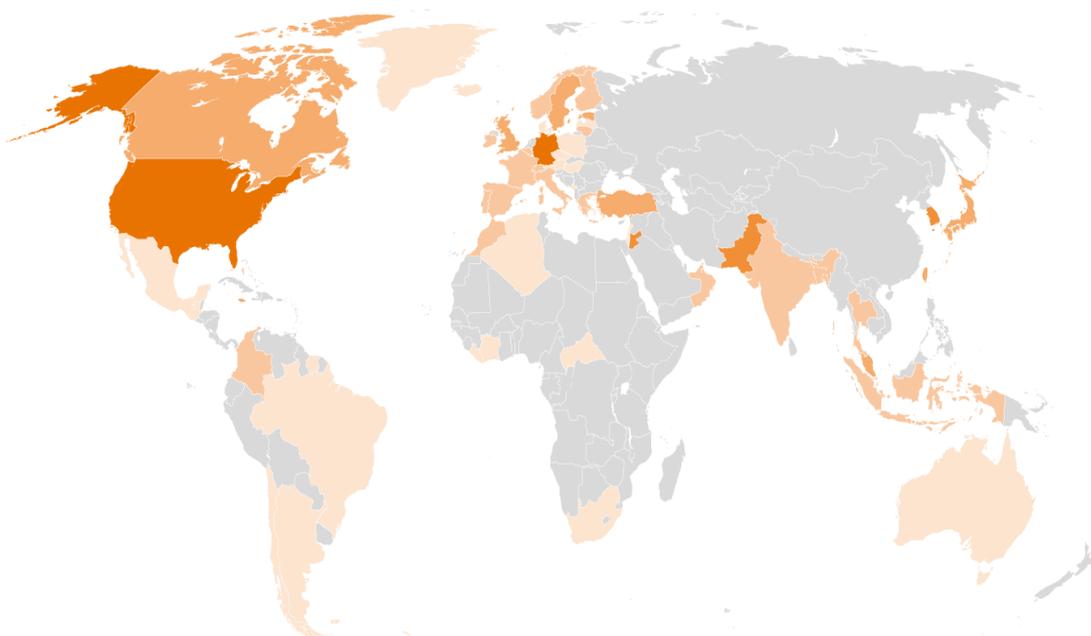


Dutch Arms Export Policy in 2017

Report by the Minister for Foreign Trade and Development Cooperation and
the Minister of Foreign Affairs on the export of military goods



May 2018

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1. Introduction

The present report on Dutch arms export policy in 2017 is the 21st annual report drawn up in accordance with the policy memorandum on greater transparency in the reporting procedure on exports of military goods of 27 February 1998 (Parliamentary Papers, 22 054, no. 30). The report comprises:

Introduction and background

- a [profile](#) of the Dutch defence and security-related industry;
- an overview of the [principles](#) and [procedures](#) of Dutch arms export policy;

Export statistics for 2017

- a [quantitative overview](#) of Dutch arms exports in 2017;

Relevant developments

- Developments regarding [transparency](#);
- Relevant developments in the EU regarding [arms export policy](#) and [dual-use export policy](#);
- Changes to the [Wassenaar Arrangement](#);
- Developments regarding [other export control regimes](#) (dual-use goods);
- A description of efforts related to [arms control](#).

The report has eight annexes:

[Annexe 1](#) lists the values of export licences issued in 2017 by category of military goods and by country of final destination.

[Annexe 2](#) shows the trend in Dutch arms exports.

[Annexe 3](#) gives an overview of the reported use of general transfer licences NL003, NL004 and NL009.

[Annexe 4](#) contains an overview of licences issued for the transit of military goods to third countries.

[Annexe 5](#) lists the licence applications denied by the Netherlands.

[Annexe 6](#) provides an overview of the sale of surplus defence equipment in 2017.

[Annexe 7](#) contains key statistics regarding the export of dual-use goods, including an overview of export licences worth over €2 million for dual-use goods intended for military end use.

[Annexe 8](#) sets out the letters and replies to written questions sent to the House of Representatives in 2017 regarding arms export policy and policy on dual-use goods. This includes letters from the government to the House of Representatives that constitute [expedited notification](#) of several high-value licences.

2. Profile of the Dutch defence industry

The Dutch defence and security-related industry is characterised by high-value production, frequent innovation and a highly educated workforce. The companies and knowledge institutions in this sector serve both the defence market and the civilian market with products and/or services. In addition, there are companies that specialise, in part, in the production of classified military goods and related services, thus filling a niche in the defence market. Because of the limited size of the Netherlands' domestic market, the sector is highly export-oriented. No less than 68% of revenue comes from exports.

The 651 companies associated with this industry are responsible for 24,800 jobs in the Netherlands. Thirty-two per cent of these jobs are related to research and development (R&D), and nearly two-thirds of those employed in the sector have a university degree or a higher professional education. The corresponding figure for the Netherlands as a whole is 28%. The sector is of major economic importance, not least because of its great capacity for innovation. The ever-growing level of knowledge and product innovation also give rise to new economic activity in both the military and civil sectors.

By working closely with the various branches of the armed forces, the sector also contributes directly to the operational deployability of the Dutch armed forces, and by extension it enhances the standing and effectiveness of the Netherlands' contributions to international missions.

The government's policy is aimed at positioning the Netherlands' defence and security-related industry and knowledge institutions in such a way that they are able to make a high-quality contribution to Dutch security. To this end, Dutch companies are involved in national military tenders either directly or, where possible, indirectly through industrial participation. This will also enhance their competitiveness in the European and international markets and within supply chains. This policy is described in the Defence Industry Strategy (DIS) that was presented to the House of Representatives in December 2013.¹

Because the domestic market is too small to support the available expertise, the government also encourages the industry to participate in international cooperation in the field of defence equipment. This has led to the establishment of commercial relationships with enterprises from various other countries, including Germany, the US, the UK and Belgium. This also involves joint commitments relating to systems maintenance and subsequent delivery of components. Cooperation also plays an important role in supplying to third countries. The scope for Dutch companies to enter into long-term international cooperative arrangements therefore depends in part on the transparency and consistency of Dutch arms export policy.

The government regards the export activities of this sector as a prerequisite for preserving the Netherlands' knowledge base in this area. This does not alter the fact that limits must be imposed on these activities in the interests of strengthening the international rule of law and promoting peace and security. The government believes that, within these limits, the sector should be allowed to meet other countries' legitimate requirements for defence equipment.

¹ House of Representatives, 2013-2014, 31 125, no. 20: <https://zoek.officielebekendmakingen.nl/kst-31125-20.html>.

In light of these circumstances, the Dutch defence and security-related industry has pursued a policy of increasing specialisation. Companies that focus on exporting military products mostly manufacture high-value components and subsystems. An exception, however, is the maritime sector, which still carries out all production stages from the drawing board to the launch, thus contributing to the Netherlands' export of complete weapon systems.

The most recent quantitative data on the defence and security-related industry was made available in 2016 on a voluntary basis by the companies concerned in the context of a study carried out by Triarii at the request of the Ministry of Economic Affairs and was communicated to the House of Representatives by letter of 28 April 2016.²

Table 1, The Dutch defence and security-related industry in figures

Number of companies	651
Defence and security-related turnover in 2014	€4.54 billion
Defence and security-related turnover as a percentage of total turnover	15%
Value of defence and security-related exports in 2014	€3.09 billion
Number of jobs in the defence and security-related industry	24,800
Number of those jobs in the field of R&D	7,995

Source: Triarii 2016

The number of companies in this sector has increased sharply in recent years thanks to the growth in jobs related to services and ICT. The sector consists largely of small and medium-sized enterprises that generally operate in the supply chains for the major defence companies in Europe and the United States. The reason that the total value of defence and security-related exports is higher than the value of the export licences issued is that not all goods and services are subject to a licensing requirement.

In 2014, Dutch military production and services accounted for an estimated total turnover of €4.54 billion. This represents an average share of approximately 15% of the total turnover of the companies and organisations concerned. Most of them therefore focus primarily on developing their civilian activities, and only a few concentrate almost exclusively on the defence market. Approximately €3 billion worth of all exports of the Netherlands' defence and security-related industry (i.e. all goods and services, whether or not subject to a licensing requirement) are qualified as military exports. The companies are confident about their competitiveness, and expect that they will continue to grow in the coming years.

3. Procedures and principles

3.1 Procedures

General

Export licences for military goods are issued on the basis of the General Customs Act (*Algemene Douanewet*) and the associated export control regulations. Companies or persons wishing to export goods or technology that appear on the Common Military List of the

² House of Representatives, 2015-2016, 66, 31 125, annexe 739 187.

European Union³ must apply to the Central Import and Export Office (CDIU) for an export licence. The CDIU is part of the Groningen Customs Division of the Tax and Customs Administration, which in turn falls under the Ministry of Finance. On matters relating to military export licences, which are issued on behalf of the Minister for Foreign Trade and Development Cooperation, it receives its instructions from the Ministry of Foreign Affairs.

In principle, licence applications for the export of military goods to NATO and EU member states and countries with a similar status (Australia, Japan, New Zealand and Switzerland) are processed by the CDIU, on the basis of a procedure formulated by the Ministry of Foreign Affairs. The exceptions to this rule are Cyprus and Turkey. Applications for exports to these two countries – and all other countries – are submitted to the Ministry of Foreign Affairs for decision. In assessing licence applications against the eight criteria of the EU's Common Position on Arms Exports⁴ the Minister for Foreign Trade and Development Cooperation seeks foreign policy guidance from the Minister of Foreign Affairs. This guidance plays a key role in the final decision on whether or not to issue an export licence.

The normal licensing procedure applies to the disposal of surplus material of the Ministry of Defence. As with export transactions on the part of the business community, the Ministry of Foreign Affairs assesses such transactions against the criteria set out in the arms export policy. Prior to signing a sales contract for surplus Dutch weapons systems, the Minister of Defence will notify the House of Representatives. If this is not possible for commercial reasons, the Minister of Defence will notify the House of Representatives immediately after the contract is signed.⁵

The licensing procedure for the export of dual-use goods is largely the same. The main difference is that the assessment of applications is now conducted on the basis of the EU's Dual-Use Regulation, instead of the EU's Common Position on Arms Exports. An exception to this are dual-use goods that have a conventional military end use; these are still assessed on the basis of the Common Position.

3.2 Changes in 2017

On 29 December 2017 a new National General Export Licence⁶ (NL010) for dual-use goods for information security was published. This licence, which applies only to less sensitive goods for information security, covers all final destinations, with the exception of the countries subject to an embargo and a number of countries specifically mentioned in the National General Licence. Goods for cyber surveillance, such as hacking software and equipment for intercepting telecommunications (including mobile telecommunications), explicitly fall within the scope of this National General Export Licence.

³ http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2017.097.01.0001.01.ENG&toc=OJ:C:2017:097:TOC.

⁴ Official Journal of the European Union No. L 335 of 13 December 2008, pp. 99 ff., available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:335:0099:0103:en:PDF>.

⁵ <https://www.rijksoverheid.nl/documenten/kamerstukken/2007/10/16/verkoop-overtollig-defensiematerieel>.

⁶ <https://zoek.officielebekendmakingen.nl/stcrt-2017-73918.html>.

3.3 Principles

Licence applications for the export of military equipment are assessed on a case-by-case basis against the eight criteria of Dutch arms export policy, with due regard for the nature of the product, the country of final destination and the end user. These eight criteria were initially defined by the European Councils of Luxembourg (1991) and Lisbon (1992) and were subsequently incorporated in the EU Code of Conduct on Arms Exports (1998). On 8 December 2008 the Council of the European Union decided to transform the 10-year-old Code of Conduct into Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment.⁷ The 8 criteria read as follows:

1. Respect for the international obligations and commitments of member states, in particular the sanctions adopted by the UN Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations.
2. Respect for human rights in the country of final destination as well as compliance by that country with international humanitarian law.
3. The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.
4. Preservation of regional peace, security and stability.
5. National security of the member states and of territories whose external relations are the responsibility of a member state, as well as that of friendly and allied countries.
6. Behaviour of the buyer country with regard to the international community, as regards in particular its attitude to terrorism, the nature of its alliances and respect for international law.
7. Existence of a risk that the military technology or equipment will be diverted within the buyer country or re-exported under undesirable conditions.
8. Compatibility of the exports of the military technology or equipment with the technical and economic capacity of the recipient country, taking into account the desirability that states should meet their legitimate security and defence needs with the least diversion of human and economic resources for armaments.

In essence the EU's Common Position on Arms Exports consists of the eight above-mentioned criteria and a mechanism for sharing information. This mechanism consists of (1) an obligation to notify all other member states when a member state rejects a licence application and (2) an obligation to hold bilateral consultations when a member state proceeds to consider an application that is essentially identical to another application that has previously been denied by another member state. The Common Position on Arms Exports also contains agreements between the member states on brokering, transit, intangible forms of technology transfer and production licences.

Albania, Bosnia and Herzegovina, Canada, the former Yugoslav Republic of Macedonia, Georgia, Iceland, Montenegro and Norway have officially endorsed the criteria and principles of the Common Position. In 2017 Norway became part of the COARM online denial database,

⁷ Official Journal of the European Union No. L 335 of 13 December 2008, pp. 99 ff., available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:335:0099:0103:en:PDF>.

making it a participant in information exchanges between EU member states about denied licence applications and the consultations that are conducted through this system.

It goes without saying that the Netherlands fully observes all arms embargoes imposed by the UN, the Organization for Security and Co-operation in Europe (OSCE) and the EU. An up-to-date overview of national measures implementing UN and EU sanctions, including arms embargoes, is available on the Dutch government's internet portal.⁸ The EU has a similar overview available online.⁹ In addition to the information that appears on these websites, it should be noted that an OSCE embargo against 'forces engaged in combat in the Nagorno-Karabakh area' has been in force since 1992, in accordance with a decision by the Committee of Senior Officials – the predecessor of the Senior Council – of 28 February 1992.

4. Transparency in Dutch arms export policy

4.1 Trade in military goods

The Netherlands is an international leader when it comes to transparency about the export and transit of strategic goods. In addition to its annual reporting obligations, including this report, the Netherlands publishes key information about all export licences for military and dual-use goods, and key information about the transit of military goods across Dutch territory. These data are derived from notifications submitted to the Central Import and Export Office (CDIU) under the reporting requirement for such transit shipments. The Dutch government has set up a 'transparency website' containing relevant links to the various national and international reports drawn up by the Netherlands.¹⁰

The present report on Dutch arms export policy in 2017 is the 21st annual report since the policy memorandum of February 1998 on greater transparency in the reporting procedure on exports of military goods (Parliamentary Papers, 22 054, no. 30). It is based on the value of the licences issued by category of military goods and by country of final destination. To further enhance the transparency of the figures, the categories of goods are specified for each country of destination. This report also contains information about instances where the Netherlands has refused to issue a licence (see annexe 5). Data on transit licences issued has also been included in the present annual report (Annexe 4).

Since the 1990s a growing number of countries have published national annual reports on arms exports.¹¹ The Netherlands still ranks among the most transparent of these countries. The Small Arms Trade Transparency Barometer 2017 lists the Netherlands in third place and gives it the highest score of any country in the category 'comprehensiveness' (scope of reports, including transit, temporary export etc.).

⁸ <https://www.rijksoverheid.nl/onderwerpen/internationale-sancties/documenten/rapporten/2014/04/23/sanctieregelingen-actuele-stand-van-zaken> (in Dutch).

⁹ http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measure_en.pdf.

¹⁰ <https://www.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/rapportages-dual-use-en-militaire-goederen> (in Dutch).

¹¹ SIPRI Yearbook 2015.

Accelerated parliamentary notification

Since 2012, the government has notified the House of Representatives about new licences for the permanent export of complete systems worth over €2 million to countries other than Australia, Japan, New Zealand, Switzerland and EU or NATO member states within two weeks of deciding to issue them. These notifications, which may or may not be confidential, are accompanied by an explanatory note. This happened four times during the 2017 reporting year.¹² The relevant letters appear in Annexe 8.

4.2 Trade in dual-use goods

This report also contains an overview of key statistics related to the export of dual-use goods outside the EU, including the total number of export licences issued for the year in question (annexe 7).

4.3 Procedures

In addition to the present report on Dutch exports of military goods in 2017, information on Dutch arms export policy is also available through other sources. For instance, the Ministry of Foreign Affairs publishes a [User Guide on Strategic Goods and Services](#) online. This user guide is designed for individuals, companies and organisations with a professional interest in the procedures governing the import and export of strategic goods. It contains information on the relevant policy objectives and statutory provisions and procedures, as well as a wealth of practical information. It is regularly updated in the light of both national and international developments.

¹² Two letters to the House of Representatives relate to 2016 and consequently do not belong in this annual report. For more information on 2016 please refer to that year's report.

5. Dutch arms exports in 2017

Arms Export Licences for 2017

In 2017 the value of arms export licences amounted to €804.62 million.

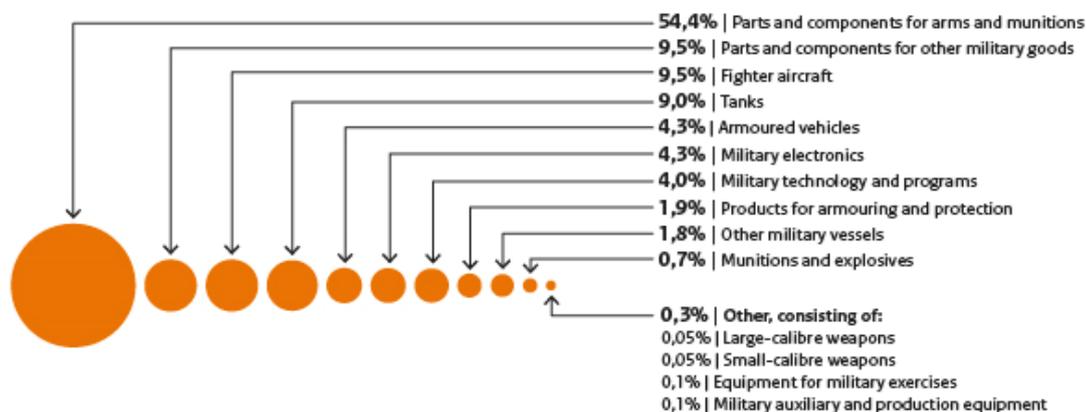
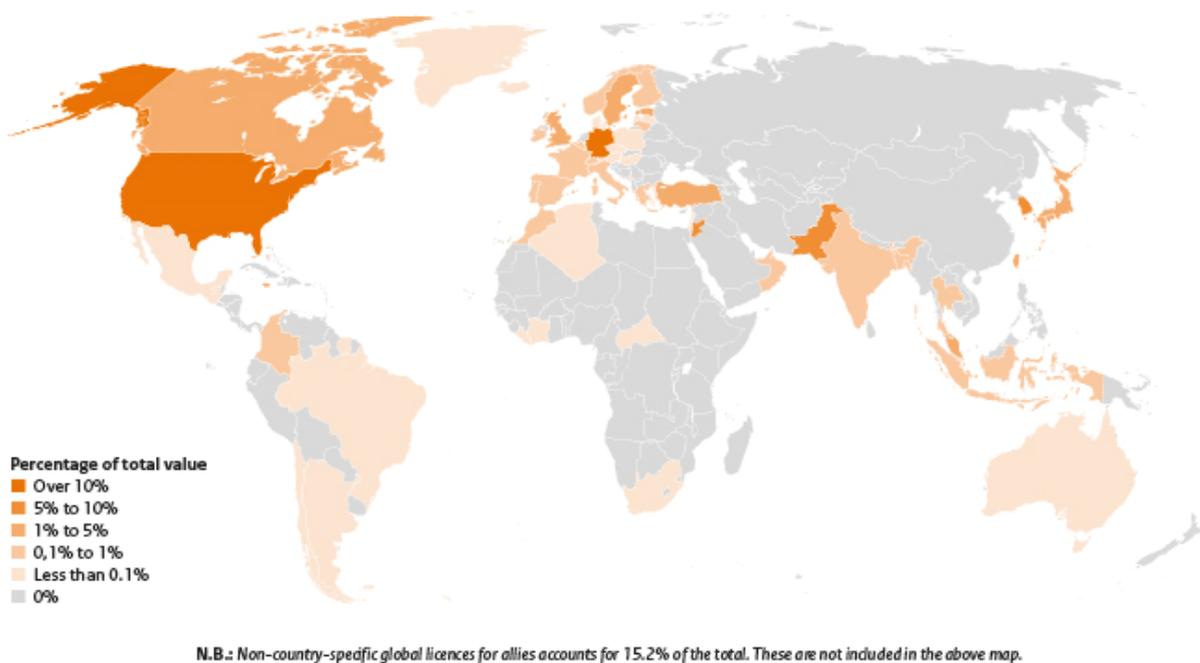


Figure 1, Overview of licences issued, broken down by final destination and type of good

The total value of licences issued in 2017 was €804.62 million (rounded to two decimal places). This is considerably less than the previous year, when the figure was €1,416.38 million. The following table provides a regional breakdown of licences issued in 2017. The breakdown into regions in this table is the same as in the EU's annual reports on arms export control, which can be found on the EU website.¹³

¹³ https://eeas.europa.eu/headquarters/headquarters-homepage/8472/arms-export-control_en

Table 2, Regional breakdown of licences issued

Region	Value of licences issued (in € millions)	Share of total (%)
North Africa	2.57	0.32 %
Sub-Saharan Africa	0.82	0.10 %
North America	138.84	17.26 %
Central America and the Caribbean	4.86	0.60 %
South America	1.41	0.17 %
Central Asia	-	-
Northeast Asia	67.95	8.44 %
Southeast Asia	43.58	5.42 %
South Asia	76.81	9.56 %
European Union	242.91	30.19 %
Other European countries	19.90	2.47 %
Middle East	82.29	10.23 %
Oceania	0.65	0.08 %
Other EU/NATO+	122.02	15.16 %
< €10,000	0.01	0.00 %
Total	804.62	100.00 %

Among the top-five countries of final destination in terms of total export licence values, Germany ranks first, with a value of over €126 million. Much of this is made up of deliveries of parts and components for German producers of military vehicles. In 2017 a licence was issued valued at over €72 million for transferring the remaining Leopard 2 tanks from the Dutch Ministry of Defence to the German Ministry of Defence.

The US ranks third (over €126 million); most of these licences relate to deliveries to military aircraft manufacturers.

In third place is the EU/NAVO+ (over €122 million). This includes general licences which allow the supply of components for – mainly – military aircraft and military vehicles to several allied countries, in particular EU member states, NATO allies, Australia, Japan, New Zealand and Switzerland.

Fourth place is occupied by Jordan (over €76 million), which is attributable almost entirely to the sale of old F-16s to the Jordanian air force. The House of Representatives was informed of these system deliveries via the accelerated notification procedure in October 2017 (see Annexe 8).

In fifth place is Pakistan (over €69 million). This is due almost entirely to a licence for the delivery of the design, parts and equipment for two patrol vehicles for the Pakistani navy. One of these vessels is being built in Romania and the other in Pakistan itself.

In 2017, 72% of the Netherlands' exports of military goods consisted of components. Licences were also issued for system deliveries to non-allied countries, namely the above-mentioned F-16 fighter aircraft for Jordan (over €76 million) and the delivery of data-management systems to the Malaysian navy (over €4.5 million). The House of Representatives was informed of these system deliveries through the accelerated notification procedure. This was also the case for licences for a radar and C3 system for the Thai navy (almost €33 million) and for sensors, weapons systems and command systems for the Indonesian navy (over €196 million). These letters were delayed somewhat, however, as it was not initially clear that these orders concerned system deliveries. The relevant letters appear in Annexe 8.

The total value of export licences for military goods accounted for just over 0.17% of the total value of Dutch exports in 2017 (€468.85 billion). When comparing this percentage with international figures, it is important to note that both the Dutch private sector and the Dutch government are subject to mandatory licensing for the export of military goods. Only the equipment of Dutch military units that is sent abroad for exercises or international operations is exempt from mandatory export licensing. Unlike in some other countries, the sale of surplus defence equipment to third countries is thus included in the figures for the Netherlands.

6. Relevant developments in the European Union

6.1 Council Working Party on Conventional Arms Exports

EU cooperation on export controls for conventional weapons takes place mainly in the Council Working Party on Conventional Arms Exports (COARM). Representatives of the Ministry of Foreign Affairs participate in COARM meetings on behalf of the Netherlands. In COARM, member states share information on their arms export policies in the framework of the EU's Common Security and Defence Policy (CSDP) and seek to better coordinate those policies and the relevant procedures. In so doing, they promote policy harmonisation and strive to create a level playing field. The above-mentioned activities are based on Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, which was adopted by the Council on 8 December 2008.¹⁴

The COARM meetings in 2017 focused chiefly on preparations for the third Conference of States Parties (Geneva, 11-15 September) to the UN Arms Trade Treaty. In addition, as in previous years, COARM discussed several specific destinations, with the Netherlands actively contributing to the exchange of information and thus to a more focused export policy.

In 2017 the Netherlands continued to push for EU member states to further harmonise their efforts to implement arms export policy. At the request of the House of Representatives the Netherlands called on its fellow EU member states to adopt Dutch transparency measures, such as issuing monthly overviews. Yet the other states were unwilling to discuss the matter further.

¹⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:335:0099:0103:nl:PDF>.

Greater transparency between member states with regard to licence denials is another part of this process, as are efforts to promote the sharing of information on licences issued in respect of certain sensitive destinations. In that connection, between 2015 and 2017, the Netherlands again called for adding extra functionality to the online EU denial system (for military goods and dual-use goods with a military end use), which would facilitate existing voluntary information sharing on sensitive final destinations. An initial version of this functionality in the COARM online system was launched in early 2018.

6.2 EU annual report on arms export for 2016

On 14 February 2018 the EU published its 19th annual report,¹⁵ which provides an overview of the subjects discussed in COARM. The report also contains detailed statistical data on exports of military equipment by the EU member states in 2016.¹⁶ Although the drafting of the 19th edition of the EU annual report took less time than that of the 18th edition, the publication was still late. The Netherlands finds this regrettable and will continue pressing for more prompt publication.

For each country of destination, the report provides information on the exporting member state, the number and value of licences issued, and licence denials. The information is arranged according to the categories of the Common Military List and is also set out per region and worldwide.

Since exports in support of international missions (UN missions) in embargoed countries often raise questions, the report includes separate tables summarising exports to such missions. Finally, it lists the number of brokering licences issued and denied and the number of consultations initiated and received by EU partners.

In 2016 the total value of export licences issued by EU member states was €191.45 billion. France was the largest exporter, accounting for €142.3 billion. It should be noted, however, that France changed its licensing system in 2014, as a result of which licences for *potential* orders are now also included in the total. Consequently, this figure is most likely an overestimate. The true contract value (i.e. the comparable figure for which licences are issued in the Netherlands) is surely lower.

The Netherlands was in eighth place in the EU in 2016, with €1.4 billion. The following table lists the total value of licences issued in 2016 by country, as well as each country's share of the total. It should be noted that there is no data available for Greece and that Cyprus has declared that no exports of this nature were made.

¹⁵ [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018XG0214\(01\)&qid=1518776916646&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018XG0214(01)&qid=1518776916646&from=EN).

¹⁶ Unlike this report, the EU report does not cover 2017.

Table 3, European arms exports in 2016

Country	Value of licenses issued	Share of total (%)
France	€142,320,462,913	74.30%
Italy	€14,637,777,758	7.64%
Germany	€6,847,689,283	3.58%
Sweden	€6,582,672,178	3.44%
Spain	€5,550,021,781	2.90%
Austria	€3,981,273,072	2.08%
United Kingdom	€3,950,750,025	2.06%
The Netherlands	€1,416,372,031	0.74%
Bulgaria	€1,258,938,630	0.66%
Belgium	€1,248,661,803	0.65%
Poland	€1,227,089,651	0.64%
Hungary	€589,403,957	0.31%
Croatia	€379,161,575	0.20%
Czech Republic	€343,858,372	0.18%
Portugal	€244,378,482	0.13%
Romania	€240,681,902	0.13%
Slovakia	€207,761,955	0.11%
Denmark	€203,016,902	0.11%
Finland	€98,116,575	0.05%
Lithuania	€92,196,290	0.05%
Ireland	€62,779,391	0.03%
Slovenia	€43,184,453	0.02%
Estonia	€8,519,248	0.00%
Luxembourg	€5,785,875	0.00%
Malta	€721,158	0.00%
Latvia	€445,895	0.00%
Total	€191,452,300,122	

The EU's annual report further indicates that member states issued a total of 41,047 licences and that 318 licence applications were denied and reported. The number of licence denials is lower than both 2015 (433) and the average over the last 10 years (2015: 433, 2014: 346, 2013: 300, 2012: 408, 2011: 402, 2010: 400, 2009: 406, 2008: 329, 2007: 425). There were a total of 93 consultations between EU member states regarding licence denials.

In 2016 the Netherlands was involved in a total of 22 consultations. Nineteen of these were initiated by the Netherlands, and on three occasions the Netherlands was consulted by other member states.

6.3 Council Working Party on Dual-Use Goods

On 28 September 2016 the European Commission published a proposal on amending the Dual-Use Regulation. Shortly thereafter, the Council Working Party on Dual-Use Goods opened discussions on the proposal. The first review of the individual articles was completed during the Estonian Presidency. A more in-depth review is now being conducted of the specific texts on a theme-by-theme basis. In December 2017 the EU held a forum on export controls with stakeholders (the business community and NGOs), chaired jointly by the Commission and the Estonian Presidency. There participants had the opportunity to discuss concerns and problems regarding the proposed amendments to the regulation.

The Netherlands supports the general thinking behind the Commission's proposal to modernise the Dual-Use Regulation. More specifically, the Netherlands supports the expansion of export controls on cyber-surveillance goods from a human rights perspective, with a focus on clearly defining the goods in question and the human rights potentially at risk, to ensure clarity for both the public and private sectors. In expanding controls for such goods, the Netherlands is not seeking to tamper with the existing structure of international export control regimes for dual-use goods. At the same time, the Netherlands is pressing for the most level playing field possible in the EU by emphasising EU-wide instruments instead of separate national measures when it comes to export controls for cyber-surveillance technology. Finally, we are taking a critical look at the feasibility of the various aspects of the proposal, distortions to the global level playing field and ways of limiting the administrative burden for both the public and private sectors.

On 15 December 2017 the new goods annex to the Dual Use Regulation was published in the Official Journal of the European Union. The individual export control regimes are responsible for maintaining their own goods lists, which are then combined by the European Commission to form Annex I to the Regulation.

7. The Wassenaar Arrangement

7.1 General

At the broader multilateral level, developments in the field of arms exports are discussed in the framework of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (WA). In the year under review, 42 countries, including the United States, Russia and all EU member states with the exception of Cyprus, participated in this forum, which owes its name to the town where the negotiations to establish the Arrangement were conducted in 1995, under the chairmanship of the Netherlands.¹⁷ In December 2017 India became the 42nd participating country. It is estimated that these countries jointly account for over 90% of global military exports.

¹⁷ In 2017 only Cyprus was not yet a member due to Turkish objections.

The aim of the WA, as stated in the 'Initial Elements',¹⁸ is to contribute to regional and international security and stability. This is achieved through regular information sharing on the export to third countries of arms and goods that can be used for military ends. The ultimate goal is to promote greater knowledge and a stronger sense of responsibility in the national assessment of licence applications for the export of such goods. After all, more information will enable the participating states to assess more accurately whether the build-up of military resources is having a destabilising effect in certain countries or regions. If so, they should exercise greater caution when considering licence applications for these destinations.

The Wassenaar Arrangement maintains both a list of dual-use goods that applies to the Netherlands on the basis of the EU Dual-Use Regulation and a list of military goods that are to be subject to export controls. Any revision of the WA list results in the amendment of the EU Common Military List and the control list of the EU Dual-Use Regulation. As regards Dutch export controls on military goods, the Strategic Goods Implementing Regulations refer directly to the most recent EU Common Military List. The same applies to export controls on dual-use goods.

7.2 Amendments

In line with its mandate, and with a view to ensuring effectiveness and support, in 2017 the Expert Group of the Wassenaar Arrangement continued its regular consultation on updating the list of controlled military and dual-use goods. The group discussed including various emerging technologies with military potential and the removal of technologies that are no longer critical or that are widely available. 'Scope-neutral interpretations' of control texts were also discussed.

In December 2017 the results – various changes across the controlled categories – were put to the Plenary Meeting, which adopted them. Some of the issues discussed proved relevant, but at this stage did not lead to consensus in the Export Group.

In both the confidential General Working Group sessions during the year and the concluding Plenary Meeting, a great deal of time and attention were devoted to the situation in eastern Ukraine, but differences of opinion between the participants made it impossible to include anything about this issue in a public statement. Ultimately, the matter was dropped entirely. In the end the replacement 'Statement issued by the Plenary Chair' merely stated that '[p]articipating States continued to exchange information on transfers and dual-use goods and to assess the risks associated with illicit arms flows to specific geographic regions of concern, including areas of conflict'.

The most notable decision by the Plenary Meeting was to welcome India as a new WA participant. The Meeting also adopted a Dutch proposal on voluntary information exchanges

¹⁸ The Initial Elements can be consulted on the website of the Wassenaar Arrangement: www.wassenaar.org.

on falsified end-user statements or their fraudulent use. A dedicated platform has now been set up on the WA information system for that purpose.

Further information on the best practice guidelines, the WA's principles and goals, and current developments is available on the WA's website at: <http://www.wassenaar.org>. This website also provides access to the organisation's public documents.

8. Developments in other export control regimes

This section briefly examines the key developments in the relevant export control regimes for dual-use goods.

The Netherlands is party to the various international export control regimes, and has played an active role in them for years. In the area of non-proliferation, these are the Australia Group (AG) and the Nuclear Suppliers Group (NSG) – which focus on biological/chemical weapons and nuclear weapons, respectively – and the Missile Technology Control Regime (MTCR), which focuses on the means of delivery for such weapons (ballistic missiles and unmanned aerial vehicles). Countries which participate in these regimes make agreements on export control policy and exchange information on programmes for weapons of mass destruction and their means of delivery in states of concern. The countries also share their experiences with regard to enforcement. The countries participating in the respective regimes have also drawn up control lists for components, production technologies, materials, software and technology for which an export licence is mandatory. These lists are regularly updated to keep pace with technological developments. All four regimes have addressed the issues of brokering and transit. Under (inter alia) UN Security Council resolution 1540, states must operate effective export controls, including controls on transit and brokering. The EU member states have already implemented their obligations in this regard by amending the 2009 EU Dual-Use Regulation. The regimes are also discussing the possible accession of new members and unilateral compliance with guidance documents and goods lists by non-partner countries.

8.1 Nuclear Suppliers Group (NSG)

At its plenary meeting in Bern, Switzerland, in June 2017, the Nuclear Suppliers Group (NSG), a body that seeks to combat the proliferation of nuclear weapons, discussed matters including the membership requests from India and Pakistan and nuclear cooperation between China and Pakistan. In May 2016 India applied for membership of the NSG in the hope of swift accession, but a general discussion about NSG participation on the part of non-NPT states did not lead to a consensus. This discussion will continue in 2018. While in favour of Indian membership, the Netherlands has also expressed its wish to see India demonstrate its commitment to the principles of non-proliferation.

Confidentiality in relation to the regime was a frequent topic of discussion in 2017, and in the course of the year the confidentiality guidelines were updated. Information leaks on the position of Participating Governments (PGs) vis-à-vis, most notably, India's membership application has led to concerns about the possible leaking of more sensitive information,

such as technological developments within the domestic industry. With the amendment of the guidelines and the absence of any new leaks, the situation seems to have stabilised for the time being.

In 2018 Switzerland handed over the Presidency to Latvia.

8.2 Australia Group (AG)

The Australia Group is an international export control regime aimed at ensuring that the legitimate trade in dual-use goods and technology is not used for the production of chemical or biological weapons. This is done through coordinated export controls, the exchange of information and outreach. The members met twice in 2017, in Buenos Aires, Argentina and in Paris, France. At the meeting in Buenos Aires a dialogue was held with non-members from South America to share experiences on export controls.

The AG members also reaffirmed their commitment to combating proliferation. In that connection a number of decisions were taken:

- A statement was drawn up on the occasion of the 20th anniversary of the Chemical Weapons Convention, expressing deep concern at the continued use of chemical weapons, in contravention of international norms. The statement also expressed appreciation for the work of the Nobel Peace Prize-winning OPCW in the global implementation of the Chemical Weapons Convention.
- AG members seek to heighten awareness of technologies and scientific advances that can be disseminated, possibly by digital means, and used in the production and spread of chemical and biological weapons.
- Outreach efforts are being expanded: bilateral and regional AG dialogues are being held more regularly with non-members, and countries are being encouraged to implement a robust export control system, using the AG list as an international best practice.
-

In addition the AG expressed its concern about North Korean chemical and biological weapons capabilities. In the view of the AG, the use of the nerve agent VX in the murder of Kim Jong-nam in Kuala Lumpur in February 2017 shows the importance of not underestimating the threat posed by chemical weapons. It is important for all countries to fully implement the UN Security Council resolutions related to North Korea. The AG urges Syria to practice full transparency with regard to its chemical weapons programme and to cooperate with the complete and verifiable destruction of that programme.

In 2017 the AG received membership applications from various countries. These are currently being studied. Finally, the Australia Group incorporated a number of technical amendments to its control list which can be found on the group's website.

8.3 Missile Technology Control Regime (MTCR)

The Missile Technology Control Regime (MTCR)¹⁹ combats the proliferation of delivery systems for weapons of mass destruction, such as ballistic missiles, unmanned aerial

¹⁹ www.mtcr.info.

vehicles and cruise missiles. Its members pursue a common policy and maintain a jointly agreed control list of goods that are subject to export controls. The list, which is also known as the Annex, is reviewed regularly, most recently in March 2018. The Annex is the global standard for export controls for missile technology, and it is applied not only by the countries that are party to the Regime but also by international organisations like the UN. When it comes to the export of these sensitive goods, it is vital for the international community to take the most consistent line possible. Whereas previously the MTCR focused almost exclusively on state missile programmes, it is now turning its attention to the growing threat posed by terrorist organisations like ISIS.

In 2017 the MTCR celebrated its 30th anniversary. The regime, which was established in 1987 by the then G7 (Canada, Germany, France, Italy, Japan, the United Kingdom and the United States), in order to combat the proliferation of missile technology at a time when various countries in the Middle and Far East and in South Asia were attempting to acquire their own missile capabilities. In this connection the MTCR initially focused on ballistic missiles as a delivery system for nuclear weapons. This formed the basis for the limits for range (300 km) and payload (500 kg), which remain the accepted standard. Since 1992 all unmanned delivery systems for all types of weapons of mass destruction have fallen within the scope of the MTCR. Since its founding the MTCR has expanded to include 35 countries, and since 2014 there has been a category of countries (known as 'adherents') that have officially pledged to observe the Guidelines and Annex.

9. Arms control and the regulation of the international arms trade

There are various current issues in the area of arms control that are relevant to arms export policy.

9.1 Cluster munitions

On 23 February 2011 the Netherlands ratified the Convention on Cluster Munitions, which accordingly entered into force for our country on 1 August 2011. As of March 2018, 103 states are party to the Convention and 17 other countries have signed but not yet ratified it. A ban prohibiting financial institutions from investing directly in cluster munitions has been in force in the Netherlands since 1 January 2013.²⁰

The UN Secretary-General and the President of the International Committee of the Red Cross have described the Convention as a new norm of international humanitarian law. The Dutch government endorses this view and is actively committed to promoting the ratification and implementation of the Convention. To this end, the Netherlands has been co-coordinator for cluster munition clearance since September 2016, a position it will hold until the end of September 2018.

The Netherlands also endeavours to involve other countries in the Convention and help strengthen the norm of non-use of cluster munitions. It does this through various

²⁰ <http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2012/03/21/kamerbrief-over-uitwerking-van-het-verbod-op-directe-investeringen-in-clustermunities.html>.

multilateral forums, including the UN General Assembly. At meetings of the parties to the Convention on Cluster Munitions, the Netherlands has condemned the use of cluster munitions in Syria and called the parties' attention to reports of the use of cluster munitions in Libya, Ukraine, Sudan and Yemen.

9.2 Landmines

The Dutch-funded Humanitarian Demining Programme ran from 2012 to July 2016. Using a competitive bidding procedure, the Netherlands selected three partners – the Mines Advisory Group, the Halo Trust and Danish Church Aid – which will conduct mine-related activities in 14 countries between 2016 and 2020 under the current Humanitarian Mine Action and Cluster Munitions Programme. The 14 countries are as follows: Afghanistan, Colombia, the Democratic Republic of the Congo, Iraq, Kosovo, Lebanon, Libya, Mali, the Palestinian Territories, Somalia, South Sudan, Syria, Ukraine and Yemen. The Netherlands also makes an annual contribution to the UNMAS Voluntary Trust Fund. In 2017 over €16 million was spent on demining projects worldwide by financing humanitarian demining NGOs and UNMAS. The Netherlands remains one of the largest donors in this area worldwide.

It is also actively committed to the multilateral process. In 2017 the Netherlands was co-chair of the Committee on Cooperation and Assistance (together with Uganda, Canada and Algeria) and, as such, was closely involved in promoting an individualised approach. The Commission's aim is to assist states parties in complying with their treaty obligations and to promote cooperation between states parties and donor countries. The Netherlands was a key party to the negotiations that resulted in an agreement that all state parties would abide by the implementation objectives by 2025. As of 2018 the Netherlands will be a member of the Committee on Article 5 Implementation together with Chile, Switzerland and Colombia for a period of two years.

9.3 Small and light weapons (SALW)

The Netherlands is firmly committed to preventing the uncontrolled spread of small arms and light weapons (SALW) and related ammunition. It seeks to reduce the number of victims of gun violence, armed conflict and crime. This contributes to safety and stability – which are prerequisites for sustainable development and the achievement of poverty reduction goals.

Tackling SALW-related problems is a key issue in the field of arms control. In recent years efforts have focused on multilateral developments (e.g. the adoption of the UN Arms Trade Treaty), on the one hand, and attempts to deal with these problems in the framework of more wide-ranging security projects focusing on public safety, on the other.

These multilateral efforts have produced numerous international and regional agreements, such as the UN Programme of Action on small arms and light weapons (2001) and the Geneva Declaration on Armed Violence and Development (2006). In 2017 the Netherlands continued to contribute actively to their development and implementation. In doing so it worked closely with local and regional NGOs and research institutes in countries including Libya.

UN Programme of Action

The UN Programme of Action obliges states to pursue active policies to deal with the problems associated with SALW at national, regional and international level. This includes the development and implementation of relevant legislation, the destruction and secure storage of surplus arms and ammunition, improved cooperation between states – for example in relation to identifying and tracing illegal arms – and assisting and supporting countries and regions that lack the capacity to implement the measures set out in the programme.

EU

EU member states report annually on national activities aimed at implementing Council Joint Action 2002/589/CFSP on the European Union's contribution to combating the destabilising accumulation and spread of small arms and light weapons. These national reports and reports on relevant EU activities are combined in a joint annual report to which the Netherlands contributes every year. In the run-up to the Review Conference of the UN Programme of Action in June 2018, the Netherlands continues to highlight the importance of European cooperation in combating the uncontrolled spread of SALW.

OSCE

The Netherlands supports the approach of the Organization for Security and Co-operation in Europe (OSCE) to oppose the spread and accumulation of illegal SALW. It has committed itself to sharing information on this issue via the Programme of Action FSC.DEC/2/10.²¹

9.4 UN Arms Trade Treaty (ATT)

A crucial element of the UN Arms Trade Treaty is that it obliges states parties to set up an export control system for conventional arms, which ensure countries around the world make responsible decisions regarding the export of military goods that fall within the scope of the Treaty. The Treaty's assessment criteria are similar to several criteria that already apply under the EU's Common Position on Arms Exports: compliance with international embargoes, no cooperation in violations of international humanitarian law, respect for human rights and mitigation of the risk of diversion of conventional arms to the illicit market or for unauthorised use.

The Treaty was adopted by the UN General Assembly on 2 April 2013. It was opened for signature on 3 June 2013, at which time it was signed by the Netherlands and 66 other UN member states. On 25 September 2014 the 50 required ratifications were reached, and the Treaty consequently entered into force three months later, on 24 December 2014. Given that the Senate approved the Treaty on 9 December 2014, and the Netherlands submitted the instrument of ratification before 24 December 2014, the Netherlands was among the first group of countries for which the Treaty entered into force. As of 1 May 2018, 130 countries had signed the ATT, 94 of which had also ratified it. (By way of comparison, as of 15 May 2016, the corresponding figures were 130 and 91.)

²¹ <http://www.osce.org/fsc/68450>.

The Netherlands made an active contribution to the second Conference of States Parties on 11-15 September 2017 in Geneva, Switzerland and the preceding working group meetings. The Netherlands believes that it is vital for experts from the individual countries to be present at working group meetings on both the implementation of the Treaty, and on the Treaty's reporting obligations. With this in mind, the Netherlands has also contributed to the Sponsorship Program, which enables low-income countries to attend ATT meetings. In addition, the Netherlands again made financial contributions to the ATT Baseline Assessment Project²² and the ATT monitor²³.

Finally, the Netherlands submitted all ATT reports on time. They can be found on the publicly accessible ATT website²⁴.

9.5 UN Register of Conventional Arms and legislative transparency

UN Register of Conventional Arms²⁵

Every year, the UN Register of Conventional Arms, which was established in 1991 at the initiative of the Netherlands and several other countries, provides information on the countries of export, transit (where relevant) and import of military goods, as well as on the volume of the flow of goods, which are divided into the following categories: I. battle tanks; II. armoured combat vehicles; III. large-calibre artillery systems; IV. combat aircraft; V. attack helicopters; VI. warships; and VII. missiles and missile launchers.

Since its inception, more than 170 countries have at some time submitted reports to the Register. This includes all the major arms-producing, -exporting and -importing countries. The Netherlands submits a report every year. The ambition remains to achieve universal and consistent participation in the reporting process. The UN Register of Conventional Arms is an instrument that promotes transparency, thereby preventing excessive stockpiling of conventional weapons.

The United Nations Office for Disarmament Affairs (UNODA) is responsible for compiling the data submitted by the member states. If the Register is to be effective, universal participation is essential. The Netherlands therefore considers it crucial that countries submit their annual reports, even if these take the form of 'nil reports' because they did not import or export any goods in one or more of the above-mentioned categories during the year in question.

UN General Assembly resolution on legislative transparency

Every year between 2002 and 2004 during the UN General Assembly, the Netherlands submitted the resolution 'National legislation on transfer of arms, military equipment and dual-use technology'. Between 2005 and 2013 (the year the ATT was adopted by the General Assembly), it did so every other year. The Netherlands most recently submitted this

²² <http://www.armstrade.info/>.

²³ <http://controlarms.org/en/att-monitor-report/>.

²⁴ <http://thearmstradetreaty.org/index.php/en/resources/reporting>.

²⁵ <https://www.un.org/disarmament/convarms/register/>.

resolution in 2016. The resolution urges UN member states to share information on their national legislation in the field of arms exports.

In the framework of the resolution an electronic UN database has been established to store and provide easy access to legislative texts and other information shared by the participating states. It currently contains contributions from 66 countries, including the Netherlands. Since the ATT entered into force, a reporting obligation has applied to all ATT member states, which now must report to the ATT Secretariat instead of the UNODA database. As more countries become party to the ATT, the importance of the UNODA database will decline, and it will be less common to report to the UNODA database.

Annexe 1: Licences issued for the export of military goods

Overview of the value of licences issued in 2017 for the permanent export of military goods by category of goods and by country of final destination.

Methodology

The values reported below are based on the value of the licences for the permanent export of military goods issued during the period under review. The licence value represents the maximum export value, although this may not necessarily correspond to the value of the exports actually completed at the time of publication. Licences for temporary export have been disregarded in these figures, on the grounds that they are subject to a requirement to reimport. These usually concern shipments for demonstration or exhibition purposes. On the other hand, licences for trial or sample shipments are included in the figures because they are not subject to this requirement due to the nature of the exported goods. Licences for goods that are returned abroad following repair in the Netherlands are similarly not included in the reported figures. In such cases, however, the goods must have been part of a prior shipment from the Netherlands, whose value will therefore have been reflected in a previous report. Without these precautions, the inclusion of such 'return following repair' licences would lead to duplication. Licences whose validity has been extended do not appear in the figures for the same reason. This also applies to licences that are replaced for reasons such as a recipient's change of address. However, if the value of the extension or replacement licence is higher than that of the original licence, the surplus will obviously be reported.

For the purpose of classifying licence values for individual transactions by category of military goods, it was necessary in many cases to record additional spare parts and installation costs as part of the value of the complete system. Licence values for the initial delivery of a system are often based on the value of the contract, which may also cover such elements as installation and a number of spare parts. The value of licences for the subsequent delivery of components is included in categories A10 and B10. Finally, for the purpose of classifying licence values by category of military goods, a choice had to be made regarding the classification of subsystems. It was decided to differentiate according to the extent to which a subsystem could be regarded as being stand-alone or multifunctional. This has a particular bearing on the classification of export licences for military electronics. If such a product is suitable solely for maritime applications, for example, the associated subsystems and their components appear in category A10, as components for category A6 (warships). However, if such a product is not obviously connected to one of the first seven subcategories of main category A, the associated subsystems and their components appear in subcategory B4 or B10.

Table 4, Value (in € millions) of licences issued for the permanent export of military goods in 2017

Category A: 'Arms and munitions'	value (in € millions)
1. Tanks	72.70
2. Armoured vehicles	34.97
3. Large calibre weapons (>12.7 mm)	0.45
4. Fighter aircraft	76.64
5. Attack helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (≤ 12.7 mm)	0.41
9. Ammunition and explosives	5.60
10. Parts and components for 'Arms and munitions' ²⁶	437.83
Total for Category A	628.60

Category B 'Other military goods'	value (in € millions)
1. Other military vehicles	14.53
2. Other military aircraft and helicopters	-
3. Other military vessels	-
4. Military electronics	34.22
5. ABC substances for military use	-
6. Equipment for military exercises	0.92
7. Armour-plating and protective products	16.09
8. Military auxiliary and production equipment	0.81
9. Military technology and software	32.63
10. Parts and components for 'Other military goods' ²⁷	76.82
Total for Category B	176.02
Total for Categories A & B	804.62

²⁶ As usual, subcategory A10 (Parts and components for 'Arms and munitions') primarily concerns the supply of components for fighter aircraft and attack helicopters to the manufacturers of such systems in the United States, and the supply of components for tanks and other military combat vehicles to the German manufacturer of such systems. In 2017, however, two licences – for the delivery of parts, components and tools for the local construction of patrol vessels for the Malaysian coast guard (€27.49 million) and the Pakistani navy (€66.23 million) – were included in this subcategory.

²⁷ During the period under review, subcategory B10 (Parts and components for 'Other military goods') once again encompasses a large number of smaller shipments of electronic parts for military systems and parts for military aircraft and vehicles.

Table 5, Value (in € millions) of licences issued for the permanent export of military goods in 2016

Total for 2017 (in € millions)					
Country of destination	Cat. A	Breakdown	Cat. B	Breakdown	Total
Algeria	0.25	A10	-	-	0.25
Argentina	0.20	A10	-	-	0.20
Aruba	0.01	A8	-	-	0.01
Australia	0.10	A3, A8, A10	0.55	B10	0.65
Austria	0.09	A4, A8, A10	0.05	B7, B10	0.14
Bahamas	4.75	A10	-	-	4.75
Bahrain	-	-	0.50	B10	0.50
Bangladesh	6.00	A10	-	-	6.00
Belgium	2.05	A10	0.45	B9	2.50
Brazil	-	-	0.02	B10	0.02
Brunei Darussalam	0.20	A10	1.16	B10	1.36
Canada	12.21	A8, A10	0.48	B9, B10	12.69
CAR	-	-	0.23	B1	0.23
Caribbean Netherlands	0.02	A8, A9	-	-	0.02
Chile	0.03	A10	-	-	0.03
Colombia	1.15	A10	-	-	1.15
Côte d'Ivoire	-	-	0.02	B8, B10	0.02
Curaçao	0.05	A8, A9	-	-	0.05
Czech Republic	0.11	A3, A10	0.12	B10	0.23
Denmark	0.20	A8, A9, A10	0.09	B9, B10	0.29
Estonia	34.96	A2	-	-	34.96
Finland	0.11	A8, A10	6.73	B10	6.84
France	2.36	A8, A9, A10	3.25	B4, B8, B9, B10	5.61
Germany	88.98	A1, A3, A4, A8, A9, A10	37.64	B4, B6, B7, B8, B9, B10	126.62
Greece	0.68	A10	0.50	B10	1.18
Guatemala	0.01	A2	-	-	0.01
Hungary	-	-	0.05	B7	0.05
Ireland	-	-	5.14	B1	5.14
India	0.65	A10	0.50	B7, B9, B10	1.15
Indonesia	2.30	A10	0.53	B8, B9, B10	2.83
Israel	0.02	A10	0.25	B7, B9, B10	0.27

Italy	0.64	A8, A10	4.26	B1, B4, B7, B9, B10	4.90
Japan	10.35	A10	0.22	B10	10.57
Jordan	76.46	A4	-	-	76.46
Lebanon	-	-	0.33	B10	0.33
Latvia	-	-	0.01	B7	0.01
Liberia	-	-	0.05	B1	0.05
Lithuania	-	-	0.97	B1	0.97
Luxembourg	0.05	A10	0.07	B10	0.12
Malaysia	28.59	A10	5.42	B4, B9	34.01
Morocco	2.32	A10	-	-	2.32
Mexico	-	-	0.02	B1	0.02
Montenegro	-	-	0.04	B8	0.04
Morocco	2.32	A10	-	-	2.32
Norway	1.04	A8, A9, A10	0.82	B4, B6, B9, B10	1.86
Oman	1.15	A10	1.00	B10	2.15
Pakistan	66.61	A10	3.05	B4, B10	69.66
Poland	0.14	A3, A8, A10	0.03	B10	0.17
Portugal	0.09	A10	2.40	B4	2.49
Singapore	0.24	A10	0.69	B4, B7, B10	0.93
South Africa	0.40	A10	0.12	B7, B9	0.52
South Korea	39.32	A10	9.12	B7, B9, B10	48.44
Spain	0.38	A8, A10	0.72	B4, B6, B9, B10	1.10
Suriname	-	-	0.01	B1	0.01
Sweden	7.94	A8, A9, A10	8.67	B1, B4, B10	16.61
Switzerland	3.98	A8, A9, A10	0.46	B10	4.44
Taiwan	8.94	A10	-	-	8.94
Thailand	4.37	A10	0.08	B10	4.45
Turkey	11.48	A10	2.08	B4, B7, B8, B9, B10	13.56
UAE	1.44	A10	1.14	B7, B10	2.58
United Kingdom	2.33	A8, A9, A10	30.65	B4, B9, B10	32.98
United States	112.61	A1, A3, A8, A9, A10	13.54	B4, B6, B9, B10	126.15
EU/NATO+	90.24	A10	31.78	B4, B7, B9, B10	122.02

Countries with export licence values below €10,000: ²⁸					
Mali, Malta, Romania, Slovenia	-	-	0.01	B1	0.01
Total	628.60		176.02		804.62

²⁸ In the Netherlands the export of pistols and rifles for sport or hunting is also subject to mandatory licensing. If they are scheduled to remain abroad for an extended period, such firearms require a permanent export licence, even if they are accompanied by the owner. Some of the exports to countries of destination listed in the table as accounting for total export licence values below €10,000 involve transactions of this nature. The largest of the small licences, however, was for the value (€4,500) of a donation by the Ministry of Defence of military trailers used in Mali to the Malian armed forces.

Annexe 2: Dutch arms exports from 2008 to 2017

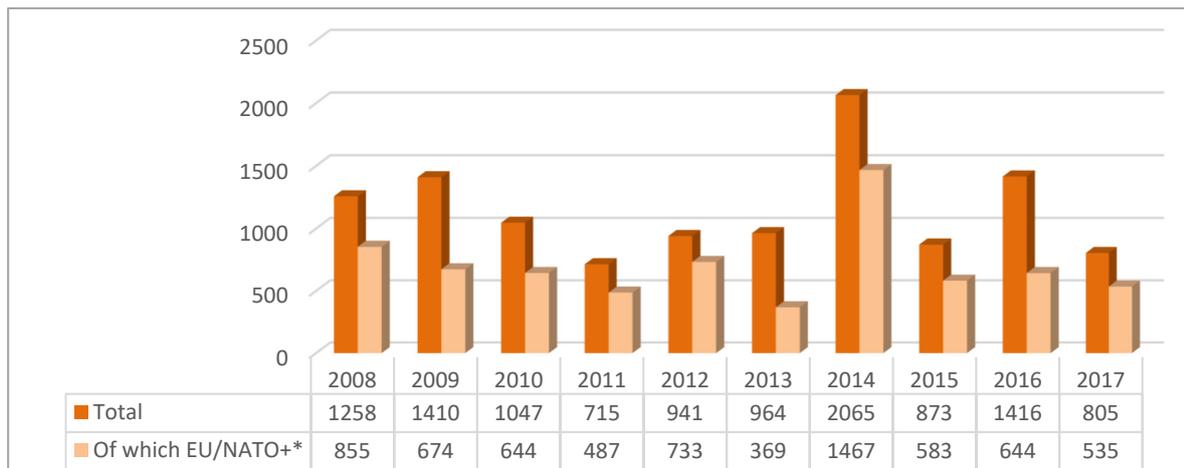


Figure 2, Value of licences issued, in € millions per year

* From the 2015 report onwards, in the table giving the value of licences issued for the permanent export of military goods by country of destination, the heading 'NATO other' has been replaced by the heading 'EU/NATO+' for the purpose of showing the value of global licences. As of 2015, therefore, in this diagram 'Of which NATO' should be read as 'Of which EU/NATO+'. In 2017 the following 29 countries were members of NATO: Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom and United States. From 2015, this heading also includes the values for Australia, Finland, Ireland, Japan, New Zealand, Sweden and Switzerland.

Annexe 3 Use of general transfer licences

Overview of the value of general transfer licences NL003: Export to armed forces of EU member states

NL004: Export to certified recipients within the meaning of article 9 of Directive 2009/43/EC.

NL009: Export to parties belonging to the F-35 Lightning II programme.

Table 6, Value of reported uses of general transfer licences for the permanent export of military goods in 2017 under NL003 (armed forces) per country of destination

Country of destination	Value (€ millions)	Breakdown
Austria	0.07	ML10
Bulgaria	3.30	ML5
Czech Republic	0.36	ML5
Denmark	3.47	ML5, 10, 11
France	1.81	ML5, 7, 11
Germany	12.29	ML5, 10, 11
Greece	2.35	ML5
Italy	0.92	ML5, 11
Norway	0.02	ML7
Poland	0.06	ML5
Portugal	0.12	ML5
Sweden	0.02	ML11
United Kingdom	1.34	ML5
Total	26.13	

Table 7, Value of reported uses of general transfer licences for the permanent export of military goods in 2017 under NL004 (certified recipients) per country of destination

Country of destination	Value (in € millions)	Breakdown
Belgium	5.55	ML6, 15, 22
Denmark	0.38	ML4, 10
France	5.39	ML10, 15, 22
Germany	16.58	ML5, 6, 9, 15, 17, 22
Sweden	0.06	ML15
Total	27.96	

Table 8, Value of reported uses of general transfer licences for the permanent export of military goods in 2017 under NL009 (F-35 Lightning II) per country of destination

Country of destination	Value (€ millions)	Breakdown
Canada	0.19	ML10
Italy	6.59	ML10
Japan	0.19	ML10
Turkey	0.16	ML10
United Kingdom	1.86	ML10
USA	88.90	ML10
Total	97.80	

Annexe 4: Transit of Military Goods

Table 9, Value of licences issued in 2017 for the transit of military goods

Country of destination	Category A (€ millions)	Breakdown	Category B (€ millions)	Breakdown	Total
Afghanistan	0.02	A8	-	-	0.02
Algeria	0.05	A9	-	-	0.05
Chile	5.19	A9, A10	-	-	5.19
DRC	-	-	0.10	B10	0.10
Mali	-	-	0.10	B10	0.10
Pakistan	0.10	A9	-	-	0.10
Poland	0.54	A2	-	-	0.54
Singapore	0.04	A3	-	-	0.04
South Korea	0.16	A7, A9	-	-	0.16
Sweden	-	-	0.09	B7	0.09
Thailand	77.07	A3	-	-	77.07²⁹
Ukraine	0.01	A10	-	-	0.01
UAE	4.53	A3	0.01	B4	4.54
United Kingdom	0.26	A10	-	-	0.26
Vietnam	1.09	A9	-	-	1.09
Total	89.06		0.30		89.36

²⁹ This relatively high value is due entirely to the transit of Swiss-produced anti-aircraft systems meant for the Thai air force.

Annexe 5: Licence application denials

Licence application denials are also shared with EU partners in accordance with article 4 of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment (formerly the EU Code of Conduct on Arms Exports).

Table 10, Licence application denials in 2017

Date of denial	Country of destination	Brief description	Recipient	End user	Reason refused
30/01/2017	Saudi Arabia	Data storage equipment	Logicom Saudi Arabia LLC	Strategic Missile Forces, Ministry of Defence	Criterion 2
16/03/2017	Bahrain	F16 parts (returned after repair)	AirBorne Systems FZE, UAE	Bahrain Defence Force	Criterion 2
02/03/2017	Pakistan	F16 parts (returned after repair)	AirBorne Systems FZE, UAE	Pakistan Air Force	Criteria 2 and 3
11/04/2017	Turkey	Parts for laser-guided missiles	Roketsan Missiles Industries Inc.	Turkish Land Forces Command	Criterion 3
11/04/2017	Turkey	Parts for laser-guided missiles	Roketsan Missiles Industries Inc.	Turkish Land Forces Command	Criterion 3
24/03/2017	China via Taiwan	Miniature gas turbine	Bentech Computer Corporation, New Taipei City, Taiwan	Chinese Navy	Criterion 4
18/07/2017	Vietnam	Telecommunications interception equipment	High Technology Consultancy Joint Stock Company	Ministry of Defence, Vietnam	Criteria 2 and 7
20/07/2017	Pakistan	Supply for sonar systems	Thales Underwater Systems France	Pakistani Navy	Criterion 5
28/06/2017	Turkey	Waveguides for F16s	Nato Support and Procurement Agency, Warehousing Division	Turkish Air Force	Criterion 3
07/08/2017	Saudi Arabia	One lathe	Military Industries Corporation	Saudi Arabian Armed Forces	Criterion 2
16/08/2017	UAE via US	Parts for F16 fighter aircraft	AAR Aircraft Component Services, New York	UAE Air Force	Criterion 2
13/09/2017	Ukraine	Magazines for .308 calibre Winchester	Zbroyar LLC	<i>Unknown</i>	Criterion 7
21-09-2017	UAE via Germany	Parts for M109 howitzers	DSL Defence Service Logistics GMBH	GHQ of the UAE armed forces	Criterion 2
06-11-2017	Taiwan	Parts for an F16 motor	AAR Aircraft Component Services, New York	Taiwanese Air Force	Criterion 1
12-12-2017	UAE via Germany	Parts for M109 howitzers	DSL Defence Service Logistics GMBH	GHQ of the UAE armed forces	Criterion 2

Annexe 6: Surplus defence equipment

Table 11, Overview of surplus defence equipment sold by the Netherlands to foreign parties in 2017

Type of equipment	To/via ³⁰	Country of final destination	End user
Spare parts for Alouette helicopters	AeroXS (US)	US	AeroXS (US)
Spare parts for Alouette helicopters	NLSE	Belgium	Ministry of Defence
Leopard 2 transmissions and gearboxes	Gunter Langkopf Maschinenbau	Canada	Ministry of Defence
Spare parts for Alouette helicopters	n/a	Denmark	Ministry of Defence
Spare parts for F-16 fighter aircraft	NLSE	Denmark	Ministry of Defence
Fennek reconnaissance vehicle	Krauss-Maffei Wegmann GmbH & Co	Germany	Krauss-Maffei Wegmann GmbH & Co
Leopard engines	Gluckaug-RUAG	Germany	Rheinmetall / Ministry of Defence
Helicopter spare parts	NLSE	Germany	Ministry of Defence
Spare parts for Lynx helicopters	NLSE	Germany	Ministry of Defence
Patria armoured wheeled vehicle spare parts	n/a	Estonia	Ministry of Defence
Various vehicles	n/a	Estonia	Ministry of Defence
Spare parts for F-16 fighter aircraft	Fieldtech Avionics and Instruments, Inc. (US)	US	Fieldtech Avionics and Instruments, Inc. (US)
Leopard 1 Engineering and recovery vehicle, and spare parts	n/a	Finland	Ministry of Defence
Spare parts for Leopard tanks	Star Defence Logistics & Engineering (Spain)	Finland	Ministry of Defence
Lox plant (liquid oxygen installation)	NLSE	France	Ministry of Defence
Apache helicopter spare parts	NLSE	Greece	Ministry of Defence
Spare parts for Lynx helicopters	Hayward & Green Defence Ltd. (United Kingdom)	UK	Hayward & Green Defence Ltd. (United Kingdom)
F-16 spare parts	ILN Technologies, Inc.	Indonesia	Ministry of Defence
F-16 equipment	Lockheed Martin (OEM)	US	Lockheed Martin (OEM)

³⁰ Surplus defence equipment is occasionally sold to the original manufacturer. In some cases, it can also be sold through a private company to an end user who is known and approved at the time of sale, or to a private company for its own use. A further option involves selling to a private company in another EU/NATO+ country without yet knowing the specific final destination and end user of the equipment. In such cases, an International Import Certificate is used to ensure that any attempt to export or re-export the equipment in question will be subject to controls by the EU/NATO+ country concerned.

Spare parts for Alouette helicopters	n/a	Malta	Ministry of Defence
Volkswagen Transporter	N.T.S.H. Mercedes ISA	Kosovo	N.T.S.H. Mercedes ISA
Leopard gearboxes	Van Halteren Special Products B.V.	The Netherlands	Van Halteren Special Products B.V.
AB-412 helicopter spare parts	NLSE	Norway	Ministry of Defence
Furnishings for KMar KFOR in Kosovo	Austria (MoD)	Kosovo	Ministry of Defence
Spare parts for F-16 fighter aircraft	NLSE	Portugal	Ministry of Defence
ALQ pods (countermeasures)	NLSE	Portugal	Ministry of Defence
AB-412 and Lynx helicopter spare parts	NLSE	Portugal	Ministry of Defence
Spare parts for aircraft	NLSE	Portugal	Ministry of Defence
Spare parts for F-16 fighter aircraft	Fieldtech Avionics and Instruments, Inc. (US)	US	US
F-16 spare parts	NLSE	US	Ministry of Defence
Total value of contracts			approx. €17.3 million

Annexe 7: Statistics on dual-use licence applications

Below is an overview of key information regarding licences issued in 2017 for the export of dual-use goods. Table 12 shows all licences (including denied applications), broken down into two categories: individual and global. Table 13 contains the top-10 final destinations outside the EU, and table 14 gives an overview of licenses issued with a transaction value of over €2 million for dual-use goods with military end use.

Table 12, The number and value of licences issued and licence denials for dual-use goods in 2017

	Number of applications issued	Value (in € millions)	Number of applications denied	Value (in € millions)
Individual basis	395	208.3	8	0.8
Global basis	249	5,963.6	2	5.1
Within the EU	45	157.7	0	0
Catch all	19	1.3	3	0.8
Total	708	6330.9	13	6.7

Table 13, Value of export licences for dual-use goods in millions of euros in 2017 (including general licences) for the top-10 countries of final destination outside the EU

	Country of destination	Value of licences issued (in € millions)
1	Taiwan	2,073.92
2	South Korea	1,252.54
3	China	554.13
4	US	390.17
5	Singapore	197.45
6	Israel	170.26
7	Russia	101.73
8	UAE	45.73
9	Turkey	45.50
10	South Africa	42.36

Table 14, Overview of export licences worth over €2 million issued in 2017 for dual-use goods intended for military end use

Type of equipment ³¹	Value (in € millions) ³²	Country of final destination	End user
n/a	0.00	n/a	n/a
Total rounded-off value of licences concerned			€0.00 million

In 2017 no licences worth over €2 million were issued for dual-use goods intended for military end use.

³¹ Applications for dual-use goods destined for the military, police or security services in the country of final destination are assessed against the eight criteria laid down in the EU's Common Position on Arms Exports.

³² The amount shown represents the value of licences issued in 2017. Some of the goods in question were not actually delivered in 2017. Licence renewals are not reported here again.

Annexe 8: Overview of communication with the House of Representatives

Overview of letters to the House of Representatives and responses to written questions concerning Dutch arms export policy and policy on dual-use goods in 2017

8.1 Letters to the House of Representatives – arms export policy

27-03-2017, **Parliamentary Paper 2016-2017 22054, no. 284**, Arms export policy; Letter from the government concerning the issue of a licence for the export of radar en C3 systems to Thailand and SEWACO systems to Indonesia

02/05/2017, **Parliamentary Paper 2016-2017, 22054, no. 285**, Arms export policy; Letter from the government concerning the issue of a licence for the export of data management systems to Malaysia

26/06/2017, **Parliamentary Paper 2016-2017, 22054, no. 286**, Arms export policy; Letter from the government presenting the 2016 edition of the annual report on arms export policy

03-10-2017 **Un-numbered paper 2017-2018, 2017D26953**, Arms export policy; Letter from the government responding to a request by the committee on the proposal for a technical briefing on the procedures for issuing arms export licences, with due reference to the various export control regimes in which the Netherlands participates.

18-10-2017 **Parliamentary Paper 2017-2018, 22054 no. 291**, Arms export policy; Letter from the government concerning the issue of a licence for the export of military equipment to Jordan

26-10-2017 **Parliamentary Paper 2017-2018, 34775-V no. 6**, adopting of the budget statement for the Ministry of Foreign Affairs (V) for the year 2018; Letter from the government concerning an open letter to the United Nations Convention on Certain Conventional Weapons on autonomous weapons

12-12-2017 **Parliamentary Paper 2017-2018, 22054 no. 292**, Arms export policy; List of questions and answers on the issue of a licence for the export of military equipment to Jordan

20/12/2017, **Parliamentary Paper 2017-2018, 22054, no. 293**, Arms export policy; Letter from the government; Undertakings regarding arms export policy

8.2 Letters to the House of Representatives – dual-use policy

None

8.3 Responses to written questions – arms export policy

03-03-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 1332**; Questions by MPs and the government's responses; Questions by MPs Jasper van Dijk and Harry Van Bommel (both SP) for the Minister for Foreign Trade and Development Cooperation on arms trade with Turkey (submitted on 6 February 2017).

03-04-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 1533**; Questions by MPs and the government's responses; Questions by MPs Sjoerd Sjoerdsma (D66), Michiel Servaes (PvdA) and Jasper van Dijk (SP) on Dutch insurance companies that still invest in arms producers.

10-04-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 1583**; Questions by MPs and the government's responses; Questions by MP Sjoerd Sjoerdsma about reports that Berlin exercises great restraint when it comes to arms exports to Turkey.

18-05-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 1908**; Questions by MPs and the government's responses; Questions by MP Sadet Karabulut (SP) about the export of trucks to Sudan (submitted on 28 April 2017).

23-06-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 2170**; Questions by MPs and the government's responses; Questions by MPs Sadet Karabulut and Renske Leijten (SP) about arms exports to countries involved in the war in Yemen (submitted on 13 April).

25-07-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 2398**; Questions by MPs and the government's responses; Questions by MP Sadet Karabulut about the cholera outbreak in Yemen (submitted on 28 June).

28-07-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 2397**; Questions by MPs and the government's responses; Questions by MP Sadet Karabulut (SP) about the use of white phosphorous by the US-led coalition in Syria.

20-11-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 465**; Questions by MPs and the government's responses; Questions by MP Sadet Karabulut about Dutch technology in South Korean frigates sold to Egypt and other parties (submitted on 11 October).

8.4 The government's responses to written questions – dual-use policy

09-10-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 142**; Questions by MPs and the government's responses; Questions by MPs Sjoerd Sjoerdsma and Kees Verhoeven (D66) about mass surveillance by the Uzbek government.

25-10-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 1217**; Questions by MPs and the government's responses; Questions by MPs Bente Becker, Han ten Broeke and Albert Van den Bosch (all VVD) about countries seeking to buy components in the Netherlands for WMDs.

21-02-2018 **Parliamentary Paper 2017-2018, 29924 no. 156**; House of Representatives oversight reports on the AIVD and the MIVD; Letter from the government in response to the request by MP Ronald van Raak (SP) made during the debate on the business of the House of 31 October 2017, on countries seeking to buy components in the Netherlands for WMDs.

18-12-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 465**; Questions by MPs and the government's responses; Questions by MP Sjoerd Sjoerdsma about Dutch nationals attempting to sell controversial espionage software to Ecuador.

21-12-2017 Parliamentary Paper **Annexe to the proceedings 2016-2017, no. 773**; Questions by MPs and the government's responses; Questions by MP Bente Becker about the news report 'EU export sanctions on Russia are too unclear'.

8.5 Letters sent to the House of Representatives under the accelerated parliamentary notification procedure

In accordance with the letter of 10 June 2011 announcing a stricter arms export policy (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the House of Representatives received the following letters in 2016:

Table 15, Overview of letters under the accelerated parliamentary notification procedure

Parliamentary Paper	Number	Date	Country
22 054	284	27/03/2017	Thailand ³³
22 054	284	27-03-2017	Indonesia ³⁴
22 054	285	02-05-2017	Malaysia
22 054	291	18-10-2017	Jordan

³³ As noted in chapter 6, although this letter was sent to parliament in 2017, it refers to a licence issued in 2016, and for that reason it is included in the present overview.

³⁴ As noted in chapter 6, although this letter was sent to parliament in 2017, it refers to a licence issued in 2016, and for that reason it is included in the present overview.

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22 054 Arms export policy

No. 284

**LETTER FROM THE MINISTERS FOR FOREIGN
TRADE AND DEVELOPMENT COOPERATION
(LILIANNE PLOUMEN) AND OF FOREIGN
AFFAIRS (BERT KOENDERS)**

To the President of the House of Representatives of
the States General

The Hague, 24 March 2017

In compiling the overview of the licences issued in
December 2016 for the export and transit of military
goods, two licences were identified which fit the
criteria for the accelerated notification procedure, on
the grounds of consistency with previous licences.

Both cases involve equipment for naval vessels.
Previously, such equipment was treated as a
'complete system', and the House was given
accelerated notification about the issue of the
licence, in accordance with the procedure outlined in
the letter of 10 June 2011.

For that reason we are now informing the House
about the issue of the licences in question.

Annexe 1, accelerated notification of a licence issued for Thailand

In accordance with the stricter arms export policy announced by letter of 10 June 2011 (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the government wishes to present the following information concerning a licence worth €32,737,000 issued by the Netherlands for a radar and C3 system to Thailand.

In December 2016 a Dutch company obtained a licence to export a radar and C3 system to Thailand. The goods will be installed in an offshore patrol vessel (OPV) for the Thai navy.

The end user of the goods, and of the frigates in which they will be installed, is the Thai navy, which will use the OPV to patrol and protect the Thai coast and territorial waters. In addition to regular patrol duties and anti-piracy activities, these vessels are also used for search-and-rescue operations.

The licence application was assessed against the eight criteria of the EU's Common Position on Arms Exports. The most relevant parts of this assessment, which resulted in the approval of the application, are summarised below.

Human rights (criterion 2)

After the army-led coup, the Thai regime proclaimed a state of emergency. There are concerns about the human rights situation, following restrictions on some democratic freedoms. However, there are no indications that the Thai navy is involved in any of these human rights violations. There have been reports that, during the boat refugee crisis in 2015, there were a few cases in which elements within the Thai navy forced boats back to the open sea. This practice was swiftly stopped in response to international pressure. The Netherlands expressly asked the Thai authorities to address this issue.

A number of officials from the army, navy and police force who were involved in the smuggling of boat refugees were suspended or prosecuted. This can be considered a positive development within the Thai navy.

Given the nature of the goods, the end use and end user, a positive decision was made on this criterion. It would be inconsistent to call on the Thai authorities to take swift action to save boat refugees, while simultaneously depriving them of the means to do so effectively. It is highly unlikely that this transaction will have a negative impact on the human rights situation described above.

Internal conflicts (criterion 3)

A swift return to democracy as it was before the coup seems probable, and the military government has de facto absolute power. For now, large-scale social unrest seems unlikely. Moreover, the goods in question (radar and C3 system) do not lend themselves to deployment in possible internal conflicts.

Regional stability (criterion 4)

Thailand maintains good relations with most of its neighbours. An earlier border dispute with Cambodia has been resolved by the International Court of Justice. The Thai navy has a legitimate security interest in the Gulf of Thailand and the Andaman Sea. The present transaction contributes to the maritime security of the region. The Thai navy also plays a key role in combating piracy and stopping smuggling (of both goods and people).

Annexe 2, accelerated notification of a licence issued for Indonesia

In accordance with the stricter arms export policy announced by letter of 10 June 2011 (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the government wishes to present the following information concerning a licence worth €196,425,000 issued by the Netherlands for the export of SEWACO systems (the Dutch acronym for 'sensors, weapons systems and command systems') to Indonesia.

In December 2016 a Dutch company obtained an export licence for the export of SEWACO systems to Indonesia. The systems will be installed in frigates for the Indonesian navy.

The end user of the goods, and of the frigates in which they will be installed, is the Indonesian navy. The frigates will be used for a variety of purposes, including defending Indonesian territorial waters and conducting anti-piracy operations.

The licence application was assessed against the eight criteria of the EU's Common Position on Arms Exports. The most relevant parts of this assessment, which resulted in the approval of the application, are summarised below.

Human rights (criterion 2)

There are familiar concerns about the human rights situation in Indonesia. The protection of human rights is enshrined in the constitution, though this principle is not always adhered to in practice. For example, soldiers are known to have committed human rights violations in Papua. However, it should be noted that these violations are not systematic in nature and were not sanctioned by the army leadership. Moreover, the navy had no part in these actions. There is thus no connection between the goods in question and possible human rights violations.

Internal conflicts (criterion 3)

There are internal tensions in Papua. Papuan nationalists are pushing for independence. Maintaining order is the responsibility of the police, not the navy. Internal tensions involving members of the armed forces did not involve the navy. The export of the goods in question will therefore not contribute to a rise in internal tensions.

Regional stability (criterion 4)

Indonesia has border disputes with a number of its neighbours for which it is attempting to find diplomatic solutions, in some cases through the International Court of Justice. There have been various maritime disputes in the South China Sea for some time, especially in relation to islands in these waters. The Indonesian navy is only tangentially involved in these disputes, and Indonesia has made no direct territorial claims on the islands.

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Arms exports policy

No. 288

**LETTER FROM THE MINISTERS FOR FOREIGN
TRADE AND DEVELOPMENT COOPERATION
(LILIANNE PLOUMEN) AND OF FOREIGN
AFFAIRS (BERT KOENDERS)**

To the President of the House of Representatives of
the States General

The Hague, 26 April 2017

In accordance with the stricter arms export policy announced by letter of 10 June 2011 (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed and others on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181), the government wishes to present the following information concerning a licence worth €4,525,000 million issued by the Netherlands for the export of military equipment to Malaysia.

A Dutch company recently obtained an export licence for the export of six data management systems and associated software, spare parts, testing equipment and technical assistance to Malaysia. The systems enable the encrypted

communication of radar data between air- and sea-based units.

The end user of the data management systems is the Malaysian navy, which will install the system in a number of its patrol vessels.

The licence application was assessed against the eight criteria of the EU's Common Position on Arms Exports. The most relevant parts of this assessment, which resulted in the approval of the application, are summarised below.

Human rights (criterion 2)

There are growing concerns about the gradual restrictions on fundamental rights and freedoms in Malaysia, especially when it comes to open criticism of the government. New anti-terror legislation makes it possible to hold people in provisional detention for a considerable time without any form of trial. Capital punishment, which is still in force in Malaysia, is also a matter of concern. There are also limits imposed on LGBT rights. However, given the end use (data communication between patrol vessels) and the end user (the Malaysian navy), it is extremely unlikely that these systems will have a negative effect on these points of concern.

Regional stability (criterion 4)

The South China Sea has been the site of various maritime disputes for some time, and Malaysia is one of the countries involved. For example, Malaysia has laid claim to a number of islands which have also been claimed by other countries in the region. However, Malaysia is not involved in any armed conflict, and it attempts to resolve international disputes by legal means via institutions like the International Court of Justice and the Permanent Court of Arbitration. Moreover, Malaysia's current investment in its navy mainly falls under the heading of modernisation and the replacement of old equipment, and is comparable to what is being done by other countries in the region.

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Arms export policy

No. 291

LETTER FROM THE MINISTERS FOR FOREIGN TRADE AND DEVELOPMENT COOPERATION (LILIANNE PLOUMEN) AND OF FOREIGN AFFAIRS (BERT KOENDERS)

To the President of the House of Representatives of
the States General

The Hague, 16 October 2017

In accordance with the letter of 10 June 2011
announcing a stricter arms export policy
(Parliamentary Papers, 2010-2011, 22 054, no. 165)
and the motion submitted by MP Arjan El Fassed
and others on 22 December 2011 on lowering to €2
million the threshold triggering the accelerated
parliamentary notification procedure for certain arms
export licence applications (Parliamentary Papers,
2011-2012, 22 054, no. 181), the government
wishes to present the following information
concerning a licence worth €76,460,000 issued by
the Netherlands for the export of military equipment
to Jordan.

The Ministry of Defence submitted a licence
application for the permanent export of surplus
defence equipment (i.e. 15 F-16s) to Jordan. The
application relates to a contract agreed in 2013
(2013/13-HA). The House was informed about this

contract by letter of 25 September 2013 (Parliamentary Papers 22 054, no. 232).

The matter was also discussed with the House during the debate between the permanent parliamentary committee on foreign trade and development cooperation and the undersigned ministers on 25 October 2016 (Parliamentary Papers 22 054, no. 280) .

The licence application was reviewed against the eight criteria of the EU Common Position on Arms Exports.¹ The most relevant parts of this assessment, which resulted in the approval of the application, are summarised below.

¹ GS 2008/944 of 8 December 2008.

Human rights (criterion 2): positive

The human rights situation in Jordan is regarded as better than that of most countries in the region. This does not mean, however, that concerns do not exist. There have been incidents surrounding the mistreatment of prisoners, incidents concerning the violation of the rights of Palestinian refugees, restrictions on democratic freedoms (freedom of the press, freedom of expression and freedom of assembly) and the use of capital punishment. According to a report issued by Human Rights Watch in January 2016, Jordan has not implemented all the reforms it had promised. However, the Jordanian armed forces are not linked to any of these concerns. Jordan is also involved in the Saudi-led intervention in Yemen. The Ministry of Foreign Affairs has received written guarantees that the Dutch F-16s will not be deployed in operations in Yemen. The same applies to other defence equipment that has been sold to Jordan by the Netherlands.

Internal conflicts (criterion 3): positive

Despite the turbulence in the region, the internal situation in Jordan is relatively stable. The government does its best to maintain peace and order, and the risk of internal conflict is slight. There are increased tensions as a result of the growing number refugees, but so far this not led to violence. Although heated demonstrations have been known to occur, they are generally not violent. In recent years the Jordanian armed forces have not been deployed to contain demonstrations. It is therefore highly unlikely that the military aircraft in question will be deployed against the Jordanian people.

Regional stability (criterion 4): positive

Jordan plays an important stabilising role in the region, for instance in the Israeli-Palestinian talks. Jordan is also a military ally of the Netherlands and a member of the broader international coalition against ISIS. Given Jordan's participation in the anti-ISIS coalition and the increased regional instability, Jordan has legitimate security requirements. In addition, Jordan has said that it needs the Dutch F-16s to protect its own national border.

Risk of diversion (criterion 7): **positive**

The goods are meant for the Jordanian air force. The risk of diversion is therefore slight. Moreover, it is a stipulation of the contract that any sale of the aircraft to other parties would require the consent of the Netherlands and the United States.