

Country report from SPAS on the Swedish arms trade

Report for the ENAAT-meeting in Florence, Italy, April 2007. Covering the time since the meeting in Belgium, May 2006 until now. By Rolf Lindahl, Swedish Peace and Arbitration Society (SPAS).

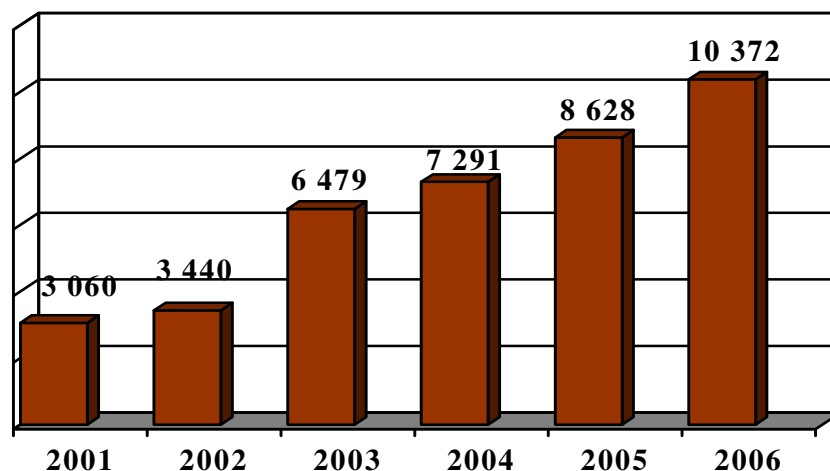
All-time high in arms export

The Swedish arms export continues to increase year after year. During the latest five years there has been a constant increase. Exports in 2006 were more than three times the value of 2001. According to latest SIPRI statistics (major conventional arms) Sweden were the number eight largest arms exporter in the world during 2005.

Major deals with Gripen, radar systems and land vehicles to countries like South Africa, Pakistan and the Netherlands indicates that the export will continue to be high in the coming years.

The major company in Sweden, Saab, did last summer overtake all the arms production of the Ericsson subsidiary, Ericsson Microwave Systems. Saab is now, by far, the largest arms producing company in Sweden (70% of all production in Sweden), producing everything from the fighter aircraft Jas 39 Gripen, to missile and radar systems and light weapons.

Mainly Swedish companies own Saab, but BAE Systems own some 20 % of Saab, and has been deeply involved in the marketing of the Gripen fighter. Other companies are BAE Systems Hägglunds (fully owned by BAE Systems), producing combat vehicles, BAE Systems Bofors (fully owned by BAE Systems), producing artillery like howitzers, Kockums (owned by Howaldtswerke-Deutsche Werft, Germany), producing naval systems and Volvo Aero (owned fully by Volvo AB, Sweden), producing military engines.



Arms export from Sweden in million Swedish crowns (SEK). 10 SEK ~ 1€.



Increased transparency

We have for a number of years demanded more details in the annual report. The government has partly met a number of our demands. For example there is now some more details about license production, follow-on deliveries, joint ventures, company statistics, statistics related to recipients income and leasing agreements. Some NGO focus has lately been on the increased details in the statistics on small arms and light weapons. The latest annual report included for the first time rather detailed information about this.

Jas Gripen to India ... and Pakistan?

Saab has entered with full force the race to sell the Gripen fighter to India. An office in New Delhi has been set up and three aircrafts were showed at the Bangalore air show. SPAS has been questioning the deal in a number of occasions. One of our main issues has been the risk that the aircraft may be equipped with nuclear weapons. If that is the case, it is unlikely that Saab an export license will be approved. But to market arms does not require a license. Also Pakistan has showed interest in the Gripen aircraft, but that seems even more unlikely.

Erieye to Pakistan

Last summer one of the main arms deals in Swedish history was finally signed with Pakistan. The deal is worth something like 8,3 billion Swedish crowns and is covering six Erieye air borne radar systems from Saab. Shipments related to the deal during 2006 made Pakistan become the second largest recipient of arms from Sweden.

The deal has been questioned by NGOs in Sweden in relation to development issues. According to UNDP 2006 118.000 persons die annually from diarrhoea in Pakistan. For comparison, the deal is worth 12 times the annual Pakistan budget for water and sanitation.

Light weapons from Sweden

The Swedish Network on Small Arms (SANSA) has during last year been working active in support of the arms trade treaty. One other thing has to conduct a small study on the Swedish production and export of light weapons. Sweden is a minor producer of small arms but has exported large amounts of light weapons that have been used in several wars. The US for example uses frequently the Swedish AT4 from Saab Bofors Dynamics in the Iraq war.

Corruption

There has been some rather important media documentary's on Swedish arms export lately. The one that gained most attention was by Swedish Television which put forward strong accusations that bribery was used in the marketing of Gripen aircraft to the Czech republic. Accusations are directed both to Saab and BAE Systems. There is at present an official investigation going on in this deal.

Action at Saab General meeting

At the general meeting of Saab on April 12, SPAS members did a small action. Well-dressed activists stood outside the meeting and gave the shareholders a complementary annual report. Included in that were facts about the consequences of Saab export and some five questions that we encouraged the shareholders to direct towards the directors. SPAS had also bought a share and were present at the meeting and directed questions to the director at the meeting.

Major Swedish arms export destinations

Millions of Swedish Crowns (SEK). 10 SEK ~1 €.

	2001	2002	2003	2004	2005	2006	Total
1 Switzerland	64	361	1 412	1 794	1 371	83	5 085
2 South Africa		358	476	633	1 200	1 862	4 529
3 USA	433	461	625	770	745	953	3 987
4 Finland	56	80	253	973	826	927	3 114
5 France	87	479	617	370	662	739	2 955
6 Germany	236	218	441	251	443	705	2 294
7 Netherlands	32	51	11	64	579	1 019	1 755
8 Singapore	176	420	342	104	149	522	1 712
9 United Kingdom	99	68	427	522	353	156	1 625
10 Norway	357	168	156	232	231	338	1 482
11 India	126	7	306	402	212	366	1 419
12 Pakistan	16	1	20	25	22	1 202	1 285
13 Australia	70	123	204	103	381	354	1 235
14 Greece	122	3	23	170	592	89	999
15 Mexico	55	256	241	175	20	1	747
16 Denmark	335	88	76	53	91	95	738
17 Italy	16	12	63	7	219	194	512
18 Austria	114	51	158	48	41	11	422
19 Thailand	2	23	247	14	15	28	329
20 Czech Republic	2	3	2	2	51	265	325
21 Malaysia	136	27	59	54	13	16	305
22 Canada	87	15	15	20	51	117	305
23 Japan	24	2	3	121	127	22	298
24 Brazil	221	39	5	13	4	12	294
25 United Arab Emirates	1	25	67	90	65	3	252
26 Poland	0	0	30	93	2	57	182
27 Ireland	18	10	38	50	39	5	159
28 Spain	55	12	18	27	34	12	158
29 Venezuela	41		66		15		122
30 Chile	4	30	4	29	20	8	95
Part sum	2 986	3 391	6 403	7 206	8 572	10 159	38 716
Others	74	49	76	85	57	213	554
Total	3 060	3 440	6 479	7 291	8 628	10 372	39 270
No. recipients	55	51	57	56	55	57	