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Foreign and Commonwealth Office

London SW1A 2AH

Prime Mister

has 4 February 1981

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The Sale of Hawk Aircraft to the UAE

The Prime Minister will have seen Mr Hurd's minute to Lord Carrington of 8 January reporting on his visit to the United Arab Emirates on 5/6 January. She may wish to know what developments there have been since then on the possible sale of Hawk aircraft to the UAE.

The FCO and the Ministry of Defence have remained in close touch with British Aerospace in considering what should be the timing of our next step. On 19 January Mr Hurd held a meeting with the Head of Defence Sales and the Chairman of BAE at which it was decided that the time was right for a follow-up message from Mr Hurd to Shaikh Khalifa bin Zaid, the Deputy Commander-in-Chief and Crown Prince of Abu Dhabi.

The Head of Defence Sales had already written to Shaikh Khalifa on 9 January to offer training of UAE pilots, without cost, in the UK in the event of a purchase of Hawk. Lord Trenchard had also written to Shaikh Khalifa on 15 January offering to send British experts to discuss the UAE's air-defence requirements. While referring to these letters and the specific questions they covered, Mr Hurd's letter (of which I enclose a copy) sought to place them in the wider perspective of British co-operation with the Gulf States and readiness to consider the UAE's future requirements. When discussing Hawk, Shaikh Khalifa had shown interest in Jaguar ground-attack aircraft as a next step. This could have been as a complement either to Hawk or to the French Alpha-Jet. Mr Hurd's letter stressed that Jaguar was a natural successor to Hawk in view of their common engine. Looking further ahead to the UAE's eventual requirement for an advanced multi-role aircraft, a mention was made of the Tornado, without commitment. One of the strongest French arguments for Alpha-Jet has been that it leads naturally to the Mirage 2000 and the Mirage 4000. It is highly desirable to show that with Hawk/Jaguar/Tornado we can offer a similar package for the future development of the UAE Air Force.



In addition to Mr Hurd's letter to Shaikh Khalifa, the Chief of the Defence Staff has renewed an invitation to Khalifa's brother, Sultan (the chief ally of the French) to visit the UK at an early opportunity. We shall be using other opportunities in the coming weeks to press our case. Dr Mana al Otaiba, the UAE Oil Minister (on whose visit I have written separately) will be here next week. Since he has offered to speak on our behalf to the Ruler of Abu Dhabi, Shaikh Zaid, on whom the decision on Hawk may ultimately rest, either Mr Hurd or Lord Carrington will bring him fully up-to-date. At each stage tactics will need to be carefully considered, as we are now getting evidence in other cases (Qatar and Oman) that some of our friends in the Gulf react badly to a crude sales pitch for British equipment. But well-calculated Ministerial interest is, we think, an essential part of our effort. A final decision may not be made in Abu Dhabi before the proposed visit in late March by the Secretary of State for Defence, or even before the Prime Minister herself visits in April. It is possible that both could thus put in a word at an important stage.

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Private Secretary

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