

## **Annual report on Swedish arms trade from SPAS to ENAAT 1998/99**

### **The sale of fighter aircraft's (JAS 39 Gripen)**

There have been tremendous efforts from the Government and the industry to find a buyer of the JAS Gripen system. Until 1999 the plane hasn't been exported and over the last years marketing towards Chile, Philippines and South Africa has been strong.

The main actor in opposing the efforts to sell these planes has been the Swedish Fellowship of Reconciliation (the Swedish branch of IFOR). In 1998 they arranged a seminar in which SPAS took part. The seminar had prominent speakers as Oscar Arias as guests.

Over the year SFOR and SPAS has tried to raise opposition to these deals. SPAS was also able to reveal that the Swedish ambassador to the Philippines more or less urged the Philippine Government to reconsider their decision to postpone their plans to buy fighter aircraft's. Interesting is also that this occurred soon after the Philippines used their airforce in the internal hostilities.

As far as Chile is concerned we had great use of the statements from ex-US president Carter. It was harder for the Swedish Prime Minister Göran Persson to respond to critique from Carter than just from us. So hard, in fact, that he didn't even bother to answer a letter directly from Carter to the Swedish Government.

Nevertheless, the Swedish Government continued its efforts to sell to Chile. At some points JAS was named the likely plane for Chile to buy according to media, but at other points the other sellers were reported to have the upper hand. Currently (december-99) the deal has been postponed and JAS is not the most probable plane.

The attempts to sell JAS to Chile might also have become disturbed by the co-operation between SAAB-Gripen and British Aerospace. According to reports in Swedish media the ex-dictator Pinochet was apprehended during a stay in Britain on which Pinochet should have visited Bae or Royal Ordnance. Later reports said that Chile postponed buying British naval ships as protest against the British decision to apprehend Pinochet. Could these anti-British sentiments also spill over into reluctance to buy Swedish-British JAS?!

But when it comes to South Africa SAAB/Bae seems to have won the race. In the summer of 1999 it was reported that South Africa would buy 9 JAS Gripen with an option of buying another 19 planes before the year 2004. The contract is likely to be signed soon. The number of planes in the deal is much less than SAAB was hoping for and the deal includes large investments from Swedish industries in South Africa.

### **EU Code of Conduct**

SPAS have together with SFOR been active promoting the Code of Conduct. Before it was agreed upon SPAS and SFOR held discussions with the Ministry of Foreign Affairs about the Code.

### **The concept of Follow-on deliveries**

Classifying them as follow-on deliveries defends several Swedish Arms deals to controversial recipients. The guidelines on Swedish arms trade have much more liberal writing on such exports. The term was originally used to describe exports of spare parts, later ammunition was included and later again exports that have such a connection to previous deals that it would be unjust to deny permission. Thus, the sale in 1996 of new cannons to new ships in the Indonesian navy was considered a follow-on delivery and was granted. In 1998/99 the concept of follow-on

deliveries was subject to an investigation initiated by the Swedish Parliament. But no changes in the guidelines were deemed necessary. SPAS and SFOR jointly opposed this since it means that Swedish arms trade has become more liberal on this point over time.

## **Indonesia**

Together with amongst others SFOR and the Swedish East-Timor Committee SPAS has demonstrated against the occupation of East Timor, the human rights situation in Indonesia and European arms sale to Indonesia.

In 1998 Bofors were allowed to make follow-on deliveries of the surface to air missile system RBS 70, but the company themselves decided that it would be too costly in terms of bad-will to go ahead with the deal. The Swedish arms trade to Indonesia was thus over 1998 and 1999 very small.

## **Secrecy vs Transparency**

In the end of 1998 SPAS published a report which compared the attitude towards openness in different EU-countries when it comes to arms trade. The report showed that Finland was the most open country. The report, "Secrecy vs Transparency" was sent to several ENAAT-members, the members of COARM, the EU embassies in Stockholm and NGOs within the IANSA-network.

## **India and Pakistan**

As a strong reaction towards India's and Pakistan's nuclear tests in 1998 the Swedish Government cut down its aid programmes to the countries. The Government also suggested to the EU to set up an EU-wide arms embargo to India and Pakistan. But at the same time follow-on deliveries from Sweden to the countries were not forbidden.

On the contrary, in 1999 India made such great use of its Swedish howitzers in the heavy fighting over the Kashmir border that India's need for spare parts and ammunition rose. India lifted its own embargo against Bofors (a long term protest against Bofors unwillingness to reveal who received the bribes that got them the original deal in the late 80's) and contracts for follow-on deliveries has been signed. There are also discussions of India producing new howitzers themselves on a license basis. The Government did give guarantees for such future cooperation in a Memorandum of Understanding signed together with the original deal and claims that they cannot break this promise.

There are also current follow-on deals to India concerning the grenade gun Carl Gustaf. This deal has been granted even though there is no MoU promising such deliveries.

SPAS would enjoy any support or any ideas on campaigns against arms trade to India and Pakistan within ENAAT. Also with the military coup in Pakistan in mind, ENAAT should work hard for an EU-embargo on these recipients.

## **Other controversial recipients**

SPAS also revealed Swedish exports of missiles to the Philippines, grenades to Nepal, APCs to Saudi Arabia and fire-guidance system to the United Arab Emirates. During the Kosovo-war we also criticised arms trade to Nato.

A positive result was the denial to grant a permit for machine guns to Venezuela in 1998.

## Some statistics

The Swedish Government reports on last years arms trade to the parliament in an annual report every spring. These reports do not show what kind of arms/military equipment has been sold, but it does give the sum of the deals expressed in million Swedish Crowns. The statistics are divided into the two categories "military equipment for fighting" (f e guns, missiles, fighter aircrafts etc) and "other military equipment" (like military radar and APCs).

The total value of Sweden's military equipment exports in 1998 was 3.514 million crowns of which 1.662 was "for fighting" and 1.852 "other". Some of the recipients were:

Bahrain	0,8	(only "other")
Brazil	264,8	(both categories)
Chile	0,4	(both)
United Arab E.	6,2	(only "other")
India	5,8	(only "other")
Indonesia	0,9	(only "other")
Kuwait	6,0	(only "other")
Malaysia	19,9	(both)
Nepal	24,6	(mainly for fighting (grenades))
Oman	0,2	(only "other")
Pakistan	38,3	(mainly for fighting)
Saudi Arabia	1,0	(only "other")
Singapore	492,0	(this year mainly "other")
Thailand	65,0	(this year mainly "other")
Tunisia	1,9	(this year only "other")
Venezuela	152,1	(mainly for fighting)

It is worth noting that Saudi Arabia and the Gulf states are countries which the Swedish defence industry wants to open up for Swedish deliveries, but so far only "other military equipment" has been passed.

## Swedish defence politics

SPAS is actively arguing for Sweden to lower it's military expenditure. It seems as if next years defence review will lead to a cut in costs in the order of ten percent over the years to come. This will have effects of Sweden's defence industry. For example the long sought after new class of submarines, the Viking class, seems to "be sunk". The new robot system BAMSE (RBS 23) is however believed to survive although maybe in a smaller costume.

These plans have furthered the idea to reorganise and internationalise the Swedish defence industry. Over the last years we have seen several joint projects between Bofors and French GIAT, German HDW has this year bought the Kockums shipyard and just recently it was announced that SAAB (which today is partly owned by BAe) will buy the whole Celsius-group, including Bofors).

SPAS is of course concerned that the internationalisation of the industry will water down or restrictive arms trade guidelines. We also fear that European projects will be promoted as such instead of being based on a real defence need. The latter tendency deserves a great deal of concern from NGOs since the EU/WEU wanting to sharpen the competition with the United States on the world market could lead to increased unnecessary military spending and an even more aggressive marketing to countries at war etc.

## **Mines**

Just for your information, although its not really an ENAAT-matter: SPAS in the main actor in Sweden when it comes to issues concerning mines. We are the only Swedish group with regular connections to the International Campaign to Ban Landmines, ICBL.

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