Minister,

Excellences,

Admirals, Generals, distinguished guests,

Ladies and gentlemen,

The Defence Investment Division and Allied Command Transformation have a very important role to play in the relationship with industry. This is the first time we join efforts with ACT in organising this important event, and I am happy to have this opportunity. I would like to thank General Palomeros and his predecessor Abrial for this openness and his staff for their excellent collaboration.

Let me start by quoting an article published in '94 in “China Military Science” by General Ding Henggao: “the one who possesses high-tech superiority will have the upper hand on the battlefield”. So it’s no big news anywhere in the world that industrial capacity is key to operational success. What is relatively new is the challenging and lasting financial context, which makes it more difficult to maintain our industrial base and our technological edge.

Even the US, the strongest of the Allies, recognized the issue in their Strategic Guidance published in January and entitled: “Sustaining US global leadership: priorities for 21st century defense”. Let me quote a sentence from this key document: “Finally, in adjusting our strategy and attendant force size, the Department will make every effort to maintain an adequate industrial base and our investment in science and technology”.

At Chicago, our Heads of State and Government, probably for the first time at a NATO Summit – but don’t quote me on this, I haven’t checked all past Summits documents! – made a clear mention of Industry in their Declarations. I will come back to this in my next intervention in Panel 1.

What this did, is that it gave us in NATO clear direction: we need to define and implement better, more effective ways of engaging with industry.
This makes our theme for these two days “Chicago Summit – a game changer for NATO and Industry”, indeed a very relevant and timely theme.

Therefore I see this first NATO Industry Day, as a logical outcome and a concrete development of our Chicago Summit. A more resilient and a more collaborative Alliance that is capable of dealing with the diverse challenges of the 21st century, increasingly relies on close collaboration with the defence & security industry.

And let me say upfront that NATO is not alone here.

The European Union is sharing very similar concerns, and I’m very much looking forward to what the Chief Executive of the European Defence Agency, Madame Claude-France Arnould, will tell us later this morning. Preserving industrial capacity in tough financial circumstances was one of the key topics discussed at the EDA’s annual conference this year. And the December 2011 European Parliament resolution on the impact of the financial crisis on the defence sector in the EU member states recognises that, and I quote: “maintaining an adequate manufacturing and technological base and ensuring security of supply are fundamental national defence matters which should not be governed solely by financial objectives”.

Industrial companies of course directly see the consequences of the financial crisis in their order books. They are taking action, and the simple fact of merger talks between EADS and BAE Systems should act as a wake-up call for those of us who still believe that change is not needed.

Industrial companies have expectations of governments, and they have expectations of the Alliance, as well. A very clear one is, I believe, that they expect governments to harmonize requirements, to pool the demand, so that it becomes easier for them to pool the supply!” Our Industry Day is a major opportunity to listen to these expectations and to offer a way forward.

So, altogether it really seems that we’re all in the same boat.

There is a need for a new dynamic in NATO’s partnership with industry. We must find ways to make it easier for governments and industry to work together, throughout the lifecycle of capabilities, including at the early stages of projects, which in time should save money and speed up delivery of equipment to the front line.

I personally believe that it’s time for an enduring NATO engagement with industry. It should cover the different stages of the new NATO Defence Planning Process, giving Industry maximum transparency of our plans and projects, while preserving NATO’s and Nations’ authority and while ensuring fair and equitable treatment of all industrial actors.
Industrial collaboration based on a strong defence technological and industrial base on both sides of the Atlantic remains an essential condition for delivering critical Alliance capabilities to 2020 and beyond. With that perspective, a renewed NATO-Industry partnership should continue the strengthening of transatlantic defence industrial cooperation, and I invite you to maintain the work already undertaken in that respect.

And let us not forget to make good use of the existing tools of the Alliance to the benefit of this NATO-Industry partnership. General Paloméros has mentioned some; more will be mentioned in our panel discussions and breakout sessions; but let me just underline that the reformed NATO Agencies have been designed, among other things, to provide a more effective and efficient interface between Industry and NATO when it comes to concrete capability delivery. And the new Science and Technology Organization is charged with ensuring a better link between research and capabilities in the future. I trust that our debates will recognize the key role and the potential of these organizations.

Last but not least, a focus on developing competitive Smart Defence and Connected Forces Initiative solutions that provide enhanced capability to the warfighter, increased opportunity for industrial participation and greater security is also our challenge. For at the end of the day, it’s all about the economic prosperity to which a healthy defence industrial base contributes, and which is enabled by the greater security and stability the Alliance is striving for.

When I visited Riga in February, I had an initial exchange the local authorities on our 2012 NATO Industry Day and I was immediately convinced that this event would be wonderfully hosted. My thanks to Latvia and especially to Minister Pabriks for his hospitality. Latvia has provided us with all that’s needed to facilitate our meeting. It’s now up to all of us to make it a concrete success, to make it the key step toward the implementation of a closer relationship between Industry and NATO.

I look forward to taking part in our discussions with the highest interest.

Thank you for your attention and your attendance, and I wish you a very productive and satisfying NATO Industry Day.