



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:

Forsvarsindustrien – en bransje for fremtiden

Dersom Norge på sikt skal kunne videreføre et velferdssamfunn slik vi kjenner det i dag, må vi legge til rette for at annen virksomhet kan erstatte inntektene nasjonen har fra petroleumsvirksomheten. Satsning på kunnskapsbasert, høyteknologisk industri med evne til å drive kontinuerlig innovasjon, forskning og teknologiutvikling, som sikrer internasjonal konkurransedyktighet og dermed nasjonal vekst og verdiskapning, er en forutsetning for å kunne opprettholde en levestandard på det nivået vi har i dag. Forsvarsindustrien er en bransje der forutsetningene ligger til rette for å kunne bidra i betydelig grad til en slik utvikling.

Derfor er det viktig at også myndighetene deler dette synet. I en artikkel på Forsvarsdepartementets hjemmeside står det: «Forsvarsindustrien er en viktig kilde til sysselsetting i mange deler av landet. En av Stoltenberg-regjeringens viktigste oppgaver er å sikre fremtidsrettede arbeidsplasser, sier statssekretærene Lind og Barth Eide. – Norge må

forberede seg på et liv etter olje- og gassalderen, og denne sektoren kan bidra til å skape grunnlaget for dette.»

Forsvarsindustriens primære oppgave er å levere produkter, systemer og løsninger som Forsvaret etterspør til konkurransedyktige betingelser. For å kunne gjøre dette er industrien avhengig av å drive innovasjon og teknologisk utvikling på høyt nivå. En studie gjennomført av Forsvarets forskningsinstitutt på oppdrag fra Forsvarsdepartementet slår fast at forsvarsindustribedriftene er betydelig mer innovative enn andre næringer i Norge generelt sett. 58% av forsvarsbedriftene som var med i undersøkelsen har introdusert produkt- eller prosessinnovasjoner i perioden 2004-2006. Det tilsvarende tallet for alle næringer er 21%. For FoU er forskjellene enda større. Over 52% av forsvarsbedriftene har selv utført FoU arbeid i perioden, mens det tilsvarende tallet for alle næringer er 12%. I forhold til FoU er det også en interessant observasjon at forskjellene øker desto

mindre bedriftene blir. F. eks. viser undersøkelsen at i gruppen bedrifter med 10-19 ansatte driver over 40% av forsvarsbedriftene egen FoU, mot ca. 10% for alle næringer sett under ett.

Undersøkelsen viser at Forsvarsindustrien er en pådriver for høyteknologisk innovasjon på en rekke områder. Gjennom teknologi- og kompetanseoverføringer til sivil sektor styrkes også den samlede konkurranseevnen til norsk industri. Mange virksomheter, særlig små og mellomstore bedrifter, produserer flerbruksprodukter og det er en betydelig «spinoff-effekt» mellom sivil og militær teknologi. Undersøkelsen viser også at forsvarsindustrien gir store muligheter for små og mellomstore bedrifter. Bransjen er preget av regionale og teknologibaserte klynger. SMBene spiller m.a.o. en viktig rolle for å sikre industrien og Forsvaret tilgang til brede nasjonale idé- og vekstmiljøer. Dette gir grobunn for nettverk av små og mellomstore bedrifter (SMB) og langsiktige partnerskap mellom mindre be-

drifter og de store teknologilokomotivene. Industrien sikrer derfor mange norske lokalsamfunn verdifull kompetanse, læringsprosjekter og arbeidsplasser. De største forsvarsleverandørene gir stabile ringvirkninger lokalt i form av oppdrag og sysselsetting for mange hundre små og mellomstore bedrifter.

Forholdene ligger til rette for at forsvarsindustrien, i tråd med myndighetenes ambisjoner, kan bidra til å skape grunnlaget for fortsatt vekst og utvikling når oljen og gassen tar slutt. En forutsetning for at det skal lykkes er at myndighetene fortsatt satser på forskning og utvikling i forsvarsindustrien i et tett samspill med Forsvaret. Uten nye utviklingsprosjekter og samhandling mellom industrien og Forsvarets operative og tekniske miljøer vil ikke det potensialet forsvarsindustrien har i forhold til å bidra til vekst og utvikling i de kommende tiår kunne bli realisert.



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German-Norwegian Seminar on Industrial Cooperation

The German-Norwegian Defence Industry Seminar was held in Oslo in October, in collaboration with the Norwegian Defence and Security Industries Association (Fsi) and arranged by the German-Norwegian Chamber of Commerce. Norway currently purchases less defence materiel from Germany than it has for many years, but there are reasons to assume that German defence industries will be very topical as candidates for planned defence procurements in the future.

The Norwegian Director General of NAD, Leif Lindbäck, was able to confirm that trade with Germany in areas of defence materiel has diminished in recent years.

“Large contracts have gone to other countries, but we would like to revitalise our cooperation with Germany,” Lindbäck said, quoting State Secretary Espen Bart-Eide’s statement: “Norway needs to balance its defence purchases between the United States and Europe.”

Lindbäck also explained that a small country like Norway does not have much choice. It has to purchase materiel or collaborate with other coun-

tries. “Still,” Lindbäck stressed, “Norway has its own strong defence industry, not big, but advanced.”

The German Minister Director at NAD, Dirk Ellinger, explained that the state secretaries from Norway and Germany have met many times, and they do wish to strengthen the cooperation between their two countries.

“We have identified various possibilities that are worth discussing,” Ellinger said, mentioning for example submarines, transport helicopters and vehicles.

Ellinger added that the cooperation would not necessarily

be limited to the procurement itself; there is also a wish to cooperate in areas of logistics, service, education and training.

Baudirector Rudolf Braun from the German Armed Forces was even more specific about actual collaboration projects and believes that the P3 Orion surveillance plane is a good example of a possible cooperation between Norway and Germany. Other coming projects that Braun mentioned were the fact that both Germany and France see the need for a heavy transport helicopter. Braun also stated that the German Navy has plans to purchase an AUV with a longer range, and mentioned the Norwegian Hugin in relation to this. The German Navy is also working on a joint support ship.

Colonel Bjarne Neremo from Norwegian Defence also sees the need for cooperation on the Orion aircraft.

“It is not certain that the Americans will use their airplanes as long as we will use ours, or in the same way,” Neremo said, emphasising with this the need for finding a partner.

Neremo also said that Nor-

way is open to cooperation with other nations where UAVs are concerned, even though no formal UAV project exists in Norway as yet.

Offset

Assistant Director General Jon Gunnheim from Norwegian Defence discussed offsets and offset obligations in the relationship between Norway and Germany.

“Offsets are not a one night stand, but a long-term business relationship,” Jon Gunnheim stressed in his introduction, adding that “it is important for industry to consider offsets as an opportunity, not a limitation.”

“But it appears it is very difficult for the German industry to see opportunities in Norway,” Gunnheim continued, who also thinks that development of such cooperation is moving very slow.

“The truth is that Germany still has a remaining offset obligation to Norway of about 100 million USD,” Gunnheim concluded, adding that “We look at past performances as a measurement for future procurements.”

About 25 German and Norwegian companies used the opportunity to present their businesses during a German-Norwegian seminar on industrial cooperation.

This image shows (from left) Klaus Bock Müller from German Szenaris GmbH, Alfhild Skogsfjord from Norwegian Applca/OMNI and Rune Fivelstad from Norwegian Flextronics.

Photo: Militærteknikk



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Lockheed Martin is flexing its muscles

With the Norwegian Defence and Security Industries Association (FSI) as administrative organizer, and with a delegation of almost 35 people, Lockheed Martin held a two-day seminar directed at Norwegian industry, called "Business Opportunity Days". The seminar was opened by the newly appointed Minister of Trade and Industry, Trond Giske.



The newly appointed Minister of Trade and Industry believes good industrial agreements are essential for the political aspect of the Norwegian F-35 procurement.
Photo: MilitærTeknikk

- We had three main selection criteria when we chose the F-35 Lightning II: Operative capability, price and industrial collaboration agreements, Giske said.

- Where the industrial collaboration package is concerned, Saab's offer was better than Lockheed Martin's, Giske explained, concluding by saying that the Norwegian Government's goal was to establish an industrial agreement with Lockheed Martin that was just as good as the offer once made by Saab.

Giske stressed that no formal signed contract will be in place to purchase the F-35s for many years, and in any case, the contract must be approved by the Storting before it is signed.

- Agreeing on good industrial contracts will be decisive for the Storting's decision, Giske said, adding with direct address

to Lockheed Martin and Norwegian industry: - If your people are successful in establishing a good industrial collaboration agreement, we will be in a position to succeed with the political agreements.

Giske also mentioned that many countries are watching Norway closely to see if industrial agreements can be made, because Norway is presently first in line to purchase the F-35s.

- Our challenge is to prove that Norwegian industry can compete in terms of price and quality. If we are successful in this, the F-35 procurement can motivate bilateral industrial collaborations between our two countries, Giske concluded.

Scott Harris from Lockheed Martin emphasised that, in Lockheed Martin's opinion, long-term is a keyword for success.

- We are not talking about selling in Norway; we are looking for good business partners to follow us into the global market, Harris said.

Harris also stressed that all sections of the Lockheed Martin Group express openness for collaborations with Norwegian industry in connection with the F-35 contract, not only the section working with aircraft and defence products.

- We also see potential in areas like renewable energy, security and surveillance along coastal waters, Harris continued, adding that he had noted that many companies in the renewable energy sector were represented at the seminar.

Now is the time

- For the areas of Norwegian industry that want to supply components to the F-35, now is the time. Some component

contracts may come later, but Norwegian industry has everything to gain by entering the game as early as possible, Harris explained further, believing that Norwegian high-tech companies have a great advantage because they are globally oriented.

Harris stressed the point that the Norwegian market for high-tech products is small, which forces Norwegian companies to think globally all the time, which is an absolute advantage in F-35 contract competitions.

Jim Latham stressed that Lockheed Martin is not only interested in finding suppliers for F-35 aircraft.

- We also need to find Norwegian companies that can assume responsibilities and accept assignments in the area of future logistics concepts related to the aircraft, Latham said.

Logistics for the F-35 are so-called performance based logistics. This implies that clients do not order spare parts and similar items from a logistics supplier, but order a certain number of flight hours. The companies that are responsible for logistics should be certain that they have the necessary spare parts, service personnel and such things available.

- There is also a little more time for companies that are targeting future logistics contracts, but it would also be advantageous here for Norwegian industry to get on track as early as possible, Latham said in conclusion.

Jim Latham (left) and Scott Harris from Lockheed Martin ascertained that contracts valued at approximately 268 million USD (about 1.5 BNOK) are already signed, which is more than the Norwegian Government has granted for development of the F-35 so far.

Photo: MilitærTeknikk



Program Conference on Logistics, Land and Soldier Systems

This year's last Program Conference was held at the Holmenkollen Park Hotel in Oslo on the 24th of November. On this occasion, Industry had the opportunity to meet with Defence representatives during a "speed-dating" session.

The Chief of the Army School for Tactics and Operations, Colonel Knut J Støvne, addressed among others the tasks of the Army in Afghanistan during his presentation.

- Our main focus in Afghanistan today is to build up the capabilities of the Afghan security forces, which is to say the Army and the Police, Støvne said. - We do this through elements such as practice, training, counselling, mentoring and by no means least by partnering, which is to say joint operations together with the Afghan forces.

Støvne also addressed the wear and tear on materiel and personnel that the assignment in Afghanistan entails.

- We are looking at a dramatic rate of wear and tear on materiel in Afghanistan, Støvne remarked, adding that both equipment wear and critical operational needs that transpire may lead to demands for faster

material procurements.

Of course, foreign operations are a strain on the personnel too.

- Foreign operations currently mean that the forces enter into battle situations regularly, Støve explained, with special emphasis on the word regularly. - We are now seeing that several minor armed incidents where Norwegian forces are involved, don't even rate a mention in the press at home. - Conflicts of this nature have risen to a level of commonality where they no longer command the interest of the press, said Støvne in conclusion.

Nordic co-operation

Øyvind Heiene from the Ministry of Defence reviewed developments in the Nordic defence collaboration in his talk.

- The purpose of Nordic collaboration is to reduce costs and therefore achieve greater effect, was the opening conclusion in

Øyvind Heiene's presentation.

So far, a total of 47 possible collaboration efforts have been identified, 18 of which are ready to be implemented. Feasibility studies will be held regarding the remaining 29.

The feasibility studies will include looking into the economies of the collaborative efforts, and one of the most important feasibility studies to be made in 2010 is that of the so-called mechanical battalion, or MECBAT 2020.

- Co-operation between the countries will however require systems similarity, Heiene emphasised, adding that this requirement will contribute to industrial surplus capacity in the Nordic market within a number of areas.

- Extended collaboration will lead to a common Nordic defence industrial and technological base, adapted to a common Nordic home market, Heiene further explained, adding in closing that succeeding with the industrial dimension is a critical success factor for the whole extended Nordic collaboration.

FACTS AND FIGURES:

▲ Norway, Sweden and Finland have shown an interest in looking into a Nordic co-operation on defence matters. Denmark has by and large chosen to remain on the sideline. Until today, the Nordic defence co-operation has been operated through three organisations: NORDAC, NORCAPS, and NORSUP.

▲ In the near future, the management and co-ordination levels of the three organisations will be merged to create NORDEFECO.



Colonel Knut J Støvne.
Photo: MilitærTeknikk



Lieutenant Colonel Øyvind Heiene.
Photo: MilitærTeknikk

Speed dating with Industry

A large number of representatives from the Army took part in a so-called speed-dating event with industry executives. The purpose of the event was to provide industry leaders with the occasion to meet directly with defence personnel involved with current projects.

The séance was organised with 11 current project desks, and the Armed Forces brought more than 40 representatives to the total of 11 project areas. Each industry representative had in advance signed up for selected project areas, and was allocated 15 minutes to give a presentation and ask questions.

Trond Bergerud from

NAMMO Bakelittfabrikken had not taken part in a similar speed dating séance before, but expressed his appreciation of the event.

- Even for us in NAMMO, with more than 50 years as a Defence supplier, there is a lot to be learned.

- Here, we get to talk with the right people, and we get to ask specific questions, said Berg-

erud, adding that even though the answers may not always be what we want to hear, at least a dialogue is established.

Geir Olsen from MPNOR had previously been to speed dating with both other industry as a potential subcontractor and directly with the armed forces abroad.

-I must admit I was a little bit sceptical before I entered the speed dating séance, but I found it very rewarding. I visited two project desks, and the armed forces representatives were well prepared, and we had a very open and informative dialogue.

-So I hope there will be future opportunities to meet the armed forces in a setting like this, Olsen said in conclusion.



Trond Bergerud.
Photo: MilitærTeknikk



Geir Olsen.
Photo: MilitærTeknikk