

Naked in the Conference Chamber



It is an immutable law of politics; you know you're on your way out when people start saying nice things about you. Keir Starmer's appearance at the NATO Summit 7-8th July in Ankara was marked only by the silence of any significant comments about the UK by Donald Trump. He reserved his ire for the Spanish. Everybody was too polite to tell Keir Starmer that he was naked. Aneurin Bevan made a memorable speech to the Labour Party conference in 1957 opposing a motion to back unilateral nuclear disarmament. He warned that by removing what leverage the UK government had in the international arena, it would be like sending the Foreign Secretary 'naked into the conference chamber'.

Keir Starmer appeared at the NATO summit having published the long-awaited Defence Investment Plan (DIP). Certainly, the pledges it contained were welcome; £298 bn of investment over the next four years, with £ 5 bn devoted to the production of autonomous systems. Much of this investment will support the creation of 60,000 new jobs by 2029/30. The DIP addresses the challenges of renewing the nuclear deterrent, supporting AUKUS and funding GCAP. All good news, but as the former Secretary of State said in his resignation letter it was too little too late.

Other NATO Allies have moved faster than the UK in both their levels of defence spending and equipping their armed forces to adjust to the new realities in Europe. Poland's performance in this respect is noteworthy. A law was passed in 2022, the Defence of the Fatherland Act, which mandated a level of defence spending of 3% from 2023. It has ordered 32 F 35As, as well as 96 Apaches. It is also investing in a considerable renewal of its artillery capability. Alongside this, the UK's efforts seem meagre. The one achievement from the NATO Summit was the appointment of Lieutenant General Nick Perry DSO MBE as commander of NATO's Joint Force Command (JFC) Norfolk from September 2026, the first time a British officer has ever held the role. It is worth remembering that the UK's contribution of its nuclear deterrent to NATO still warrants a seat at the top table.

Musical chairs

The appointment of John Healey as Chancellor and Wes Streeting to the MOD surprised many and led to the inevitable comments about new ministers knowing little about their new portfolios. It should be remembered that John Healey was a Treasury minister in the last Labour government, so he will know HMT of old. Also, in his early remarks the new PM has made much of the potential for investment in the defence sector to be a driver of economic growth. Something his predecessor also did, but his Chancellor was unable or unwilling to find the funds to back those words up with action.

At his first major public appearance as the new Secretary of State, Wes Streeting spoke at the Farnborough Airshow on 22nd July. He spoke in glowing terms of the work done by the RAF to keep the UK and its allies safe. He also spoke of his work as Health Secretary, dealing with the NHS. His mantra then, as it is now in his new job, is that investment will follow reform. He will be looking closely at how the MOD operates and will be seeking to advance the programme of defence reform that Healey began.

The matter of funding for the MOD and other public services will present the new Chancellor with the same headaches that plagued his predecessor. But he will have his own resignation letter tucked into his folder, to explore what is possible with both his officials at HMT and the new prime minister. It remains to be seen what approach the new PM and his Chancellor will take to the question of 'off book' finance to support the extra funding required to realise the full cost of the DIP which Healey initially espoused while at the MOD. The first positive step would be to bring forward some of the funding profile, so that the capabilities mentioned in the DIP can be brought into reality sooner. Mr Putin will be paying attention.

NATO Summit

The Communique from the NATO summit held in Ankara was brief. Perhaps this reflected the wish by the Secretary General and the host, President Erdogan, not to put out another wish list which the Trump regime would later rubbish. The Communique noted the uplift in spending by European NATO in response, no doubt, to the 'encouragement' of the US. Also the continuing support for Ukraine. All to the good.

FIAS 2026

No doubt many Commentary readers will have attended this years Farnborough International Air Show (FIAS). Once again it served as a reminder of the strength in depth of the aerospace and defence sector. The opening day of Farnborough International Airshow generated more than £36.2 billion (\$48.8 billion) in announced commercial aircraft deals, according to trade association ADS. In total, 234 firm aircraft orders have been placed, a 44% increase compared to day one of the previous Airshow. This aircraft orderbook will generate more than £5.2 billion in economic value to the UK's aerospace sector, supporting work across the industry's 113,000-strong highly skilled workforce and supply chain.

The Farnborough event was also the opportunity to highlight Canada joining the GCAP programme as an Observer nation, the unveiling of StormFighter, a new generation of Collaborative Combat Aircraft (CCA) which will operate alongside the existing generation of Typhoon and F 35 aircraft, and the next generation of Future Combat Air Systems (FCAS) under development. The global market for CCAs up until 2050 is expected to be £ 125 bn, so getting into this market is a good step forward for the UK's aerospace sector.

Summer Holiday

Commentary will return in September....!!

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