



## TAWAZUN THREATENS TO CALL IN OFFSET PENALTIES, PREPARES FOR RENEGOTIATIONS

The UAE's offsets agency **Tawazun** has sent letters to several defence primes threatening to call in offset penalties. The agency accuses the companies of failing to meet extended deadlines for fulfilling offset obligations, says a defence industry source. Tawazun would not identify the firms.

"A few companies have not acted to rectify their status, transition to the new policy, or missed their Effective Date," explained Jeffrey Barraclough, a representative for Tawazun's Corporate Communication Strategy. "It is these companies who received notices."

Despite the threat, Tawazun is unlikely to draw down performance bonds without first attempting renegotiations, says **CTO's** source. Calling in the performance bonds would increase the liability costs of the next contract. "They really don't want to do that," we were told.

"[Penalties] are a last resort in any business arena," confirmed Barraclough. "Penalties will always put companies at a disadvantage for future negotiations within our program, as they would in any business partnership."

In 2019, Tawazun introduced a new, broader policy allowing for more project categories and greater credit award parameters. "The new policy guidelines were positively received, with the majority of defence contractors readily agreeing to transition to this new policy," said Barraclough. "All defence contractors with unrealised obligations who transitioned were given a new and extended Effective Date."

Most of the new effective dates fell in September 2020. Despite the positive reception to the change in policy, not all companies met them. Some received notices threatening to call in performance bonds as long ago as November 2020.

Tawazun urges its partners to reach out, act transparently, and collaborate to find a resolution. "The majority of defence companies have not received a notice and most companies who did receive one have since resolved their status or agreed a way forward with Tawazun, including some who have received further extensions," Barraclough said.

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## UK APPOINTS NEW DIRECTORATE FOR INDUSTRIAL PARTICIPATION, FURTHER MUDDIES RESPONSIBILITY

The UK government has transferred its industrial participation portfolio to the newly-created Directorate of Industrial Strategy and Exports (**DISE**).

DISE, however, will not work alone on the UK's industrial participation portfolio. According to the MoD, the directorate will be "supported by other government departments." Management of the UK's offset projects are typically shared between the DISE, the Economic Security and Prosperity Team (**ESP**) and the Department for Business, Energy and Industrial Strategy (**BEIS**).

The entities have overlapping responsibilities. Contractors need to contact different departments depending on whether their query is about a specific bid or emerging opportunities. Several industry members have voiced confusion about who is ultimately responsible for industrial participation in the MoD. "There is no central coordinator for industrial participation," complained Brinley Salzman, **ADS** Director of Overseas and Exports.

Speaking at DSEI, Nick Elliott, Non-Executive Director at **Turner & Townsend**, a consultancy, expressed his frustration. "Who is accountable between the Cabinet, between the Treasury, between the individual departments?... Who is actually the real lead?... Stripping that back and having clarity of accountability is a real challenge."

The ministry is sympathetic. "It's a joint affair," says John Kite, the MoD's Supplier Relations Team Leader. "It has certainly been quite difficult to track down the right point of contact."

The confusion affects policy. Whether industrial participation will systematically act as a discriminator in contract bids is likely to depend on the motivation behind any local content and the MoD branch responsible for the project, says Professor Trevor Taylor, Research Fellow in Defence

Management at RUSI. "The UK defence acquisition world is not of a single mind," he warns. The MoD is "not drawing lines in the sand."

Instead, the ministry is gathering information and trying to understand what the new policy should look like to address any perceived flaws. The programme will test "some of the fundamental principles of IP policy and learn from them," says Salzman. A DISE spokesperson declined to comment on which programme will be selected.

Industry members have stressed that the MoD "needs to put in the resources to make sure that it works."

The UK MoD has also not yet clarified the definition of "social value" outcomes in the new procurement policy. Published in March 2021, the UK's Defence and Security Industrial Strategy (**DSIS**) requires that at least 10 percent of the tender evaluation weighting be allocated to "social value objectives." These encompass a host of themes, including economic inequality, upskilling, economic and social recovery from COVID-19, and climate change.

Speaking at DSEI, **Make UK Defence** Director Andrew Kinniburgh disclosed that one third of British SMEs are still unaware of or confused by the UK's new social values provision. He described communication between the MoD and British SMEs

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as a “collective failure.” A senior member of **Raytheon UK**, speaking on a non-attributable basis, also expressed concern about whether foreign contractors will be assessed according to the same criteria as British firms.

Kinniburgh holds out hope. “[DSIS] is so fresh... the ink is barely dry,” he noted.

Member companies of ADS have already started bidding for contracts with tender dates after the new policy came into force on July 1.

## **JAPAN AND VIETNAM AGREE DEFENCE EQUIPMENT AND TECHNOLOGY DEAL**

Japan and Vietnam have signed an agreement governing the transfer of defence equipment and technology.

The agreement describes the two countries’ desire for “cooperation in the area of defence equipment and technology” and to “encourage a closer relationship between Japanese and Vietnamese defence industries.”

A statement from Japan’s Ministry of Defence described the defence cooperation as reaching a “new level.”

The two countries will establish a Joint Committee to determine which equipment and technology will be transferred. The committee will consist of representatives from the two countries’ ministries of defence, foreign affairs, industry, and Vietnam’s Ministry of Science and Technology.

The agreement came during a two-day visit to Vietnam by Japan’s Defence Minister Nobuo Kishi. After a meeting between Kishi and General Phan Van Giang, Vietnam’s Minister of Defence, both sides also agreed to accelerate consultations for the transfer of specific equipment including vessels.

Japan has now signed similar agreements with 11 countries. In March this year, Japan agreed a deal to enable exports of Japanese-made defence equipment to Indonesia.

## **UK AND UAE SIGN MEMORANDUM FOR “DEFENCE INDUSTRIAL COLLABORATION”**

The UK and UAE have signed a Memorandum of Understanding on “Defence Industrial Collaboration.” The memorandum was announced on September 16, after high-level meetings between British Minister of Exports Graham Stuart and Chief Executive Officer of Tawazun, Tareq Abdulraheem Al Hosani.

The document details remain confidential. A spokesperson for the UK’s Defence and Security Exports (DSE) told **CTO** that they cannot comment for the time being.

The memorandum was released as part of the UK and UAE’s “Partnership for the Future,” an initiative launched by Crown Prince of Abu Dhabi Mohamed bin Zayed and British Prime Minister Boris Johnson. The partnership emphasises joint research in security, artificial intelligence, and climate change.

“The UK and UAE have developed stronger and closer industrial ties through collaboration in defence and security,” says a UK-UAE joint communiqué. “The two leaders agreed that working together to support emerging and future partnerships will promote prosperity whilst strengthening business opportunities for both.”

## **SOUTH KOREA MOVES CLOSER TO “MADE IN KOREA” POLICY**

South Korea appears to be moving closer to an industrial policy that requires suppliers to use local contractors whenever possible.

A report by *Janes*, quoting an unnamed Defence Acquisition Program Administration (**DAPA**) spokesperson, describes a Korea Defence Capability programme that will prioritise local sourcing in industrial co-operation projects linked to defence contracts. The policy will run alongside South Korea’s offset policy.

The spokesperson for DAPA, the body responsible for implementing South Korea’s offset policy, compared the programme to the Buy American Act, the Australian Industry Capability scheme, and Make In India.

South Korea is said to have been implementing the programme since August. DAPA has not yet responded to requests for comment.

In July, DAPA launched a registry of local parts manufacturers. The organisation now requires foreign contractors to review the availability of local products and include the results of the review in their proposals. Suppliers need to explain why they're importing parts that they could purchase locally.

Whether the Korea Defence Capability programme is currently an official policy, foreign suppliers to South Korea can expect increasing pressure to show local sourcing in their bids.

## AUSTRALIA SCRAPS \$70BN DEAL WITH NAVAL GROUP, PLANS TO BUILD NUCLEAR SUBS WITH BRITISH AND AMERICAN TECHNOLOGY

Australia, Britain, and the United States have announced a historic defence agreement that will see Canberra build nuclear-powered submarines with British and American technology. The pact, AUKUS, freezes out **Naval Group's** \$70bn deal for 12 Attack-class submarines, Australia's largest-ever defence contract.

Australia does not have a domestic nuclear industry. The country will become the seventh nation with nuclear-powered submarines after the US, Russia, Britain, France, China, and India. It will also become the second nation to receive American submarine technology, following Britain in 1958.

Speaking at DSEI 2021, the Australian Industry & Defence Network (**AIDN**) and the Australian Industry Group (**Ai Group**) welcomed the government's decision to procure nuclear-powered submarines.

Australian Prime Minister Scott Morrison stressed that the submarines would be built on Australian soil. "We indeed to build these submarines in Adelaide, Australia, in close cooperation with the United Kingdom and the United States," he said.

Some observers, however, believe the nuclear-specific systems will be produced in Britain or America. Brent Clark, Chief Executive of AIDN said that it was "common practice" for the partners to build the nuclear systems, leaving Australia with the non-nuclear work.

Others are concerned that scrapping the Naval Group contract and delaying production by 18 months will harm Australia's workforce. South Australian Senator Rex Patrick told **ABC News** that Naval Group directly employed 350 workers in Australia, and many Australian companies had already made investments premised on the Naval Group deal.

Nevertheless, Australian Finance Minister Simon Birmingham insists that the government is firmly committed to helping workers transition into their new roles. "**ASC** [Australian Submarine Corporation] will be undertaking an expression-of-interest process to make clear the pathways, and support workers who are affected," he told local news outlets.

The United States is considering further opportunities for industrial cooperation with Australia. "We're working with Congress to make sure that we have that authority to invest in Australia and the UK," said Jesse Salazar, the Pentagon's deputy assistant secretary for industrial policy.

Several British and American firms are set to benefit from the AUKUS deal. **General Dynamics** has previously produced most of the design work for US submarines. **Huntington Ingalls** and **BWX Technologies** may produce critical subsystems such as electronics and nuclear power plants.

The British companies most likely to benefit are **BAE Systems**, **Rolls-Royce**, and **Babcock**. BAE, which owns a nuclear submarine building facility in Barrow-in-Furness, currently employs 4,000 employees in Australia and is building nine Hunter-class frigates for the Royal Australian Navy. Rolls-Royce has been involved in Britain's nuclear submarines since 1963 and is now conducting early-stage work on a nuclear reactor that could

power future attack submarines. Babcock provides support and life-extension for the British fleet at Devonport, and has previously worked on Spanish and South Korean subs.

This is not the first time relations have been strained between Australia and Naval Group. In March this year, the Australian government criticized Naval Group for failing to meet the deadline for its 60 percent industrial participation obligation. "There was an underestimation of the concerns that the Australians had over this programme," says Alessio Patalano, lecturer in Asia-Pacific relations at King's College London.

Writing in *The Advertiser*, former defence industry minister Christopher Pyne noted that the lack of a civil nuclear industry was an "insurmountable hurdle" when Australia chose the French option. Access to American technology has removed that challenge. "The technology means that once the nuclear reactor is operational inside the submarine, powering its propulsion, it doesn't need to be dismantled, recharged, have its nuclear fuel rods replaced or in any other way interfered with for 33 years, which is the lifespan of the submarine," he wrote.

The submarine project represented 10 percent of Naval Group's turnover, a share that was expected to grow significantly in the years to come. Australia had already spent \$1.76bn on the Attack-class program and may pay up to \$400m more to fully exit the deal, says *Defence News*. **Thales**, which owns a 35 percent stake in Naval Group, may still benefit from AUKUS thanks to its connection with the British and American defence industries.

## ROLLS-ROYCE WINS USAF ENGINE CONTRACT

The United States Air Force has selected **Rolls-Royce North America** to provide engines for the B-52 Stratofortress under the Commercial Engine Replacement Program (**CERP**).

Rolls-Royce will build and test the F130 engines at its plant in Indianapolis, Indiana. The company recently completed a \$600m investment refurbishment at the facility, its largest investment

in the US for 25 years. The contract is for 650 engines with a six-year base timeline but "indefinite delivery."

Rolls-Royce says that the deal will bring 150 new high-tech, high-skilled jobs to Indiana. The contract would be worth up to \$2.6bn if the Air Force exercises all its options.

A variant of the engine already powers the Air Force's C-37 and E-11 BACN aircraft.

Rolls-Royce employs nearly 6,000 people in the US across 27 states. The company support customers including the US Department of Defense, **Boeing**, **Lockheed Martin**, **Northrop Grumman**, and **Bell**, as well as commercial airline providers such as **American Airlines**, **United**, and **Delta**.

Tom Bell, Chairman and CEO, Rolls-Royce North America, says: "We are proud to join a truly iconic US Air Force program and provide world-class, American-made engines that will power its missions for the next 30 years. The F130 is a proven, efficient, modern engine that is the perfect fit for the B-52."

## IAI PLANS DRONE HUB IN MOROCCO

Israel is planning to build a business incubator for the development of military drones in Morocco, *Africa Intelligence* reports.

According to a report in *Africa Intelligence*, Morocco has been in talks for "several months" with Israel Aircraft Industries (**IAI**) about the incubator, which would produce low-cost loitering munitions drones.

The publication describes the plan as an offset for Morocco's purchase of tactical observation drones from **BlueBird Aero Systems**, an IAI subsidiary.

In February this year, *Israel Defense* reported that Rabat had ordered a number of drones from BlueBird Aero Systems. The sale of Israeli weapons to the North African country wasn't new. Suppliers, including IAI, have already sold a range of different weapons to the Moroccan military. The publication predicted that as normalisation between the two countries increases, defence agreements will become routine.

Morocco has no official offset policy but allocates points for industrial participation during bid qualification, and adds a surcharge of up to 15 percent to foreign procurements over MAD 100m (\$11.1m).

In August this year, Israel's foreign minister, Yair Lapid, announced during a visit to Morocco that the two countries would upgrade their liaison offices to embassies over the next two months.

Weapons sales between Israel and Morocco, however, remain politically sensitive. Islamist parties in Morocco have already condemned the plan to open embassies. Asked to confirm the development of the drone incubator, a spokesperson for IAI declined to comment.

## **BABCOCK AND PAL INDONESIA SIGNS LICENCE AGREEMENT TO BUILD TWO FRIGATES**

**British Babcock** and **PT PAL Indonesia**, a state-owned enterprise, have signed a design licence agreement to build two Arrowhead 140 (AH140) frigates for the Indonesian Navy. The agreement gives Babcock its first export contract for the AH140 frigate.

The deal was signed by Babcock CEO David Lockwood CEO Babcock and PAL CEO Kaharuddin Djenod at the 2021 DSEI exhibition in London.

"The design licence and subsequent build programme will be a significant catalyst for prosperity in Indonesia," said a Babcock press release. "This contract will see Arrowhead 140 frigates built in Indonesia, by the local workforce, contributing directly to the social and economic value of its sovereign shipbuilding community and country as a whole."

Babcock's bid benefited from the companies' extensive portfolio and strong track record in naval technology, said PAL. "Both parties carried out detailed discussions related to the cooperation plan and the scope of their respective work."

PAL will build the ships in its Surabaya facilities, with the aim of increasing domestic defence equipment production in Indonesia. Construction will take 69 months.

Jakarta mandates counter purchases of Indonesian manufactures and commodities equivalent to 50 percent of purchase contract value, together with offsets worth 35 percent of purchase contract value (although the mandate is frequently disregarded). Both PAL and Babcock declined to comment on the contract's commercial details. PAL and Babcock signed a non-disclosure agreement in January 2021.

## **LOCKHEED INCREASES LOCAL CONTENT IN NEW BID FOR GREEK FRIGATES, GREECE SIGNS MoU WITH NAVAL GROUP**

Greece has agreed to buy three frigates from France's **Naval Group**. Nikólaos Panayotópoulos, Greece's Minister of Defense, Pierre Eric Pommellet, Chairman and CEO of Naval Group, and Eric Béranger, Chairman and CEO of **MBDA**, signed the agreement to open negotiations for the supply of three FDI frigates to the Hellenic Navy, with an option for an additional vessel.

The frigates will be built at Naval Group's Lorient shipyard. Greece would become the design's second customer after France.

The decision follows an upgraded bid from **Lockheed Martin**, partnered with the **US Navy**. The American company's proposal put 70 percent of the labour in Greece, representing 7.7m hours of work. Lockheed had already signed formal agreements with several Greek companies and contacted Greek shipyards in Skaramangas. The work included 2,500 skilled jobs in Skaramangas alone. Parts not built in Greece would have been constructed by Fincantieri Marinette Marine (**FFM**), in Wisconsin.

In addition to Naval Group, Lockheed was also competing against offers from Italy (**Fincantieri**), the Netherlands (**Damen**), and the UK (**Babcock**). However, Lockheed was the only firm operating through the US government Foreign Military Sales process (**FMS**). "The U.S. government is 100 percent committed to the U.S. Navy proposal for the Hellenic Navy's Frigate Modernization Program," US Ambassador to Greece Geoffrey R. Pyatt said in a press release. "Our proposal is backed by a government-to-government agreement, offering a real and highly capable ship, not just an idea on paper."

Lockheed was offering the Freedom-variant littoral combat ship (LCS) and an Aegis-based combat system that would integrate MEKOs with other weapon platforms that Greece operates.

The lack of industrial participation in Naval Group's offer appears not to have deterred the Greek government.

## LEONARDO EMPHASISES BRITISH CONTENT IN ITS HELICOPTER BID

**Leonardo** is banking on its high degree of local content in its bid for the **UK's** New Medium Helicopter requirement, a company spokesperson told **CTO**.

"Leonardo understands that industrial participation is a key UK Government consideration when considering major procurements," we were told. "In the case of our offer of the AW149, the majority of content (60-70 percent) will come from the UK."

The helicopter would be built in Yeovil, Somerset. "This would represent an investment in UK skills, design and manufacturing, supporting thousands of jobs, creating jobs across the country and helping reverse the damage to the economy caused by Covid-19," said the company.

Leonardo has a significant presence in the UK with around 7,500 local employees. The company appears to be catering its bids to the UK's new industrial participation policy requirements.

However, the Italian firm has also suggested that it would reconsider investing in Britain if the UK opted for another bidder. "My concern would be if our own MoD doesn't show confidence in the rotary-wing provider which is already established in the UK, that does lead to questions," Nick Whitney, Managing Director at Leonardo Helicopters, told **Defense News**.

Leonardo faces competition from **Airbus**, who may soon be joined by **Lockheed Martin** with the **Sikorsky**, and by **Textron's** Bell.

The UK is expected to start replacing its Airbus Puma HC2 fleet and three other helicopter types by the mid-2020s.

## GOOGLE STRUGGLES TO FULFIL ISRAEL NIMBUS OFFSET

**Google's** plan to build a data centre in central **Israel** is running into regulatory difficulties. Residents of the village of Bnei Zion, where Google's local contractor, ServerFarm, has broken ground, have petitioned a court to cancel planning approval. According to a report in **Globes**, the residents are concerned about noise from the servers' chillers and non-ionizing radiation from the site's electrical, cellular, and RF radio operations.

The residents' petition asks the court to instruct the Hof HaSharon Regional Council to reopen discussions about the plant. The Council says that the current permit only applies to the foundations of the building, not its final use.

**Globes** adds that Google has until 2023 to build the data centres as part of a contract to provide cloud services to the Israeli government and military. In April this year, Google, together with Amazon Web Services (**AWS**) won the NIS 4bn (\$1.2bn) Nimbus tender "for the provision of public-platform-based cloud services to the government ministries and additional governmental units."

**Globes** reports that while the construction of AWS's data centres are "advanced," Google has "yet to get seriously going" and is now "further away than ever" from fulfilling its obligation.

Google failed to respond to a request for comments. The Industrial Cooperation Authority (**ICA**), the government body responsible for managing Israel's offsets, was closed for a holiday.

## BOEING AWARDS INDIAN FIRM CONTRACT FOR TACTICAL FIGHTER

**Boeing** has given India's **Dynamatic Technologies** an assembly contract for its newest tactical fighter, the F-15EX Eagle II.

The deal marks the first time aerostructures for the F-15EX will be made in India. The equipment will be manufactured in Bengaluru, Karnataka.

"Dynamatic has been associated closely with Boeing as a strategic tier-1 supplier partner for over

over a decade," said the company's CEO Udayant Malhoutra. "The award for manufacturing aerostructures for the F-15EX Eagle II to Dynamatic is a testimony of our partnership with Boeing."

The deal forms part of Boeing India's bid for the Indian Air Force's search for 110 new fighters. Other contenders for the contract include the single-engined **Lockheed Martin** F-16V, the twin-engined **Dassault Rafale**, **Eurofighter's** Typhoon, and Boeing's F/A-18E/F Super Hornet.

The Indian contract requires significant investment in India, including local production. This represents a boost to the country's Atmanirbhar Bharat programme, or "Self-Reliant India." The programme was launched by Prime Minister Narendra Modi in 2014 and extends to both civil and defence sectors.

"We see tremendous potential for India to contribute to the global aerospace industry as an industrial and technology partner," says Salil Gupte, president of Boeing India. "The award of aerostructure assemblies for the latest and most advanced version of the F-15 aircraft family is a reflection of Boeing's focus on Aatmanirbhar Bharat and a testimony to the world-class capability of our industrial partners in India."

## UNITED STATES AND INDIA PUSH FOR MORE INDUSTRIAL COOPERATION

The **US** and **India** have reaffirmed their commitment to technology transfer and industrial cooperation in the defence sector.

President Biden and Prime Minister Modi praised a recent project to co-develop air-launched unmanned aerial vehicles (UAVs) under the Defence Technology and Trade Initiative, and encouraged more such joint efforts.

The leaders "also looked forward to the inaugural meeting of the Industrial Security Agreement summit to facilitate high-end defence industrial collaboration," said a statement.

Alongside industrial participation, India and the US

seek to increase information sharing, technology research, and military-to-military interactions.

This announcement comes after Indian Defence Minister Rajnath Singh urged US defence companies to invest in India and transfer technology through joint ventures. Speaking at the 18th India-US Economic Summit, Singh insisted that a self-sufficient defence sector is critical to India's security and overall economic growth.

Singh suggested that foreign OEMs can set up manufacturing facilities individually or partner with Indian companies through a joint venture or technology agreement. Such a move would contribute to the country's Make In India initiative, designed to facilitate investment, foster innovation, enhance skill development, and protect intellectual property.

Singh also emphasised India's favourable conditions for foreign capital. "Robust domestic demand and availability of a talented young work force and innovation make India a major investment destination," he said.

## INDIA SIGNS \$2.7BN CONTRACT WITH AIRBUS DEFENCE FOR TRANSPORT AIRCRAFT

India has signed a Rs200bn (\$2.7bn) contract with **Airbus Spain** to procure 56 C-295 transport aircraft. Most of the aircraft will be manufactured locally. It marks the first time military aircraft will be made in India by a private company.

Under the deal, Airbus will deliver 16 aircraft in a flyaway condition within 48 months. The remaining 40 planes will be manufactured in India by a consortium of Airbus and Tata Advanced Systems Limited (**TASL**) within 10 years.

Production in India will encompass the complete industrial ecosystem: from manufacture to assembly, through test and qualification, to delivery and maintenance of the complete lifecycle of the aircraft. All 56 aircraft will be installed with an indigenous electronic warfare suite. The programme will also enable the development of specialised infrastructure in the form of hangars, buildings, and taxiways.

Airbus's new aircraft will replace the Indian Air Force's ageing fleet of Avro-748 planes. The in-principle approval for the Avro replacement programme was granted nine years ago, reports local outlet Business Standard.

The project will provide a major boost to India's Atmanirbhar Bharat programme. "Make in India' is at the heart of Airbus strategy in India," says an Airbus press release, "[The C295 programme] offers a unique opportunity for the Indian private sector to enter into technology intensive and highly competitive aviation industry."

In addition to TASL, Airbus will collaborate with defence public sector units such as **Bharat Electronics, Bharat Dynamics**, and a number of SMEs.

"This contract will support the further development of India's aerospace ecosystem, bringing investment and 15,000 skilled direct jobs and 10,000 indirect positions over the coming 10 years," said Michael Schoellhorn, CEO of Airbus Defence and Space.

Sukaran Singh, TASL CEO and Managing Director, described the project as "a milestone for the Indian military manufacturing ecosystem." He hopes that the deal will cement TASL's presence in global supply chains. "This endeavour demonstrates Tata Advanced Systems' capabilities as a defence manufacturer to build globally competitive complex platforms in India."

## AUSTRALIA TO CREATE NEW DEFENCE INDUSTRY AGENCY

Australia's Centre for Defence Industry Capability (**CDIC**) will be replaced by the end of the year, Minister for Defence Industry Melissa Price has revealed.

The CDIC was subject to a government review in 2019, which recommended improving the alignment between the Department of Defence (**DoD**), the CDIC, and the defence industry. The document recommended relocating the CDIC to the DoD rather than resting in the Department of Industry, Science, Energy and Resources (**DISER**) with Defence secondees.

The review relied heavily on industry feedback, with over 140 submissions and 50 interviews taken into consideration. The review concluded that business satisfaction among industry members was "mixed." Industry members often found the CDIC's support to be "generic and transactional in nature."

In recent comments to the Australian Industry and Defence Network (**AIDN**), Price disclosed that the CDIC would be replaced with a "new organisation."

The new centre will act as a "one-stop shop for defence industry support and guidance," said Price. "It will work with industry associations, state and territory officials, SMEs and primes to deliver the capability our ADF needs to keep Australians safe and secure."



## THE OFFSET GUIDELINES QUARTERLY BULLETIN OCTOBER EDITION

# OUT THIS MONTH!