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UK policy towards conflict

MIDDLE EAST

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7 August 1990

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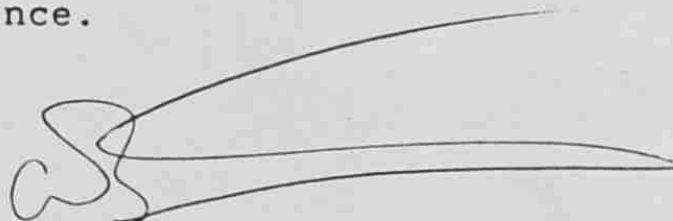
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IRAQ/KUWAIT: SALES AND LOGISTIC SUPPORT

Ref your MO 6/17/155 dated 6 August 1990.

Brief as requested in your reference.



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CONFIDENTIALOD - 8 AUGUST 1990IRAQ/KUWAIT - SALES AND LOGISTIC SUPPORTBRIEF FOR SECRETARY OF STATE

1. This brief provides information on current sales prospects to Middle East countries and requests from those countries for urgent supplies or logistic support in the light of the Iraqi invasion of Kuwait.

2. As soon as they became aware of the invasion, the DTI took action not to issue any export licences to Iraq or Kuwait. On 3 Aug they revoked all licences for military equipment. A review of dual civil/military was to have taken place, but the UN Embargo has rendered this unnecessary - all licences for both countries are now effectively revoked.

Iran

3. Sales of lethal equipment and any non-lethal equipment which would significantly enhance their capability in a conflict are banned by the existing Ministerial guidelines announced on 29 Oct 1985. In their current negotiations with IMS on pre-Revolution contracts, the Iranians have suggested the supply of new equipment, eg MBTs, as part of a settlement. The difficulty over this has been explained to them, but further requests could arise.

Saudi Arabia

4. At Annex is a background note on Project Al Yamamah, covering also the current Tornado delivery position, the Saudi Government attitude, and at Attachment a copy of the relevant paragraphs of the MOU on HMG obligations in time of tension. Secretary of State will note that the Saudis have not asked the UK to accelerate deliveries, or for additional equipment under the MOU.

5. The Saudi National Guard has, however, asked (through the DA) for supply from British Army stocks of 10,000 respirators and 20,000 NBC suits, plus "gloves etc" (which we understand to mean chemical agent monitors and associated equipment). This presents difficulty for the Army, who may need the stocks themselves - see separate brief of operational matters. Against this background, the DESO is discussing with Industry how they could meet the requirement.

6. BAe have received an enquiry from the Saudi Air Force for NBC kit for 1000 people. This is to include NBC prophylactic medicines, air filtration equipment etc. BAe are continuing to lead on this requirement.

7. The Saudi National Guard have indicated a possible requirement for Field Dressings and Shell Dressings (Minimum 1000

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of each). Commercial suppliers and MOD's Director Medicine have been advised of this possible order and asked to stand ready. The National Guard also called on the UK MOD SANGMED Project Team in Riyadh for advice on setting up 2 field medical units, which are now believed to be operational somewhere in the desert.

8. A UK company Passive Barriers Ltd have been approached by a Saudi company wishing to obtain equipment for physical protection equipment for airfields, border checkpoints and pipelines; also associated equipment and maps of border areas with Iraq and Yemen.

UAE

9. BAe have suggested that they could lease some Tornado aircraft and Rapier missile batteries to UAE. This could involve the need for direct RAF support. D Commitments staff have, however, made clear the difficulty of supplying such support. BAe also wish to include NBC kit in the package. This too will present difficulty because they would be calling on the same NBC suppliers as the DESO is to meet the Saudi request.

Other Middle East Countries

10. We are not aware of any other requests for urgent requirements from other ME countries.

Current Sales Prospects to Middle East Countries

11. Separate brief to follow.

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ANNEXPROJECT AL YAMAMAH (SAUDI ARMED FORCES PROJECT)BACKGROUND

Project Al Yamamah is the name given by the Saudis to the initial supply contract signed in 1985 with the UK for provision of Tornado (IDS and ADV), Hawk and PC-9 trainer aircraft plus associated weapons equipment and support. The scope of the Project has since been greatly enhanced by the signature in 1988 of a further Formal Understanding confirming Saudi interest in additional Tornados, Hawk 200s, Sandown Class MCMVs, Black Hawk Helicopters, construction of new Air Bases, and associated support and equipment including weapons and defence systems. If implemented, these new requirements would extend the Project well into the 21st Century and would increase the value of the Project from the initial figure of £5 billion to at least £15-20 billion.

ORGANISATION

The UKMOD Saudi Armed Forces Project Office (SAP) manages the Project on behalf of the Saudi Government. The main office, Castlewood House in London, comprises some 120 Service and Civilian staff; there is also a UKMOD Team permanently based in Saudi Arabia comprising some 70 Service and Civilian staff based at Riyadh, Dhahran and Khamis Mushayt.

The obligations of these individuals and of HMG in periods of tension are set out in the Government-to-Government MOU controlling the Project. The relevant paragraphs of the MOU are at Attachment A.

SAUDI GOVERNMENT ATTITUDES

Thus far, the Saudi Government has not asked for any special or additional support or help from HMG. Apart therefore from notifying ACAS of the current alert status of the RSAF and asking for all due support from the three Commands if requested by the Saudi Government, we have taken no specific action within UKMOD. The Saudis have certainly not asked us to accelerate deliveries nor have they asked for additional equipment beyond that already being supplied; we are not surprised since this seems entirely in-line with their (Saudi) approach of avoiding any provocative action that could be misinterpreted by their neighbours.

DELIVERY POSITION

Of the original 48 Tornado IDS ordered, 26 have been delivered so far and total delivery should be complete by August 1991. Of the original 24 Tornado ADV, 20 have been delivered with the remaining 4 due to be delivered as quickly as possible. All

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30 Hawk, all 30 PC-9, the 2 Jetstreams and the 4 BAe 125 originally ordered have been delivered.

On weapons, deliveries are substantially complete on everything ordered except a selection of ammunition.

Deliveries due in the immediate future are 1 Tornado IDS and 3 Tornado ADV likely to be delivered towards the end of this month; there is also 1 Sandown Class Ship nearing completion (with Saudi RSNF crew under training in the UK) and Ship 02 under construction but delivery and acceptance of these is still some way away.

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ATTACHMENT A

EXTRACT FROM AL YAMAMAH MOU

"36. It is understood between the Governments that, subject to consultation, United Kingdom civilian or military personnel will remain available in Saudi Arabia for preparation, including arming and support, of aircraft during an armed conflict, but that under no circumstances will they be permitted or requested or required otherwise to participate in such a conflict undertaken by the armed forces of the Kingdom of Saudi Arabia.

37. In the case of the outbreak of war, or any other event that might endanger the safety of foreign employees, the Saudi Arabian Government will be responsible for any costs incurred by the United Kingdom Government in retaining or replacing the appropriate employees in the Kingdom of Saudi Arabia, subject to the agreement of the Saudi Arabian Government to those arrangements. The United Kingdom Government can, after consultation with the Saudi Arabian Government, withdraw or replace personnel whose safety is endangered or suspend the arrangements provided for in the MOU.

38. The Saudi Arabian Government will be responsible for and will reimburse the United Kingdom Government for loss of, or damage to property owned by BAe, its subsidiary companies, sub-contractors, their personnel and dependants or the Team, its dependants, its servants and representatives located in Saudi Arabia, where such loss or damage is sustained due to or arising out of acts of war, conflict or any other act of violence or interference affect that property whatsoever."

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