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

1. The Campaign Against Arms Trade (CAAT) in the UK works to end the international arms trade, which has a devastating impact on human rights and security, and damages economic development. CAAT believes that large scale military procurement and arms exports only reinforce a militaristic approach to international problems. Established in 1974, CAAT receives around 80% of its funding from its individual supporters.

2. The First Joint Report of Session 2010-11 by your Committees for Arms Export Controls (CAEC), published on 5th April 2011, and the chapter on Arms Exports in the Foreign Affairs Committee's report on "The FCO's Human Rights Work 2010-11", published on 20th July 2011, made very important contributions to the discussion about the UK's arms export policy. CAAT was particularly pleased that both looked at the contradiction between the increased emphasis on government personnel exploring commercial opportunities, including the promotion of arms exports, and the upholding of human rights. The Government's responses to both reports was, however, quite inadequate.

3. Your Committees' new inquiry is most welcome. This submission to it looks at the Review of export controls; the continuing promotion of military exports; sales and licensing to some specific countries; the DSEI arms fair; and arms industry jobs.

The Review

4. CAAT read with profound disbelief Foreign Secretary William Hague MP's statement of 18th July 2011, in which he reported the findings at the conclusion of the Review into licences granted for export of equipment to the Middle East and North Africa. Your Committees' initial statement in response, which emphasised the scale of the misjudgement by both the Coalition and Labour governments, provided, in contrast, an injection of reality.

5. As your Committees said, direct evidence of an obvious piece of UK supplied equipment in human rights abuse is unlikely to be seen by an official observer. Also disingenuous was the Foreign and Commonwealth Office (FCO) use of the term "platforms", thus limiting the type of weaponry its Review was purported to have covered.
6. Given the range of goods licensed for export to governments which suppressed protest, it strains credulity that there was no "misuse" of the equipment. Worryingly, there is no indication that such evidence was pro-actively looked for. This means that the Foreign Secretary’s statement lacks the credibility that was accorded that of the former Foreign Secretary, David Miliband MP, on 21st April 2009 (Hansard, col 8/9ws), on the use of UK-supplied equipment by Israel in Gaza. This latter examined in detail all the equipment licensed, much of it components. It indicated whether the UK government thought the equipment had been used by Israel in its operations, might have been used, or almost certainly was not. In contrast, William Hague’s statement is unpersuasive and lacking in substance.

7. Also, even now, there is no clarity about which government departments were involved in the Review. In answer to a parliamentary question on 26th April 2011 (Hansard, col 378w) Foreign Office Minister Alistair Burt MP said: "The Foreign and Commonwealth Office is leading this internal review in close consultation with the Department for Business, Innovation and Skills and the Ministry of Defence."

8. However, in an answer to a Freedom of Information request dated 12th August 2011, and seen by CAAT, an official at the Counter Proliferation Department of the Foreign and Commonwealth Office (FCO) suggested that the review had, so far, been limited to the FCO. Rejecting a request for a copy of the Review, the official said: "The review is a FCO document that provides information, advice and proposals to the Foreign Secretary; The review contains detailed information on the export licensing system, which is based on risk assessment. A detailed public understanding how this is done could potentially undermine the risk assessment process, as well as the export licensing system; The outcome of the review has yet to be discussed by relevant Ministers; Although the review concluded that further work is needed on how we operate certain aspects of our exports, the Foreign Secretary and the Secretary of State for BIS (who leads on export controls) had yet to consider and agree how this should be done; Any proposals stemming from the review would need to be discussed and agreed by relevant Ministers, but this had not yet happened; Following such a discussion, agreed proposals might lead to policy changes to our export controls. No discussion had yet taken place about any policy changes, or how these might be delivered."

9. That the Review was limited to the FCO appears to be confirmed by a letter CAAT’s lawyers received from the Export Control Organisation (ECO) of the Department for Business, Innovation and Skills (BIS) dated 18th August 2011. This said: "The review ... was an internal FCO review and BIS was not involved in the review."

10. The whole Review process appears confused. It needs to be made transparent, otherwise it does not augur well for the future which requires a clear understanding of what happened in the past.

11. The publicly available data of the ECO also leaves unanswered questions even where some export licences to a particular country were revoked in February 2011. Taking Bahrain as an example, some licences were revoked for small-arms ammunition and for equipment employing cryptography and technology for the use of employing cryptography. Others with the same description were not. It is possible there is a good explanation for this, but it is not available to the interested observer.
Business as usual - continuing the arms export promotion

12. The UK government's arms sales unit is UK Trade and Investment's Defence and Security Organisation (UKTI DSO). There are just under 160 civil servants in UKTI DSO while all other identified sectors have a combined total of around 140 UKTI staff devoted to them. This is despite arms accounting for less than 1.5 per cent of UK exports.

13. UKTI DSO's list of priority markets for 2010/11 was Algeria, Australia, Brazil, Brunei, India, Iraq, Japan, Kuwait, Libya, Malaysia, Mexico, Oman, Pakistan, Saudi Arabia, South Korea, Turkey, the United Arab Emirates and the USA. (Hansard, 28.6.10, Col. 418-9W). A letter to CAAT from UKTI DSO dated 4th May 2011 confirmed that the list remained extant with only Libya removed, on 22nd February 2011.

14. Military exports, even when never used, carry with them a message of UK support for the recipient or sales target. It was, therefore, unfortunate to say the least, that Prime Minister David Cameron MP, should have toured the Gulf States and Egypt at the time of the major pro-democracy protests in February 2011 accompanied by representatives from eight military and aerospace companies.

15. At the same time, Defence Minister Gerald Howarth MP, was attending an arms fair in Abu Dhabi, where 93 UK arms companies were promoting their wares with the assistance of 15 staff of UKTI DSO staff which co-hosted a British pavilion with the trade association AeroSpace, Defence, Security (A|D|S).

16. Another aspect of UKTI DSO's promotional work is to hold informal buffet lunches with A|D|S where the industry can meet newly appointed UK Defence Attachés. Hosted by UKTI DSO's Senior Management Team, one such lunch on 8th September 2011 enabled the companies to meet attachés taking up posts covering Australia, Bahrain, Brunei, Eritrea, Israel, Kenya, Malaysia, Pakistan, Thailand and Yemen.

17. Also on 8th September 2011, the London Chamber of Commerce and Industry held a meeting on the "Middle East: a vast market for UK defence and security companies" on 8th September. Two of the speakers were from UKTI DSO. As well as highlighting opportunities in Saudi Arabia, Oman and the United Arab Emirates, Bahrain was mentioned as a "top destination".

18. Defence Secretary Liam Fox MP told the industry on 13th September 2011 that: "Defence and Security exports play a key role in promoting our foreign policy objectives - building relationships and trust, sharing information and spreading values - these things cannot be measured in monetary terms on a balance sheet alone." However, as the examples above show, the "spreading of values", at least in terms of democracy and human rights, appears absent from the decisions as to where UKTI DSO's efforts are concentrated. It is this complete absence of ethics in the sales promotion effort that has inevitably led to the routine and seemingly indiscriminate approval of licences for the export of military equipment to authoritarian regimes in the Middle East and North Africa.
**The Saudi connection**

19. Beginning in the 1960’s, and especially since the signing of the Al Yamamah contracts in the mid-1980’s, the relationship between the governments of Saudi Arabia and the UK and the company that is now BAE Systems is at the heart of the UK's arms exports. It seems that nothing, and certainly not human rights' considerations, can be allowed to jeopardise this.

20. The deals with Saudi Arabia are co-ordinated by the Ministry of Defence Saudi Armed Forces Project (MODSAP). This is based in the the UK Ministry of Defence and in 2010-11 cost £57.41million. As at 1st April 2011, their composition was as shown in the table below:

<table>
<thead>
<tr>
<th>Number of civilians based in the UK</th>
<th>75</th>
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<tbody>
<tr>
<td>Number of military personnel based in the UK</td>
<td>46</td>
</tr>
<tr>
<td>Number of civilians based in Saudi Arabia</td>
<td>32</td>
</tr>
<tr>
<td>Number of military personnel based in Saudi Arabia</td>
<td>60</td>
</tr>
</tbody>
</table>

(Information from MODSAP, 2.8.11)

21. The costs are reimbursed by the Saudi Arabia. This means that the autocratic Saudi Arabian government is paying for 107 UK civil servants and 106 members of the UK armed forces.

22. In March 2011 Saudi Arabia sent scores of UK-made armoured personnel carriers into Bahrain in support of the latter's government's bloody suppression of pro-democracy protesters. The armoured vehicles, marketed as Tacticas, were manufactured by BAE's Land Systems Division in Newcastle Upon Tyne with final assembly taking place in Belgium. Although the UK government revoked some licences to Bahrain, Egypt, Libya and Tunisia at the time of the "Arab Spring", not one licence was revoked with regards to Saudi Arabia.

23. Even if the Tacticas or other UK-supplied equipment has not been used against protesters in Bahrain, and we cannot tell if they have been, the Saudi presence in that country increases the capacity of the Bahraini authorities to suppress protests.

24. While there has not been the level of overt protest in Saudi Arabia as in some other areas of the Middle East and North Africa, on 3rd October 2011 Saudi police were reported to have used live ammunition to disperse protesters in a village in the east of the country injuring some protesters. It is unlikely that this will be the only such event in a country synonymous with repression and autocratic rule. It is perhaps worth noting here that the Economist Intelligence Unit's Democracy Index 2010 ranks Saudi Arabia at 160 out of 167, even below Libya which was ranked at 158.

25. The UK's reputation as an advocate for human rights is undermined by its military commercial links with the Saudi authorities. The lessons from the support given to Saddam Hussein in Iraq and Gadaffi in Libya need to be heeded and the promotion and export of military equipment to Saudi Arabia stopped immediately.
The United Arab Emirates

26. The United Arab Emirates is also ranked as an authoritarian regime on the Democracy Index 2010. This did not prevent it from becoming a UKTI DSO "priority market" in 2010/11 and the recipient of an increasing amount of UK weaponry. Export licences to the value of £254.1million were granted in 2010. The Export Credits Guarantee Department gave £113.4million cover for the export of a Airbus multi-role tanker transport bought by the UAE armed forces.

27. As with Saudi Arabia, UAE armed forces entered Bahrain in support of the Government when the regime faced opposition from its own people. CAAT is concerned about the potential consequences of the UK building yet another military commercial relationship with a regime which denies freedom and human rights to its citizens.

Libya

28. On 11th September 2011, the Sunday Telegraph revealed attempts to sell sniper rifles to Libya in the months immediately prior to the uprising there. Manroy Engineering and Accuracy International were said to be willing to host visits to the UK by Libyan officials. From the time the European Union arms embargo on Libya was lifted in 2004, UK governments had enthusiastically promoted military sales to Tripoli. UKTI DSO's predecessor, the Defence Export Services Organisation, opened an office in Tripoli in January 2006 and then Prime Minister Tony Blair visited in 2007 signing an Accord on a Defence Cooperation and Defence Industrial Partnership.

29. Papers found abandoned (Sunday Telegraph 25.9.11) in Tripoli show UKTI DSO securing an invitation for one of Gaddafi's sons, Khamis, to the Queen's Official Birthday reception in June 2010. The 10,000 strong Khamis Brigade, which was to attempt to crush rebellions in Benghazi and Misurata, had been a customer for UK arms. Clearance for the training of some of the Brigade's members by the SAS had been given in January 2009.

30. When an authoritarian regime falls, there are other dangers too. Not least, in Libya, there is no clear indication of which body or bodies currently possess the weaponry supplied from the UK.

The arms fair invites

31. The biennial Defence and Security Equipment international (DSEi) exhibition took place from 13th to 16th September 2011 at the ExCel Centre in London's Docklands. DSEi was supported by UKTI DSO and Liam Fox MP, the Defence Secretary, gave a speech on the first day while his colleague, the Defence Equipment Minister Peter Luff MP, spoke later in the week.

32. In the light of the "Arab Spring", CAAT was keen to learn which overseas governments had received official invitations. BIS Minister Mark Prisk MP said: "The following countries have been invited to send official government defence and security delegations to Defence and Security Equipment International 2011 (DSEi11): Australia, Austria, Botswana, Brazil, Brunei, Bulgaria, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Ghana, Greece, Hong Kong, India, Indonesia, Italy, Japan, Netherlands, New Zealand, Norway, Pakistan, Peru, Poland, Republic of
Korea, Romania, South Africa, Spain, Sweden, Switzerland, Trinidad and Tobago, Turkey, Ukraine, UN, USA, NATO.” (Hansard, 7.6.11, col 220/1w) CAAT was pleased, but surprised, to find that none from the Middle East and North Africa were included.

33. However, DSEi’s VIP briefing document said "125 individual invitations have been extended to 61 countries so far." The complete list was finally published by UKTI DSO on 12th September 2011, the day before DSEi started. The additional countries invited were: Algeria, Angola, Bahamas, Bahrain, Colombia, Croatia, Egypt, Georgia, Iraq, Ireland, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Mexico, Morocco, Nigeria, Oman, Philippines, Qatar, Saudi Arabia, Singapore, Thailand, United Arab Emirates, Vietnam.

34. CAAT is still trying to ascertain why, unusually, so many invitations were extended after an official list was issued. It is, however, noteworthy that many "embarrassing" governments feature on the later list. Although attendance at DSEi does not mean that export licences will necessarily be forthcoming, the official invitations are an indication as to the countries the UK government wishes to promote military equipment to and thus bears some analysis.

35. Of the 63 invitees, 14 were "authoritarian regimes" on the Democracy Index 2010. These are Algeria, Angola, Bahrain, Egypt, Jordan, Kazakhstan, Kuwait, Morocco, Nigeria, Oman, Qatar, Saudi Arabia, UAE and Vietnam. Five invitees have been identified by the FCO as countries with "the most serious wide-ranging human rights concerns". These are Colombia, Iraq, Pakistan, Saudi Arabia and Vietnam. Eight invitees were in a "major armed conflict" in 2010 (as identified by the Stockholm International Peace Research Institute) - Colombia, India, Iraq, Pakistan, Peru, Philippines, Turkey and the USA.

36. Comparing the invitation list to that of the previous DSEi in 2009, 8 countries were invited which had not been on the earlier occasion: Bahamas, Croatia, Georgia, Ghana, Kazakhstan, Lebanon, Nigeria and Ukraine. Three countries were not invited in 2011 which had been in 2009 - China, Slovakia and, unsurprisingly, Libya.

37. The DSEi arms fair also facilitates the promotion of military equipment manufactured outside the UK, with more than 1,300 exhibitors coming from many countries including Pakistan. The DSEi organisers closed the Pakistan Ordnance Factories (POF) stand and Pakistan’s Defence Export Promotion Organisation Pavilion as Caroline Lucas MP discovered that these had, in contravention of the rules, displayed promotional literature containing references to cluster munitions. The UK export licensing regulations would not cover sales from POF to, for example, Bahrain or Vietnam.

38. It is shameful that an event such as the DSEi arms fair continues to be held in the UK and is supported by the UK government. CAAT hopes that the delay in issuing the full invitation list indicates that at least some part of the Government felt some unease about inviting representatives of authoritarian regimes to shop for military equipment in London and that this might be the last arms fair on UK soil.
Arms industry jobs

39. One of the main reasons given for continuing to export arms is employment. Despite all the support which it receives from the Government, BAE's UK workforce is in long-term decline and its role in the UK economy is unexceptional. Jane's Defence Weekly (20.4.11) projects that BAE's military manufacturing employment will decrease from the March 2011 figure of 32,700 to 18,900 in 2015.

40. Export orders are unlikely to change this as the trend is for more goods to be made or assembled in the purchasing country. For example, the £700million deal signed during Prime Minister David Cameron's visit to India in July 2010 was for 57 Hawk aircraft to be manufactured under licence there by Hindustan Aeronautics Limited. The number of UK jobs to be supported by the deal was said to be just 200.

41. At the end of September 2011, BAE announced 3000 job losses. Nearly 900 of these are at Brough, home of Hawk production. This is about two thirds of the workforce there and there are suggestions that Brough could close. CAAT hopes this might provide the impetus necessary for change. Many of BAE's employees possess valuable skills which could be better used, especially as there is a shortage of engineers.

42. One need for the skills is renewable energy technologies. Unlike the stagnant arms market, the renewables market is expanding rapidly, but there needs to be Government investment in order for UK industry to claim a substantial share of the market. With climate change seen by many, including some in government, as the biggest threat the UK faces, investing in renewable energy rather than the arms industry is a win-win situation.

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