

## **Written evidence submitted by Thales (DIS0005)**

### **Thales response to Scottish Affairs Committee inquiry: Defence in Scotland**

#### **Introduction**

Thales is a global technology business operating across the Aerospace, Defence, Digital Identity and Security, Space and Transport sectors. In 2017, Thales contributed over £1.7 billion to the UK's GDP, supported over 27,000 direct, indirect and induced jobs and the average productivity of a Thales employee was over 40% higher than the national average. We pride ourselves on bringing high tech jobs that drive balanced, sustainable growth, and contribute to building inclusive economies, and delivering prosperity to people everywhere across the UK.

With a worldwide presence, we have witnessed the different ways states have used their defence investment to support economic recovery, we would like to see the UK show a similar intent and support jobs in the UK. There are numerous sizable projects ready to go, all of which deliver much needed, affordable, capability as well as secure employment and economic activity deep into Scottish the supply chain.

The engineering and manufacturing skills of our workforce, and the wider defence supply chain, are highly transferable; in order for the UK to fulfil the ambition to be a science superpower, it is vital that these skills are maintained and continue to grow.

#### **Thales in Glasgow**

With a heritage going back over a century, our site in Glasgow is central to our UK operations. We have a long history of developing and supporting both Land and Maritime defence systems from this facility and this diversity is critical in ensuring that we have a resilient business that will support jobs and prosperity long into the future.

Thales currently has over 700 employees in Scotland, with the vast majority at our site in Glasgow. Thales Glasgow provides high tech, high skilled jobs for local people, including a strong apprenticeship program that gives young people the opportunity to grow and progress within the company. Thales' Glasgow links date back to 1888, making this the oldest part of the company in the UK; currently, optronic systems for land, sea and air are manufactured there.

Thales is a major contributor to the Scottish economy. A report from Oxford Economic found that, in 2017, Thales contributed over £120 million to Scotland's GDP and supported nearly 2,000 jobs, including 600 through supply chain spending.

#### **Maritime**

Originally Barr & Stroud Ltd, Thales Glasgow has acted as the sole supplier of submarine periscopes to the Royal Navy for over 100 years. Since 1917, every class of RN submarine has been fitted with a periscope or optronics mast designed and built by Thales' engineers in Glasgow.

Our submarine masts also have a strong export track record – including sales to Australia, Canada and Japan. This long heritage of exporting began in Glasgow with Naval Rangefinders sent to the Imperial Japanese Navy in 1892.

In 2020, the site had a major success with the award of a £330 million contract to equip the Royal Navy Continuous at Sea Deterrent submarines with the latest Sonar 2076 system and Combat System Mast. Thales will be providing the critical 'eyes and ears' capability of the Royal Navy's new Dreadnought Class submarines.

## **Land**

Thales has a long history of protecting British troops and platforms with its sensors and systems, helping to equip almost every major land platform in service or in development with the UK armed forces.

The Glasgow site plays a vital role in the AJAX programme, providing Sighting Systems with 30 cameras on every vehicle giving 360 degree vision for the crew. The programme, worth £180 million, represents the largest indigenous content on the AJAX with all the equipment built at the facility in Glasgow.

In 2021, Rheinmetall BAE Systems Land (RBSL) and Rheinmetall Landsystems (RLS) jointly awarded Thales a contract for the supply and integration of the PROTECTOR RS4 Remote Weapon Station and the Acusonic® Shot Detection system for the British Army's new Boxer, 8x8, armoured vehicle.

Thales Glasgow has the capacity and capabilities to support Scotland's growth in the defence sector outside of its traditional areas. The team at Thales in Glasgow have also established an armoured vehicle centre of excellence, building on decades of experience in complex military vehicle integration by highly skilled engineers and manufacturing employees, sustaining skills and knowledge on the Clyde.

We also have ambitions to be a significant part of Challenger 3 programmes to support next generation sights and digital capabilities for the British Army's upgraded main battle tank. We also hope that Thales Glasgow will be able to play crucial role in the MRVP programme, offering our Bushmaster as a solution that would be built in Australia, with the highly skilled systems integration being done in Glasgow. We believe this would show the key role that Scotland and the engineering skills there can play supporting Global Britain.

By designating Glasgow as our centre for excellence for armoured vehicles, we are ensuring that the proud history of defence engineering on the Clyde will continue and look beyond its maritime focus and translates those technologies into other domains.

## **Exploring new sectors and applying our technology in new ways**

We are keen to see the Government continue to invest in the high skilled manufacturing and engineering skills in Scotland through further Defence spending across a wide range of sectors.

The engineering and manufacturing skills of our workforce are highly transferable and can support the UK to fulfil the ambition to be a science superpower. The site is currently working with Thales Alenia Space for significant space activity on Telesat's Lightspeed constellation. Thales Glasgow will build to print of Multi-axis Deflection Assemble (MDA) and assembly of Optical Head Unit (OHU) which are part of Optical Inter-satellite Links (OISL) where data can travel at the speed of light from one satellite to another.

This would be an exciting new step for Thales Glasgow and what we hope will be the start of more space focussed activity. The focus on space by the UK Government is very welcome and we hope

that the National Space Strategy will be the start of the journey to deliver on the ambition for the UK to be a world leader in space.

With Thales' strength in the AI, data and connectivity space, we hope that we will be well placed to support the UK Armed Forces as they look to embrace more autonomous solutions. Thales Glasgow is already part of Project MIMRee; led by the Offshore Renewable Energy Catapult, the project paves the way for human-robot teams at wind farms within 10 years and wind farms designed for robotic maintenance by 2050. The onboard Moving Wind Turbine Inspection System was developed out of Glasgow and incorporates world leading optronic technology currently used on submarines, tanks and armoured vehicles.

*October 2021*