

By Ian Godden, SBAC Chief Executive
The Society of British Aerospace Companies has warned the UK Government that the decline in research and technology (R&T) funding for defence will harm both the armed forces' ability to carry out their roles in future and will be a signal to the industry of the Government's declining commitment to maintaining high-skilled research in this country. The MoD's R&T budget has gone down by 7 per cent this year. It stood at £540m in 2007/8 and £502m in 2008/9. Government and industry both invest heavily in R&T for equipment to ensure the armed forces have the right equipment for the future. This funding also provides the platform on which Urgent Operational Requirements (UORs) and urgent upgrades can be based. The rapidly-changing needs of the armed forces can only be met by industry from expertise in research teams that is sustained by this R&T funding. The Chancellor and the Treasury have to be made aware that the MoD's R&T budget should be boosted, not cut, to maintain our armed forces' capability and our industrial base. We look to this week's Budget to correct the recent drop in this vital area. In the context of Government spending it is a very small amount but it delivers crucial funding with which industry can innovate and deliver for our military. The defence industry is ready to continue its joint commitment to invest in R&T, but needs the signal that Government is not cutting its own commitment to early stage funding otherwise industry will have to follow suit. It is a well proven fact that the amount spent on research is a critical factor in the quality and capability of defence equipment in the field. It seems particularly strange that the Government is calling for the creation of an innovative and highly-skilled nation and at the same time is reducing funding to one of the most important innovative areas where we are a world leader. This world-leading UK industry, that supplies the best possible equipment to the nation's armed forces and that led the world in defence exports in 2007, is successful because of investment decisions taken by Government and industry many years in the past. If that investment is now on a slippery downwards slope then we store up problems for the future for both our armed forces and for our engineering and high-tech manufacturing industrial base.