

## **The EU Code of Conduct fails to prevent French Helicopters being produced under licence in India and transferred to Nepal**

### ***India transfers helicopters to Nepal***

Between June 2003 and September 2004, India supplied a number of attack helicopters to Nepal. The helicopters were manufactured by Hindustan Aeronautics Ltd (HAL), in close cooperation with French company, Eurocopter, and reportedly included components from several other EU companies. The direct transfer of attack helicopters from EU Members to Nepal would be controversial given the status of the current conflict in this country and the likelihood that such helicopters would be used against civilian targets. **Such transfers of helicopters to Nepal from India containing components and subsystems from EU-based companies seriously threaten the credibility and effectiveness of EU Code of Conduct.**

Exports from India to Nepal have included the Lancer light attack helicopter and the Advanced Light Helicopter (ALH). The Lancer is based upon the Cheetah attack helicopter that has been produced in India under licence from Eurocopter, since 1970.<sup>1</sup> Eurocopter has also been closely involved in the development of HAL's indigenous designed Advanced Light Helicopter, signing a new Memorandum of Understanding in June 2003.<sup>2</sup> Another French Company, Turbomeca, has provided engines for the Cheetah, Lancer and Advanced Light Helicopters.<sup>3</sup>

The Lancer is armed with two rocket and machine gun pods.<sup>4</sup> Each pod carries one 12.7 mm gun and three 70 mm rockets and has a firing rate of 1100 rounds per minute.<sup>5</sup> The ALH is a military utility helicopter and is designed to be fitted with a variety of weapons systems including a three-barrel 20mm machine gun, air-to-surface and anti tank missiles.<sup>6</sup>

Whilst France remains the principal EU member state involved with the production of these helicopters in India, a number of other European companies have also been reported as supplying components or sub-systems for helicopters manufactured by Hindustan Aeronautics. For example, the ALH reportedly contains Italian<sup>7</sup> and UK<sup>8</sup> components, whilst the Lancer is equipped with rocket pods reportedly manufactured by a Belgian company.<sup>9</sup>

### ***Evidence of misuse of helicopters by the Nepalese security forces***

During 2004, there have been numerous reports of civilians being killed or wounded in helicopter attacks by Nepalese security forces. For example, the Kathmandu Post Newspaper reported on 11<sup>th</sup> January 2004 that an 82-year old man was killed when the Royal Nepalese Army opened fire at him from a helicopter in the remote Kaule Village whilst on a search operation against the Maoist rebels.<sup>10</sup> On 24<sup>th</sup> March 2004 Agence France-Presse reported that up to fifty people including civilians were killed when an army helicopter attacked guerrillas in western Nepal near the scene of major weekend fighting.<sup>11</sup>

## ***Exports of Indian helicopters to other countries of concern***

It would appear that India has weaker controls on the export of military helicopters than its EU counterparts. In 2002, it was reported that India had removed the 'blacklist' of countries that it would not export weapons to, in an effort to boost its arms sales, including that of the Advanced Light Helicopter.<sup>12</sup> According to a 2002 report of the Indian Parliamentary Standing Committee on Industry, Hindustan Aeronautics had been "exporting spares for aircraft, helicopters and engines to a number of countries."<sup>13</sup> In February 2003, the Chairman of Hindustan Aeronautics stated that "we have our own advanced light helicopter design **and to export it we do not need any permissions.**"<sup>14</sup> [Emphasis added].

The close involvement of France with the production of attack helicopters in India, via licensed production agreements and the incorporation of components or sub-systems from other EU member states into these helicopters raises serious concerns regarding the application of the EU Code of Conduct. Criterion 7 of the EU Code requires Member States to consider the "risk that... equipment will be diverted within the buyer country or re-exported under undesirable conditions," and to consider "the capability of the recipient country to exert effective export controls." The export of the Lancer and ALH helicopters from India to destinations unlikely to receive direct export licences from EU members suggests that EU Member States are not fully implementing the EU Code. Given the weakening of India's export controls, the continued involvement of EU-based companies in the production of Indian attack helicopters, seriously undermines the credibility of the EU Code and its effectiveness in stopping the proliferation of arms to conflict or human rights crisis zones.

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<sup>1</sup> <http://www.hal-india.com/helicopter/aboutus.asp> accessed 8/2004. The HAL website reports that the licence agreement for the manufacture of the Cheetah helicopter (Eurocopter designation SA-315- Lama) was signed with Eurocopter (originally M/s SNIAS) in September 1970 and the first Cheetah helicopter manufactured from raw materials was delivered during 1976-77.

<sup>2</sup> International Defense Review August 01, 2003 : The MoU is intended to revitalize and intensify co-operation between the two companies in the helicopter sector, which dates back to the early 1970s, when HAL license-built the Alouette III (as the Cheetah) and Lama (Chetak). More recently Eurocopter has assisted in development of India's Druv ALH. The companies are to investigate ways of increasing collaboration in production of helicopters and development of joint equipment and systems.

<sup>3</sup> Businessline. Chennai: Nov 27, 2002. pg. 1 'French aerospace co. eyes India for manufacturing base'. Snecma group company, Turbomeca, has a contract to supply over 200 of the powerful engines for HAL's advanced light helicopter (ALH) project

<sup>4</sup> <http://www.hal-india.com/helicopter/products.asp#lancer> accessed 8/2004

<sup>5</sup> Jane's Defence Weekly - February 28, 2001, 'Indian Army to get first Lancers in upgrade project.'

<sup>6</sup> Aviation Week & Space Technology, Dec 2, 1996 : India's ALH readied for weapons integration. (India's Advanced Light Helicopter), see also <http://www.bharat-rakshak.com/IAF/Info/Aircraft/ALH.html> accessed 8/2004

<sup>7</sup> For example, components for the flight control and the hydraulic system. See: [http://www.elaster.com/General\\_Overview.pdf](http://www.elaster.com/General_Overview.pdf) accessed 8/2004

<sup>8</sup> For example the Advanced Light Helicopter hydraulic pack. See: <http://www.apph.co.uk/hydraulics.htm#> 8/2004 and photograph from Farnborough 2004

<sup>9</sup> International Defense Review, 15 January 1999.

<sup>10</sup> 82 year old killed in army firing, Kathmandu Post, 12<sup>th</sup> January 2004

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<sup>11</sup> 50 killed in helicopter raid on Maoists in Nepal, Agence France-Presse, 24 March 2004, <http://www.reliefweb.int/w/rwb.nsf>

<sup>12</sup> BBC News Monday, 28 October, 2002, India drops arms export blacklist

<sup>13</sup> Department-related Parliamentary Standing Committee on Industry, Eighty Second Report on MOU system in the Strategic Sector PSEs. The Department of Public Enterprises, (Ministry of Heavy Industries and Public Enterprises). Presented on the Table of Rajya Sabha on 8<sup>th</sup> August 2002. <http://rajasabha.nic.in/book2/reports/indus/82ndreport.htm> accessed 8/2004

<sup>14</sup> Businessline. Chennai: Feb 12, 2003. pg. 1, 'We are open to outsourcing from pvt industry' - Mr N.R. Mohanty, Chairman, Hindustan Aeronautics Ltd