationships of the UK with other countries, especially the US, coupled with renegotiation of trade agreements, will play a major role in the future challenges and opportunities.

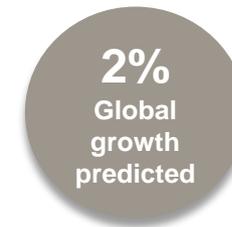
UK defence spending is expected to remain steady with a

slight impact on certain defence programmes due to regulatory and economic uncertainty. The pound sterling has depreciated since the Brexit vote, which, in turn, is expected to boost UK's exports as they become more competitive.

UK companies have already started eyeing opportunities in overseas markets to sell their military equipment where their products could become more price competitive.

Despite the UK's defence budget for 2016 at **£41.8 billion** remaining almost the same as 2015 levels, it continues to remain the **3rd largest** defence budget globally.

The UK is expected to invest over **£27.7 billion** to reinforce its military forces during 2016 and 2017.





Carbon60 is a specialist in providing flexible and cost effective engineering and technical recruitment solutions on an international scale. We work in partnership through a combination of recruitment, managed services and outsourced projects to help connect the best industry professionals and teams to dynamic businesses across aviation, construction, defence, engineering and technology.

Contact us

01329 227048

