

PRESS RELEASE

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Naval Group locks in commitment for at least 60 per cent local contract spend to boost Australian industry and jobs

Hundreds of Australian jobs will be created in the national supply chain being built to support construction of the new 12 Attack Class submarines, as Naval Group delivers on its commitment for a local spend of at least 60 per cent.

Naval Group and the Commonwealth of Australia have today confirmed that at least 60 per cent of the contract value for the 12 new Attack Class submarines will be spent in Australia, and included their joint commitment in the program's Strategic Partnering Agreement.

Inclusion in the Strategic Partnering Agreement follows Naval Group's long-standing commitment to maximise Australian content in the design and build of the Attack Class submarines, and its offer in 2020 that a local spend of at least 60 per cent be formally signed into the program contract.

Naval Group global Chief Executive Officer Pierre Eric Pommellet visited Australia last month, and met with Commonwealth officials for talks on matters including the joint 60 per cent agreement.

Mr Pommellet today said: "Naval Group is fully committed to supporting the development of Australia's sovereign submarine capability". "I have been very impressed by the existing capacity of Australia's manufacturing sector, and its enthusiasm for the Attack Class project," he said.

"This program will deliver to the Royal Australian Navy 12 regionally-superior Attack Class submarines which are specially designed for Australia's unique conditions.

"But it will also create a new and sovereign submarine building industry in Australia. Strong local supply chains will ensure that Australia has new self-reliance in this critical defence capability."

Naval Group Australia Chief Executive Officer John Davis said his staff were already working with hundreds of local businesses to build greater self-reliance and sovereignty in the Australian defence manufacturing sectors, and were proud of their commitment to local jobs and industry.

"There will be increasing levels of local content in each of the 12 Attack Class submarines, as we continue working with local businesses to boost Australia's sovereign capability," Mr Davis said.

"Ensuring that at least 60 per cent of the Attack Class contract value is spent locally will create hundreds of Australian jobs, for the long term, in new supply chains around the country."

Naval Group has a century of experience building submarines in France and around the world, and was selected by the Commonwealth of Australia in 2016 as the preferred international partner to build a new submarine fleet which will defend the country's borders for decades to come.

Mr Pommellet said Naval Group was delivering a unique service to Australia, which included 12 regionally-superior submarines and boosting the capability of local manufacturing operations.

“France understands the value of sovereignty. It is one that we share with Australia,” he said.

“This is a very unique program and partnership. Naval Group will deliver for Australia.”

Naval Group Australia has already created almost 300 direct jobs in Australia and plans to double its local workforce in 2021 in preparation for the building of a hull qualification section at Osborne in 2023, and construction of the first Attack Class submarine pressure hull in 2024.

More than 120 companies in Australia have registered their interest with Naval Group to become tier-one capability partners and build major parts for the 12 new Attack Class submarines, in response to release of the first local manufacturing package that was worth almost \$900 million.

Mr Davis said: “We have been encouraged by the quality of responses to our \$900 million local manufacturing package for the building of major submarine parts”.

“This program has already made great progress in creating jobs and designing the world’s most advanced conventionally-powered submarines,” he said. “There is so much more still to come.”

For further information about Naval Group’s ongoing commitment to Australian jobs and local businesses go to <https://naval-group.com.au/>

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About Naval Group

Naval Group is the European leader in naval defence. Naval Group uses its extraordinary know-how, unique industrial resources and capacity to arrange innovative strategic partnerships to meet its customers’ requirements. As a system-integrator and prime contractor, the group designs, produces and supports submarines and surface ships. It also supplies services to shipyards and naval bases. Attentive to corporate social responsibility, Naval Group adheres to the United Nations Global Compact. The group reports revenues of 3.3 billion euros and has a workforce of 15,798 (data for 2020).

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