

UK's BAE Systems announces plan to produce armaments in Ukraine

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Following months of talks, BAE Systems, the UK's main armaments manufacturer, confirmed on Tuesday that it will establish an office in Ukraine, as the precursor to building weapons inside Ukraine.

The *Telegraph* reported the major escalation of NATO's war against Russia late Tuesday following a video call hours earlier between Ukrainian President Volodymyr Zelensky and BAE chief executive Charles Woodburn, Managing Director Gabby Costigan and Director for Cooperation with Ukraine Christian Seear.

The newspaper said "the FTSE 100 maker of Challenger 2 tanks, artillery pieces and ammunition crucial to the war against Russia" holding "direct talks with the country's president" was "a further sign of Britain's central role in arming Ukrainian forces."

Zelensky said on Telegram, "We discussed the localization of production in Ukraine. We agreed to start work on opening a BAE Systems office in Ukraine, and subsequently repair and production facilities for the company's products.

"We are interested in direct relations with your company, without any intermediaries, not only now, but also in the long term. We are ready to become a major regional hub for the repair and production of various types of products of BAE Systems and are interested in making our relations more global."

Woodburn said, "We're proud to be working with our government customers to provide equipment, training and support services to the Ukrainian armed forces. We're also exploring how we could support the Ukrainian government as it revitalises the country's defence industrial base to ensure their long-term security."

The video conference took place following the May 24 visit by UK Defence Minister Ben Wallace to Kiev to meet his counterpart Oleksii Reznikov. A Ministry of Defence (MoD) statement said the visit followed the UK becoming "the first country to provide Ukraine with long-

range precision strike capability this month... Defence Secretary, Ben Wallace said the meeting was 'to discuss the next stages of Ukraine's fight against Russia's illegal invasion. The UK continues to offer both equipment, training and advice to Ukraine's armed forces.'"

BAE supplies the bulk of the £2.3 billion in military equipment sent to the Ukrainian battlefield by the UK. It makes the Challenger 2 Main Battle Tank, Warrior infantry fighting vehicle, Terrier combat engineer vehicle and military bridging systems. It has a £2.4 billion contract with the MoD to provide all its munitions for the next 15 years. One of its factories in Cheshire, England alone can churn out 1 million munitions a day.

In an evening video address Zelensky said of BAE Systems, "It is indeed a massive manufacturer of weaponry, the kind of weaponry that we need now and will continue to need. We are working on establishing a suitable base in Ukraine for production and repair. This encompasses a wide range of weaponry, from tanks to artillery."

BAE is central to Britain's role as one of the world's leading sellers of arms. Fuelled by demand for its weapons in Ukraine and other war zones, the value of UK arms export licenses more than doubled to £8.5 billion in 2022. This included the £2.4 billion sale of Eurofighter Typhoons and related military equipment to Qatar. The biggest manufacturer in Britain, BAE operates in 40 countries employing 93,000 people. Valued at £27 billion, it is Europe's largest defence contractor and was the seventh largest in the world based on now hugely surpassed 2021 revenues.

On February 23, almost one year to the day since Russia's invasion, BAE celebrated its surge in sales and profits for 2022. It took in a record £37 billion in new orders, propelling its order backlog to £58.9 billion. It had already announced in a trading update last November that it had secured £28 billion of orders so far in 2022.

Underlying operating profits were £2.5 billion—up 12.5 percent on 2021.

In the foreword to its annual report, Woodburn commented, “While it is tragic that it took a war in Europe to raise the awareness of the importance of defence around the globe, BAE Systems is well positioned to help national governments keep their citizens safe and secure in an elevated threat environment.”

The report declared that “we expect the renewed importance of armoured combat vehicles in the Ukraine conflict to benefit our combat vehicles business.” So large were sales and profits that the statement declared, “This has enabled the Board to reward shareholders through the buyback of £788m of our own shares.”

Woodburn received pay and bonuses totalling more than £10.6 million last year. Commenting on the rocketing in BAE’s share value by 50 percent over the previous year to an all-time high, Chairman Sir Roger Carr stated that “it should not have taken a war for the investment community to reassess the value of BAE Systems shares, but it has.”

Among the many BAE manufactured weapons supplied by countries internationally to Ukraine is the M777 howitzer gun, which has a firing range of 14 to 24 miles, and is able to fire precision GPS-guided rather than unguided shells. Last October the *Wall Street Journal* quoted Mark Signorelli, a vice president of business development at BAE, declaring, “The demonstration of the effectiveness and utility of a wide variety of artillery systems is what is coming out of the Ukraine conflict.”

The newspaper reported, “BAE said that if inquiries from prospective M777 buyers, which include countries in Central Europe, turned into actual orders, it could lead to up to 500 new howitzers.”

Earlier this month, BAE announced it “will play a key role in helping Australia to acquire its first nuclear powered submarines”. They will be built as part of the US-UK-Australia (AUKUS) military pact, aimed at ramping up military confrontation with China. BAE said, “The three nations will deliver a trilaterally developed submarine, based on the UK’s next generation design, incorporating technology from all three nations. Australia and the UK will operate SSN-AUKUS, as their submarines of the future, with construction expected to begin this decade.”

The decision to locate armament production in Ukraine is seen as vital for British imperialism. In February the *Telegraph* reported, “Other European defence companies

are also in talks with Ukraine, with British companies keen not to be beaten to the punch by French and German rivals. A race is on to put the UK ‘at the front of the queue’, one [defence company] executive told *The Telegraph*.”

In May the *World Socialist Web Site* noted that Germany’s “Rheinmetall has established a joint venture for the repair and construction of tanks with the Ukrainian state-owned company Ukroboronprom. The cooperation on tanks is ‘only the first step on the way to comprehensive cooperation,’ writes the *Handelsblatt* newspaper.”

BAE’s plans to produce weapons in Ukraine is confirmation of the fact that Britain, as the WSWS warned, is in an undeclared war with Russia.

Tensions with Russia were heightened again with the comments of Foreign Minister James Cleverly in Estonia, Wednesday. Speaking about Ukraine’s drone strikes on Moscow the previous day, he said, “Ukraine does have the legitimate right to defend itself. It has the legitimate right to do so within its own borders, of course, but it does also have the right to project force beyond its borders to undermine Russia’s ability to project force into Ukraine itself.

“So legitimate military targets beyond its own border are part of Ukraine’s self-defence. And we should recognise that.”

Dmitry Medvedev, deputy chair of the Security Council of the Russian Federation and a former president, responded, “The goofy officials of the UK, our eternal enemy, should remember that within the framework of the universally accepted international law which regulates modern warfare, including the Hague and Geneva Conventions with their additional protocols, their state can also be qualified as being at war.

“Today, the UK acts as Ukraine’s ally providing it with military aid in the form of equipment and specialists, i.e., de facto is leading an undeclared war against Russia. That being the case, any of its public officials (either military, or civil, who facilitate the war) can be considered as a legitimate military target.”



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