

By Nigel Green, Research Associate, UK Defence Forum

Hundreds of jobs could be created on Tyneside if the Government stopped wasting time over a multi-billion pound defence contract, say campaigners. The claim has been made by industry experts connected to a massive programme to provide armoured vehicles for soldiers in Afghanistan.

The Future Rapid Effect System (FRES) was recently described as "an incredible farce" by one North East business leader. But now a consultant connected to a French company has told how Tyneside could be a key production base if they won the order for 3,000 vehicles. Although he declined to specify the site, it is understood the BAe Systems factory at Scotswood, in Newcastle, could be used. The order would be a major boost to the region's economy but FRES has been hit by a series of delays.

In 2007, the Ministry of Defence chose the European-designed Piranha 5 armoured vehicle, before the plans stalled in December. Now rival manufacturers Nexter Systems are hoping they can persuade the MoD to buy the French VBCI, which is due to be deployed by the French army in Afghanistan later this year. Nexter Systems say that, unlike the Land Rover, the VBCI is mine-resistant and would help save lives in Afghanistan. It is also more mobile than the Mastiff and capable of carrying more equipment, such as ammunition and food, to allow troops to deploy for longer periods.

Grahame Birchall, an independent consultant contracted to Nexter, said: "The Government is over 10 years behind on delivery of this vehicle. There has been a lot of time wasted and we are now in a position to catch up. We could set up production in the UK at sites such as Tyneside and could supply them in two years. We would create hundreds of jobs directly and hundreds more in the supply chain."

On Thursday, the FRES programme came under fire at the Northern Defence Industries annual conference in Newcastle. Robin Fox, the Managing Director of NDI, said: "The lack of timely decision making costs companies money and, in extreme cases, jobs. The incredible farce we have witnessed with the FRES programme is a good example of wasted effort with hundreds of companies investing time and money in supporting bids and attending events to no avail. The way in which contracts are handled by the MoD is a major issue. Even the simplest contracts take months to slowly wend their way through the procurement process. Some of the initiatives supposedly designed to make things easier to deal direct with the MoD do the opposite."

An MoD spokesman said: "We would totally reject the suggestion that FRES is a

farce. Longer-term it will provide a fleet of medium-weight and tracked vehicles which will be

capable of carrying out a variety of operations around the world. The acquisition strategy is under and we will be making an announcement in due

course."