

## HEADLINES

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## BAE reveals Saudi orders for vehicles, NCW system

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- BAE Systems' two previously unreported deals with Saudi Arabia are worth "several hundred million" dollars
- The deals fall outside the 'oil for equipment' arrangements

Saudi Arabia has ordered hundreds of armoured vehicles and a network-centric warfare (NCW) command system from BAE Systems in two deals reportedly worth "several hundred million" dollars.

Chief executive Mike Turner revealed the previously unreported deals in a recent edition of *BAE Systems News* in an article detailing the company's performance during 2006.

Turner said the two new contract awards fell outside the GBP43 billion (USD86 billion) Al Yamamah 'oil for equipment' arrangements, through which the majority of BAE's business with the Kingdom is usually transacted.

"We finished [2006] by securing approval for two other contracts that fall outside the government-to-government arrangements for a C4ISR [command, control, communications, computers, intelligence, surveillance and reconnaissance] programme and Tactica armoured vehicles," wrote Turner.

A BAE spokesman would not comment on any details of the contracts beyond Turner's statement.

Saudi Arabia has launched major re-equipment programmes for its armed forces and paramilitary security services because of an increasing internal threat from Islamic extremists, growing tension with Iran and significant increases in oil revenues.

Industry sources in the Middle East told *Jane's* that "hundreds" of Tactica vehicles were involved in the contract to supply the Saudi Arabia National Guard (SANG) for use in internal security roles. It has been suggested that the vehicles - originally an Alvis product - would be produced by BAE Systems' South African subsidiary Land Systems OMC because the Alvis production facility at Telford is now closed down.

The SANG opened a competition two years ago for wheeled armoured vehicles and asked General Dynamics Land Systems, Australian Defense Industries, Steyr-Puch Pinzgauer (a subsidiary of General Dynamics Corporation) and BAE (Alvis) to offer vehicles for testing in Saudi Arabia. Export approval documentation submitted to the US Congress in March 2005 disclosed that the SANG wanted equipment worth more than USD900 million.

This included: 144 armoured personnel carriers; 12 water cannon vehicles; 52 command and control vehicles; 17 ambulance and evacuation vehicles; 36 platoon command vehicles; 55,500 rounds of 40 mm ammunition; 3,600 F-2000 5.56 mm assault rifles with 40 mm grenade launchers; 51,400 F-2000 5.56 mm assault rifles without 40 mm grenade launchers; and 198 AN/VRC-90E SINCGARS vehicular single long-range radios. It is unclear how much of this equipment has been included in the BAE Systems contract.

Alvis had produced Tactica vehicles for Ghana, Indonesia and Norway. The BAE Systems website says: "The Tactica family is a complete range of versatile, cost-effective 4 x 4 wheeled vehicles ideally suited for use by military and security forces in many roles. Its non-aggressive profile makes it suitable for use in police and security roles where other vehicles might be unacceptable, while its armour protection, reliability and impressive on- and off-road mobility make it equally suited to military roles."

The C4ISR project is understood to be the Saudi element of the long-delayed Gulf Co-operation Council (GCC) command-and-control system. Industry sources say it is designed to provide the Saudi military command with real-time air, land and sea pictures of the battlespace around their country. It is suggested that BAE Systems has teamed with a US partner to provide this equipment, which has to interface with Saudi Arabia's existing US-supplied air-defence equipment and radars. The deal is said to involve initial acquisition costs and then follow-up software insertions.

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