



1. ✓ SDP CDP 1/5  
2. Prime Minister<sup>②</sup> AT 1/5

cc JR

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PRIME MINISTER

LEYLAND BUS : BANGKOK

A Leyland consortium is the leading short listed leader for a £450m contract, involving predominantly Leyland content, to modernise the Bangkok bus network notably by the supply of 4,500 new vehicles. After technical and financial adjudication, the Thai evaluation committee assessing bids has put Leyland ahead of its main French, Belgian, Spanish and joint Korean/Japanese competition. It is having further discussions with the UK group before making its recommendations, now expected in the next month.

2 For Leyland Bus, the contract is of crucial importance. It is by far the biggest single prospect in their sights and could transform their results over the next few years. Beyond that, requirements for replacements and spares would run well into the 1990s. Moreover an order of this size in

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so if no-aid agreements are to remain a credible means of halting the escalating use of "mixed credits".

5 My purpose at this stage is simply to alert you and colleagues to an issue on which we may soon have to take urgent decisions. I am therefore copying this to Geoffrey Howe, Nigel Lawson and Timothy Raison.

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| May 1985

Department of Trade & Industry

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