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Weekend Box 4



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~938X000~~ 218 2111/3

Prime Minister

(2)

MO 24/4

11th March 1980

MO.
A useful survey.
We aren't selling
anything like
enough.
Paul
not
Jean Michael,

UK MILITARY TRAINING ASSISTANCE
SCHEME (UKMTAS)

In your letter of 18th February you said that the Prime Minister had asked for a breakdown of UK arms sales in relation to our military training programmes, following sight of the Foreign and Commonwealth Secretary's minute of 13th February to the Chancellor about UKMTAS. I attach tables showing the value of our defence sales over the last few years to those countries who are now or in recent years have been given Service training subsidised in whole or in part by UKMTAS funds, on FCO Votes. The list of 56 such countries does, in fact, include the majority of countries whose Servicemen are trained in MOD establishments or to whom the UK has sold defence equipment.

The attached breakdown of our defence sales has been expressed in constant 1975 prices in order to reflect as far as possible the volume of business done. The full statistics are I am afraid available only for the past six years. The volume of training has been shown in student weeks of training provided, including both training subsidised by UKMTAS and that paid for by the overseas Government: student weeks are a useful indicator of the volume of training, but this measure does not of course discriminate between types of training (which vary from basic infantry skills to the Royal College of Defence Studies).

To assist comparison between the figures for sales and student weeks of training we have provided a summary table covering the six year period and which provides a "league table". It also shows whether British personnel on loan served in the country concerned, the figures being expressed in terms of "loan service personnel years". The summary

/table

Michael O'D B Alexander Esq

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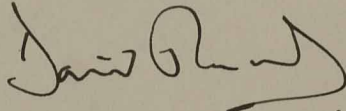
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table shows, as you would expect, that there is a tendency for countries which are high in the league table for sales also to be major recipients of training; and many countries who have bought little have also received a relatively small amount of British training over the period. There are several notable exceptions however and it would be wrong to try to deduce too much from these figures, or from the more detailed annual breakdown given in Tables 1 and 2 attached. Only a small proportion of MOD training is specifically sales-related (i.e. training to support the sale of a product). Occasionally, we relate our agreement to the provision of training to the procurement of particular equipment. Generally however the arrangement of training for foreign servicemen, and the promotion of sales of defence equipment produced by British industry and the Royal Ordnance factories, are quite separate activities. There will be several factors determining whether the country buys British equipment, not least being quality, price and credit terms and HMG's willingness to sell. We do train some overseas servicemen who will be in a position to influence their countries decisions on arms procurement (particularly students at the Royal College of Defence Studies) although in most cases this influence would in fact not arise until many years later.

We regard it as to the advantage to our defence sales to expose the maximum number of foreign Servicemen to British products used by our own armed forces. Experience of British training appears almost always to encourage greater interest in British equipment and this may sometimes tip the balance in favour of an individual sale. It is for this reason of course that defence sales potential and the record of past sales are factors taken into account in determining which countries should be offered training places in MOD establishments.

I am sending copies of this letter to the recipients of yours.

Yours sincerely,


(D B OMAND)

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JAN 1960



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1 - MAR 1960

DEFENCE SALES AND UK TRAINING, 1974-79

| <u>Country</u> | <u>UK Defence Sales</u> (£M at Constant (1975) Prices) | <u>Training in UK</u> (Student Weeks) | <u>UK Loan</u> <u>Service Personnel</u> (LSP Years) | <u>Position in League Tables</u> <u>Sales</u> | <u>Position in League Tables</u> <u>Training</u> |
|----------------|--|--|---|--|---|
| Afghanistan | - | 446 | - | - | 38 |
| Algeria | 3.338 | 456 | - | 30 | 37 |
| Argentina | 47.952 | 2,591 | 6 | 11 | 21 |
| Bahamas | 6.374 | 777 | 15 | 26 | 32 |
| Bangladesh | 4.068 | 2,067 | 18 | 28 | 24 |
| Barbados | - | 279 | - | - | 46 |
| Belize | 0.061 | 414 | 23 | 43 | 40 |
| Botswana | 2.133 | 724 | 8 | 33 | 33 |
| Brazil | 25.662 | 3,005 | 8 | 13 | 19 |
| Burma | - | 596 | - | - | 35 |
| Chile | 7.622 | 4,616 | 8 | 24 | 14 |
| Ecuador | 53,080 | 947 | - | 9 | 29 |
| Egypt | 601.752 | 5,313 | - | 1 | 13 |
| Ethiopia | - | 329 | - | - | 43 |
| Fiji | - | 300 | 4 | - | 45 |
| Gambia | - | 206 | - | - | 50 |
| Ghana | 3.437 | 15,051 | 22 | 29 | 7 |
| Guyana | 3.038 | 2,297 | - | 32 | 22 |
| India | 569.438 | 3,530 | - | 14 | 17 |
| Indonesia | 24.934 | 653 | - | 14 | 34 |
| Iran | 566.471 | 53,574 | 344 | 3 | 3 |
| Iraq | 79.045 | 4,606 | - | 7 | 15 |
| Jamaica | - | 11,478 | 1 | 7 | 8 |
| Jordan | 163.931 | 20,080 | - | 4 | 5 |
| Kenya | 110.193 | 32,155 | 53 | 6 | 4 |
| Korea | 6.118 | 162 | - | - | 53 |
| Lebanon | 8.005 | 1,959 | - | - | 27 |
| Lesotho | 1.717 | 3,847 | - | - | 22 |
| Malawi | 3.087 | 88,635 | 14 | 36 | 36 |
| Malaysia | 21,002 | - | 88 | 15 | 15 |

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DEFENCE SALES AND UK TRAINING, 1974-79

| Country | UK Defence Sales (£M at Constant (1975) Prices) | Training in UK (Student Weeks) | UK Loan Service Personnel (ISP Years) | Position in League Sales | Tables Training |
|---------------------|---|-----------------------------------|---|-----------------------------|--------------------|
| Mauritius | - | 313 | 12 | - | 14 |
| Morocco | 14.127 | 496 | - | 18 | 36 |
| Nepal | 1.266 | 906 | 4 | 38 | 30 |
| Nigeria | 54.829 | 113,029 | 140 | 8 | 1 |
| Oman | 142.787 | 8,270 | 1,098 | 5 | 9 |
| Pakistan | 7.601 | 15,130 | - | 25 | 6 |
| Philippines | 7.707 | 277 | - | 23 | 47 |
| Portugal | 1.311 | 864 | - | 37 | 31 |
| Senegal | 0.159 | 29 | - | 42 | 54 |
| Seychelles | - | 10 | 2 | - | 55 |
| Sierra Leone | 0.336 | 5,454 | - | 40 | 12 |
| Singapore | 1.909 | 5,504 | 62 | 35 | 11 |
| Spain | 13,413 | 340 | - | 19 | 42 |
| Sri Lanka | 0.677 | 2,132 | - | 39 | 23 |
| Sudan | 11.386 | 3,426 | 49 | 20 | 18 |
| Swaziland | 0.224 | 165 | - | 41 | 52 |
| Syria | 36.031 | 7 | - | 12 | 56 |
| Tanzania | 19,036 | 388 | - | 16 | 41 |
| Thailand | 16,307 | 2,851 | - | 17 | 20 |
| Trinidad | - | 1,236 | - | - | 27 |
| Tunisia | 2,122 | 222 | - | 34 | 49 |
| Turkey | - | 1,197 | - | - | 28 |
| Yemen Arab Republic | - | 250 | - | - | 48 |
| Yugoslavia | 52.842 | 434 | - | 10 | 39 |
| Zaire | - | 1,909 | - | - | 26 |
| Zambia | 9.320 | 5,981 | - | 21 | 10 |

Note This list of countries includes only those who now, or over the past six years, have received training in MOD establishments funded in whole or in part by UKMTAS funds on FCO Votes.

Table 1

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UK DEFENCE SALES IN £M AT CONSTANT (1975) PRICES

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | TOTAL |
|-------------|---------|--------|--------|---------|---------|---------|---------|
| Afghanistan | - | - | - | - | - | - | - |
| Algeria | NIL | 1.600 | 1.176 | NIL | NIL | 0.562 | 3.338 |
| Argentina | 1.995 | NIL | 8.457 | 0.473 | 2.949 | 34.078 | 47.952 |
| Bahamas | NIL | NIL | 3.496 | 2.878 | NIL | NIL | 6.374 |
| Bangladesh | NIL | NIL | 2.037 | 1.899 | NIL | 0.132 | 4.068 |
| Barbados | - | - | - | - | - | - | - |
| Belize | NIL | NIL | NIL | NIL | NIL | 0.061 | 0.061 |
| Botswana | NIL | NIL | 0.044 | 0.993 | 0.329 | 0.767 | 2.133 |
| Brazil | 4.465 | 10.290 | 0.196 | 2.829 | 6.636 | 1.246 | 25.662 |
| Burma | - | - | - | - | - | - | - |
| Chile | NIL | 3.108 | 2.750 | 0.712 | 0.267 | 0.785 | 7.622 |
| Ecuador | 43.808 | 0.880 | 1.301 | 6.248 | NIL | 0.843 | 53.080 |
| Egypt | NIL | 63.865 | 58.049 | 159.777 | 312.799 | 7.262 | 601.752 |
| Ethiopia | - | - | - | - | - | - | - |
| Fiji | - | - | - | - | - | - | - |
| Gambia | - | - | - | - | - | - | - |
| Ghana | 1.390 | NIL | NIL | 2.047 | NIL | NIL | 3.437 |
| Guyana | NIL | 1.850 | 1.028 | NIL | NIL | 0.160 | 3.038 |
| India | 1.585 | 5.229 | 6.898 | 5.831 | 518.004 | 31.891 | 569.438 |
| Indonesia | 0.028 | 0.040 | 2.719 | 1.309 | 20.606 | 0.232 | 24.934 |
| Iran | 190.420 | 17.201 | 77.377 | 103.597 | 177.876 | NIL | 566.471 |
| Iraq | 1.266 | 11.900 | 17.785 | 10.698 | 27.052 | 10.344 | 79.045 |
| Jamaica | - | - | - | - | - | - | - |
| Jordan | 6.816 | 4.722 | 1.773 | 0.067 | NIL | 150.553 | 163.931 |
| Kenya | NIL | 0.230 | 35.339 | 9.200 | 61.570 | 3.854 | 110.193 |

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DEFENCE SALES IN £M AT CONSTANT (1975) PRICES Cont.

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | TOTAL |
|--------------|---------|-------|--------|--------|-------|--------|---------|
| Korea | NIL | 0.030 | 2.904 | 0.177 | 1.594 | 1.413 | 6.118 |
| Lebanon | 5.380 | NIL | NIL | NIL | 2.060 | 0.565 | 8.005 |
| Lesotho | NIL | NIL | NIL | NIL | 1.515 | 0.202 | 1.717 |
| Malawi | NIL | 0.653 | 0.143 | 0.984 | 0.806 | 0.501 | 3.087 |
| Malaysia | 3.325 | NIL | 0.044 | 7.063 | 5.648 | 4.922 | 21.002 |
| Mauritius | - | - | - | - | - | - | - |
| Morocco | NIL | 8.700 | 2.312 | 3.056 | 0.059 | NIL | 14.127 |
| Nepal | 1.266 | NIL | NIL | NIL | NIL | NIL | 1.266 |
| Nigeria | 24.329 | 6.828 | 14.569 | 4.329 | 2.564 | 2.210 | 54.829 |
| Oman | 113.796 | 3.212 | 20.426 | 0.575 | 0.931 | 3.847 | 142.787 |
| Pakistan | 7.199 | NIL | NIL | NIL | 0.120 | 0.282 | 7.601 |
| Philippines | 1.772 | 3.255 | 0.426 | 0.287 | 1.967 | NIL | 7.707 |
| Portugal | NIL | 1.250 | 0.012 | 0.024 | NIL | 0.025 | 1.311 |
| Senegal | NIL | NIL | 0.159 | NIL | NIL | NIL | 0.159 |
| Seychelles | - | - | - | - | - | - | - |
| Sierra Leone | NIL | NIL | NIL | 0.180 | 0.156 | NIL | 0.336 |
| Singapore | 0.165 | 0.400 | 0.774 | 0.570 | NIL | NIL | 1.909 |
| Spain | NIL | NIL | NIL | 7.237 | 5.389 | 0.787 | 13.413 |
| Sri Lanka | NIL | NIL | 0.677 | NIL | NIL | NIL | 0.677 |
| Sudan | 0.076 | NIL | NIL | 10.537 | 0.773 | NIL | 11.386 |
| Swaziland | NIL | NIL | NIL | NIL | 0.224 | NIL | 0.224 |
| Syria | NIL | 1.300 | 0.068 | 1.438 | 4.348 | 28.877 | 36.031 |
| Tanzania | NIL | NIL | 13.703 | NIL | 5.333 | NIL | 19.036 |
| Thailand | 0.259 | NIL | 0.813 | 7.901 | 7.334 | NIL | 16.307 |
| Trinidad | - | - | - | - | - | - | - |

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DEFENCE SALES IN £M AT CONSTANT (1975) PRICES Cont.

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | TOTAL |
|------------|--------|-------|-------|--------|--------|-------|--------|
| Tunisia | NIL | 2.000 | NIL | NIL | 0.122 | NIL | 2.122 |
| Turkey | - | - | - | - | - | - | - |
| Yemen A.R | - | - | - | - | - | - | - |
| Yugoslavia | 15.570 | 8.500 | 1.724 | 14.581 | 11.303 | 1.164 | 52.842 |
| Zaire | - | - | - | - | - | - | - |
| Zambia | NIL | NIL | 3.540 | NIL | 5.780* | NIL | 9.320 |

UK DEFENCE SALES
(CONSTANT /1975/ PRICES)
ANNUAL TOTALS (£M)

| | |
|-------------|-----------------|
| 1974 | 424.910 |
| 1975 | 157.043 |
| 1976 | 282.719 |
| 1977 | 367.550 |
| 1978 | 1186.114 |
| 1979 | 291.269 |
| GRAND TOTAL | <u>2709.605</u> |

Constant price indices taken from the CSO's "MONTHLY DIGEST OF STATISTICS FOR NOV 1979"(Table 15.12 Machinery and Transport Equipment total)

*Paid from FCO funds

Table 2

| | CONFIDENTIAL | | | | | | TOTAL |
|-------------|----------------|--------|--------|-------|-------|-------|--------|
| | TRAINING IN UK | | | | | | |
| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | |
| Afghanistan | 239 | 46 | - | 62 | 68 | 31 | 446 |
| Algeria | 182 | 210 | 55 | 3 | 6 | - | 456 |
| Argentina | 395 | 776 | 418 | 358 | 432 | 212 | 2,591 |
| Bahamas | 13 | 75 | 6 | 146 | 312 | 225 | 777 |
| Bangladesh | 350 | 226 | 273 | 235 | 549 | 434 | 2,067 |
| Barbados | 22 | 22 | 56 | 52 | 62 | 65 | 279 |
| Belize | 63 | 64 | 21 | 121 | 56 | 89 | 414 |
| Botswana | - | 3 | 10 | 54 | 305 | 352 | 724 |
| Brazil | 420 | 947 | 917 | 301 | 246 | 174 | 3,005 |
| Burma | 229 | 141 | 97 | 53 | 76 | - | 596 |
| Chile | 1,509 | 974 | 705 | 830 | 565 | 33 | 4,616 |
| Ecuador | 84 | 294 | 250 | 155 | 115 | 49 | 947 |
| Egypt | 115 | 2,283 | 460 | 652 | 1,264 | 539 | 5,313 |
| Ethiopia | 223 | 4 | 16 | 83 | 2 | 1 | 329 |
| Fiji | 99 | 69 | 17 | 41 | 28 | 46 | 300 |
| Gambia | 3 | 35 | 52 | 75 | 38 | 3 | 206 |
| Ghana | 2,519 | 2,191 | 1,570 | 2,081 | 3,565 | 3,125 | 15,051 |
| Guyana | 193 | 269 | 443 | 524 | 486 | 382 | 2,297 |
| India | 560 | 633 | 311 | 473 | 340 | 1,213 | 3,530 |
| Indonesia | 196 | 92 | 74 | 92 | 124 | 75 | 653 |
| Iran | 12,197 | 13,634 | 14,540 | 5,463 | 5,172 | 2,568 | 53,574 |
| Iraq | 273 | 830 | 843 | 1,085 | 926 | 649 | 4,606 |
| Jamaica | 1,345 | 2,492 | 3,257 | 1,825 | 1,357 | 1,202 | 11,478 |
| Jordan | 4,332 | 6,220 | 3,451 | 1,952 | 2,265 | 1,860 | 20,080 |
| Kenya | 2,955 | 3,725 | 3,554 | 5,794 | 8,919 | 7,208 | 32,155 |

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TRAINING IN UK Cont.

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | TOTAL |
|--------------|--------|--------|--------|--------|--------|--------|---------|
| Korea | 40 | - | 19 | 55 | 6 | 42 | 162 |
| Lebanon | 549 | 747 | 321 | 18 | 124 | 200 | 1,959 |
| Lesotho | - | - | - | - | 9 | 170 | 179 |
| Malawi | 645 | 649 | 667 | 864 | 609 | 413 | 3,847 |
| Malaysia | 15,482 | 15,663 | 12,683 | 13,422 | 16,067 | 15,318 | 88,635 |
| Mauritius | 34 | 87 | 102 | 46 | 12 | 32 | 313 |
| Morocco | 233 | 159 | 30 | 56 | 18 | - | 496 |
| Nepal | 377 | 189 | 189 | 81 | 79 | 31 | 906 |
| Nigeria | 16,162 | 18,843 | 20,082 | 20,669 | 19,353 | 17,920 | 113,029 |
| Oman | 400 | 813 | 1,647 | 1,679 | 1,511 | 2,220 | 8,270 |
| Pakistan | 2,613 | 4,872 | 1,738 | 1,906 | 2,243 | 1,758 | 15,130 |
| Philippines | 90 | 72 | 40 | 14 | 33 | 28 | 277 |
| Portugal | 149 | 43 | 47 | 176 | 197 | 252 | 864 |
| Senegal | - | - | - | - | - | 29 | 29 |
| Seychelles | 9 | - | - | - | - | 1 | 10 |
| Sierra Leone | 1,473 | 1,256 | 1,243 | 756 | 487 | 239 | 5,454 |
| Singapore | 1,390 | 915 | 924 | 863 | 753 | 659 | 5,504 |
| Spain | - | - | - | - | 221 | 119 | 340 |
| Sri Lanka | 866 | 203 | 324 | 221 | 334 | 184 | 2,132 |
| Sudan | 563 | 524 | 409 | 595 | 673 | 662 | 3,426 |
| Swaziland | - | - | 3 | 16 | 24 | 122 | 165 |
| Syria | - | - | - | - | 7 | - | 7 |
| Tanzania | - | - | - | 49 | 173 | 166 | 388 |
| Thailand | 513 | 382 | 354 | 437 | 682 | 483 | 2,851 |
| Trinidad | 40 | 245 | 229 | 119 | 336 | 267 | 1,236 |

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TRAINING IN UK Cont.

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | TOTAL |
|--------------------------------|--------|--------|--------|--------|--------|--------|---------|
| Tunisia | 65 | 19 | 27 | 65 | 46 | - | 222 |
| Turkey | 203 | 132 | 173 | 199 | 248 | 242 | 1,197 |
| Yemen [<u>Arab Republic</u>] | 116 | 24 | 103 | 7 | - | - | 250 |
| Yugoslavia | 51 | 71 | 16 | 162 | 134 | - | 434 |
| Zaire | 435 | 363 | 278 | 238 | 402 | 193 | 1,909 |
| Zambia | 914 | 943 | 1,554 | 1,194 | 575 | 801 | 5,981 |
| GRAND TOTAL | 71,888 | 83,469 | 74,598 | 66,417 | 72,634 | 63,086 | 429,362 |