

Air Defense Systems Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> ****Industry:**** Missiles, Defense Systems & Radars (Aerospace & Defense)
> ****Source:**** [https://www.mordorintelligence.com/industry-reports/air-defense-s
ystems-market](https://www.mordorintelligence.com/industry-reports/air-defense-s
ystems-market)
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Executive Market Summary

Market Metric	Details
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Base Market Size	USD 17.69 billion
Projected Forecast (2031)	USD 17.69 billion
Growth Rate (CAGR)	7.85 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

![Major players in Air Defense Systems industry](images/chart_2.png)

![Air Defense Systems Market Size](images/chart_3.png)

![Air Defense Systems Market Share by System, 2025](images/chart_4.png)

![Air Defense Systems Market Share by Range, 2025](images/chart_5.png)

![Air Defense Systems Market Growth Rate by Region](images/chart_6.png)

![Air Defense Systems Market Concentration](images/chart_7.png)

![Icon](images/chart_8.png)

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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market OverviewStudy Period | 2019 - 2031 |
Market Size (2026) | USD 17.69 Billion |
Market Size (2031) | USD 25.82 Billion |
Growth Rate (2026 - 2031) | 7.85 % |
Fastest Growing Market | Asia Pacific |
Largest Market | North America |
Market Concentration | Medium |
Major Players*Disclaimer: Major Players sorted in no particular order

Market Overview

Air Defense Systems Market Analysis by Mordor Intelligence The air defense systems market size is expected to grow from USD 16.43 billion in 2025 to USD 17.69 billion in 2026 and is forecasted to reach USD 25.82 billion by 2031 at a 7.85% CAGR over 2026-2031. Demand is escalating as hypersonic glide vehicles, stealth aircraft, and autonomous drone swarms overwhelm legacy radar networks, prompting governments to accelerate the purchase of network-centric architectures that link land, sea, air, and space sensors in near real-time. NATO states have moved decisively toward layered defense; Poland's USD 4.75 billion Patriot package and Germany's USD 3.5 billion Arrow 3 deal illustrate the shift from single-tier batteries to interoperable interceptors that cover short, medium, and exo-atmospheric ranges. Parallel efforts in space are equally pivotal: the Space Development Agency's 28-satellite Tracking Layer Tranche 0, operational since late 2024, delivers hypersonic tracking coverage beyond the reach of ground radars. On the technology front, the fast-growing directed-energy segment offers sub-dollar shots that redress the unsustainable economics of firing missiles worth hundreds of thousands of dollars at hobby-grade drones. Meanwhile, supply constraints on gallium nitride (GaN) semiconductors and stringent export regimes, such as ITAR and MTCR, temper near-term volume growth.

Key Report Takeaways* By system type, missile defense systems held 43.91% of the air defense systems market share in 2025, while directed-energy weapons (DEWs) are projected to advance at an 11.08% CAGR through 2031.

* By platform, land-based solutions commanded 59.75% of the air defense systems market size in 2025; sea-based assets are projected to expand at a 9.0% CAGR between 2026 and 2031.

* By range, long-range interceptors accounted for 38% of the air defense systems market in 2025 and are forecast to grow at an 8.15% CAGR through 2031.

* By subsystem, weapon systems held 25.65% of the air defense systems market share in 2025, while fire control systems are projected to expand at an 8.91% CAGR through 2031.

* By technology, kinetic-kill effectors accounted for 42.45% of the air defense systems market in 2025, whereas high-power microwave systems are forecast to grow at a 9.55% CAGR through 2031.

* By geography, North America led the air defense systems market with a 46.62% share in 2025; the Asia-Pacific region is forecast to grow at a 9.76% CAGR through 2031.

Key Market Trends

Market Trends and Insights Drivers Impact Analysis of Air Defense Systems Market* Driver | (~) % Impact on CAGR Forecast | Geographic Relevance | Impact Timeline |

Acceleration of integrated air and missile defense procurement | +1.8% | Global, with concentration in NATO and INDOPACOM | Medium term (2-4 years) |

Escalating spectrum of airborne threats | +1.5% | Eastern Europe, Middle East, Korean Peninsula | Short term (≤ 2 years) |

AI-enabled sensor fusion for stealth detection | +1.2% | North America, Europe, Japan, South Korea, Australia | Medium term (2-4 years) |

Mobile directed-energy SHORAD adoption | +0.9% | North America, Europe, Middle East | Medium term (2-4 years) |

GaN-based AESA radar cost decline | +0.7% | North America and Europe lead global adoption | Long term (≥ 4 years) |

Higher budgets for counter-UAS and point defense | +1.0% | Global, with spikes in Ukraine and Middle East | Short term (≤ 2 years) |

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

Market concentration is moderate, with RTX Corporation, Lockheed Martin Corporation, Israel Aerospace Industries Ltd., Thales Group, and Northrop Grumman Corporation capturing about 50% of the market share in 2025, owing to their decades-long integration with legacy command-and-control (C2) systems. RTX's 2024 revenue climbed 9% to USD 79.8 billion on LTAMDS and Patriot upgrades, while Lockheed Martin's backlog reached USD 160 billion, ensuring multiyear production visibility. Israel Aerospace Industries disrupted the exo-atmospheric niche with the export of Arrow 3 to Germany, ending an effective US monopoly and demonstrating that allies will diversify suppliers to mitigate single-source risk.

Hanwha Systems exemplifies rising South Korean entrants: its KM-SAM undercuts Patriot by roughly 30% and sidesteps MTCR-related range barriers, enabling penetration into the Middle East. Anduril illustrates how software-centric start-ups can secure USD 640 million counter-UAS awards by layering AI and modular hardware.

Directed-energy adoption remains a competitive wild card. The US Army's DE M-SHORAD prototypes validated 50-kilowatt lasers against Group 3 drones; however, the thermal load and atmospheric effects mean that scale deployment still favors incumbents with power-management expertise. Open-architecture mandates, such as MOSA, erode incumbent lock-in by allowing niche suppliers to bid on subsystem modules, thereby fragmenting future market share. ITAR compliance continues to gatekeep emerging-market sales, preserving the oligopolistic structure in high-end interceptors while creating room for tier-two vendors in short-range segments.

Air Defense Systems Industry Leaders* RTX Corporation

- * Lockheed Martin Corporation
- * Israel Aerospace Industries Ltd.
- * Thales Group
- * Northrop Grumman Corporation

* *Disclaimer: Major Players sorted in no particular order

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Scope Methodology P Space

This market covers revenues from air defense systems that are procured and fielded to detect, track, and intercept airborne threats, including aircraft, missiles, rockets, artillery, and unmanned systems, along with the linked radar, launcher, fire-control, and command-and-control elements needed to operate them.

Scope exclusions: Stand-alone early-warning radars and sensor-only upgrades that are not tied to an interceptor or effector layer in a deployable air defense solution are excluded.

Segmentation Container

- * By System* Missile Defense Systems
- * Anti-Aircraft Gun and SAM Systems
- * Counter-Unmanned Aerial Systems (C-UAS)
- * Counter-Rocket, Artillery and Mortar (C-RAM)
- * Directed Energy Weapons (DEWs)
- * By Platform* Land-Based
- * Sea-Based
- * Air-Based

* Space-Based Early-Warning Assets

* By Range* Short Range

* Medium Range

* Long Range

* By Sub-system* Weapon System

* Fire Control System

* Command and Control (C2) System

* Others

* By Technology* Kinetic-Kill Effectors

* High-Energy Laser Systems

* High-Power Microwave Systems

* Electronic Warfare (EW) Soft-Kill Solutions

* By Geography* North America* United States

* Canada

* Mexico

* Europe* United Kingdom

* France

* Germany

* Russia

* Rest of Europe

* Asia-Pacific* China

* India

* Japan

* South Korea

* Rest of Asia-Pacific

* South America* Brazil

* Rest of South America

* Middle East and Africa* Middle East* Saudi Arabia

* United Arab Emirates

* Israel

* Rest of Middle East

* Africa* South Africa

* Rest of Africa

Frequently Asked Questions

How large is the air defense systems market in 2026?

The air defense systems market size stands at USD 17.69 billion in 2026 and is on track to reach USD 25.82 billion by 2031, expanding at a 7.85% CAGR.

Which region is expanding the fastest?

Asia-Pacific records the highest 9.76% CAGR through 2031, propelled by Japanese, South Korean, and Indian procurement.

What system type is growing most rapidly?

Directed-energy weapons (DEWs) exhibit the fastest 11.08% CAGR thanks to sub-dollar cost per engagement and unlimited magazine depth.

Who are the leading companies?

RTX Corporation, Lockheed Martin Corporation, Israel Aerospace Industries Ltd., Thales Group, and Northrop Grumman Corporation together command more than half of North American orders, while Israel Aerospace Industries and Hanwha Systems are growing in Europe and the Middle East.

What are the main bottlenecks slowing deliveries?

Limited GaN wafer capacity, ITAR/MTCR export controls, and technical hurdles intercepting hypersonic glide vehicles delay some systems until 2028 or later.

How are militaries dealing with drone swarms?

Forces are combining AI-enabled sensors, directed-energy lasers, high-power microwaves, and low-cost interceptors such as the Coyote to create layered counter-UAS defenses.