

## GOVERNMENT TO SPEND £452M ON FOUR NEW ROYAL NAVY TANKERS

A new generation of 37,000-tonne tankers have been ordered for the Royal Navy fleet from a South Korean shipbuilder. The new Military Afloat Reach and Sustainability (MARS) tankers will maintain the Royal Navy's ability to refuel at sea and will provide fuel to warships and task groups.

They will support deployed amphibious, land and air forces close to the shore, will be able to operate helicopters and are planned to enter service from 2016, replacing existing Royal Fleet Auxiliary (RFA) single hulled tankers.

At over 200 metres long, the four tankers will be approximately the same length as 14 double decker buses and can pump enough fuel to fill two Olympic sized swimming pools in an hour.

Minister for Defence Equipment Support and Technology, Peter Luff, announced that Daewoo Shipbuilding and Marine Engineering (DSME) is the Government's preferred bidder for the deal. This represents the best value for taxpayers' money, with £452 Million to be spent on the four new vessels to support the Royal Navy on operations around the world.

A number of British companies took part in the competition, but none submitted a final bid for the build contract. In light of this, the best option for Defence and value for money for taxpayers is for the tankers to be constructed in South Korea by DSME.

UK companies will however benefit from £150m of associated contracts comprising:

- \* £90m on UK contracts for the provision of key equipment, systems, design and support services. The winning design is being provided by UK company BMT Defence Services;
- \* £60m investment in the UK from customisation, trials and specialist engineering support.

The tankers are part of a multi-billion pound investment programme for the Royal Navy, which includes Type 45 destroyers, Queen Elizabeth Class aircraft carriers and Astute Class attack submarines, employing thousands of people in the UK.

Minister for Defence Equipment, Support and Technology, Peter Luff, said:

"Over the next decade, the Government will be investing billions of pounds in our Maritime capabilities to ensure that our Royal Navy remains a formidable fighting force. This project will inject up to £150 million into UK industry and support and maintenance will also be carried out in the UK. The Government remains committed to building complex warships in UK shipyards."

Commodore Bill Walworth, Head of the RFA, said:

"We are delighted the RFA will be able to operate these world class vessels. These fleet replenishment tankers will be flexible ships, able to operate with the Royal Navy and Armed Forces in conflict, and are designed to allow for upgrades and emerging technologies meaning that they have been designed with the future in mind."

Chief of Defence Materiel, Bernard Gray, said:

"The competition for the contract sought to engage shipbuilders from across the globe. I believe the winning bidder's solution will offer the UK the best value for money. The MARS tanker is an exceptionally versatile platform; able to simultaneously refuel an aircraft carrier and destroyer whilst undertaking helicopter resupply of other vessels. I am looking forward to the award of the contract and the work that will follow in the lead up to the delivery of the ships."