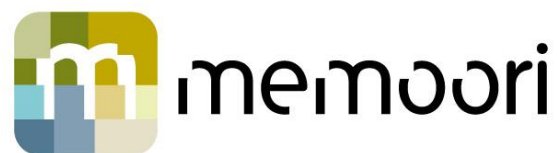




The Physical Security Business 2016 to 2021

Published: Q4 2016

Physical Security Business 2016 to 2021



Synopsis

This report aims to assist all stakeholders and investors in the physical security industry in identifying business opportunities in growth sectors of the market; and forecasts demand to 2021

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Introduction

This Report is the NEW 2016 Definitive Resource for Access Control, Intruder Alarms & Video Surveillance Market Research & Investment Analysis.

The total value of world production of physical security products at factory gate prices in 2016 was \$28.44 billion, an increase of 4.5% on 2015. Over the last 5 years the market has grown by a compound annual growth rate of 8.2% showing a significant fall in growth over the last two years.

The developed markets of North America and Europe have continued to lose market share to Asia and particularly China and this is set to continue to the end of the decade.

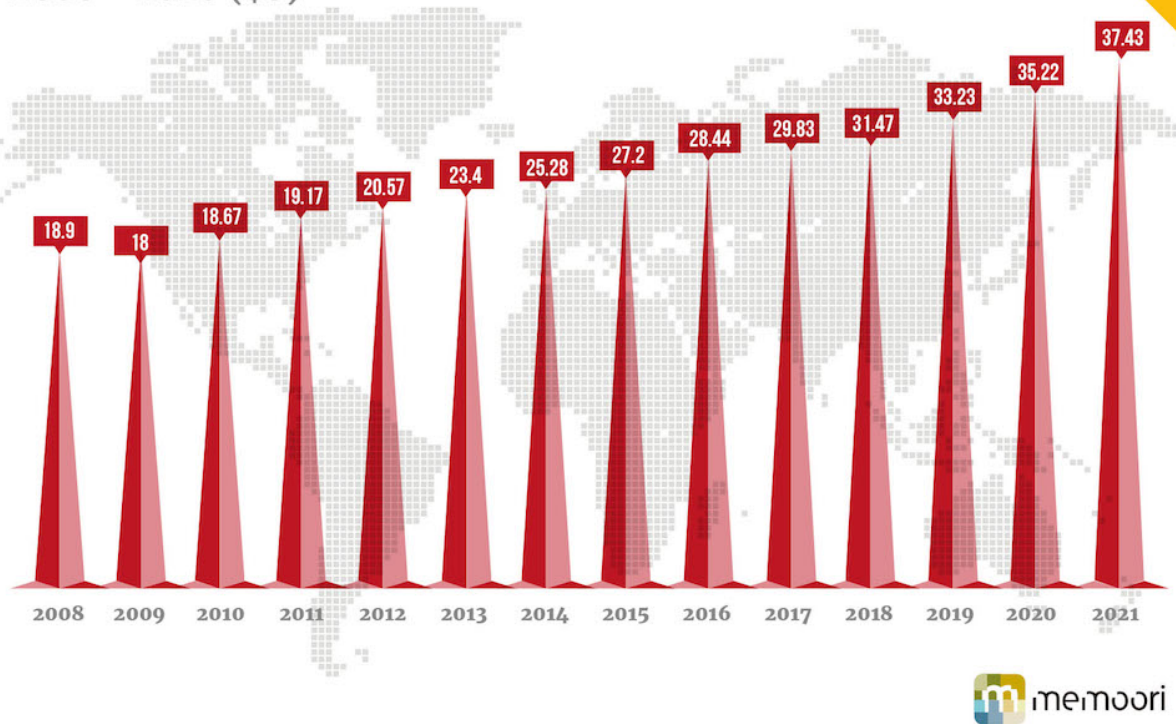
This is bad news for western manufacturers of video surveillance products because they have failed to establish a solid business base and significant share in China, whilst two Chinese manufacturers have sales of more than \$5 billion between them and now have the kind of scale that allows them to reduce prices to the levels that most western manufacturers can't compete against.

Appreciation

We forecast a CAGR of 5.65% over the 5-year period from 2016 to 2021. Not particularly optimistic considering that the market managed to grow by a CAGR of 7.83% during an unstable period from the end of 2010 to today. But whilst growth in volume terms will be well over 10% there is little chance of sales revenues achieving much more than half of this whilst the major Chinese companies continue reducing their prices in order to boost volume.

Fig 2.6

World Sales of Security Products 2008 - 2020 (\$b)



What This Report Will Tell You

Within its 270 Pages and 27 Charts and Tables, The Report Sieves out all the Key Facts and Draws Conclusions, so you can understand what is Shaping the Future of the Security Industry;

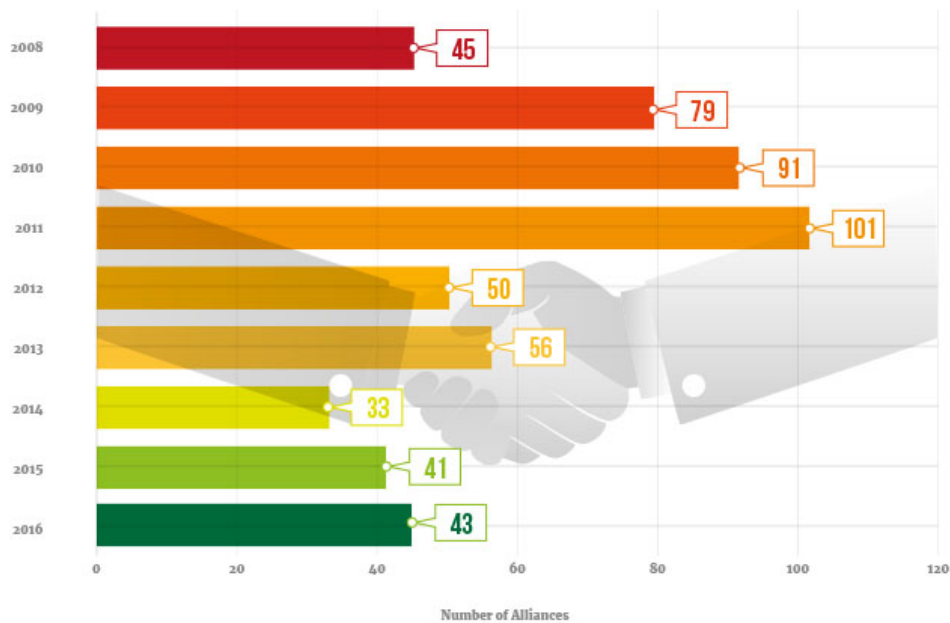
This 2016 World Survey of the Physical Security Industry is our 8th edition of a comprehensive study providing detailed market sizing and analysis of the 3 major business sectors, **Access Control, Intruder / Perimeter Protection and Video Surveillance**. It is focused on the products business.

The report analyses the techno & commercial changes that are impacting the business and the role that merger and acquisition, investment and alliance is playing in changing the competitive landscape.

The report shows that the industry is entering a period of stable growth for the next 5 years, across most of the developed and developing regions of the world. The industry has become more resilient and robust and is in good shape to meet the full force of some very disruptive technologies that will start to change the supply structure and competitive landscape over the next 5 years.

Fig 13.1

Strategic Alliances 2008 - 2016



In 2015 M&A spend raised to \$5.7 billion but this was still less than the \$6.2 billion realized ten years previous. Nevertheless this was an important year for M&A because the world's number 1 manufacturer of IP Network cameras, Axis Communications was acquired for \$2.8 billion by Canon and the merger of Kaba Holdings and Dorma Holdings took place. These two mega deals accounted for more than 80% of the total value of acquisitions that year.

In September this year Johnson Control and Tyco International merged and created a \$30 billion revenue company. Technically it is a merger with the new stock being proportionally based on the market valuation of each company at the time of the announcement. However in practice it is an acquisition with Johnson Controls taking over Tyco, a registered company in Ireland in what is called an inversion deal. Tyco is one of the world's leading suppliers of Physical Security and Fire Safety equipment and its market valuation at the time of the announcement was \$16.5 billion.

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