

# Growth in the security industry



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Growth in the security industry is broadly driven by the three factors: crime, terrorism and other security threats such as economic growth and development of the security technology. These growth drivers have had several implications in the security industry (Chambers, 1983). As security attracts outside debt and equity supported by its firm operating margin and the market value liquidity, crime is often perceived as a key depleting operating dynamic.

The increase in the rate of crime across the countries and the fear of terrorism especially 2001 attacks in the U. S has compelled the respective governments to consider safety and security as first priorities and invest in it effectively. The expanding of business establishments has become the other major market for the security systems. Economic liberalization and development is considered the largest factor contributing to the growth of the security systems industry, with the decrease of prices of electronic systems coming in a close second. The economy growth of the security industry is driven by exports, consumption, and domestic investments.

However, to drive the economic growth and alleviate the effects of the export market slowdown, the security industry must initiate investment in infrastructure (Poulin & Charles, 2005). Disintegration in the market can lead to industry consolidation as consolidators expand their customer bases and enhance product or service offerings. Moreover, the attractiveness of the security industry increases awareness from the private sector equity community as they seek to invest capital in high growth opportunities. Finally, the invention of new technologies has driven growth of the security industry market resulting to upgrading of the existing systems and

emergence of several countries seeking sophisticated technologies. Security development of telecom operators and financial institutions has become the main investment priorities in network security development.