

By Nick Watts, Defence Correspondent, Great North News Services
The government is proposing that the United Kingdom should have, for the first time, a formal statement covering equipment, support and technology in both the defence and security sectors. Once consultation is complete next year, we intend to publish a White Paper setting out our approach for the next five years, i.e. until the next Strategic review." [DITP: p57 para 225.]
Within the framework of the Consultation paper on Equipment, Support and Technology (DITP) the government has set out eighty seven exam questions it wants answers to; from industry, academia, service providers, trade bodies, and trade unions involved in the defence and security sector. The answers to these eighty seven questions will set the framework for the future of Britain's defence and security industries. The government has a real dilemma. Defence equipment is notoriously expensive. It is to be hoped that the work of Lord Levene's Defence Reform Unit and the recently announced appointment of Bernard Gray as Chief of Defence Material (CDM) will give encouragement to industry. But the expenditure crunch is very real. The government must choose carefully. But choose they must.
Industry has been very patient, while the last government expired and the new coalition set out its stall via the NSS and the SDSR. It is looking for clarity and predictability, which the government hopes to be able to supply once it has assessed the response to this paper. This slightly begs the question as to the nature of the consultation. Is the government in fact trying to send a message via its choice of questions and topics? The government must make the right choices about the sort of equipment it wishes to purchase and support:
◆ Where it should expect to get this equipment from?
◆ How much of this equipment should be sourced at home in the UK?
◆ How much can we buy from abroad without compromising our security and industrial base?
◆ How much equipment can be bought off the shelf, either from overseas suppliers, or from commercial sources?
◆ And the crunch question; what capabilities does the UK really need to retain and how should this be managed so as to retain a competitive edge and sovereign capability?
In the introduction, the paper draws attention to a key priority which it describes as "...identifying the handful of critical areas where the UK has or needs an operational advantage and freedom of action for a particular capability, where we may have to take action to sustain the underpinning technologies and skills in order to protect our national security. To achieve this, especially at a time of financial challenge, may involve encouraging innovative approaches to and opening up of wider markets for important capabilities. It may also require acceptance of greater mutual dependence on some of our key allies." [summary xi]
It is taken as read that there is less money around for defence, until at least 2015. Existing contracts are being thoroughly reviewed, to extract savings. Industry must make some contribution towards a strong and sustainable defence sector. It must be more flexible in its approach to partnerships with the UK government; or else the UK government retains the right to source its equipment on an open market basis, i.e. from abroad. Likewise industry must look more towards export markets, which the government will support. The question of exportable technology needs to be addressed carefully where the competitors are likely to be Russia, China and the US. Marketing top of the range fighters with dumbed down systems may not win many orders against Sukhoi or the Chinese.
Like the SDSR, the DITP has been long awaited. The last government produced a Defence Industrial Policy (DIP) and a Defence Technology Strategy (DTS) in 2005 and 2006 respectively. These papers were welcomed by industry, but time has moved on since then. Both the SDSR and the DITP seek to fill a policy vacuum which has arisen from the end of the last government and the onset of the economic crisis. Whereas the DIS and DTS were aspirational, the current climate

requires a more rigorous analysis. As with the SDSR, this paper is set in the context of the new government's National Security Strategy (NSS). The DITP paper draws together both defence and security and resilience policies. This is a reflection of the increasing investment industry has made in the Homeland Security / Resilience area since 2001. In so doing the paper underscores the government's view that future threats are more complex and nuanced than previously.

Getting the answers right matters for industry, the armed forces, and the long term future of the UK as a world class defence manufacturer. It must be hoped that in addressing this issue the short term exigencies do not drive out the longer term needs