



## a. INDUSTRY REVIEW

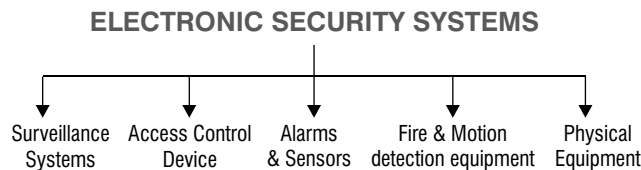
### A BRIEF INTRODUCTION ABOUT THE SECURITY INDUSTRY

The global consolidated market has created a urge of security as a dare need which is fulfilled by some of the focused security companies with national and regional players with a pure security focus trying to fulfill the upcoming demand of Human, assets, Premises security etc.

"A security system is a system, which not only abets in minimizing threats but also plays a key role in doffing any apprehensions of probable Security Breaches."

### SEGMENTS OF ELECTRONIC SECURITY

The market is pervaded by electronic security systems and the industry classifies security systems into the following categories:



### GLOBAL HOT MARKET SEGMENTS

#### Access controls to provide best growth prospects

- Holding especially good prospects are systems that provide a high level of protection with a minimum amount of maintenance and manned support.
- Access controls are expected to post the strongest growth through 2010 because of Technological innovations and an increasingly sophisticated array of clearance options, including biometric.
- Automotive security devices will also exhibit healthy growth as OEM penetration rates continue to increase.
- Integrated Wireless Electronic Security System on rise.
- Some of the new upcoming Security Market include the Infrastructure Security Market and Notebook Security Market.
- The concept of Central Monitoring Station is on rise where all the security parameters of the critical areas can be monitored from a Centrally Located Station which minimizes the reaction time and affects real time mitigation ensuring minimum property loss.

### CURRENT INDIAN IT SECURITY

Recent years have seen the India's economy growing at an average growth rate of almost 9%, making it the 4th largest and second fastest growing economy in the world. Developing as one of the largest cost-competitive technical workforce nations, India is already well known for Information technology (IT) and business outsourcing.





Although, the industry still has a long way to go, some of the key highlights of the industry are as follows:

- The Indian electronic security industry, is largely import based.
- Is fast expanding and is estimated to be close to US \$350 million (Rs.1575 crores) and is expected to grow conservatively by about 26%.
- More emphasis being laid on the provision and up-gradation of the electronic protection measures. The future indeed appears to be rosy.
- The “Great Indian Middle Class”, which is estimated to be between 200 to 300million strong, is fast becoming used to the Western lifestyle.

## **INDIAN SECURITY SYSTEM INDUSTRY**

- The Indian market for security equipment is categorized into organized and unorganized sectors. Organized sector contributes less than 10% of the entire industry.
- Security equipment is imported mainly from USA, UK, Germany, Singapore, Italy, Hong Kong, Israel, Japan, Korea, China, and Taiwan.
- Many Indian companies have collaborated with foreign manufacturers and are marketing foreign products in India.
- Few Indian R & D and manufacturing companies are on rise in competent with foreign manufacturers in term of latest technology and market expansion.

## **GROWTH DRIVERS**

The factors which spur the growth of this industry

- A high perceived risk of crime (from conventional violent and property crimes to white collar crimes and terrorism).
- Security as a need increasingly falls under the purview of corporate IT budgets and is often a major consideration of C-level executives.
- A belief that public safety officials are overburdened.
- Some of the gains will continue to be fueled by improving capital spending.
- Technology developments drive spending on upgraded systems.
- Convergence of building control technology with security functions and IT systems.
- Economic liberalization and development has been contributing to the growth of the security systems industry
- The falling of prices of electronic systems worldwide.
- Compared to the prohibitive 250% Import Customs Duty of the 80's, the current rate of 35% is also considered as growth driver for the industry.
- Rapid growth in sectors such as telecom, ports, airports, aviation, railways, roads, energy, construction and retail, coupled with the influx of multinational companies also contributed to a large extent. Increased Government allocations to modernize Police services witnessed the recent setting up of city surveillance projects in almost all the metros.

## **SECURITY MARKETS PREVALENT IN INDIA**

- Automobile Security Market
- Mobile Security Market
- Asset Security Market
- Premises Security Market
- Access Control markets
- Intrusion detection systems market
- CCTV equipments markets
- Integrated Solution Market

