

# Honeywell International

**Canada Pension Plan  
2011 Investment**

**\$24 million**

Although its consumer products have made Honeywell a household name, the company is not generally seen as one of the world's leading war industries. But it is. With assets of about US\$38 billion, and military-related revenues reaching US\$5.4 billion in 2010, Honeywell is the world's 15th largest weapons maker. Honeywell is, in fact, part of the consortium that manages and operates the

Honeywell can still brag that it "leads the industry in precision directional control of kinetic warheads for ballistic missile interceptors. We helped pioneer...solid propulsion reaction controls for missile interceptors on the LEAP, AIT and SM-3 [weapons systems] and developed a new family of advanced high temperature Jet Reaction Controls to provide unmatched agility, maneuverability and *end-game lethality* to tactical missiles and precision guided munitions such as *Israeli Military Industry's Multiple Launch Rocket System* [MLRS]." (Emphasis added.)

HP's pride in providing "end-game lethality" for Israel's M270 MLRS missile system is telling. The contract to build "Trajectory Correction Systems" to upgrade the accuracy of this rocket artillery was won by Is-

and Lockheed Martin. The munitions in question included warheads and weapons fuses valued at \$319 million (in 2004) and \$465 million (in 2007). The 2004 export was to include 10,000 "live bombs," 160 "inert bombs" and 9,500 "live fuze components." The 2007 export deal was to include 10,000 tail kits for Joint Direct Attack Munitions, 4,000 full kits for various warheads, 13,550 "live bombs," and 20,000 "live fuze components."

Lycoming (now part of Honeywell) manufactured LTS101 turboshaft engines to power Eurocopter HH-65A "Dolphin" military helicopters, which are operated by Israel.

Honeywell has a "Store Front" agreement with the Israel Aerospace Industries (IAI). (See "State-owned Israeli War Industries," pp.48-49.) This agreement is with IAI's subsidiary, the Bedek Aviation Group. IAI also incor-

porates Honeywell engines, such as the T53, into the aircraft that it builds.

Honeywell torpedoes arm the Israeli Navy's Sa'ar V corvettes. One of these warships was used in Israel's attack on the Gaza Freedom Flotilla in May 2010, killing nine human rights activists, and injured dozens more.

Data obtained by the Coalition to Oppose the Arms Trade from the "Government Contracts USA Defense Department" database show that between 1999 and



**Israel's Multiple Launch Rocket System uses Honeywell's "Jet Reaction Controls" in the "Trajectory Correction System" (TCS) made by the state-owned Israel Military Industries Ltd.**

**Honeywell says its "Jet Reaction Controls...provide unmatched agility, maneuverability and end-game lethality to tactical missiles and precision guided munitions such as Israeli Military Industry's Multiple Launch Rocket System."**

Pantex Plant in Texas, where all US nuclear bombs are assembled. Although Honeywell's military revenues usually account for less than 15% of its total business, the company has – since 1999 – almost always ranked within the world's top 15 war industries.

Honeywell also consistently ranks as a top Pentagon supplier. During the 2000s, with sales of US\$14.1 billion to the US military, Honeywell was 20th on the Pentagon's supplier list.

Although it spun off its cluster bomb-making "defense division" to create Alliant Techsystems in 1990,

rael Military Industries (IMI), a large government-owned weapons firm. (See "State-owned Israeli War Industries," pp.48-49.) For its part, Honeywell provided "Fluidic Thrust Vector Control diverter valves ...to deliver trajectory correction" for the MLRS, made by Lockheed Martin. (See table, "CPP Investments," p.53.) Israel used the MLRS against Lebanon in 2006.

In reporting on two large US weapons-transfers requested by Israel in 2004 and 2007, the US Department of Defense stated that among the "principal contractors" would be Honeywell

2009, Honeywell received over 700 contracts worth US\$489 million for products and services related to three major, US-made weapons systems of the kind sold to Israel. These weapons systems, the AH-64 attack helicopter, and the F-15 and F-16 warplanes, were used in Israel's air strikes against Lebanon (2006), and Gaza (2008-2009).

Honeywell received US\$48.1 million in AH-64 contracts, including the maintenance and repair of weapons and aircraft structural components, the supply of aircraft gunnery fire-control components, radar equipment, optical

sighting and ranging equipment, engine and fuel system components, and flight instruments.

Its F-15 contracts, valued at US\$207.3 million, included the maintenance and repair of weapons, and the supply of weapons fire-control equipment, weapon system hardware, navigation, flight, engine and communication instruments, electrical motors, and wheel and brake systems.

Honeywell's F-16 contracts, amounting to US\$233.7 million, were for such products and services as gunnery and bombing fire-control components, navigational and flight instruments, transmission equipment and engine components, electronic microcircuits, and maintenance and repair of engine accessories.

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# Hyundai Motor Co.

**Canada Pension Plan  
2011 Investment  
\$53 million**

To most, Hyundai – which means “modernity” in Korean – probably conjures up images of fuel-efficient compact cars. Indeed, one of the company's main divisions, the Hyundai Motor Co. (HMC), is the world's fourth largest car manufacturer.

But an HMC subsidiary – originally called Koros – churns out fuel-guzzling battle tanks, armoured troop carriers and tank-gunnery trainers. Koros, which made trains, is an acronym for Korea Rolling Stock. However, in Japanese, the word *korosu* means “to kill.” Although this was quite apt, the Koros name was changed to Rotem in 2002.

In 1997, Hyundai defied the Arab boycott and set up an Israeli R&D centre. HMC cars are now Israel's most popular, surpassing competitors Mazda and Mitsubishi. (See table, “CPP Investments,” p.53.)

Because HMC has received lucrative contracts from Israel's military, it is obliged to reciprocate with investments in the country. The government's Industrial Cooperation Authority said: “HMC is committed to about \$16 million worth of Industrial Cooperation activities to be carried out with Israel's high-tech and automotive industries. The commitment stems, among others from the sale of Hyundai vehicles to Israel's Ministry of Defense, and the Government Vehicle Administration, which totalled since 2004 up to 2010, 8,000 vehicles.”

Israel's *Globes* newspaper reported on two large 2010 contracts won by HMC to supply vehicles to officers of the Israel Defense Forces (IDF). These deals totalled between US\$28 and \$33 million. *Globes* noted that “most leased cars that will be supplied to IDF lieutenant colonels –

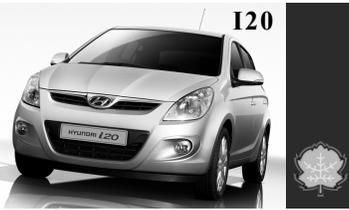
about 3,000 cars – are Hyundai Accents, manufactured at the...Izmit plant in western Turkey. The pretax value of the export of these cars to Israel is estimated at \$22-25 million.”

The other tender was to “lease cars to IDF majors...through Hyundai Motors Israel Ltd., with its I20 model,” which are also made in Turkey. *Globes* estimated that the “value of the I20s that will be exported to Israel for delivery to the IDF is [US]\$6-8 million.”

In 2006, *Globes* reported that in “the first stage of a military contract” the IDF received “hundreds of Hyundai Getz and Mitsubishi Lancers.” (See Hyundai Motors, p.40, and Mitsubishi in table, “CPP Investments,” p.53.)



Accent



I20

**In 2010, Israel's military paid HMC US\$30 million to supply thousands of cars to its officers. Those ranked Lieutenant Colonel and above received HMC Accents, while Colonels received HMC's I20 model.**

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