SCOTTS INTERNATIONAL

Military & Simulation Training Market - Global Outlook & Forecast 2025-2030

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Report description:

The global military simulation and training market is expected to grow at a CAGR of 7.85% from 2024 to 2030.

Recent Contracts in the Global Military Simulation and Training Market

- In December 2024, Raytheon secured a $191.1 million contract from the Missile Defense Agency to provide modeling and simulation services for U.S. Army and Navy missile defense systems, enhancing training and operational preparedness. The contract runs through October 2027, with work conducted in Huntsville, Alabama; Colorado Springs, Colorado; and Woburn, Massachusetts.
- In November 2024, Combat Robotics India, supported by DRDO, developed the "Astra" simulator for unmanned vehicles. This advanced simulator captures extensive operational data, enabling researchers to refine the design and functionality of unmanned vehicles to meet the evolving needs of the armed forces.
- In July 2024, Lockheed Martin was awarded a USD 4.6 million contract by DARPA to develop AI tools for dynamic, airborne missions. The project, part of DARPA's Artificial Intelligence Reinforcements (AIR) program, focuses on advanced modeling and simulation (M&S) approaches to support multi-ship, beyond visual range (BVR) missions, enhancing real-time decision-making in combat scenarios.
- In February 2025, BAE Systems secures a USD 251 million contract to support the U.S. Navy's AEGIS Combat System. Under this contract, BAE Systems will provide high-quality services in systems engineering, test and evaluation, logistics, system acquisitions, and cybersecurity.

GLOBAL DEFENSE SIMULATION AND TRAINING MARKET TRENDS & OPPORTUNITIES

Technological Advancements (In AR, VR & AI)

Technological innovations in Augmented Reality (AR), Virtual Reality (VR), and Artificial Intelligence (AI) are revolutionizing the global military simulation and training market. These technologies are improving operational readiness, situational awareness, and combat readiness while decreasing training expenses and risks. The combination of these technologies has become vital to contemporary defense strategies, especially with militaries confronting ever-more complex and unpredictable combat environments.

For instance, the adoption of these technologies is evident in the military forces of countries such as India and the UK. In the Indian military, the use of technology in the Indian Army's training process has transformed the conventional approach that has been followed for decades. Among the key changes is the application of VR and AR. These two technologies enable soldiers to be exposed to varied combat situations and landscapes, hence being better equipped for actual combat. For example, virtual simulations assist in parachute training, where soldiers go through the different phases of airborne operations in a simulated manner. Such training is risk-free and economical. Similarly, in the UK military, VR is utilized to enhance the effectiveness of training while minimizing the risks and costs associated with traditional methods.

The military must also address the potential security risks and ethical concerns associated with AI applications. In 2023, a recent policy update from the Pentagon technology highlights the Department of Defense's commitment to ensuring that AI advancements benefit military objectives while maintaining ethical standards. The continued evolution of AI-driven military training and operational strategies is essential to ensuring that military forces remain effective and adaptable in a rapidly changing technological landscape.

Increasing Defense Budgets

There is growing instability driven by escalating geopolitical tensions, and countries worldwide are enhancing their military capabilities. For instance, according to SIPRI in 2024 World military expenditure rose for the ninth consecutive year to an all-time high of USD 2443 billion in 2023, an increase of 6.8% in real terms from 2022. The increasing defense budgets globally are directly tied to the growing emphasis on advanced military technologies and enhanced training methodologies, particularly in the realm of military and simulation training. As defense expenditures rise, nations are investing heavily in simulators, that replicate real-world combat environments and support the military simulation and training market growth.

The prolonged war in Ukraine, as well as rising geopolitical tensions in Asia, Oceania, and the Middle East, are propelling global military spending, with countries allocating more of their budgets to defense and security. Furthermore, The USA and China are the top two biggest military spenders in the world in 2024, with the U.S. spending about USD 916 billion, while the Chinese estimated USD 296 billion, both accounting for around half of the global military spending in 2023-24. All these factors collectively are projected to support market growth.

INDUSTRY RESTRAINTS

Challenge of Skill Retention

In the military world, retaining skills and keeping individuals engaged is essential for success. Just as companies implement strategies to retain skilled employees and reduce turnover, the military must create an environment that supports personnel in maintaining proficiency in their technical roles. This requires continuous training programs, opportunities for upskilling, and a culture that values ongoing education to ensure personnel remain capable and mission-ready. Balancing operational duties with structured training can help reduce skill degradation and maintain a motivated workforce.

Skill retention poses a particular challenge in the military simulation and training market, especially for roles that require lifesaving and technical expertise. Military personnel often face frequent rotations through assignments that may not align with their primary specializations. While these rotations promote adaptability, they also create gaps in critical skills. When these skills are not regularly practiced or reinforced, they tend to degrade over time, which can directly impact mission readiness and overall operational effectiveness. For instance, technical specialists, such as non-commissioned officers (NCOs) in fields like communications, maintenance, or medical services, are especially vulnerable to skill degradation when assigned to non-technical or administrative roles.

SEGMENTATION INSIGHTS

INSIGHTS BY APPLICATION

The global military simulation and training market is segmented into combat training, maintenance, repair, and overhaul (MRO), leadership training, and other applications. Among these, combat training accounted for the dominant share in 2024. The high demand for combat training solutions is driven by the increasing emphasis on enhancing battlefield preparedness, tactical awareness, and operational effectiveness of military personnel. Advanced simulation technologies, including virtual and augmented reality-based systems, have further propelled the adoption of combat training solutions. For instance, according to Sentient Digital, Inc., military training software has been widely used in 2024 because it effectively replicates real-life combat scenarios while minimizing injury risks and reducing operational costs. Governments and defense organizations globally continue to invest in live, virtual, and constructive (LVC) training to ensure mission readiness and cost-effective operational training. Additionally, the MRO segment focuses on training military personnel in maintenance, repair, and operations such as MRO in Naval ship engines, Maintenance crew training systems, and more. The growing complication of military hardware that needs to be extended equipment lifecycles has contributed to the expansion of MRO training solutions. Furthermore, the leadership training segment holds a significant position in the global military simulation and training market and focuses on the development of decision-making, crisis management, and strategic planning among military personnel such as capability analysis. Leadership programs include strategic simulations and scenario-based exercises to prepare for the future environment. The increase in modern warfare tactics and joint operations has increased the demand for leadership development programs.

Segmentation by Application
- Combat Training
- MRO
- Leadership
- Others

INSIGHTS BY PLATFORM

The global military simulation and training market is categorized into aerial, naval, and land-based simulation training platforms. In 2024, aerial simulation training held the largest revenue share, driven by the increasing need for pilot training, unmanned aerial vehicle (UAV) operations, and advanced flight simulation programs. For instance, according to PIB in 2024, the Indian Air Force inaugurated a state-of-the-art C-295 Full Motion Simulator at Air Force Station Agra. The state-of-the-art simulator enables the pilots to train in the near realistic environment by simulating various missions like tactical airlift, para-dropping, para-trooping, medical evacuation, and disaster relief and also enables simulation of several critical situations that can be encountered in actual operations, ensuring that pilots are battle ready. Furthermore, the growing adoption of full-motion simulators and high-fidelity flight training devices by air forces worldwide has further contributed to this segment's dominance in the global military simulation and training market.

Additionally, the naval training segment holds a significant share of the global military simulation and training market. This segment focuses on training naval personnel for maritime operations, including ship navigation, submarine warfare, and naval combat simulations. AI-powered maritime warfare training solutions have been a broad application to strengthen situational awareness and tactical decision-making in tough maritime environments. Furthermore, the land-based training segment covers simulation-based training for vehicle operations, ground combat, and battlefield tactics. The introduction of simulation technologies has improved the effectiveness of land warfare training by showing real-world combat conditions.

Segmentation by Platform
- Aerial
- Navel

- Land

GLOBAL MILITARY SIMULATION AND TRAINING MARKET GEOGRAPHICAL ANALYSIS

North America dominated the global military simulation and training market in 2024, accounting for more than 34% of total revenue, driven by significant defense spending, strong adoption of simulation-based training, and advancements in virtual and augmented reality (VR/AR) technologies. The US defense training & simulation market leads the North America region, with continuous investments in modernizing military training infrastructure and integrating AI in simulation systems. For instance, according to the Cascadia Aerospace and Defense Industry Report in 2024, the U.S. DoD has earmarked approximately USD 1.8 billion for artificial intelligence projects, reflecting a substantial 63.6% increase compared to the fiscal year 2023 allocation. The presence of major defense contractors and simulation technology providers further supports defense simulation and training market growth. Furthermore, Europe followed North America and holds a significant share of the military simulation and training market, supported by rising defense expenditures and strategic investments in military training programs. Countries such as the United Kingdom, Germany, Italy, and France are key players, focusing on enhancing operational readiness through advanced training solutions. The European market is also driven by joint military exercises, NATO-led training programs, and the adoption of synthetic training environments to reduce costs and improve training efficiency.

APAC is witnessing rapid growth in the military simulation and training market due to increasing defense budgets in China, India, Japan, South Korea, and other regions. Governments in the region are prioritizing next-generation simulation technologies to improve combat readiness and reduce training costs. For instance, according to NT News in February 2025, the Open Plan Weapons Training Simulation System at Robertson Barracks in Darwin, Australia, exemplifies the region's investment in next-generation military simulation technologies. This facility, valued at USD 17 million, enhances combat readiness by providing realistic training environments while reducing training costs through simulation-based exercises. The growing adoption of unmanned systems and cybersecurity training further contributes to military simulation and training market expansion.

Middle East & Africa and Latin America are experiencing steady growth in the military simulation and training market, driven by military modernization programs and regional security challenges. In Latin America, countries like Brazil and Mexico are investing in simulation-based training to enhance defense preparedness. Meanwhile, in the MEA, Saudi Arabia and the UAE are leading investments in high-tech simulation systems, particularly in aerial and combat training, to strengthen their defense capabilities. The demand for cost-effective and scalable training solutions remains a key factor in these regions' market growth.

- Military Simulation and Training Market in APAC
  - China
  - India
  - South Korea
  - Indonesia
  - Taiwan
  - Japan
  - Australia
- North America
  - The U.S.
  - Canada
- Europe
  - France
  - Germany
  - Italy
  - The U.K.
  - Poland
  - Spain

o Netherlands
- Middle East & Africa
o Egypt
o Turkey
o Saudi Arabia
o UAE
- Latin America
o Brazil
o Colombia
o Argentina

DEFENSE MILITARY SIMULATION AND TRAINING MARKET SHARE & VENDOR LANDSCAPE

The global military simulation and training market is highly competitive, with several global players offering advanced virtual training solutions for defense forces. Key companies in the defense simulation and training market include Rheinmetall AG, CAE Inc., THALES, Lockheed Martin Corporation, Saab AB, and BAE Systems. These companies focus on technological advancements in simulation-based training, including artificial intelligence, virtual reality (VR), augmented reality (AR), and live, virtual, and constructive (LVC) training environments.
Strategic collaborations and partnerships play a crucial role in expanding market presence and enhancing service offerings. For instance, in January 2025, Rheinmetall AG and Bohemia Interactive Simulations (BISim) announced a strategic partnership to enhance defense simulation technologies. Furthermore, companies in the military simulation and training market are increasingly investing in research and development to improve the realism, effectiveness, and interoperability of their training solutions. The demand for high-fidelity simulators, AI-driven training programs, and cybersecurity simulation platforms is driving innovation in the sector.
Market leaders are adopting acquisition and joint venture strategies to strengthen their position in emerging markets. The growing emphasis on cost-effective and scalable training solutions, along with rising defense budgets and modernization programs, is intensifying competition. As military forces worldwide prioritize operational readiness and mission effectiveness, the military simulation and training market is expected to witness continued advancements in synthetic training environments and networked simulation systems.

Key Company Profiles

- BAE Systems
- CAE Inc.
- Lockheed Martin Corporation
- Rheinmetall AG
- Saab AB
- Thales

Other Prominent Vendors

- Airbus
- Atos SE
- Barco
- Boeing
- Bohemia Interactive Simulations
- Collins Aerospace

- Cubic Corporation
- Elbit Systems Ltd.
- Exail
- Fidelity Technologies Corporation
- FlightSafety International
- General Dynamics Corporation
- Groupe Gorge
- HAVELSAN Inc.
- InVeris Training Solutions
- KONGSBERG
- Kratos Defense & Security Solutions, Inc.
- L3Harris Technologies, Inc.
- Leonardo S.p.A.
- MVRsimulation Inc
- Northrop Grumman
- PARKER HANNIFIN CORP
- Simthetiq
- ST Engineering
- Textron Inc.
- VSTEP B.V.

KEY QUESTIONS ANSWERED:

1. What is the growth rate of the global military simulation and training market?
2. How big is the global military simulation and training market?
3. What are the significant trends in the military simulation and training market?
4. Who are the key players in the global military simulation and training market?
5. Which region dominates the global military simulation and training market share?

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