



NEWS RELEASE

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MANIFESTO FOR THE UK DEFENCE INDUSTRY PUBLISHED

Sector offers top-quality kit for troops and a route out of recession

A|D|S, the UK's AeroSpace, Defence and Security trade organisation today (Monday) published its manifesto for the defence sector ahead of the forthcoming General Election. The UK defence industry represents ten per cent of UK manufacturing, is number one in Europe and second only to the US globally, employing over 300,000 people and generating £35 billion per year to the UK economy.

The manifesto makes clear that in recent years the defence industry has provided over £4bn worth of equipment to the front line extremely rapidly through Urgent Operational Requirements (UORs). These are equipment that is needed to save lives that can go from concept to reality in a matter of weeks, proving the industry is versatile and fleet-footed. The industry also works hand-in-hand with the UK Armed Forces from factory to frontline, for example over 4,000 industry personnel are currently working with our troops in Afghanistan.

Furthermore, defence is a vital part of UK manufacturing and a sector where global growth potential exists to contribute to the UK economy's recovery from recession. The industry has seen strong growth in recent years whereas much of the rest of manufacturing has been slipping into decline. A study by Oxford Economics has shown that an investment of £100m in defence would deliver an output of £227m. That investment would also bring about an estimated additional 1,885 jobs.

Each year defence exports provide on average £5bn to the UK economy and it is the largest overseas supplier of defence equipment to the United States. The demand from overseas for British-made equipment - from fast jets to helicopters to electronic systems to personal kit for individual troops - is high because of its quality and provenance. Its use by UK Forces in recent campaigns also provides confidence to export customers.

Ian Godden, Chairman of A|D|S, said:

"The UK defence sector is an unsung success story in the British economy. Employing 300,000 people across all regions of the UK it delivers the best possible equipment to our armed forces along with £35 billion per year to the economy and a further £5 billion per year on average in exports.

"Our manifesto seeks to demonstrate to the next Government that our industry is not making demands of politicians but is instead promoting what the industry can achieve for the country providing it receives sufficient support to do so. We offer a route out of recession and excellent returns on initial investment, not to mention our main function, which is to provide the best possible equipment for our armed forces in partnership with the Government of the day.

"Reform of defence procurement is a vital immediate priority alongside the forthcoming Strategic Defence Review and refresh of the Defence Industrial Strategy that should go with it. Industry believes that it can assist the Ministry of Defence to achieve this reform to deliver even greater capability to our Armed Forces. We are proud to work with the best troops in the world and to provide them with the high-quality equipment that they need and deserve."

ENDS

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To build on UK success in defence, A|D|S is seeking commitments from a future Government:

- 1) To hold a fully funded and regular Defence Review incorporating a Defence Industrial Strategy. Industry can only make strategic investments with a clear Government strategy in mind.
- 2) Increasing investment in research and technology (R&T) funding, which is a tiny proportion of funding but is the lifeblood of our future defence capability.
- 3) Establishing a more effective R&T pull-through from lab to frontline.
- 4) Working with industry to find more effective and efficient ways of outsourcing roles to industry where appropriate.
- 5) Active Cabinet level support and diplomacy for UK defence exports.
- 6) Implementation of the Defence Acquisition Strategy, particularly a modular / incremental / spiral approach that would deliver capability faster and cheaper.

Defence facts

- 300,000 UK jobs depend on UK defence success. This is 10 per cent of all UK manufacturing employment.
- UK defence industry has a £35bn turnover.
- UK defence had a 21 per cent share of the defence export market in the last five years.
- The UK was the global leader in defence exports in 2007.
- Defence exports support 65,000 UK jobs.
- In 2007 the defence industry invested 4 per cent of turnover in R&D.
- UK defence is responsible for 40 per cent of defence R&D in Europe.
- Defence contributed £12bn in value added to the UK economy in 2008 – up 15 per cent since 2006.
- The average value-added per employee in defence was £61,200, this compares with automotive at £54,800 and construction at £50,800.
- Defence submitted more than twice the number of patents applications compared to the pharmaceutical sector between 2007 -10.
- The UK has more small and medium sized enterprises in defence than France, Germany, Spain, Italy and Norway combined.

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A|D|S is also on Twitter at www.twitter.com/ADSGroupUK.

Notes to Editors:

1. The A|D|S defence manifesto can be found at www.adsgroup.org.uk/media.
2. The Oxford Economics report cited above can be found at <http://www.defencematters.co.uk/news/DIC-reports.aspx>.
3. A|D|S is the trade organisation advancing UK AeroSpace, Defence and Security industries with Farnborough International Limited as a wholly-owned subsidiary. A|D|S also encompasses the British Aviation Group (BAG). It is formed from the merger of the Association of Police and Public Security Suppliers (APPSS), the Defence Manufacturers Association (DMA) and the Society of British Aerospace Companies (SBAC). For more information see www.adsgroup.org.uk.
4. The 2010 Farnborough International Airshow will take place between the 19 and 25 of July 2010. For more information please go to www.farnborough.com.

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