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CIVIL SECURITY SECTOR SURVEY

-Final report

Swedish Trade Council Stockholm, February 1st, 2012





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OBJECTIVE



- The objective of <u>the quoted project</u> is to:
 - Map the Swedish civil security sector with regard to companies, products and services, trends, prioritizations, trade barriers, needs and success factors

PROJECT OUTLINE





Meeting

DELIVERABLES

BROAD PROFILE OF PARTICIPATING COMPANIES

Participation overview

- The Swedish Trade Council used internal and external resources and contacts to identify suitable respondents within the field of civil security
- Interviews held with key players in within the civil security sector in order to fine tune the web survey
- A long list of 174 unique companies was put together

Examples of participating companies

MANCER







Sirefly ab

SAAB ERICSSON





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THE WORLD MARKET FOR CIVIL SECURITY IS HUGE AND BENEFITS FROM A STEADY GROWTH



Total world civil security market and Swedish export within civil security

100%=TrSEK 462



- The total world market for civil security is approximately worth TrSEK 462
- The sector benefits from a steady growth which is estimated at 7,5 percent per year during the last couple of years
- Swedish export within the sector is approximately worth MSEK 4 000 – 5 000

World civil security market

Swedish exports within civil security

The market for civil security sector is very large with untapped potential for Swedish companies

Source: Nationell forsknings- och innovationsagenda, Civil Säkerhet



CIVIL SECURITY SOMEWHAT DIFFICULT TO DEFINE AND RARELY A BUSINESS AREA ON ITS OWN...

The civil security sector appears to be very fragmented and difficult to define...



"We have been studying the civil security sector for 10 years, but haven't yet fully understood it" Lars Jernbäcker, Vice president, Program manager Civil Security, SAAB AB

...which to some extent could explain the lack of attention among companies



"Civil security is rarely an own business area for a company, which means it doesn't get the attention that is needed" **SACS**

...AND THERE SEEMS TO BE A NEED FOR A MORE COORDINATED APPROACH IN THE SECTOR



Verksamkenbeskriming och målappfillelse	
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22	udirerleteringunus för prejektiv var därför solad att på släv sätt tydiggera den matienalla marimaten för dessa aktiver liksom att förstig sigera att "marimadervek."
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Ko	npetenser/Renover
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22	delle. I blieze i zon zone neres denne modell est med en ieri bedrivning el Annem delle.
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	terupply gjensken. I tidlet stadiom av novarande reviele framlørn amellentid att medallan var svår att
	municers och med hänom till der store internetionelle pröpsin på pretoket til andredes
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	is Management ockeln. Denne sing ade exied en större flestbilitet och är dessylom allik
ale:	all aftersom der Under projektiden blir fördnäringer bland alternorsa, någet zim och af erkar hörnorstöllati

Common total solutions

- Kenneth Wiklander, paper on international system sales within Swedish civil security for Safety and Rescue Region Mid Sweden:
 - Suggests that companies within the sector should cooperate to a greater extent and offer total solutions



Structured marketing approach

"The sector could benefit from a more coordinated approach, e.g. common marketing material" **SACS**







Findings

- Web survey

The way forward

SWEDISH TRADE COUNCI



58 OUT OF 164 COMPANIES RESPONDED TO THE SURVEY

-Corresponding to a 35 percent response rate



A MAJORITY OF THE RESPODENTS REPRESENTS SME:S



- However, quite a few large companies have answered as well



CIVIL SECURITY ACCOUNTS FOR 50 PERCENT OR MORE OF TOTAL TURNOVER FOR 43 PERCENT OF THE COMPANIES





SENSORS AND COMPLEX SYSTEMS LARGEST SEGMENTS AMONG RESPONDENTS

Respondents by civil security segment





THE INTERNATIONAL PRESENCE SEEMS TO BE RATHER HIGH AMONG COMPANIES IN SURVEY

Current and new future markets split according to region and country

- With number of companies active on each market (and new future markets)

- European Union, 88% (58%)
- Regional focus, 26 (19)
- UK, 11 (6)
- Denmark, 9 (4)
- Italy, 9 (1)
- Netherlands, 8 (2)
- Belgium, 7 (1)
- France, 7 (2)
- Germany, 5
- Finland, 4 (1)
- Spain, 4 (1)
- Portugal, 3 (1)
- Austria, 2
- Estonia, 2
- Lithuania, 2
- Poland 2
- Czech Republic, 1
- Ireland, 1
- Rumania, 1
- Slovakia, 1
- Slovenia, 1
- Latvia (1)

- Rest of Europe, 65% (35%)
- Regional focus, 11 (8)
- Norway, 18 (2)
- Switzerland, 7
- Russia, 5 (2)
- Ukraine, 3 (1) - Croatia, 1 (1)
- Georgia (1)
- Serbia (1)
- Serbia (
- Asia, 53% (30%)
- Regional focus, 9 (5)
- Singapore, 10 (4)
- India, 7 (5)
- Malaysia, 7 (1)
- China, 5 (1)
- Indonesia, 4 (1)
- Taiwan, 4
- Japan, 3 (2)
- South Korea, 3
- Thailand, 2 (3)
- Hong Kong, 1
- Vietnam (2)
- Philippines (1)

- Latin America, 28% (35%)
 - Regional focus, 6 (9) - Brazil, 6 (1)
 - Colombia, 2 (1)
 - Chile, 1 (3)
 - Costa Rica, 1
 - Mexico, 1 (3)
 - Argentina (2)

Africa and Oceania, 37% (37%)

- Regional focus, 5 (9)
- Australia, 9 (1)
- New Zealand, 5 (2)
- South Africa, 4 (4)
- Kenya, 1 (2)
- Libya, 1 (2)
- Morocco, 1 (1)
- Nigeria, 1 (2)
- South Sudan, 1
- Tanzania, 1
- Uganda, 1
- Ghana (1)
- Liberia (1)
- Somalia (1)

North America, 42% (26%)

- Regional focus, 9 (9)
- USA, 10 (2)
- Canada, 4 (1)
- Middle East, 42% (42%)
 - Regional focus, 7 (9)
 - Turkey, 6 (3)
 - Saudi Arabia, 5 (4)
 - United Arab Emirates, 5 (2)
 - Iraq, 4 (1)
 - Afghanistan, 3
 - Egypt, 2 (2)
 - Israel, 2 (2)
 - Bahrain, 1 (1)
 - Dubai, 1
 - Kuwait (1)
 - Oman (1)
 - Quatar (1)
 - Yemen (1)



MOST COMPANIES HAVE A POSITIVE OUTLOOK ON THE FUTURE

Outlook on the possibilities to grow the next five years

100% = 43 respondents





ALL OF THE COMPANIES PLAN TO EXPAND ON NEW AND CURRENT MARKETS

Respondents by five year expansion plans

100% = 43 respondents



DIFFICULTIES TO FIND GOOD PARTNERS AND LIMITED NETWORK THE MOST COMMON CHALLENGES



Respondents by hinderance for internationalisation

43 respondents





SEVERAL STRENGHTS IN THE SWEDISH SECTOR, BUT ROOM FOR IMPROVEMENT IN SOME AREAS (1/2)

High competence but weak at marketing the solutions on a global market...

"Sweden has very high compentence within certain areas, but I think that we are weak at marketing our solutions on a global market. It's good to see you trying to research this"

"We have many strenghts in areas such as coastguard/sea rescue services and protection of infrastrucure. The strenghts could be packaged and marketed in a better way though"

The neutrality could be a strength in an international environment

"Our respect for human rights and our relative neutrality makes it easier to work in an international environment"



SEVERAL STRENGHTS IN THE SWEDISH SECTOR, BUT ROOM FOR IMPROVEMENT IN SOME AREAS (2/2)

Sweden's nation brand is good...

"Sweden as a country has a good reputation, we are regarded as trustworthy and quality awareness is high. The sector should be able to benefit from this"

The large companies could act as mentors for the small ones...

"Sweden has a long tradition of exporting arms, with well established sales channels for the large companies. I think the large companies to a greater extent should act as mentors for the SME:s. This would benefit the whole sector."

More cooperation...

"SME:s should work more together and offer common solutions"

"Passive marketing strategies from Swedish companies and insufficient support from Swedish government agencies and representatives."





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FINDING GOOD PARTNERS AND COORDINATION OF EFFORTS IMPORTANT AREAS FOR IMPROVEMENT



<u>RECAP</u>

Top three challenges among companies

60% 51% 47% 50% 40% 35% 30% 20% 10% 0% Lack of financing Hard to find good Lack of contacts, partners abroad network on foreign for export markets

Improved packaging and marketing

"The sector could benefit from a more coordinated approach, e.g. common marketing material"

"Sweden has very high compentence within certain areas, but I think that we are weak at marketing our solutions on a global market"

"The strenghts could be packaged and marketed in a better way"

COMMON STRATEGIC PLATFORM AND JOINT ACTIVITIES POSSIBLE NEXT STEPS



FOR DISCUSSION

1

Marketing platform

 Creating a network of Swedish companies and organizations within civil security to stimulate and and utilize syngergies





2 Joint activities Match making events Seminars Delegations Market analyses Fairs

SWEDISH TRADE COUNCIL