



Aussie PM: Australia to Pay French Naval Group Over \$580 Million for AUKUS Sub Deal Fallout

Description

AUSTRALIA: It was announced in September 2021 that the first major initiative of the Australia-UK-US (AUKUS) security alliance would be the delivery of Australia's first nuclear-powered submarine fleet. The trilateral group's decision to construct in Adelaide notably torpedoed a previous \$90 billion submarine agreement with a French defense contractor.

The Australian government has agreed to pay France's Naval Group a settlement amount of \$580 million (A\$830 million) over a submarine contract scrapped by the country in favor of their AUKUS alliance with Washington and London.

Prime Minister **Anthony Albanese** declared that the settlement amount was "fair and equitable" and, furthermore, forged a pathway for improved relations between Australia and France.

"I intend to have an honest relationship with France—one that is based upon integrity and mutual respect," Albanese during a Saturday news conference.

The Australian PM remained tight-lipped on any further details regarding the agreement and promptly pivoted to attacking his "wasteful" predecessor, former Australian Prime Minister **Scott Morrison**.

"Tens of billions of dollars wasted across a range of programs that have resulted of course in—have contributed to—the \$1 trillion of debt that the incoming Labor government has inherited," Albanese said.

I'm [#LIVE](#) in Sydney with an announcement. Tune in. <https://t.co/QgxIKoqink>

— Anthony Albanese (@AlboMP) [June 11, 2022](#)

The Australian PM clarified to reporters that the agreement was between the new government and Naval Group. *Morrison's government did not finalize an agreement with the French defense contractor.*

5 September 2021, 21:06 GMT

Then-PM Morrison argued in September 2021 that France should have been well aware of Canberra's "deep and grave" concerns regarding whether the French-made attack submarines from a 2016 agreement would satisfy Australia's "strategic national interest."

Around the same time, France had blasted the "unpredictability" of the Australian government, with then-Foreign Minister **Jean-Yves Le Drian** declaring that such a move forces Paris to reexamine the strength of its alliance with Canberra.

French ambassadors were withdrawn from both Australia and the US over the matter.

by Evan Craighead

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Date Created

06/11/2022