

# UK firm PwC criticised over bid for major Saudi Arabia contract



One of Britain's biggest consulting and accountancy firms has been negotiating to land a major contract to help streamline and modernise Saudi Arabia's military, the Guardian can reveal.

PricewaterhouseCoopers (PwC) confirmed it had tendered for the project, which will be part of a wholesale transformation of the kingdom's defence ministry designed to better equip and support its frontline forces.

PwC declined to comment further about the talks. It said there was an "ongoing tender process with a number of participants pitching for work".

The negotiations, for a deal that could be worth millions to

the company, have drawn criticism from campaign groups. Campaigners have condemned the country's involvement in the conflict in Yemen, claiming its airstrikes have killed civilians and amount to war crimes.

Peter Frankental, Amnesty International UK's economic affairs programme director, urged PwC to explain what due diligence it had undertaken before pitching for the work.

"Like any company, international accountancy firms should ensure that they avoid contributing to human rights violations in their operations, or being directly linked to them by their business relationships.

"We'd like to know what due diligence the company has done.

The United

Nations guiding principles on business and human rights make it clear that a

company may be viewed as complicit if they are seen to benefit from abuses

committed by another party."

The Saudi ministry of defence is run by Prince Mohammed bin Salman bin

Abdulaziz Al Saud. The 32-year-old, known as MbS, is said to be the world's

youngest defence minister and is also the kingdom's deputy prime minister.

Described by critics as an inexperienced firebrand, he has been the architect of

the kingdom's intervention in Yemen, in which it has backed the exiled

government over Iranian-supported Houthi rebels.

This year the UN said the conflict had led to more than 22

million Yemenis –  
up to 80% of the population – requiring humanitarian aid.  
Jamie McGoldrick, the UN’s humanitarian coordinator in Yemen,  
has  
described it as “an absurd and futile war” and condemned the  
“mounting  
civilian casualties caused by escalated and indiscriminate  
attacks throughout  
Yemen”.

PwC already has a presence in Saudi Arabia, but it is the  
company’s UK  
operation that is behind the defence project.

PwC has launched a “call for resources” – asking specialists  
and consultants in  
London whether they would be interested in moving to Riyadh to  
start the  
work – because, it has said, it is “currently finalising the  
deal”.

The company told staff that the Saudi ministry of defence was  
undergoing an  
“ambitious transformation to modernise its armed forces at a  
size and scale  
rarely seen before ... [this] is at its most critical phase and  
they need support to  
undertake this level of change.”

If it wins the contract, PwC is likely to be tasked with  
transforming several  
support areas within the defence ministry. The first phase of  
the work is likely  
to focus on how to reshape recruitment, resourcing,  
performance management  
and strategic workforce planning, and how to manage and  
communicate  
change.

The Guardian asked PwC what due diligence it had undertaken  
and how it

would answer concerns about working with the Saudi military. The company declined to respond.

The Saudi embassy in London was asked about the scale and scope of the project but also declined to comment.

Frankental urged PwC to think again. "As any accountancy firm involved in work for the Saudi ministry of defence must know, the Royal Saudi air force has an appalling record in Yemen, with the Saudi-led military coalition having indiscriminately bombed Yemeni homes, hospitals, funeral halls, schools and factories. Thousands of Yemeni civilians have been killed and injured."

Anna Macdonald, director of the Control Arms Secretariat, a global coalition working for international arms control, said the UK "should be focusing on trying to stop this terrible conflict, not assisting the Saudi government."

She added: "British companies should be very cautious indeed in what they are supporting. Yemen is the world's worst humanitarian crisis and getting worse by the day."

"The UK government and UK companies are fuelling this in continuing to supply bombs and military equipment to Saudi Arabia and its coalition partners. Ordinary Yemenis need access to water, to humanitarian aid and, most pressingly of all, for the incessant bombing of their schools, hospitals, markets and funerals to stop."

Saudi Arabia has defended its military operations in Yemen. This year the foreign minister, Adel al-Jubeir, said the critics were wrong. "They criticise us for a war in Yemen that we did not want, that was imposed on us," he told the BBC. "They criticise us for a war in Yemen that is a just war, that is supported by international law." Judeir blamed the Houthi rebels for blocking aid and contributing to the humanitarian crisis. A spokesman for the Department for Business, Energy and Industrial Strategy said firms had to operate by UK and international law, and there was no restriction on accountancy services in Saudi Arabia.