

Predictions 2024

Geopolitical volatility brings increased defense budgets to ensure preparedness.

IFS Aerospace and Defense global industry director Matt Medley analyzed key market data and shares 4 predictions that will impact the defense sector throughout 2024.

Prediction #1

The widening spectrum of conflict calls for military forces to improve Total Asset Readiness®

With an increasing need for **flexibility, adaptability and rapid decision-making**, the impact of technology, and its developments will have a dramatic effect on future warfare. These developments will apply to software infrastructure and software systems to **track Total Asset Readiness—giving commanders a clear real-time view of the assets at their disposal.**



We expect to see a **16.3% increase in total defense spending in the U.S. alone**, with the IT spend in defense contractors rising from 3% of revenue up to around 5% of revenue as they invest heavily in AI and automation to optimize asset management.



+16.3%

in total U.S. defense spending in 2024

Prediction #2

Recent conflicts highlight the lack of assets and inventories 'at the ready' – defense industrial bases must change



The U.K. military has refreshed its defense strategy and will **reallocate £2.5B** to bolster the ammunition stockpiles as it aims to increase military power and agility.



As we move forward into 2024, and respond to U.S. DoD policy developments, significant requirements will begin appearing in **over 50% of all new defense contracts.**

\$2.5^B

Prediction #3

The rise in low-cost 'swarm' drones as the use of autonomous vehicles adapts to 2024 land, sea, and air requirements

The U.S. DoD is seeing the benefit of swarm drones and aims to have these **ready for deployment in the next 18-24 months.**



Effective equipment alternatives such as drones will be the way forward in 2024 as military powers seek to **keep costs low and maximize budgets, while reimagining the concept of mass in the sea/air/land battlespace.**

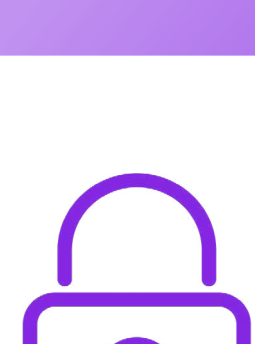


18-24

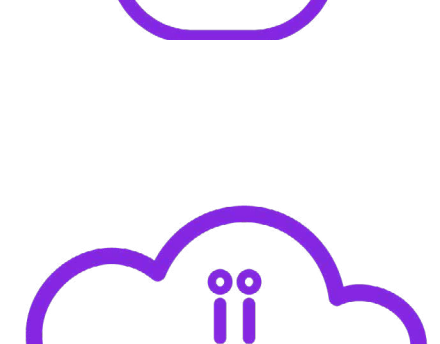
Months

Prediction #4

The AI boom forces cybersecurity to up its game



The increase in use of autonomous vehicles and digital technologies comes with **heightened vulnerabilities to cyberattacks across the military supply chain.**



Using AI-enabled defense technology, cybersecurity can stay one step ahead of hackers by **implementing machine learning (ML) to boost threat detection accuracy and quickly automate responses to cyberattacks.**

The outlook for 2024 is focused on advancing defense capabilities through technology and adaptation.

For defense forces, defense contractors and A&D manufacturers, the disruptions in military supply chains and increased defense budgets present both challenges and opportunities. Focusing on improving asset readiness, enhancing defense industrial bases, supplying swarm drones, and bolstering cybersecurity requires innovation, expansion of production capacity, and investment in AI-enabled defense technology. Adapting to these changes will be crucial for capitalizing on the growing defense market and meeting the evolving demands of the defense industry at large.

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