

INDUSTRIAL OFF-SETS

- Industrial off-set benefits are considered to be unavoidable by the system suppliers in the context of their commercial policy and equipment suppliers. The equipment suppliers are increasingly involved in the industrial off-set benefit obligations of the prime contractors, prorated based on their turnover with the prime contractor. Eventually this will extend to business deals with other countries.
 - Equipment suppliers occasionally assume responsibility for finding and choosing sources
- Off-set benefits for an equipment supplier that is a subsidiary of an industrial conglomerate if they are handled by Head Office (existence of an internal "off-set benefits fund"). Other trade-offs are rarely engaged in by the companies studied.
- However, industrial off-sets are still considered serious constraints because:
 - they are always expensive (additional qualifications, duplication of tooling, etc.);
 - they are sometimes difficult to implement (due to the amount of the contract, or because competent, local companies are not eligible for "political" reasons);
 - of the very high level of trade-offs often demanded.