

COUNTRY REPORT{PRIVATE }

the Netherlands

September 2000 - May 2001

for the ENAAT meeting in Nyköping, Sweden,
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India-Pakistan

The week before Christmas the Dutch government came up with a big surprise, announcing the lifting of the arms embargo against India and Pakistan. This was the second attempt since the May 1998 nuclear tests to reverse a national policy unique within the EU. Exactly this uniqueness was a major irritant for Dutch arms traders, which saw annual exports worth an average 38 million guilders (more than 17 million Euro) fade away. The letter announcing the export policy change clearly reflected their grievances: the Dutch industry was suffering from a policy that was not in line with general European policy and that had not had effect, as South Asia had not yet started disarming.

The Dutch Campaign Against Arms Trade, together with the India Committee of the Netherlands, immediately launched a counter-offensive, mobilising Dutch, South Asian and international disarmament NGO's to raise their voice against this money-led policy. The same week the PvdA (social-democrats, coalition leader) spokesman on arms trade already confirmed on the radio that he would not support a lifting of the embargo.

The letter was to be discussed at the parliamentary meeting on the annual arms exports report, which had been delayed from November to January this year. In the week prior to the debate our campaign had got support from more than 40 ngo's, among which Greenpeace, Pax Christi, Novib (Oxfam NL) and the Pakistan-India People's Forum for Peace and Democracy, a major umbrella organisation of the South Asian peace movement.

Despite assurances from the government that it would exercise utmost restraint while allowing new deals with the Subcontinent, it could not win the confidence of most parties. Generally, MP's found the content of the government's letter very weak, lacking foreign policy arguments and emphasising economic reasons for the lifting.

All in all, a majority of MP's found that they needed more explicit mentioning of what would be allowed. As the maintaining of a complete ban on arms exports to India and Pakistan would not be feasible, finally a motion allowing only for reparations of earlier sold Dutch military goods got the support of a majority of MP's, bringing the government more or less back to the policy of the last years.

Concluding: our counter-campaign was a very successful one, with the Netherlands remaining the only EU country banning new arms exports to India and Pakistan.

{PRIVATE }Meeting on the Annual Report{TC \ 1 "Meeting on the Annual Report"}

Apart from the earlier mentioned delay in the meeting, some MP's wondered why it had to take so long anyway to discuss a report that was already available in June 2000. In the meantime the report of the first half of 2000 had become available as well (see table). The meeting concentrated largely on the India-Pakistan debate, with some further attention to the continuing discontent of some MP's with the Dutch and the EU's handling of the China embargo. A motion to reinforce the embargo failed however to win enough support.

The 2000 annual report is expected before July.

{PRIVATE }Major deals{TC \ 1 "Major deals"}

{PRIVATE }Bangladesh{TC \ 2 "Bangladesh"}

Though it has been one of the biggest export licences granted over the first half year of 2000, the selling of Signaal (now Thales-Netherlands) naval equipment worth 43,5 million guilders (a little less than 20 million Euro) for the new Daewoo frigate of the Bangladesh Navy, did not

lead to any questions or comments.

Submarines for Malaysia and Egypt...

An Egyptian submarine contract has not yet finalised, but with the signing of a Letter of Intent (LoI) last autumn this has come much closer now. Dutch shipbuilder RDM will deliver the 'Moray' design, with the ships being built by Litton Ingalls and Lockheed Martin. With the involvement of American companies the Egyptians can pay the deal with American foreign military aid. The LoI came shortly after persistent rumours in the media that Israel would be considering a nuclear capability for their new-bought German submarines.

A month earlier it became known that RDM had signed a deal with the Malaysian Navy, for the lease of two refurbished ex-Dutch Navy Swordfish submarines, with an option for two new Moray class subs. Till now Malaysia had no submarine capability and the contract follows the recent acquisition of submarines by Singapore.

... but no Dutch submarines for Taiwan

The arms package for Taiwan that the Bush government decided upon last week, also created some turmoil in the Netherlands. After the Dutch sold submarines to Taiwan in the 1980's, the Chinese were infuriated and stroke back with economic sanctions. That hurt the Dutch economy so much that it was decided not to sell any new weapons to Taiwan anymore. Another Taiwanese try a decade ago was pushed away by a strong lobby of Dutch multinationals, fearing the loss of carefully built business interests in China. Last week a worried Chinese ambassador sped to the Foreign Ministry to ask what was on their mind, as several publications in the Asian and US press had revealed that Taiwan's US-bought submarines would be of Dutch or German design. A Foreign Ministry explained that it still maintains a one-China policy, which means that "no weapons are to be sold to Taiwan or to third parties for resale to Taiwan."

{PRIVATE }UAE F-16 sale failed{TC \ 1 "UAE F-16 sale failed"}

After a good year of heavy massage, Dutch government officials had to admit that they had failed to sell the United Arab Emirates (UAE) 20 surplus F-16 fighters, which would serve as trainers for new planes that have just been ordered in the US. The deal would have earned about 100 million Dutch guilders (45 million Euro). Government officials are now trying to find new customers. They also have two Standard frigates on offer, in which both Greece and the UAE seem to have interest.

table: Value of granted licences for the export of military goods in the first half of 2000, by country of destination (value in millions of Dutch guilders; 1 Euro = ; 2,20)

PRIVATE 2000 (I)			
Country of destination	arms & ammunition	other mil. goods	TOTAL
Argentina	0.0	0.3	0.3
Australia	3.1	0.0	3.1
Austria	1.8	0.0	1.8
Bahrain	0.0	0.3	0.3
Bangladesh	0.0	43.5	43.5
Brazil	3.3	0.0	3.3
Brunei	0.0	3.0	3.0
Canada	3.5	0.0	3.5
China	0.0	0.5	0.5
Denmark	1.4	0.2	1.6
Egypt	0.0	1.5	1.5
Finland	0.1	0.1	0.2
France	1.0	8.6	9.6
Germany	14.3	30.1	44.4
Greece	0.3	1.8	2.1
Ireland	1.3	0.0	1.3
Israel	0.1	0.0	0.1
Italy	0.6	0.0	0.6
Japan	0.0	0.2	0.2
Kuwait	0.0	1.5	1.5
Lebanon ¹	0.0	0.2	0.2
Norway	0.4	1.4	1.8
Oman	0.0	0.1	0.1
Peru	0.0	0.2	0.2
Poland	0.0	1.0	1.0
Qatar	0.0	0.9	0.9
Singapore	0.1	0.4	0.5
South Korea	1.0	111.4	112.4
Spain	0.6	0.0	0.6
Sweden	4.4	0.1	4.5
Switzerland	0.4	17.6	18.0
Thailand	0.1	0.7	0.8
Turkey	0.2	7.6	7.8
Un. Arabic Emirates (UAE)	0.0	0.7	0.7
United Kingdom	16.6	54.2	70.8
USA	137.8	2.7	140.5
PRIVATE Total	192.8	291.9	484.7

1: this was for the United Nations for use at operation UNIFIL in that country