

## **Summary / Translation of the DAKS-Newsletter 10/2008**

### **1. ATT**

Robert reports on the ATT developments of which you surely know best. There are only two specific points about Germany:

On September 25<sup>th</sup> AI and Oxfam Germany publicly presented 147 signatures of German parliamentarians in support of ATT, 125 of them being MPs of the Bundestag from all parties.

### **2. Wide support for ATT**

Here it is reported that the Social-Democratic party, the Liberal Party (FDP) and the Greens responding to AI and Oxfam's campaign have issued press releases in support of ATT. Apparently neither the Conservatives (CDU) nor the Left-Party (Linke) – which is surprising – have issued statements.

### **3. G36 in Georgia: Germany's Credibility Tested**

by Roman Deckert (BITS / RIB)

On August 17<sup>th</sup>, 2008, the ARD German TV investigative program „Report Mainz“ revealed on the basis of research by the Berlin Information-Centre for Transatlantic Security (BITS) and the Armaments Information Office Freiburg (RIB) that Georgian special units were equipped with modern Heckler & Koch G36 assault rifles. Two months have passed since the first request by “Report Mainz” to the German government, yet the Federal authorities have not brought light into the question how the weapons ended up in the conflict area.

Immediately after the airing of the program Green MP Hans-Christian Ströbele filed an enquiry to the government. On August 26<sup>th</sup> Undersecretary of Economics Dr. Walter Otremba just repeated an earlier official statement that no licenses for the export of G36 to Georgia had been issued. He deliberately ignored Ströbele's question on planned action to clear up the affair (Printed Documents of the Bundestag 16/10199, p. 22-23).

Meanwhile several rumours have sprung up about what illegal ways the G36 rifles may have taken to Georgia. For instance, there are serious indications that they might have been supplied by the USA. However, numerous countries have purchased G36 rifles in recent years. Each of those recipients could have broken the end user certificate. At least it can be excluded that the G36 rifles spotted in Georgia are from the Spanish license production that Heckler & Koch has set up with „General Dynamics Santa Bárbara Sistemas“ in La Coruña. According to BITS-analyst Niels Dubrow the Spanish version differs from those G36 rifles identified on photographs from Georgia.

Moreover, information has turned up that the G36 rifles may have been funnelled to Georgia via Switzerland. This theory is supported by an undercover report which the British journalist Mark Thomas produced in 2002 for Channel4: he received an immoral offer from a Swiss dealer to assemble H&K weapons from imported components and to transfer them through Finland to conflict areas. In the past a number of such loopholes being exploited had been made evident when H&K evaded German restrictions by exporting kits.

Also, rumours have been circulating that the G36 rifles could have originated from the German army, the Bundeswehr. In fact, the official website of NATO shows pictures of Georgian soldiers with G36 rifles in Kosovo guarding the German army base Camp Prizren. Minister of Defence Dr. Franz Josef Jung (CDU), however, has replied to a concerned citizen on [www.abgeordnetenwatch.de](http://www.abgeordnetenwatch.de) that the Georgian soldiers „*who were trained by the Bundeswehr and/or operated in support of the German contingent of KFOR have returned all of their rifles*“. Thus he confirmed that the Georgian military got to know the technical advantages of the G36 thanks to this cooperation.

Jung further stated that his Ministry had had „*no knowledge*“ about the existence of G36 rifles in Georgia. This is embarrassing enough since Georgian elite units openly displayed their G36 rifles more than three years ago. AFP Getty Images has confirmed that a photograph of this operation had been taken in June 2005 during protests in Tbilisi. This means that the military attaché staff at the German embassy were so unprofessional to miss that important piece of information. The same would apply to the German diplomats and intelligence agents.

In the meantime BITS-Director Otfried Nassauer and RIB-Chairman Jürgen Grässlin have repeatedly stressed that it would be very simple to clarify the origin of the G36 rifles if the German government were willing to ask the Georgian government for the serial numbers. On September 16th MP Ulla Jelpke (Left-Party) has complained in a press release about the delaying strategy of the German government. She had received a statement from the Federal authorities that they were examining the affair *“thoroughly”* but that the Georgian government *“has not yet been contacted on the matter”*.

The German Foreign Office at the same time claims to play a leading role in the United Nations' Programme of Action on Small Arms to establish *„a worldwide effective control of transfers”* by supporting the Biennial Meeting of States (BMS) which was held in July in New York and the negotiation of an *„Arm Trade Treaty”* (ATT) which is being discussed these days. The self declared focus of the Federal government is the marking and tracing of small arms.

So while the German diplomats see themselves as a shining example in combating illegal arms trade on the stage of the UN, they have not found it appropriate for two months to pressure the friendly government of Georgia to hand over the serial numbers of the G36 rifles. The scandal of the illegal transfer is a dangerous precedence for the uncontrolled proliferation of the G3-successor and hence a crucial test of credibility for the German claim to spearhead the international efforts to regulate the illicit trade of small arms. If the Federal government continues to ignore the demands of the German parliament, it will be bound to lose its credibility in the UN Programme of Action, especially since Russia is monitoring the affair closely.

#### **4. New Markets for Rheinmetall**

by Alexander Lurz (BITS)

Rheinmetall AG has finalized the take-over of the South African ammunition producer Denel Munitions. On September 4<sup>th</sup> 2008 the Düsseldorf based arms maker announced it had finalized the deal. Already in February of this year a contract had been signed in Pretoria. Now the acquisition of a 51% share of Denel Munitions is legally valid. Rheinmetall has reported that the anti-trust commissions have given approval and that all contractual precondition had been fulfilled.

Denel Munitions has got about 2.000 employees and an annual turnover of approximately 90 Million Euro producing ammunition ranging from calibre 5.56 mm to 155 mm. It had previously been a 100% subsidiary of the state-owned Holding Denel (Pty) Ltd., which retains a 49% share.

Denel Group board member Lana Kinley called the agreement a “*significant milestone*” in securing the future of the holding company which has run to deficit for years. According to its press release Rheinmetall is looking forward to “*continuing moves to internationalise its defence technology operations and to expand its market presence*” in South America, Asia and the Middle East – which it has been largely barred from due to German export restrictions. The statement goes on to say that those markets would be served “*with a complete portfolio of products*”. The appointment of Shaun Liebenberg, previously CEO of Denel Group, to the Management Board of Rheinmetall Defence underlines the intention to utilize the South African experience outside NATO markets and NATO associated countries. Since July 1<sup>st</sup> of this year Liebenberg is responsible for International Business Development.

For Rheinmetall the take-over of Denel Munitions does not only mean access to highly problematic markets in Africa, Denel’s core market, and the Middle East. Moreover, the German arms maker thus enters into the production of small arms ammunition of calibres 5.56 mm and 7.62 mm. It seems certain that the German–South African small arms ammo will find its customers as Denel Group’s subsidiary Denel Land Systems produces sniper rifles and machine guns both for the South African market and for export (<http://jdw.janes.com/public/adlink/ads/1291514.pdf>).

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## **5. German Small Arms Exports: New Record Level**

by Roman Deckert (BITS / RIB)

The annual report of the German government on arms exports for 2007 is due to be published some time in the coming weeks. As in previous years there is no fixed date for the publication which has been criticized again and again by the alternative reports of the „Joint Conference Church and Development“ (GKKE).

However, figures on the licenses issued for the export of small arms are already available since the German government has reported the data to the Conventional Arms Register of the United Nations in June. The facts are alarming:

For instance, the Federal government has approved of licenses to export 1.209 submachine guns to Egypt which has been under a constant state of emergency since 1981. This is all the more remarkable since Egypt has not been using German small arms before. The Indian Armed Forces which use Heckler & Koch's MP5 as a standard weapon were allowed to import 773 submachine guns from Germany. German manufacturers achieved a further breakthrough in the Caribbean state of Trinidad & Tobago which got green light for the purchase of 985 submachine guns and 260 assault rifles.

Particularly alarming are licenses for massive transfers to two areas of conflict: the Arabian Peninsula and Mexico. The Sultanate of Oman was allowed to buy 455 submachine guns, the Wahabi Kingdom of Saudi Arabia could order 5.100 assault rifles. Mexico, where the violent conflict between the government and narco cartels has recently been flaring up dramatically, got permission from Berlin to purchase 3.336 submachine guns and 6.667 assault rifles. It is remarkable that the Mexican authorities show far greater transparency in this field than the German government. While the latter does not give any specific information on the arms models with reference to industrial secrets, Mexico has reported to the UN Register that it imported products from the Southern German manufacturer Heckler & Koch, namely MP5 submachine guns and G36V assault rifles.

All in all the ruling coalition of Conservatives and Social-Democrats in 2007 has issued licenses for the export of 10.387 submachine guns to 43 countries and 19.094 assault rifles to 34 countries compared to 5.796 submachine guns to 49 countries and 9.626 assault rifles to 34 countries in 2006. Thus the number of licenses has nearly doubled. Also, the export of components is not reported to the UN Register wherefore it must be assumed that the proliferation of German small arms is considerably greater.

Handguns are not included in the German reports to the UN. It is striking that Mexico shows much more transparency in this field as well, as it registered the import of 1.110 Heckler & Koch USP pistols and 5.184 Carl Walther P99 pistols.

After all, the Mexican practice is much more transparent in a very central point too: The UN Office for Disarmament Affairs (UNODA) criticizes that Germany only reports the figures on licenses issued, although the UN template requires the number of actual exports. Mexico on the other side does provide data on actual imports. Germany – a country which covers nearly everything in its statistics and which claims to play a leading role in the UN Programme of Action on Small Arms - apparently lacks the political will to comply with the UN requirements

## **6. Badische Zeitung (Baden Newspaper) „Unbearable Business with Death“**

This is an article from this Southern German newspaper about the declaration of Waldkirch („Waldkircher Erklärung“). Waldkirch is a small town near Freiburg i.Br. – which again is close to Heckler & Koch’s hometown. In Mid-2007 local politicians of the Social Democrats were shocked to learn from the SIPRI yearbook about Germany’s role in international arms trade. Local SPD-leader Sabine Wölfe and Prof. Wolfram Wette, who is a military historian, initiated a campaign to curb German arms exports in cooperation with Jürgen Grässlin of RIB and the German Peace Society – War Resisters (DFG-VK). Since the Manifesto was published more than 12.000 people have signed the declaration which is planned to be handed over as a petition to the Federal Security Council (Bundessicherheitsrat) later this year. That council is different from the US NSC: its members are nine ministers who take decision on major arms transfers.