

# British companies draw huge profits from occupied Iraq

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According to the findings of a recent joint investigation by Corporate Watch, an independent watchdog, and the *Independent*, a total of 61 British companies are identified as benefiting from at least £1.1 billion of contracts and investment in occupied Iraq since the US-led invasion.

Corporate Watch believes that the real figure could be as much as five times higher, as many companies have undisclosed business dealings in Iraq and the value of several large contracts is unknown. The investigation was further muddied by the UK government's refusal to release the names of companies it has directly helped to win contracts in Iraq.

British firms include private security/military services, banks, PR consultancies, urban planning consortiums, oil companies, architects offices and energy advisory bodies.

The report acknowledges that although British corporations still lag behind the huge profits paid to US companies (the latest Halliburton/KBR military contract alone is worth about £2.85 billion), in two areas British firms are playing a central role. The Iraqi insurgency means private security companies (PSCs) or private military companies (PMCs) are in great demand, and it is the one area where British firms are on a par with their US equivalents. Corporate Watch estimates there are between 20,000 and 30,000 security personnel working in Iraq, half of whom are employed by companies run by retired senior British officers and at least two former defence ministers.

The biggest British outfit, Aegis—run by Tim Spicer, the former British army lieutenant colonel who founded the PMC Sandline—has a workforce the size of a military division and may rank as the largest corporate military group ever assembled, according to the report. It has made more than £246 million from a three-year

contract with the US Pentagon to coordinate military and security companies across Iraq.

Other private security/military companies have sprung up almost overnight to protect British and American interests. Among the highest grossing UK corporations Iraq is the construction firm Amec, which has made an estimated £500 million from a series of contracts restoring electrical systems and maintaining power generation facilities since 2004. Another PMC, Erinys, has amassed more than £86 million, a substantial portion from the protection of oilfields.

Britain is also playing a critical role in advising on the creation of state institutions and the “business of government.” PA Consulting, which has also received a contract for advising on the UK government's identity cards scheme, worth around £19 million, is now a key adviser in Iraq.

Loukas Christodoulou of Corporate Watch has been monitoring British business relations with Iraq since the March 2003 invasion. He says in his conclusion to the joint report: “The presence of these consultants in Iraq is arguably a part of the UK government's policy to push British firms as lead providers of privatisation support. The Department for International Development has positioned itself as a champion of privatisation in developing countries. The central part UK firms are playing in reshaping Iraq's economy and society lays the ground for a shift towards a corporate-dominated economy. This will have repercussions lasting decades.”

In five years, the £1.1 billion official figure of contracts identified in the report will be dwarfed by what British and the US companies hope to reap from investments. In addition to this, highly lucrative oil contracts have yet to be handed out. The Anglo-Irish company Petrel Resources, an oil and gas exploration

company, is seeking licences to run three existing oil wells, for example.

The report lists more than 30 companies with contracts in Iraq. Besides a range of PMCs and security operations, other UK corporate interests include the petroleum groups Shell and BP Global and Mowlem construction.

Many of the British companies presently involved in Iraq have enjoyed a long-standing relationship with the current Labour and previous Conservative governments and the vast majority of the UK-based PMC/PSCs are run by ex-British secret service figures.

Aegis was founded and run by former SAS man Lt. Col. Tim Spicer, OBE (Order of the British Empire), who was at the centre of an arms-running scandal implicating the British government in a military coup in Sierra Leone in 1998. Nicholas Soames, the former Conservative defence minister (1994-97), is a non-executive director of Aegis and Major-General Jeremy Phipps, the former head of British Special Forces 1989-1993, is now the head of Aegis operations in Iraq.

Another former Conservative Party defence secretary and secretary of state for Scotland, Sir Malcolm Rifkind, is non-executive director and chairman of the PMC Armor Group, which has over 1,400 personnel in Iraq.

The chief of operations for the PSC Olive Security is Harry Legge-Bourke, an ex-captain in the Welsh Guards and former aide-de-camp to chief of defence staff Sir Charles Guthrie. Legge-Bourke is also a close friend of Prince Charles and the brother of former royal nanny (to Prince William) Tiggy Legge-Bourke.

General Sir Michael Rose, former commander of the 22nd SAS regiment and first director of Special Forces, 1988-89, is non-executive director of the PMC Control Risks Group.

One of Britain's foremost diplomats, Sir Jeremy Greenstock, is now a non-executive director of the financial services company De la Rue, which has won one of the largest contracts in Iraq for printing the new Iraqi dinar. Greenstock was in the diplomatic service between 1969-2004, serving in Washington DC, Paris, Dubai and Riyadh. He is the former British ambassador to the United Nations and Her Majesty's former special representative in Iraq, in which capacity he served as deputy administrator to Paul Bremer within the Coalition Provisional Authority, before quitting in

March 2004.

The former minister of state and Labour life peer in the House of Lords, Baroness Blackstone, was appointed a non-executive director of the Mott MacDonald Group in 2005. The engineering consultancy firm was given a £1.2 million contract from the Department for Iraqi Development for infrastructure work in Iraq.

The former secretary general of NATO and former Labour defence secretary, George Robertson, is a non-executive director of Weir, the engineering company, which has been involved in Iraqi oil assessments since May 2003. He played a critical role in the early foreign policy trajectory of New Labour, particularly during NATO's bombing of Serbia, throughout which he functioned as a hawkish ally of the US Clinton administration, levelling charges of genocide and ethnic cleansing against former Yugoslav President Slobodan Milosevic.



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