

Country Report the Netherlands

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Country Report the Netherlands 12/1999 – 9/2000, AMOK Campagne tegen Wapenhandel, 9/2000

We have the honour to mention the Netherlands is the six largest arms trader in the world over a period of five years (1995-1999) according to the new SIPRI Yearbook. What are we doing wrong?

Transparency

The most important development for the campaign against arms trade is that we got hold of very detailed information on Dutch arms exports over the period 1992-1999 through using the Dutch freedom of information act.. The information consists of year, country and a description of items sold (dual-use as well as arms) all in all 20,000 permits. This information is confidentially also available to MPs in the commission dealing with arms trade. We are working now to translate all this information into a book.

Arms fair out!

For the Dutch anti-arms trade movement in general it was a very good development we got rid of the only arms fair organised in the Netherlands. The so-called International Training and Exhibition Conference (ITEC). ITEC was organised around simulation equipment, one of the key-technologies for the Dutch defence-industry. ITEC will next year be organised in Lille, France. Direct action activists, researchers, peace groups and religious organisations worked together in a daily protest during the whole fair. Protests in 1999 involved more press and more local politicians, but it looks like combined with the nasty actions of 2000 (with paint, blockades and visits to the fair) it was the last drop ITEC could bear. ITEC itself denied it moved because of the actions, but our prime minister was friendly enough to tell: *"The various actions against this arms fair have resulted in the decision not to organise the fair in the Netherlands anymore."* (Letter June 7th, 2000)

Indonesia

Not successful enough were the activities on the extension of the arms embargo towards Indonesia. The Minister of Foreign Affairs, Van Aartsen, changed his opinion on this embargo four times, No, Yes, No, Yes. The last Yes was, according to information of Watch Indonesia! during the decision making process in the European Union when he stated to be in favour of such an embargo, together with colleagues from Germany, Ireland, and Sweden. Greece and Luxembourg abstained, Portugal as the EU president had no right to vote and all other countries voted for the lift of the embargo. Although according to sources of SPAS Van Aartsen was also mentioning President Wahid of Indonesia to be against it. It was also clear other countries would vote against such an extension, so it was cheap to vote in favour of it. The result was that the biggest Dutch single sale of 1999 (fire control and command systems for Lürssen fast attack craft) was transported to Indonesia, with some months delay.

In May/June this year four Dutch and one Belgium naval vessel visited Surabaya (Indonesian main naval base) and Jakarta for strengthening military ties with Jakarta. Training of soldiers and providing air force and navy equipment were the result of this visit.

Fairwind

The visit to Indonesia was part of a long trip to the Far East, called Fairwind. Fairwind journeys are held once in a while to promote the Dutch defence industry (1988, 1995 and 2000 to the Far East and in 1990 to South America). This time the squadron visited Singapore, China, Japan, South Korea, the Philippines and Indonesia. The ships are used to serve the defence industry sales managers as a platform for selling their products, while Ministers and/or Secretaries of Defence fly in to give it more cachet. The visit went on without significant attention from the press for the defence industry marketing aspect of it. Unfortunately we were not able to change this.

Regulations on arms exports by the Dutch government

UN Register

The Dutch government has tried to get a new criterium in the EU Code of Conduct, stating that when a country is not reporting to the UN-Register it should get no arms for EU member states. (See also two previous country reports.) The government was not supported in this and implemented the criterium on national level in February 2000. The original proposal not to deliver was weakened by stating it should only take into account the reporting to the UN register when licensing an export permission. Soon after its adoption it was reported the Dutch government was trying to sell 20 surplus F-16s to the United Arab Emirates (not reporting at all to the UN Register).

Transit of arms

Also in 2000 the government adopted a new regulation on the transit of arms through Dutch air and sea ports. This is in response to information Schiphol was in 1994 alone used by Dutch KLM alone for 1200 transits of arms (see table). This information was based on a report called 'Transito,' published in 1996. The improvement which was essentially made by the adoption of this new law is that the government has the right to stop the transit of a freight which is dubious. The weak parts of this law are the facts that 1) it's enforcement is based on suspicion towards some routes, 2) not taken into account is the fact that the bodies responsible for control lack the knowledge (as was stated in 'Transito'), 3) one and two together mean that information to act will be obtained mainly from intelligence sources, which do have their own specific interests, 4) transits from EU and NATO countries, Australia, New



Zealand, Switzerland and Japan are not controlled, because they are trusted (!). This is also true for Greece and Turkey, in contrast to the Dutch arms export policy where both countries are not automatically authorised for arms supplies like is the case with other NATO-countries

Destination	
Transit of arms by Schiphol in 1994	
<i>(total: 928 arms and 211 ammunition)</i>	
Country	no. of freights
Several destinations in the Middle East (Bahrain, Dubai, Egypt, Kuwait, Lebanon, Oman, Qatar and UAE)	66
China	1
Colombia	42
Cyprus	2
Ecuador	51
Philippines	32
Guatemala	38
Indonesia	5
Kenya	7
Mexico	26

Nicaragua	4
Nigeria	16
Peru	18
Sierra Leone	4
Surinam	1
Tanzania	21
Turkey	2
Origin	
Transit of arms by Schiphol in 1994	
Country	No. of Freights
Austria	182
Belgium	116
Czech Rep.	144
Israel	136
Source: Elsevier 6/12/97	

Regions of tension criterium

In June 2000 the government issued a report describing into detail the considerations behind the regions of tension criterium. The last paragraph is maybe the clearest showing the absolute uselessness of the criterium. It is said that the regional balance of power must not be influenced negatively. This is rather cynical explained in the note. The state buying the weapons must be able to defend itself against all surrounding states or a combination of them. Criticism is easy for obvious reasons. This vision is at least not stopping arms races. The report gives so much space for interpretation that it will be dependent on the political line of Foreign Affairs and pressure from parliament what will be the result.

Denial notifications

I am not sure but I have the impression the Dutch government is the only EU country publishing its denial notifications. According to the Foreign Office in Britain EU member states should keep this information secret. The Dutch government states that it is not doing so because they want to create more transparency. *“Moreover security political considerations, commercial and juridical arguments against making public specific information on individual export transactions of military goods are far less relevant in case of denials.”*

Country	Specification	Proposed consignee	Proposed end-user	Reason for refusal	Date of denial
Colombia	smokeless gunpowder	Industria de material Belico do Brasil (IMBEL)	Ministerio de Defensa Nacional, Ejercito Nacional, Bogota, Colombia	criteria 2, 3, 6 and 7	01/ 1999
Egypt	Base Bleed grains for using in a firing 130 mm ammunition	Ministry of Military Production		criteria 4 and 6	06/ 1999
	Re-igniters for Base Bleed grains for using in a firing trial of 130 mm	Ministry of Military Production		criteria 4 and 6	06/ 1999
	cartridge links for calibre 7.62 mm ammunition	Shoubra Company for Engineering Industries, Cairo		criteria 4 and 6	11/ 1999
Honduras	4 riffles cal .223 REM	security firm Cressida in Honduras		criteria 2 and 3	02/ 1999
Israel	lead-leadoxide batteries for electronic time fuses for 105 mm grenades	Reshef Technologies Ltd., Or-Yehuda	Israeli Defence Forces	criterion 4	05/ 1999
	lead-leadoxide batteries for electronic time fuses for 105 mm grenades	Reshef Technologies Ltd., Or-Yehuda		criteria 3 and 4	06/ 1999
	lithium batteries for electronic time fuses	Reshef Technologies Ltd., Or-Yehuda	Israeli Defence Forces	criteria 3 and 4	06/ 1999



Turkey	parts of armoured vehicles	Aysu Yedek Parca Ltd. Sti., Ankara	Army Forces Command, 1009th Ordnance Main Repair Factory	criteria 2, 3 and 4	11/ 1999
	parts of armoured vehicles	Canova Otomotiv San. Ve Tic. Ltd Sti., Istanbul	Turkish Army	criteria 2, 3 and 4	11/ 1999
	parts of armoured vehicles	Ozgur Ithalat Ve Pazarlama, Ankara	Turkish Army	criteria 2, 3 and 4	11/ 1999
	parts of armoured vehicles	FMC Nurol Savunma Sanayii AS, Ankara	Turkish Army	criteria 2, 3 and 4	11/ 1999
See: for 1999 (denial notifications in English) see: http://info.minez.nl/bhi/handelspolitiek/strateg/jaarrapp1999.pdf (p. 30-40) For 1998 (whole report in English) see: http://info.minez.nl/bhi/handelsinfo/rap98_eng.pdf (p. 40-56)					

Major deals and points of attention for last year

Benelux consolidation process

Dutch divisions of Delft Instruments (the Belgium division is still for sale) are taken over by Hollandse Signaal Apparaten (HSA), which is a branch of Thomson CSF. Damen Shipyards was sold KMS de Schelde (the only ship wharf producing major surface vessels in the Netherlands) for one Dutch guilder and got Hfl 165 million with it, because of the poor economic situation of the wharf and for replacing it to another region. Stork (engines, space and aircraft) bought an extra number stocks in Belgium SABCA.

International consolidation process

Because the Dutch tax systems serves international co-operating companies very well, some have established their official head offices in Amsterdam, like EADS, and Alcatel Alsthom, and Thomson Marconi Sonar in the near past.

Major deals

Outside NATO there are no finalised major deals to mention. The most promising market for the Dutch defence-industry are sales to the big allies and co-operation in international arms projects, like Joint Strike Fighter, Apache, Leopard, equipment for major naval vessels and Theatre Missile Defence. Big deals announced – are the sales of submarines to Egypt (in co-operation with the US) and Malaysia. Malaysia and the RDM signed a lease contract for surplus submarines owned by the Dutch wharf.

The Netherlands aims to be able to produce state of the art equipment on several fields like simulation (recent sales to Israel and US), naval technology (sales to a large number of countries). Sales of surplus equipment did not happen during the last year and a half as far as we know. The before mentioned sale of F-16s to the UAE is not finalised yet.

Dutch Campaign Against Arms Trade

Major projects did not take place during the last nine months, although we participated in the protests against ITEC and aimed for the extension of the embargo on Indonesia very active, besides that we just kept our offices running, answered as usual many questions of NGOs, activists, press and MPs. We were not able to actively participate in the EuroSatory protests and unfortunately stepped aside (for a while) from the growing movement against militarism in East Asia.

Export Credit Agencies

CtW has participated in a meeting on Export Credit Agencies (ECAs) in Indonesia. This meeting was organised by ECA Watch an active and effective operating network of mainly environmental organisations. Export Credit Agencies (ECAs) – are publicly-backed government or semi-government agencies which give financial guarantees to companies operating abroad – they are now the single largest source of taxpayer support for private sector companies seeking to off-load on to the public the financial risks of their business projects in the South and Eastern Europe. Ultimately, it is the poorest in these countries who end up paying the bill. ECA support now exceeds by far the total annual investments made by the World Bank and other multilateral development banks, with even less regulations. We have published a kind of overview on the use of ECAs for pushing arms deals (see report also distributed at this meeting).

Future activities

Major concerns are: the fuelling of the arms race by introducing NMD and TMD; the continuing arms race in East Asia and South Asia; the developments in Indonesia; the consolidation of the Western defence industry and the (mis)use of arms export regulations for this and the lack of time to deal with all this. Our national priority will be writing a book on Dutch arms trade in the nineties. Internationally the critique on the Code of Conduct must be published (See separate note).

