

Asia-Pacific Large Caliber Ammunition Market, By Caliber Type (40-60mm, Above 60mm), By End User (Naval Forces, Ground Forces), By Country, Competition, Forecast & Opportunities, 2020-2030F

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Abstracts

Asia-Pacific Large Caliber Ammunition market was valued at USD 1.02 billion in 2024 and is expected to grow to USD 1.73 billion by 2030 with a CAGR of 9.35% during the forecast period. The Asia-Pacific Large Caliber Ammunition market is driven by several factors, including rising defense budgets across key countries like China, India, and Japan. These nations are investing heavily in military modernization, leading to a growing demand for advanced weaponry and ammunition. Geopolitical tensions in the region, particularly in areas like the South China Sea and the Korean Peninsula, are further fueling the need for enhanced defense capabilities. Also, the increasing focus on improving military readiness and acquiring precision-guided munitions to counter emerging threats is driving the demand for large caliber ammunition. These factors collectively contribute to the market's growth in the Asia-Pacific region.

Key Market Drivers

Surging Defense Budget

The surging defense budgets in the Asia-Pacific region are a major driver of the large caliber ammunition market. As a part of this, according to IBEF, as of 2024, India's defence expenditure of USD 74.7 billion was the fourth biggest in the world. As of 2022, India has the world's fourth largest defence budget and has set a target of USD 6.02 billion (Rs. 50,000 crore) in annual defence exports by 2028–29. Countries like China, India, Japan, and South Korea are significantly increasing their military expenditures to modernize defense infrastructure, enhance combat readiness, and address growing

security concerns. As these nations bolster their armed forces, there is a rising demand for advanced weaponry, including large caliber ammunition used in artillery, tanks, naval systems, and other military platforms.

China, with its strategic military ambitions, has consistently raised defense spending to expand and upgrade its armed forces, while India and Japan are also focusing on enhancing their defense capabilities due to regional security challenges. This growing investment in military assets necessitates the procurement of large caliber ammunition, as it is integral to ensuring effective and powerful weapon systems. Also, the Asia-Pacific region is home to multiple territorial disputes and geopolitical tensions, particularly in areas like the South China Sea, which increase the urgency for defense preparedness. As these countries aim to strengthen their military deterrence, the demand for large caliber ammunition will continue to rise. The surging defense budgets in the region thus play a pivotal role in driving growth in the Asia-Pacific large caliber ammunition market.

Rising Government Funding for the Naval Sector

Rising government funding for the naval sector is a key driver of the Asia-Pacific large caliber ammunition market. As a part of this, as of 2023-24, the allocation for the three defence services (including pension) is Rs 5,54,875 crore, or 93% of the Ministry's overall budget allocation. The Army contributes for 57% of the budget, with the Navy and Air Force accounting for 17% and 19%, respectively. The expenditure ratio for the Army, Navy, and Air Force is 3.4:1:1.2. The army has the greatest pension requirements of the three services. Excluding pensions, the Army, Navy, and Air Force will spend 2.4:1:1.1 in 2023-24. The allocation to the Army is likely to remain basically similar in 2023-24 compared to the revised projection for 2022-23, while the Navy and Air Force allocations are expected to increase by 6% and 2%, respectively. As nations in the region strengthen their naval capabilities, there is a significant increase in the demand for large caliber ammunition used in naval artillery, warships, and submarines. Countries like China, India, Japan, and South Korea are making substantial investments in modernizing their naval fleets, and this includes the acquisition of advanced large caliber ammunition for long-range precision strikes and enhanced defense capabilities at sea.

The growing focus on safeguarding maritime borders, securing vital sea lanes, and asserting territorial claims, particularly in the South China Sea, has driven many governments to prioritize naval expansion. Large caliber ammunition is crucial in providing naval forces with the firepower needed to counter both conventional and

asymmetrical threats, such as enemy warships, submarines, and aerial attacks. Also, the ongoing military rivalry and regional security concerns between neighboring countries have prompted substantial investments in naval assets, further boosting the demand for large caliber rounds. As naval modernization continues to be a top priority for many Asia-Pacific nations, the demand for large caliber ammunition will remain strong, providing significant growth opportunities for the market. Rising government funding for the naval sector directly contributes to the expansion of this segment within the broader defense and ammunition markets in the region.

Military Modernization

Military modernization is a key driver of the Asia-Pacific large caliber ammunition market. As countries in the region focus on enhancing their military capabilities, there is a significant push to modernize weaponry, including the acquisition of advanced large caliber ammunition. Nations such as China, India, Japan, and South Korea are investing heavily in upgrading their armed forces to improve their strategic position and ensure greater combat effectiveness.

This modernization includes the replacement of outdated weaponry systems with more sophisticated and powerful platforms, such as advanced tanks, artillery, naval systems, and aircraft. Large caliber ammunition is essential for these new systems, providing the firepower needed for long-range precision strikes and effective combat performance. Also, military modernization efforts often prioritize the development of advanced, high-tech munitions, such as guided projectiles and high-explosive rounds, to increase operational efficiency and target accuracy. The growing demand for advanced military systems, combined with increasing defense budgets, has led to a surge in the procurement of large caliber ammunition across the Asia-Pacific region. This trend is particularly notable in countries like China and India, where significant investments are being made to modernize both land and naval forces in response to regional security concerns. Hence, military modernization is driving the demand for large caliber ammunition in Asia-Pacific, ensuring continued growth in the market.

Key Market Challenges

Rising Production Cost

Rising production costs pose a significant challenge to the Asia-Pacific large caliber ammunition market. The manufacturing of large caliber ammunition involves complex processes, requiring high-quality materials such as metals (brass, steel, and aluminum),

explosives, and propellants. The prices of these raw materials have been subject to fluctuations due to global supply chain disruptions, trade restrictions, and rising demand from both defense and civilian industries. These cost increases directly impact the overall production costs for ammunition manufacturers.

Also, the integration of advanced technologies, such as precision guidance systems, in large caliber rounds adds to the production cost. The need for rigorous testing and quality control further increases operational expenses. Manufacturers are also facing higher labor costs as specialized skills and technologies become more integral to the production process. As defense budgets in the region grow, the demand for high-performance ammunition intensifies, but the rising production costs present a challenge for maintaining profitability. With limited cost flexibility, some manufacturers may struggle to balance the need for innovation and high-quality ammunition with the pressure of cost control. These rising production costs could potentially impact the affordability, availability, and overall competitiveness of large caliber ammunition in the Asia-Pacific market.

Supply Chain Disruptions

Supply chain disruptions are a significant challenge for the Asia-Pacific large caliber ammunition market. The production of large caliber ammunition relies on a wide range of raw materials, including metals like brass, steel, and aluminum, as well as specialized components for precision-guided systems. Disruptions in the supply of these materials—due to factors like geopolitical tensions, trade restrictions, and global shortages—can lead to delays in production and increased costs.

Also, logistical challenges, such as transportation bottlenecks, port congestion, and fuel price volatility, exacerbate the issue, further hindering the timely delivery of ammunition to military forces. The COVID-19 pandemic, for instance, disrupted global supply chains and demonstrated the vulnerabilities of relying on global sourcing for critical materials. As demand for large caliber ammunition increases in the Asia-Pacific region, particularly from countries like China and India, manufacturers face the challenge of ensuring a steady supply of materials. This issue can affect manufacturers' ability to meet defense demands, impacting both production schedules and military preparedness. Also, supply chain disruptions can limit the flexibility of manufacturers to adapt quickly to shifting geopolitical dynamics and military priorities, ultimately hindering the growth of the large caliber ammunition market in the region.

Key Market Trends

Increasing Demand for Precision-Guided Munitions

Increasing demand for precision-guided munitions (PGMs) is a notable trend in the Asia-Pacific large caliber ammunition market. As regional military forces focus on enhancing operational efficiency and minimizing collateral damage, the demand for PGMs is growing. These advanced munitions, equipped with guidance systems such as GPS, laser, or infrared, offer precise targeting capabilities that improve accuracy and reduce the risk of unintended damage, making them especially valuable in modern warfare scenarios.

Countries in the Asia-Pacific region, particularly China, India, and Japan, are prioritizing the development and acquisition of PGMs as part of their military modernization strategies. Precision-guided rounds are essential for high-value, long-range targets, as well as for countering asymmetrical threats, such as insurgents or non-state actors, who may be hiding within civilian infrastructure. In addition to improving battlefield effectiveness, PGMs offer the ability to strike specific targets with minimal expenditure of resources, making them an efficient choice for defense forces aiming to maximize operational impact. The continued evolution of PGMs, including enhancements in guidance systems and warhead designs, is expected to further drive their adoption in the region. As Asia-Pacific countries expand their military capabilities, the demand for precision-guided large caliber ammunition is likely to rise, shaping the future of the market.

Advancements In Ammunition Technology

Advancements in ammunition technology are a key trend shaping the Asia-Pacific large caliber ammunition market. As military forces in the region modernize and seek more effective solutions for complex combat scenarios, innovations in ammunition technology are becoming increasingly vital. This includes the development of high-tech, high-performance rounds that offer enhanced accuracy, power, and versatility.

One notable advancement is the integration of precision-guided technology into large caliber ammunition, improving target accuracy and reducing collateral damage. These rounds often utilize GPS, laser, or infrared guidance systems, making them suitable for precision strikes against strategic targets, even at long ranges. Also, advancements in material science have led to the creation of lighter, more durable, and environmentally friendly ammunition. New materials for casings, propellants, and projectiles not only improve performance but also reduce the environmental impact of ammunition.

production and use. Another area of progress is the development of smart ammunition systems that provide real-time data on ammunition status, helping optimize usage and logistics. These innovations are particularly important for countries in the Asia-Pacific region that face rising security challenges and need to maximize the efficiency and effectiveness of their defense resources. Overall, advancements in ammunition technology are enhancing the capabilities of large caliber munitions and driving continued growth in the Asia-Pacific market.

Integration Of Smart Ammunition Systems

The integration of smart ammunition systems is a growing trend in the Asia-Pacific large caliber ammunition market. Smart ammunition refers to rounds equipped with embedded sensors, tracking systems, or communication capabilities that provide real-time data on their status, performance, and location. These systems enhance battlefield efficiency by optimizing ammunition usage, improving targeting accuracy, and streamlining logistical operations. Smart ammunition can offer features such as programmable fuses, which allow projectiles to detonate at a specific time or under certain conditions, increasing the effectiveness of a strike. Also, the use of telemetry data enables better post-launch analysis and feedback, helping military forces adjust tactics and enhance operational success.

The rising demand for smart ammunition is driven by the need for more precise, adaptable, and efficient weaponry, particularly in complex combat environments. These systems are valuable for targeting high-value assets and conducting precise strikes with minimal collateral damage. They also enable better resource management by providing real-time information on ammunition consumption and readiness. Countries in the Asia-Pacific region, especially China, India, and Japan, are increasingly investing in smart ammunition as part of their military modernization efforts. This trend is expected to accelerate as defense forces look for ways to enhance combat effectiveness and reduce operational risks, positioning smart ammunition as a key technology in the future of large caliber munitions.

Segmental Insights

Caliber Type Insights

Above 60mm dominated the Asia-Pacific Large Caliber Ammunition market due to its widespread use in artillery, mortars, and naval systems. These rounds provide superior firepower and are essential for both long-range and heavy-duty combat operations.

Countries in the region, particularly China, India, and Japan, heavily rely on larger calibers for defense strategies, including countering strategic targets and ensuring battlefield superiority. The advanced capabilities of above 60mm ammunition, such as precision targeting and enhanced destructive power, make it crucial for modern military forces. As defense budgets rise across the Asia-Pacific, demand for these larger caliber munitions continues to grow.

Country Insights

China dominated the Asia-Pacific Large Caliber Ammunition market, due to its significant defense spending and ongoing military modernization. As the largest military power in the region, China invests heavily in upgrading its weaponry, including advanced artillery, tanks, and naval systems, all of which require large caliber ammunition. The country's strategic focus on enhancing its long-range strike capabilities and bolstering national defense capabilities drives the demand for these munitions. Also, China's growing military presence in the Asia-Pacific, particularly in areas like the South China Sea, further fuels the need for advanced large caliber ammunition, ensuring its market dominance.

Key Market Players

Northrop Grumman

Rheinmetall AG

Inductotherm Industries (Shanghai) Ltd

Radyne Corporation

General Dynamics Ordnance & Tactical Systems Inc

Saab AB

Denel Pretoria Metal Pressings (PMP)

BAE Systems

Singapore Technologies Engineering Ltd

Global Ordnance (GO)

Report Scope:

In this report, the Asia-Pacific Large Caliber Ammunition Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Asia-Pacific Large Caliber Ammunition Market, By Caliber Type:

40-60mm

Above 60mm

Asia-Pacific Large Caliber Ammunition Market, By End User:

Naval Forces

Ground Forces

Asia-Pacific Large Caliber Ammunition Market, By Country:

China

Japan

India

Indonesia

Thailand

Australia

South Korea

Competitive Landscape

Asia-Pacific Large Caliber Ammunition Market, By Caliber Type (40-60mm, Above 60mm), By End User (Naval Forces...

Company Profiles: Detailed analysis of the major companies presents in the Asia-Pacific Large Caliber Ammunition Market.

Available Customizations:

Asia-Pacific Large Caliber Ammunition Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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