

MoD knew of Singapore arms connection

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Friday, 7 July 1995

Royal Ordnance and Allivane, a Scottish company, were at the centre of an international network of arms manufacturers supplying both sides in the Iran-Iraq war, contrary to United Nations embargoes and declared British government policy, throughout the 1980s.

Until now the suspicion, long held by defence industry experts, that Singapore was given as the false destination of the Iranian weapons, has never been proven. The Government has always denied any knowledge of the illegal trade.

The revelation that records of shipments of artillery shells to Singapore are held by the Ministry of Defence - despite previous denials - is doubly embarrassing for the Government because Royal Ordnance was state owned until its sale to British Aerospace in 1987.

Copies of export licences granted by the Department of Trade and Industry to Allivane, and other official paperwork identifying shipments to Singapore, have been obtained by the Independent. Why these papers were mislaid inside Whitehall until now is a mystery.

Singapore had little need for much of the material. According to the documents, Allivane was exporting in large quantities a kind of mortar fuse which was not even used by the island's forces. But it was of a kind used by the Iranian army. A source close to Allivane, which went bust in 1988, said yesterday: "Singapore was a sophisticated false end-user. You could send components out there and they were able to assemble them and then forward them on."

Former employees of Allivane say the Government was aware of their illegal trade and actively assisted them with the transport and purchase of components. Senior civil servants at the MoD, claim Allivane sources, were involved in regular briefings.

Documents supplied to the Independent show the Allivane exports included AM52A3 fuses, used in mortar bombs. The Singaporeans use a different fuse. Nevertheless, according to documents, 20,000 fuses were exported in one shipment in 1987. According to company sources, there were several similar shipments in that year alone. This shipment was insured by a broker at Lloyd's and had an official export licence.

Royal Ordnance supplied Allivane with explosive for 155mm artillery shells, thought to have been used by Iran. Royal Ordnance denies any knowledge of having dealt with Iran. A senior executive has confirmed the business with Allivane started before privatisation in 1987 and continued afterwards.

Allivane operated out of an industrial estate in western Scotland. From 1986, it was prime contractor to the Iranians, producing thousands of rounds of ammunition in association with some of Europe's largest manufacturers from France, Italy, and the UK. Before that, the network, which started operations in 1982, was directed from France. Each year, the Iranian contract was worth in the region of pounds 120m to its suppliers.

An Italian magistrate who investigated the network of suppliers and the Singapore connection concluded it was "obvious" that Britain and British companies were involved.

Until 1987, the British authorities turned a blind eye to the presence in the National Iranian Oil Company office in Westminster of an Iranian air force "logistics office". Through this office Iran bought, among other items, US-made TOW missiles. The purchases were regularly shipped to Iran via Singapore and other countries.