

MO 26/9/1A



PRIME MINISTER

Prime Minister.
Disappointing results in
1984. But some useful
prospects in the countries
you will be visiting at
Kester, particularly
Indonesia, Singapore &
Malaysia. CDP 7/3

QUARTERLY REPORT ON DEFENCE SALES AND PROSPECTS

1ST OCTOBER TO 31ST DECEMBER 1984

1. The last quarter of 1984 saw defence sales worth £448M reported by industry compared with £353M for the previous quarter and £636M for the corresponding quarter of 1983. This figure maintains the trend of my previous report, yielding an annual total value of defence export contracts secured in 1984 of £1562M, a 30% drop from 1983's record achievement.

2. The above figures have been compiled on the same basis as previous reports, but a new data collection scheme is being introduced which should reflect more accurately the true value of defence export contracts won by UK industry. We are currently collecting retrospective data on 1984 and I hope to be able to present a revised 1984 total in my next quarterly report. But on the figures available it is apparent, nonetheless, that 1984 was a disappointing year for the UK.

3. The largest contracts signed in the final quarter of 1984 were with Algeria for a Gendarmerie Barracks to be supplied by Baxter Fell (£132M), and with Indonesia for two Rapier batteries to be supplied by BAe (£100M). Other significant contracts included Hawk VTX Development for the USA (£63M), a BAe 146 aircraft for Indonesia (£15M) and Sea Skua missiles for Brazil (£15M). Details of all contracts reported in the quarter are given at Annexes A and B, whilst details of the highest priority current sales prospects are listed at Annex C.

4. In the middle East there continues to be nervousness over prospects for the price of oil. As you know, a Saudi decision on Tornado and Hawk is still awaited, the Saudis apparently looking at the potential advantages of a deal with ourselves or the French



who have redoubled their efforts to sell Mirage 2000. Encouragingly, the Saudis have agreed to a local trial of Challenger and possibly MCV80 for their armoured brigade requirement of some 120 tanks with supporting equipment, and a detailed commercial proposal has been presented to the Saudi Chief of Staff. The three major Saudi service contracts remain our major toe-hold in the country, and continue to require attention. The air defence project SADAP, due to expire in August 1985, is closely allied to the Tornado/Hawk deal; the National Guard hospital project, SANGMED, should change in May 1985 to see the UK MOD assume only an advisory role. The communications project SANGCOM is coming to the end of its present phase, and is regarded by the Guard as a lower priority than the imminent new contracts for the American and British hospital projects.

5. In the remaining Gulf States there have been few developments with the exception of Oman, where a defence sales MOU is about to be concluded which will cover all large defence contracts. The Tornado contract signature is expected within the next few months. Together with an ammunition supply and military communications project to follow, prospects in general look excellent with these three contracts worth around £500M. A decision on MCV 80 is still awaited from Kuwait, where Challenger and Tornado remain longer term prospects. Bahrain has also expressed interest in Challenger and a detailed proposal has been submitted. The Qataris are showing little disposition to take procurement decisions, but in the UAE, following Adam Butler's visit, a report by the Air Defence Advisory Team is being followed up to advance our prospects for the sale of radars and an air operations centre. Following LOA signature in December 1984, and satisfactory financing arrangements, the contract for three frigates for Pakistan is expected at the end of April; I continue to take a close personal interest in this sale. An MOU will be required to cover RN and MOD assistance to the Pakistani Navy during the building and commissioning phases.

6. Defence sales to Iran and Iraq remain severely restricted during their conflict, although Iraq is showing renewed interest in establishing



an indigenous aircraft industry based on licensed manufacture of the Hawk. Her economic problems could inhibit early progress which would allow time for the political problems such a sale would pose now, to diminish. Despite your further intervention with King Hussein and my own talks with the Jordanian Commander-in-Chief, the Jordanians decided to buy Soviet missiles rather than Javelin, largely on the grounds of price. However, a definitive list of other equipment has now been received, which they wish to buy against the credit offer made to them last October. The value seems likely to be around £250M. In Syria, the supply of Sea Dart has been refused but authorisation for industry to follow up interest in less controversial equipments has been given while reserving a final decision on supply. Despite considerable activity, Egypt has still not taken up any of the longstanding £300M special credit reservation and we have now told them that we cannot continue to reserve it all much longer. The Baxter Fell contract in Algeria was the first to be signed under the Defence Co-operation MOU and several others are expected to follow in 1985. In the rest of Africa there is optimism concerning a possible order for the Westland 30 by Zimbabwe (£30M), and a visit to the UK by the Cameroon Minister of Defence has laid a promising basis for opening up a modest market for UK defence exports to that country.

7. In India it is hoped that negotiations on several major prospects, including Sea Harrier and 155mm guns, can resume following the delays caused by the national elections and the spy scandal. Indeed there are indications that the Sea Harrier contract could be signed before the end of April. Thailand remains interested in ex-RAF Jaguars and ICI Nobel are well placed to win a £30M contract for a propellant plant as are Westlands with the Sea King (£30M), a decision on which is expected by the middle of 1985. Malaysia's decision on a 155mm gun system awaits their next financial plan commencing 1986, whereas Singapore's decisions concerning the RB199 engine and avionics update for Skyhawk aircraft (£150M) and fast patrol craft should be known by Spring 1985. Large additional sales of Rapier to Indonesia are expected to follow the initial £100M order, where the sale of Hawk aircraft, command, communications and intelligence equipment and



surplus RN frigates represent a very substantial long term market. The Korean decision concerning possible Lynx helicopter purchase is expected shortly. Japan's agreement to improve access for military attaches to its Defence Agency should improve our penetration of this difficult market and Lord Young's visit to China in conjunction with forthcoming visits by the Chinese Premier and the Chinese Chief of Air Staff are hoped to have a similar effect on the Chinese market. In Australia, Vickers proposals to supply the T2400 submarine are under consideration and Yarrow's Type 23 frigate design remains in contention for the next generation of RAN vessels. A decision on Westland's helicopter prospects for the RAAF is expected mid year. New Zealand is interested in an avionics update for its Skyhawk aircraft and GEC Avionics appears well placed against American competition.

8. In the USA, initial Congressional funding for the Mobile Subscriber Equipment (MSE) Programme, in which Plessey and other UK contractors have an interest of over £1Bn, has finally been approved and a lot now depends on the visit by Congressional VIPs to BAOR in April during deployment of the first Ptarmigan units. Watchman radars are being considered for use by the US Marine Corps and USAF, and the Royal Ordnance 105mm Light Gun is currently under trial. The initial contract for the 81mm mortar was signed in December and represents a significant success after much effort. Our visits to the USA earlier this year, together with those by Adam Butler, John Lee and the Head of Defence Sales, Sir James Blyth, should serve to maintain the momentum on these and other important defence sales prospects in the US. In Canada, the low level air defence requirement, in which both BAe with Rapier and Shorts with Javelin have an interest, will be a subject during Adam Butler's forthcoming visit.

9. Activity in Europe during the final quarter of 1984 was slow, but prospects in the short and medium term look more promising. In particular, the prospect of a sale of Medium Girder Bridging worth £50-£60M to Norway may be successfully concluded during 1985. A Netherlands decision on whether to buy Vertically Launched Sea Wolf



(VLSW) has been deferred until early March 1985. A decision on the Austrian Interceptor aircraft contract is not now expected until May 1985, but Lightning is currently neck and neck with the Swedish Draken. The signature by Senor Narcis Serra and myself of an Exchange of Letters aimed at strengthening UK/Spanish defence equipment co-operation could encourage procurement of UK systems. Prospects also look promising for both British Aerospace and Rolls Royce on the Yugoslav Light Combat Aircraft project, but prospects for selling Tornado to Turkey have receded following our decision not to support the financing arrangements proposed by BAe.

10. Latin America remains a particularly difficult market in view of the low credit rating and economic problems affecting most countries in the area. However sales, albeit on a relatively small scale, continue to be achieved. Although no dramatic improvement in the economic situation can be expected in the short term, the opportunity exists for the sale of Lynx helicopters in several markets and developments are expected on this front in Brazil and Ecuador in the next few months. This is likely to give rise to major problems on the credit front.

11. As suggested by my previous report, the 1984 achievement was somewhat less significant than the previous record year. This to some extent, however, reflects delays in procurement decisions and there may be some 'unwinding' in 1985. Reports from individual exporters suggest a renewed development of market opportunities in the second half of 1984 which may be transformed into orders in 1985 and beyond. Although general market conditions will remain tough, 1985 could, therefore, show a substantial improvement in UK defence export performance over 1984.

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

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W. S. J.

*cc: P. Ricketts,
FCO*

10 DOWNING STREET

11 March 1985

From the Private Secretary

Quarterly Report on Defence Sales and Prospects

The Prime Minister has noted the Defence Secretary's minute of 5 March on the disappointing outturn for defence sales in 1984.

She also notes that there are a significant number of good prospects in the countries which she will be visiting at Easter, notably Indonesia, Singapore and Malaysia. I should be grateful if you could ensure that these are fully covered in the briefing being prepared for the Prime Minister's visit.

(C.D. Powell)

Richard Mottram, Esq.,
Ministry of Defence

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RW

ANNEX A - REPORTED CONTRACTS SUMMARY

COUNTRY	LAND SYSTEMS VALUE £m	AIR SYSTEMS VALUE £m	SEA SYSTEMS VALUE £m	TOTAL VALUE £m
ALGERIA	132.50	-	-	132.50
BAHAMAS	-	-	6.00	6.00
BRAZIL	-	14.50	-	14.50
CHILE	1.00	-	-	1.00
CHINA (PR)	11.19	0.86	0.75	12.80
ECUADOR	0.40	-	-	0.40
EGYPT	7.00	-	-	7.00
GERMANY (WEST)	-	7.00	-	7.00
GHANA	0.30	-	-	0.30
INDIA	-	-	0.90	0.90
INDONESIA	100.00	15.00	-	115.00
IRAN	2.00	-	1.00	3.00
IRAQ	3.09	1.00	-	4.09
JAPAN	-	0.40	-	0.40
JORDAN	7.50	-	-	7.50
KOREA (SOUTH)	3.41	-	1.30	4.71
NIGERIA	11.93	-	-	11.93
OMAN	0.04	-	0.25	0.29
PAKISTAN	-	-	0.23	0.23
SAUDI ARABIA	14.35	-	0.50	14.85
SRI LANKA	0.20	-	-	0.20
SWITZERLAND	-	3.00	-	3.00
THAILAND	-	-	3.00	3.00
UGANDA	0.82	-	-	0.82
USA	9.10	73.97	13.00	96.07
YEMEN (PDR)	-	-	0.40	0.40
TOTALS	304.83	115.73	27.33	447.89

ANNEX B - REPORTED CONTRACTS - AIR SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE £M	DELIVERY DATE	REF NO.
BRAZIL	SEA SKUA	16	14.50	1986	36
FR GERMANY	LYNX (NAVAL)	2	7.00	N.K.	458
INDONESIA	BAe 146	1	15.00	N.K.	1817
IRAQ	GROUND POWER UNITS	30	1.00	1985	1579
JAPAN	COBRA AIR DATA SYSTEM	32	0.40	1985	1903
PR CHINA	3" CATHODE RAY TUBE	20	0.05	1985	1907
	3087-E AIR DATA SENSOR	NA	0.81	1985	1603
SWITZERLAND	GSA MK3 GUNSIGHT	NA	3.00	N.K.	1893
USA	C-130 HERCULES TRANSDUCER	NA	1.54	1985	27
	COBRA AIR DATA SYSTEM	NA	0.41	N.K.	1830
	COMED SPARES	NA	0.19	N.K.	1820
	F-111 AIRCRAFT SPARES	NA	2.37	1985	1829
	HARRIER SPARES	NA	0.24	N.K.	1827
	HARRIER SPARES	NA	1.91	1985	1828
	HAWK VTX DEVELOPMENT	NA	63.00	1989	1700
	HUD/WASS FOR F-16 A/B	NA	0.46	N.K.	1826
HUD/WASS FOR F-16 C/D	NA	3.53	N.K.	1831	
	LACV30 PROPELLOR BLOCK	NA	0.32	N.K.	1804

TOTAL FOR AIR SYSTEMS £m 115.73

END

ANNEX B - REPORTED CONTRACTS - LAND SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE £M	DELIVERY DATE	REF NO.
ALGERIA	GENDARMERIE BARRACKS	21	132.00	1987	582
	RUNWAY SWEEPER	12	0.50	1985	1819
CHILE	MORCOS	252	1.00	1985	1846
ECUADOR	BAILEY BRIDGE	NA	0.25	N.K.	1847
	LAND BASED ELECTRONICS	NA	0.15	N.K.	1848
EGYPT	AA GUN AMMUNITION	NA	6.50	1985	761
	DRAGOON APC	11	0.50	1984	711
GHANA	COMMS EQUIPMENT SPARES	NA	0.30	N.K.	1812
INDONESIA	RAPIER	96	100.00	1986	348
IRAN	AR 15M RADAR	1	2.00	1985	1896
IRAQ	AFV SPARES	NA	2.00	1985	1585
	BATTERY CHARGER	NA	0.04	1985	746
	CALCULATOR DISPLACEMENT MK1	NA	1.05	N.K.	1785
JORDAN	BATTLEFIELD SIMULATOR	NA	7.50	1985	1810
NIGERIA	COMMS EQUIPMENT	NA	10.00	N.K.	1771
	RUBBER BULLET	10000	0.06	N.K.	1807
	SEA CAT TRAINER	NA	1.87	N.K.	1838
OMAN	DRIVER TRAINING	NA	0.04	N.K.	360
PR CHINA	EW TACTICAL COMMS SYSTEM	2	10.22	1986	1609
	RADIAL BANDING PRESS	2	0.97	1985	1910
REPUBLIC OF KOREA	SCIMITAR NET COMMS EQPT.	2	0.01	1985	1904
	T300 TRANSMISSIONS	NA	3.40	1985	1925
SAUDI ARABIA	AIRCRAFT LOADING EQUIPMENT	NA	0.25	N.K.	1821
	ATC/AD RADAR SYSTEM SIMULATOR	1	12.00	1985	1862
	FAME	NA	0.40	N.K.	735
	FH70 MAINTENANCE TRAINING	NA	1.70	1984	1468
SRI LANKA	BODY ARMOUR	NA	0.20	1984	1806
UGANDA	COMMS EQUIPMENT	NA	0.82	1985	1899

ANNEX B - REPORTED CONTRACTS - LAND SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE £M	DELIVERY DATE	REF NO.
USA	B-1B FLIGHT SIMULATOR	NA	5.00	1985	357
	IMPROVED 81mm MORTAR	NA	2.10	1985	74
	STORES MANAGEMENT SYSTEM	1	2.00	N.K.	37

TOTAL FOR LAND SYSTEMS £m 304.83

END

ANNEX B - REPORTED CONTRACTS - SEA SYSTEMS

COUNTRY	PRODUCT	QUANTITY	VALUE £M	DELIVERY DATE	REF NO.
BAHAMAS	FAST PATROL CRAFT	3	6.00	1985	1474
INDIA	DECK APPROACH PROJECTION SIGHT	1	0.90	1986	643
IRAN	MOTOR LAUNCHES	14	1.00	N.K.	1805
OMAN	DAMAGE CONTROL TRAINING	NA	0.25	N.K.	201
PAKISTAN	CONSULTANCY	NA	0.23	1985	1815
PDR YEMEN	PILOT BOAT	3	0.40	1985	41
PR CHINA	MESSAGE HANDLING SYSTEM	3	0.75	1985	1908
REPUBLIC OF KOREA	ELECTRONIC CONTROL SYSTEM	13	1.30	1984	1906
SAUDI ARABIA	TRAINING	NA	0.50	1985	683
THAILAND	YARROW TYPE FRIGATE REFIT	1	3.00	N.K.	1741
USA	FRIGATE FIN STABILISER	11213	13.00	N.K.	748

TOTAL FOR SEA SYSTEMS £m 27.33

END

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: <u>AUSTRIA</u>	REMARKS: Austria is considering the purchase of interceptor aircraft. BAe have offered second hand Lightnings. A decision is expected by May 1985.
PRODUCT: LIGHTNING	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 60.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France, Sweden, USA, Israel.
466 1985	
COUNTRY: <u>DENMARK</u>	REMARKS: The Danes have 8 Naval Lynx in service and are considering a follow-on order for Baltic surveillance. Westlands first choice, but money is not now available until 1988 at the earliest.
PRODUCT: LYNX (NAVAL)	
FIRM : WESTLAND HELICOPTERS	
VALUE :£m 15.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
456 1988	
COUNTRY: <u>DENMARK</u>	REMARKS: Danes are retrofitting M41 tanks. Perkins (ex-RR) engine is part of a German package. The Danes conducted a retrial early December 84 for a period of six weeks, following complaints from the Canadian Ambassador about the first trial.
PRODUCT: TANK ENGINE MODIFICATION	
FIRM : PERKINS ENGINES	
VALUE :£m 1.30	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA, Canada.
1791 1985	
COUNTRY: <u>FINLAND</u>	REMARKS: The Finns have a requirement for a point defence AA system. Firm's bids will be invited in early 1985. Contract in 1986 with delivery 1988-90. A study team has looked at available equipment. A westren source is preferred and BAe are on the short list. Next year they will study requirements and ask to orbit companies. They are interested in optical Rapiet, Blindfire and Laserfire.
PRODUCT: RAPIER	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 100.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France (Crotale), FRG (Roland), USSR.
1782 1986	

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: <u>FINLAND</u>	REMARKS: A follow on order to the 3 Watchman ATC radars already bought by Finland.
PRODUCT: WATCHMAN ATC/AD RADARS	
FIRM : PLESSEY RADAR	
VALUE :£m 6.90	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1772 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. BAe have submitted unsolicited proposals on ALARM. Further presentations in Dec 84 & Jan 85 have been given by BAe to the BWB following the visit to UK of the Bundestag Defence Committee.
PRODUCT: ALARM	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 100.00	MINISTERIAL: On 21/9/83 M of S(DP) wrote to Herr Dr Woerner to persuade the FRG to revise
	INVOLVEMENT: decision on HARM/ALARM. In reply of 28/11/83 Dr Woerner reaffirmed selection
REF NO CON.DATE	COMPETITION: USA (HARM)
459 N.K.	
COUNTRY: <u>FR GERMANY</u>	REMARKS: To be used in conjunction with Seaspray radar. Contract for the development phase has already been placed involving 2 sets of helicopter installed equipment (option on further 20), test equipment, telemetry missiles and expendable dummies.
PRODUCT: SEA SKUA	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 30.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France
35 1985	
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. Two prototype sets have already been ordered.
PRODUCT: SEA SPRAY	
FIRM : FERRANTI RADAR SYSTEMS	
VALUE :£m 20.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: MEL (UK).
573 1985	

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: <u>FRANCE</u>	REMARKS: France has a requirement for 6-10 AEW systems. Current options are US Boeing AWACS system, already evaluated, and a European solution involving Marconi's MSA with probably the A300 Airbus. Marconi and BAe have submitted proposals. Evaluation flight took place in October 84 and further flights will occur in 1985. A decision is expected in 1985. Offset will be an important factor.
PRODUCT: AEW EQUIPMENT	
FIRM : GEC AVIONICS	
VALUE :£m 300.00	MINISTERIAL: During regular exchange with French, Ministers will be briefed to press the INVOLVEMENT: European solution on the French Air Force.
REF NO CON.DATE	COMPETITION: USA (AWACS)
188 1985	
COUNTRY: <u>ITALY</u>	REMARKS: The new Italian carrier (Garibaldi) has been fitted to operate VSTOL aircraft, but this remains the subject of much debate within Italian military circles. According to Italian law, only the IAF can operate fixed wing aircraft. The competition is the AV8B, and McDonnell-Douglas have been very active in Italy. The RN remains willing to give assistance on operational aspects. Offset will be an important factor. HMA Rome believes package deal necessary for sale.
PRODUCT: SEA HARRIER	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 136.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (AV8B).
1623 N.K.	
COUNTRY: <u>NETHERLANDS</u>	REMARKS: Marconi face stiff competition from HSA. Discussions about willingness of Dutch Navy to give the company specifications being held at ministerial level.
PRODUCT: INTEGRATED COMMS ICS3	
FIRM : MARCONI COMMUNICATION SYSTEMS	
VALUE :£m 11.70	MINISTERIAL: Close ministerial involvement (Minister (DP)). INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Netherlands (HSA).
1878 1985	
COUNTRY: <u>NETHERLANDS</u>	REMARKS: A decision is expected in early 1985.
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 1985	

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: <u>NORWAY</u>	REMARKS: The Norwegians need a wet and dry bridging system. Should they choose the Swedish ribbon bridge for the wet requirement, rather than MGB for both, there are prospects for Fairey for the dry requirement.
PRODUCT: MEDIUM GIRDER BRIDGE	
FIRM : FAIREY ENGINEERING	
VALUE :£m 30.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1937 1988	
COUNTRY: <u>NORWAY</u>	REMARKS:
PRODUCT: WAVELL	
FIRM : PLESSEY DEFENCE SYSTEMS	
VALUE :£m 10.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1605 1985	
COUNTRY: <u>SWEDEN</u>	REMARKS: Swedes are currently funding for two CETs, their total requirement is for 40.
PRODUCT: COMBAT ENGINEER TRACTOR	
FIRM : ROYAL ORDNANCE FACTORIES	
VALUE :£m 2.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1887 N.K.	
COUNTRY: <u>SWEDEN</u>	REMARKS: A contract is expected in Jan 1985.
PRODUCT: MEDIUM GIRDER BRIDGE	
FIRM : FAIREY ENGINEERING	
VALUE :£m 1.30	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
453 1985	

ANNEX C - PRIORITY ONE PROSPECTS - EUROPE

COUNTRY: <u>SWEDEN</u>	REMARKS: Swedes require fire and forget medium range air-to-air missile for JAS-39. BAe have proposed private venture development of Skyflash. BAe and MCCS are involved in a limited concept study, and DSO will be closely involved in the promotion.
PRODUCT: SKYFLASH 90	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 25.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
467 1988	
COUNTRY: <u>SWITZERLAND</u>	REMARKS: Land Rover was chosen in 1984 to meet Swiss requirement, but finance was delayed to late 1985. Whilst we remain confident of Land Rover's success, the choice of trainer for the RAF ASR 412 may influence matters.
PRODUCT: LAND ROVER	
FIRM : LAND ROVER LTD	
VALUE :£m 30.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Austria (Steyr)
470 1986	
COUNTRY: <u>TURKEY</u>	REMARKS: The requirement is for Turkey's 15 new frigates. Racal have submitted a tender through NA Ankara. The Turks are thought to favour Racal's equipment. The first instalment is expected to be ordered in May 85.
PRODUCT: ELECTRONIC WARFARE & ECM EQUIP	
FIRM : RACAL RADAR DEFENCE	
VALUE :£m 45.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Netherlands (Signaal).
1753 N.K.	
COUNTRY: <u>TURKEY</u>	REMARKS: Subsequent to initial proposals from BAe, the Turkish Defence Minister stated that TAF would procure 40 Tornado IDS if suitable financial package, involving both FRG & Italy, could be constructed. BAe submitted proposals involving substantial degree of risk sharing by private sector, with ECGD credit cover of up to £344m. However a meeting of the cabinet found this level of ECGD risk unacceptable. BAe continue to search for acceptable financial package.
PRODUCT: TORNADO IDS	
FIRM : PANAUIA	
VALUE :£m 573.00	MINISTERIAL: Both S of S and Min (DP) have approached FRG about possible use of FRG aid, INVOLVEMENT: but this proposal has been rejected.
REF NO CON.DATE	COMPETITION:
353 N.K.	

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

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. CO BDF Air Wing indicated in the margins of Farnborough Air Show that a decision would be made in early 1985. Brig Khalifa COS has expressed dissatisfaction at the BAe quote, believed to be heavily loaded.
PRODUCT: SEA SKUA	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 25.00	MINISTERIAL: Prime Minister and Minister (DP) (Mr Pattie) met The Amir of Bahrain 10-13 April 1984. Minister (DP) (Mr Butler) visited Bahrain October 1984. Mr Luce visited Bahrain Jan 85.
REF NO CON.DATE	COMPETITION: France (AS15TT)
42 1985	
COUNTRY: <u>EGYPT</u>	REMARKS: VT have proposed Single Role Minehunter (SRMH) to meet the Egyptian Navy's requirement for MCMV. In an effort to prevent the order going to the Dutch (Tripartite) CNS has agreed (subject to Ministerial approval) to consider lease of HMS Wilton.
PRODUCT: MINEWARFARE SHIPS	
FIRM : VOSPER THORNEYCROFT	
VALUE :£m 66.00	MINISTERIAL: Discussed during S of S visit in October 1984.
REF NO CON.DATE	INVOLVEMENT:
1787 1985	COMPETITION: Netherlands/France/Belgium, Italy.
COUNTRY: <u>JORDAN</u>	REMARKS: Following the refusal by the USA to supply Stinger missiles the Jordanians are looking for alternatives. Jordanian C-in-C has asked for a G to G credit package for equipment requirements. List of equipments produced with budgetary prices and timescales. HDS passed these to JAF CinC during S of S visit in Oct 84. Major elements are Javelin missiles, aircraft refurbishment/EW, tank ammo, FPBs and comms/EW. ECGD DML of credit to £300m over 10 years at 9.5% agreed.
PRODUCT: EQUIPMENT PACKAGE	
FIRM : VARIOUS	
VALUE :£m 450.00	MINISTERIAL: PM has discussed with King Hussein (Sept and Dec 84). S of S visited Amman in Oct 84 and had a further meeting with C-in-C in London in Dec 84.
REF NO CON.DATE	INVOLVEMENT:
579 1985	COMPETITION: USSR, France.
COUNTRY: <u>KUWAIT</u>	REMARKS: Kuwait have requirement to equip 5 or 6 battalions with APCs. Infantry Committee impressed with MCV-80 during visit in April 1984 and GKN Sankey successfully demonstrated vehicle in Kuwait in August and September 1984. Strong political support will be required as major defence equipment purchases by Kuwait are invariably awarded in turn to major arms producing countries. PM wrote letter of support to Kuwaiti PM 20 November 84.
PRODUCT: APCs/IFVs	
FIRM : GKN SANKEY	
VALUE :£m 300.00	MINISTERIAL: S of S discussed with Shaikh Salim, Minister of Defence, in July 1983, and visited Kuwait in February 1984. Min(DP) (Mr Butler) visited October 1984.
REF NO CON.DATE	INVOLVEMENT:
206 1985	COMPETITION: USA (Bradley, Cadillac Gage); Brazil (Engesa); USSR (BMP-2).

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: <u>OMAN</u>	REMARKS: Tri-service requirement. Initial study by 2 senior British officers. LSP specialist helping run project. Ewbank Preece selected as consultants. Marconi have received ITP and hope to be awarded prime contractorship. Substantial civil works content expected to be awarded to UK company. Morgan Grenfell focal point for finance. Project will be subject to MOU.
PRODUCT: COMMUNICATIONS PROJECT	
FIRM : VARIOUS	
VALUE :£m 300.00	MINISTERIAL: Mr Luce visited Oman Jan 85.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
208 1985	
COUNTRY: <u>OMAN</u>	REMARKS: An in-country trial of FH70 took place in April 1984. It is hoped that this will result in a contract for 7 guns and an early follow-on buy of a further 6-12 guns. Oman is now showing interest in Austrian competitor, possible political snub. UK firms have now agreed their respective roles, with VSEL supplying the gun, IMS providing support and ROFs ammunition.
PRODUCT: FH70	
FIRM : VICKERS SEL	
VALUE :£m 10.00	MINISTERIAL: Mr Luce visited Oman in Jan 85.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Austria (Novicum).
611 1985	
COUNTRY: <u>OMAN</u>	REMARKS: Oman has strong preference for Tornado ADV. 4 GR1s visited Oman Feb 84 in exercise Magic Carpet. BAe hope to sign contract early 85. Discussions on credit in train with financial institutions. Contract will be subject to umbrella MOU.
PRODUCT: TORNADO ADV	
FIRM : PANAUIA	
VALUE :£m 350.00	MINISTERIAL: Min (AF) visited Oman Oct 84. Mr Luce visited Oman Jan 85. S of S raised
	INVOLVEMENT: credit issues with Dr Woerner at Anglo-FRG summit Jan 85.
REF NO CON.DATE	COMPETITION: USA.
49 1986	
COUNTRY: <u>QATAR</u>	REMARKS: Firm long-term requirement. Budgetary provision believed to have been made in this financial year for purchase of initial vessel. French competition strong and assisted by warship visits. Qatar crew selected for training and 3 officers completed specially designed MOD course October 84. Final procurement decision will be on political, financial & delivery considerations. Political support essential. RN expert to visit Qatar
PRODUCT: MINEWARFARE SHIPS	
FIRM : VOSPER THORNEYCROFT	
VALUE :£m 60.00	MINISTERIAL: Minister (DP) visited October 1984.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France (CNM), FRG, Netherlands (Tripartite).
51 1985	

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: SAUDI ARABIA	REMARKS: A number of indications of keen RSAF interest in Alarm identified in 1984 were confirmed when Headquarters RSAF wrote to the Air Attache in Jeddah in September 1984 asking BAe (DG) to submit detailed proposals for the supply of 750 weapons. Joint MoD/BAe discussions are continuing to resolve questions of an acceptable delivery programme and the necessary sanitisation needed to satisfy an export order.
PRODUCT: ALARM	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 200.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (HARM) - but clearance to supply is doubtful.
1794 1986	
COUNTRY: SAUDI ARABIA	REMARKS: The Saudis intend to form an Armoured brigade equipped with British equipment. DSO team visited Kingdom December 1984 to discuss requirement, which will probably include Challenger, MCV-80, GBT-155, Marksman and possibly tank transporters. An in country trial is planned for July/August 1985. Both Challenger and MCV-80 were trialled in UAE July 1981 when Saudi Army attended.
PRODUCT: ARMoured VEHICLES (TRACKED)	
FIRM : VARIOUS	
VALUE :£m 500.00	MINISTERIAL: HMG formally offered to sell Challenger to Saudi. Foreign Sec. raised subject with Prince Sultan 1983. S of S in January 1984. Discussed again during S of S visit November 1984.
REF NO CON.DATE	COMPETITION: USA, FRG (subject to political restraint)
61 N.K.	
COUNTRY: SAUDI ARABIA	REMARKS: Costed proposals, including a buy-back of BAe Strikemaster training aircraft were submitted to the Saudi Minister of Defence and Aviation in April 1984. A decision by the Saudi government has been promised
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 125.00	MINISTERIAL: S of S discussed this prospect with his Saudi counterpart in Riyadh in January 1984, and has since written to him in support of the proposals.
REF NO CON.DATE	COMPETITION: France/FRG (Alpha-jet)
56 1985	
COUNTRY: SAUDI ARABIA	REMARKS: Costed proposals presented by Shorts to SANG in October 1983 with HMG letter of comfort. Prospects of joint BAe/Shorts presentation on Rapier/Javelin under consideration.
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.
REF NO CON.DATE	INVOLVEMENT:
345 1985	COMPETITION: Sweden (RBS70).

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: SAUDI ARABIA	REMARKS: Overall value of £45m consists of £25m for operation and maintenance, £16m for communication equipment and building work, and £5m for National Guard training.
PRODUCT: SANGCOM	
FIRM : CABLE & WIRELESS	
VALUE :£m 45.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1849 1985	
COUNTRY: SAUDI ARABIA	REMARKS: At present remains very good prospect.
PRODUCT: SANGMED PROJECT	
FIRM : IHG	
VALUE :£m 75.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA.
1813 1986	
COUNTRY: SAUDI ARABIA	REMARKS: RSNF have shown interest in Piranha & 550 class submarines. Costed proposals submitted July 1984.
PRODUCT: SUBMARINES	
FIRM : VICKERS SEL	
VALUE :£m 100.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
682 1986	
COUNTRY: SAUDI ARABIA	REMARKS: Costed proposals, including a buy-back of Lightning aircraft were submitted to the Saudi Minister of Defence and Aviation in April 1984. A Saudi Air Force evaluation team visited the UK in July/August 1984 and their report on the aircraft was submitted to the Minister at the end of August. A decision by the Saudi government, originally promised in January 1985, has now been delayed for several months.
PRODUCT: TORNADO IDS	
FIRM : PANAIA	
VALUE :£m 475.00	MINISTERIAL: Mr Heseltine sent a "hastener" to Prince Sultan on 18 October 1984 and followed this with a visit in November 1984.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (F-15 Enhanced Eagle), France (Mirage 2000).
64 1985	

ANNEX C - PRIORITY ONE PROSPECTS - MIDDLE EAST

COUNTRY: UAE	REMARKS: Plessey proposals well regarded and linked to ADOC (PR1 Ref70). RAF ADAT visited Dec 84. Report Scheduled to be presented to GHQ. Marconi are being discouraged from cutting across Plessey. GCC Committee visited Plessey Oct 84.
PRODUCT: AR 3D RADAR	
FIRM : PLESSEY RADAR	
VALUE :£m 50.00	MINISTERIAL: PM, S of S and Min (DP) met Shaikh Khalifa Crown Prince & DSC Abu Dhabi 18-19 July 1984. Min(DP) visited UAE in Oct 84 (Mr Butler).
REF NO CON.DATE	INVOLVEMENT: July 1984. Min(DP) visited UAE in Oct 84 (Mr Butler).
68 1985	COMPETITION: France (Thomson CSF), USA (Hughes).
COUNTRY: UAE	REMARKS: MOD is giving full backing to an IMS led combination of British electronics firms. Interim JOC contract has not given IMS clear advantage for full contract. International competition is strong. UAE have been invited to send a team to visit UK Operations Centres but the UAE progress is slowing down. This is due inter alia to finance, integration with Air Defence Scheme and the need to gain experience of the (I)JOC.
PRODUCT: JOINT OPERATIONS CENTRE	
FIRM : IMS	
VALUE :£m 50.00	MINISTERIAL: PM, S of S and Min (DP) met Shaikh Khalifa Crown Prince & DSC Abu Dhabi 18-19 July 1984. Min(DP) (Mr Butler) visited UAE in October 1984.
REF NO CON.DATE	INVOLVEMENT: 19 July 1984. Min(DP) (Mr Butler) visited UAE in October 1984.
71 1985	COMPETITION: USA, France, FRG.

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 all 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. Contractors have been asked to extend validity of their tenders until 10 Aug 85.

PRODUCT: TYPE 2400 SUBMARINE

FIRM : VICKERS SEL

VALUE :£m NK MINISTERIAL: Minister (DP)

REF NO CON.DATE INVOLVEMENT:

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

COUNTRY: AUSTRALIA REMARKS: RAN has a requirement for 6 new frigates to be built in country. Work required to maintain shipbuilding programme at Williamstown Dockyard following completion of US designed FFG-7s in 1988. Yarrows have offered Type 23 which broadly meets requirements. Yarrows/MoD currently investigating RAN proposed modifications to combat systems. Yarrows scheduled to visit in February 1985.

PRODUCT: TYPE 23 FRIGATE

FIRM : YARROW SHIPBUILDERS

VALUE :£m NK MINISTERIAL:

REF NO CON.DATE INVOLVEMENT:

1843 1986 COMPETITION: FRG, Holland.

COUNTRY: AUSTRALIA REMARKS: Three phased purchase of 36 helicopters planned for the RAAF; 12, 18 then a final 6. Westlands WG30, though cheaper than its US Blackhawk competitor, is handicapped by the fact that the RAN chose SeaHawk in preference to Lynx and RAAF may elect to stay with Sikorsky. However, Westlands have offered proposal for collaboration on helicopters, with joint military effort for large civil and military market in the area, and this will be in their favour.

PRODUCT: WESTLAND 30

FIRM : WESTLAND HELICOPTERS

VALUE :£m 50.00 MINISTERIAL:

REF NO CON.DATE INVOLVEMENT:

198 1985 COMPETITION: USA (Black Hawk).

COUNTRY: INDIA REMARKS: Negotiations delayed by death of Defence Secretary have begun. Credit will be required and a package is being formulated.

PRODUCT: FH70

FIRM : VICKERS SEL

VALUE :£m 600.00 MINISTERIAL: Min (DP) discussed during visit to India in May 1984.

REF NO CON.DATE INVOLVEMENT:

8 1985 COMPETITION: France, Austria, Sweden.

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>INDIA</u>	REMARKS: Negotiations underway, Indian amendments to original MOU under consideration.
PRODUCT: SEA HARRIER	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 175.00	MINISTERIAL: Min (DP) discussed during visit to India in May 1984.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
7 1985	
COUNTRY: <u>INDIA</u>	REMARKS: Indians are evaluating proposals and discussions continue with Rolls Royce and BAE.
PRODUCT: LCA	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 300.00	MINISTERIAL: Min(DP) gave full support to proposal during visit in May 84.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG., France.
347 N.K.	
COUNTRY: <u>INDIA</u>	REMARKS: Prospects of ship launched Sea Eagle sales have declined following RN selection of Harpoon. Subject was discussed during mid-September 84 visit. Despite RN selection of Harpoon, India is still considering ship launched Sea Eagle plus additional airborne requirements for IN and IAF.
PRODUCT: SEA EAGLE	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 250.00	MINISTERIAL: Min(DP) discussed during visit to India in May 1984.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France.
181 N.K.	
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 further trials.
PRODUCT: VIJAYANTA REFIT	
FIRM : VARIOUS	
VALUE :£m 500.00	MINISTERIAL: Discussed by Minister (DP) in India.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG
473 1986	

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>INDONESIA</u>	REMARKS:
PRODUCT: C(CUBED) & INTEL SYSTEMS	
FIRM : VARIOUS	
VALUE :£m NK	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1798 N.K.	
COUNTRY: <u>INDONESIA</u>	REMARKS: The Indonesians have already procured 20 Hawk trainers and they have a requirement for a possible further 150-200 air defence variant, plus - possibly - some more Hawk trainers.
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m NK	MINISTERIAL: US of S (DP) discussed during May and November visits.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (F-20 Tigershark)
1901 N.K.	
COUNTRY: <u>INDONESIA</u>	REMARKS: Discussions currently being held in Jakarta. Intermarine considered to be favourites.
PRODUCT: MINEWARFARE SHIPS	
FIRM : VOSPER THORNEYCROFT	
VALUE :£m 150.00	MINISTERIAL: US of S(DP) discussed during his visit in May 1984.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG, Holland, Italy.
349 1985	
COUNTRY: <u>INDONESIA</u>	REMARKS: The Indonesians have signed (Dec 84) for 96 Rapier Systems and they have a requirement for a further 480 systems.
PRODUCT: RAPIER	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 750.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1900 N.K.	

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>JAPAN</u>	REMARKS: Although LAW 80s elimination from the US competition for a LAW may adversely affect its chances in Japan, HEL seem confident that a sale can be achieved once firing trials are held in Spring 1985, witnessed by JGSDF, and the weapon is accepted by the British Army in late 1985. An initial sale of 50 systems for evaluation is the likely outcome.
PRODUCT: LAW 80	
FIRM : HUNTING ENGINEERING	
VALUE :£m 25.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
449 1985	
COUNTRY: <u>JAPAN</u>	REMARKS: Sea Harrier is being promoted for sea lane defence and it is hoped that the JMSDF will allocate preliminary funding for an initial purchase of up to 24 aircraft. A fundamental obstacle is the associated need for carriers which the JMSDF would find politically difficult to acquire. SHAR's ability to operate from outlying islands is thus being stressed. SHAR MLV, Harrier II, & Tornado are contenders for the FS-X programme for anti-ship/defence fighter late 1990s.
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-16E, F-15E, FA-18)
450 1987	
COUNTRY: <u>MALAYSIA</u>	REMARKS:
PRODUCT: FH70	
FIRM : VICKERS	
VALUE :£m 12.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Sweden, Austria (GC-45).
1744 1986	
COUNTRY: <u>MALAYSIA</u>	REMARKS: Formation of a Fleet Air Arm a priority for RMN with procurement of up to 10 helicopters for ASW/ASV/utility operations. Offers of MOD training and assistance to RMN under active consideration. Good prospects for Lynx to meet this requirement and Air Force requirement for Alouette replacement (initially 30 aircraft).
PRODUCT: LYNX	
FIRM : WESTLAND HELICOPTERS	
VALUE :£m 50.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA, France.
184 1986	

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>MALAYSIA</u>	REMARKS: MoD training and support MOU forwarded in September 1984. Malaysian naval teams completed 3 month amendment in UK August 1984. Vickers 550 submarine is a strong contender.
PRODUCT: SUBMARINES	
FIRM : VICKERS SEL	
VALUE :£m 600.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: FRG.
369 1986	
COUNTRY: <u>NEW ZEALAND</u>	REMARKS: This is possibly one of the largest aircraft modernisation programmes in the world (22 aircraft). The recently published White Paper stated that the A4 aircraft would receive an equipment update. Various UK companies submitted proposals in 1983 but following the White Paper NZ has issued a revised RFP in 1984. GEC Avionics and BAe Bracknell have submitted proposals either as prime or sub-contractors. A NZ decision is expected in 1985.
PRODUCT: A4 SKYHAWK UPDATE	
FIRM : GEC AVIONICS	
VALUE :£m 50.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
576 1985	
COUNTRY: <u>PAKISTAN</u>	REMARKS: VT proposals for 3 broadbeamed frigates (2 UK build, 1 local) submitted 8/82. Draft MOU submitted to PN July 1984 and discussions expected Feb 1985. Letter of Intent issued to VT Sept 1984. MOD appointed PN consultants for negotiation Dec 1984. Revised ECGD cover of £230m approved Dec 1984.
PRODUCT: TYPE 21 FRIGATE	
FIRM : VOSPER THORNEYCROFT	
VALUE :£m 330.00	MINISTERIAL: PM's letter to Zia supporting offer 8/82 and 5/84. Zia letter 7/84 to PM
REF NO CON.DATE	INVOLVEMENT: confirms UK offer favoured. PM acknowledged 10/84.
2 1985	COMPETITION: France, FRG.
COUNTRY: <u>PR CHINA</u>	REMARKS: The collapse of Project 051 affected the progress on this project but Chinese interest in Interceptor Gamma (Sea Archer 1A FCS, command tactical console surveillance radars) was renewed during RNEE 83. BAe have submitted proposals for the sale of up to 5 systems initially, followed by technology transfer leading to full local manufacture. Third party sales rights will be a precondition to a contract.
PRODUCT: INTERCEPTOR GAMMA	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 10.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France (Creusot Loire)
180 1985	

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>REPUBLIC OF KOREA</u>	REMARKS: BAe have submitted a draft contract for Sea Skua in association with the naval helicopter requirement. A decision has been deferred, 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: <u>REPUBLIC OF KOREA</u>	REMARKS: ROK Army have still to allocate funds for purchase of troop transport and, moreover, may lose responsibility for this function to ROKAF. Shorts are maintaining marketing pressure in anticipation of developments in 1985. Funding is a problem for the ROK and a credit package may be required.
PRODUCT: SKYVAN	
FIRM : SHORT BROS AIRCRAFT	
VALUE :£m 100.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 13 1986	COMPETITION: Spain, Canada
COUNTRY: <u>REPUBLIC OF KOREA</u>	REMARKS: ROK MND have initialled draft contracts with several companies for 10-12 shipbourne helicopters. A decision is expected early next year with the selected firm likely to be invited to provide a helicopter for a 6 month trial in Korea in January 1986. Contract would follow subject to evaluation. A credit package may be required as may RN support in training etc.
PRODUCT: LYNX (NAVAL)	
FIRM : WESTLAND HELICOPTERS	
VALUE :£m 55.00	MINISTERIAL: US of S(DP) has written. INVOLVEMENT:
REF NO CON.DATE 26 1986	COMPETITION: France(Dauphin), Italy (Agusta 219),USA(S76, Seasprite).
COUNTRY: <u>SINGAPORE</u>	REMARKS:
PRODUCT: A-4 SKYHAWK AVIONICS FIT	
FIRM : VARIOUS	
VALUE :£m NK	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE 224 N.K.	COMPETITION:

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: SINGAPORE REMARKS: UK is currently assisting Singapore in determining its requirement, 1985 will see continuing support particularly with regard to linking and processing of data from airborne and ground based radars.

PRODUCT: C(CUBED) SYSTEMS

FIRM : VARIOUS

VALUE :£m NK

MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE

1802 N.K.

COMPETITION:

COUNTRY: SINGAPORE

REMARKS: Three British firms interested: Vosper Thornycroft, Brooke Marine, & Hall Russell/Swan Hunter.

PRODUCT: FAST PATROL CRAFT

FIRM : VARIOUS

VALUE :£m 100.00

MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE

1800 1985

COMPETITION:

COUNTRY: SINGAPORE

REMARKS:

PRODUCT: LYNX (NAVAL)

FIRM : WESTLAND HELICOPTERS

VALUE :£m 100.00

MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE

1799 1985

COMPETITION:

COUNTRY: SINGAPORE

REMARKS:

PRODUCT: MINEWARFARE SHIPS

FIRM : VOSPER THORNEYCROFT

VALUE :£m NK

MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE

1801 1986

COMPETITION:

ANNEX C - PRIORITY ONE PROSPECTS - ASIA & FAR EAST

COUNTRY: <u>SINGAPORE</u>	REMARKS: RR are vying with General Electric (USA) for the re-engining of 100 Skyhawks. Discussions have been held with RSAF re training and support and formal offer submitted at the end of October.
PRODUCT: RB.199 ENGINE	
FIRM : ROLLS-ROYCE	
VALUE :£m 250.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (General Electric F404).
1745 N.K.	
COUNTRY: <u>THAILAND</u>	REMARKS:
PRODUCT: HS 748	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 44.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1795 1985	
COUNTRY: <u>THAILAND</u>	REMARKS:
PRODUCT: JAGUAR	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 60.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1643 1985	
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, but finance unlikely to be available in near future.
PRODUCT: VICKERS MBT	
FIRM : VICKERS SEL	
VALUE :£m 250.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (M-60)
354 1985	

END

ANNEX C - PRIORITY ONE PROSPECTS - AFRICA

COUNTRY: ALGERIA REMARKS: Industrial consortium (Marconi, Plessey Radar, and Racal-Decca) have submitted
costed proposals through HMG for Algerian authorities covering a phased scheme.
PRODUCT: AIR DEFENCE SCHEME (ACCORD) At Algerian request the consortium have submitted a further technical and cost
proposal against an Algerian specified Preliminary Phase Requirement. Further
FIRM : MARCONI PROJECTS discussions have led to definitions of a reduced initial phase for which prop-
osals were submitted in early Oct 84 (approx £100m).

VALUE :£m 100.00 MINISTERIAL:
 INVOLVEMENT:

REF NO CON.DATE
 21 1985 COMPETITION: France.

COUNTRY: ALGERIA REMARKS: Following earlier presentations and discussion the Algerian CNS has asked MOD
UK to assist with the drafting of a Staff Requirement for a frigate design
PRODUCT: FRIGATE based on the Vosper MK18. Study due for completion Feb 1985. Total requirement
could be for 1 to 4 ships, 1 to be built in the UK and 3 to be erected in
FIRM : VOSPER THORNEYCROFT Algeria.

VALUE :£m 300.00 MINISTERIAL:
 INVOLVEMENT:

REF NO CON.DATE
 176 1986 COMPETITION: FRG, France, Italy, USSR.

COUNTRY: ALGERIA REMARKS: Designated under MOU. Contract awaiting ratification by Algerians. Some train-
ing places from (scarce) Army resources will be provided. Credit terms still
PRODUCT: GR 083 RADIO RELAY to be finalised.

FIRM : MARCONI COMMUNICATION SYSTEMS

VALUE :£m 50.00 MINISTERIAL:
 INVOLVEMENT:

REF NO CON.DATE
 581 1985 COMPETITION: France.

COUNTRY: ALGERIA REMARKS: Joint (Anglo-Algerian) study team established to consider co-operation in
industrial aspects of Hawk assembly, establishment of aircraft and engine
PRODUCT: HAWK overhaul/repair facility and training. Team due to report in the autumn to
enable decision to be taken by end of year. Credit will be required.

FIRM : BRITISH AEROSPACE AG

VALUE :£m 200.00 MINISTERIAL: Algerian CAS called on PM and Minister (DP) during successful visit to UK in
INVOLVEMENT: March 84.

REF NO CON.DATE
 22 1985 COMPETITION: France/FRG (Alpha-Jet).

ANNEX C - PRIORITY ONE PROSPECTS - AFRICA

: COUNTRY: CAMEROON REMARKS: Requested by Cameroonians. Medium term credit was offered by AD/2b during vis-
 : it to Cameroon in May 1984. Minister of Armed Forces visited UK in Nov.1984
 : PRODUCT: EQUIPMENT PACKAGE when he met S of S and Min(DP) for discussions with companies and attended
 : firepower/mobility demonstrations. Equipments include Scorpion, Land Rover,
 : FIRM : VARIOUS FPCs, Blowpipe, Radars, Fox, and small arms trainers. Further progress expect-
 : ed after "umbrella" MOU has been negotiated, to include credit arrangements.
 : VALUE :£m 120.00 MINISTERIAL: Minister of Armed Forces visited UK in November 1984.
 : INVOLVEMENT:
 : REF NO CON.DATE
 : 1867 1985 COMPETITION: Various but France in particular.

: COUNTRY: GABON REMARKS: WHL and ROFs have been given letters of intent for Lynx helicopters and Fox,
 : Fox-Milan, and Panga vehicles respectively. Both companies held discussions
 : PRODUCT: EQUIPMENT PACKAGE with Gen.Ngari, the Gabonese Chief of Staff, during BAEE84, and the ROFs dur-
 : ing a visit to Gabon in November 1984. The Gabonese have requested credit from
 : FIRM : VARIOUS the UK for these and other areas of particular interest including comms, radars,
 : aircraft, assault boats and AVs. A draft govt-govt MOU in preparation to cover
 : VALUE :£m 35.00 MINISTERIAL:
 : INVOLVEMENT:
 : REF NO CON.DATE
 : 723 1985 COMPETITION: France.

END

ANNEX C - PRIORITY ONE PROSPECTS - NORTH AMERICA

COUNTRY: CANADA REMARKS: Canada have been making efforts over the past two years to establish a helicopter design and manufacturing capability by encouraging established foreign manufacturers to set up such facilities in Canada. The Canadian forces have a requirement for approx 120 helicopters in the medium/heavy class in the 1990s, half for Air Force, half for the Navy. WHL and Agusta proposals to establish a helicopter industry in Canada under consideration by Canadian administration.

PRODUCT: EH-101 HELICOPTER

FIRM : WESTLAND HELICOPTERS

VALUE :£m NK MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE
1834 N.K. COMPETITION: USA (Sikorsky)

COUNTRY: CANADA REMARKS: Canada's LLAD requirement is expected to be met by gun/missile mix. BAe promoting Rapier and have submitted joint proposal with Oto Melara (gun). Teaming arrangements made with GML who will be the Canadian lead contractor and CDC who will supply the C3I element. Bids submitted to DND end Aug 84 and short list of 3 expected Feb 85. Requirement for 100% SEB. Quality and quantity of offset is likely to be key.

PRODUCT: RAPIER

FIRM : BRITISH AEROSPACE DG

VALUE :£m 100.00 MINISTERIAL: Minister(DP) authorised BAe to place small (£0.2m) contract on non-competitive basis in Canada for Rapier Pin Driver Micro-circuit hybrids.

REF NO CON.DATE
225 1985 COMPETITION: Sweden(RBS-70),France(Roland&Crotale),Switzerland(ADATS).

COUNTRY: USA REMARKS: US Army has agreed to lease of 30 L119 105mm Light Guns for evaluation with possibility of eventual fielding in all light divisions. 6 guns already in US for evaluation; firm lease agreement for these and remaining 14 guns to be negotiated in Feb 1985. Potential business of over \$100m if evaluation is successful, although dependent upon compatibility with US M200 charge system. Ultimately release of technical data and licenced manufacture in US required.

PRODUCT: 105mm LIGHT GUN (UK)

FIRM : ROYAL ORDNANCE FACTORIES

VALUE :£m 85.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE
1766 N.K. COMPETITION: USA

COUNTRY: USA REMARKS: Request for quotation issued in April 1984 for development and production of a Navy Aircrew Common Ejection Seat (NACES) for the F-18,F-14D,T-45 and A-6E upgrade aircraft. The Martin Baker Aircraft Company has submitted its bid. Contract award scheduled for February 1985.

PRODUCT: EJECTION SEATS

FIRM : MARTIN BAKER

VALUE :£m 95.00 MINISTERIAL: Minister (DP)
INVOLVEMENT:

REF NO CON.DATE
749 1985 COMPETITION: USA(Douglas & Stencel)

ANNEX C - PRIORITY ONE PROSPECTS - NORTH AMERICA

COUNTRY: <u>USA</u>	REMARKS: Minister (DP) and Secretary USN have jointly agreed that UK should proceed with its FLIR development programme, adjusted to ensure that the equipment is suitable for AV-8B, and that UK will bear full development costs. FLIR procurement will be awarded to UK contractor for AV8B and GR5. Remaining changes required to give both aircraft full night capability will be undertaken within a joint programme, costs to be shared along lines of existing AV8B/GR5 MOU.
PRODUCT: FLIR FOR AV-8B	
FIRM : GEC AVIONICS	
VALUE :£m 235.00	MINISTERIAL: Minister (DP)
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA
1768 1985	
COUNTRY: <u>USA</u>	REMARKS: McDonnell Douglas have been awarded a contract by the USN, initiating full scale development of the T45 Hawk training system. Total cost of development is \$438m. Delivery of 300 production aircraft is due to run from 1989 to 1997. Total programme cost \$3.2 billion. BAe's share of aircraft design and production is around 18% of this sum. The programme will continue to be closely monitored through DSO(Washington) in support of UK industrial interests.
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 500.00	MINISTERIAL: Minister (DP), Secretary of State.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA.
77 1985	
COUNTRY: <u>USA</u>	REMARKS: Development of the JP233 airfield attack weapon system was originally a joint UK/US project from which the USAF withdrew in 1978 due to lack of funding. USAF now seem poised to develop & procure a system known as DAACM (Direct Airfield Attack Cluster Munition). HEL's HB876 now represents best prospect of a sale to the US. The USAF are in no doubt that DAACM must have area-denial mines, and HB876 is widely regarded as the only feasible option in timescale.
PRODUCT: HB876 AREA-DENIAL MINE	
FIRM : HUNTING ENGINEER	
VALUE :£m 155.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA
1769 N.K.	
COUNTRY: <u>USA</u>	REMARKS: Initial contract signed 13.12.84 between Asst Sec US Army and Minister(DP)- value £2.1m. Potential value of sales to US \$200-300m. In the light of past difficulties with this programme, and in advance of a firm commitment by US Army to follow-on procurement of mortars UK's interests will continue to be closely monitored by DSO(Washington).
PRODUCT: IMPROVED 81mm MORTAR	
FIRM : ROYAL ORDNANCE FACTORIES	
VALUE :£m 200.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1915 N.K.	

ANNEX C - PRIORITY ONE PROSPECTS - NORTH AMERICA

COUNTRY: <u>USA</u>	REMARKS: US Army has issued the RFP (Request for Proposals) for the MSE requirement. Contract award scheduled for March/April 1985. Plessey have formed consortium with US companies Rockwell Collins (as prime) and ITT to respond. If successful, Plessey's share of business could total \$1.5 billion. Ptarmigan, upon which Plessey's response to MSE is based, has been successfully demonstrated to senior US Army officers, as part of bidding process.
PRODUCT: MOBILE SUBSCRIBER EQUIPMENT	
FIRM : PLESSEY DEFENCE SYSTEMS	
VALUE :£m NK	MINISTERIAL: Minister (DP), Secretary of State.
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA, France.
578 1985	
COUNTRY: <u>USA</u>	REMARKS: USAF have decided to use \$50m appropriated by Congress in FY83 to extend the 'Rapier Role Model' and procure Rapier for use in Turkey. A confirmatory letter from the US Assistant Secretary International Security Policy has been handed to Minister (DP); contractual negotiations are ongoing together with discussions over the package of UK concessions in support of this procurement.
PRODUCT: RAPIER	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 44.00	MINISTERIAL: Minister (DP)
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
227 1985	
COUNTRY: <u>USA</u>	REMARKS: US Army has a requirement for re-engining of Blackhawk and Apache helicopters, commencing 1990 and spreading over 7 years. 1400 engines required for Black Hawk and probably a further 600 for Apache. RR and Turbomeca (France) have responded to the US Army funded study into suitability of RTM-322 to replace existing GE T700 in Black Hawk. US interest in RTM-322 is real.
PRODUCT: RTM-322 TURBOSHAFT ENGINE	
FIRM : ROLLS-ROYCE	
VALUE :£m 620.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: USA (Sikorsky-existing supplier to Sikorsky & Hughes)
1912 1990	
COUNTRY: <u>USA</u>	REMARKS: US/UK agreement for UK participation in Trident II (D5) weapon system program signed in April 1982. Approx 1500 UK firms briefed and around 290 "approved" as potential suppliers. Competition commenced mid 83 and expected to continue at least until late 86. No guaranteed offset sum. To date 26 awards (value £11m) made to UK industry but total value not known until competition complete. Unlikely to exceed single percentage figure of UK dollar outlay.
PRODUCT: TRIDENT II (D5) COMPONENTS	
FIRM : VARIOUS	
VALUE :£m NK	MINISTERIAL: Agreement (exchange of letters) signed by S of S. Both S of S and Min(DP)/US
	INVOLVEMENT: of S(DP) have been given briefs on progress of UK industry.
REF NO CON.DATE	COMPETITION: USA
1767 N.K.	

ANNEX C - PRIORITY ONE PROSPECTS - LATIN AMERICA

COUNTRY: <u>BRAZIL</u>	REMARKS: Westlands are competing for two separate requirements; 16 aircraft for use by the Brazilian Navy on their new corvettes and 8 aircraft for use by the Marines in a troop carrying role. Credit cover will be required for this sale and its provision will be a problem.
PRODUCT: LYNX (NAVAL)	
FIRM : WESTLAND HELICOPTERS	
VALUE :£m 100.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: France, Italy, USA.
196 1985	
COUNTRY: <u>BRAZIL</u>	REMARKS: Originally Brazil was to buy engine kits and components for the AMX via Italy, but it is now almost certain that Brazil will purchase direct from Rolls Royce. An initial order worth about £16m is expected during 1985. Further and larger orders will follow. Brazil may seek credit for these purchases but ECGD support is unlikely to be available unless RR can remove HMG from the liability involved.
PRODUCT: RB.168 SPEY ENGINE	
FIRM : ROLLS-ROYCE	
VALUE :£m 100.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1712 1985	
COUNTRY: <u>CHILE</u>	REMARKS: Ferranti have been competing for this requirement for over 2 years and are hopeful of achieving a contract during 1985. The update is linked with certain airframe changes which may affect Ferranti's chances.
PRODUCT: MIRAGE AVIONICS UPDATE	
FIRM : FERRANTI ELECTRONICS	
VALUE :£m 12.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Israel, France.
1713 1985	
COUNTRY: <u>CHILE</u>	REMARKS: The Chilean Navy has a requirement for up to 200 Seacat missiles for its UK built vessels (2 County Class, 2 Almirante Class, & 2 Leanders). Whilst budgetary constraints preclude a once off buy, Shorts are hopeful that an initial contract for 40/50 missiles will be concluded by mid/late 1985.
PRODUCT: SEACAT	
FIRM : SHORT BROS MISSILE DIVISION	
VALUE :£m 10.00	MINISTERIAL: INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1714 1985	

ANNEX C - PRIORITY ONE PROSPECTS - LATIN AMERICA

COUNTRY: <u>CHILE</u>	REMARKS: The Chilean Navy has said it will purchase, subject to negotiations on price/hull condition, one of the inshore survey ships to be offered for sale in 1985. There is also interest in RFA ENGADINE and the remaining County Class vessels.
PRODUCT: SURFACE WARSHIPS	
FIRM : HMG	
VALUE :£m 20.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1715 1985	
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 but much depends on their proposals for financing the sale.
PRODUCT: SWINGFIRE	
FIRM : BRITISH AEROSPACE DG	
VALUE :£m 10.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
604 1985	
COUNTRY: <u>ECUADOR</u>	REMARKS: Racal have signed a contract for half of Ecuadorean Army's current tactical communications requirement. However the contract will not become effective until the financial package has been agreed. Ecuador is currently off ECGD cover and Racal have therefore been obliged to take some of the risk themselves and arrange commercial credit cover for the remainder. Tadiran (Israel) are believed to have won the other half of the order.
PRODUCT: COMMS EQUIPMENT	
FIRM : RACAL-TACTICOM	
VALUE :£m 11.20	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION: Israel(Tadiran)-see above, France (Thomson-CSF)
1545 1984	
COUNTRY: <u>ECUADOR</u>	REMARKS: BAe have a letter of intent from the Ecuadorean Air Force for the purchase of a single Jaguar plus spares and ancillary equipment to cover attrition losses. Ecuador is at present off ECGD cover and BAe are offering credit at their own risk. It is likely that BAe will purchase one of the surplus ex-RAF Jaguars to meet this requirement.
PRODUCT: JAGUAR	
FIRM : BRITISH AEROSPACE AG	
VALUE :£m 9.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
601 1985	

ANNEX C - PRIORITY ONE PROSPECTS - LATIN AMERICA

COUNTRY: ECUADOR REMARKS: Ecuador's newly acquired Esmeralda class corvettes are fitted with helicopter platforms but no helicopters have yet been purchased. Westlands have successfully carried out a Naval Lynx landing on board these ships and are hopeful of achieving a sale. The requirement will be for 6-8 aircraft. Ecuador is currently off ECGD cover and there are therefore likely to be problems with any finance package.

PRODUCT: LYNX (NAVAL)

FIRM : WESTLAND HELICOPTERS

VALUE :£m 30.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE

1716 1986 COMPETITION: France, Italy.

COUNTRY: ECUADOR REMARKS: There has been a long standing requirement for RWRs for fitting to the FAE Jaguars. Budgetary problems have delayed the sale. However, Marconi are hopeful of getting a contract signed within the next few months.

PRODUCT: RADAR WARNING RECEIVER

FIRM : MARCONI DEFENCE SYSTEMS

VALUE :£m 1.00 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE

1717 1985 COMPETITION:

COUNTRY: ECUADOR REMARKS: BAe(DG) have Ecuadorian Letter of Intent for purchase of Rapiere. But Ecuador is off ECGD cover and contract signature will depend on the firm's ability to present a suitable finance package which could involve counter trade. Firm now making new proposals.

PRODUCT: RAPIER

FIRM : BRITISH AEROSPACE DG

VALUE :£m 20.00 MINISTERIAL: Minister (AF) has cleared the early release of Blindfire, should this be
INVOLVEMENT: necessary.

REF NO CON.DATE

105 1985 COMPETITION: France (Crotale).

COUNTRY: PARAGUAY REMARKS: Shorts have submitted a quotation for 8 aiming units, the number of missiles to be supplied has not yet been decided. No decision is expected until the announcement of the 1985/6 Paraguayan defence budget in Spring 1985.

PRODUCT: BLOWPIPE

FIRM : SHORT BROS MISSILE DIVISION

VALUE :£m 3.50 MINISTERIAL:
INVOLVEMENT:

REF NO CON.DATE

1718 1985 COMPETITION:

ANNEX C - PRIORITY ONE PROSPECTS - LATIN AMERICA

COUNTRY: VENEZUELA	REMARKS: BAe obtained a contract just before the outbreak of hostilities in the South Atlantic in 1982. As a result, the down-turn in the Venezuelan economy was also a factor, it was never made effective. The Venezuelan president and senior military figures have now changed and there are signs that the time may be right to try and revive the issue.
PRODUCT: HAWK	
FIRM : BRITISH AEROSPACE AG	
VALUE : £m 100.00	MINISTERIAL:
	INVOLVEMENT:
REF NO CON.DATE	COMPETITION:
1719 1985	

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ANNEX C - PRIORITY ONE PROSPECTS - LATIN AMERICA

REMARKS: BAE obtained a contract just before the outbreak of hostilities in the South Atlantic in 1982. As a result, the downturn in the Venezuelan economy was also a factor, it was never made effective. The Venezuelan president and senior military figures have now changed and there are signs that the time may be right to try and revive the issue.

COUNTRY: VENEZUELA

PRODUCT: HAWK

FIRM: BRITISH AEROSPACE AC

VALUE: £m 100.00

MINISTERIAL:
INVOLVEMENT:

REP NO: 1719
CON. DATE: 1982

COMPETITION:

FT MAR 1985

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