

ADS CEO Address to SCEG Annual Conference

8 May 2013

Three months ago I joined ADS as CEO. In the short time I have been in this role, I have been hugely impressed by the enthusiasm, determination and vision of the Security in Complex Environments Group, and the partnership SCEG has formed with the government.

As some of you will know, ADS is the national trade association responsible for advancing the UK's aerospace, defence, security and space industries. ADS is often just regarded as a lobbying group. This is certainly one aspect of our role, but in a very constructive sense: I am determined that ADS should build, through independent analysis, a broader appreciation on the part of the general public, government and politicians about the significance of the work our member companies do.

Increasing awareness and appreciation is particularly important for the security sector and the areas you work in. The profile and understanding of the sector have often paled in comparison to defence and aerospace. Yet the sector has a real reputation for excellence, as demonstrated by the delivery of a safe and secure Olympic Games last year, and its potential is untapped.

You might think that I am just referring to the bits of kit – the gadgets – that many of our advanced companies and SMEs produce. This is a very important part of the security sector, but not the only part.

The domestic agenda and technology will remain important because of the range and concurrency of risks government has to deal with here at home. The need for better ways of doing things – improved performance while gaining efficiencies – is acute because of the financial crisis.

But the challenge government faces is greater than this because of the UK's international interests. It is not enough for the government just to secure the UK's sovereign territory; the linkages between home and abroad mean the UK must provide assistance to many countries. We as a country are seeing a marked increase in the

number of requests for capacity building, not least because of on-going disruption in the Middle East and North Africa.

While the number of requests is increasing, in-house government resources – the police, the military and the agencies – are declining. So government is increasingly turning to the private sector for the provision of capacity building and security services abroad. This certainly contributes to the growth agenda. You will all know that the government wants to increase exports to help achieve the growth agenda, and the security export market is certainly untapped: the market was worth £62 billion in 2011 and is forecast to grow by 9 per cent each year. Yet UK security export figures in 2011 were £2.6 billion. This put us just sixth in the table of global exporters with a 4 per cent share. There is certainly scope to do better, and part of this will be about developing UK strengths in niche areas like capacity building.

But what is even more pleasing, is the alignment of industry and government interests. Government has started to recognise that our industry can and does contribute to achieving national security objectives by ensuring that exports build up the capability and capacity of other countries and organisations operating abroad. This is done in an ethical and human rights compliant way.

So there is much work to be done in raising awareness of the industrial, economic and international security significance of the work our members companies do. That is why ADS provides the home for, and operational support to, SCEG. We help increase awareness of the valuable work you do across government and the public. We arrange for newly appointed Heads of Mission to have placements with you, ensuring a corporate knowledge and memory of what capabilities and services you provide is developed. And we now issue, on behalf of government, government tenders for capacity building projects.

So our work to raise awareness and appreciation of what you do leads directly to business development opportunities, which is another key role of ADS.

But all of this must be backed up by a strong policy base. Government – and international customers – need to know that our sector is mature and of high quality.

As an organisation, ADS developed many of the proposals for the government's *National Security Through Technology* White Paper that was published in February last year. And I am determined that ADS will be increasingly influential in the key policy debates that impact on our industries.

One of the key proposals in the White Paper was to establish a form of industry-led kite marking for the security sector. Part of this is about increasing the UK's competitive edge in the international market: if products and services have a track record in a high threat environment like the UK, they become more appealing to other customers.

But it is also about assuring the actual credibility and quality of a company, individuals and products and services when something is delivered abroad. This aspect becomes more important in the environments your companies operate in, and I am very pleased with the leadership SCEG has shown in developing (international) standards and certification processes for the private security industry operating in the land and maritime environments overseas. I am also pleased to announce that ADS SCEG has become a Registered Body to process vetting applications for armed guards deploying on UK Registered Ships. This new system will prove to be a vast improvement on what went before and is an excellent example of ADS acting to provide a service to SCEG members.

All of this is context for one of the next big tasks our sector faces: influencing the Strategic Defence and Security Review that will take place in 2015. This is a top priority for ADS. It represents an opportunity to recognise and develop even further industry's role in achieving national security objectives abroad.

That is why the ADS and SCEG relationship is so important. SCEG is rightly focused on a particular stream of work – standards in particular areas – but ADS develops vital policy context and awareness that enables this work to take place. ADS also develops business opportunities for companies through this work, notably by being the conduit for government capacity building tenders. So there are a wide range of opportunities available for those companies that wish to engage more fully

with ADS. We aspire to deliver real value to members and be a strong industrial partner for Government and other stakeholders across civil society.

I can see you have a very full agenda today. I wish you every success and look forward to working with you.