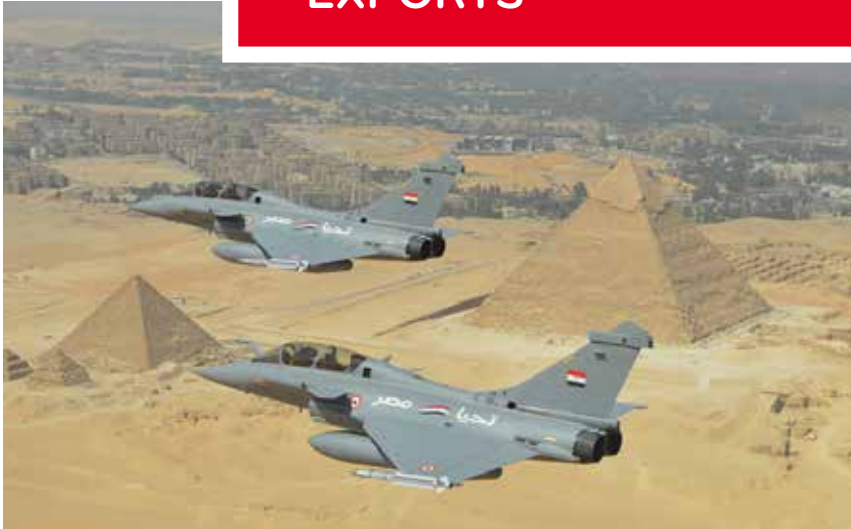


10. THE IMPORTANCE OF EXPORTS



An Egyptian Rafale B flying over the pyramids
DR_150930_DSC_0064.JPG © D.R.



Indian Air Force Mystère IV
09-b662888.jpg © Dassault Aviation - DR

For the last 50 years, Dassault Aviation has exported about 72% of its production to a hundred countries. For Falcon business jets, this figure climbs to over 90%. Since the French market for both civil and military aircraft is necessarily limited, Dassault has always focused on exports.

As early as the 1930s, the Société des avions Marcel Bloch had sold some of its products abroad. The MB-200 bomber went to Czechoslovakia, the first country to buy and then construct these aircraft under license, while Romania bought the MB-210 bomber and Greece the MB-152 fighter.

After the Second World War, the MD 450 Ouragan was the first French jet fighter to be exported, to India and Israel. India has remained a loyal customer, with purchases of the Mystère IV, Alizé, Jaguar and Mirage 2000, and has stated its intention of acquiring the Rafale. Israel was the main export customer up until the late 1960s. The Mirage III's success during the Six Day War in 1967 and the French government's deployment of this modern fighter to support its foreign policy created an explosion in demand for Dassault fighters. The French government is of course the mandatory intermediary for relations with other countries in this type of contract. The *Commission interministérielle d'études des exportations des matériels de guerre* (CIEEMG), the defense export committee reporting directly to the Prime Minister, allows the government to control and authorize all of Dassault's relations with countries that want to purchase military aircraft.

Dassault was ranked as the third leading French industry exporter in 1976, and No. 1 in aerospace. In 1977, Dassault recorded 11 billion francs in export orders. Including associated orders for engines, radars and weapons (going to Snecma, Thomson-CSF and Matra), Dassault generated more than 16 billion francs in export orders, equal to one-fourth of France's oil bill.

Export sales for civil and military aircraft enable the French government to acquire these aircraft at more affordable

prices, because they increase production runs. The benefits for the national economy were obvious, as explained by former company head Benno-Claude Vallières: "*Take the case of the Mirage III. The amount invested by the government to purchase this plane, plus production tooling, in relation to export revenues, comes to only 1.58%. In other words, for every 1.58 francs invested, France saw 100 francs in exports.*"

At the same time, starting in 1965 sales of Falcon business jets in the United States, via Pan Am as distributor, began to grow. A joint U.S.-based company, Falcon Jet Corporation, was created in 1972 to keep pace with demand. As the economy became increasingly global, the Falcon 20, 10, 50 and 900 business jets enjoyed international success. The customers were mainly large international corporations and governments, who operated one or more aircraft. In the 1990s the new Falcon 2000 helped the company, which had shifted its focus more to the civil sector, to survive the global aviation crisis and deep cuts in military budgets following the Soviet collapse.

Sales in the civil sector exceeded those in the military sector for the first time in 1999. However, Rafale sales to Egypt and Qatar in 2015 will reverse this trend, once again demonstrating the importance of exports for Dassault Aviation's business and income. These sales will also have a positive impact on French exports in general.