

Welsh Affairs Committee

Oral evidence: Defence Industry in Wales, HC 102

Wednesday 15 November 2023

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Members present: Stephen Crabb (Chair); Simon Baynes; Ruth Jones; Ben Lake.

Defence Committee Member present: Sarah Atherton.

Questions 48-81

Witnesses

I: Claire Mitchell, Director, Secure Communications and Information Systems, Thales, and Oriel Petry, Senior Vice-President, Airbus UK.

Written evidence from witnesses:

- [Airbus](#)
- [Thales](#)

Examination of witnesses

Witnesses: Claire Mitchell and Oriel Petry.

Q48 **Chair:** Good morning, and welcome to this session of the Welsh Affairs Committee. We are continuing our discussion and inquiry on the defence industry in Wales. I am delighted that we have in front of us as witnesses this morning two representatives of major companies with a presence in Wales. We are joined by Oriel Petry, who is senior vice-president and head of UK public affairs at Airbus. Welcome. We are also joined by Claire Mitchell, finance director for Thales' secure communications and information systems programme. We are grateful to both of you for your time and insight this morning. We are joined by Sarah Atherton from the Defence Committee. Sarah is the Member of Parliament for Wrexham, and has a deep knowledge of and interest in the defence industry in Wales.

Perhaps I could start the discussion by asking you both to set out, in broad terms, a little about the presence of your companies in Wales, what you actually do in Wales, where you are based, and the contribution



that the Welsh operations make to the overall UK picture. Ms Petry, could you start, for Airbus?

Oriel Petry: It is a pleasure to be here representing Airbus. Airbus in the UK has 11,500 employees across our three divisions—in civil aerospace, defence, and space and helicopters. The greatest share of that is in Wales; there are 5,500 employees in Wales across two sites. One is in north Wales, in Broughton, where the wings for the vast majority of our aircraft are manufactured to fly across the globe. We say that the world flies on Welsh wings, and that is not an exaggeration. The second site is in south Wales, in Newport, where we do cyber and cryptography work, working very closely with the Government and the Ministry of Defence. That is our footprint in Wales.

Q49 **Chair:** How much of the work of Airbus in Wales is civil and how much is military? Is that easy to quantify and tease out?

Oriel Petry: The majority of the work that we do in Wales is in civil, and that reflects the broader balance of Airbus's work in the UK. The majority of the workforce in Wales is in Broughton, which also manufactures the wings for the military MRTT—the Voyager, which does air-to-air refuelling. Of course, the vast majority of the work that we do in Newport is focused on defence. We will come on to this in time, I'm sure, but we see huge potential for Wales to do more in defence manufacturing. You may be aware that we hope to bid into the Ministry of Defence for a new medium helicopter for defence; that would change the balance considerably, both as soon as we won the contract, if we did, and longer term.

Q50 **Chair:** Great. I am sure we will get into that in a few moments. Ms Mitchell, perhaps you could outline Thales's presence in Wales, and say how it contributes to the UK defence effort.

Claire Mitchell: We are a global business in defence and technology. We have more than 7,000 employees in the UK; I think we are also the only defence prime in all four nations. You probably know us from some of our more traditional defence capability. We played significant roles in the Ukraine campaign more recently, and supported operations in Afghanistan and so on in the past.

From a Wales perspective, we have two operations, both in south Wales, at the moment. One is at West Wales airport: it is the Watchkeeper—the UAS system—which is probably about 50% of the capability we have in Wales. The other part is in Ebbw Vale, where the National Digital Exploitation Centre is based. There, we look predominantly at cyber-security and resilience. Where it starts to move from more of a civil space into defence and Government is with our starting to look quite carefully at critical national infrastructure, and how our capability there can support both the defence and Government industries as we go forward.

Q51 **Chair:** Thank you very much; that is very helpful. Could you both give us a sense of the positives of being based in Wales, and allude to challenges that you want us to be aware of? Perhaps you could go first, Ms Mitchell.



Claire Mitchell: One of the things that attracted us to Ebbw Vale, the site we opened more recently, in 2019, was the investment available. We opened it initially with a small number of employees, who were looking at cyber in operational technology within manufacturing. It was in an area where there had previously been a steelworks, which had closed. There was a huge amount of unemployment, and not a huge number of prospects or, at the time, investment going into the valleys. We took the opportunity to move there.

We saw that there was a desire for the opportunity for high-paid, high-skilled jobs, and I think we were able to provide a partial solution to that in offering our cyber capability, which we had already developed at our Reading site. We started to move it to Wales. Since we have been in Ebbw Vale, we have grown. We now have a small campus—it is not just one building any more. We employ about 50 people directly on site, but we also have a wider reach into the local community.

You talk about challenges; one of the big things for us, which we discuss regularly with Ministers in Wales, is the cyber-pipeline, how we develop cyber capability in Wales, and the opportunities that gives students. Maybe we will come on to that in a bit. That includes the education programme we have set up in Wales, which touches more than 130 schools. We have set up a cyber-college, along with other big companies and smaller consultancies, to give opportunities. We also look at educating students from the age of seven all the way through to PhD. We identified where there was perhaps a gap in the skills market, and we are working with people like Airbus, General Dynamics and BT in south Wales on how we can widen those programmes.

Oriel Petry: Airbus is in Broughton because of a very long history of advanced manufacturing excellence going back to the second world war, when a mainly female workforce built Wellington bombers. That expertise and advanced manufacturing prowess goes back a long way, and for a business such as ours, which is looking to find the best place to work and expand, that sort of history is extremely important.

The story is similar—though the history is not quite as long—in Newport. There, it is all about the ecosystem that we have around Newport, and around the fact that there is a growing cluster of cyber-capability in south Wales. Of course, it is between Cheltenham and Abbey Wood, which helps in terms of geography. That is absolutely driven, as my colleague says, by skills, and the relationships that we, the businesses, have with the local universities—relationships that ensure that those skills are exactly what we need to grow the business. That then leads into a supply chain that we can rely on. Those ingredients are good in Wales, and as my colleague said, we take our responsibilities as businesses very seriously. We work in the triangle made by business, universities, and the supply chain to ensure that that excellence continues, and so that we can be competitive on a global scale.

Q52 **Chair:** On the cyber sector in south-east Wales, to what extent are you competitors? Do you collaborate in the sector, as you were saying, Ms



Petry, or are you looking to poach each other's staff?

Claire Mitchell: No, I don't think so. When we moved to south Wales, we perhaps did not see where the niche might be for us. One of the areas that we have identified is operational technology. Most people know all about their asset state when it comes to IT, but if you look at a manufacturing environment, do you know where all your PLC controllers are in your factory, where they connect via Bluetooth, or where you can put a USB stick in the side? That is your big vulnerability.

We have developed a sort of operational technology cyber-capability in south Wales. It is one of the global operational technology centres for Thales, and we are one of the global leaders now in operational technology. However, it is not an area where we necessarily compete with one another; I think it is where we can potentially complement one another.

Oriel Petry: Yes, I would agree. Obviously, there is a pool of skills there to draw on, and I suppose that, for south Wales, that is a positive. I completely agree that as a business that is competing for profit, it is about finding a niche and carving out a responsibility. What we do in Wales is focused on high-end cryptography, and ensuring that the messages sent from GCHQ are delivered to frontline forces, whether in the Navy, the Army or the air force, in a secure way. That is quite distinct from what Ms Mitchell does. A foundation of skills can probably be drawn on by both of us, but the development of that scales. For us in Newport, it takes seven years for people coming into the business to be fully qualified to work on the high-end cryptography that we do.

Q53 **Ruth Jones:** Thank you, ladies, for coming in this morning. It is really helpful to see you here in person. As the Member for Newport West, I have a special interest in Airbus, obviously, but Thales is just up the road, and we are very keen to have you there.

You have touched on the prosperity and jobs that you bring to the area, and it is very clearly documented that the average salary in Airbus is above £57,000, which is more than double the Welsh average. I suppose that you bring a multiplier effect into the local economy. Do you have policies on contributing to the economic good of the local economy, or is it an effect that happens by accident?

Oriel Petry: It is not something that happens by accident, and it is something that we take extremely seriously. You talked about the skills, and I talked about the seven years that it takes to qualify our people. We are looking at something very specific, so the pay reflects the speciality of what we are looking for, which I think should be a source of pride to south Wales, to be honest.

There are a number of benefits of having in the area a company like Airbus, which spans more than defence and goes into advanced manufacturing and helicopters—benefits for the wider supply chain and, I would argue, for skills. We have a number of examples. One from your constituency, Ms Atherton, is Glyndŵr Innovations, which started out



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working with us on looking, by satellite, through clouds, and on that imagery. That allowed us to take them into a European Space Agency programme.

There are other examples, Ms Jones. Suppliers of fuel connectors for our civil aircraft have gone on to do work on our military aircraft—the A400M, rather than the Voyager—and then have gone on to do work with our space business. That is the advantage of having a larger, global business like ours get to know the supply chain. It can then see new opportunities, perhaps in areas that go beyond Wales, so that Wales can make that contribution to wider growth, and the wider competitiveness of both Wales and the country as a whole.

Ruth Jones: Thank you; that is very helpful. Ms Mitchell, do you want to add anything from Thales's point of view?

Claire Mitchell: It is absolutely as Ms Petry says: we will go to the local supply chain before our normal supply chain, which perhaps breaks a little bit with our group policy, because normally we have certain suppliers that we would go to. That investment in the local economy is vital. I think we have spent over £10 million locally since 2019. When I say "locally", I mean within 30 miles of the Ebbw Vale site. That would be on a combination of things like salaries. It could even be on the people we use for catering—everything you would need to run a site, including all our facilities management and our security. We go locally to source that, rather than through the normal Thales route, so I absolutely think there is an investment. It goes much wider than that, because we invest a lot of time in local communities, whether in running cyber-clubs at the colleges, training the teachers, or working with the universities and putting some of our staff into the labs to support the students. It is not just the financial investment, but the investment of our staff's time, that supports the wider ecosystem.

Q54 **Ruth Jones:** Fair point. You both mentioned the pool of talent and the skills that you need. Can you get those skills from people in Wales, or do you have to go outside Wales? Let's go to Ms Mitchell first.

Claire Mitchell: Initially, when we moved to Ebbw Vale, the people we brought to the site were predominantly non-Wales-based, but that was only because our existing knowledge base, as I mentioned, was in Reading. We brought some of those people down to start the work. Now, I think there are only three or four people who are not based in Wales. More often than not, they are within an hour's journey from the site, and they range from apprentices all the way up to our very experienced cyber-consultants, who lead our research and development capability. Employees are based very widely.

From a skills perspective, one of the things that we were asked to do with the investment and the funding was to look at the education programme. Initially we were asked to look at age 14 upwards, but we quickly identified that that was too late to influence students; by then, you have already picked your GCSEs, or are about to. At that point, girls in



particular are potentially already turned off from STEM subjects. We went all the way back to age 7. We have a very exciting programme where we take a Jaguar I-PACE car into the local primary schools. We dress the students in hazmat suits—Ms Atherton, you may have seen the video—and the students are asked, “Who’s stolen the I-PACE?”. It is all around cyber, so they have to identify clues not only in the car but on fake social media sites that we have posted, and they have to decide in front of a judge in the school hall—normally their headmaster or headmistress—who stole the car. We are really starting to get them interested at an early age in the analytics and the forensics. They are realising that these subjects are interesting and can be quite exciting. That now goes all the way through to the point when they leave school with their GCSEs.

We have worked with Bridewell Consulting, Fujitsu and Admiral to set up Cyber College Cymru, and each year we have 20 students who go through a specific cyber-qualification that is equivalent to A-level. At the end of that time, they normally will pick a route into one of those key businesses, go on to an apprenticeship scheme run by other cluster members, or go to university for a degree.

Q55 Ruth Jones: I may be encroaching on other colleagues’ questions here, so I am going to keep it very focused. Ms Petry, in terms of skills and the people you are employing, are you getting them from within Wales or do you have to go outside Wales?

Oriel Petry: Ten per cent of our workforce in Newport are early careers. In Broughton, we have over 600 apprentices. We, like Thales, work very closely with the local schools and, particularly, the universities—in particular, Cardiff and the University of Wales. It is absolutely key that we play that local employer role, and, like Thales, we take that very seriously. We have a number of hugely inspiring programmes—similarly to Thales—that go from primary school to middle school to A-level to make sure that, as much as possible, young people are enthused by the opportunities that advanced manufacturing and defence offer.

Q56 Sarah Atherton: It is good to see you both. We all work very closely together with our shared defence briefs. Claire, I have been to Ebbw Vale and seen the investment that Thales makes there and the support you give not only to the local area, but to STEM and outreach. Thank you for that work.

I would like to talk about suppliers and SMEs. We all know how vital they are for the resilience of the defence manufacturing supply chain. What are your companies doing to make that easier? We saw a lot of pressure on it during covid and, as a result, the MOD has published an action plan on SMEs and supply chains. Can I ask Oriel first what Airbus are doing to make it easier to engage with smaller businesses?

Oriel Petry: The supply chain is critical. For a business like ours, the vast majority of what goes into the products we make is around buying, so the supply chain is absolutely critical. It is super important to us that we have a vibrant supply chain that can deliver for us with quality and on time. In Wales, we spend £175 million annually on the supply chain. That is spread



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across 90 different suppliers, and 50% are SMEs. As you can imagine, that relationship across the piece is pretty intense and personal, and it is about the working relationship between the two of us. We cannot do it without our suppliers. Their success is our success, so the amount of energy and time that we put into ensuring that our suppliers can support us in what we are trying to do—to be globally competitive—is key.

In terms of how you make sure that the supplier base is as diverse as it can be and spots as much opportunity as it can in the broader ecosystem, that is something that is also very dear to our heart. For us, one of the programmes that has been really important is the work we do with the universities and the spin-outs that come from them. I think I mentioned earlier the example of Glyndŵr Innovations, which is really helping us with views from satellite through clouds. They bring something entirely new to us. That is replicated across the piece.

The other thing that we see, which I mentioned before, is that because we are focusing, through our bid on the new medium helicopter, on developing an entirely new line in north Wales, that has given us an insight into suppliers in the UK. Martin-Baker, for instance, is supplying into the contract at the Marignane headquarters for helicopters to supply all the seats for the 160s that we have sold to the French army, navy and air force. That is an opportunity that probably would not have been spotted by us had we not been working as intensively with the UK supply chain, as we build our bid in order to bid into the Ministry of Defence.

Q57 Sarah Atherton: I am going to jump around a bit now to the H175M contract, which you have just touched on, and we have touched on briefly. If you were to be successful in that bid, how can you expand your links locally in north-east Wales with the advanced manufacturing zone we have up there to bring on board more SMEs? What support do you get from Business Wales, which, actually, I think does a very good job in this area?

Oriel Petry: Definitely. It is still a bid; not everything is sewn up until you have the final requirements. There will be a process of working this through. The bid for the new medium helicopter military aircraft, which is the militarisation of an aircraft that is already in existence, would be built, manufactured and designed in north Wales, were we to win the bid.

At the moment, we have a taskforce of four other companies with whom we are working. That is Boeing on the training, Babcock on the servicing, Pratt & Whitney on the engines and Spirit to help us with the manufacturing. That taskforce is in place and Wales is absolutely part of that.

As we see more of the requirements coming through for exactly what the armed forces require, we are working with Aerospace Wales—the partnership there—to identify more suppliers that can support us with that. That process is still ongoing. In fact, I think my colleague will be coming over to work with Aerospace Wales to identify the much broader base of suppliers that can help us with that contract, were we to win it.



That is just one example of how we will absolutely go to the local area to find a supply chain. The reason we are going to north Wales, and Wales more generally, is because we know the ecosystem, the skills and the strengths. There is already support for us to identify the right partners for our supply chain, which we can then work through and with.

Q58 Sarah Atherton: Claire, in your evidence you mentioned that Thales can act as an anchor to support local SMEs. Could you expand on that and how it could benefit your local area?

Claire Mitchell: A lot of the work we do is research and development-based. Operational technology capability came from building rigs, supplying resource from places like the local universities into the site to be able to carry out that research and development. There is then an element of what we do that needs to be tried and tested as well.

Some of the SMEs in the local area that we work through—we have met them through, for example, the Cardiff Business Club or Technology Connected with Avril Lewis—have been small SMEs that have said, “The capability you are developing is something that could help me with what I am working on at the moment.”

For example, there was a company working with a design for dementia patients where, rather than having to worry about a key lock or remembering a code for a door, all they had to do was put their hand up to a sensor on a door and the door would open. The company were worried about the vulnerability of that, and whether there needed to be some kind of resilience wrapper around it. We also wanted to test our capability, so we offered them it free at the point of use. They came into the facility, we set up their test rig and were able to work with them, not only to ensure that their product was resilient—it is now being used in the local area in care homes, and places like that—but to give us the testing capability that we did not have to invest in directly ourselves. That is very much about supporting those SMEs in developing their capabilities.

We are also working with SMEs where we need to develop niche products. One of the things we are looking at is automotive resilience. We are working with a couple of companies in south Wales on both electric vehicles—one is called Husky—and a hydrogen vehicle, which has also been at the site. We are working with those companies to help pull through the supply chain, when we look at the test beds that we set up. We are absolutely working with those SMEs to support research and development capability at the end there.

Q59 Ruth Jones: I will go on to cyber-security now. Bear with me, because I am not a great expert in this area, and I know you are, so I will leave it to the experts. We know, with cyber-security, that there tend to be clusters across the UK. For instance, there is a cluster in Northern Ireland, and in south Wales, the cluster works with Cheltenham, as you mentioned. Do you think that the cyber-security sector in south Wales can benefit from the strength of the sector in south-west England?



Claire Mitchell: That is a very interesting point, and it is quite pertinent for us at the moment. One of the areas that we are looking to develop in at the moment is test beds, as I mentioned. We are looking at not just automotives and manufacturing, but starting to move into critical national infrastructure. We have highlighted that we can see particular vulnerabilities around gas and electricity networks and water companies, to name but a few. We have been working with NCSC to see how we can set up a facility within our existing footprint to support them in looking at the vulnerabilities of critical national infrastructure.

That would very much lean into what you talk about within the south-west of England, and it would provide us with investment, sustainability and growth for the Ebbw Vale site as well, because we would probably become the sector leaders for those networks. The idea would be that you could potentially roll that capability into other critical national infrastructure sectors beyond the south of Wales and potentially into the wider UK. For us, it is a really key point that we have to work closely with the south-west of England to make sure that they see the capability that we have in the south of Wales and draw on it. Any support that you can give to that would be much appreciated.

Q60 **Ruth Jones:** I will be very happy to shout on your behalf, I can assure you. Ms Petry, in your written evidence, you talked about the Airbus CryptKey capabilities and its capacity to be a major export across the globe. What support do you need from the UK Government to make sure that happens?

Oriel Petry: CryptKey is a very high-end, highly sensitive piece of kit, so it is not something that you want to export to anybody or anywhere. You want to work very closely with Government to identify the markets that you want to export to in order to grow the capability. That is one of the conversations that we are having with the Government. As the Committee, and you as Members, can imagine, the markets for this technology are mainly the Five Eyes market and NATO.

The partnership for us and Government is good. In an area like this, which is so sensitive—under DSIS, it is identified as a sovereign technology—we need to work in lockstep and identify the right markets for this sort of technology to go to, because it is so sovereign, so sensitive and so powerful.

I would say that the relationship for exports works well across our businesses—not just in cyber and crypt, but in our commercial and defence businesses. We work very closely with the British Government and, as Ms Atherton said, with the Welsh Government to promote and export our goods across the globe. You may know, Ms Jones, that the Welsh Government now have people in our embassies in key markets across the globe to support that and make sure that it is both Wales and the wider UK.

Ruth Jones: That is helpful to know; thank you very much. I will hand back to the Chair.



Chair: And I will hand back to Sarah Atherton to follow up on the previous question.

- Q61 **Sarah Atherton:** Do you want to talk about the MOD's investment in Thales' unmanned aerial vehicles—drones—because it is quite a big chunk of your work down in that part of Wales?

Claire Mitchell: I should let you know that I am one step removed from that area of the business, so I don't have all the answers. I believe that the Committee is visiting on 30 November, and we are very excited to have you down there. If there is anything that anyone would like to know, we will make sure that we have the answers before that meeting.

We are based down at Aberporth. We have a capability for a UAS, which is an unmanned air system, so it is beyond just the vehicle itself. It comprises the communication systems, the software and the platform. For us, the West Wales airport site is critical for test and evaluation, and for the training of the people who go on to use those systems. As we have recently heard, not only is the vehicle certified to fly within the military aviation airspace, but it is the only one that is certified to fly in civil aviation airspace. It is a very exciting capability—one we are very proud of—and we are now looking to expand what we are doing in west Wales with the midlife upgrade programme that the British Army have asked us to do. Interestingly, part of my business does feed into the comms systems that go on to that UAV.

We are very proud of what we do, and we want to continue working with the British Army. Beyond the capability that we have already, they have also asked us to support them in looking at smaller UAVs. The Watchkeeper is quite a significant vehicle, but they have also asked us to help look at test and evaluation of smaller UAVs, so we continue to support the British Army where we can with that.

- Q62 **Sarah Atherton:** West Wales airport is pretty vital to the success of this and, actually, to the success of the UK's drone programme. Are there any risks associated with that? Who owns and runs that? Is it privately owned?

Claire Mitchell: I believe so, but if you don't mind, I will take that one away and come back to you. But I do believe it is privately owned.

- Q63 **Sarah Atherton:** I wonder whether the Welsh Government and the UK Government could invest in or support that area to make sure that that facility remains critical and vital within your programme. If we can help, do let us know.

The H175M will replace the ageing Puma fleet. If you were to win that contract, what impact would it have in north-east Wales in terms of jobs, investment and social value, and what makes your bid unique?

Oriel Petry: The proposal here—I have referred to it a few times, because it is such a great example of the potential that we think Wales has to play a bigger role in defence—is to build, design and manufacture an entirely new rotor aircraft in north Wales. If we were to win, we think it would



bring a contract for between 30 and 40 helicopters, in the first instance, for the British Government. That would require an investment in our Broughton site. It would also require an additional 400 people in the first instance.

The reason why we think this is a really strategic offer to the Ministry of Defence is that we are suggesting that this is not just about supplying into the British Government. From the many conversations we have had across the globe, we believe there is a future for this militarised aircraft and for an export market running into the billions. By manufacturing in Wales and building on the great expertise we have in north Wales, it would be an export market for the long term.

The second reason why this bid is strategic, in our view, is that it would put the UK at the heart of not only the UK's next generation of rotary aircraft, but the globe's next generation of aircraft. We see it as an interim to some of the NATO work around the next generation aircraft that we think will come—we don't know exactly when—in the next decade or decade and a half. We believe the NMH offer that we have—it will be built, manufactured and designed in Wales—is an interim step. That export market may, in fact, be bigger than the analysis we have done at the moment. A lot of Governments are interested, particularly in the middle east, but further afield as well.

That is why we think this is a strategic offer: not just because it is a great opportunity for Wales to grow its economic prowess and footprint, but because it has a long-term picture for the UK to be at the heart of a really important piece of material for decades to come, and then to be a stepping stone to the next generation. We know that once you do the R&D and manufacturing in a place, it often sticks—that is the other thing. That is why we believe it to be a really strategic offer to the British Government that would not only benefit Wales, but contribute to the UK's strategic capability in the long term.

Q64 Sarah Atherton: Lastly, I know Airbus has been involved in the steering group, along with businesses from my constituency—Money Penny, Net World Sports and JCB—looking at supporting the UK Government's investment zone programme. Wrexham and Flintshire are bidding for that investment zone. We may or may not be successful. If we are successful, it could attribute up to £80 million-worth of tax incentives. If we were successful, what would that mean for Airbus?

Oriel Petry: We talked a little bit about the partnership between Government and industry. Those sorts of initiatives really help that partnership, because they show an awareness on the part of policymakers about what ingredients you need for economic growth. For us, that would just be a boon. That is not just on this new bid, but for the broader Broughton offer.

You will know, Ms Atherton, that we are trying to ramp up to meet a huge backlog of orders—this is on the commercial side, but I think your investment zone would definitely contribute to that—from 49 wing sets a



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month to 75 by the middle of '26, which is a considerable ramp-up. As we mentioned, anything that can help us ensure that the supply chain is robust and resilient would undoubtedly be a benefit to us as a major industrial player in north Wales, and the investment zones would undoubtedly lead to that, given the way they are thinking about skills, industry and R&D. That is true of the investment zone under consideration for south Wales. Those kinds of initiatives really help industry to bed in and grow domestically for an international market.

Q65 **Chair:** Ms Petry, I want to ask about the prospective helicopter programme you referred to. How straightforward would it be at Broughton to install a new assembly production line for helicopters? Is it a question of repurposing tools, skills and capabilities that are on site, or would you be building from scratch?

Oriel Petry: Having just been to the south of France and seen some of our assembly lines earlier this week, which are quite different from the assembly lines for a wing, I think you would absolutely need an entirely new way of manufacturing. The advantage of Broughton, though, is that a number of things are already there. When thinking about investment such as this, the business of course looks to de-risk as much as possible. We have a portioned bit of the Broughton site, which, as you know, is large; part of our £2 billion investment in Broughton over the past 10 years was spent buying that land. We have a bit of that site, and a hangar that would be repurposed to have the state-of-the-art manufacturing jigs that are required for a helicopter.

Of course, the other great advantage for my MD in helicopters is that the person who runs the site in Broughton really knows the skills and capabilities there. There is a lot of thinking around how you bring about a training centre. The hope is undoubtedly that you would see a transfer and referral across of the skills that have been built up on the civil side in Broughton into the manufacturing of the military helicopter.

Q66 **Chair:** Is there a sense of excitement in the team at Broughton about this?

Oriel Petry: There is absolutely a sense of excitement. This is entirely new. As I said in answer to Ms Atherton, it is not just a manufacturing line, but a strategically important development for us. We think this has a global market. There is a lot of excitement across the business, not just in helicopters.

Q67 **Chair:** Ms Mitchell, I will follow up on Sarah Atherton's questions on West Wales airport and the activity around uncrewed aerial vehicles. Are you suggesting that a cluster could emerge there, and that this will significantly grow the scale and intensity of activity at the site?

Claire Mitchell: In terms of what we want to do with the UASs, absolutely. The company continues to invest in that, but I think it goes wider than that. With my Ebbw Vale hat on, we have also been having conversations with Aerospace Wales and Space Wales, and talking about the opportunities that they would like to bring. Some of those



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opportunities could also be based at West Wales airport. That would be about us potentially putting cyber trust and resilience wrappers around the technology that they are pulling in. At one time, I think John Whalley was talking about launching a rocket from West Wales airport; I do not know if that is still on his agenda. They are absolutely coming to talk to us about how we can support them in those programmes. That goes beyond what we are doing purely in the defence space with the British Army, and links directly back to what we are doing in Ebbw Vale.

Q68 Chair: I appreciate that you are one step removed from that business unit in west Wales, but could you help us understand how the capability at West Wales airport compares to that at other sites around the UK where drones are tested and developed?

Claire Mitchell: I will have to take that one away, because I do not have the market information on that, but we will absolutely come back to you.

Q69 Chair: I have a final question on this relating to the public information about the capabilities there. As the Member of Parliament for a constituency that almost borders that airspace, I know that for a long time, the activities there have been shrouded in mystery. There is a lot of sensitivity about testing that has happened there. As warfare is changing and there is so much growth in this sector, does a clearer story need to be told to the public about that site, the evolution of this technology and where Wales fits into its development?

Claire Mitchell: In terms of the work that we do, I think people are aware that there is a connection with Elbit. Let us be very clear that the work we do with Elbit is about U-TacS, and that provides only UAVs and UAS to the British Army. We have no links outside the British Army on that programme. As for what we can put into the public forum, that is absolutely something that we would have to work with the British Army on, and we could work with you on it, going forward. We may be able to raise that on 30 November.

Chair: We very much look forward to our visit, and to learning more about what will happen there.

Q70 Simon Baynes: Thank you both for your time, and for your evident enthusiasm and commitment to Wales, which is greatly appreciated by us all. I echo my colleague Sarah Atherton's comments about the north-east investment zone. As the neighbouring MP in Clwyd South, I think we all see that as being extremely important.

What I really wanted to ask about was your relationships with the UK and Welsh Governments. Are the UK Government pursuing the right policies to help companies such as yours build up the UK's defence and security capabilities and protect its national security? Also, would you support changing MOD procurement rules to give more weight to supporting the UK's onshore capabilities, as opposed to costs? Let's start with you, Ms Petry.

Oriel Petry: There are quite a few questions there. As a business working on quite long cycles, manufacturing products that we believe are of



national importance for capability in the long term, our relationship with both the Welsh Government and the Government in London is really important—and both are really important. We are committed to Wales, and have been for a long time. We believe strongly that some of these capabilities are quite niche. We are proud that we are the UK businesses driving that UK ecosystem, as we see it, and as you heard from my colleague in Thales, from primary school all the way up to university. We ensure that those skills are developed in the UK, so that it can be globally competitive. That is undoubtedly a partnership between the Welsh Government and the UK Government.

There are lots of things that are really positive. DCIS was really clear. That really helped the industry to get a clear idea from the Government of where they see sovereign capability. The “Integrated Review” document is very clear, and helps us rally around a vision for long-term capability in the UK. I am thinking of the example of the technology research centre, which will be defence-focused. It builds on the ideas of the AMRC on the civil side, and will really drive innovation in sectors such as cyber-security, software engineering and radio frequency—things that are really helpful to a business such as ours as we look to build and innovate in the UK. They are all really good examples.

Footprint is really important for us. We think that the UK has a great story to tell—as does Wales, for that matter—but it is about continuing that investment. If your client is the Government, as they are for businesses such as ours, the greater the clarity in the medium and longer term on what the Government would like to procure, the better we can deploy the tactics you have heard us mention around skills development, university collaboration and supply chain development to offer that sovereign capability for the future.

Simon Baynes: Ms Mitchell?

Claire Mitchell: I totally agree with my colleague. We are moving from being that research and development centre to growing that into a sustainable business. We have larger projects coming through Ebbw Vale. The relationship with the Welsh Government is very strong; they have been heavily invested in us. The Department of the economy and the Department of Education has been looking at what we have been doing, and the First Minister has been a huge advocate of it.

As I mentioned, we are perhaps starting to identify capability in Ebbw Vale that could support critical national infrastructure projects. The support from the First Minister on siting that in Wales has been quite strong. Indeed, he wrote a letter to the Prime Minister suggesting that the capability be based in Ebbw Vale. Those links are absolutely vital. The UK Government recognise the importance of critical national infrastructure, and we need to work together closely to enable that to happen.

As for the defence side of our business, we have spoken with Ms Atherton about moving a digital trust and resilience centre to north Wales. That would be around something like the GCAP; we have already worked with



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the MOD on putting its front-of-house capability into our Reading office. We have offered wider support for the platform and the system of systems that will evolve from having something like GCAP. Indeed, we have done three proof of concepts for it through the Tempest programme, but we would have to put that into a high-side capability, as we do not have that at the moment. We would therefore look to invest in another site, potentially near DECA, where we know that there is high-side capability. That is another area where support from the UK Government on investing in north Wales would be fantastic.

There is another area that I think is a moving beast. We are bidding for the next 10 years of the ABISS programme, which is the in-service support for Royal Navy communications. It is about a £300 million programme. We are looking to work with DECA on identifying where they can help with the spares and repairs capability where we have perhaps outgrown the ability to do that on our Crawley site, and on how we could move into doing that with them. That is very much a discussion at the moment, but using that site to support the programme would be fantastic.

Q71 **Simon Baynes:** Thank you, both. Judging from what you say, you feel that you have good relationships with both Governments, and that they are attentive and constructive in their assistance. Are there any areas where you feel that they could do better, or are you broadly happy with what is happening? That is just to round off my questions.

Oriel Petry: We can always do better, can't we? There is a great foundation. Greater clarity on exactly what the Government would like to procure for the long term, and how they see that playing internationally, would be really welcome. A continued focus on R&D partnerships and initiatives such as the ATRC is really important, because they allow us to come together to drive innovation, which will lead to growth in the long term. There is a great foundation, and over the last six to nine months, we have seen a shift in the openness with which officials speak about how we can deliver that long-term capability together. We are really keen to build on that shift, and we are really earnest about delivering that for the UK, and for Wales in particular.

Claire Mitchell: I echo what Ms Petry said. The research and development areas are vital in developing new technologies, in thought leadership, and in driving things forward.

Having open conversations is really important, as is providing opportunities back to us. To give a recent example, the Motor Insurers' Bureau was pointed towards us by the Welsh Government, because they are trying to understand the algorithms involved in a system-to-systems capability from a cyber perspective, how you would put insurance on to an automated vehicle when an infinite number of things could happen, and how you would quantify those things. That is a very specific piece of work that needs to be done. Fortunately, we have the capability to do that in our Ebbw Vale office, and we have been able to support both the Welsh Government and the Motor Insurers' Bureau in that piece of work. However, what comes to us is limited. We would welcome anything being



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directed to us that is within our capability in Wales, or where we could support development, research and thought leadership in capabilities.

- Q72 **Chair:** In your discussions with the UK Government and the MOD about new projects, are conversations based on capabilities and numbers? To what extent does the MOD think about place? Obviously, your discussions with the Welsh Government are all about Wales, because that is what they are there to represent, but the UK Government are a broader entity. Do they get the importance of the contribution that defence industries can make to levelling up? Is there a conscious policy effort on the part of the MOD to think about the role defence can play in regional development?

Claire Mitchell: I think there is. We see more and more often—I assume Airbus will see the same—that a huge wave of corporate social responsibility needs to be incorporated in any bid; you have to demonstrate that you are investing in an area. There is definitely a UK Government concern about how we can contribute to levelling up. I think we may be seeing less of, “You must do it in a particular area” in bids. In some programmes, there is definitely a focus on using UK capability, rather than going overseas, but they are not necessarily specifying an area. Going back to the piece around the NCSC and the critical national infrastructure, I am not sure that the Government would necessarily have thought about investing in a site in Ebbw Vale to do that, whereas we feel that we have to push quite hard. It is very much noticed by the Welsh Government, but maybe less so by the UK Government. We are influencing in the right ways, but support for wider capabilities that are open to supporting new developments would be much appreciated.

- Q73 **Chair:** You mentioned the First Minister writing to the Prime Minister about critical national infrastructure opportunities for Wales. Does the Wales Office also lobby internally to UK Government on that?

Claire Mitchell: I believe they have done, yes. It is something that has been on the table for about six months and we are actively talking with NCSC on how we can start looking at the initial capability and what an IOC might look like before we get to full operating capabilities. We are moving those forward.

Coming back to Mr Baynes’s point about procurement, the route to procurement is very slow, both through GCHQ and through NCSC at times, as well as through the UK MOD, as you have mentioned. On support in trying to move those things along, quite often, we can see with the commercial support that while it is not necessarily lacking, it is perhaps because they do not have the expertise, especially in some of those cyber capabilities. Therefore, the time to contract can be longer because of the understanding that needs to be taking place.

Bringing people like the UK Government on the journey with us earlier would be something that could help, but it is that engagement that we need. The Welsh Government are completely engaged with us and working on that. They regularly come to visit us and see how we are moving things



forward. We perhaps do not have quite so much interest from the UK Government in what we are doing on site. We host them more rarely than the Welsh Government.

Q74 **Chair:** Ms Petry, is there any colour you would like to add to that?

Oriel Petry: I think procurement for the Ministry of Defence now has to have 10% social value. This is a good start, because it demands of the people procuring to really look at that place-based growth. Part of the reason why we have built this taskforce around our NMH to include Boeing, Babcock, Pratt & Whitney, and Spirit, is because we have taken a four-nations approach here. Wales has great capabilities, particularly in advanced manufacturing in defence, which are complemented by what Northern Ireland and Scotland have. It may be of interest to talk to the Government to see if the focus and link between ecosystems that sits in the other three nations could be taken into greater consideration, because we definitely think there is potential there to drive capability for the UK.

Q75 **Ben Lake:** Thank you both for your testimony this morning. It has been very interesting. I will stick with defence procurement for a moment. We have discussed quite a bit this morning the need to onshore more capability, and that there has been a bit of a shift in approach by the MOD. I am interested to know your thoughts on whether the war in Ukraine and the lessons learned about modern warfare in that conflict has provoked some of that shift. We have heard in other places and this place of the MOD talking about, regarding procurement and especially inventory management, a way from a just-in-time approach to a just-in-case approach. I am interested to know whether that has started to filter down into real, meaningful discussions and consequences for the defence industry.

Claire Mitchell: Again, I am one step removed from the business that we have set up in Belfast, where we have provided a lot of the air capability for the war in Ukraine. I will have to speak to the MD on that question. Certainly, at the moment we are seeing that it is still more just-in-time, in terms of trying to provide the capability we need. We are seeing the orders come through; it is about being able to fulfil that through the supply chain. It will take some time in that particular area to make that shift. Having said that, I mentioned earlier the in-service support contract for the Royal Navy communications systems, which the UK MOD is already thinking about. In the planning for that programme, it is part of the bid process that they are expecting us to put some capability in there. I think there is a shift, absolutely. Where we are seeing a near-term requirement, or a very near-term requirement, is in Ukraine. That one is still potentially catching up whereas, with things that we can see are slightly longer-term requirements, we are starting to see that forward thinking and the planning coming through.

Oriel Petry: Our perspective as a business is that what is going on in Ukraine and the wider world has definitely made us sit up. From our point of view, one of the key things to look at is, as Claire says, what is it that we need for the longer term? We have not really touched on this, but



there is still a sense that defence is perhaps a problematic sector, particularly for younger people. Over the last few years, the investment decisions in the city, and the sort of ESG lens that is taken on that, have taken a more critical view on defence. As a business, we are really glad to see that picked up by the Treasury. I don't know whether you saw the article recently in the *Financial Times*, but for the Treasury to demand of the investors to really argue clearly what ESG criteria they are talking about is a positive development from our point of view. Clearly, the growth and the vibrancy of the defence market in Wales—but also more broadly in the UK, and one could argue globally—does need to be underpinned by proper investment. That is a development we have been talking about to the Government. We have been pleased to see the Treasury pick that up, because that is more an FCA thing than a Ministry of Defence thing. Ukraine has had a positive—not positive, in fact—has been an opportunity for us to think again about the importance of a strong defence industry and what it is there to do, which is to protect the values that we hold dear.

Q76 Ben Lake: Thank you. Very briefly on that topic, I think I can anticipate your answers, but something mentioned to us in a previous session is the importance of both commercial and civil production in manufacturing to support defence capability. Would I be correct in understanding that that is a view that you would share?

Oriel Petry: Absolutely. That was definitely one of my main points to get across. For us, that is absolutely right. There is a really strong virtuous circle between civil advanced manufacturing and defence manufacturing. It is the thing we are building our business on in the UK.

Claire Mitchell: I totally agree. There has been mention of GCAP. We are absolutely looking at the civil capability we currently have and how that can be transferred across to the defence space. It is critical that we keep that on home soil, so to speak. Again, that comes back to the piece about making sure that the UK Government are aware of where those capabilities lie, so they can help to invest in those areas, too.

Q77 Ben Lake: Before I finish, I will move on to skills, and research and development. You have mentioned quite a bit about your work in R&D within Wales, and also mentioned the new advanced technology research centre. Could you elaborate a little on the potential benefits of that research centre, and what actions, if any, need to be taken to ensure we maximise those benefits?

Claire Mitchell: In terms of investment, we have seen significant investment both in NDEC and a subsequent facility that is about resilient works, which is where we are bringing together that cyber knowledge, within the operational technology space. We are putting that with the resilience that needs to be put alongside it to make that an end-to-end capability.

Those are things we have invested in with the Welsh Government. We have worked with Cardiff University, the University of South Wales, and



we have also done some work where we have linked that in with the facility in Belfast, where we have a digital twin centre.

In terms of how we can get the most from those facilities and move them forward, it is about identifying where the capability lies. As we said, we can see that within the utility sector. We certainly see it in automotive. We see in manufacturing, particularly in Ebbw Vale. The areas that Airbus are focusing on have also been mentioned. It is about ensuring those continued opportunities for investment, whether via UKRI or those kinds of opportunities, or because universities are able to collaborate with us on things like the innovation hub, which we have seen; Glyndwr had one and we have one in south Wales as well.

It is about having those opportunities to invest. We sometimes find that the route to using that investment, certainly from our perspective, can be quite difficult, because we have to be careful of the double dipping between the fact that we have already had money given to us from European funding, but then there is investment for something like an innovation and research hub. We have to be very clear that we are ensuring that we are adding value by each of those investments, and being very clear in where that added value is.

Equally, it is about putting those opportunities to us, so that we can identify where best we could site that investment. As I said, we are very keen to move into north Wales as well, not to compete with Airbus, but to complement. Therefore, it is important that those opportunities are brought to us as defence companies.

Oriel Petry: On the civil side, the Advanced Manufacturing Research Centre that sits next to our site in Broughton has been critical for us to look at how you take the research that we are doing through the Aerospace Technology Institute into manufacturing. Quite a lot of the work we do at the AMRC is around new ways of manufacturing more effectively and productively to take the innovation and then industrialise it. That has been a success. We feel the Welsh Government, in partnership with us, has really delivered on that next step of work that needs to be done.

I think we see potential in the ATRC of doing the same thing; taking the early stage and looking for the industrial opportunities—as you say—to make sure that you are making the most of that early-stage investment at the research level, which you can then pull through to growth and job-creating opportunities later on. That would be my point, Mr Lake.

- Q78 **Ben Lake:** Finally, another thing that has been touched on is the skills and, where there are skills gaps, how to best address those. My final question to you is, in terms of the skills need that you both face as companies—and, if you can take a view on this, as the industry in Wales, as well—at what stage do we need to intervene? Is it, as one of you mentioned, at school age—GCSE or A-level? What would you say is the best and most important stage in a person's life to hear the message about skills and the opportunities in your industry?



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Claire Mitchell: Our original schools programme started at age 14, and we realised that that was too late to influence. We identified that, by having something on the curriculum that touches the students every year from age seven upwards, what we tend to see is that we do a programme of work with students, which might start off with the I-PACE when they are seven; when they are eight, they might come in and learn a bit more about cyber and online security, for example; then, by the time they get to the age of 10, they are starting to learn about how they can set passwords and about password security, and how that influences and changes. As you go through, by the time they get to 14, suddenly it may be that their view of computer science, maths and science subjects has changed somewhat.

One of the big things that we perhaps still struggle with is the number of girls going through that route. We have had a massive increase in the number of girls taking those kinds of subjects in the schools where we have influence. We have a group of girls that made it through to the final of the CyberFirst programme in Cheltenham. Again, being very typical of the area, the school unfortunately couldn't afford to provide the coach to take the girls, so we—Thales—provided the coach and a couple of our apprentices to go with them to support them in that competition. I think that, in the case of schools in an area where there is less money available—from either parents or the local authority—we absolutely need to look at where we can help to invest, but I also think it is about the uptake from girls going into those subjects at GCSE.

Ben Lake: Thank you, that is very interesting and useful. Ms Petry?

Oriel Petry: I agree with everything—our approach is similar—but I will continue the theme around diversity, because I think this is a sector that needs to work on diversity. There is a really nice programme—not on the defence side, but the civil side—that we have been doing, looking at female fitters. It is tricky, though, to get diversity in and to work on skills. That programme needed to do a whole load of things. We had 1% female fitters for our commercial side—actually, it was wings overall, so was also for the MRTT, I think—and have increased that from 1% to 10% over a year, but it needed to include lots of different things. That included—I mentioned this at the beginning of the evidence session—really telling the local girls about the history of Broughton and the fact that the first Wellington bomber was built by women, not men, because they were at the front. That was absolutely crucial to the story. Then it was things like making sure that the overalls fitted women, and not just men; then it was the opportunity to have a bit more flexible time, just in case they had other things that they needed to do; and then it was about building a cohort for them to work together and talk to one another. That was quite a multifaceted programme, which saw that tenfold increase.

It is quite challenging. This is not about cyber-skills; it is about broadening the skills base that we are bringing in. As Claire said, that needs to be approached in lots of different ways. It is on the subjects, but also on making sure that the breadth of diversity is there. If you go to Broughton, as I know that Ms Atherton and others have, you will find multi-



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generational people who have had their fathers—for some of them, even their grandfathers—and brothers and sisters there, because it is seen as a place where you can develop and realise your potential. That, again, is a huge source of pride for a business like ours, but there is also a duty that we take quite seriously to be an employer that people of all backgrounds want to come to.

Q79 **Chair:** Ms Petrie, you are on a mission to find the new generation of Welsh women to build the next generation of military helicopter.

Oriel Petry: I am.

Chair: And maybe their great-grandmothers helped build the Wellington bomber.

Oriel Petry: Quite right.

Q80 **Chair:** Just to follow up on one of Ben's questions, in terms of raising the profile of the sectors that we have been talking about in Wales, you understand Wales, and there is a lot of emotional attachment to the history of certain industries—steel, coal, agriculture. Does it feel a bit more of an uphill task in Wales to raise awareness about cyber, some of the new defence industries and advanced manufacturing, or is there a similar set of challenges across the UK?

Oriel Petry: I would go back to where I started. We have been in north Wales for a long time. We are well known as an employer, and as an employer who is fair and also offers great opportunities. I think our reputation there is good. In south Wales and Newport, the cluster that you and others have built around cyber is also really well known, so a lot of young people want to go into those professions. So I think we are starting from a good place. In terms of the skills that we are looking for, we are of course competing with lots of other industries, and it is incumbent on us as the industry leaders—making use of visits of Committees like yours, but also Ministers and other stakeholders—to show how exciting these sectors are and what an important role they play.

We are focused here on defence and national strategic capability, but on the civil side it is about the sustainable development of sustainable flight. Those things are really exciting. It is definitely something that we take seriously to make sure that that story is known among the many other stories of exciting careers that people can follow. As you have heard from both of us, that requires a strong intention to show the opportunities and the excitement of what these industries can offer. It is a multifaceted approach.

Claire Mitchell: I very much agree. We are an anchor tenant in Ebbw Vale, which was a 3 mile-long steelworks once upon a time. What happened there was quite a piece of devastation not only for the town and the people but for the environment around it, because there was a lot of wasteland, which has had to be regenerated. What they have done on the "works", as it is called on the campus, has been absolutely fantastic. What we have shown is that a big company can come to a very small place in



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Wales. I think some of the local people felt, “Who do they think they are? Why are they coming here?”—that was maybe the approach initially, and I think there was a bit of reluctance from a few of the Welsh Ministers as well to have another big company coming in and strong-arming their way into a valley. We have set up what looked like an SME, essentially, which has then grown over time.

I think more and more people in Ebbw Vale and the surrounding areas, whether it is Tredegar or Abertillery, are now seeing the impact that we are having, whether that is because their children are now going to a school where they have access to a cyber club or now have access to a cyber college that was never around before. One example we have is of a guy who happened to work in the steelworks—he used to run one of the blast furnaces—and his granddaughter is now one of our front-of-house people. So you are starting to see the positive impacts.

Covid did not help, because we had to stop some of the more public engagements that we were doing. But we try and support the local economy and the local people in many ways. We sponsor the Ebbw Vale Steelmen—the rugby team. Equally, we do a lot of work with local schools, youth clubs and those kinds of things.

Having that investment in the valleys draws in other people. Ms Atherton, you have been to the site, where there were the new units. We had taken some and there were some that were vacant. They are all now occupied by companies that have been drawn to the area because they have seen that we have been able to invest and get the skills profiles we need and that they can too.

I have lingered more than I should on NCSC. There is one company that, if we are able to get a longer NCSC contract, is looking to come to Ebbw Vale, because they will need to site people there too. It is not only about us, as big defence companies, investing in the area. This actually draws in other people once they see the benefits of being in that area. The local people are now seeing a whole industrial campus around cyber and digital technology evolving. It is very exciting for all those people to see that growth.

Q81 Simon Baynes: I have a very quick question. You mentioned ESG investment. The first point I want to make is that there is some evidence that people are reassessing ESG when it comes to the City’s point of view. Secondly, obviously there is the issue of arms and so on, but there is also presumably the issue of what you are doing, given that ESG stands for environmental, social and governance, and the kind of things you have been describing to us—particularly on diversity. Does that have a measurable impact on the attitude of investors, or is it really more about the world being a dangerous place and whether we should be investing in arms and armament? I just want to explore that a little.

Oriel Petry: In terms of what exactly the investment decisions are based on, I think you are right, first of all, that it is changing a bit. We were seeing before the Ukraine situation quite an unnerving uptick in investors



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saying that they do not really want to get involved in defence. I think you are right that that has slightly lessened, but we still need to make a case—I suppose that is what it is. That is why I am glad, and as a business we are glad, that the Treasury has picked up that mantle, because it does need to go into the investors.

On some of the stuff we have been talking about that is so critical for our skills development and sense of responsibility for place-based growth, the honest truth is that I am not quite sure to what extent an investor would take into account those sorts of things. They are certainly important for us as a business, and we see them in terms of a sense of pride, but our investment calls that our chief executive does globally—I should add that 75% of our free float is UK and US investors—are definitely focused on the success of the sales and the number of deals we have done. Those calls do not tend to focus on the place-based growth stuff that we have been talking about here.

Claire Mitchell: In terms of our operations in Belfast, that is something where we are supporting the UK MOD in the support that they are giving to other Governments. I also think that, increasingly, we are seeing in the battle space advantage that data and analysis of data are absolutely critical. Therefore, maybe some of the areas where we are supporting the defence industry may change over time; it might not just be within the physical weaponry that you traditionally think of. It is about the support for the communications and protecting the critical advantage we have, and also how we can share that with other nations.

Oriel has touched on the fact that there are some critical things we have that are sovereign and that we would want to explore. That is something we are doing with the Canadian Government at the moment—looking at where we have this critical national infrastructure advantage in terms of intelligence and knowledge and where we can support them within the Five Eyes space as well. I think absolutely that the views may be changing on what is battle space. We all know that there are increasing threats from cyber-security as well as other areas. It is not the traditional base of defence that we have perhaps seen in the past.

Simon Baynes: Thank you both.

Chair: It is 11.29 am, so we have come in exactly on time and in scope. We would expect nothing less from representatives of companies like Thales and Airbus. Thank you very much, Ms Petry and Ms Mitchell, for being with us today. Thank you to my colleagues for making this a really interesting, clear and precise session.