

CONFIDENTIAL

MEETING BETWEEN US OF S(DP) AND MR VAHIT ERDEM CHIEF OF DEFENCE
INDUSTRIES DEVELOPMENT ASSOCIATION (DIDA) ON THURSDAY 3
NOVEMBER 1988

Those present:

UK:

The Hon Timothy Sainsbury	US OF S(DP)
Mr T L A Daunt	HMA Ankara
Brigadier S T W Anderson	DA Ankara
Mr W G Byatt	ARMD4b
Miss D J Brothers	APS/USofS(DP)

Turkey:

Mr Vahit Erdem	Chief of DIDA
and others	

1. Mr Erdem said that he was looking for more opportunities to co-operate with NATO countries and of finding more ways to utilise their facilities. Mr Sainsbury said that we too were keen for this to happen. He believed that practical examples of collaboration with the UK were needed to encourage the rest of industry to seek joint ventures with Turkish industry - such an example would highlight the export opportunities for UK industry.

2. Mr Erdem mentioned the Armoured Combat Vehicle which is being supplied by the American company FMC; there had been problems in negotiating the contract but he hoped that it would be agreed that week. He explained that there were opportunities for UK companies to bid for the sub-systems, as they intended to upgrade a number of the vehicles systems. In particular, they wished to replace the existing night vision system with a thermal imager/image intensifier and they had been in discussions earlier that morning with Pilkington and he believed Marconi had also expressed an interest in this area. He went on to mention that Perkins had shown interest in the engine competition to replace the Cummins engine. Finally, with regard to this vehicle, he explained that they were considering changing the turret. They had an option with FMC which allowed them to negotiate with any company on a replacement turret six months after the order date for the vehicle (which was in January this year). Mr Sainsbury said that he agreed that competitive tendering for the sub-systems would give the best value for money and he hoped that a joint venture with UK industry would result. He explained that we were keen to support our industry and believed in a non-interventionist policy as a general rule. He went on to give his support to Pilkington. Mr Erdem said that he had told Pilkington that they

CONFIDENTIAL

would like to enter into a joint venture with them which included technology transfer. However, although DIDA could lay down standards the decision would be made by FMC.

3. Mr Sainsbury asked when they expected to make a decision about the HFSSB; he understood that they had planned to take the decision last June. He asked whether they required any further information. Mr Erdem said that it had taken longer to complete the tests than had been originally envisaged. However, they were now at the late stage of their evaluation and hope to take a decision before the end of this year.

4. Mr Erdem mentioned that both Plessey and Marconi had expressed their willingness to transfer technology but had told him that it would first depend on the UK Government giving permission. He asked what was the UK position to technology transfer to Turkey? He also said that they wanted longer term offers on the credit guarantee side and have asked the companies to look into the matter. Mr Sainsbury said that he had not been made aware of any problems associated with technology transfer. Mr Erdem said that he did not want Turkey to have limitations on what we are prepared to transfer; his government would ensure that the technology was not sold elsewhere in the world without first seeking our permission. Mr Sainsbury explained our wish to facilitate technology transfer and he undertook to look into this matter and do what we could to assist. He then mentioned the appointment of the Second Secretary Defence Equipment who is based in Ankara, whose role is to try and help develop joint ventures between UK and British industry - he expressed the hope that Mr Bullas would be in close touch with Mr Erdem.

5. Mr Erdem raised the matter of the Mobile Radar and C3 System. They had agreed to allow Marconi to bid for the radars separately, even though they had originally bid with Plessey. They believed that Marconi thought that their interests had not been properly represented by Plessey. It was now possible that they may have two contracts - one for the radar and one for the C3 System. He said that evaluation teams would be visiting Plessey and Marconi.

6. Mr Erdem then moved on to the subject of the 35mm Fire Control System for the Oerlikon gun. He said that he realised that they had an urgent need for a system - they had completed their technical evaluation and Racal had been shortlisted. They hoped to have made a decision in the first half of next year. Mr Sainsbury offered Brigadier Anderson's assistance should any technical problems arise.

7. Mr Erdem then touched briefly on a number of subjects. First, he explained that they had not yet received the Minehunter project from the Turkish MOD as there was a tripartite negotiation in progress. However, a Request For Proposal would be issued to Vosper Thorneycroft. Mr Sainsbury said he believed they were world leaders in this type of craft. He said that UK could offer expertise to help them define their requirement. Brigadier Anderson that in particular we would be able to help with Air Defence. Mr Erdem next raised helicopters; he understood that Westlands were interested, possibly in conjunction with Sikorsky. However, the Turkish MOD were still working on the concept. Mr Sainsbury added that it was not only Westlands who would be interested but also Rolls Royce since they were a major supplier of helicopter engines. Mr Erdem said that Westland had given them a quote on Lynx and Black Hawk had been mentioned - he then expressed his wish to see UK companies involved with their helicopter project. Mr Sainsbury then asked what was the latest position on Rapier and Laserfire. Mr Erdem said that the technical evaluation of Rapier was now completed and they were in the process of discussing the short-list, which would be announced soon. He said that it was a complex project and therefore it would be some time before a final decision would be made. Mr Sainsbury said that British Aerospace were keen to collaborate and he believed that their system had the prospect of enhancements. Mr Sainsbury then raised the subject of landrovers and whether there was likely to be any further requirements. Mr Erdem said that his MOD has given them a requirement for new 'land rovers' and they had asked MEM and Mercedes for bids; this new requirement was for more truck-like vehicles.

8. Mr Sainsbury asked what decisions had been taken with regard to the EW counter-measures for the F16, was Zeus in the running? Mr Erdem said that there was question-mark about the fitting of Zeus to F16 and ECP studies were being undertaken. An early decision will be taken as production of the F16 had already started.

9. Mr Sainsbury ended by expressing his hope that relations would continue to develop.