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**Country Report the Netherlands
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Explosive Material

Finally after about four years of work, including a lengthy Freedom of Information Act procedure (that still continues and now has arrived at the highest court), our book "Explosive Material – Dutch Arms Trade Revealed" came from the press in late November last year.

Some main points in the book:

- State-sponsored export promotion is an important tool. Ministers and the Dutch crown-prince lend a helping hand at arms exhibitions abroad. Large amounts of money are spent on export credits. Not surprisingly armed forces surplus material makes up a large amount of all exports.
- Despite government support of the campaign against the (illegal) small arms trade, Dutch exports of small arms and ammunition contributes to 20% of the number of arms export licences. In 1990, on the eve of the war in Yugoslavia, small arms ammunition licences were granted. Dutch company Metaalwarenfabriek Tilburg turns out to be a world market leader in cartridge links.
- Many questions arise when looking at dual-use export licences. Not only one wonders whether end-user control is as water-proof as the government claims, large amounts of dual-use chemicals are cleared for export to non-signatories of the Chemical Weapons Convention. Also millions of euros of dual-use night vision components and technology slip through the nets of arms embargos against India and China.
- A duty to report exports of so-called non-strategic goods and services with a military destination was silently cancelled in 2002. It is estimated that this trade amounts to about a hundred million euros every year - without any control. A remarkable example is the Dutch contribution to the building of the largest Asian naval basis, in Karwar, India, in the future home of the naval arm of India's nuclear triad.
- Despite new legislation transit of arms keeps many loopholes and therefore goes largely unchecked. Israel for example still received arms through the Netherlands, despite the war against the Palestinians.
- Dutch defence industry is largely dependant of the offset policy that accompanies large arms purchases abroad. For exports of for example Apache and F-16 components end-user certificates are hardly required. The Dutch authorities consider the American export policy sufficient, despite US Apache and F-16 sales to Turkey, Israel, Taiwan and Kuwait – normally sensitive destinations for Dutch arms. Electronics company Philips is an exception, openly quoting their delivering of parts for the Israeli Apache programme. For participation in the Joint Strike Fighter Project it has already been arranged with the US that they alone decide who to sell to.

Though sales so far have not completely been what we had hoped for, we're still satisfied. The book has been received well by politicians and the media. The book was shown in one of the main news programmes on TV and there were several interviews on Dutch national radio. A leading conservative daily quoted the book as being 'sometimes activist-like'.

Indonesia

As we wrote before, the Dutch naval industry has lobbied hard for new contracts with Indonesia. Late last year it was revealed that De Schelde shipyard was about to sign a contract with the Indonesian

navy for the sale of 2 corvettes, with an option to build another 2 at PT Pal in Surabaya. De Schelde had been supported by a Dutch admiral who had sent a letter of recommendation to his Indonesian counterpart. If finalised it will be the largest Dutch arms export in 20 years. In parliament there was no majority against the deal. Proponents have consistently put forward that the warships will be for coastguard tasks, anti-piracy and anti-smuggling purposes only. Involvement in military operations like the conflict in Aceh was therefore said to be unlikely.

A previous export of Dutch naval equipment had been justified with similar arguments. It nevertheless turned out last year that one of the ships concerned did take part in operations in Aceh. That Dutch corvettes will turn up in conflicts in Indonesia in the future is therefore very likely. Though it seems difficult to obstruct the deal, we will continue to resist it.

AQ Khan – the Dutch connection

With the unfolding nuclear proliferation scandal, allegedly lead by the Pakistani Abdul Qadeer Khan, the decades old Dutch connection resurfaced. For Greenpeace International we participated in a report called "A.Q. Khan, Urenco and the proliferation of nuclear weapons technology", that was released at a meeting of Non-Proliferation Treaty officials at the UN in New York. Our contribution was an extensive overview of Khan's time here in the '60s and '70s and his later trade with especially one old study friend Henk Slebos, who is currently involved in a criminal case against him for alleged illegal exports to Pakistan. Already in September last year we revealed that Slebos was sponsoring a symposium of KRL, Pakistan's Khan's nuclear institute. We are frequently approached by both national and international media with questions on the Dutch side of the Khan case.

In short:

"Undermining Global Security: the European Union's arms exports"

Early May the Amnesty International report "Undermining Global Security: the European Union's arms exports" came out, for which we have contributed important input concerning the Dutch side of the story.

ABN Amro out of cluster bombs – others still in

A 2-year long campaign finally made ABN Amro sell its share in INSYS, the British arms company involved in cluster bombs. A new campaign by the Belgian peace movement however revealed that other banks, among others ING and Fortis, do have shares in companies that produce cluster munitions.

India-Pakistan

Almost a year ago the 1998 arms embargo to India and Pakistan, that was announced straight after both countries' nuclear tests, was finally lifted. Though we think we have contributed a fair part to the continuation of it, despite strong industry opposition, due to the new political constellation here there was no more a majority in Parliament that supported our view. We will of course go on closely monitoring Dutch exports to the region.

Exit RDM

After ammunition and explosives factories Muiden Chemie, Eurometaal and De Kruitvoorn disappeared over the last years, in April the news came that also RDM, submarine builder and artillery upgrader, had gone bankrupt. There is news now however that parts of the company will re-appear under a new name. The company lately had won an artillery contract for the Jordanian special forces. Chile and the UAE were other big customers of tanks and cannons over the last years. Attempts to sell submarines to Taiwan, Indonesia, Egypt and Pakistan always failed.

China

With the upcoming Dutch chairing of the EU we are curious what will happen to the EU-embargo against China. Though a majority in parliament here was in favour of keeping it in place, the government was ready to follow any majority in the EU in favour of lifting it. Because of Irish hesitation an expected decision was postponed. There is apparently great pressure from the US to keep the embargo, not so much more from a human rights point, but out of strategic reasons.

Annual Report on Arms

The Annual report 2002 was released late last summer, the new 2003 one will be out probably in two or three months. Below a compilation of figures since 1997.

Dutch Arms Export Licences in millions euro (1997-June 2003)

Country	1997	1998	1999	2000	2001	2002	2003 Jan- June	Total
USA	102,42	82,45	54,14	94,75	166,13	132,58	170,98	803,45
Germany	74,15	56,54	80,86	82,50	49,55	75,35	13,78	432,73
UAE	368,88	7,26	0,23	0,82	1,41	3,39	0,08	382,07
Greece	41,70	4,86	8,35	12,39	162,45	46,78	44,49	321,02
Turkey	79,87	61,17	17,43	4,58	6,67	21,83	68,50	260,05
Korea (South)	78,64	4,27	2,86	66,66	34,35	7,96	37,37	232,11
Austria	203,20	2,04	1,23	1,77	0,18	1,03	3,15	212,60
NATO-countries (general)	15,84	17,74	55,27	30,95	9,16	19,12	0,43	148,51
UK	13,70	17,20	33,67	34,40	22,24	10,69	15,84	147,74
Taiwan	5,13	10,53	8,53	5,67	30,13	38,37		98,36
Poland	2,41	0,95	1,04	0,77	0,77		81,03	86,97
Norway	6,17	2,18	1,04	1,18	71,33	1,05	0,01	82,96
France	13,25	12,71	5,13	6,85	6,12	21,89	4,75	70,70
Chile	0,09	56,27	1,68	0,18	10,80	0,51	0,02	69,55
Canada	11,44	2,36	17,02	3,13	19,97	14,03	0,37	68,32
Switzerland	10,89	10,85	4,99	12,75	8,44	5,61	1,16	54,69
Indonesia	3,45	4,36	36,98	2,77	0,32	0,96	5,02	53,86
Denmark	7,99	15,02	11,75	1,18	5,99	0,84	0,34	43,11
Israel	0,59	33,72	0,27	0,14	4,31		0,01	39,04
Saudi-Arabia		2,18				20,98	0,78	23,94
Venezuela	19,74	0,91	1,41		1,77			23,83
India	18,65	0,82			1,36	0,10	0,94	21,87
Bangladesh	0,05			19,74		0,52		20,31
Italy	1,50	1,45	5,04	2,22	2,18	4,99	2,27	19,65
Sweden	3,99	4,22	1,23	3,31	1,81	2,70	1,29	18,55
Malaysia	3,04	1,27	0,50	0,68	4,68	4,52	2,80	17,49
Jordan				1,18			15,20	16,38
Singapore	2,45	0,91	0,86	1,13	7,17	0,53	0,03	13,08
Thailand	0,27	2,68	0,64	0,45	5,67	2,32	0,33	12,36
Spain	1,00	0,59	2,63	0,73	3,13	0,95	3,10	12,13
Portugal		0,50	1,18	6,53	1,50	0,47	0,76	10,94
Bahrain	1,54		0,05	0,86	0,27	0,24	6,91	9,87
Qatar	2,95	1,59	0,27	0,41	0,95	1,58		7,75
Japan	1,18	0,64		5,13	0,14	0,02	0,32	7,43

China (& Hong Kong)	1,45	2,41	2,00	1,00			0,03	6,89
Brazil	1,86	0,14	1,27	1,72	0,91	0,39	0,43	6,72
Finland	1,09	0,23	0,32	0,36	3,08	0,55	0,60	6,23
Ireland		0,91	2,68	0,59		1,13		5,31
Oman		2,36		0,05	0,02	2,58		5,01
Morocco	0,32		0,32	1,00	2,18	0,10	0,28	4,20
Australia	0,14	0,23	0,36	1,72	0,95	0,18		3,58
Colombia		3,22						3,22
Kuwait	0,05			0,68		2,17		2,90
Egypt		0,23	0,82	1,23	0,14			2,42
Brunei			0,82	1,36			0,21	2,39
Pakistan	0,73				1,18			1,91
Peru	1,18	0,32		0,09				1,59
Argentina	0,05		0,64	0,32	0,18	0,01	0,08	1,28
Nigeria					1,18			1,18
Algeria	0,82							0,82
South-Africa	0,14	0,27	0,23		0,05	0,04		0,73
Lebanon	0,18	0,09	0,14	0,14				0,55
Bulgaria					0,09	0,44		0,53
Angola						0,40		0,40
Philippines		0,14	0,09		0,14			0,37
Macedonia		0,27	0,09					0,36
New Zealand		0,14			0,18			0,32
Romania		0,32						0,32
Zambia							0,26	0,26
Slovenia	0,14	0,05						0,19
Russian Fed.				0,18				0,18
Yemen						0,15		0,15
Estonia		0,14						0,14
Georgia				0,14				0,14
Croatia						0,14		0,14
Sierra Leone					0,09			0,09
Eritrea						0,06		0,06
Panama				0,05				0,05
Slovakia						0,03		0,03
Hungary						0,01		0,01
Other countries	4,10	0,23	0,32	0,14		0,04		4,83
Totaal	1.108,42	431,94	366,38	416,58	651,32	450,33	483,98	3.908,89