

Defence Industry does want DIS version 2 - but time is not right given funding problems

The Defence Industries Council (DIC), claiming to represent the UK-based defence industry, has restated its position that a second, updated, version of the Defence Industrial Strategy (DIS) is needed to provide long-term guidance to the industry on the country's defence requirements. However, the industry recognises that without the resolution of the issues around the defence budget it is impossible to produce an effective DIS 2 at this time. Therefore, the industry reluctantly recognises that an updated strategy will have to be delayed still further.

This follows the comments by the House of Commons Defence Committee and the Minister for Defence Equipment and Support, Quentin Davies, on the committee's report "Defence Equipment 2009". The committee criticised the Government for delays in DIS version 2 and the minister defended this by saying that industry did not want a new version at the present time.

The UK-based defence industry employs over 300,000 people in all regions of the UK. Without long-term investment indicators from Government it is unable to plan the future adequately to sustain these jobs as well as provide its core function - supplying the best possible equipment to the UK armed forces.

Mike Turner, Chairman of the DIC, said:

"The defence industry does want to see an updated DIS. However, now is not the right time for it, especially given the current economic crisis that the Government faces. Publishing it before a General Election, regardless of who wins, and the inevitable Strategic Defence Review would not be helpful now."

What is the DIC, and by what right does it claim to speak for the defence industry? We asked, they answered below.

a.. The Defence Industries Council has been recognised by the Government as the senior representative body for the sector for over 40 years through its engagement at the National Defence Industries Council and the supporting sub-groups and working groups.

b.. The DIC includes 9 industrialists who are members in their own right and the four presidents and Directors General of the main national

defence trade associations.

c.. The individual industrialists are selected by the DIC membership on the basis of the personal contribution they can make to the work of the DIC. These positions are reviewed every three year and nominations are sought from across the industry in accordance with our published eligibility criteria (i.e. individuals must be eligible to see UK-eyes material and be employed within the Defence Sector).

d.. Effectively the industrialists are selected by their peers with the intention to provide with a range of expertise to advise the Government on strategic industrial issues. The DIC therefore reflects a range of different business models, sectors and company sizes including Primes, mid-tier, SMEs, platform manufacturers, major sub-systems, technology companies and service providers and companies with strong links to overseas markets in the US, Europe and worldwide.

e.. All companies who are a member of a national defence trade association or are linked through their regional partners have a route to raise issues of concern to the DIC and we provide feedback on the NDIC discussions through the trade associations.

f.. The Chairmanship of the DIC is agreed amongst its members (who are best placed to understand the nature of the role and judge who best would represent the sector in its engagement with Government).

The decision not to seek the early publication of DIS v2.0 was agreed by all the members of the DIC including the four national trade associations.

It was made clear that at the time that the DIC still wanted a DIS to be published but only if it provided the transparency and clarity needed by the sector. After a year's delay in the original 2007 publication timetable it was increasingly apparent that the government would be unable to publish a full strategy until it had completed a defence review (which would only be completed after the next election).