

# Aerospace Electronics Industry Analysis Report 2025: Key Trends, Drivers, and Forecast Insights

*The Business Research Company's  
Aerospace Electronics Global Market  
Report 2025 – Market Size, Trends, And  
Global Forecast 2025-2034*

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/EINPresswire.com/ -- [Aerospace  
Electronics Market](#) Growth Forecast:  
What To Expect By 2025?

The market size for aerospace electronics market has experienced significant growth in the past few years. In terms of monetary value, it is expected to expand from \$93.16 billion in 2024 to \$101.05 billion in 2025, showing a compound annual growth rate (CAGR) of 8.5%. Factors



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contributing to this escalation during the historic span comprise growing global defense budgets, an increase in commercial aviation traffic, expanded needs for satellite communication, a surge in financial commitment towards space exploration initiatives, and escalating geopolitical conflicts.

The market size of aerospace electronics is predicted to experience robust expansion in the upcoming years. The market's size is projected to reach \$138.71 billion by 2029, increasing at a compound annual growth rate (CAGR) of

8.2%. Factors influencing the market's growth during the forecast period include an increased demand for next-generation aircraft, a stronger focus on sustainable aviation, a boost in worldwide satellite launch events, thriving prospects in commercial space tourism, and increased funding in intelligent airport systems. Key trends for the forecast period are the progressive miniaturization of electronic parts, the integration of autonomous flight control systems, advancements in power management technologies, the adoption of open-systems architecture, and the use of photonic and quantum technologies.

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### What Are Key Factors Driving The Demand In The Global Aerospace Electronics Market?

The growth of the [aerospace electronics market size](#) is forecasted to be driven by increased investments in the defense sector. This refers to the involvement of industry and government bodies in creating, manufacturing, and maintaining military systems and services. The upward trajectory in defense sector investment is spurred by worsening geopolitical strains, with the rise in terrorism, cyberattacks, and regional disagreements forcing nations to increase their defense expenditure for improved abilities and strategic defence. Aerospace electronics contribute to the enhancement of the defense sector by facilitating superior communication, navigation, surveillance, and electronic warfare. This leads to increased accuracy in targeting, instantaneous data exchange, and overall mission efficacy. For example, data from the House of Commons Library in May 2025, a UK-based research and information service, predicts the UK's defense spending to rise from \$62.16 billion (£53.9 billion) in 2023-24 to \$65.61 billion (£56.9 billion) in 2024-25 and further to \$68.96 billion (£59.8 billion) in 2025-26. This translates to an average annual real-terms increase of 2.4% during this period. Hence, the escalated investments in the defense sector are fuelling the aerospace electronics market.

### Who Are The Leading Players In The Aerospace Electronics Market?

Major players in the Aerospace Electronics Global Market Report 2025 include:

- RTX Corporation
- The Boeing Company
- Lockheed Martin
- Airbus SE
- Panasonic Holdings Corporation
- General Dynamics Corporation
- Northrop Grumman Corporation
- Honeywell International Inc.
- GE Aerospace
- BAE Systems

### What Are Some Emerging Trends In The Aerospace Electronics Market?

Developing advanced products, such as the introduction of new hermetic packages, is the current focus of leading firms in the aerospace electronics industry. These are designed to decrease weight while enhancing the resilience of vital aerospace electronic systems in challenging settings. Hermetic packages - sealed compartments engineered to shield electronic parts from environmental elements like moisture, dust, gas, or pressure - are integral components in this new design initiative. As an example, SCHOTT AG, the multinational glass company based in Germany, unveiled lightweight microelectronic packages in September 2023. These were specially crafted for the aerospace industry, focusing on the precise needs of aviation and space applications where every weight unit significantly impacts performance and cost-effectiveness. Made primarily from aluminum, SCHOTT's novel lightweight microelectronic

packages offer a weight reduction of up to two-thirds compared to traditional kovar-based packages. Despite the decrease in weight, these packages provide robust hermetic defense for delicate avionics and electronics, promising prolonged dependability in the extreme conditions of aerospace environments. The flexibility of these packages makes them suitable for various uses, encompassing microwave and RF packages, DC/DC converter packages, and hermetic sensor packages for both aircraft and satellites.

#### Analysis Of Major Segments Driving The Aerospace Electronics Market Growth

The aerospace electronics market covered in this report is segmented –

- 1) By Product Type: Communication Systems, Navigation Systems, Flight Control Systems, Avionics, Power Management Systems
- 2) By Component: Sensors, Microcontrollers, Antennas, Display Systems, Computing Systems
- 3) By Application: Commercial Aviation, Military Aviation, Space Exploration, Unmanned Aerial Vehicles (UAVs)
- 4) By End-User: Original Equipment Manufacturer (OEM), Aftermarket

#### Subsegments:

- 1) By Communication Systems: Satellite Communication (SATCOM) Systems, VHF Or UHF Radio Systems, Data Link Communication Systems, Intercom Systems
- 2) By Navigation Systems: Global Positioning Systems (GPS), Inertial Navigation Systems (INS), Terrain Awareness And Warning Systems (TAWS), Automatic Direction Finders (ADF)
- 3) By Flight Control Systems: Fly-by-Wire (FBW) Systems, Autopilot Systems, Flight Management Systems (FMS), Automatic Flight Control Systems (AFCS)
- 4) By Avionics: Surveillance And Collision Avoidance Systems, Flight Data Recorders (FDR), Weather Radar Systems, Electronic Warfare Systems
- 5) By Power Management Systems: Power Distribution Units (PDU), Auxiliary Power Units (APU), Battery Management Systems (BMS), Power Conversion Units

View the full aerospace electronics market report:

<https://www.thebusinessresearchcompany.com/report/aerospace-electronics-global-market-report>

#### Which Region Is Expected To Lead The Aerospace Electronics Market By 2025?

In 2024, North America held the top position in the Aerospace Electronics Global Market Report. The region anticipated to witness the most rapid expansion is Asia-Pacific. The report encompasses regions including Asia-Pacific, Western Europe, Eastern Europe, North America, South America, the Middle East, and Africa.

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