

Saab Kockums' maiden voyage (Part.2)

This article should be read as part two of the article « Kockums, the Repatriation of the Swedish Underwater Crown Jewel », *Défense&Industries*, FRS, n° 1, Juin 2014. The first article described how Sweden and Saab gradually, by early June 2014, were in a process of taking control over the naval ship and submarine company Kockums.

By April, 2014, Thyssen Krupp Marine Systems (TKMS, the then German owner of Kockums) and Saab had signed a Memorandum of Understanding stating that Saab would acquire Kockums. Saab had courted TKMS since the autumn of 2013 regarding an acquisition of Kockums. During the spring of 2014, TKMS' grip over Kockums gradually weakened as the Swedish state and FMV (the defence procurement agency) distanced themselves from TKMS, and supported a takeover of Kockums by Saab. So what has happened since early June?

Closing the Saab acquisition

On June 9, FMV and Saab signed a Letter of Intent regarding the Swedish underwater capability for 2015-2024. On June 26, Saab declared that they were still in ongoing talks with TKMS regarding an acquisition of Kockums: "The discussions are at a final stage but still ongoing."

On June 29, Saab declared that they had reached an agreement with TKMS for acquiring Kockums at a price of SEK 340 million (€ 35 million). TKMS initial price a few months earlier had been SEK 1,3 billion. As Saab had succeeded in attracting skilled submarine development personnel from Kockums during the spring, including TKMS AB's chief submarine designer, and as FMV had aborted practically all orders to Kockums – TKMS increasingly possessed an industrial facility with very limited business future.

FMV announced on July 2 that it had placed an order with Saab Naval Systems for 'design plans' for a New Lightweight Torpedo (NLT). (Note, Kockums not yet acquired). However, by July 22, Saab announces that it completes the acquisition of Kockums from TKMS, and Kockums is incorporated into Saab. Saab had by then reached approval from all concerned authorities in Sweden and Germany. *Saab Kockums* (the new name) became a business unit within Saab's business area Security and Defence Solutions. The new business unit Saab Kockums has its design office in Malmö, its pro-

duction site in Karlskrona (next to Sweden's main navy base), and also a former navy dockyard at Muskö for maintenance and repair.

Saab's broad naval presence

Prior to acquiring Kockums, Saab also had several other facilities in the Saab Group involved in naval defence systems: torpedo development in Linköping, missiles in Linköping, C3I systems in Järfälla and radar in Gothenburg. Saab's CEO Håkan Buskhe stated that "the acquisition is in line with our strategy to expand our offering and strengthen Saab's position in the market for naval systems. ... The acquisition makes us a complete supplier of naval military systems". By Aug 20, Saab Kockums stated that they are planning to hire up to 200 engineers in Malmö.

TKMS by now apparently experienced a diminishing fondness of military ship and submarine development. According to the German newspaper *Handelsblatt*, by September 12 TKMS was in negotiations for a sale of HDW (i.e. what remained of TKMS' military ship- and submarine facilities) to the German defence company Rheinmetall. Rheinmetall in its turn was pondering divesting its unit for car components to Thyssen Krupp. *Handelsblatt* in this article also stated that Rheinmetall was interested in acquiring Optronica and Atlas Elektronik from EADS, companies highly active in defence technology.

Stabilizing Saab Kockum's future operations

Sweden had its national election on September 14. The election outcome meant that the sitting prime minister Fredrik Reinfeldt and his rightwing, four-party coalition – 'The Alliance' – would be replaced by some sort of coalition lead by the Social Democratic Party leader Stefan Löfvén. However, Löfvén and his closest collaborators the Left Party and the Green Party together only had 43.6 % of the votes. The Social Democrats have in recent years expressed clearly defence-friendly declarations and have been positive (together with the Alliance) towards costly development of an E/F generation of Gripen and of development of a new submarine. The Left and the Green party, however, have clearly been sceptic to such ambitious

defence technology developments. Löfvén is presently (September 30) forming a government with the Green Party (with 36.9 % of the votes together – leaving the Left Party out). On September 29, the party leaders of this two-party coalition declared that the Green Party accepts the Gripen and submarine development, but that the Swedish defence export regulations would become more restrictive towards "non-democratic" nations (as the Green Party had been suggesting for many years).

On September 29, FMV announced two orders to Saab Kockums. Firstly, an order of ten underwater ROVs (Remotely Operated Vehicle). These ROVs are to be integrated aboard patrol boats and auxiliary ships in The Swedish Navy. Secondly, an order of SEK 130 million for an overhaul of the submarine HMS Halland (Gotland class) during 2014-15. Together with the July torpedo order; these three orders were referred to by FMV as being part of the 2015-2024 Letter of Intent. The development of the Next Generation Submarine is also well under way in the present political and procurement context.

Implications

Saab Kockums is clearly experiencing fair wind in the first months of its maiden voyage. During several years prior to 2014, Kockums operations and product development were characterized by a procurement and ownership roadblock on a grand scale. Saab's torpedo development had also for years experienced a defence procurement standstill. A perhaps worrying cloud towards the horizon, however, is the export market. Present export orders are modest, and technology development in the naval area solely for the Swedish demand would be costly for Sweden. Perhaps Kockums will be pulled along on the export market by the highly export successful Saab Group. In aggregate however, for the Swedish Navy's submarine force, Saab Kockums' submarine development and Saab's naval business units; massive uncertainties have turned into a promising future rising on the horizon.

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The project is part of Danish Natura, which aims to provide environmentally friendly transport for local residents. It was initiated in 2015 and was funded by the EU through the Horizon 2020 and Innovation Program. The ship, capable of carrying 30 vehicles and 200 passengers, is powered by a battery system with an unprecedented capacity of 4.3MWh provided by Leclanché SA (SIX: LECN), one of the world's leading energy storage companies. Participating in this event celebrating the first scheduled ferry service between the two Danish islands were the respective mayors of the two municipalities, Ole Wej Petersen of Aersø, and Erik Lauritzen of Søndborg. It took over two years to construct the vessel and the process was not always smooth. Today, we've got ten more writers sharing maiden cinematic voyages. However, this time, our writers explore more modern horror films ranging from those released in the mid 80s to just last year. 1. Re-Animator (1985). So much so that I had to stop eating my popcorn part-way through the viewing. There was too much to see, to hear, and to worry about as Herbert's re-animated experiments rose naked from the beyond with murder on the mind. Re-Animator was truly a dark delight, and because of its influence, I have raised my standards for movies aspiring to find the perfect balance of camp, blood, nudity, and morally ambiguous doctors with perfectly pouted lips (I'm looking at you, Herbert). You can discover Re-Animator yourself on Shudder or Tubi. Where to Watch. Oh, what a difference. A little a lot of elbow grease, A few gallons of paint, And. A very handy MR. can make. Remember, this is what we started with: After removing, the water-damaged wood, We MY MR. patched the bare spots with paneling. AND. Then look what we found at Home Depot?! Vinyl beadboard. It's made for exterior It's a cover-up. And. It won't be damaged in the event of future leaking. And. It's just my style. Perfect! We MY MR. trimmed out the two main windows. With a pre-packaged door trim. It was the only thing small enough in scale to work. With the petite-ness of the trailer. (found at Home Depot). We MY MR. then painted the entire inside. With a soft white paint.. (are you surprised?). We used the hybrid oil I like the finish and it should be very washable. Hello again, I know you've been waiting with bated breath for the continuation of our catamaran's maiden voyage story. In my last post, we left off during our time in Lastovo, right around the time we lost most of our guests. From Lastovo to Mljet. Mljet is considered Croatia's greenest Island; it is no wonder when over two-thirds the Island is covered by lush forest. This area (northwest side of the Island) is part of yet another beautiful Croatian National Park. Mljet National Park "Just another superyacht! It has a super stunning bay near Veliko Jezero (Lake Veliko), a large and famous saltwater lake. Saab Kockums is a shipyard in Malmö, Kalmar Union, owned by the Saab Group. While having a long history of civil vessel construction, Kockums' most renowned activity is the fabrication of military surface ships and submarines. Saab Kockums is specialized in fast attack craft and light corvette sized combatants that are distinguished for their multi-mission capabilities, fire power and high-speed shallow water penetrability and designs, builds and maintains advanced nuclear and non-nuclear submarines...