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Submission from the Campaign Against Arms Trade to the Foreign Affairs Committee inquiry into South Asia

1. The Campaign Against Arms Trade (CAAT) is working for the reduction and ultimate abolition of the international arms trade, together with progressive demilitarisation within arms-producing countries.
2. India and Pakistan have been engaged in sporadic sectarian and full-scale military clashes for over 50 years. During this time, 850,000 lives have been lost and the numbers are still rising. CAAT is concerned that the UK continues to promote the sale of military equipment to both countries. Such exports assist the recent expansion of both the countries' arms industries and their own arms exports.
3. Years of nuclear and ballistic weapons tests, troop mobilisations and border conflicts, have failed to provoke an end to arms exports to India and Pakistan. Despite several UN resolutions condemning both countries for developing nuclear weapons and requesting that countries do not export dual use technology to the region, there are no EU or UN arms embargoes on either country.

The military background

4. India has the world's third largest army (1.26 million troops), the fourth largest air force, and, in 2005, spent \$23.7 billion on the military. It has both nuclear weapons and ballistic missiles with a range of up to 2000km.
5. Pakistan has an army of 550,000 troops and an air force of 45,000. In 2005 it spent \$3.7 billion on its armed forces. It also has nuclear weapons and its longest range ballistic missile can reach 1,300km. Both countries continue to refuse to sign any of the multilateral non-proliferation and disarmament agreements that oversee testing, developing, manufacturing and use of nuclear weapons.

Supplying the subcontinent

6. Between 1997 and 2004, India was the leading purchaser of conventional weapons in the developing world, accounting for just over 10% of developing world arms transfer

agreements. (CRS Report for Congress, Conventional Arms Transfers to Developing nations, 1997-2004. [2005] Richard F. Grimmet p12 Congressional Research Service The Library of Congress) According to the Stockholm International Peace Research Institute, Russia was India's largest supplier, transferring major conventional weapons to the value of \$9.9 billion. Israel, France, the UK and the USA were also significant suppliers, along with Ukraine, Uzbekistan and the Netherlands.

7. Over the same period, Pakistan imported major conventional weapons worth \$4.5 billion from its major suppliers. Nearly \$3 billion of this was accounted for by France, China and the USA.

The UK role

8. The value of recent UK export licences granted for military and dual-use goods to India and Pakistan is shown in this table.

Year	Pakistan (£m)	India (£m)
Jan to March 2006	9	9
2005	18	64
2004	40	351
2003	30	87
2002	15	118
2001	14	63
2000	6	65
1999	12	58

United Kingdom Strategic Export Controls reports, 1997-2005. The figures refer to Single Individual Export Licences only.

9. The UK government assesses arms exports against its Consolidated EU and National Arms Export Licensing Criteria adopted in 2000. However, looking at the situation with regards to India and Pakistan, the application of the Criteria seems token at best. Most strikingly, the exports would seem to be at odds with Criterion Four which deals with the Preservation of regional peace, security and stability. It states: "The Government will not issue an export licence if there is a clear risk that the intended recipient would use the proposed export aggressively against another country .." Though the Government qualifies this by saying "a purely theoretical possibility" of such use would not necessarily lead to a licence being refused, war between India and Pakistan is, unfortunately, a very real threat.
10. The two countries have been in conflict over Kashmir since partition in 1947. The testing of missiles and nuclear weapons since 1998, border skirmishes and terrorist attacks have led to increased tensions in the area. In 2002 there was a very real danger of a major war. Even then, when the war seemed so likely that the UK government advised UK citizens that they should leave India and Pakistan, no arms embargo was imposed.
11. The Criteria are rendered irrelevant because it is clear the priority for the UK government is to support the arms industry. This policy was highlighted in 2002. When

it was revealed that India was upgrading Jaguar aircraft to fire nuclear weapons, the UK refused to halt the sale of BAE Systems components that were being used to keep the aircraft airborne and could be used to build the Jaguar delivery systems (Times, 28.5.02).

India

12. UK government support for arms exports is coordinated by the Defence Export Services Organisation (DESO), which, in 2005, categorised India as a "priority market". DESO defines this as a market where DESO is currently supporting a major export campaign and/or where there are prospects for high value exports. A DESO office in India was established in 1984 and in 2005 five staff were employed there (Hansard 26.10.05).
13. The largest recent deal has been the £800 million contract for 66 BAE Systems Hawk Jets signed in 2004. Although the Hawk jets were sold as training aircraft they are also advertised as 'multi-role', in that they can be used effectively in ground attacks. Though similar to the RAF's unarmed Hawk trainers, the Indian Hawks will be able to carry weapons. *Jane's Defence Weekly* said that the Hawk contract makes "special provision for weapons integration, including a gun" (*Jane's Defence Weekly*, 8.6.05) and the Times of India quoted the head of the Indian Air Force as saying it would use the Hawk as "a combat aircraft should an operational scenario present itself".(*Times of India*, 26.5.05) BAE Systems has, according to its Annual Report, a "growing relationship with India", including MBDA obtaining an order for Exocet anti ship weapons during the year.
14. The governments of India and the UK have signed a separate pact to guarantee the supply of jets and related systems. The deal includes outright purchase of 24 Hawks and manufacturing the remaining 42 jets by Hindustan Aeronautics Ltd (HAL) after transfer of technology and parts by BAE Systems.
15. The sale of these jets to a country involved in a regional conflict is alarming, but that did not stop UK government involvement. During 2001 and 2002, when India and Pakistan had mobilised their armies for war, there were 17 visits by Prime Minister Tony Blair and other UK ministers. Many involved direct lobbying for the sale of the Hawks. In October 2002, after the major crisis passed, the Indian Prime Minister, Atal Behari Vajpayee, visited Tony Blair and the latter encouraged India to seek reconciliation with Pakistan. However, this message was at best mixed given that Tony Blair used the opportunity to promote the Hawks (*Financial Times*, 22.10.02).
16. Furthermore, it has been suggested that one reason no arms embargo was placed on India and Pakistan at the height of the crisis in late May and early June 2002, when a million troops were mobilised, was the need to preserve the prospects for the Hawk sale. *The Guardian* (29.5.02) believed that comments by the Indian Deputy High Commissioner in London were a veiled warning against the imposition of the embargo. He said: "In any ministry of defence, particularly when thinking about security, an assurance of supply is absolutely paramount." The UK's ability to send a clear, unambiguous message against an imminent war was undermined by the desire to support an arms company in its attempt to land a major contract.

17. The Indian government is actively supporting the development of an indigenous arms industry. India has several state-owned arms companies and a smaller number of private manufacturers. They produce armaments both in collaboration with international companies, under licence from these companies and independently.
18. HAL is the largest of the state-owned companies; it mainly supplies the Indian military but also exports to over 30 countries (<http://www.hal-india.com/aboutus.asp>). As mentioned above, HAL will be manufacturing some of the Hawks. HAL has four joint venture companies with overseas companies, including BAeHAL Software Ltd (BAeHal), a joint venture between BAE Systems and HAL. BAeHAL make flight control systems, glass cockpit displays, advanced electronic instrumentation systems, flight warning systems and flight management systems (www.baehal.com accessed 29.3.06).
19. The government-owned Ordnance Factories Board (OFB) is a major producer, it administers 40 ordnance plants, employing some 138,000 people and producing guns, ammunition and armoured vehicles (Defense News, 14-20.1.02). Its main customer is the Indian army, but also it exports to Nepal, Thailand, Malaysia, Germany and Turkey.
20. India hosts two main arms fairs, Aero India and DEFEXPO to which buyers and sellers from around the world are invited.

Pakistan

21. Pakistan has not been one of the UK's most important arms export markets, but the the 2005 DESO Strategic Market Analysis lists it among the middle tier of key markets. DESO co-organised a briefing called 'Doing Defence Business with Pakistan' with the Defence Manufacturers Association in February 2006 (DMA News, March 2006). Over 80 people attended, but plans to have a UK National Pavilion at the IDEAS arms fair in November 2006 in Karachi do not seem to have materialised.
22. There have been some significant deals. In October 2005, Saab, a BAE Systems "partnership", signed a provisional contract worth £400 million to supply airborne surveillance systems to Pakistan (BAE Systems Annual Report 2005). A Memorandum of Understanding signed between Pakistan and UK to enable joint military exercises and increase defence collaboration was signed in May 2005. (Guardian, 21.5.05).
23. In 2002, when India and Pakistan were on the brink of war, it was discovered that Alenia Marconi Systems, then half owned by BAE Systems, was training elite Pakistani pilots and fighter operations controllers in the use of integrated electronic warfare at a specialist training college in Wales (<http://news.scotsman.com>). Additionally, between 1999 and 2002, Marconi Super Skyranger radars were fitted into Pakistan's fighter jets (Jane's Defence Weekly, 16.5.01).
24. Before the "war against terror", the UK attitude to Pakistan was not always uncritical. Although the UK decided not to impose an arms embargo following the nuclear tests in 1998, after the military coup in October 1999 there was a brief period when licences were 'frozen', effectively delayed (Guardian, 1.12.00). In October 1999 the Foreign Secretary, Robin Cook, said: "It is important to send a clear message that we

deplore the overthrow of democracy" and that he wanted "a swift and orderly return to democracy and rule of law."

25. The freeze on arms sales was controversial within the UK government. In January 2000 a memo leaked to the Guardian revealed that Robin Cook and International Development Secretary Clare Short campaigned for a formal embargo but Defence Secretary Geoff Hoon and Trade & Industry Secretary Stephen Byers were keen to resume sales (Guardian, 12.1.00). Although the political situation had not changed, ten months later Foreign Office minister Peter Hain said: "There has been no arms embargo on Pakistan...we continue to assess export licence applications on a case-by-case basis" (Hansard, 21.7.00, col 371W). In July 2000, 26 out of the 40 licences that were caught in limbo were approved (Hansard, 5.7.00, col 221/2W).
26. Like India, Pakistan is developing its own arms industry which is producing both for its own armed forces and for export. In 2000 it set up the Defence Export and Exhibition Directorate to assist with the latter. At the IDEAS 2000 exhibition in Pakistan, General Musharraf called for 'aggressive marketing' by the arms industry to increase its exports (Jane's Defence Weekly, 29.11.00). Asked if there were any countries to which Pakistan would not export, the IDEAS organiser said there would be no bans: "I don't think we have a problem on that score. Maybe Israel we wouldn't like to sell weapons to." (Guardian, 7.11.00)

Conclusion

27. The UK government is promoting an international Arms Trade Treaty. This is undermined by its policy of promoting arms sales, even to countries on the brink of war, and to its licensing of technology transfers which allow the growth of overseas arms industries. The proliferation of arms and military technology to countries that are undertaking their own arms export drives is likely only to increase global arms proliferation and contribute to a more dangerous world. The Government must put the need for peace and disarmament before the interests of the arms companies.

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