



MINISTER OF STATE FOR DEFENCE
PROCUREMENT

D/MIN/GP/3/8

20th July 1984

Note of a meeting held in the office of
the Minister of State for Defence
Procurement at 10.45am on
19th July 1984

Present:

Mr Geoffrey Pattie MP
Minister of State for
Defence Procurement

Admiral T K Khan NI(M)
Chief of the Naval Staff,
Pakistan Navy

Mr A Harris
Regional Marketing
Director 1

Captain M F A Khan
Naval Attache'
Pakistan Embassy, London

Dr A S Kemp
PS/Minister (DP)

Admiral Khan said that, following his official visit, he was having more detailed talks on the Pakistan Navy's (PN) requirement for three frigates, for which there was a competition between the United Kingdom, France and Germany.

2. The Admiral explained that following Vospers' impressive presentation in Pakistan of the Type 21, both the French and the Germans had sought to undermine the British position. They had called into question the stability and structural integrity of the Type 21 and had made attractive financial offers for their own designs. This was worrying for the PN which continued to favour the British ship, but which recognised that the choice of vessel lies ultimately with the Pakistan Finance Ministry. Speaking candidly, the Admiral said that the French and Germans had been more imaginative in their marketing and in particular in their approach to finance. In comparison, the UK seemed slow and traditional; neither the French nor the Germans expected, for example, Pakistan to sign a Letter of Intent before making their best offers. Admiral Khan said that he had made these points both to CNS and HDS. In

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In summary, as a result of his visit so far, the UK had been able to provide the ammunition necessary for the PN to defeat the technical criticisms which had been made of the Type 21, which were largely unfounded, but he remained concerned at our relative inflexibility over finance.

3. Responding, Minister (DP) said that the PN could rely upon the MOD to provide all the technical and overseeing assistance required to ensure that the Type 21 entered service satisfactorily. He also believed that the UK would be able to put together an attractive training package. (Admiral Khan made it clear that he valued highly the involvement of the MOD in this way and asked for a suitable MOU to be established. This was agreed). However, Mr Pattie said that he could not pretend that it would be easy to improve the present, very attractive, ECGD-based terms which were being offered on the Type 21s. The UK, he said, remained as keen as ever for the sale to go ahead. The Prime Minister, as she had indicated to President Zia, was taking a personal interest. Clearly, it was important to develop relations between two highly professional Navies; there was no better way of promoting this than through the use of common equipment, approaches to training and tactical doctrine. All that said, he believed the UK was approaching the limits of what could be offered financially, although he would be prepared to examine with colleagues whether anything more might be done.

4. Admiral Khan said that he appreciated this, adding that he was genuinely fearful that, if the order went to France, his Navy would be wholly dependent on the French upon whom, following the decision by the Wilson Government in 1966 not to sell Oberon submarines to Pakistan, the PN was already heavily dependent.

5. Mr Pattie said that this would indeed be regrettable, but hoped this would not be allowed to happen.

Alan Kemp

(A S Kemp)
PS/Minister)(DP)

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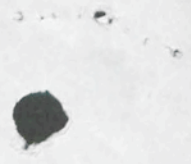
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