



# NORWEGIAN DEFENCE AND SECURITY INDUSTRIES ASSOCIATION (FSi)

THE LEADING ASSOCIATION IN NORWAY ADVOCATING THE INTERESTS OF ITS SECTOR, AND THE PRIMARY INTERLOCUTOR FOR THE GOVERNMENT IN MATTERS OF IMPORTANCE TO THE INDUSTRY. AFFILIATED WITH THE CONFEDERATION OF NORWEGIAN ENTERPRISE (NHO) AND REPRESENTING MORE THAN 100 COMPANIES

## LEDEREN HAR ORDET:

# 2008 – Et avgjørende år for forsvars- og sikkerhetsindustrien

### Godt nytt år!

2008 ligger an til å bli et viktig år for Forsvars- og sikkerhetsindustrien. En rekke viktige politiske vedtak og andre tiltak som vil ha stor betydning både for rammebetingelsene og markedsforholdene for bransjen vil bli satt ut i livet.

Allerede i januar starter behandlingen av St. meld. Nr. 38 (2006-2007) "Forsvaret og industrien - Strategiske Partnere" i Stortinget. Et tettere strategisk partnerskap mellom Forsvaret og industrien er viktig for begge parter. Beslutninger om et sterkere partnerskap, og evnen til å iverksette konkrete oppfølgingstiltak, vil ha store konsekvenser i lang tid fremover. Et strategisk partnerskap forutsetter stabile og langsiktige rammebetingelser. Samarbeid fra dag én om anskaffelser, målrettet bruk av gjenkjøp og posisjonering av norsk industri i internasjonale samarbeidsprosjekter er bærende prinsipper

i den strategien som regjeringen presenterer i meldingen. Uten langsiktighet, kraft og tempo i samarbeidet vil resultatet kunne bli en varig svekkelse av kompetansen i industrien og Forsvaret.

Derfor er det viktig at det reviderte Anskaffelsesregelverket for Forsvaret og de tilhørende Bestemmelser for industrielt samarbeid ved anskaffelser fra utlandet (Gjenkjøpsretningslinjer), som det er meningen å sette ut livet etter at Stortinget har behandlet meldingen, blir effektive verktøy som bidrar til å sikre at målsettingene i meldingen blir oppnådd. Det er særlig viktig at det nå legges til rette for tidlig samarbeid mellom Forsvaret og industrien. Dette må gjøres på en slik måte at Forsvaret kan utnytte den kompetansen som finnes i industrien i prosjektenes tidlige faser uten at dette får negative konsekvenser for bedriftenes muligheter til å bli leverandør i de samme prosjektenes. Dette må et revidert regelverk ivareta. Likeledes er

den bebudede styrkning av gjenkjøpsordningen et viktig tiltak for å øke markedsadgangen for norske bedrifter i ellers beskyttede nasjonale markeder for forsvarsmateriell.

Senere på vinteren legger regjeringen frem en langtidsproposisjon for Forsvaret. Denne skal bl.a. bygge på FS07 og innstillingen fra Forsvarspolitisk utvalg. Endringer i Forsvarets styrkestruktur og organisasjon vil påvirke markedsforholdene for industrien både i forhold til hvilke prosjekter som blir gjennomført og omfanget av disse. Organisatoriske endringer kan også over tid komme til å påvirke industriens rolle i.f.t. understøttelse av materiell og systemer i operativ bruk i Forsvaret.

Forsvarsdepartementet har nylig sendt ut en forespørsel (Request for binding information (RBI)) til kampflykandidatene. Mot slutten av året er det planen å legge fram en stortingsproposisjon med anbefaling om hvem det skal inn-

ledes forhandlinger med. Før vi kommer så langt skal kampflykandidatene besvare forespørselen fra norske myndigheter som også skal inneholde en detaljert plan for hvordan de har til hensikt å sikre at anskaffelsen også gir et tilfredsstillende industrielt utbytte for Norge. Kampflyprosjektet er en av norgeshistoriens største anskaffelser og utfallet er svært viktig for mulighetene til å opprettholde og videreutvikle konkurransedyktige forsvarsindustrielle miljøer i Norge på sikt.

2008 blir et spennende og utfordrende år for bransjen og det vil i løpet av året bli lagt mange føringer som har stor betydning for bransjens rammebetingelser i årene fremover. FSi vil aktivt følge opp og løpende gi innspill til arbeidet med utformingen av rammebetingelsene og implementeringen av St. meld. Nr. 38, slik at industriens interesser blir ivare tatt på best mulig måte.



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## The short term and long term future of the Navy

The Norwegian Navy spends some 3 billion NOK (385 MEUR) per year, and is in dire need of significant material investments. During the FSI's Marine Defence seminar, the current Navy ideas, wishes and projects were presented.

- In total, the Navy has identified some 90 project ideas and planned projects from now to 2030. - These are projects of diverse scope and nature, said Commander Per Christian Borgen from the Navy Chiefs of Staff when he presented the wish list from the Navy for the years ahead.

The list Borgen presented contained items like new torpe-

does for the frigates, and NSM with shore target capability for the frigates as well as the MTB's.

- Furthermore, both vessel classes need a replacement for today's electro-optical binoculars, the Vigy 20, which haven't performed as was expected, said Borgen, expressing hope that there should be an opportunity to achieve good co-operation with Norwegian industry.

Borgen also envisioned an Evolved Sea Sparrow missile with extended range in order to use the frigates in a role of air space defence.

For the MTB's, Borgen wanted an upgrade of the

weapons station to the Mistral missiles, so that these could be operated from the inside, as well as laser alerts for both the Skjold and the Hauk classes.

- The MTB's have been approved by the Stortinget, and we are proceeding with the MTB project until there is a parliamentary decision to reverse the previous one, Borgen emphasises.

Borgen also mentioned that the Navy Special Forces have a need for a stabilised weapons station for the Hellfire missiles on Stridsbåt 90. In the longer term, the Navy has started thinking about a replacement for Stridsbåt 90.

Borgen also expressed a wish for anti-aircraft capability on the mine vessels.

The much-discussed multi-role logistics vessel for which both the Navy and other defence branches have for a long time recognised a need, was naturally also high on the Navy's wish list. Borgen suggested 1-2 vessels as a likely number, and called this a project valued at more than 500 MNOK (64 MEUR).

Commander Borgen mentioned in closing that the projects he had presented, were to be regarded as a very "optimistic wish list" as seen from the Navy's side.

## Swedish-Norwegian co-operation on national security

Under cooperation of Saab and FSI, the Norwegian-Swedish seminar on national security was arranged at the Voksenåsen Conference Centre overlooking Oslo, on the same day that the Swedish Minister for Foreign Affairs, Mr. Carl Bildt, had presented the debate-provoking view that the Swedish Defence cannot remain passive onlookers in the event of military aggression against Norway.

The Swedish Ambassador to Norway, Michael Sahlin, picked up on this thread in his introductory address. - We have in many ways gone from a minimalist situation with peace between the nations, to a situation of commitment where the nations are co-operating and are willing to contribute to each other's defence. This is an exciting development, rich in possibilities, not least with a

view to the great opportunities and needs in the northern territories.

Researcher Håvard Fridheim of the FFI (Norwegian Defence Research Establishment) in his address pointed to the market and the technological development having brought on a situation where security has in several ways landed in a grey zone where clearly defined responsibility areas are missing. An example of this is the provision of telephone and telecommunications services, where a vast number of service providers contribute to a very unclear picture of who is responsible for the security in the systems. At the same time, the competition in the market makes it unprofitable for the service providers to push stronger security systems.

- The great security challenge today is that everyone

wants security systems that provide total security, while remaining unseen and non-intrusive, and all the time costing nothing at all, Fridheim remarked pointedly.

### Climate - a new security threat

Director of Research, Bengt Sundelius of the Swedish Emergency Management Agency, pointed out that Sweden now has defined the climate development on the list of national security challenges.

- Whether the threat of climate changes and global warming should be on our list of domestic security challenges, is naturally open to discussion. While the climate threat is a global challenge, the consequences as we see them today will be less for Sweden than for most other countries. The question might then be whether the

climate threat should be addressed more strongly in our international aid and development programmes, rather than our national security programmes.

### From defence to total security supplier

Several of the industry's speakers pointed to the development in their own companies over recent years. Defence suppliers progress from pure defence system makers to comprehensive security providers. Gunnar Fredriksson of Saab Norway AS showed how Saab has expanded from its traditional role of defence supplier to becoming a total solutions provider in the area of societal security. - This is a development that can be seen in nearly all branches of the defence industry today, all over the world, said Fredriksson in conclusion.

# The combat aircraft project provides extra composite competence

The National Centre for Composite Competence (NKS) is being established at Raufoss. The centre will be working towards increasing the competence of Norwegian industry in the area of composite materials.



Photo: Gripen International

The background for the centre was an initiative from the Ministry of Defence and the Ministry of Trade and Industry in connection with the combat aircraft project. From the Government side, there has been a wish that Norwegian industry could benefit to a greater extent from the technology transfer in the area of composite materials. The idea has been that through such a competence centre, more Norwegian businesses would be able to raise their competence through the industrial agreements that will

ensue in connection with the Air Force procurement of new combat aircraft.

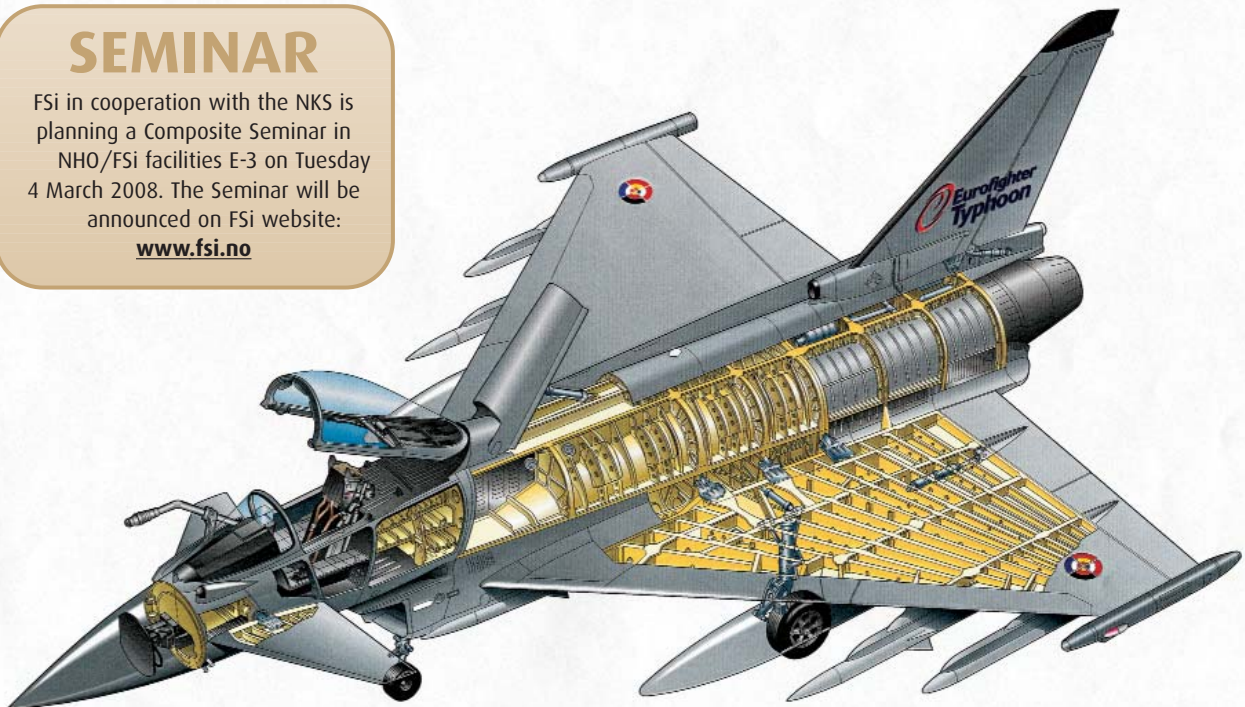
FSi distributed an inquiry to its member companies, among whom NAMMO Raufoss, Kongsberg Defence & Aerospace, UMO Mandal and Hexagon flagged their interest.

Together with Innovation Norway, who has provided the core capital of 5 MNOK, the foundation of National Centre for Composite Competence was established.

- Beyond the basic capital, the centre will get its revenues

## SEMINAR

FSi in cooperation with the NKS is planning a Composite Seminar in NHO/FSi facilities E-3 on Tuesday 4 March 2008. The Seminar will be announced on FSi website: [www.fsi.no](http://www.fsi.no)



The use of composite material in aircraft has grown considerably in recent years. While the composite ratio in the F15 were about 2% (weight), the composite ratio for modern fighter aircraft like the Gripen, Eurofighter and F-35 Lightning II is probably 25% or more. Through the National Centre for Composite Competence, aircraft industry technology and competence shall be passed on to other disciplines in the Norwegian composites industry.

Photo: Eurofighter

from sales of industrial competence to the industry, says newly appointed Chairman of the Board, Onne Verberne, while emphasising that the centre will be working on the industrial leveraging of the knowledge, and will not be a research institution for materials technology.

- In our tenets, we state that we shall contribute to the industry's use of "advanced composite materials". This is, of course, a rather imprecise statement, and the tenets go to great lengths in defining the meaning of this term more precisely.

- But briefly, a composite material is a material composed of different substances, Verberne explains. - We want to focus on businesses designing composites products, for the finished product to achieve the desired properties in terms of strength, stiffness, extreme temperature tolerance, etc.

- It will be required from these businesses that they perform calculations and/or simulations of their processes in order to predict these often directional properties.

For example, the appro-

priate location of a fibre reinforcement may be vital in determining whether the finished component meets with the requirements applicable to deliveries for a jet fighter aircraft.

In other countries, the aircraft industry is to a great extent the driving force behind the development of knowledge and competence in composite material technology. - With no Norwegian aircraft industry of its own, we regard the combat aircraft project as the ideal door opener to the development of own competence in this area, says Verberne.

- The centre aims to make this competence available even to businesses that are not directly involved in the combat aircraft project, says Verberne.

- There is no reason why the products should be limited solely to military or civilian airplane construction, Verberne continues, mentioning shipbuilding, offshore installations, wind generators and niche products in the construction and building industry among many other arenas where composites may come into play.

The centre will be head-

quartered at Raufoss. The background for this is the several national initiatives already located in this area, such as the NCE (Norwegian Centre of Expertise) Raufoss, with its core fields within lightweight materials. There has also been established a national centre for research based innovation (SFI) at Raufoss, (NORMAN - Norwegian Manufacturing Future) with close ties to research establishments in Norway.

Raufoss, with its established mass production businesses, is host to the industrial department of this project. Any industrial exploitation of the composite materials' potential will depend heavily on automation competencies.

- For us, working with the goal of developing industrial competence, the area of automated manufacturing is an important one, Verberne underscores. - The manufacturing of composite materials is labour intensive, and the cost of labour is high in Norway. For this reason, automating the production is of key importance to businesses wanting to deliver composite products in greater numbers.

Furthermore, automation greatly influences the quality of the composite products.

- Building the production plant right is often vital in order to succeed, says Verberne, citing Hexagon, with its propane containers, as an outstanding example of a business with a high degree of automated production lines.

- Correspondingly, we find that others may have good product ideas, but are unable to automate production, says Verberne, adding that this is the reason why it is important for the centre to stay in contact with professional environments in the area of production automation.

- Early in the new year, we will be looking to appoint a General Manager for the centre.

- How many will be employed at the centre remains to be seen, and will be dependent on the amount and scope of assignments in the time ahead, Verberne explains, adding in conclusion that the centre will naturally also co-operate with other professional associations and institutions on both equipment and personnel resources.

## Giant composites investment by Kongsberg Gruppen

The Norwegian Kongsberg Gruppen is building an all-new plant for the manufacture of composite components. The factory will have a floor area of some 30,000 square metres, and including buildings, machines and equipment, the factory will represent an investment of approximately 700 MNOK, or 90 MEUR.

- The factory is being built here in Kongsberg, on the site that used to be home to the old Arsenal of the Armed Forces, says Atle Wøllo.

- The background for

the construction is the frame agreements we already have with Lockheed Martin and Northrop Grumman for the delivery of composite components to the F-35 Lightning II (Joint Strike Fighter), Wøllo continues. - But we are also continuing our efforts with Saab Gripen and Eurofighter, and the plant we are building will be in a position to deliver, regardless of what aircraft type Norway chooses.

- We chose to build the factory now, even though not all the contracts are final, Wøllo

explains. — If we were to wait, we would risk coming in too late, when all the contracts would already have been placed.

- Even though the Norwegian combat aircraft procurement project is the catalyst that has now made us start the construction of the production plant, we also see opportunities for other deliveries. We are already suppliers for helicopters, and naturally also for our own NSM (Naval Strike Missile), where the entire missile body is made of composite materials. -

We have also delivered composite-based solar cell panels for satellites, currently orbiting the Earth in space.

Wøllo emphasises, however, that Kongsberg is targeting the "Hi-Tech" sector of the composites market.

- In this market, the customers pose strict requirements to the quality of the supplied products, and this is something that suits us very well, with our extensive experience from previous deliveries to the defence and aircraft industries, says Wøllo in conclusion.

## German-Norwegian Chamber of Commerce in cooperation with FSi: Future Challenges for National Security Opportunities for Norwegian-German and International co-operation

The German-Norwegian Chamber of Commerce and FSi has held a 2-day seminar on societal security. Speakers from the two countries shared insights in the security situation in different layers of society. Moreover, industry and commerce had the opportunity to present various security systems and suggest solutions to today's security challenges.

The German Ambassador to Norway, Roland Mauch, made the new security situation in the world his standing point.

- The current threat level is very hard to determine; not only do we have external threats against our society, but internal threats from groups within our society makes the threat very unpredictable, said Mauch.

The problem of balancing security against personal freedom was also raised by Mauch.

- We all want the security checks in our airports to be simple, fast and minimally intrusive; we want to be able to send secure messages on the 'net, easy access to the Web bank and so on. But the simple security systems we perceive as user friendly, often mean that the security itself is compromised, Mauch emphasised.

The Norwegian side also raised the issue of the need for co-operation between the nations in view of the indeterminate security picture.

State Secretary Terje Moland Pedersen of the Ministry of Justice and the

Police mentioned the Interpol co-operation as well as the EU's development of a biometric database as current examples of international co-operation.

- About 95 % of all immigration applicants and asylum seekers arriving in Norway come without a passport or other valid identification or documentation, said Moland Pedersen, underscoring the need for a more extensive plan for integration as important in the fight against terrorism among groups born and raised in Norway.

### Internet attack on Estonia

Data and communications security was another of the many security areas in focus. Last summer, Estonia was the target of a massive computer attack, which led to the nation having to shut down all lines to abroad, said Helge André Sundt from Kongsberg Defence & Aerospace. - Exactly who mounted the attack is as yet undetermined, but it came shortly after the authorities in the capital city of Tallinn announced plans to remove a monument over Russian WW2 victims.

- But the attacker doesn't need to be a nation or a heavy organisation, Sundt emphasises. - It is quite sufficient that a relatively small number of computer hacks co-ordinate an attack while using other people's servers, computers and workstations to bombard the system with messages until the



Roland Mauch, The German Ambassador to Norway  
Photo: German-Norwegian Chamber of Commerce



State Secretary Terje Moland Pedersen  
Photo: German-Norwegian Chamber of Commerce

total system capacity is exceeded and the system runs into full blockage.

### Securing Norwegian harbours will be expensive

Per Kristian Johansen from the Borg Harbour near Fredrikstad pointed to the problems the Schengen treaty creates for Norwegian harbours with international traffic.

Italy, with more than 58 million inhabitants, has about 500 harbours with international traffic that have to comply with the Schengen requirements for security. Norway, with a population of 4.5 million people, has more than 700 such harbours.

- It is obvious that a majority of the Norwegian harbours are very small, with only occasional international

traffic. - The costs of upgrading these harbours to full compliance with Schengen regulations will make it impossible to operate these harbours in an economically feasible manner, Johansen said. - The alternative would be that international shipping traffic were concentrated on a smaller number of compliant harbours, with attendant reloading onto trucks and increased environmental impact, Johansen continued, adding that from a political view, there are clear signals to favour transport on ships.

- From my point of view, government funding is needed to cover the extra costs if all or most Norwegian harbours are to be rebuilt to the Schengen standard, says Johansen in conclusion.

**THALES**

Søker personell – [www.thalesgroup.no](http://www.thalesgroup.no)