

Analysis of Dutch arms export licences 2007



Photo: Dutch frigates with electronic high-tech by Thales Netherlands, including the APAR radar. The APAR is a multifunctional radar that can carry out several tasks simultaneously, such as surveillance and tracking a large number of targets, while aiming missiles.

Campagne tegen Wapenhandel, December 2008
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Introduction

The Campagne tegen Wapenhandel, the Dutch Campaign against Arms Trade, herewith presents its fourth 'Analysis of Dutch arms export licences'. This alternative annual report on Dutch arms export has grown to become a much used reference tool that offers a clear interpretation of the most recent data concerning the role of the Netherlands in the international arms trade.

Compared to many other countries, the transparency of Dutch military exports is extensive, although important improvements can still be made. This analysis is based on rough surveys of export- and transit licences for so-called strategic goods, as published by the Ministry of Economic Affairs on its website since 2004.¹ Furthermore, it can be seen as an addition to the official government annual reports on arms export that have been published since 1998 and which focus on general policy.² It must be noted that this transparency is the result of stubborn lobbying and long legal procedures by NGOs, as well as repeated queries for information by parliamentarians. It reflects the growing acknowledgement in the Netherlands that there is a public interest in openness about arms exports. As one parliamentarian once said: "Arms are not tomatoes". In other words: arms are not normal commodity goods and should be treated with special attention. There are enormous human rights, peace and development implications to arms exports, and the policies for these important fields should be open to public debate.

Compared to last year, the basic structure of our analysis remains largely the same. In addition to a general description of the nature and extent of the Dutch arms export, this report presents a survey of export licences by country. Other subjects covered include the Netherlands as a transit country, Dutch participation in international military equipment programs, the export of dual-use goods and a number of remarkable exports. The report concludes with conclusions and recommendations.

¹ <www.ez.nl/english/Subjects/Globalisation/Exportcontrols/Transit_transactions_through_the_Netherlands>

² <www.ez.nl/english/Subjects/Globalisation/Exportcontrols/Manual_on_strategic_goods>

1. The Netherlands and the international arms trade

Since the fall of the Berlin wall, the Netherlands has slowly been consolidating its position from mid-tier to top tier player in the international arms market. According to SIPRI, the renowned international research institute based in Stockholm, it has been the world's fifth largest arms exporter since 2005.³ The US, Russia, Germany and France export significantly more, but are also much larger countries. **Based on per capita exports, however, the Netherlands is the world's largest arms exporter.** A rather remarkable fact.

Table 1.1: Largest arms exporting countries after the Cold War (SIPRI Trend Indicator Value⁴)

	1990-2007		2003-2007		2007	
1	US	180,214	US	32,278	US	7,454
2	Russia	67,242	Russia	30,654	Russia	4,588
3	Germany	31,930	Germany	9,164	Germany	3,395
4	France	29,047	France	8,888	France	2,690
5	UK	23,133	UK	4,480	The Netherlands	1,355
6	Soviet Union	15,359	The Netherlands	3,215	UK	1,151
7	China	11,417	Italy	2,591	Italy	562
8	The Netherlands	9,447	Sweden	2,155	Spain	529
9	Italy	7,710	China	1,960	Sweden	413
10	Ukraine	5,952	Ukraine	1,709	China	355
11	Sweden	5,647	Spain	1,534	Canada	343
12	Israel	3,991	Israel	1,270	Israel	238
13	Spain	3,497	Canada	1,186	South-Korea	214
14	Canada	2,992	Switzerland	759	Switzerland	211
15	Switzerland	2,228	Poland	587	Poland	135

The Netherlands's high position is a result of the extensive export of second-hand defence material by the Dutch military and several large (navy) orders. Within the last two years the value of the Dutch arms export trade peaked at over a billion euros (mostly due to the sale of corvettes to Indonesia, the Netherlands' largest ever defence order), and then fell to the (still rather remarkable) value of Euro 874 million in 2007. The average export value over the last ten years amounted to Euro 729 million per annum.

The following overview of the most important export destinations is based on the official arms export figures, as published annually by the Dutch government:

³ http://armstrade.sipri.org/arms_trade/values.php

⁴ http://www.sipri.org/contents/armstrad/output_types_TIV.html

Table 1.2: Most important Dutch Military export destinations (1998-2007)
(value of licences in millions of euros)

'98-'07	'97-'06	Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total '98-'07
1	(1)	US	82.45	54.14	94.75	166.13	132.58	237.21	75.35	92.71	63.54	121.52	1,120
2	(2)	Germany	56.54	80.86	82.50	49.55	75.35	84.29	88.19	383.89	76.12	70.88	1,048
3	(3)	Greece	4.86	8.35	12.39	162.45	46.78	431.66	161.43	3.26	4.11	0.37	836
4	(4)	Chile	56.27	1.68	0.18	10.80	0.51	0.52	0.55	295.62	98.46	12.22	477
5	(5)	South-Korea	4.27	2.86	66.66	34.35	7.96	99.93	114.97	9.75	3.88	2.78	347
6	(7)	Indonesia	4.36	36.98	2.77	0.32	0.96	5.02	1.22	13.46	278.19	0.07	343
7	(10)	Misc. NATO/EU+	17.74	55.27	30.95	9.16	19.12	1.69	19.83	42.50	41.75	86.62	325
8	(8)	Turkey	61.17	17.43	4.58	6.67	21.83	75.42	3.50	12.42	43.70	2.63	249
9	(11)	UK	17.20	33.67	34.40	22.24	10.69	21.69	21.18	22.62	23.49	41.64	249
10	(13)	France	12.71	5.13	6.85	6.12	21.89	12.42	56.44	20.27	50.52	47.13	239
11	(9)	Venezuela	0.91	1.41		1.77			27.62	7.67	196.42		236
12	(20)	Denmark	15.02	11.75	1.18	5.99	0.84	3.54	10.99	1.93	4.30	170.56	226
13	(14)	Taiwan	10.53	8.53	5.67	30.13	38.37	7.19	5.84	21.95	9.59	2.23	140
14	(15)	Italy	1.45	5.04	2.22	2.18	4.99	4.22	21.27	32.49	40.69	23.75	138
15	(-)	Oman	2.36		0.05	0.02	2.58				20.01	101.23	126
16	(17)	Poland	0.95	1.04	0.77	0.77		89.07	0.48	5.31	3.41	0.49	102
17	(16)	Canada	2.36	17.02	3.13	19.97	14.03	2.32	2.81	4.79	31.70	3.47	102
18	(18)	Norway	2.18	1.04	1.18	71.33	1.05	5.27	0.33	6.60	2.09	4.89	96
19	(19)	Portugal	0.50	1.18	6.53	1.50	0.47	2.47	1.00	81.34		0.61	96
20	(29)	Spain	0.59	2.63	0.73	3.13	0.95	4.41	2.50	7.02	5.19	67.47	95
21	(23)	Egypt	0.23	0.82	1.23	0.14			0.03	40.36	0.29	14.69	58
22	(22)	Latvia									57.04	0.08	57
23	(27)	Sweden	4.22	1.23	3.31	1.81	2.70	4.07	3.98	9.73	2.88	23.05	57
24	(21)	Switzerland	10.85	4.99	12.75	8.44	5.61	3.68	2.19	0.21	0.58	4.20	54
25	(25)	India	0.82			1.36	0.10	8.72	0.39	5.00	5.30	21.89	44
26	(24)	Finland	0.23	0.32	0.36	3.08	0.55	1.39	0.75	2.57	30.25	1.97	41
27	(26)	Israel	33.72	0.27	0.14	4.31		0.01			0.39	0.17	39
28	(28)	Japan	0.64		5.13	0.14	0.02	1.53	5.55	14.11	3.82	7.78	39
29	(-)	Saudi-Arabia	2.18				20.98	0.78			0.01	7.74	32
30	(-)	Thailand	2.68	0.64	0.45	5.67	2.32	0.45	0.67	2.80	7.36	5.74	29
		Totals of all countries	432	366	417	651	450	1,151	644	1,175	1,125	874	7,285

When compared to the period between 1997-2006, as published last year, the fact that the United Arab Emirates and Austria – with their large export licences in 1997 – have disappeared from view (as has Bangladesh) stands out. Substantial licences in 2007 have allowed Oman (15th), Saudi-Arabia (29th) and Thailand (30^e) to enter the list.

Summary of global arms export licences granted in 2007 (and before):

	2004	2005	2006	2007
Total value licences (€ mln)	644	1,175	1,125	874
Total number licences	1,573	1,333	1,337	1,547
Number new licences ≥ €10 million	14	14	19	20
Temporary licences	460	317	308	350
Renewed licences	14	13	3	213
Replaced licences	182	128	153	207
Licences financial traffic	5	3	6	0
Rejected licence requests	7	15	20	20

In broad lines, the export licences that were granted in 2007 paint the following picture:

- Some 941 ‘final’ arms export licences were granted – the total number of licences granted apart from those amended or extended, or temporary (demonstration, arms expo or return after repair) licences.
- Like last year, the majority were destined for export to Germany (351), two thirds of which were licences with a value of fewer than ten thousand euros.
- The three most important destinations for the Dutch arms export in 2007, in terms of the value of the allocated licences, however, were Denmark (Euro 171 million), the US (122 million) and Oman (101 million).
- Two of the largest individual licences were for orders from Denmark and Oman; both were for marine electronics from Thales Netherlands.
- Licences for the US are usually for the export of components that were manufactured in the Netherlands for rockets and rocket launch equipment; Apache attack helicopters, F-16 jet fighter aircraft and C-17 military transport airplanes.
- The rest of the ten most important destinations are predominantly European. Noteworthy is a licence of Euro 60 million for components of Tigre attack helicopters, which are manufactured by Eurocopter, a subsidiary of the EADS aerospace company.
- With its licences worth Euro 22 million, predominantly for radar equipment, India is back as a large arms export destination.
- The same goes for Pakistan, which bought military night vision equipment in the Netherlands. Because this is classified as *dual-use*, the selling of this type of equipment is not recorded as *arms* export (for further information see the paragraph on Dual-use).
- Egypt remains an important destination, spending Euro 15 million this year. Chile, Japan, Saudi Arabia and Thailand also stand out, with spends of over five million euros.
- The Dutch arms export market is now dominated by new weapon sales, as opposed to the second-hand defence materials that dominated the market for the last two years.
- The number of extended licences has multiplied for reasons unknown, from a handful in past years to more than two hundred in 2007.

Table 1.3: Main arms export destinations in 2007.
(total value of licences, in millions of euros)

	Destination	Value of export licences
1	Denmark	170,56
2	US	121,52
3	Oman	101,23
4	Misc. NATO	86,62
5	Germany	70,88
6	Spain	67,47
7	France	47,13
8	UK	41,64
9	Italy	23,75
10	Sweden	23,05
11	India	21,89
12	Egypt	14,69
13	Chile	12,22
14	Japan	7,78
15	Saudi Arabia	7,74

Table 1.4: Largest arms export licences
(‘new’ licences from Euro 10 million)

Issue date	Nr.	Description of goods	Destination	Final destination	Origin	Value (€)
12-04-'07	26917743	Radar- and tracking radar systems	Denmark		Unknown	165,295,000
27-12-'07	27368069	C3 consoles and accessories	UK	Oman	NL	86,919,664
04-06-'07	26994292	Tiger helicopter components	Italy, France, Germany	I, F, D	NL	60,000,000
22-08-'07	27193560	Armoured car components	Sweden		Unknown	33,973,470
09-08-'07	27169333	Rocket components and accessories	US		NL	24,798,094
30-01-'07	26807905	Components of PzH 2000 howitzers	Germany	NL	NL	18,084,517
14-03-'07	26888778	Long range tracking radar systems	UK		NL	17,285,820
21-05-'07	26934915	Components for tracking radar systems	India		NL	16,930,000
20-07-'07	27126340	Long range tracking radar systems	UK		EU countries	16,779,546
08-06-'07	26993458	Launch installations for air target missiles	US		NL	16,572,150
13-06-'07	27021638	Components for military aircraft and helicopter motors	US		NL	15,000,000
12-10-'07	27319742	Components for NH90 helicopters	EU countries		NL	15,000,000
26-10-'07	27303005	Equipment for C3 consoles	US	Egypt	NL	14,644,151
11-12-'07	27426301	Patriot transmitters	Germany		NL	14,584,174
14-03-'07	26843391	Components and software for radar- and C3 systems	UK	Oman	NL	13,500,000
04-06-'07	26994284	Components for Apache attack helicopters	US		NL	13,257,720
20-03-'07	26891981	Components for Multi Functional Radar (MRF)	France		NL	11,969,497
12-10-'07	27316573	Components for F-16s and Apache fighter planes	NATO countries		NL	11,116,950
01-06-'07	26994276	Components for C17 airplanes	US		NL	10,311,560
05-11-'07	27322115	Spare parts for frigates	Chile		NL	10,000,000

2. Arms exports by country

This chapter goes into more detail about licences granted to specific countries. The emphasis is mainly on countries in conflict areas, countries with internal tensions and/or human rights violations and countries with disproportionately large defence expenditure.⁵ Licences with a total value of less than Euro 100.000 – exceptions exempted – will not be discussed.

Bahrain

A licence for the export of military trucks to Bahrain, valued at Euro 1,9 million, was granted in 2007.⁶ According to Human Rights Watch the human rights situation is getting worse in Bahrain. Very repressive anti-terrorism legislation has been implemented and the death penalty has been reinstated for the first time since 1977, with one exception in 1996.⁷

Chile

More than Euro 12 million in export licences were granted to Chile in 2007. While still a large amount, it is significantly less than in 2005 and 2006, when Chile bought mainly surplus defence materials (marine frigates and F16s) to the tune of almost Euro 300 million and Euro 100 million respectively. The biggest licence in 2007, for Euro 10 million, was an order for frigate spare parts. Other licences were for components for radar systems, military trucks and trailers and armoured vehicles. Test equipment for F100 engines (for the F16 fighter plane) was ordered via Belgium and components for rocket launch systems were ordered via Israel.

A border dispute between Chile and Peru flared up in August 2007. Chilean frigates, some of Dutch origin, steamed up to the Peruvian coast.⁸ While military action was eventually prevented, the incident illustrates that the usage of weapons bought in the Netherlands is no hypothetical matter, even though the Dutch government maintains that this offers no real threat to the stability of the region. In the meantime, Chile continues to boost its armed forces. **In October 2008 the press reported the imminent sale of 16 surplus Dutch F16s, for the reported amount of US\$ 170 million.**⁹ An intensive Dutch defence lobby preceded this: in December 2007 and March 2008 respectively, Dutch Defence Secretary Van der Knaap and his successor De Vries visited their Chilean counterparts to talk about the sale of surplus defence materials, amongst other things.¹⁰ Moreover, close ties have developed between the two countries' armed forces due to earlier sales of surplus Dutch defence materials. **Chilean Parliamentarians have criticized the intention to station the Dutch F16 fighter planes in Southern Chile, due to the risk that Argentina could see this as an 'unfriendly' development.**¹¹

⁵ The choice for non-EU/NAVO countries is an arbitrary one. Two of the most important destinations of Dutch arms

exports are the United States and the United Kingdom, proven allies indeed, but at the same time responsible for the disastrous consequences of the wars both in Iraq and in Afghanistan.

⁶ Licence 27037828 of July 5

⁷ Human Rights Watch, World Report 2008, January 2008

⁸ Chili dreigt met tweedehands schepen,(Chile threatens with second-hand ships) NRC Handelsblad, August 18, 2007

⁹ Chile to increase F16 fighter bombers wing to 44, MercoPress (Uruguay), October 11, 2008 (<http://www.mercopress.com/vernoticia.do?id=14828&formato=HTML>)

¹⁰ De Vries haalt banden met Chili aan, (De Vries builds closer ties with Chile) Novum/Trouw, March 31, 2008; Van der Knaap op werkbezoek in Chili,(Van der Knaap on official visit to Chile) Ministry of Defence, December 10, 2007

¹¹ Chile to increase F16 fighter bombers wing to 44, MercoPress (Uruguay), 11 oktober 2008 (<http://www.mercopress.com/vernoticia.do?id=14828&formato=HTML>)

Chile's massive arms buying program is financed by a fund that was created under the Pinochet regime, which is fed from a part of the profits of the national copper industry. It is estimated that this fund currently amounts to US\$ 3 billion. Instead of investing in the socio-economic infrastructure, extra income is being funnelled to the armed forces. Elsewhere in the region, partly outdated weaponry is being overhauled, thanks to a flourishing raw materials trade, fed by exploding market prices.¹² The underlying motivation is that it would be unwise to stay behind when your neighbours are arming themselves. Where that is concerned, Chile can be seen as one of the catalysts for increasing armament in the region.

Issue date	Number	Description of goods	Destination	Final destination	Origin	Value (€)
04-09-'07	27938998	Components for long range tracking radar	Chile		NL	262
09-01-'07	26685087	Military trailers	Chile		Unknown	450,000
10-08-'07	27144713	Military truck with trailer	Chile		Unknown	60,000
10-08-'07	27144721	Armoured vehicles	Chile		Unknown	1,090,000
13-06-'07	26996171	Components for long range tracking radar systems	Chile		NL	2,850
13-08-'07	27150357	Military trucks with trailers	Chile		Unknown	225,000
14-08-'07	27180868	Components for long range tracking radar	Chile		NL	12,180
15-02-'07	26788323	Components for rocket launch systems	Israel	Chile + Romania	NL	18,251
15-05-'07	26916623	Test equipment for F100 engines	Belgium	Chile	NL	190,000
18-06-'07	26970482	Technology transfer w.r.t. fire control systems	Chile		NL	46,000
19-12-'07	27425127	Components for long range tracking radar	Chile		NL	48,814
21-09-'07	27275478	Components for long range tracking radar	Chile		NL	4,250
23-07-'07	27126249	Components for long range tracking radar systems	Chile		NL	47,350
30-11-'07	27395155	Components for long range tracking radar	Chile		NL	13,949
31-10-'07	27350526	Components for long range tracking radar systems	Chile		Unknown	7,312
05-11-'07	27322115	Spare parts for frigates	Chile		NL	10,000,000
07-11-'07	27360963	Components for long range tracking radar systems	Chile		Germany	15,170

¹² Bill Faries and Helen Murphy, Chavez Threats Converge With Commodities Boom In Latin American Arms Race, Bloomberg, April 7, 2008

Egypt

Egypt was 12th on the list of important destinations for Dutch arms in 2007. This is almost entirely thanks to the delivery of equipment for C3 consoles via the US, for which a licence worth over Euro 14,6 million was issued.¹³ It wouldn't be surprising if the bill was also paid by the US government, which has been offering military support worth billions to countries like Israel and Egypt – a combined 80% of the 4,5 billion dollar made available annually.¹⁴ The state of emergency, which has been in effect since 1981, has assigned the government extensive powers to restrict civil liberties or detain people. There has also been an increase in human rights violations.¹⁵ Because Egypt is situation in a region of tension the question remains why a long standing restrictive arms export policy towards this country was abandoned in 2004.¹⁶

India

India has spent almost Euro 22 million on Dutch arms, especially radar systems - its largest spend here for the last decade. This places India back on the map as an important arms destination, after the lift on the moratorium on arms export licences (1998-2003). The moratorium was originally instituted due to nuclear weapons testing in India and Pakistan, which was a result of the tensions between the two countries. The majority of the exports are from Thales Netherlands, which has been an important supplier of military electronics to India for decades. In 2008, Thales Netherlands declared new orders from Bharat Electronics Ltd (BEL) for three LW-08 marine radars, destined for three of the Indian navy's frigates.¹⁷ Under the licence agreement Thales will supply all crucial parts and BEL will build the actual radar systems. In the meantime, the relationship between India and Pakistan remains alarming. The nuclear agreement that was signed between the US and India will lead to the increasing international proliferation of nuclear technology. Moreover, Pakistan has warned that the agreement will lead to an arms race between the two countries¹⁸, a danger that the Indian peace movement has also raised its concerns about.¹⁹

Indonesia

Indonesia's purchase of navy corvettes in 2006 made it the largest importer of Dutch arms that year. In 2007, there were only two small licences: a component for a tracking radar system (Euro 5,589) and landing gear for F16s via Singapore (Euro 60,801). Larger licences are coming: not only were licences valued at Euro 315 million granted in the first half of 2008, but it is known that Indonesia ordered additional equipment for these navy corvettes from Thales Netherlands and that the order has been reinsured via Atradius. Moreover, a local newspaper reported that Indonesia has big plans to build at least 24 new navy corvettes in Indonesia, with help from De Schelde.²⁰

Iraq

A small licence of Euro 6,842 euro was granted for the delivery of components and accessories for M113 armoured vehicles to Iraq via the United Arab Emirates.²¹ These M113s are used by the

¹³ Licence 27303005 of October 26

¹⁴ Eric Lipton, With Push From White House, U.S. Arms Sales Rise Sharply, New York Times, September 14, 2008

¹⁵ Human Rights Watch, World Report 2008, January 2008

¹⁶ See the Minister of Foreign Affairs' answers to questions posed in Parliament 2004-2005, number 146, October 12, 2004

¹⁷ Richard Scott, LW-08 radar scans new horizons in India, Jane's International Defence Review, August 2008; Bharat Electronics Ltd Awards LW08 Contract To Thales, press release Thales, July 2, 2008

¹⁸ Jo Johnson and Edward Luce, Pakistan warns US of Asia arms race, Financial Times, August 2, 2007

¹⁹ Press release: Coalition for Nuclear Disarmament and Peace (CNDP), October 8, 2008

²⁰ Schelde helpt Indonesie bij bouw korvetten (Schelde helps Indonesia to build navy corvettes), PZC, September 3, 2008

²¹ Licence 26916712 of May 21

American army for transportation purposes.²²

Israel

Instead of being a direct destination for arms from the Netherlands, Israel usually functions as an intermediate destination for goods that eventually end up in other countries, often after further processing in the Israeli defence industry. In 2007, the final destinations of these goods included: Chile, Finland, India, Poland, Romania, Slovenia and the US. The only licence with Israel as the final destination came through the US: cables for sonar systems worth Euro 166,542.²³ The sale of components for the Hawk air defence system, announced by Verhagen, the Dutch Minister of Foreign Affairs in October 2007, which brought an end to the arms embargo to Israel, promised actual deliveries no earlier than 2008. In fact, no export licences were granted in 2007.²⁴ Four applications for licences were denied (see paragraph 6). The boundaries w.r.t. arms exports to Israel seem rather unclear.

As in previous years, Israel is an important intermediate destination (see chapter 3).

Israel as intermediate destination						
Issue date	Number	Description of goods	Destination	Final Destination	Origin	Value (€)
17-12-'07	27387799	Aluminium profiles for rocket launch installations	Israel	Romania	NL	12,487
02-04-'07	26892015	Components for anti-tank rockets	Israel	Finland	NL	15,000
15-02-'07	26788323	Components for rocket launching systems	Israel	Chile + Romania	NL	18,251
14-02-'07	26785898	Components for thermal imaging cameras	Israel	Poland	NL	18,746
12-11-'07	26888816	Components for anti-tank rockets	Israel	Slovenia	NL	75,920
05-01-'07	26714907	Components of cameras for fighter planes,	Israel	US	NL	90,975
30-05-'07	26957850	Waveguides for military radar systems	Israel	India	NL	181,705
26-10-'07	27274234	Tail sections for F-16 fighter planes	Israel	US	Denmark	2,044,836

Japan

Launch installations for air defence missiles valued at almost Euro 5,6 million were delivered to Japan via the US.²⁵ A licence was also granted for the export of a fire-control simulator for a naval air defence missile, worth Euro 146,000.²⁶ Interestingly, the Dutch government's Annual Report 2007 indicates a higher total value for Japan: Euro 7,78 million.

²² Joseph L. Galloway, Army to send older armored personnel carriers to Iraq after upgrading armor, Stars and Stripes, European edition, January 4, 2005

²³ Licence 26926491 of May 7

²⁴ http://www.nieuwnieuws.nl/archives/binnenland/2007/10/nl_verkoopt_wapensysteem_aan_i.html

²⁵ Licence 27425984 of December 12

²⁶ Licence 26877938 of March 13

Jordan

Jordan only received one licence for night vision binoculars, valued at Euro 675,000. In 2007, the Dutch government also announced that it had sold six of its air force's surplus F16s to Jordan. Delivery is expected in 2008.²⁷ This sale has caused an unfortunate domino effect. The acquisition of surplus Dutch and Belgian F16s has led Jordan to sell its old F5 fighter planes to Kenya, a developing country.²⁸

Macedonia

Only one licence was issued for export to Macedonia: infrared binoculars and accessories worth over half a million euros.²⁹ Hundreds of thousands of euros worth of night vision binoculars were delivered to this country in 2006 (infrared binoculars) and 2005 (thermal binoculars).

Malaysia

Malaysia also received only one licence – for night vision binoculars. This licence was worth almost Euro 1,5 million.³⁰ The country has received criticism from human rights organisations for its widespread civil rights violations and the torture of prisoners.³¹

Oman

With only five licences, valued at over Euro 100 million, Oman was the third largest destination of Dutch arms in 2007. **This makes it one of the Netherlands' fifteen most important arms export destinations of the last decade.** Oman first became a big buyer of Dutch arms in 2006, through the purchase of NH-90 transport helicopters, co-produced by Stork Aerospace, a Dutch company. Two of 2007's largest export licences were destined for Oman: almost Euro 87 million for C3 consoles and accessories and Euro 13,5 million for components and software for radar- and C3 systems. Both deliveries took place via the United Kingdom. The licences for Project Khareef concerned three patrol ships with helicopter decks. In January 2007, the British VT Group outbided Dutch shipyard De Schelde. VT has contracted Thales Netherlands to deliver a large part of the electronics, including the combat management system, radar and fire-control system.³²

Issue date	Number	Description of goods	Destination	Final destination	Origin	Value (€)
06-07-'07	27074928	Components for radar- and C3 systems	Oman		Various countries	800,000
27-12-'07	27368069	C3 consoles and accessories	UK	Oman	NL	86,919,664
14-03-'07	26843391	Components and software of radar- and C3 systems	UK	Oman	NL	13,500,000
05-09-'07	27235638	Components for radar systems	UK	Oman	NL	5,680
01-06-'07	26491436	Fuel pump for an M60 tank	UK	Oman	US	995

²⁷ Dutch Ministry of Defence, Sale of F16 MLU aircraft to Jordan, letter to the House of Commons (Dutch Second Chamber), 30800 X, 22054, Number. 86, May 15, 2007

²⁸ Frank Slijper, Tweedehands markt kaskraker door zwalkend aankoopbeleid (Second hand market a smash-hit due to wavering purchasing policy), VD AMOK, number 2, July 2007

²⁹ Licence 27088546 of August 10

³⁰ Licence 27358659 of November 27

³¹ Human Rights Watch, World Report 2008, January 2008; <http://www.amnesty.org/en/library/info/ASA28/005/2008/en>

³² Richard Scott, VT clinches Khareef OPV deal with Oman, Jane's Defence Weekly, January 24, 2007

Pakistan

Relatively small licences were granted to Pakistan in 2007: equipment for a mine sweeper (via France) and radar equipment (via Sweden) valued at Euro 170,000. Much more interesting to mention are the licences issued for the export of night vision equipment valued at over Euro 20 million, which fall outside the arms export statistics (see chapter 5, Dual-use). Ever since Pakistan's independence the armed forces have dominated this society, both economically and politically – they have sabotaged democracy a number of times via coups.³³ It is therefore fair to say that the country's armed forces are the single biggest impediment to a stable, democratic Pakistan. Not only are there continuing tensions with India, which (just like Pakistan) has nuclear weapons, but Pakistan has also been in a state of political chaos since 2007, caused by president Musharraf's controversial re-election, the proclamation of a state of emergency, and the parliamentary elections, which set the return of former exiled leaders Sharif and Bhutto in motion (the latter was assassinated in December 2007 while on campaign). The unrest continued well after the elections. Not only have frequent bombings of prominent targets threatened to destabilize the country, but escalating confrontations along the border with Afghanistan, including American bombings of Pakistani territory, have threatened the democracy. The worst case scenario of a failed state with nuclear weapons is not imaginary. To prevent the escalation of tensions as much as possible, an arms embargo to both Pakistan and India, would be a wise political move.

Saudi Arabia

Only one licence for export to Saudi Arabia was issued in 2007, but it was a big one: for components of military communications systems for tanks and armoured vehicles, worth Euro 7,7 million.³⁴ It is unclear whether it will be used for the navy, army or air force. A few years ago, former Dutch Minister of Foreign Affairs, De Hoop Scheffer (CDA) said that he was not very happy with a licence issued by his predecessor.³⁵ The current CDA minister clearly has a milder view. Because a direct relationship between the materials and 'specific concerns about the human rights situation' is missing, the government saw no reason to refuse the licence application.³⁶ Saudi Arabia is one of the most conservative Arab countries. Wahabism is the state religion. Where it comes to women's rights, it is probably the most repressive regime on earth. Amnesty International calls the human rights situation 'alarming'; hundreds of terrorism suspects are detained in secret.³⁷ Amputation and flagellation are common aspects of the judiciary repertoire. **It is unfathomable that the Netherlands allows arms trade with such a regime.**

Singapore

Singapore received two direct export licences for the delivery of F16 components worth Euro 200,000. Components for multifunctional radars (two licences) valued at over Euro 400,000 were delivered via France. Singapore also acted as an intermediary destination for F16 components, destined for Indonesia.

Sri Lanka

A licence for the export of 36 pontoons, valued at Euro 91,349 was issued in October 2007. In response to questions by the Committee on Economic Affairs, the government said that these pontoons were being used for road construction by a Japanese development organisation, far

³³ See 'Pakistan Inc.' by Ayesha Siddiq, published 2007.

³⁴ Licence 27350518 of November 14; also see answer 10 in Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

³⁵ Report of a General Meeting, Parliament, meeting year 2002-2003, 22054 nr. 66

³⁶ Answers to written questions by the Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

³⁷ Amnesty International, Annual Report 2008 – Saudi Arabia (http://www.amnesty.nl/landen_jaarboek/33108)

removed from the war between the Sri Lankan government and the Tamil Tigers, which has seriously escalated within the last two years.³⁸

Taiwan

Taiwan receives a number of licences every year for follow-up orders w.r.t. submarines that were purchased at the end of the eighties. In 2007, there were two such follow-up orders, worth over Euro 2,1 million. More interesting, is a licence for 1,1-Dimethylhydrazine, valued at Euro 36,000. This substance is primarily used for rocket fuel. However, the relevant licence lists the use of the substance for non-military (civil) purposes.

Thailand

An escalating conflict in Thailand's southern provinces led to violence in 2007, particularly against civilians.³⁹ In September 2006 the country suffered yet another military coup that lasted a year. While elections have since restored democracy, it is a fragile one. Regardless, Thailand received over Euro 5,7 million worth of export licences in 2007, which makes it one of the thirty most important destinations for Dutch arms over the last decade (see table 1.2). Most of these licences are for components for radar- and fire control systems. One exception is a licence for **ammunition for an M109 howitzer training simulator**, worth Euro 135,714.⁴⁰ In the summer of 2008 a dispute escalated between Thailand and Cambodia over a piece of land surrounding the Preah Vihear temple, in the border region between the two countries. Both countries lined up thousands of soldiers, armed with howitzers, amongst other things.⁴¹ In October this led to a few skirmishes.⁴² In 2006, the Netherlands turned down two licences for the Thai army.⁴³

Turkey

With 21 licences, Turkey is also an important destination for Dutch arms. The total of Euro 2,63 million is the lowest licence value of the last decade, however. Many small, and a few larger licences (to a maximum of Euro 834,684) were for components for radar- and fire control systems and C2 consoles (command & control systems). The largest licence, valued at Euro 996,000, was for training materials, a description that wasn't specified further.⁴⁴ A clear overview of exactly what was delivered is especially important for countries like Turkey, which can be seen as a controversial destination for army- and air force deliveries, especially when you keep the armed conflict in Kurdistan in mind.

In 2007, this conflict spread towards Iraqi Kurdistan, including bombings of Kurdish sites by the Turkish army.⁴⁵ Two other noteworthy licences were for convex lenses⁴⁶ (for long-distance anti-tank missiles, and laser guided missiles) and three licences were for semi-automatic guns.

³⁸ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

³⁹ Human Rights Watch, World Report 2008, January 2008

⁴⁰ Licence 27354246 of November 21

⁴¹ Wassana Nanuam, Who has most muscle at Preah Vihear, Bangkok Post, July 28, 2008

⁴² Prapan Chankaew, Thai PM seeks direct talks over Cambodia border row, Reuters, October 18, 2008

⁴³ See addendum 4 in: The Dutch arms export policy in 2006, Ministries of Economic Affairs and Foreign Affairs, September 2007 <http://www.stopwapenhandel.org/informatie/Overheid/jaarverslagen/jaarrap2006eng.pdf>

⁴⁴ Licence 27236480 of October 9

⁴⁵ Ben Zwirs, Turkije bombardeert PKK-rebellen in Noord-Irak (Turkey bombs PKK rebels in Northern Iraq) www.elsevier.nl, December 16, 2007

⁴⁶ Licences 27279457 and 26934788 of November 5 and May 29 respectively

Uruguay

Three licences were granted for the export of surplus Dutch military trucks to Uruguay, with a total value of Euro 349,000.⁴⁷

UAE

Two licences were granted to the United Arab Emirates in 2007. The largest, of Euro 1,3 million, was for radar systems. Communications equipment valued at Euro 71,546 was delivered via France. Finally, the UAE acted as an intermediary for the aforementioned delivery of components for M113 armoured vehicles, destined for Iraq. Meanwhile, the United Arab Emirates remains a dictatorship, where civil rights are violated and detainees are tortured.⁴⁸

South Africa

Five licences were granted for export to South Africa in 2007. There was one large licence, worth over Euro 3 million, for 'short range portable search radar systems'. It is possible that this refers to Thales Netherlands' Squire, which was purchased as part of the CYTOON intelligence system that was developed for South Africa.⁴⁹ Mother company Thales International, which signed the CYTOON order, has been linked to the corruption scandal surrounding large post-apartheid defence purchases in South Africa, which have drawn much criticism for president-to-be Jacob Zuma. A South African subsidiary supposedly offered Zuma money to prevent Thales from becoming involved in a large corruption investigation surrounding one of the company's orders. The charges were temporarily dropped in October 2008, awaiting an appeal procedure.⁵⁰ In addition, four small licences were issued, valued at a maximum of Euro 1,725, for firearms and bulletproof plates and vests. With reference to the widespread problems with firearm violence in South Africa, it is unfortunate that it is unknown whether these goods are for private or government use.

South Korea

The trend of decreasing arms exports to South Korea continues from last year. Fourteen licences were issued, with a total value of Euro 2,78 million. South Korea is still the fifth highest export destination for the last decade. The largest export licence in 2007 (by far) was almost Euro 2,2 million for components of search radar systems and air defence systems.⁵¹

⁴⁷ Licences 26972558, 26972868 and 26972876 of May 16

⁴⁸ Amnesty International, Report 2008 – the state of the world's human rights, May 2008

⁴⁹ Land Success Stories, Thales Group brochure. FYI, Thales describes the Squire as 'medium range' system.

⁵⁰ Also see: Charges withdrawn against Zuma co-accused, SAPA, Oktober 6, 2008 and Jeremy Gordin, NPA 'forced' to drop Thint charges, The Sunday Independent, September 28, 2008

⁵¹ Licence of December 6, 2007, nr. 27409628

3. Transit

- The number of notifications of arms transit was 2,465 in 2007 (2059 in 2006; 1670 in 2005).
- Almost 1300 notifications concern the transit of hand guns, mostly one or two per notification, with ammunition, whereby the adage 'VV' indicates that return to the country of origin will take place. This usually concerns hunting- or shooting sports. Most notifications are for Tanzania (779) and South Africa (196).
- The remaining thousand or so transit notifications include **a number of very big shipments and some destinations that cause concern** – see details below.
- The number of **notifications of goods not under the Arms and Ammunition Law** – mostly (parts of) larger weapons systems – **has increased tenfold** to over 479 (compared to 42 in 2006 and 11 in 2005).
- The number of *transit licences* (for slow transit, and/or transit combined with modifications) has shrunk to 7 (2006:12, 2005: 15; 2004: 18); in addition six old transit licences were renewed.
- With 1,963 notifications, the **majority of the transit went through Schiphol airport** (2006: 1,671; 2005: 1,407), followed by Rotterdam seaport with 469 (2006: 358; 2005: 338). The remaining 33 notifications crossed the border in twelve other places.
- Just like in 2006 (2005:5), only 6 ad hoc export licences were imposed for transit after notification; in four cases this led to the cancellation of the shipment, and twice to a licence application. Two cancellations were for shipments to Iran (for 682 kg High Solid Primer from the US and for 1,249 kg RDX explosives from Singapore); another incident involved four military Renault trucks en route from Belgium to Gabon; and one cancellation involved a shipment of maintenance equipment from Russia, destined for the Ethiopian air force. Licence applications were made for a shipment of aircraft components from the Ukraine, destined for India, and a shipment of aircraft- and helicopter components from India, destined for Russia. It is unclear if these two licences were granted. **It is remarkable that ad hoc export licences were required in two cases for transit from allies.** In both cases, the required licences were lacking.⁵² The trucks for Gabon were released after demilitarisation; the infrared absorbing paint for Iran was stopped.

As illustrated above, the increase in the number of notifications that fall outside of the Arms and Ammunition Law is remarkable. The majority of the notifications fall under the header 'wars in Iraq and Afghanistan'; never before have there been so many notifications of shipments such as these (see more under 'Remarkable destinations'). It is unclear what happens to cancelled shipments when ad hoc export licences are required: can an exporter simply try his luck at another port, or is there some kind of notification system that would effectively make this impossible? Such notification systems already exist for regular export licence applications that have been turned down.

As of August 1, 2008 a new General Customs Law took effect, under which terms the transit licence regulation will be extended. The distinction between slow and fast transit will disappear, which means that 'all' transit will be subject to authorisation. An important exception to that rule is transit to EU and NATO member countries, plus Japan, Switzerland, Australia and New Zealand; for those countries a notification requirement will remain sufficient. In actual terms, based on figures for 2007, this means that fewer than forty will be subject to an application comparable to regular arms exports. The Dutch government doesn't interfere with the majority of

⁵² Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

weapons in transit, because it reckons that weapons in transit between allies do not need to be assessed according to the Dutch arms export policy.

As indicated previously, the Campagne tegen Wapenhandel finds it unpalatable that the Netherlands refuses to examine the transit from allied countries as well, because there are enormous differences in the interpretation of the arms export policy. The best example remains shipments to Israel. The Netherlands has an arms embargo in place for Israel, but allows the transit of large ammunition shipments from the US to Israel. With the transfer of El Al's cargo transport activities from Schiphol to Luik (Belgium) in October 2008 it is expected that this will come to an end.⁵³

A number of EU countries maintain rather different arms export standards in comparison with the Netherlands. It is quite likely that the sale of armoured vehicles to the dictatorship of Equatorial Guinea and tank ammunition to Indonesia would not have received an export licence if this was applied for here. But because the Netherlands doesn't want to be seen as difficult by its allies, the transit of these goods, from the Czech Republic and Belgium respectively, went completely unchallenged. Within this context, it is therefore interesting that Germany does conduct extra controls on the transit of weapons coming from EU member countries. Based on these extra controls transit shipments from places like the Czech Republic are often refused.⁵⁴ The Netherlands clearly sees the economic benefits (of the Netherlands as a transit country) as more important than having its own independent arms transit control system.

Remarkable destinations

Some of the most striking reported arms transits through Dutch territory in 2007 are listed below.

Schiphol as port of transit for the wars in Afghanistan and Iraq

A remarkable sector of arms transit, namely logistical support for the wars in Iraq and Afghanistan and the related transit hubs in countries like Bahrain, Kuwait and Qatar are responsible for the rise in transit notifications. In total, we counted **424 shipments from or to Afghanistan, Bahrain, Iraq, Kuwait and Qatar: almost a sixth of all reported arms transit.** In the three years that the government has issued an overview of reported arms transit, such extensive transit has not been reported before. Apparently, it has to do with the American military's increasing use of private carriers, including some Dutch carriers.⁵⁵ In a number of cases, such as Bahrain and Qatar, it is also possible that transit shipments are for these countries' armed forces and are not directly related to the wars in Afghanistan and Iraq. This is one of the reasons why the Campagne tegen Wapenhandel has been advocating adding end users to licence reports.

⁵³ El Al bevestigd komst naar Luik (El Al confirms move to Liege), August 11, 2008 on

<http://www.express.be/sectors/nl/logistics/el-al-bevestigd-komst-naar-luik/96206.htm>

⁵⁴ Jan Richter, "Czech arms exporters to sue Germany over transit licences", September 25, 2008, <http://www.radio.cz/en/article/108635>

⁵⁵ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament 22054 nr. 143, December 1, 2008

Reported arms transits in 2007 ⁵⁶							
From	To	Afghanistan	Bahrain	Iraq	Kuwait	Qatar	US + EU
Afghanistan		X					101
Bahrain			X				22
Iraq				X			162
Kuwait					X		0
Qatar						X	39
US + Europe		12	20	55	2	11	X

Albania

In April, Albania received 48 Mk82 bombs and associated accessories from South Africa, which transited via Rotterdam.⁵⁷ The Mk82 is an unguided general purpose bomb, which has been used widely since the fifties, e.g. by the Americans in Iraq.⁵⁸

Algeria

From Russia 128 components of Kornet E rocket launch systems travelled to Algeria via Rotterdam.⁵⁹

Andorra

As in preceding years, a large shipment of goods for such a small country: this time more than 257,800 cartridges and caps for various calibre handguns, en route from the US.⁶⁰

Brunei

The Sultanate of Brunei received 500 rocket engines from Belgium, shipped via Schiphol.⁶¹

Chile

Twelve anti-sonar bombs were shipped to Chile from France⁶², 2,7 million empty cartridge cases via Italy and 3 kilos of detonation cartridges for ejection seats and 116 flare gun cartridges from Spain⁶³.

Ecuador

A shipment with over 1 million cartridge caps was sent from Spain to Ecuador on August 3 via the Rotterdam harbour. A transit shipment of a J79 airplane engine from Israel, via Schiphol and Colombia was reported on December 17, apparently destined for one of Ecuador's Israeli Kfir fighter planes.

Egypt

The Czech Republic sold 4,8 million cartridges (9x19mm ammunition for firearms) to Egypt, which were shipped via Rotterdam.⁶⁴

⁵⁶ An extensive overview is available from the Campaign against Arms Trade

⁵⁷ Two reports on April 2

⁵⁸ Also see <http://www.fas.org/man/dod-101/sys/dumb/mk82.htm>

⁵⁹ Report April 26

⁶⁰ Report July 31; also see "Analysis Dutch arms export licences 2006", page 21

⁶¹ Report September 17

⁶² Report May 7

⁶³ Report 17 and 27 April

⁶⁴ Report November 29

Equatorial Guinea

A shipment of 20 BVP-1 armoured vehicles, which was sent via the Czech Republic (again) through Delftzijl to Equatorial Guinea can be seen as a remarkable shipment.⁶⁵ With just over a half a million inhabitants Equatorial Guinea is one of Africa's smallest states, which has been under the iron fist of President Nguema Mbasogo for almost thirty years. Back in March 2004, a group of mercenaries planned a coup, but they were arrested in Harare. The alleged leader was former SAS officer and businessman Simon Mann, who was extradited to Equatorial Guinea by Zimbabwe in February 2008.⁶⁶ In the early nineties, Mann set up Executive Outcomes, a controversial mercenary outfit. Mark Thatcher, son of the former British Prime Minister was alleged to have financed the planned coup. In fact, he was convicted in South Africa, had to pay a fine and received a suspended sentence.⁶⁷ Since 1997, the country has developed into the third largest – after Nigeria and Angola – oil exporter south of the Sahara. Oil dollars are streaming into the country; a possible reason for the developments. The population of Equatorial Guinea has not shared in the wealth.⁶⁸ The recently acquired armoured vehicles have doubled the country's capacity in this area (it had 16 armoured vehicles previously).⁶⁹ The Dutch government has repeatedly stated that the Czech licence makes it unnecessary to reconsider transit through the Netherlands.⁷⁰

Ethiopia

On February 14, 2007 a shipment of Russian maintenance equipment for the Ethiopian air force was permitted free transit, but an ad hoc export licence was required of a (similar) second shipment, on October 17, after which the shipment was cancelled. The government reported that this policy change was partly dictated by the new transit licence authorisation regulation for such transit shipments that was discussed in Parliament July 4, 2007.⁷¹ In the same reply the government wrote that the relevant exporter subsequently shipped the goods in parts directly from Russia to Ethiopia.

India

Where it comes to India it is hard to understand the logic behind whether or not ad hoc export licences are required. Apparently, this often had to do with the fact that it was unclear whether the Indian government was the final destination for goods or not.⁷² A total of seven shipments, all from the Ukraine, were reported at Schiphol, of which one case required an ad hoc export licence, another shipment was later cancelled for reasons unknown, and four other (similar seeming) shipments were allowed to transit without any problems.

⁶⁵ Reported on June 29, consent number 27076750

⁶⁶ http://news.bbc.co.uk/2/hi/uk_news/3916465.stm

⁶⁷ <http://news.bbc.co.uk/2/hi/africa/6366489.stm>

⁶⁸ Also see *Een Vandaag*, Nederland 1 (Dutch TV station), July 2, 2004 (http://eenvandaag.nl/index.php?module=PX_Story&func=view&cid=2&sid=28479&nav=28479,0)

⁶⁹ "World Defence Almanac 2008", Military Technology, 1/2008

⁷⁰ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

⁷¹ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

⁷² Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament 22054 nr. 143, December 1, 2008

Transit to India			
30-01-'07	1 shipment	Components for airplane engines (MIG)	
02-04-'07	3	Components for military aircraft	CAN
18-06-'07	3	Components for military aircraft	
16-12-'07	124 kg.	Components for military aircraft	EL
16-12-'07	247 kg.	Components for (ship) engines	
21-12-'07	18	Components for helicopter engines AI-9V	
28-12-'07	242 kg.	Components for aircraft	

CAN= cancelled; EL= ad hoc export licence required

An ad hoc export licence was also required for a shipment from India en route to Russia:

Transit from India			
13-07-'07	152	Components for military aircraft and helicopters	EL

Indonesia

On July 5, 2007, a report was made of a transit shipment of arms, consisting of a radar system, 2 command vehicles, 4 rocket launch systems, 12 anti-aircraft missiles, a training simulator and 42,241 pieces of ammunition, plus spare parts, to be shipped from Poland to Indonesia, via Rotterdam. After a report on December 12, 781 pieces of 90 mm ammunition was shipped from the Eemshaven in Belgium to Indonesia, possibly destined for Scorpion tanks, which use that calibre of ammunition. The Indonesian army has repeatedly used Scorpions against civilians, for example during student protests.⁷³

Israel

As in previous years, Israel continues to receive large quantities of ammunition (components) from the US via Schiphol. In 2007, there were 35 reports, including no fewer than 9 million cartridge caps, one and a half million 9 mm ammunition rounds and 460 tear gas grenades. In addition, there was a shipment of rockets and grenade launchers, which were shipped to Israel from Estonia, via Rotterdam harbour.⁷⁴

⁷³ <http://www.caat.org.uk/publications/countries/indonesia-1099.php>

⁷⁴ Reported on July 3

Transit from US to Israel via Schiphol					
02-01-'07	460	Tear gas grenades	15-05-07	260	Igniters
04-01-'07	860,000	Cartridge caps	15-05-'07	260	Igniters
04-01-'07	220,000	Cartridge caps		600	Explosives (igniters)
08-01-'07	34,560	Tracer ammunition	01-06-'07	689	Explosives (igniters)
22-01-'07	269	Igniters	29-06-'07	8,200	Cartridge caps
07-02-'07	350,000	Cartridge caps	06-07-'07	1,000	Cartridges .357M
07-02-'07	6,250,000	Cartridge caps	12-07-'07	600	Igniters
14-02-'07	1,500,000	9 mm cartridges	12-07-'07	2,955	Cartridges cal.37/38 and igniters
28-02-'07	34,560	Signal flares	18-07-'07	4,460	Practice grenades
15-03-'07	500,000	Cartridge caps	23-07-'07	942 kg.	Tooling
28-03-'07	49,584	Igniters	02-08-'07	390	Safety fuses for igniters
29-03-'07	2,637	Electrical igniters	03-08-'07	800,000	Cartridge caps
29-03-'07	340	Electrical igniters	07-09-'07	200	Electrical igniters/igniters
30-03-'07	30	Electrical igniters	07-09-'07	100	Electrical igniters
10-04-'07	34,471	Tracer bullets	10-10-'07	34,560	Tracer ammunition
20-04-'07	14,080	Smoke grenades/ammunition	23-10-'07	15,409	Tracer ammunition
20-04-'07	461	Igniters	22-11-'07	3,080	Cartridges, cal. 7.62 en .50
20-04-'07	62,000	Ammunition (Impulse cartridges)			

Jordan

Seven shipments to Jordan were reported in 2007: four from the Czech Republic, two from Belgium and one from Brazil. All shipments included firearms and ammunition. The Belgian-Jordan transit is remarkable because of an incident that occurred when the Jordanese special forces last ordered 100 P-90 submachine guns from FN Herstal, a Belgian manufacturer. Shortly after delivery, these attack weapons were sold to a Swiss firm that had them changed from full- to semi-automatic weapons by the Dutch arms company J.F.Y, which was allowed to keep twenty pieces as payment. Four of these were discovered in September 1999⁷⁵ in the Nachtwachtlaan in Amsterdam. Weapons from this shipment were also used in armed robberies in France and Belgium. While this incident created a scandal in Belgium, the country has apparently not lost its trust in the Jordan route completely. In 2006, 386 Belgian submachine guns and over a million pieces of associated 5.56 mm ammunition were shipped to Jordan⁷⁶ via Maastricht. In 2007, a further 432 submachine guns and 1,7 million cartridges were shipped there.

⁷⁵ Marian Husken and Jos Slats, Wapens van US Army en Jordanië in Amsterdam (Weapons of US Army and Jordan found in Amsterdam), Vrij Nederland (Dutch weekly), Januari 22, 2000

⁷⁶ "Analysis of Dutch Arms Export Licences 2006", p.22

Transit to Jordan				
Date	Amount	Product	Origin	Via
31-05-2007	432	Submachine guns, components and accessories	Belgium	Schiphol
01-06-2007	1,685,600	5,56 cartridges	Belgium	Maastricht
21-05-2007	15,516	Tear gas-, sound-, flare- and smoke grenades, rubber bullets	Brazil	Maastricht
19-01-2007	200,000	Shot- en bullet cartridges	Czech Republic	Maastricht
07-03-2007	200,000	7,65/9mm/6,35 cartridges	Czech Republic	Maastricht
21-03-2007	215,000	9mm/7,65/7,62x25/6,35/.38Sp. cartridges	Czech Republic	Maastricht
23-04-2007	200,000	9mm Luger/7,65/7,62x25 cartridges	Czech Republic	Maastricht

Lebanon

A shipment of grenade launchers and grenades (unspecified) were sent to Lebanon from France, via Schiphol.⁷⁷

Malaysia

Large quantities of Czech and Spanish ammunition were shipped to Malaysia via Rotterdam: three reports totalled almost 4,5 million cartridges.⁷⁸ It is unclear whether these were all for the Malaysian army.

Nigeria

Some 3,400 pieces of 76mm and 99mm cartridges from Belgium were reported on September 12 for transit from Rotterdam to Nigeria.

Oman

In addition to a large arms shipment to the Omani navy (see table 1.3 and 1.4), various shipments of British and German tear gas-, smoke- and flare grenades transited to Oman via Schiphol, presumably to support the less than democratic sultanate.

31-08-2007	14500	Smoke-/flare grenades	Germany
29-10-2007	10083	Smoke grenades and flare equipment	UK
29-11-2007	2330	Anti-insurgency ammunition and tear gas	UK

Paraguay

Some 2,228,000 cartridges of varying calibres (38/.25/.22; report on January 22) followed a rather remarkable trail from the US, via Rotterdam harbour to Paraguay, which is infamous for its bad

⁷⁷ Report of October 23, 2007

⁷⁸ Reports numbered 27131506 of July 25; 27267513 of September 20; and 27335780 of October 22

export controls and therefore a beloved transit country for arms and ammunition.⁷⁹

Peru

Some 594,000 cartridges from Spain (reported on August 3) were shipped to Peru via Rotterdam.

Syria

A report made on October 12: for a shipment of “55.000 st.” and “8.000m.” from France to Spain, via Schiphol, is rather remarkable. Economic Affairs called it 55,000 igniters and 8,000 metres of ignition fuse for the oil industry.⁸⁰ HMX is actually used for the drilling of oil wells in Syria. Nevertheless, the description of goods in the licence report is unclear at the very least, especially considering the term HMX coupled to the destination of Syria. According to Wikipedia, HMX is ‘almost exclusively’ used for military applications, including usage for the ignition of nuclear weapons and as rocket fuel.⁸¹ It is very likely that Economic Affairs didn’t see the necessity of investigating the licence further, considering that France, an ally, already issued a licence. However, it would have been worthwhile knowing what guarantees France received concerning the use of the materials.

Trinidad & Tobago

Another surprising destination received a million 5.56 mm cartridges from Belgium (reported on May 29).

Turkey

A report was made on August 13 of a shipment of over 14 million American cartridge caps to Turkey, via Rotterdam. In 2007, conflict between the Turkish army and the Kurdish rebels escalated yet again. For this reason, large shipments of ammunition components are worrying. While developments such as these would provide ample reason to deny licence applications⁸² for direct exports from the Netherlands to the Turkish army and air force, the Dutch government doesn’t interfere with transit shipments from allies such as the US.

United States

With 188 reports of arms transit, the US was one of the most important destinations. After removing the obstructions for the previously notified shipments from Afghanistan, Iraq and the Gulf States as well as several relatively minor shipments, the following overview clearly illustrates the enormous flood of weapons and ammunition that is transported to the US via the Netherlands.⁸³ Licence reports are not always clear about what portion will be used for military purposes and what is destined for the enormous private arms market. Because the US is an ally, the Dutch government is not very interested in where these arms end up. This is an entirely different case in Mexico, where authorities are very concerned about the stream of arms from the US, which contributes to the firearm violence in the country. In a recent meeting, Mexican mayors and other officials called for better control of the American arms trade.⁸⁴

⁷⁹ Also see: Andy Webb-Vidal, “Lords of War – Running the arms trafficking industry“, Jane’s Intelligence Review, May 2008

⁸⁰ Correspondence with author, October 6, 2008

⁸¹ <http://en.wikipedia.org/wiki/HMX>

⁸² In the 90s, there was a de facto embargo on similar export licences for some time, because of the war raging between the Turkish army and Kurdish fighters at the time. Previously, the Netherlands did, however, allow the sale of artillery ammunition and related manufacturing equipment via Eurometaal.

⁸³ Also see “Analysis Dutch Arms Export Licences 2006”, p.23-24

⁸⁴ Sandra Dibble, Governor of Baja decries arms flow, San Diego Union Tribune, November 13, 2008

Weapons transit to the US

11,165 guns and handguns; 37,660 magazines (from Bulgaria)
40 million pieces of firearm ammunition, various calibres (Bulgaria)
7,9 million firearm ammunition, various calibres (Bosnia-Herzegovina)
935,500 pieces of firearm ammunition, various calibres (Israel)
38 thousand (machine)guns, (automatic)rifles and components thereof (Poland)
9 loads of bullet guns, barrels and weapon components (Portugal)
31 million cartridges, mostly 7.62 x 39mm (Romania)
5,600 bullet guns, 120,000 magazines and 55,000 accessories (Serbia)
148 rocket engines (Norway)
2,7 million calibre .50 cartridges (Norway)
38,510 kg. miscellaneous explosives (Norway)
53,7 million pieces of ammunition, various calibres (Spain)
2,4 million cartridges (Czech Republic)
>125,000 kg. miscellaneous explosives (Sweden)

4. International programmes

The Dutch arms industry is largely dependent on the production of components for large weapon systems that are developed abroad. This is especially true for the aircraft industry and to a lesser extent of vehicles. Within the framework of so-called compensation agreements, companies are involved with the production of weapons that are made for both the Dutch armed forces and foreign armies. Upon the analysis of export licences it seems that licences for the American manufacturers of such components only stipulate the US as the final destination. Where it comes to the supply of components to European manufacturers, it is common to stipulate various destinations for the same product. It is for these reasons that we see the recent developments w.r.t. the simplification of export regulations for intra-EU arms orders as a particularly bad development.⁸⁵ There is a real danger that the eradication of European arms export borders will create more vagueness about the final destination of arms. Not only is this a step backwards in terms of the transparency of arms trade – an area in which a lot of progress has been made these last few years – the danger now exists that secondary exports by European partners may not be reported at all, or only at a very late stage. The Netherlands (and its EU partners) would lose its export control, as is already the case with exports to the US.

There were fewer remarkable goods in 2007 than in previous years w.r.t. export licences for components for various weapons systems, at least as far as could be surmised from the minimal description of goods. Many licences are unclear, with descriptions such as ‘components for armoured vehicles’ or ‘components for fighter planes’. The transparency keeps falling short.

As in previous years, export licences for components of the **Joint Strike Fighter** were issued. If the number is any indication of the order flow, then it is clear that the Netherlands is not doing too well. A shipment of components was sent to the US (valued at over Euro 1 million) and to ‘EU countries’ (almost Euro 0,6 million).

Components for **F16 fighter planes** and **Apache attack helicopters** made up 17 export licences (licences for the two were also regularly combined). Destinations included mostly various EU- and NATO countries. F16 components were also shipped to Singapore and components of F16 landing gear ended up in Indonesia, via Singapore. The largest licences by far were for Apache components for the US (over Euro 13 million) and for components for F16s and Apaches for unspecified NATO countries, worth over Euro 11 million (also see table 1.4). Where it comes to the sheer number of licences issued to the US, one cannot exclude the possibility of transit of goods to a third country. The Netherlands even allows the US to decide on the final destination, with so-called International Import Certificates (IIC). That this effectively overrides the Netherlands’ own arms export policy may be very practical from a political point of view, especially where it comes to potentially sensitive final destinations, as was the case with recent orders from Israel, Pakistan, Taiwan and Turkey. From an arms export control standpoint this is less than desirable and certainly worrying.

Three export licences were issued for the **NH-90 transport helicopter** in 2007, of which the most important was an order worth Euro 15 million for components for EU countries, with the second largest valued at Euro 1,5 million for components for ‘EU/NATO-plus’ countries. Stork is a partner in the NH-90 project. With licences worth roughly Euro 16,5

⁸⁵ Also see our *policy briefing* on http://www.stopwapenhandel.org/projecten/Europa/artikelenEU/policy_paper_interne_markt.html

million, 2007 had much lower export figures than 2005 (nine licences, Euro 73 million) and 2006 (six licences, Euro 83 million).

The Dutch navy made its first test flight with a NH-90 on August 10, 2007, of which 20 are set to be delivered in 2009.⁸⁶ Other clients include a large number of European countries, plus Australia, New Zealand and Oman. Saudi Arabia is also a serious player, with 64 helicopters.

Three licences were issued for components for **Tiger** attack helicopters, worth at least Euro 61,5 million. Stork Aerospace will also probably be the supplier here; it is building the engine cowling for the helicopter.⁸⁷ The Euro 60 million licence for delivery to Germany, France and Italy was the third largest of 2007. In mid 2006, Saudi Arabia placed a large arms order including 12 Tiger helicopters (estimated value Euro 1 billion) for delivery from France.⁸⁸

A large licence for components for the **C-17 Globemaster**, Boeing's military transport aircraft was issued in 2007. Stork supplied the tail-lifts and doors for the C-17.⁸⁹ The Gulf state of Qatar was a recent client.

The export of components for **Leopard II** tanks in 2007 required 62 (mostly) relatively small licences, worth a maximum of half a million euro. As in previous years, Germany, Greece and Spain were the destinations.

While 40 licences were issued for the export of components for **Fennek** reconnaissance vehicles in 2006, only 23 were issued in 2007. The licences were worth slightly more, although they didn't exceed Euro 50,000 per licence.

Components for **Piranha** armoured vehicles were delivered to Switzerland, totalling 7 licences worth a maximum of a few thousand euros each. Mowag, a subsidiary of the American arms giant General Dynamics, supplied Piranhas to countries such as Botswana, Ghana and Turkey.⁹⁰

For the export of components for another type of armoured vehicle, the **M113**, in 2007, licences were issued to Spain (6 vehicles, worth over Euro 330,000), Germany (2 vehicles, worth over Euro 45,000), Lithuania (1 vehicle for Euro 15,445) and most remarkably: Iraq (1 vehicle, worth Euro 6,842).

Some 25 export licences were issued in 2007 for components of the **PzH2000** howitzer. These were all issued to Germany, with the exception of the largest licence, over Euro 18 million (the sixth largest arms export licence of 2007), which listed the Netherlands as final destination, via Germany. All other licences had a value not exceeding half a million euros. In fact, most were valued under a few tens of thousands of euros.

⁸⁶ NHIndustries, First flight of Royal Netherlands Navy NH90 NF, August 10, 2007

⁸⁷ <http://www.storkaerospace.com/eCache/DEF/5/772.html>

⁸⁸ <http://www.defenseindustrydaily.com/the-2006-saudi-shopping-spree-more-helicopters-from-eurocopter-02461/>

⁸⁹ Report of June 1, also see <http://www.storkaerospace.com/eCache/DEF/5/802.html>

⁹⁰ http://en.wikipedia.org/wiki/Mowag_Piranha

5. Dual-Use

Export licences are required not only for the export of military goods, but also for so-called dual-use goods.⁹¹ In 2007 there were 408 such licences, of which 67 were temporary (e.g. for repairs or demonstration purposes). Within the Dutch context, we're mainly concerned with the export of nuclear and chemical materials (that can be used for the production of weapons of mass destruction), which have both civil and military applications. The export of night vision equipment components, which not only have civil uses, but also are in worldwide use with armies, police forces and security services, is important too in the Dutch context. The following table offers an overview of remarkable export licences granted in 2007 for optical equipment and chemical dual-use goods.

Night vision equipment

Table 5.1: Export licences for second generation image intensifier tubes ('final', new licences from Euro 100,000 and up)

Date	Reported use	Final destination	Value (€)
02-05-'07	For military use	Pakistan via France	19,900,400
19-06-'07	Surveillance and security purposes (airports and shipyards - civil)	China	4,205,000
09-07-'07	For civil use	Russia	2,300,000
25-06-'07	For military use	Sweden via Israel	821,700
11-10-'07	Night vision systems for the coastguard	South Korea	747,059
11-07-'07	Surveillance and security purposes (border patrol – military)	Pakistan	540,015
20-11-'07	Night vision systems for military use	South Korea via France	501,266
12-11-'07	For hunting	Russia	400,000
06-07-'07	For hunting	Russia	350,000
19-06-'07	Surveillance and security purposes (airports and shipyards - civil)	China	342,000
21-02-'07	For hunting	Russia	300,000
31-08-'07	Surveillance and security purposes (airports and yards - civil)	China	292,200
13-11-'07	Night vision systems for military use	South Korea	259,720
25-06-'07	Tests	Taiwan	254,016
11-10-'07	Surveillance and security purposes (airports and yards - civil)	China	209,000
05-03-'07	To find leaks in electric power plants	China	204,000
03-07-'07	For military use	Singapore	176,100
18-12-'07	Maintenance and repairs	South Africa	153,150
18-07-'07	Night vision systems for military use	The Netherlands via Israel	147,315
05-02-'07	Night vision systems for military use	Brazil via Israel	107,625
20-09-'07	For hunting	Russia	100,000
19-09-'07	Night vision systems for forest rangers (civil)	China	100,000

⁹¹ Remarkably enough they fall outside of transit regulations

Date	Reported use	Final destination	Value (€)
8-10-'07	For military use	South Korea	576,747
17-4-'07	For scientific research	Singapore	141,189
4-12-'07	Surveillance and security purposes (2008 Olympic Games)	China	133,377
14-11-'07	Surveillance and security purposes (border patrol)	Hong Kong	130,209

In 2007, 157 licences (of which 58 were temporary) were issued for optical equipment: the majority for so-called image intensifier tubes – the backbone of night vision equipment. An important part of the export in this area is destined for the military. Because of the dual-use label, sales fall outside of Dutch arms trade figures.

Pakistan: The most important night vision licences in 2007 were for exports to Pakistan. With two licences worth over Euro 20 million in total, it was one of the largest military night vision orders in years.⁹² 'Several thousands' of image intensifier tubes are destined for use in surveillance equipment supplied to the Pakistani army by an American manufacturer.⁹³ The Dutch government and some political parties supported this trade, because of the security support it would give along the porous border between Pakistan and Afghanistan, which would benefit ISAF operations.⁹⁴ It seems to be wishful thinking. In fact, very recently tensions have built between American and Pakistani troops due to American incursions into Pakistani territory from Afghanistan, during which American helicopters were said to be shot at by Pakistan.⁹⁵ Reports have also recently surfaced about (renewed) cooperation between Pakistani army units and Taliban fighters.⁹⁶ Arming an extremely unstable country like Pakistan is therefore unwise. The large sums of military aid and arms that the US has been giving Pakistan for years caused some uproar in the American assembly this year. The question remains how these licences will marry with the policy not to supply any materials that can be used in Kashmir. It seems unlikely that guarantees were sought, let alone given, that the night vision equipment would not be used by Pakistan. The government also sees usage in Kashmir as 'unlikely', because the cease-fire line is already 'very well protected' from both sides.⁹⁷ Shortly after the November attacks in Mumbai, various media reported that Pakistani troop reinforcements were spotted at various places along the Indian-

⁹² Unclear reporting of the issued licences shows the same licence being reported three times, on May 2 and 26 and on June 28. In response to being questioned about it, the Dutch government said that the last two entries were actually revisions of the original licence. This remains unclear in the government's website data, because in contrast to military goods reporting, no such category is included for dual-use goods (see: Answers to written questions by the Committee on Economic Affairs, Dutch House of Commons (Second Chamber), 22054 nr. 143, December 1, 2008)

⁹³ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

⁹⁴ The text of the report of the Parliamentary meeting on December 20, 2007 on arms export policy (22054 nr. 136) said: "When Dutch troops were deployed to Afghanistan, the Parliament requested amongst other things that an export licence be granted for night vision equipment for the Pakistani army, because of the necessity to combat the Taliban and terrorism in the border area between Pakistan and Afghanistan. Some parties even made a plea for this equipment to be provided free of charge. It is therefore impossible simply to say: no weapons may be allowed to go to a country such as Pakistan."

⁹⁵ Eric Schmitt, "Pakistani and American Troops Exchange Fire", The New York Times, September 26, 2008; "Pakistan shoots at US helicopters", De Volkskrant (Dutch daily newspaper), September 26, 2008

⁹⁶ Sean D. Naylor, "Pakistani Forces Helped Taliban in 2007: U.S. Lt. Col.", Defense News, September 22, 2008

⁹⁷ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

Pakistani border, including the Line-of-Control in Kashmir.⁹⁸ The arms export policies for both India and Pakistan have been following a questionable pattern over the last decade. When tensions escalate, the threshold is temporarily lifted, and when tensions decrease the government seems to see no reason to maintain an arms embargo to these countries. This large military order also illustrates the importance of integrating dual-use licences with a military destination into the annual report published by the government on its arms export policy. In September 2008, Photonis Night Vision – the new name of Delft Instruments, a subsidiary of DEP – reported an order of image intensifier tubes worth Euro 40 million from the American government.⁹⁹ The very same Photonis had a stand at IDEAS (International Defence Exhibition & Seminar) in Karachi, Pakistan from November 24-28, 2008

China: Despite a European arms embargo, China has been buying Dutch night vision equipment for many years. Export licences for China amounted to Euro 6 million in 2007 (2006: over Euro 8 million). A part thereof is clearly for a military destination (Hong Kong border patrol), while the balance is grouped under the umbrella term ‘surveillance and security purposes’ and used for unsuspecting seeming purposes such as the Olympic Games and forest management. What’s clear is that the Netherlands has no means of controlling whether these civil destinations will indeed be, or remain, the final destinations for the night vision equipment.

Russia: The Dutch government has no issues with shipping night vision equipment to Russia. The question here also remains whether the Netherlands has any overview of its final destination, both inside Russia, or in any subsequent resale to third parties. The Dutch night vision equipment manufacturer Photonis DEP had a stand on the Russian Interpolitex arms expo in Moscow the last few years, which is mainly focused on anti-terrorism and state security.¹⁰⁰ Nevertheless, the government seems convinced that this equipment will be used solely for hunting and security purposes.¹⁰¹ The Cabinet wrote the following last year: “Where Russia is concerned, the end user declarations clearly indicate that these image intensifier tubes will be used in civil equipment. This equipment will mainly be used in applications for hunting or security purposes. From its side, the Netherlands has stipulated no further conditions concerning where this Dutch equipment may be used for hunting or security purposes within the Russian Federation. Obviously, the risk that the equipment could be used in Chechnya remains an important consideration when weighing applications for the export of military goods to Russia. In the present case, there was no reason to suspect such usage.”¹⁰²

Chemicals

The Netherlands has long been an important trading partner for chemicals. A number of them are subject to export authorisation, due to the danger that they can be used for the production of poisonous gas. While these chemicals also have many totally legitimate civil applications, the Campagne tegen Wapenhandel finds that the Netherlands should refuse the export of such chemicals to states that are not party to the Chemical Weapons Convention. While the treaty does not enforce this, in our view the Netherlands, as host country to the convention organisation OPCW, should play a leading role. The Netherlands is still issuing licences for chemicals to Egypt, Israel and Taiwan, none of which have ratified the Chemical Weapons Convention.¹⁰³ Chemicals

⁹⁸ Usman Ansari, In Pakistan, Little Fear of Hostilities, Defense News online, December 8, 2008

⁹⁹ Press release on September 1, 2008, see: http://www.photonis.com/nightvision/news/contract_of_us_government
http://www.photonis.com/holding/events/interpolitex_moscow_russia

¹⁰⁰ See answer to question 26 in the Parliament, 2006-2007, 22 054 and 26 231, nr. 117 (April 11, 2007)

¹⁰¹ Question 26 in List of Questions and Answers, Parliament, 22054 nr. 117, April 11, 2007.

¹⁰³ Israel has signed the Chemical Weapons Convention, but never ratified it and is therefore not party to the Convention .

like phosphorus pentachloride, phosphorus oxychloride and phosphorus trichloride are especially susceptible to proliferation. Seeing that these countries have chemical weapons programmes and that it is not possible to control the use of these materials on the ground, it is hard to understand why the Netherlands continues to issue licences as long as these countries have not ratified the chemical weapons treaty.

Date	Description of goods	Reported use	Final destination	Value (€)
25-07-'07	Phosphorus pentachloride	Production of medicine	Egypt	629,625
05-06-'07	Phosphorus pentasulfide	Production of pesticides	Egypt	204,316
30-01-'07	Phosphorus oxychloride	Production of colourings, flavourings and agricultural chemicals	Israel	257.621
08-03-'07	Ammonium hydrogen fluoride	Metal etching and -activation	Israel	6,280
20-08-'07	Hydrogen fluoride	Production of microchips	Israel	24,428
22-08-'07	Phosphorus oxychloride	Research and development	Israel	950
7-2-'07	Phosphorus oxychloride	Production of cosmetics	Taiwan	11,815
19-4-'07	Trimethylindium	Research and development	Taiwan	71,500
20-4-'07	Phosphorus trichloride	Production of phosphite antioxidants	Taiwan	1,066,952
23-4-'07	Phosphorus trichloride	Production of phosphite antioxidants	Taiwan	1,437,818
3-5-'07	Phosphorus trichloride	Production of fire retardants	Taiwan	910,259
13-6-'07	Phosphorus trichloride	Production of fire retardants	Taiwan	230,743
31-7-'07	Phosphorus oxychloride	Production of fire retardants	Taiwan	800,000
31-7-'07	Phosphorus trichloride	Production of fire retardants	Taiwan	170,497
31-7-'07	Phosphorus pentachloride	Production of lithium hexafluorinephosphate	Taiwan	563,380
5-9-'07	Phosphorus oxychloride	Production of fire retardants	Taiwan	49,929
6-11-'07	Phosphorus trichloride	Production of phosphates	Taiwan	1,251,983

6. Other remarkable exports

Small arms

While the Netherlands transports large shipments of firearms and components (see paragraph 3), it does not play a role as firearm manufacturer. It does, however, trade in firearms on a limited scale. In 2007, one of the largest and most remarkable licences in this category was for export of an unknown number of Vietnamese firearms, worth Euro 60,000, to Germany.¹⁰⁴ The other small arms export licences were mostly for EU countries, notably Germany. Exceptions include Egypt, Lithuania, Namibia, Tanzania, Turkey and South Africa. A similar licence application for Tanzania was refused in 2006. The prevalence of firearm violence in South Africa makes us question the wisdom of issuing licences to this country.¹⁰⁵ The licence descriptions aren't clear about whether the licences are for the private sector or not.

Technology licences

Technology transfers fall under post ML 22. Most licences were for radar- and fire control system technology, with two glaring exceptions. One was for the transfer of maritime ammunition technology worth Euro 2,5 million to Italy.¹⁰⁶ A number of years ago the De Kruithoorn ammunition factory in Den Bosch went bankrupt. This facility produced ammunition for the Goalkeeper. It's possible that part of this technology is now being sold to an Italian manufacturer. Another remarkable licence, valued at Euro 43,000 was for 'components and technology for unmanned aircraft', sold to the US.¹⁰⁷ After September 11, 2001 remotely controlled weapons systems have really taken off in the US, in particular. This includes variants that are armed with rockets. Such weapons are now completely integrated in American operations in Afghanistan and Pakistan. Seeing that bombings of supposed Al Qaeda or Taliban targets also hit civilians, criticism on waging war via remote control has been growing.

Denied licence applications

As in 2006, twenty licence applications were denied.¹⁰⁸ Eight of these denied applications were for the export of arms to **Iran**, of which seven for a Dutch trader in components for F-4 fighter planes for the Iranian air force. The other denied applications were for the export of visors to an Iranian firm, Did Afarin Aria Co. By decision on April 23, 2007 the EU introduced an arms embargo against Iran, and the licence applications in July and September were thus denied. Within this context it is interesting to speculate on the outcome of the case against Aviation Services International and its owners, which was incriminated in 2007 by the American Justice Department.¹⁰⁹ It is alleged that they bought aircraft components from American companies in 2006 and shipped them to Iran via Dutch territory (using some forged documents), in direct conflict with American sanctions.¹¹⁰ It is still unclear how much the Dutch authorities knew about the disputed transaction. According to Kraaijpoel, the Director of the company, he discussed every transaction with the Dutch authorities. And, according to Kraaijpoel, many other Dutch companies do business with Iranian companies in the same way.

¹⁰⁴ Licence 27241913 of September 7

¹⁰⁵ <http://www.gca.org.za/MaterialsAndResources/Statistics/tabid/1134/language/en-US/Default.aspx>

¹⁰⁶ Licence 26758742 of January 17, replaced by licence 26863023 on March 9

¹⁰⁷ Licence 26766494 of January 17

¹⁰⁸ See Addendum 4 "The Dutch Arms Export Policy in 2007", The Dutch Ministries of Economic Affairs and Foreign Affairs, September 12, 2007

¹⁰⁹ Eric Hesen, "VS: Illegale handel met Iran; Nederlands bedrijf zou handelsembargo schenden" (US: Illegal trade with Iran; Dutch company accused of violating trade embargo), World Broadcasting Services, September 19, 2007

¹¹⁰ Merijn Rengers, "VS verdenken bedrijf van omzeilen wapenembargo" (US suspects company of circumventing arms embargo), Volkskrant (a Dutch daily newspaper), September 20, 2007

Four licences for **Israel**, three for Surinam and two for **Georgia** were also denied, as were one each for **China**, the **Philippines** and **Vietnam** respectively. For Israel, three potential orders for the Israeli army (helicopter components, satellite communications and infrared cameras) and one for the company El-Op, were denied. The three denied Surinamese applications were for (components of) firearms for a civilian. Where Georgia's concerned, it may be interesting to note that criterion 8 was used as grounds for refusal (this is highly unusual): "the compatibility of the arms exports with the technical and economic capacity of the recipient country, taking into account the desirability that states should achieve their legitimate needs of security and defence with the least diversion for armaments of human and economic resources." The relevant application was for radar fire control systems for the coast guard. What's remarkable is that this criterion, while often appropriate in other cases – such as the recent large arms orders from Indonesia – isn't always an impediment for licence approvals.¹¹¹ In the Georgian case, rapidly rising defence expenditure by the government, combined with a sharp rise in the poverty of its people explains why the application could have been denied based on criterion 8.¹¹²

Countries that were denied licences in 2006 – India, Indonesia, Taiwan and Thailand – received approved licences in 2007. It's difficult to see what's structurally changed in the abovementioned countries so that their licences were not denied again. It has also just emerged that of the eight consultations that took place with other EU partners in 2007 w.r.t. previously denied applications, it was twice decided (once by the Netherlands, and once by another country) to issue the licences after all, because the relevant licence applications weren't seen as 'essentially identical'.¹¹³

Licences for financial transactions

In contrast to preceding years, no licences for financial transactions for military goods were issued in 2007. Such licences are obligatory whenever a Dutch citizen conducts a financial transaction in relation to military goods: outside the EU, or inside the EU when excluded from free transition.¹¹⁴ One wonders if the Dutch authorities make the effort to control such financial transactions, to see whether rules- and regulations were followed.

Licence-free exports with military destinations

Goods that don't appear on the list of Strategic Goods (this list determines whether or not licensing is required), but that do have a military destination, fall completely outside of the scope of licensing reports. Within this context a number of shipments of small navy vessels, for which no licences are required because they lack weaponry and specific military features, stand out. So, for instance, Damen Shipyards has been selling vessels to the armed forces of Albania, Barbados, Colombia, the Dominican Republic, Jamaica, Thailand and South Africa since 2004, without requiring licences. The only exception was a licence in 2002 for a shipment to Saudi Arabia; for which an application was granted.

¹¹¹ Also see the fact sheet: Wapenexport en duurzame ontwikkeling (Arms export and sustainable development) Wendela de Vries en Frank Slijper, CtW, September 2008

¹¹² Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament 22054 nr. 143, December 1, 2008

¹¹³ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament, 22054 nr. 143, December 1, 2008

¹¹⁴ Ministry of Economic Affairs, Handboek strategische goederen (Handbook of strategic goods) 2006

The case of the Canterbury, a navy vessel that was built at De Merwede shipyard, and exported to New Zealand via Australia, is of interest. Last year, the government announced that an investigation would look into whether a licence was required or not. It turned out that De Merwede did require a licence. Dutch Customs have drawn up a report and handed the case over to the Public Prosecutor's Department.¹¹⁵

¹¹⁵ Answers to written questions by the Parliamentary Committee on Economic Affairs, Parliament 22054 nr. 143, December 1, 2008

7. Conclusions and recommendations

The Netherlands remains one of the world's largest arms exporters. In fact, over the last five years the Netherlands has held sixth place. The three most important clients of Dutch arms export in 2007 were Denmark (Euro 171 million), the US (Euro 122 million) and Oman (Euro 101 million). Oman certainly stands out in this line-up: it has never before bought so much Dutch military material. Where it comes to the US, its purchases mainly involve the export of components for Apache attack helicopters and F16 fighter planes. The actual final destinations could very well be third parties. The Netherlands has little control over that.

India's licences totalled Euro 22 million, mainly for radar equipment. Like Pakistan, it is once again one of the Netherlands's main arms export destinations, a mere decade after the controversial nuclear tests. Pakistan bought Euro 60 million's worth of night vision equipment: the dual-use nature of these purchases means that the government doesn't record it as arms export. It seems that the extremely unstable situation in Pakistan offers no impediment to large military orders. Egypt also remains an important client: to the tune of Euro 15 million this year. Chile, Japan, Saudi Arabia and Thailand are also climbing the list with licences worth over Euro 5 million.

Where it comes to transit, the large shipments from the US to Israel via Schiphol stand out. A staggering amount of firearms, components and ammunition from a variety of countries are also being shipped to the US via the Netherlands. New, however, is the multi-directional traffic via Schiphol w.r.t. the wars in Afghanistan and Iraq. Such transports have not taken place via the Netherlands before. Extra controls by the Dutch government are crucial: not only where it comes to transits for Israel, but also for Algeria, Egypt, Equatorial Guinea, Indonesia, Paraguay and Turkey. While these destinations would at the very least be sensitive for direct export, the Netherlands doesn't lift a finger where it comes to arms in transit.

The Campagne tegen Wapenhandel offers the following recommendations:

Export of military goods

- The Netherlands should verify more thoroughly that exporters observe their obligation to mention the final destination of goods in their licence application. This is almost completely overlooked, especially where it comes to the export of components to the US. It is only too easy for exporters to hide behind International Import Certificates so that they can avoid mentioning the final destination.
- The Netherlands should stick to its current system and stand firm in the discussions about allowing more flexibility in arms export licensing within the EU. The government has already shown that cost savings arguments will be meaningless in practice. The current proposals would translate to an unacceptable loss of control over possible export to third countries outside of the EU.

Transit

- Because there are enormous differences in how arms export policies are interpreted within Europe, in direct contrast to the US, the Campagne tegen Wapenhandel finds that the Netherlands should (as is the case elsewhere) control all transit, whether or not it comes from EU/NATO countries. The licensing requirement for transit should therefore become generalised.
- The transit of dual-use should be under licence requirements, first of all, to prevent further proliferation of weapons of mass destruction. Within Europe, where a revision of EU policies regarding

dual-use is being discussed, the Netherlands should push such an initiative. A catch-all approach is too weak a measure, and will not sufficiently diminish the risk of proliferation.

Dual-use export

- Dual-use exports for (para)military clients should be treated as military goods and should be reported as such in the government's annual report. Large military orders, such as Pakistan's recent order for night vision equipment, remain practically invisible otherwise.
- Apart from a control on the transit of dual-use, a licence requirement concerning the Financial Transfers for Strategic Goods involving brokering of dual-use goods, should be reinstated.

Transparency

- The government should handle large arms orders in the public domain. Licence applications for exports worth over Euro 10 million should be submitted to Parliament for approval.
- Despite repeated promises to improve, the delay with which monthly surveys are published on the website of the Ministry of Foreign Affairs remains unacceptable. In December 2008 there was still no data available on the past year. Publication should occur within three months of licences being granted.
- In order to judge individual licences better, the end-user should always be clearly mentioned, distinguishing between armed forces, police, security services and private-, industrial- or brokering agents.
- To conclude, the Campagne tegen Wapenhandel again insists on the regular publication of catch-alls that have been imposed on the export of non-strategic goods, logically laid out within the framework of the annual arms export report that is submitted to the Parliament.

Publications by the Campagne tegen Wapenhandel since 2007

- *Analyse Nederlandse wapenexportvergunningen 2007*, Mark Akkerman and Frank Slijper; CtW, December 2008
- **From Venus to Mars - the European Union's steps towards the militarization of space**, Frank Slijper; Transnational Institute and CtW, November 2008
- **Wapenexport en duurzame ontwikkeling**, Wendela de Vries and Frank Slijper; CtW, September 2008
- *Fregatten voor Marokko*, Wendela de Vries; CtW, July 2008
- *Joint Strike Fighter – De race is nog niet gelopen*, Onderzoeksdossier VD AMOK en CtW, June 2008
- *Beleggingen van pensioenfondsen in wapenhandel – een tussenstand*, Mark Akkerman; CtW, May 2008
- *De EU op weg naar een interne markt voor militaire goederen*, Frank Slijper; CtW, February 2008
- **The devil is in the detail**, Frank Slijper, Miriam Struyk and Roos Boer; IKV Pax Christi, February 2008
- **Analysis Dutch Arms Export Licences 2006**, Mark Akkerman and Frank Slijper; CtW, December 2007
- *Wereldwijd Leverbaar. Handel in overtollige Nederlandse wapens*, Mark Akkerman; CtW, November 2007
- *Wapenhandel en militaire samenwerking met Israël, (including English summary)*, Mark Akkerman; CtW, October 2007
- **Project Butter factory, Henk Slebos and the A.Q. Khan nuclear network**, Frank Slijper; Transnational Institute/CtW, September 2007.
- *Pensioengeld voor oorlogsgeweld, Pensioenfondsen, ethisch beleggen en de wapenindustrie*, Mark Akkerman, CtW, July 2007.
- **European Export Credit Agencies and the financing of arms trade**, Marijn Peperkamp, Martin Broek, Frank Slijper, Wendela de Vries; European Network Against Arms Trade, June 2007
- **Financing misery with public money European Export Credit Agencies and the financing of arms trade**. Marijn Peperkamp, Martin Broek, Frank Slijper, Wendela de Vries; European Network Against Arms Trade, June 2007
- *Nederland en de chemische wapens van Irak, (including English summary)*, Mark Akkerman; CtW, May 2007