

“The depreciating value of sterling post the Brexit vote will have a knock-on effect on the UK Defence budget. Current plans call for \$29 billion of purchases in US dollars including F35’s and P8 Maritime Patrol Aircraft. This is predicted to generate a £6bn shortfall in MoD funding. The General Election has created additional uncertainty which is undoubtedly going to affect employment in an already skill short industry.”

Nick Parker, Operations Director

Defence overview & outlook

Summer 2017



Defence overview



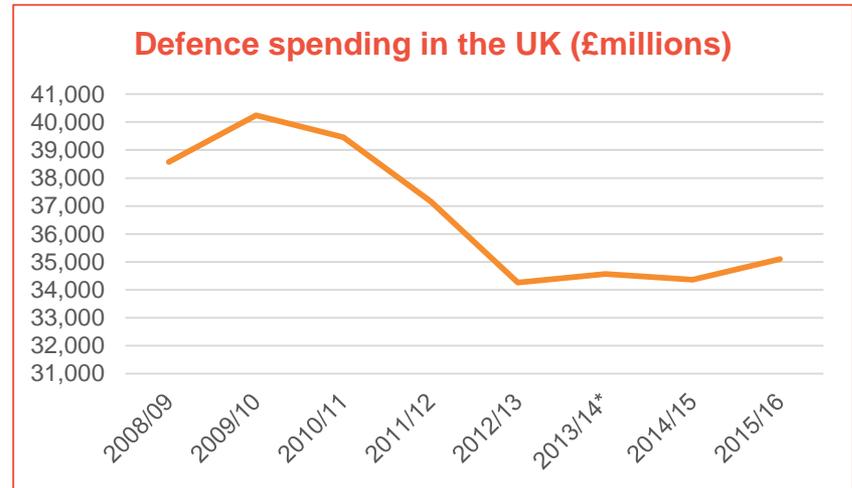
2.1% of the UK's GDP was spent on defence in 2015.

There was **£7.6 billion** invested in new equipment and infrastructure in 2015/16 in the MOD.

Three new missile contracts have been announced worth a combined **£539 million** for state-of-the-art Meteor, Common Anti-air Modular Missile (CAMM) and Sea Viper missile systems at MBDA Stevenage.

"This substantial investment in missile systems is vital in protecting our ships and planes from the most complex global threats as our Armed Forces keep the UK safe...Backed by our rising Defence budget, these contracts will sustain high skilled jobs across the UK and demonstrate that strong defence and a strong economy go hand in hand."

Sir Michael Fallon, Secretary of State for Defence



£43bn

2016
defence
budget

900,000

Jobs
supported
across UK

10,000
Apprenticeships
created

£65bn

Industry
annual
turnover

CONNECTING TALENT,
IMPROVING BUSINESS



analytics@carbon60global.com
Carbon60global.com

Defence outlook



The MoD expects to spend **£178 billion** (an increase of **7%**, compared to an increase of just **1.2%** between 2013 and 2015) between 2016 and 2026.

However, the Commons Public Accounts Committee said it was *"very concerned"* the **£178 billion** defence equipment plan to deliver new kit over the next decade was now at risk. The F-35B stealth fighters and P-8 Poseidon submarine-hunting planes are at particular risk and the MOD will be left with a **£5 billion** shortfall unless sterling recovers.

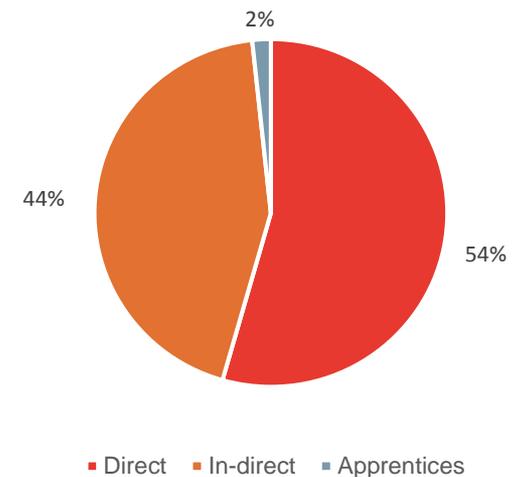
MPs warn that *"uncertainties and over-optimism in project costs mean that the cost of the plan may be significantly understated"*.

The recent fall in value of the £ against the US\$ may lead to "significant cost increases" for equipment coming from USA.

Cranfield University's latest research highlights a skills shortage within manufacturing. It points to skills shortages within technical areas such as robotics and artificial intelligence, software, data analysis and electronic and electrical engineering.

62% of respondents report a skills shortage in robotics and artificial intelligence, **55%** a shortage of data analysis skills and **46%** a shortage of innovative skills.

UK Defence workforce





Carbon60 is a specialist in providing flexible and cost effective engineering and technical people solutions on an international scale. We work in partnership through a combination of recruitment, managed services and outsourced projects to help connect the best industry professionals and teams to dynamic businesses across aviation, construction, engineering and technology.

Contact us

01329 227048

