



10th U.S.-Sweden Defense Industry Conference

"Half a Century of Successful Cooperation
A Foundation for the 21st Century"

October 9, 2003



The Nature of Friendship

A bad friend is far away
though his cottage is close.
To a true friend lies a trodden road
though his farm lies far away.

Saying of the Vikings (Hávamál)



The U.S. Defense Market in General

- The U.S. user is very experienced and understands a good concept
- However, the road to success is a rocky one
- A good product is necessary but not sufficient



Prerequisites for international cooperation – the Swedish view

- Industry well positioned in its domestic market
- Active support and impetus by the government
- Initial R&D projects of particular interest in progress
 - Internal R&D funded
and/or
 - Government funded

All three criteria must be fulfilled!



U.S. Defense Programs

of particular importance for the Swedish defense industry

- U.S. Coast Guard: Deepwater Program
 - National Security Cutter, 8 ships
 - Offshore Patrol Cutter, 25 ships
- U.S. Army: Future Combat System, FCS, 24 brigades
- U.S. Navy: Littoral Combat Ship, LCS, 60 ships



SWEDIG

Swedish related defense companies established in Washington D.C.



Patria Hägglunds



SAAB

Saab Tech
Nexplo





Amendment 1 to the MOU

“4. Barriers to procurement or co production at the prime and subcontract levels of an item of defense equipment that has been produced in the other country shall be removed, insofar as laws and regulations permit, such that each country shall accord to industries in the other country treatment no less favorable in relation to procurement that is accorded to industries of its own country”



Key Sections in H.R. 1588

Sec. 813

Demands procurement of certain critical items from American sources.

Sec. 823

Prohibits the Pentagon from buying any items or components from countries that restricted provision or sale of military goods or services because of U.S. policies toward Iraq.

Sec. 828

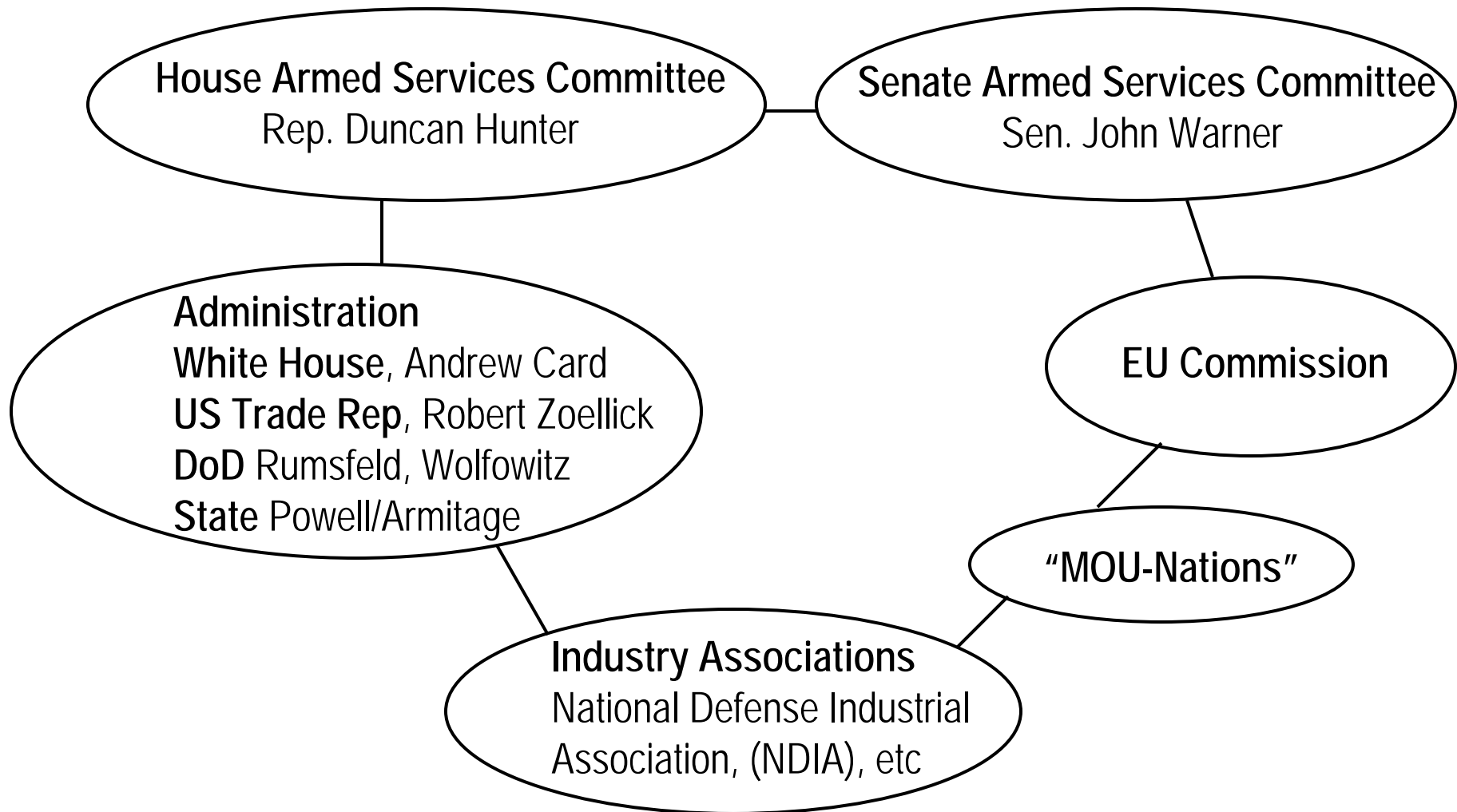
Would prohibit the Pentagon from considering provisions in any trade agreement with foreign countries.

Sec. 829

Would require the term “substantially” in the Buy American Act to mean 65% rather than today’s 50%.



Buy American Issue – Key Players





NDIA's position

Letter to Senator Warner on September 26:

..." We remain steadfast in our belief that the current House provision would significantly impact industry's ability to provide affordable weapons systems in a timely manner, seriously impact several international defense agreements and therefore diminish the capabilities of our armed forces. We encourage you to remain resolute in your opposition to these harmful provisions."



EU Commission

Letter to Sen. Warner on September 30:

...“contrary to the commitments undertaken by the U.S. in the framework of the WTO agreement” ...

...“should the final bill retain WTO-incompatible provisions, the European Commission will consider the most appropriate action to take.”



Buy American Issue – Key Players

