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Prime Minister

To note.

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PRIME MINISTER

QUARTERLY REPORT ON DEFENCE SALES AND PROSPECTS
1ST JANUARY 1984 - 31ST MARCH 1984

The first quarter of 1984 saw defence sales worth £403M reported by our defence industries, compared with an out-turn figure of £636M for the last quarter of 1983, and sales in the corresponding quarter of 1983 of £528M. Although not unexpected, this relatively modest level of sales was disappointing following our highly successful achievements in 1983, and tends to confirm the prediction in my last report that 1984 could prove to be a more difficult year.

2. The largest contract signed was with the US for the supply and maintenance of 18 Shorts 330/Sherpa aircraft worth £100M, and options included in the contract could raise the total value to some £400M. Other significant sales reported included further US purchases of avionics equipment for the F-16 (£36M); the sale of surplus Tribal class frigates to Indonesia (£32M); the supply of Rolls-Royce Spey engines to the Netherlands (£28M) following the agreement signed by Geoffrey Pattie early this year for a reciprocal purchase of the Dutch Goalkeeper CIWS; and a licence agreement with Japan for the FH70 gun (£25M). We were however unsuccessful in our attempts to sell Sea King helicopters to Singapore, where the French Super Puma was preferred largely on cost grounds, and also in our efforts to sell Rapier to Spain where Roland was preferred. Details of all contracts reported during the quarter are given at Annexes A and B, whilst details of the highest priority sales prospects are listed at Annex C.

3. I now believe that there are grounds for some optimism for the sale of Tornado and Hawk to Saudi Arabia. I discussed this with



Prince Sultan in January and James Blyth, the Head of Defence Sales, has just returned from the Kingdom to report considerable progress. The total value of the deal is expected to be of the order of £600M with follow-on support business worth at least as much again. Our chances of selling Challenger to the Saudis have also improved following the recently announced German decision not to supply Leopard II; however, strong competition will still come from the US M1 tank.

4. Elsewhere in the Gulf the prospects are bright for a sale of Tornado to the Omanis, who have stated informally their intention to purchase. It is increasingly likely that they will purchase the FH70 gun later this year and they are also now expressing interest in further Chieftain tanks. In the UAE prospects include the full Joint Operations Centre (JOC) project, further radars and an Air Defence Operations Centre (ADOC), and continued interest in Challenger although progress on all of this will probably be slow. Following the visit of the Amir of Bahrain there are now good prospects for a Hawk sale to Bahrain. As you are aware, Jordan is showing interest in the purchase of Javelin worth some £70M, although credit problems will need to be overcome. The Pakistani Navy is pressing firmly for a purchase of Type 21 frigates and, following the decision to offer a substantial government backed credit package, there are good prospects for a favourable decision which could be worth some £200M.

5. In Africa, prospects in Algeria continue to appear promising following signature of the Defence Co-operation MOU last year. The Algerian Air Force has decided to purchase 27 Hawk aircraft subject to detailed contract negotiations. A joint Anglo/Algerian Study Team has been set up to look into the establishment of an Algerian aerospace industry (including Hawk assembly) and training requirements. Considerable progress has been made in determining Algerian Air Defence requirements and detailed proposals will be submitted shortly. Signature is expected soon of the first batch of contracts to which the terms of the MOU will apply. Vosper Thornycroft have submitted revised proposals for two fast patrol craft (£75M) for Kenya which



now includes an attractive ECGD-backed credit offer. Despite strong competition from France, Italy and Israel, the proposal is being viewed favourably: a decision is expected in June of this year. Following the Nigerian coup the new Military Government has been consolidating its position and assessing priorities. A new budget was published recently which shows a significant reduction in capital expenditure. This confirms our earlier view that greater emphasis would be placed on support and maintenance of equipment already purchased by the Nigerians. UK companies are well placed to benefit substantially from this new type of business. Following accusations of malpractice some of the larger contracts placed by the previous Nigerian regime are being "re-negotiated". The UK contracts affected include those for Jaguar and Swingfire. The Jaguar review has now been completed and their Defence Minister formally accepted the first batch of aircraft at BAe Warton in May. The outcome of the Swingfire review is not yet known, although a reduction in the size of the project is expected.

6. A Heads of Agreement has finally been signed with the Indians for the supply of 15 Combat Engineer Tractors (£18M) with the option for a purchase of a further 35 over the next few years. Negotiations are also underway for a sale of a further 11 Sea Harriers (£110M). Work is continuing on sales of FH70, development of a Light Combat Aircraft, and on trying to agree a general Memorandum of Understanding and associated credit arrangements. There are a number of promising sales prospects to Thailand, most notably for the Vickers Mk III tank worth up to £200M. The prospects for this are still reasonable; suitable credit arrangements may be the crucial factor here. There is Malaysian interest in a possible purchase of Vickers submarines backed by RN training but other prospects there are not expected to progress significantly due to shortage of funds. Following the failure to sell Sea King to Singapore for utility purposes, we will now concentrate upon promoting it to meet their ASW requirement. There are also prospects for further sales of Land Rovers following a £12M deal for the vehicle there; for 57 metre patrol craft and associated weapons



fits; and for an Air Defence transportable radar. The sale of frigates to Indonesia may help future sales with Rapiers being a likely purchase later in the year. Considerable interest is also being shown in the single-seater Hawk, and with locally licensed production.

7. Elsewhere in the Far East, the Foreign and Commonwealth Secretary raised the subject of increased defence sales during his recent visit to Japan but the intention is still either to rely upon US purchases or to pursue a policy of indigenous production. UK defence sales prospects there in the near future are therefore limited. A similar policy of reliance upon US sources is being followed in South Korea, although there are rather more encouraging signs of prospects for the UK including Lynx, Sea Skua and Tigerfish. China still appears to offer little in the way of short term prospects but, in an attempt to increase our links with the Chinese, John Stanley visited at the end of April and James Blyth followed this up in May.

8. In the US, Plessey are bidding strongly in consortium with Rockwell Collins and ITT for Mobile Subscriber Equipment which will form part of a communication programme worth some £4Bn. Plessey are basing their bid upon the UK Ptarmigan system and should be well placed, the main competition coming from the French RITA system. It is hoped that full scale development of the Hawk VTX will begin shortly and we will continue to try and ensure that a contract is placed before the end of the year.

9. In Australia, Westlands continue to promote the Lynx helicopter for use on the RAN's frigates and Vickers' proposals are under consideration for their replacement submarine programme, a project with which Canada and New Zealand are also associated. Other prospects in Canada include Rapiers for the defence of Canada's two European air bases, and equipment sales into their Patrol Frigate programme.

10. Apart from the sale of Spey engines to the Dutch, sales to Europe have been disappointing. We will pursue the possible sale of Vertical Launched Sea Wolf to the Dutch along reciprocal purchase lines and



other opportunities exist for UK companies to sell into the Dutch M-Class Frigate programme. The prospect of selling BAe's ALARM to the Luftwaffe has receded and decisions are still awaited on aircraft purchases by Greece and Turkey, where Tornado is a contender. We continue to monitor the possible sale of Lynx naval helicopters to Portugal.

11. South America continues to be a depressed market; limited component and sub-system sales to Brazil have been made as part of Engesa's tank programme, but the potential Jaguar deal with Chile is unlikely to proceed for the time being due to budgetary constraints. A contract for the sale of HMS ANTRIM to Chile was however signed in May. Further prospects include possible sales of Lynx and Swingfire, but the Chileans are likely to need Government assurances that we will supply and where necessary provide associated support.

12. Overall, despite the relatively poor start to the year, there is now some room for being slightly more optimistic. A number of prospects, particularly in the aircraft sector, could result in a marked improvement in the total for this year.

13. I am copying this to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, and to Sir Robert Armstrong.

Ministry of Defence
6th June 1984

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11 June 1984

QUARTERLY REPORT ON DEFENCE SALES AND PROSPECTS

The Prime Minister has noted the contents of your Secretary of State's minute of 6 June covering the Quarterly Report from 1 January to 31 March 1984.

A. J. COLES

Richard Mottram, Esq.,
Ministry of Defence.

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ANNEX A - REPORTED CONTRACTS SUMMARY

COUNTRY	ARMY SYSTEMS VALUE £m	AIR SYSTEMS VALUE £m	NAVAL SYSTEMS VALUE £m	TOTAL VALUE £m
ALGERIA	1.75	4.00	-	5.75
ANGOLA	10.00	-	-	10.00
AUSTRALIA	0.18	-	-	0.18
BAHRAIN	0.11	-	-	0.11
BRAZIL	0.40	2.37	0.11	2.88
BRUNEI	1.00	-	-	1.00
CAMEROON	0.12	-	-	0.12
CANADA	-	-	0.25	0.25
CHILE	-	-	0.30	0.30
DENMARK	0.1	-	-	0.10
EGYPT	5.50	1.24	-	6.74
INDIA	-	0.75	-	0.75
INDONESIA	-	-	32.00	32.00
IRAN	1.50	-	-	1.50
IRAQ	9.45	0.60	-	10.05
ITALY	-	5.00	-	5.00
JAPAN	25.00	-	5.00	30.00
KENYA	0.40	-	-	0.40
MOROCCO	0.08	-	-	0.08
NETHERLANDS	-	-	28.00	28.00
NEW ZEALAND	-	-	0.17	0.17
NIGERIA	-	-	0.40	0.40
OMAN	14.25	-	0.10	14.35
PAKISTAN	-	-	4.00	4.00
PARAGUAY	0.80	-	-	0.80
PERU	2.70	-	-	2.70
PR CHINA	0.30	-	0.20	0.50
QATAR	-	-	0.20	0.20
REPUBLIC OF KOREA	1.40	-	-	1.40
SINGAPORE	10.50	-	-	10.50
SUDAN	2.05	1.00	-	3.05
SWITZERLAND	10.00	-	-	10.00
USA	18.29	179.59	3.41	201.29
ZIMBABWE	19.20	-	-	19.20
TOTALS	135.08	194.55	74.14	403.77

ANNEX B - REPORTED CONTRACTS - AIR SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE £M	DELIVERY DATE	REF NO.
ALGERIA	RECONNAISSANCE POD	6	4.00	1984	499
BRAZIL	EJECTION SEATS	108	2.37	1984	28
EGYPT	MiG 21 AIRCRAFT SPARES	NA	0.04	1985	512
	SAND FILTERS	NA	1.20	1984	632
INDIA	SCR 300 FLIGHT DATA RECORDER	1	0.75	N.K.	672
IRAQ	A LEVEL TRAINING	40	0.60	1984	594
ITALY	E/H POWER FOR ASPIDE	NA	5.00	N.K.	664
SUDAN	MIL-8 ENGINE SPARES	NA	1.00	1985	503
USA	AV8B DEVELOPMENT	NA	4.96	N.K.	618
	AV8B EQUIPMENT	NA	0.41	N.K.	617
	B-1B OXYGEN SYSTEM EQUIPMENT	NA	0.67	N.K.	671
	BOEING E-3A SIMULATOR	1	6.42	N.K.	629
	COBRA AIR DATA SYSTEM	NA	0.89	N.K.	626
	F-111 AIRCRAFT SPARES	NA	0.74	N.K.	620
	F-18 INSTRUMENTS	NA	0.30	N.K.	616
	HARRIER SPARES	NA	0.87	N.K.	619
	HAWK VTX DEVELOPMENT	NA	0.20	N.K.	630
	HUD/WASS FOR F-16	NA	1.28	N.K.	624
	HUD/WASS FOR F-16	NA	4.60	N.K.	625
	HUD/WASS FOR F-16	NA	30.80	N.K.	649
	LANTIRN HUD	NA	2.42	N.K.	627
	LASER RANGEFINDER	NA	0.38	N.K.	651
	PROJECTED MAP ASSEMBLIES	NA	11.87	N.K.	650
PROJECTED MAP ASSEMBLIES	NA	0.76	N.K.	652	
SHORTS 330/SHERPA	48	100.40	N.K.	79	
TF 41 ENGINE SPARES	NA	10.23	N.K.	648	
UNDERCOVERALLS	NA	0.66	N.K.	628	
UNSPECIFIED A/C SPARES & EQPT	NA	0.73	N.K.	621	

TOTAL FOR AIR SYSTEMS £m 194.55

END

ANNEX B - REPORTED CONTRACTS - LAND SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE \$M	DELIVERY DATE	REF NO.
ALGERIA	BUG TRACKING SYSTEM	NA	1.00	1984	500
	PRC 320 HF TACTICAL RADIO	NA	0.75	1985	501
ANGOLA	COMMS EQUIPMENT	NA	10.00	1985	584
AUSTRALIA	AMPCTS	1	0.18	N.K.	653
BAHRAIN	FIRE EXTINGUISHERS	NA	0.11	1984	670
BRAZIL	GCE 628 TANK F.C.S.	3	0.40	1984	603
BRUNEI	SERVICES	NA	1.00	1984	511
CAMEROON	UNIFORMS	NA	0.12	1984	585
DENMARK	FORK LIFT TRUCK	8	0.10	N.K.	673
EGYPT	APV SPARES	NA	4.50	1984	593
	DOME TRAINER	2	1.00	1984	502
IRAN	HELICOPTER TEST FACILITY	NA	1.50	1985	586
IRAQ	AIRPORT SECURITY EQUIPMENT	NA	0.25	1984	595
	SCAMMELL CRUSADER RV	100	9.20	1984	583
JAPAN	FH70	NA	25.00	N.K.	10
KENYA	RIFLES	NA	0.40	1984	588
MOROCCO	SUPER HYLO LOADER	1	0.08	N.K.	665
OMAN	GHALLAH BASE ACCOMODATION	NA	6.90	N.K.	669
	GROUND POWER UNITS	390	0.85	1984	668
	JAVELIN	NA	6.50	N.K.	610
PARAGUAY	COMMS EQUIPMENT	NA	0.80	1984	600
PERU	WEBBING FACILITY	NA	2.70	1984	599
PR CHINA	THERMAL IMAGING COMMON MODULE	3	0.30	1985	655
REPUBLIC OF KOREA	T300 TRANSMISSIONS	NA	1.40	N.K.	654
SINGAPORE	LANDROVER 110	900	10.50	N.K.	661

ANNEX B - REPORTED CONTRACTS - LAND SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE £M	DELIVERY DATE	REF NO.
SUDAN	BEDFORD 4 TON TRUCKS	60	1.20	1985	631
	TRANSIT MINIBUSES	100	0.85	1984	666
SWITZERLAND	BLOODHOUND BOOSTER ROCKETS	728	10.00	N.K.	193
USA	510 RESPIRATOR	1200	0.20	N.K.	136
	LINK REINFORCEMENT SETS	NA	4.66	N.K.	570
	RAPIER	NA	13.43	N.K.	647
ZIMBABWE	LAND ROVER	NA	1.20	1984	590
	TRUCKS	NA	0.30	1984	591
	VEHICLE HF COMMS	NA	5.00	1985	589
	VEHICLE HF COMMS	NA	12.70	1985	592

TOTAL FOR LAND SYSTEMS £m 135.08

END

ANNEX B - REPORTED CONTRACTS - SEA SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE £M	DELIVERY DATE	REF NO.
BRAZIL	REFURBISHMENT OF SEACAT FUZES	NA	0.11	N.K.	605
CANADA	PERTEL PERISCOPE CAMERA	6	0.25	N.K.	667
CHILE	SONAR EQUIPMENT	NA	0.30	1984	612
INDONESIA	TRIBAL CLASS (TYPE 81) FRIGATE	3	32.00	N.K.	350
JAPAN	SM-1A ROLLS-ROYCE SPEY ENGINES	4	5.00	N.K.	558
NETHERLANDS	SM-1A ROLLS-ROYCE SPEY ENGINES	16	28.00	N.K.	32
NEW ZEALAND	ELSA LIFE SUPPORT APPARATUS	1500	0.17	N.K.	575
NIGERIA	GENERATING SETS	2	0.40	N.K.	587
OMAN	ELECTRICAL TRAINING	NA	0.10	N.K.	609
PAKISTAN	ACTION SPEED TACTICAL TRAINER	1	4.00	N.K.	367
PR CHINA	COMMAND TACTICAL CONSOLE	2	0.20	1984	656
QATAR	ELECTRICAL TRAINING	NA	0.20	N.K.	613
USA	LASER RANGEFINDER FOR SEAFIRE	NA	2.05	N.K.	622
	MAST MOUNTED SIGHT	NA	1.36	N.K.	623

TOTAL FOR SEA SYSTEMS £m 74.14

END

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: <u>BELGIUM</u>	REMARKS: Technical evaluations of Land Rover, Mercedes & Bombardier completed. Decision is deferred until mid 1984.
PRODUCT: LAND ROVER	
FIRM : LAND ROVER LTD	
VALUE :£m 30.00	MINISTERIAL: US of S(DP) wrote to Belgian Minister of Defence on 17 November 1983 support- INVOLVEMENT: ing the Land Rover proposals.
REF NO CON.DATE	COMPETITION: FRG (Mercedes), Canada (Bombardier).
15 1984	
COUNTRY: <u>BELGIUM</u>	REMARKS: Request for tender expected 1984/85. Final decision is expected 1985/6.
PRODUCT: LYNX III	
FIRM : WESTLAND HELICOPTERS	
VALUE :£m 80.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA, France, FRG, Italy.
31 1985	
COUNTRY: <u>DENMARK</u>	REMARKS: The Danes have 8 Naval Lynx in service and are considering a follow-on order of 4 for Baltic surveillance. Money has been ear-marked in the budget for 1985/6 for this purchase.
PRODUCT: LYNX (NAVAL)	
FIRM : WESTLAND HELICOPTERS	
VALUE :£m 15.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
456 1985	
COUNTRY: <u>FR GERMANY</u>	REMARKS: FRG has recently specified HARM to meet its naval requirement. The Luftwaffe is also committed to HARM. UK MOD presentation given to FRG in March 1984.
PRODUCT: ALARM	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 100.00	MINISTERIAL: On 21/9/83 M of S(DP) wrote to Herr Dr M. Woerner, Federal Minister of Defence; INVOLVEMENT: to persuade the FRG to revise their decision on HARM/ALARM. In his reply of 28/11/83 Dr Woerner reaffirmed the FRG selection of HARM.
REF NO CON.DATE	COMPETITION: USA (HARM)
459 N.K.	

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: <u>FR GERMANY</u>	REMARKS: To be used in conjunction with Seaspray radar.
PRODUCT: SEA SKUA	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 25.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France
35 1984	
COUNTRY: <u>FR GERMANY</u>	REMARKS: To be fitted to Sea King SAR helicopters, combined with Sea Skua missiles, to convert aircraft to dual role. The Seaspray will operate in a new 360 degree role.
PRODUCT: SEA SPRAY	
FIRM : FERRANTI RADAR SYSTEMS	
VALUE :£m 25.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: MEL (UK).
573 1984	
COUNTRY: <u>GREECE</u>	REMARKS: The Greeks are believed to be in the final stages of the decision making process for their new fighter aircraft. The decision is currently expected during June 1984, but could slip, again. They are concerned about the implications of the requirement programme and attach considerable importance to the financial and offset packages being offered. The Greek PM has confirmed that on political grounds Greeks should opt for split purchase.
PRODUCT: TORNADO IDS	
FIRM : PANAVIA	
VALUE :£m 500.00	MINISTERIAL: S of S accompanied by Min(DP) visited Athens in September to press the case INVOLVEMENT: for Tornado, and to provide details of a revised financial package. A further message from PM to Mr Papandreou was delivered during S of S's visit.
REF NO CON.DATE	COMPETITION: USA, France
16 1984	
COUNTRY: <u>NETHERLANDS</u>	REMARKS: Linkage possible to further RN purchase of CIWS.
PRODUCT: SEAWOLF VL	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 24.00	MINISTERIAL: Min of S (DP) closely involved. INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA(Sea Sparrow)
191 1984	

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: SWEDEN REMARKS: Requirement to replace fleet over next decade, WHL quoted, in September 1983, for 20 anti-tank and 10 SAR helicopters.

PRODUCT: HELICOPTERS

FIRM : WESTLAND HELICOPTERS

VALUE :£m 120.00 MINISTERIAL:
 INVOLVEMENT:

REF NO CON.DATE
 33 1986 COMPETITION: FRC, France, Italy, USA.

COUNTRY: SWITZERLAND REMARKS: To replace Vampire III in trainer role.

PRODUCT: HAWK

FIRM : BRITISH AEROSPACE AG

VALUE :£m NK MINISTERIAL:
 INVOLVEMENT:

REF NO CON.DATE
 574 N.K. COMPETITION: Italy (MB-339)

END

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: <u>BAHRAIN</u>	REMARKS: Highly successful in-country demonstration given April 83. Buy dependent on GCC funding. Saudis are now understood to have withdrawn offer of 6 F-5s to BDF to be operated from facilities being constructed at Bahrain International Airport. Bahrain now expressing firm interest in purchase of Hawk.
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 25.00	MINISTERIAL: Prime Minister and Minister (DP) met HH The Amir of Bahrain 10-13 April 1984.
	INVOLVEMENT: Minister (DP) visited Bahrain 7 May 1984.
REF NO CON.DATE	COMPETITION: France (Alpha-jet), USA.
41 1984	
COUNTRY: <u>BAHRAIN</u>	REMARKS: MOD UK report submitted September 1983. UK firms proposals submitted shortly thereafter for low level radars, supplemented by airborne radars fitted to Skyvan or Islander aircraft. Proposals well received by BDF and they speak favourably of the Marconi S511 radar. Decision promised mid-1984. DMAO reports US currently advising on radar. COS reported as saying that radar acquisition under consideration in GCC committee.
PRODUCT: LOW LEVEL RADAR	
FIRM : NOT KNOWN	
VALUE :£m 25.00	MINISTERIAL: Prime Minister and Minister(DP) met HH the Amir of Bahrain 10-13 April, 1984.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
373 1984	
COUNTRY: <u>BAHRAIN</u>	REMARKS: BAe have excellent prospect to fit Sea Skua to BDF AB212s. BAe have invited C.O.S. to visit No 815 Squadron in July.
PRODUCT: SEA SKUA	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 25.00	MINISTERIAL: Prime Minister and Minister (DP) met HH The Amir of Bahrain 10-13 April, 1984.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France (AS15TT)
42 1984	
COUNTRY: <u>JORDAN</u>	REMARKS: Souter had been short listed (with Korea and Greece), but list has been challenged by ACOS procurement who want to include Fairey and Lurssen. Decision has been deferred pending further analysis. MOD assistance in this may be sought. S.L. Sea Skua being offered but may be too expensive.
PRODUCT: FAST PATROL CRAFT	
FIRM : NOT KNOWN	
VALUE :£m 14.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG, Greece, ROK.
45 1984	

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: <u>JORDAN</u>	REMARKS: Following the refusal by the USA to supply Stinger missiles the Jordanians are looking for alternatives. Short Bros. are confident they are in the running and are preparing proposals based on initial supply of Blowpipe followed by Javelin. The possibilities of ECGD cover and commodity counter-trading are being investigated.
PRODUCT: MAN PORTABLE SAM'S	
FIRM : SHORT BROS MISSILE DIVISION	
VALUE :£m 71.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 579 1984	COMPETITION: USSR, France.
COUNTRY: <u>KUWAIT</u>	REMARKS: Requirement is replacement of ageing Ferrets, Saladins, and Saracens. Alvis, GKN, and ROF Leeds have submitted proposals in response to tender. Marked preference for wheels though GKN currently in strong position. Kuwait armour and infantry committees visiting April and at their request will see 90mm Cockerill Gun on MCV-80 in Belgium. There is also major requirement for APCs for infantry and IS duties.
PRODUCT: LIGHT TANKS/RECCE	
FIRM : VARIOUS	
VALUE :£m 300.00	MINISTERIAL: S of S discussed with Shaikh Salim, Minister of Defence, in July 1983, and INVOLVEMENT: visited Kuwait in February 1984.
REF NO CON.DATE 206 1985	COMPETITION: France(AMX-10),Brazil(Engesa),Austria(SK105),Canada(Piranha)
COUNTRY: <u>KUWAIT</u>	REMARKS: Kuwaitis highly impressed with Challenger at Abu Dhabi trials. There is a strong possibility of purchase of 74 tanks, though there are rumours that as many as 180 might be purchased. Kuwait Armour Committee will be seeing Challenger under exercise conditions in BAGR and at Bovington in April. Though majority of Committee favour Challenger, influential minority yet to be convinced and political and financial considerations likely to influence.
PRODUCT: MAIN BATTLE TANKS	
FIRM : NOT KNOWN	
VALUE :£m 100.00	MINISTERIAL: S of S discussed with Shaikh Salim, Minister of Defence, in July 1983, and INVOLVEMENT: visited Kuwait in February 1984.
REF NO CON.DATE 205 1987	COMPETITION: USA (M1),USSR(T72), France (AMX-32).
COUNTRY: <u>OMAN</u>	REMARKS: The purchase of 6 Scorpion, 6 Spartan, 13 Sultan and 1 Samson has been agreed. Contract signature imminent.
PRODUCT: ARMoured VEHICLES (TRACKED)	
FIRM : ALVIS	
VALUE :£m 5.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 344 1984	COMPETITION:

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: OMAN REMARKS: This project has now resurfaced. UK team carried out Study in August 1983 and Report submitted to CDS Oman. An LSP (Royal Signals) will be posted to Oman in mid-84 to assist the Omani Joint Signals Board in the management of this complete project. Marconi invited (29 Feb 84) to begin design study. IAL, FIRM : VARIOUS Telconsult, Scicon, Ewbank Breece and BAe invited to tender for project management consultancy. Major prospect for hardware from UK electronics companies

PRODUCT: COMMUNICATIONS PROJECT

VALUE :£m 270.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE COMPETITION:
208 1984

COUNTRY: OMAN REMARKS: A priority GCC funded prospect. Marconi in dialogue with Oman

PRODUCT: MARTELLO 3D RADAR

FIRM : MARCONI RADAR SYSTEMS

VALUE :£m 20.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE COMPETITION:
50 1985

COUNTRY: OMAN REMARKS: Oman has declared a strong preference for Tornado ADV and 4 GR1s visited Oman in February 1984 as part of Exercise Magic Carpet. BAe to give further detailed technical presentations to SOAF during July 1984.

PRODUCT: TORNADO ADV

FIRM : PANAVIA

VALUE :£m 200.00 MINISTERIAL: S of S discussed with Sayid Fahr in June 1983. MDS(DP) discussed briefly with INVOLVEMENT: Sayid Fahr at RNEE in September 1983.

REF NO CON.DATE COMPETITION:
49 1986

COUNTRY: QATAR REMARKS: Requirement appears to be for 3 35m vessels, though only 1 would be purchased initially. Larger Hunt class also possibility. Likely that Qatar will wish to train 2 officers in UK before deciding on type of vessel to be purchased. DNFCT passed training proposals to RNLSP last year and are to issue revamped invitation soon. French have also offered training and visit Qatar frequently, including visit of MCMV in December 1983. Manpower shortage problem

PRODUCT: MINEWARFARE SHIPS

FIRM : VOSPER THORNEYCROFT

VALUE :£m 50.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE COMPETITION: France (CNM)
51 1985

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: SAUDI ARABIA	REMARKS: Shorrock Security are still in a position to win a contract for the provision of security systems for RSAF airfields and other facilities. The RSAF have gone out to tender again but have been forced to cancel this action and re-start the process to comply with new government regulations on open tendering. Previously this only applied to civilian projects. Chubb and Protec have also entered in the latest bidding.
PRODUCT: AIR BASE SECURITY SYSTEM	
FIRM : VARIOUS	
VALUE :£m 90.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 210 1984	COMPETITION: USA.
COUNTRY: SAUDI ARABIA	REMARKS: Contract negotiations at final stage. IMS Project No 96/22/091.
PRODUCT: ARTILLERY SURVEILLANCE EQPT.	
FIRM : IMS	
VALUE :£m 33.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 62 1984	COMPETITION:
COUNTRY: SAUDI ARABIA	REMARKS: Draft contract issued but negotiations delayed owing to moratorium. IMS Project No 96/22/095.
PRODUCT: ENGINEERING PACKAGE	
FIRM : IMS	
VALUE :£m 38.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 53 1984	COMPETITION:
COUNTRY: SAUDI ARABIA	REMARKS: Support package. Draft contract being considered. IMS hopeful of contract negotiations commencing mid 1984. IMS Project No 96/22/090.
PRODUCT: ENGINEERING PACKAGE	
FIRM : IMS	
VALUE :£m 6.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 58 1984	COMPETITION:

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: SAUDI ARABIA	REMARKS: Costed proposals presented by Shorts to SANG in October 1983 with HMG letter of comfort. Presentation offered.
PRODUCT: JAVELIN	
FIRM : SHORT BROS MISSILE DIVISION	
VALUE :£m 17.00	MINISTERIAL: Mentioned by S of S in his letter of March 1984 to Prince Abdullah.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Sweden.
345 1984	
COUNTRY: SAUDI ARABIA	REMARKS: VSEL await invitation to present technical proposals.
PRODUCT: PIRANHA SUBMERSIBLE	
FIRM : VICKERS SEL	
VALUE :£m 100.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG, Italy
203 1984	
COUNTRY: SAUDI ARABIA	REMARKS: There would appear to be some prospect for Tornado IDS as a potential replacement for the Lightning aircraft when this is phased out of Saudi Air Force service in 1987. Information is being supplied to interested commercial agencies in Saudi Arabia.
PRODUCT: TORNADO IDS	
FIRM : PANAVIA	
VALUE :£m 450.00	MINISTERIAL: S of S wrote to Saudi Minister of Defence and Aviation.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA.
64 1987	
COUNTRY: UAE	REMARKS: Plessey proposals well regarded and linked to AR3D (see Ref No68). DSO ADAT Study will be offered. UAE have formed committee for further evaluation.
PRODUCT: AIR DEFENCE OF CENTER	
FIRM : PLESSEY RADAR	
VALUE :£m 50.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
70 1984	

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: UAE REMARKS: Plessey proposals well regarded and linked to ADOC (Ref No70). IMS have rekindled UAE interest in an ADAT study. Proposals were delivered personally by CDS in May. A response is awaited.

PRODUCT: AR 3D RADAR

FIRM : PLESSEY RADAR

VALUE :£m 50.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE
68 1984 COMPETITION: France (Thomson CSF), USA (Hughes).

COUNTRY: UAE REMARKS: Successful trials held July/August 83. Intensive marketing follow up. UAE follow-up questionnaires have been completed and forwarded to GHQ via DA. We should keep open offer of UAE Armour Committee visit to UK. The French are reported to have made an attractive offer for the sale of AMX-40 linked to an updating or even resale programme of the current AMX-30 squadrons.

PRODUCT: CHALLENGER MBT

FIRM : ROYAL ORDNANCE FACTORIES

VALUE :£m 100.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE
69 1985 COMPETITION: FRG, USA, France.

COUNTRY: UAE REMARKS: Following completion of requirement definition early commencement of negotiations is expected. This project is much depleted from its original value of £100m. A substantial element of the package has been lost to PRB (Belgium) and there are signs that UAE is once again reviewing the UK package, and now that IJOC Project is underway some movement can be expected.

PRODUCT: ENGINEERING PACKAGE

FIRM : IMS

VALUE :£m 10.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE
66 1985 COMPETITION:

COUNTRY: UAE REMARKS: Company proposals under consideration, supported by MOD training offer. UAE do not intend to implement EW until full implementation of the IJOC Project later this year. Budgetary restrictions will also apply.

PRODUCT: EW SYSTEM

FIRM : NOT KNOWN

VALUE :£m 100.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE
73 1984 COMPETITION:

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: <u>UAE</u>	REMARKS: Although contract signed for 16 Hawk trainers, EGA was a budget casualty. Rec-ent interest in Harrier (qv) may hold off US marketing of A-10 and Keep door open for Hawk.
PRODUCT: HAWK EGA	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 84.00	MINISTERIAL: Mr Pym raised further aircraft sales during his visit in April 1983.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France, USA.
67 1985	
COUNTRY: <u>UAE</u>	REMARKS: IJOC contract success gives IMS ideal opportunity to advance negotiations with UAE on JOC. IMS and Marconi gave enhanced IJOC (IJOCE) presentation in January 1984 and have asked to submit proposals. The JOC proposal is to be simplified and the timescale shortened. MOD will be offering an ADAT study which will interface with IJOC project.
PRODUCT: JOINT OPERATIONS CENTRE	
FIRM : IMS	
VALUE :£m 50.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA, France.
71 1984	
COUNTRY: <u>UAE</u>	REMARKS: Ferranti are waiting to be called forward for contract discussions. UAE have reconfirmed the requirement but the site is undecided, budgetary considerations will apply and the NOC will have to interface with the JOC.
PRODUCT: NAVAL OPERATIONS CENTRE	
FIRM : FERRANTI RADAR SYSTEMS	
VALUE :£m 50.00	MINISTERIAL: Minister (DP) - RNEE
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
72 1984	

END

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: AUSTRALIA REMARKS: Australia requires new submarines to replace its existing Oberons. It is planned that some of the submarines will be built in Australia. VSEL are promoting T2400 and T2400 variant which more closely matches Australia's requirement. Plessey and Ferranti have submitted proposals for the combat system. RFT proposals currently under consideration by DOD. Project definition contracts are to be let in October 84 and contracts placed in 1985/6.

PRODUCT: TYPE 2400 SUBMARINE

FIRM : VICKERS SEL

VALUE :£m 200.00 MINISTERIAL: Minister (DP)

REF NO CON.DATE INVOLVEMENT:

4 1986 COMPETITION: France, Holland, Germany, Italy, Sweden.

COUNTRY: AUSTRALIA REMARKS: The Royal Australian Navy has picked two helicopter types, the Sikorsky Ocean Hawk and the Westland Lynx III, as final contenders for an aircraft to be based on its guided missile frigates. Supplementary tender information was submitted in February and decision is expected in August 84. This may be the forerunner to a much larger order for all three services.

PRODUCT: LYNX III

FIRM : WESTLAND HELICOPTERS

VALUE :£m 50.00 MINISTERIAL: Minister (DP)

REF NO CON.DATE INVOLVEMENT:

178 1984 COMPETITION: USA (Ocean Hawk).

COUNTRY: INDIA REMARKS: Heads of agreement signed. Contract signature expected end of June 1984.

PRODUCT: COMBAT ENGINEER TRACTOR

FIRM : ROF

VALUE :£m 50.00 MINISTERIAL: Minister (DP) discussed during visit to India.

REF NO CON.DATE INVOLVEMENT:

9 1984 COMPETITION: N/C

COUNTRY: INDIA REMARKS: Negotiations began in mid-May 1984. Indian MOD hopes contracts can be signed by end of September.

PRODUCT: FH70

FIRM : VICKERS SEL

VALUE :£m 600.00 MINISTERIAL: Min (DP) discussed during visit to India.

REF NO CON.DATE INVOLVEMENT:

8 1984 COMPETITION: France, Austria, Sweden.

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>INDIA</u>	REMARKS: The contract was due for signature on 31 March 1984 but the IN have now requested an extension to June 1984. Further extension expected.
PRODUCT: SEA HARRIER	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 110.00	MINISTERIAL: Min (DP) dicussed during visit to India.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
7 1984	
COUNTRY: <u>INDIA</u>	REMARKS: Ferranti have also submitted proposals. Funding will be from scientific budget rather than Air Force budget, the scientific fraternity will have more of a free hand for selecting a system that will help with their own development. DSO ADAT team is preparing to give a presentation to Indians if required.
PRODUCT: AEW EQUIPMENT	
FIRM : MARCONI SDS	
VALUE :£m 300.00	MINISTERIAL: Was discussed during Min (DP)'s visit to India in May.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
471 1984	
COUNTRY: <u>INDIA</u>	REMARKS: The Indian Army have a requirement to update their Vijayanta tanks and are considering various UK equipments to meet this requirement. They also have a requirement for an indigenously manufactured MBT and are looking to Europe for co-operation in this field. Barr & Stroud demonstrated thermal imagers. Marconi Radar negotiated contract for 70 Simplified FCS and RR has supplied 2 CV12 engines for trials - so far beset with problems.
PRODUCT: VIJAYANTA REFIT	
FIRM : VARIOUS	
VALUE :£m 200.00	MINISTERIAL: Discussed by Minister (DP) in India.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG
473 1984	
COUNTRY: <u>INDONESIA</u>	REMARKS: Follow-on option has lapsed, but BAe still hopeful of further sales. Requirement possibly for as many as 200 aircraft.
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m NK	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
182 N.K.	

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>INDONESIA</u>	REMARKS: Package will proceed piecemeal, initial contract still not signed.
PRODUCT: MEDICAL EQUIPMENT PACKAGE	
FIRM : NOT KNOWN	
VALUE :£m 8.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
374 1984	
COUNTRY: <u>INDONESIA</u>	REMARKS: In view of the recent Frigate purchase current position difficult to ascertain. VT working on two in the medium term with two more later.
PRODUCT: MINEWARFARE SHIPS	
FIRM : VOSPER THORNEYCROFT	
VALUE :£m NK	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG, Holland, Italy.
349 1984	
COUNTRY: <u>INDONESIA</u>	REMARKS: Strong indication that IAF will select Rapier as preferred choice to meet priority requirement for short range AD. BAe have submitted credit backed offer for initial order of one battery of optical/tracked Rapier, plus in country support.
PRODUCT: RAPIER	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 50.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
348 1984	
COUNTRY: <u>JAPAN</u>	REMARKS: JMSDF have evaluated Searchwater and Thorn/EMI have recently appointed an agent to help the promotion. The recent US decision not to purchase Searchwater will damage its chances in Japan.
PRODUCT: SEARCHWATER RADAR	
FIRM : THORN EMI ELECTRONIC	
VALUE :£m 75.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
12 1984	

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>JAPAN</u>	REMARKS: Sea Harrier is being promoted for sea lane defence and JMSDF are likely to make a bid to allocate preliminary funding for up to 24 aircraft in the 84 MTOP. Harrier II (on which McDonnell Douglas would lead in marketing), is one of the contenders for the JASDF FSX requirement for a ground support fighter.
PRODUCT: SEA HARRIER	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 150.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Japan (F-1, F-4), USA (F-16, F-15E)
450 1987	
COUNTRY: <u>MALAYSIA</u>	REMARKS: Contract unlikely to be signed before late 1984 at the earliest to implement a 3-4 year programme. Consideration being given to possible forms of additional training and assistance to support EASAMS during contract negotiations.
PRODUCT: DEFENCE OPERATIONS ROOM	
FIRM : EASAMS	
VALUE :£m 50.00	MINISTERIAL: Letter from S of S (10.2.83) INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA
25 1984	
COUNTRY: <u>MALAYSIA</u>	REMARKS: IMS submitting proposals for construction and equipping of an A vehicle workshop as stage 1 of overall project. Package includes offer of joint venture with Malaysians on construction. Project priority linked to inadequate existing support for recent Scorpion buy.
PRODUCT: GEMAS RANGE PROJECT	
FIRM : IMS	
VALUE :£m 17.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Australia.
352 1984	
COUNTRY: <u>MALAYSIA</u>	REMARKS: IMS are proposing a G-to-G feasibility study conditional upon IMS being given management consultancy for the main project, completion target for which is 4-5 years.
PRODUCT: PETROLEUM EMERGENCY PROJECT	
FIRM : IMS	
VALUE :£m 60.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG, USA, Sweden.
351 1984	

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: PAKISTAN REMARKS: Vosper's proposals for 2 broadbeam frigates submitted August 1982. Present requirement is for 2 foreign build and 1 local build vessels. Contract negotiations commenced May 84. Draft MOU now being prepared to cover RN support for engineering services, training and logistics.

PRODUCT: TYPE 21 FRIGATE

FIRM : VOSPER THORNEYCROFT

VALUE :£m 300.00 MINISTERIAL: PM's letter to Zia August 1982. In March 84 agreement to ECGD cover up to 50% INVOLEMENT: of increased contract value. Further support from PM in letter to Zia May 84.

REF NO	CON.DATE
2	1984

COMPETITION: France, Italy, FRG, Belgium.

COUNTRY: REPUBLIC OF KOREA REMARKS: BAe have been asked to submit a draft contract for Sea Skua in association with the naval helicopter requirement. A decision has been deferred to mid 1984 for financial reasons, for contract in early 1985. Sea Skua has been offered to South Korea on the Westland Lynx, Kaman Sea Sprite and Agusta 219 helicopters and may be offered on the Sikorsky S76, all competing for the ROK Navy contract.

PRODUCT: SEA SKUA

FIRM : BRITISH AEROSPACE DG

VALUE :£m 8.00 MINISTERIAL: INVOLVEMENT:

REF NO	CON.DATE
14	1985

COMPETITION: France, (AS15TT in a package with the Dauphin helicopter).

COUNTRY: REPUBLIC OF KOREA REMARKS: Decision expected late this year. Contract would be for two systems initially but with significant longer term prospects involving licenced manufacture. HDS has written in support.

PRODUCT: KAPS SUBMARINE FCS

FIRM : FERRANTI ELECTRO-OPTICS

VALUE :£m 5.00 MINISTERIAL: INVOLVEMENT:

REF NO	CON.DATE
597	1984

COMPETITION: FRG.

COUNTRY: REPUBLIC OF KOREA REMARKS: ROK MND have initialised draft contracts for 10-12 Naval Lynx; a decision will be made to select the chosen helicopter later this year. The selected firm will then be invited to provide a helicopter for a 6 month trial in Korea in January 1986. If the trial is satisfactory a contract will be signed.

PRODUCT: LYNX (NAVAL)

FIRM : WESTLAND HELICOPTERS

VALUE :£m 55.00 MINISTERIAL: INVOLVEMENT:

REF NO	CON.DATE
26	1985

COMPETITION: France (Dauphin), Italy (Agusta 219), USA (S76, Seasprite).

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>REPUBLIC OF KOREA</u>	REMARKS: MUSL have submitted proposals to ROK MND for the supply of Tigerfish torpedoes for Korean submarine programme. Decision expected shortly.
PRODUCT: MK24 TORPEDO	
FIRM : MARCONI SDS	
VALUE :£m 30.00	MINISTERIAL: Minister (DP) has written in support.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG (AEG Telefunken), USA (Honeywell)
598 1984	
COUNTRY: <u>THAILAND</u>	REMARKS: Vickers in discussions with FFG of FRG. In-country trial carried out in Spring 1984. Decision related to decision on MBT (see Ref No 354).
PRODUCT: M41 RETROFIT	
FIRM : VICKERS SEL	
VALUE :£m 65.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA.
355 1984	
COUNTRY: <u>THAILAND</u>	REMARKS: Contract anticipated early 1984, for initial quantity 12-20, with in country support.
PRODUCT: STINGRAY TORPEDOES	
FIRM : MARCONI SDS	
VALUE :£m 5.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA, Italy.
356 1984	
COUNTRY: <u>THAILAND</u>	REMARKS: Vickers have tabled proposals for MK 3 to meet RTA requirements for 100 medium tanks for main defence. Spring trials went well. Vickers still optimistic.
PRODUCT: VICKERS MBT	
FIRM : VICKERS SEL	
VALUE :£m 250.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (M-60)
354 1984	

END

ANNEX C - PRIORITY ONE PROSPECTS - AFRICA

COUNTRY: <u>ALGERIA</u>	REMARKS: Industrial consortium (Marconi, Plessey Radar, and Racal-Decca) have submitted costed proposals through HMG for Algerian authorities covering a phased scheme. At Algerian request the consortium is preparing detailed technical and cost proposals against two alternative Preliminary Phase Requirements. Total project could be in excess of £500m.
PRODUCT: AIR DEFENCE SCHEME (ACCORD)	
FIRM : MARCONI PROJECTS	
VALUE :£m 300.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France.
21 1985	
COUNTRY: <u>ALGERIA</u>	REMARKS: Designated under MOU, final contract terms and credit arrangements remain to be negotiated.
PRODUCT: GENDARMERIE BARRACKS	
FIRM : BAXTER FELL	
VALUE :£m 132.00	MINISTERIAL: Minister (DP) wrote to DTI and Treasury to improve credit terms in March.
REF NO CON.DATE	INVOLVEMENT:
582 1984	COMPETITION:
COUNTRY: <u>ALGERIA</u>	REMARKS: Designated under MOU, credit will be required as will the provision of some provision of some training places from scarce resources.
PRODUCT: GR 083 RADIO RELAY	
FIRM : MARCONI COMMUNICATION SYSTEMS	
VALUE :£m 40.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France.
581 1984	
COUNTRY: <u>ALGERIA</u>	REMARKS: Joint (Anglo-American) study team being established to consider co-operation in industrial aspects of Hawk assembly, establishment of aircraft and engine overhaul/repair facility and training.
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 200.00	MINISTERIAL: Algerian CAS called on PM and Minister (DP) during successful visit to UK in
REF NO CON.DATE	INVOLVEMENT: March 84.
22 1985	COMPETITION: France/FRG (Alpha-Jet).

ANNEX C - PRIORITY ONE PROSPECTS - AFRICA

COUNTRY: <u>ALGERIA</u>	REMARKS: Proposals under consideration. Detailed negotiations are now under way for both Piranha and 550 Class submarines. Credit likely to be required.
PRODUCT: SUBMARINES	
FIRM : VICKERS SEL	
VALUE :£m 320.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France, FRG, Netherlands.
174 1985	
COUNTRY: <u>KENYA</u>	REMARKS: Vosper have submitted proposals to the Kenyan Navy for two 56m fast patrol craft. ECGD backed credit is included in the offer. Despite strong competition from France, Italy and Israel, Vosper have now received a letter of intent from the Kenyan government and final contractual negotiation is under-way.
PRODUCT: FAST PATROL CRAFT	
FIRM : VOSPER THORNEYCROFT	
VALUE :£m 75.00	MINISTERIAL: After consideration by Minister (DP) and Ministers of Trade and Treasury, the INVOLVEMENT: ECGD credit terms were approved by the Prime Minister.
REF NO CON.DATE	COMPETITION: France, Israel, Italy.
580 1984	

END

ANNEX C - PRIORITY ONE PROSPECTS - NORTH AMERICA

COUNTRY: <u>USA</u>	REMARKS: US Army is undecided about proceeding with procurement of 81mm mortar, and is thought to favour retention of existing 4.2in. mortar. MoD continues to press the case in favour of the 81mm mortar.
PRODUCT: 81mm MORTAR (UK)	
FIRM : ROYAL ORDNANCE FACTORIES	
VALUE :£m 350.00	MINISTERIAL: Minister (DP), Secretary of State. INVOLVEMENT:
REF NO CON.DATE 74 1985	COMPETITION: USA.
COUNTRY: <u>USA</u>	REMARKS: RFP's issued for 632 boats; 50% to open competition, 50% reserved as small business set-aside. Closing date for response 24 April 1984. A decision is expected by end of August 1984.
PRODUCT: 8m COMBAT SUPPORT BOAT (UK)	
FIRM : FAIREY ALLDAY MARINE	
VALUE :£m 29.50	MINISTERIAL: Minister (DP) INVOLVEMENT:
REF NO CON.DATE 75 1984	COMPETITION: USA
COUNTRY: <u>USA</u>	REMARKS: To achieve an initial operating capability (IOC) of 1990/91, \$68m R and D funding has been included in the draft FY85 budget. MOD continues to seek assurances of full commitment to the Hawk VTX programme.
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m NK	MINISTERIAL: Minister (DP), Secretary of State. INVOLVEMENT:
REF NO CON.DATE 77 1984	COMPETITION: USA.
COUNTRY: <u>USA</u>	REMARKS: Plessey have formed a consortium with Rockwell, Collins and ITT to respond to an RFT to be issued in June 1984.
PRODUCT: MOBILE SUBSCRIBER EQUIPMENT	
FIRM : PLESSEY DEFENCE SYSTEMS	
VALUE :£m NK	MINISTERIAL: Minister (DP) INVOLVEMENT:
REF NO CON.DATE 578 1984	COMPETITION: USA, France.

ANNEX C - PRIORITY ONE PROSPECTS - NORTH AMERICA

COUNTRY: USA REMARKS: The US is close to a decision on commitment of the \$50m appropriated for FY83.
Rapier is a candidate with Turkey being the favoured location for up to 12
PRODUCT: RAPIER fire units.

FIRM : BRITISH AEROSPACE DG

VALUE :£m 35.00 MINISTERIAL: Minister (DP)
INVOLVEMENT:

REF NO CON.DATE COMPETITION:
227 N.K.

END

ANNEX C - PRIORITY ONE PROSPECTS - LATIN AMERICA

COUNTRY: <u>BRAZIL</u>	REMARKS: Contract signed for the shore support equipment, but the Germans will only offer officially insured credit for their own part of the contract. Ferranti has sought support from ECGD but this has been refused as Brazil is off long term credit cover. Ferranti are now considering the alternatives including bearing most of the risk themselves.
PRODUCT: KAFS SUBMARINE FCS	
FIRM : FERRANTI INSTRUMENTATION	
VALUE :£m 8.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 37 1983	COMPETITION:
COUNTRY: <u>BRAZIL</u>	REMARKS: BAe(DG) have initialled a contract with the Brazilian Navy for the purchase of the system but this is conditional on the availability of ECGD credit cover. Efforts to secure this have been made by both DSD and Min DP, but these have been unsuccessful. BAe(DG) is now submitting proposals for a commercial finance package without ECGD support. Contract is for 4 helicopter fits and 16 missiles.
PRODUCT: SEA SKUA	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 11.60	MINISTERIAL: M of S (DP) INVOLVEMENT:
REF NO CON.DATE 36 1984	COMPETITION:
COUNTRY: <u>CHILE</u>	REMARKS: Westlands hope to conclude a contract for the sale of 6-8 Lynx helicopters with the Chilean Navy in the near future. There is a possibility that 4 of the helicopters will be fitted for, but not necessarily with, Sea Skua. RN training subsidised by MOD/Westlands will be offered if the sale goes ahead.
PRODUCT: LYNX	
FIRM : WESTLAND HELICOPTERS	
VALUE :£m 50.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 17 1984	COMPETITION:
COUNTRY: <u>CHILE</u>	REMARKS: BAe have submitted proposals for 24 launching pallets plus missiles. Negotiations are continuing and BAe are hopeful of securing a contract in the near future. The recent change in finance minister is expected to lead to some delay.
PRODUCT: SWINGFIRE	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 10.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 604 1984	COMPETITION:

ANNEX C - PRIORITY ONE PROSPECTS - LATIN AMERICA

COUNTRY: Ecuador REMARKS: BAe(DG) have Ecuadorian Letter of Intent for purchase of Rapier. But Ecuador
is off ECGD cover and contract signature will depend on the firm's ability
PRODUCT: RAPIER to present a suitable finance package. This could involve counter trade.

FIRM : BRITISH AEROSPACE DG

VALUE :£m 30.00 MINISTERIAL: Minister (AF) has cleared the early release of Blindfire, should this be
INVOLVEMENT: necessary.

REF NO	CON.DATE	COMPETITION:
105	1984	France (Crotale).

END

ANNEX C - PRIORITY ONE PROSPECTS

COUNTRY: USA	REMARKS: US Navy has ruled that there should be competition for the communications system for the LHD1 requirement. Marconi teamed with the US company, Litton Data Systems, have submitted their bid. Contract award is imminent.
PRODUCT: INTEGRATED COMMS ICS3	
FIRM : MARCONI COMMUNICATION SYSTEMS	
VALUE :£m 10.00	MINISTERIAL: Minister (DP) INVOLVEMENT:
REF NO	CON.DATE
76	1984
	COMPETITION: USA

END
END OF RUN