

European Defence Agency

Annual Conference 2009



Helicopters – Key to Mobility

10 March 2009

Keynote Speech by

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(ASD)

Ladies and Gentlemen (...)

I am delighted to address this year’s annual EDA conference in my capacity as President of the AeroSpace & Defence Industries Association of Europe (ASD).

I feel particularly honoured to have been given the opportunity to deliver a “keynote” address, thereby contributing to setting the scene for the upcoming detailed discussions.

Setting the scene is always important, but particularly so today, in the context of an economic crisis which seems to prompt many stakeholders to favour a short-term approach, and to neglect the long-term objectives that we had set ourselves only yesterday.

I am of course hinting at the re-emergence of protectionist tendencies, and at the ever stronger appeal of doing things alone rather than together. If we let those tendencies prevail, the consequences for Europe - and for the rest of the world – will be disastrous.

I will return to this theme, but let me first underline the importance that previous EDA Conferences have had. They have been landmarks in their own right, leading up to important strategic decisions:

The results of the first conference on Research & Technology in 2006 were a significant input to the R&T strategy subsequently underwritten by EDA “Participating Member States”. Today, this strategy is fuelling all individual initiatives that are undertaken in this field. Over time, it will hopefully return Europe’s defence R&T efforts to the central role that they should have never ceased to play. And let me add: this is the **one** strategic area that **must absolutely not suffer** from the effects of the current crisis.

The following EDA conference in 2007 on the “European Defence Technological and Industrial Base” was the prelude to the eponymous strategy endorsed by the Member States. This strategy is the essential framework underlying the development of a coherent European Defence Equipment Market. It has yet to be followed by concrete implementation steps. Even before that, a careful detailed analysis has to clearly set out which capabilities exist and which ones are necessary, but don’t yet exist, and each Member State has to state which industrial capability it supports at the national or European level.

These conferences have helped us understand that the goals of the European Security & Defence Policy - while difficult to reach through a mere addition of individual contributions by member States - can be within reach if Member States pool their efforts in a harmonized and complementary way.

In keeping with that tradition, today’s conference should therefore allow us to clearly identify elements of convergence for a common European strategy – this one in the specific area of helicopters, considered as “Keys for Mobility”.

Ladies & Gentlemen,

Some claim that CSFP and ESDP goals are not ambitious enough for Europe to shoulder its global responsibilities. Yet the ability of Europe to meet these supposedly limited objectives is being undermined by a lack of common capabilities, in particular by a lack of helicopter-based tactical mobility. This situation, as well as the *difficulty* to set in motion the development of the next generation of Heavy Transport Helicopters, are the drivers for today's event.

I should immediately say that I am very confident in Europe's ability to find the solutions to these challenges. Europe's industrial capabilities in helicopters are world-leading and globally competitive, as is shown by the success stories of our two leading helicopter companies.

Today's conference will, I am sure, provide ample opportunity to debate different ideas and solutions. It is not my role as the leader of our industrial association to point to one direction or the other. My colleagues from industry are here to support you in your quest for answers.

Personally, I would just like to further "set the scene" as a preamble to your discussions.

The gap between Europe's missing capabilities in this area and the extraordinary know-how of our helicopter industry can certainly at least partially be explained by one important element, namely a lack of political willingness to make the required capabilities available to Europe.

The present economic crisis will make it difficult for us to recover.

Even in fair economic weather, Europe's willingness to invest in defence is relatively low. But the testing, uncertain environment we are now living in will make it even harder for governments to maintain their level of defence spending. This will be true also for those countries which today provide the bulk of Europe's defence investments .

Some pundits reckon that defence budgets will be impacted only as an aftershock, as a result of the major budgetary impact of support packages for the financial sector and others.

I on the contrary believe that the impact on defence outlays could be much swifter, unless we find a collective way to "sanctuarize" those investments that preserve our essential capabilities.

We are already receiving the first indications that because of pressing operational needs, here and there governments consider cutting their level of R&D spending - which is already insufficient today. I think we can all agree that this would be absolutely disastrous.

So, what would be the best way forward?

The case has been made in the past, and indeed is already part of EDA's raison d'être: what we need in Europe is more coherent efforts, more cooperation and less duplication. This will allow us to make wiser use of taxpayer's money and to increase the efficiency of our spending on defence. Things have started moving in the right direction, albeit timidly, and we now absolutely need to move up a gear in the face of worldwide economic distress.

This is a clear mandate for our politicians.

And then there are additional initiatives that should be considered:

- Develop the convergence between defence & security, therefore maximizing dual-use
- Increase the recourse to “Commercial-Of-The-Shelf” where applicable, in order to reduce cost
- Increase the outsourcing of non-core activities from the Armed Forces, offering opportunities for rationalization through the offering of services by industry
- Dramatically optimize R&T efforts at European level, thereby reducing redundancies and duplication.
- Dramatically increase the rate of projects & programmes done in cooperation, while admitting that we must collectively find new, streamlined and more cost-effective ways to execute them.
- And, last but certainly not least, develop a carefully reasoned approach where we Europeans can engage at eye level with our American friends in balanced, mutually-beneficial partnerships.

Ladies and Gentlemen,

This is the context in which I place today's conference. Some of the tentative solutions that I have just outlined might well be applied to the questions that you are about to try and answer.

This conference demonstrates that there is a real need for industry and governments to prove their ingenuity to find ad-hoc, short-term solutions that represent the "sweet spot" of the right technical and financial solutions, combined with a proper definition of what is in the best strategic interest of Europe

I have done my best to stimulate you ahead of your discussions. I hope, and I am sure, these will be fruitful and will make a lasting impact on the future of the European helicopter industry.