

Artificial Intelligence (AI) In Aerospace And Defense Market Projected to Reach \$48.76 Billion with 13.6% CAGR by 2029

*The Business Research Company's
Artificial Intelligence (AI) In Aerospace And
Defense Global Market Report 2025 –
Market Size, Trends, And Forecast 2025-
2034*

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/EINPresswire.com/ -- What Is The

Expected Cagr For The [Artificial Intelligence \(AI\) In Aerospace And Defense Market](#) Through
2025?

The market size of artificial intelligence (AI) in the aerospace and defense industries has
experienced significant growth in recent years. This market is projected to increase from \$25.69



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billion in 2024 to \$29.27 billion in 2025, exhibiting a
compound annual growth rate (CAGR) of 14.0%. Factors
contributing to this growth during the historic period
include rising defense budgets in several countries,
increased geopolitical tensions and border disputes, a
growing need for effective decision-making in intricate
missions, a rise in commercial air traffic and fleet updates,
the widening of homeland security and monitoring
endeavors, and heightened investment in initiatives for
military modernization.

The market size for artificial intelligence (AI) in aerospace

and defense is projected to rise quickly in the upcoming years, escalating to \$48.76 billion in
2029 with a compound annual growth rate (CAGR) of 13.6%. The predicted growth is linked to a
greater emphasis on autonomous defense operations, a surge in demand for aircraft predictive
maintenance, greater reliance on data-driven decision systems in defense, increased funding
from both public and private sectors for aerospace renovation, a focus on early threat detection
via national security initiatives, and a heightened need for improved operational efficiency and
security standards. The period is also expected to see major technological advancements,

including smart maintenance and logistics tools, developments in autonomous aerial systems, sensor fusion and awareness platforms innovation, improvements in human-machine teaming and decision-making systems, intelligent defense simulation and training systems, and new and advanced flight control and mission planning algorithms.

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What Are The Key Factors Driving Growth In The Artificial Intelligence (AI) In Aerospace And Defense Market?

Rising defense budgets are projected to boost the expansion of the artificial intelligence (AI) in aerospace and defense market. Defense spending is primarily growing due to heightened geopolitical conflicts, leading nations to boost their military prowess and heavily invest in advanced technologies to protect national interests amidst escalating regional and global skirmishes. Such expenditures contribute to the funding of research, development, and implementation of AI technologies, enhancing efficiency, precision, and rapidity in aerospace and defense tasks. This results in improved security, decreased human danger, and more intelligent utilization of resources. As an example, the Sweden-based Stockholm International Peace Research Institute (SIPRI), an autonomous global research entity that investigates conflicts, armaments, and security, reported that in April 2024, global military spending increased for the ninth straight year in 2023, hitting \$2,443 billion. This marks a 6.8% rise from 2022. As a result, the escalating defense spending is fueling the growth of the AI in aerospace and defense market.

What Are The Top Players Operating In The Artificial Intelligence (AI) In Aerospace And Defense Market?

Major players in the Artificial Intelligence (AI) In Aerospace And Defense Global Market Report 2025 include:

- Microsoft Corporation
- Airbus SE
- Raytheon Technologies Corporation
- Lockheed Martin Corporation
- International Business Machines Corporation
- Intel Corporation
- General Dynamics Corporation
- Northrop Grumman Corporation
- Honeywell International Inc.
- General Electric Co.

What Are The Major Trends That Will Shape The Artificial Intelligence (AI) In Aerospace And Defense Market In The Future?

Key players in the aerospace and defense market using artificial intelligence (AI) are turning their

attention towards AI-powered design tools and simulations. Embedded AI is among these, serving to increase situational awareness, optimise operations, and streamline real-time decision-making. This cutting-edge technology melds AI algorithms directly into onboard hardware and electronic systems, permitting self-reliant data processing and intelligent reactions without the need for cloud dependency. An example of this is the Advanced Cognitive Engine (ACE) launched in June 2024 by Safran Electronics and Defense, a French aerospace and defense systems firm. Designed as an embedded AI solution, ACE is able to assist defense platforms with real-time target detection, decision-support capabilities, and adaptable environmental analysis. The technology serves to enhance automation, operator performance, and the effectiveness of missions across land, sea, and air platforms.

Comprehensive Segment-Wise Insights Into The Artificial Intelligence (AI) In Aerospace And Defense Market

The artificial intelligence (AI) in aerospace and defense market covered in this report is segmented –

- 1) By Offering: Hardware, Software, Services
- 2) By Deployment Type: Cloud-Based, On-Premises
- 3) By Platform: Land, Naval, Airborne, Space
- 4) By Technology: Machine Learning, Natural Language Processing (NLP), Computer Vision, Context-Aware Computing, Robotics, Big Data Analytics
- 5) By Application: Predictive Maintenance, Surveillance And Monitoring, Mission Systems, Cybersecurity, Data Analytics, Autonomous Systems, Navigation And Guidance Systems, Other Applications

Subsegments:

- 1) By Hardware: Processors, Memory Devices, Storage Units, Sensors, Power Systems, Communication Equipment
- 2) By Software: Data Analytics Platforms, Flight Control Systems, Mission Management Systems, Predictive Maintenance Tools, Threat Detection Software, Simulation And Training Software
- 3) By Services: System Integration, Consulting Services, Maintenance And Support, Training And Education, Data Management Services, Upgradation And Modernization Services

View the full artificial intelligence (ai) in aerospace and defense market report:

<https://www.thebusinessresearchcompany.com/report/artificial-intelligence-ai-in-aerospace-and-defense-global-market-report>

Global Artificial Intelligence (AI) In Aerospace And Defense Market - Regional Insights

In the Global Market Report 2025 for Artificial Intelligence (AI) in Aerospace and Defense, North America was the leading region for the given year, with predicted growth. The report encompasses several regions namely, Asia-Pacific, Western Europe, Eastern Europe, South America, North America, Middle East, and Africa.

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Speak With Our Expert:

Saumya Sahay

Americas +1 310-496-7795

Asia +44 7882 955267 & +91 8897263534

Europe +44 7882 955267

Email: saumyas@tbrc.info

The Business Research Company - www.thebusinessresearchcompany.com

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• LinkedIn: <https://in.linkedin.com/company/the-business-research-company>

Oliver Guirdham

The Business Research Company

+44 7882 955267

info@tbrc.info

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