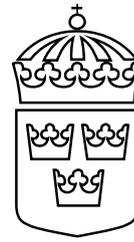


# Government Communication

## 2017/18:114



### Strategic Export Controls in 2017 – Military Equipment and Dual-Use Items

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The Government submits this Communication to the Riksdag.

Linköping on 15 March 2018

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## Main content of the Communication

In this Communication, the Swedish Government provides an account of Sweden's export control policy with respect to military equipment and dual-use items in 2017. The Communication also contains a report detailing exports of military equipment during the year. In addition, it describes the cooperation in the EU and other international forums on matters relating to strategic export controls on both military equipment and dual-use items.

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# 1 Government Communication on Strategic Export Controls

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In this Communication the Government provides an account of its policy regarding strategic export controls in 2017, i.e. the export control of military equipment and dual-use items.

Control of exports of military equipment is necessary in order both to meet our national objectives and to fulfil our international commitments, by ensuring that the products exported from Sweden do that in accordance with established export controls regulatory framework. Under Section 1, second paragraph of the Military Equipment Act (1992:1300), military equipment may only be exported if there are security and defence policy reasons for doing so, and provided there is no conflict with Sweden's foreign policy. Applications for licences are considered in accordance with the Swedish guidelines on exports of military equipment, the criteria in the EU Common Position on Arms Exports, and the Arms Trade Treaty (ATT).

The multilateral agreements and instruments relating to disarmament and non-proliferation of weapons of mass destruction are important manifestations of the international community's efforts to prevent the proliferation of such weapons. By controlling the trade in dual-use items (DUIs), which principally concerns technology that can be used to produce weapons of mass destruction, proliferation can be counteracted. This is work with objectives that are fully shared by Sweden. Strict and effective national export control is required for this reason. Export controls are a key instrument for individual governments when it comes to meeting their international obligations with respect to non-proliferation.

This is the thirty-fourth time that the Government has reported on Sweden's export control policy in a Communication to the Riksdag. The first Communication on strategic export control was presented in 1985. At that time, Sweden was one of the first countries in Europe to report on the past year's activities in this area.

Since that time, the Communication has been developed from a brief compilation of Swedish exports of military equipment to a comprehensive account of Sweden's export control policy in its entirety. More statistics are available today thanks to an increasingly transparent policy and more effective information processing systems. In parallel with Sweden's policy of disclosure, EU Member States have gradually developed, since 2000, a shared policy of detailed disclosure. The Government continually strives to increase transparency in the area of export control.

In addition to informing the Riksdag of Sweden's export control policy, the Communication is intended to serve as a basis for wider discussion of issues related to export controls on military equipment and dual-use items.

This Communication consists of three parts and a section on statistics. The first part contains an account of Swedish export controls of military equipment. The second part deals with Swedish export control of dual-use items. In the third part, the Government presents the authorities responsible for this area. Then follow annexes containing statistics covering Swedish exports of military equipment and dual-use items. The

Inspectorate of Strategic Products (ISP) and the Swedish Radiation Safety Authority (SSM) contribute material for the Communication at the request of the Government. The statistics in this Communication supplement the information available in these authorities' own publications.

### **Significant events during the year**

The Swedish export control regulations are updated continuously, partly under cooperation in the EU. The opportunities for successfully addressing the many problems and challenges that are a feature of non-proliferation efforts are consequently improved.

In October 2017, the Government presented a bill (Government Bill 2017/18:23) to the Riksdag containing proposals for a number of stricter export controls for military equipment. The Government Bill largely implements the proposals presented by the parliamentary Supervisory Committee for Military Equipment Exports (KEX) in its final report (SOU 2015:72). It is proposed that the new regulatory framework enter into force on 15 April 2018.

In October, the Government also decided to instruct ISP to investigate and present proposals for a system for ex-post checks of military equipment abroad, with the aim of obtaining further tools to ensure that military equipment exported from Sweden goes to intended recipients and thus of preventing diversion.

To further clarify the national and international regulatory framework on export controls, in October an inquiry chair was appointed to examine the prospects of combining the Swedish guidelines for material equipment exports with the provisions of the EU's Common Position and the UN Arms Trade Treaty.

Activities under the UN Arms Trade Treaty were further consolidated in 2017. During the greater part of 2017, Sweden continued to be responsible for coordinating work on reporting and transparency under the Arms Trade Treaty as chair of one of the working groups. Sweden has also continued to play an active role in efforts to strengthen implementation of the Treaty by the states parties and to promote further accession to the Treaty, among other things through voluntary contributions to the funds used to support implementation in various countries. At the end of 2017 the Treaty had 93 states parties.

The activities of the Council Working Party on Dual-Use Goods (WPDU) were dominated by continued negotiations on the Commission's proposal to recast Council Directive (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (the Dual-Use Regulation).

In report RiR 2017:2, the Swedish National Audit Office presented its review of the export control of military equipment. In Communication 2016/17:160, the Government presented its assessments and actions in response to the observations and recommendations contained in the RiR report, which related to written procedures for administration and documentation of cases, access to information and risk analysis regarding corruption. The Government has initiated a discussion with ISP in the framework of regular dialogue with the authority. In its appropriation directions for 2018, ISP has been instructed to report back to the

### **Summary of the statistical data**

Combined statistics on licence approval and Swedish exports of military material and dual-use items (DUIs) are presented in two annexes to this communication.

Exports of military equipment in 2017 are presented in Annex 1. Statistics from two years previously are also presented for comparison. A more accurate picture is provided when looking at exports over the course of time, as individual sales or deliveries of major systems may cause wide fluctuations in the annual statistics. The information contained in the Communication is based on the responsible authority's own decisions and on statutory annual reporting from military equipment-exporting companies and the authorities for 2017. The material has been compiled by the ISP.

Sixty-two countries, as well as the UN, received deliveries of Swedish military equipment in 2017. In ten cases only hunting and sports shooting equipment was received (Andorra, Chile, Greenland, Hungary, Mauritius, Namibia, Portugal, Romania, Uruguay and Zambia). The value of the exports of military equipment actually delivered over the course of 2017 was just over SEK 11 billion. Exports consequently increased by around 2% in comparison with the previous year.

By far the largest recipient of Swedish military equipment in 2017, as in the previous year, is Brazil (just under SEK 3.5 billion). This value was mostly made up of continued deliveries under the JAS Gripen project. The most significant recipients after Brazil were India (SEK 1.4 billion), the United States (SEK 813 million), Norway (SEK 621 million) and Germany (SEK 615 million). Exports to India and the United States largely consisted of anti-tank systems and associated ammunition. Naval artillery systems, among other things, were also delivered to the United States. Deliveries of combat vehicles to Norway continued, and deliveries to Germany consisted mainly of components for missile systems. More than 80% of exports continued to go to established recipient countries for Sweden. The Netherlands, Canada, France, the United Kingdom and South Africa were other significant recipients of Swedish military equipment in 2017.

The value of the export licences granted in 2017 totalled SEK 8.1 billion, which is a decrease of 87 per cent on 2016, when the value of approved licences was SEK 61.9 billion. By far the greater part of the value of licences in 2016 related to sale of the JAS Gripen to Brazil, sales that will be reflected in the sales statistics for many years to come. The fact that the value has now decreased by 87% compared with 2016 emphasises the impact of individual major deals on the statistics.

Sweden being stated as the largest recipient country with regard to licences granted in 2017 is explained by the sale of sub-systems from Sweden to France. In France, the sub-systems are to be integrated into helicopters for final delivery to the Swedish Armed Forces. The greatest value of licences after Sweden related to Pakistan, the United States, Germany and Denmark. The statistical report also contains an account of

Swedish exports of dual-use items (DUIs). Unlike the situation with exports of military equipment, the companies involved do not submit any delivery declarations. There is consequently a lack of data on actual exports.

The number of cases concerning DUIs was almost the same as in 2016. Cases relating to financial transactions linked to sanctions ceased on 16 January 2016, following the adoption of a new ordinance concerning Iran (see Table 17 in Annex 2).

## 2 Military equipment

### 2.1 Background and regulatory framework

A licence requirement for exports of military equipment is necessary to ensure that products exported from Sweden and technical assistance provided are exported under established export control rules. The regulatory framework for Swedish export controls consists of the Military Equipment Act (1992:1300) and the Military Equipment Ordinance (1992:1303), as well as the principles and guidelines on exports of military equipment decided upon by the Government and approved by the Riksdag. Under Section 1, second paragraph of the Military Equipment Act, military equipment may only be exported if there are security and defence policy reasons for doing so, and provided there is no conflict with Sweden's foreign policy. Sweden's international obligations also have to be taken into account in the examination of applications for licences, including Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, as well as the criteria set forth in the UN Arms Trade Treaty.

Swedish examination of licence applications is based on an overall assessment following government guidelines and established practice. The international rules are more in the nature of individual criteria to be observed, assessed or complied with. As an independent authority, the ISP is tasked with assessing licence applications independently in accordance with the whole regulatory framework.

Under the Military Equipment Act, export controls cover the manufacture, supply and export of military equipment, as well as certain agreements on rights to manufacture military equipment etc. In accordance with the same Act, a licence is required to carry out training with a military purpose. The Act applies both to equipment that is designed for military use and that constitutes military equipment under government regulations and to technical support regarding military equipment that, according to the government regulations, constitutes technical assistance. The list of what constitutes military equipment and technical assistance is contained in the annex to the Military Equipment Ordinance. The Swedish list of military equipment is in line with the EU's Common Military List, aside from three national supplements: nuclear explosive devices and special

parts for such devices, fortification facilities etc. and certain chemical agents.

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The Ordinance (2017:516) amending the Military Equipment Ordinance updated the list to reflect the changes decided as a result of European Commission Directive (EU) 2017/433.

Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community has also primarily been implemented in Swedish law by means of the Military Equipment Ordinance.

### **Government Bill on stricter export control of military equipment**

In October 2017, the Government presented a bill (Government Bill 2017/18:23) to the Riksdag containing proposals for a number of stricter export controls for military equipment. The Government Bill largely implements the proposals presented by the Parliamentary Supervisory Committee for Military Equipment Exports (KEX) in its final report (SOU 2015:72). The Bill proposes, among other things, that the democratic status of the recipient country constitute a key condition for examination of licence applications. The worse the country's democratic status, the less scope there is for licences to be granted. If serious or extensive infringements of human rights or severe deficiencies in the recipient's democratic status occur, this poses an obstacle to the granting of licences. The examination of licence applications is also to consider whether the export counteracts sustainable development in the recipient country. In addition, the principles for follow-on deliveries and international cooperation are clarified. Strengthened supervision, sanction charges for certain infringements of the rules and increased openness and transparency on issues relating to exports of military equipment are also proposed. It is proposed that the new regulatory framework enter into force on 15 April 2018.

### **Export controls and the Policy for Global Development**

One of the Government's explicit aims is to strengthen work on the Policy for Global Development (PGD, Govt Bill 2002/03:122, Report 2003/04:UU3, Riksdag Communication 2003/04:122). A relaunch of the PGD has been carried out in light of the fact that the 2030 Agenda for Sustainable Development was adopted internationally in 2015. The Government presented the communication Policy for Global Development in the implementation of the 2030 Agenda (Comm. 2015/16:182) to the Riksdag in May 2016. The 2030 Agenda contains 17 Sustainable Development Goals. Implementation of the new agenda requires consensus to be strengthened between different policy areas, with the aim of increasing the contribution of combined policy to fair and sustainable development. Conflicting objectives should be clarified and be the subject of conscious and considered choices. The Policy for Global Development is based on the idea that global challenges require shared solutions in which all parties assume responsibility.

The three dimensions of sustainable development – social, economic and environmental – are key points of departure for work on the Policy for Global Development. Other key points of departure are the rights perspective and the perspective of people living in poverty on development.

The Government Offices of Sweden are pressing for the PGD perspective to be elucidated in material for the Export Control Council when it may be significant in the assessment of individual cases.

The Government's desire is to avoid any effects of Swedish exports of military equipment that negatively affect efforts to contribute to equitable and sustainable global development. Aspects of the PGD are taken into account in assessments of Swedish exports of military equipment, for example through the application of the EU Common Position governing the controls of exports of military technology and equipment, the eighth criterion of which highlights the technical and economic capacity of recipient countries and the need to consider whether there is a risk of a prospective export seriously hampering sustainable development.

### **Export controls and feminist foreign policy**

By conducting a feminist foreign policy, the Government is endeavouring systematically to achieve outcomes that strengthen the rights, representation and resources of women and girls. The Government attaches great importance to preventing and counteracting sexual and gender-based violence in conflict and in communities in general. An important element of this work is the strict control of exports of military equipment from Sweden.

There is often a correlation between accumulations of small arms and light weapons and the occurrence of violence in a conflict or in a society. Illegal and irresponsible transfers of weapons and ammunition are a particular problem in this context, as is inadequate control of the stockpiling of such equipment.

In line with the above, the Government is making active efforts to ensure that attention is paid to these issues and that they are followed up in the Arms Trade Treaty. This is done in part by Sweden pressing for Article 7(4) of the Arms Trade Treaty to be put into operation and applied in practice by the states parties. The Treaty provides in this article, which was introduced into the Treaty with strong support from Sweden, among others, that the states parties have to take into account the risk of exported equipment being used to commit or facilitate serious acts of gender-based violence or serious acts of violence against women or against children.

It should be noted that consideration of Article 7(4) of the Arms Trade Treaty takes place in addition to the assessment made previously with respect to human rights under the Swedish guidelines, and according to Criterion Two of the EU's Common Position (2008/944/CFSP) on exports of military equipment. The latter regulatory frameworks are therefore also significant in this context.

These issues were considered in work on formulating a new regulatory framework for military equipment in 2017. The Government Offices of Sweden continuously endeavours to ensure that the Inspectorate of Strategic Products has sufficient expertise to be able to include gender

equality aspects and risks of gender-based and sexual violence in assessments with regard to human rights and international humanitarian law, and to implement Article 7(4) of the Arms Trade Treaty. Comm. 2017/18:114

The Government also endeavours to increase knowledge in this area, in part by promoting more comprehensive data gathering on the presence of small arms and light weapons, and what effects this has on women and men, girls and boys.

### **Export controls and sustainable business**

The Government has prepared a new, ambitious sustainable enterprise policy. In December 2015, a communication was presented to the Riksdag containing the Government's view on a number of issues in relation to sustainable business, for example human rights, working conditions and environmental concerns (Policy for Sustainable Enterprise, Government Comm. 2015/16:69). A national action plan has also been developed for enterprise and human rights. There is a clear expectation from the Government's side that Swedish businesses must act sustainably and responsibly and take international guidelines on sustainable enterprise as the starting point for their work, at home and abroad. Several measures have been taken to encourage and support the businesses in their sustainability efforts. Among other things, new legislation on sustainability reporting for large companies, clearer criteria for sustainability in the Public Procurement Act and stronger statutory support for whistleblowers have been introduced.

Anti-corruption is a key issue in the Government's more ambitious policy for sustainable enterprise. Both the giving and accepting of bribes have long been criminal offences under Swedish law. In addition, the reform of bribery legislation in 2012 introduced among other things a provision making the funding of bribery through negligence a criminal offence. In addition to what is governed by Swedish legislation, the Government expects Swedish companies to apply a clear anti-corruption policy and contribute to greater transparency.

The new penal provision can also be assumed to be significant for the international defence equipment market.

In various international forums, Sweden actively promotes the effective application of conventions prohibiting bribes in international business transactions. For example, this applies to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Council of Europe's civil-law and criminal-law conventions in the area. The Government has previously welcomed the initiative taken by European manufacturers of military equipment through the AeroSpace and Defence Industries Association of Europe (ASD), and its American counterpart, to develop and apply an international code of conduct, including zero tolerance of corruption. The largest Swedish trade association, the Swedish Security and Defence Industry Association (SOFF), which represents more than 95 per cent of companies in the defence industry in Sweden, requires prospective members to sign and comply with its Code of Conduct on Business Ethics as a condition of membership. The Code of Conduct aims to ensure a high level of business ethics. Individuals who represent the companies also undergo special e-

training on anti-corruption that has been developed jointly by SOFF and the Defence Materiel Administration (FMV). To date, more than 4 500 individuals have undergone this training.

## 2.2 The role of defence exports from a security policy perspective

The foundations of today's Swedish defence industries were laid during the Cold War. Sweden's policy of neutrality, as formulated following the Second World War, relied on a total defence system with a strong defence force and a strong national defence industry. The ambition was that Sweden would be independent of foreign suppliers. The defence industry thus became an important part of Swedish security policy. Exports of military equipment, which during this time were limited, were an element in ensuring capacity to develop and produce equipment adapted to the needs of the Swedish armed forces.

After the end of the Cold War, this striving for independence in terms of access to military equipment for the Swedish armed forces has gradually been replaced by a growing need for equipment cooperation with like-minded states and neighbours. Technical and economic development has meant that both Sweden and its partner countries are mutually dependent on deliveries of components, sub-systems and finished systems manufactured in other countries. These deliveries in many cases are ensured through contractual obligations.

The Government confirmed in May 2015 in Defence Policy Orientation – Sweden's Defence 2016–2020 (Govt Bill 2014/15:109) that Sweden's security is built in solidarity together with others and that threats to peace and security are best averted together and in collaboration with other countries and organisations. Sweden's security and defence cooperation is developed together with Finland, the other Nordic countries and the Baltic states, as well as in the framework of the EU, the UN, the Organisation for Security and Co-operation in Europe (OSCE), the NATO partnerships and the transatlantic link.

Both Sweden's involvement in international crisis management and its enhanced cooperation in its vicinity emphasise the importance of a capacity for practical military collaboration (interoperability) with other countries and organisations. Interoperability is dependent on Sweden's military equipment systems being able to function together with the equipment of partner countries, as well as being technically mature, reliable and available. In many cases this is at least as important as the equipment being of the highest level of technical performance. It is in Sweden's security policy interest to safeguard long-term and continuous cooperation on equipment issues with a number of traditional partner countries. This mutual cooperation is based on both exports and imports of military equipment.

In the Budget Bill for 2016 (Govt Bill 2015/16:1), the Government emphasises that the armed forces are a national concern, and that the choice of security arrangements made by EU Member States is reflected in equipment supply, e.g. regarding the view of security of supply and the

maintenance of strategic competence for military capacities. The continued work on industry and market issues within the EU should therefore consider the distinctive nature of the military equipment market, and the need to meet the security interests of the Member States within the framework of the common market. The possibility of maintaining the transatlantic link should also be considered in this context.

The Government further believes that participation in bilateral and multilateral equipment cooperation should constitute a clear and cost-effective contribution to the Swedish Armed Forces' operative capability.

As civilian-military collaboration increases and new technologies are made available for military applications, growing numbers of IT companies and other high-technology companies deliver products and services to the defence sector.

An internationally competitive level of technological development contributes to Sweden continuing to be an attractive country for international cooperation. This also implies greater opportunities for Sweden to influence international cooperation on export control as part of an international partnership. While this applies principally within the EU, it can also be applied in a broader international context.

The meeting of the European Council in June 2015 re-affirmed the importance of continuing to work on the basis of the European Council's discussion in December 2013 on Common Foreign and Security Policy. Particular emphasis was given to the importance of strengthening the competitiveness of the European defence industry. A new level of ambition for Common Foreign and Security Policy was adopted at the meeting of the European Council in December 2016. The Council welcomed the Commission's proposals on a European action plan in the area of defence as its contribution to the development of European security and defence policy. In 2017, Permanent Structured Cooperation (PESCO) was established within the EU, a test round of the Coordinated Annual Review on Defence (CARD) took place, and negotiations continued on a new European Defence Fund (EDF) and its European Defence Industrial Development Programme (EDIDP).

Sweden participates in various cooperation projects conducted by the European Defence Agency (EDA). The Government's fundamental position is that Sweden should participate in and influence the processes that are getting under way in European cooperation, which also relates to the work as part of the EDA. Cooperation as part of the EDA has led to better opportunities for the Swedish Armed Forces to function effectively, and has also improved prospects for more effective research cooperation.

By participating in the Six-Nation Initiative between the six countries in Europe with the largest defence sectors (Framework Agreement/Letter of Intent, FA/LoI), Sweden can influence the development of defence industrial policy and defence export policy in Europe. This will have a major impact on the emerging common defence and security policy in Europe, both directly and indirectly.

Cooperation in multilateral frameworks pays dividends in terms of improved resource utilisation from a European perspective and increasingly harmonised and improved European and transatlantic cooperative capability. In this context, the EDA and NATO/the

Partnership for Peace, together with the FA/LoI and Nordic Defence Cooperation (NORDEF), are vital.

### **Areas of activity**

Currently, the most important military product areas for Swedish defence and security companies are:

- combat aircraft,
- surface vessels and submarines,
- combat vehicles, tracked vehicles,
- short and long-range weapons systems: land and sea-based and airborne, including missiles,
- small and large-bore ammunition,
- smart artillery ammunition,
- land and sea-based and airborne radar and IR systems,
- electronic warfare systems: passive and active,
- telecommunications systems, including electronic countermeasures,
- command and control systems for land, sea and air applications,
- systems for exercises and training,
- signature adaptation (e.g. camouflage systems and radar),
- systems for civil protection,
- encryption equipment,
- torpedoes,
- maintenance of aircraft engines,
- gunpowder and other pyrotechnic materials,
- services and consultancy,
- support systems for operation and maintenance.

## **2.3 Cooperation within the EU on export control of military equipment**

### **EU Common Position on Arms Exports**

The EU Member States have national rules concerning the export of military equipment. However, the Member States have to some extent chosen to coordinate their export control policies. The EU Code of Conduct on Arms Exports, adopted in 1998, specified common criteria for exports of military equipment, applied in conjunction with national assessments of export applications. The Code of Conduct was made stricter in 2005, and was adopted as a Common Position in 2008 (2008/944/CFSP). It is applied by all the EU Member States and a number of countries that are not members of the EU (Albania, Bosnia and Herzegovina, Canada, Georgia, Iceland, Macedonia, Montenegro and Norway).

The Common Position contains among other things eight criteria that are to be considered before taking a decision to approve exports of military equipment to a given country.

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Criterion One stipulates that the international obligations and commitments of Member States must be respected, in particular the sanctions adopted by the UN Security Council or the European Union.

Criterion Two is concerned with respect for human rights in the country of final destination as well as respect by that country of international humanitarian law. Export licences are to be denied if there is a clear risk that the military technology or equipment to be exported might be used for internal repression.

Criterion Three is concerned with the internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.

Criterion Four is aimed at preservation of regional peace, security and stability. Export licences may not be issued if there is a clear risk that the intended recipient would use the military technology or equipment which is exported aggressively against another country or to assert by force a territorial claim.

Criterion Five is concerned with the potential effect of the military technology or equipment to be exported on the country's defence and security interests as well as those of another Member State or those of friendly and allied countries.

Criterion Six is concerned with the behaviour of the buyer country with regard to the international community, as regards for example its attitude to terrorism and respect for international law.

Criterion Seven is concerned with the existence of a risk that the military technology or equipment will be diverted within the buyer country or re-exported under undesirable conditions.

Criterion Eight stipulates that the Member States must take into account whether the proposed export would seriously hamper the sustainable development of the recipient country.

Individual Member States may operate more restrictive policies than are stipulated in the Common Position. The Common Position also includes a list of the products covered by the controls (the EU Common Military List). A User's Guide has also been produced that provides more details about the implementation of the agreements in the Common Position on the exchange of information and consultations, and about how these criteria for export control are to be applied. The User's Guide is continually updated.

### **Exchange of information on denials**

In accordance with the rules for implementing the Common Position, Member States must exchange details of export licence applications that have been denied. If another member state is considering granting a licence for an essentially identical transaction, consultations are to take place before the licence can be granted. The consulting Member State must also inform the notifying state of its decision. The exchange of denial notifications and consultations on the notifications make export policy in the EU more transparent and uniform in the longer term between the

Member States. The consultations lead to greater consensus on different export destinations. Member States notifying each other about the export transactions that are refused, and explaining the grounds for such refusal, reduces the risk of another member state approving the export. The ISP is responsible for issuing details of Swedish denials and arranging consultations.

In 2017, Sweden received 329 denial notifications from other Member States and Norway. Sweden issued 18 denial notifications. These applied to Armenia, Bangladesh, Bosnia and Herzegovina, India, Saudi Arabia (2), Taiwan, Thailand (3), Turkey (4), Ukraine (3) and the United Arab Emirates. The fact that exports to a particular recipient country have been denied in a specific case does not mean that the country is not eligible for Swedish exports in other cases. Swedish export control does not use a system involving lists of countries, i.e. predetermined lists of countries that are either approved or not approved as recipients. Each export application is considered individually in accordance with the guidelines adopted by the Government for exports of military equipment, the EU Common Position on Arms Exports and the UN Arms Trade Treaty. To allow a licence to be granted, the application must be supported by the regulatory framework as a whole.

### **Work as part of COARM**

The Working Party on Conventional Arms Exports (COARM) is a forum in which EU Member States regularly discuss the application of the Common Position on Arms Exports and exchange views on various export destinations. An account of this work, the agreements reached and statistics on the Member States' exports of military equipment is published in an annual EU report.

Since the criteria in the Common Position span a number of different policy areas, the goal is to achieve and increased and clear coherence between these areas. Sweden is making active efforts to attain a common view among the Member States on implementation of the Common Position. An important way of bringing this about is to increase transparency between the Member States.

Within the framework of the COARM dialogue there is also a continuous exchange of information between EU Member States regarding existing international cooperation in the area. The ambition is to find common ground that can strengthen the Member States' actions in other forums, such as ATT.

Under COARM, the EU additionally pursues an active policy of dialogue with third countries on export controls. In this context, exchanges took place in 2017 with Norway, Ukraine and the United States.

Another aspect of the work aimed at third countries is the support programmes (outreach) the EU has to improve export controls with respect to military equipment, and to promote implementation of the UN Arms Trade Treaty, for those countries choosing to accede to the Treaty. In the framework of such a support programme, Sweden took part in 2017 on site in Moldova and Kosovo.

## **Work on EU Directive 2009/43/EC on transfers of defence-related products within the EU and the EEA**

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Under the Swedish Presidency in 2009, Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community, the ICT Directive, was adopted. The intention with the Directive was to allow for more competitive groups of defence industry companies and defence cooperation at the European level. The European Commission is in charge of implementation of the Directive with the assistance of a committee of Member State representatives, the ICT Committee. The committee did not meet in 2017.

At the same time, in 2017 the Commission continued its review of the Directive in accordance with its Article 17. As part of this work, the ICT Committee organised a technical working group to develop a basis for harmonising the implementation of the Directive at national level. To this end, the working group held six working meetings with representatives of the EU Member States.

### **Control of arms brokering**

To tackle the problem of uncontrolled arms brokering and avoid the circumvention of arms embargoes, the Council adopted a Common Position (2003/468/CFSP) on the control of arms brokering in 2003. In accordance with this, the Member States agree to adopt the measures necessary to control arms brokering within their territory. Control of arms brokering in Sweden was already good due to the provisions of the Military Equipment Act. Work to produce appropriate mechanisms for the exchange of information about registered arms brokers between Member States is taking place as part of COARM.

### **Article 10 of the UN Firearms Protocol**

Regulation (EU) No 258/2012 of the European Parliament and of the Council implementing Article 10 of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the UN Convention against Transnational Organized Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for firearms, their parts and components and ammunition was adopted in 2012. The intention of the regulation, and of the UN protocol, is to combat crime by reducing access to firearms. References to exports in the Regulation indicate exports outside of the EU; as far as Sweden is concerned, this means, on the one hand, exports from Sweden to third countries and, on the other, exports from any other Member State to a third country in cases where the supplier is established in Sweden.

The Regulation covers firearms etc. for civilian use. It does not apply to firearms etc. specially designed for military use, or to fully automatic weapons. Furthermore, bilateral transactions, firearms etc. destined for the armed forces, the police or the public authorities of the Member States, collectors and bodies concerned with the cultural and historical aspects of

firearms etc., deactivated firearms and antique firearms and their replicas fall outside of the scope of the Regulation.

Those firearms etc. that are encompassed by the EU Regulation are also encompassed, with the exception of smooth-bored hunting and sporting weapons, by the appendix to the Military Equipment Ordinance. According to Regulation No 258/2012 of the European Parliament and of the Council, those aspects that are encompassed by the Common Position must be taken into consideration when assessing licence applications.

The Regulation is valid in Sweden immediately and is applied with effect from 30 September 2013. There are provisions that complement the EU Regulation in the Ordinance (2013:707) concerning the control of certain firearms, parts of firearms and ammunition. The ISP is the authority responsible for licences in accordance with the EU Regulation. In 2017, 308 cases were received and 310 decisions were issued.

### **Arms embargoes etc.**

Within the scope of its Common Foreign and Security Policy (CFSP), the EU implements embargoes adopted by the UN on, for example, the trade in arms and dual-use items. The EU can also decide unanimously on certain embargoes extending beyond those adopted by the UN Security Council. These decisions by the Council of the EU may be regarded as an expression of the Member States' desire to act collectively on various security policy issues. An arms embargo adopted by the UN or the EU is implemented in accordance with each Member State's national export control regulations. EU arms embargoes normally also include a prohibition on the provision of technical and financial services relating to military equipment. These prohibitions are governed by Council Regulations. Embargoes on trade in dual-use items are governed by both Council Decisions and Council Regulations. These are normally also accompanied by a prohibition on the provision of technical and financial services relating to these items.

A decision by the UN Security Council, the EU or the OSCE to impose an arms embargo represents an unconditional obstacle to Swedish exports in accordance with the Swedish guidelines for exports of military equipment. If an arms embargo also applies to imports, special regulations on the prohibition are issued in Sweden. Such regulations have previously been issued for Iran, Libya and North Korea. As a result of EU sanctions against the Russian Federation, the Government decided in December 2014 to impose an arms embargo on Russia.

There are currently formal EU decisions, either independent or based on UN decisions, that arms embargoes apply to Afghanistan, Belarus, the Central African Republic, the Democratic Republic of Congo, Eritrea, Iran, Iraq, Lebanon, Libya, Myanmar (Burma), North Korea, the Russian Federation, Somalia, South Sudan, Sudan, Venezuela, Yemen and Zimbabwe. The embargoes vary in their focus and scope. There are also individually targeted arms embargoes against individuals and entities currently named on the UN terrorist list. The EU also applies an arms embargo against China, based on a Council declaration issued as a result of the events in Tiananmen Square in 1989. Sweden does not permit the

export of any military equipment to China. Under an OSCE decision, a weapons embargo is also maintained on the area of Nagorno-Karabakh.

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The Ministry for Foreign Affairs has collated information on what restrictive measures (sanctions) against other countries exist in the EU and thus apply to Sweden. Information can be found on the website [www.regeringen.se/sanktioner](http://www.regeringen.se/sanktioner) and is updated regularly. This website provides a country-by-country account of arms embargoes or embargoes on dual-use items that are in force. It also contains links to EU legal acts covering sanctions and, where applicable, the UN decisions that have preceded the EU measures.

## 2.4 Other international cooperation on export controls of military equipment

### **Transparency in conventional arms trade**

The UN General Assembly adopted a resolution on transparency in the arms trade in 1991. The resolution urges the UN member states to voluntarily submit annual reports on their imports and exports of conventional weapon systems to a register administered by the United Nations Office for Disarmament Affairs (UNODA).

The reports are concerned with trade in the following seven categories of equipment: tanks, armoured combat vehicles, heavy artillery, combat aircraft, attack helicopters, warships and missiles/misile launchers. The definitions of the categories have been successively expanded to include more weapons systems, and it is now also possible to voluntarily report trade in small arms and light weapons (SALW). Particular importance is now attached to Man-Portable Air Defence Systems (MANPADs), which have been included in the category of missiles/misile launchers since 2003. The voluntary reporting also includes information on countries' stockpiles of these weapons and procurements from their own defence industries. In consultation with the Ministry of Defence and the ISP, the Ministry for Foreign Affairs compiles annual data, which is submitted to the UN in accordance with the resolution.

As the Register is based on reports from many major exporters and importers, a significant share of world trade in heavy conventional weapon systems is reflected here.

Sweden's share of world trade in heavy weapon systems continues to be limited. The report that Sweden will make to the UN Register for 2017 will include exports to Norway (Combat Vehicle 90) and to Brazil (Missile System 70). Trade in heavy weapons systems and small arms and light weapons is reported annually to the OSCE in the same way as to the UN.

The reporting mechanism of the Wassenaar Arrangement regarding exports of military equipment largely follows the seven categories reported to the UN Register. However, certain categories have been refined through the introduction of subgroups and an eighth category for small arms and light weapons has been added. The Member States have agreed to report twice yearly, in accordance with an agreed procedure, and

further information may then be submitted voluntarily. The purpose of this agreement is to draw attention to destabilising accumulations of weapons at an early stage. Exports of dual-use items and technology are also reported twice yearly.

### **The Arms Trade Treaty**

In April 2013, the UN General Assembly voted to approve the international Arms Trade Treaty (ATT). The Treaty is an internationally binding instrument that requires its parties to maintain effective national control of the international trade in defence equipment and sets standards for what this control will entail. The anticipated long-term effects of this treaty are a) countries that regularly produce and export military equipment taking greater responsibility; b) a reduction in unregulated international trade, as more states accede and introduce controls on their trade; c) better opportunities to counteract the illegal trade, through the increased number of countries that exercise control and through improved cooperation between them.

Sweden and other EU countries were active advocates for the instrument during the negotiations on a treaty. All the EU Member States have since ratified the Treaty and are therefore full states parties to it. The Treaty entered into force in 2014. By the end of 2017, 130 countries had signed and 93 countries had formally ratified the Treaty.

The third Conference of States Parties was held in 2017. A permanent secretariat has been established in Geneva and three working groups have been set up for treaty work between the Conferences of States Parties. The working groups will focus on implementation of the Treaty, universalisation of the Treaty and transparency and reporting issues. Finally, a voluntary trust fund has been established for support to those states parties needing help in improving their controls of the international arms trade.

Sweden coordinated work in the area of reporting in 2014-17. Sweden has also been one of two chairs of the working group focused on transparency and reporting, as well as taking part in other working groups and in the steering group for the voluntary trust fund.

EU Member States continued in 2017 to coordinate their actions concerning the ATT using a special subgroup of COARM. Significant efforts are also being made to promote universal accession to the Treaty. The EU's triennial programme to support implementation of the Arms Trade Treaty by other countries and therefore their prospects of acceding to the Treaty has been met with significant interest, and activities have so far been carried out in more than ten countries and in a number of regional contexts.

In 2017, Sweden contributed for the fourth time to the UN Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR), which includes funding to projects that support the implementation of the ATT. Sweden is one of around 10 countries that have contributed to this fund. Sweden has also contributed to the voluntary trust fund set up under the Arms Trade Treaty. The two funds complement each other in that they are focused on different support channels. UNSCAR operates through international organisations and civil society organisations, while the

voluntary trust fund under the Arms Trade Treaty is aimed directly at states parties. The Government attaches great importance to a widespread adoption and effective implementation of the UN Arms Trade Treaty. A universal, legally binding treaty that strengthens the control of trade in conventional arms is an effective tool to deal with the cross-border flows of weapons that nurture armed violence and armed conflicts. Sweden will therefore play an active part in continued work aimed at realising the objectives of the Treaty.

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### **Small arms and light weapons (SALW)**

The expression small arms and light weapons (SALW) essentially refers to firearms which are intended to be carried and used by one person, as well as weapons intended to be carried and used by two or more persons. Examples of the former category include pistols and assault rifles. Examples of the latter include machine guns, rocket-propelled grenades and portable missiles. Work to prevent and combat the destabilising accumulation and the uncontrolled proliferation of small arms and light weapons is currently taking place in various international forums such as the UN, the EU and the OSCE. No other type of weapons causes more deaths and suffering than these, which are used every day in local and regional conflicts, particularly in developing countries, and in connection with serious crime.

In 2001, the United Nations adopted a programme of action to combat the illegal trade in small arms and light weapons. The aim of the UN's work is inter alia to raise awareness about the destabilising effect small arms and light weapons have on conflict-affected areas. Non-proliferation is also important in combating criminality and, not least, terrorism. As a result of the entry into force of the ATT, and as the number of states parties to it grows, efforts under the UN programme of action will be able to benefit from greater control of international trade and focus on measures at national level to combat the illegal proliferation of SALW.

In 2017, Sweden made an active contribution to this, partly through work on preparation for the third review conference of the UN programme of action taking place in 2018.

The annual OSCE Ministerial Council adopted a declaration on the organisation's activities in the area of SALW, including safe stockpile management of conventional weapons.

During the year, Sweden reported exports of small arms and light weapons to the UN arms trade register as well as to the OSCE Register of Conventional Arms. The Wassenaar Arrangement (WA) also includes an obligation to report trade in these arms, among others.

Sweden is working towards a situation where every country establishes and implements a responsible export policy with comprehensive laws and regulations. The aim is for all countries to have effective systems that control manufacturers, sellers, buyers, agents and brokers of SALW.

#### **The Six-Nation Initiative (Letter of Intent, LoI)**

In 2000, the six nations in Europe with the largest defence industries (France, Germany, Italy, Spain, Sweden and the United Kingdom) signed an important defence industry cooperation agreement at the governmental level, known as the Framework Agreement. This agreement was

negotiated as a result of the declaration of intent adopted by the countries' defence ministers in 1998, the Six-Nation Initiative or Letter of Intent (LoI). The purpose of the agreement is to promote the rationalisation, restructuring and operation of the European defence industry. Activity in the six-nation initiative and its working groups has also covered export control issues.

In 2017, the Export Control Informal Working Group, chaired by France, continued to deal with the implementation and application of the ICT Directive (2009/43/EC), in close collaboration with the Commission's Directorate-General for Internal Market, Entrepreneurship and SMEs and the group that has been established for work under the ICT Committee. The six-nation initiative has focused on opportunities for harmonising the scope of, and conditions in, general licences the Member States are to issue under the Directive. Work has also been initiated to come up with a joint definition in the EU's Common Military List for the concept "specially designed for military use".

## 3 Dual-Use Items

### 3.1 Background and regulatory framework

The issue of non-proliferation of weapons of mass destruction has long been high on the international agenda. Particular attention has been given to the efforts to prevent further states from obtaining weapons of mass destruction. Since the act of terrorism on 11 September 2001, there has also been a strong focus on non-state actors.

There is no legal definition of what is meant by weapons of mass destruction. However, the term is commonly used to indicate nuclear weapons and chemical and biological warfare agents. In modern terminology, radiological weapons are also sometimes considered to be covered by the term. In efforts to prevent the proliferation of weapons of mass destruction, certain delivery systems, such as long-range ballistic missiles and cruise missiles, are also included.

Multilateral measures to prevent the proliferation of weapons of mass destruction have primarily been expressed through a number of international conventions and cooperation within a number of export control regimes, in which many of the major producer countries cooperate to make non-proliferation work more effective.

The term dual-use items (DUIs) is used in reference to items produced for civil use that may also be used in the production of weapons of mass destruction or military equipment. Certain other products of particular strategic importance, including encryption systems, are also classified as DUIs. In recent decades, the international community has developed a range of cooperation arrangements to limit the proliferation of these products. EU countries have a common regulatory framework in Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (the

Dual-Use Regulation). Export control itself is always exercised nationally, but extensive coordination also takes place through international export control regimes and within the EU. Comm. 2017/18:114

EU strategy against the proliferation of weapons of mass destruction from 2003 contains a commitment to strengthen the effectiveness of export control of DUIs in Europe. One fundamental reason is that various sensitive products that could be misused in connection with weapons of mass destruction are manufactured in the EU. The export control measures required in the EU must, at the same time, be proportionate with regard to the risk of proliferation and not unnecessarily disrupt the internal market or the competitiveness of European companies.

Within the international export control regimes, control lists have been drawn up establishing which products are to be subject to licensing. This is justified by the fact that some countries run programmes for the development of weapons of mass destruction despite having signed international agreements prohibiting or regulating such activities, or because they remain outside of the agreements that prohibit or regulate such activities. Such countries have often reinforced their capacity by importing civilian products that are then used for military purposes. History has shown that countries which have acquired military capacity in this way have imported those products from companies that were not aware of their contribution to the development of, for example, weapons of mass destruction. Often the same purchase request is sent to companies in different countries. Previously, one country could refuse an export licence while another country granted it. Consequently, there was an obvious need for closer cooperation and information sharing between exporting countries. This need prompted the establishment of the export control regimes. The need for control has been underscored in recent years by the threat of terrorism.

The inclusion of a DUI on a control list does not automatically mean that exports of that item are prohibited. Rather, the listing indicates that the item is sensitive. In the EU, the control lists adopted by the various regimes are incorporated into Annex 1 of Council Regulation (EC) No 428/2009 and constitute the basis for decisions for granting or denial of export licences.

It follows from the EU Regulation that the Member States can use a mechanism that enables products not on the lists to be made subject to controls in the event that the exporter or the licensing authorities become aware that the product is or may be intended for use in connection with the production etc. of weapons of mass destruction or for other military purposes. This is known as a catch-all mechanism, and is also common practice within the international export control regimes.

Much of the work in the EU and in the regimes consists in the extensive exchange of information, in the form of outreach activities – directed at domestic industry and at other countries – on the need for export control and the development of export control systems.

The export control of DUIs and of technical assistance in connection with these products is governed nationally by the Dual-Use Items and Technical Assistance Control Act (2000:1064). The Act contains provisions supplementing the DUI Regulation in EU law.

It is difficult to provide an overall picture of the industries that work with DUIs in Sweden, since a considerable proportion of products are sold in the EU market or exported to markets covered by the EU's general export licences. The principal rule is that no licence is required for transfer to another EU member State. The general licence EU001 applies, with some exceptions, to all products in Annex I to Council Regulation (EC) No 428/2009 regarding export to Australia, Canada, Japan, Liechtenstein, New Zealand, Norway, Switzerland and the United States.

In addition, another five general licences were introduced (EU002–006) for certain products going to certain destinations, export after repair/replacement, temporary export to exhibitions and trade fairs, certain chemicals and telecommunications. The number of countries covered by licences EU002–006 ranges from six countries in EU002 and EU006 to nine in EU005 and 24 countries in EU003 and EU004. The purpose of the general licences is to make it easier for the companies, which only need to report to the licensing authority 30 days after the first export has taken place.

Unlike the companies which are subject to the military equipment legislation, no basic licences under the export control legislation are required for companies that produce or trade in DUIs. Nor are these companies obliged to make a declaration of delivery in accordance with the export control legislation. However, a company is obliged to make a fee declaration if it has manufactured or sold controlled products subject to supervision by the ISP. This includes sales within and outside of Sweden.

In the event that a company is aware that a DUI, which the company concerned intends to export and which is not listed in Annex I of the EU Regulation, is intended to be used in connection with weapons of mass destruction, it is required to inform the ISP. The ISP may, following the customary assessment of the licence application, decide not to grant a licence for export (catch-all).

The majority of the DUIs exported with a licence from the ISP are telecommunications equipment, primarily encryption and thermal imaging devices that are controlled in the Wassenaar Arrangement's export regime (WA). Carbon fibre and frequency inverters for the dairy/food industry also account for a significant proportion. Another major product in terms of volumes is heat exchangers. These are controlled within the Australia Group (AG). Other products, such as isostatic presses, chemicals or UAVs (unmanned aerial vehicles) and equipment related to such vehicles represent a smaller share of DUIs but can require extensive resources in the assessment of licence applications.

The embargo on trade in DUIs is in accordance with decisions by the UN and has been implemented and expanded by the EU to encompass North Korea. Under an EU decision, this embargo is complete, i.e. it covers all products on the EU control list. Certain similar items are also covered by an embargo. The same applies with regard to the embargoes introduced by the EU due to the human rights situation in Iran, which are, however, linked to different types of licensing procedures. Against the background of Russia's actions in Ukraine, the EU has furthermore adopted certain restrictive measures (sanctions) against Russia. Export restrictions cover the entire EU control list for DUIs, when intended for

military end use or for military end users. In accordance with EU decisions, exports of certain DUIs are also prohibited or covered by a licence requirement in relation to Syria. The agreement reached on 14 July 2015 between Iran, the United States, the United Kingdom, France, Russia, China, Germany and the EU on Iran's nuclear programme (Joint Comprehensive Plan of Action, JCPoA) anticipates that all EU sanctions against Iran related to nuclear technology will be lifted when the International Atomic Energy Agency (IAEA) can confirm that Iran has fulfilled its obligations under the plan. As part of the implementation of JCPoA and following verification by the IAEA concerning Iran's obligations, on 16 January 2016 the EU altered the economic and financial sanctions introduced in response to Iran's nuclear technology programme. Licensing procedures now apply to DUIs that have been previously been subject to embargoes. However, this does not apply to items covered by the Missile Technology Control Regime (MTCR).

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## 3.2 Cooperation within international export regimes

### **International agreements**

With regard to the international agreements, specific reference should be made to the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (Non-Proliferation Treaty, NPT), the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (BTWC) and the 1993 Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (CWC). Sweden is a party to all three conventions (see SÖ 1970:12, SÖ 1976:18 and SÖ 1993:28).

Under the NPT, non-nuclear-weapon states undertake not to receive or manufacture nuclear weapons, while the five nuclear-weapon states (China, France, Russia, the United Kingdom and the United States) commit themselves to disarmament. Furthermore, the parties undertake not to transfer source or special fissionable material, or equipment or material especially designed or prepared for the processing, use or production of special fissionable material to any non-nuclear-weapon state, unless the source or special fissionable material or equipment is subject to the International Atomic Energy Agency's (IAEA) safeguards.

In the BTWC, the parties undertake not to transfer, either directly or indirectly, equipment that can be used for the production of biological weapons.

In the same way, the CWC stipulates that its parties are not to transfer, either directly or indirectly, chemical weapons to any other state.

Although the primary objective of these international agreements is to prevent the proliferation of weapons of mass destruction and to promote disarmament, they also require the parties to promote trade for peaceful

purposes. The reason for this is that a substantial proportion of the products and technologies concerned are dual-use items.

### **The international export control regimes**

To strengthen international cooperation on the non-proliferation of weapons of mass destruction, some forty countries have, on their own initiative, come together in five international export control regimes: the Zangger Committee (ZC), the Nuclear Suppliers Group (NSG), the Australia Group (AG), the Missile Technology Control Regime (MTCR) and the Wassenaar Arrangement (WA). The purpose of the regimes is to identify goods and technologies that can be used in connection with weapons of mass destruction and to enhance the uniformity of the participating countries' export control of these. To support this work, each regime has a list of items subject to control. The lists are revised on a regular basis. This work also includes exchanging information on denied exports, proliferation risks and contacts with third countries for the purpose of promoting the regimes' non-proliferation objectives.

Cooperation in the multilateral export control regimes is grounded in a shared political will to prevent the proliferation of weapons of mass destruction. This is achieved through national legislation enabling the export control of goods and technologies identified as strategic. Participation in these regimes makes it easier to meet the legally binding international commitments in international agreements to refrain from assisting other states, directly or indirectly, in acquiring weapons of mass destruction.

### **The Zangger Committee**

The Zangger Committee, which was established in 1974, deals with export control issues related to the Non-Proliferation Treaty (NPT). The Committee defines the meaning of equipment or material especially designed or prepared for the production of special fissionable material. Consequently, its responsibilities overlap to some extent with those of the Nuclear Suppliers Group (NSG), of which more below. The NPT stipulates that export of such equipment and material, as well as fissionable material, to a non-nuclear-weapon state is only allowed if the fissionable material is subject to IAEA safeguards. The equipment and materials are specified in the Committee's control list, which is updated to keep pace with technological developments. The list can be found in the IAEA's Information Circular No 209 (INFCIRC/209/Rev.4). The Swedish Defence Research Agency (FOI) is responsible for setting up the regime's website.

### **The Nuclear Suppliers Group**

The Nuclear Suppliers Group (NSG) has its origins in the "London Club", established in the mid-1970s. The work of the NSG is concerned with the export control of products listed in Part 1 and Part 2 of the NSG Guidelines, including products with nuclear applications and DUIs that can be used in connection with the development or production of nuclear

weapons. These products are listed in the IAEA's Information Circular No. 254, which includes two control lists for each group of items (INFCIRC/254/Rev.13/Part 1 and INFCIRC/254/Rev.10/Part 2). Comm. 2017/18:114

In 2017, the Technical Working Group (TEG), chaired by Sweden, continued its work on technical proposals and on updating the contents of the control lists. The plenary meeting for the year was held in Bern and was chaired by Switzerland. Discussions were held, among other things, on the technical, legal and political aspects of participation in NSG by states that are not parties to the NPT.

### **The Australia Group**

The Australia Group (AG) was formed in 1985 on the initiative of Australia. Its aim is to harmonise member countries' export controls to prevent the proliferation of chemical and biological weapons. Originally, the Group's work only encompassed chemicals and chemical production equipment. In 1990, however, it was decided to expand the control lists to include microorganisms, toxins and certain manufacturing equipment for biological weapons. At the 2017 plenary in Paris, the Group's members agreed to strengthen work on non-proliferation of biological and chemical weapons through a continued focus on emerging technologies and to prevent terrorism in which these weapons are used, as well as expanded contacts with countries outside the Australia Group.

### **The Missile Technology Control Regime**

The Missile Technology Control Regime (MTCR) was set up as a result of an American initiative in 1982. It focuses on export controls of complete rocket systems (including ballistic missiles, space launch vehicles and sounding rockets) and other unmanned aerial vehicles (including cruise missiles, drones and reconnaissance platforms) with a range of 300 kilometres or more. Controls also extend to components of such systems and other items that can be used to produce missiles, and also smaller unmanned aerial vehicles designed to be able to spread aerosols.

In 2017, work continued in MTCR on reviewing the contents of the lists of controlled products and exchanging information on sensitive proliferation of missile technology including intangible technology transfer. The annual plenary was held in Dublin, jointly chaired by Ireland and Iceland. Membership issues continued to be discussed. A number of EU countries remain outside the regime. Other issues discussed during the plenary were Unmanned Aerial Vehicles (UAVs), the application of "catch all" controls, regional proliferation of sensitive technology and strategic outreach activities.

Sweden ended its chairing of the MTCR's technical working group at this meeting.

### **The Wassenaar Arrangement**

The Wassenaar Arrangement (WA) was formed in 1996 as a successor to the international export control cooperation that had previously taken place within the framework of the Coordinating Committee for Multilateral Export Controls (CoCOM). The Arrangement's work covers

the control of conventional weapons, as well as dual-use items and technologies not controlled by other regimes. Consequently, it represents an important complement to the work of other regimes that focus exclusively on weapons of mass destruction and certain delivery systems. The WA has had 42 participating states since India was welcomed as a new member at the end of 2017. These include most of the major producers and technology owners in the areas concerned.

The Arrangement's aim is to contribute to regional and international security and stability by promoting openness and responsible action with regard to transfers of conventional weapons and "dual-use items", thus helping to avoid destabilising accumulations. The basic view taken by the Wassenaar Arrangement is that trading of the items in the control lists should be permitted, but must be controlled.

An important function upheld by the Wassenaar Arrangement is to bring together the technical expertise from the participating states to update the common control lists that guarantee that no "gaps" occur in control of the items concerned by the different countries. The Arrangement maintains two control lists attached to its basic document: the Munitions List, which covers conventional military equipment, and the List of Dual-Use Goods and Technologies, which covers products and technologies with both civilian and military uses that are not included in the other regimes' control lists. In practice, the two Wassenaar lists guide the contents of the EU's corresponding control lists.

The Wassenaar Arrangement holds annual plenary meetings in the late autumn. These meetings address matters of fundamental significance to the continued development of this cooperation. On the basis of the ongoing technical work throughout the year, formal decisions are also made on updating the control lists to reflect the technological development of different types of weapons and underlying technologies.

### **Consular vigilance**

One element of the work to limit the danger of the proliferation of nuclear weapons and other weapons of mass destruction is what is known as consular vigilance. Sweden has both legally binding commitments, in the form of sanctions adopted by the UN and the EU, and political commitments, within the scope of the export control regimes, aimed at limiting the spread of sensitive information and technologies. One way of spreading sensitive information is through knowledge transfer. This issue becomes relevant when assessing applications for admission or residence permits for studies relating to such sensitive information and technologies. Cooperation between the authorities concerned, which aims, for example, to increase awareness of proliferation risks with regard to sensitive university study programmes or research partnerships, continued in 2017. An extensive survey was conducted among the Member States at EU level to gather information on national rules and experience, which is to form the basis for future discussions and cooperation.

#### **The export control regimes and the EU**

Work within the EU on the export control of dual-use items is closely associated with the international work that takes place as part of the export control regimes. Coordination in the EU takes place principally in the Council's Working Party on Non-Proliferation (CONOP), which deals with non-proliferation issues in general, and in the Working Party on Dual-Use Goods (WPDU), which works, among other things, on policy issues and updating the control list of DUIs which fall under Council Regulation (EC) No 428/2009 (the Dual-Use Regulation). The following section addresses the work of the WPDU.

In accordance with the EU's strategy against the proliferation of weapons of mass destruction, the Member States have to work towards the EU being a leading partner in the export control regimes by, for example, coordinating the EU positions within the regimes. The EU has long held the view that all EU Member States should be invited to join all of the export control regimes. The main reason is the desire to ensure that all EU countries maintain harmonised and effective national export controls based on the regimes' control lists, guidelines for export control and exchange of information on proliferation risks. The EU constitutes a common market for the vast majority of dual-use items.

Trade within the EU is not regarded as export in this context. EU Member States are thus dependent on one another's export control systems. This is an additional reason why the issue of membership in the export control regimes is a substantial one.

All EU countries are members of the Nuclear Suppliers Group (NSG) and the Australia Group (AG). This is not the case for the Missile Technology Control Regime (MTCR), where Cyprus, Croatia, Estonia, Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia still remain outside the regime. The same applies to Cyprus with regard to the Wassenaar Arrangement (WA).

#### **Work on the control lists in 2014**

The changes made to the regimes' control lists over the course of the year are detailed in Annex I of the Council Regulation referred to above and thus become legally binding for EU Member States. In accordance with the powers delegated to it (Regulation (EU) No 599/2014), the Commission has updated Annex I to reflect the changes determined within the export control regimes, and has made consequential changes to Annex IIa-IIg and Annex IV. These changes became effective on 16 December 2017.

#### **The WPDU's work**

The activities of the Council's Working Party on Dual-Use Goods (WPDU) in 2017 were dominated by continued negotiations on the Commission's proposals for recasting of the Dual-Use Regulation, which were published in the autumn of 2016. This is a comprehensive revision

of the current Regulation. The aim, according to the Commission, is to modernise the rules in consideration of technical and political developments and to make the procedure more efficient. The Commission proposes among other things that the EU's export control system be expanded to cover a new concept, human security, which is proposed to encompass both human rights and security for the EU and its Member States. The Commission focuses in particular on technology that can be used for IT surveillance and data intrusion. Attention is paid among other things to equipment for the interception of mobile telecommunications, intrusion software, monitoring centres and digital forensic technology. The product list (annex I) to the Regulation, which consists entirely of the regimes' control lists), under the proposal is to be supplemented by a new EU-autonomous list (Annex IB to the proposal) containing the above-mentioned products, which are thus in future to be covered by export licence requirements. The Commission is also asking for a mandate to draw up guidelines in close consultation with the Member States and the affected parties to support the practical application of export control of such technology to "protect public security and public morals".

The Commission proposes an expansion of the catch-all so that licences will be required for exports from the EU for all dual-use items, including those that have not been listed, if the exporter has received information that there is a risk of their being used by persons who are involved in serious infringements of human rights or international humanitarian law, or contribute to domestic oppression in the country of final destination. Furthermore, for the catch-all to be applied, evidence is required that the intended final user uses the item or similar items for such infringements.

The proposed simplifications include the introduction of new general EU export licences relating for instance to encryption, deliveries of low value and intra-company transfer of software and technology. On the basis of the proposal, the Government presented a background brief (2016/17:FPM22) to the Riksdag on 2 November 2016. The principal parts of the proposal and the Government's preliminary position were outlined in the background brief. The Government stated that it shared the Commission's aspiration to endeavour to bring about a strict, effective and modern export control system in the EU and among the Member States. The Government also agreed with the Commission on reducing the risks of IT surveillance software being used in a harmful manner that seriously infringes human rights. With regard to the aspect of human rights in the new proposal, it was noted that human rights are a priority issue for Sweden and the EU, and that it is in our interests to make a positive contribution to integrating human rights into the external aspects of EU policy. It was also highlighted as important that mechanisms introduced to strengthen human rights and influence repressive regimes are appropriate, precise and effective. This applies in particular if the measures taken concern obstacles to international flows of trade that are crucial to the continued prosperity of both the EU and third countries.

The Government presented as its starting point that the multilateral export control regimes (e.g. NSG and WA) ought to continue to form the basis for the EU's product list, as these control regimens are well established, have broader adoption than the EU and accommodate the high level of technical expertise required. The Government expressed its doubts

about – as the Commission’s proposal intends – duplicating EU expertise in relation to the control regions, as this can lead to diverging EU-autonomous export controls. The cost-driving effects for the Commission and the Member States were highlighted in this context, as well as the fact that in times of increased mutual dependence Sweden and the EU should primarily aim for rules which are as global and uniform as possible. The Government emphasised the importance of a close and broad analysis of the proposal and its repercussions.

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In February 2017, the Government Offices of Sweden (Ministry for Foreign Affairs) arranged a follow-up stakeholders’ meeting at which Sipri presented the proposal and which was attended by representatives of the Swedish business community and civil society. In parallel with consideration by the Council, the proposal is also under discussion in the European Parliament. The proposal needs to be approved by both the Council and the Parliament.

### **Work in the Dual-Use Coordination Group (DUCG)**

The activities of the Dual-Use Coordination Group (DUCG) are aimed at coordinating application of the Dual-Use Regulation. During the year, the group provided support to work on updating the EU-wide control list, prepared statistical data for the Commission’s annual report on export control, exchanged experience and information on national implementation of the PDA regulations and assisted in the development of the electronic information system (DUeS).

### **3.3.1 UN Security Council Resolution 1540 and Proliferation Security Initiative (PSI)**

The United Nations Security Council adopted Resolution 1540 in April 2004. The Resolution, supported by Chapter VII of the UN Charter, through binding decisions, obliges all UN Member States to prevent non-state actors (terrorists) from gaining access to weapons of mass destruction, their means of delivery and items connected to such weapons. It sets out, among other things, that all states are to establish effective national controls on exports, brokering, transit and trans-shipments. The Resolution also contains provisions on assisting other countries with the implementation of the obligatory measures.

It was also decided through Resolution 1540 to establish a committee tasked with reporting to the Security Council on the Resolution’s implementation. The UN’s Member States are urged to report to this committee on the steps that they have taken to implement the Resolution. The mandate of the 1540 Committee runs until April 2021.

An international initiative that shares several points with Security Council Resolution 1540 and partly overlaps with it is the Proliferation Security Initiative (PSI), to which 105 countries have acceded. This initiative, supported by the EU and Sweden, aims to strengthen international cooperation in order to be better able to prevent the transport of weapons of mass destruction and the components of such products to

unauthorised recipients within the framework of international and national law.

National efforts to maintain the necessary preparedness and to act in an urgent matter of this type are divided between the authorities concerned according to established remit principles. Sweden took part in a regional PSI exercise with several Baltic states hosted by Estonia in June.

## 4 Responsible Authorities

### 4.1 The Inspectorate of Strategic Products

The Inspectorate of Strategic Products (ISP) is the central administrative authority for cases and supervision pursuant to the Military Equipment Act (1992:1300) and the dual-use items and Technical Assistance Control Act (2000:1064), provided that, in the latter instance, no other authority has this task. The Swedish Radiation Safety Authority (SSM) has the same responsibility with reference to particularly sensitive nuclear technology products.

The Swedish Defence Research Agency (FOI) and the Swedish National Defence Radio Establishment (FRA) assist the ISP by providing specialist technical expertise and organisation including the Swedish Military Intelligence and Security Directorate (Must), the Swedish Security Service (Säpo) and FRA supply the ISP with information. The ISP also has an established partnership with Swedish Customs. Some of the ISP's supervisory inspections are carried out jointly with Swedish Customs and the authorities also exchange information on export licences.

The Government has appointed the ISP as what is known as the competent authority, responsible for executing certain duties stipulated by Council resolutions concerning sanctions decided by the European Union. The ISP also has supervisory duties in relation to special prohibiting regulations issued by the Government with the support of the Act (1996:95) on Certain International Sanctions.

In addition, the ISP is the national authority under the 1992 Chemical Weapons Convention (CWC) and performs the duties pursuant to the Act (1994:118) concerning inspections under the CWC. This aspect of the ISP's activities is not dealt with in the present Communication.

The ISP is also the licensing authority for cases in accordance with Regulation No 258/2012 of the European Parliament and of the Council of 14 March 2012, regulating licences to export civilian firearms, their parts and components and ammunition outside of the EU and certain import and transit measures.

The authority's responsibilities are set out in the Ordinance (2010:1101) with instructions for the Inspection of strategic products. The Ordinance stipulates that the ISP shall present to the Government prior to 15 February each year 1) a report on Swedish exports of military equipment and other strategic products during the previous calendar year and 2) a description of significant trends in Swedish and international export control.

In 2015 and 2016, the Swedish National Audit Office conducted a review of the ISP and the export control of military equipment. The ISP was helpful in this work. The purpose of the review was to examine whether export control of military equipment takes place in an effective way and works as intended. The outcome was presented in a review report (TRiR 2017:2) published in January 2017. It contains conclusions and recommendations relating to the ISP and the Government. It is noted in the report that the ISP as functioning working methods. At the same time, certain measures are recommended regarding written procedures for administration, documentation of cases, access to information and risk analysis regarding corruption. The Government responded to the Swedish National Audit Office report in a communication to the Riksdag (Comm. 2016/17:160) in May 2017.

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### **Contacts with companies**

The ISP maintains regular contact with the companies whose exports are subject to control. The Military Equipment Act and the Military Equipment Ordinance set forth most of the obligations for companies to present notifications and data to the ISP. For example, companies have to report regularly to the ISP on their marketing activities abroad. These reports form the basis for the ISP's periodic briefings with the companies regarding their export plans. The ISP may issue positive or negative advance decisions to the companies concerning destinations that are sensitive or have not yet been assessed.

In addition to processing export licence applications, the ISP reviews the notifications that companies and authorities are obliged to submit at least four weeks prior to submitting tenders or signing contracts concerning exports of military equipment or other cooperation with foreign partners in this field. At this stage, the ISP has the opportunity to provide notification that the measure they were informed of in advance is prohibited. Exporters of military equipment must also report the deliveries of military equipment that are made under the export licences issued to them.

Unlike in the case of military equipment, no licence is required to manufacture dual-use items (DUIs). Furthermore, as a general rule licences are not required for sales within the EU (a licence is only required for what are referred to as Annex IV items). The control lists that are drawn up in accordance with Council Regulation (EC) No 428/2009 (the Dual-Use Regulation) state which categories of items require licences to be exported outside the EU. When classifying whether a product is to be considered a DUI or not, it is primarily the companies that classify their own items. When a company is unsure whether its item belongs to the controlled items category, the company can submit an enquiry to the ISP. In light of this, the ISP's contacts with DUI companies are different than is the case with regard to military equipment. With the exception of a few companies, the ISP meets DUI companies less regularly.

In its supervisory role, the ISP carries out compliance visits to companies to monitor their internal export control organisations. In 2017 the ISP carried out 32 compliance visits.

## **Funding**

Rules concerning the ISP's funding are detailed in the Ordinance (2008:889) on the financing of the operations of the Inspectorate of Strategic Products (ISP). A large proportion of the authority's activities are funded by fees. The Ordinance stipulates that the fee structure is broken down into three categories: military equipment, dual-use items and products covered by the Act Concerning Inspections in Accordance with the UN Convention on the Prohibition of Chemical Weapons.

When the Ordinance (2013:707) concerning the control of certain firearms, parts of firearms and ammunition handed the ISP the task of assessing export licence applications in accordance with Regulation (EU) No 258/2012, the ISP was also given the right to charge licence application fees.

Parts of the ISP's international operations and work related to international sanctions are funded by appropriations through the Ministry for Foreign Affairs.

The ISP's exports of services should primarily be funded by parties other than the ISP. No services were exported in 2017.

## **The Export Control Council (ECC)**

In 1984, on the basis of Govt Bill 1984/85:82, proposing greater transparency and consultation on matters relating to exports of military equipment, the Riksdag decided to establish an advisory board concerned with exports of military equipment. The Government reorganised this board into the Export Control Council (ECC) in connection with the establishment of the ISP in 1996. The rules governing the composition and activities of the ECC are included in the ISP's instructions. All parliamentary parties are represented on the ECC. It is chaired by the Director-General of the ISP. A list of the Council's members in 2017 appears below.

The Director-General of the ISP is responsible for selecting those cases that will be subjected to consultation with the Export Control Council. Consultation often takes place before a company is informed of an advance notification. In addition, the Director-General has to consult the Council before the ISP submits an application to the Government for assessment under the Military Equipment Act or the dual-use items and Technical Assistance Control Act.

At meetings of the ECC, the Ministry for Foreign Affairs presents assessments of the relevant purchasing countries, and the Ministry of Defence provides assessments of the defence policy aspects of the applications. The Director-General may also summon other experts. One task of the Council is to present opinions on proposed exports based on the Swedish guidelines, the EU Common Position on Arms Exports and the UN Arms Trade Treaty, in order to provide further guidance to the ISP.

The members have unrestricted access to the documentation of all export licence application proceedings. The Director-General reports continuously on all export licence decisions, processed tender notifications and cooperation agreements, as well as advance decisions that have been ruled upon. With effect from 2005, the ISP has also reported all export licence decisions for dual-use items to the ECC. Taken together, this

system ensures good insight into application of the rules on export control for members of parliament from all parties represented in the Riksdag.

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The intention of the Swedish system, uniquely in international terms in that representatives of the political parties can discuss potential export transactions in advance, is to build a broad consensus on export control policy and promote continuity in the conduct of that policy. Unlike in many other countries, the Export Control Council deals with cases at an early stage, before a specific transaction is carried out. Since it would harm the exporting companies commercially if their plans were made known before they had concluded a deal, the Export Control Council's discussions are not made public. Apart from this, the assessments of individual countries are normally subject to confidentiality in relation to foreign affairs.

The Advisory Council on Foreign Affairs, and not the Export Control Council, is still consulted in cases where this is prescribed by the Instrument of Government. The Export Control Council met seven times in 2017.

In 2015 the Government decided to appoint the following members of Parliament to the Export Control Council. The appointments expire at the end of 2018:

Jan R Andersson, Member of Parliament (Moderate Party)  
Annicka Engblom, Member of Parliament (Moderate Party)  
Stig Henriksson, Member of Parliament (Left Party)  
Mikael Jansson, Member of Parliament (Sweden Democrats)  
Kerstin Lundgren, Member of Parliament (Centre Party)  
Mattias Ottosson, Member of Parliament (Social Democrats)  
Pernilla Stålhammar, Member of Parliament (Green Party)\*  
Caroline Szyber, Member of Parliament (Christian Democrats)  
Anna-Lena Sörenson, Member of Parliament (Social Democrats)  
Lars Johansson, former Member of Parliament (Social Democrats)  
Nina Larsson, former Member of Parliament (Liberal Party)  
Per Westerberg, former Member of Parliament (Moderate Party)

\*Discharged by Government decision of 13 December 2017.

### **The Strategic Cooperation Council**

The Strategic Cooperation Council is a forum attached to the ISP for cooperation on issues related to non-proliferation. It consists of a Director-General and members from the cooperating authorities appointed by the ISP. The Strategic Cooperation Council met once in 2017.

### **The Technical-Scientific Council**

In connection with the discussion of matters concerning the classification of military equipment and dual-use items, the Director-General of the ISP is assisted by a Technical-Scientific Council attached to the Agency. This consists of representatives of institutions with expertise in the technology's civilian and military applications. The Technical-Scientific Council held three meetings in 2017.

## 4.2 The Swedish Radiation Safety Authority

In accordance with the Ordinance (2008:452) with instructions for the Swedish Radiation Safety Authority, the Swedish Radiation Safety Authority (SSM) is the central government authority for issues relating to the protection of human health and the environment against the harmful effects of ionising and non-ionising radiation, security and physical protection in nuclear and other activities involving radiation and nuclear non-proliferation.

The SSM's non-proliferation remit in connection with exports of nuclear material and nuclear technology products is stated in the Ordinance mentioned above and in the Dual-use Items and Technical Assistance Control Ordinance (2000:1217). This states that the SSM decides whether or not to authorise exports to a country outside the EU or for transfers within the EU of nuclear material and nuclear technology products, except in certain specific cases, defined in the Ordinance, for which the Government is the decision-making body. The items are specified in Annex I, Category 0 and in Annex IV of Council Regulation (EC) No 428/2009. SSM is also the national supervisory authority with regard to compliance with these provisions.

The SSM has been designated by a Government decision to be a responsible authority and fulfil tasks regarding consideration of applications linked to Council Regulation (EU) No 267/2012 concerning restrictive measures against Iran and Council Regulation (EC) No 329/2007 concerning restrictive measures against North Korea.

In the field of nuclear non-proliferation, the SSM, in accordance with the Act (1984:3) on Nuclear Activities, is the national supervisory authority ensuring that Swedish nuclear activities are conducted in accordance with the obligations resulting from the international agreements to which Sweden is party that aim to prevent the proliferation of nuclear weapons. The SSM is also the national contact point for the IAEA database covering the illicit trafficking and other unauthorised handling of nuclear materials and other radioactive substances.

The SSM cooperates with other authorities on export control matters, in particular the ISP. SSM also receives support with specialist technical expertise from FOI, but itself has high specialist expertise in the nuclear area.

### **Control of nuclear exports**

Nuclear materials (uranium, plutonium and thorium) and nuclear technology products are classified as DUIs; consequently, their export is governed by Regulation (EC) No 428/2009. Exports to countries outside the EU require licences, but the EU's general export licences do not apply to these items. In addition, transfers within the EU involving several products, including particularly sensitive nuclear materials and nuclear equipment, also require licences.

When an application for a licence to export nuclear fuel is submitted, the SSM assesses, in parallel, the issue of the possible transfer of the nuclear material in accordance with the Act (1984:3) and Ordinance (1984:14) on Nuclear Activities. For spent nuclear fuel, the SSM also investigates the

issue of the materials' final disposal. With regard to spent nuclear fuel originating from nuclear activities in Sweden, the application has to include an assurance that the exporter will recover the material if it cannot be disposed of in the intended manner. Furthermore, the SSM decides how nuclear material will be transported with the aim of preventing radiological accidents and to ensure that there is adequate physical protection.

The conditions imposed in decisions concerning export licences are based on the guidelines agreed in the Nuclear Suppliers Group (NSG). These include obtaining certain specified assurances from the government of the recipient country before an export licence can be granted. These assurances will state that the items are for peaceful use, that the IAEA have full safeguarding rights in the country and that nuclear material has adequate physical protection in the country. In addition, there must be a guarantee that re-exportation will not take place without corresponding assurances. The SSM is tasked by the Government with obtaining these assurances from the government of the country in receipt of exports of nuclear technology, as well as with drawing up and submitting Swedish assurances to exporting countries when Sweden imports such material. However, in the case of initial transactions, the Ministry for Foreign Affairs obtains the assurances for exports or provides assurances for imports.

All EU Member States are part of the European Atomic Energy Community (the Euratom Treaty), one purpose of which is to establish a common market for special materials and equipment in the field of nuclear energy and to guarantee that nuclear material is not used for anything other than its intended purpose. All the EU Member States have also ratified the Non-Proliferation Treaty (NPT) and have concluded safeguards agreements with the IAEA with associated additional protocols. The Government is of the opinion that the existing licensing procedure for trade within the EU, in accordance with Council Regulation (EC) No 428/2009 and the commitments of the Member States within the scope of Euratom, normally provides sufficient safeguards in the transfer of nuclear material and nuclear technologies between EU Member States and are in accordance with the NSG Guidelines.

Within the scope of the Euratom Treaty, the EU has the right to enter into agreements with third countries. Bilateral agreements on the peaceful use of nuclear energy have been entered into between the EU and the United States, Canada, Australia, Japan, Ukraine and Uzbekistan. There is an equivalent agreement between the EU and South Africa, but this had not yet entered into force in 2017.

All EU Member States have undertaken to report exports of nuclear material and nuclear technologies to the IAEA, under the Additional Protocol to the Safeguards Agreement with the IAEA, in the case of Sweden INFCIRC/193/Add.8. For Sweden, this means that the European Commission, through its safeguards under the Euratom Treaty, reports exports of nuclear material to the IAEA and that the SSM reports exports of nuclear technologies to the IAEA. As opposed to the case with other DUIs, the SSM must be notified of exports of nuclear technologies listed in Annex 1, Category 0 of Council Regulation (EC) No 428/2009 for this reporting to take place.

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SSM handled 73 applications received for export licences in 2017. These exclusively concerned products for nuclear reactors and nuclear fuel, around a third of which comprised technical documentation and software. Details of the export licences granted by the SSM in 2017 can be found in Annex 2, Table 21.

The SSM makes contact with the companies affected by its safeguarding activities when necessary. In its supervisory role, the SSM carries out visits to companies to ensure that they are aware of and comply with the requirements made on them in the event of intra-EU transfers or extra-EU exports of DUIs. Three such visits took place in 2017.

## 5 Statistics and Terminology

The Inspectorate of Strategic Products (ISP) provides the Government with the statistical material on which the reporting of Swedish exports of military equipment and dual-use items is based. The data in the Communication is based on the statutory reporting submitted annually to the ISP by companies and authorities exporting military equipment. The report on Swedish exports of military equipment in 2017 is presented in Annex 1 and the account of exports of dual-use items in Annex 2.

The Swedish Radiation Safety Authority (SSM) monitors the development of nuclear technology in Sweden and provides statistical data for the Government's reporting of dual-use nuclear technologies. This report is in Annex 2.

### **Reporting of activity related to military equipment Manufacturing and brokering**

#### *Manufacturing and brokering*

Companies licensed to manufacture and supply military equipment are required to submit reports concerning various aspects to the ISP. This reporting requirement also applies to authorities that conduct export-controlled activity abroad.

184 companies and two authorities were covered by the reporting requirement in 2017. 57 of the companies and two authorities exported military equipment or technical assistance during the year.

#### *Export licences granted and actual exports*

The reporting of exports of military equipment relates both to export licences granted by the ISP during the year and to actual exports made from Sweden. Statistics from previous years are also shown in some tables for comparison. It should be pointed out that individual sales and deliveries of major systems may cause wide fluctuations in the annual statistics.

The value and scope of the licences issued by the ISP provide merely an indication of what actual exports may look like in subsequent years. This is due in part to not all licences being utilised and to the fact that actual deliveries may take place several years after the export licence has been

issued. The aggregate value of granted export licences become an increasingly poor indicator of the following year's deliveries as more global and general licences are issued. The value of these types of export licences is not as a rule specified.

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Statistics on actual export are based on the companies' invoiced and delivered military equipment and technical assistance. Leasing agreements with foreign customers are not currently included in the export statistics data.

Swedish exports of military equipment are also reported in the general statistics on foreign trade, which are based on the data submitted to Statistics Sweden by Swedish Customs. Statistics Sweden uses different product categories than the ISP in its reporting, however, and the figures are thus not directly comparable with the ISP's statistics.

### *Military training*

The Swedish Military Equipment Act (1992:1300) stipulates that military training of foreign nationals may not be conducted in or outside Sweden without permission from the ISP. This prohibition does not apply to training associated with sales of military equipment for which export licences have been granted.

One permit for military training was issued in 2017 (United Kingdom).

### *Follow-on deliveries*

It can sometimes be interesting to study in greater detail what proportion of granted export licences for sales to a particular country involve Follow-on deliveries. The statistical report provides such an account for countries outside the EU/OECD. This also indicates the type of item covered by new licences.

## **Categories of military equipment**

Following the implementation of Directive 2009/43/EC simplifying terms and conditions of transfers of defence-related products within the Community the Swedish list of military equipment is now identical to the EU Common Military List, with three national supplements (nuclear explosive devices, fortification facilities and certain chemical weapons).

The Swedish list of military equipment is also supplemented by a division into military equipment for combat purposes (MEC) and other military equipment (OME). Each classification is defined more closely in the Ordinance (1992:1303) on Military Equipment and the EU's Military List. This Communication presents the breakdown into MEC and OME, as well as the military list designations (ML) and national additions (NL), where applicable. The MEC category includes equipment with a destructive impact including sights for such equipment and fire control equipment. The OME category includes parts and components for MEC, as well as equipment that does not have a directly destructive impact in a combat situation.

Where a table states that export licences have been granted or that exports have been made within a particular ML category, this refers to one or more items in that category. This does not mean that export licences

have been granted for or that there have been exports of every one of the items in the category of equipment.

### **Agreements on manufacturing rights and cooperation and ownership in foreign legal entities**

In 2017, the ISP approved six licences for Swedish companies to enter into agreements involving the granting or transfer of manufacturing rights to parties outside Sweden (Section 7 of the Military Equipment Act). These licences were in reference to the following countries: Denmark, India, Japan, Latvia, Poland and the Republic of Korea.

In 2017, the ISP approved 22 licences for Swedish government agencies and Swedish companies to enter into cooperation agreements with parties outside the country to jointly with said parties, or on their behalf, provide technical assistance to parties abroad, develop military equipment or methods for the manufacture of such material or to jointly manufacture military equipment (Section 8 of the Military Equipment Act). These licences were in reference to the following countries: Belgium, Brazil, Canada, Denmark, Estonia, Finland, France, Germany, India, Italy, Malaysia, the Netherlands, Norway, Poland, Portugal, the Republic of Korea, Saudi Arabia, Switzerland, the United Kingdom and the United States.

In 2017 the ISP approved seven licences for Swedish government agencies and Swedish companies to enter into agreements regarding additions or changes to such agreements as require licences under Section 7 or 8 of the Act referred to (Section 9 of the Military Equipment Act). These licences were in reference to the following countries: Estonia, Germany, Norway and Pakistan. The other licences were in reference to the European Defence Agency (EDA).

Entities having transferred manufacturing rights for military equipment by agreement to a party in a foreign country or having entered into a cooperation agreement with a foreign partner must report on an annual basis whether the agreement is still in force, whether production or other cooperation under such an agreement still takes place and how such cooperation is conducted (Section 23 of the Military Equipment Ordinance). In 2017, nine companies and one government agency reported 110 agreements on transferred manufacturing rights or agreements entered into for cooperation in 25 countries.

A party holding a manufacturing or brokerage licence for military equipment (and government agencies undertaking corresponding activity) is obliged to provide information to the ISP on ownership in foreign legal entities undertaking development, manufacturing, marketing or sale of military equipment (Section 17 of the Military Equipment Act). In 2017, six companies reported ownership in 76 foreign legal entities in 37 countries

# Exports of Military Equipment

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**Table 1** Number of applications received concerning the export of military equipment

Type of case	2015	2016	2017
Advance notifications	37	47	39
Notification of tenders	294	267	275
Export licences	1 123	1 059	1 104

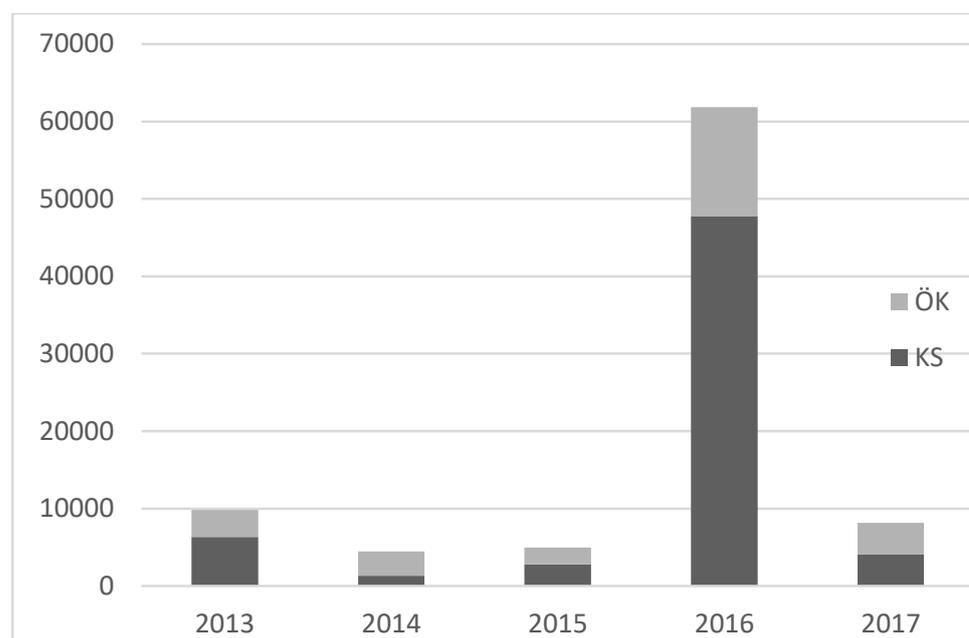
The number of cases received concerning exports of civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU is shown in Table 16.

**Table 2** Value of export licences granted in 2013–2017, divided into military equipment for combat purposes (MEC) and other military equipment (OME)

Year	Value at current prices (SEK million)			Change in per centt		
	Total	MEC	OME	Total	MEC	OME
2013	9829	6339	3490	+24	+23	+25
2014	4481	1349	3132	-54	-78	-10
2015	4949	2790	2159	+10	+107	-31
2016	61879	47790	14089	+1150	+1613	+553
2017	8138	4122	4016	-87	-91	-71

The value of granted export licences concerning civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU is shown in Table 16.

**Table 3 Value of granted export licences, grouped by military equipment for combat purposes (MEC) and other military equipment (OME) 2013–2017 (SEK million)**



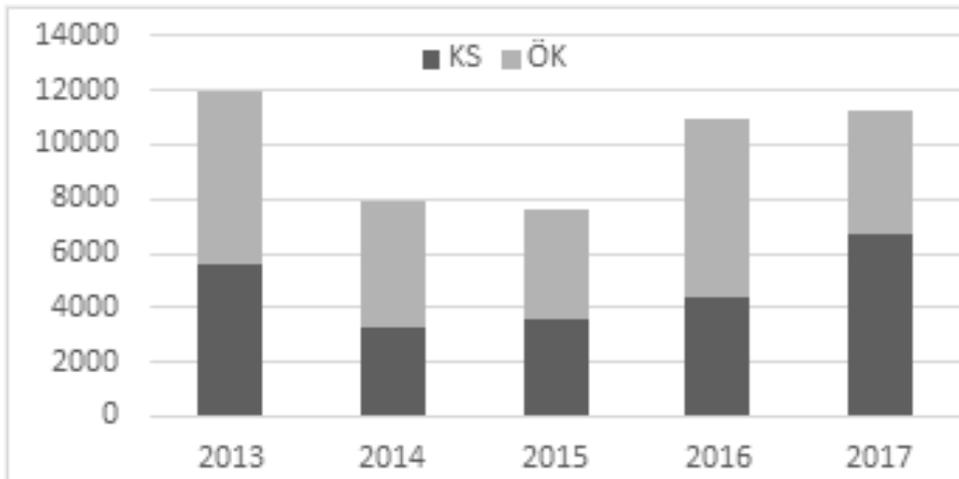
**Table 4 Actual exports of military equipment 2013–2017 compared with total exports of goods**

Year	Sweden's total exports of goods (current prices) SEK million	Military equipment exports						
		Proportion of exports of goods %	Current prices (SEK million)			Change in per cent		
			Total	MEC	OME	Total	MEC	OME
2013	1 090 800	1,09	11942	5554	6388	+22	+48	+6
2014	1 127 000	0,71	7958	3258	4700	-33	-41	-26
2015	1 180 600	0,64	7603 <sup>1</sup>	3560	4043	-4	+9	-14
2016	1 192 700	0,92	10989	4410	6579	+45	+24	+63
2017	1 306 900	0,86	11251	6697	4554	+2	+52	-30

<sup>1</sup>Of which SEK 143 million pertains to exports of civil firearms and ammunition for these.

**Table 5 Actual exports of military equipment 2013–2017 (SEK million)**

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**Table 6 Categories of military equipment**

EU ML	Products classed as MEC (others are OME)	Scope
1	ML 1 a except for revolvers and pistols and weapons designed for hunting and sport shooting.  Breeches, barrels, jackets and magazines	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.
2	ML 1c  ML 2 a except for signature reduction devices.  Barrels, mechanisms, ground plates and recoil mechanisms	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 for these weapons.
	ML 2d	

3	ML 3 a except for smoke, flare and training ammunition and expanding bullet ammunition of a type employed for hunting or sport shooting.  Projectiles, shell bodies, homing devices and warheads.	Ammunition and fuse setting devices and specially designed components therefor.
4	ML 4 a except for smoke pots, cartridges and simulators.  Homing devices, warheads, fuses, proximity fuses, motors, control systems, barrels and carriages.  ML 4 b. Only activating, firing, laying, detonating and discharge of MEC defined equipment.	Bombs, torpedoes, rockets, missiles, other devices and charges with explosive effect and associated equipment and accessories and specially designed components therefor.
5	ML 5 a)  ML 5 b only target capture, target designation and target tracking systems.	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.
6	ML 6 a with restriction to note 1 a) and b)	Ground vehicles and components.
7	ML 7 a), b) and e)	Chemical or biological toxic agents, "riot control agents", radioactive materials, related equipment, components and materials.
8	ML 8 a), b) and c)	"Energetic materials" and related substances.
9	ML 9 a) 1, 2a) and b)	Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels.
10	ML 10 a) combat aircraft and c) armed UAVs	"Aircraft", "lighter-than-air vehicles", "unmanned Aerial Vehicles" ("UAVs"), aero-engines and "aircraft" equipment, related equipment, and components specially designed or modified for military use.
11		Electronic equipment, "spacecraft" and components not specified elsewhere on the EU Common Military List.

12	ML 12 a)	High velocity kinetic energy weapon systems and related equipment, and components specially designed for these weapons.
13		Armoured or protective equipment, constructions and components
14		'Specialised equipment for military training 'or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or ML2 and specially designed components and accessories for these.
15		Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.
16		Forgings, castings and other unfinished products, the use of which in a specified product is identifiable by material composition, geometry or function, and which are specially designed for any products specified by ML1 to ML 4, ML6, ML9, ML10, ML12 or ML19
17		Miscellaneous equipment, materials and 'libraries', and components specially designed therefor.
18		Production equipment and components, as follows.
19	ML 19 a), b), c) and h f)	Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test models, and specially designed components therefor.
20		Cryogenic and "superconductive" equipment, and specially designed components and accessories for these.
21		"Software".
22		"Technology".

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**Table 7 Export licences and actual exports in 2017, broken down by recipient country and product category (SEK million)**

Granted export licences for civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU are shown in Table 16. Export licences granted and actual exports of ammunition for hunting and sport shooting weapons (OME) to recipients within the EU are included in the values stated below. Export licences granted and actual exports of civil firearms (hunting and sport shooting weapons) and parts of such weapons within the EU are handled by the Swedish Police and are therefore not reported in this annex.

Region/Country	Export licences granted			Actual exports	
	Number of licences granted	Main category of the licensed equipment (EU-ML)	Value of the licence	Main category of the exported equipment (EU-ML)	Value of the exports
<b>EU</b>					
Belgium	14	1,3,5,8,11,17,21,22	41 926 035	1,3,5,8,13	11 449 749
Bulgaria	4	3,8,17	18 012 000	3,8	49 630 778
Denmark	30	1,2,3,5,6,8,11,17,2,1,22	442 427 869	1,2,3,5,6,8,9,11,14,17,21,22	213 601 768
Estonia	6	1,2,3,6,17,21,22	0	3,5,6,13,14,17,22	71 665 497
Finland	42	1,2,3,4,5,6,8,14,17,21,22	41 062 284	1,2,3,5,6,8,10,13,14,15,17,21,22	239 898 119
France	38	1,3,4,5,6,8,10,11,14,17,18,21,22	107 013 954	1,3,5,6,8,9,11,13,14,17,21,22	293 369 742
Greece	3	4,17,22	21 855 000		
Ireland	1	17	0	3,4,14,17	26 524 070
Italy	21	3,4,5,6,8,17,22	198 212 658	3,4,5,6,8,11,13,17,22	91 472 449
Croatia	4	3,17	2 850 000	3	2 101 412
Latvia	15	1,3,4,15,17,18	47 810 687	1,3,4,15,18	32 776 517
Lithuania	12	2,3,4,14,17,21,22	105 830 762	2,3,14,17	19 421 473
Luxembourg	3	5,11,17,21,22	700 000	4,5,14,21	119 465 270
Netherlands	10	5,6,7,8,17,22	90 555 671	5,6,7,13,14,17	498 666 236
Poland	18	2,3,5,6,8,17,22	94 401 000	2,3,4,5,6,8,10,13,14,17,22	139 849 770
Portugal	2	3,17	0	3	1 203 967
Romania	2	17,22	9 900 000	3	665 000
Slovakia	4	3,8,17	332 300	2,3,8,13	2 833 949
Slovenia	2	3,17	0	3,13,14	233 036
Spain	16	1,3,4,6,8,11,17,21,22	23 031 234	3,8,11,13,17,21	50 288 222
United Kingdom	40	1,3,4,8,10,11,14,17,21,22	62 638 585	1,3,4,5,6,8,9,10,11,13,14,17,18,21,22	285 360 531
Sweden	4	4,5,18,21,22	1 521 855 000		
Czech republic	7	4,8,17,21	1 781 490	3,4,8,10,13,17,21	28 365 459

Export licences granted			Actual exports		
Region/Country	Number of licences granted	Main category of the licensed equipment (EU-ML)	Value of the licence	Main category of the exported equipment (EU-ML)	Value of the exports
Germany	96	1,2,3,4,5,6,7,8,9,11,17,18,21,22	546 539 298	1,2,3,4,5,6,7,8,9,11,13,17,21,22	615 013 499
Hungary	4	3,8,17	3 645 900	3	4 143 541
Austria	10	2,3,4,8,17	14 689 700	3,4,8,10,13,14,17,2	132 762 475
Total	408	1,2,3,4,5,6,7,8,9,10,11,14,15,17,18,21,22	3 397 071 427	1,2,3,4,5,6,7,8,9,10,11,13,14,15,17,18,21,22	2 930 762 529
Rest of Europa	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Andorra				3	273 771
Greenland				1	100 207
Iceland	4	17	0	1,3,8,17	1 780 548
Norway	41	1,2,3,4,5,6,8,17,21,22	184 205 352	1,2,3,4,5,6,8,9,10,1,3,14,17,21,22	620 629 765
Switzerland	19	1,2,3,5,6,8,17,21,2	130 320 670	2,3,5,6,8,10,11,13,17,22	169 974 677
Turkey	5	7,8,11,14,21,22	58 835 527	8,13,22	70 831 883
Total	69	1,2,3,4,5,6,7,8,11,1,4,17,21,22	373 361 549	1,2,3,4,5,6,8,9,10,1,1,13,14,17,21,22	863 590 851
North America	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Canada	14	2,3,5,8,15,17,18,21,22	92 987 849	2,3,5,8,13,17,21,22	321 728 879
United States	77	2,3,4,5,6,8,11,14,1,7,18,21,22	1 236 876 120	2,3,4,5,6,8,9,10,11,13,14,17,18,21,22	812 676 032
Total	91	2,3,4,5,6,8,11,14,1,5,17,18,21,22	1 329 863 969	2,3,4,5,6,8,9,10,11,13,14,17,18,21,22	1 134 404 911
Central America/Caribbean	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Mexico	1	2,22	64 000 000	2,3,5,22	67 864 700
Total	1	2,22	64 000 000	2,3,5,22	67 864 700
South America	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Argentina	1	2,3,14	14 304 000	2,3	7 780 800
Brazil	9	2,3,4,5,14,17,18,21,22	196 318 501	2,3,4,10,13,14	3 467 396 033
Chile				3	225 545
Ecuador				5	374 255
Peru	1	8	1 685 000		
Uruguay				3	101 604

Region/Country	Export licences granted			Actual exports	
	Number of licences granted	Main category of the licensed equipment (EU-ML)	Value of the licence	Main category of the exported equipment (EU-ML)	Value of the exports
Total	11	2,3,4,5,8,14,17,18,21,22	212 307 501	2,3,4,5,10,13,14	3 475 878 237
North East Asia	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Japan	21	2,3,4,5,8,14,22	302 095 966	2,3,4,8,14	25 506 773
Republic of Korea	16	5,8,9,15,21,22	148 460 947	4,5,8,9,13,21,22	152 427 391
Total	37	2,3,4,5,8,9,14,15,21,22	450 556 913	2,3,4,5,8,9,13,14,21,22	177 934 164
South East Asia	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Brunei				2	52 040 196
Philippines	1	5,21,22	48 529 000		
Indonesia	1	10	279 000	10	279 000
Malaysia	2	5,11,21,22	0	2,5,21,22	16 851 310
Singapore	15	4,5,9,11,14,21,22	310 245 509	2,4,5,9,11,13,14,22	214 938 684
Thailand	6	2,5,9,10,11,21,22	4 530 534	2,5,9,10,21,22	51 805 919
Total	25	2,4,5,9,10,11,14,21,22	363 584 043	2,4,5,9,10,11,13,14,21,22	335 915 109
South Asia	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Bangladesh	1	3	21 000 000	3	21 000 000
India	27	2,3,4,5,8,9,17,18,21,22	416 762 531	2,3,5,9,13,22	1 365 850 737
Pakistan	2	4,5,10,11,15,16,17,21,22	1 350 000 000	4,5,10,11,21,22	110 383 336
Total	30	2,3,4,5,8,9,10,11,15,16,17,18,21,22	1 787 762 531	2,3,4,5,9,10,11,13,21,22	1 497 234 073
Middle East	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Bahrain				22	140 000
Arab Emirates	6	3,4,5,10,11,15,16,17,21,22	106 600 000	2,3,5,17,21,22	149 256 219
Jordan	1	13	21 100 000	13	9 170 670
Kuwait	2	4,22	51 691 066		
Qatar				17	6 344 508
Saudi Arabia	4	4,5,10,11,21,22	0	4,5,10,22	6 568 539
Total	13	3,4,5,10,11,13,15,16,17,21,22	179 391 066	2,3,4,5,10,13,17,21,22	171 479 936

Export licences granted			Actual exports		
Region/Country	Number of licences granted	Main category of the licensed equipment (EU-ML)	Value of the licence	Main category of the exported equipment (EU-ML)	Value of the exports
North Afrika	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Algeria	1	5,21,22	0	5,17	9 211 980
Tunisia				5	369 420
<b>Total</b>	<b>1</b>	<b>5,21,22</b>	<b>0</b>	<b>5,17</b>	<b>9 581 400</b>
Sub-Saharan Africa	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Botswana				2,3	38 275 911
Mauritius	2	3	0	3	36 606
Namibia				3	124 324
South Africa	15	2,3,4,5,8,10,17,21,22	47 787 986	1,3,4,8,10,13,17,21,22	276 574 892
Zambia				3	124 660
<b>Total</b>	<b>17</b>	<b>2,3,4,5,8,10,17,21,22</b>	<b>47 787 986</b>	<b>1,2,3,4,8,10,13,17,21,22</b>	<b>315 136 393</b>
Oceania	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
Australia	15	2,4,5,8,11,14,17,21,22	90 913 438	2,3,4,5,10,11,13,14,15,17,22	258 462 421
New Zealand	2	14,17	4 184 880	1,2,3,14,17,22	12 234 694
<b>Total</b>	<b>17</b>	<b>2,4,5,8,11,14,17,21,22</b>	<b>95 098 318</b>	<b>1,2,3,4,5,10,11,13,14,15,17,22</b>	<b>270 697 115</b>
International Organisations	Number of licences granted	Main category of licensed equipment (EU-ML)	Value of the licence	Main category of exported equipment (EU-ML)	Value of the exports
UN United Nations	2	17,21,22	1 170 000	17,22	809 431
<b>Total</b>	<b>2</b>	<b>17,21,22</b>	<b>1 170 000</b>	<b>17,22</b>	<b>809 431</b>
<b>Total</b>	<b>722</b>	<b>1,2,3,4,5,6,7,8,9,10,11,13,14,15,16,17,18,21,22</b>	<b>8 138 298 807</b>	<b>1,2,3,4,5,6,7,8,9,10,11,13,14,15,17,18,21,22</b>	<b>11 251 288 849</b>

**Table 8a Actual exports of military equipment 2017 broken down by country and region and divided into MEC and OME (SEK million)**

<b>Region/Country</b>	<b>MEC</b>	<b>OME</b>	<b>Total</b>
<b>EU</b>			
Belgium	7 889 307	3 560 442	11 449 749
Bulgaria	49 242 310	388 468	49 630 778
Denmark	2 433 506	211 168 262	213 601 768
Estonia	107 246	71 558 251	71 665 497
Finland	16 795 781	223 102 338	239 898 119
France	15 620 553	277 749 189	293 369 742
Ireland	18 458 090	8 065 980	26 524 070
Italy	51 467 044	40 005 405	91 472 449
Croatia	1 790 463	310 949	2 101 412
Latvia	31 019 598	1 756 919	32 776 517
Lithuania	23 120	19 398 353	19 421 473
Luxembourg	118 720 000	745 270	119 465 270
Netherlands	0	498 666 236	498 666 236
Poland	109 512 082	30 337 688	139 849 770
Portugal	0	1 203 967	1 203 967
Romania	0	665 000	665 000
Slovakia	1 048 271	1 785 678	2 833 949
Slovenia	2 400	230 636	233 036
Spain	8 361 197	41 927 025	50 288 222
United Kingdom	105 867 154	179 493 377	285 360 531
Czech Republic	25 411 499	2 953 960	28 365 459
Germany	312 343 636	302 669 863	615 013 499
Hungary	0	4 143 541	4 143 541
Austria	57 502 355	75 260 120	132 762 475
<b>Total</b>	<b>933 615 612</b>	<b>1 997 146 917</b>	<b>2 930 762 529</b>
<b>Rest of Europe</b>			
Andorra	0	273 771	273 771
Greenland	0	100 207	100 207
Iceland	45 724	1 734 824	1 780 548
Norway	510 599 469	110 030 296	620 629 765
Switzerland	2 358 279	167 616 398	169 974 677
Turkey	55 932	70 775 951	70 831 883
<b>Total</b>	<b>513 059 404</b>	<b>350 531 447</b>	<b>863 590 851</b>
<b>North America</b>			
Canada	47 374 715	274 354 164	321 728 879
United States	417 461 803	395 214 229	812 676 032
<b>Total</b>	<b>464 836 518</b>	<b>669 568 393</b>	<b>1 134 404 911</b>
<b>Central America and Caribbean</b>			
Mexico	65 489 700	2 375 000	67 864 700
<b>Total</b>	<b>65 489 700</b>	<b>2 375 000</b>	<b>67 864 700</b>
<b>South America</b>			
Argentina	0	7 780 800	7 780 800
Brazil	3 461 654 869	5 741 164	3 467 396 033
Chile	0	225 545	225 545
Ecuador	0	374 255	374 255
Uruguay	0	101 604	101 604
<b>Total</b>	<b>3 461 654 869</b>	<b>14 223 368</b>	<b>3 475 878 237</b>
<b>North-East Asia</b>			
Japan	9 952 670	15 554 103	25 506 773

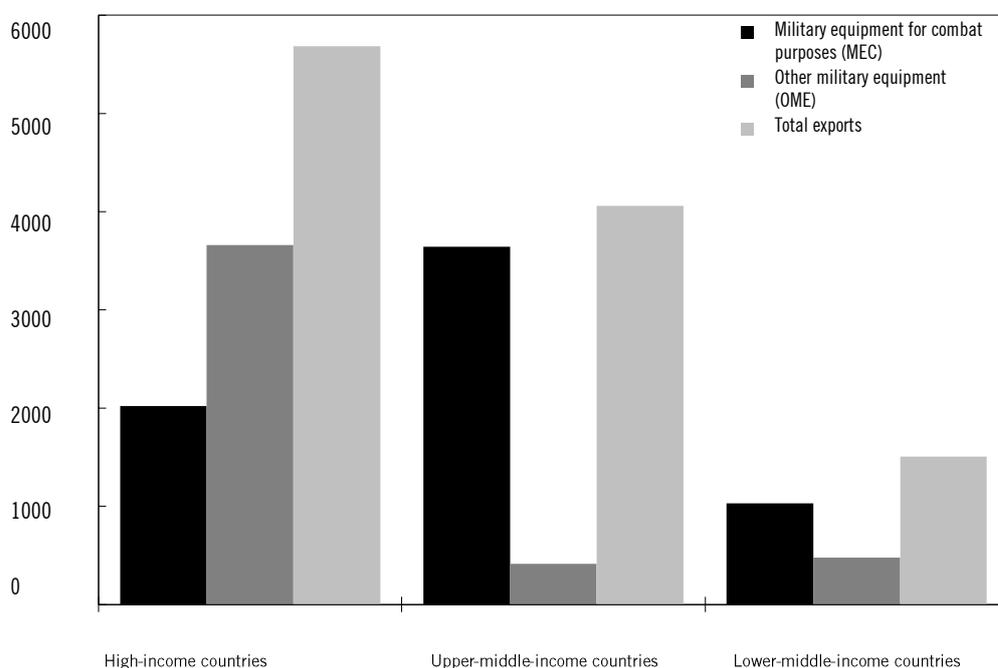
<b>Region/Country</b>	<b>MEC</b>	<b>OME</b>	<b>Total</b>
Republic of Korea	1 287 944	151 139 447	152 427 391
<b>Total</b>	<b>11 240 614</b>	<b>166 693 550</b>	<b>177 934 164</b>
<b>South-East Asia</b>			
Brunei	51 627 894	412 302	52 040 196
Indonesia	0	279 000	279 000
Malaysia	0	16 851 310	16 851 310
Singapore	259 899	214 678 785	214 938 684
Thailand	25 942 405	25 863 514	51 805 919
<b>Total</b>	<b>77 830 198</b>	<b>258 084 911</b>	<b>335 915 109</b>
<b>South Asia</b>			
Bangladesh	21 000 000	0	21 000 000
India	923 514 886	442 335 851	1 365 850 737
Pakistan	86 184 000	24 199 336	110 383 336
<b>Total</b>	<b>1 030 698 886</b>	<b>466 535 187</b>	<b>1 497 234 073</b>
<b>Middle East</b>			
Bahrain	0	140 000	140 000
United Arab Emirates	46 512 947	102 743 272	149 256 219
Jordan	0	9 170 670	9 170 670
Qatar	0	6 344 508	6 344 508
Saudi Arabia	3 440 000	3 128 539	6 568 539
<b>Total</b>	<b>49 952 947</b>	<b>121 526 989</b>	<b>171 479 936</b>
<b>North Africa</b>			
Algeria	0	9 211 980	9 211 980
Tunisia	0	369 420	369 420
<b>Total</b>	<b>0</b>	<b>9 581 400</b>	<b>9 581 400</b>
<b>Sub-Saharan Africa</b>			
Botswana	38 170 641	105 270	38 275 911
Mauritius	0	36 606	36 606
Namibia	0	124 324	124 324
South Africa	1 922 298	274 652 594	276 574 892
Zambia	0	124 660	124 660
<b>Total</b>	<b>40 092 939</b>	<b>275 043 454</b>	<b>315 136 393</b>
<b>Oceania</b>			
Australia	48 918 360	209 544 061	258 462 421
Nya Zeeland	0	12 234 694	12 234 694
<b>Total</b>	<b>48 918 360</b>	<b>221 778 755</b>	<b>270 697 115</b>
<b>International Organisations</b>			
UN United Nations	0	809 431	809 431
<b>Total</b>	<b>0</b>	<b>809 431</b>	<b>809 431</b>
<b>Total</b>	<b>6 697 390 047</b>	<b>4 553 898 802</b>	<b>11 251 288 849</b>

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**Table 8 b** Actual exports, broken down by region in per cent of value in 2017

Region	Share of total exports (%)
EU	26,3
South Asia	13,3
Middle East	1,5
South-East Asia	3,0
North America	10,1
Rest of Europe	7,7
Sub-Saharan Africa	2,8
Oceania	2,4
North-East Asia	1,6
North Africa	0,1
Central America and the Caribbean	0,6
South America	30,8
International Organisations	0,1

**Figure 8c** Actual exports of military equipment broken down by countries grouped according to income



The country groupings are based on the World Bank's synthesis of countries' economic status. A complete list of the country groupings can be found on the website [www.worldbank.org](http://www.worldbank.org). The countries Sweden exports military equipment to or has granted export licences to in 2017 are grouped as follows:

**High-income countries:** Andorra, Australia, Austria, Bahrain, Belgium, Brunei, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greenland, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Qatar, Republic of Korea, Saudi Arabia, Singapore, Slovakia, Slovenia, Spain, Switzerland, United Arab Emirates, United Kingdom, United States and Uruguay.

**Upper-middle-income countries:** Algeria, Argentina, Botswana, Brazil, Bulgaria, Croatia, Ecuador, Malaysia, Mauritius, Mexico, Namibia, Romania, South Africa, Thailand and Turkey.

**Lower-middle-income countries:** Bangladesh, India, Indonesia, Jordan, Pakistan, Tunisia and Zambia.

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**Table 9 Follow-on deliveries in 2017 (relates to countries outside the EU and OECD circle)**

	Number of licences	Of which follow-on delivery licences	Of which new licences	Main category new licences
Algeria	1	1		
Argentina	1		1	ML2
Bangladesh	1	1		
Brazil	9	6	3	ML4, ML5, ML17, ML18
Philippines	1		1	ML5
United Arab Emirates	6	5	1	ML17
India	27	9	18	ML1, ML4, ML5, ML8, ML9, ML22
Indonesia	1		1	ML5
Jordan	1		1	ML13
Kuwait	2		2	ML10
Malaysia	2	2		
Mauritius	2		2	ML3
Pakistan	2	2		
Peru	1		1	ML8
Saudi Arabia	4	4		
Singapore	15	7	8	ML4, ML5, ML8, ML9, ML17, ML22
South Africa	15	9	6	ML2, ML5, ML8, ML21, ML22
Thailand	6	6		
Total	97	52	45	

**Table 10 Actual exports of small arms and light weapons in 2017 as defined in the UN Register of Conventional Arms**

<b>Classified in accordance with the UN Register of Conventional Arms</b>	
<b>Small arms</b>	
1. Revolvers and self-loading pistols	No exports
2. Rifles and carbines	No exports
3. Sub-machine guns	No exports
4. Assault rifles	No exports
5. Light machine guns	No exports
6. Others	Small-bore ammunition was exported to Austria, Belgium, Denmark, Finland, France, Germany, Italy, Japan, Lithuania, Norway, Slovakia, South Africa, Spain, Switzerland, the United Kingdom and the USA
<b>Light weapons</b>	
1. Heavy machine guns (12.7 mm)	No exports
2. Hand-held underbarrel and mounted grenade launchers (40 mm)	Grenades to Denmark
3. Portable anti-tank guns	No exports
4. Recoilless rifles (rocket-propelled grenades)	Rocket-propelled grenades were exported to India and Slovakia  Spare parts, training equipment, components and ammunition for rocket-propelled grenades were exported to Australia, Austria, Canada, Denmark, India, Japan, Lithuania, New Zealand, Poland and the USA.
5. Portable anti-tank missile launchers and rocket systems	Anti-tank missile launchers and rocket systems were exported to Luxembourg and the United States.  Spare parts, training weapons and components for anti-tank systems were exported to Argentina, Austria, Brazil, Denmark, Ireland, Lithuania, Norway and the USA.
6. Mortars of calibres less than 75 mm	No exports

7. Others	No exports
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This report does not include an account of exports of civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons.

**Table 11 Actual exports of MANPADS (man-portable air defence systems) in 2017 as defined in the UN Register of Conventional Arms.**

Missiles, spare parts, training equipment etc. for MANPADS to a value totalling SEK 230 767 000 were exported to Australia, Brazil, the Czech Republic, Ireland, Latvia, Pakistan and Singapore. Sights intended for MANPADS were exported to Brazil.

**Table 12 Approved re-exports in 2017 of equipment originally exported from Sweden**

From	Number cases	Equipment concerned	Destination
Australia	1	Spare parts for radar systems	Sweden
Belgium	1	Military trucks	Finland
Belgium	2	Explosives	Italy
Canada	1	Spare parts for radar systems	Canada
Canada	1	Spare parts for radar systems	Sweden
Latvia	1	Sub-machine guns	Latvia
Norway	1	Combat vehicles	Estonia
Spain	1	Sub-systems for submarines	India
Germany	1	Simulator equipment	Iraq
Germany	1	Gunpowder	Switzerland
Germany	1	Gunpowder	Hungary
USA	2	Explosives, projectiles	Sweden

**Table 13 Exporting companies and authorities in 2017**

The following companies and authorities exported equipment to a value of more than SEK 10 million (SEKm):

Company	MEC	OME	Total
Saab AB, Aeronautics	3 479 520 547	231 030 856	3 710 551 403
BAE Systems Hägglunds AB	448 296 065	1 017 033 288	1 465 329 353
FFV Ordnance AB	923 514 886	428 000 431	1 351 515 317
Saab Dynamics AB	929 245 359	333 176 942	1 262 422 301

Company	MEC	OME	Total
Saab AB, Surveillance	119 345 233	982 361 826	1 101 707 059
BAE Systems Bofors AB	322 548 345	345 783 851	668 332 196
EURENCO Bofors AB	277 254 032	234 270	277 488 302
Norma Precision AB	10 809 097	238 437 787	249 246 884
Saab Kockums AB	0	203 301 867	203 301 867
SSAB EMEA AB	0	169 766 665	169 766 665
Nammo Sweden AB, Karlsborg	117 091 096	0	117 091 096
Saab Barracuda AB	0	104 640 574	104 640 574
Saab AB, Training & Simulation	0	77 329 041	77 329 041
Scania CV AB	0	76 582 255	76 582 255
Saab AB, Industrial Products and Services	0	67 651 122	67 651 122
Nammo Sweden AB, Lindsberg	26 328 624	18 461 431	44 790 055
Aimpoint AB	43 083 212	400 222	43 483 434
GKN Aerospace Sweden AB	0	41 648 031	41 648 031
Patria Helicopters AB	0	37 446 812	37 446 812
FOI, Totalförsvarets forskningsinstitut	0	30 783 000	30 783 000
Taiga AB	0	25 069 036	25 069 036
FLIR Systems AB	24 974 672	0	24 974 672
FMV, Försvarets materielverk	0	23 199 023	23 199 023
Strömsholmen AB	0	16 613 856	16 613 856
Saab Underwater Systems AB	0	11 552 465	11 552 465
Air Target Sweden AB	0	11 506 153	11 506 153

**The following companies exported military equipment to a value of between SEK 1 million and SEK 10 million in 2017:**

Deform AB, Saab AB, Support and Services, Airsafe Sweden AB, Schill, Reglerteknik AB, SSPA Sweden AB, Saab Bofors Test Center AB, Stalon AB, Polyamp AB, Befyraem Technologies AB (B4M), Ex & Plose AB, Carmenta AB, BAE Systems SWS Defence AB, Comtri AB, AimSport Sweden AB, James Fisher Defence Sweden AB (JFDS), GKN Aerospace Applied Composites AB

**The following companies exported military equipment to a value of less than SEK 1 million in 2017:**

ECAPS AB, Rolls-Royce AB, Waltreco AB, Sepson AB, Lars-Gunnar Svensson, Ekenäs Mekaniska AB, Åkers Krutbruk Protection AB, Exensor Technology AB, SKF Motion Technologies AB, AB Röa, VMAC AB, AmmoTech Sweden AB, SKF Sverige AB, Equipnor AB, ArmaTech AB, Spuhr i Dalby AB, Swedish Ordnance i Stockholm AB

Of other companies with manufacturing or brokerage licences in 2017, 57 companies only undertook sales in Sweden. 73 companies did not sell any military equipment or technical assistance in 2017

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**Table 14 Individual brokerage licences granted in 2017**

From country	To country	Number	ML- category	Item
Australia	Thailand	1	ML 5	Systems for target designation
Denmark	Afghanistan	1	ML 13	Protective helmets
	Thailand	2	ML 4	Launching systems
France	Norway	3	ML 4,	Missile components
			ML 6	Vehicle components
Italy	Philippines	1	ML 2	Spare parts for naval guns
Canada	Denmark	1	ML 1	Components for firearms
			ML 3	Ammunition components
Latvia	Denmark	1	ML 17	Diving equipment
	Ireland	1	ML 17	Diving equipment
	Latvia	1	ML 17	Diving equipment
	Lithuania	1	ML 17	Diving equipment
	Netherlands	1	ML 17	Diving equipment
Lithuania	Finland	2	ML 6	Truck chassis, Vehicle-components
				Ireland
	Netherlands	Finland	1	ML 6
Ireland		1	ML 6	Vehicle chassis
Poland	Netherlands	1	ML 6	Vehicle components
				South Africa
Spain	France	1	ML 5	Sensor-systems
United Kingdom	United Kingdom	1	ML 13	Armour plate
	Germany	1	ML4	Missile components
Germany	Germany	1	ML 13	Armour plates
	Denmark	1	ML 1	Firearms
USA	Thailand	1	ML 11	Signals reconnaissance systems
	USA	2	ML 13	Armour plates
<b>Total</b>		<b>29</b>		

<sup>1</sup> Individual brokerage licences are issued for Swedish companies, authorities and private individuals when military equipment deals are brokered between two foreign entities. The number of brokerage licences issued has increased sharply over the past three years due to distribution of Swedish-made armour plate frequently being distributed between warehouses abroad to a large number of customers.

**Table 15** General licences, certifications and individual and global licences granted to other EEA countries in 2017

**General licences**

ISP has previously decided to introduce five types of general licences. The licences cover only transfer within the European Economic Area (EEA). Each category has an appendix describing the military equipment and technical assistance it covers.

<b>TFS</b>	<b>Omfattning</b>
2012:7	The transfer of military equipment and the provision of technical assistance to armed forces or a contracting authority in a country within the European Economic Area (EEA)
2012:8	The transfer of military equipment and the provision of technical assistance to a certified recipient in a country within the European Economic Area (EEA)
2012:9	The transfer of military equipment and the provision of technical assistance to a country within the European Economic Area (EEA) for demonstration, evaluation and exhibition
2012:10	The transfer of military equipment and the provision of technical assistance to a country within the European Economic Area (EEA) for maintenance or repair
2012:11	The transfer of military equipment and the provision of technical assistance to a country within the European Economic Area (EEA) following maintenance, repair or demonstration

Utilisation of a general licence is conditional on the company concerned informing ISP no later than four weeks prior to the first day on which the licence is used.

In 2017, three companies informed ISP of the use of general licences, as follows:

<b>TFS 2012:7</b>	<b>TFS 2012:8</b>	<b>TFS 2012:9</b>	<b>TFS 2012:10</b>	<b>TFS 2012:11</b>
1	0	1	0	1

Whoever utilises the licences only needs to inform ISP the first time the licence is used. The combined number of notifications made since 2012 is shown below.

<b>TFS 2012:7</b>	<b>TFS 2012:8</b>	<b>TFS 2012:9</b>	<b>TFS 2012:10</b>	<b>TFS 2012:11</b>
13	7	22	12	13

Actual exports in 2017 under general licences:

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TFS	Kategori	Värde (tkr)	Mottagarland
2012:7	ML 4	7092	United Kingdom
	ML 5	2289	France, Norway, United Kingdom
	ML 6	488142	Denmark, Estonia, Finland, France, Italy, Netherlands, United Kingdom
	ML 10	5554	Austria, Finland, Norway, Poland
	ML 14	63006	Austria, Czech Republic, Estonia, Finland, Netherlands, Norway, Poland, Slovenia, United Kingdom
	ML 15	862	Finland
	ML 21	427	Finland
	ML 22	53131	Austria, Estonia, Germany, Norway
	2012:8	ML 21	3811
2012:9	ML 21	206	France, Germany
2012:10	ML 9	36767	Denmark, France, Norway, Germany,
	ML 21	105	Denmark, France
2012:11	ML 4	177	Germany
	ML 5	28961	Denmark, Germany, Norway, Switzerland
	ML 6	33571	Netherlands
	ML 9	670	United Kingdom
	ML 11	29575	Denmark, Estonia, Finland, Germany, Netherlands, United Kingdom
	ML 21	107	Germany
	ML 22	1773	Denmark, Germany

## Certification

A company can apply for certification as a recipient of military equipment and technical assistance and thus receive certain military equipment sent from any other EEA country via general licences.

No new Swedish companies were certified in 2017.

Up to and including 2017, 56 companies in 16 EU Member States had been certified.

Up-to-date information is available on the European Commission's website: <http://ec.europa.eu/growth/tools-databases/certider>

## Proportion of global and individual licences to other EEA countries

1. In 2012, ISP granted a total of 362 export licences to EEA countries, of which 20 per cent global and 80 per cent individual.

2. In 2013, ISP granted a total of 642 export licences to EEA countries, of which
3. 15 per cent global and 85 per cent individual. 55
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5. In 2014, ISP granted a total of 552 export licences to EEA countries, of which 20 per cent global and 80 per cent individual.
6. In 2015, ISP granted a total of 565 export licences to EEA countries, of which 16 per cent global and 84 per cent individual.
7. In 2016, ISP granted a total of 541 export licences to EEA countries, of which 22 per cent were global and 78 per cent individual.
8. In 2017, ISP granted a total of 594 export licences to EEA countries, of which 34 per cent were global and 66 per cent individual.

**Table 16 Export licences concerning exports of civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU**

Table 16 presents statistics relating to export licences for civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU<sup>2</sup>.

**Number of cases received concerning civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons**

Type of case	2015	2016	2017
Applications for export licences	342	271	308

The table below presents the total sum regarding export licences per importing country under the EU Regulation.

Value of export licences granted (SEK million)			
Region/Country	2015	2016	2017
<b>Rest of Europe</b>			
Andorra	0,3	0,3	0,03

<sup>2</sup> Examination takes place in accordance with an EU Regulation – Regulation (EU) No 3 of the European Parliament and of the Council of 25/8/2012 of March 2012 implementing Article 2012 of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for firearms, their parts and components and ammunition, and in accordance with the Military Equipment Act (1992:1300). This does not, however, apply to exports of smooth-bore shotguns and parts and ammunition for such weapons, where assessment takes place only according to the EU Regulation mentioned.

<b>Value of export licences granted (SEK million)</b>			
Greenland	0,6	0	0,1
Iceland	0,4	0,7	0,8
Montenegro	0	0	0,05
Norway	172	166	51
New Caledonia	0,4	0,05	0
Switzerland	3	2	15
<b>Total</b>	<b>177</b>	<b>169</b>	<b>67,3</b>
<b>North America</b>			
Canada	1	2	4,8
United States	103	130	98
<b>Total</b>	<b>104</b>	<b>132</b>	<b>102,8</b>
<b>South America</b>			
Argentina	0	0	0,7
Chile	0,4	0	0,2
Uruguay	0,1	0	0,1
<b>Total</b>	<b>0,5</b>	<b>0</b>	<b>1</b>
<b>North East Asia</b>			
Japan	1	0,4	1,4
Republic of Korea	0,09	0	0
<b>Total</b>	<b>1</b>	<b>0,4</b>	<b>1,4</b>
<b>Central Asia</b>			
Kazakstan	3	0,3	0
<b>Total</b>	<b>3</b>	<b>0,3</b>	<b>0</b>
<b>Middle East</b>			
United Arab Emirates	11	0	0,07
<b>Total</b>	<b>11</b>	<b>0</b>	<b>0,07</b>
<b>Sub-Saharan Africa</b>			
Botswana	0,1	0,2	0,07
Namibia	0,08	0,3	0,1
South Africa	14	1	5
Tanzania	0,3	0	0
Zambia	0	0,3	0
<b>Total</b>	<b>14</b>	<b>1,8</b>	<b>5,2</b>
<b>Oceania</b>			
Australia	3	4	1,6
Nya Zeeland	2	2	1,6
<b>Total</b>	<b>5</b>	<b>6</b>	<b>3,2</b>
<b>TOTAL</b>	<b>316</b>	<b>310</b>	<b>181</b>

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## Export of Dual-Use Items

**Table 17. Number of export cases etc. received concerning dual-use items (DUIs) 2015–2017**

<b>Export cases</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Total number of export licences</b>	1 467	1 662	1 675*
of which:			
The Wassenaar Arrangement	793	751	734
The Missile Technology Control Regime	9	11	8
The Nuclear Suppliers Group (Part 2)	149	234	244
The Australia Group	332	333	348
Sanctions	184	333	323
<b>Sanctions against Iran – financial cases</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Total</b>	693	26	0
Cases concerning the transfer of assets and financial services			
Notifications	584	17	0
Licences	109	9	0

\*The total figure also includes 18 cases covering catch-all.

**Table 18. Number of advance decisions, enquiries about non-controlled items relating to DUIs 2015–2017**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total number of advance decisions resolved	139	112	152
Of which, number of enquiries about non-controlled items	97	73	64

**Table 19. Number of resolved cases affecting applications for advance decisions**

<b>Country</b>	<b>Non controlled items</b>			<b>Controlled items</b>		<b>Total</b>
	<b>No reason to apply catch-all</b>	<b>"Catch-all" negative</b>	<b>"Catch-all"</b>	<b>Listed item, positive</b>	<b>Listed item, denial</b>	
Afghanistan				3		3
Syrian Arab Republic	3		1			4

Country	Non controlled items			Controlled items		
	No reason to apply catch-all	"Catch-all" negative	"Catch-all"	Listed item, positive	Listed item, denial	Total
Australia	1					1
Azerbaijan				1		1
Ethiopia				1		1
People's Republic of China	13	2	1	10	6	32
United Arab Emirates	1				1	2
Hong Kong, China				1		1
India	1	2	1	2		6
Indonesia					1	1
Iran	29	1	1	6		37
Israel				1		1
Jordan				1		1
Kuwait				1		1
Lebanon	1					1
Malaysia				1		1
Mexico				1		1
Pakistan		2		1	2	5
Qatar	1					1
Republic of Korea				1		1
Russian Federation	6	4	1	6	7	24
Saudi Arabia					1	1
Serbia					1	1
Sri Lanka				1		1
United Kingdom	1					1
Sudan				1		1
Sweden	1					1
Taiwan	2			2	1	5
Thailand				1		1
Turkey				1	3	4
Ukraine	2				2	4
Venezuela					1	1
Vietnam	1				1	2
Belarus	1				1	2

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**Table 20. General licences**

In 2012, the EU introduced further general licences in accordance with Regulation (EU) No 1232/2011 of the European Parliament and of the Council.

The companies in question are obliged to notify the ISP at least 30 days after their first use.

The number of companies that notified such use in 2017 is as follows:

EU 001	EU 002	EU 003	EU 004	EU 005	EU 006
21	1	1	3	0	0

Whoever utilises general licences only needs to inform ISP the first time the licence is used. The combined number of notifications made since 2009 is shown below.

EU 001	EU 002	EU 003	EU 004	EU 005	EU 006
164	4	9	8	1	0

**Table 21 Export licences granted for dual-use items (DUIs), belonging to Category 0 in Annex 1 of Council Regulation (EC) No 428/2009, from companies in Sweden (source SSM)**

In the nuclear area, licences are mandatory for exports outside the EU. For the majority of products, licences are also required for transfer between EU countries. The items affected are described in Annex IV Part 2 of Council Regulation (EC) No 428/2009. General licences may not be used for these products. 70 licences were granted for exports or for transfers within the EU in 2017.

Recipient country	Number of global licences	Number of individual licences	Item category
Brazil		1	0A001f, 0C002
Bulgaria	1		0D001, 0E001
Denmark	1		0E001
Finland		4	0A001d
France		6	0A001f, 0A001h
Japan	4	2	0A001f, 0E001
Kazakhstan		1	0C002
China	1		0E001
Croatia	1		0E001
Netherlands	1	2	0E001

Recipient country	Number of global licences	Number of individual licences	Item category
Norway	1	1	0A001f, 0C002
Switzerland		2	0A001h
Spain	1	3	0A001h, 0E001
United Kingdom	1	8	0A001d, 0A001f, 0A001h, 0E001
Sweden		1	0E001
South Africa		1	0A001f, 0C002, 0D001, 0E001
Czech Republic		1	0A001f, 0C001
Germany	2	2	0A001h, 0E001
Ukraine		5	0A001d, 0A001f, 0A001h, 0C001
United States	4	12	0A001d, 0A001f, 0A001h, 0C001, 0C002, 0D001, 0E001

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**Table 22 Membership of multilateral export control regimes in 2017**

Country	ZC	NSG	AG	MTCR	WA
Argentina	x	x	x	x	x
Australia	x	x	x	x	x
Belgium	x	x	x	x	x
Brazil	-	x	-	x	-
Bulgaria	x	x	x	x	x
Cyprus	-	x	x	-	-
Denmark	x	x	x	x	x
Estonia	-	x	x	-	x
Finland	x	x	x	x	x
France	x	x	x	x	x
Greece	x	x	x	x	x
India	-	-	-	x	x
Ireland	x	x	x	x	x
Iceland	-	x	x	x	-
Italy	x	x	x	x	x
Japan	x	x	x	x	x
Canada	x	x	x	x	x
Kazakstan	x	x	-	-	-
China	x	x	-	-	-
Korea (Rep.)	x	x	x	x	x
Kroatia	x	x	x	-	x
Latvia	-	x	x	-	x

Country	ZC	NSG	AG	MTCR	WA
Lithuania	-	X	X	-	X
Luxembourg	X	X	X	X	X
Malta	-	X	X	-	X
Mexico	-	X	X	-	X
Netherlands	X	X	X	X	X
Norway	X	X	X	X	X
Nya Zeeland	X	X	X	X	X
Polen	X	X	X	X	X
Portugal	X	X	X	X	X
Romania	X	X	X	-	X
Russia	X	X	-	X	X
Switzerland	X	X	X	X	X
Serbia	-	X	-	-	-
Slovakia	X	X	X	-	X
Slovenia	X	X	X	-	X
Spain	X	X	X	X	X
United Kingdom	X	X	X	X	X
Sweden	X	X	X	X	X
South Africa	X	X	-	X	X
Czech Republic	X	X	X	X	X
Turkey	X	X	X	X	X
Germany	X	X	X	X	X
Ukraine	X	X	X	X	X
Hungary	X	X	X	X	X
United States	X	X	X	X	X
Belarus	X	X	-	-	-
Austria	X	X	X	X	X
<b>TOTAL</b>	<b>39</b>	<b>48</b>	<b>41</b>	<b>35</b>	<b>42</b>

**Table 23. Global licences for permanent exports granted in 2017**

Region/Country	Civilian end use				
	Number of licences	Item category	Item	EU Regulation	Regime
All countries with the exception of embargo	19	5A002, 5D002, 5E002	Telecom products (information security)	428/2009	WA

Region/Country	Civilian end use				EU Regulation	Regime	Comm. 2017/18:114 Appendix 2
	Number of licences	Item category	Item				
countries/sanctions countries							
Afghanistan*	3	2B350, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security)* Heat exchanger	428/2009	AG NSG WA		
Algeria	4	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG		
Angola	7	2B350, 3A225, 6A003	Frequency inverter IR-camera Heat exchanger	428/2009	AG NSG WA		
Antigua and Barbuda	3	2B350	Heat exchanger	428/2009	AG		
Syrian Arab Republic*	1	5A002, 5D002	Telecom products (information security)*	428/2009	WA		
Argentina	9	2B350, 3A225, 5A002, 5D002, 6A003, 6A008, 7A002	Frequency inverter IR-camera Telecom products (information security) Heat exchanger	428/2009	AG NSG WA		
Armenia	6	2B350, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security) Heat exchanger	428/2009	AG NSG WA		
Aruba	4	2B350, 6A003	IR-camera Heat exchanger	428/2009	AG WA		
Australia	1	5A002	Telecom products (information security)	428/2009	WA		
Azerbaijan	3	2B350	Heat exchanger	428/2009	AG		
Bahamas	5	2B350, 6A003	IR-camera Heat exchanger	428/2009	AG WA		
Bahrain	5	2B350, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security) Heat exchanger	428/2009	AG NSG WA		
Bangladesh	5	2B350, 3A225, 6A003	Frequency inverter IR-camera Heat exchanger	428/2009	AG NSG WA		
Barbados	4	2B350	Frequency inverter	428/2009	AG		

Region/Country	Civilian end use				
	Number of licences	Item category	Item	EU Regulation	Regime
		3A225	Heat exchanger		NSG
Belize	2	2B350	Heat exchanger	428/2009	AG
Benin	3	2B350	Heat exchanger	428/2009	AG
Bermuda	1	5A002	Telecom products (information security)	428/2009	WA
Bhutan	1	2B350, 3A225	Frequency inverter	428/2009	AG NSG
Bolivia	4	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Bonaire	2	2B350	Heat exchanger	428/2009	AG
Bosnia-Herzegovina	1	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Botswana	2	2B350, 3A225, 5A002	Frequency inverter Heat exchanger	428/2009	AG NSG WA
Brazil	14	2B350, 3A001, 3A225, 3E001, 5A002, 5D002, 6A003, 6A008	Frequency inverter IR-camera Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Brunei	4	2B350, 5A002, 5D002	Telecom products (information security) Heat exchanger	428/2009	AG WA
Burkina Faso	3	2B350	Heat exchanger	428/2009	AG
Canada	1	5A002	Testing of mobile products	428/2009	WA
Chile	10	2B350, 3A225, 5A002, 5D002, 6A003	IR-camera Frequency inverter Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Colombia	9	2B350, 3A225, 5A002, 6A003	Frequency inverter IR-camera Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Costa Rica	6	2B350,	Frequency inverter	428/2009	AG

Region/Country	Civilian end use				Comm. 2017/18:114 Appendix 2
	Number of licences	Item category	Item	EU Regulation	
		3A225, 3E001, 5A002, 5E001	Heat exchanger		NSG WA
Curacao	3	2B350	Heat exchanger	428/2009	AG
Cyprus	1	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Demokratio Republic of Congo*	1	5A002, 5D002	Telecom products (information security)*	428/2009	WA
Dominican Republic	5	2B350, 3A225, 5A002	Frequency inverter Prototypes of mobile systems Heat exchanger	428/2009	AG NSG WA
Ecuador	6	2B350, 3A225, 5A002, 5D002	Frequency inverter Heat exchanger Telecom products (information security)	428/2009	AG NSG WA
Egypt	3	5A002, 5D002	Telecom products (information security)	428/2009	WA
El Salvador	4	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Ivory Coast	4	2B350, 5A002	Test av prototyp Heat exchanger	428/2009	AG WA
Eritrea	3	2B350	Heat exchanger	428/2009	AG
Falkland Islands	3	2B350	Heat exchanger	428/2009	AG
Philippines	10	2B350, 3A225, 5A002, 5D002, 6A003,	Frequency inverter IR-camera Prototypes av mobile systems Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
People's Republic of China	23	2B350, 3A001, 3A002, 3E001, 3A225, 4A005, 4D004, 5A001, 5A002, 5D002, 5E001, 6A003,	Electronic components Frequency inverter IR-camera Prototypes of mobile systems Motion sensors Technology transfer Telecom products (information security) Heat exchanger	428/2009	AG NSG WA

Region/Country	Civilian end use				
	Number of licences	Item category	Item	EU Regulation	Regime
		7A002			
French Polynesia	3	2B350	Heat exchanger	428/2009	AG
Faroe Islands	4	2B350,	IR-camera	428/2009	AG
		6A003	Heat exchanger		WA
United Arab Emirates	8	2B350,	Frequency inverter	428/2009	AG
		3A225,	IR-camera		NSG
		5A002,	Telecom products		WA
		5D002,	(information security)		
		6A003,	Heat exchanger		
6A008					
Gabon	3	2B350	Heat exchanger	428/2009	AG
Georgia	3	2B350	Heat exchanger	428/2009	AG
Ghana	5	2B350,	Frequency inverter	428/2009	AG
		3A225,	Telecom products		NSG
		5A002,	(information security)		WA
		5D002	Heat exchanger		
Gibraltar	3	2B350	Heat exchanger	428/2009	AG
Greenland	1	6A003	IR-camera	428/2009	WA
Guatemala	5	2B350,	Frequency inverter	428/2009	AG
		3A225,	Prototype of mobiles		NSG
		5A002	Heat exchanger		WA
Guinea	5	2B350,	Telecom products	428/2009	AG
		5A002,	(information security)		WA
		5D002	Heat exchanger		
Guyana	3	2B350,	Frequency inverter	428/2009	AG
		3A225	Heat exchanger		NSG
Haiti	3	2B350	Heat exchanger	428/2009	AG
Honduras	5	2B350,	Frequency inverter	428/2009	AG
		3A225,	Heat exchanger		NSG
		5A002			WA
Hong-Kong, China	9	2B350,	Frequency inverter	428/2009	AG
		3A225,	IR-camera		NSG
		5A002,	Prototypes of mobile systems		WA
		5D002,	Telecom products		
		6A003	(information security) Heat exchanger		
India	17	2B350,	Bioreactors	428/2009	AG
		3A225,	Frequency inverter		NSG
		3E001,	IR-camera		WA
		5A002,	Technology transfer		
		5D002,	Telecommunications		
5E001,	(information security)				

Region/Country	Civilian end use				Comm. 2017/18:114 Appendix 2
	Number of licences	Item category	Item	EU Regulation	
		6A003	Heat exchanger		
Indonesia	12	2B350, 3A225, 5A002, 5D002, 6A003	Frequency inverter IR-camera Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Iraq	3	5A002, 5D002	Telecom products (information security)	428/2009	WA
Iran*	2	5A002, 5D002	Telecom products (information security)*	428/2009	WA
Iceland	7	2B350, 5A002, 5D002, 6A003	IR-camera Telecom products (information security) Heat exchanger	428/2009	AG WA
Israel	6	2B350, 5A002, 5D002, 6A003	IR-camera Prototypes of mobile systems Telecom products (information security) Heat exchanger	428/2009	AG WA
Jamaica	3	2B350	Heat exchanger	428/2009	AG
Japan	1	5A002	Prototypes of mobile systems	428/2009	WA
Yemen	1	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Jordan	8	2B350, 3A225, 5A002, 5D002, 6A008	Frequency inverter Radar module Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Cambodia	3	2B350	Heat exchanger	428/2009	AG
Cameroon	4	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Cabo Verde	3	2B350	Heat exchanger	428/2009	AG
Kazakhstan	4	2B350, 5A002	Prototype of mobile Heat exchanger	428/2009	AG WA
Kenya	7	2B350, 3A225, 5A002, 6A003	Frequency inverter IR-camera Telecommunications (information security) Heat exchanger	428/2009	AG NSG WA
Kyrgyzstan*	1	5A002, 5D002	Telecom products (information security)*	428/2009	WA
Cuba	3	2B350	Heat exchanger	428/2009	AG

Region/Country	Civilian end use				
	Number of licences	Item category	Item	EU Regulation	Regime
Kuwait	5	2B350, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Democratic People's Republic of Laos	2	2B350	Heat exchanger	428/2009	AG
Lebanon	1	5A002 5D002	Telecom products (information security)	428/2009	WA
Liberia	3	2B350	Heat exchanger	428/2009	AG
Macau	3	2B350	Heat exchanger	428/2009	AG
Madagascar	1	5A002	Prototypes of mobile systems	428/2009	WA
Makedonia (FYROM)	1	5A002	Prototypes of mobile systems	428/2009	WA
Malaysia	13	2B350, 3A002, 3A225, 5A002, 5D002, 6A003	Frequency inverter IR-camera Prototypes of mobile systems Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Maldives	6	2B350, 3A225, 6A003	Frequency inverter IR-camera Heat exchanger	428/2009	AG NSG WA
Mali	1	5A002	Prototypes of mobile systems	428/2009	WA
Morocco	7	2B350, 3A225, 5A002, 6A0031	Frequency inverter IR-camera Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Mauritania	3	2B350	Heat exchanger	428/2009	AG
Mauritius	3	2B350	Heat exchanger	428/2009	AG
Mexico	10	2B350, 3A225, 5A002, 5D002, 6A003	Frequency inverter IR-camera Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Mozambique	3	2B350, 3A225, 6A003	Frequency inverter IR-camera Heat exchanger	428/2009	AG NSG WA
Moldavo	5	2B350, 3A225, 5A002	Frequency inverter Prototype of mobiles Heat exchanger	428/2009	AG NSG WA
Monaco	1	2B350	Heat exchanger	428/2009	AG
Mongolia	2	2B350	Frequency inverter	428/2009	AG

Region/Country	Civilian end use				EU Regulation	Regime	Comm. 2017/18:114 Appendix 2
	Number of licences	Item category	Item				
		3A225,	Radar module			NSG	
		6A008	Heat exchanger			WA	
Montenegro	4	2B350,	Prototypes of mobile systems	428/2009		AG	
		5A002	Heat exchanger			WA	
Myanmar (Burma)*	4	2B350,	Telecom products	428/2009		AG	
		5A002,	(information security)*			WA	
		5D002	Heat exchanger				
Namibia	6	2B350,	Frequency inverter	428/2009		AG	
		3A225,	IR-camera			NSG	
		6A003	Heat exchanger			WA	
Nepal	3	2B350,	Frequency inverter	428/2009		AG	
		3A225	Heat exchanger			NSG	
Nicaragua	4	2B350,	Frequency inverter	428/2009		AG	
		3A225	Heat exchanger			NSG	
Niger	1	5A002	Prototype of mobile system	428/2009		WA	
Nigeria	5	2B350,	Frequency inverter	428/2009		AG	
		3A225,	IR-camera			NSG	
		6A003	Heat exchanger			WA	
Norway	1	5A002	Prototypes of mobile systems	428/2009		WA	
New Caledonia	3	2B350	Heat exchanger	428/2009		AG	
Nya Zealand	1	5A002	Prototypes of mobile systems	428/2009		WA	
Oman	5	2B350,	Frequency inverter	428/2009		AG	
		3A225	Telecommunications (information security)			NSG	
			Heat exchanger			WA	
Panama	6	2B350,	Frequency inverter	428/2009		AG	
		3A225,	Telecom products			NSG	
		5A002,	(information security)			WA	
		5D002	Heat exchanger				
Paraguay	4	2B350,	Frequency inverter	428/2009		AG	
		3A225	Heat exchanger			NSG	
Peru	7	2B350,	Frequency inverter	428/2009		AG	
		3A225,	IR-camera			NSG	
		5A002,	Prototype of mobile			WA	
		6A003	Heat exchanger				
Qatar	6	2B350,	Frequency inverter	428/2009		AG	
		3A225,	Telecom products			NSG	
		5A002,	(information security)			WA	
		5D002	Heat exchanger				
Republic of Korea	11	2B350,	Frequency inverter	428/2009		AG	
		3A225,	IR-camera			NSG	
		5A002,				WA	

Region/Country	Civilian end use			EU Regulation	Regime
	Number of licences	Item category	Item		
		5D002, 6A003	Telecom products (information security) Heat exchanger		
Rwanda	1	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Russian Federation*	25	2B350, 5A002, 5D002, 9A117, 9E102	Prototypes of mobile systems Separation systems Technical assistance Telecom products (information security)* Heat exchanger	428/2009	AG MTCR WA
S:t Helena, Guadeloupe	4	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Saint Kitts och Nevis	3	2B350	Heat exchanger	428/2009	AG
Saint Lucia	3	2B350	Heat exchanger	428/2009	AG
Samoa	3	2B350	Heat exchanger	428/2009	AG
Saudi Arabia	5	2B350, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Senegal	5	2B350, 3A225, 5A002	Frequency inverter Prototyp av mobiler Heat exchanger	428/2009	AG NSG WA
Serbia	5	2B350, 5A002	Prototype of mobile Telecom products (information security) Heat exchanger	428/2009	AG WA
Seychelles	3	2B350	Heat exchanger	428/2009	AG
Sierra Leone	1*	5A002, 5D002	Telecom products (information security)	428/2009	WA
Singapore	11	2B350, 3A225, 5A002, 5D002, 6A003	Frequency inverter IR-camera Prototype of mobile Telecom products (information security) Heat exchanger	428/2009	AG NSG WA
Sint Maarten	2	2B350	Heat exchanger	428/2009	AG
Sri Lanka	3	2B350, 3A225	Frequency inverter Heat exchanger	428/2009	AG NSG
Suriname	2	2B350	Heat exchanger	428/2009	AG
South Africa	11	2B350,	Frequency inverter	428/2009	AG

Region/Country	Civilian end use				Comm. 2017/18:114 Appendix 2
	Number of licences	Item category	Item	EU Regulation	
		3A225,	IR-detector		NSG
		5A002,	Telecom products		WA
		5D002,	(information security)		
		6A003	Heat exchanger		
South Sudan*	2	5A002,	Telecom products	428/2009	WA
		5D002	(information security)*		
Taiwan	12	2B350,	Electronic components	428/2009	AG
		3A225,	Frequency inverter		MTCR
		5A002,	Prototype of mobile		NSG
		5D002,	Motion sensors		WA
		6A008,	Separation systems		
		7A002,	Technical assistance		
		9A117	Telecom products (information security) Heat exchanger		
Tanzania	1	2B350,	Frequency inverter	428/2009	AG
		3A225	Heat exchanger		NSG
Thailand	10	2B350,	Frequency inverter	428/2009	AG
		3A225,	IR-camera		NSG
		5A002,	Prototypes of mobile systems		WA
		5D002,	Telecom products		
		6A003,	(information security)		
		6A008	Heat exchanger		
Togo	1	2B350,	Frequency inverter	428/2009	AG
		3A225	Heat exchanger		NSG
Trinidad and Tobago	4	2B350,	Frequency inverter	428/2009	AG
		3A225	Heat exchanger		NSG
Tunisia	5	2B350,	Frequency inverter	428/2009	AG
		3A225,	Prototype av mobile		NSG
		5A002	Heat exchanger		WA
Turkey	10	2B350,	Frequency inverter	428/2009	AG
		3A225,	IR-camera		NSG
		5A002,	Telecom products		WA
		5D002,	(information security)		
		6A003	Heat exchanger		
Turkmenistan	3	2B350	Heat exchanger	428/2009	AG
Uganda	2	2B350,	Frequency inverter	428/2009	AG
		3A225,	IR-camera		NSG
		6A003	Heat exchanger		WA
Ukraine	2	5A002,	IR-camera	428/2009	WA
		6A003	Prototype of mobile		
Uruguay	7	2B350,	Frequency inverter	428/2009	AG

Region/Country	Civilian end use				
	Number of licences	Item category	Item	EU Regulation	Regime
		3A225, 6A003	IR-camera Heat exchanger		NSG WA
United States	2	5A002, 6A003	IR-camera Telecom products (information security)	428/2009	WA
Uzbekistan*	4	2B350, 5A002	Telecom products (information security)* Heat exchanger	428/2009	AG WA
Vanuatu	3	2B350	Heat exchanger	428/2009	AG
Venezuela	6	2B350, 3A225, 5A002, 6A003	Frequency inverter IR-camera Prototypes of mobile systems Heat exchanger	428/2009	AG NSG WA
Vietnam	7	2B350, 3A225, 5A002, 5D002	Frequency inverter Telecom products information security) Prototype of mobile Heat exchanger	428/2009	AG NSG WA
Belarus	1	5A002	Prototype of mobile	428/2009	WA
Zimbabwe*	2	5A002, 5D002	Telecom products (information security)*	428/2009	WA

**Table 24. Individual licences for permanent exports granted in 2017**

Region/Country	Civilian end-use				Military end-use						
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime	
Afghanistan	1	5A002, 5D002, 8E001, 8D001	Telecom products (information security)	428/2009	WA						
Algeria	1	2B350,3A22 5,5A002, 5D002,6A00 3	Heat exchanger Frequency inverter Telecom products (information security) IR-camera	428/2009	WA	1	5A002, 5D002	Telecom products(information security)	428/2009	WA	
Angola	2	3A225 5D002	Telecom products (information security) Frequency inverter	428/2009	NSG WA						
Syrian Arab Republic	2	5A002, 5D002	Telecom products (information security) Heat exchanger	428/2009 36/2012	Sanctions WA						
Argentina	9	1C002, 2B352,	Heat exchanger	428/2009	AG WA						

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
		5A002	Telecom products (information security) Carbon fibre Titanium powder							
Armenia	1	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Azerbaijan	5	2B350, 5A002, 5D002	Telecom products (information security) Heat exchanger	428/2009	AG WA					
Bahrain	2	2B352, 5D002,	Telecom products (information security)	428/2009	WA					
Bangladesh	2	5A002,5D002	Telecom products (information security) Heat exchanger	428/2009	AG WA					
Bhutan	1	5A002, 5D002	Telecom products (information security)	428/2009	WA					

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Bolivia	1	5A002	USB-adapters	428/2009	WA					
Bosnia-Herzegovina	2	3A225	Frequency inverter	428/2009	NSG					
Botswana	1	3A225	Frequency inverter	428/2009	NSG					
Brazil	40	1C002, 2B350,3A22 5, 4A005, 4D004, 5A002, 5D002	Frequency inverter Pumps Telecom products (information security) Titanium powder Heat exchanger	428/2009	AG NSG WA					
Brunei	1	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Burkina Faso	1	5A002	Telecom products (information security)	428/2009	WA					
Chile	13	1A004, 3A225 2B350,	Frequency inverter Telecom products (information security)	428/2009	AG NSG WA					

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
		5A002, 5D002	Chemical protection suit							
Colombia	5	3A225	Frequency inverter	428/2009	NSG	1	6A003	Telecom products (information security)	428/2009	WA
Democratic Republic of Congo	1	6A003	IR-camera	428/2009	WA					
Djibouti	2	3A002, 5A002	Telecom products (information security)	428/2009	WA					
Dominican Republic	1	3A225	Frequency inverter	428/2009	NSG					
Ecuador	4	3A225	Frequency inverter	428/2009	NSG					
Egypt	12	2B350, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security) Valves Heat exchanger	428/2008	AG NSG WA	1	6A003	IR-camera	428/2009	WA

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
El Salvador	1	3A225	Frequency inverter	428/2009	NSG					
Ivory Coast	2	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Etiopia	3	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Philippines	4	2B350, 3A225, 5A002, 5D002	Centrifuge Frequency inverter Telecom products (information security)	428/2009	AG NSG WA					
People's Republic of China	266	1A004, 1C010, 1C002, 1C004, 2B001, 2B204, 2B352, 2B350, 3A002,	Bioreactors Centrifuge Data collection cards Elektronic components Filtering equipment Frequency inverter IR-camera	428/2009	AG MTCR NSG WA					

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
		3A225, 3C005, 4D002, 5A002, 5D002, 6A003, 6A008,	Chemical protection suit Carbon fibre Pumps Grinding machines Technology transfer Telecom products (information security) Titanium powder Isostatic press Heat exchanger							
Faroe Islands	2	5A002, 5D002	Telecom products (information security)	428/2009	WA					
United Arab Emirates	21	1A004, 2B350, 3A225, 4A005,	Frequency inverter IR-camera Chemical protection suit	428/2009	AG MTCR NSG WA	10	6A003	IR-kamera	428/2009	WA

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
		5A002, 5D002, 6A003, 7A103, 9A012	Telecom products (information security) UAV Heat exchanger							
Georgia	1	4A005, 4D004	Telecom products (information security)	428/2009	WA					
Ghana	3	5D002, 5A002	Telecom products (information security)	428/2009	WA					
Guatemala	1	3A225	Frequency invertre	428/2009	NSG					
Hong Kong, China	19	1C010, 3A002, 4A005, 5A002, 5D002, 6A003	Data collection cards IR-camera IR-sensors Carbon fibre Telecom products (information security)	428/2009	NSG WA					

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
India	41	1A004,	Bioreactors	428/2009	AG	2	6A008	Antennae	428/2009	WA
		2B204,	Centrifuge		NSG			Transmitter		
		2B352,	Chemical protection suit		WA					
		3A225,	Laser cutting machines							
		5A002,	Grinding machines							
		5D002	Telecom products (information security)							
			Valves							
			Heat exchanger							
			Electronic components							
			Frequency inverter							
Indonesia	25	1A004,	Electronic components	428/2009	AG	1	9A012	UAV	428/2009	WA
		2B335,	Frequency inverter		NSG					
		3A225,	Pumps		WA					
		4A005,	Chemical protection							
		4D004,	Telecom products (information security)							
		5A002,								
		5D002,								
		6A008								

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Iraq	8	5A002,	Valves	428/2009	WA	1	5A002	Telecom products (information security)	428/2009	WA
		5D002,	Heat exchanger							
		6A003	IR-camera							
Iran	347	II.A1.003,	Frequency inverter	428/2009	AG					
		II.A2.009,	Pumps	267/2012	Sanctions					
		II.B.001,			WA					
		VIII.2,	Telecom products (information security)							
		2B350,	Heat exchanger							
		Annex VII B, 5A002								
Iceland	4	2B350,	Telecom products	428/2009	AG					
		5A002,	(information security)		WA					
		5D002	Heat exchanger							
Israel	42	1A004,	Frequency inverter	428/2009	AG					NSG
		1C002,	IR-camera							

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
		2B350, 3A225, 5A002, 5D002, 6A003	Chemical protection suit Pumps Telecom products (information security) Titanium powder Heat exchanger		WA					
Yemen	2	3A225	Frequency inverter	428/2009	NSG					
Jordan	2	5D002	Telecom products (information security)	428/2009	WA	1	6A003	IR-camera	428/2009	WA
Cameroon	1	5A002,	Telecom products (information security)	428/2009	WA					
Kazakhstan	7	2B350, 4A005, 4D004, 5A002, 5D002	Frequency inverter Telecom products (information security) Heat exchanger	428/2009	NSG WA					
Kyrgyzstan	1	3A225	Frequency inverter	428/2009	NSG	1				

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Kosovo						1	4A005, 4D004	Telecom products (information security)	428/2009	WA
Croatia	1	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Kuwait	6	1A004, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security) Heat exchanger	428/2009	NSG WA	2	5A002, 5D002	Telecom products (information security)	428/2009	WA
Lebanon	1	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Liberia	1	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Libya	2	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Macau	1	1A004	Chemical protection suit	428/2009	WA					

Region/Country	Civilian end-use				Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation
Macedonia	2	3A225,	Frequency inverter	428/2009	NSG				
		5A002,	Telecom products		WA				
		5D002	(information security)						
Malaysia	30	1A004,	Frequency inverter	428/2009	AG				
		2B001,	Cameras		NSG				
		3A225,	Chemical protection		WA				
		4A005,	suit						
		4D004,	Pumps						
		5A002,	Grinding machines						
		5D002,	Telecom products						
		6A003	(information security)						
Maldives	1	5D002	Telecom products (information security)	428/2009	WA				
Morocco	3	5A002	Telecom products (information security)	428/2009	WA				
Mexico	39	1A004, 2B204,	Frequency inverter Isostatic press	428/2009	NSG WA				

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
		3A225, 5A002, 5D002	Chemical protection suit Telecom products (information security) Heat exchanger							
Moldova	2	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Montenegro	3	5A002, 5D002	Telecom products (information security)	428/2009	WA					
Myanmar	4	9A001, 5A002, 5D002	Telecom products (information security) Aero engine	428/2009	WA					
Namibia	1	5A002	Telecom products (information security)	428/2009	WA					
Nepal	3	2B352, 3A225, 5A002, 5D002	Frequency inverter Telecom products (information security) Heat exchanger	428/2009	AG NSG WA					

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Nicaragua	1	3A225	Frequency inverter	428/2009	NSG					
Nigeria	4	2B350, 6A003	IR-camera Pumps Valves	428/2009	AG WA					
Norway	2	1C351	Ampoules	428/2009	AG					
Oman	5	2B350, 5A002, 5D002	Spare parts Telecom products (information security) Transmitter	428/2009	AG NSG WA	5	5A002, 5D002, 6A003	IR-camera Telecom products (information security) Radio base station	428/2009	WA
Pakistan	20	1C010, 2B350, 3A225, 4A005, 5D002,	Frequency inverter Carbon fibre Pumps Telecom products (information security)	428/2009	AG NSG WA					

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Panama	4	1A004, 2B350, 5A002	Frequency inverter	428/2009	NSG	1	5A002, 5D002	Telecom products	428/2009	WA
			Chemical protection suit		WA			Telecom products		
			Telecom products (information security) Heat exchanger							
Paraguay	1	5A002	Telecom products (information security)	428/2009	WA					
Peru	8	2B350, 3A225, 5D002	Frequency inverter	428/2009	AG					
			Telecom products (information security) Heat exchanger		NSG					
					WA					
Qatar	8	1A004, 2B350, 5A002,	Chemical protection suit	428/2009	AG	2	5D002, 6A003	IR-camera	428/2009	WA
			Radio base station Heat exchanger		WA			Telekomprodukter(informationssäkerhet)		

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Republic of Korea	28	1C002,	Data collection cards	428/2009	AG	6	1C239,	Ammunition	428/2009	MTCR
		1C240,	Electronic components		NSG		6A003,	Drive shaft		NSG
		2B350,	IR-camera		WA		6A008,	system		WA
		3A002,	Pumps				8A002	IR-camera		
		3C005,	Titanium powder							
		5D002,	Heat exchanger							
		6A002								
Rwanda	1	5A002	Telecom products	428/2009	WA					
Russian Federation	91	1A004	Frequency inverter	428/2009	AG					
		2B350,	IR-camera		NSG					
		3A225,	Chemical protection suit		WA					
		4A005,	Telecom products (information security)							
		4D004,	Heat exchanger							
		5A002,								
5D002,										
6A003										
S:t Helena, Guadeloupe	1	3A225	Frequency inverter	428/2009	NSG					

Region/Country	Civilian end-use				Military end-use						
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime	
Saint Lucia	1	5A002	Telecom products	428/2009	WA						
Saudi Arabia	25	1A004,	Frequency inverter	428/2009	AG	1	6A003	IR-camera	428/2009	WA	
		1C010,	Chemical protection		NSG						
		2B350,	suit		WA						
		3A225,	Carbon fibre								
		5A002,	Telecom products								
		5D002,	(information security)								
6A003	Heat exchanger										
Senegal	1	3A225	Frequency inverter	428/2009	NSG						
Serbia	3	3A225,	Frequency inverter	428/2009	NSG						
		6A003	IR-camera		WA						
Singapore	25	1A004,	Bioreactors	428/2009	AG	4	5A002,	Telecom	428/2009	WA	
		1C010,	Chemical protection		WA		5D002,	products			
		2B350,	suit				6D002,	(information			
		3A001,	Carbon fibre					security)			
		5A002,	Telecom products					Transponder			
		5D002,	(information security)					Radio base			
		9A012	Pumps					station			

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Sudan	3	5A002,	Telecom products	428/2009	WA					
		5D002	(information security)							
South Africa	34	1C107,	Electronic	428/2009	AG					
		2B204,	components							
		2B350,	Frequency inverter							
		3A225,	IR-camera							
		4A005,	Round bars							
		4D004,5A00	Telecom products							
		2, 5D002,	(information security)							
6A003	Heat exchanger									
Taiwan	50	1A004,	Bioreactors	428/2009	AG					
		1C010,	Centrifuge							
		2B204,	Frequency inverter							
		2B352,	IR-camera							
		2B350	Chemical protection							
		3A225,	suit							
		3C005,	Carbon fibre							

Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Thailand		4D004,	Pumps							
		5A002,	Heat exchanger							
		5D002,	Telecom products (information security)							
		6A003								
	33	1A004,	Frequency inverter	428/2009	AG					
		1C010,	Chemical protection suit		NSG					
		2B352,	Carbon fibre		WA					
Trinidad and Tobago		2B350,								
		3A225,	Pumps							
		5A002,	Telecom products (information security)							
		5D002	Heat exchanger							
	2	6A003	IR-camera	428/2009	WA					
Tunisia		3A225,	Frequency inverter	428/2009	NSG					
	9	9A012	Unmanned helicopter		WA					



Region/Country	Civilian end-use				Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
USA	2	1C010, 2B350	Carbon fibre	428/2009	AG					
			Heat exchanger		WA					
Uzbekistan	1	5A002	Telecom products	428/2009	WA					
Vietnam	12	1C010, 2B350, 2B352, 3A225, 5A002	Frequency inverter	428/2009	AG					
			Chemical protection suit		NSG					
			Carbon fibre		WA					
			Pumps							
			Telecom products (information security)							
Belarus	4	1A004, 3A225, 5A002, 5D002	Frequency inverter	428/2009	NSG					
			Chemical protection suit		WA					
			Radio base station							

## Selected Regulations

### **The Military Equipment Act**

The Military Equipment Act (1992:1300) applies both to equipment designed for military use and that constitutes military equipment under government regulations and to technical support regarding such military equipment. In Ordinance (1992:1303) on Military Equipment, the Government specified in more detail what is covered by the provisions of the Act. What constitutes military equipment under the Ordinance coincides with the EU's Joint Military List, with three national supplements. In addition, a distinction between military equipment for combat purposes and other military equipment is made. Military equipment for combat purposes means equipment with a destructive impact including sights for such equipment and fire control equipment. Certain parts and components for military equipment for combat purposes, as well as equipment that does not have a directly destructive impact in a combat situation are counted as other military equipment.

Under the Military Equipment Act, there are general prohibitions on manufacturing, supply and export of military equipment and on the provision of technical assistance to anyone outside the country. Licences may, however, be granted for these activities.

Manufacturing is defined as the production of such equipment or parts therefore as constitutes military equipment. Supply is understood in the Act to mean sale, granting, offering for sale, loan, gift and brokering. Swedish authorities, Swedish companies and persons resident or permanently domiciled in Sweden may neither conduct activities abroad which relate to supply of military equipment or in an individual case supply to someone abroad military equipment which is located abroad. Agreements involving the granting or transfer of manufacturing rights to a party abroad and agreements to develop military equipment together with another party abroad also require a licence. Furthermore, with certain exceptions, a licence is required to carry out military training.

There are three types of technical assistance for export and supply of technical assistance: individual, global and general. Individual licences concern one export (which may, however, consist of several deliveries) to one recipient. A global licence entitles a supplier to export to one or more recipients or categories of recipients in one or more other countries such military equipment or to provide such technical assistance as is specified in the licence. A general licence means that a supplier can directly, without applying for a licence, export such military equipment or provide such technical assistance as is specified in the licence. The Inspectorate of Strategic Products (ISP) has issued several different regulations on general licences. A general licence is thus a precedent-setting decision aimed at all suppliers who fulfil the terms stated in the licence.

With effect from 1 February 1996, questions on whether to grant licences under the Military Equipment Act are examined primarily by the ISP, except in such cases where a matter is deemed to be of fundamental significance or otherwise of particular importance. In such a case, the matter must be handed over to the Government for a ruling.

The Export Control Council may be consulted before decisions are made on more important matters.

The holder of a licence to manufacture and supply military equipment is under the supervision of ISP.

The Military Equipment Act further contains provisions on the liability of anyone who infringes the provisions of the Act.

Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports of dual-use items and technology requires, in certain cases, export licences for products that are not encompassed by the term military equipment, but which are associated with exported military equipment.

### **Swedish guidelines for exports of military equipment and other foreign cooperation**

Under Section 1, second paragraph of the Military Equipment Act, licences for exports of military equipment may only be granted if they are justified for security or defence reasons and do not conflict with Sweden's foreign policy. The principles applied when examining licence applications were established on the basis of government practice and were detailed in the Government's guidelines for the export of military equipment and other foreign cooperation, approved by the Riksdag (cf. Govt Bill 1991/92:174 p. 41 f., Government Bill 1995/96:31 p. 23 f. and Report 1992/93:UU1). The complete text of these guidelines is provided below.

#### *Overriding criteria and assessment criteria*

The guidelines have broad parliamentary support and are used by the ISP when assessing export licence applications in accordance with the Military Equipment Act and the Military Equipment Ordinance.

In addition to the guidelines themselves, international commitments Sweden has made and is bound by are also considered. These are, first and foremost, the EU Common Position on Arms Exports (2008/944/CFSP) and Articles 6 and 7 of the UN Arms Trade Treaty (ATT), but may also include other commitments, e.g. not to export anti-personnel mines, under the Ottawa Convention.

The guidelines contain two overriding criteria under which licences may legally be granted; partly that the foreign cooperation is required to meet the Swedish Armed Forces' requirements for equipment, expertise or is otherwise desirable for security policy reasons and partly that the cooperation does not conflict with the principles and objectives of Sweden's foreign policy. These overriding criteria may be regarded as constituting a clarification of Section 1, second paragraph of the Military Equipment Act.

The guidelines also define the factors that should be taken into consideration in the assessment of individual applications. A basic requirement is that all relevant circumstances in a particular case are to be considered, whether or not they are expressly included in the guidelines. These assessment criteria also apply to cooperation with persons or companies abroad relating to the development or manufacture of military equipment.

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The guidelines particularly emphasise the importance that must be attached to the respect for human rights in the recipient country when assessing each export application in terms of foreign policy. The human rights situation in the recipient country must always be taken into consideration, even in

cases involving equipment that in and of itself cannot be used to violate human rights.

#### *Unconditional obstacles to exports*

The guidelines state three types of unconditional obstacle that, if present, are considered to make exports impossible. These three are: decisions of the UN Security Council, international agreements to which Sweden is a party (e.g. EU sanctions) and export bans imposed under international legal rulings concerning exports from neutral states to those in a state of war.

#### *Military equipment for combat purposes and other military equipment*

In 1993, the term military equipment was broadened to also include certain equipment with civilian or partly civilian uses. The broadening of the term resulted in exports that were previously uncontrolled being made subject to political assessment and to their inclusion in the military equipment export statistics. This broadening was accompanied by the separation of military equipment into two categories with guidelines that differ in certain respects.

For the category of military equipment for combat purposes (MEC), the presumption is that export licences should not be issued if the recipient is a state involved in armed conflict with another state, a state embroiled in an international conflict that is in danger of becoming an armed conflict or a state where there is internal armed unrest. A licence should be withdrawn if the recipient state becomes involved in armed conflict or internal armed unrest. However, the revocation of a licence may be forgone if this is consistent with international law and the objectives and principles of Swedish foreign policy. Furthermore, licences should not be granted for exports to a state in which there are widespread and serious human rights violations. These are the same requirements that were applied prior to 1993; the difference being that, previously, it was only necessary to take human rights violations into consideration if the equipment itself could be used to violate human rights. For exports of other military equipment (OME), which consists largely of products that were not considered to be military equipment prior to 1993 (e.g. reconnaissance radar or training simulators), an export licence should be granted to countries not engaged in armed conflict with another state, that do not have internal armed unrest and where there are no widespread and serious human rights violations. Accordingly, the risk of armed conflict is not a specific criterion applied when assessing exports of other military equipment.

The different guidelines for military equipment for combat purposes and other military equipment mean that a greater number of countries may be considered as potential recipients of other military, i.e. non-destructive, equipment, than as recipients of military equipment for combat purposes.

*Follow-on deliveries and “Swedish identity”*

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With regard to follow-on deliveries, the guidelines state that “licences should be granted for exports of spare parts for military equipment exported previously with the requisite licence, provided there are no unconditional obstacles. The same should apply to other deliveries, e.g. of ammunition, linked to previous exports, or where it would otherwise be unreasonable to refuse a licence”.

In the case of cooperation with foreign partners, exports to third countries should be assessed in accordance with the Swedish guidelines if the item has a predominantly Swedish identity. If the item has a predominantly foreign identity, or if Sweden has a strong defence policy interest in the partnership, the export rules of the partner country may be applied.

*Full text of the Swedish guidelines (Govt Bill 1991/92:174 p. 41 f.)*

Licences for exports of military equipment or for other cooperation with foreign partners involving military equipment should only be granted where such exports or cooperation:

- are judged to be necessary to meet the Swedish Armed Forces’ requirements for equipment or expertise or are otherwise desirable for reasons of national security; and
- do not conflict with the principles and objectives of Swedish foreign policy.

When considering a licence application, the ISP will make a complete assessment of all the relevant circumstances, taking into account the basic principles mentioned above.

There are no obstacles in terms of foreign policy to cooperation with, or exports to, the Nordic countries and the traditionally neutral countries of Europe. In principle, cooperation with these countries may be considered consistent with Sweden’s security policy. As cooperation with the other countries in the European Union develops, the same principles regarding cooperation with foreign partners and exports should be applied to these countries.

Licences may only be granted to governments, central government authorities or government-authorised recipients; an end-user certificate or an own production declaration should be presented in connection with exports of military equipment. A state which, despite undertakings given to the Swedish Government, allows, or fails to prevent, unauthorised re-export of Swedish military equipment will not, as a rule, be eligible to receive such equipment from Sweden as long as these circumstances persist.

In accordance with the Military Equipment Act, licences for exports or for other cooperation with foreign partners must not be granted if this would contravene an international agreement to which Sweden is party, a decision of the UN Security Council or international legal rulings concerning exports from neutral states during a war (unconditional obstacles).

Licences for exports of military equipment or for other cooperation with foreign partners concerning military equipment should not be granted where the recipient country is a state where there are widespread and serious human rights violations. Respect for human rights is a key condition of the granting of licences.

Licences for exports of military equipment for combat purposes or for other cooperation with foreign partners concerning military equipment for combat purposes or other military equipment should not be granted if the state in question is involved in an armed conflict with another state, regardless of whether or not war has

been declared, is embroiled in an international conflict that is in danger of becoming an armed conflict or is the site of internal armed unrest.

Licences should be granted for exports of equipment classified as other military equipment, provided that the recipient country is not involved in an armed conflict with another state, is not the site of internal armed unrest or widespread and serious human rights violations and that there are no unconditional obstacles.

An export licence that has been granted should be revoked not only if unconditional obstacles to exports arise, but also if the recipient state becomes involved in an armed conflict with another state or becomes the site of internal armed unrest. Exceptionally, revocation of a licence may be foregone in the latter two cases if this is consistent with international law and the principles and objectives of Swedish foreign policy.

Licences should be granted for exports of spare parts for military equipment exported previously with the requisite licence, provided there are no unconditional obstacles. The same should apply to other deliveries, e.g. of ammunition, linked to previous exports, or where it would otherwise be unreasonable to refuse a licence.

With specific reference to agreements with a foreign partners on the joint development or manufacture of military equipment, the basic criteria mentioned above are to be applied when licence applications are assessed. Exports to the partner country under the agreement should be permitted unless an unconditional obstacle arises. If a cooperation agreement with a foreign partner is dependent on exports from the partner country to third countries, the issue of such exports should, insofar as the end-product in question has a predominantly Swedish identity, be assessed in accordance with the guidelines for exports from Sweden.

As regards equipment with a predominantly foreign identity, exports from the partner country to third countries should be considered in accordance with the export rules of the partner country. If Sweden has a strong defence policy interest in cooperation taking place and the partner country's cooperation is conditional on certain exports being allowed to take place from that country, then, depending on the circumstances, exports to a third country within the scope of the partner country's export rules may, in general, also be permitted.

In cases involving more extensive and, for Sweden, more important cooperation with a foreign partner in the field of military equipment, an intergovernmental agreement should be concluded between Sweden and the partner country. The Advisory Council on Foreign Affairs should be consulted before such agreements are concluded.

**Regulation (EU) No 258/2012 of the European Parliament and of the Council of 14 March 2012 implementing Article 10 of the United Nations' Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition, supplementing the United Nations Convention against Transnational Organised Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for firearms, their parts and components and ammunition.**

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The Ordinance (2013:707) on the control of certain firearms, their parts and ammunition, and including certain amendments to the Military Equipment Ordinance (1992:1303) came into force on 30 September 2013.

The Ordinance, and the amendments to the Military Equipment Ordinance, complement Regulation (EU) No 258/2012 of the European Parliament and of the Council of 14 March 2012, which regulates licences to export civilian firearms, their parts and ammunition outside the EU, as well as certain import and transit measures for such exports. A list of the firearms, their parts and essential components and ammunition that are subject to control is contained in an annex to Regulation 258/2012.

The ISP is the licensing authority under the Ordinance.

**Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items**

*Common EU legislation*

In 2009, the Council adopted Council Regulation (EC) No 428/2009 setting up a Community regime for control of exports, transfer, brokering and transit of dual-use products (Recast). The Regulation came into force on 27 August 2009, replacing an EU regulation from 2000, Council Regulation (EC) No 1334/2000. Unlike the international export control regimes, the Regulation is legally binding for Sweden and all other EU Member States. The purpose is to, as far as possible, establish free movement of controlled products within the internal market while reinforcing and harmonising the various national systems for the control of exports to third countries.

The Regulation unites Member States' undertakings within the scope of the international export control regimes with the greatest possible freedom of movement of goods within the internal market. Developments within the regimes are taken into account through regular amendments and updates of the item lists included in the Regulation. The annexes to the Regulation are determined within the framework of first pillar cooperation within the EU, meaning they have a direct effect at the national level. In accordance with the Regulation, the annexes are to be updated annually.

The Regulation facilitates the assessment of licence applications by including common criteria that Member States have to take into account in their assessments. However, licences are granted at the national level (see below). In addition, there is a general community licence for exports of certain products to certain specified third countries. This type of licence facilitates the work of exporting companies in that the same licence can be

invoked regardless of where in the EU the exports originate. This has also led to increased consensus in the EU on exports of this kind.

#### *Swedish legislation*

In Sweden, the EU Regulation is complemented by the Dual-use Items and Technical Assistance Control Act (2000:1064) and the Dual-use Items and Technical Assistance Control Ordinance (2000:1217). Both statutes came into force on 1 January 2001.

In contrast to the military equipment legislation, where export licences represent exceptions to a general prohibition on exports, the reverse is true under the regulations governing the controls on dual-use items. In this case, the basic premise is that an export licence will be granted as long as this does not conflict with the interests of foreign or security policy as these are described in the EU Regulation.

Licences are required for exports, transfers and brokering of dual-use items. The ISP is the licensing authority. However, the Swedish Radiation Safety Authority (SSM) provides licences that apply to nuclear materials etc. included in category 0 in Annex I of the EU Regulation.

Like its predecessor, the Dual-use Items and Technical Assistance Control Act lacks specific rules regarding opportunities to receive advance decisions regarding whether or not an export licence will be provided for any potential export of dual-use items to a specific destination. However, a practice has been developed that involves the ISP providing companies with advance decisions.

#### *The catch-all clause*

Under Article 4 of Council Regulation (EC) No 428/2009, a licence may also be required for exports of items that are not specified in the annexes to the Regulation (non-listed items) if the exporter has been informed by the Swedish authorities that the item is or may be intended to be used in connection with the production of weapons of mass destruction or missiles that are capable of delivering such weapons. This catch-all clause has been included to prevent the regulations from being circumvented due to the fact that, on account of rapid technological developments, the lists are seldom completely comprehensive.

For the catch-all clause to be applicable, the exporter must have been informed of the item's area of use by the Swedish authorities. However, if the exporter is aware that an item is entirely or partly intended for uses regulated in Articles 4(1) to 4(3) of the EU Regulation, they are required to report this to the Swedish authorities. The ISP or the SSM will then determine whether a licence is required for the export.

In certain cases, the catch-all clause also contains special licensing requirements for exports related to military end-use or military equipment and for exports of non-listed items that are or may be intended for military end-use in a country subject to a UN, EU or OSCE embargo, as well as for non-listed items that are or could be intended for use as parts or components for illegally exported military equipment.

# Explanations

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**Denial.** A negative decision by an authority regarding an application for a licence to export military equipment or dual-use items to a certain country. A member of a multilateral export control regime is expected to inform the other members of the negative decision. In accordance with Council Regulation (EC) No 428/2009, the relevant authorities in the EU Member States have to inform one another and the Commission of denials.

**Export control regimes.** The Zangger Committee (ZC), the Nuclear Suppliers Group (NSG), the Australia Group (AG), the Wassenaar Arrangement and the Missile Technology Control Regime (MTCR). The aim of these international regimes is to identify goods and technologies that should be made subject to export controls, to exchange information about proliferation risks and to promote non-proliferation in their contact with countries that do not belong to the regimes.

**Catch-all.** This term refers to the opportunity to subject dual-use items that are not included in the export control lists to export controls. An exporter has to advise the export control authority if that authority has informed it that the item the exporter wishes to export may be intended for the production etc. of weapons of mass destruction. The authority determines whether it is appropriate to require a licence for the export. The same applies where the exporter is aware that the item is intended for use in the production etc. of such weapons.

**Non-proliferation.** Measures that are implemented at both national and international levels to prevent the proliferation of weapons of mass destruction. This has mainly taken the form of a number of international agreements and cooperation in several export control regimes.

**Intangible transfers.** Transfers of software or technology by means of electronic media and from person to person from one country to another.

**Weapons of mass destruction.** Nuclear, biological and chemical weapons. Efforts to prevent the proliferation of weapons of mass destruction also address certain delivery systems such as long-range ballistic missiles and cruise missiles.

**No-undercut.** When a denial is issued, the other members of the international export control regimes are expected to consult the state that has issued this denial before deciding whether to grant an export licence for an equivalent transaction. The purpose of this is to prevent the buyer that has been denied from finding a supplier in another country and to avoid a situation where different countries' export controls distort competition. In accordance with Council Regulation (EC) No 428/2009, the relevant authorities in the EU Member States have to inform one another and the Commission of denials.

**Outreach.** Providing information and support to states, authorities, companies, etc. in export control contexts.

**Export licenses.** In accordance with Section 6 of the Military Equipment Act (1992:1300), military equipment may not be exported from Sweden without permission, unless otherwise stipulated by the Act or another statute. A company applies for an export licence for the amount agreed in a contract with a particular country. Deliveries are then usually conducted over several years and seldom commence in the year in which the contract was signed. Consequently, export licences are not the same thing as an actual delivery; they merely indicate the volume of orders for controlled products won by Swedish companies in the international market in a given year.

# Abbreviations

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AG	Australia Group
ASD	AeroSpace and Defence Industries Association of Europe
ATT	Arms Trade Treaty
BTWC	Biological and Toxic Weapons Convention
CARD	Coordinated Annual Review on Defence
CBW	Chemical and Biological Weapons
COARM	Council Working Group on Conventional Arms Exports
COCOM	Coordinating Committee for Multilateral Export Controls
CONOP	Council Working Group on Non-Proliferation
CWC	Chemical Weapons Convention
EDA	European Defence Agency
EDF	European Defence Fund
EDIDP	European Defence Industrial Development Programme
EC	European Community
EKR	Export Control Council
EU	European Union
FA	Framework agreement
FMV	Swedish Defence Materiel Administration
UN	United Nations
FOI	Swedish Defence Research Agency
FRA	Swedish National Defence Radio Establishment
FXM	Swedish Defence and Security Export Agency
GTRI	Global Threat Reduction Initiative
CFSP	EU Common Foreign and Security Policy
IAEA	International Atomic Energy Agency
ISP	The Inspectorate of Strategic Products
JCPoA	Joint Comprehensive Plan of Action
MEC	Military equipment for combat purposes
LoI	Letter of Intent
MANPADS	Man-Portable Air Defence Systems
ML	Military List
MTCR	Missile Technology Control Regime
Must	Swedish Military Intelligence and Security Directorate
NATO	North Atlantic Treaty Organization
NETTEM	New and Evolving Technologies Technical Experts Meeting
NL	National additions, where applicable
Nordefco	Nordic Defence Cooperation
NPT	Non-Proliferation treaty
NSG	The Nuclear Suppliers Group

OECD	Organisation for Economic Cooperation and Development
OSCE	Organisation for Security and Cooperation in Europe
Pesco	Permanent Structured Cooperation
DUIs	Dual-Use Items
PGD	Policy for Global Development
PSI	Proliferation Security Initiative
SALW	Small arms and light weapons
SCB	Statistics Sweden
Sipri	Stockholm International Peace Research Institute
SOFF	Swedish Security and Defence Industry Association
SSM	The Swedish Radiation Safety Authority
Säpo	Swedish Security Service
SÖ	Swedish Treaty Series
TI	Transparency International
TSC	Technical-Scientific Council
UNODA	United Nations Office for Disarmament Affairs
WA	Wassenaar Arrangement
WPDU	Working Party on Dual-Use Goods
ZC	Zangger Committee
OME	Other military equipment

## Guide to other sources

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### Source references in alphabetical order

The Australia Group: [www.australiagroup.net](http://www.australiagroup.net)

The European Parliament: [www.europarl.europa.eu](http://www.europarl.europa.eu)

The Council of the European Union: [www.consilium.eu](http://www.consilium.eu)

The European Union: [www.europa.eu](http://www.europa.eu)

Export Control Council: [www.isp.se/om-isp/vara-rad/exportkontrollradet](http://www.isp.se/om-isp/vara-rad/exportkontrollradet)

The United Nations: [www.un.org](http://www.un.org)

The International Atomic Energy Agency: [www.iaea.org](http://www.iaea.org)

The Inspectorate of Strategic Products: [www.isp.se](http://www.isp.se)

The Missile Technology Control Regime: [www.mtcr.info](http://www.mtcr.info)

Nuclear Suppliers Group: [www.nuclearsuppliersgroup.org](http://www.nuclearsuppliersgroup.org)

Organization for the Prohibition of Chemical Weapons: [www.opcw.org](http://www.opcw.org)

The Organization for Security and Cooperation in Europe: [www.osce.org](http://www.osce.org)

Stockholm International Peace Research Institute: [www.sipri.org](http://www.sipri.org)

The Swedish Radiation Safety Authority: [www.ssm.se](http://www.ssm.se)

The Swedish Export Control Society: [www.exportkontrollforeningen.se](http://www.exportkontrollforeningen.se)

The Swedish Ministry for Foreign Affairs: [www.ud.se](http://www.ud.se)

The Wassenaar Arrangement: [www.wassenaar.org](http://www.wassenaar.org)

The Zangger Committee: [www.zanggercommittee.org](http://www.zanggercommittee.org)

