

Title: Competitiveness in the UK Defence Electronics Industry

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Electronics has now become one of the largest global industries and plays a critical role in almost every aspect of national security in the leading industrial nations. The importance of this industry is evidenced by the view of many analysts that it has been directly responsible for the economic boom of the 1990s that propelled the US into an unparalleled superpower status through the application of developments in semiconductors, computing, storage, intelligent devices and sensors to achieve a global competitive advantage.

Within the defence sector itself, electronics continue to grow in importance, with electronic components built in to nearly every weapon system and piece of equipment. Given the importance of the 'revolution in military affairs', it seems certain that defence electronics will continue to grow in importance in the future, enabling far-reaching advances in military capability and efficiency.

However, in February, 2002, Intellect (formerly the Federation of the Electronics Industry), the trade association representing the UK electronics industry, expressed concern at the paucity of information relating to the role, significance and competitiveness of the UK defence electronics sector and its future. As a result, an Intellect/ DTI-funded study was conducted and this paper presents the findings of this research, making reference to existing literature, data analysis and the findings of primary research conducted through a questionnaire and face-to-face interviews with senior management in the industry.