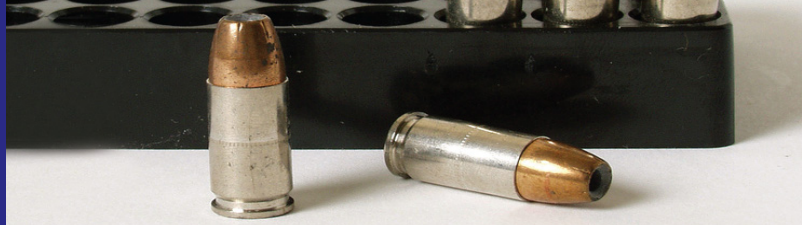




Annual Arms Export Report

2007







REPUBLIC OF MACEDONIA

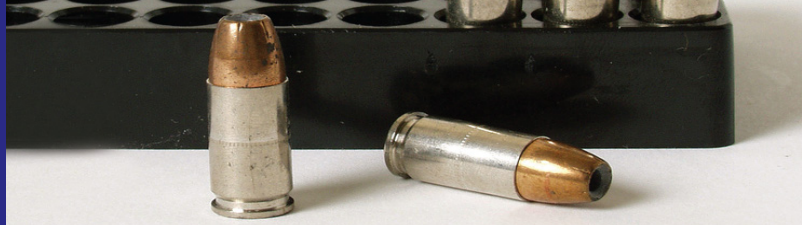
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Section 1 - Introduction

Macedonia unilaterally accepted the European Code of Conduct on Arms Exports in November 2004. As such, it is obliged to explain the practical conduct of its arms export control policy to its partners and make sure that it is responsible and reliable, to share accurate information in a timely manner and cooperate on the matter in the spirit of transparency and good will. It is Macedonia's strong belief that the promotion of responsible export control and arms transfers strengthens global and especially regional security.

In June 2005 the national Working Group on CFSP, headed by the MFA, started its work. Its mandate is to contribute to the harmonisation of national practices with EU legislation concerning CFSP, including control of arms trade. This Group has so far been used as a vehicle for debate and reconciliation of views of different ministries concerning the Arms Export Report, EU Common Military List, Law on International Restrictive Measures, etc.

This is the second report that is produced within and by the above WG, more precisely by representatives of the Ministries of Foreign Affairs, Defence, Interior and Economy. It covers the calendar year of 2006.

The report contains five sections and a set of annexes. The sections are as follows:

Section 1 - Introduction

Section 2 - National Law

Section 3 - Involvement in international agreements

Section 4 - Developments in previous year

Section 5 - National control list

The Annexes refer to the 2006 SALW export licenses, deliveries and transits as well as dual-use licenses and exports.



Section 2 - National law

CONVENTIONAL WEAPONS

Several laws regulate the trade in conventional weapons, ammunition and explosive materials:

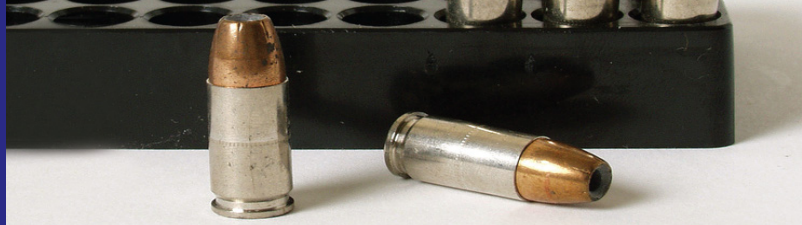
Law on Production and Transfer of Weapons and Military Equipment (Official Gazette of the RM No. 54/02). According to this law, transfer of weapons and military equipment (import/export of weapons and military equipment, semi-final products, components, parts, reproduction materials, raw materials, and other technical means) can be carried out by producers of weapons and military equipment and other companies registered for that kind of trade, only on the basis of previously obtained consent by the Ministry of Economy, if the prescribed conditions are met. The Ministry of Economy keeps a Register of Companies that has been issued licenses to trade with weapons and equipment.

The **Law on Trade** (Official Gazette of the RM No. 16/04) in Article 34 stipulates that the Ministry of Defence or the Ministry of the Interior issues licences for import and export of weapons and military equipment. More precisely, the Government, on the basis of the aforementioned law, has adopted a Decision on the Distribution of Import/Export Goods (Official Gazette of the RM No. 113/05) according to which goods categorised into forms for export and import on the basis of a licence, under the responsibility of the Ministry of Defence (heavy and light weapons and military equipment for its own needs) and the Ministry of the Interior (weapons and explosive materials for commercial purposes) are marked by a mark D7.

In accordance with the **Law on Weapons** (Official Gazette of the RM No.7/05) and the **Law on Crossing the State Border and Movement in the Border Zone** (Official Gazette of the RM Nos. 36/92 and 12/93), the Ministry of the Interior, regulates the transfer, i.e. the import/export and transit of weapons, ammunition and explosive materials, across the state border of the Republic of Macedonia, in close cooperation and coordination with the MFA and MoD while fully respecting the provisions of the EU Code of Conduct. It makes decisions upon requests submitted by authorized legal persons through administrative procedure with regard to: trade of weapons and ammunition; trade of explosive materials; supply and transport of explosive materials; supply and transport of weapons and ammunition; matters connected with verification of new kinds of explosive materials, etc.

A new law amending the Law on Weapons was adopted and published in the Official Gazette of the RM on 4 April 2007 (No.42/007). In the secondary legislation to this law, the end user certificate was further standardized, as well as the procedures for transfer (import – export), transit and re transfers. Brokering was placed under increased control. A new regulation which prescribes that every weapon imported in the country should bear an import mark has been added to the law. Coordination among the border police, the customs administration and the Ministry of Interior has been further defined in the secondary legislation.

The Law on Protection from Explosive Materials, the Law on Carriage of Dangerous Goods, the Rulebook on the Type of Transport of Dangerous Goods in Land Traffic; the List of Explosive Materials to be Placed into Circulation also regulate certain aspects of the matter.



Pursuant to the Customs Administration Law (Official Gazette of the RM No. 46/04), the Customs Directorate of the Republic of Macedonia is responsible for control over the export, import and transit of goods with regard to prescribed security measures.

SALW

Please see the comprehensive national Report on implementation of the United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, which Macedonia submitted to the UN in early June 2007.

DUAL USE

As of February 2006 Macedonia started to implement the new Law on Export Control of Dual-Use Goods and Technology, passed by Parliament in September 2005. The Law is in accordance with the Community regime (Regulation of the European Council (EC) No. 1334/2000 and the subsequent Amendments to this Regulation 149/2003 and 885/2004 and 1504/2004) for Dual-use goods and Military Goods, which includes the international regimes for control of export of conventional and of weapons for mass destruction, as well as of goods and technologies for dual use (Wassenaar Arrangement), the Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG), the Australian Group and the Chemical Weapons Convention (CWC).

The Law is Macedonia's contribution to the non-proliferation of WMD and fight against terrorism. Dual-use items and technologies are subject to control in order to protect the security, economic and foreign policy interests of Macedonia while strengthening international peace and fulfilling the country's obligations stemming from international treaties. The List of dual-use goods and technologies is an integral part of the Law.

The Ministry of Economy is in charge of issuing dual-use export licenses. It coordinates the whole process with the MFA, MoD and MoI.

The Law contains the catch-all provision and envisages end-user control.

The Law established a Commission for Export of Dual-Use Goods and Technologies, headed by the MoD and consisting of representatives of the Ministries of Economy, Interior, Foreign Affairs as well as the Legislative Secretariat, General Secretariat under the GVT and Customs Administration.

In the course of 2006, two (2) requests from domestic companies for export of dual-use goods and technology were submitted (late November 2006) for licensing. The requests were processed and export licenses were subsequently issued in 2007.



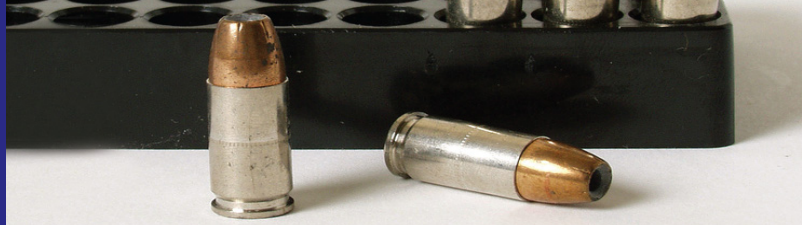
ARMS EMBARGOS

As a Member State of the United Nations, the Republic of Macedonia adheres to the Charter of the United Nations, which according to the Constitution of the Republic of Macedonia, is a constitutive part of its internal legal order. Consequently, Article 41 of Chapter VII of the Charter of the United Nations, according to which the Member States are obliged to apply the restrictive measures decided upon by the UN Security Council, presents the basic legal framework for application of UN sanctions and restrictive measures by the Republic of Macedonia.

As of December 2003, the Republic of Macedonia regularly aligns, upon EU invitation, to the Common Positions of the European Union imposing sanctions and restrictive measures, including arms embargoes. As such, Macedonia has to ensure that its national policy is in conformity to these Common Positions.

The competent Ministries and institutions, upon a Decision of the Government of the Republic of Macedonia, applied restrictive measures and economic sanctions on the basis of UNSC Resolutions, accepted EU Common Positions and relevant OSCE decisions. Upon Government's Cabinet decision of August 2004, in all cases where the restrictive measures are of material effect, i.e. affect the regime of movement of people, goods, services and capital, the Ministry of Foreign Affairs is to timely inform the Government's Cabinet in order to adopt necessary measures for their application by the responsible bodies. In such cases, the Ministry of Foreign Affairs, following consultation with other competent authorities is obliged to report to the Government's Cabinet proposing that the Cabinet adopt a formal decision thus imposing obligations on the responsible authorities to undertake appropriate measures. These decisions containing restrictive measures were published in the Official Gazette of the Republic of Macedonia. Until the moment of adoption of the decision by the Government, internationally accepted obligations for implementation of sanctions are applied based on operative information by the Ministry of Foreign Affairs to the other competent Ministries. The Ministry of Foreign Affairs, the Ministry of the Interior, the Ministry of Defence, the Ministry of Finance (the Customs Administration and the Directorate for Prevention of Money Laundering), the Ministry of Economy and other relevant Ministries, depending on the character of the sanctions, were all responsible for application of restrictive measures and economic sanctions.

In order to further improve the legal basis and enhance effectiveness and coordination among relevant state authorities for the implementation of internationally accepted obligations of sanctions, including arms embargoes in March 2007 the new Law on International Restrictive Measures was adopted, which came into force as of 1 June 2007. The new Law, inter alia, closely defines international restrictive measures, procedures for their implementation, competencies and manner of cooperation and coordination among the relevant state authorities in implementing restrictive measures regulates the monitoring mechanisms, data collection and exchange, etc.



Section 3 - Involvement in international agreements

Macedonia is a state-party to all relevant international legal documents regulating WMD and non-proliferation, such as CTBT, CWC, BTWC, NPT, SALW-related, to mention but a few. Macedonia concluded with the IAEA a Safeguards Agreement (2000), AP (2005) and SQP (2000). In 2003 the MFA expressed political support to the PSI and its Interdiction Principles.

On the occasion of the Second Stabilization and Association Council Brussels, 18 July 2005, Macedonia and EU adopted a Joint Statement on Non-Proliferation of Weapons of Mass Destruction and Terrorism.

As part of the process of gradual adoption and introduction of the CFSP acquis into the national legislation, the Government of the Republic of Macedonia at its session of 1 November 2004 adopted the Decision on Unilateral Acceptance of the European Code of Conduct on Arms Exports of 8 June 1998. Although the Code is a politically-binding instrument and Macedonia is not a member of the EU, the Government has ever since evaluated all requests for authorization of exports of weapons and military equipment in line with the criteria established by the Code. Macedonia has also unilaterally adhered to the EU Common Position 2003/468/CFSP on the Control of Arms Brokering, the EU Programme for Preventing and Combating Illicit Trafficking on Conventional Arms and the Joint Action 2002/589/CFSP on the EU's Contribution to Combating the Destabilising Accumulation and Spread of Small Arms and Light Weapons.

In 2003 the Government made a Declaration to unilaterally adhere to the Guidelines for sensitive missile-relevant transfers of MTCR and its Annex. The Government decided to place equipment and technology subject to MTCR under a special license system.

As of 2002 Macedonia has been a state-signatory to the Hague Code of Conduct on Ballistic Missile Proliferation and in May 2006 submitted a nil report to the Code.

The Republic of Macedonia submits regularly to the UN reports on the Register of Conventional Weapons and on military expenditures, as well as to the OSCE on CATs, landmines, annual/global exchange of military information, etc.

The Republic of Macedonia is not a contracting party to the Wassenaar Arrangement, NSG and Australia Group, but there is interest in establishing closer cooperation with these regimes, including fulfilment of membership criteria.

Macedonia has so far submitted 2 comprehensive and detailed reports to the UNSC R.1540 Committee, the latest in January 2006.



Section 4 – Developments in previous year

With regard to industry outreach in January 2006 the Ministry of Economy and Customs Administration organized a meeting for companies through the Chamber of Commerce in order to present the Law on Dual Use and accompanying lists, and establish closer cooperation.

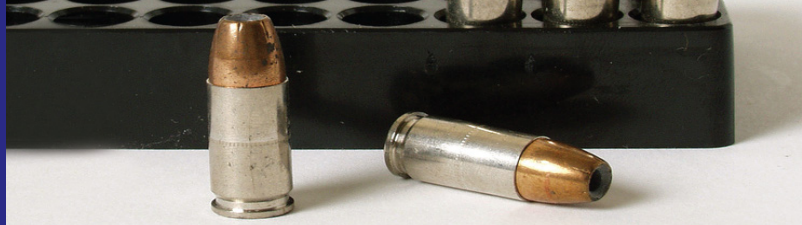
In May 2006 in Skopje there was a seminar organized on dual use in which representatives of several major Macedonian companies and experts from Universities were present and actively contributed to the debate.

In October 2006 in Ohrid a transfer control seminar on the implementation of the European Code of Conduct was organized for representatives of the Ministry of Interior, Ministry of Economy, Ministry of Defense, Ministry of Foreign Affairs and the Customs Administration. Foreign consultants were engaged to train experts in best practices on the implementation of the European Code of Conduct on Arms Exports.

Macedonia has standardized its end user certificate for SALW as well for Dual use Goods. At the same time, the procedure for re-transfers has been regulated in the Law amending the Law on Weapons.

Macedonia developed and is implementing a weapons registration and management software which registered all import and export of SALW and ammunition into the country. It registers at the same all legal entities that have an authorization to trade in SALW and ammunition.

Brokering is regulated in the Law amending the Law on Weapons



Section 5 - Control list

As for the EU Common Military List, a governmental process has been put in motion to integrate it into national legislation.

As for transparency, the Ministry of Economy put the Dual-use Law and the accompanying lists of controlled goods on its website (www.economy.gov.mk).



Annex 1: SALW exports licenses and exports

1) Export licenses approved for SALW

Destination	Small Arms					Light Weapons
	Revolvers and Pistols	Rifles and Carbines	Semi – Automatic guns	Automatic Rifles	Light Machine Guns	Heavy Machine Guns
Israel ^{1*}				5		
Albania		8				
Bosnia and Herzegovina	77	23				
UNMIK Kosovo	Ammunition 6000 Pieces					
Indonesia					Parts AK 47 1095 Pieces	

1* **Export of weapons after presentation to Ministry of Interior and Ministry of Defense**



Destination	Number of Licenses	Military Category according to OSCE or EU	Value EUR	Description	Pieces	Receiving Party	End User	Type of End User
Israel	1			Automatic rifles returning after presentation to MoI and	5	Israel Military Industries		
Albania	1							end user from Mod of the Republic of Albania Nr.185, 186,187 from 06.03.07
Bosnia and Herzegovina	1							end user Nr 382/06 from 23.02.06 Ministry of External Trade
UNMIK Kosovo	1							end user SUP6-65-PO 6MIK266 from 20.01.06UNMIK
Indonesia	1		9307,50					end user No 01/CER/IX/2006 од HEAD QUARTERS of INDONESIAN ARMY



EXPORT 2006

1. Decision Nr.17.9.4 – 10/06 from 08.02.2006

Automatic Rifles	5
Optic Device	1
Silencer	1

Receiving Party: ISRAEL MILITARY INDUSTRIES LTD

Export of weapons during 2006 after a presentation on behalf of the Ministry of Interior and the Ministry of Defense.

2. Decision Nr. 17.9.4 – 10/16 from 06.03.2006

Hunting Rifles	8
Ammunition for hunting rifles Cal 12 mm	600
Pistol Ammunition	7 500

Receiving Party: "MEICO" import-export company

Import License: Nr. 183 from 13.01.2006 issued by the Defense of the Republic of Albania

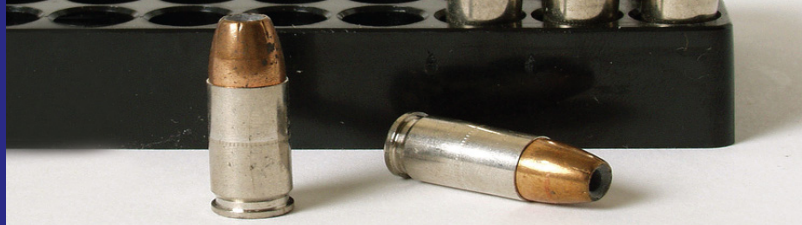
End User: Nr. 185, 186, 187 from 06.03.2006 issued by the Ministry of Defense of the Republic of Albania

3. Decision Nr. 17.9.4 – 10/35 from 10.04.2006

Pistols	70
Revolvers	7
Carbine	21
Hunting Rifles	2

Receiving Party: "KM trade", Visoko , Bosnia and Herzegovina

End User: No. 382/06 from 23.02.2006 issued by Ministry of External Trade and Economic Relations



4. Decision Nr. 17.9.4 – 10/56 од 27.04.2006 година

Training Ammunition for tracing Cal 9 mm 6 000

Receiving Party: UNMIK (United Nation Mission in Kosovo)

End User: SUP6-65-PO#6MIK266 од 20.01.2006 issued by UNMIK

5. Decision Nr. 17.9.4 – 10/187 from 26.09.2006

Magazine for AK47 1095 Pieces 9 307,50 EYP

Receiving Party: PT PUTRA TUNGGAL MAKMUR SEJATI, Jakarta, Indonesia

End User: No 01/CER/IX/2006 issued by HEAD QUARTERS of the INDONESIAN ARMY

2) Deliveries of SALW

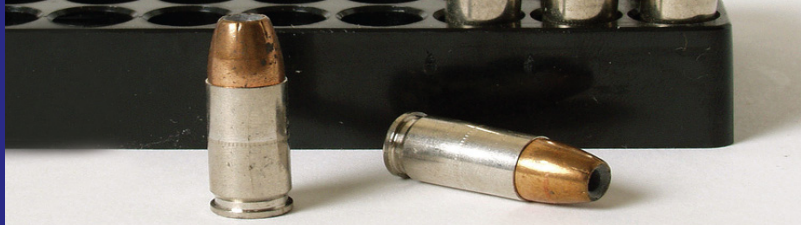
See above.



3) Transit of SALW

Destination	Military Category According to OSCE and EU	Value EUR	Description	Amount	Receiving Party	End User	Type of End User
Czech Republic - Greece	UN.No 0012	202 410 EUR	Ammunition 9x19 parabellum	2595 000	Greek Police	Greek Police	Import License Protocol nr. 6700/2/10-773505 from 07.11.2005 issued by General Dep.of Greek Police
Germany - Greece	UN.No 0328	787 640 EUR	Projectiles 120MM AKN 67R	452	Ministry of National Defense Greece	Min. of National Defense Greece	Inter Gov Agreement
Germany - Greece	UN.No 0301	19890\$	Grenades	650	Hellenic Defense Systems	General Greek Police	Import License Protocol nr. 6700/2/143-284272 from 10.05.2006 issued by General Dep. Of Greek Police
Sweden - Greece	UN.No 0226	125 000 EUR	OKTOGEN	2000 kg	Hellenic Defense Systems	Hellenic Defense Systems	
Switzerland Greece ^{1*}		1209 000 CHF	Millennium Canon	1	DEFENDORY 2006		Fair Manifest.
Italy - Greece	UN.No 0168 and 0319	740754,80 EUR	Projectiles 76/62 mm Charges for projectiles	1315 1352	Hellenic Defense Systems	Hellenic Defense Systems	
Sweden - Greece	UN.No 0226	76 670,50 EUR	HEXOGEN	6667,00 kg	Hellenic Defense Systems	Hellenic Defense Systems	
Greece-Germany	UN.No 0181	47 370,00 EUR	Rockets	573 boxes	"ISL INDUSTRIEPARK SPREWERK" ГЕРМАНИЈА		
Norway - Greece	UN.No 0226	437600,0 EUR	OKTOGEN	1000,0 kg	Hellenic Defense Systems	Hellenic Defense Systems.	

1* Transit was not carried out.



Transit 2006

**1. Decision Nr. 17.9.4 – 10/20 from 20.02.2006
Czech Republic - Greece**

Ammunition 9x19 PARABELLUM 2 595 000 Pieces

Receiving Party: Greek police

Manufacturer: SELLIER & BELLOT – Czech Republic

Export License: Nr. VM 1470/05

Import License: Protocol nr. 6700/2/10-773505 from 07.11.2005 issued by General Department.
Of Greek Police

2. Decision Nr. 17.9.4 – 10/81 from 24.05.2006 Germany - Greece

Projectiles for Canon 120 mm AKN 67R 452 Pieces

Receiving Party: Ministry of National Defense, Greece

Transporter: "KRAUSS-MAFFEI WEGMANN GMBH & CO.KG"

- a) Inter-Governmental Agreement Date 03.aug.2005 between
Greek and German Ministries of Defense
- b) Notice 355021630/4 Apr.2006/GES/EG/2ST
- c) F.189.2/315047/S.1391/20Oct.2005/GOOSAE/DDDS/C

3. Decision Nr. 17.9.4 – 10/104 from 19.06.2006 Germany - Greece

Grenades 650 Pieces

Receiving Party: Ministry of National Defense, Greece

Transporter: DIEHL BGT DEFENCE Gmbh & Co GERMANY и
DEFENCE TECHNOLOGY FEDERAL LABORATORIES USA

Import License: Protocol nr. 6700/2/143-284272 од 10.05.2006 issued by General Department.
Of Greek Police

4. Decision Nr. 17.9.4 – 10/114 from 27.06.2006 Sweden - Greece

OCTOGEN 2 000 Kg

Receiving party: HELLENIC DEFENSE SYSTEMS S.A., Greece

Transporter: "EURENCO Bofors" Sweden

End User: HELLENIC DEFENSE SYSTEMS S.A., Greece



**5. Decision Nr. 17.9.4 – 10/177 from 12.09.2006
Switzerland - Greece (transit was not realized)**

Millennium Canon for Fair of DEFENDORY 2006 bo Athens, Greece

Manufacturer: Oerlikon Contarves AG-PO Box-CH-8050, Zurich, Switzerland,

Transporter: Oerlikon Contarves AG-PO Box-CH-8050, Zurich, Switzerland

6. Decision Nr. 17.9.4 – 10/199 from 17.10.2006 Italy - Greece

Projectiles 76/62mm 1315 Pieces

Charges for projectiles 1352 Pieces

Receiving Party: HELLENIC DEFENSE SYSTEMS S.A., Greece

Manufacturer: SIMMEL DIFESA S.p.a, Rome. Italy,

Transporter: SIMMEL DIFESA S.p.a, Rome, Italy

End User: HELLENIC DEFENSE SYSTEMS S.A., Greece

7. Decision Nr 17.9.4 – 10/201 from 06.10.2006 Sweden - Greece

HEXOGEN 6 667 Kg

Receiving Party: HELLENIC DEFENSE SYSTEMS S.A., Greece

Transporter: "EURENCO Bofors" Sweden

End User: HELLENIC DEFENSE SYSTEMS S.A., Greece

8. Decision Nr 17.9.4 – 10/216 from 27.10.2006 Greece - Germany

Rockets 573 boxes

Transporter: "HELLENIC ARMY GENERAL STAF" Greece

Receiving Party: "ISL INDUSTRIEPARK SPREEWERK", Germany

9. Decsion Nr 17.9.4 – 10/229 from 01.11.2006 Norway - Greece

OCTOGEN 1 000 kr

Receiving Party: HELLENIC DEFENSE SYSTEMS S.A., Greece

Transporter: "DYNO NOBEL ASA" Norway

End User: HELLENIC DEFENSE SYSTEMS S.A., Greece



Bulgarija	1	ML 1		Automatic rifle Kalasnikov 7,62 mm	986		EMKO EOD Sofija	Trade company
		ML 1		MG Kalsnikov 7,62 mm	250			
		ML1		MG-3 7,62 mm	300			
		ML 2		Mortar 82 mm M 82	19			
		ML2		Mortar 120 mm M 38	43			
		ML2		Mortar 120 mm M43	40			
		ML 6		Armour vecihle	2			

Annual Report: Arms export licences issued in 2006, MoD.



Annex 2: Dual use goods licenses and exports

1) Export licenses for dual use goods

No licenses were issued in the course of 2006.