



Canada's skyrocketing military exports to Saudi Arabia

Saudi Arabia, one of the world's most repressive regimes, has now surpassed the US as the largest recipient of Canadian military exports via contracts brokered by the Canadian Commercial Corporation (CCC), a crown corporation. This is due to a recently announced pair of mega-contracts totalling \$14.8 billion for military armoured vehicles to Saudi Arabia by General Dynamics Land Systems Canada of London, Ontario, awarded in the 2013-14 fiscal year.¹

As noted by researcher Kenneth Epps, the magnitude of these contracts is unprecedented in Canadian history. In the latest fiscal year US orders totalled \$592.2-million, about four per cent of the value of the Saudi orders. The new Saudi contracts change the norm, making Saudi Arabia the alternative major recipient of Canadian arms exports for years to come.

Saudi Arabia has been the largest reported recipient of Canadian military exports in many of the years since 1991.

When Saudi troops rolled into Bahrain to help the Khalifa monarchy crush protests against its autocratic rule in 2011, they arrived in Canadian-made Light Armoured Vehicles.

Canada's exports to Saudi Arabia were already on the rise prior to the announcement of these contracts:

Table 1: Canada's military exports to Saudi Arabia, 2010-2011

Ranking	2010 value	2011 value	Total
3	\$6,224,742	\$64,975,753	\$71,200,495

Source: "Largest reported recipients of Canadian military goods during 2010 and 2011." Project Ploughshares, Canada.

What is the Saudi human rights situation?

Saudi Arabia's human rights record is abysmal. According to Human Rights Watch, Saudi Arabia's new terrorism law and a series of related royal decrees create a legal framework that appears to criminalize virtually all dissident thought or expression as terrorism. The regime does not permit even peaceful protest; some protesters have now been sentenced to death, hundreds were arrested. Beheadings are common. Trade unions are prohibited. Women are not allowed to drive, and have

few legal rights. Saudi Arabia executed at least 19 people between August 4 and August 21, 2014. In July 2014, a Saudi court sentenced the prominent human rights activist Waleed Abu al-Khair to 15 years in prison, after convicting him on vague charges stemming solely from his peaceful activism (e.g. statements to news media and tweets criticizing human rights abuses).

Canadian military exports to Middle East

Canada also exports to other Middle East regimes. See Table 2 below, covering exports from 2004-09. *It should be noted that the figures below do not include exports of dual-use items such as helicopters, even if the client is the armed forces of a particular country, since helicopters are not categorized as military items.*

Table 2: Export of military goods from Canada to the Middle East, 2004-2009

	2004-2009
Bahrain	\$0
Egypt	\$18,485,562
Iran	\$0
Iraq	\$61,419
Israel	\$10,985,047
Jordan	\$189,979
Kuwait	\$3,321,531
Lebanon	\$1,471,450
Oman	\$56,082,323
Qatar	\$62,059
Saudi Arabia	\$380,057,054
Syria	\$0
United Arab Emirates	\$12,458,442
Yemen	\$1,072,199
MIDDLE EAST	\$484,247,065

All figures in constant 2009 dollars.

Source: Compiled by Project Ploughshares, Canada, based on Foreign Affairs Canada, Export Controls Bureau.

Why are exports to the Middle East's authoritarian regimes problematic?

Exports of military goods, or dual purpose goods, such as helicopters, to the armed forces of authoritarian regimes are problematic for various reasons:

- 1) The Middle East is already extremely over-armed, one of the reasons why conflicts between countries and within countries tend to take a violent turn.
- 2) The military goods are likely to be used by army and police against civilians engaged in peaceful protest.
- 3) Military exports are likely to be used, period. In this volatile region, such armed conflicts can easily escalate.
- 4) Most Middle East countries have high poverty rates. Regimes purchase military goods with money urgently needed for education, health care, and infrastructure.
- 5) Middle East recipients of exported military goods do not respect international law's prohibition on attacks on civilians and civilian infrastructure.

Are Canadian companies involved in other unethical activities in the Middle East?

Yes. Examples of such questionable activities include:

Libya

- **SNC Lavalin's building of the Guryan prison, in Tripoli, Libya** during the Gaddafi government, despite ample evidence of grave, systematic human rights violations, including the wrongful imprisonment of dissidents, torture and other violations of fundamental human rights.²
- Calgary-based oil and gas company **Suncor** was extracting 50,000 barrels of oil a day in Libya, prior to the Arab Spring unrest. It did so despite evidence that Gaddafi's children were misappropriating oil revenues that rightfully belonged to all Libyans.^{3 4 5 6}
- **Pure Technologies**, a Calgary-based engineering firm, was involved during the Gaddafi era in the "Great Man Made River Projects" to pipe water from southern Libya to cities in the north. Given that the Gaddafi regime did not tolerate civil society organizations, it would have been impossible to have adequate community consultation regarding the projects' potential environmental and social impact.

Syria:

- **Tanganyika Oil Company Limited**, based in Vancouver and formerly known as **Canadian Lynx Petroleum Ltd.**, was content to engage in the exploration, development, and operation of oil and gas properties in Syria. It owns or owned interests in the Oudeh block comprising 59 wells, and Tishrine and Sheikh Mansour fields consisting of 72 wells.⁷
- **SNC Lavalin** was awarded a contract to provide engineering, procurement, and construction

management services to the Syrian Petroleum Company for the Palmyra gas project. This project coordinates the development of three gas producing fields with a yield of 6 million m³ per day of gas.⁸⁹

- MENA Hydrocarbons Inc. owns a 30% participating interest in Block 9 in Syria, a 10,032 square kilometre onshore block prospective for crude oil, natural gas and condensate.

Egypt

- MENA Hydrocarbons Inc. has a 100 percent interest in the Lagia oilfield, onshore in the Sinai peninsula. This project is expected to eventually result in 50 wells. The company anticipates making a profit of 26 percent on 65 percent net production.¹⁰

Egypt's human rights situation was poor before the Arab Spring, and deteriorated dramatically after the military coup that deposed the first democratically elected president, Mohamed Morsi, in July 2013. Thousands of peaceful protesters are currently in detention. However, despite the mass death sentences pronounced in the summer of 2014 after patently unfair trials, and the ongoing imprisonment of Canadian journalist, Foreign Minister John Baird continued to promote Canadian investment there.

Canada's governments' "business as usual" approach

Successive Canadian governments appear to have raised no objections to such Canadian corporate involvements, nor made any attempt to incorporate human rights incentives into trade deals.

¹ Epps, Kenneth. "New facts confirm unprecedented size of Canadian arms sale to Saudi Arabia". Project Ploughshares, Canada. July 22, 2014.

² Saunders, Doug. "The business of doing business in Gadhafi's oil kingdom". Globe and Mail. February 26, 2011

³ Saunders, Doug. "The business of doing business in Gadhafi's oil kingdom". Globe and Mail. February 26, 2011

⁴ Bawden, John and Tom Hooper. "Gaddafis' hidden billions: Dubai banks, plush London pads and Italian water", The Guardian .Feb. 22, 2011

⁵ Radio Netherlands Worldwide. "Gaddafi's Dutch millions," Feb. 24, 2011

⁶ Fragiskatos, Peter. "Canada in Libya: Democracy or oil?". Toronto Star. November 29, 2011.

⁷ Bloomberg Businessweek. Company Overview of Tanganyika Oil Company Limited. Online. Accessed October 9, 2014.

⁸ "In the Middle East and North Africa - Representative Projects." SNC-Lavalin. Online. Accessed April 17, 2012.

⁹ Solyom, Catherine. "Ex-SNC-Lavalin official promoted rally in support of Syrian dictator Assad." Vancouver Sun, February 29, 2012.

¹⁰ MENA Hydrocarbons Inc, Egypt Lagia Presentation. June 2012. Online. Accessed October 9, 2014.