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Security of Supply



A European View



Selected "UK" Missiles

➤ Trident



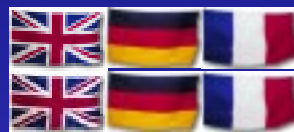
➤ Tomahawk



➤ AMRAAM



➤ Milan



➤ TRIGAT



➤ Storm Shadow



➤ Brimstone



➤ PAAMS



➤ Seawolf



➤ Sea Skua



➤ Rapier



➤ ALARM



➤ ASRAAM



GLOBALISATION: Defence Implications

- Loss of competition
- Potential conflicts of priority
- Interdependency



Initiatives

➤ NATO



Initiatives

- NATO
 - Coordinate across Alliance
 - Improve compatibility of systems
 - Accept and support allied priorities



Initiatives

- NATO
- WEAG



Initiatives

- NATO
- WEAG
 - Through-life contracting
 - Maintain competition/avoid monopolies
 - Monitor financial health
 - Monitor ownership/distribution of facilities



Initiatives

- NATO
- WEAG
- DoP



US/UK

Declaration of Principles

- Military Requirements
- Research & Development
- Security of Supply
- Industrial Security
- Ownership & Corporate Governance
- Technical Information
- Export Controls
- Market Access



Recent Major UK purchases From US

➤ C-130J HERCULES	Lockheed Martin	\$1,500m	Dec 94
➤ CH-47 CHINOOK	Boeing	\$ 450m	Mar 95
➤ IR COUNTER-MEASURES	N'rop Grumman	\$ 270m	Apr 95
➤ TOMAHAWK MISSILE	FMS	\$ 150m	Oct 95
➤ AWACS RADAR IMPROV.	FMS	\$ 180m	Jan 96
➤ APACHE	McD. Douglas	\$2,500m	Jul 96
➤ COMB. ARMS TAC. TRNR.	Lockheed Martin	\$ 270m	Dec 96
➤ BRIMSTONE	Rockwell	\$ 400m	Dec 96
➤ NIMROD MISSION SYSTEM	Boeing	\$ 600m	Feb 97
➤ AIRBN. STAND-OFF RDR	Raytheon	\$1,300m	Jun 99
➤ VHF RADIOS	ITT	\$ 325m	Feb 00



US/UK Declaration of Principles

Meeting National Defense Requirements

- “1. Each Participant will require assurance that the other Participant will facilitate the supply of certain specified defense articles and defense services necessary to discharge their national security and foreign policy commitments. The Participants acknowledge that this assurance of supply is as important for industry as it is for governments, if industry is to adapt to the process of globalization.*
- 2. The Participants recognize the potential for a degree of interdependence of supplies needed for national security. In order to achieve acceptance of this concept, the Participants will explore solutions for achieving assurance of supply for both Participants. These solutions may include obtaining assurances, some of which may be legally binding, relating to the supply of defense articles and defense services, including technical data, agreed upon by the Participants.*
- 3. To further enhance this assurance, and with due consideration for the right of each Participant’s government to control the disclosure and use of technical information, arrangements will be considered to enable the other Participant to reconstitute, in exceptional circumstances to be defined, an indigenous supply of a particular defense article or defense service. “*



UK Use of DPAS

- 52 cases since 1990
- 42 for Desert Storm/Shield
- 5 for Bosnian deployments
- Reliant on DoC/DoD goodwill



DoP: Security of Supply Goals

- Assurance of priority for rated orders.
- Clear lines of communication
- Subcontracts also rated
- Understood and adhered to by industry
- Protect suppliers from claims by other customers
- Capable of rapid introduction and resourced



DoP: Security of Supply Ideas

- Government to Government agreement
- Industry Code of Conduct
- “Hot Line”
- Government/Industry forum
- Legally binding?



"We are all internationalists now, whether we like it or not. We cannot refuse to participate in global markets if we want to prosper...on the eve of a new Millennium we are now in a new world. We need new rules for international co-operation and new ways of organising our international institutions".

Tony Blair - Economic Club of Chicago, 22 April 1999



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