

As the Prime Minister prepared to chair a National Security Council meeting to discuss the options around the Strategic Defence and Security Review Ian Godden, Chairman of A|D|S, the UK's aerospace, defence and security trade organisation, highlighted the significance of decisions on defence spending

The Government needs to bear in mind that as well as the decision-maker on defence it is also the customer. Its decisions have a profound impact on our armed forces and the 300,000 people who work across the UK in the defence industry to support our troops. The defence budget has been relatively flat with little in the way of increases over the last 20 years while other Government departments have seen their budgets double or even triple over the same time period. With our troops constantly being asked to do more with less, the Government keen to increase exports and defence able to deliver enhanced returns on investment - a £100m spend yields £227m in returns - it makes no sense on any level to be cutting investment in defence because of this knock-on effect on our armed forces and economic recovery. Defence is 10 per cent of UK manufacturing and Britain is currently number one in Europe and second only to the US in terms of the global defence exports market but this position would be under threat if investment is cut, leading to a dearth of new programmes to export.

Furthermore, the proposals for a greater reliance on high-technology equipment in the future do not align with the cuts of over 20 per cent in the MoD research and technology budget over the last three years - that have already cost hundreds of high-skilled jobs in the industry. This budget, of less than 1.4 per cent of the total defence budget, must be reprioritised within the MoD to deliver the future capabilities for our armed forces.

There is of course room for reform within the armed forces, the industry and the MoD to deliver even greater improvements and we are committed to playing a full part in these changes that will also deliver savings. But the implications for any further cuts in defence spending in terms of their impact on our troops, our national security, our global trading position, our economy and on the long-term capability of our industry to continue to supply the best possible equipment to our armed forces cannot be ignored.