



News Release

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Deloitte: Defense spending on the rise in the Middle East

-Deloitte: Growing passenger travel demand in MENA to set records for aircraft production

12 January, 2014- The new [Deloitte](#) predictions report on Aerospace and Defense entitled the “[2014 Global Aerospace and Defense Outlook](#)” finds that global defense spending is declining, resulting mainly from reduced armed conflict in Iraq and Afghanistan and affordability concerns in many traditionally active military governments. However, defense spending is increasing in several areas of the globe, especially in the Middle East, India, China, Russia, South Korea, Brazil and Japan.

Many of these countries have produced the incremental wealth necessary to equip their militaries with modern defense platforms and technologies. Some of these countries have threats on their borders or in their geographies, all of which is contributing to an expectation of increased defense spending.

On the other hand, the commercial aerospace sector is expected to set records again for production of aircraft, due to the accelerated replacement cycle of obsolete aircraft with next generation fuel-efficient aircraft, and growing passenger travel demand, especially in the Middle East and the Asia Pacific regions.

This significant demand for new commercial aircraft will pressure supplier networks to continuously improve its engineering design, manufacturing and supply chain management capabilities, all the while being able to cost effectively meet tougher price concession requirements from customers.

“As we celebrate the 110th anniversary of the Wright Brothers’ first powered flight, we are reminded that the industry is still young, yet it has contributed much, with technology innovation at the heart of advancements in the industry,” explains Tom Captain, DTTL global aerospace and defense sector leader. “2014 and the rest of the decade promises to deliver even more exciting technology innovations that will focus on the way consumers travel by commercial aircraft, communicate via satellites, shop over the internet, conduct armed conflict when necessary, and assist with humanitarian missions to far reaches of the globe.”

View the report at: [2014 Global Aerospace and Defense Outlook](#)

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