

# Speech: Promoting Our Prosperity

I'm delighted to join you today for the final session.

Over the last two days you've been discussing a security landscape that is becoming increasingly unpredictable and uncertain.

Recently the independent reviewer of terrorism law (Max Hill QC) said the danger of attack is as great as at any time since the 1970s.

Yet we don't just face problems from the asymmetric threat of Islamist extremism but also from Russian aggression and cyber warfare.

At the same time, we're preparing to implement the decision of the British people to leave the European Union; stepping back from the EU while stepping up our commitment to international security.

## **IMPLICATIONS FOR UK DEFENCE**

What do all these events mean for UK defence policy?

The short answer is that, despite big changes, the important things are staying the same.

Our three National security objectives listed in 2015's Strategic Defence and Security Review – to protect our people, project our influence, and promote our prosperity – remain right for today.

We're one of only five NATO nations meeting the 2 per cent target and we'll continue investing in defence equipment: using our growing budget and £178bn 10-year equipment plan to spend on world class capability such as Dreadnought submarines and carriers, frigates and F-35.

Above all, we're determined to become, what our Prime Minister calls, a "global Britain", working with our NATO allies to front up to aggression from a position of strength, while joining forces with our bi-lateral friends to bring a tapestry of capability to bear on international problems.

## **RELEVANCE FOR DEFENCE INDUSTRY**

But what does all this mean for the Defence industry?

Rest assured, we're more aware of your value than ever.

And nowadays we're not just looking for you to devise new game changing technologies, making the most of autonomy, cyber and big data, to keep one step ahead of our competitors.

Nor are we simply expecting you to focus on value for money as the demands on our budget rise.

We're also turning to you to enhance the UK's prosperity.

Our SDSR was the first time we officially recognised promoting prosperity as a national security task.

Now that strategic exports are a core activity for MOD, we need your help increasing defence sales and inward investment.

It's a lot to expect but the good news is we're here to help.

That doesn't mean we're going to retreat into a protectionist shell.

We don't believe in propping up inefficient industries

Instead, we believe in the power of free markets to push our companies further.

So we're going out of our way to create a can-do, pro-growth culture.

In three ways:

## **1. INNOVATION**

First, we're investing in innovation.

This is an area where Britain traditionally has had strength in depth.

We gave the world radar, the jump jet and the world wide web.

Today we're leading the way in wing design and intelligent systems.

Tomorrow we will have produced dragonfly drones and sub-orbital engines.

But we can't rely on natural talent and serendipity to see us through.

So six months ago, we launched our innovation initiative.

It's all about pushing the boundaries, making defence more open to risk and new ideas.

Consequently, we're speeding up the time it takes for suppliers to turn concepts into capabilities.

We've set up an Innovation Fund worth around £800m over 10 years to pump prime investment into advanced new solutions, such as laser directed energy weapons and unmanned rotary wing technologies.

And we're running a set of competitions to develop leading edge capabilities in everything from rapid and automated integration of new sensors to machine learning algorithms.

Last week we unveiled the next stage in our plan.

Professor Hugh Durrant-Whyte has become our new Chief Scientific Adviser, with direct accountability for the defence research programme...which is 1.2%

of Defence's annual budget.

He'll be working across defence and internationally to stimulate defence innovation, commission research, and use technology to keep our people safe.

At the same time, we've been gearing up our new Defence Innovation Advisory Panel, with high-profile appointees including astronaut Major Tim Peake; outgoing director of GCHQ, Robert Hannigan; and the founder and chairman of McLaren, Ron Dennis.

These inspiring individuals will challenge the Defence status quo...ensuring we become innovative by instinct.

## **2. INDUSTRIAL STRATEGY**

There's a second way in which we're creating a pro-growth culture.

We're tapping into the broader currents of Whitehall's industrial strategy by strengthening clusters of defence capability around the country, in Scotland, the South West, the North West and North Wales.

We're determined to make this a country that works for everyone.

Sir John Parker's recent report suggested how we could use such centres of expertise to improve our shipbuilding capability: embracing digital engineering and proposing the creation of a Virtual Shipbuilding industry model.

In other words, rather than a single shipyard building a ship from scratch, a vessel would be built in blocks by different sites across the UK as we've done with carrier, ensuring high productivity, competitive cost and a dramatic reduction in build time.

Sir John's report will inform our shipbuilding strategy due out in the Spring.

But switch domains from sea to air and you can already see what stronger clusters will mean for the UK.

Over in North Wales, Government and business joined forces and last year won the F-35 Maintenance, Repair and Overhaul contract award.

Their bid was so compelling it established Britain as a hub for all European F-35s: sustaining, in turn, potentially thousands more high value jobs across the supply chain, generating hundreds of millions – and potentially several billions of pounds of revenue – supporting hundreds of jobs in Wales and extending Britain's reputation for excellence worldwide.

I'd like to thank all those who helped make it possible.

It was a truly team UK effort.

### **3. PARTNERSHIPS**

But this brings me to my final point.

Creating a pro-growth culture, means strengthening partnerships between Government and industry.

So we'll be looking to you to collaborate more – sharing the risk and reward of research and development.

We want you to build exportability in as standard from the outset, placing even greater emphasis on the use of modularity and open systems.

And we'll be looking for you to follow Boeing's example and increase bid opportunities for UK suppliers – large and small.

Significantly, Boeing recently announced their first European manufacturing facility will be in Sheffield.

You help us and we'll help you.

That's why we're making sure our refreshed industrial strategy will continue supporting the growth and competitiveness of UK companies.

It's why we're reaching out to imaginative industries outside defence...to import new ideas and ways of working. This time last week I was in Farringdon, chairing the Small Business Forum at a digital start-up company.

It's why we're working day and night alongside our colleagues in the Departments for Exiting the EU and Business, Energy and Industrial Strategy to address issues that affect industry after we leave the EU; whether it's Defence exemptions from EU regulations on movement of goods or access to skills and experience.

And it's why we will continue to tirelessly bang the drum for British business at home and abroad through export support; our expanded Defence attaché network; and speeches like this.

### **CONCLUSION**

So despite mounting pressures, exciting new possibilities are opening up.

And by working together to build a winning mentality and develop a pro-growth culture we will do more than enhance our capability, more than increase our prosperity, more than inspire a new generation of innovators.

Together we will emulate the effect of that famous F-35 contract in Wales and send the strongest of signals to the world that our great defence industry and our great global nation are very much open for business.

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# News story: Defence Minister launches new Army apprentice awards

As the largest provider of apprentices in the UK, the Ministry of Defence is celebrating the tenth National Apprenticeship Week by honouring its apprentices right across the country and across the services.

To kick start the week, the British Army announced they will host their first ever Apprenticeship Awards in 2018.

Announcing the awards at Gibraltar Barracks in Camberley, Defence Minister Mark Lancaster introduced some of the highest performing soldier apprentices who have recently qualified in their field, including Margate-born Lance Corporal Tristan Willis, who is pursuing a career in the infantry.

Defence Minister Mark Lancaster said:

As the UK's largest apprenticeship provider, we are delivering a huge range of training and skills right across defence, and it's great to see the likes of Tristan taking advantage of that. I'm sure the awards launched today will motivate more like him to excel in their field and help the military to continue leading the way for British apprenticeships.

24 year-old Army apprentice Lance Corporal Tristan Willis of the 1st Battalion, Mercian Regiment said:

I came into the Army to gain some qualifications. So far I've done my level 1 and 2 in both Maths and English, have also gained a Public Services Apprenticeship and I'm currently enrolled to do an Engineering apprenticeship, despite not having any experience with cars or anything like that.



Defence Minister Mark Lancaster introduced some of the highest performing soldier apprentices. Crown copyright.

The RAF Apprenticeship Awards, now in its sixth year, will also take place today at RAF Honington. The annual event is a chance for the RAF to promote and celebrate the achievements of their valued apprentice mechanics, technicians and engineers.

Elsewhere, in London this week, the Navy will be celebrating their apprentices on-board the Type 23 frigate HMS St Albans which is docked alongside Thames Quay at West India Dock this week.

Two apprentices from each service, along with one of the MOD's many civilian apprentices, will be attending an exclusive lunch reception at the House of Commons on Thursday in an event aimed at recognising the esteem in which apprenticeships are held.

Together with industry, the MOD is working to achieve three million apprenticeship starts by 2020 as part of the Government's manifesto.

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[News story: Defence Secretary](#)

# underlines UK commitment to European security

Speaking at a meeting of European Union Defence Ministers in Brussels, Sir Michael Fallon called on the EU to step up cooperation with NATO in order for the two organisations to more effectively tackle shared security challenges, including hybrid warfare and cyber.

Sir Michael also called for an improvement in Europe's performance in building national capabilities that can be made available to the EU and NATO. This requires more defence spending and better investment in key equipment.

Britain's commitments in 2017 underline the leading role in European Security the UK will continue to play. This year, Britain is leading NATO's Very High Readiness Joint Task Force, a Brigade-size force which is ready and willing to respond to any threat. This spring, the UK will also deploy a battle group of around 800 personnel to lead in Estonia NATO's Enhanced Forward Presence.

The Defence Secretary also confirmed Britain's strong role in EU missions and operations. HMS Echo is currently helping to tackle people smugglers in the Mediterranean, as part of the EU's mission Operation Sophia. Royal Navy deployments to the operation have helped destroy over 120 smuggling boats, apprehending 20 suspected smugglers in the process, and have helped to rescue 10,000 people from the high seas.

Britain also has over 150 UK personnel committed to EU missions and operations, including in Bosnia, Mali and Somalia, demonstrating Britain's global reach.

Defence Secretary Sir Michael Fallon said:

We are leaving the EU but we will continue to cooperate with our European partners on defence and security. This includes playing our part in the mission in the Mediterranean, rescuing migrants and tackling people smuggling.

Today I have urged the EU to cooperate more closely with NATO, to avoid unnecessary duplication and to work together on new threats, including cyber.

Sir Michael called on the EU and NATO to redouble their efforts on cooperation, noting that while good progress has been made, more work needed to be done, particularly on cyber, hybrid, maritime and coordinated exercises.

Today's meeting also brought forward improvements to the EU's Common Security and Defence Policy (CSDP) missions and operations, through the Military Planning and Conduct Capability (MPCC), to help improve planning and conduct

of the training missions (known as non-executive missions) and to enhance civilian and military working. Important improvements to the agreement, suggested by the UK, were agreed today, including limiting the authority of the Director of the MPCC, and avoiding duplication with NATO structures.

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## [News story: Defence Secretary applauds service of globally deployed Scots](#)

During a visit to Edinburgh, Sir Michael met soldiers from Scots-based Army units. Many have either recently returned, or are about to deploy on missions with the UK's allies overseas.

Defence Secretary Sir Michael Fallon said:

Scotland is on the frontline defending the United Kingdom from growing threats at sea, in the air, and on land. Whether countering Daesh, improving security in Afghanistan, or playing a leading role in peace-keeping missions, Scottish troops deserve our gratitude for the incredible job they do.

At any time, at least 20% of the troops from Army units in Scotland are actively involved in operational, defence engagement or training with other nations.

Midlothian-based personnel of The Royal Highland Fusiliers, Second Battalion the Royal Regiment of Scotland (2 SCOTS) are part of the UN mission in South Sudan. They are also supporting NATO's Very High Readiness Joint Task Force and is currently deployed to Kenya where it is leading battle group training for 950 personnel.

Scotland's 51 Brigade have taken part in exercises with the Emiratis, Kuwaitis and the Qatari Armed Forces.

Scotland is also home to the UK's nuclear deterrent submarines at Her Majesty's Naval Base Clyde, and the Quick Response Aircraft at RAF Lossiemouth.

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# RAF A400M 'ATLAS' demonstrated to NZ Air Force

A glorious day in Wellington, New Zealand, provided the perfect backdrop for the RAF to show-off the Airbus A400M 'Atlas' to the Royal New Zealand Air Force as part of a prestigious partnership between the two nations.



The A400M, based at RAF Brize Norton in Oxfordshire is the newest aircraft in the RAF's fleet. It boasts cutting edge technology, combined with sheer brute strength to make it a formidable strategic and tactical air lift platform. Able to deploy globally, it specialises in carrying over-sized loads and can transport a load of 25 tonnes over a range of 2,000 nautical miles.



The A400M combines huge lifting power with agility, with manoeuvrability akin to a fast-jet rather than an Air Transport Aircraft. It is a phenomenally capable aircraft and able to fly at a staggering 170 degrees angle of bank.



Number 70 Squadron demonstrated the aircraft to Air Commodore Darryn Webb, the New Zealand Defence Force Air Component Commander on a short flight around New Zealand's stunning islands.



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