

## **Heckler & Koch**

### 1949

Heckler & Koch was born in Germany in 1949 when three engineers, Hecklers, Koch and Seidel set up an engineering enterprise that began with parts for sewing machines and bicycles.

### 1950

A company was registered in 1950 with the name Heckler & Koch GmbH.

### 1956

Heckler & Koch bid to produce the new Federal German Armed Forces Infantry rifle. H&K won the contract to develop a new rifle, the G3, a milestone in weapon development. The G3 was the standard issue assault rifle for all German forces by the Bundeswehr (armed forces) of the Federal Republic of Germany. It is/has been used by armed forces in more than fifty nations. Three million G3 rifles have been produced to date.

### 1960s

In the mid 1960s, Heckler & Koch designed and began the manufacture of the 9mm Maschinenpistole 5 (MP5), soon to become the world's most popular submachine gun, embraced by peace-seekers the world over. The MP5 remains a popular choice of arm within its class.

### 1970s

During the 1970s, numerous states equipped their police and military forces with Heckler & Koch products. H&K began to offer licenses for the production of their weapons in other countries. This means that other countries could buy the right to produce reputable guns in their own ordnance (munitions) factories, for use and sale at home and for the purposes of exporting, thus better supporting their own economies.

Heckler & Koch's move into licensing continued with the setting-up of complete manufacturing plants internationally. This program established soldiers in host countries as licensors, independent of Heckler & Koch.

In the late 1970s the HK P7 was introduced into the U.S. and international markets. The P7 was considered quite radical in design and technology, and today it remains the fastest and most accurate production handgun manufactured.

### 1980s

The precision accuracy found on the Heckler & Koch HK91 and its related variants, the SR9T, the SR9T and PSG1 enabled target shooters to achieve performance unmatched in semi-automatic rifles.

### 1989/1990

Precarious times for Heckler & Koch as overall economic circumstances and the surprising non-procurement of the G11 for the Federal German Armed Forces add to strain on the business.

### 1991

Heckler & Koch GmbH are bought out and become part of the international British Aerospace (now BAE Systems) concern (Royal Ordnance, [now RO Defence] division).

### 2002

BAE Systems dispose of H&K. A problematic sale, a company is set up in Germany for the purposes of procurement. The Heckler & Koch business is now owned by two private investors, one of German nationality, the other a Brit, and the registered company name is H&K Beteiligungs-GmbH.

**Heckler & Koch** have a reputation as one of the world's most prolific producers of small arms. Heckler & Koch weapons are of a high quality build and are said to be reliable.

- Over 3,000,000 Heckler & Koch G3 rifles have been produced and are still in circulation today.
- There have been 24 revisions of H&K's popular MP5 machine gun.
- H&K weapons are in use in **at least** 90 countries.
- 639,000,000 small arms in the global stockpile in 2001 [Small Arms Survey 2002]
- There are an estimated 600,000 death worldwide each year at the hands of small arms. More than one death each minute. [WHO]
- Heckler & Koch: "Our products include self-loading pistols, submachine guns, assault rifles, sniper rifles, machine guns and a 40mm grenade machine gun."
- H&K have set up factories and licensing deals around the world, allowing a number of EU countries and also Burma (now Myanmar), Iran, Mexico, Saudi Arabia, Pakistan, Turkey and Thailand to produce their guns.
- In-country (licensed) manufacture reduces the dependence on weapons imports, providing a cushion against arms embargoes, and can provide export earnings, including from sales to countries and situations where it is difficult or embarrassing for the country of the licensor to sell.
- The company has its headquarters in Oberndorf, Germany, where most of its employees are based. Other offices are located in Sterling, Virginia in the USA; Spiez, Switzerland; and Nottingham in the UK.
- In the U.S., H&K weapons are sold mostly to civilians. Over 40% of households in the U.S. have a firearm; the firearms death rate here is twice that of the country with the second highest rate (135 per 100,000). [Source WHO, 2002]
- In Germany, parts for making guns are manufactured and exported to Switzerland to be assembled. Switzerland is not a member of the EU, so EU embargoes on exports do not apply in Switzerland.
- H&K are a popular choice of weapon with British Police forces and special units. The Police unit that killed Jean-Charles de Menezes was armed with Heckler & Koch guns.

## **H&K in the UK**

Heckler & Koch (GB)/NSAF Limited  
Unit 3, Easter Park  
Lenton Lane  
NG7 2PX  
Nottingham

Tel: +44 (0) 115 9248723  
PO Box 7151

UK headquarters of international arms manufacturer and licensor.

Small but growing operation.

Handles contracts with M.O.D. and Police.

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From the Nottingham operation, arms deals are also sought internationally. Heckler & Koch commented that the UK tends to be 'more flexible' than Germany when dealing with international clients.

H&K Nottingham also license the production of their guns to other manufacturers in the UK.

Having operations in different countries allows H&K to access and do business with a wider range of clients in different countries. H&K Nottingham stated that being in the UK affords them greater flexibility for dealing with a range of international clients.

H&K Nottingham's operations incorporate Sales, Technical Support, Project Management and Procurement.

H&K in the UK also produce components, e.g. guns for vehicles, e.g. tanks, for export (BAE Systems).

## **C.A.A.T.**

Heckler & Koch page:

**Total Military Sales:** Euros 130m<sup>1</sup>

The company has its headquarters in Oberndorf, Germany, where 630 of its 700 employees are based. Other offices are located in Sterling Virginia in the USA; Switzerland; and Nottingham in the UK.

The 2002 Small Arms Survey states that it is one of the world's largest producers of small arms, with its weapons in use in 90 countries. Over seven million G3 rifles alone have been produced and are in service in 60 countries.<sup>3</sup>

### **What it makes**

Heckler & Koch produces pistols, rifles (including the G3), machine guns, sub-machine guns (including the MP5), grenade launchers and grenade machine guns.

"Our products include self-loading pistols, submachine guns, assault rifles, sniper rifles, machine guns and a 40mm grenade machine gun."

### **Licensed Production**

Such agreements have been made with a number of EU countries and also Burma (now Myanmar), Iran, Mexico, Saudi Arabia, Pakistan, Turkey and Thailand.

In-country manufacture reduces the dependence on weapons imports, providing a cushion against arms embargoes.

It can provide export earnings, possibly including sales to countries and situations where it might be difficult or embarrassing for the country of the licensor to sell.

This has obvious potential for undermining export controls. If licensed production agreements do not contain production and export limits they blatantly undermine export controls. If they do provide limits then, as one commentator has stated, 'they are being violated with apparent impunity'.<sup>5</sup>

### **References**

1 Figure refers to 2001. Heckler & Koch Press Release, December 2002

2 Heckler & Koch Press Release, December 2002

3 Small Arms Survey 2002, Oxford University Press, 2001

4 Pete Abel, 'Manufacturing Trends - Globalising the Source', in Lora Lumpe (Ed.), 'Running Guns', Zed Books, 2000

5 Pete Abel, 2000

## Turkey

Turkey ordered 200,000 HK33 5.6mm assault rifles from Heckler & Koch, a German subsidiary of BAE Systems' Royal Ordnance subsidiary in January 1998. Assembly of these rifles took place at a factory run by MKEK near Ankara. In October 1998 the number ordered rose to 500,000 despite serious concerns of the rifles being used for internal repression by the Turkish military.

In July 1998, the Turkish news agency Anadolu reported that 500 Heckler & Koch MP5 sub-machine guns produced under licence were to be exported to the Indonesian Police which has a record of human rights abuses and extrajudicial killing. This deal came a few months after licences for the direct export of the guns from the UK were refused. MP5 machine-guns are also used by the Indonesian Special Forces KOPASSUS. ("Running Guns", Zed Books, 2000)

<http://www.caat.org.uk/publications/government/turkey-submission-0102.php>

The Anglo German company Heckler and Koch has engaged in a number of licensed production arrangements with the state-owned Turkish arms manufacturer MKEK. In 1998, for example, Heckler and Koch won an \$18 million 10 year contract for the licensed production of 200,000 HK33 5.56mm assault rifles in Turkey. While several EU member states had previously refused arms supplies to Turkey due to serious human rights concerns - including torture, ill-treatment and excessive use of force - this local production of H&K small arms allows the provisioning of the Turkish military and security forces, enabling them to continue their activities as they will.

Not only has licensed production allowed Turkey to equip its police and military but MKEK has also boosted its own export market and counts countries like Kuwait, Burundi, Libya, Pakistan and Tunisia among its clients. And then there is the notorious case of Indonesia.

In 1998 the Turkish News Agency reported that MKEK was exporting 500 H&K MP5 sub-machine guns to the Indonesian police. These weapons were subsequently shipped to Indonesia at the very height of the massacres in East Timor in 1999 - when assault rifles and submachine guns were among the weapons of choice, used by the pro-Indonesian paramilitaries, the TNI and the Indonesian police to carry out grave human rights abuses, to wound and kill hundreds of unarmed women, men and children.

The MKEK deal was announced just a few months after the UK government had denied licenses for the same weapons to the Indonesian Armed Forces. The actual MKEK transfers reportedly took place just as the EU was agreeing to introduce an arms embargo on Indonesia. This came into force on 16th September 1999 and meant that neither Heckler & Koch in Germany or the UK would have been allowed to export MP5s to Indonesia, but the same weapon, made under license by MKEK in Turkey, could be transferred into the eager hands of the Indonesian human rights abusers.

<http://www.basicint.org/WT/armsexp/MCpres-SPAS-0501.htm>

## **Mark Thomas**

(MTP2002, show 6)

Heckler and Koch make a sub-machine gun called an MP5 which is used all over the world. In fact you'll often see British police forces with them, particularly at airports or in the City of London. The MP5 is also licensed for production in Pakistan, Turkey and Iran. So a British-owned, German-based company is licensing the production of its guns in countries that have completely different systems of export control. In short, an MP5 sub-machine gun made in Iran could be sold to places that a Heckler and Koch original gun would never legally get to if it came from Europe.

### **Mark Thomas, Arms Dealer**

So, Mark and his team of dedicated moral probers decided to try and prod the arms industry's underbelly to find out if they could order licensed guns for places that the UK wouldn't normally sell to. They set up a front company with a phone, an email address and a fax machine and started prodding... They started in Switzerland with a firm called Brugger & Thomet, who are Heckler & Koch's official Swiss agent. We'd heard that Switzerland's system of export controls was weaker than European Union member states. At the time that we started our research, Switzerland had not joined the United Nations and was therefore outside even international regulations.

We chose Algeria as a country which the UK would not usually sell arms to. With an appalling track record on human rights, Algeria has been recently supplied by the UK with military equipment but, in the words of the DTI, "nothing that really goes bang".

On the day Mark phoned Brugger & Thomet, the Swiss tightened up their export controls. Brugger and Thomet could not do the deal. So we sat back and decided to phone the arms companies with Heckler & Koch licenses.

We phoned Pakistan Ordnance Factories, MKEK in Turkey and Iranian Defence Industries Association, asking for a quote for 200 MP5 sub-machine guns. But this time we thought we'd choose a country where Britain REALLY shouldn't sell arms to...like Zimbabwe. In February this year, Zimbabwe had a European Union embargo placed on it so that no arms could be sold to them from any EU state.

### **In The Name Of God**

Mark talks to MKEK, Turkey, 25 April 2002

MKEK, the state owned defence manufacturer in Turkey, quoted us **\$850 per gun** [quote for guns to Zimbabwe] (including 2pcs. of magazine, carrying sling and plastic cleaning rod). They said that an "End User Certificate" is required and that the sale would "be subject to the approval of the Turkish Authorities". Interestingly they also told us that some of the parts for their guns come from Heckler & Koch's factory in Germany...

"There are some very minor parts, for example plastic parts for the butt stock... we import the raw materials from Germany."

POF, Pakistan Ordnance Factories, the state owned arms manufacturer in Pakistan **offered to sell 200 MP5 sub-machine guns to Zimbabwe**, at a mere \$550 per gun. They said that "export is subject to issue of Export Permit from Ministry of Defence, Defence Production Division, Government of Pakistan, for which an End User Certificate (in original) will be required.

The Iranian Defence Industries Organisation quoted a measely **\$300 per gun** [for Zimbabwe] and basically said, put the money in a bank in Dubai and we'll ship you the guns...

Their rather interesting letterhead also promised that this quote for 200 9mm sub-machine guns was all "In The Name of God".

### **Fancy a job?**

Mark phoned Pakistan Ordnance Factories back about their quote and was offered the chance to meet a company representative in the Pakistani Embassy in London. At this meeting the POF representative confirmed that upgrades were available directly through them, something BAe Systems later denied and said "there is no right to automatic provision of upgrades".

Funny.

The POF representative also gave Mark a catalogue. On page one of this catalogue were pictures of two types of Anti-Personnel mine! The next day, Mark spoke again to POF. They again offered to send the guns to Zimbabwe but asked Mark not to put too big a mark up on them as this just damaged everybody's business. They said they hoped that the MP5's would not be going to any rebel groups in Zimbabwe (there aren't any – its just in a state of terror!), offered Mark a free fibreglass carrying case worth \$82 for every order of over 1000 weapons and then said:

"We're looking for people who can promote our products, **if you think you've got contacts and you think you'll be strong [in Zimbabwe] we'd be pleased to give you an authorisation in the future.** We can also work on a small percentage for you..."

- Pakistan Ordnance Factories to Mark Thomas, 26 April 2002

Wow. So Mark has been offered the official POF dealership for Zimbabwe! Its been a bit of a weird week really...

### **The Finnish Connection**

Then, just as we thought there was no way things could get any wierder, we got an email from Brugger & Thomet in Switzerland which just said that our request would be handled by their agent Finnrappe Oy in Helsinki, Finland. Interesting. We phoned Finland and spoke to a man called Olli Salo. We first asked him about getting 200 MP5 sub-machine guns to Algeria?

He said no problem.

Then we asked him if he could get the guns to Zimbabwe?

He said no problem.

We said wow.

To supply arms you have to have an import permit from the country buying the guns and an export license from the country exporting them. We said to Olli, don't we need an Export License? He said;

"All the paper we need is an import permit from the country of the destination. That's the only paper we want..."

Odd, we thought. Lets phone Brugger & Thomet back and see if he's for real. "I would consider it a partner. Its kind of like our office in Finland, if you want..."

He's our agent for many parts of the world with stuff like this and the fact is that the regulation we have there its very liberal and its working very smooth."

- Heinrich Thomet, Brugger & Thomet, Switzerland, 25 April 2002

So would these guns be coming from Germany or Switzerland? We asked Olli.

"MP5's parts are made in Germany and assembled by hand in Switzerland." –

(email from FinnRappel Oy, Finland, 26 April 2002)

But if Olli was like Brugger & Thomet's office in Finland, did that mean it would still be a Swiss deal. We asked Olli again.

"Officially we are the only ones dealing with you...because obviously it can't be solved if Switzerland is involved in any way...regarding you"

- FinnRappel Oy, Finland, 24 April 2002

Why?

"It has to come outside European Union. If it comes from Germany we'd need an export license but when it comes outside it doesn't. That's the trick."

- FinnRappel Oy, Finland, 26 April 2002

OK. But what exactly was Olli saying to us? Why didn't he need an export license?

"We don't need export do we?"

"No no"

"An that's because its trans-shipment?"

"Yeah. That's the reason"

So the Finnish partner of the Swiss agent for Heckler & Koch seems to be prepared to break an EU arms embargo by exporting MP5 parts from Heckler and Koch's factory in Germany to Switzerland, where the guns are assembled and sent on an export license to Finland, where Olli does his "trick" and the guns are suddenly not being imported into Finland anymore, but transported to Zimbabwe.

Transcription at: <http://www.fnord.demon.co.uk/mt/sixth/sixth6.html>