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# Arms Without Borders

## Why a globalised trade needs global controls

Globalisation has changed the arms trade. Arms companies, operating from an increasing number of locations, now source components from across the world. Their products are often assembled in countries with lax controls on where they end up. Too easily, weapons get into the wrong hands.

Each year, at least a third of a million people are killed directly with conventional weapons and many more die, are injured, abused, forcibly displaced and bereaved as a result of armed violence.

Rapidly widening loopholes in national controls demonstrate how this globalised trade also needs global rules. The time for an effective international Arms Trade Treaty is now.



# Summary

*'My country has suffered appallingly from the effects of the uncontrolled arms trade – and continues to suffer... We don't manufacture these guns, yet they end up in our country, erode our security and have terrible consequences for our development.'*

Florella Hazeley, Sierra Leone Action Network on Small Arms, 9 July 2006

Military spending has risen steadily since 1999 and is expected to overtake peak Cold War levels by the end of 2006. This is the biggest market that the global arms trade has ever had.

At the same time, the arms trade has become more 'globalised', with weapons assembled using components from around the world. This has exposed major loopholes in existing arms regulations that allow the supply of weapons and weapon components to embargoed destinations, to parties breaching international law in armed conflict, and to those who use them to flagrantly violate human rights.

This paper shows how the changing pattern of ownership and production since the early 1990s means that national regulations are insufficient to prevent arms from reaching the hands of abusers. Weapons are now commonly assembled from components sourced from across the globe, with no single company or country responsible for the production of all the different components. Companies themselves are also increasingly globalised, setting up offshore production facilities, foreign subsidiaries and other collaborative ventures, sometimes in countries which have few controls over where the weapons go, or to what ends they are used.

Faced with an arms industry that operates globally, governments cannot rely solely on traditional national or regional export control systems; effective control of a global arms trade requires new international standards and regulations based on international law. This paper concludes that existing arms regulations are dangerously out of date and that states must agree a legally binding international Arms Trade Treaty to address the problem.

The global arms trade provides weapons for legitimate national self-defence, peacekeeping and law enforcement, operating in accordance with international law. But, as this paper shows, it also provides arms to governments with track records of using weapons inappropriately and unlawfully against civilians in violation of international human rights law and humanitarian law. And, without adequate controls, weapons and munitions that begin in the legal arms trade can too easily pass into the hands of armed groups and those involved in organised crime.

## **Traditional arms producers**

G8 countries, four of whom are also Permanent Members of the UN Security Council, continue to be among the most substantial distributors of the weapons and other military equipment used in conflicts and the violation of human rights worldwide. In 2005, the traditional big five arms-exporting countries – Russia, the USA, France, Germany and the UK – still dominated global sales of major conventional weapons, with an estimated 82 per cent of the market.

Excluding China, for whose companies there is insufficient data, 85 of the world's top 100 arms companies in 2003 were headquartered in the industrialised world. This paper shows how many of them (including Canada's Pratt and Whitney, Germany's Mercedes-Benz and the UK's BAE Systems) have been involved in exports of weapon systems from China, Egypt, India and South Africa to sensitive destinations including Indonesia, Sudan and Uganda. In all those destinations, those or similar weapons and military equipment have been used to commit serious abuses. For example,

armoured vehicles originally manufactured by Land Systems (OMC), a South African subsidiary of BAE Systems, have been exported to Uganda and Indonesia despite concerns that armoured vehicles have been used to commit or facilitate human rights violations in both countries.

There is no suggestion that these companies have broken current laws or regulations. But in almost all these cases, the exports would not have been permitted from the country where the controlling company is based. Indeed, it is difficult to determine whether some companies are transferring production overseas precisely to avoid relatively strict controls over direct exports at home. Austrian pistol-maker Glock plans to set up production facilities in Brazil, exports from which would not be subject to the EU's Code of Conduct on Arms Exports. This is a control issue for all countries involved in the arms trade, not just those where global arms companies are headquartered. All governments have a duty to ensure that arms and security equipment manufactured, assembled or supplied by companies within their jurisdiction do not facilitate violations of international human rights law or international humanitarian law.

### **Emerging exporters**

While the industrialised countries remain the world's major arms exporters, a growing number of companies in the developing world, backed by their governments, are gaining a significant share of the global arms market.

The number of arms companies in the top 100 based in countries not previously considered as major exporters has more than doubled since 1990. These emerging exporters include Israel (with four companies in the top 100), India (three companies), South Korea (three companies), and one each in Brazil, Singapore and South Africa. Data from Chinese firms is not included, but it is generally recognised that at least three are significant players in global terms. Among these countries, national arms export controls vary, and do not always include explicit criteria or guidelines for authorising arms transfers that fully reflect states' existing obligations under international law.

In 2002, the Indian government stopped maintaining a 'blacklist' of countries considered too sensitive to sell weapons to. India has subsequently exported to Myanmar (Burma) and Sudan, both of which, according to the UN and Amnesty International, systematically violate human rights and are now subject to EU and UN arms embargoes respectively.

### **Bypassed controls**

These dynamic trends are outpacing the relatively slow efforts of some governments to control arms exports. Since the mid-1990s, the European Union, Organisation of American States, the Organisation for Security and Co-operation in Europe, the Wassenaar Group of 39 arms-producing countries, and sub-regional organisations in East, West and Southern Africa, have all agreed standards to control the supply of weapons to and from their countries.

All of these standards have been useful. But a majority of states have not implemented them consistently and many have not incorporated them into national law. A number of emerging arms-exporting countries have not signed up to any of these measures. Therefore the mere agreement on standards has so far not enabled states to exert much effective control over the global actions of companies based in one country when operating in other countries.

As this paper shows, the global sourcing of components, licensed production overseas and the production and export of arms by subsidiary companies are insufficiently regulated by current controls. They are further undermined by inadequate controls on arms brokering, financing and transportation

activities and the lack of a comprehensive system of end-use monitoring of arms and security exports.

It is clearly legitimate for emerging exporters such as China, India, Israel, South Africa and South Korea to compete for an increasing share in the global arms market as they do in other manufacturing sectors. However, all states have a duty to ensure that their exports are consistent with their existing obligations under international law. Furthermore, it is in every state's own security, socio-economic and political interests to regulate their exports to ensure they do not facilitate human rights abuses or fuel conflict, and do not divert resources away from sustainable development, which is the danger when states buy more arms than they need for their legitimate security needs.

When emerging or established exporters suffer a competitive disadvantage because they act responsibly to ensure respect for international law, it establishes a disincentive for states to engage in lawful behaviour consistent with their human rights obligations. All states require a 'level playing field' that can only be provided by a binding global agreement on the minimum criteria for acceptable international arms transfers.

### **Human cost**

The scale of human suffering caused by uncontrolled arms transfers makes political action by the world's governments imperative. On average, up to one thousand people die every day as a direct result of armed violence. Countless more are injured, bereaved, abused and displaced by state security forces, armed groups, criminal gangs and other armed individuals. Between one-third and three-quarters of all grave human rights violations and 85 per cent of killings reported by Amnesty International over the past decade have involved the use of small arms and light weapons. Massive numbers of people – men, women, older people, children – die from the indirect effects of armed conflict: collapsing economies, devastated health and security infrastructures, disease and famine.

For example, attack helicopters, combat aircraft and air-to-surface missiles supplied to Israel primarily by the USA,<sup>1</sup> but often incorporating components supplied by other countries, have been used in the Occupied Territories, resulting in hundreds of deaths and thousands of injuries in apparent violation of international humanitarian law. At the same time, Palestinian armed groups have used rockets, explosive belts and other bombs to kill and injure hundreds of Israelis, and the Lebanese armed group Hezbollah has fired rockets at civilian areas in northern Israel.

Easy access to weapons not only contributes to violations of human rights and humanitarian law, it also increases the threat from armed groups and organised crime. This is especially the case with small arms and light weapons. For example, hand grenades bearing the markings of an Austrian company and reportedly manufactured under licence, in all likelihood in Pakistan, have been used by armed groups in numerous attacks in India, Bangladesh and Pakistan, leaving scores dead and hundreds injured.

Furthermore, there are other huge costs associated with the arms trade. Government arms purchases can exceed legitimate security needs, diverting substantial amounts of money from health and education. The US Congressional Research Service estimated that collectively, countries in Asia, the Middle East, Latin America and Africa spent \$22.5bn on arms during 2004; 8 per cent more than they did in 2003. This sum would have enabled those countries to put every child in school and to reduce child mortality by two-thirds by 2015, fulfilling two of the Millennium Development Goals.

There are many measures that governments must take to address the causes of conflict, since weapons themselves do not create violence. But

the availability of weapons contributes greatly to the scale of killing, suffering and fear. Control of arms transfers is therefore an indispensable element in the effort to make a more peaceful world.

### **The need for action**

If based upon existing international human rights and humanitarian law, an Arms Trade Treaty will prevent arms transfers into conflict zones where they are likely to be used to facilitate serious violations of those laws, including torture, enforced disappearances, war crimes, crimes against humanity or genocide. It will also help prevent the supply of arms to law enforcement agencies that use them to commit grave and persistent violations of human rights, including extrajudicial executions, enforced disappearances and torture. The Treaty will also help to prevent violations of key economic, social and cultural rights, reduce the diversion of human and economic resources from sustainable development and poverty reduction efforts, and reduce the flow of weapons to criminals and terrorists.

Over the past two years, the concept of an Arms Trade Treaty with principles based on international law has gained significant ground. The worldwide Control Arms campaign, with the support of hundreds of civil society organisations and more than a million people via the 'Million Faces Petition', has raised awareness, changed public opinion, and pressured parliaments and governments to set up an Arms Trade Treaty. So far more than 50 governments have publicly stated their support for such a treaty and more have stated their support for legally binding transfer controls.

In October 2006, a meeting of the First Committee of the UN General Assembly, which addresses disarmament and arms control issues, will have the opportunity to begin this effort. At that meeting, all governments should agree a process to introduce an effective, legally binding Arms Trade Treaty that will create minimum global standards for arms transfers, in order to prevent the transfer of those arms likely to be used to seriously violate human rights, fuel conflict or hold back development.

Already a group of states led by Argentina, Australia, Costa Rica, Finland, Japan, Kenya and the UK have circulated a draft UN resolution to start this process in October. While this welcome initiative rightly refers to better respect for international law, including the UN Charter and international humanitarian law, there is no reference so far to international human rights law, and this must be corrected if there is to be an effective treaty that will save a significant number of lives.

Section 1 of this report looks at the globalisation of the arms trade, including the role of traditional exporters and the emergence of significant new arms producers and exporters. Case studies throughout the report illustrate aspects of the changing industry and the inadequacy of current law to control it.

Sections 2 to 4 illustrate the changes in the arms industry in more detail – in particular the integration of components sourced from around the world, the licensing of arms production overseas and the ownership of subsidiary arms-producing companies.

Sections 5 to 8 look at the human cost and governments' efforts to regulate the arms trade to date, and point out the inadequacies of national and regional measures. The report concludes by recommending that states work towards the introduction of a legally binding international Arms Trade Treaty.

# 1 A global trade

If the current growth in worldwide military spending continues, by the end of 2006 it will have passed the highest figure reached during the Cold War. After year-on-year increases since 1999,<sup>2</sup> global military spending this year is estimated to reach an unprecedented \$1,058.9bn,<sup>3</sup> which is roughly 15 times annual international aid expenditure. This is not due to the growth in arms sales alone; military spending covers other costs beside. But in 2005, estimated global spending on arms alone was 34 per cent higher than in 1996.<sup>4</sup> The post-Cold War decline is long gone.

Global military spending is increasing and expanding the market for the global arms trade. This growth shows no signs of reversal as its key drivers – the ‘war on terror’, the conflicts in Iraq, Afghanistan and the Middle East among others, and the increased military spending by large, fast-growing countries – seem set to continue.

Some of the increased military spending is in countries least able to afford it. Some of the poorest countries in the world, including Botswana, the Democratic Republic of Congo, Nigeria, Rwanda, Sudan and Uganda, are among those that doubled their military spending between 1985 and 2000.<sup>5</sup> In 2002–03, Bangladesh, Nepal and Pakistan were among those governments that spent more on their military than on healthcare.<sup>6</sup>

In some developing countries, high military spending bears little relation to real defence needs. In Angola, for example, the proportion of GDP devoted to military spending more than doubled in the two years *after* its 27-year-long war ended in 2002, rising to 4.2 per cent.<sup>7</sup>

Part of this increase in military spending is the growth in arms sales in the developing world. In 2004, the US Congressional Research Service estimated that collectively, countries in Asia, the Middle East, Latin America and Africa spent \$22.5bn on arms, 8 per cent more than they did in 2003 (where figures are estimated at \$20.8bn).<sup>8</sup> This sum would have enabled those countries to put every child in school and to reduce child mortality by two-thirds by 2015 (fulfilling two of the Millennium Development Goals).<sup>9</sup>

Overall, the international trade in arms, having shrunk in the 1990s, has been growing in parallel with the growth in total military spending. Between 2000 and 2004, the approximate value of arms exports increased from \$35.6bn to \$53.3bn in constant 2003 prices.<sup>10</sup> This does not include most of the fast-growing trade in weapons components.

Between 2000 and 2004, the top 100 companies reportedly increased their domestic and international sales of conventional weapons from \$157bn<sup>11</sup> to \$268bn,<sup>12</sup> an increase of nearly 60 per cent. Excluding China, for whose companies there is insufficient data, 85 of the world’s top 100 arms companies in 2003 were headquartered in the industrialised world.<sup>13</sup> The USA-based Boeing and Lockheed Martin topped the list with arms sales of \$27.5bn and \$26.4bn respectively.<sup>14</sup>

## The globalisation of the arms trade

The arms trade is not just larger, but now more 'globalised' than ever before, as a result of the continuing and cumulative transformation of the industry since at least the early 1990s.

The top 100 arms companies no longer simply build weapons. They integrate components made all over the world. Analysing the global spread of arms and military power, one account of globalisation stated in 1999 that 'in few other domains has globalisation been so extensive, visibly encompassing the globe, or ... so (potentially) catastrophic'.<sup>15</sup>

Like products in most other industries, very few pieces of military equipment are now manufactured entirely in one country. Instead, components are sourced from across the globe, production facilities are set up in new, often developing, countries, brokers and dealers flourish, technology is traded, and arms companies produce their branded weapons in many locations.

When major Western arms companies co-operate with partners in other countries they can develop and penetrate new markets, while their partners can gain access to cutting-edge technology.<sup>16</sup> In the Middle Ages, it took two centuries for cutting-edge arms technology (gunpowder) to be transferred across the world, from China to Europe. In the twenty-first century, it is very much quicker.

As Box 1 shows, it is not just Western companies that source components from around the world, but in the examples shown, Chinese and Korean companies as well.

### **Box 1: German technology around the world**

#### ***China***

Since the late 1970s, an estimated 100,000 engines designed by the German company Deutz have been delivered to China or built there under licence from original components. One of Deutz' business partners in China is the defence-industrial company, Norinco. Under the arrangement with Deutz, Norinco is not authorised to use engines built from original Deutz parts for any but civilian uses.

But according to information provided by Deutz,<sup>17</sup> Norinco has acquired the technical capability to copy Deutz engines, using local parts instead of the original components. These 'reverse engineered' engines have apparently been fitted into Norinco's series of armoured personnel carriers, which have been manufactured for both domestic and export markets. For example, the older Type 63 vehicle was produced in large numbers and exported to numerous countries, including the Democratic Republic of Congo, Iraq, North Korea, Sudan and others. Other Chinese armoured personnel carriers fitted with Deutz-copied engines include the Type 85,<sup>18</sup> the Type 90<sup>19</sup> and the new WZ551B.<sup>20</sup>

China has a history of supplying armoured vehicles, including the Type 85, to the military regime in Myanmar.<sup>21</sup> Myanmar is subject to an EU arms embargo which prevents the sale of all arms including armoured personnel carriers and other equipment if it is likely to be used for internal repression. However, the embargo does not cover licensed production agreements, which means the embargo can be easily bypassed.

### **Iran**

The Defence Industries Organisation of Iran has reportedly used the layout of the Chinese Type 90 for building its own variant, the 'Boraq', also powered by an engine based on a design by Deutz.<sup>22</sup> According to *Jane's Defence Weekly*, the Boraq is marketed to a number of countries in Africa and the Middle East, and '[R]egional defence sources indicate that at least one country may have already taken delivery of a quantity of Boraq vehicles.'<sup>23</sup>

### **Egypt**

The Egyptian Fahd armoured personnel carrier was designed by the German company Thyssen Henschel, and the first prototypes were built in Germany. Quantity production was then taken over by the Egyptian company Kader who delivered the first production vehicles to the Egyptian army in 1986. The Fahd is essentially a Mercedes-Benz truck fitted with an armoured body. Fahd armoured personnel carriers have been exported to Algeria, Sudan and the Democratic Republic of Congo, countries where the violation of human rights has been persistent and widespread. By mid-2003 the total production for home and export markets was estimated to be about 1,000 units.<sup>24</sup>

### **South Korea**

South Korea's *Barracuda* armoured personnel carrier, made by Daewoo (now Doosan Infracore Defense), can have a 7.62mm or 12.7mm machine gun, and banks of smoke grenade launchers. It also has a chassis made by Mercedes-Benz, based on their Unimog trucks. In 2005, *Jane's Defence Weekly* reported that Daewoo had sold 44 *Barracudas* to Indonesia,<sup>25</sup> to which it is highly unlikely that Germany would have allowed the direct export of armoured vehicles, because of the human rights record of the Indonesian armed forces.

During the Cold War, only the superpowers were nationally self-sufficient in arms production; today no country has an autonomous arms industry.

In July 2006, Javier Solana, the EU's foreign affairs chief, said that 'there is a common realisation that none of us can any longer afford to go it alone in the business of defence'. He was speaking as 22 members of the EU agreed to open their tendering for most defence equipment to companies in all their countries.

Even the USA depends upon supplies of components from around the world and a small but growing part of the US military industry is now foreign-owned. Indeed, one of the current trends driving the industry's mergers and acquisitions is that of non-US companies buying US ones, to help secure US military orders. The largest single deal in 2005 was the purchase of the US United Defense company by BAE Systems of the UK for \$4.2bn.<sup>26</sup>

Defence mergers peaked in the mid-1990s. By 1998, Boeing, Lockheed Martin, Raytheon and Northrop Gruman had become the giants of the global trade, and continue to be four of the top five arms companies in the world.<sup>27</sup> Sales and mergers continue and, as in other industries, produce companies that have a global reach.



## Emerging exporters

The emerging arms-exporting countries are still a small part of the total industry compared with the five states that have traditionally dominated the arms trade for years – the USA, Russia, the UK, France and Germany. These five together accounted for an estimated 82 per cent of all major conventional arms transfers in 2005.<sup>28</sup> However, exporters such as Brazil, China, India, Israel, Pakistan, Singapore, South Korea, South Africa and Turkey are playing an increasing role in the global arms trade. Other countries such as Jordan and Malaysia are actively developing their defence industries and export potential.

The number of arms companies in the top 100 that are based in countries not previously considered as major exporters has more than doubled since 1990. Brazil, India, Israel, Singapore, South Africa and South Korea now all have companies in the world's top 100.<sup>29</sup> Several Chinese companies would also probably figure in the top 100 had they been included in the survey. Among all these countries, national arms export controls vary, and do not always include explicit criteria or guidelines for authorising arms transfers that fully reflect states' existing obligations under international law.

Much of these countries' production is geared for export. For example, despite Israel's substantial domestic defence market, two-thirds of its arms output is reportedly destined for foreign buyers.<sup>30</sup> Its four arms companies in the top 100 – Israel Aircraft Industries, Elbit, Rafael, and Israel Military Industries – must look abroad for much of their profits.<sup>31</sup>

The transfer of technology and sophisticated arms production capacity is increasing. The Eurocopter Group, a subsidiary of EADS (European Aeronautic, Defence and Space Company) claims to be the world's top helicopter manufacturer with 16 subsidiaries on five continents and more than 2,500 customers in 139 countries.<sup>32</sup> Eurocopter has played a key role in the transfer of technology and production capacity to four countries – China, India, South Africa and South Korea – all recent entrants to the armed or attack helicopters market.

At the other end of the technology spectrum, there are some 92 countries producing small arms and light weapons.<sup>33</sup> At least 14 countries make the ubiquitous Kalashnikov assault rifle, including, for example, Egypt and North Korea.<sup>34</sup> In June 2006, the *Financial Times* revealed that Russia had supplied 30,000 Kalashnikov weapons to Venezuela as part of a \$54m deal that would also allow Venezuela to become the first Western hemisphere producer of the world's best-selling rifle.<sup>35</sup>

Similarly, there are now 76 countries which manufacture small arms ammunition, and the number is growing.<sup>36</sup> In May 2006, a survey in Baghdad's black market found ammunition that had been made in factories in seven different countries: Bulgaria, China, the Czech Republic, Hungary, Romania, Russia, and Serbia.<sup>37</sup> In 1998 it was reported that a plant in Eldoret in Kenya produced an estimated 20

million rounds of ammunition per year, after importing production equipment from Belgium in the late 1990s.<sup>38</sup>

One indication of increasing globalisation in the arms industry can be seen in company participation at international defence exhibitions. Researchers for the Control Arms campaign have analysed participation at several international arms fairs over recent years. At Eurosatory 1992, a defence exhibition held in Paris, there were only two companies exhibiting from outside Europe and both were from the Middle East. At Eurosatory 2006 the picture was radically different, with 52 companies exhibiting from the Middle East and ten companies from the Asia Pacific region. At IDEX, an annual defence exhibition held in the United Arab Emirates, a similar pattern is evident. Between 1999 and 2006 participation from companies from Asia Pacific more than doubled, and for South-East Asia the increase was threefold. At DSA 2006, an annual exhibition held in Malaysia, there was a significant increase in companies from India, Malaysia, South Korea and Turkey as compared to previous years, as the table below demonstrates.

**Participation of companies from India, Malaysia, South Korea and Turkey at DSA exhibition, 1996 and 2006<sup>39</sup>**

Country	1996	2006
India	0	17
Malaysia	36	55
South Korea	8	15
Turkey	5	32
<b>TOTAL</b>	<b>49</b>	<b>121</b>

While these figures do not necessarily equate to increased defence sales from emerging producers, they do clearly show a trend of increasing numbers of companies from non-traditional arms-exporting countries seeking a foothold in the global arms market.

While it is legitimate for these countries to seek to develop their industries and compete with the traditional manufacturers, most of the governments of these countries have yet to develop effective controls to manage their arms exports, even though it may be in their national security interests to do so. Box 2 gives one example.

**Box 2: India: a future global arms giant?**

By 2005, India had become the world's tenth largest military spender.<sup>40</sup> It is also gearing up to become a major weapons producer and exporter, with extensive links to the global industry. Recent Indian defence policy states that the suppliers of all major defence imports must direct some benefits – usually work or technology – back to India in order to further enhance its technical and manufacturing potential.<sup>41</sup> This will in turn increase India's potential as an exporter.

In 2001, India removed its prohibition on foreign investment in its arms sector, in order to allow, according to Jane's Defence Industry, 'badly

needed technology transfers'.<sup>42</sup> Now, the production of conventional arms is another area where India is becoming globally competitive.

In 2002, India's Defence Minister, George Fernandes, announced the scrapping of a government 'blacklist' of countries too sensitive for arms to be exported to.<sup>43</sup> Since 2003, India has reportedly exported to Myanmar<sup>44</sup> and Sudan,<sup>45</sup> both of which, according to the UN, systematically violate human rights, and are now subject to EU and UN arms embargoes respectively.

Given this history, there is a risk that the following developments in India's manufacture of military goods may lead to exports of arms and security equipment to destinations where they are likely to be misused.

Hindustan Aeronautics (HAL), one of the three Indian arms companies in the world's top 100,<sup>46</sup> manufactures Cheetah helicopters under licence from the French company Aerospatiale.<sup>47</sup> In 2004, the company was licensed to produce Hawk aircraft by the UK's BAE Systems.<sup>48</sup>

Similarly, Bharat Dynamics, another top 100 company, makes the Milan anti-tank missile, and made a new agreement in 2003 with the European licensor, MBDA, that, in Bharat's words, would allow it to 'now focus its attention on the export market, particularly in the South-East Asia region'.<sup>49</sup>

India's Ordnance Factories agreed a joint venture with Israel Military Industries in 2004 to produce high-explosive projectiles and shells in India intended, according to one defence analyst, to 'yield additional tens of millions of dollars in third country exports'.<sup>50</sup> And in July 2006 it was reported that India was bidding to set up an Ordnance Factories small arms manufacturing facility in Egypt to produce Excalibre rifles under licence.<sup>51</sup>

In 2005, *Jane's Defence Weekly* reported that Russia (which itself has relatively weak arms export controls) and India had agreed a joint venture to build and export cruise missiles, aiming for annual production of up to 370 missiles a year.<sup>52</sup>

Although India was one of the first countries to suspend arms supplies to Nepal when violence escalated in early 2006, it still does not consistently apply controls to ensure that Indian exports do not fuel flagrant human rights abuses in other countries. But India's are not the only arms controls that are far from perfect. The fact that the EU and Israeli governments retain little, if any, control over the final destination of arms co-produced in India also highlights a major flaw in their own export control systems.

## 2 Components from around the world

Almost no modern weapon type is manufactured in one place. Even in 1994, *The Economist* reported that the USA 'cannot put a single missile or aircraft up in the sky without the help of three Japanese companies' (which supplied ceramics to protect the hi-tech electronics).<sup>53</sup> In 2004 the US Air Force announced a testing programme for aerospace-grade rayon from foreign sources which is used in missile heat shields and rocket motor nozzles. They stated that 'there are no longer any domestic suppliers'.<sup>54</sup>

On the one hand, the major companies seek to source from where the technology is best, or where the costs are lowest. On the other, many governments are no longer interested in importing finished weapons, but rather in incorporating technology from abroad into weapons to be assembled in their own countries. Box 2 on India above showed several examples of the latter.

Box 3 below shows that both emerging global companies, like Brazil's Embraer, as well as US companies, depend on a large number of suppliers to manufacture their components, including for weapons that are destined for places where buyers and users are not sufficiently regulated.

### Box 3

#### US Apache Helicopters

The AH-64 'Apache' attack helicopter is manufactured by Boeing in the USA, and has been used extensively by US forces in Iraq and Afghanistan. The Apache relies on many foreign-sourced components. In the words of John Schibler, director of Apache engineering at Boeing: 'There are over 6,000 parts in the Apache manufactured literally worldwide'.<sup>55</sup>

The Apache has been supplied to the Egyptian, Greek, Saudi, UAE, Dutch, UK, Kuwaiti, Israeli and Japanese militaries. Israel has been using Apaches in the Occupied Territories and in the recent hostilities between the Israel Defense Forces (IDF) and Hezbollah, in a number of actions that resulted in civilian casualties.<sup>56</sup>

For example, according to Human Rights Watch,<sup>57</sup> 'A munition fired from an Israeli Apache helicopter struck Zein Zabad's car just forty meters from the Najem Hospital, wounding all nine persons inside.'<sup>58</sup> According to Human Rights Watch, 'there is no evidence of Hezbollah military activity in the vicinity of the hospital at the time of the attack.'

The UK government has stated that it has not supplied major weapons systems such as attack helicopters directly to Israel, yet British arms manufacturers supply components for Apaches ranging from power-management systems and parts for the rotor to helmet-mounted displays for the gunship operators. Boeing also sources components for the Apache from the Netherlands and Ireland, countries that should, according to the guidelines of the EU Code of Conduct, also refuse exports of the full weapons system directly to Israel. Nonetheless, Israel has obtained Apaches with components manufactured in these countries.

#### Brazil's attack aircraft

In 2004, the Brazilian company Embraer entered the list of the world's top 100 arms producers.<sup>59</sup> In 2005, Embraer began to supply 25 Super Tucano

aircraft to the Air Force of Colombia, where there is a risk that they could be used against civilians. The Super Tucano is armed with two machine guns, and four hard points for weapons or fuel.<sup>60</sup> In 2003, it was reported that the company uses 'more than 13 foreign suppliers' to manufacture the aircraft. It has, for example, ejection seats from the UK<sup>61</sup> and radios from Germany.<sup>62</sup> It was reported in 2006 that the aircraft destined for Colombia would be powered by engines from Pratt and Whitney Canada, a subsidiary of the USA-based United Technologies Corporation.<sup>63</sup> It is unlikely that Canada, Germany and the UK would currently authorise export of complete fighter aircraft directly to Colombia.

As recently as 2004, there have been concerns at aerial bombing of civilian areas in Colombia,<sup>64</sup> as part of the long-running conflict in which civilians have been killed by security forces, paramilitaries and guerrilla forces.

In many other countries, companies are also making weapons by integrating components from around the world. In Ukraine, Kharkiv Morozov assembles armoured personnel carriers with components from Italy and the USA.<sup>65</sup> In Israel, Bul Transmark and Israel Military Industries have made pistols with parts from the Italian company, Tanfoglio.<sup>66</sup> And Singapore Technologies Kinetics, in a joint venture with Turkey's Otokar company, builds armoured vehicles that contain both engines and transmissions from the USA.<sup>67</sup> This is now the standard practice of the defence industry around the world.

## 'Dual-use' and 'off-the-shelf' components

Supplying components for weapon systems is now a major part of the global arms trade. Many of these components are not just used in weapons systems, but can be used in many civilian items too. In some countries, exports of exclusively military products are dwarfed by such 'dual-use' exports. Ireland, for example, issued 'dual-use' export licences in 2002 with a value of 4.5bn euros, more than a hundred times the size of its official licensed military exports for that year (only 34m euros).<sup>68</sup> Dual-use products pose significant challenges to regulators but these are not insuperable.

As one analyst put it, the technologies that are transforming modern weapons are often the same as those 'revolutionising aspects of everyday life, from the supermarket checkout to personal communications'.<sup>69</sup> Arms companies and national militaries frequently borrow technology from civilian products and applications. In many cases they use commercially available components sourced from highly globalised civilian industries. For example, digital signal processors used in the latest DVD players can also be found in guidance/target acquisition systems for fighter jet missile systems,<sup>70</sup> and microwave chip technology used in Hellfire missiles and Apache Longbow attack helicopters is also found in satellite TV dishes and mobile phones.<sup>71</sup> Some countries have 'catch all' clauses in their export controls that include all equipment going to certain destinations. Such clauses will apply to these COTS (Commercial Off The Shelf) technologies. But more often, even dual-use components manufactured specifically for weapons systems are

not subject to national export controls, since they do not appear on specific lists of military or dual-use goods.<sup>72</sup>

#### **Box 4: Lethal Land Rovers**

In May 2005, Uzbek security forces fired on demonstrators, killing hundreds of people, including women and children, in the town of Andijan.<sup>73</sup> The Uzbek troops used Land Rovers, fitted with rifle clips and other military accessories, to travel to the scene of the massacre on 13 May, and to take cover behind as they aimed their guns at unarmed civilians.<sup>74</sup>

In July 2005, a UK government minister confirmed that 'the Land Rovers in question were supplied by a Turkish company to the Turkish Government, who then gifted the vehicles to the Uzbek Government'.<sup>75</sup> Roughly 70 per cent of these Turkish military Land Rovers are made up of components from the UK-based Land Rover company (owned by Ford since 2000, and BMW before that from 1994). These components are not listed as military or dual-use goods, so the UK government had no control over their export and re-export.

While recognising the challenge presented by controlling the export of items which do not appear on military or dual-use export control lists, it is clearly unacceptable that 70 per cent of a military Land Rover which has been used for serious violations of human rights, is not covered by current UK export controls. By contrast, items such as military helmets, cargo parachutes and bullet-proof tyres are on the Wassenaar Military and Dual-use List, and are therefore subject to arms export licensing. Under EU controls, items which appear on the EU's dual-use control list require an export licence. However, dual-use components which do not appear on the EU's dual-use control list, but which are exported for incorporation into weapons systems, are only controlled where the component is destined for a nuclear, chemical or biological weapons system, or where the final destination is subject to an arms embargo.<sup>76</sup> The original exporting state retains no control over any subsequent re-export of a weapon system containing listed or unlisted dual-use components sourced in their country.

Nevertheless, an Arms Trade Treaty *could* make a difference. The following box explains how.

#### **What should governments do?**

##### ***Components for weapons***

All components intended for weapons systems and military and security equipment should be subject to export and re-export controls. All states that supply these components should ensure that the same export control standards apply along the supply chain. This could be achieved through agreement on a control system with common binding standards based on international law for all arms exports, including components for arms – as defined in an Arms Trade Treaty.

Governments should not permit the supply of such components without full knowledge of the weapon system that the components are to be incorporated into, and a reasonable judgement that its final end use and destination will not contribute to serious violations of international law, including human rights and humanitarian law. In order to make the system workable in practice, governments should adopt strict export controls which take into account the nature of the end-user, their record of adherence to international standards, and the significance of the components to the finished product.

#### ***Re-exports of components***

In addition to controlling direct exports of these components, governments should also introduce a system for controlling re-exports of major components once they have been incorporated into military or security equipment.

For example, under the current US system, for a specific list of 'friendly' countries, the re-exporting country is only required to notify the US government of any re-export within 30 days of the export taking place. For all other destinations, any re-export requires an additional export licence from the US government.<sup>77</sup> However, the policy does not guarantee that 'friendly' countries will not abuse the system, or that re-exports will not be authorised to sensitive end-users for political reasons.

Such a control system should also be applied to major components which do not appear on specific lists of sensitive technologies, but nevertheless are destined for use in military or security systems. For example, this would apply to items like engines and transmission systems or electronics and computer technology for use in military and security equipment. These controls are already widely applied by governments for components where the exporter/manufacturer believes (or should know) that they could be used for weapons of mass destruction. They are also accepted by EU member states, but only for components where the final military or security equipment is destined for an embargoed destination or entity.

### 3 Licensed to arm

By the 1930s, companies were commonly licensing production of their weapons in other industrialised countries. For example, both US and British companies licensed the production of aircraft engines in Japan in the ten years before Pearl Harbour<sup>78</sup> – an early demonstration of the need for effective regulation.

But in 1960, there were still fewer than five major conventional weapon systems licensed for production in developing countries.<sup>79</sup> Since then, licensed production has rapidly increased, first driven by Cold War transfers to Soviet and US client states, but in recent years more by commercial concerns. In some cases, it has become in fact *co*-production, where the production or assembly of the weapon is collaborative.

Box 5 below exemplifies this trend in the defence industry. Despite US and European restrictions on arms sales to China, these states have allowed their companies to enter into manufacturing and supply deals with Chinese firms for the production of the new Chinese attack helicopter. The failure of US, Canadian and EU governments to ensure that their export controls keep pace with changing production patterns in the arms industry also means that they retain no control over the re-export of weapons such as these attack helicopters.

#### **Box 5: China's new attack helicopter**

China has previously exported military helicopters to a number of countries including Sudan. It is not known whether these specific helicopters have been used in attacks upon Sudanese civilians. However, there has been a number of documented cases of helicopters killing civilians in Sudan's protracted conflicts, in which civilians have been killed by all sides.

For example, an attack on 21 February 2002 by a government helicopter gunship resulted in the death of 17 civilians, the injury of many others and the disruption of a food distribution operation by the UN World Food Programme.<sup>80</sup> And in June 2004, government helicopters fired rockets on villages following ground attacks on civilians.<sup>81</sup>

In 2005, *Jane's Defence Weekly* highlighted the involvement of European and North American companies in assisting Chinese development of a new military attack helicopter, the Z-10. 'China is buying in skills and off-the-shelf technology that is being routed directly into a military programme', it said.

According to *Jane's*, companies involved with the Z-10 programme include the Canadian company, Pratt and Whitney, which has delivered turbo shafts,<sup>82</sup> and the Italian/UK company, AugustaWestland, which is understood to have assisted the development of the Z-10's rotor blade, transmission and gearbox.<sup>83</sup> The US company Lord Corporation reportedly supplies components for the Z-9 model, and in 2004 listed the Z-10 as a client programme, with parts to be manufactured locally.<sup>84</sup> The European Aeronautic Defence and Space company, based in France and Germany, which now owns the Eurocopter subsidiary, reportedly provided the Z-10's transmission under a co-development agreement.<sup>85</sup>



There is no suggestion that these companies are still all involved, or have broken any law or regulation. These examples illustrate the intention of the foreign companies and the weakness of existing US, Canadian and EU restrictions on arms sales to China, and the failure of these governments to retain any control over the re-export of military equipment produced there, using parts and expertise from their countries.

It is not known where the Z-10 will be exported to, but given China's record of exporting helicopters and other arms to destinations of concern such as Sudan, there is a danger that the final product containing EU and US components will be exported from China to destinations or end-users that would not be permitted from either the EU or the USA. This highlights failings in the EU, US and Chinese export control systems alike, and demonstrates the need for global standards to control the arms trade.

China is not alone in supplying arms to Sudan. According to various sources, companies in Russia and Belarus have sold military aircraft and components; tanks, vehicles and artillery have come from Poland, Russia and Belarus, and small arms and light weapons have come from France, Iran and Saudi Arabia. Arms brokers from Britain and Ireland have also attempted to provide aircraft, vehicles and pistols.<sup>86</sup>

When companies license production overseas, the weapons and other military or security equipment produced may be destined for the legitimate security forces of the country where the arms are made, or they may be destined for the export market. However, few, if any governments have brought in effective controls over licensed production deals. As a result, they retain little or no control over production levels or the onward export of arms produced overseas under licence from companies within their jurisdiction.

The level of regulation varies. The US government does have some control of the export of weapons from other countries co-produced with a US company. The US International Traffic in Arms Regulations (ITAR) include a clause for all manufacturing licence agreements which states that: 'No export, sale, transfer, or other disposition of the licensed article is authorized to any country outside the territory wherein manufacture or sale is herein licensed without the prior written approval of the U.S. Government [...]'.<sup>87</sup>

Similarly, in July 2006, Russia licensed the production of the new AK-103 rifle in Venezuela, but imposed the condition that none of the rifles could be exported without Russia's consent.<sup>88</sup> But there remain no binding global standards for the regulation of licensed arms production, and many governments have not introduced meaningful control over exports that they would not allow themselves.

When things go wrong, many governments can be affected. In 2004, someone threw a hand grenade at the British High Commissioner to Bangladesh while he was visiting a shrine in that country. The hand grenade was reportedly the same type as those used in other attacks by armed groups in the region.<sup>89</sup> Hand grenades bearing the markings of an Austrian company, Arges, and in all likelihood manufactured under licence in Pakistan, have been used by armed groups in numerous attacks in India, Bangladesh and Pakistan

leaving scores dead and hundreds injured.<sup>90</sup> According to the *Washington Times*, the same European-designed, Pakistan-made grenades were thrown into the Indian Parliament in 2001, in an attack by armed militants.<sup>91</sup> None of the governments involved had effective control over who gained access to the grenades.

So far few governments have demonstrated sufficient political will to control the licensing of arms production around the world. But effective regulation could make a significant contribution to saving lives. The following box explains how such regulation could be done.

**What should governments do?**

All international arms production agreements licensed by companies should be considered on a case-by-case basis by the company's home government before they are allowed to take place.

No permit for licensed arms production should be issued if there is a risk that arms from the production abroad would be used in violation of states' existing obligations under international law, including human rights and humanitarian law, or used contrary to other relevant norms of non-proliferation, such as the requirements to prevent terrorist attacks and violent or organised crime, to avoid aggravating regional insecurity and instability, and to avoid adversely affecting sustainable development.

No licensed production should be authorised without a legally binding agreement, in each case, on the production limits and the permitted export destinations for the product. Any exports to other end-users not stated in the original agreement, must require prior authorisation from the licensing company and its government.

Licensing contracts should be renewed at regular intervals, so that risks of diversion can be reassessed and the licensing agreement changed accordingly.

These procedures would become mandatory at the national level under an international Arms Trade Treaty.

## 4 Subsidiaries: ownership without responsibility?

On 20 February 2006, the BBC and the Ugandan newspaper, *The Monitor*, reported that seven armoured vehicles were used to disperse supporters of Dr. Kizza Besigye, the opposition candidate in Uganda's elections, which President Museveni won a few days later. Several people were reportedly injured, two of them critically, as the armoured vehicles, mounted with machine guns, drove into the crowd.<sup>92</sup>

The same or similar Mamba armoured vehicles reportedly had also been deployed at an opposition rally in Kampala on 15 February.

The Mamba armoured vehicles were manufactured in South Africa by Land Systems OMC, a company from which the Ugandan government had also ordered 12 RG-12 armoured personnel carriers in 2005. According to Uganda's Inspector General of Police, these were for the 'active period of elections'.<sup>93</sup>

Since November 2004, Land Systems has been a subsidiary of the UK's BAE Systems,<sup>94</sup> which owns 75 per cent of its shares.<sup>95</sup> But before that, Land Systems had been largely British-owned since 1999, and since then has supplied Uganda with a total of 20 Mamba and RG-31 armoured vehicles.<sup>96</sup> The South African government's submission to the UN Arms Register in 2004 states that Casspir armoured vehicles, originally manufactured by BAE Land Systems (OMC), were also exported to Indonesia despite evidence that both Uganda and Indonesia have used armoured vehicles to commit or facilitate human rights violations.<sup>97</sup>

South African controls on arms exports are relatively strict, and its government must avoid arms exports to any country where they are likely to be used for serious human rights violations. Export licences were refused to Uganda for this reason for a period in the 1990s, but were later allowed.

However, Uganda's armed forces appear to have a record of abuses that suggest that the potential for misusing armoured personnel carriers is wider than the pre-election incidents mentioned above. In a December 2005 judgement, the International Court of Justice condemned Uganda's armed forces for 'acts of killing, torture and other forms of inhumane treatment of the Congolese civilian population ... trained child soldiers, incited ethnic conflict and ... violated its obligations under international human rights law and international humanitarian law'<sup>98</sup> Amnesty International and others have documented a long record of such grave violations of international law by Ugandan forces in the Democratic Republic of the Congo, particularly in Ituri.<sup>99</sup> This case, however, points just as much to the UK's insufficient controls on output from UK licensed arms production overseas.

Throughout this time, the UK government has not allowed any direct exports of military vehicles from the UK to Uganda. There is no

suggestion that BAE Systems or the previous British owners necessarily knew what their subsidiary was doing. In most circumstances, current UK export control legislation places no responsibility on UK companies for the actions of their subsidiaries.<sup>100</sup> In this respect, US regulations are more strict, and where components of US origin are incorporated in weapon systems manufactured by the subsidiary, they subject the subsidiaries of US companies to US export controls.

Unfortunately, the USA appears to be the only country in the world that applies such controls.<sup>101</sup> In March 2006, Roger Berry MP, the Chair of the UK's Quadripartite Committee, a parliamentary committee overseeing UK arms exports, described this loophole in UK law as 'totally unacceptable'.<sup>102</sup> The Quadripartite Committee's August 2006 report on UK arms export controls recommends that the UK government bring forward proposals to regulate 'exports from overseas subsidiary companies in which a majority shareholding is held by a UK parent or where UK-beneficial ownership can be established.'<sup>103</sup>

**What should governments do?**

Overseas subsidiaries producing weapons, in which a controlling interest is held by a parent company, should be subject to the arms export controls of the parent company's government.

This requirement should be incorporated into an international Arms Trade Treaty, agreed and enforced by all states.

## 5 National and regional controls

National and regional arms control agreements are necessary elements of an effective system for stopping transfers which contribute to unnecessary human suffering. But there are many ways around them. It is difficult to determine whether some arms companies are deliberately seeking to get around such agreements, but as this paper shows, that is sometimes the outcome.

In 2004 in Sao Paulo, the Austrian company Glock registered a new subsidiary, Glock do Brasil. Glock is one of the world's leading manufacturers of pistols with total sales of 2.5 million weapons in more than 100 countries.<sup>104</sup> At the time of writing, Glock's planned production facility in Brazil is still awaiting official authorisation. If granted, exports would not be subject to the EU Code of Conduct's guidelines to member states on when to refuse licences for arms sales to countries in conflict.<sup>105</sup>

As Section 1 explained, the major global arms companies are driven by a range of economic motives: to lower costs, find new markets and share the expense of developing new products. But whatever their motive, their global out-sourcing, licensed production and joint ventures all make it more difficult for governments to control the supply of arms around the world.

At the same time, some companies and new exporting nations are seeking their competitive edge based in part upon their lack of strict export controls. They will be able to sell in 'dirty' markets that other governments would not allow. Jordan's national strategy to expand its Defense-Scientific Industrial Base sets out its mission in these terms: 'to ensure that core technologies and products can be manufactured, marketed and supplied without being subject to external export and licensing controls'.<sup>106</sup>

### Arms control initiatives

Nevertheless, the same years that have witnessed this expansion in the global arms industry have also seen a number of initiatives to improve the control of arms exports, though most involve non-legally binding instruments.

In 1993, the OSCE (Organisation for Security and Co-operation in Europe) agreed Criteria on Conventional Arms Transfers that require governments to avoid exports likely to be used for human rights violations. Then in 1996, the most powerful multilateral group of arms-supplier countries, the 39 governments of the Wassenaar Arrangement, agreed the 'Initial Elements' of an arms control and information exchange regime. This was subsequently amended to produce the 'Purposes, Guidelines and Procedures, including Initial Elements' currently adopted by the participating states, including 'Best Practice Guidelines for Exports of Small Arms and Light Weapons' agreed in 2002, which also include a requirement to avoid exports likely to be used for human rights violations.<sup>107</sup> However, of

the new exporters listed in Section 1 above, only South Africa is a participant.

In 1998, the European Union, led by the UK and France, agreed a Code of Conduct on Arms Transfers, again with a stipulation to not export arms where there is a 'clear risk' of internal repression or external aggression. In the same year the governments of Southern Africa agreed to strengthen their controls on arms transfers as part of a wider Regional Action Programme on Light Arms, part of the process which led to the Southern African Development Community (SADC) Protocol on the Control of Firearms, Ammunition and other Related Materials in 2001. However, the Protocol did not incorporate standards from international human rights or humanitarian law.

In 1999, 20 governments in the Organisation of American States agreed an Inter-American Convention on transparency in buying conventional weapons.

In 2004, the governments of the Horn and East Africa agreed a Nairobi Protocol, consisting of criteria intended to govern the transfer of small arms around their war-torn region. The 'best practice guidelines' agreed in 2005 for this Protocol contain detailed provisions relating to the need to protect international human rights and humanitarian law as well as sustainable development.

In 2005, the seven governments of the Sistema de la Integración Centroamericana (SICA) agreed a Code of Conduct on Arms Transfers. In 2006, West Africa's 15 presidents made a legally binding agreement to control small arms and light weapons transfers in their region, built on a voluntary moratorium of the Economic Community of West African States (ECOWAS) since 1998. This regional arms control treaty contains many provisions that could be used for a global Arms Trade Treaty.

The only legally binding global agreements that explicitly apply to international transfers of arms are the UN Firearms Protocol (a supplement to the July 2000 UN Convention against Transnational Organised Crime), and occasional UN Security Council arms embargoes. Both have their limitations. The UN Firearms Protocol is restricted in scope to small arms and light weapons and does not apply to state-to-state transactions. It therefore does little to challenge current government policies or practices, and does not explicitly address the transfer of weapons by governments into regions in armed conflict or where they are likely to be used for human rights violations. It is however a legally binding agreement with potentially global application. UN arms embargoes are sometimes politically selective, and usually introduced when an arms-related humanitarian or human rights crisis is already underway. Moreover, implementation of these embargoes has been poor.<sup>108</sup>

In July 2006, a UN conference on small arms and light weapons collapsed without agreement, despite the majority of governments, including those of the European Union and many African and Latin American governments, backing tougher controls on the international trade in small arms and light weapons. Due to the consensus decision-making process of this conference, a small number of

countries, most notably the USA, who refused to countenance any further meetings, were able to block the outcome.

In short, there is no lack of national and regional initiatives to control the international transfer of arms. Most of these initiatives have been useful steps. But none of them has resulted in mechanisms to effectively control the supply of arms and dual-use equipment according to strict standards that would solve the problems outlined in this paper. In part, that is because they are merely national or regional initiatives to tackle what is increasingly a *global* trade.

## Shortcomings of current controls

Most of the above standards are merely political agreements; they are not legally binding treaties. Most are also regional in scope and only applicable to a limited number of states. They are open to interpretation by governments. Without legal force, they provide no sure way to hold governments to account for how vigorously or otherwise they enforce them.

In 1998, the EU's top four arms-exporting governments – France, Germany, Italy and the UK – refused 127 applications for export licences between them. In 2005, this rose to 217 refusals,<sup>109</sup> an indication that implementing the Code of Conduct has caused these governments to refuse sensitive arms sales more often. However, EU countries continue to export arms to sensitive destinations where there is a risk that they will be used in contravention of EU Code criteria. In 2005, reports show that EU members licensed arms to China, Colombia, Ethiopia, Eritrea, Indonesia, Israel, Nepal and elsewhere.<sup>110</sup> Without more detailed and transparent information about the nature of the arms supplied, how many, to whom they were sold and for what purpose, it is not possible to conclude that the EU Code of Conduct has managed to stop all arms exports that are likely to be used to fuel armed conflict, human rights abuses and poverty.

Moreover, as this paper has illustrated, the Code has done nothing to prevent European companies from exporting their production to countries such as Brazil, China or India, among others, from where weapons can be exported with relatively little control to prevent the use of these weapons to commit serious abuses. These countries' export controls do not include criteria or guidelines that reflect states' existing responsibilities under international human rights and humanitarian law.

In East and West Africa, where governments have now signed up to legally binding instruments, arms supplies keep coming because the treaties have yet to be translated into national law and enforcement practices. Until it was made legally binding, the 1998 West African small arms moratorium had limited effect, failing to prevent arms pouring into the brutal conflicts of Sierra Leone and Liberia up to 2002, and subsequently into Côte d'Ivoire. It remains to be seen whether the new legal instrument will be strong enough to make a difference in the region, but at least the regulations can now have a common and consistent legal footing, which should help law

enforcers as well as parliamentarians, legal experts and civil society to hold the relevant states to account for their actions.

The Nairobi Protocol has yet to help improve the control of small arms in the Horn and East Africa. Some Best Practice Guidelines were agreed in 2005 that reflect state obligations under international law, but so far these have generally not been implemented and the arms trade in that region continues to fuel several deadly conflicts. In 2004, as war was ravaging both southern Sudan and Darfur, the Sudan government imported large quantities of arms. In the same year, Ethiopia and Eritrea faced each other on the edge of renewed conflict; and their joint arms race accounted for \$364m of new weapons.<sup>111</sup> Unsurprisingly, all three countries are among the 36 that spend more on their military than on health or education.<sup>112</sup> In 2003, the populations of each of them had average life expectancy below 57 years.<sup>113</sup>

All these codes, protocols and programmes have one element in common: none of them is a *global treaty*, apart from the UN Firearms Protocol, which has a very limited scope of application.

While the arms industry is more globalised than ever before, governments are languishing behind, in a world of national laws and regulations shaped by a weak set of regional and global standards, riddled with loopholes and poorly enforced. Compared to the global transformation of the industry, government controls seem painfully anachronistic when measured against the worldwide need for better human security.

However, governments are certainly aware of how the trade is changing. The US Department of Defense published its first major study on how to react to 'defence industry globalisation' in 1999.<sup>114</sup> But after years – in some cases, decades – of the globalising processes described in this paper, states have still not developed binding global standards to regulate the international arms trade. In 2006, there are global treaties governing the trade in coffee, cocoa, timber, drugs, human beings and endangered species of flora and fauna. But there remains no such global treaty on conventional arms, parts and ammunition.



## 6 The impact on human rights and development

Without the international arms trade, many governments – without their own arms industry – would be unable to equip their armed forces and law enforcement agencies to meet legitimate defence and policing needs. But unlike most other legitimate trades, the arms trade has devastating consequences when it is not adequately controlled.

Despite a drop in the number of conflicts following the end of the Cold War, at least 30 conflicts are currently ongoing.<sup>115</sup> The global trade maintains arms supplies to all of them, despite the serious and widespread violation of human rights and international humanitarian law by many belligerents. While weapons do not cause these conflicts, the continuing supply and misuse of easily available arms and ammunition fuels their continuation, and makes them more deadly. For example, while some weapons are manufactured in Sri Lanka, the steady international supply of weapons to both sides has significantly prolonged the country's internal conflict, which has claimed the lives of an estimated 65,000 people.<sup>116</sup>

Estimates of the annual number of deaths caused by armed violence range from 280,000 up to 378,000.<sup>117</sup> This takes into account non-conflict deaths caused by the use of arms by state security forces, as well as firearm homicide, firearm suicide and accidental shootings.

In armed conflicts, there are almost invariably civilian deaths on all sides. Helicopters, combat aircraft and air-to-surface missiles supplied to Israel primarily by the USA, but often incorporating components supplied by other countries, have been used in the Occupied Territories resulting in hundreds of deaths and thousands of injuries, in apparent violation of international humanitarian law. According to Amnesty International, many of the 190 Palestinians killed in 2005 were 'killed unlawfully', including as a result of deliberate and reckless shooting, or attacks in densely populated residential areas<sup>118</sup>. At the same time, Palestinian armed groups have used rockets, explosive belts and other bombs to kill and injure hundreds of Israelis.<sup>119</sup>

The estimated figures for people killed directly in armed conflict vary widely, but may be less than half the total number of those killed by armed violence overall. Massive numbers of people – men, women, older people, children – die indirectly from the effects of armed conflict. The human suffering caused by collapsing economies, devastated health and security infrastructures, disease and famine is horrifying. Many more people are made refugees or internally displaced, injured, abused and bereaved, and lose the chance to lead prosperous and peaceful lives in a safe and secure environment.

The global trade in weapons supplies arms to many of those who commit serious violations of human rights, such as extrajudicial executions, torture, rape and sexual violence, and enforced

displacement. Human rights standards including those binding in treaties and in international customary law apply both during armed conflict and during peacetime, but the proliferation and poor regulation of arms contributes to serious human rights violations by armed forces, police, security services, militias and other armed groups in many countries both before and after conflict. These violations often occur widely where small arms are readily available. Recent research findings show that between one-third and three-quarters of all grave human rights violations and 85 per cent of killings reported by Amnesty International involve the use of small arms and light weapons.<sup>120</sup> Men, particularly young men, constitute the majority of both those who use and are killed with firearms.<sup>121</sup>

It is not just men who are the victims. Large numbers of women and girls suffer directly and indirectly from armed violence. Women are particularly at risk of certain crimes because of their gender – crimes such as violence in the home and rape. From Liberia to Cambodia, easy access to guns has reportedly increased the incidence of rape.<sup>122</sup> In Haiti's Port-au-Prince, for example, the very high number of rapes is directly linked to the proliferation of arms. 'This is *why* there is more rape. Because men have guns,' according to one 46-year-old mother, Lucie, who was raped in the Martissant district in August 2005. 'If they didn't have guns, you could resist and cry for help. But when they have guns, there is no-one who can help.'<sup>123</sup>

Both exporters and importers of arms have a duty to behave responsibly. In addition to irresponsible sales contributing to serious human rights violations, irresponsible arms purchases waste the resources of poor countries whose governments should be prioritising poverty reduction. In 2002, some of the poorest countries in the world spent more on their military than on health: an average of 3.7 per cent compared to 2.4 per cent of GDP.<sup>124</sup>

In June 2006, 42 governments, ranging from Brazil to Indonesia, Japan and Nigeria to South Africa, signed up to the 'Geneva Declaration on Armed Violence and Development', resolving to 'promote sustainable security and a culture of peace by taking action to reduce armed violence and its negative impact on socio-economic and human development'. The Declaration summed up what goes wrong when the arms trade is out of control:

*'Armed violence destroys lives and livelihoods, breeds insecurity, fear and terror, and has a profoundly negative impact on human development. Whether in situations of conflict or crime, it imposes enormous costs on states, communities and individuals.'*

*'[It] closes schools, empties markets, burdens health services, destroys families, weakens the rule of law, and prevents humanitarian assistance from reaching people in need... It threatens permanently the respect of human rights.'*<sup>125</sup>

The signatories resolved to 'take further action to deal effectively both with the supply of, and demand for, small arms and light weapons [...] promoting the development of further international instruments, including legally binding ones.' Many developing country governments such as Bangladesh, Costa Rica and Kenya are

now saying that one such instrument is an international Arms Trade Treaty.

## 7 Will governments catch up with the arms trade?

Arms controls *can* work. Ten years ago, 26,000 people per year were killed or injured by anti-personnel landmines.<sup>126</sup> As a result of the 1997 Ottawa Treaty, by 2006 the number had stopped rising and had fallen to perhaps around 15,000 a year. According to the *Landmine Monitor Report 2006*, 7,328 casualties were reported in 2005, though its researchers warned that that may have been only around half of the real figure.<sup>127</sup> The scourge of anti-personnel landmines has not been eradicated, because of the many landmine fields laid in the past and the fact that not all governments support and enforce the treaty. But progress is being made and thousands of lives are likely to have been saved by the international ban on landmines.

A quarter of the world's governments have never signed or ratified the landmine treaty; but few of them have openly traded in anti-personnel mines covered by the treaty since it was first signed. The number of countries that still produce landmines has fallen from 50 in 1997, to 13 today. And in 2005 only three governments and ten rebel groups still used them.<sup>128</sup>

### Towards an international Arms Trade Treaty

An effective international Arms Trade Treaty would *not* prevent the responsible production and transfer of weapons for defence, policing, peacekeeping and other legitimate purposes. Just as importantly, it would *not* hinder the legitimate ambition of a number of countries to expand their defence industries and exports. Instead, it would provide a 'level playing field' for all arms exporters to compete in a responsible manner, without proliferation, according to transfer rules based upon the existing responsibilities of states under relevant international law. If such a treaty were properly enforced, arms would not be transferred to those forces that use them to increase war, human rights abuse and poverty.

### A robust and effective treaty

An Arms Trade Treaty would have to be robust. To be effective, its rules governing international transfers of arms must be based on the existing principles of international law, especially principles contained in international humanitarian law, international criminal law and international human rights law. It must set minimum global standards for arms transfers. It must prevent all prospective arms transfers that are likely to be used to seriously violate the UN Charter, existing arms control treaties, UN Security Council arms embargoes, international humanitarian law or international human rights law and standards.

These obligations in respect of international transfers of arms and ammunition – the minimum necessary for an effective Arms Trade

Treaty – have been brought together in a set of Global Principles for Arms Transfers by a group of non-government organisations including Amnesty International, Oxfam and IANSA.<sup>129</sup>

When there are no legitimate security needs, the Arms Trade Treaty must also prevent the wasting of resources that could be more beneficially spent on development. At a minimum, the Treaty could oblige exporting states to thoroughly assess the impact of arms transfers on sustainable development, using an agreed, transparent methodology, and to refuse licences when appropriate. The Control Arms campaign has proposed a method for states to identify arms sales of possible concern.<sup>130</sup>

Like much international law, the Treaty could be most effectively enforced through a system of public oversight based on regular reporting by states of their arms transfers. Legal review and redress of cases through national judicial procedures should be used where necessary. The Treaty would have to be implemented in national law in every state ratifying it. Governments should be obliged to regularly report their international arms transfers in a meaningful and transparent way to their legislatures and to a UN registry. Reports should include their decisions on licensing the export, import and transit of complete weapon systems, parts of systems, components, ammunition, explosives and ‘dual-use’ items. When decisions violate the terms of the Treaty they should be open to legal challenge in their own national courts and judicial procedures.

As the experience with anti-personnel landmines suggests, even governments that do not agree to the Treaty are likely to come under pressure to accept the international norm that it would create: that irresponsible arms transfers are no longer acceptable.

The irresponsible and criminal arms dealers who are happy to supply all sides of every conflict, including those who flagrantly abuse human rights, may hold any Arms Trade Treaty in contempt. But even they would be affected by it. Each weapon normally begins with its legal manufacture and sale but may then be transferred into the grey and illicit markets.<sup>131</sup> The life cycle of a weapon is generally several decades, so any decision about its transfer should be based on an assessment of all the risk factors over time. Much else needs to be done to improve and enforce national laws against criminal arms trafficking. But the Arms Trade Treaty would gradually reduce the pool of poorly regulated weapons and munitions that criminal traffickers depend on.

The only people who have an interest in the continued failure to control the global arms trade are those who benefit from irresponsible transfers. Everyone else, including ordinary people, most economic actors and almost every government, has an overwhelming interest in ensuring the responsible and consistent regulation of the global arms trade. In June 2006, India’s Nobel Economics Laureate, Amartya Sen, now Professor at Harvard University, wrote, in the *International Herald Tribune*, of the different, but enlightened, self-interests that all governments should now perceive.

## Enlightened self-interest

*'My own country, India, has good reason to use whatever influence it has, especially with the growing recognition of its importance in the global world. This is not only because reduction of armed conflicts fits well into the global objectives that were championed by India when it struggled for independence, and sought a global voice – but also because India itself suffers a great deal from the illicit movement of arms that feed local insurrections and terrorist acts.*

*'Even though China is currently the seventh-largest exporter of arms in the world, it also has a stake in limiting the movement of arms into its own territory.*

*'The G8 countries, too, have reasons of enlightened self-interest to do this (despite the money that these countries make from this terrible trade), given the growing threat of terrorism that affects these countries as well.'*

Amartya Sen, 26 June 2006<sup>132</sup>

## 8 Conclusion

An international Arms Trade Treaty would make a major improvement to the lives of those suffering from armed violence if it was properly elaborated and implemented effectively. Many other things must also be done – from bolstering institutions that respect fundamental human rights (including economic, social and cultural rights) and conducting effective conflict resolution and peacekeeping, to providing livelihoods for thousands of ex-combatants and ensuring development in countries and regions emerging from armed conflict. Much also depends on the success of two vital new institutions, both founded in June 2006: the UN Human Rights Council and the UN Peace Building Commission.

But in the attempt to make people around the world more secure and prosperous, the Arms Trade Treaty is indispensable. It should be part of the rule of law, of international law, and is necessary to guarantee the protection of human rights and security of all people.

### Time for action

More than 50 governments have already given explicit public support for an Arms Trade Treaty. Now is the time for all governments to join that movement and begin negotiations that can bring such a Treaty to reality. The globalised arms trade already has a huge head start.

**In October 2006, all governments have the opportunity, at the First Committee of the UN General Assembly, to launch a process to negotiate an Arms Trade Treaty, based on full respect for international law when governments decide whether or not to allow specific international arms transfers. The UN General Assembly is the world's highest global forum for disarmament and security affairs.**

**Already a group of states led by Argentina, Australia, Costa Rica, Finland, Japan, Kenya and the UK have given notice that they will table a resolution this October to start a process to develop an Arms Trade Treaty. Their draft resolution calls for a Group of Government Experts to consider the issue in 2008. While this welcome initiative rightly refers to better respect for international law, including the UN Charter and international humanitarian law, there is no reference so far to international human rights law, and this must be corrected if there is to be an effective treaty that will save a significant number of lives.**

**Those who suffer the daily effects of armed violence need a tough Arms Trade Treaty. And they need it as swiftly as humanly possible. Worldwide, the hundreds of thousands of members of civil society groups who are supporting the call for an Arms Trade Treaty through the Control Arms campaign are expecting governments to act.**

**The time has come to do so.**

## **Appendix: compilation of global principles for arms transfers**

The following Principles bring together States' existing obligations in respect of international transfers of arms and ammunition. The Principles are proposed by a diverse group of non-government organisations. The Principles reflect the content of a variety of international instruments including: international and regional treaties, declarations and resolutions of the United Nations and other multilateral and regional organisations, and model regulations intended for national legislation. Some of the Principles reflect customary and treaty law, while others reflect widely accepted emerging norms. The compilation indicates the best general rules for effective control of international transfers of all conventional arms and ammunition. The rules reflect States' obligations under international law while also recognising States' right to legitimate self-defence and law enforcement in accordance with international standards.

### **Principle 1: Responsibilities of states**

All international transfers of arms and ammunition shall be authorised by all States with jurisdiction over any part of the transfer (including import, export, transit, transshipment and brokering) and carried out in accordance with national laws and procedures that reflect, as a minimum, States' obligations under international law. Authorisation of each transfer shall be granted by designated State officials in writing only if the transfer in question first conforms to the Principles set out below in this instrument and shall not be granted if it is likely that the arms or ammunition will be diverted from their intended legal recipient or re-exported contrary to the aims of these Principles.

### **Principle 2: Express limitations**

States shall not authorise international transfers of arms or ammunition that violate their expressed obligations under international law.

These obligations include:

- A. Obligations under the Charter of the United Nations – including:
  - a. Binding resolutions of the Security Council, such as those imposing arms embargoes;
  - b. The prohibition on the threat or use of force;
  - c. The prohibition on intervention in the internal affairs of another State.



- B. Any other treaty or decision by which that State is bound, including:
  - a. Binding decisions, including embargoes, adopted by relevant international, multilateral, regional, and sub-regional organisations to which a State is party;
  - b. Prohibitions on arms transfers that arise in particular treaties which a State is party to, such as the 1980 UN Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May be Deemed to be Excessively Injurious or to Have Indiscriminate Effects, and its Protocols, and the 1997 Convention on the Prohibition of Anti-Personnel Mines.
  
- C. Universally accepted principles of international humanitarian law – including:
  - a. The prohibition on the use of arms that are of a nature to cause superfluous injury or unnecessary suffering;
  - b. The prohibition on weapons or munitions incapable of distinguishing between combatants and civilians.

### Principle 3: Limitations based on use or likely use

States shall not authorise international transfers of arms or ammunition where they will be used or are likely to be used for violations of international law, including:

- A. Breaches of the UN Charter and customary law rules relating to the use of force;
- B. Gross violations of international human rights law;
- C. Serious violations of international humanitarian law;
- D. Acts of genocide or crimes against humanity.

### Principle 4: Factors to be taken into account

States shall take into account other factors, including the likely use of the arms or ammunition, before authorising an arms transfer, including the recipient's record of compliance with commitments and transparency in the field of non-proliferation, arms and munitions control, and disarmament.

States should not authorise the transfer if it is likely to:

- A. Be used for or to facilitate terrorist attacks
- B. Be used for or to facilitate the commission of violent or organised crime;

- C. Adversely affect regional security or stability;
- D. Adversely affect sustainable development;
- E. Involve corrupt practices;
- F. Contravene other international, regional, or sub-regional commitments or decisions made, or agreements on non-proliferation, arms control, and disarmament to which the exporting, importing, or transit States are party.

## Principle 5: Transparency

States shall submit comprehensive national annual reports on all their international arms and ammunition transfers to an international registry, which shall publish a compiled, comprehensive, international annual report. Such reports should cover the international transfer of all conventional arms and ammunition including small arms and light weapons.

## Principle 6: Comprehensive controls

States shall establish common standards for specific mechanisms to control:

- A. All import and export of arms and ammunition;
- B. Arms and ammunition brokering activities;
- C. Transfers of arms and ammunition production capacity; and
- D. The transit and trans-shipment of arms and ammunition.

States shall establish operative provisions to monitor enforcement and review procedures to strengthen the full implementation of the Principles.

## Notes

<sup>1</sup> Amnesty International (2006), Annual Report 2006: [Hhttp://www.amnesty.org/report2006/isr-summary-eng#2H](http://www.amnesty.org/report2006/isr-summary-eng#2H) (accessed 15 September 2006).

<sup>2</sup> Stockholm International Peace Research Institute (2006), *SIPRI Yearbook 2006: Armaments, Disarmament and International Security*, p.324.

These figures, as with all data on arms and military expenditure, are indicative of global trends but are not precise. Data is collated from national governments and industry sources, trade journals and other relevant sources, none of which will use the same standardised reporting methodology, nor provide the same levels of detail. For example, governments will use different definitions of what constitutes 'arms' sales, some will include dual-use goods and components, and others will only include major items of defence equipment and report accordingly. Financial value for sales will also vary widely given the often individual nature of arms deals themselves, prices fluctuating due to barter arrangements, military assistance packages and other bilateral negotiations.

<sup>3</sup> At constant 2003 prices and exchange rates. The Control Arms campaign has calculated this figure using the following method. First, we calculated the percentage increases in world military expenditure each year for the last four years, beginning with 2002 (the first year to show the impact of 9/11). We then calculated the mean percentage increase for these years (5.78 per cent). The SIPRI figure for global military spending in 2005 was \$1001bn. (Table on world and regional military expenditure, 1988–2005, [Hhttp://www.sipri.org/contents/milap/milex/mex\\_wnr\\_table.html](http://www.sipri.org/contents/milap/milex/mex_wnr_table.html)). If spending grows in 2006 at the mean rate of 5.78 per cent, it will reach \$1058.9bn.

<sup>4</sup> Stockholm International Peace Research Institute (2006) *op. cit.*, p.295.

<sup>5</sup> D. Smith, (2003) *The Atlas of War and Peace*, London: Earthscan, p.25.

<sup>6</sup> United Nations Development Programme (2005) *Human Development Report 2005*.

<sup>7</sup> Stockholm International Peace Research Institute (2006) *op.cit.*, p.324.

<sup>8</sup> Conventional Arms Transfers to Developing Nations, 1997–2004, CRS Report to Congress, August 29 2005, p.2.

<sup>9</sup> See 'International Finance Facility' proposal, January 2003, HM Treasury, available from [Hhttp://www.hm-treasury.gov.uk/documents/international\\_issues/international\\_development/int\\_gnd\\_iff2003.cfm](http://www.hm-treasury.gov.uk/documents/international_issues/international_development/int_gnd_iff2003.cfm).

<sup>10</sup> Stockholm International Peace Research Institute (2006) *op.cit.*, Table 10.2, p.473.

<sup>11</sup> 2000 figures from *SIPRI Yearbook 2002*, Oxford: Oxford University Press, p.356.

<sup>12</sup> Stockholm International Peace Research Institute (2006) *op.cit.*, Table 9.1, p.388.

<sup>13</sup> Defined as OECD (Organisation for Economic Co-operation and Development) countries. Stockholm International Peace Research Institute (2006) *op.cit.*, Table 9.5, p.410. The HSIPRI Top 100 Hlists the world's 100 largest arms-producing companies (excluding Chinese companies), ranked by their arms sales in 2004. It includes public and private companies, but

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excludes manufacturing or maintenance units of the armed services. Only companies with manufacturing activities in the field of military goods and services are listed, not holding or investment companies. Chinese companies are excluded because of the lack of data. Companies from other countries might also have been included at the lower end of the list had sufficient data been available.

<sup>14</sup> Stockholm International Peace Research Institute (2006) *op.cit.*, Table 9A.1, pp.421–7.

<sup>15</sup> D. Held, A. McGrew, D. Goldblatt, and J. Perraton (1999) *Global Transformations*, London: Polity Press, p.87.

<sup>16</sup> *Jane's Intelligence Review*, 1 May 1997, 'Trends in Arms Marketing'.

<sup>17</sup> Letter from Deutz AG to Oxfam Deutschland e.V. and amnesty international Deutschland, 14 September 2006.

<sup>18</sup> Army Guide Website, 'YW 534 Tracked Armoured Personnel Carrier', [Hhttp://www.army-guide.com/eng/product.php?prodID=983H](http://www.army-guide.com/eng/product.php?prodID=983H) last accessed 18 September 2006.

<sup>19</sup> *Jane's Armour and Artillery 2004–2005* (2004) 'Norinco Type 90 APC Family', pp. 288–90.

<sup>20</sup> *Jane's Defence Weekly*, 24 June 2004, 'More roles for Chinese APC'.

<sup>21</sup> *Jane's Intelligence Review*, 1 November 1995, 'The Burmese Army'.

<sup>22</sup> *Jane's Defence Weekly*, 8 January 2003, 'Iran releases more details of Boragh APC'.

<sup>23</sup> C. Foss, (2003), 'Iran reveals up-armoured Boraq carrier', *Jane's Defence Weekly*, 9 April 2003, p. 20.

<sup>24</sup> *Jane's Armour and Artillery 2004–2005* (2004) 'Kader Fahd APC,' pp. 463–4.

<sup>25</sup> *Jane's Defence Weekly*, 23 March 2005, 'First export sales for Barracuda'.

<sup>26</sup> Stockholm International Peace Research Institute (2006) *op cit.*, p.392.

<sup>27</sup> *Ibid.*, p.401.

<sup>28</sup> *Ibid*, Table 10A.2, p.481.

<sup>29</sup> Stockholm International Peace Research Institute (2005) *SIPRI Yearbook 2006*, Oxford: Oxford University Press, Table 9A.1, pp.421–7.

<sup>30</sup> *Asia Africa Intelligence Wire*, 5 May 2003, 'Arms unto the nations'.

<sup>31</sup> Stockholm International Peace Research Institute (2006), *op. cit.*, Table 9A.1, pp.422–5.

<sup>32</sup> <http://www.eurocopterusa.com/Media/News/NewsDetail.asp?ID=373>.

<sup>33</sup> *Small Arms Survey (2004) Small Arms Survey Yearbook 2005: Rights at Risk*, Geneva: Oxford University Press, p.9.

<sup>34</sup> These include national variants of the original Soviet AK-47 Kalashnikov. For more information see *Jane's Infantry Weapons 2006–7*; [Hhttp://world.guns.ru/H\\_kalashnikov.guns.ru/](http://world.guns.ru/H_kalashnikov.guns.ru/); and <http://www.ak-47.us/>.

<sup>35</sup> *Financial Times*, 6 June 2006, 'Chavez in Russia Deal to Build Gun Factory'; *Jane's Defence Weekly*, 15 June 2006.

<sup>36</sup> *Small Arms Survey (2005) Small Arms Survey 2005: Weapons at War*, Oxford: Oxford University Press, p.13.

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- <sup>37</sup> Oxfam International (2006) *Ammunition: the fuel of conflict*, Briefing Note, Oxford: Oxfam International, p.7, based on research conducted for Oxfam by the non-government organisation, Doctors for Iraq.
- <sup>38</sup> R. Stohl (1998) *Deadly Rounds: Ammunition and Armed Conflict*, Research Report 98.4, London and Washington DC: British American Security Information Council, p.29ff.
- <sup>39</sup> Control Arms research.
- <sup>40</sup> Stockholm International Peace Research Institute (2006) *op. cit.*, p.302.
- <sup>41</sup> <http://www.india-defence.com/reports/2262>.
- <sup>42</sup> Jane's Defence Industry, 1 September 2005, 'Indo-French aero-engine venture banks on export opportunities'.
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- <sup>51</sup> [www.newkerala.com/news3.php?action=fullnews&id=23674](http://www.newkerala.com/news3.php?action=fullnews&id=23674) 16/7/2006, 'India bids to establish arms unit in Egypt', New Delhi, 16 July.
- <sup>52</sup> *Jane's Defence Weekly*, 2 February 2005, 'Indian Defence Industry – Two-way stretch'.
- <sup>53</sup> Economist Intelligence Unit (1994), 'Military Aerospace', *The Economist*, 333, p.18.
- <sup>54</sup> 'DOD selects foreign equipment for testing', [Hhttp://www.acq.osd.mil/cto/NewsRelease04.doc](http://www.acq.osd.mil/cto/NewsRelease04.doc).
- <sup>55</sup> *The Guardian*, 29 July 2006, 'Made in the UK, bringing devastation to Lebanon – the British parts in Israel's deadly attack helicopters'.
- <sup>56</sup> See for example: Human Rights Watch, 'Fatal Strikes: Israel's Indiscriminate Attacks Against Civilians in Lebanon', August 2006; Amnesty International, 'Israel/Lebanon: Deliberate destruction or 'collateral damage'? Israeli attacks on civilian infrastructure', AI Index: MDE 18/007/2006; *The Guardian*, 29 July 2006, 'Made in the UK, bringing devastation to Lebanon – the British parts in Israel's deadly attack helicopters'; ABCNews online, 'Regional War feared as Lebanon crisis worsens', [Hhttp://www.abc.net.au/news/newsitems/200607/s1687596.htm](http://www.abc.net.au/news/newsitems/200607/s1687596.htm); Aljazeera.net, 'No respite in Middle East showdown', 15 July 2006, [Hhttp://english.aljazeera.net/NR/exeres/84B207D4-8012-41CC-89A2-B0A8CE8C01FD.htm](http://english.aljazeera.net/NR/exeres/84B207D4-8012-41CC-89A2-B0A8CE8C01FD.htm); *Herald Sun*, 16 July 2006, 'Beirut blitz sparks war fears', [Hhttp://www.news.com.au/heraldsun/story/0,21985,19806736-](http://www.news.com.au/heraldsun/story/0,21985,19806736-)

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<sup>57</sup> Human Rights Watch, 'Fatal Strikes: Israel's Indiscriminate Attacks Against Civilians in Lebanon', August 2006.

<sup>58</sup> Human Rights Watch interview with Ali Jafar, Tyre, 1 August 2006. See also Raed El Rafei, 'Good Samaritan' Survives Attack After Rescuing Wounded: 8 Passengers Barely Escape Burning Vehicle', *Daily Star* (Lebanon), 25 July 2006; Butcher, 'Any Moving Car Becomes A Target, as Israelis Turn the Screw, Tactics Get Tougher,' *Daily Telegraph*, 24 July 2006.

<sup>59</sup> Stockholm International Peace Research Institute (2006) *op.cit.*, p.390.

<sup>60</sup> *Jane's Defence Weekly*, 21 December 2005, 'Colombia signs for Super Tucanos'.

<sup>61</sup> *South American Business Information*, 18 July 2003, 'Martin Baker to supply ejection seats'.

<sup>62</sup> Hwww.rohde-schwarz.com/www/dev\_center.nsf/frameset/OpenAgent&content=http://www.rohde-schwarz.com/www/press.nsf/PressAll/PRESS24052002102615/OpenDocumentH, 7 May 2002, 'Rohde & Schwarz supplies state-of-the-art transceivers to Brazilian Air Force', 'Modern software radios protect Amazon rain forest'.

<sup>63</sup> *International Defence Review*, 1 February 2006, 'Colombian Air Force purchases Super Tucano light attack aircraft'.

<sup>64</sup> Hhttp://web.amnesty.org/report2004/col-summary-engH.

<sup>65</sup> Hhttp://www.morozov.com/ua/eng/index.php/menu+def4.phpH.

<sup>66</sup> Hhttp://www.btsnc.it/percussoreuk.htmH .

<sup>67</sup> Hhttp://www.stengg.com/upload/3093OMjHRRkK6KIJHFM.pdfH; Hhttp://www.otokar.com/db/en/products/t/Teknik\_otokar\_yavuz\_ing1.pdfH.

<sup>68</sup> Fitzpatrick Associates (2003) 'Export Licensing for Military and Dual Use Goods', p.24, www.entemp.ie/tcmr/finalreport.pdf.

<sup>69</sup> Held, *op.cit.*, p.124.

<sup>70</sup> Embedded Computing Magazine Hhttp://www.embedded-computing.com/news/db/?3387H; NASA Dryden Flight Research Centre, 1998 Research Engineering Annual Report, http://www1.nasa.gov/centers/dryden/pdf/88646main\_H-2367.pdf.

<sup>71</sup> *Aviation Week & Space Technology*, 139(xv), 11 October 1993, p.58; *Broadcast*, 12 January 1990; Hittite Microwave Corp Press Release, 'GaAs MMIC T/R switch offers low loss, high linearity', http://rfdesign.com/news/products/MMIC-TR-switch/.

<sup>72</sup> Control lists of dual-use technologies, components and materials are included in a number of arms control agreements, including the Wassenaar Arrangement, the Missile Technology Control Regime, the Nuclear Suppliers Group, the Australia Group, the Chemical Weapons Convention and the EC 'Dual-Use' Regulation (No 1334/2000).

<sup>73</sup> Amnesty International, 'Uzbekistan: Andizhan – Impunity must not prevail', AI Index: EUR 62/010/2006, 11 May 2006.

<sup>74</sup> The Control Arms campaign obtained photographs taken in Andijan on 13 May 2005, copyright of AP Photo/Efrem Lukatsky.

<sup>75</sup> Parliamentary answer by Lord Triesman, 5 July 2005, *Hansard*, column WA111, 'Uzbekistan: Land Rover Defenders'.

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<sup>76</sup> See Article 4 (2) of the EC regulation of the export of dual-use goods and technology, No. 1334/2000, 22 June 2000, available at: <http://reporting.dti.gov.uk/cgi-bin/rr.cgi/http://www.dti.gov.uk/files/file8989.pdf>.

<sup>77</sup> International Traffic in Arms Regulations (ITAR) part 123.9 and 123.10. Similar re-export controls applied to goods and technology associated with licensed production agreements are found in ITAR part 124.9 (a) (1) and 124.9 (b) (2). ITAR is available online at: <http://www.pmdtc.org/reference.htm>.

<sup>78</sup> R. Harkavy, (1975) *The Arms Trade and International Systems*, New York: Ballinger, p.170.

<sup>79</sup> B. Roberts, (1993) 'From Non-proliferation to Anti-proliferation', *International Security*, 18(1):139–73.

<sup>80</sup> Amnesty International, 22 February 2002, 'Sudan: bombings of civilians are unacceptable', AI Index AFR54/006/2002 – News Service Nr. 32/02.

<sup>81</sup> Amnesty International, 3 June 2004, 'Sudan: victims of the war in Darfur speak about their plight', AI Index AFR54/063/2004 (Public).

<sup>82</sup> [Hhttp://www.aviationnow.com/shownews/05paris/news\\_5\\_13.htm](http://www.aviationnow.com/shownews/05paris/news_5_13.htm) 13 May 2005H

<sup>83</sup> [Hhttp://www.strategycenter.net/research/pubID.61/pub\\_detail.asp](http://www.strategycenter.net/research/pubID.61/pub_detail.asp)H 15 January 2005, How May Europe Strengthen China's Military?

<sup>84</sup>

[http://www.aviationtoday.com/cgi/rw/show\\_mag.cgi?pub=rw&mon=0704&file=farnborough.htm](http://www.aviationtoday.com/cgi/rw/show_mag.cgi?pub=rw&mon=0704&file=farnborough.htm)

<sup>85</sup> *Jane's Defence Weekly*, 13 April 2005, 'China's Z-10 helicopter built on Western expertise'; *Aviation Week & Space Technology*, 12 December 2005, 'East-West Whirlybird; Chinese Ink Deals With Eurocopter, Safran and Alcatel Alenia Space'

<sup>86</sup> See for example government submissions to the UN Register of Conventional Arms, available at [http://disarmament.un.org/UN\\_REGISTER.NSF](http://disarmament.un.org/UN_REGISTER.NSF).

Amnesty International (2004), 'Sudan: Arming the Perpetrators of Grave Abuses in Darfur', AI Index AFR 54/139/2004

and international customs data, available from [unstats.un.org/unsd/comtrade/](http://unstats.un.org/unsd/comtrade/); and 'Briton Supplies Arms to Sudan', *Sunday Times*, 5 September 2004.

<sup>87</sup> International Traffic in Arms Regulations (ITAR) part 124.9 (a) (1).

<sup>88</sup> Asia Africa Intelligence Wire, 4 July 2006, 'Venezuela could sign Russian rifle plant deal in July, says arms firm head'.

<sup>89</sup> Asia Africa Intelligence Wire, 19 October 2004, 'Scotland Yard submits findings on Bangladesh grenade attack'.

<sup>90</sup> *Indian Express* online, 2 June 2006, 'Nagpur grenades of same make as ones in Parliament attack', [Hhttp://www.indianexpress.com/story/5667.html](http://www.indianexpress.com/story/5667.html)H; *Asia Times* online, 28 August 2004, 'India frets over Bangladesh blast', [Hhttp://www.atimes.com/atimes/South\\_Asia/FH28Df06.html](http://www.atimes.com/atimes/South_Asia/FH28Df06.html)H; *Bangladesh Observer* online, 1 November 2004, <http://www.bangladeshobserveronline.com/new/2004/11/01/editorial.htm>.

<sup>91</sup> *The Washington Times*, 2 October 2004, 'Battle in Bangladesh seen personal', [Hhttp://www.washingtontimes.com/world/20041001-102221-2317r.htm](http://www.washingtontimes.com/world/20041001-102221-2317r.htm)H.

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<sup>92</sup> 'Monday, 20 February 2006', available online at [Hhttp://news.bbc.co.uk/1/hi/world/africa/4733242.stm](http://news.bbc.co.uk/1/hi/world/africa/4733242.stm); *The Monitor*, 20 February 2006.

<sup>93</sup> *New Vision*, 3 December 2005, 'Police imports vehicles for polls', <http://www.newvision.co.ug/D/8/12/469146>.

<sup>94</sup> *Africa News Service*, 22 November 2004, 'Local Armoured Vehicle Maker Bought by BAE'.

<sup>95</sup> [Hhttp://www.baesystemsomc.co.za/Default.aspx/tabid=555H](http://www.baesystemsomc.co.za/Default.aspx/tabid=555H).

<sup>96</sup> *Jane's International Defence Review*, 1 December 2004, 'New Members of Mamba Mineproof Vehicle Family'.

<sup>97</sup> UN Arms Register South African exports 2004, <http://disarmament2.un.org/cab/register.html>.

It is important to note that the UN Arms Register does not usually provide details of which company supplied the equipment and it is possible that the armoured vehicles were surplus vehicles provided as military assistance by the South African government or that the actual transfers were facilitated by a third party. However, according to the UN Arms Register submissions by the South African government, it is clear that vehicles, originally manufactured by Reumech OMC (Land Systems OMC) have been exported to a number of countries including Uganda and Indonesia.

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<sup>98</sup> International Court of Justice, Press Release 2005/26, 'Armed Activities on the Territory of the Congo (Democratic Republic of the Congo v. Uganda)', 19 December 2005,

[http://www.icj-cij.org/icjwww/ipresscom/ipress2005/ipresscom2005-26\\_co\\_20051219.htm](http://www.icj-cij.org/icjwww/ipresscom/ipress2005/ipresscom2005-26_co_20051219.htm) (accessed 20 September 2006).

<sup>99</sup> Amnesty International (2005), 'The Democratic Republic of the Congo: Arming the East', AI Index AFR 62/006/2005.

<sup>100</sup> UK legislation would apply to a UK citizen if he or she is involved in a deal, and it involves a destination that is under a UK, EU or UN embargo.

<sup>101</sup> Correspondence between Oliver Sprague of Oxfam GB and UK defence industry compliance officers, 4 and 5 July 2006.

<sup>102</sup> Oxfam GB Press Release, 1 March 2006, 'Oxfam exposes loopholes in British law allowing sales of military equipment to Uganda'.

<sup>103</sup> HC 873. House of Commons Defence, Foreign Affairs, International Development and Trade and Industry Committees. Strategic Export Controls: Annual Report for 2004, Quarterly Reports for 2005, Licensing Policy and Parliamentary Scrutiny. First Joint Report of Session 2005–2006, 3 August 2006, paragraph 199.

<sup>104</sup> [Hhttp://www.glock.com](http://www.glock.com) accessed 2 February 2006.

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[Hhttp://www.terra.com.br/istoedinheiro/414/economia/duelo\\_pistolas.htm](http://www.terra.com.br/istoedinheiro/414/economia/duelo_pistolas.htm), 17 August 2005, 'The duel of the pistols: Why the Brazilian government is changing the Taurus weapons for the Austrian Glock' (accessed 2 February 2006); EFE World News Service, 18 June 2006, 'Brazil puts strings on deal with Glock'.

<sup>106</sup> *Jane's International Defence Review*, 1 October 2002.



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<sup>107</sup> The Participating States of the Wassenaar Arrangement are: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, UK and USA, <http://www.wassenaar.org>.

<sup>108</sup> See Control Arms briefing note 'UN arms embargoes: an overview of the last ten years', March 2006.

<sup>109</sup> See Stockholm International Peace Research Institute, First and Seventh Annual reports on the implementation of the EU code of conduct on arms exports, available online at: <http://www.sipri.org/contents/expcon/annrep.html>

<sup>110</sup> *Ibid.*

<sup>111</sup> Stockholm International Peace Research Institute (2006), *op.cit.*, Table10A, p.478.

<sup>112</sup> Oxfam International (2006), *In the Public Interest*, Fig.13, based on data from the UN Human Development Report 2005.

<sup>113</sup> United Nations Development Programme (2005), *op.cit.*, Table 1, pp. 223–4.

<sup>114</sup> *Jane's Defence Weekly*, 4 August 1999, 'DoD Struggles with 'Globalisation'.

<sup>115</sup> *Human Security Report*, p.24 Fig. 1.2.; Uppsala Conflict Data Programme (L. Harbom and P. Wallensteen) 'Armed Conflict and its International Dimensions, 1946–2004', *Journal of Peace Research*, 42(5) 624 and 634. However, counting the number of armed conflicts is fraught with difficulty, as the boundaries between 'peace' and 'war' become increasingly blurred. For example, southern Sudan was removed from one list of major armed conflicts in 2005 (that reported only 17 conflicts around the world) because of the peace deal signed that year; Oxfam's experience in southern Sudan was that the level of violence towards civilians had not significantly reduced by December 2005.

<sup>116</sup> Small Arms Survey Occasional Paper No.11, October 2003. *In the Shadow of a Cease-fire: The Impacts of Small Arms Availability and Misuse in Sri Lanka* by Chris Smith, p.8, [Hhttp://www.smallarmssurvey.org/files/sas/publications/o\\_papers\\_pdf/2003-op11-sri\\_lanka.pdf](http://www.smallarmssurvey.org/files/sas/publications/o_papers_pdf/2003-op11-sri_lanka.pdf).

<sup>117</sup> This range is based on a combination of the estimated range of 200,000–270,000 non-conflict-related deaths in 2003, according to the *Small Arms Survey 2004*, Geneva: Graduate Institute of International Studies, p.175; and estimated conflict deaths of between 80,000 and 108,000 in 2003 *Small Arms Survey 2005*, p.230.

<sup>118</sup> Amnesty International (2006), Annual Report 2006: [Hhttp://www.amnesty.org/report2006/isr-summary-eng#2](http://www.amnesty.org/report2006/isr-summary-eng#2) (accessed 15 September 2006).

<sup>119</sup> B'TSELEM, The Israeli Information Centre for Human Rights in the Occupied Territories, [Hhttp://www.btselem.org/English/Statistics/Casualties\\_Full\\_Data.asp?Category=1](http://www.btselem.org/English/Statistics/Casualties_Full_Data.asp?Category=1).

<sup>120</sup> Findings from an analysis of 12 years between 1991 and 2002 of Amnesty International documentation from a sample of ten countries:

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Algeria, Brazil, Chechnya/Russia, Colombia, Democratic Republic of Congo, East Timor, Egypt, France, Jamaica, and Nepal.

<sup>121</sup> Centre for Humanitarian Dialogue, Geneva, June 2006, 'Hitting the Target: Men and Guns', Review Conference Policy Brief; United Nations Development Programme, 'Development Held Hostage: Assessing the Effects of Small Arms on Human Development', April 2002.

<sup>122</sup> United Nations Development Programme (2005), *Human Development Report 2005*, New York: Oxford University Press, p.160.

<sup>123</sup> Control Arms (2006) 'The call for tough arms controls: voices from Haiti', Briefing Paper, p.11. 'Lucie' was interviewed in November 2005; her name has been changed to protect her security.

<sup>124</sup> *Human Development Report 2005, International Co-operation at a Crossroads: aid, trade and security in an unequal world*, New York: United Nations Development Programme and Oxford University Press, p.160.

<sup>125</sup> *The Geneva Declaration on Armed Violence and Development*, 7 June 2006.

<sup>126</sup> International Campaign to Ban Landmines (2001) 'Landmines Monitor Report 2001', [Hwww.icbl.org/lm/2001/findings/H](http://www.icbl.org/lm/2001/findings/H) p. 1 (accessed 29 March 2006).

<sup>127</sup> International Campaign to Ban Landmines (2006) 'Progress in Mine Action may be Jeopardised by Decreasing Funding', press release, 13 September 2006, [www.icbl.org](http://www.icbl.org).

<sup>128</sup> International Campaign to Ban Landmines (2006) 'Global success, big challenges: Mine Ban Treaty Turns 7', press release, 1 March 2006, [www.icbl.org](http://www.icbl.org).

<sup>129</sup> See Appendix: *Compilation of Global Principles for Arms Transfers* proposed by a group of non-government organisations including: Africa Peace Forum, Amnesty International, Arias Foundation, Caritas International, Friends Committee on National Legislation, Non-Violence International, IANSA, Oxfam International, Project Ploughshares, Saferworld, Schweitzer Institute, Sou da Paz, Viva Rio, Women's Institute for Alternative Development, with legal advice from the Federation of American Scientists and the Lauterpacht Centre for International Law, University of Cambridge. ISBN 0-86210-405-X.

<sup>130</sup> Control Arms (June 2004) *Guns or Growth? Assessing the impact of arms sales on sustainable development*.

<sup>131</sup> Amnesty International Norge and Norwegian Church Aid (2006) *Bullets without Borders*, op. cit., p.11.

<sup>132</sup> *International Herald Tribune*, 26 June 2006, 'It's time for global controls of small arms'. Professor Sen is a former President and now an honorary adviser to Oxfam International.

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The International Action Network on Small Arms is the global movement against gun violence – ‘ more than 500 civil society organisations working in 100 countries to stop the proliferation and misuse of small arms and light weapons. IANSA seeks to reduce the impact of small arms through advocacy, promoting the development of regional and thematic networks, supporting capacity building and raising awareness.

Email: [contact@iansa.org](mailto:contact@iansa.org)



Oxfam International is a confederation of twelve organisations working together in more than 100 countries to find lasting solutions to poverty and injustice: Oxfam America, Oxfam Australia, Oxfam-in-Belgium, Oxfam Canada, Oxfam Germany, Oxfam Great Britain, Oxfam Hong Kong, Intermón Oxfam (Spain), Oxfam Ireland, Oxfam New Zealand, Oxfam Novib, and Oxfam Quebec. [www.oxfam.org](http://www.oxfam.org).

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# Arms Without Borders Why a globalised trade needs global controls



## Arms are out of control

Arms kill up to a third of a million men, women, and children on average each year. Many thousands more are maimed, or tortured, or forced to flee their homes. The uncontrolled proliferation of arms fuels human rights violations, escalates conflicts, and intensifies poverty. The time for world leaders to act is now.

To confront this crisis, Oxfam, Amnesty International, and the International Action Network on Small Arms (IANSA) have together launched an international campaign calling for effective arms controls to make people genuinely safer from the threat of armed violence.

You can help us to put an end to this horrific abuse.

Log on to the control arms website and become part of the largest, most effective visual petition in the world.

[www.controlarms.org](http://www.controlarms.org)

**control** arms

