

## **COMPETITOR ANALYSIS**

### **KEY PARTICIPANTS IN THE DEFENSE INDUSTRY**

The Singapore defense industry is primarily a government run body. Almost all defense industries are under the control of the MINDEF controlled umbrella group, and the Singapore Technologies Group (which includes more than 40 companies organized into 4 business sectors: industrial, ordnance, aerospace and marine).

The ordnance-based companies of the Chartered Industries of Singapore produce equipment both for the local market and for export. The range of products include small arm weapons, anti-tank weapons, ammunition for small arms, machine guns and aircraft, mortar bombs, explosives, military electronics, communication equipment and others. All products are made to international standards such as US and NATO Military Standards.

Major suppliers of imported defense equipment are the USA, UK and Germany. Some US companies include United Technologies, AAR Technical Service and EMGO Overseas which supply aircrafts and engines, rotables for aircraft, and ordnance products respectively. All these companies go through local intermediaries. Similarly, UK firms such as Irvine Industries (parachutes and components) and Painx-Wessex Schermuly (ammunition) go through local agents.

Canadian suppliers that have been successful in tapping the Singapore defense market include Bristol Aerospace, CAE of Montreal, Spar Aerospace, Marconi, Fathom Oceanology, Sperry, Henotex and others.

### **FUTURE TRENDS AND MARKET OPPORTUNITIES**

The market for defense equipment is expected to remain at about 6% of GNP. Although this percentage figure is not expected to change, the actual dollar value of defense product purchases is expected to rise over the next several years.

This, therefore, offers market opportunities for suppliers of defense equipment and services. The major growth areas are:

- Training equipment.
- New and more technologically advanced equipment.

With MINDEF's plans to establish its own company for spare parts, supply of spare parts will no longer be listed as open tenders.

The Singapore government encourages foreign manufacturers to set up joint ventures for the production of high technology defense products. As Canadian manufacturers have unique technological know-how on certain defense products such as air-to-ground missiles, radar equipment and others, they may consider setting up manufacturing and servicing operations to service the region.

Initially, however, Canadian companies may choose to establish presence and a track record either by going directly to MINDEF or by approaching licensed MINDEF companies or private agents.