

# Country Report, the Netherlands

June 2005 – May 2006

ENAAT meeting Gent, May 12 -14

## **Khan**

In 2005 we continued to work on the export of nuclear knowledge and materials to Pakistan that has taken places over the last three decades. Apart from using it for the Pakistani nuclear programme, Khan sold technology to Iran, Libya and probably North Korea. E.g. we have cooperated extensively with the major Dutch investigative journalism radio programme, including releases of formerly secret material. The programme won the price for their Khan work and generated a lot of interest from other media as well.

Following an 18-month long juridical process, the district court of Alkmaar in the Netherlands, convicted Henk Slebos - the middleman of Khan in the Netherlands -, two of his companies and a former employee of five violations of the export law on December 16. (see: <http://www.antenna.nl/amokmar/verzamelkhan.html> for more information).

## **Chemicals to Iraq**

Another court case was filed against Frans van Anraat. He delivered chemicals to the regime of Saddam Hussein in the eighties. "In full awareness and for reasons of profit," according the judge. He was sentenced to 15 years imprisonment. Also in the 1980's, then Dutch Minister of Foreign Trade, Frits Bolkenstein, signed a trade agreement with Iraq. He then stated: "economic development supports the development of human rights." After a freedom of information request done by us, documents were declassified that made clear how the Ministry of Economic Affairs had obstructed control on a wider number of chemicals to Iraq, as proposed by Foreign Affairs. Last year we said that we hoped to use the examples of Sleebos and Van Anraat to ask for more scrutiny on dual-use exports. Since very recently the Ministry of Economic Affairs is publishing on its website export licences of dual use materials in monthly overviews. (see: <http://www.ez.nl/content.jsp?objectid=38814>). We will continue to do research and policy advise on this issue, and are investigating the possibility for a European approach to these exports.

## **Liberia**

Another court case is happening right now against the Dutch citizen Guus van Kouwenhoven. He is accused of war crimes and arms sales to Charles Taylor in Liberia (2000-2003). Militia's of Kouwenhoven spread death and misery to the population of West-African state according the prosecutor. The case against Van Kouwenhoven shows extra territorial laws in the Netherlands are not sufficient. Several NGO's are campaigning for improvements, opposing the Dutch government position, which wants to protect sovereignty first of all.

## **Indonesia**

We are still campaigning against the biggest Dutch arms deal of the last forty years, the sale of four frigates to Indonesia. In April 2006 the latest activity took place. We took the initiative for local actions at Dutch banks, the ING-group and Rabobank which are financing the acquisition by Indonesia. Thirty small actions took place across the country. Unfortunately we were only able to make the actions a little bigger than in 2004. Nevertheless responses by the public were positive and can be summarised by 'surprise' - as they did not know about this involvement of the banks - and 'sympathy' to our action, because of human rights and development concerns.

Press coverage was discouraging. Despite all the evidence Indonesia is using its combat naval vessels for coastal bombardments, troop transports and illegal activities, we were not able to bring this message and actions in the main media. We have spread the message (e.g. distribution of 100.000 cards with a number of magazines) but were so far not able effectively opposing the deal.

## **Export credits**

In March we published a booklet about the use of export credits for promoting Dutch arms sales. In the booklet 'Arms or development?; military export credits' attention is paid to development issues like debt and corruption. The line of argument is that promoting arms trade with support of the Dutch ECA, Atradius DSB (Dutch State Business), is incoherent and not in line with the Millennium Development Goals.

The publication used the complaints by a company producing medical equipment (Enraf Nonius) they were not able to use the export credit facility for an Indonesian order, worth € 200 million, because the ceiling for credits (€ 1.5 billion for Indonesia) was already reached. The naval vessel deal to Indonesia had already used one billion euro, or two thirds of the total. One of the major Dutch banks joined these complaints. We now fear the credit space will be enlarged. In the Netherlands over 30% of all export credits is for military sales. Data from August 2002 have been published on the Atradius DSB website (see:

<http://atradius.com/nl/dutchstatebusiness/downloads/polissenekv2006.jsp>).

What is still not discussed on the Indonesia deal is the fact that for the whole deal there is a finance guarantee by Atradius DSB. Although the breakdown of the total costs of the ships is not clear, the major part of it is not the hulls of the vessels, but weapon technology and systems fitted on the ships, partly from foreign companies. While the major part of weapon technology (fire control, combat systems etc.) is coming from the Netherlands (Thales), guns are coming from Otomelara (Italy), small guns from GIAT (France), missiles from MBDA (UK, France Italy) and torpedo's from Eurotorp (France, Italy, Spain and Germany). Atradius DSB is seeking export guarantees from other European ECA's, but Atradius DSB is so far the sole ECA involved.

More on ECA's during the meeting.

## **Fighter aircraft**

We are also informing press and parliament on Joint Strike Fighter developments. The current Dutch government wants to buy unofficial number of 85 JSF's - to be delivered after the year 2012 - and is participating in the development of the fighter aircraft. The Netherlands is a so-called level two country in the project. It paid \$ 800 million to join, but the results are far from satisfying seen

from the point of industry participation. Even more worrying for the industry is the fact that the US may decide to order a much smaller number of fighters than expected when the Netherlands joined in 2002. In other words the business plan has undergone considerable changes and entering is likely to be not as lucrative as was portrayed. On our website we are publishing articles from the international military press and reports from government bodies. (see: <http://www.antenna.nl/amokmar/JSF/JSFstartpagina.html>)

The original reason we entered this issue is the fact that the predecessor of the JSF, the F-16, is used by a wide number of air forces around the world, also in countries known to be gross human rights violators. The fact that the JSF is a bad investment by the government is therefore just one argument. The acquisition of high cost weapon systems is contrasting with the cutbacks on social expenditure by the government. Moreover military developments may lead to a more prominent role for unmanned aerial vehicles, making participation in this project less attractive. For considerations of human rights, social politics and sound economic and defence policies we oppose the acquisition.

## **In brief**

### **F-16's to Jordan and Chile**

The Netherlands has sold 18 F-16's to Chile, part of a much bigger package over the last decade that included more than 200 Leopard tanks and 3 frigates. The sales are triggering a response by Peru (involved in border disputes with Chile). Chile is spending a growing amount of its government expenses on defence and security. (see: <http://www.bcentral.cl/eng/press-/extra/Staffreport05315.pdf>). The fact of a little arms race in South America is most alarming. Another F-16 sale went to Jordan: 4 F-16's.

### **Egypt**

The Dutch government sold 400 surplus armoured vehicles, most of them fitted with small arms (12.7 mm/.50") to Egypt.

### **Bangladesh**

Late nineties the Netherlands sold equipment for a frigate build in Pusan, South-Korea, that was sold to Bangladesh. The ship was paid with a grant by Saudi Arabia for Bangladeshi support during the Gulf war (1990-1991). Soon after being launched the ship was not able to sail anymore and an overhaul was necessary. In the period January 2004 – October 2005 the Netherlands sold further equipment to Bangladesh worth € 10 million. Buying a major weapon system is one, keeping it operational however costs a lot of money too; the Bangladeshi frigate is a good example of that.

### **Missile shield**

One of the first steps of the Bush government was to end the Anti-Ballistic Missile Treaty. European states opposed the steps. Already at that time it was clear that the European (and Japanese) defence industry was involved in projects to establish a missile shield. For the Netherlands the lead in this development is taken by Thales Netherlands and the Dutch navy. The equipment developed by Thales NL is marketed to a number of other European navies such as Germany, UK, France, Italy, the Netherlands and also South Korea. (see Jane's IDR April 2006).

### Dutch arms export licenses in euro million (1997-2004)

Country	1997	1998	1999	2000	2001	2002	2003	2004	Totaal
US	102.42	82.45	54.14	94.75	166.13	132.58	237.21	75.35	945.03
Greece	41.70	4.86	8.35	12.39	162.45	46.78	431.66	161.43	869.62
Germany	74.15	56.54	80.86	82.50	49.55	75.35	84.29	88.19	591.43
Korea (South)	78.64	4.27	2.86	66.66	34.35	7.96	99.93	114.97	409.64
UAE	368.88	7.26	0.23	0.82	1.41	3.39	0.25	0.44	382.68
Turkey	79.87	61.17	17.43	4.58	6.67	21.83	75.42	3.50	270.47
Austria	203.20	2.04	1.23	1.77	0.18	1.03	4.08	1.12	214.65
UK	13.70	17.20	33.67	34.40	22.24	10.69	21.69	21.18	174.77
NAVO-countries	15.84	17.74	55.27	30.95	9.16	19.12	1.69	19.83	149.77
France	13.25	12.71	5.13	6.85	6.12	21.89	12.42	56.44	134.81
Taiwan	5.13	10.53	8.53	5.67	30.13	38.37	7.19	5.84	111.39
Poland	2.41	0.95	1.04	0.77	0.77		89.07	0.48	95.49
Norway	6.17	2.18	1.04	1.18	71.33	1.05	5.27	0.33	88.55
Canada	11.44	2.36	17.02	3.13	19.97	14.03	2.32	2.81	73.08
Chile	0.09	56.27	1.68	0.18	10.80	0.51	0.52	0.55	70.60
Switzerland	10.89	10.85	4.99	12.75	8.44	5.61	3.68	2.19	59.40
Denmark	7.99	15.02	11.75	1.18	5.99	0.84	3.54	10.99	57.30
Indonesia	3.45	4.36	36.98	2.77	0.32	0.96	5.02	1.22	55.08
Venezuela	19.74	0.91	1.41		1.77			27.62	51.45
Italy	1.50	1.45	5.04	2.22	2.18	4.99	4.22	21.27	42.87
Israel	0.59	33.72	0.27	0.14	4.31		0.01		39.04
India	18.65	0.82			1.36	0.10	8.72	0.39	30.04
Sweden	3.99	4.22	1.23	3.31	1.81	2.70	4.07	3.98	25.31
Bangladesh	0.05			19.74	0.00	0.52	2.66	1.17	24.14
Saudi-Arabia		2.18				20.98	0.78		23.94
Malaysia	3.04	1.27	0.50	0.68	4.68	4.52	2.80	2.34	19.83
Jordan				1.18			15.20	0.03	16.41
Japan	1.18	0.64		5.13	0.14	0.02	1.53	5.55	14.19
Singapore	2.45	0.91	0.86	1.13	7.17	0.53	0.02	0.89	13.96
Portugal		0.50	1.18	6.53	1.50	0.47	2.47	1.00	13.65
Thailand	0.27	2.68	0.64	0.45	5.67	2.32	0.45	0.67	13.15
Bahrain	1.54		0.05	0.86	0.27	0.24	8.67	1.02	12.65
Spain	1.00	0.59	2.63	0.73	3.13	0.95	4.41	2.50	11.53
Qatar	2.95	1.59	0.27	0.41	0.95	1.58	1.09	0.32	9.16
Finland	1.09	0.23	0.32	0.36	3.08	0.55	1.39	0.75	7.77
<b>Totaal all countries</b>	<b>1,108.42</b>	<b>431.94</b>	<b>366.38</b>	<b>416.58</b>	<b>651.32</b>	<b>450.33</b>	<b>1,150.76</b>	<b>644.25</b>	<b>5,219.98</b>