

ANNUAL REPORT ON THE NATIONAL SECURITY STRATEGY AND STRATEGIC DEFENCE AND SECURITY REVIEW.

On behalf of the Deputy Prime Minister and other members of the National Security Council, I am pleased to present the second annual report of progress in implementing the National Security Strategy and Strategic Defence and Security Review. Copies are today being placed in the Library of the House.

Over the last year, the United Kingdom has played a central role in global affairs, defending our national security interests.

As we set out in the 2010 National Security Strategy and Strategic Defence and Security Review, our national security depends on our economic security and vice versa. In that context, the economic crisis in the Eurozone, the wider global economic slowdown and the parlous state of the UK's finances in 2010 have had significant implications. The Government has responded by redirecting our overseas effort further to support trade and investment, especially with the most rapidly growing economies of the world, and by taking action to help British business compete and thrive in the global race. British exports to China, Russia and Brazil are already increasing rapidly. And we will continue to take steps to secure greater access for British companies in other emerging markets.

The combined effects of the economic situation, a decade of financial mismanagement and a 12 year gap since the last strategic defence review meant that this Government had to make extremely tough choices on defence. Investment was re-directed towards the capabilities we will need for the future and not those designed for the past. And critically, we had to ensure that future defence plans were affordable so that the MOD could break free from the vicious circle of planning to buy more equipment than it could afford, necessitating delays to programmes to make them affordable, which in turn increased costs and left our armed forces ill-equipped to face the demands of modern conflict.

The benefits of those tough but necessary decisions are now clear. We have committed to buying new Chinook helicopters, additional strategic airlift aircraft, and new and upgraded armoured vehicles for the Army. The aircraft carrier programme is now progressing well, with the first aircraft due to fly from HMS Queen Elizabeth in 2018. We have invested £700 million in design work on the new Trident submarines, to prepare for the Main Gate decision in 2016, and £1 billion in a new facility to build reactor cores for our future submarine fleet. And we have now taken the first steps to resuscitate our Reserve forces after a decade of neglect and underfunding, so that in future they can play a central role at home and overseas in protecting our national security interests.

Domestically, the Olympic and Paralympic Games passed without significant security incidents, reflecting the careful preparation and professionalism shown by all involved. Our success underlines the need to stay ahead of the significant threats facing the UK from terrorism, organised crime and hostile action by other States. In line with our broader, risk-based approach to national security, we will continue to prioritise responding to these malicious threats, and to ensure a secure and resilient UK.

Afghanistan remains the UK's largest overseas military commitment. The threat to global security from the Al Qa'ida presence in the region has been significantly reduced. And as a result of the daily heroism of our remarkable armed forces, and those of our allies, we remain on track to complete security transition to the Afghan Security Forces as planned, which will enable our troops to end their combat mission by the end of 2014. We are committed to ensuring that Afghanistan cannot again be used as a haven for terrorists to attack the UK. We continue to work hard with the Governments of Afghanistan and Pakistan in an effort to find a long term political settlement to the conflict.

People across the Middle East and North Africa have been calling for greater freedom and democracy and greater economic opportunity. We have responded to those aspirations in order to help them achieve a better future by working with the countries in the region to put in place the building blocks of modern democracies: a fair and transparent criminal justice system, democratic accountability, the rule of law, an open media and freedom of speech. More open, accountable and representative states in the Middle East and North Africa will build more durable stability and security, both for the region and the UK.

The 2012 London Conference provided the stimulus for political change in Somalia, triggering a renewed international effort to defeat extremism and to build and sustain Somali-led political and governance structures after decades of conflict. In Libya, Yemen, Egypt and Tunisia we have worked closely with our international partners to support the process of transition from oppressive dictatorship towards democracy and freedom. And in Syria, we are working to help the Syrian people to bring an end to the violence, to make progress on genuine political transition and to end the appalling humanitarian suffering.

Instability and conflict in developing countries directly threaten our national security. They also fatally undermine development and poverty reduction: no fragile or conflict-affected country has met a single Millennium Development Goal. Preventing and resolving conflict are central to this government's approach to development. We have intensified our work on conflict prevention through the cross-government Building Stability Overseas Strategy – tackling the causes of conflict at an early stage and preventing crises from escalating. Our leadership in standing by our aid commitments has allowed us to increase our untied, poverty-focused support to countries such as Afghanistan, Pakistan and Somalia which are critical to national security. A £20 million early action facility will enable us to respond more quickly to new causes of instability. The Government remains committed to spend 30% of UK ODA in fragile and conflict-affected states by 2014-15, and to work towards an ambitious International Arms Trade Treaty. And we will look to ensure that the vital importance of conflict prevention and personal security for the world's poorest people is properly covered in the post-2015 international development framework.