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A podcast associated with Rubicon is made in partnership with the Center for Safety and Free Studies, and with the support of the Ministry of the Army's DGRIES. I'm Alexandre Jublain, and today, to talk about boats, big and small, but also more generally, naval construction and defense industry, I'm pleased to welcome the president-director general of the Naval Group, the company that builds the main ships of the National Navy, aircraft carriers, up to the drones passing by the submarines.

Pierre-Éric Pomlain, hello and welcome in the airfield.

Hello.

I have to say a word, just because it's a bit of a novelty for the climator, to receive a chief of business, even if I'm going to point out that Naval Group is held 62% directly by the state, and then by the Thales intermediary, it's a company that fulfills largely legal functions, or at least that was historically ensured by the state, including in the previous declines of the company when it was public. But, in fact, the private sector and the big defense companies are historically a bit of an angle of the podcast, which is a bit of my fault, I didn't know so much about what to take from it, and we often noticed that it was a bit of a lack, because it's important, and it's even an essential part of the French defense system, the fact that the weapons equipment is not produced by the state directly, but by companies more or less private.

So I'm very happy to be able to do an broadcast with the PDG of one of the most structured defense companies in France, which is Naval Group, and I hope to do it again if there are any other opportunities.

I just added an additional word, because you have to notice that all this has been percolated by another novelty, which is the evolution of the model of the collimator, now open to advertising, and I said it because I already mentioned it, but these are space, sponsoring and partnership that are completely open to public and private actors, and it is not impossible that Naval Group is going to come.

And so the only thing with that is that I can say that I would be very clear and very

transparent on the subject, when there will be advertising or sponsoring with partners, it will be displayed and announced very clearly as such, and there, this episode of today is something else.

It is an issue that I can say, which is in preparation for a long time, and since before I know that the podcast which is very lyrical and will open to advertising, because I find it interesting and important in the absolute for the collimator to talk with the director of one of the main companies of French defense.

So that's obviously a question that arises, and at the same time, I think that everyone can understand the needs of the podcast, so find resources and succeed in an economic balance, and as soon as that's what I have to offer, it's a complete clarity on what takes up traditional episodes and on what will take up the future of advertising. So sorry for this long preview, but it's important methodologically for the podcast, and let's move on to these discussions, since I would like to enter a little bit in Naval Group by you, by your course, because it seems interesting to me, since you have a rather particular proximity with Naval Group, at the time you called it the DCN, even the DCCAN, the central direction of construction and naval armies, since I find that you have a father and a grandfather who have worked, who have occupied important functions. So maybe the first question, what vision did you have of this company or of this public service, by growing up, what do you understand from what was the DCN, the DCCAN? So in fact, I was born in it, because I was born in Amrest in 1964, now you have my age, and my father at the time, he was not a engineer at the DCCAN, he was a DCN, or Arsenal, as we said, but he was a engineer of maritime work, and he was in charge of the implementation of the Lillong sample, and he was a charge engineer of the Lillong sample. So the Lillong is the basis of submarines, it's a place where you don't go often, or not many people go.

Yes, it's the basis of nuclear submarines, the launch of the British engine, and therefore at the heart of the French dissolution.

And so in the 1960s, this base was in construction, to welcome the first nuclear submarine, the Redoutable, which arrived at the end of the 1960s, the beginning of the 1970s, to start the patrols of the oceanic force of dissuasion.

And it's true, I have this childhood memory of my father in Lillong, we had an apartment that was given on the Rade de Brest, we saw the work far away, and I think it's something that marks, in any case, which I remember perfectly well, but beyond that, we live in the building with my grandmother, who lived under the apartment, I tell vou in any case, my whole childhood life, and my grandmother had lived in naval construction since her husband, so my paternal grandfather, was an engineer of the Genie Maritime, who spent many years in Brest, and especially in the 1930s, with the construction of the fleet at the time, and my grandfather was also the engineer in charge of the Curacé de Richelieu. And my grandmother lived in this memory of her husband, she lived in Brest, she was my grandfather, who was himself the son of an apprentice worker of the arsenal. So we have a grandfather who had worked for him in the machines, so here I think that we go back not to the last century, but also to the previous century. So we are going to say a blessed childhood in this Brest environment, of naval construction,

of the arsenal, and no doubt that it forges, not necessarily a career, but in any case,

an desire and a conviction.

You have always wanted to do that, because you are an army engineer,

you have become an army engineer.

You asked the question one day, or were you not really?

Well, it's always an area that interests me.

And then the work side for France is to have a useful service in its country,

there is always something that has ticked me.

But not necessarily in this area, because when you are a young engineer,

you finally get it.

So pretty quickly, I have a second passion that came from the aeronautics.

And what brought me when I had a choice to do, so an army engineer,

that was pretty clear.

On the other hand, I went to Superhero.

But, I'm kidding.

So you therefore went to Superhero?

I went to Superhero because there was the construction of the Portavion Charles de Gaulle.

And so finally for me, the Portavion, so I'm not talking about the top gun impact,

the top of the road, etc.

But it's sure that the aeronaval side marked me.

Besides, I had imagined when I was in polytechnic,

why not be a pilot of the aeronaval?

Unfortunately, a medical visit had disappointed me.

I was inept at the ejection seat, and so it was not possible.

But when I arrived at Superhero,

I did my first flight to Brest on the Portavion's site.

And so there, on the other hand, the conviction is formed.

It will obviously be the armament, but it will be the armament linked to the aeronaval,

and therefore to the naval.

And also curious that it may seem.

Finally, I did not go to Brest to work on the Portavion,

which was really my choice from the start.

For me, there was no doubt.

But I went to Vernon in an establishment that no longer exists,

which was a magnificent establishment of the ADGA,

which was called the LRBA.

laboratory of ballistic and aerodynamic research,

and worked on what?

I give it to you in a thousand,

on the navigation systems of the nuclear submarine, the triumphant.

Yes, but it's very interesting,

because there is already a first interaction,

but which is revealed on Naval Group.

You entered the ADGA.

and then you went to DCN,

which is in the middle of the central administration, in some way, the general direction of the armament, to the naval field. How is it the same thing? Is there a passage from one another? Because through that, the question of the proximity, obviously, of what will become of Naval Group, but in fact of the company, in any case, the structure that produces the boats with the administration that commands them. So you have to come back in these years. So we are the beginning of the 90s. So I am in a laboratory of the ADGA, but in a function that is essentially naval, even purely naval, because it is the center of expertise, of the navigation system, of the submarine, the triumphant. So I work in this team. You will have a certain amount of work, let's say, of a classic engineer, but with a single client, which is DCN. and a single integrator. It's funny, the client relationship, because you were talking about it, as if DCN was the client of the state, while in truth, it's the state that is the client of DCN, and who sells the ships to him. Yes, but at the time, all that was the state. in fact, all that was the state. The LRBA was the state, but the tasks, to take terms, usual terms in the industry, the work package that was entrusted to me, so the validation of the triumphant navigation system, was a work package in the works of what was called

DCN engineering at the time. Because the DCN of the time, in the early 90s, it was already separating what was called the static DCN, let's say the master of the work, the DGA, and the industrial DCN, the Chantier-Naval, the Arseneaux, etc. And so it was DCN engineering. After four years in Vernon, finally, the DCN trade has been strong, even stronger, and I went, so what was called DCN engineering, to direct the activities of navigation systems, and then an extension with the optronic systems, and all that very in-line with the Triumphant program, with the Portage-on-Charles-de-Goules program too. So you were going to do something very close, but at DCN, instead of doing the DGA, what? Yes, it was the DGA at the time, DCN engineering, the industrial part of DCN, which went at the beginning of the 2000s, finally becoming what is Navago today, was still totally in the DGA. All that, it was the DGA. So I think we're starting to get to questions that are quite central, what is Navago, what has become, whether it is a private, public company, state, not directly, let's say like that, how do you conceive Navago as a public company, as a public service, private, state, So in 2003, so in 2003, it is an extremely important date for Navago, Navago changes status, it is not a status of administration. a status of business.

and so governed by status of private companies. At the time, the capital, the action area, of Navago is public, but on the other hand, the status is private. Private status, that means what? For example, when DCN was in a public status, it was therefore a very difficult administration to hire and to have a social environment around the collaborators of Navago, allowing them an evolution in a private status, retreats, etc. We were really an administration. So it was the state opened, so obviously for the workers, we still have state workers, because between the status of 2023, private status, and today, a certain number of our collaborators who were state workers kept their status, and even if we do not hire them, we still have a very large number of state workers who contribute, by the way, to Navago an exceptional skill. But we hire private status workers, we have a facility to hire, according to the rules of private companies, and as you know, it is not necessarily easy to hire a private company that is managed by a budget, an effective case, etc. You are also managed by a budget, do you have effective questions? Yes, but in a private status, it is still extremely different from an administration. So Navago is an entirely private company, so we keep an actionary. What happened then in the history of Navago is that in 2007, Navago opened its capital to an actionary, himself private, of reference, Thales. who will go from 25 to 35% of the actionary of Navago,

which means that today, the capital of Navago is held at approximately 65% by the state, 35% by Thales, so it is a little less in both cases, because there is a part of the capital that is held by the employees, a few percent. Yes, with this particularity that Thales is also largely held by the state. No, but it is an interesting question too, what is the interest. what is the social status. but what is the interest of a private company whose state and actionary has almost 100% of one way or another, whether it is directly or indirectly. What is the interest and what does it use? Well, it uses the private status, I take the employment, for example. Well, we have employment policies, remuneration policies, social policies that are issued from the private status, which are issued from the social dialogue in the agreements that we negotiate with the syndicates. Our collaborators benefit from all the rights of a private company, from the private retreat regimes, etc. So it is really a state, a company, normal. I mean, it is quite rare today, by the way, to have public companies under the form of public administration. And in the field of defense, there were a few, Jiat, industry became an external, DCNS became a naval group, and then when we come back in time. the aeronautical arsenals, became private companies with aerospace, now Airbus, etc.

And then Thales, Domsun CSF, who for also was in part, in a very small part, much more than us, had a notion of public service. So here it is, it is an evolution that allows, just maybe on the story of a naval group, a naval group to suffer from its public status, when it won contracts, especially exportation, it needed a great flexibility on its salary mass, on its resources. It was very difficult in the 1990s, for a naval group, public company, administration, to have an effective volumetric that allowed to adapt to its charge, especially with export contracts. I mean, it would have been complicated to hire people and launch on a project that would finish one day, and after having difficulties to save the mass. Absolutely, the administrations are managed by the public market code. The public market code has a lot of merits, but on the other hand, it is an extremely heavy organization to go through markets. In a private company, we are led to go through markets sometimes extremely quickly, when a client asks for something, yes, you have to adapt in a few weeks, when it is difficult, you have to be able to deal with it. So we are in perfectly controlled market statuses, with offers and so on, with an extremely rigorous compliance, but we are not subject

to the public market code as a private enterprise. Naval Group, TSNS, the summer. So here are the social statuses, the capacity to hire and to adapt to its charge, to be able to benefit from the private status. And then the public market code has a number of examples that to operate today in a competitive way in an international world, only the private company status allows it. Do you think it will be reassuring or, on the other hand, it would be a no-go for foreign clients to deal with a state enterprise or an state administration to buy something too attached to it? So the question is subtle because we must remember that our sales are always controlled by the state. You know that we have no right to sell weapons. We have no right to sell weapons, except exceptions. And exceptions are all given by the state through the process which is called the control of exports or the famous Siemge meetings under the leadership of the Prime Minister. And so an international client knows that a sale is controlled in a certain way by the state. By the way, the state participates most of the time in our sales.

When it comes to aviation

It participates in the training, for example.

or when we sell equipment, it is often the air force in one case, the navy in the other, which ensures training for the clients, especially if it is the same nature as those used by France. So the state intervenes in the navy, the state intervenes in support, the state can intervene in the navy. On the other hand, the sale itself is a contract. in general, a contract itself controlled by private nature contractual statuses. We will negotiate clauses, we will negotiate all the conditions, of course, of the execution of the contract, the penalties of the contract, etc. We have a political distance. It is not exactly the same thing, to buy a French navy working with the state under the control of the state and to buy a French state. To buy a state, but to buy a state can also work. There was an example, especially Belgium buying the Scorpion system, which is a system directly used by the French forces. France has put in place the equivalent of what the Americans call the FMS. So a contract from state to state, from the French side, to buy, in this case, an external contract, in a private contract context, private rights, the equipment we need. So it's true, I see that by finding the question, I imagine all the complexity of finally understanding how it works. But what I can tell you is that in the end, after 20 years, after this change of statuses, but Naval Group today,

it's a company of 17,000 people, private rights, a third of its activity international, and who has this capacity and these absolutely unique skills to provide France with what it needs to protect our fellow citizens, to protect our nation, especially when we talk about the system of dissuasion, and then to develop an international. Exactly, let's talk about it, it's how to do it, so I have the question, what do you do? But it's very wide, but at the same time Naval Group, in 2, 3, 4 programs that give a little I don't know, an advantage of what they do at the moment, what would you choose? Because you have plenty of programs. We have plenty, but not so much in fact, because Naval Group is a pure we use a horrible word English, it was a pure player, that is, we are an industrial defense naval. And besides, the reason to be is to give to the Navy the means of their power. So finally, the programs, it's not hundreds of programs, it's indeed dozens of programs, there are some who are extremely ambitious, visible, and I will come back, since you ask a little to categorize them, then there are many, many who are less visible, I think in particular to all contracts of service, support, repair, maintenance, because once we have delivered our boats for our clients, well often we are engaged in maintenance contracts

to support them, which is better

Naval Group can hold Naval Group's boats

to paraphrase

if you are well known.

But not always, not always.

And not always, especially in the international

or, of course, the clients

also seek a sovereignty,

a capacity to be able to do

autonomously the maintenance and operation of their ships.

So, the few emblematic programs,

of course, in the field of nuclear submarines,

two emblematic programs,

Barracuda.

which is the

replacement of the submarine fleet

of French nuclear attack,

class Rubi, so with a new class,

the class Sufran,

which is a problem

that we have been dealing with for a certain time already

and whose deliveries will go

on the whole 2020 decade.

So here we can already point out that the Sufran

has been delivered, and that the second one,

the G3-1, is not very far.

And the G3-1 has been delivered, and is not very far

from what we call its service service.

So already two.

So, to replace the submarines

of class Rubi.

which will

operate dismantling,

by the way, Naval Group has been going

since the development until the realization,

I am talking about the realization of the nuclear submarines

until dismantling, since we dismantled

on our side of Cherbourg the nuclear submarines

of the previous generations,

which are joined by the Sena.

Which is, so to speak, not generalized.

And not generalized.

In other words, it's not everyone

who does it. And there are some nations

that we will easily find

who leave the old equipment

without knowing too much how to do it.

It's a skill, dismantling it.

Ah yes, and we will dismantle

the quasi-totality of our nuclear submarines.

So, the first barracuda

which is an extremely ambitious one.

So we have six boats delivered.

You talked about the Sufran of the G3-1.

The Tourville is on what we call

its missile device. So it is

in a few weeks

now from the start of its nuclear heat

and its preparation

for the salamanders that will take place next year.

And then comes behind,

the Degrasse and

the Rubi and the Casabiancar

which will be the last two submarines of the series

delivered before the end of the decade.

So, if I talk about the nuclear submarine

that I just talked about,

I can say a word since you talked about

the emblematic problem of what was the repair of the Pearl.

Iune 12, 2020.

the Pearl suffered a terrible fire

and we have been measuring this year

to relive the Marine

a repaired Pearl

with an absolutely incredible repair

which consisted in taking just

half of the Sufran submarine

which had already arrived in Sherbourg

for its dismantling.

And when the Pearl was returned to Sherbourg

the part before it had been cut

we put it the part before the sapphire

the boat was left to Toulon

where the staff

are still waiting to make an exceptional work

It's interesting,

in general,

it's an exceptional performance,

I think the National Marine is extremely satisfied with the result, does it open tracks or not? Or is it something that is measured once for an unpredictable disaster for which you did not stop or does it give ideas? So, we are not yet to exploit ideas that could come I'll say two things. First, we must never forget that the submarines are built by Tronson and that the job of a industrial submarine director like Naval Group is to be able to conceive and then realize to weld and assemble. When we said, we're going to cut it and we're going to glue it again, it wasn't either a new operation for the company. The second thing is that we were able to do that in our workshops and in our study offices, engineers, technicians, workers who had worked on this. The continuity of the construction of the buildings, the construction of the buildings, 20-30 years ago. It opens the perspective, in any case, it puts on the table that the consistency in the industrial activity is absolutely necessary to be able to do that, because what we did on the pearl we did it following a major accidental fire. We could have done a repair of this nature following a tribute

in combat, etc. In any case, it shows to everyone that the consistency in the effort and the fact of following it, which is the case of France and especially on the submarine roadmap allows to do things like that. Yes, it can indeed be said for example, the Baracuda submarines in the 30s of life, why not, at some point or another add a trench for additional functions. If I remember correctly, our architects are able to calculate the impact and our workers, our technicians and our engineers are able to do such an operation. It's interesting to talk about this consistency because a second major project of the Naval Group which I imagine we will necessarily talk about is the new generation aircraft carrier still not named for the moment. But it's interesting because it's obviously the Naval Group of Charles de Gaulle at the time and so in what measure is there a continuity? After all, it's 30 or 40 years in the beginning there are still several generations of engineers and workers, etc. And in what measure is there a continuity? In what measure are we talking about a travel table? If you allow me, before talking about the carrier which obviously will come guite guickly just finished on the submarines since we have now launched the development of the nuclear submarine of the third generation. The first generation is the renewable class in the 70s. That's your father.

The second generation is the triumphant

That's you.

And so the third one, I am a little bit

with the thousands.

No, but you don't think so well

because

this third generation

has been working since

I will not say decades but not far

anyway more than 10 years.

We are in the development

so the realization

we start the realization of the first nuclear heaters

on our site of Nantes-Drette

we will start at the end of the year

in the next year

the first elements of COC

of a first boat that will be in service

at the horizon

half of the next decade, we will say 2035

to fix the ideas

there will be a boat every 5 years

and so the last one will come out of Sherbourg in 2050

so

these are boats whose life span

is estimated between 35 and 40 years

so we can imagine that these are boats

so obviously all this is very

political on the choices made by France

on its dissuasion system

but we can imagine that these are boats that will

sail to 2090

so we place dozens of years behind

and I believe that this is the strength

of a company like ours

of this permanent support that the state has had

to build this industrial hub

and this capacity to do so

under the nuclear nuclear attack

under the nuclear submarine of the 3rd generation

here are two extremely emblematic programs for France

which occupy a lot

the collaborators of Naval Group

you have mentioned the nuclear carrier

so obviously it is part of let's say big objects small programs that mark and Naval Group having realized and especially Charles de Gaulle who is now in service and Charles de Gaulle who is also a nuclear carrier the previous carriers were not nuclear propulsion in this continuity nuclear propulsion is an extremely important element we see the object, so it will be a very big boat 75.000 tons but there will be two nuclear heaters of new generation and this consistency in the competence, this consistency in the investment and everything particularly necessary in the nuclear because these are very particular technologies and these are areas on which it is extremely important to renew generations and it is true that the previous heaters who equip

current boats

Charles de Gaulle then the submarine

Barracuda then the submarine

3rd generation who are from this generation

are a model, a base

with engineers

technicians, workers who have made them

and it is absolutely

essential that these skills

apply to a new brand

which is the new generation carrier

I want to say because in fact there are technologies

I think it is something known

for Charles de Gaulle on everything that is catapult

because it is catapult systems

steam steam

and in fact we know

there are not many competent people

on catapult steam steam there are very few specialists in the world absolutely kept people who had to be absolutely preserved but it was necessary it is a niche that had to be preserved there, it is found that for catapults we change since it will be electromagnetic propulsion on an American technology but it is applicable for other things that is to say the fact that there are know-how that you have to think that you have to think about the transmission at the level of the duration of the building and that when there is something then it can become very very annoying very very quickly because if the catapult in this case it can be too many things we no longer have the specialist who is doing well the planes are still much less good but you are perfectly right and this is the subject of skills and transmission of skills it is in fact at the heart of the naval group strategy we will see a lot of the strategy by its production strategy and I will soon talk about other boats than nuclear boats we see a lot of the strategy by technological developments technological breakthroughs etc naval group is an enterprise that must also have its strategy through skills key skills, critical skills the jobs, in particular the jobs in tension, those on which we have trouble to recruit and it is true that what are these jobs in tension we have some in the industrial manufacturers we have talked a lot about welders, mechanics

engineers, welders etc which are jobs in which finally with what has happened in the industry in France, that I regret infinitely we have somewhere to dry training centers and even to dry a will to work in these areas because previously it is manual jobs but extremely qualified extremely well paid too when skills are not I mean it is really elite skills extremely qualified jobs you said extremely valuable these are essential jobs in the implementation of our objects and these are jobs in which we progress and in which the professional development is extremely important and these are jobs in which in fact we lack to reserve capacity to attract our young people because the industry was still victim in these last years I'm going back a little in the past but victim of a rather negative communication talking about the industry I can say that when I was at the College of Ulysses it was a van I mean it was presented as a job extremely little qualified extremely little valued when we see what welders do how well they earn, how well they are valued the positions it can be in the industry it's quite interesting to see and today there are other jobs in the industry

I think of electricians for example in our field today we are missing electricians and for a rather particular reason the world is electrifying and to electrify the world there needs to be an electrician and today there are not enough electricians in our training centers to electrify the world it's as stupid as that and I hope by the way that we will convince a large number of our young people to go to work in these fields because we need them today and tomorrow in the field of a little more technical, a little more engineer of course everything around digital, informatics digital, cyber security are today's attention media we, companies like others need extremely important so the identification of attention media the fact of working very hard the whole environment of training training centers the IMM the national education to be able to work in our fields the IMM is the professional union of metallurgies absolutely, the industrial branch in which we are and which is extremely active in the training professional training, initial training but to be able to orient I just give an example in the field of nuclear welding our local partners and two other companies that are EDF and Orano decided to make a common training center

for nuclear welding in the region, next to Sherbourg in the region of Contenta that means you don't have time to recruit on the trade market you have to train yourself absolutely, we are led to create ourselves to orient, to look for we have developed a lot the learning in recent years and the links to the training centers because it's true Naval Group even if we are not only in the example of our site next to Angoulême Ruel which is a little further from the sea but whether it is Sherbourg Brest, Orient, the Nantais or the Toulonais wider than that since we are going to Sint-Tropez are training centers in which we need to be attractive we need to exist to be visible and to encourage young people because if we want to make boats until 2050, in service until 2019 the young people that we recruit today will be largely retired when the boats are there it's true that it's not easy to say, I imagine that it's the most general method in the concept of armament but to work on boats that we don't necessarily see we put water if I can continue we talked about submarines we talked about the port of Avion so the area of the surface buildings which is also extremely active we have put water

since we are talking about these moments the first frigate for Greece last week in the east we are going to put water in a dozen days less than that now the first boat for the Netherlands in the area of the mine war the surface that is supported with frigates, corvettes, mine war buildings and then in partnership with the Atlantic Champs big effort to renew so the problem is called FDI defense and intervention frigates new generation of frigates so it's a beautiful boat there is a big aeronautical industrial that said Marcel Dassault to name it a good plane was first a beautiful plane I am proud with all the collaborators of the Naval Group to say that a good boat is first a good boat, I think our boats are beautiful and in any case our frigate the last frigate has an absolutely incredible allure but behind this allure it also expresses the mission of such a boat, a combatant boat capable of anti-submarine missions indeed they are very beautiful for those who want to see it the first one has already been released for France because it is co-produced for France and for France so this is what the Naval Group does just a question, what do you do since you have been as an army engineer you have put your hands in all this

what does the PDG do? what does the PDG do? so precisely, let's go to the end here are some examples, but we also do submarines for Brazil we do submarines in one transfer technology and we have projects in the Middle East we also have projects in Asia, Singapore etc so an international activity we will talk again about the export valve because it is obviously very important but what does the PDG do? the PDG spends a lot of time with its customers so obviously there is a French customer he is not very far but we have had a lot of work with the French customer in the preparation of military programming and then it is 60%, 70% of our activity is our great customer even though the service of support of the fleet is our great customer, the national marine user the president of the Naval Group spends a lot of time with them to take care of the present obviously I can tell you, we talked about the Pearl it is a subject that has occupied me a lot in its time to prepare the future to make sure that the Naval Group is perceived at the level it should be in the device and also to listen to its customers of the national marine, etc that is for France but the PDG of Naval Group spends a lot of time internationally too so it is further but our international customers are states, marines of first rank

also need to deliver

need to understand the needs of the future and then need to win projects because our industrial activity is a complement of this activity for France and this activity for the international that is what allows us to carry our naval fields our structure to make sure that we are competitive and for one and for the other we need a volume of activity which is the complement of the two Do you miss the engineer's job? Yes, listen I think we are I talked a lot about the internal vision after I spend a lot of time in the company all the topics related to the company's function to its trajectory, obviously to its budget its administration advice Yes, but it is a bit different at the time you were designing the navigation system I will come, I will come but ask me what I do so I also try to trace the life it is also a lot in the company its administration advice, the administrators with which I spend time and then every time I can engineer every day, engineer every day I think when you are passionate about a field where it is expressed it is the field as soon as I can, I go I go where it happens go see the Cog workshops of the Orient, of Sherbourg spend some time in our workshops, spend some time in our design forms, spend some time with people

and spend some time with engineers the navigation field remains and the engineers of the Navagrupa who take care of the knowledge I think when we are engineers, we are always engineers so we are passionate I love working with my engineers on future projects obviously, I spend time to understand what we do and then also orientate a certain amount of work on the new generation on the nuclear submarine of the third generation this is a bit the family tavism that you have and then the choice I made I think when we make a choice young people, it still marks us the fact of having chosen to work on a submarine makes everything spend time with the engineers who work on the USN and the 3G is an absolutely exciting hour for me and then I am incredibly admirable of everything they do the Navagrupa collaborators admirable of a worker in the Cog workshop and admirable of an engineer who works on extremely evolved algorithms you know my navigation because it can still evolve since So, you talk about submarines you also talk about the export you may have to come back to one of the episodes to talk about which the general public has heard about the Naval Group these last few years, it is obviously the Australian submarines an offer brought in in 2016

then an agreement signed in 2019 for the construction of 12 submarines not nuclear, it is important to attack for 31 billion euros the contract of the century annulled in September 2021 in the framework of the Cooccus which allowed Australia to acquire nuclear submarines but what is interesting it is obviously an affair it was obviously a tough blow for the Naval Group i.e. between the time when the deal was signed and its annullation so how did you experience it, how did you even learn it how did it hit you how did it happen to you and what did you understand I will answer directly to your question and then if you allow me to come back to the story I had taken in my office the 15th of September 2021 at 3.30pm and so with some colleagues around me we were very few and so in a phone call with the Secretary of State of the Australian Defence and in fact they were in a sequence the Prime Minister called the President of the Republic the Minister of Defence called the Minister of Defence and it was in a sequence of announcements telling us especially you do not say anything before tonight because everything will be announced tonight by President Biden

a wonderful meeting at the CUS

and that's really how I learned it

so that's how I learned it

it's really at that moment

I often say that I'm always in a post-traumatic stress at that moment, I think it's true such a shock that we can get ready for everything but it prevents the game from happening and so you say that I arrived it's true that when I arrived in March 2020 I didn't arrive at the moment of Covid it wasn't an easy time I arrived at Thales and then you arrived in March 2020 and in Thales, thank you when I was in Thales actually I was directing among others the naval activities of Thales, including the submarine sonar and this Australian project I had lived it since the beginning next to the DCNS and the naval group I even participated as Thales at the visit of the Dutch President in Australia which was a bit of a precursor of the will of the naval group and of this campaign and I arrived at the naval group with really the desire to make sure that this program it was a program absolutely colossal by its volume by its dimension by the commitment of the company that it was going to bring I often said at the time to come to an Australian Franco-Australian company it's a program that was actually in the physical sense of the term which was the naval group

that approached it

and that also approached France in a pacific water environment but beyond that even given the object in a very special relationship with the Five Eves because France would have entered Five Eyes are these British-English countries that have a big share of information a big strategic partnership which was then forced by Ocus for some absolutely so an absolutely emblematic program I arrive at the moment of Covid and in a complicated phase of this program because we were in engineering work in preparation work of the naval field in power work there and we can no longer go to Australia from March 2020 we can no longer go to Australia with a remote program it was absolutely necessary that I arrive it was difficult this period of Covid and we held our balloons that was incredible because we managed to put our teams in tele-work in these extreme confinement phases to continue to work remotely somewhere the fact that the program was between France and Australia he had already gotten used to working remotely and then I took a reflection at that time that we were always looking at my phone when I get up but it's not very far and always look at it because there was always a message coming from Australia in the morning always always always often messages from customers so it was this period and then I finished going I had to go

I had to arrive at the client at a time a little complicated negotiations on technology transfers and percentages and I had no other way to go than to respect the rules of confinement a lot of our compatriots did it it's still an amazing experience and we work a lot we take care of ourselves as much as we can but it's a little stressful I did it and I stayed 10 days so in fact talking about what a PDG does he also does that he has to go there and he will spend 2 weeks in confinement and I will spend the month of February 2022 in Australia and the program was on the rails that's what's absolutely amazing is that it was all this period so from the moment it's confinement we show to Australians that we know how to do it we know how to do the boat we know how to transfer technology we know how to associate a supply chain so that Australia assures what she wanted behind this program which was really an industrial sovereignty and realisation she wanted an exceptional boat an extraordinarily performing boat she wanted to be able to do it a big part of it, 60% should be made in Australia which is still extremely important and we get there and the 15th, that's what's amazing is that on the 15th of September in the morning the last document we had to receive to move on to the next phase because it's a contract that was separated in phases and it's true that at each phase contractually they had the right

to reconsider but on the 15th of September in the morning we receive all the documents in the first phase and all the signs are open to move on to the second we have a valid client plan we have a price and a valid client budget we have all the technical documents which show that the boat is sealed as we say in the submarine area that we are ready we have shown that we had the power of engineering there are more than 1000 people working on the program so 300 on the 15th of September in the morning and we receive this document we look at our phones at 8 o'clock at 9 o'clock in the morning because it was really the and by the way my program director went to Australia that is to say that there was always confinement on the 15th and so Monday he goes to Australia to sign the contract and Wednesday when we have this announcement he is in his hotel room he will spend 15 days in his hotel room to show you how in the programmatic vision finally the political vision was more complicated and we had seen Mr. Morrison and his environment basculated, China was no longer the same the relationship between Australia and China was no longer that of 2016 and we saw well in Mr. Morrison's speech and the way he envisaged these alliances an extremely strong approach from the United States so the political vision we could envisage it but the programmatic vision of all the Ministry of Defense

Australia is like here we are discussing together and all of a sudden we learn that France will buy submarines in the United States imagine a little the shock including for the Australians themselves and this is a little the force of the Five Eyes that you mentioned earlier it is their ability to exchange in a field of absolute confidentiality and I think the two bubbles were separate and by the way I do not think that the political bubble knew that on the 15th of September it was allowed to negotiate a resolution not for retirement but for convenience because everything was green they decided to stop hence the negotiation that we brought who concluded conditions that were recognized as relatively favorable and what did you draw like the sound because there was at the same time there was a big press campaign it was a public subject in Australia there was in Australia in any case the press said a lot of bad things about this program do you think that this is it a large part do you think that it is something more structured no but in fact I will come back what did you learn about this? on Australia itself Australia is a country where the political regimes often change and it is true that they passed 2016 the years of Turnbull in Morrison

from a vision

of the sovereign defense system to a vision of the defense system under the American roulette and so it is true that our program has always been under a certain contestation of this policy of sovereignty I think that the first message is that we often see the international through our own eyes and sovereignty it speaks to us and a state that decides to be sovereign we know why it wants to be we understand Australia had decided to be sovereign we understand except that in fact Australia has always been the great American ally America is always there there is never a total sovereignty and so the fact that the political sovereignty of Basque has always been a debate and I think that a part of the press campaign was linked to this political debate on the choice of the defense system what we learned there are a thousand people who work on the program on the 15th of September Naval Group is an incredibly resilient and thanks to its customers and especially France finally the SNLE 3rd generation program which started at about the same time allowed us to reposition a very large number of our colleagues collaborators and France was really supported at that time so resilient companies I will admit that all the work I have been doing we encouraged mobility we were very close

to our colleagues at Herbour-Joy at Naval Group in France there were about 650 people to fix a large number directly related to the program a very large number in Herbour I imagined the state in which they were on the 17th of the morning this resilient company a human resource task force of 50 people doing the link we had mobility from Cherbourg to other sites at never reaching levels so we also somehow benefited from this you managed not to see people obviously in Australia the story is a little different because here we can not reposition but here it is the government that took care of them and Australia is a country of full employment and finally the quasi-totality of our collaborators are repositioned after that finally we can give place to big changes so here it is a lessons learned that the world of the five eyes is a little bit particular and here it is difficult and therefore difficult for a French company to be part of here I the program was the occasion in any case it shows the difficulty but here after after what we also removed and it was said by the Australians that the boat that we were doing was really exceptional the Australians recognized it they said they chose nuclear but in terms of conventional

the design that we had shown them was really the one that would provide a force that they want so I think that reputation even if our competitors tried to play on it it was recognized by our customers and then we got it it's interesting because in fact it also raises a question of the dependence on the export of naval groups you said it's still a third of the number of business it's important and so it depends on that vou have to convince new customers you have to sell them permanently and it makes me think of what you said about the transfer of technology because it's obviously something very crucial and then it also makes a little connection with what we said about the French status of naval groups of public companies very competitive very competitive while keeping let's hope the most sensitive and the most efficient capacity for France how do we consider both? well first of all the competitiveness is a complex and broad subject we have to be competitive by its solution, by technological innovation a client can try to buy a naval group because in terms of innovation capacity is simply better than the other and he will look at that he will also look at the price but he will also look at that we have to be competitive in our fields and in naval groups as in other companies

but we always work on the competitiveness of our processes of our ways of doing of our computer tools to be able to improve and also of our industrial organizations to be able to make two boats, two frigates per year when you make two frigates per year individually, it will be less expensive than if you make one per year and so these are the competitive elements similar to our Sherbourg fleet we invest a lot in industrial means we invest in all our sites which will allow us to be more efficient in certain tasks to do more dimensional things and after that our export sales are organized, controlled monitored but also accompanied by France and therefore France as such by its defense agreements provides a guarantee and security but I think that if... Yes, it's the question of what we give because obviously why does naval group sell because there are skills and exceptional French know-how and at the same time we can't sell everything even if obviously naval group doesn't need to sell significantly but it's complicated as... It's a whole thing let's take the example, we were talking about Australia so let's talk about this sequence because it's interesting from September 15th to October 2021 shortly after the Australian announcement Greece announces that it chooses France on its frigates

and the announcement of the French it's a lot of commentators saying that it's been 10 years

since we were in a country in Greece

it was really my choice

Yes, they weren't allowed to consult the group

on the day of the announcement

No, it was for a long time

we had been proposing the frigate

and now we are proposing the frigate of defense and intervention

but Greece will choose France

Greece therefore in a particular political situation

the Mediterranean etc

so Greece chooses

an alliance with France

when we choose the same boat as France

it's not an Oda

We are already allies

interoperability, ability to work together etc

and then Greece chooses the FDI

and when we look at it

it expresses through its design

its strength and power

so it's an extremely complete boat

I can tell you

You like the appearance of the FDI

It's always an interesting question

I love our boats

the frigate was beautiful

the faillette was incredible

the submarines are beautiful

when you look at a naval submarine

it's crazy

but it's true that the FDI

has a small side of complementary design

which is the transverse

which makes a lot of talk

and which will also make a lot of talk

when we will have seen the sea

because it will also be a great boat

it's a sea boat, it's a sea boat

not to forget that there are more than 100 sailors

who live on board

it's funny, it's transverse

because it reminds a bit of the Athenian triers transverse means

of the bridge

it's enough to see a ship

and when we look at the frigate

Kimon

we will offer to the minister

of the Greek defense

Kimon is an admiral

it must be the Athenian fleet

500 BC

and the ship of the admiral Kimon

next to the FDI

2500 years later

and

to make this parallel

it would be a bit anecdotal

it prevents Greece from choosing

a ship whose architecture is very digital

of the FDI

and I think in terms of innovation

everything is digital, the radars are not our plans

the electronic war, the IFF

we are based on an architecture

based on computer servers

we are cyber-secured

by design, by definition

and then with all the ability

to evolve the collaborative combat

they choose France

they choose innovation

after that

it's true that we have to be in prices

that are also market prices

hence the importance in our fields

of working on competitiveness

Greece is coming and if I go to the end of the sequence

it's the occasion

during our innovation days of 2021

in the end we saw that

we had a lot of our strategy

which stopped

Australia

it also gave us human abilities

in a major way in a new field which is the drones and it's at that moment that Naval Group identifies the field of drones of autonomous systems as being on the one hand an absolute necessity to equip naval forces and finally seeing what we are because Naval Group by all its activities, we have talked a lot about the fields but we must always remember that Naval Group is an integrator of combat systems and a director of these software of combat systems and missions I think it's one of the reasons why our boats are so integrated with this look because we do the combat system ourselves and therefore we are able to optimize naval architecture with its combat system obviously with great partners Thales, MBDA, Safran to name them but there are many others and so from 2021 in this strategy of rebounds it's always accessible and on the contrary, we have to put the watts and then the development of the drones and I would say a few months before or a year before that it becomes an evidence for everyone with what is happening especially during the war in Ukraine It's very interesting the Naval Group we can't talk about it now because it's really even because it's I mean it took a long time obviously compared to the drones it's not the same weather it's really different, it's not the same elongations we don't have the time to talk about it

but maybe just talk about the LPM because you mentioned it earlier and the LPM for Naval Group and by the way this is the first question you asked in the LPM because obviously there is a need for you and your your predictions to determine this volume but really as far as it is collaborative as far as you take the command of the state for example if the state wanted to make two or three new generation aircraft if the light was to arrive on the army to decide to change dimensions could the Naval Group be able to answer yes could you say you have to wait it's not that simple where do you intervene in this LPM the LPM there are a lot of changes I intervene as a PDG Naval Group with Naval Group but also with my cascade of the Naval Industry and Construction Group and the Defense Industry Council through the DGA and through the support of the FLOT for what concerns us but we will say a lot of the DGA I intervene to model the different programmatic scenarios that constitute the budgetary trajectory and therefore during these phases of construction we have to imagine that there are a lot of scenarios they need us to have the industrial impact of a scenario

both in the cost of the programs in their elongation so you are constantly consulting on the numbers? at some point we talked a lot about the aircraft carrier during the military LPM how? yes it's a lot of money it's a lot of money to place in a budgetary trajectory the military LPM itself it's a lot of money, 413 billion it's an extremely important volume the defense budgets are increasing and we understand why but these are scenarios at the end of arbitration and then an announcement but what I can say about the military LPM is that somewhere it engages us the defense industry the LPM and the army during this period called the war economy but the war economy was there too, in the LPM's case to bring on the table subjects such as the sovereignty issues on certain elements are we able to do what we have to do so we brought on the subjects we had or we were dependent on outside of France the war economy brought us the vision of our supply chain finally we did the stress tests of the supply chain and if we had to multiply by 2 or 3 by the way, we did the stress test because today

our eastern battlefield is set to do 2 frigates a year since we deliver corvettes to the UAE we deliver frigates to France and Greece and so somewhere this war economy field we show it and it shows the tensions that can be seen in the supply chain and the investments on which the state can help us the vision of the PME war economy and so in the LPM's case we brought on simplifications the door is open how can we simplify our processes how can we do it anymore it's true that the field of drones is a field that is close to simplification we will not develop a drone as we develop a nuclear submarine we will not put a drone in the water as we put a boat with a crew of 100 people but today if we look at the regulations they are not mature so what are the simplifications that we can bring and then the competitiveness research of all the levers that allow us to be more efficient, more competitive we are part of these war economy fields to which we were associated it was part of the preparation of the LPM to precisely look at these tragedies so Naval Group is able to respond to a redimension which has been appearing since 18 months in the case of the LPM if you have to produce more, you will arrive and we are doing it after the naval programs we must always see if we are on the long term and the naval programs we are talking about the boat

but we must never forget that behind the boat there is a crew and so there are issues of human resources and the boat goes into a port and in a port there are infrastructures so in fact we are in a system logic and the dimension of a fleet is not only the dimension of the naval field which allows them, it is true that on the other hand the French fleet is in great renewal at the moment, I talked about nuclear submarines I talked about frigates of defense and intervention which will complete the frigates Fremes, which we delivered the last few years ago I was going to say a few months, yes it must be the last year the Lorraine frigate there are the fleet building and also the fleet so there is also the Jacques Chevalier which is about to be renewed we will soon renew the Haute-Hurier patrouilleurs who will gradually replace the escort ships we will renew the surveillance frigates the Outremer frigates to allow France to better monitor and protect these exclusive economic zones we will renew we have talked about the port so there is still an extremely important renewal of the French fleet at the moment and then international fleet so we have an industrial tool and it is often a problem that we also have the industrial charge it is made of long-term visibility I talked about long-term programs and then short-term opportunities and the area of the surface buildings is never an area on which we have a long-term visibility

it has always been a balance between programs in France and international programs that we spend a lot of time to convince international clients to order us boats because we also need it to charge our ships Thank you very much Pierre-Éric Pommelais With pleasure So I remember we will have the opportunity to talk about Naval Group and all its perspectives in the airfield So the airfield a podcast produced by Alexandre Jublain distributed by Binge Audio I do not see that all the remarks and comments are welcome on social networks on Apevocast and on Spotify Thank you all and see you next time I'm Molly Wood With this show I'm excited to bring you conversations with startup innovators, business leaders, policymakers and everyday people doing their best to solve the biggest challenge of our time We're trying to make hydrogen commercial aviation in your term reality If you eat a vegan diet you reduce your green gas emissions by 75% with every meal The whole reason why I started Nest was because of climate change Join me every week for inspiring stories practical advice and a healthy dose of optimism So come on in The water's fine