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Intelligence Report

Office of Transnational Issues

29 July 1999

Ariana Afghan Airlines: Assets and Activities

Ariana Afghan Airlines—Afghanistan’s national carrier—provides the Taliban with unspecified profits from its legitimate passenger, cargo, and charter services and has facilitated activity by terrorists and narcotics traffickers.

The airline conducts international and domestic air operations carrying passengers and cargo on scheduled and charter flights and is frequently used for military purposes:

- The airline has scheduled service to India, Saudi Arabia, and the United Arab Emirates and at least six domestic locations. Ariana officials hope to expand the international flight network to Europe and the Far East.
- Ariana transports troops and supplies within the country as part of the Taliban’s effort to win the civil war.
- Most of the airline’s revenue is probably generated by its cargo and charter activity

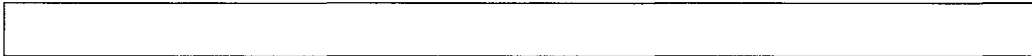
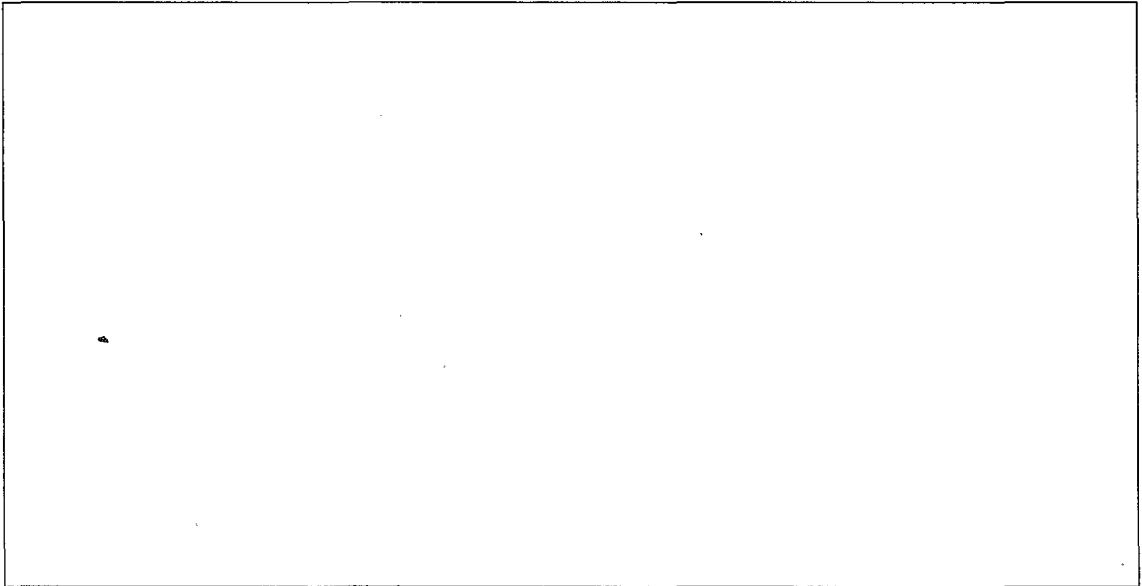
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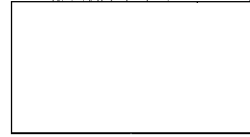


The airline has been utilized by terrorists and drug smugglers to conduct operations.




- Terrorist financier Usama bin Ladin has chartered Ariana aircraft to transport personnel and supplies.

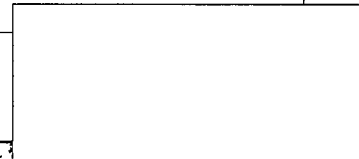
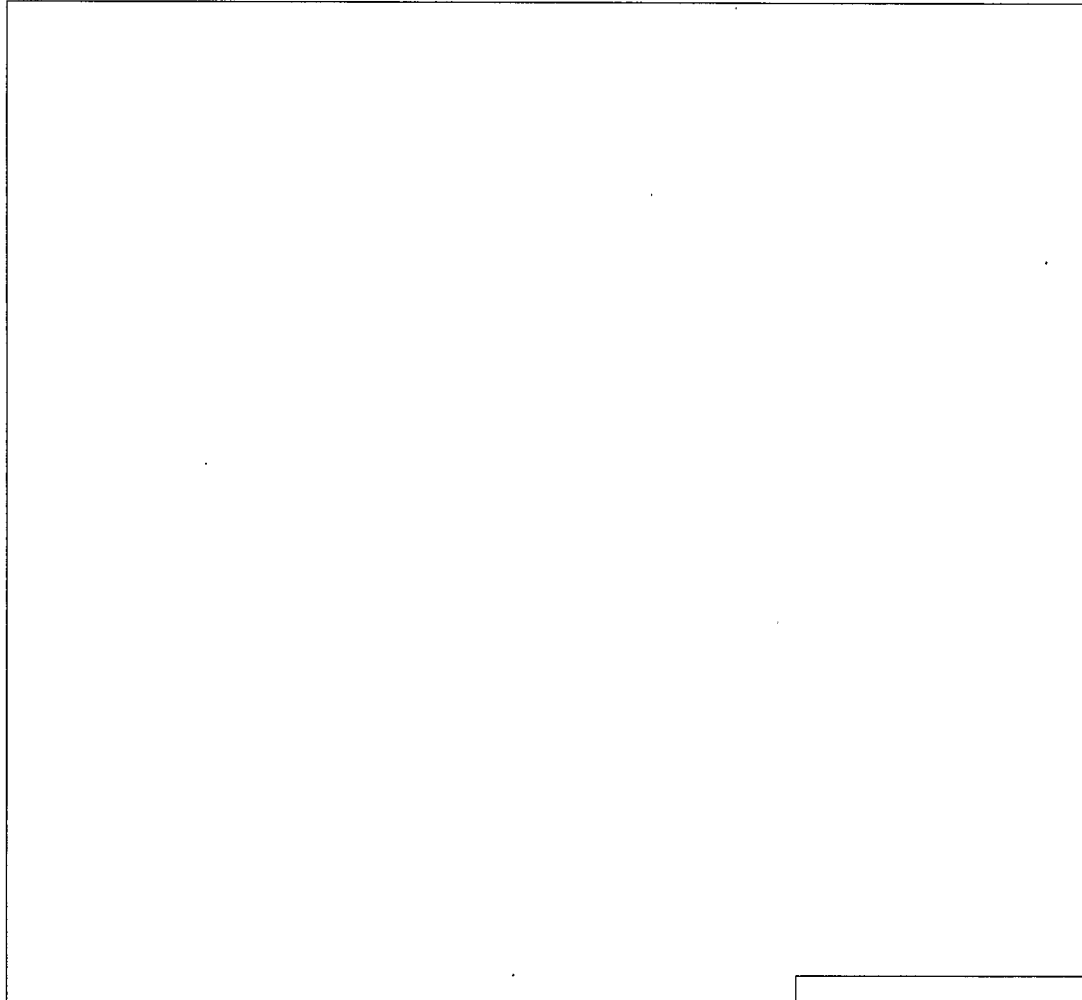


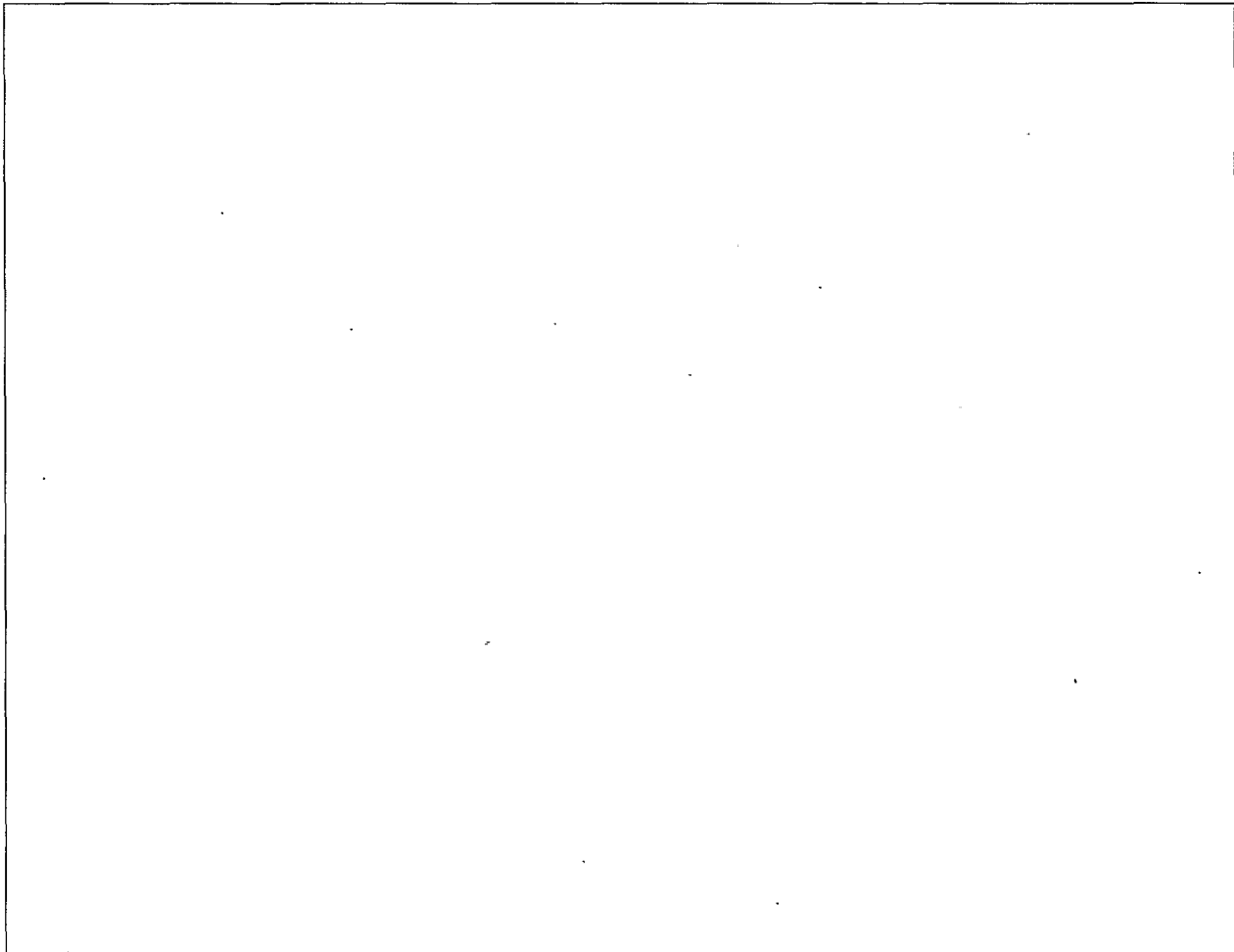
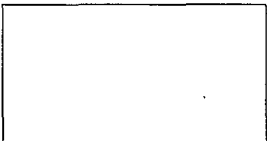


Afghanistan's National Airline

Ariana Afghan Airlines—Afghanistan's national carrier—was founded in Kabul in 1955 with financial help from the Indian firm Indamer. Indamer—headed by American Peter Baldwin—owned 49 percent of the airline, while the Afghan Government held the other 51 percent. A year later, Afghanistan signed the Air Transport Development Project Agreement with the United States and, soon after, Pan American Airlines bought Indamer's shares; Ariana boasted a strong international reputation in the 1970s because of that association. The name Ariana was dropped in 1985, when Bakhtar Afghan Airlines took over the company to become the new national airline, but was eventually restored in 1988. (U)

The Taliban took operational control of Ariana coincident with its capture of Kabul in late September 1996 and retains *de facto* ownership.¹ Since that time, the airline has added to its fleet, looked to expand its international flight network, and facilitated activity by terrorists and narcotics traffickers. 

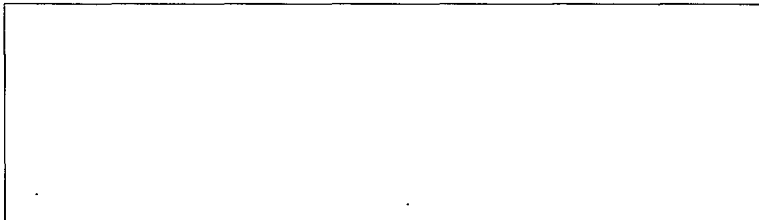


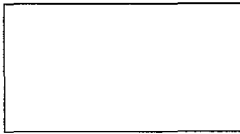


Ariana conducts international and domestic commercial air operations carrying passengers, cargo, or mail. The airline is the only scheduled carrier known to be licensed for operation in or to Afghanistan, although planes operated by international organizations—the International Committee of the Red Cross, the United Nations

do conduct flights there:

- The airline has scheduled Boeing 727 service from Kabul to Amritsar, India thrice weekly and to Dubai and Jeddah, Saudi Arabia once a week, according to an aviation industry publication. The flights to Amritsar are mainly for the transport of consumer goods, according to a variety of sources. US Embassy





reporting suggests the Jeddah leg was stopped at the behest of the Saudi Government for at least a short time beginning in October 1998.

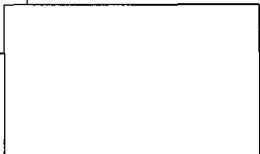
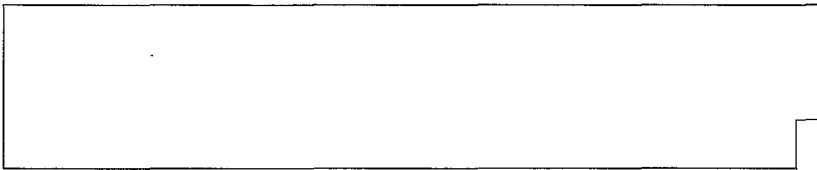
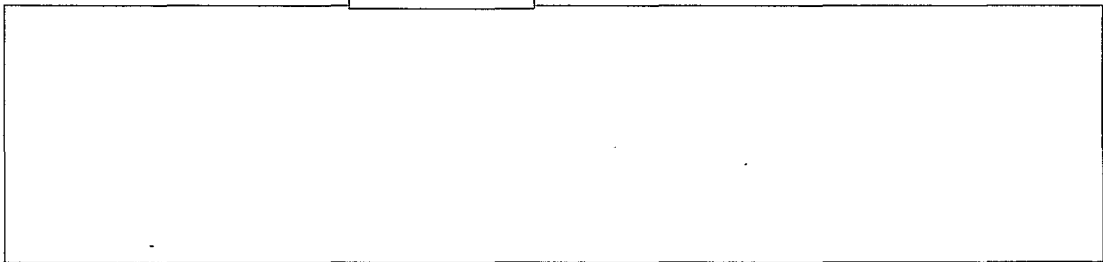
[Redacted] Ariana conducts cargo service to Sharjah, UAE [Redacted]

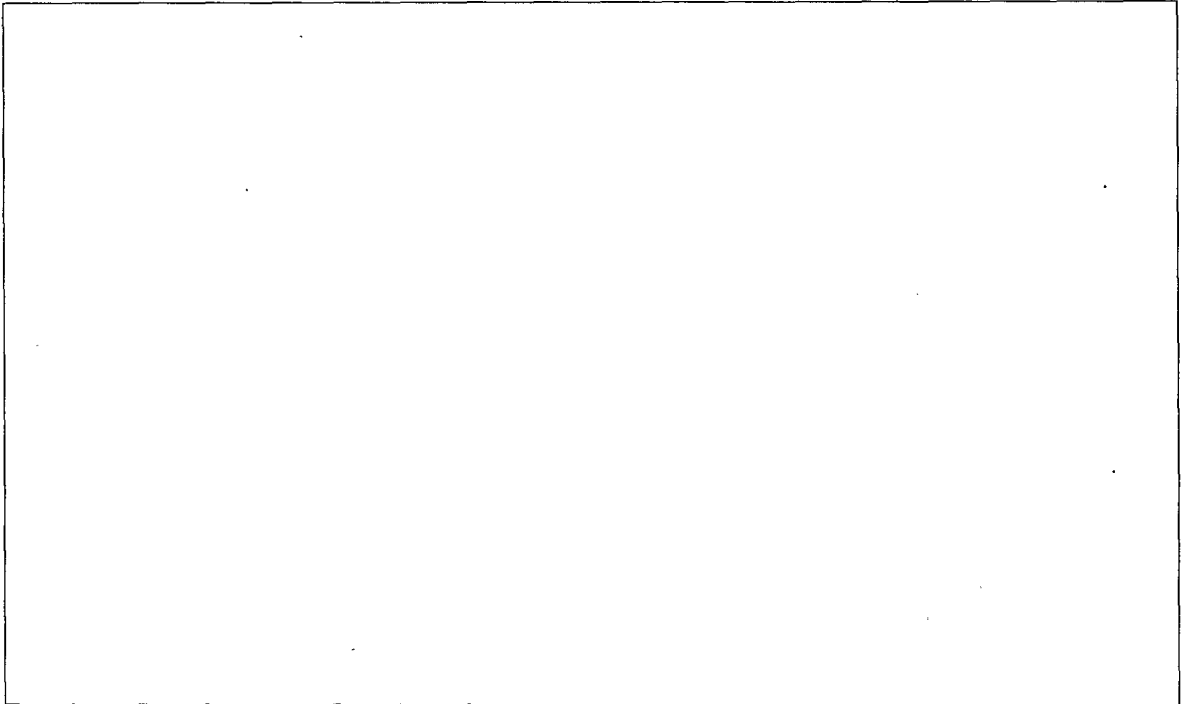
- The airline occasionally conducts charter service to Frankfurt on behalf of a German nongovernmental organization, according to press and US Embassy reporting, and has conducted flights to Saudi Arabia for the Hajj. [Redacted]

- Ariana has an extensive domestic network with flights going to Kabul, Qandahar, Herat, Jalalabad, Khowst, and Mazar-i Sharif, according to press and US diplomatic reports. [Redacted]

Ariana is looking to expand its international connections:

- Arrangements for service to Urumchi, China and Ashgabat, Turkmenistan have apparently been made but have yet to be implemented, according to US Embassy and press reporting, because the airline has not yet met safety and other unspecified conditions mandated by the Chinese and Turkmen governments.
- Ariana officials would also like to establish regular destinations in Europe—possibly Frankfurt, London, or Paris—and Uzbekistan, according to aviation industry reports. [Redacted]





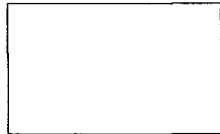
Like any airline, Ariana requires maintenance and spare parts for its fleet to conduct operations. To remedy this situation, the airline has turned to various sources:

- Ariana had a technical support contract with Air France when the Taliban took over its operations; however, the agreement was being re-negotiated in June 1997 because it had become too expensive for Kabul, according to a US Embassy report. Press reporting from early 1999 suggests the relationship has been sustained, albeit to an unknown degree. The same Embassy reporting indicates that Ariana was looking into the possibility of establishing a technical relationship with Brussels-based Sabena in mid-1997, most likely if the deal with Air France fell through. More recently, other press reporting indicates an aircraft service agreement was signed with the Amman-based airline Royal Jordanian.

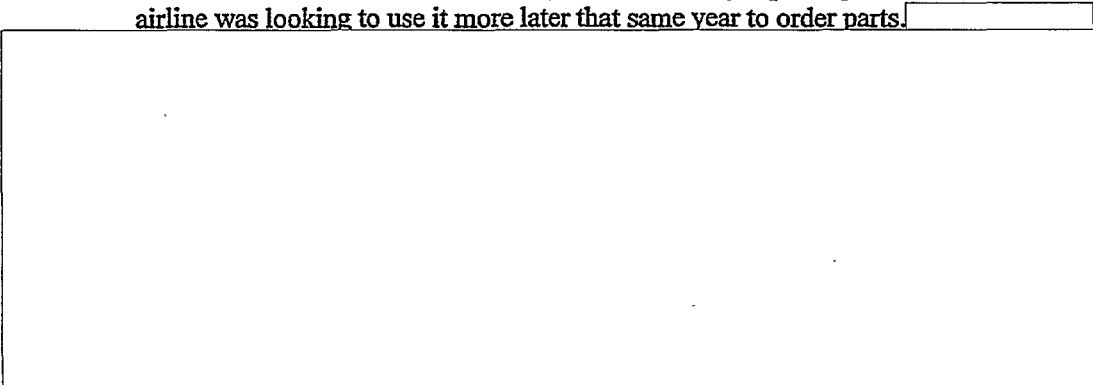


- Press reporting indicates talks on spare parts acquisition were initiated between Ariana and Boeing in mid-1998. At least two deliveries—including one in early February 1999—have apparently resulted from the negotiations.
- A technical support agreement signed in October 1996 with Pakistan provided Ariana with a temporary operational and maintenance base at Karachi, according to press reporting. The contract had not been utilized



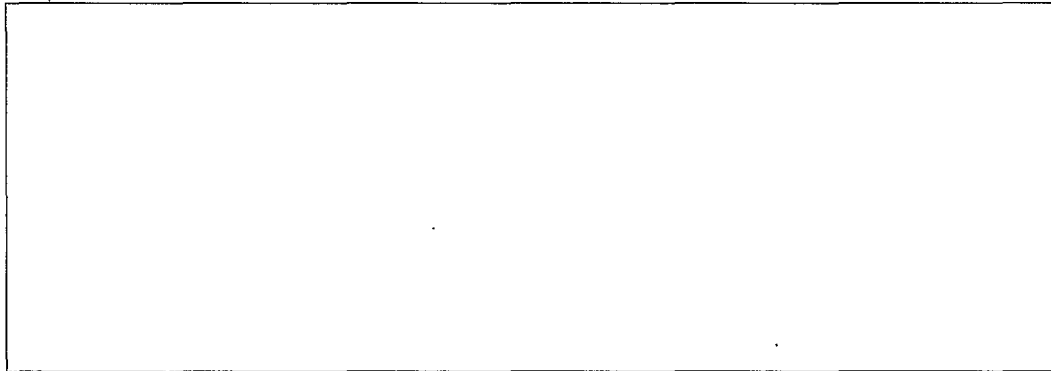
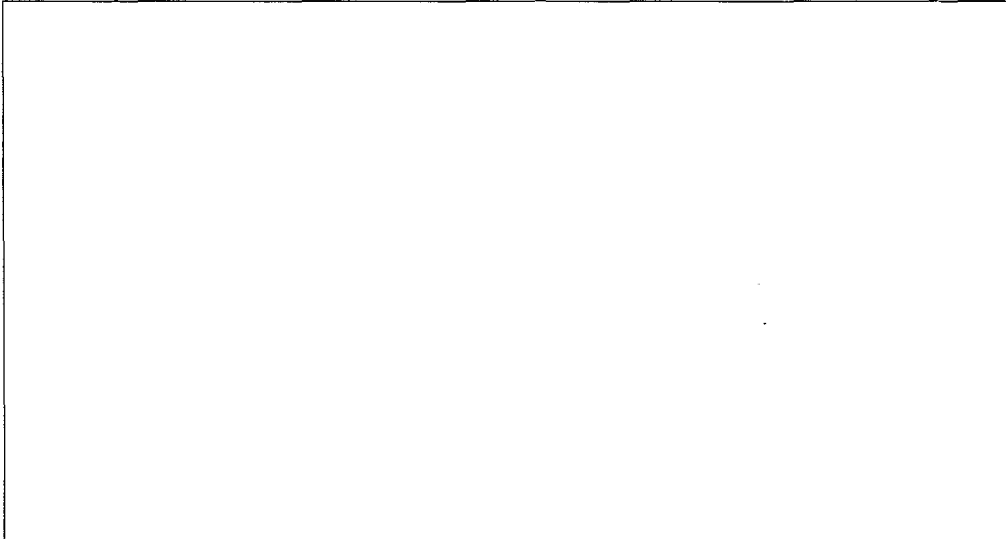


much as of mid-June 1997, according to US Embassy reporting, but the airline was looking to use it more later that same year to order parts.



airline probably generates most of its revenue from cargo and charter services, because few Afghans can afford airline tickets. but passenger numbers are on the rise:

- Ariana's international flight plan is based on projections of cargo—not passenger—demand, according to the US Embassy in Islamabad. As of late 1996, the airline's cargo service was reportedly generating a "substantial" profit and additional routes were being evaluated to ensure future earnings





Overflight Fees

The Taliban also receives a considerable amount of money from fees collected for overflights of Afghanistan by foreign aircraft. According to press reporting:

- Each overflight incurs a fee of \$400, which is calculated by the International Air Transport Association (IATA). Up to 80 aircraft were overflying the country each day as of early May 1999, thus earning the Taliban about \$11.7 million annually if the pace of flights continues. The number of flights over Afghanistan may increase if the current civil war ends, as the country straddles the shortest air route between Western Europe and East Asia.
- The overflight fees are banked in Switzerland and held in trust for spending on civil aviation requirements deemed necessary by the IATA. Spending for military purposes is strictly forbidden. Some of Afghanistan's money was recently used to complete short-term infrastructure projects—the installation of satellite-based phone, fax, and telex and aeronautical mobile and fixed services for the air traffic control center—at Kabul International Airport to bring its equipment up to international standards. Other funds are slated for terminal repairs. (U)

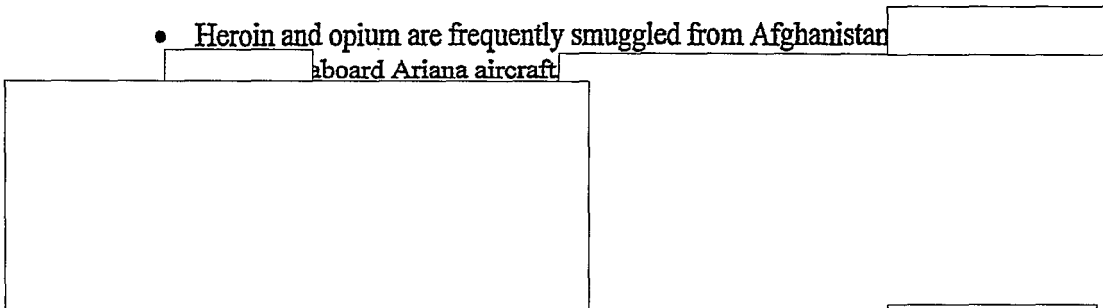
Illicit and Other High-Interest Activity

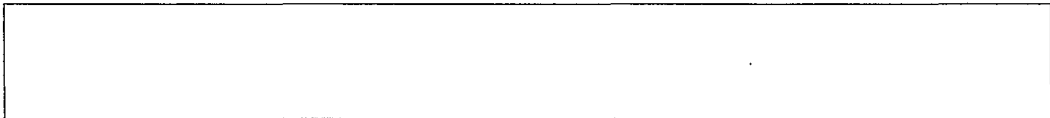
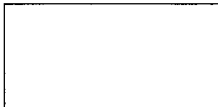
Since late 1996, terrorists, narcotics traffickers, the Taliban military, and the Taliban's supporters have used Ariana to conduct operations:

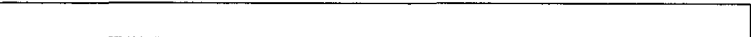
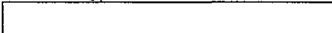

- Terrorist financier Usama bin Ladin has frequently chartered an Ariana Boeing 727 to move supplies and personnel between Afghanistan and the UAE

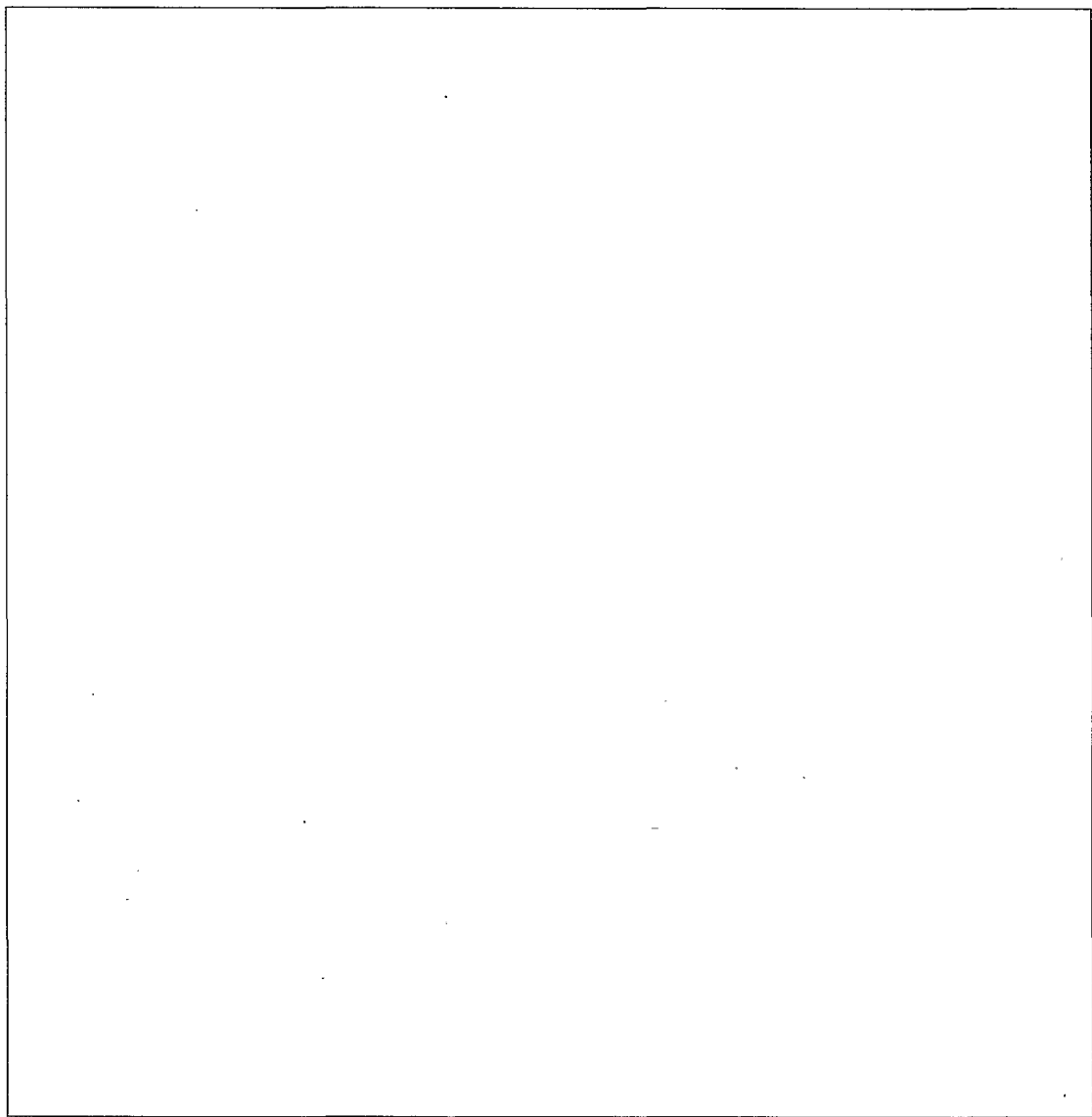


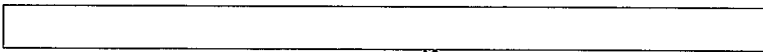
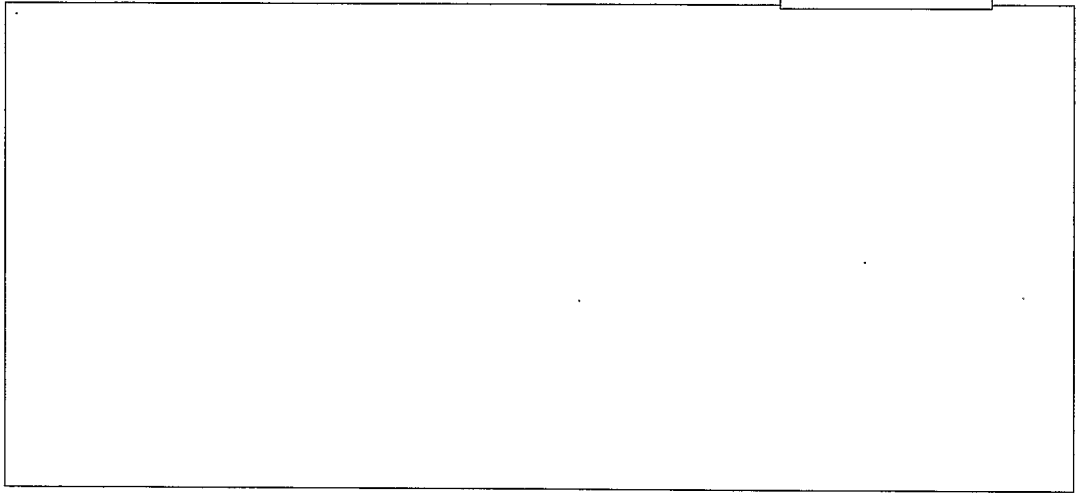
- Individuals belonging to an Islamic extremist group flew the carrier from Afghanistan to the UAE in 1997.
- Heroin and opium are frequently smuggled from Afghanistan

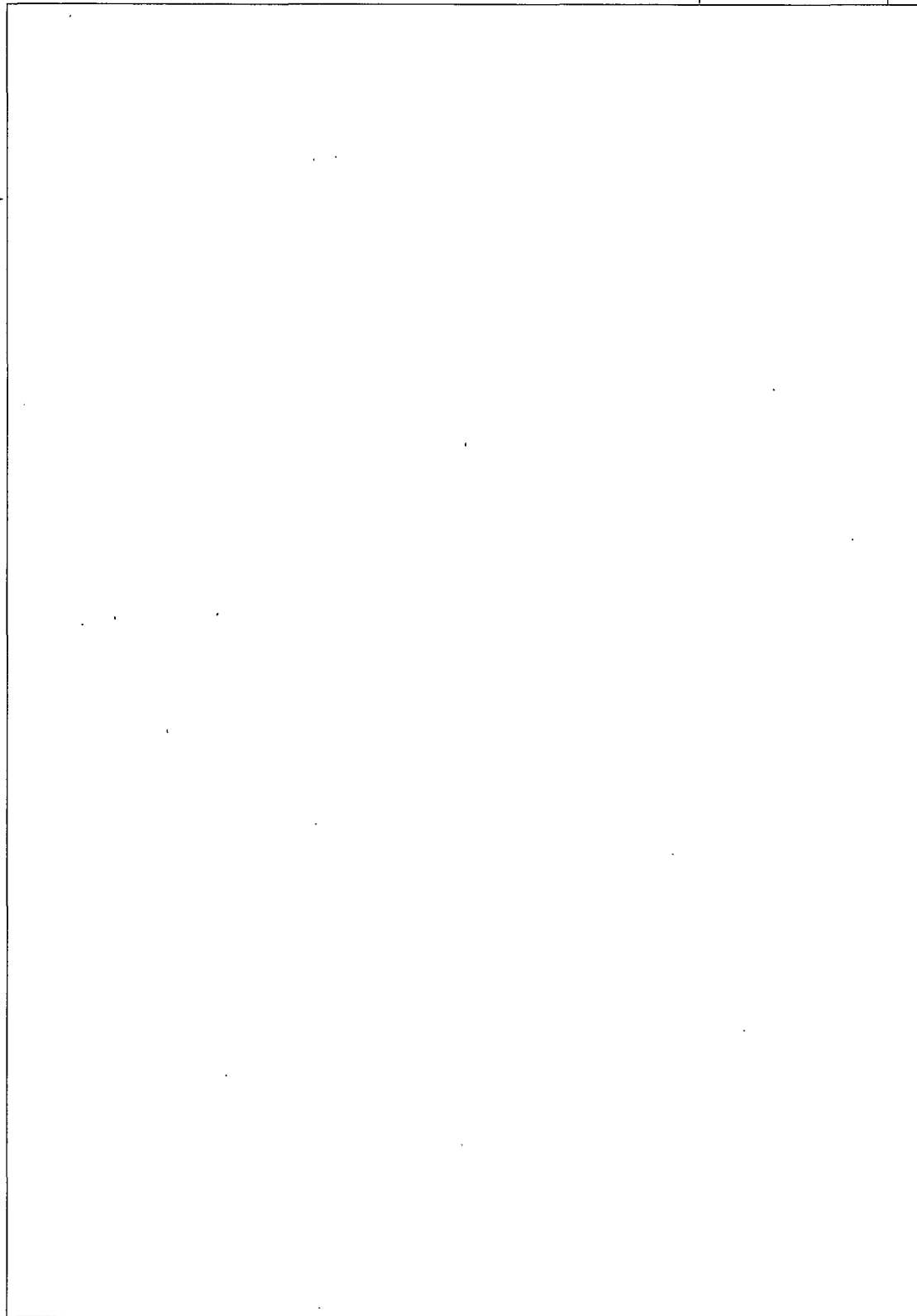


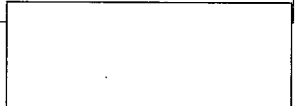
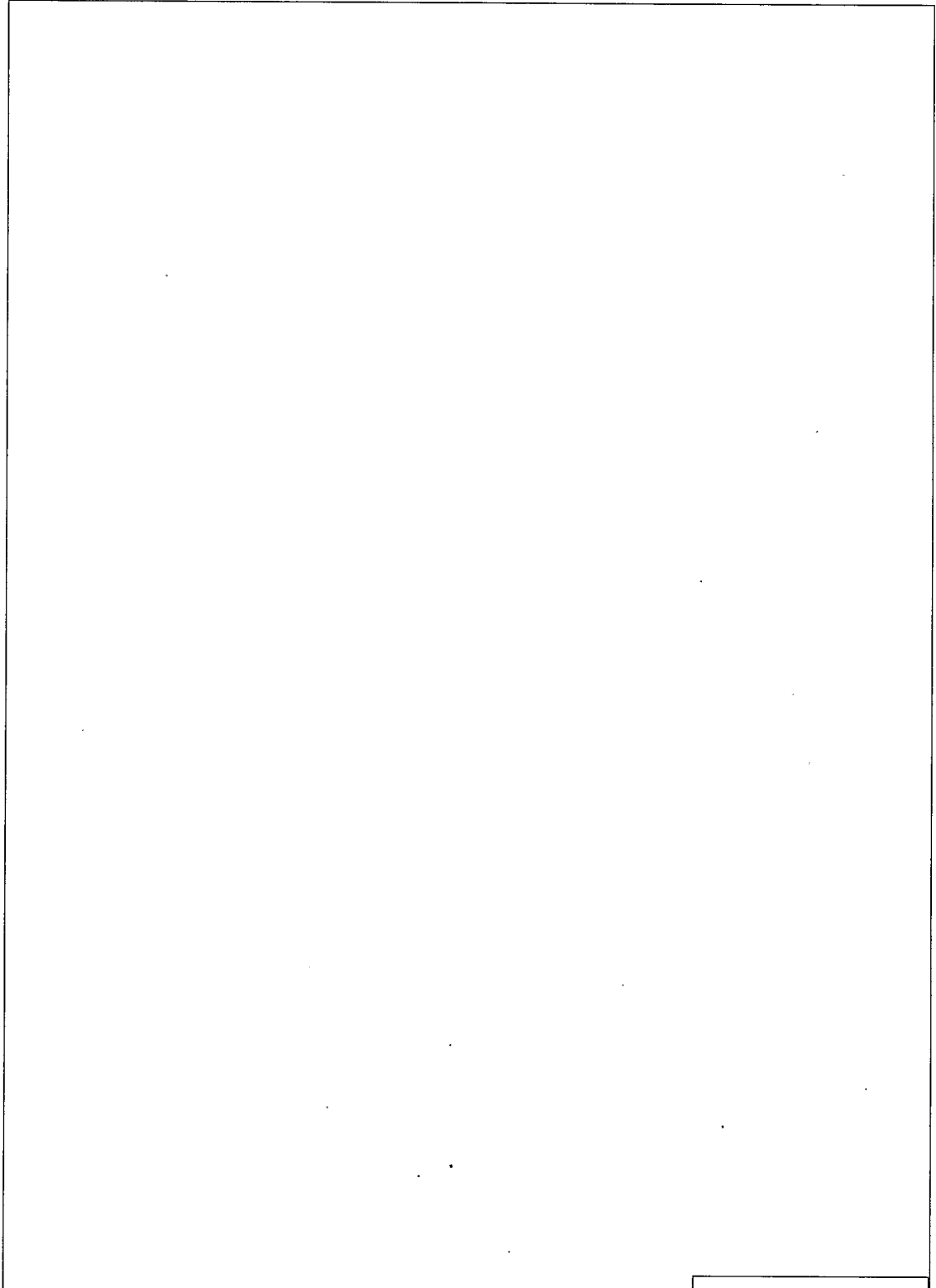


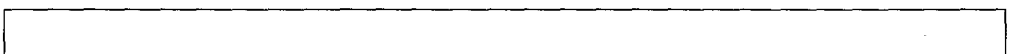
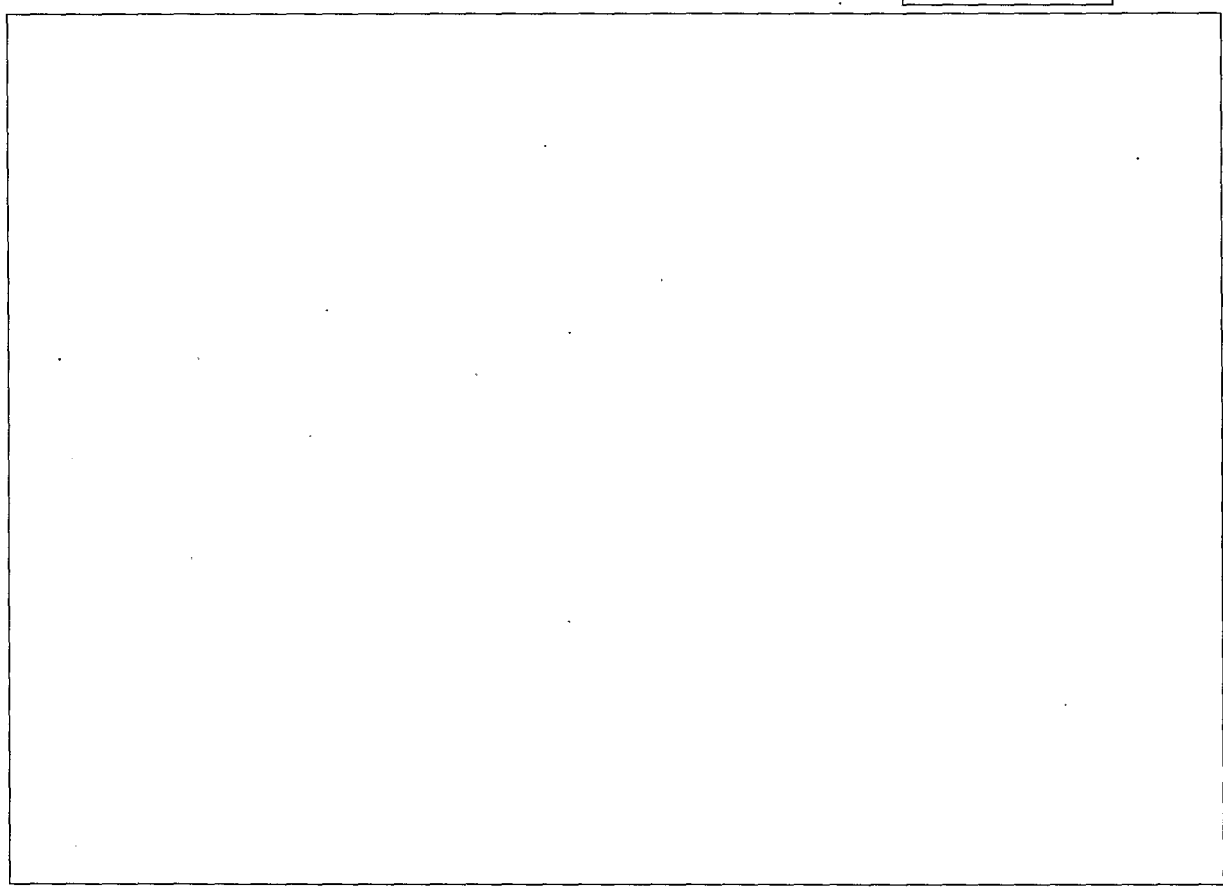
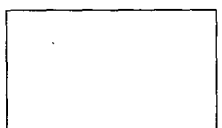
- Ariana is used extensively for military purposes, according to US diplomatic reporting, as Taliban officials have made clear that the first priority for the airline should be doing its part to help Kabul win the current civil war. The carrier is frequently tasked to transport troops and supplies within Afghanistan.
- Money 
 transported on the carrier from the UAE to
Afghanistan. 

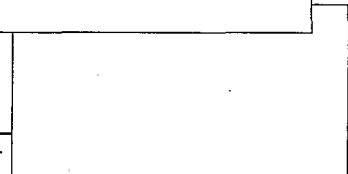
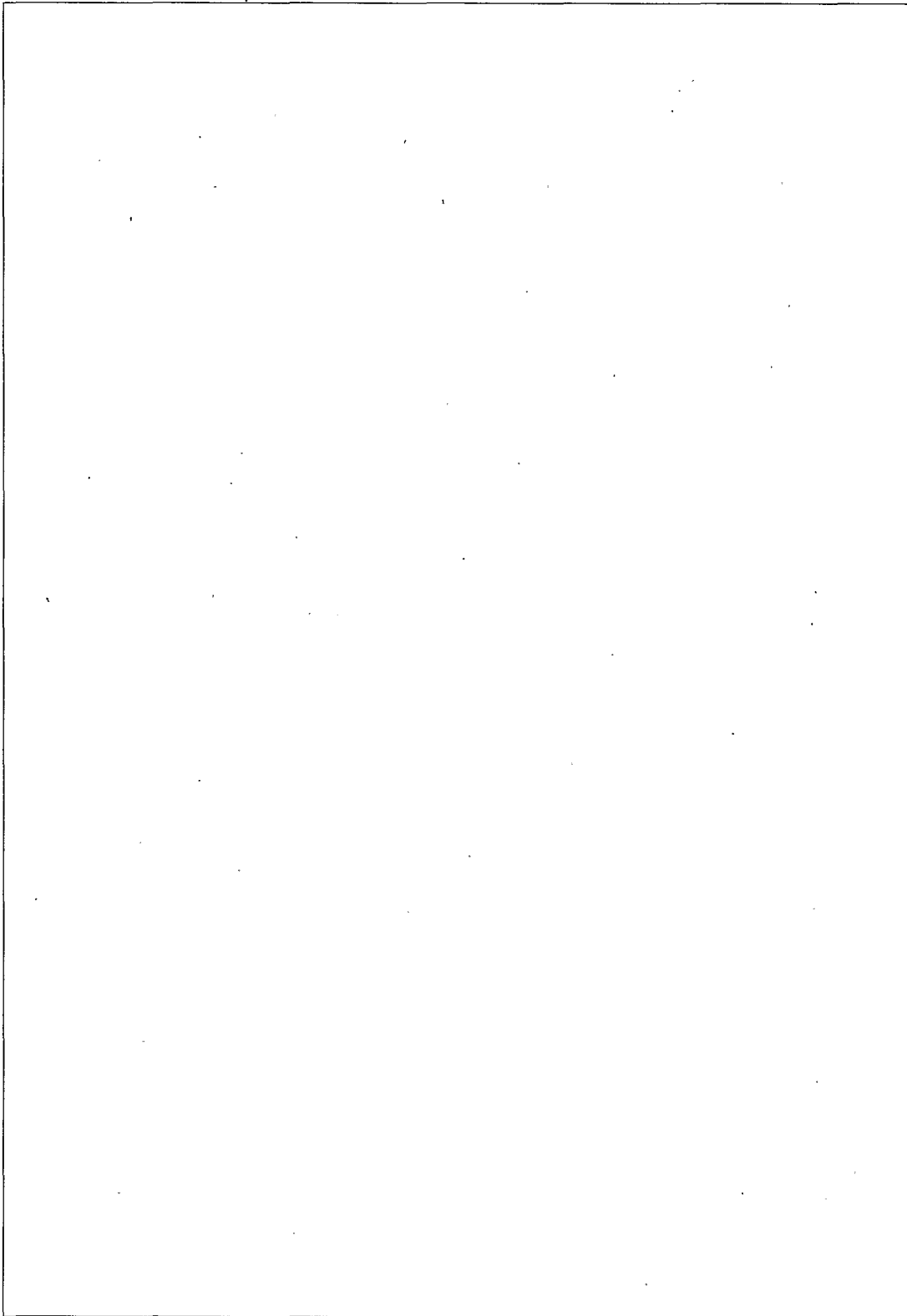


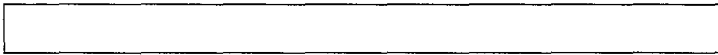
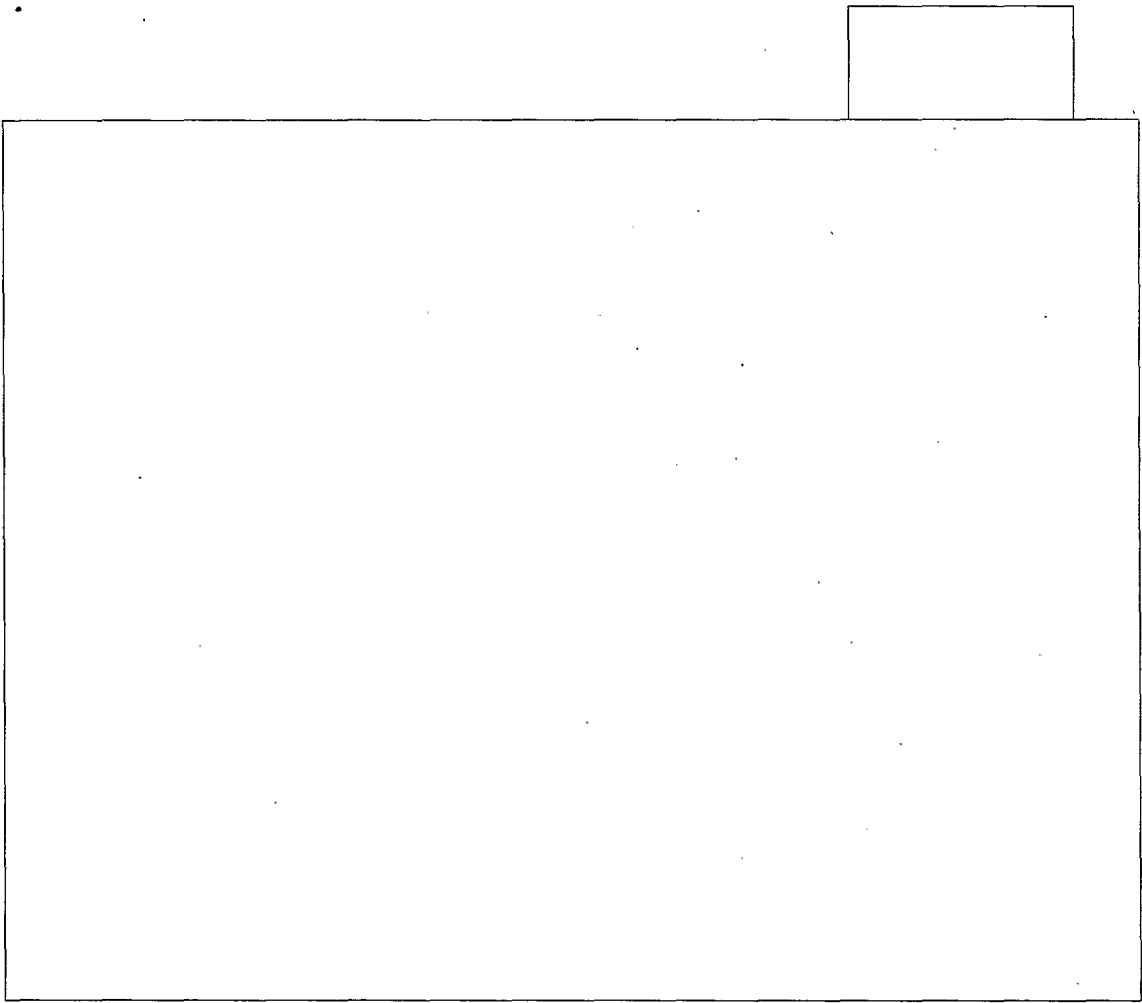






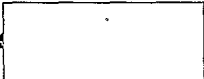








Ariana Afghan Airlines: Assets and Activities



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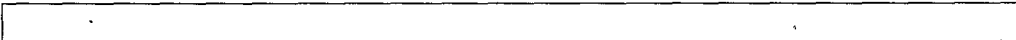
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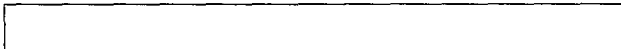
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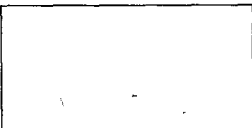
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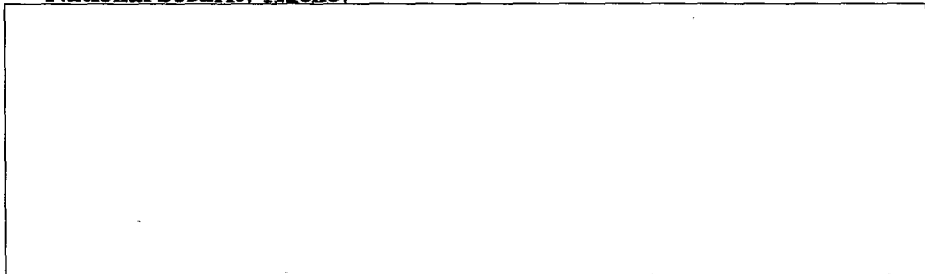


Defense Intelligence Agency

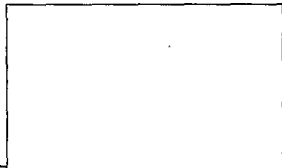
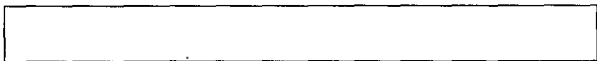
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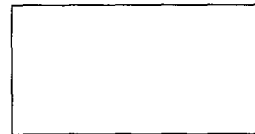
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