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Electronic Security Systems

US Industry Study with Forecasts for **2014 & 2019**

Study #2639 | July 2010 | \$4900 | 388 pages

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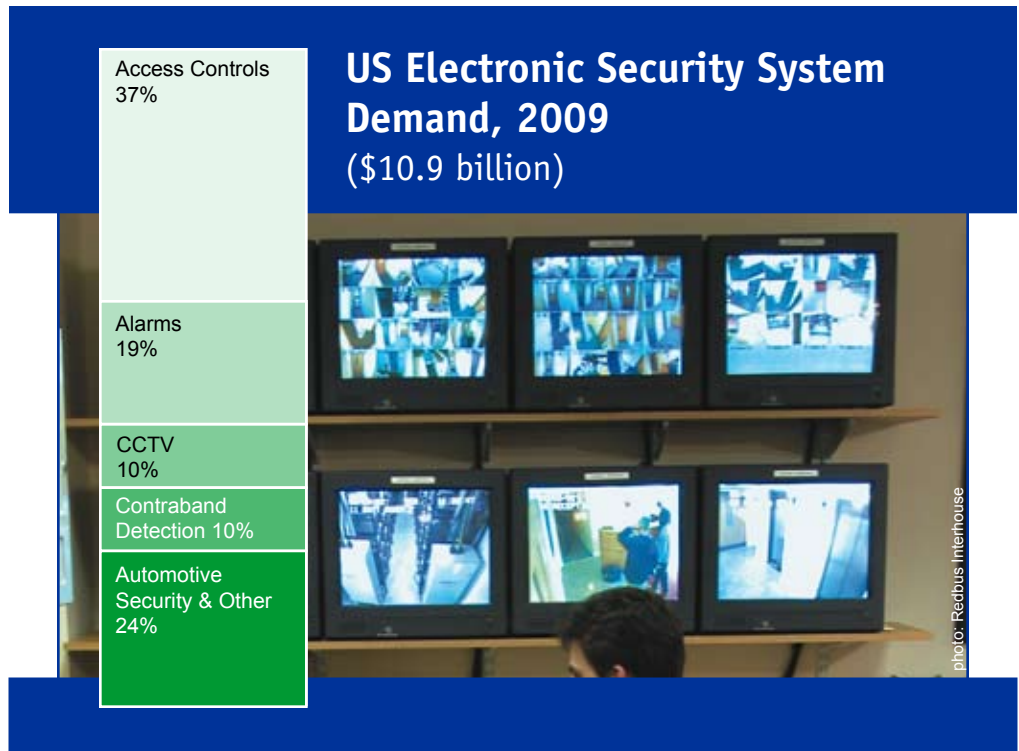
Americans' perception of crime risk coupled with ongoing technological improvements and falling prices will motivate customers to upgrade existing security systems or install new ones.

US demand to increase 9.3% yearly through 2014

Sales of electronic security products and systems in the US are expected to increase 9.3 percent per year to \$17 billion in 2014. Growth will be driven in large part by a strong cyclical rebound in construction and capital investment spending from a low 2009 base, following a period of economic contraction and a tight credit environment. Ongoing technological improvements and falling prices will motivate customers to upgrade existing systems or install new ones. Ultimately, the main driver of demand for electronic security equipment is the perceived risk of crime. Americans' perception of crime risk has trended upward, despite actual crime rates having trended downward.

Access controls to offer best growth opportunities

Access controls represent the largest and fastest growing product segment. Demand for access controls is forecast to grow 12.8 percent annually through 2014. Advances will be driven by interest in automating security and thus reducing the need for traditional alternatives, such as keys and security personnel. Demand will also benefit from the continued roll-out of new technology, such as smart cards and biometrics, and the increasing adoption of these higher-value technologies. Relatively mature access control technologies, such as magnetic stripe cards and keypad systems, will continue to be used in many applications due to



their low cost and simplicity. In 2009, alarms accounted for the second largest share of electronic security equipment demand due to their widespread use in most markets. Sales of new alarms are forecast to increase 7.2 percent annually through 2014, driven by a cyclical recovery in business and consumer spending, especially residential building expenditures.

Strong growth forecast for largest markets

The consumer sector represented the largest market for electronic security equipment in 2009, with 26 percent of total demand, which was split about evenly between residential and automo-

tive applications. This segment is projected to expand 8.5 percent per year through 2014, reflecting a cyclical rebound in consumer spending and motor vehicle production from a low 2009 base. The government and institutional market accounted for the second largest share of sales, with 18 percent. Favorable demographic trends will support security spending in institutional facilities, as the graying of the American population will drive construction expenditures for health care facilities, and migration patterns will fuel school construction in newer suburbs, especially in the South and West. However, the government sector will be restrained by changing priorities and concerns about the federal budget deficit.

Sample Text, Table & Chart

PRODUCTS

Alarms

The market for electronic security alarms is projected to reach \$1.5 billion in 2014. Although this rate of growth for electronic security systems is expected to accelerate significantly for this period, the 2009 base. The year 2009 was unusual because of the recession that began in December 2007, which caused a sharp drop in residential building expenditures and businesses put off any spending that could be postponed. Going forward, gains will be driven by a gradual recovery in consumer and business spending, especially residential building expenditures. Growth of demand for traditional intrusion and fire alarms is driven by new building construction -- residential and nonresidential -- as well as periodic replacement of old alarms. Demand for electronic security alarms will also benefit from improving business and household cash flow, which will facilitate replacement or upgrade of aging alarms. Additionally, upgrades will be motivated by availability of new technology, such as wireless connectivity, digital transmission and integration with automated building controls.

Shipments of electronic alarm systems from US facilities will increase 3.7 percent annually to \$1.5 billion in 2014, reversing a downward trend in shipments in the 2004-2009 period. However, the increase in shipments will be much slower than the increase in sales, due to strong growth in imports. Production of easily shipped and relatively low-technology electronic products continues to migrate to overseas facilities. In some cases, US brand-owners have expanded their own overseas production facilities or outsourced production to foreign contract manufacturers, and in other cases foreign companies have increased penetration of the US market. Alarm and detector manufacturers such as Honeywell International, Jarden and NAPCO Security Technologies have generally increased manufacturing or outsourcing activities.

91

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TABLE IV-1

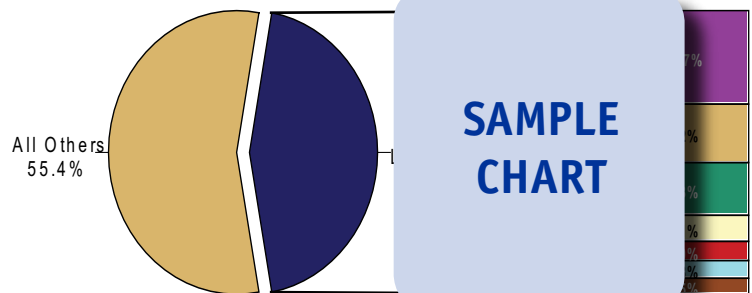
ELECTRONIC SECURITY SYSTEM SUPPLY & DEMAND
(million dollars)

Item	1999	2004	2009	2014	2019
Private Fixed Investment (bil \$)					15
\$ security/000\$ investment					3
Electronic Security System Demand					10
Access Controls					10
Alarms					10
Closed-Circuit Television					10
Contraband Detection					10
Electronic Article Surveillance					10
Automotive Security & Other					10
- net imports					10
Electronic Security System Shipments					100

SAMPLE
TABLE

CHART VI-1

ELECTRONIC SECURITY SYSTEM MARKET SHARE
(\$10.9 billion, 2009)

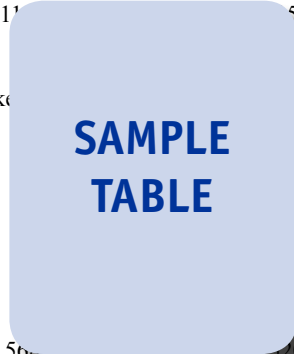


SAMPLE
CHART

Sample Profile, Table & Forecast

TABLE V-9
AIR TRANSPORT ELECTRONIC SECURITY MARKET
 (million dollars)

Item	1999	2004	2009	2014	2019
Air Carrier Revenue (bil \$)	11	15	18	20	22
\$ security/000\$ revenue	1.0	1.3	1.5	1.7	1.9
Air Transport Electronic Security Market	1.0	1.3	1.5	1.7	1.9
Access Controls	0.4	0.5	0.6	0.7	0.8
Alarms	0.1	0.1	0.1	0.1	0.1
Closed Circuit Television	0.1	0.1	0.1	0.1	0.1
Contraband Detection	0.1	0.1	0.1	0.1	0.1
Electronic Article Surveillance	0.1	0.1	0.1	0.1	0.1
Other Products	0.1	0.1	0.1	0.1	0.1
% air transport	0.1	0.1	0.1	0.1	0.1
Electronic Security System Demand	56	60	65	70	75



COMPANY PROFILES

Analogic Corporation
 8 Centennial Drive
 Peabody, MA
 978-326-4000
 http://www.a

SAMPLE PROFILE

Revenues: \$
 US Revenues:
 Employment

Key Products

Analogic is a leading designer and producer of advanced security and medical imaging systems and subsystems for original equipment manufacturers (OEMs). The Company operates through five segments: Security Technology Products, Medical Imaging Products, B-K Medical, Digital Radiography Products, and Corporate and Other.

The Company is involved in the US electronic security products industry through the Security Technology Products segment, which generated FY 2009 revenues of \$49 million. Via this segment, Analogic makes and sells advanced explosives and weapons detection systems and subsystems. These systems include EXACT, ONGUARD, KING COBRA and XLB types.

Products -- EXACT systems utilize multislice computed tomography (CT) technologies to detect explosives, weapons and other forms of contraband. These systems feature high-efficiency, multi-row, solid-state X-ray detectors and wide-dynamic-range data acquisition systems to take images every one-half degree. These images are then reconstructed into three-dimensional (3-D), axial and projection images of the entire contents of a bag or parcel. The EXACT system's detection

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"The market for electronic security products and systems in the air transport sector is projected to rise 8.6 percent per year through 2014 to \$1.4 billion. This is far below the growth rate experienced during the post-2001 air transport security buildup since the systems to satisfy air safety regulations are now largely in place. Spending on airport security held up better than most other sectors during the recession that began in December 2007 because of ..."

--Section V, pg. 177

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OTHER STUDIES

World Security Equipment

Global security equipment demand will rise 7.4% yearly through 2014. China, India, Russia and Turkey will see rapid growth, while North America posts gains well above average from a low 2009 base. Electronic security products will remain dominant and greatly outpace mechanical types. This study analyzes the \$70 billion world security equipment industry, with forecasts for 2014 and 2019 by product, market, world region and for 28 countries. It also evaluates company market share and profiles industry participants.

#2669December 2010 \$6100

Private Security Services

US sales of private contractual security services will rise 4.9% yearly through 2014. Guarding and alarm monitoring will remain the largest segments while pre-employment screening, systems integration and management, and consulting will grow the fastest. The residential market will outpace nonresidential uses. This study analyzes the \$49.8 billion US private security service industry, with forecasts for 2014 and 2019 by type, market and US region. It also evaluates company market share and profiles industry players.

#2675 November 2010 \$4900

Sensors

Demand for sensors in the US will rise 6.1% annually to 2014. The motor vehicle market will grow the fastest based on a rebound in motor vehicle production and the rising use of newer sensor-laden systems. Proximity and positioning and chemical property sensors will be the fastest growing types. This study analyzes the \$9.7 billion US sensors industry, with forecasts for 2014 and 2019 by product and market. The study also reviews sensor technology, evaluates company market share and profiles industry players.

#2662September 2010..... \$4900

Commercial & Residential Cleaning Services

Revenues for contract commercial and residential cleaning services are forecast to advance 4.5% yearly through 2013. Exterior building cleaning will be one of the fastest growing services, while interior cleaning remains dominant. Residential and institutional buildings will see the biggest market gains. This study analyzes the \$53.6 billion US commercial and residential cleaning service industry, with forecasts for 2013 and 2018 by service, market and US region. It also evaluates company market share and profiles industry players.

#2581January 2010 \$4700

Home Organization Products

US demand for home organization products will rise 4.3% annually through 2013. Bins, baskets and totes will remain the largest group while modular units grow the fastest. Garage units will overtake family room products as the second largest segment, with closet organizers also doing well. This study analyzes the \$7.2 billion US home organization product industry, with forecasts for 2013 and 2018 by material, product, room and market. It also evaluates company market share and profiles industry players.

#2527 July 2009..... \$4600

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