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Bern

The Ambassador

Secret/confidential

URGENT

To: Fö/MFU (head & Stridh) and UD-EU (head, Fries and Elofson). Copied to: min. Enström, Bildt, Björling and Borg. von der Esch/Fö, Wieslander/SB, Lindberg/Fi, Kabs och Oom/UD, UrH, amb. Ahlberger & Hafström/UD-MK, Communicate also to: FXM (Director general, Wallin and Gustafsson), FMV, (Director General and Averstad) and HKV (Bydén).

The Swiss Gripen procurement - status

Summary: After the clear support for the so called interim solution in the parliament, the "only" thing left is to win the referendum. It is practically decided that it will be held May 18 next year. Formal decision will be taken by the government earliest tomorrow Wednesday, at the latest January 15. The yes campaign is, with one important exception, complete. Still remaining is which of the political parties - CVP or FDP - that will take the lead politically. Quarrels about resources is behind this. The no campaign has collected about 80 000 signatures, which is to be considered a surprisingly weak number.

Minister of Defense Maurer wants to concretize the strategic partnership facing the referendum, cheered on mainly by RUAG. The head of Armasuisse, Ulrich Appenzeller, is appointed to do so.

A coordination meeting about the planned Swedish efforts was held at the Swiss department of defense last week, and the list is now somewhat reduced (see appendix 1 and 2). A visit by Minister of Defense Karin Enström in the middle of March would be valuable.

1.The referendum

After the clear decision by the parliament to finance the so called interim solution (leasing of 11 Gripen C/D 2016-2012) as well as the first part payment to the Gripen fund next year, the parliamentary process is complete. Certainly, the question will remain during the parliamentary spring session (3-12 March), since the opposition has taken the opportunity to post a number of interpellations about, among other things, the industrial cooperation. But this belongs to the political game.

So, the "only" thing left is to win the referendum. The time for this is, according to deputy Secretary General Christian Catrina at the Ministry of Defense here, practically decided to be held May 18 next year. Formal decision can be expected by the government shortly, at the earliest tomorrow and at the latest in connection with the government meeting January 15.

Unfortunately, a minor political quarrel is, at the time being, hindering the important referendum yes campaign. It is the leader of the Christian democratic party CVP, Christophe Darbellay, that is not satisfied with the resources promised to the party by the campaign to take the political lead in the campaign work. This could result in the liberal FDP taking on the mission instead. This would not be a disaster but CVP is, as we've previously reported, the party that can attract the largest number of uncertain voters from the middle. The question will be decided within the next couple of days.

Besides this, all important functions are now appointed and the "core group" of referendum workers (approx. 60-100) will be offered training, both in Switzerland (January 11) and in Sweden (January 24-26 with Saab in Linköping). The most pressing issue is to start "fundraising"-work.

The no campaign, led by the Social Democrats and the Green, has manages to collect 80 000 signatures and the campaign led by the Green liberals has collected 5000 signatures. All and all, it takes 50 000 signatures in order to bring about a referendum. The result is still surprisingly low, compared to for example the referendum on the F/A-18 in the 90s (200 000 signatures in six weeks), but this does not have to mean anything for the referendum. As declared in the last report, the opinion is relatively even between yes and no, with a minor advantage for the latter. On the other hand, we can see a small trend in favor of the yes side since the latest poll, and the key will be to keep this up all the way to the referendum.

The no side is already active on newspaper debate pages and in social media. As early as this Friday night, Swiss TV is arranging a discussion on Gripen in the debate program "Arena". Ueli Maurer has, for various reasons, chosen not to participate but the yes side will have, among others, the excellent former head of the air force Markus Gygax in the studio.

2. The strategic partnership

Last week, yours truly and defense attaché Petersson had a meeting with Minister of Defense Ueli Maurer's special advisor, Res Schmid. He had just had a meeting with the Minister of Defense and the message was that the "strategic partnership" (Annex 5 in Framework Agreement) needs to be more concrete before the referendum. They'd prefer to be able to say how much of MRO, in money, that will be placed in Switzerland. If this is not possible, to agree on set "principles", that is that either "xx percent" of MRO or "xx of yy main components". Engines and radars are the components that are most often mentioned.

The assessment from the Swiss side is that Maurer must be able to give clear answers on this issue in his many speeches leading up to the referendum. At the same time, it is apparent that RUAG has addressed the Minister of Defense, as well as with Res Schmid, on this issue (compare with previous report).

We, once again, explained how the Swedish system and the Swedish law works but it is clear that they still want to try again to move forward on the issue. The assignment will, during this week, be given to the head of Armasuisse Ulrich Appenzeller, who should reasonably soon want to get in contact with FXM.

Considering how long FXM and Armasuisse has discussed Annex 5, our assessment is nevertheless that a first meeting should be held in the beginning of next year between Fö [the Ministry of Defence in Sweden] (Ljöstad) and VBS (Catrina), with support from others concerned. Saab (Sindahl [Deputy CEO of Saab]) is also in the picture and will soon get back with thoughts from the industry side.

3. Swedish activities

At the initiative of Defense attaché Petersson, a coordination meeting was held last week at [the house or office of] Deputy Secretary General Christian Catrina regarding planned Swedish support activities facing the referendum. This, as it turned out, was a very necessary meeting - though mainly to coordinate the Swiss side (!).

After objections from the Swiss air force, it was decided that the (by Saab) planned Gripen show in connection to Lauberhornrennen in Wengen January 17-19, should be cancelled, but that displays should be done in Payerne March 7-9 as well as in connection to the alpine world cup final in Lenzerheide, the weekend 15-16 March. In between, March 10-14, Swiss Gripen pilots will do "conversion training" in Switzerland. The activities are held as a part of "military cooperation" between our countries, and Switzerland pays for fuel, accommodation and other local expenses.

Protocol from the meeting and an updated list is attached (Appendix 1-2).

In the meeting, there was an idea to arrange a meeting between Ueli Maurer and Karin Enström in connection with Lenzerheide. This would be a natural opportunity to sign the negotiated and updated MOU and to hold a joint press conference à la Meiringen last year. We could also consider a joint appearance at the Swiss Officers organization.

Catrina has today returned with information that Maurer would welcome such a visit. I await notice on whether this is at all possible for the Minister of Defense.

We also have some thoughts on interviews with Swedish ministers, for example during World Economic Forum in Davos in January (see appendix 2) and a whole line of non Gripen related activities aimed at the public, mainly during April and May.

THÖRESSON

Appendix 1 [In English]

Confédération Suisse --- Civil protection and sport DDPS, Head Security
Policy DDPS [in letter head]

Meeting about Gripen events 2014 Bern, December 10 2013

Participants

- Ambassador Per Thöresson, Swedish Embassy
- Defense Attaché Klas Petersson, Swedish Embassy
- Maj Bengt Eriksson, Swedish Air Force
- Mr Magnus Karlsson, Saab
- Mrs Jennie Fagerberg, Saab
- Mr Robert Johannesson, FXM

- Christian Catrina, Deputy Secretary General DDPS
- Thomas Welther, Senior Project Leader, armasuisse
- Col Fabio Antognini, Swiss Air Force
- Beni Berset, Chief Test Pilot, armasuisse
- Col Peter Merz, Commander of Meiringen Air Base, Swiss Air Force
- Col Peter Brune, Swiss Air Force
- Kaj-Gunnar Sievert, Chief of Communications, armasuisse
- Jürg Nussbaum, Chief of Communications, Swiss Air Force

Decisions

1. There will be no Gripen flights at the Lauberhorn ski event in January 2013. However, Saab will have a tent on the ground (as do other companies not related to aerospace) and provide there warm drinks, hand-out etc.

2. There will be activities in March 2013 in Switzerland. Gripen aircraft will arrive at Payerne AB before March 7, have flight activities on March 7-8, and a static display on March 9 as a "Meet the Gripen" event. The following week there will be conversion training, and on the weekend of March 15/16, the aircraft will, out of Emmen Air Base, fly a display at the Lenzerheide ski event concluding the FIS World Cup. This action will take place between the air forces, at the invitation of the Swiss Air Force who will also assume local costs (e.g. utilization of air bases, accommodation, fuel).

3. Saab will be present at the MUBA and BEA exhibitions. There are no questions open with regard to these events.

4. Saab intends to train, at the request of the "Verein Sichere Schweiz" experts for the referendum campaign. One training session will take place in Switzerland, another one in Sweden, with Saab providing air transport and accommodation for the second one. No active Swiss officers or DDPS employees should take part in the event in Sweden, and the involvement of the Swedish Air Force should be limited to expert personnel and the use of barracks, if necessary. These guidelines are given as an advice to Saab, as they do not involve DDPS or Swiss Armed Forces personnel or assets.

C. Catrina

Appendix 2

Gross list [Bruttolista] "AB Sweden", December 16 2013

(*italic=preliminary*, small = completed)

18-19 November: Minister of Infrastructure Catharina Elmsäter-Svärd in Switzerland for a bilateral meeting. Visit to e.g. SBB on the 18th. Meeting with colleague Doris Leuthard on the 19th.

22 November: Conference in Winterthur on industrial cooperation with e.g. Switzerland Global Enterprise, Swissmem, Stadler Rail, Fisba Optik AG, Saab and the embassy.

27 November: "4th Swedish Swiss Business Forum" in Zurich with e.g. Minister of Energy Doris Leuthard, Carl-Henrik Svanberg (BP) and Ulrich Spiesshofer (ABB).

6 December: Sweden's and Switzerland's heads of air forces meet bilaterally in Bern.

10-12 December: Lucia receptions and Christmas dinner for e.g. Swiss parliamentarians, diplomats, journalists and defense and industry representatives, at the residence.

17-19 January: Minister of Foreign Affairs Carl Bildt participates in "Zürich Strategic Dialogue", Rüschlikon.

-exclusive interview with e.g. Tagesanzeiger/Der Bund?

22-25 January: Prime ministers and Ministers of Foreign Affairs, Finance and Europe participate in World Economic Forum in Davos. *-exclusive interview with Anders Borg in NZZ am Sonntag?*

-interview(s) with Jacob Wallenberg

24-26 January: About 40-60 "campaign workers" are trained at Saab in Linköping. Support from the Swedish air force.

12 February: "8th Swiss-Scandinavian Bio Business Seminar" at the stock market in Zürich.

-Media present. Goal: article in NZZ and/or specialist media.

14-23 February: Gripen "Mock-up" at MUBA fair in Basel (Saab).

-200 000 visitors and media.

February: Visits by journalists to e.g. Linköping and F7.

-Most important: Swiss TV.

2 March: Minister of Defense Ueli Maurer participates in Vasa ski race in Sweden.

-Media?

4 March: Visit by Swedish Minister for Enterprise Annie Lööf and opening of "Swedish Light and Design" at Autosalon Genève.

-Media?

7-9 March: Swedish air force fly and arrange "Meet the Gripen" at the air force base in Payerne.

-Tasgesschau/Rundschau wants to do a piece on Swedish pilots training in Switzerland.

10-14 March: "Conversion training" for Swiss Gripen pilots, Emmen.

-Media?

15-16 March: Gripen C/D (the air force) sly in connection with the alpine world cup final in Lenzerheide. Possible visit by Minister of Defense Karin Enström.

-Public and media. Possibly joint press conference on e.g. new MOU.

25 March: VIP-event with Breitling, Basel.

-Media and large audience (annual clock fair)

2 April: Arrange conference on "Smart Systems" with "Swiss Swedish Innovation Initiative" CSEM Neuchâtel.

-Media

4 April-17 May: Arrange 6th ed. of Schweden Wochen in Bern, Zürich, Luzern, Engelberg and others places (Swedish film, music, food, drink, design and tourism)

-Various media events, eventually combined with visit from princess Victoria.

8-12 April: Zermatt Unplugged with Swedish bands. "Sweden party" on April 11 with e.g. Anni-Frid Reuss-Lyngstad (ABBA) and Dieter Meier (Yello).

24 April-21 June: The chain Globus arrange "Nordic Summer" focusing on Sweden in all 14 stores in Switzerland. Swedish products in all departments.

-Sweden is very visible in Globus magazine (200 000 ex)

-Various media events, eventually combined with visit by princess Victoria.

25 April-4 May: Gripen "Mock-up" at BEA fair in Bern.

-330 000 visitors and media.

26 April: Arrange 4th edition of rock festival "Sounds Nordic, sounds good!" in Zürich with among other things a Swedish band.

-as many as 3000 in the audience, Media. Interviews with bands and ambassador.

29 April: 4th ed. of "Swedish Light and Design" in Zürich.

-Media. Interviews ambassador and exhibitors.

April: Media events in connection to Umeå culture capital of Europe 2014 with e.g. Sofia Jannok.

-Goal: Articles in various papers.

8-9 May: Visit by Minister of internal affairs/social affairs Alain Berset in Stockholm -joint press conference?

15-18 May: Volvo Art Session at Zürich Hauptbahnhof, eventually combined with exhibition on Swedish innovations.

18 May (or 28 September): Referendum on Gripen fund.

If referendum 28 September:

12-17 August: Athletics-European Championship in Zürich *Swedish missile surveillance à la London-Olympics? Gripen?*

-Media! Examples of the strategic partnership.

30 August-7 September: Air force Gripen C/D participates in Swiss air forces 100 year anniversary in Payerne.

-media and as many as 500 000 in the audience.

12-13 September: Host for exhibition on Peter Weiss at Herman Hesse Museum in Montagnola/Lugano.

-media.

September: Conference on new materials with "Swiss Swedish Innovation Initiative", EPFL, Lausanne.

-Media.