

Nick Watts was our duty reporter on day one of this year's DSEi in London.

It is the first day at DSEI and Docklands has come alive with ships. Unlike its previous incarnation, the ships tied up alongside are all uniformly grey and of varying sizes. There is also a Merlin helicopter which has flown in and is parked outside the western end of the Excel exhibition hall. Walking the halls there are differing uniforms from an array of overseas militaries, mostly middle eastern and Asian. There are also a wide variety of exhibitors. On display are a range of equipment from the hardware of armoured vehicles and howitzers to stealthy swimmer delivery vehicles and the smartware of ruggedized tablets.

The buzz at the exhibitor's reception at the end of the day is one of relief at having got through the first day. After the long summer holiday people are glad to see old friends on the circuit: Friday seems a long way away! This biennial gathering brings together exhibitors who have wares to sell in the defence and security sectors. The supply chain is well represented judging from the numbers of components and bits and pieces on display. Time will tell if the investment in attending DSEI has been useful. One exhibitor was waiting for a minister to arrive; another for a delegation from Qatar. The Qataris may have brought their cheque book; the minister may be able to offer government support for a particular project. It may be that the recent talk from the UK government about an economic recovery has given everybody a feeling of optimism; maybe.....

Britain's defence and security sector does well in the world's markets, and certainly the presence of large numbers of foreign delegations attest to the vitality of this sector. In an era of stable or declining defence expenditure, the smart operators are finding ways to partner with local producers to enter overseas markets, but this traffic is two-way as Asian countries in particular are moving up the value chain and offering comparable products to their US and European competitors. An alternative to the "gold plated" offerings of developed nations might just be what suits a defence minister's cheque book if he is having to economize.

The UK certainly gets behind its defence industry; it needs to as domestic demand is stable but not increasing. Cross-national partnerships seem to be increasing because of the downturn in defence spending. The security sector looks healthy – plenty of equipment from light armoured vehicles through to small arms can be used by both military and paramilitary forces. The large

number of electronics and cyber offerings also attests to the increasing interest in this sector.

Defence sales are often a question of cultivating the right people and developing a relationship; showing a willingness to accommodate on contract terms and, above all, being tenacious. The competition will be snapping at your heels. Several contractors announced sales, but didn't disclose who their customers were or their whereabouts. This is a reminder of the nature of the equipment on sale and of the calculations in the minds of the customers.