Submission from the Campaign Against Arms Trade to the 2015 Inquiry of the Committees on Arms Export Controls

1. The Campaign Against Arms Trade (CAAT) in the UK is working to end the international arms trade. This 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.

2. This submission looks at the conflict situations where the UK government has reviewed its export licences over the past year; the priority given to export promotion including the UK Trade and Investment Defence and Security Organisation (UKTI DSO) "priority markets"; and the Department of Business, Innovation and Skills about turn on the transparency initiative.

Conflict situations

3. The UK government reviewed, or announced the results of a review, of export licences in response to three conflict situations since your Committees' last deadline for submissions in September 2013. These were with respect to Egypt following the overthrow by the army of elected President Morsi in July 2013; Russia after its annexation of Crimea in March 2014 following the ousting of Ukraine's elected President the previous month; and Israel in July 2014 as it bombed Gaza.

Egypt

4. In the case of Egypt, after some licences had already been revoked, the Export Control Organisation (ECO) implemented a European Union Foreign Ministers' agreement by suspending, on 28th August 2013, 49 existing licences as well as the processing of new licence applications for the Egyptian Army, Air Force and Internal Security Forces or Ministry of the Interior until further notice. After assessing the suspended licences in greater detail, on 25th October 2013 the ECO announced that 24 licences would have the suspension lifted as it did not judge the goods might be used for internal repression, seven would be revoked as there was a clear risk that the goods might be used for internal repression, and the remaining 16 would remain suspended because the goods might be used for internal repression.

Russia

5. Prime Minister David Cameron announced on 10th March 2014 that, following a European Council meeting, he had ordered a review of arms export licences to Russia. A week later, on 18th March 2014, then UK Foreign Secretary William Hague made a statement to the House of Commons announcing that the UK would “with immediate effect suspend all extant licences and application processing for licences for direct export to Russia for military and dual use items destined for units of the Russian armed forces or other state agencies which could be or are being deployed against Ukraine.”

6. Licences were also to be suspended “for exports to third countries for incorporation into equipment for export to Russia where there is a clear risk that the end product will be used against Ukraine." This was a limited suspension, arms exports which were judged not for use against Ukraine could continue. CAAT has had sight of the response from the ECO to a Freedom of information request that shows that, while 28 standard licences (to a value of almost £37 million) were suspended and Russia was removed as a possible destination for a further six ‘open’ licences, 246 permanent standard licences (to a value of £142,545,186) and 49 ‘open’ licences remained extant. However, many people thought there was an arms embargo and the Government was happy for this impression to continue.
7. The shooting down of a Malaysian passenger plane over eastern Ukraine on 17th July 2014, reportedly by pro-Russian fighters, prompted an EU "arms embargo" though export licences could still be issued if the contract was agreed before 1st August 2014. Further sanctions were imposed on dual-use goods on 12th September 2014.

**Israel**

8. The military action by Israel against Gaza in July and August 2014 led to the deaths of over 2,000 Palestinians and the destruction of many homes as well as hospitals and other vital infrastructure. However, the many calls to the UK government for an end to the arms trade and military collaboration with Israel went unheeded. However, it did lead the Prime Minister to say on 4th August 2014 that all export licences would be reviewed.

9. On 12th August 2014 the Department for Business, Innovation and Skills (BIS) announced the results of the review. CAAT was amazed to learn that even twelve licences "identified for components which could be part of equipment used by the Israel Defence Forces in Gaza" were to be suspended only if the fighting started again. Fighting did resume on 20th August 2014, but the UK government did not consider it a "resumption of significant hostilities" so the licences were not suspended. There is now, thankfully, a ceasefire. Giving evidence to the Foreign Affairs Committee on 9th September 2014, Foreign Secretary Philip Hammond cited Hamas rocket attacks on Israel as a justification for UK government inaction.

10. There was no review of the wider military relationship with Israel. For example, Israeli drone manufacturer Elbit Systems is working with Thales UK on a UK Ministry of Defence (MoD) contract worth nearly £1 billion.

**Arms company interests always put first**

11. In all these cases, the UK government and European Union actions seem designed to do the absolute minimum possible to appease public feeling. Whether deliberate or merely convenient for the Government, the impression was conveyed that the restrictions were further reaching than they were.

12. While Prime Minister David Cameron, in, for instance, his speech to the House of Commons on 10th March 2014 (Hansard, col 25), emphasised the need for a united EU message to Russia, in practice this has meant EU sanctions are limited to those acceptable to the Member State least willing to act. France did not want to stop its deal with Russia to provide two Mistral-class helicopter assault ships that were under construction. Even after the downing of the plane, the EU sanctions did not affect deals agreed before 1st August 2014 to allow the French ships contract to proceed.

13. The Russia and Israel cases also highlight the global nature of the arms industry and the consequent challenges for national government export licensing. Before the crisis over Ukraine the military-industrial relationship between Russia and the UK was booming. The two countries were finalising a Military Technical Cooperation Agreement. According to the *Daily Telegraph* on 26th January 2014, the agreement would allow their companies to share information with, and buy components from, one another. As this Agreement was not signed, it did not, on this occasion, impede any licensing considerations.

14. However, the military-industrial relationships with Israel were long-standing. In 2002 then Foreign Secretary Jack Straw allowed "the importance of the UK's defence and security relationship with the incorporating country" (Hansard, 8.7.02, col653w) to be taken into account when making decisions against the export licensing criteria. This change was made to allow head-up displays for F-16 aircraft ultimately destined for Israel to be exported to the United States.

15. The letter dated 19th August 2014 from Foreign Secretary Philip Hammond to your Chair mentions that, of the twelve licences that have been identified where there is a "risk they could be used in the commission of a serious violation of international humanitarian law", eight were for items to be incorporated into equipment manufactured in the US and Germany. CAAT's lawyers, Leigh Day, received a letter from Edward Bell, Head of the ECO, dated 15th September 2014. Leigh Day had
asked for details of the twelve licences including their dates and what the licences were for. The ECO cited Freedom of Information exemptions to withhold most of the information asked for, but did provide the dates when the twelve applications were granted.

16. Ten of the dates were prior to 31st March 2014, the latest date for which the usual ECO data is in the public domain. Checking the licence dates against the disaggregated ECO data, CAAT thinks the Foreign Secretary should have included Italy in the list of incorporating countries as, on two of the dates, that would appear to be the only relevant licence.

17. Assuming this is the case, the details of the ten licences follow.

* 07/03/13 is one of
  imaging cameras (Israel direct)
  components for military parachutes (US incorporation)
  military airborne equipment (Germany incorporation)
  military training aircraft components (Italy incorporation)
  http://bit.ly/1unwfdm

* 13/03/13 is one of
  equipment employing cryptography (Israel direct)
  components for combat helicopters (Italy incorporation)

* 17/06/13
  military helicopter components (Italy incorporation)
  http://bit.ly/ZLH7oN

* 26/06/13
  products for military support aircraft (Italy incorporation)
  http://bit.ly/1spRlm8

* 26/07/13 is one of
  components for military targeting equipment (Israel direct)
  products for combat aircraft (Italy incorporation)
  http://bit.ly/1sXNXi3

* 23/09/13 two licences issued on this date so two of
  components for military aero engines / military aero engines (Israel direct)
  equipment employing cryptography (Israel direct)
  components for military aircraft (US incorporation)
  http://bit.ly/1wLvxom

* 06/12/13
  components for military radar (Germany incorporation)
  http://bit.ly/1tZcp72

* 23/01/14 is one of
  components for combat helicopters (Italy incorporation)
  corrosion resistant chemical manufacturing equipment (Israel direct)
  components for electronic warfare equipment (Israel direct)
  components for targeting equipment (Israel direct)

* 12.2.14 is one of
  components for combat helicopters (Italy incorporation)
  components for targeting equipment (Israel direct)
  components for submarines and tanks (Germany incorporation)
  http://bit.ly/1tZcHe8
18. The incorporation licences involve sales from the Germany, Italy and the United States to many countries besides Israel. Concern about military-industrial relationships is likely to have played a role in the decision to leave these licences extant. No analysis has (yet) been published on the use of UK weaponry by Israel, as was done by then Foreign Secretary David Miliband on 21st April 2009 (Hansard, col 9ws) after Operation Cast Lead. It is impossible, therefore, to know what UK equipment might have been used. However, providing parts for combat aircraft and military helicopters certainly gives cause for concern.

19. Making the "resumption of significant hostilities" a requirement for licence suspension, as with the case of Israel, is also a worrying development. Israel's action in Gaza is not a one-off; in Egypt there have been two coups; while Russia has previously invaded Georgia. The presumption should surely be that any military equipment exported to the military and security forces in these countries must stand a good chance of being used, even if not immediately, in actions most people in the UK would not support. Such licences should never have been issued.

20. The responses to all three situations were also unsatisfactory in that all exports of military equipment, whether or not they can directly be used in repression, send a message of UK support to the recipient government, undermining calls to respect human rights and end conflict. The interests of the arms industry must not be put first.

**Treaty makes no difference as promotion is priority**

21. The UK ratified the Arms Trade Treaty in April 2014. CAAT has always been sceptical about the Treaty. If it was in force during the past year, it would seem most unlikely that it would have led to any reduction even in the transfers that have been the subject of most controversy and concern over the past year.

22. Time and again the UK government claims the UK operates some of the most “rigorous” arms export controls in the world (see rigorousrepetition.tumblr.com). In reality, however, it is at best a policy of “arms control by embarrassment,” with the UK supplying weapons with little regard for the record of the buyer country and only, sometimes, revoking licences at times of crisis when it is already too late.

23. CAAT agrees with your Committees when, in your July 2014 report, you say: “the Government’s arms export policy is essentially one of reacting to events and not taking sufficient account of the nature of the regimes concerned at the point when the decision is made to approve the export licence or not.” This is unlikely to change while the priority is arms export promotion, not control.

**Priority markets for UK arms exports**

24. The 130 civil servants working for the UKTI DSO promote military and security equipment sales around the world, working on behalf of private arms companies, but paid for by the UK taxpayer. It is good that knowledge of, and interest in, the UKTI DSO priority markets list has grown since CAAT raised the matter with your Committees in December 2010. That the Business Secretary wrote pro-actively to the Chairs of the Foreign Affairs Committee and your Committees with the 2014/5 list, together with an explanation as to why each country was included, is welcome.

25. In summary, however, the explanations are that these countries provide good opportunities for the export of UK military and security equipment. An accompanying note by the Business Secretary dismisses concerns about Saudi Arabia and Bahrain.

26. CAAT fully supports your Chair's recommendation that "the Government explain to Parliament and the wider public more fully why Saudi Arabia is listed by the Business Department as a Priority Market for arms exports whilst simultaneously being listed by the Foreign and Commonwealth Office as being a country of major human rights concern, and also why Bahrain has now been added to the Business Department’s Priority Markets List notwithstanding the continuing concerns about human rights in that country."
27. Military exports should not be viewed solely on a case-by-case basis, but the overall impact of the UK government support they convey to the recipient country should also be very much taken into consideration. For instance, the support shown the Saudi and Bahraini governments by continuing sales efforts is an affront to all working for human rights in those countries. The use of the royal family, for example Prince Charles' trip to Saudi Arabia in February 2014 to secure the Eurofighter Typhoon deal for BAE Systems, reinforces the message of support that accompanies arms sales. The promotion of arms sales is muting the UK's criticism of human rights abuses.

28. Reuters reported on 21st July 2014 that, referring to Russia and the Russian separatists in Ukraine, the Foreign Secretary said: "They have been supplying them, they have been supporting them, they have been providing them with succour. They cannot deny their responsibility for the acts that these people are carrying out." The same should be said of UK with respect to arms sales into areas of conflict or repression.

29. Besides Saudi Arabia and Bahrain, the inclusion on the priority list of Qatar and the United Arab Emirates raises concerns. As well as being authoritarian regimes, these countries are among those alleged to have supplied military equipment to, and supported different sides in, the armed struggles raging in the Middle East and North Africa. UK-produced equipment could well end up being used in these terrible conflicts, with their dire humanitarian consequences. Introducing more weaponry into the area is the last thing the civilians living there need.

30. It is good that Libya was dropped as UKTI DSO priority market in April 2014, given that by September 2014 factional fighting has forced the Libyan government to flee to a car ferry off Tobruk. That it should have been on the priority market list in 2013/14, as well as earlier, should raise questions about the Government promotion of military exports to conflict zones and the dangers of viewing conflict as an opportunity for arms sales.

31. Arms fairs have continued to be used to promote military and security exports to the most repressive regimes. In 2014 such exhibitions have included Security and Policing in March, the Farnborough Airshow in July and the NATO Summit in September. Even where there were no official visitor delegations, such as with Russia at Farnborough, the UK government allows the commercial organisers of the event to decide on the exhibitors. The Russian state-owned Rosoboronexport was present at the Airshow and able to promote its wares.

About turn on export licensing transparency

32. CAAT had welcomed much in the July 2012 Government Response to the BIS Transparency in Export Licensing Consultation and was dismayed to read of the retreat from greater transparency as described in the Notice to Exporters 2013/18 issued on 31st July 2013 with regard to Open Licences. In our September 2013 submission to your Committees, CAAT said this represented a major step back from the greater transparency promised by Business Secretary Vince Cable, and was not in line with the July 2012 Response. If the published information was not to include ratings / goods description nor, as it appeared, the value, it would be almost meaningless, especially as Open Licences often cover an extremely wide range of equipment.

33. Questioned on 18th December 2013 at a meeting of your Committees about this apparent about turn, Edward Bell of the ECO talked of "strong representations of EGAD [Export Group for Aerospace & Defence] .. and [trade association] ADS, as well." CAAT followed this up by making a Freedom of Information request for copies of documents of these communications.

34. The documents CAAT was given are not explicit about what changed and company names were redacted but it is clear that:
   a) there were a lot of technical problems, for example a company asking how its systems which capitalise everything could be made compatible with the ECO system which did not, or asking if 1.2.c.3 is the same as 12C3;
   b) a major problem occurred during a big test in June 2013 which resulted in information being sent to the wrong companies.
35. Having read these documents, CAAT suspects that the apparent technical problems caused Ministers to retreat from providing the public with more information about Open Licences. CAAT hopes these technical difficulties will not be allowed to derail an important point of principle. Events of the past year have shown that the transparency agenda needs to be extended, not curtailed. There may need to be some adjustments to the process and/or extra time taken to implement an effective solution, but such a rapid, ragged retreat indicates a weakness of political will.

Work of your Committees
36. Finally, CAAT would like to thank your Committees for the work you have done since 2010. The consistent questioning of the Government about its arms export policies and decisions has done much to shed light on the issue during a period of upheaval in many of the countries which are recipients of the arms and other strategic equipment licensed by the UK government. Without doubt, your Committees have done a great deal to hold the Government accountable and this is much appreciated.

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