

RESTRICTED AMENDED DISTRIBUTION 20/4/90
FM ANKARA
TI IMMEDIATE FCO
TELNO 194
OF 200546Z APRIL 90
INFO ROUTINE DTI (OT3B), MODUK (DESO, RMD4), ECGD, ISTANBUL

MIPT (NOT TO ALL): PRIME MINISTER'S VISIT: COMMERCIAL

1. BRITISH EXPORTS HAVE PICKED UP WELL IN RECENT MONTHS AND ARE NOW RUNNING AT #40 MILLION PLUS PER MONTH. TURKEY IS PROBABLY AGAIN OUR SECOND MOST IMPORTANT MIDDLE EAST MARKET.

2. FOLLOWING THE SUCCESS WITH HFSSB, LATEST NEWS OVER THE MAIN EARLY PROSPECTS FOR BIG PROJECTS IS:

A. TURKSAT (#70M UK CONTENT) THE BAE BID IS SAID TO BE BEST ON BOTH TECHNICAL AND FINANCIAL GROUNDS. THE DECISION WILL BE TAKEN BY OZAL. FLETCHER OF GEC-MARCONI, WHO HAS SEEN MINISTERS AND THE PTT THIS WEEK REPORTS STRONG HINTS THAT NONETHELESS A DECISION TO NEGOTIATE A CONTRACT WITH AEROSPACIALE WILL BE ANNOUNCED END APRIL/ EARLY MAY: THE DELAY A COURTESY TO MRS THATCHER

B. EAGLE (#350M) - THE RACAL/MARCONI EAGLE FIRE CONTROL SYSTEM FOR THE 35MM OERLIKON GUN IS PROBABLY LEADING BUT FACES STIFF DUTCH COMPETITION, IN SUPPORT OF WHICH POLITICAL PRESSURE IS BUILDING UP (THE DUTCH GIVE MILITARY ASSISTANCE, UNLIKE THE UK).

C. ANKARA METRO (#45M) - HAWKER SIDDELEY, AS WELL AS ECGD COVER, FOR THIS 'PART BOT' PROJECT. TURKISH DETERMINATION TO PUSH AHEAD WITH IT WHATEVER THE DIFFICULTIES SEEMS FIRM.

D. RAPIER (WELL INTO THREE FIGURES) - BAE, WHO HAVE SOLD #300M WORTH OF RAPIER TO THE AIR FORCE, HOPE TO GET BACK INTO CONTENTION AFTER INITIAL ELIMINATION FROM THE CONTEST.

E. ZEUS (WELL INTO THREE FIGURES) - TURKISH NEGOTIATIONS WITH LAURAL (US) FOR ECM SUITE FOR THEIR F16'S ARE REPORTEDLY IN DEEP TROUBLE. MARCONI ZEUS IS THE ONLY VIABLE ALTERNATIVE. BUT IT REMAINS A LONGISH SHOT.

F. UNIVERSITY LABORATORY EQUIPMENT (#67M) - ATP (#23M) OFFERED TO SUPPORT EQUIPMENT BID TO UPGRADE ENGINEERING AND SCIENCE FACULTY

LABS. AID OFFER LAPSES END JUNE THIS YEAR.

3. HAVING SENT OZAL A MESSAGE ON (A) I RECOMMEND THAT THE PRIME MINISTER AT LEAST ENQUIRE ABOUT TURKSAT. GEC-MARCONI INFORMATION MAY BE WRONG. HAVING SEEN DEFENCE MINISTER GIRAY LAST MONTH, MAINLY TO HELP OVER (B), THE PM MAY WISH TO REINFORCE WITH OZAL. THE CASE FOR MENTION OF (C) SEEMS TO ME LESS STRONG, UNLESS ATP AND ECGD COVER HAVE BOTH NOW BECOME AVAILABLE. ON (D) AVAILABILITY OF ECGD COVER HAS NOT EVER BEEN BROACHED. ON (E) PM MIGHT BE ASKED IF PREVIOUS UNDERTAKINGS ON SECURITY RELEASES/CLEARANCE ARE STILL VALID. I GATHER THAT THEY ARE AND HOPE SHE WILL SAY SO IF ASKED. I SEE NO NEED TO PRESS ON (F).

DAUNT

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DISTRIBUTION 107

MAIN 98

LIMITED
SED
WED
MED
SOVIET
KIEV U
EED
JAU/EED
ECD (E)
ECD (I)
ACDD
ERD

COMED
PS
PS/MR WALDEGRAVE
PS/MR HAUDE
PS/PUS
MR GREENSTOCK
MR TAIT
MR GOULDEN
MR KERR
MR CARRICK
MR GORE-BOOTH

ADDITIONAL 9

DTI/OT4I
DTI/OT3B
MODUK/DESO

MODUK/RMD4
ECGD
PS/NO 10 DOWNING STREET

NNNN