

## LEVICE, CZECHIA

**The Czech arms industry.** Although the Czech Republic is not one of the largest in terms of magnitude of arms export, at the European level Czech arms factories are increasingly important players on the world market, both in small arms and high-tech weapons projects. The following text is a discussion paper that presents, on the one hand, the rough outlines of the arms industry and its size, and on the other hand, the policy measures that Levice proposes in relation to armaments and arms production.

The process for exporting arms from the Czech Republic begins with the application for an export licence. The Ministry of Industry and Trade (MIT) is responsible for issuing or refusing it. This ministry also carries out activities related to the application of licensing and permitting regimes in the field of economic relations with foreign countries. In the administrative procedure, it assesses, evaluates and processes applications for permits and licences. Within the MIT, this activity is then carried out by the Licensing Administration Department. Since the full-scale Russian invasion of Ukraine, this department has faced enormous interest from entrepreneurs in exporting military equipment to Ukraine and, despite challenging administrative conditions, ensures accelerated issuance of licenses to Ukraine while complying with all the conditions stipulated by law.

In 2023, 1,580 licenses were granted for the export of military equipment to a total of 99 countries with a value of goods of CZK 68,188.4 million (€2,840.4 million). The value of exports to 98 countries based on the use of licences, including licences granted in previous years, amounted to CZK 48,903.9 million (€ 2,037.1 million), which represents an increase of more than 60% compared to 2022, when military equipment worth CZK 29,702.8 million was exported. CZK, and compared to 2021, when military material worth CZK 14,088.9 million was exported. This is more than three times the value of the previous year's figure.

### **Czech weapons in "good hands" - three examples of military cooperation.**

- Egypt - Czechoslovak Group (CZG)

The Czech arms companies, such as the CZG, have continuously shown its willingness to arm the Egyptian armed forces regardless of the human rights situation in the country. These exports are made possible by the granting of export licences by the Ministry of Industry and Trade of the Czech Republic. The Ministry of Foreign Affairs, which also has veto power over the granting of licences, never stopped the licencing procedure.

The largest import of Czech weapons to Egypt was in 2009 when the contract for the supply of CZ 75 P-07 Duty pistols for Egyptian police was signed. In addition to the pistols, the company also exported several hundred Scorpion EVO 3A1 submachine guns to Egypt.

In 2023, the Czech Republic exported various types of military equipment to Egypt, the total value of exports of military equipment to Egypt in 2023 amounted to € 7.612 million.

- Yemen - weapons instead of human rights

The 2015 Saudi-Emirati military coalition suppressing the Houthi uprising has resulted in an extreme number of civilian casualties and has even led the European Parliament to call on Member States on several occasions to halt arms exports to Saudi Arabia. The Czech Republic has never done so.

The Arabian Peninsula is very attractive for the Czech arms industry to protect the continuous flow of fossil fuels to the countries of the global north. At the same time, the money they make from oil sales allows them to buy quantities of weapons that are unthinkable in other countries.

In 2014, Saudi Arabia was even the largest recipient of Czech arms, buying € 70 million worth of The Czech Republic then exported approximately 300 TATRA trucks for the army, as well as ammunition worth € 200 million. TATRA TRUCKS built a factory in Saudi Arabia to assemble trucks for the local army.

- Israel

If there is one thing that makes the Czech Republic significantly different from the rest of the EU, it is the unqualified political support for Israeli policy and the related military cooperation between the Czech Republic and Israel over the last five years, including

1. Radar systems: eight EL/M-2084 3D radars for the Israeli ELTA Systems.
2. Air defence: four batteries of the Israeli Spyder air defence system. This system will be combined with Israeli radars and is expected to significantly strengthen the Czech army's short-range air defence capabilities
3. Missiles and technology: In addition to the radars and Spyder systems, the supply of Israeli I-Derby long-range air-to-air missiles is also under negotiation
4. Industrial cooperation: Great emphasis is placed on the involvement of Czech industry Companies such as Retia and Tatra Trucks are involved in the production and integration of technologies into the Czech military system.

This cooperation is not limited to technology purchases, but also includes the exchange of know-how and technology, thus involving Czech companies in the development of sophisticated systems The involvement of universities in so-called applied research is also key in this networking.

**The growing business.** The expansion of the Czech arms industry has accelerated in recent years Colt CZ Group bought the famous Colt company in 2021 and acquired its

plants in the USA and Canada. The seemingly endless expansion of the Czech Republic's arms and ammo manufacturing continues, with news of the country expanding production inside the borders of Ukraine.

Czech holding company RSBC Investment Group bought STEYER ARMS this year and has established itself as a key player in the production of firearms for both military and police use globally. Their flagship product, the Steyr AUG, is notably used by numerous military and special police forces worldwide.

Czech arms companies are experiencing record export growth, with the volume of military exports reaching CZK 29.7 billion in 2022 (€ 1,24 billion), more than double the amount exported in 2021. The largest part of the exports went to Ukraine, where CZK 12.8 billion (€ 0,53 billion) worth of material was exported, mainly in the form of large-calibre ammunition and heavy military equipment. In addition to Ukraine, Czech exports also went to other countries such as the USA, Slovakia, Poland and Germany.

Overall, the Czech arms industry exports 90% of its production and companies are producing at the edge of their capacity, facing a shortage of skilled workers and a problem with the supply of raw materials. Although Czech companies sell on the global market, the Middle East is particularly worthy of attention because of its specific role in international relations (Israel and OPEC). Here too, the arms industry is very active, regardless of human rights security concerns.

**Policy outline.** Policies regarding the international security and arms production. The basic principles of Levice's foreign policy programme are solidarity, rejection of war and the threat of force as a means of resolving disputes.

- We oppose the sale of arms to governments and movements in risky and war-torn areas. We accept only such material and military support which, in turn, will, on the basis of a decision of the United Nations Security Council (UNSC), dampen conflicts.
- We reject economic sanctions and embargoes imposed unilaterally (without a UNSC decision) and therefore illegally. As a result, they particularly affect civilians, although their oppression by the sanctioned regime is often cited as a reason for sanctions. A distinction is made between state sanctions and civil boycotts organised independently of governments, insofar as they are directed against the policies of a particular government (or the ruling or even influential elements of the local society) and not against a particular nationality or population. We oppose the criminalization of such civil boycotts.
- We oppose support for authoritarian or oppressive regimes in the name of "democracy promotion" on the grounds of their "pro-Westernness". The way in which this is being done in the case of Israel is totally unacceptable to us.

- We recognise the right of the Palestinians to defend themselves against occupation and support their right to their own state, whether the solution takes the form of two viable states side by side or one state on the scale of the entire former British Mandate, in which all inhabitants are equal regardless of nationality or religious beliefs. The Czech Republic must abandon its current one-sided view of the conflict and seek a more balanced relationship with both sides.
- We regard NATO as a relic of the Cold War; like the Warsaw Pact, it should have been disbanded long ago. It is now acting as an extended arm of the richest states, especially the US, which, in the name of 'peace' and 'democracy', are only promoting their interests, often deepening the chaos in the countries they 'help'.
- We want to promote a new system of international security that is consistent with international law and respects the dignity, equality and freedom of people.
- We are convinced that this must go hand in hand with a profound reform of the UN, especially its top bodies such as the Security Council, where the great powers cannot have veto power.
- We want to re-establish the tradition of disarmament conferences which will aim, firstly, to completely ban and eliminate nuclear and similar weapons as totally unacceptable instruments of mass killing and, secondly, to reduce tensions in international relations by reducing the amount of destructive capacity available to humanity.
- We want to pay particular attention to the militarisation of space and its pollution: in the absence of regulation, the space around the Earth is increasingly under pressure to be militarised. In addition, private commercial activities are filling up the orbit with more satellites and technology, creating the danger of contaminating the earth's immediate surroundings with uncontrollable flying waste that would make it impossible for humanity to leave the planet.
- In relation to domestic arms production, we are asserting a state monopoly on arms production. Arms companies should be nationalised and their production strictly linked to the requirements for exceptional deployment of arms within the UN Peace Corps or a similar international force as part of a new security architecture.
- We disagree with the current set-up of the so-called European Defence Fund, which, in addition to coordinating individual European companies, serves mainly to invest public money in the private arms industry. Public money is thus being siphoned off and is helping to generate private profit in addition in such a problematic area as arms production.