
Criterion 4: Preservation of regional peace, security and stability

China and Taiwan

Tensions between China and Taiwan remain following the re-election of Taiwanese President Chen Shui-bian in March 2004. The Chinese government has been very critical of Chen and his Democratic People's Party for their pro-independence leanings. Mr Chen has vowed constitutional reform by 2006 to "modernise Taiwan's political institutions and enshrine certain rights"¹ and has stated that Taiwan is an "independent and sovereign country".²

Chinese officials reacted angrily to Mr Chen's inauguration speech in which he said the drawing up of a new constitution would not include a referendum for independence, arguing instead that changing the constitution itself was a means whereby Taiwan would move towards independence.³ A spokesman for China's Taiwan Affairs Office criticised Mr Chen's speech saying "Chen Shui-bian has shown no sincerity to improve relations" and went on to add that China would "thoroughly crush schemes for Taiwan independence".⁴

China's unflinching policy towards Taiwanese independence was underlined by the publication of a White Paper in February 2000. This paper set out the conditions that could precipitate Chinese military intervention. The first condition, that Taiwan declared independence, was a long-held state policy. In addition, however, the White Paper also pointed to a decision by Taiwan to indefinitely delay unification negotiations as a possible catalyst for conflict.⁵

Earlier in 2004 both Taiwan and China had been trying to use their respective militaries to ratchet-up the pressure on each other. A Pentagon report from June 2004 said that China had deployed more than 500 short-range ballistic missiles along its coastline opposite Taiwan while China would also be undertaking war games in June and July on Dongshan Island, which is only 150 nautical miles from Taiwanese

¹ 'Chen vows constitutional reform' *BBC News*, 30 March 2004, <http://news.bbc.co.uk/1/hi/world/asia-pacific/3581407.stm>.

² *Ibid.*

³ *Ibid.*

⁴ 'China attacks Chen speech' *BBC News*, 24 May 2004, <http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/asia-pacific/3741499.stm>.

⁵ FCO, 'Country Profiles – China', <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&cid=1007029394365&a=KcountryProfile&aid=1018965313021>.

territory.⁶ Taiwan has also been raising the pressure by insinuating that it potentially is looking to acquire weapons capable of attacking targets within China, such as the Three Gorges dam, as a form of deterrence.⁷

With many analysts predicting that China's military build-up will mean that between 2006–2008 it will be in a position to retake Taiwan by force, not only is it increasing the number of ballistic missiles aimed at Taiwan by 75 a year, China raised its defence budget earlier this year by 12 percent and has spent billions of dollars procuring Russian SU-27 and SU-30 fighter jets, submarines and destroyers and has made technological advances in the areas of special operations and electronic warfare.⁸ In response to these developments the Taiwanese defence budget will increase from \$7.5 bn in 2004⁹ to \$10 billion in 2005¹⁰, with an additional special budget of \$18 billion, agreed in 2001, to purchase submarines, patriot missiles and Orion surveillance aircraft from the US in the wake of China's growing strength.¹¹

With Mr Chen hoping to hold the proposed referendum by 2008, the Vice-Minister of China's State Council Taiwan Affairs Office, Wang Zaixi, warned Mr Chen in July 2004 that China may attack Taiwan by 2008 to prevent Mr Chen's constitutional reforms.¹² Any attack by China would leave the US with an extremely difficult decision to make, as the US is committed to defending Taiwan. However, under a policy known as "strategic ambiguity", consecutive administrations have not made clear whether this means the US would directly intervene to defend Taiwan, or merely provide the means for Taiwan to defend itself from any possible Chinese invasion.¹³

Arms export licences to China

	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	76.5	9.5	28.0
Number of SIELs granted (refused/revoked)	180 (14)	46 (2)	69 (3)
Number of OIELs granted (refused/revoked) with regard to China	19 (1)	3 (0)	5 (0)
Number of incorporation SIELs granted (refused/revoked)	2 (0)	0 (0)	1 (0)
Number of SITCLs granted with China as destination	n/a	n/a	1
Number of OITCLs granted with China as destination	n/a	n/a	0

Arms export licences to Taiwan

	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	24.0	13.5	14.5
Number of SIELs granted (refused/revoked)	111 (0)	22 (0)	28 (0)
Number of OIELs granted (refused/revoked) with regard to Taiwan	16 (0)	3 (0)	7 (0)
Number of incorporation SIELs granted (refused/revoked)	1 (0)	1 (0)	0 (0)
Number of SITCLs granted with Taiwan as destination	n/a	n/a	0
Number of OITCLs granted with Taiwan as destination	n/a	n/a	0

The increasing level of tension between China and Taiwan over Taiwanese political aspirations, the aggressive force-posturing and large increases in military spending on both sides, and the explicit threat of military action on the part of China, represent major concerns for stability and security in East Asia. Whilst China is currently subject to an EU arms embargo (see criterion 1), under criterion 4, Saferworld would also

⁶ 'China 'plans Taiwan war games'', *BBC News*, 1 June 2004, <http://news.bbc.co.uk/go/pr/ft/-/1/hi/world/asia-pacific/3766103.stm>.

⁷ 'Storm across the Taiwan Strait', *BBC News*, 22 June 2004, <http://news.bbc.co.uk/go/pr/ft/-/1/hi/world/asia-pacific/3825927.stm>.

⁸ 'Military balance goes against Taiwan', *BBC News*, 9 March 2004, <http://news.bbc.co.uk/1/hi/world/asia-pacific/3545361.stm>.

⁹ IISS, *Military Balance 2004–2005*, p. 325.

¹⁰ Wendell Minnick, *Jane's Defence Weekly*, 'Taiwan – Identity Crisis', 30 June 2004.

¹¹ *Ibid.*

¹² 'Beijing warns of war with Taiwan', *BBC News*, 30 July 2004 <http://news.bbc.co.uk/1/hi/world/asia-pacific/3938617.stm>.

¹³ 'Next US leader faces China-Taiwan row', *BBC News*, 29 September 2004, <http://news.bbc.co.uk/1/hi/world/asia-pacific/3701114.stm>.

expect there to be a presumption of denial over the export of military and dual-use goods to either China or Taiwan that could contribute to large-scale offensive operations. In particular such a presumption would apply where there is a risk of destabilising accumulations of equipment, and where sensitive technologies could provide additional strategic capabilities, enhance force projection or introduce new technologies into the region. It is however unlikely that Taiwan's recent procurement activities are for the purpose of offensive military operations, but are more likely to be in response to the growing offensive capabilities being acquired by China. This should therefore be taken into account in licensing policy with Taiwan's military capacity playing a key factor in assessing licence applications.

In terms of those goods licensed for export to China and Taiwan during 2003 and the first half of 2004, without information on quantities of goods licensed for export or more information on the nature of the equipment or their end-use, it is difficult for the outside observer to make a fully informed and accurate assessment of licences granted to China and Taiwan. From the information that is available, however, there are a number of licences of potential concern.

Licences of greatest concern under criterion 4

For China:

SIELs 2003: components for electronic warfare equipment, components for military aero-engines, components for unmanned air vehicles, military aero-engines, technology for the production of combat aircraft, technology for the use of military aero-engines

SIELs January–March 2004: castings for military aero-engines

SIELs April–June 2004: castings for military aero-engines, components for combat aircraft, weapon sights

For Taiwan:

SIELs 2003: components for armoured personnel carriers, components for assault rifles, components for combat aircraft, components for electronic warfare equipment, components for military aero-engines, components for semi-automatic pistols, components for submachine guns, components for submarines, components for unmanned air vehicles, forgings for military aero-engines, military aero-engines, small arms ammunition, submachine guns (51), technology for the use of combat aircraft, technology for the use of military aero-engines, technology for the use of submachine guns, unmanned air vehicle control equipment, unmanned air vehicle handling equipment, unmanned air vehicles, weapon day sights

SIELs January–March 2004: components for combat aircraft, components for sniper rifles (2 licences), components for submarines (2 licences), equipment for the use of sniper rifles, sniper rifle maintenance equipment, sniper rifles (35), technology for the use of sniper rifles, weapon sights (2 licences)

SIELs April–June 2004: components for armoured personnel carriers, components for military aero-engines, components for submachine guns (2 licences), components for submarines, equipment for the use of submachine guns, forgings for military aero-engines, submachine guns (40), technology for the use of submachine guns

India and Pakistan

During 2003 and the first half of 2004 major improvements took place in Indian-Pakistani relations, following the then Indian President Vajpayee's speech in Srinagar in April 2003 in which he extended a "hand of friendship" to Pakistan.¹⁴ On 25 November 2003, India and Pakistan concluded a ceasefire. In March 2004, Pakistani Rangers and India's Border Security Forces met to discuss the exchange of prisoners, terrorism and smuggling.¹⁵ In June 2004, talks were also held in New Delhi between the two governments concerning nuclear confidence-building measures.¹⁶ Nevertheless, on the ground, particularly in Kashmir, tensions remained high. Indeed, the International Institute for Strategic Studies reported that between November 2003 and February 2004 the situation along the Line of Control (LOC) and Actual Ground Position Line in Kashmir remained "precarious".¹⁷

According to figures provided by the South Asia Terrorism Portal, from 1 January to 30 November 2003 there were 2399 incidents described as terrorist-related within Jammu and Kashmir. These included 1451 deaths of individuals categorised as terrorists, 323 security force personnel (SFP) deaths and 625 civilian deaths. Furthermore, from 1 December 2003 to 30 June 2004, following the ceasefire agreement, there were a total of 1,080 deaths described as terrorist-related, including that of 578 individuals categorised as terrorists, 174 SFP and 328 civilians.¹⁸

Many of these deaths appeared to be the result of continued clashes between Indian security forces and insurgency groups, such as Lashkar-e-Toiba and Hizb-ul-Mujahideen, of whom Indian officials believed there were between 3,000–5,000 individuals operating within Indian-administered Kashmir during 2003.¹⁹ On 21 May 2004 Indian Chief of the Army Staff, General N C Vij, stated that although the ceasefire was holding, Pakistan continued to harbour about 3,500 trained "terrorists" in 95 camps, who were waiting to cross into the Indian-administered part of Kashmir.²⁰ To prevent further infiltration India has begun constructing a barbed wire fence along the LOC; in July 2004 this was termed a "violation of bilateral and international agreements between India and Pakistan" by Pakistani Foreign Ministry spokesman, Masood Khan.²¹

Furthermore, both states have significantly increased their defence spending, India at an average annual rate of 4.9 percent between 1994–2003.²² India's defence budget rose from \$16.6bn in 2003 to \$19.1bn in 2004,²³ with this increase being used to enhance India's ability to become a regional power with force-projection capabilities, particularly in the construction of a blue-water navy.²⁴ To achieve this India has taken on a number of big procurement projects, such as the acquisitions of 126 Mirage jets from France and the Russian aircraft carrier the Admiral Gorshkov.²⁵ Meanwhile, Pakistan has increased its own defence budget \$2.8bn in 2003 to \$3.3bn in 2004.²⁶ This increase was deemed necessary by the Pakistani Government to modernize Pakistani armed forces and to pay for continuing operations along the Afghanistan-Pakistan border as part of the US-led 'war on terrorism'.²⁷

14 FCO, Country Profiles – Pakistan, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394365&a=KcountryProfile&aid=1019041564003>.

15 Armed Conflict Database (IISS), http://acd.iiss.org/armedconflict/mainPages/dsp_AnnualUpdate.asp?ConflictID=170.

16 Ibid.

17 Ibid.

18 'Annual Fatalities in Terrorist Violence 1998–2004', South Asia Terrorism Portal, http://www.satp.org/satporgtp/countries/india/states/jandk/data_sheets/annual_casualties.htm.

19 Op cit, Armed Conflict Database.

20 Ibid.

21 'India defence plans alarm rival', BBC News, 12 July 2004, http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/south_asia/3887985.stm.

22 SIPRI, *SIPRI Yearbook 2004*, p. 333.

23 IISS, *The Military Balance, 2004–2005*.

24 Op cit, *SIPRI Yearbook 2004*.

25 'India's ever-increasing defence budget', BBC News, 8 July 2004, http://news.bbc.co.uk/1/hi/world/south_asia/3876401.stm.

26 Op cit, *The Military Balance 2004–2005*, p. 313.

27 'Defense costs hurt Pakistani shares', CNN.com, 14 June 2004, <http://edition.cnn.com/2004/WORLD/asiapcf/06/14/pakistan.budget/>.

Despite diplomatic progress, both sides continue to view each other with suspicion. For example, the Indian Ministry of Defence has stated that “the single greatest threat to peace and stability in the region is posed by the combination of terrorism nurtured in and by Pakistan for its strategic objectives, and the ingrained adventurism of the Pakistani military motivated by its obsessive and compulsive hostility towards India”.²⁸ Furthermore, as recently as May 2002, following an attack on the Indian Parliament in December 2001 which India blamed on insurgents crossing from Pakistani Kashmir, the two states mobilised their armies, with up to 700,000 Indian military and para military forces and up to 400,000 Pakistani troops being deployed along the Indo-Pakistani border.²⁹ The desire for each state to have nuclear weapons that are deliverable by ballistic missile has, moreover, spawned a missile race, which has led to both India and Pakistan acquiring a number of long-range missiles, such as the Indian Agni II, with a range of 2000km, and the Pakistani equivalent the Ghauri II.³⁰ During 2004 both states, India in July, with the Agni-1 Series 5³¹ and Pakistan in October with the Hatf-v Ghauri,³² successfully tested missiles which have a nuclear-warhead capability. It has also been reported that India could develop neutron and hydrogen bombs.³³

Arms export licences to India	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	86.5	35.5	18.0
Number of SIELs granted (refused/revoked)	953 (78)	223 (21)	220 (7)
Number of OIELs granted (refused/revoked) with regard to India	82 (0)	13 (0)	26 (1)
Number of incorporation SIELs granted (refused/revoked)	9 (0)	1 (0)	1 (0)
Number of SITCLs granted with India as destination	n/a	n/a	0
Number of OITCLs granted with India as destination	n/a	n/a	2

Arms export licences to Pakistan	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	29.5	6.5	3.0
Number of SIELs granted (refused/revoked)	240 (14)	32 (3)	42 (3)
Number of OIELs granted (refused/revoked) with regard to Pakistan	19 (0)	2 (0)	5 (0)
Number of incorporation SIELs granted (refused/revoked)	2 (1)	0 (0)	0 (0)
Number of SITCLs granted with Pakistan as destination	n/a	n/a	0
Number of OITCLs granted with Pakistan as destination	n/a	n/a	0

The continuing dispute between India and Pakistan over Kashmir, together with the concerted military build-up on both sides and the potential for nuclear-armed conflict, make South Asia one of the most volatile and unstable regions in the world. Accordingly, under criterion 4, Saferworld would expect there to be a presumption of denial over the export of military and dual-use goods to either India or Pakistan that could contribute to large-scale offensive operations. In particular such a presumption would apply where there is destabilising accumulation of equipment, or where sensitive technologies could provide additional strategic capabilities, enhance force projection or introduce new technologies into the region.

Without information on quantities of goods licensed for export or more information on the nature of the equipment or their end-use, it is difficult for the outside observer to make a fully informed and accurate assessment of licences granted to India and Pakistan. From the information that is available, however, there are a significant number of licences of potential concern.

²⁸ 'Security Environment an Overview – The Regional Picture', *Indian Ministry of Defence*, <http://mod.nic.in/aforges/welcome.html>.

²⁹ '2002 – Kashmir Crisis', *GlobalSecurity.org*, <http://www.globalsecurity.org/military/world/war/kashmir-2002.htm>.

³⁰ 'South Asia's high nuclear stakes', *BBC News*, 7 May 2003, http://news.bbc.co.uk/2/hi/south_asia/1732430.stm.

³¹ Op cit, Armed Conflict Database.

³² Op cit, http://news.bbc.co.uk/2/hi/south_asia/1732430.stm.

³³ Ibid.

Licences of greatest concern under criterion 4

For India:

SIELs 2003: components for airborne electronic warfare equipment, component for aircraft cannons, components for anti-armour ammunition, components for anti-ship missiles, components for bombs, components for combat aircraft, components for combat helicopters, components for electronic warfare equipment, components for military aero-engines, components for munitions launching equipment, components for naval electronic warfare equipment, components for naval light guns, components for optical target acquisition equipment, components for rifles, components for shotguns, components for tanks, components for torpedoes, components for unmanned air vehicles, components for weapon sights, components for ballistic test equipment, equipment for the use of ballistic test equipment, equipment for the use of naval light guns, forgings for military aero-engines, production equipment for combat aircraft, production equipment for military aero-engines, small arms ammunition, software for the use of ballistic test equipment, target acquisition equipment, technology for the development of military aero-engines, technology for the production of military aero-engines, technology for the use of ballistic test equipment, technology for the use of naval light guns, test equipment for combat aircraft, test equipment for electronic warfare equipment, test equipment for military aero-engines, unfinished products for military aero-engines, unfinished products for torpedoes

OIELS 2003: components for combat aircraft, components for combat helicopters, components for tanks, technology for the use of components for combat aircraft, technology for the use of components for combat helicopters, technology for the use of components for tanks, equipment for the use of combat aircraft, equipment for the use of combat helicopters, technology for the use of combat aircraft, technology for the use of combat helicopters, components for military aero-engines, production equipment for combat aircraft, airborne electronic warfare equipment, technology for the use of components for combat aircraft, technology for the use of components for combat helicopters, components for military aero-engines, production equipment for combat aircraft, production technology for combat aircraft, technology for the production of combat aircraft, technology for the use of combat aircraft, airborne electronic warfare equipment, components for airborne electronic warfare equipment, airborne targeting equipment, components for airborne targeting equipment, technology for the development/production of combat aircraft, bombing computers, weapon control systems, optical target designator equipment, optical target acquisition equipment, military infrared/thermal imaging equipment, technology for the development of combat aircraft, technology for the production of combat aircraft, technology for the use of combat aircraft, software for the development of weapon systems, software for the development of weapon system software, equipment for the use of components for combat aircraft, equipment for the use of components for combat helicopters, technology for the use of components for combat helicopters, components for submarines, components for aircraft carriers, technology for the use of components for aircraft carriers, components for armoured fighting vehicles, components for armoured personnel carriers, components for munitions launching vehicles, components for tank destroyers, components for naval engines, equipment for the use of combat aircraft, equipment for the use of combat helicopters, components for military aero-engines, equipment for the use of military aero-engines, technology for the use of military aero-engines, weapon control systems, weapon day and night sights, military aero-engines, military image intensifier equipment, night vision goggles, missile launching equipment, munitions launching equipment, castings for combat aircraft, forgings for combat aircraft, unfinished products for combat aircraft, production equipment for combat aircraft, software for the use of combat aircraft, components for aircraft cannons, software for the use of aircraft cannons, software for the use of equipment for the use of combat aircraft, technology for the use of aircraft cannons,

technology for the use of equipment for the use of aircraft cannons, equipment for the use of aircraft cannons

SIELs January–March 2004: components for airborne electronic warfare equipment, components for aircraft cannons, components for combat aircraft (40 licences), components for combat helicopters (3 licences), components for electronic warfare equipment (3 licences), components for military aero-engines (16 licences), components for munitions launching equipment, components for naval electronic warfare equipment (2 licences), components for naval light guns, components for weapon aiming devices, forgings for military aero-engines, technology for the use of combat aircraft (2 licences), unfinished products for torpedoes

OIELs January–March 2004: castings for components for combat aircraft, components for combat aircraft, technology for the production of components for combat aircraft, technology for the use of components for combat aircraft, components for combat helicopters, equipment for the use of military aero-engines, military aero engines, components for military aero-engines, technology for the use of military aero-engines

SIELs April–June 2004: components for aircraft cannons, components for armoured fighting vehicles, components for combat aircraft (31 licences), components for combat helicopters (2 licences), components for military aero-engines (8 licences), component for military infrared/thermal imaging equipment, components for naval engines, components for small calibre artillery, components for sniper rifles, components for tanks, production equipment for combat helicopters, production equipment for military aero-engines (2 licences), technology for the production of armoured fighting vehicles, technology for the use of armoured fighting vehicles, technology for the use of military aero-engines, weapon sights

OIELs April–June 2004: components for combat aircraft, technology for the development of components for combat aircraft, technology for the production of components for combat aircraft, technology for the use of components for combat aircraft, components for military aero-engines, armoured all wheel drive vehicles, components for aiming devices, equipment for the use of aiming devices, software for the use of aiming devices, technology for the use of aiming devices, components for optical target designator equipment, equipment for the use of optical target designator equipment, software for the use of optical target designator equipment, equipment for the use of combat aircraft, software for the use of combat aircraft, technology for the use of combat aircraft, components for combat helicopters, equipment for the use of combat helicopters, technology for the use of components for combat helicopters, equipment for the use of components for combat aircraft, equipment for the use of components for combat helicopters, military aero-engines, equipment for the use of military aero-engines, equipment for the use of components for military aero-engines, technology for the use of military aero-engines, technology for the use of components for military aero-engines, equipment for the use of combat helicopter, technology for the use of equipment for the use of combat helicopter

For Pakistan

SIELs 2003: components for air to air missiles, components for combat aircraft, components for combat helicopters, components for destroyers, components for electronic warfare equipment, components for large calibre artillery, components for military aero-engines, components for military combat aircraft, components for military combat helicopters, components for naval engines, components for naval light guns, components for submarines, components for torpedo launching equipment, components for unmanned air vehicles, components for unmanned air vehicles control/handling/launching equipment, electronic warfare equipment, equipment for the use of electronic warfare equipment, equipment for the use of military aero-engines, naval engines, technology for the use of electronic warfare equipment, technology for the use of naval mines, technology for the use of unmanned air vehicles, technology for

the use of unmanned air vehicles control/handling/launching equipment, unmanned air vehicle control/handling/launching equipment, unmanned air vehicles

OIELs 2003: components for military aero-engines, components for combat aircraft, components for combat helicopters, castings for combat helicopters, forgings for combat helicopters, unfinished products for combat helicopters, equipment for the use of combat helicopters, technology for the use of combat helicopters, technology for the use of equipment for combat helicopters, castings for military aero-engines, forgings for military aero-engines, military aero-engines, unfinished products for military aero-engines, technology for the production of military aero-engines, technology for the use of military aero-engines, components for airborne electronic warfare equipment, components for airborne targeting equipment, components for naval lights guns, components for torpedo launching equipment, equipment for the use of combat helicopters, production equipment for combat helicopters, production equipment for military aero-engines, technology for the use of combat helicopters

SIELs January–March 2004: components for combat aircraft (2 licences), components for combat helicopters, components for military aero-engines, technology for the use of munition fuses

OIELs January–March 2004: components for naval engines

SIELs April–June 2004: components for armoured personnel carriers (2 licences), components for combat helicopters (2 licences), components for large calibre artillery, components for military aero-engines, components for torpedoes launching equipment, technology for the use of combat aircraft, torpedo launching equipment

OIELs April–June 2004: armoured all wheel drive vehicles, military aero-engines, components for military aero-engines, equipment for the use of military aero-engines, equipment for the use of components for military aero-engines, technology for the use of military aero-engines, technology for the use of components for military aero-engines

The Middle East

The Middle East has long been one of the most unstable regions in the world. It is home to a significant number of non-democratic regimes built upon authoritarian rule and/or maintaining their grip on power through the careful disbursement of oil revenues.

The region has been the site of several interstate wars over recent decades, eg the Six Day War of 1967, the Yom Kippur War of 1973, the Iran-Iraq War of 1980–1988 and the two Gulf Wars (of 1991 and 2003). In addition, the Israeli-Palestinian conflict over the Occupied Territories has been ongoing throughout this period. While problematic in its own right, this conflict has also functioned as a destabilising influence across the region. Furthermore, the Middle East is prone to interference from the major powers on the basis of securing continuing access to the region's oil reserves.

In the context of criterion 4, 2003 and 2004, countries of particular concern in the region were Iran, Iraq, Israel and the Occupied Territories and Syria.

Iran

The US has accused Iran of supporting the ongoing Iraqi insurgency,³⁴ and along with Israel has accused Iran of supporting the ‘terrorist’ organisation, Hezbollah,³⁵ and of trying to develop nuclear weapons.³⁶ Iran’s alleged nuclear weapon development programme is perhaps the most pressing issue and the one which for the moment would seem most likely to lead to conflict. The EU has approached this problem differently from the US and Israel, and since October 2003 has favoured a process of ‘constructive engagement’ which has involved the UK, Germany and France negotiating directly with Iran to try and persuade Iran not to enrich the uranium necessary for it to produce nuclear weapons.³⁷

In October 2004 Iran announced that it had developed a missile capable of travelling up to 2,000 km³⁸, while the US Secretary of State Colin Powell recently alleged that Iran was near to fitting a nuclear warhead on a long-range missile.³⁹ The prospect of Iran thus being able to launch a nuclear missile at Israel introduces a further complication into the equation, one that is likely to cause great concern not only in Tel Aviv but also in Washington. Israel has already warned that it would pre-emptively attack Iranian nuclear facilities if Iran goes ahead and tries to develop nuclear weapons, and a precedent already exists for such action with the destruction, by Israel, of Iraq’s Osirak reactor in 1981.⁴⁰

In response to these perceived threats, the deputy chief of Iran’s Revolutionary Guard reportedly stating that “if Israel fires a missile into the Bushehr nuclear power plant, it will have to say goodbye forever to its Dimona nuclear facility”.⁴¹

Arms export licences to Iran

	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	545	1.5	1.5
Number of SIELs granted (refused/revoked)	170 (26)	24 (9)	30 (8)
Number of OIELs granted (refused/revoked) with regard to Iran	3 (0)	2 (0)	1 (0)
Number of incorporation SIELs granted (refused/revoked)	0 (0)	0 (0)	0 (0)
Number of SITCLs granted with Iran as destination	n/a	n/a	0
Number of OITCLs granted with Iran as destination	n/a	n/a	0

In the context of this dangerous and heavily armed region, the potential for the nuclear issue to spiral out of control, and Iran’s complicated relationship with Iraq, Saferworld would expect that, under criterion 4, there should be a presumption of denial over the export to Iran of military and dual-use goods that could contribute to large-scale offensive operations. In particular such a presumption would apply where there is a risk of destabilising accumulations of equipment, or where sensitive technologies could provide additional strategic capabilities, enhance force projection or introduce new technologies into the region.

Without information on quantities of goods licensed for export or more information on the nature of the equipment or their end-use, it is difficult for the outside observer to make a fully informed and accurate assessment of licences granted to Iran. From the information that is available, however, there are a number of licences of potential concern.

34 ‘Powell says Iran aids Iraqi rebels’, *International Herald Tribune*, 18 September 2004, <http://www.iht.com/articles/539500.html>.

35 ‘Analysis: Iran and the ‘axis of evil’’, *BBC News*, 11 February 2002, http://news.bbc.co.uk/1/hi/world/middle_east/1814659.stm.

36 ‘Q&A: Iran’s nuclear programme’, Simon Jeffery, *The Guardian*, 22 November 2004 <http://www.guardian.co.uk/iran/story/0,,1357004,00.html>.

37 ‘Iran’s nuclear programme’, *IJSS Strategic Comments*, 9 November 2004, <http://www.ijss.org/showfreepdfs.php?scID=399&type=ijss.pdf>.

38 ‘Iran reveals missile with 2’000km range’, *ISN*, 5 October 2004, <http://www.isn.ethz.ch/news/sw/details.cfm?ID=9852>.

39 *Ibid.*

40 ‘Iran prepares for US, Israeli strikes on nuclear facilities’, *ISN*, 24 August 2004 <http://www.isn.ethz.ch/news/sw/details.cfm?ID=9507>.

41 ‘Tehran threatens tit-for-tat if Israel attacks Bushehr’, *CDI*, 19 August 2004, <http://www.cdi.org/news/law/iran-preemptive-isn.cfm>.

Licences of greatest concern under criterion 4

SIELs 2003: components for marine vessels, lightweight aircraft

SIELs January–March 2004: components for marine engines, electronic components

OIELs January–March 2004: components for military aero-engines

Iraq

The war in Iraq was seen by many in the current US administration as the first step in what would be the democratisation of the Middle East, with Iraq as the beacon state which would create a domino effect of democratisation in the region. However the insurgency within Iraq and fighting between US-led forces and Iraqi domestic and foreign insurgents has grown in both size and intensity since the proclamation by President Bush on 1 May 2003 that major combat operations in Iraq had ended. This leaves the future of Iraq, despite the national elections that are due to take place at the end of January 2005, very unclear.

The fate of Iraq appears very much linked to the reaction of its neighbours, with growing US criticism of both Iran and Syria particularly for what it believes is their support for the insurgency. US Defence Secretary Donald Rumsfeld stated in February 2004 that, “Syria and Iran have not been helpful to the people of Iraq” and that “indeed they have been unhelpful”.⁴² In September 2004 US Secretary of State Colin Powell also expressed his concerns that Syria was supporting Sunni insurgents while Iran supported Shiite insurgents.⁴³ With Iran being one of the original states named in the “axis of evil” and Syria, with Cuba and Libya,⁴⁴ being subsequently added to the list, either Iran or Syria could be the next state to face US military action.

The ongoing conflict within Iraq has resulted in the deaths of over a thousand US military personnel⁴⁵, with estimates of Iraqi casualties ranging from 10,000⁴⁶ to 100,000.⁴⁷ Day-to-day insecurity remains a large problem with attacks by insurgents causing large numbers of casualties. For example, in August 2003, the Jordanian embassy and the UN’s headquarters in Iraq were attacked, leaving a total of 28 people dead and injuring more than a hundred; a car bomb in Najaf in the same month killed a Shia leader, claimed 94 lives and left at least 200 others injured;⁴⁸ in March 2004, explosions in Baghdad and Karbala killed over 140 Shia and injured as many as 400 others, leading to fears of ethnic conflict between Iraqi Sunnis and Shias. Responses to these attacks by US-led forces also resulted in large numbers of deaths with clashes around Fallujah between US forces and insurgents and between US forces and the followers of Moqtada Sadr in March and April 2004 believed to have claimed the lives of up to 800 people.⁴⁹

There has also been a growing number of kidnappings of foreign workers by criminal gangs and insurgents. It was reported that at least 40 civilians were taken hostage between the end of March and mid-April 2004 alone, of those taken at least one, an Italian security guard, was killed.⁵⁰ This violence has meant that reconstruction of Iraq remains painfully slow. In September 2004 it was revealed that of the \$18.4bn the US Congress had approved for reconstruction only \$1.1bn had been spent and of the \$13bn pledged by other countries for Iraq’s reconstruction, only \$1.2bn had been spent.

⁴² ‘Syria and Iran warned over Iraq’, *BBC News*, 23 February 2004, http://news.bbc.co.uk/1/hi/world/middle_east/3515525.stm.

⁴³ ‘Powell says Iran aids Iraqi rebels’, *International Herald Tribune*, 18 September 2004, <http://www.iht.com/articles/539500.html>.

⁴⁴ ‘US expands ‘axis of evil’’, *BBC News*, 6 May 2002, <http://news.bbc.co.uk/1/hi/world/americas/1971852.stm>.

⁴⁵ ‘US deaths by Months’, *Iraq Coalition Casualty Count*, <http://casualties.org/oif/USChart.aspx>.

⁴⁶ Armed Conflict Database (IISS), http://acd.iiss.org/armedconflict/MainPages/dsp_ConflictSummary.asp?ConflictID=193.

⁴⁷ ‘100,000 Iraqi civilian dead, says study’, Sarah Boseley, *The Guardian*, 29 October 2004, <http://www.guardian.co.uk/Iraq/Story/0,2763,1338749,00.html>.

⁴⁸ Op cit, Armed Conflict Database.

⁴⁹ Ibid.

⁵⁰ ‘Kidnappings in Iraq’, Mark Oliver, *The Guardian*, 16 April 2004, <http://www.guardian.co.uk/Iraq/Story/0,2763,1191022,00.html>.

This situation was described by the Republican Senator, Chuck Hagel, who sits on the Senate Foreign Relations Committee, as “beyond pitiful and embarrassing; it is now in the zone of dangerous”.⁵¹

Arms export licences to Iraq	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	2.0	7.0	25.0
Number of SIELs granted (refused/revoked)	24 (0)	11 (1)	26 (0)
Number of OIELs granted (refused/revoked) with regard to Iraq	1 (0)	0 (0)	3 (0)
Number of incorporation SIELs granted (refused/revoked)	1 (0)	0 (0)	4 (0)
Number of SITCLs granted with Iraq as destination	n/a	n/a	2
Number of OITCLs granted with Iraq as destination	n/a	n/a	0

Military equipment gifted by the Government during financial year 2003/04

3,200 hand held and 300 vehicle radios	£1m
13 GAZ trucks	£159,000

When considering whether to authorise defence exports to Iraq, there are a number of unique factors to be taken into account. While there is a need to rebuild the Iraqi security apparatus and to ensure that it is appropriately resourced, the unreliability and lack of training of the current security personnel, the very real risk that the security situation could spiral completely out of control, and the potential for neighbouring states to be sucked into the chaos that could potentially ensue, would counsel extreme caution in this area. Saferworld would certainly expect that, under criterion 4, there should be a presumption of denial over the export to Iraq of military and dual-use goods that could contribute to large-scale offensive operations. In particular such a presumption would apply where there is a risk of destabilising accumulations of equipment, or where sensitive technologies could provide additional strategic capabilities, enhance force projection or introduce new technologies into the region. However, given the current circumstances in Iraq, there is also a need to ensure strict end-use controls over any small arms and light weapons (SALW) exported under a UK licence. Licences should not be granted for SALW unless the Government has complete confidence that the equipment in question is for an appropriate use by an authorised, secure and fully-trained end-user.

With these concerns in mind, there are a number of licences issued where it is difficult, without more information on end-use and the designated end-users, for the outside observer to make a fully informed and accurate assessment. From the information that is available, however, there are a number of licences of potential concern.

Licences of greatest concern under criterion 4

SIELs 2003: components for semi-automatic pistols, components for submachine guns, equipment for the use of semi-automatic pistols, equipment for the use of sub-machine guns, semi-automatic pistol maintenance equipment, semi-automatic pistols (235), small arms ammunition, smoke hand grenades, submachine gun maintenance equipment, submachine guns (135), technology for the use of semi-automatic pistols

SIELs January–March 2004: assault rifles (100), components for semi-automatic pistols (2 licences), general purpose machine guns (100), semi-automatic pistols (550), small arms ammunition (2 licences), armoured all wheel drive vehicles

SIELs April–June 2004: armoured all wheel drive vehicles (3 licences), assault rifles (500), components for assault rifles, components for semi-automatic pistols (2 licences), military infrared/thermal imaging equipment, semi-automatic pistols (21428), small arms ammunition (2 licences), submachine guns (100), technology for the use of semi-automatic pistols

⁵¹ ‘Senators slam administration on Iraq’, *USA Today*, 15 September 2004, http://www.usatoday.com/news/washington/2004-09-15-sens-iraq_x.htm.

Israel-Palestine (and Israeli relations with Egypt and Jordan)

Within Israel and the Occupied Territories the cycle of violence following the beginning of the second *Intifada* in 2000 is ongoing, despite the publication of a UN-US-EU-Russian-sponsored “Road Map” in March 2003. The violence continues to cause tensions between Israel and its neighbours, with Israel claiming that Syria and Iran are supporting what it considers to be terrorist organisations, such as Hezbollah and Hamas, operating from Lebanon and the Occupied Territories respectively. The construction of a ‘security fence’, which Israel has argued is necessary for its own security, was declared illegal by the International Court of Justice in July 2004,⁵² and is considered by Palestinians to be a “land grab”⁵³ (see criterion 6 for more detail).

During 2003 the Israeli-Palestinian conflict was reported to have been responsible for 600 Palestinian deaths, including 100 children, and 200 Israeli civilian deaths of which 21 were children; 70 Israeli soldiers were also killed.⁵⁴ From March to June 2004 the *Intifada* claimed a further 450 lives, while it was reported that in the three and a half years up to May 2004 that Israeli security forces destroyed more than 3,000 Palestinian homes along with hundreds of public and private buildings and properties, and large areas of agricultural land.⁵⁵ In response to Israel’s actions in the Occupied Territories, Egypt, which has been at peace with Israel since 1979, withdrew its ambassador from Israel and sought to lead Arab opposition to Israel’s actions.⁵⁶ Israel’s activities in the Occupied Territories and what Israel claims is a “vicious anti-Israeli attitude” in the Egyptian media has led to a situation where relations between the two countries have become “positively icy”.⁵⁷

Jordan, with whom Israel signed a peace treaty in 1994, has particular concerns given that more than half its population is of Palestinian origin, and with the building of the ‘security fence’ and Israeli military incursions into the West Bank, fears another exodus of Palestinian refugees into Jordan.⁵⁸ Jordan has claimed that Israel has used “excessive force” in attempting to tackle the *Intifada*⁵⁹, which has led to a souring of relations between the two states. A recent Israeli proposal to hold a joint ceremony to celebrate the 10th anniversary of the signing of the peace treaty between the two was rejected by Jordan, with the then Jordanian Foreign Minister, Marwan Muasher, stating that Jordan was not “in the mood for ceremonies because of what’s happening to the Palestinians”.⁶⁰

The Israeli security forces’ policy of targeted assassinations resulted in 97 deaths and 500 persons injured in 2003.⁶¹ Two of the most high profile assassinations occurred in 2004 when Israel assassinated two Hamas leaders, Sheikh Ahmed Ismail Yassin in March and Abdel Aziz Rantissi in April.⁶² Palestinian militants responded using suicide bombings, which between 12 August and 4 October 2003 alone killed 56 Israeli civilians and injured 200.⁶³

52 ‘UN told to act on Israeli barrier’, *BBC News*, 10 July 2004, http://news.bbc.co.uk/1/hi/world/middle_east/3883267.stm.

53 *Ibid.*

54 ‘World Report 2004 – Israel and the Occupied Territories’, Amnesty International, <http://web.amnesty.org/web/web.nsf/print/2004-isr-summary-eng>.

55 ‘Israel and the Occupied Territories Under the rubble: House demolition and destruction of land and property’, *Amnesty International*, <http://web.amnesty.org/library/Index/ENGMD150332004>.

56 ‘Cold peace over Sinai’s borders’, *BBC News*, 8 October 2004, http://news.bbc.co.uk/1/hi/world/middle_east/3726502.stm.

57 *Ibid.*

58 ‘Jordan and Israel’s difficult peace’, *BBC News*, 26 October 2004, http://news.bbc.co.uk/1/hi/world/middle_east/3953617.stm.

59 *Ibid.*

60 *Ibid.*

61 *Ibid.*

62 Armed Conflict Database (IISS), http://acd.iiss.org/armedconflict/mainPages/dsp_ConflictSummary.asp?ConflictID=165.

63 *Ibid.*

Arms export licences to Israel	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	9.0	2.0	1.0
Number of SIELs granted (refused/revoked)	136 (25)	25 (7)	21 (3)
Number of OIELs granted (refused/revoked) with regard to Israel	12 (0)	5 (0)	11 (0)
Number of incorporation SIELs granted (refused/revoked)	44 (1)	4 (0)	13 (0)
Number of SITCLs granted with Israel as destination	n/a	n/a	0
Number of OITCLs granted with Israel as destination	n/a	n/a	0

Arms export licences to Egypt	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	9.5	4.0	250,000
Number of SIELs granted (refused/revoked)	49 (0)	13 (0)	14 (0)
Number of OIELs granted (refused/revoked) with regard to Egypt	67 (0)	7 (0)	18 (0)
Number of incorporation SIELs granted (refused/revoked)	0 (0)	0 (0)	0 (0)
Number of SITCLs granted with Egypt as destination	n/a	n/a	0
Number of OITCLs granted with Egypt as destination	n/a	n/a	1

Arms export licences to Jordan	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	25.0	1.0	5.0
Number of SIELs granted (refused/revoked)	46 (0)	14 (0)	23 (1)
Number of OIELs granted (refused/revoked) with regard to Jordan	23 (0)	1 (1)	11 (0)
Number of incorporation SIELs granted (refused/revoked)	1 (0)	0 (0)	0 (0)
Number of SITCLs granted with Jordan as destination	n/a	n/a	2
Number of OITCLs granted with Jordan as destination	n/a	n/a	0

Government to Government transfers of equipment between 1 January and 31 December 2003

Challenger main battle tanks	94
Challenger driver training tanks	2
Scammell Commander tank transporters	59

In the context of this dangerous and heavily armed region, the situation in the Occupied Territories and the parlous state of Israel's relations with many of its neighbours, Saferworld would expect that, under criterion 4, there should be a presumption of denial over the export to Israel of military and dual-use goods that could be used aggressively in the Occupied Territories or contribute to large-scale offensive operations. Given the two-way nature of their relationships, this presumption of denial in connection with exports of use in large-scale offensive operations should also cover Egypt and Jordan. In particular such presumptions would apply where there is a risk of destabilising accumulations of equipment, or where sensitive technologies could provide additional strategic capabilities, enhance force projection or introduce new technologies into the region.

Without information on quantities of goods licensed for export or more information on the nature of the equipment or their end-use, it is difficult for the outside observer to make a fully informed and accurate assessment of licences granted to Israel, Egypt or Jordan. From the information that is available, however, there are a number of licences of potential concern.

Licences of greatest concern under criterion 4

For Israel:

SIELs 2003: components for aiming devices, components for airborne electronic warfare equipment, components for anti-armour missiles, components for anti-radiation missiles, components for combat aircraft, components for electronic warfare equipment, components for military aero-engines, components for military aircraft head-up displays, components for military infrared/thermal imaging equipment, components for optical target surveillance equipment, components for small arms ammunition, components for small calibre artillery, components for tanks, components for unmanned air vehicles, software for the use of unmanned air vehicles, technology for the development of unmanned air vehicle control/handling/launching equipment, technology for the development of unmanned air vehicles, technology for the use of unmanned air vehicle control/handling/launching equipment, technology for the use of unmanned air vehicles, test equipment for unmanned air vehicle control equipment, unfinished products for air to surface missiles, unmanned air vehicle control/handling/launching equipment, unmanned air vehicles, weapon day and night sights

SIELs January–March 2004: components for bombs, components for laser range finders, military aero-engines, production equipment for optical target tracking equipment, small arms ammunition, technology for the use of laser range finders, weapon control systems

OIELs January–March 2004: components for electronic warfare equipment, components for airborne electronic warfare equipment, components for armoured fighting vehicles, components for surface to surface missile launching vehicles

SIELs April–June 2004: armoured all wheel drive vehicles, components for airborne electronic warfare equipment, components for anti-armour missiles, components for military infrared/thermal imaging equipment, components for unmanned air vehicles (2 licences), components for weapon day and night sights

OIELs January–March 2004: armoured all wheel drive vehicles, components for airborne electronic warfare equipment, components for electronic warfare equipment

For Egypt:

SIELs 2003: castings for weapon night sights, components for anti-ship missiles, components for combat aircraft, component for military aero-engines, components for military infrared/thermal imaging equipment, components for naval engines, components for surface to surface missile, components for unmanned air vehicle launching equipment, components for unmanned air vehicles, forgings for armoured fighting vehicles, forgings for large calibre artillery ammunition, military aero-engines, unfinished products for large calibre artillery ammunition, unmanned air vehicle control equipment, unmanned air vehicle launching equipment

OIELs 2003: weapon sights, unmanned air vehicles, components for unmanned air vehicles, unmanned air vehicle control/handling/launching equipment, components for combat aircraft, components for combat helicopters, components for military aero-engines, technology for the use of components for combat aircraft, technology for the use of components for combat helicopters, technology for the use of components for military aero-engines, components for naval electronic warfare equipment, software for the use of naval electronic warfare equipment, armoured all wheel drive vehicles, technology for the use of armoured all wheel drive vehicles, components for tanks, equipment for the use of tanks, technology for the use of tanks, torpedoes, components for torpedoes, equipment for the use of torpedoes, software for the use of torpedoes, technology for the use of torpedoes, components for weapon control systems, software for the use of weapon control systems, technology for the use of weapon control systems, equipment for the use of weapon control systems

SIELS January–March 2004: castings for weapon night sights, forgings for armoured fighting vehicles

OIELs January–March 2004: electronic warfare equipment, components for electronic warfare equipment, software for the use of electronic warfare equipment, technology for the use of electronic warfare equipment, equipment for the use of electronic warfare equipment

SIELS April–June 2004: castings for armoured fighting vehicles, castings for weapon night sights, components for naval engines, components for projectile launchers, components for unmanned air vehicles, military aero-engines, naval engines, technology for the use of armoured fighting vehicles

OIELs April–June 2004: optical target acquisition equipment, components for armoured fighting vehicle, military aero-engines, components for military aero-engines, equipment for the use of military aero-engines, equipment for the use of components for military aero-engines, technology for the use of military aero-engines, technology for the use of components for military aero-engines, armoured all wheel drive vehicles, components for tanks, equipment for the use of components for tanks, technology for the use of components for tanks

For Jordan:

SIELs 2003: armoured all wheel drive vehicles, components for armoured personnel carriers, components for combat aircraft, components for combat helicopters, components for general purpose machine guns, components for grenade launchers, components for semi-automatic pistols, components for tanks, equipment for the use of tanks, large calibre artillery ammunition, tanks, technology for the use of semi-automatic pistols

OIELs 2003: components for tanks, equipment for the use of tanks, components for combat aircraft, components for combat helicopters

SIELs January–March 2004: components for combat aircraft, components for military infrared/thermal imaging equipment, components for tanks (2 licences), tanks, technology for the development of tanks

SIELs April–June 2004: armoured all wheel drive vehicles, assault rifles (470), components for assault rifles (4 licences), components for combat aircraft (3 licences), components for grenade launchers (2 licences), components for semi-automatic pistols, components for submachine guns, components for tanks (5 licences), equipment for the use of grenade launchers (2 licences), equipment for the use of submachine guns, equipment for the use of weapon sights (2 licences), grenade launchers (4 licences), grenade launchers maintenance equipment, gun silencers (3 licences), large calibre artillery ammunition, small arms ammunition (2 licences), technology for the use of assault rifles (3 licences), technology for the use of grenade launchers (2 licences), technology for the use of submachine guns, technology for the use of grenade launchers, weapon sights (5 licences)

OIELs April–June 2004: equipment for the use of munitions launching equipment, equipment for the use of anti-armour missile launching equipment, armoured all wheel drive vehicles, components for aiming devices, equipment for the use of aiming devices, software for the use of aiming devices, technology for the use of aiming devices, military aero-engines, components for military aero-engines, equipment for the use of military aero-engines, equipment for the use of components for military aero-engines, technology for the use of military aero-engines, technology for the use of components for military aero-engines

Syria

Syria, having been named on the US administration's extended list of states forming the 'axis of evil', has faced hostility from both Israel and the US for its alleged support of 'terrorists' operating from both the Lebanon and the Occupied Territories, its alleged programme to develop weapons of mass destruction (WMD), and in its reported support for the insurgency in Iraq. In May 2004 the US imposed economic sanctions on Syria, with President Bush stating that this country posed an "unusual and extraordinary threat to the national security, foreign policy and economy of the US".⁶⁴ The reasons given by the US for the imposition of sanctions were numerous, with the US administration accusing Syria of harbouring Palestinian militants, supporting Hezbollah, maintaining a military force in the Lebanon, possessing an advanced chemical weapons capability and failing to stop foreign insurgents entering Iraq.⁶⁵

Syria, for its part, has denied providing anything other than political support for Hezbollah in the Lebanon or Hamas in the Occupied Territories. Syria does not regard either as a 'terrorist' organisation. Despite Syria closing the offices of Hamas, the Popular Front for the Liberation of Palestine and Palestinian Islamic Jihad in May 2003,⁶⁶ Israeli jets attacked what Israel claimed was a Palestinian terrorist training camp in Syria in October 2003. This attack was in retaliation to a suicide bomb attack in the Israeli town of Haifa in which 19 people were killed.⁶⁷ In response to Israeli actions, Syria's President, Bashar al-Assad, accused Israel of trying to "terrorise Syria and drag it and the region into other wars".⁶⁸ A Syrian Foreign Ministry spokeswoman later warned that if Syria were attacked by Israel there would be retaliation, although the nature of that retaliation was not specified.⁶⁹ In January 2004, following the killing of an Israeli soldier by Hezbollah, Israel launched air raids against what it claimed were two Hezbollah bases within the Bekaa Valley in Lebanon. An Israeli Government spokesman stated that the air raids in the Lebanon should be "considered a warning to Hezbollah, which should understand it cannot continue its attacks with impunity, and to Syria, which supports it while talking of peace".⁷⁰

Israel and Syria also remain locked in dispute over the future of the Golan Heights following the breakdown of talks to establish their final status. In December 2003, the Israeli Agriculture Minister, Yisrael Katz, announced a \$60 million plan to build more homes for Israeli settlers on the Heights, with the aims of increasing the Israeli population there by 50 percent over the next three years.⁷¹ Syria reacted angrily, with a government minister calling on the international community to take a stand "about who wants peace and who doesn't".⁷²

Arms export licences to Syria	2003	Jan–Mar 2004	Apr–Jun 2004
Value of SIELs granted (£m)	0.5	0.25	<0.1
Number of SIELs granted (refused/revoked)	6 (0)	1 (1)	2 (0)
Number of incorporation SIELs granted (refused/revoked)	0 (0)	0 (0)	0 (0)
Number of OIELs granted (refused/revoked) with regard to Syria	4 (0)	0 (0)	3 (0)
Number of SITCLs granted with Syria as destination	n/a	n/a	0
Number of OITCLs granted with Syria as destination	n/a	n/a	0

In the context of this dangerous and heavily armed region, Syria's difficult relationship with Israel and with the US over Syria's role in Iraq, Saferworld would expect that,

⁶⁴ 'US slaps trade sanctions on Syria', *BBC News*, 11 May 2004, http://news.bbc.co.uk/2/hi/middle_east/3705783.stm.

⁶⁵ *Ibid.*

⁶⁶ Armed Conflict Database (IISS), http://acd.iiss.org/armedconflict/MainPages/dsp_ConflictSummary.asp?ConflictID=166.

⁶⁷ 'Israel accused of warmongering', *BBC News*, 7 October 2003, http://news.bbc.co.uk/1/hi/world/middle_east/3170280.stm.

⁶⁸ *Ibid.*

⁶⁹ 'Syria warns Israel of retaliation', *BBC News*, 11 October 2003, http://news.bbc.co.uk/1/hi/world/middle_east/3183788.stm.

⁷⁰ 'Israeli jets hit Lebanon targets', *BBC News*, 20 January 2004, http://news.bbc.co.uk/1/hi/world/middle_east/3414431.stm.

⁷¹ 'Israel announces Golan expansion', *BBC News*, 31 December 2003, http://news.bbc.co.uk/1/hi/world/middle_east/3358797.stm.

⁷² *Ibid.*

under criterion 4, there should be a presumption of denial over the export to Syria of military and dual-use goods that could contribute to large-scale offensive operations. In particular such a presumption would apply where there is a risk of destabilising accumulations of equipment, or where sensitive technologies could provide additional strategic capabilities, enhance force projection or introduce new technologies into the region.

Without information on quantities of goods licensed for export or more information on the nature of the equipment or their end-use, it is difficult for the outside observer to make a fully informed and accurate assessment of licences granted to Iran. From the information that is available, however, there are a number of licences of potential concern.

Licences of greatest concern under criterion 4

SIELs 2003: small arms ammunition, small calibre artillery ammunition

SIELs January–March 2004: armoured all wheel drive vehicles

OIELs April–June 2004: armoured all wheel drive vehicles