Submission from the Campaign Against Arms Trade to the Committees on Arms Export Controls

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. Around 80% of CAAT's funding comes from its individual supporters.

2. The Secretaries of State, in their introduction to the Annual Report on Strategic Export Controls 2008, claim that: "...we remain committed to being as transparent and open as possible about our export licensing decisions and policy. In this way, all stakeholders can be assured that the trade in strategic goods is being handled responsibly."

3. CAAT is not assured. Even a cursory glance at the quarterly and annual Strategic Export Controls Reports on the Foreign and Commonwealth Office (FCO) website shows that military equipment continues to be exported from the UK to areas of conflict, governments with very poor records on human rights and countries with major development needs. Meanwhile, the myth that such exports are essential for the economy continues to be propagated.

UKTI Defence & Security Organisation

4. Since April 2008, responsibility for promoting military exports has rested with UK Trade & Investment (UKTI). Its Minister, Lord Mervyn Davies, is part of the ministerial teams of both the FCO and the Department for Business, Innovation and Skills.

5. Military exports account for just 1.5% of all exports, with 40% of the value for these being imported. UKTI's Defence & Security Organisation (UKTI DSO) receives disproportionate support within the organisation. It has 160 staff working to promote arms sales whereas there are only 130 UKTI staff specifically allocated to all the other industrial sectors put together. The remaining 2,300 UKTI staff are available to support all industries, including military companies.

6. Even if ethical questions are put to one side, there can be no justification of such disproportionate support for one industry. However, the arms industry is hugely, and rightly, controversial.
7. Political intervention to support the arms industry is seen part of UKTI DSO's mandate. In a speech on 21st May 2009, Richard Paniguian, Head of UKTI DSO, said: "There have been high-level political interventions - often behind the scenes - in places like Libya, Oman, India and Algeria. The key here is consistent support over time, delivered at key points in a campaign. You'd expect us to deliver Whitehall support, and we are doing that."

8. With regards to Algeria, reports in *Jane's Defence Weekly* (23.9.09) and *The Sunday Times* (27.9.09) say that AgustaWestland is close to winning a helicopter order. Any such contract would be most disturbing, not least because it is said that the helicopters will be used for internal security purposes. The Algerian government has been fighting with radical Muslim groups for more than a decade. According to the reports, the Algerian authorities asked that the deal, which includes the supply of Merlin helicopters, some to be made in Algeria under licence, should not be publicised.

9. According to the response, July 2009, to a Freedom of Information (FoI) request from CAAT, between June 2008 and September 2009 UKTI DSO officials held meetings with representatives of the governments of China, Colombia, Democratic Republic of Congo, Georgia, India, Indonesia, Iraq, Libya, Pakistan, Peru, Philippines, Saudi Arabia, Sri Lanka, Turkey and Vietnam. Seven of these countries are considered to be "major countries of concern" in the FCO's "Annual Report on Human Rights 2008", published in March 2009 - China, Colombia, Democratic Republic of Congo, Iraq, Pakistan, Saudi Arabia and Vietnam; others, including Georgia and Sri Lanka, were involved in major conflicts in 2008-9.

10. Another country to attract the attention of UKTI DSO is Angola, emerging from a long period of conflict. It also has large offshore oil reserves. While some of the potential exports might assist explosive ordnance disposal, the fact a country with underlying mineral wealth is seen as an "opportunity" for general military sales in the aftermath of war is a sad reflection on the UK government's priorities.

**DSEI arms fair**

11. UKTI DSO is co-organiser of the biennial Defence Systems and Equipment international (DSEI), one of the world's largest arms fairs. The latest DSEI took place at London's ExCel centre from 8th to 11th September 2009.

12. On behalf of the UK government, UKTI DSO invited representatives of countries involved in conflict and/or with records of human rights abuse to DSEI. According to a list of invited countries released to CAAT following a FoI request of the 53 countries which had received invitations at least 16 raised serious conflict and/or human rights concerns, or had urgent development needs. They were Algeria, Angola, Bahrain, Colombia, India, Indonesia, Iraq, Libya, Morocco, Pakistan, Peru, Saudi Arabia, South Africa, Turkey, the United States and Vietnam. Five of these, Colombia, Iraq, Pakistan, Saudi Arabia, and Vietnam, had been noted as "major countries of concern" in the FCO's Annual Report on Human Rights 2008. CAAT was pleased that Sir John Stanley questioned the presence of the Chinese delegation in the debate on your Committee's last report. (Hansard, 5.11.09, Col322WH)
13. The Government argues that attendance of any particular country at a military exhibition does not mean that an export licence would be granted to export equipment on display at the exhibition to that country. However, the raison d'être of arms fairs is to facilitate the trade in general, putting sellers in touch with potential customers. The UK government cannot regulate the sales which result from contacts at DSEi between an overseas company and an overseas government.

**Libyan arms fair**

14. UKTI DSO's support for arms fairs is not confined to those which take place in the UK - it took space in at least eleven overseas exhibitions in 2009. For example, from 5th to 8th October 2009 UKTI DSO exhibited at the Libyan Aviation Exhibition (LAVEX) at Mitiga Airport in Tripoli. The Libyan Airforce was amongst the organisers of LAVEX.

**Saudi Arabia**

15. The problems that arise when a government tries to promote arms exports as well as control them are nowhere more obvious than in the case of BAE Systems' sales to Saudi Arabia. The UK's stance on corruption and human rights has, for decades, been undermined by the perceived need to placate elements of the Saudi royal family.

16. These sales, the benefits from which accrue to a private company, are co-ordinated by the Ministry of Defence Saudi Armed Forces Project (MODSAP) within the Ministry of Defence (MoD). In an arrangement which can only be described as bizarre, Saudi Arabia - a "country of concern" for the FCO - paid the MoD £47.6 million for the 77 UK-based civil servants, 43 UK-based military personnel, 29 Saudi-based UK civil servants and 61 Saudi-based UK military personnel who administer their arms purchases. (FoI, 15.7.09)

17. While information about the basic numbers of MODSAP staff was given without a problem, CAAT's experience has been that other information about the arms deals with Saudi Arabia has only been made available, and is then often heavily redacted, after a lengthy struggle through the FoI process. For example, in October 2009, information about the Export Credits Guarantee Department's risk assessment of the Al Yamamah deal was only obtained after an Information Tribunal judgment confirming an Information Commissioner decision that the information should be handed over. The original request had been made in 2005.

**Israel**

18. As your Committees know, the UK has consistently sold arms to Israel, yet another FCO "country of concern". Over recent years the UK government has licensed arms exports worth between £10 million and £30 million a year for export directly to Israel. During 2008, licences for goods worth over £27.5 million were approved. In addition, the UK has supplied components for incorporation in weapons exported to Israel by US suppliers.

19. In a Ministerial Statement on 21st April 2009, Foreign and Commonwealth Secretary David Miliband admitted that Israeli equipment used in Gaza "almost certainly" contained UK-supplied components. He cited F16 combat aircraft, Apache attack
helicopters, Saar-Class corvettes and armoured personnel carriers. The following day, quizzed by your Committees, Foreign Office Minister Bill Rammell said no licences for components for the F16s, helicopters or armoured personnel carriers had been approved since the war on the Lebanon in 2006.

20. On 13th July 2009 the Israeli newspaper Haaretz reported that licences for spare parts for the Saar corvettes had been revoked. The UK embassy in Israel confirmed this had been done following the Foreign Secretary's statement. The Saars had fired into civilian settlements on the Gaza coastline during Israel's assault on Gaza in December 2008-January 2009.

21. CAAT believes that this episode shows that, so extensive are the Israeli operations in the Occupied Territories, it is virtually impossible to guarantee that any military equipment supplied to the Israeli government will not be used there. The only effective action would be the immediate imposition of embargo on arms and components going to Israel, whether directly or through incorporation into weaponry produced in third countries. This would send a strong message of disapproval to the Israeli government about its policy towards the Occupied Territories.

Licence granted on appeal

22. CAAT noticed that the 2008 report on the Export Control Organisation website said that a licence was granted on appeal for the export to Israel for the production of unmanned air vehicles. CAAT made a FoI for more information about this, in particular the company involved and the end user. The information was withheld under exemptions Section 41 (information provided in confidence) and Section 43 (Commercial interests) of the FoI Act. CAAT asks your Committees to look at this licence.

UK-Israel collaboration

23. Although it is not an export matter, CAAT would also like to register its concern about UK purchases of Israeli produced weaponry. In addition, it is deplorable that Israeli companies test their weapons in the UK. Many of our supporters have told us of their anger at the use of ParcAberporth for this purpose by Elbit Systems.

China

24. Yet another FCO "country of concern", China is subject to European Union (EU) military embargo instituted following the June 1989 massacre in Tiananmen Square. The scope of the EU embargo is left to "national interpretation" by each country. The UK interprets this ban as covering "lethal weapons", including small and large calibre weapons and components, ammunition, military aircraft, fighting vehicles and weapons platforms.

25. According to the Export Control Organisation, licences were issued for the export to China of military and dual use goods to the value of £227 million in 2007; £214 million in 2008; and £278 million for the first two quarters in 2009. The licences include airborne and ground based radar, military aerospace components, range
finders, surveillance equipment, laser sighting and targeting equipment, military
electronics, communications and navigation equipment.

26. CAAT was not told how many meetings, see paragraph 9, UKTI DSO officials had with
military representatives from China, where or when they took place, who attended,
what subjects were covered and whether arms export licences were discussed.
However, CAAT does not think there is any point in condemning human rights
violations when your officials are discussing weapons sales with, or licensing the export
of military equipment to, the perpetrators of those violations.

Corruption

27. The UK government's support for the arms trade has undermined its anti-corruption
policies, leaving it open to accusations of hypocrisy when it speaks of tackling
corruption overseas. In particular, the decision of Tony Blair's government decision to
stop the Serious Fraud Office (SFO) inquiry into BAE's Al Yamamah arms deal with
Saudi Arabia in December 2006 continues to leave its mark. As recently as August
2009, a Council of Europe report described this as: "the most prominent example of
suspected political interference in the criminal justice system in recent years".

28. CAAT hopes the other BAE cases being investigated by the SFO, and recently passed
to a barrister prior to being handed to the Attorney-General, will be given the go-
ahead by the latter so that they can be thoroughly examined by a court. Only in this
way will the UK be seen to be putting its anti-corruption policy ahead of the promotion
of arms deals.

29. It is good that the Queen's Speech included the Bribery Bill. CAAT believes it is vital
that the new legislation blocks the loophole that allowed the House of Lords' judgment
in the Judicial Review of the SFO's decision on Al Yamamah. It must be explicit that
investigations and prosecutions cannot be stopped on grounds of national security
unless there is an imminent risk to life and all other options have been explored.

Private Military and Security Companies

30. In April the FCO began its consultation on Promoting High Standards of Conduct by
Private Military and Security Companies (PMSCs), as "corporate mercenaries" are now
politely called. The Government's proposal, to abdicate responsibility for regulating the
industry to the trade association, the British Association of Private Security Companies
(BAPSC), was extremely disappointing. The Government appeared to feel that it would
be enough for it to work with the trade association; itself only contract PMSCs with
high standards; and to liaise with other governments on the international level.

31. Since the activities of PMSCs have resulted in killings and in human rights violations,
this is totally inadequate. Not least, it fails to address the fact that overseas
governments, mining companies, media organisations, aid agencies and others also
have contracts with PMSCs - withholding UK government purchasing power is not a
solution in these cases.
32. The consultation ended in July 2009 and nothing has been heard since, quite possibly because of the shooting in Iraq in August which resulted in the death of two ArmorGroup employees. They were allegedly shot by a third employee, who despite vetting by the company, was said by family and friends to have severe mental health problems. CAAT hopes this tragic case will prompt the FCO to reconsider its proposals for self-regulation.

33. CAAT thinks the Government should make an alternative proposal which includes the following features:
   a) PMSCs should be prohibited from combat and banned from providing training, strategic advice and other support for combat;
   b) all other PMSC services should be open to individual licensing requirements and open to prior parliamentary and public scrutiny. This should be complemented by an open register of PMSCs;
   c) the PMSCs should be made responsible under UK law for any breaches of human rights or the laws of war that may be committed by their employees overseas.

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