Annual Report According to the EU Code of Conduct on Arms Exports

NATIONAL REPORT OF FINLAND FOR 2003

1. REPORTING PERIOD AND SCOPE

Reporting period is the year 2003, 1.1.-31.12.2003. This report covers exports authorised under the Act on the Export and Transit of Defence Materiel (*defence material*).

2. LEGAL BASIS AND NATIONAL LICENSING GUIDELINES

The basic principles, policies and national practices on the export of conventional arms and related technology are outlined in the relevant Finnish legislation. The export of defence materiel and its transit is allowed only if authorisation (an export licence) has been granted. Authorisation will not be granted if it jeopardises Finland's security or is in contradiction with Finland's foreign policy. These basic principles contained in the Act on the Export and Transit of Defence Materiel are supplemented by clarifying rules outlined in the national Guidelines. All applications are examined on a case-by-case basis based on an overall assessment. The following factors shall be taken into account in the overall assessment of licence applications:

- foreign and security policy aspects, including the relevant UN, OSCE, EU and other international obligations be they decisions on arms embargoes, multilateral restraints, criteria, principles or guidelines of multilateral export control regimes
- an analysis of the situation prevailing in the recipient country, especially with regard to human rights, including attitudes of other States vis-à-vis the recipient country
- the characteristics, intended use and military significance of the item to be exported
- the significance of the item and export in relation to the materiel preparedness of Finnish national defence and to the development of domestic defence industry.

The EU Code of Conduct on Arms Exports is incorporated into the Finnish legislation as an annex to the national Guidelines. In ambiguous cases, a restrictive approach is preferred. If the export of the item in question, by virtue of its characteristics and significance, will not lead to, or in all likelihood won't to be used in violations of human rights, offensive armed action or other comparable unacceptable purposes inside or outside the recipient country, the granting of a licence may be recommended if the overall assessment on all other accounts is favourable and if the formal licensing requirements have been met. There are specific rules for the export licensing of components and subsystems of any defence equipment.

The relevant Finnish legislation is as follows:

Act on the Export and Transit of Defence Materiel (242/1990, amendments up to 900/2002 included)

- a concise framework law stipulating the authorisation and procedure as well as sanctions in case of violations
- establishes the following responsibilities for various authorities:
 - 1. Ministry of Defence (MoD): licensing authority
 - 2. Council of State (Council of Ministers): grants licences for all major exports; affirms the guidelines
 - 3. Ministry for Foreign Affairs (MFA): advises on foreign and security policy considerations
 - 4. Customs: enforcement

General Guidelines for the Export and Transit of Defence Materiel (1000/2002)

- Provides more detailed guidelines for the application of the Act by giving clarifying rules of foreign and security policy substances as well as of procedural substance
- Provides more detailed guidelines for the implementation of the international agreements and obligations adhered to by Finland in the field of export of defence equipment
- incorporates the international norms into the domestic legislation by explicit references to the OSCE Principles on arms transfers, the EU Code of Conduct on Arms Exports, decisions on arms embargoes by the UNSC or the EU etc. and integrates these sets to the Guidelines as its annexes.

Decree on the Export and Transit of Defence Materiel (108/1997, amendments up to 100/2003 included)

- establishes the coverage of controls by defining the list of defence materiel, by main headings, classified into four item categories (based on characteristics, intended use and military significance of the items)
- the coverage also includes "related technology". Authorisation is, hence, needed for yielding control or transfer abroad of any:
 - know-how and licence to manufacture materiel
 - machine tools and equipment especially designed for manufacturing materiel
 - computer software relating to the manufacture or use of materiel
 - the export of technology shall require an export licence even if such technology is intended for development, production or use of an item which is not defined as defence materiel

- authorisation is not required for the exports of technology which is necessary for the installation, use, maintenance, inspection, or repair of an already licensed item
- nor is authorisation required for the export of technology which is widely available internationally or related to basic scientific research.

Decree of the Ministry of Defence (192/1997, amendments 59/2002 and 543/2002)

- implements the the EU Common List of Military Equipment as well as the Munitions' List of the Wassenaar Arrangement.

Legislation on Arms Brokering in Finland

Legislation on arms brokering came into force in Finland on December 1st, 2002. Provisions on controlling arms brokering were incorporated into the Act on the Export and Transit of Defence Materiel (242/1990, amendments 900/2002). Finnish legislation is in full compliance with the Common Position on arms brokering adopted by Council of the European Union in June 2003. The provisions on arms brokering also implement the provisions of the UN Firearms Protocol and the OSCE Document on Small Arms and Light Weapons as well as the norms set out in the UN Programme of Action on Small Arms and Light Weapons.

Brokering controls cover all defence materiel. The guiding principle is simple; the same controls apply to brokering as apply to export and transit of defence materiel. This means that each individual brokering transaction is subject to a brokering licence. The competent licensing authority is the Ministry of Defence. The Ministry for Foreign Affairs is responsible for foreign and security policy considerations, as in the case of export licensing. Export or brokering licence may not be granted if it jeopardises Finland's security or is in contradiction with Finland's foreign policy.

The licensing requirement applies to brokering activities taking place on Finnish territory. In addition to this the brokering rules may have an extraterritorial scope of application: even if a brokering transaction takes place outside Finnish territory, the licensing requirement applies whenever the broker is a Finnish citizen, a Finnish legal entity or a Finnish resident.

The Ministry of Defence maintains a database of all licences granted. The licences are public documents in Finland, as are export and transit licences, and available for reading or photocopying at the MoD registry. The MoD publishes detailed statistics of all licences granted on an annual basis. Finland is planning to set up a register of arms brokers. The relevant legislation is under preparation.

3. EXPORT LICENCES OF DEFENCE MATERIAL IN 2003¹

Country of destination	ML ² N Category lie		Total amount (pcs/kg)	Unit	Total value of licences granted by destination (EUR)
Afghanistan*	13d	1	144	pcs	92 600
Argentina	1a	1	30	pcs	
	7e1	1	5+5	pcs	43 000
Australia	3a	2	850 000	pcs	
	13a	1	12	pcs	585 700
Austria	1a	1	100+200	pcs+kg	
	3a	1	300000	pcs	
	8	1	40600	pcs	
	13a	1	12	pcs	479 100
Belgium	1a	1	60	pcs	
	3a	1	300000	pcs	
	7e1	1	10+10	pcs	
	13d	1	300	pcs	
	13a	1		pcs	430 200
Canada	3a	1	300000	-	
	13a	1		pcs	253 200
Chile	7e1	3		-	20 600
Cyprus	3a	1		-	100
Czech Republic	3a	2		•	
	13a	1		pcs	
	15d	1		pcs	570 400
Denmark	3a	1	300000	-	
	13d	1	200	-	
	13a	1		pcs	323 200
Egypt*	13c, 13d	1		-	40 900
Estonia	1a	1		pcs	
	2a, 3a	1	21+30130	pcs	
	7e1	4	148+246	pcs	
	13d	2	55+110	pcs	109 800
France	3a	2	600 350	pcs	
	7e1	1	2520	-	
	10b	2	N/A	pcs	
	10d	2	N/A	pcs	
	13d	2			
	13a	1		pcs	5 909 000
Germany	3a	4	1301000 + 700 000		
- -	7e1	1	15+15		
	10b	1		pcs	
	13a	1		pcs	
	21	1		pcs	10 941 100
				•	

¹ N.B. Figures given under this item only include export licences granted in 2003 for commercial exports by the Finnish defence industry. Figures above do not include uncommercial exports for the Finnish Defence Forces' purposes, temporary export licences, transit licences nor responses to prior enquiries.

² See pp. 11-12 for brief descriptions of EU Common Military List categories.

Greece	3a	2	221 000 pcs	470 700
Llungani	13a	1	12 pcs	179 700
Hungary	3a 13a	2 1	101 000 pcs 12 pcs	97 900
Iceland	3a	1	100000 pcs	97 900
icelatiu	13a	1	12 pcs	95 200
Ireland	3a	3	211 200 pcs	00 200
	13a	1	12 pcs	198 500
Italy	1a	2	800 pcs	
	3a	4	456000+700000 pcs-	+kg
	10b	1	70 pcs	
	13d	5	2 373 pcs	
	13a	1	12 pcs	7 355 200
Japan	3a	1	400000 pcs	
	7e1	2	90 pcs	
	13d	1	100 pcs	
	13a	1	12 pcs	799 400
Jordan	7e1	2	4 000 pcs	
	13c	1	10000 pcs	
	13c, 13d	2	105+105 pcs	
	22a	1	1 pcs	6 083 400
Republic of Korea	3a	1	11367 pcs	32 400
Kuwait	7e1	5	30390+100 pcs	0.000.400
Lateria	13c, 13d	2	20+20 pcs	2 298 400
Latvia	3a	3 1	20 600 pcs	40 600
Liechtenstein	7e1 13a	1	60+60 pcs	18 600 16 200
Lithuania	1a, 3a	1	12 pcs 6+3000 pcs	10 200
Littidama	1a, 3a 3a	1	12000 pcs	
	7e1	1	4170 pcs	369 200
Luxembourg	1a	1	50 pcs	000 =00
3	3a	1	400000 pcs	
	13a	1	12 pcs	387 200
Malaysia	3, 8	1	9600+4181 pcs	+kg
	15d	1	28 pcs	585 900
Netherlands	3a	1	150000 pcs	
	7e1	2	4 850 pcs	195 600
New Zealand	3a	1	350000 pcs	
	13a	1	12 pcs	292 700
Norway	1a	1	15+30 pcs-	+kg
	3a	2	400 180 pcs	
	9a	1	2 pcs	
	10b	2	N/A pcs	
	10d	1	N/A pcs	
	13d	1	2000 pcs	
	13c	1	700 pcs	2 281 400
Pakistan*	13a 13d	1	12 pcs 10 pcs	5 700
Poland	13u	2	75 pcs	3 700
1 Ciuliu	3a	2	304 000 pcs	
	13a	1	12 pcs	355 200
	100	1	12 003	000 200

Portugal	13a	1	12	pcs	16 200
Saudi Arabia	3a	1	3500	-	
	7e1	8	461100+30300	pcs	5 463 700
Singapore	3a	1	15 000	pcs	10 500
Slovakia	3a	1	200000	pcs	
	13a	1	12		174 200
Slovenia	1a	1	10	-	11 000
Spain	3a	1	300000	-	
	13d	1	1000	-	
Cudent	13a	1	12		603 200
Sudan* Sweden	13d 3a	1 7	739360+700000	-	11 700
Sweden	4a, 4b	2	1 620		
	4a, 4b 6a	1	18	-	
	8	3	6 020	-	
	10d	1	250	•	
	13d	1	500	-	
	13a	1	12	-	
	14	1		pcs	11 312 500
Switzerland	1a	1		pcs	
	3a	1	200000	pcs	
	10f	1	20	pcs	
	10a	1	1	pcs	
	13a	1	12	pcs	
	15d	1		pcs	1 705 100
Taiwan	7e1	2	436	•	37 100
Thailand	3a	1	15100	-	
11	11e	1		pcs	18 900
Uganda*	13d	1	10	-	6 400
United Arab Emirates	1a	1		pcs	
	3a 13d	3 1	3 110 600 429	-	4 682 100
United Kingdom	13u	2	210		4 002 100
Omted Kingdom	3a	2	880 000	-	
	7e1	2	60000+50000	-	
	10d	1	N/A	-	
	13d	1	500		
	13a	1	12		4 056 500
United States	1a	2	504+150	pcs+kg	
	3a	1	1400000	pcs	
	7e1	2	50 200	pcs	
	8	1	20		
	13a	1	12	-	
	15d	1		pcs	
	22b	1	1	pcs	32 714 800
TOTAL		202			100 070 600
* For United Nations purposes		202			102 270 600

^{*} For United Nations purposes

4. ACTUAL EXPORTS OF DEFENCE MATERIAL IN 2003

Country of destination	wie Category, definition of material		Value / category by destination (EUR)	Total value of arms exports by destination (EUR)	Share of total exports, %
Afghanistan*	13d	Protective equipment	92 600	92 600	0,19
Argentina	1a	Sniper rifles and accessories	8 600	8 600	0,02
Australia	1a	Sniper rifles and accessories	24 300		
	3a	Ammunition, shots etc. and components therefor	316 700	341 000	0,70
Austria	1a	Sniper rifles and accessories	27 900		
	3a	Ammunition, shots etc. and components therefor	22 100		
	8	Military powder	84 400	134 400	0,28
Bahrain	7e1	Protective equipment	1 124 800	1 124 800	2,32
Belgium	1a	Sniper rifles and accessories	5 600		
	3a	Ammunition, shots etc. and components therefor	36 100		
	7e1	Protective equipment	-	41 700	0,09
Bulgaria	1a	Sniper rifles and accessories	15 800	15 800	0,03
Canada	1a	Sniper rifles and accessories	27 200		
	3a	Ammunition, shots etc. and components therefor	16 800	44 000	0,09
Chile	7e1	Protective equipment	19 400	19 400	0,04
Greece	3a	Ammunition, shots etc. and components therefor	5 500	5 500	0,01
Cyprus	3a	Ammunition, shots etc. and components therefor	100	100	0,00
Czech Republic	1a	Sniper rifles and accessories	70 100		
	3a	Ammunition, shots etc. and components therefor	96 500		
	7e1	Protective equipment	-		0.00
	15c	Military electronics Sniper rifles and accesso-	283 500	450 100	0,93
Denmark	1a	ries	2 300		
	3a	Ammunition, shots etc. and components therefor	4 800		
	13d	Protective equipment	8 200	15 300	0,03
Egypt	2a	Field gun production accessories	968 200		

	13c, 13c	d Protective equipment*	40 900	1 009 100	2,08
Estonia	1a	Sniper rifles and accessories	2 500		
	7e1	Protective equipment	15 000	70.400	0.45
France	13d 1a	Protective equipment Sniper rifles and accesso-	54 900 45 500	72 400	0,15
	3a	ries Ammunition, shots etc. and	_		
	13c	components therefor Protective equipment			
	13b	Protective equipment			
	13d	Protective equipment	18 400	63 900	0,13
Germany	1a	Sniper rifles and accessories	374 700		
	3a	Ammunition, shots etc. and components therefor	64 400		
	7e1	Protective equipment	-	439 100	0,90
Hungary	3a	Ammunition, shots etc. and components therefor	2 700	2 700	0,01
Iceland	1a	Sniper rifles and accessories	7 300		
	3a	Ammunition, shots etc. and components therefor	100	7 400	0,02
Ireland	3a	Ammunition, shots etc. and components therefor	28 700	28 700	0,06
Italy	1a	Sniper rifles and accessories	894 500		
	3a	Ammunition, shots etc. and components therefor	31 700		
	13d	Protective equipment	1 296 400	2 222 600	4,58
Japan	3a	Ammunition, shots etc. and components therefor	800		
	7e1	Protective equipment	8 000	00.000	0.05
Jordan	13d 7e1	Protective equipment Protective equipment	13 800 366 200	22 600	0,05
oor dan		Protective equipment	102 200	468 400	0,96
Kuwait	1a	Sniper rifles and accessories	50 000		
	7e1	Protective equipment	1 950 800		
	13c, 13c	d Protective equipment	19 200	2 020 000	4,16
Latvia	3a	Ammunition, shots etc. and components therefor	3 000		
	7e1	Protective equipment	6 600	9 600	0,02
Lithuania	1a	Sniper rifles and accessories	7 200		
	3a	Ammunition, shots etc. and components therefor	5 800		
	7e1	Protective equipment	79 200	92 200	0,19
Luxembourg	1a	Sniper rifles and accessories	10 400		
	3a	Ammunition, shots etc. and components therefor	11 300	21 700	0,04

Malaysia	3a	Ammunition, shots etc. and	331 600		
malayola		components therefor			
	8 15c	Military powder Military electronics	228 300 117 200	677 100	1,39
Netherlands	1a	Sniper rifles and accessories	9 900	077 100	1,00
	3a	Ammunition, shots etc. and components therefor	4 200		
	7e1	Protective equipment	49 000	63 100	0,13
New Zealand	3a	Ammunition, shots etc. and components therefor	700	700	0,00
Norway	1a	Sniper rifles and accessories	7 500		
	3a	Ammunition, shots etc. and components therefor	400		
	9a	Military vessels	776 200		
	13c	Protective equipment	139 300	923 400	1,90
Pakistan*	13d	Protective equipment	6 200	6 200	0,01
Poland	1a	Sniper rifles and accessories	56 400		
	3a	Ammunition, shots etc. and components therefor	9 000		
	8	Military powder	20 000	85 400	0,18
Saudi-Arabia	3a	Ammunition, shots etc. and components therefor	6 300		
	7e1	Pro	1 997 000	2 003 300	4,13
Slovakia	3a	Ammunition, shots etc. and components therefor	10 600		
	7e1	Protective equipment	442 400	453 000	0,93
South Africa	1a	Sniper rifles and accessories	2 500	2 500	0,01
Spain	1a	Sniper rifles and accessories	22 600		
	13d	Protective equipment	13 300	35 900	0,07
Sudan*	13c, 13d	d Protective equipment	11 700	11 700	0,02
Sweden	1a	Sniper rifles and accessories	7 200		
	3a	Ammunition, shots etc. and components therefor	1 374 700		
	4a, 4b	Components for air-defence system, missile engines	1 069 400		
	6a	Military vehicles	31 239 200		
	8	Military powder and explosives	124 800		
	13b	Protective equipment	-	33 815 300	69,64
Switzerland	1a	Sniper rifles and accessories	17 800		
	3a	Ammunition, shots etc. and components therefor	1 000		
	10d	Components for military aircraft	17 400		
	15c	Military electronics	9 800	46 000	0,09

Taiwan	7e1	Protective equipment	-	-	0,00
Thailand	3a	Ammunition, shots etc. and components therefor	11 800		
	11e	Military electronics	7 200	19 000	0,04
Uganda*	13d	Protective equipment	6 800	6 800	0,01
United Arab Emirates	1a	Sniper rifles and accessories	12 200		
	3a	Ammunition, shots etc. and components therefor	60 200		
	13d	Protective equipment	395 500	467 900	0,96
United Kingdom	1a	Sniper rifles and accessories	114 600		
	3a	Ammunition, shots etc. and components therefor	196 100	310 700	0,64
United States	1a	Sniper rifles and accessories	473 200		
	3a	Ammunition, shots etc. and components therefor	24 700		
	8	Reloading powder	400		
	7e1	Protective equipment	352 900		
	15c	Military electronics	5 000	856 200	1,76
TOTAL (EUR)			48 557 900	48 557 900	100

^{*} For United Nations purposes

5. DEFENCE MATERIAL EXPORTS IN 2003 BY REGIONS

Region	Number of export licences	Value of licences (EUR)	exports (EUR)	Share of total actual exports %
North Africa	() (0	0
Sub-Saharan Africa	2	2 18 100	21 000	0,04
North America	1	32 968 000	900 200	1,85
Central America				
and the Caribbean	() (0	0
South America		63 600	28 000	0,06
Central Asia	() (0	0
North East Asia	8	868 900	22 600	0,05
South East Asia		615 300	696 100	1,43
South Asia	2	98 300	98 800	0,2
European Union	86	42 387 200	37 197 900	76,61
Other European				
countries	50	5 804 300	2 158 100	4,44
Middle East	28	18 568 500	7 093 500	14,61
Oceania		878 400	341 700	0,7
TOTAL	202	102 270 600	48 557 900	100

6. DEFENCE MATERIAL EXPORTS IN 2003 BY PRODUCT CATEGORIES

ML cate- gory	Number of licences	Value of export licences (EUR)	Value of actual exports (EUR)	Share of total actual exports, %
	1 18	2 273 400	2 297 800	4,73
2	2 1		968 200	
;	3 60	17 066 400	2 678 400	
4	4 2	1 000 000	1 069 400	2,2
	5 0	0	C	0
(6 1	3 208 100	31 239 200	64,33
-	7 38	13 988 200	6 411 300	13,2
	8 5	209 100	457 900	0,94
(9 1	776 200	776 200	1,6
10	0 13	18 433 300	17 400	0,04
11	1 1	7 200	7 200	0,01
12	2 0	0	C	0
13	3 54	6 806 400	2 219 400	4,57
14	4 1	1 000 000	C	0
1:	5 4	437 300	415 500	0,86
16	6 0	0	C	0
17	7 0	0	0	0
18	В С	0	C	0
19	9 0	0	(0
20	0 0	0	C	0
2	1 1	5 000 000	(0
22	2 2	32 065 000	C	0
TOTAL	202	102 270 600	48 557 900	100

7. BRIEF DESCRIPTIONS OF EU COMMON MILITARY LIST CATEGORIES³

ML1 Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12,7 mm (calibre 0,50 inches) or less and accessories, and specially designed components therefor.

ML2 Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12,7 mm (calibre 0,50 inches), projectors and accessories, and specially designed components therefor.

ML3 Ammunition and fuze setting devices, and specially designed components therefor.

ML4 Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, specially designed for military use, and specially designed components therefor.

³ For the full Common Military List of the European Union, see Official Journal of the European Union C 314 of 23 December 2003.

ML5 Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.

ML6 Ground vehicles and components.

ML7 Chemical or biological toxic agents, "tear gases", radioactive materials, related equipment, components, materials and "technology."

ML8 "Energetic materials", and related substances.

ML9 Vessels of war, special naval equipment and accessories, and components therefor, specially designed for military use.

ML10 "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.

ML11 Electronic equipment, not controlled elsewhere on the EU Common Military List, specially designed for military use and specially designed components therefor.

ML12 High velocity kinetic energy weapon systems and related equipment, and specially designed components therefor.

ML13 Armoured or protective equipment and constructions and components.

ML14 Specialised equipment for military training or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon controlled by ML1 or ML2, and specially designed components and accessories therefor.

ML15 Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.

ML16 Forgings, castings and other unfinished products the use of which in a controlled product is identifiable by material composition, geometry or function, and which are specially designed for any products controlled by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19.

ML17 Miscellaneous equipment, materials and libraries, and specially designed components therefor.

ML18 Equipment for the production of products referred to in the EU Common Military List.

ML19 Directed energy weapon systems (DEW), related or countermeasure equipment and test models, and specially designed components therefor.

ML20 Cryogenic and "superconductive" equipment, and specially designed components and accessories therefor.

ML21 "Software" specially designed or modified for the "development", "production" "use" of equipment or materials controlled by the EU Common Military List.

ML22 "Technology" for the "development", "production" or "use" of items controlled in the EU Common Military List, other than that "technology" controlled in ML7.