

Offset Business

Lunch Chat, October 24, 2023

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Offset Business

1. What is Security-Relevant Technology and Industry base?

- Example: Hamilton in Covid times,
- STIB

2. What is Offset business?

- When Switzerland is buying F-35 from Lockheed
 - We pay for it
 - And require that Lockheed makes purchases in Switzerland (to Offset the cash flow)
 - Direct: Put the Swiss finish on the plane
 - Indirect: Meet a need of Lockheed

3. How to get? Who has gotten? Business?

- ASIPRO (Swissphotonics is member)
 - <https://asipro.ch/en/>
- <https://asipro.ch/content/uploads/2023/09/2023-06-30-Offset-Register-EN-7.pdf>

4. Contacts

SECURITY-RELEVANT TECHNOLOGY AND INDUSTRY BASE

Context as regards armament policy



An efficient technological and industrial base is a component of armament policy in many states.

For Switzerland, this aspect is of particular importance. As a neutral nation, it is not part of any defence alliance and is therefore not entitled to military support from other states.

Expectations of the STIB

The STIB should contribute to reducing Switzerland's dependence on foreign countries in defined areas of armament policy. It should be in a position to ensure that the technology competencies and industrial capabilities that are central to the Armed Forces and other federal institutions of national security are available in Switzerland with the required capacities.



Definition of the STIB



Research institutions and companies that have competencies, capabilities and capacities in the security and defence technology sector in Switzerland form the STIB.

Basic principles

- Federal constitution
- Security policy
- Armament policy
- Armament strategy

Security-relevant focus technologies

Based on the requirements of the Armed Forces, the security-relevant technologies have been identified and the following focus technologies that are central for national security have been defined. The STIB is to ensure the assessment and expertise capability in these technology areas.



Industrial core capabilities and capacities

Based on the assessment of the security relevance of all Armed Forces systems, the critical operational systems have been defined. The STIB should be able to provide essential services in the context of component development, integration, operation and maintenance to ensure the sustainability of these systems.



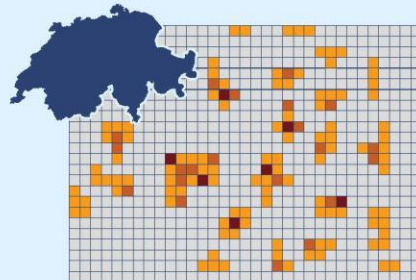
Security-relevant economic activities



Concretion of the term STIB

The security-relevant industrial sectors have been defined on the basis of the General Classification of Economic Activities (NOGA).

Not everything that is generally considered as security-relevant is of equal importance for the DDPS. For this reason, the economic activities have been prioritised differently. This prioritisation is an aid in applying the steering instruments to strengthen the STIB.



Schematic representation of the economic activities according to their security relevance.

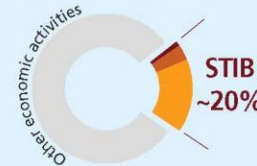
Security-relevant economic activities

- High priority
- Medium priority
- Low priority

Other economic activities

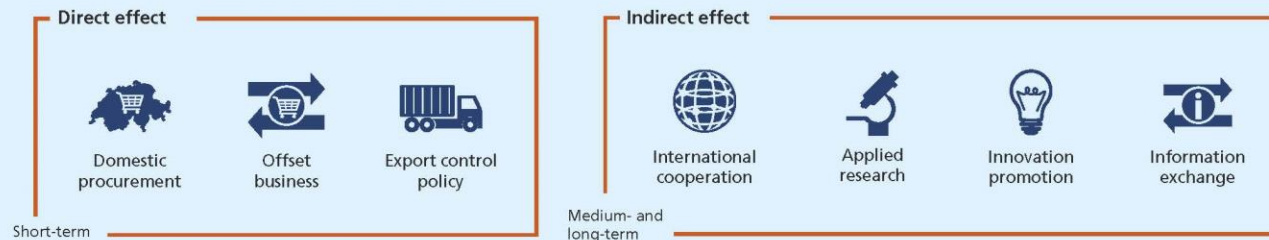
- Not security-relevant (no significance for STIB)

The security-relevant economic activities form the quantity structure of the STIB.



Around 20% of all economic activities of the NOGA have been defined as security-relevant.

Federal steering instruments to strengthen the STIB

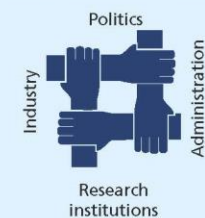


Technology and market monitoring



armasuisse periodically reviews the state of the STIB using a technology and market monitoring instrument.

Together for the security of Switzerland



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Offset What can I do as an interested company?

- The aim of offsets is to strengthen the Swiss security-related technology and industrial base by means of additional expertise and improved market access. This in turn promotes Swiss security and autonomy.
- With the procurement of the new fighter aircraft and the new extended-range ground-based air defence system, the foreign manufacturers undertake to settle offset transactions in Switzerland.
- The foreign manufacturers can choose their Swiss business partners freely. Specifications exist regarding the amount of the obligation, the economic sectors and the regional distribution.
- Interested Swiss companies can contact the manufacturers directly. Information on settling offset transactions can be found on the Internet (QR code). Offset transactions do not require any registration, approval or any affiliation with an association on the part of the interested companies.
- Offset transactions can be initiated even before procurement contracts have been signed.
- armasuisse reports regularly on the status of the open offset obligation in the Offset Register on the Internet (QR code).

Offset What can I do as an interested company?

- **Contacts**
- <https://asipro.ch/content/uploads/2023/09/2023-06-30-Offset-Register-EN-7.pdf>
- Interested Swiss supplier candidates can find more information on settling offset transactions on the website of the providers Lockheed Martin and Raytheon. In addition, the Offset Office Bern (OBB), is happy to answer any questions and can be reached at the
- phone number +41 58 464 70 38.
- More information: www.vbs.ch/air2030



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Contacts

- **Swissphotonics Links:**

- Information on Offset business, see <https://www.swissphotonics.net/funding/offset>
- Photonics21 [SRIA](#)

- **Useful addresses:**

- [Patrick Nyfeller/Leiter Lockheed Büro Schweiz](#) ; [Albert Ryan, Raytheon](#)

- **If you have questions: Swissphotonics “delegate”**

- Rolando Hess rolando.hess@formatha.com +41 78 609 0000

- **Present Activities**

- Skyguide interest in Offset-Business
 - Topic 1: Radar and surveillance systems, Topic 2: Drones for near surveillance
- RUAG CH (only space)
 - Topic: Space and aviation, Ground to air communication
- Swisscom
 - Topic: big data – earth and ground to air, Available: big data source for military and rescue civilians
- Bioma AG
 - Topic: elimination of radioactive waste