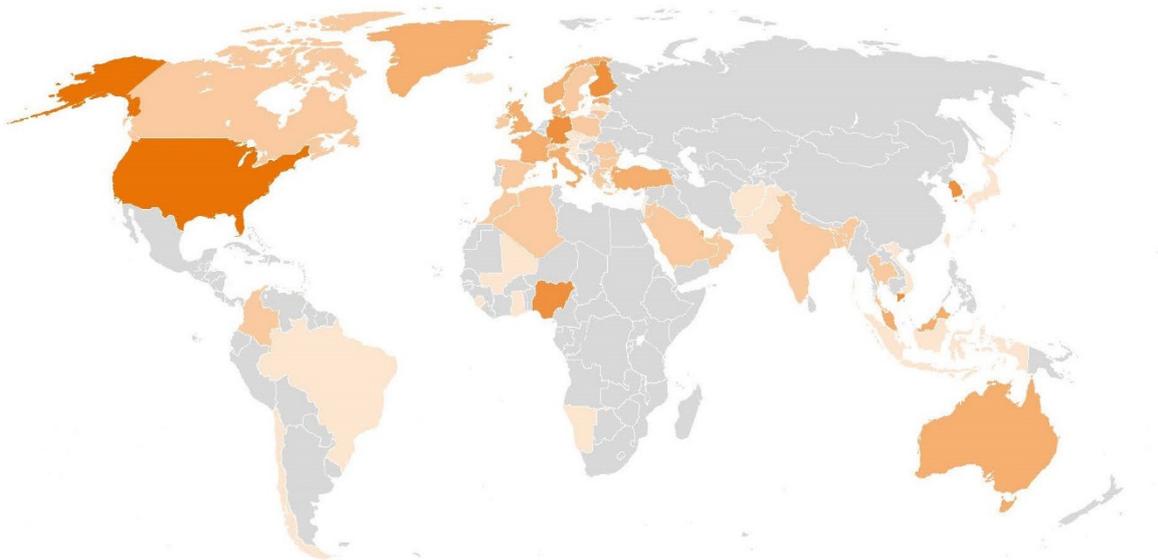


Dutch Arms Export Policy in 2019

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



September 2020

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1. Introduction

The present report on Dutch arms export policy in 2019 is the 23rd annual report drawn up in accordance with the policy memorandum of 27 February 1998 on greater transparency in the reporting procedure on exports of military goods (Parliamentary Paper 22 054, no. 30). The report comprises:

Introduction and background

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

Export statistics for 2019

3. a [quantitative overview](#) of Dutch arms exports in 2019;

Relevant developments

4. developments regarding [transparency](#);
5. relevant developments in the EU regarding [arms export policy](#) and [dual-use export policy](#);
6. at international level, regarding the [Arms Trade Treaty](#), the [Wassenaar Arrangement](#) and in [other export control regimes](#) (for dual-use goods).

In contrast to previous editions, the focus of this report is entirely on export control, and the sections on arms control have therefore been omitted. Parliament will be informed separately about relevant developments in the area of arms control.

The report has eight annexes:

[Annexe 1](#) lists the values of export licences issued in 2019 by category of military goods and by country of final destination.

[Annexe 2](#) shows the trends in Dutch arms export.

[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 and sondage applications for military goods denied by the Netherlands.

[Annexe 6](#) provides an overview of the sale of surplus defence equipment in 2019.

[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](#) lists the letters and replies to written questions sent to the House of Representatives in 2019 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 and security 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 71% of revenue comes from exports.

A new study, conducted by Triarii at the request of the Ministry of Economic Affairs, was released in 2019, presenting quantitative data on the defence- and security-related sectors. This data was voluntarily shared by the companies in question. In accordance with the undertaking given at the parliamentary committee meeting of 5 September 2019 with the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation on arms export control, the House of Representatives was informed about this in writing on 7 January 2020.¹

Table 1 compares the key figures from this study to previous data. The data from the most recent study relates to the year 2017. The previous figures are from 2010 and 2014.

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

	2010	2014	2017
Number of companies	286	354	342
Defence- and security-related turnover	€3.10 billion	€4.54 billion	€5.01 billion
Defence- and security-related turnover as a percentage of total turnover of defence- and security-related companies	7%	15%	12%
Defence- and security-related exports	€2.18 billion	€3.09 billion	€3.58 billion
Number of jobs in the defence- and security-related industry	14,420	24,800	19,247
Number of those jobs related to R&D	4,554 (32%)	7,995 (32%)	7,364 (38%)

Source: Triarii (2019)

The Dutch defence and security industry comprises around 342 companies. In 2017 these companies accounted for approximately 110,000 jobs, across the whole range of their activities (for the civilian market as well as the defence and security sectors). Of these jobs, 19,247 were specifically related to activities in the field of defence and security. This is a decline in relation to the previous report from 2016 (24,800). The study offers two possible explanations for this: (i) there is a lag between the rise in turnover and the growth in the number of jobs; and (ii) in comparison to the previous study, the survey population consists, on average, of smaller firms, partly due to the break-up of larger companies. This can have an influence on employment data. The businesses surveyed for the study were largely optimistic about the employment trend in their sector for the next two years.

¹ Parliamentary Paper 31 125, no. 109, 7 January 2020.

In 2017 the Dutch defence and security industry generated €5.01 billion in sales. This represents 0.69% of Dutch GDP. The volume of business in the industry rose by nearly 10% in relation to the previous survey in 2014, keeping pace with the Dutch economy as a whole. Defence- and security-related turnover represents an average share of approximately 12% of the total turnover of the companies and organisations concerned, most of which engage primarily in civilian activities. This share has declined slightly since the previous survey. Only a few of these companies concentrate almost exclusively on the defence market.

Compared to the previous survey, the importance of research and development has increased: the level of R&D intensity has risen from 32% to 38%. Around 55% of staff have attended university or an institution of higher professional education. The corresponding figure for the Netherlands as a whole is 30%. The sector is of major importance to the Dutch economy because of its great capacity for innovation. The industry's development of high-value knowledge and product innovations often generate new economic activity in both the military and civilian sectors. According to the study, in 75% of the companies surveyed, knowledge development has led to new products for the defence and security market, and in 70% of the companies it has resulted in new products for the civilian market. The companies surveyed in the Dutch defence and security industry see themselves as being in a good position to compete with foreign businesses, though when it comes to the European defence market, they do expect to face increasing competition and concentration in the years ahead.

Approximately €3.58 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 classified as military exports. Military exports have also risen, by around €0.6 billion (16%), since the previous survey. Exports rose more than turnover: between 2014 and 2017 the percentage of industry turnover accounted for by exports increased from 68% to 71%. The industry's main national markets are the Netherlands, Germany, the UK and the US. Its most important emerging market is Asia.

By working closely with the various branches of the armed forces, the sector contributes directly to the operational deployability of the Dutch armed forces and, by extension, to the standing and effectiveness of the Netherlands' contributions to international missions. According to the Triarii study (2019), the Ministry of Defence was, as of 2017, the biggest customer of the Dutch defence and security sector, as it had been in 2010 and 2014.

Government 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 updated Defence Industry Strategy (DIS) that was presented to the House of Representatives in November 2018.² The DIS focuses explicitly on more active export policy and on trade promotion. The government supports

² House of Representatives, 2018-2019, 31 125, no. 92.

Dutch companies – including SMEs and startups – for example by supporting their participation in international trade fairs for the defence and security industry. The diplomatic network is also being deployed more actively to promote trade. This is also important in relation to European initiatives (the European Defence Fund, the European Defence Action Plan (EDAP) and Permanent Structural Cooperation (PESCO)); export policy helps determine whether Dutch companies join international consortia. Obviously, Dutch export policy will remain in full effect, and an advance assessment will always be made of whether there is a risk that a potential trading partner is using equipment or knowledge in an undesirable way, for example to violate human rights or heighten domestic or regional instability.

Because the domestic market is too small to support the available expertise, the government also encourages 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.

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

The sector consists largely of small and medium-sized enterprises that generally operate in the supply chains of 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.

3. Procedures and principles

3.1 Procedures

General

Export licences for military and dual-use goods are issued on the basis of the General Customs Act (*Algemene Douanewet*) and the associated export control regulations.

Companies or persons seeking to export goods or technology that appear on the Common Military List of the European Union³ or in the EU Dual-Use Regulation⁴ 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 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.

Military goods

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 Exports,⁵ 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 equipment by 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 weapon 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.⁶

Dual-use goods

The licensing procedure for the export of dual-use goods is largely the same. The main difference is that applications are not reviewed on the basis of the eight criteria of the EU's Common Position on Arms Exports, but on the basis of the criteria set down in the EU Dual-Use Regulation. For each application, a risk assessment is made with regard to the likelihood of undesirable end use, on the basis of factors like the nature of the goods in question, the plausibility of the stated end use, the end user and the country of destination. The

³ [https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52020XG0313\(07\)&from=EN](https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52020XG0313(07)&from=EN).

⁴ <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:02009R0428-20171216&from=EN>

⁵ 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:nl:PDF>.

⁶ <https://zoek.officielebekendmakingen.nl/kst-22054-129.html>

authorities also examine UN and EU decisions with regard to the country in question, on matters like sanctions and embargoes. With the help of an assessment framework, this determination leads to a decision about whether to grant or deny the licence application. 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. Applications for the export of dual-use goods to countries that are members of the four international export control regimes are generally dealt with by the CDIU. These countries subscribe to the same principles as the Netherlands with regard to trade in these sensitive goods. For some less sensitive goods or final destinations, it is possible to use a Union or national export licence. In such cases there is no review at transaction level, though there is a registration and archiving requirement.

3.2 Changes in 2019

Yemen

Dutch export control policy has a presumption of denial in place for both Saudi Arabia and the United Arab Emirates. 'Presumption of denial' means that no export licence for military or dual-use goods with military end use will be issued for these countries of final destination unless it can be incontrovertibly demonstrated that these goods will not be used in the conflict in Yemen. This more restrictive policy was prompted by the conclusion of the Group of Independent Eminent International and Regional Experts on Yemen that the armed forces of Saudi Arabia and the UAE can be held responsible for the violations of international humanitarian law in the Yemen conflict.⁷

There has been a presumption of denial in effect for deliveries to the Royal Saudi Land Forces and Air Force since 2016. As of November 2018 this presumption was expanded to include the UAE and Egypt and extends to all services of the armed forces (i.e. not just the army and air force but also the navy). In 2019, new information about the possible involvement of the Egyptian navy in the operation in Yemen suggested that Egyptian ships were being deployed in the Bab-el-Mandeb Strait in order to secure the waterways around the Suez Canal for commercial traffic. It therefore cannot be necessarily assumed that Egypt bears some of the responsibility for the de facto maritime blockade of Yemen and for violations of human rights and international humanitarian law in Yemen. This is why the presumption-of-denial policy was lifted for Egypt in July 2019.⁸

The conflict in Yemen also prompted amendments to the ministerial order on general transit licence NL007. This order relates to the transit of most military goods from the territory of allies (EU member states and NATO Allies, plus Australia, New Zealand, Japan and Switzerland). The order does not apply to firearms, ammunition and complete systems. In July 2016 general transit licence NL007 was amended so that it could no longer be used for shipments with Yemen, Saudi Arabia, the UAE or Qatar as the final destination. Because Qatar had gradually withdrawn from the conflict while Egypt, by contrast, had stationed naval ships off the coast of Yemen, NL007 was amended once again, in February 2019, replacing Qatar with Egypt as one of the destinations for which the general transit licence cannot be used.

⁷ <https://www.ohchr.org/EN/HRBodies/HRC/YemenGEE/Pages/Index.aspx>.

⁸ Parliamentary Paper 22 541, no. 312.

Turkey

On 11 October 2019, in response to the Turkish operation in northern Syria, the Dutch government decided to tighten its arms export policy with respect to Turkey. Until further notice, all new licence applications for the export of military goods with Turkey as the final destination will be put on hold, and no new licences will be issued. This policy applies only to military goods and dual-use goods with a military end use.

Within the EU the Netherlands has also advocated a Union-wide arms embargo against Turkey, but there was insufficient support. That said, at the Foreign Affairs Council meeting of 14 October 2019 the EU foreign ministers did commit to a restrictive arms export policy for Turkey, and particularly to the requirement that no export licences may be issued if there is a clear risk that the transaction could contribute to regional instability (criterion 4 of the EU Common Position on Arms Exports).⁹ The implementation of these agreements is coordinated in the Council Working Party on Conventional Arms Export (COARM). This issue has been discussed in several successive meetings of COARM.

On 26 November 2019 the stricter policy for Turkey was fleshed out further in a number of respects (Parliamentary Paper 22 054, no. 316):

- The policy applies to all licences with Turkey as the final destination. Licence applications for goods that will be shipped through Turkey to another final destination will be assessed, in the usual way, against the eight criteria of the EU Common Position.
- Turkey will be removed from the list of countries of possible final destination for a general licence.
- For shipments arising from previously delivered goods (e.g. maintenance, replacement and repairs), a presumption of denial will apply. If it can be incontrovertibly shown that these goods will not be used in Syria, the licences for such shipments will be assessed, in the usual way, against the eight criteria of the EU Common Position.
- Companies that have a valid licence for Turkey that was issued before the change in policy for goods that could possibly be used in Syria will be asked to voluntarily refrain from using this licence.

The stricter policy will be subject to regular review, partly in light of developments in the region. If developments should warrant it, the policy will be re-examined. The Netherlands will work closely with its EU partners to coordinate the policy.

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, the end user and the intended end use. 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

⁹ <https://www.consilium.europa.eu/en/press/press-releases/2019/10/14/council-conclusions-on-north-east-syria/>.

common rules governing control of exports of military technology and equipment.¹⁰ The eight criteria are summarised in the inset below:

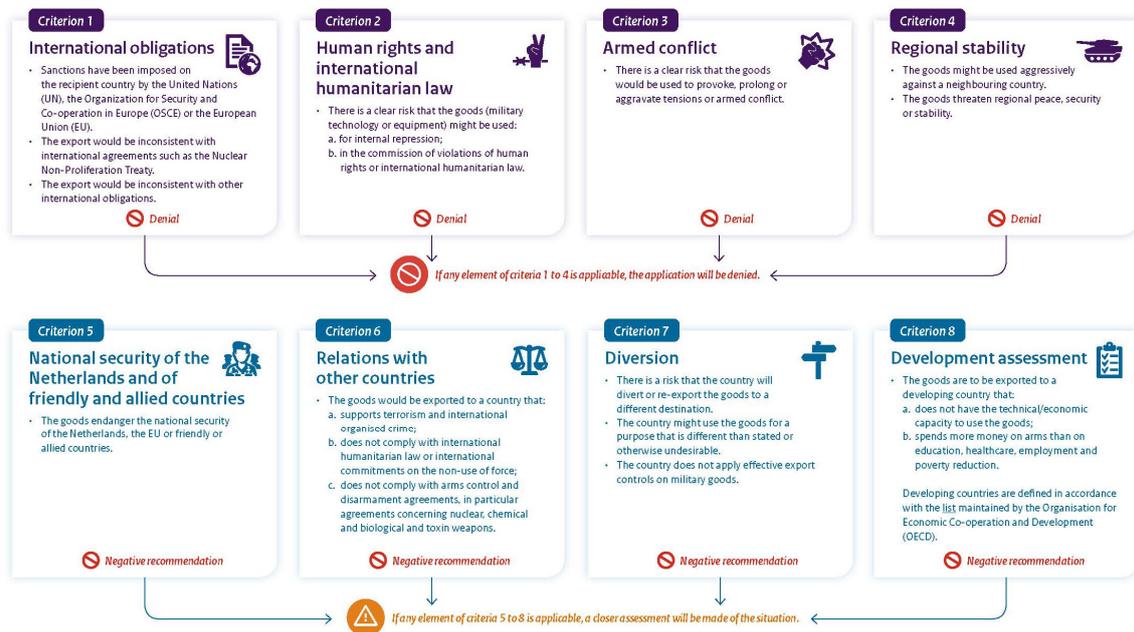


Figure 1, Eight criteria of the Common Position 2008/944/CFSP.

The eight criteria read as follows, in summary:

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.

¹⁰Official 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>

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, Georgia, Iceland, Montenegro, North Macedonia and Norway have officially endorsed the criteria and principles of the Common Position. In 2017 Norway became part of the COARM online denial database, making it a participant in information exchanges between EU member states about denied licence applications and the consultations that are conducted through this system.

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.¹¹ The EU has a similar overview available online.¹² 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.

¹¹ <https://www.rijksoverheid.nl/documenten/rapporten/2020/07/06/sanctieregelingen---stand-van-zaken-19-juni-2020>

¹² http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures_en.pdf.

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, which are fulfilled by way of this report, the Netherlands publishes monthly overviews with key information about all export licences issued for military and dual-use goods, and key information about the transit of military goods across Dutch territory. This data is derived from notifications submitted to the Central Import and Export Office (CDIU) under the reporting requirement for such transit shipments. The government has put links to all the various national and international reports drawn up by the Netherlands on this subject on its web portal.¹³

The present report on Dutch arms export policy in 2019 is the 23rd annual report since the policy memorandum of February 1998 on greater transparency in the reporting procedure on exports of military goods (Parliamentary Paper 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 denials by the Netherlands regarding licences and sondages (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.¹⁴ The Netherlands still ranks among the most transparent of these countries. The Small Arms Trade Transparency Barometer 2019 lists the Netherlands in second place and gives it one of the highest scores in the category 'comprehensiveness' (scope of reports, including transit, temporary export, etc.).¹⁵ In addition, for a number of years the Netherlands has supported the Arms Trade Treaty (ATT) Monitor, which surveys how many countries fulfil their reporting obligations with regard to arms exports.¹⁶ At the UN the Netherlands sponsored a resolution that seeks to draw attention to transparency and openness in this area (see also section 9.5).

¹³ <https://www.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/rapportages-dual-use-en-militaire-goederen>

¹⁴ SIPRI Yearbook 2015.

¹⁵ <http://www.smallarmssurvey.org/fileadmin/docs/S-Trade-Update/SAS-Trade-Update-2019.pdf>.

¹⁶ <https://attmonitor.org/>.

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. There were two transactions in the 2019 reporting year that qualified for accelerated parliamentary notification. In one case the House was erroneously not notified within the agreed time frame due to an omission in the Ministry's internal communication procedure. As soon as this oversight was discovered, the letter was sent (Parliamentary Paper 22 054, no. 326). The two letters appear in Annexe 8.

4.2 Trade in dual-use goods

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

4.3 Procedures

In addition to the present report on Dutch exports of military goods in 2019, 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 at www.rijksoverheid.nl/exportcontrole. 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.

5. Dutch arms export in 2019

Arms Export Licences for 2019

In 2019 the value of arms export licences amounted to € 923 million.

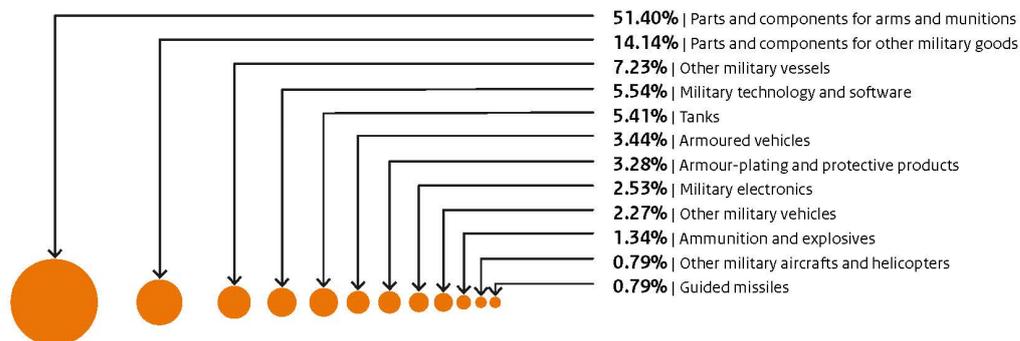
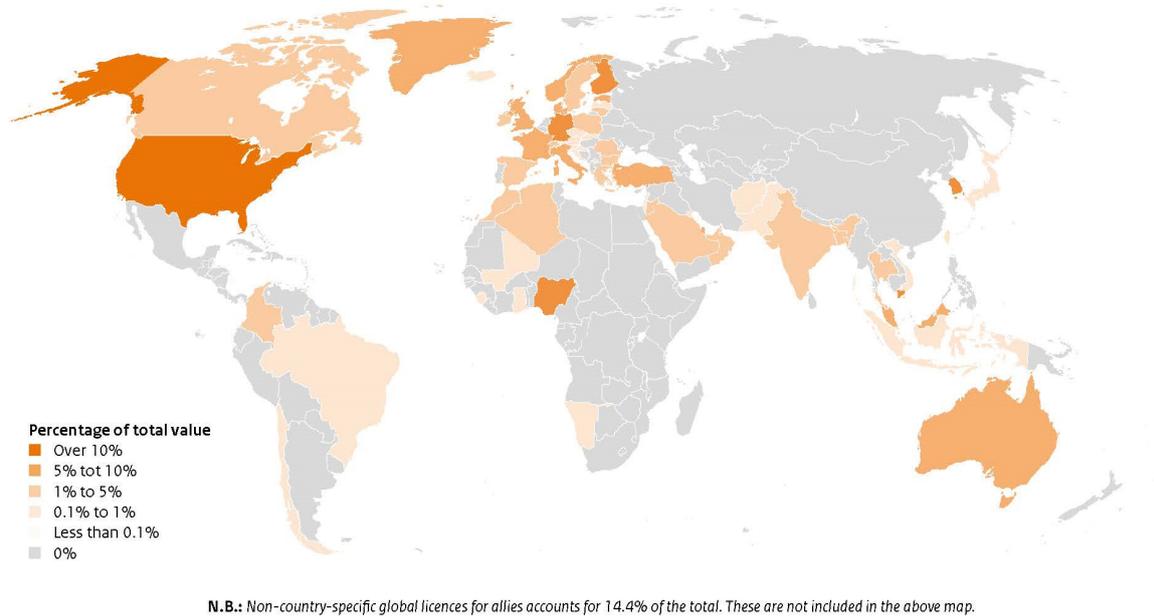


Figure 2, Overview of licences issued, broken down by final destination and type of good

The total value of licences issued in 2019 was €923.00 million (rounded to two decimal places). This is more than the previous year, when the figure was €750.93 million. The following table provides a regional breakdown of licences issued in 2019. 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.¹⁷

¹⁷ 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 of €)	Share of total (%)
North Africa	6.83	1%
Sub-Saharan Africa	67.26	7%
North America	273.07	30%
Central America and the Caribbean	0.27	0%
South America	2.03	0%
Central Asia	-	-
Northeast Asia	49.93	5%
Southeast Asia	15.84	2%
South Asia	9.59	1%
European Union	226.99	25%
Other European countries	42.94	5%
Middle East	33.47	4%
Oceania	11.54	1%
Global basis	0.66	0%
Other EU/NATO+	182.53	20%
< €10,000	0.04	0%
Total	923	

Among the top five countries of final destination in terms of total export licence values, the US ranks first, with a value of €271 million, relating primarily to licences for deliveries to producers of military aircraft.

In second place is the EU/NATO+ (€183 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.

It is followed, in third place, by Germany, with a value of €88 million. Much of this is made up of deliveries of parts and components for German producers of military vehicles.

In fourth place is Nigeria (€67 million). This is accounted for by the delivery of a landing ship to the Nigerian navy. The ship will be deployed for patrol tasks, the protection of the country's territorial waters and its Exclusive Economic Zone, counterpiracy and anti-smuggling activities, the inspection of fishing vessels, and non-offensive military tasks like emergency aid, the evacuation of civilians and logistical support.

In fifth place is Finland (€51 million), which is almost entirely accounted for by the delivery of surplus Leopard II tanks and component parts by the Ministry of Defence.

In 2019, 77% of the Netherlands' exports of military goods consisted of components.

In 2019, licences were also issued for system deliveries to Qatar, a country of final destination that is not an ally, specifically communication systems, including software, equipment, testing and measuring devices and associated services (€8.53 million). In addition, surplus defence materiel (50 DAF trucks, 10 tracked armoured infantry vehicles, 200 generators, 50 containers and spare parts and tools for the armoured vehicles and spare parts for the trucks) was sold to the armed forces of a non-ally, Jordan (€2.71 million). The House of Representatives was informed of this delivery through the accelerated notification procedure. The relevant letters appear in Annexe 8.

The total value of export licences for military goods accounted for just over 0.15% of the total value of Dutch exports in 2019 (€516.02 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.

Spotlight on international trends

On 9 March the Stockholm International Peace Research Initiative (SIPRI) released a report on trends in global arms exports between 2015 and 2019.

During that period the report noted a 20% increase in the volume of the global arms trade in comparison to the 2005-2009 period, resulting in the highest arms trade volume since the Cold War. The rising demand for weapons is due largely to conflicts in the Middle East and Asia.

The three largest arms exporters between 2015 and 2019 were the US, Russia and France, which accounted for 36%, 21% and 7.9% of global arms exports, respectively. Previously, for the 2010-2014 period, China had occupied the third place, now held by France. The three biggest importers of arms for the 2015-2019 period were Saudi Arabia, India and Egypt, which accounted for 12%, 9.2% and 5.8% of global arms imports, respectively.

During that period, as in the previous survey, the Netherlands was the 11th largest arms exporter in the world (with 1.9% of global exports) and ranked 38th for arms imports (0.6% of global imports).

5.2 Licence application denials

In 2019 a total of 20 applications for export licences for military goods were denied. The full overview of denied applications can be found in Annexe 5. The graphs below show the distribution of the denied applications based on the country of final destination and on the reason for the denial.

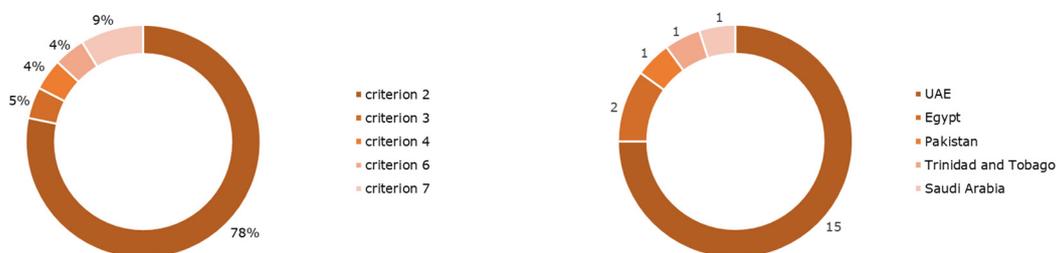


Figure 3, Licence application denials for 2019, on the basis of the reason for the denial and the final destination.

Nearly 80% of the applications were denied on the basis of criterion 2: respect for human rights in the country of final destination and observance of international humanitarian law by that country. A large percentage of the denials resulted from the particularly strict standards adopted in response to the Saudi-led intervention in Yemen. The other denied applications related to Pakistan, Egypt and Trinidad and Tobago. The geographic spread of the denials over the 2004-2019 period is depicted in the graphic below. The data for 2019 alone is not significantly different from what is shown here. Two of the licence application denials related to transshipments.

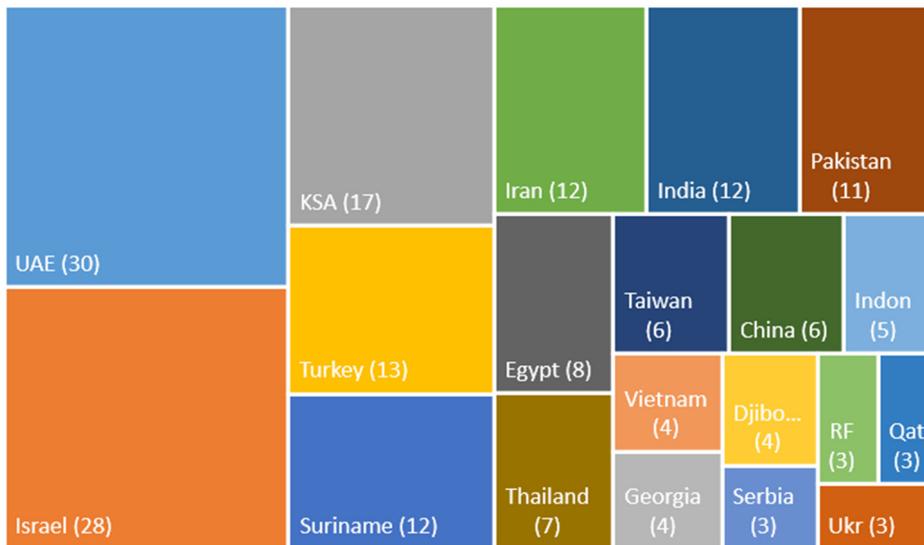


Figure 4, Top 25 licence application denials for 2004-2019 based on country of destination.

The number of licence application denials for 2019 (20) was similar to the corresponding figure for previous years (2018 (19); 2017 (15); 2016 (28); 2015 (15); 2014 (4)). The graph below illustrates, for reference purposes, the percentage of licence application denials versus the total number of applications for the 2004-2019 period.¹⁸ In 2019 two sondages (preliminary applications) were also denied. Sondages give companies an indication in an early stage of contract negotiations whether the planned transaction will be eligible for an export licence. The assessments for a sondage proceed in the same way as those for a regular export licence. For the actual transaction (i.e. for delivery), a regular licence will nevertheless have to be applied for.

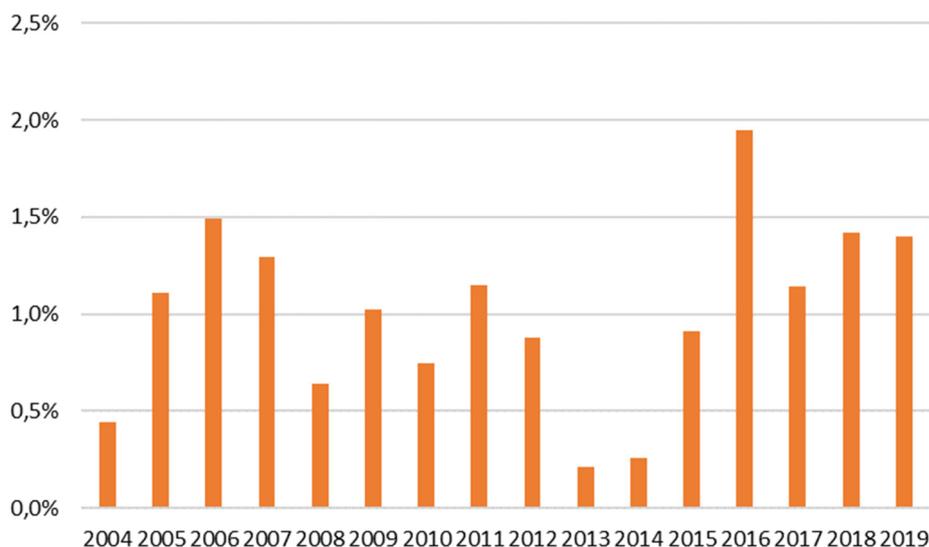


Figure 5, Denial rate, 2004-2019.

¹⁸ The number of application denials is expressed as a percentage of the total number of licence applications. This includes the licences applied for where the country of final destination is an EU/NAVO+ member state. These applications are handled independently by the CDIU (see section 3.1). Applications listing EU/NAVO+ countries as the final destination form around 79% of the overall number.

6. Relevant developments in the European Union

6.1 Council Working Party on Conventional Arms Exports (COARM)

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 2008.¹⁹

EU positions on the UN Arms Trade Treaty

The COARM meetings in 2019 focused chiefly on preparations for the fifth Conference of States Parties (Geneva, 26-30 August 2019) to the UN Arms Trade Treaty (ATT). For example, a démarche was organised from the EU to a number of Asian countries to underscore the importance of acceding to the Treaty. The Netherlands contributed to these efforts. Dutch positions on the ATT are described in greater detail in section 9.4.

Amending the Common Position

The evaluation of the implementation of the EU Common Position on Arms Exports and the achievement of its aims was completed in 2019. The Netherlands played an active role on this front, including by chairing one of the four working parties. The amended Common Position was published in September 2019. The House of Representatives was informed about this in writing in November 2019 (Parliamentary Paper 22 054, no. 315). As already stated in the 2018 annual report, most EU member states are satisfied with the current Common Position, and there was little interest in further developing it and harmonising its implementation. There was no support for example for the addition of a separate criterion concerning anti-corruption measures (in line with the motion submitted by MP Sadet Karabulut) or one concerning democracy along Swedish lines. Thanks in part to the Netherlands' efforts, more attention is however being paid to corruption in the revised user's guide that accompanies the Common Position. In addition, in the amendment process, members states committed to a timely EU-wide report on licences issued for the export of military goods. At the initiative of the Netherlands (and others), the Council Conclusions accompanying the amended Common Position affirm that the Common Position aims for a high common standard for its implementation and that the Council will continue to press for maximum convergence between member states in the area of arms control.

In addition to amending the Common Position, COARM also decided on an agenda for future work. For example, member states have agreed to continue working to promote transparency on trade in military goods and to strengthen the European technological and

¹⁹ <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:02008E0944-20190917&from=EN>.

industrial base in the defence sector within the framework of the Common Defence and Security Policy.

The Common Position will be re-examined once again in 2024.

EU outreach activities

COARM also regularly discusses various joint outreach activities through the EU, which seek to help develop knowledge and build policy, legislation and institutions in the area of export control in partner countries. In 2019 the EU decided to continue its support for the iTrace programme: a global reporting and tracing mechanism that helps determine the country of origin of illegal conventional weapons and ammunition, so as to limit the risk that they could be diverted or illegally transferred.²⁰ In addition, a discussion was initiated in 2019 about continuing the COARM outreach programme aimed at raising awareness of the EU Common Position in European Neighbourhood Policy countries. The current programme is scheduled to conclude in mid-2020, and a decision is expected to be made in the autumn of 2020 about whether it will be continued. Experts from the Precursors, Origin, Strategic Goods and Sanctions Legislation (POSS) team of the Dutch customs administration regularly contribute to EU outreach programmes. In September 2019, for example, a delegation from the Filipino export control authorities paid a working visit of several days to the Port of Rotterdam, as part of the EU's ATT outreach programme. This programme focuses on countries that need assistance in implementing the Arms Trade Treaty. During this visit the Filipino delegation was given training in the applicable legislation and Dutch practices with regard to the enforcement of export controls on strategic goods. Finally, a Council Decision was adopted on further dialogue and cooperation between Europe, Africa and China on preventing the diversion of arms and ammunition in Africa.²¹ In this project a joint, non-governmental working group of experts will be established to raise awareness of, boost involvement in and encourage international cooperation on preventing the diversion of arms and ammunition in Africa.

EU exchanges of policy and practices

As in previous years, COARM discussed various specific destinations, such as the countries involved in the Yemen conflict, as well as India, Pakistan, Ukraine, Russia, Uganda, Turkey and Libya. On the basis of the Foreign Affairs Council conclusions of 14 October 2019 in which the member states committed themselves to a restrictive arms export policy for Turkey, export control policy with regard to Turkey has been a regular item on COARM's agenda.

COARM has also shared experiences and best practices on matters other than sensitive destinations. These include issues like which goods should be designated military goods (i.e. categorisation), the explanation and enforcement of arms embargoes, relevant developments in national policy such as the bilateral agreement between France and Germany on arms exports control²² or the promotion of exports for the security and defence

²⁰ <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:32019D2191&from=EN>.

²¹ <https://op.europa.eu/en/publication-detail/-/publication/dab9d605-b4f5-11e9-9d01-01aa75ed71a1/language-en/format-HTML>.

²² <https://www.bmwi.de/Redaktion/DE/Meldung/2019/20191025-ausfuhrkontrollen-im-ruestungsbereich.html>.

industry. In 2019 COARM also discussed European issues from other Council working parties whose work overlaps with that of COARM, such as the European Defence Fund and the European Peace Facility. The House has been informed about general Dutch efforts in these areas by the Working Group for the Assessment of New Commission Proposals (BNC) and in meetings between the relevant parliamentary committee and the ministers in question.²³ With regard to arms exports in particular, the Ministry has stated that it will support European partnerships to develop new technology or goods in the framework of the European Defence Fund by preventing double export controls within the EU by means of a general licence. This kind of simplification, by way of a general licence, is already in use for the F-35. With respect to the European Peace Facility, the proposal provides for the option of delivering military goods to partners. The Netherlands believes that a decision to finance such measures requires careful consideration. Certain prerequisites should be put in place, such as adequate safeguards for the involvement of all member states in the decision-making process on such issues, sound conflict and risk analyses (with a focus on human rights and due regard for relevant UN resolutions), any conditions the EU wishes to apply, and modalities for monitoring, reporting and necessary modifications. The Netherlands is working towards these ends. In this connection the Netherlands is financing further research during the 2019-2020 period by the UN Institute for Disarmament Research (UNIDIR) into the better integration of export control issues into conflict prevention and conflict management. The negotiations on the European Peace Facility are still ongoing and expected to be completed in 2020.

The Netherlands is actively involved in promoting European coordination on the above issues. A considerable number of the topics concerned were put on the agenda by the Netherlands. The Netherlands is a strong proponent of further harmonisation at EU level, as long as it leads to a 'race to the top' rather than the opposite.

EU coordination with stakeholders

Finally, COARM regularly consults with stakeholders. In October 2019 a meeting of COARM was held with European business representatives. In May 2019 a joint session was held with NGOs. In addition, various consultations were held over the course of 2019 between COARM and the president of the Arms Trade Treaty, the US, representatives from the European Parliament and the chair of the Working Party on Dual-Use Goods.

6.2 EU annual report for arms export for 2019

On 31 November 2019 the Council adopted the EU's 21st annual report on arms exports,²⁴ 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 2018.²⁵ It remains a challenge for the 28 member states to all have their reports ready in time. In the review of the Common Position in 2019 a clear, binding deadline was agreed by which time the member states would deliver the necessary data. The goal is a more uniform and

²³ Parliamentary Paper 22 112 no. 2676 (EDF) and Parliamentary Paper 22 112, no. 2681 (EPF).

²⁴ https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1578060003872&uri=OJ:JOC_2019_437_R_0001.

²⁵ Unlike the present report, the EU report does not cover 2019.

timely delivery of the data and thus a better and more up-to-date publication. The Netherlands remains committed to this goal.

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.

The EU's annual report also includes separate tables summarising exports to international missions (UN missions). Finally, it lists the number of brokering licences issued and denied and the number of consultations initiated and received by EU partners.

In 2018 the total value of export licences issued by EU member states was **€169.1 billion**. France was the largest exporter, accounting for €135.6 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 (for which licences are issued) is surely lower. The Netherlands was in 11th place in the EU in 2018. This is one place lower than in 2017 when Dutch exports amounted to €805 million. The following table lists the total value of licences issued in 2018 by country and each country's share of the total.

Table 3, European arms exports in 2018

Country	Value of licences issued	Share of total (%)
France	€135,640,570,061	80.23%
Spain	€11,403,946,810	6.75%
Germany	€4,824,416,573	2.85%
Italy	€4,778,921,065	2.83%
United Kingdom	€3,161,110,432	1.87%
Poland	€1,556,684,698	0.92%
Austria	€1,514,660,820	0.90%
Belgium	€1,163,573,321	0.69%
Bulgaria	€1,047,921,494	0.62%
Sweden	€824,752,587	0.49%
The Netherlands	€642,816,782	0.38%
Hungary	€396,252,902	0.23%
Czech Republic	€390,102,790	0.23%
Croatia	€381,515,963	0.23%
Denmark	€265,732,423	0.16%
Romania	€204,156,314	0.12%
Slovakia	€188,859,730	0.11%
Finland	€175,525,044	0.10%
Portugal	€171,866,731	0.10%
Greece	€132,748,511	0.08%
Slovenia	€64,540,489	0.4%
Lithuania	€44,740,598	0.03%
Estonia	€37,041,444	0.02%
Ireland	€32,510,305	0.02%
Latvia	€10,991,620	0.01%
Cyprus	€1,503,633	0.00%
Malta	€230.340	0.00%
Luxembourg	€148.061	0.00%
Total	€169,057,841,541	

Note The value of the licences issued by the Netherlands in 2018 as stated in the EU report differs from those in the national report. This is because the EU report does not take account of the value of global licences.

The EU's annual report further indicates that member states issued a total of 39,323 licences and that 301 licence applications were denied and notified. This number of denied application is slightly lower than in 2016 (318) and 2017 (314). Figure 6 shows the denial rate reported by various EU member states. Not all EU members denied licence applications or release the percentage of applications that have been denied.

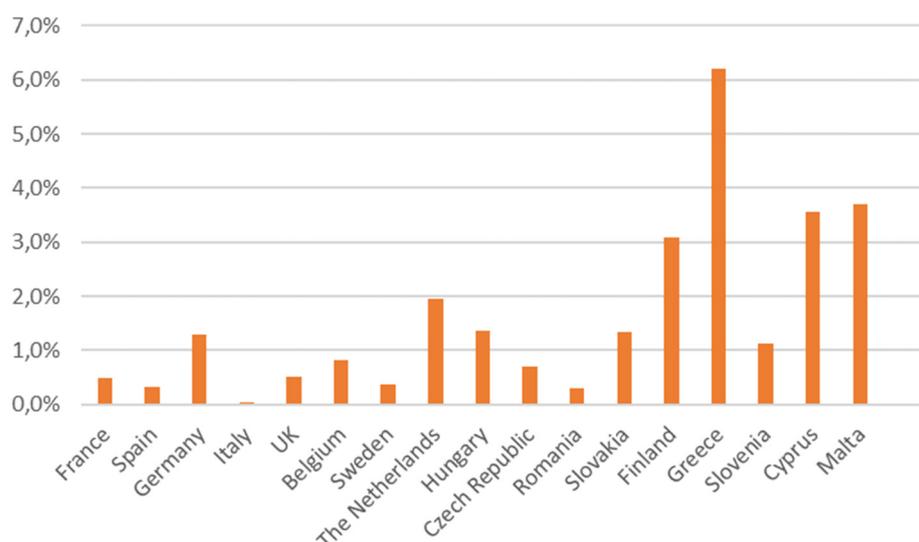


Figure 6, Denial rate in various EU countries in 2018.

There were a total of 100 consultations between EU member states regarding licence denials. This is a decrease from the previous year (137). In 2018 the Netherlands was involved in a total of 17 consultations. Seven of these were initiated by the Netherlands, and on 10 occasions the Netherlands was consulted by other member states. In 2019 the Netherlands was involved in 22 consultations, 11 of which on its own initiative and 11 on the initiative of another member state.

6.3 Council Working Party on Dual-Use Goods

After the European Commission published a proposal on amending the Dual-Use Regulation on 28 September 2016, the first reading of the individual articles was completed in 2017, and a more in-depth review of the specific texts on a theme-by-theme basis was conducted in 2018. In June 2019 the Council agreed a mandate. Despite pressure from certain states, particularly the Netherlands, there was no majority in the Council for including cyber surveillance technology as part of the Dual-Use Regulation in the mandate. During the ongoing negotiations in the second half of 2019 on the revision of the EU Dual-Use Regulation between the Council, the Commission and the European Parliament, the Netherlands continued to push for the inclusion of cyber surveillance in relation to preventing human rights violations in the text of the Regulation. This means that the Netherlands continued to put this issue on the agenda of the Council Working Party and that it had bilateral contacts with EU member states to find solutions that are acceptable to the Council. However, the Council continued to be divided on this issue in 2019. This is partly due to the complexity of the issue, which is not easily captured in a simple definition, owing in part to the rapidity of technological developments.

Parallel to the discussion in Brussels, a major step was taken in the Wassenaar Arrangement (WA) in late 2019. In addition to cyber surveillance goods that were already subject to controls, it was decided to incorporate cyber surveillance programs in the export control regime, including centres that can monitor and analyse communications involving computer

and telecom networks, with a view to tracking people and groups. These goods and technologies will be incorporated into the EU Dual-Use Regulation in 2020 in the annual update of the control lists.

The imposition of export controls on certain cyber surveillance technology in the WA in late 2019 could conceivably have a positive influence on talks about the inclusion of cyber surveillance goods in relation to the prevention of human rights violations in the Dual-Use Regulation.

The Netherlands supports modernising the Regulation. To that end, it is taking a critical look at the applicability and feasibility of the various aspects of the proposal, with an emphasis on preserving the level playing field around the globe and limiting the administrative burden for both the public and private sectors.

With this mandate the Council aims to make necessary changes to the EU export control system in the light of changing technological, economic and political circumstances. Another purpose of the mandate is to simplify and enhance the current rules imposed by the Dual-Use Regulation. Finally, the mandate seeks to further optimise the EU licensing structure, especially:

- further harmonisation of the licensing procedure, by way of introducing a number of new general EU export licences;
- further transparency on the part of EU member states in reports to the European Commission on national activities in regard to export controls; and
- harmonisation of controls governing the provision of technical assistance.

7. Other relevant international developments

There are also various developments outside the EU that are relevant to arms export policy.

7.1 UN Arms Trade Treaty

A crucial element of the UN Arms Trade Treaty is that it obliges states parties to set up national export control systems for conventional arms, thereby nudging the world in the direction of a more responsible international arms trade system. 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 or human rights, and mitigation of the risk of diversion of conventional arms to the illicit market or for unauthorised use.

In 2019 the Treaty marked its fifth anniversary, having entered into force on 24 December 2014. As of August 2020, 110 countries were party to the Treaty, after Palau, Lebanon, Botswana, Canada and the Maldives acceded in 2019 and Namibia, China, Afghanistan, São Tomé and Príncipe and Niue acceded in 2020.²⁶ Thirty-one other countries have signed the Treaty but not yet ratified it.²⁷ In July 2019 the United States gave notice that it no longer intended to become a party to the ATT and therefore no longer considered itself bound by the obligations that arose from its signing of the Treaty in 2013. The Netherlands and Europe will continue to encourage more countries to accede to the ATT.

The Netherlands actively contributed to the fifth Conference of States Parties on 26-30 August 2019 in Geneva and the preceding working group meetings. The special theme at this conference was gender and gender-based violence. The Netherlands made both a substantive and financial contribution to an initial overview of the ways in which countries address the issues of gender and gender-based violence in their assessment of licence applications.²⁸ The Netherlands does this as part of its assessment of the human rights situation in the recipient country (criterion 2). In addition, in 2019 the Netherlands was a member of the ATT Management Committee, which is responsible for drawing up and maintaining the financial frameworks of the Treaty. Within the Management Committee the Netherlands has sought to establish a solid financial foundation for the Treaty in the first years since its entry into force, so its implementation would not be jeopardised. With that in mind it is important for all states parties to comply with their payment obligations.

In addition, the Netherlands once more made a financial contribution to the ATT's Sponsorship Program, which enables developing countries to send their own experts to the multilateral ATT meetings. The Netherlands believes that it is vital for experts from the

²⁶ <https://www.thearmstradetreaty.org/treaty-status.html?templateId=209883>.

²⁷ <https://thearmstradetreaty.org/treaty-status.html?templateId=209883>.

²⁸ https://attmonitor.org/en/wp-content/uploads/2020/07/EN_ATT_Monitor-Report-2019_Online.pdf.

individual countries to be present at working group meetings on both the implementation of the Treaty and on the Treaty's reporting obligations. In addition, the Netherlands made a multi-year financial contribution to the ATT monitor,²⁹ which charts the implementation of the Treaty, especially as regards transparency and reporting practices. The Netherlands is committed to ensuring that all countries comply with their obligations related to transparency. The Netherlands' annual ATT reports are public.³⁰ The Netherlands also supports developing countries in acceding to and implementing the Treaty via a multi-year contribution to the ATT Voluntary Trust Fund.³¹

7.2 UN Register of Conventional Arms and legislative transparency

UN Register of Conventional Arms³²

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; VII. missiles and missile launchers and finally VIII. small arms and light weapons.

The Register also contains information on 'military holdings' (where countries indicate, per category, how much of each category of weapon they possess) and 'procurement through national production' (where countries indicate how much they have produced of each category of weapon for their own use).

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. In this way the Register sheds light on much of the global arms trade. The UN Register of Conventional Arms is a confidence-building measure: it promotes transparency about not only arms trade flows but also military holdings and national tendering processes, thereby fostering greater insight into stocks of weapons and making it possible to combat the development of excessive stocks of conventional arms. If the Register is to be effective, universal participation is essential. The United Nations Office for Disarmament Affairs (UNODA) is responsible for compiling the data submitted by the member states. In the past two decades the Register captured around 90% of the global arms trade. Unfortunately, not all countries report every year, and the total number of countries submitting reports is also on the decline. Whereas in 2005 115 countries submitted reports, by 2015 that number had fallen to 42. The largest number of countries reported in 2001: 124. Thus far, 41 countries have reported on 2018. For its part the Netherlands submits a report every year and presses

²⁹ <http://controlarms.org/en/att-monitor/>.

³⁰ <https://thearmstradetreaty.org/annual-reports.html?templateId=209826>.

³¹ <https://www.thearmstradetreaty.org/voluntary.html>.

³² <https://www.un.org/disarmament/convarms/register/>.

for universal and consistent participation in the submission of reports. The Netherlands 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. The Netherlands is also in favour of keeping the scope of the Register up to date, so that all the main import and export flows for the arms trade are recorded in the Register.

Finally, the Group of Governmental Experts on UNROCA met in June 2019. This group meets to discuss the extent to which reporting obligations are being met, measures that could improve this and the scope of UNROCA reporting, with the goal of keeping this report useful and up to date. For example, it was decided to modify the definition of small arms and light weapons, in order to bring it more in line with other international initiatives in this area, such as the International Tracing Instrument and the UN Programme of Action on Small Arms and Light Weapons.

UN General Assembly resolution on legislative transparency

From 2002 to 2004, during the UN General Assembly the Netherlands submitted a resolution on national legislation on transfer of arms, military equipment and dual-use goods and technology every year. From 2005 to 2013, the year the ATT was adopted by the UN General Assembly, it submitted the resolution every other year. In 2013 the decision was made to submit the resolution once every three years. In line with this schedule, the Netherlands again submitted the resolution in 2019. The resolution urges UN member states to share information on their national legislation in the field of arms exports.

Under the terms 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 the practice of reporting to the UNODA database is expected to become less common. The Netherlands works to ensure that UNODA and ATT reports are linked, in order to prevent overlap and duplication and facilitate compliance with international reporting obligations.

7.3 Small and light weapons (SALW)

The problems associated with small arms and light weapons (SALW) deserve special attention in the realm of arms control. Export controls are an important tool for regulating the trade in these goods. The Netherlands remains 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.

In recent years efforts to tackle the issue of small arms have been dominated by a multilateral approach, on the one hand, and attempts to deal with these problems in the framework of more wide-ranging security projects focusing on civilian security, on the other. In this spirit the Saving Lives Entity Fund (SALIENT) was established in 2019 by the United Nations Office for Disarmament Affairs (UNODA) and the United Nations Development Programme (UNDP).

UN Programme of Action

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).

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.

As in previous years, in 2019 the Netherlands pushed for the implementation of these agreements by supporting a number of research and capacity-building projects. One such project, which was carried out in North Africa and the Sahel, involved providing reliable information and analysis via the publication and distribution of reports on the smuggling of small arms, armed actors, armed conflict and programmes in these areas.

The Netherlands also contributed to capacity-building in UN member states in Africa, Asia and the Middle East, with the goal of promoting the implementation of the sanctions regime against North Korea.

EU strategy against small arms

In late 2018 the European Council adopted a new EU strategy³³ against illicit firearms, small arms and light weapons (SALW) and their ammunition. The strategy, which is entitled 'Securing Arms, Protecting Citizens', replaces the original strategy (adopted in 2005) and takes account of the new security situation in Europe. The new EU strategy was successfully implemented in projects related to small arms that are supported by the EU.

OSCE

³⁶ <http://data.consilium.europa.eu/doc/document/ST-13581-2018-INIT/en/pdf>.

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/2/10.³⁴

7.4 Wassenaar Arrangement

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.³⁵ It is estimated that these countries jointly account for over 90% of global military exports.

The aim of the WA, as stated in the 'Initial Elements',³⁶ 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.

Amendments

In line with its mandate, and with a view to ensuring effectiveness and support, in 2019 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

³⁴ <http://www.osce.org/fsc/68450>.

³⁵ In 2019 only Cyprus was not yet a member due to Turkish objections.

³⁶The Initial Elements can be consulted on the website of the Wassenaar Arrangement: www.wassenaar.org.

longer critical or that are widely available.³⁷ 'Scope-neutral interpretations' of control texts were also discussed. In December 2019 the results – various changes across the controlled categories³⁸ – were put to the Plenary Meeting, which adopted them.

In both the confidential General Working Group sessions during the year and the concluding Plenary Meeting, a great deal of time and attention was 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 late 2019 the 42 WA Participating States decided to impose export controls on cyber surveillance software. This involved adding, for example, centres that can monitor and analyse the communications of computer and telecom networks, with a view to tracking individuals and groups. The changes were adopted this year in the EU Dual-Use Regulation in the annual update of the control lists.

In addition to this decision about control lists, decisions were also made about small modifications to two existing documents: the 'Best Practices for Exports of Small Arms and Light Weapons' (2002) and the 'Best Practices for Export Controls / Disposal of Surplus or Demilitarised Military Equipment' (2000).

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.

7.5 Developments in the 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 Nuclear Suppliers Group (NSG) for nuclear weapons, the Australia Group (AG) for biological/chemical weapons 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 and information 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

³⁷ The government's broader efforts with regard to the use of new technologies as weapon systems (or parts thereof) are described in a letter to parliament on this subject of 13 May 2019 (Parliamentary Paper 33 694, no. 45).

³⁸ For example, proposals were adopted on the subject of cyber warfare software, cyber surveillance software, digital investigative tools/forensic systems, sub-orbital aerospace vehicles, technology for the production of substrates for high-end integrated circuits, hybrid machine tools and lithography equipment and technology. See also <https://www.wassenaar.org/app/uploads/2019/12/WA-DOC-19-PUB-001-Statement-issued-by-the-Plenary-Chair-on-2019-Outcomes.pdf>.

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, which introduced a ban on the provision of support to non-state actors (e.g. terrorist organisations) that attempt to develop, acquire, manufacture, possess, transport, transfer or use nuclear, chemical or biological weapons, states must operate effective export controls, including controls on transit and brokering. EU member states implemented these requirements in the Dual-Use Regulation of 2009. The regimes are also discussing the possible accession of new members and unilateral compliance with guidance documents and goods lists by non-partner countries.

7.5.1 Nuclear Suppliers Group (NSG)

The NSG is a group of 48 nuclear supplier states, which all (potentially) export goods and technology that can be used in the production chain for nuclear weapons. The group seeks to curb the proliferation of nuclear weapons by controlling the export of nuclear and related goods and technology without needlessly hindering non-military applications of such goods and technology and their further development.

At the plenary meeting in Nur-Sultan (Kazakhstan) in June 2019, the NSG discussed global developments and challenges, including the situation in North Korea and Iran. The members also discussed the membership applications of India and Pakistan. Nuclear cooperation between China and Pakistan was another item on the agenda.

The NSG Guidelines and Control Lists were modified with respect to the categories nuclear graphite, decladding and chopping machines for nuclear material and dissolver vessels specially developed for irradiated nuclear fuel. The purpose of the modifications is not only to impose controls on the goods in question (in the case of decladding machines and dissolver tanks), but also to remove irrelevant goods from the list (such as nuclear graphite). In addition to outreach activities to other countries intended to raise awareness of the NSG and adherence to its guidelines, attention was also paid to the matter of outreach to the business community and academia.

In 2020 Belgium will succeed Kazakhstan as NSG chair.

7.5.2 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. In 2019 two meetings of the AG were held, one in Malta and one in France. Following the meeting in Malta, an AG dialogue was held with countries from the Middle East in which certain guiding principles were discussed and experiences shared.

At the annual plenary meeting in Paris, the members discussed boosting joint efforts to prevent proliferation by means of heightened vigilance with regard to new technological developments. Licensing and enforcement experts also shared their experiences. As a conclusion to the AG dialogue with Middle Eastern countries in the spring, it was agreed to follow up more diligently on dialogues with partner countries. In addition, participants stressed the importance of active outreach to non-members in order to encourage them to implement a robust and effective export control system for which the AG controls can serve as an example of an international best practice.

External speakers also offered insights into technological developments in areas like proliferation financing, 3D printing and 'cloud laboratories'.

AG members have again expressed their concerns about the fact that there are still countries seeking to discredit the OPCW's investigative work. Members expressed their ongoing support for the important work done by the OPCW and the effective implementation of the International Investigative and Identification Team (IIT). AG members called on all countries to fulfil their obligations under international law, refrain from developing or using chemical weapons and fully declare and destroy any existing stocks.

7.5.3 Missile Technology Control Regime (MTCR)

The Missile Technology Control Regime (MTCR)³⁹ combats the proliferation of delivery systems for weapons of mass destruction, such as ballistic missiles, unmanned aerial vehicles (UAVs) 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 October 2019.

The MTCR 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. Whereas previously the MTCR focused almost exclusively on state missile programmes, in recent years it has begun turning its attention to the growing threat posed by terrorist organisations like ISIS.

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. The Netherlands plays an active role

³⁹ www.mtcr.info.

within the MTCR, at the level of both policy and within the regime's expert groups. 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. This category currently comprises Estonia, Kazakhstan and Latvia. In addition, the Regime maintains direct contact with various non-member countries that have an MTCR-relevant industry or which play a role in international goods transport. Since October 2019, New Zealand has served as the MTCR chair. Austria will take over this role in September 2020.

Highlighted topics: Unmanned aerial vehicles (UAVs)

The Netherlands addresses the security implications of unmanned aerial vehicles (UAVs) in a variety of ways. In addition to engaging in a dialogue with industry, knowledge institutions and civil society, the Netherlands has, during the past few years, actively contributed to the establishment of international standards for the export and use of armed unmanned aerial vehicles. In this document (Joint Declaration for the Export and Subsequent Use of Armed or Strike-Enabled Unmanned Aerial Vehicles) countries agreed to adopt strict policy-related and control measures with regard to the export and deployment of armed UAVs and to be transparent about the export and use of such UAVs. In this connection, the government is working to expand support for these standards among countries that are not yet involved, especially countries that are not yet bound by other existing regimes and/or treaties to impose export controls on armed UAVs.

The Netherlands also actively takes part in discussions in international forums about the possible threat posed by UAVs when used by non-state actors. For example, combating this potential threat is part of the the broader NATO counterterrorism action plan adopted by the foreign ministers of NATO member countries in December 2018. In the Global Counterterrorism Forum (GCTF), participants exchange experiences about the use of UAVs by non-state actors. On the basis of several expert meetings, including one held in Amsterdam, this has led to the 'Berlin Memorandum of Good Practices for Countering Terrorist Use of Unmanned Aerial Systems' which was adopted by the ministerial assembly of the GCTF on 25 September 2019.

Annexe 1 Licences issued for the export of military goods

Overview of the value of licences issued in 2019 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 2019

Category A: 'Arms and munitions'	Value (in € millions)
1. Tanks	49.94
2. Armoured vehicles	31.72
3. Large-calibre weapons (> 12.7 mm)	2.17
4. Fighter aircraft	-
5. Attack helicopters	-
6. Warships	5.00
7. Guided missiles	7.28
8. Small-calibre arms (\leq 12.7 mm)	0.89
9. Ammunition and explosives	12.34
10. Parts and components for 'Arms and munitions' ⁴⁰	474.40
Total Cat. A	583.74

Category B 'Other military goods'	value (in € millions)
1. Other military vehicles	20.94
2. Other military aircraft and helicopters	7.32
3. Other military vessels	66.77
4. Military electronics	23.39
5. ABC substances for military use	1.10
6. Equipment for military exercises	4.68
7. Armour-plating and protective products	30.24
8. Military auxiliary and production equipment	3.19
9. Military technology and software	51.11
10. Parts and components for 'Other military goods' ⁴¹	130.52
Total Cat. B	339.26
Total Cat. A + B	923.00

⁴⁰ Subcategory A10 (Parts and components for 'Arms and munitions') usually 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.

⁴¹ During the period under review, subcategory B10 (Parts and components for 'Other military goods') once again encompassed 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

Total for 2019 [€ millions]					
Country of destination	Cat. A	Breakdown	Cat. B	Breakdown	Total
Afghanistan	0.10	A8	-	-	0.10
Algeria	2.05	A10	0.01	B4	2.06
Aruba	0.02	A8	-	-	0.02
Australia	10.61	A2; A10	0.93	B4; B6; B7; B9; B10	11.54
Austria	0.04	A8	0.44	B9; B10	0.48
Bangladesh	5.28	A10	-	-	5.28
Belgium	0.00	A10	0.06	B6; B8	0.06
BES Islands	0.05	A8; A9	-	-	0.05
Botswana	-	-	0.08	B6	0.08
Brazil	-	-	0.23	B10	0.23
Brunei Darussalam	0.08	A10	-	-	0.08
Bulgaria	2.00	A6	-	-	2.00
Canada	0.21	A10	1.48	B4; B9	1.68
Chile	0.26	A10	0.09	B4	0.35
Colombia	1.39	A10	0.05	B9	1.44
Curaçao	0.04	A8; A9	-	-	0.04
Czech Republic	0.02	A8; A10	0.12	B6; B9; B10	0.14
Denmark	0.51	A8; A10	8.75	B6; B10	9.26
Estonia	22.12	A2; A3; A10	0.00	B6	22.12
EU/NATO+	158.30	A6; A10	24.23	B4; B9; B10	182.53
Finland	50.66	A1; A8; A10	0.02	B7	50.68
France	3.51	A8; A9; A10	18.76	B2; B4; B6; B8; B9; B10	22.27
Germany	25.14	A7; A8; A9; A10	63.16	B1; B6; B7; B8; B9; B10	88.30
Ghana	-	-	0.15	B8	0.15
Global basis	0.60	A10	0.08	B6; B7; B8; B9; B10	0.68
Greece	0.64	A8; A9; A10	0.18	B9	0.81
India	1.68	A10	1.69	B4; B8; B9; B10	3.37
Indonesia	0.36	A10	0.79	B4; B10	1.15
Ireland	1.00	A10	-	-	1.00
Israel	-	-	0.30	B8; B9; B10	0.30
Italy	7.08	A8; A9; A10	4.29	B4; B5; B6; B7; B8; B9; B10	11.37
Japan	1.31	A10	0.00	B7; B8; B10	1.31
Jordan	2.71	A2	-	-	2.71
Kuwait	0.00	A8	0.13	B10	0.13
Latvia	-	-	0.02	B7	0.02
Lebanon	-	-	0.30	B1	0.30
Lithuania	0.24	A10	1.27	B1; B10	1.52
Luxembourg	0.30	A10	-	-	0.30
Malaysia	4.99	A7; A10	6.99	B6; B10	11.98

Mali	-	-	0.11	B8	0.11
Malta	-		0.02	B8; B9; B10	0.02
Morocco	4.77	A10	-	-	4.77
Niger	-	-	0.03	B10	0.03
Nigeria	-	-	66.78	B3; B10	66.78
Norway	5.96	A7; A8; A9; A10	19.69	B1; B6; B9; B10	25.65
Oman	0.33	A10	2.18	B9; B10	2.51
Pakistan	0.50	A10	0.33	B10	0.83
Poland	5.01	A8; A9; A10	1.68	B4; B6; B8; B10	6.69
Portugal	0.02	A8; A9; A10	0.05	B10	0.06
Qatar	8.53	A10	11.03	B10	19.55
Romania	0.00	A8; A9	1.01	B9; B10	1.01
Saudi Arabia	1.15	A10	-	-	1.15
Sierra Leone	-	-	0.10	B8	0.10
Singapore	0.87	A10	0.13	B9; B10	1.00
South Africa	0.02	A8	0.00	B9	0.02
South Korea	44.43	A10	3.33	B8; B9; B10	47.76
Spain	0.72	A8; A10	1.17	B4; B8; B9 ;B10	1.89
St Maarten	0.02	A8; A9	-	-	0.02
Sweden	0.09	A8; A9; A10	0.09	B7; B8; B10	0.18
Switzerland	0.54	A8; A10	1.17	B6; B8; B9; B10	1.71
Taiwan	0.84	A10	0.01	B7	0.85
Thailand	0.40	A9; A10	1.03	B4; B10	1.43
Trinidad and Tobago	-	-	0.13	B4	0.13
Turkey	6.34	A8; A10	9.24	B7; B9; B10	15.58
United Arab Emirates	0.95	A2; A10	5.86	B9	6.82
United Kingdom	5.15	A8; A9; A10	1.68	B4; B6; B8; B9; B10	6.83
United States	193.62	A8; A9; A10	77.76	B2; B3; B4; B6; B9; B10	271.38
Vietnam	0.15	A10	0.05	B9	0.20
Countries with a total value under €10,000					
Croatia, Iceland, Kosovo, Namibia, Slovenia, Slovakia	0.04	A8; A9; A10			0.04
Total	583.69		339.24		922.94

Note: Due to rounding, the rows and columns do not add up to the exact totals. A value of '0' indicates that licences were issued with a value of under €5,000. A dash indicates that no licences were issued for the category in question.

Annexe 2 Dutch arms exports

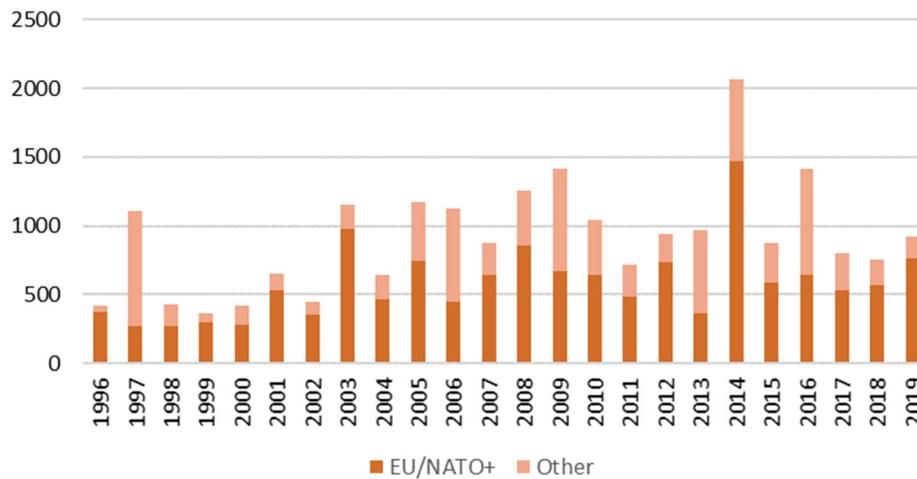


Figure 7, Value of licences issued, in € millions per year

* 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. In 2019 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 on, 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 (transfer) to armed forces of EU member states

NL004: Export (transfer) 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 2019 under NL003 (armed forces) per country of destination

Country of destination	Value (€ millions)	Breakdown
Austria	0.05	ML10
Bulgaria	0.02	ML5
Croatia	0.11	ML10
Denmark	9.40	ML5, 10, 11, 21, 22
France	2.91	ML5, 11, 21
Germany	19.21	ML5, 6, 7, 10, 11, 21, 22
Greece	0.93	ML5, 21, 22
Italy	0.28	ML5, 11
Luxembourg	0.00	ML11
Norway	0.13	ML7
Poland	0.12	ML5, 10, 21
Portugal	0.07	ML5
Spain	0.00	ML11
Sweden	0.03	ML11
United Kingdom	2.11	ML5
Total	35.39	

Table 7, Value of reported uses of general transfer licences for the permanent export of military goods in 2019 under NL004 (certified recipients) per country of destination

Country of destination	Value (€ millions)	Breakdown
Belgium	6.65	ML5, 6, 21, 22
Denmark	0.23	ML2, 4
Finland	0.10	ML6
France	3.39	ML4, 6, 10, 15
Germany	17.89	ML2, 5, 6, 9, 15, 21, 22
Total	28.25	

Table 8, Value of reported uses of general transfer licences for the permanent export of military goods in 2019 under NL009⁴² (F-35 Lightning II) per country of destination

Country of destination	Value (€ millions)	Breakdown
Canada	0.18	ML10
Israel	0.11	ML10
Italy	10.80	ML10
Japan	1.83	ML10
Turkey	0.63	ML10
United Kingdom	1.10	ML10
USA	165.83	ML10
Total	180.47	

⁴² The general licence NL009 can also be used for transit in connection with the F-35 Lightning II programme. In 2019, this amounted to €180.30 million, 92% of which ultimately went to the United States.

Annexe 4: Transit of military goods

Table 9, Value of licences issued in 2019 for the transit of military goods

Country of destination	Cat. A (€ millions)	Breakdown	Cat. B (€ millions)	Breakdown	Total
Afghanistan	0.63	A8	-	-	0.63
Chile	0.04	A9	-	-	0.04
Estonia	0.88	A2	-	-	0.88
France	0.47	A2	-	-	0.47
Israel	0.09	A9	-	-	0.09
Pakistan	0.00	A9	0.00	B10	0.00
Peru	0.15	A10	-	-	0.15
Poland	-	-	0.03	B10	0.03
Singapore	3.29	A9; A10	-	-	3.29
South Africa	0.35	A9	-	-	0.35
South Korea	0.12	A9	-	-	0.12
United Kingdom	0.68	A9; A10	0.01	B10	0.69
United States	0.23	A10	-	-	0.23
Total	6.94		0.03		6.97

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, part A, Licence application denials in 2019

Country of final destination	Brief description	Recipient	End user	Date denied	Reason for denial
UAE	Frames	UAE Air Force	UAE Air Force	16-01-2019	Criterion 2
UAE	Frames	UAE Air Force	UAE Air Force	16-01-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	12-03-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	Air Force	12-03-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	12-03-2019	Criterion 2
Egypt	Information-security equipment	General Intelligence Service	Technical Research Department	15-04-2019	Criterion 2
Egypt	Information-security equipment	General Intelligence Service	Technical Research Department	15-04-2019	Criterion 2
UAE	Information-security equipment	Aptec Gulf Ltd.	Signals Intelligence Agency	26-03-2019	Criterion 2
UAE	Parts for radar and C3 systems	Maplin Middle East	UAE Navy	25-04-2019	Criterion 2
UAE	Parts for radar and C3 systems	Maplin Middle East	UAE Navy	25-04-2019	Criterion 2
Saudi Arabia	Bullet-proof vests	Saudi Ministry of Defence	Saudi military police	25-04-2019	Criterion 2
Trinidad and Tobago (transit)	Ammunition	Aston Enterprises Ltd. AE Tactical	Unknown	04/02/2019	Criterion 7
Pakistan	Hoisting equipment for aileron flap (flight controls)	Pakistani Navy	Pakistani Navy	25-09-2019	Criteria 3, 4, 6, 7
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	22-10-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	22-10-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	22-10-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	22-10-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	22-10-2019	Criterion 2
UAE	Parts for training aircraft	UAE Air Force	UAE Air Force	22-10-2019	Criterion 2
UAE (transit)	Radar system	UAE Navy	UAE Navy	27-11-2019	Criterion 2

Table 10, part B, Sondage application denials in 2019

Country of destination	Brief description	Recipient	End user	Date of denial	Reason for denial
Egypt	Technology in the form of test reports	Quimondo for trade & commercial agencies	Ministry of Defence, Chemical Warfare Department	19-06-2019	Criterion 6
UAE	Military technology	Mobile Land Systems	Unknown	18/07/2019	Criterion 7

Annexe 6: Surplus defence equipment

Table 11, Overview of licences for surplus defence equipment sold by the Netherlands to foreign parties in 2019

Type of equipment	To/via ⁴³	Country of final destination	End user
Alouette spare parts	AeroXS	US	AeroXS
Lynx spare parts	Air & Ground (UK)	Brazil	Ministry of Defence
Fokker 50 spare parts	Air & Ground (US)	Singapore	Ministry of Defence
Spare parts for air systems	Air & Ground (US)	US	Air & Ground (US)
Trailer for F-16	ATAC	US	ATAC
DOME/MLE	ATC	Mali	ATC
Ammunition		Belgium	Ministry of Defence
DOME + various		Belgium	Ministry of Defence
F-16 spare parts	Blue Aerospace	US	Blue Aerospace
Minehunters (Alkmaar class)		Bulgaria	Ministry of Defence
Cruise diesel engine spare parts		Chile	Ministry of Defence
Containers	Chroo Group Ltd.	Iraq	Chroo Group Ltd.
Generator and containers	D&D	Mali	D&D
Fork-lift truck	Damou Sarl	Mali	Damou Sarl
Spare parts for air systems		Denmark	Ministry of Defence
Shipping containers	DSPX Shop	Mali	DSPX Shop
Lynx, F-16 and AB412 spare parts		Germany	Ministry of Defence
MK-46 torpedoes		Germany	Ministry of Defence

⁴³ 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.

DAF truck, Mercedes all-terrain vehicle, CV90 barrels		Estonia	Ministry of Defence
Trucks	ETS Kader Konare	Mali	ETS Kader Konare
Trucks	ETS Konare	Mali	ETS Konare
SMART-L radar parts		France	Ministry of Defence
Trucks	Gie Koyra Cinaroo	Mali	Gie Koyra Cinaroo
AH-64 spare parts		Greece	Ministry of Defence
Spare parts for air systems	Hayward and Green Defence Ltd	UK	Hayward and Green Defence Ltd
Spare parts for air systems	IN3 Aviation	US	IN3 Aviation
Fork-lift trucks, vehicle and shovel tyres	ITO	Mali	ITO
APECS radar (for M-frigate)	Naval Technica Export GmbH	Chile	Ministry of Defence
KDC-10 aircraft	Omega Air	US	Omega Air
Spare parts for M-frigate		Portugal	Ministry of Defence
Lynx spare parts		Portugal	Ministry of Defence
Tactical Trainer Package (TTP) for F-16		Romania	Ministry of Defence
Ammunition	Rheinmetall Waffe Munition GmbH	Germany	Rheinmetall Waffe Munition GmbH
Leopard spare parts	SDLE	Singapore	Ministry of Defence
Leopard spare parts	SDLE	Poland	Ministry of Defence
Rejected and not drivable DAF YAS 4442 trucks	SDLE	Spain	SDLE
YPR PRCO-C armoured vehicle	SDLE	Sweden	Ministry of Defence
F-16 spare parts		Spain	Ministry of Defence
Spare parts for air systems		Spain	Ministry of Defence
CF-6 spare parts	Team Turbine	UK	Team Turbine

CH-47 Chinook spare parts	Unical	US	Unical
CH-47 Chinook spare parts		UK	Ministry of Defence
Various		Sweden	Ministry of Defence
Total value of contracts			Approx. €29.4 million

Annexe 7: Statistics on dual-use licence applications

Below is an overview of key information regarding licences issued in 2019 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 licences issued with a transaction value of over €2 million for dual-use goods with military end use.

Table 12, Number and value of licences issued and licence denials for dual-use goods in 2019

	Number of applications issued	Value (in € millions)	Number of applications denied	Value (in € millions)
Individual basis	350	228.0	18	5.6
Global basis	340	7,900.8	1	0.3
Within the EU	32	93.1	0	0.0
Catch all	14	1.2	2	0.1
Total	736	8,223.1	21	5.7

Table 13, Value of export licences for dual-use goods in millions of euros in 2019 (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	2,689.66
2	South Korea	716.16
3	United States of America	434.31
4	Russia	86.35
5	China	70.61
6	Saudi Arabia	66.03
7	United Arab Emirates	37.77
8	Brazil	31.67
9	Singapore	26.90
10	Turkey	26.24

Table 14, Overview of export licences worth over €2 million issued in 2019 for dual-use goods intended for military end use

Type of equipment ⁴⁴	Value (in € millions) ⁴⁵	Country of final destination	End user
Optical sensors and equipment	3.00	Israel	Company
Total rounded-off value of licences concerned			€3.00 million

In 2019 one licence worth over €2 million was issued for dual-use goods intended for military end use.

⁴⁴ 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.

⁴⁵ The amount shown represents the value of licences issued in 2019. Some of the goods in question were not actually delivered in 2019. 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 the policy on dual-use goods in 2019

8.1. Letters to the House of Representatives – arms export policy

22-01-2019, **Parliamentary Paper 33 694, no. 38**, Letter from the government regarding the policy review by the Policy and Operations Evaluation Department (IOB) with respect to disarmament, arms control, non-proliferation of weapons of mass destruction and export controls on strategic goods

17-04-2019, **Parliamentary Paper 22 054, no. 311**, Letter from the government carrying out the undertaking given to the House by the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation in the debate on arms export policy on 20 December 2018

16-07-2019, **Parliamentary Paper 22 054, no. 312**, Letter from the government containing the report 'Dutch Arms Export Policy in 2018'

30-09-2019, **Parliamentary Paper 22 054, no. 313**, Report of a parliamentary committee meeting on arms export policy with the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation, held on 5 September 2019

30-09-2019, **Parliamentary Paper 22 054, no. 314**, Letter from the government regarding the issuance of a licence for the export of military equipment to Jordan

12-11-2019, **Parliamentary Paper 22 054, no. 315**, Letter from the government regarding its response to a number of undertakings relating to arms export policy

04-12-2019, **Parliamentary Paper 22 054, no. 316**, Letter from the government on arms export policy towards Turkey

8.2 Responses to written questions – arms export policy

11-01-2019, **Annexe to the Proceedings 2018-2019, no. 1146**, Government's response to parliamentary questions about a doubling in the number of Iranian missile tests, including of missiles that could reach Europe

27-03-2019, **Annexe to the Proceedings 2018-2019, no. 2074**, Government's response to parliamentary questions about the transshipment of ammunition to the UAE

28-03-2019, **Annexe to the Proceedings 2018-2019, no. 2073**, Government's response to parliamentary questions about the export of 57 million cartridges to the UAE

08-07-2019, **Annexe to the Proceedings 2018-2019, no. 3980**, Government's response to parliamentary questions about government policy on the Dutch defence industry

18-07-2019, **Annexe to the Proceedings 2018-2019, no. 3527**, Government's response to parliamentary questions about investments in arms production and the arms trade

16-08-2019, **Annexe to the Proceedings 2018-2019, no. 3628**, Government's response to questions from MP Lilianne Ploumen to the Minister of Foreign Affairs about the large number of civilian victims of explosive weapons in densely populated areas

25-11-2019, **Annexe to the Proceedings 2019-2020, no. 858**, Government's response to parliamentary questions about investments in arms manufacturers that export to Turkey

19-12-2019, **Annexe to the Proceedings 2019-2020, no. 1173**, Government's response to parliamentary questions about Dutch pensions funds' investments in controversial arms trade

8.3 Letters to the House of Representatives – dual-use policy and sanctioned goods

08-01-2019, **Parliamentary Paper 35 000 V, no. 56**, Letter from the government regarding sanctions against Iran for unwanted interference

30-01-2019, **Parliamentary Paper 22 112, no. 2759**, Fiche on the amendment of the Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, in connection with Brexit New Commission proposals and initiatives by the member states of the European Union

03-06-2019, **Parliamentary Paper 30 821, no. 87**, List of questions and answers on heightened supervision of students and researchers from high-risk countries

27-09-2019, **Parliamentary Paper 33 783, no. 33**, Letter from the government regarding the situation concerning Iran and the Joint Comprehensive Plan of Action (JCPOA)

11-12-2019, **Parliamentary Paper 25 422, no. 260**, Response to a request from the relevant parliamentary committee on the export of uranium by Urenco and the contracts concluded for that purpose, including in relation to non-proliferation issues

18-12-2019, **Parliamentary Paper 25 422, no. 262**, Assessment of the motion by MPs Suzanne Kröger and Jessica van Eijs about Urenco

20-12-2019, **Parliamentary Paper 30 821, no. 99**, Letter from the government regarding the report '*Kennis in het vizier*' ('Focusing on Knowledge')

8.4 Response to written questions – dual-use policy and sanctioned goods

28-01-2019, **Annexe to the Proceedings 2018-2019, no. 1371**, Response to questions from MPs about possible US sanctions against Dutch companies

26-04-2019, **Annexe to the Proceedings 2018-2019, no. 3062**, Response to questions from MPs Tom van der Lee and Bram van Ojik (Green Left Alliance) about a news report on American nuclear power plants in Saudi Arabia, and Urenco

10-09-2019, **Annexe to the Proceedings 2018-2019, no. 2894**, Response to questions from MPs about the export of cyber surveillance technology

10-09-2019, **Annexe to the Proceedings 2018-2019, no. 3922**, Response to questions from MPs about the news report '*Berucht Chinees veiligheidsministerie gebruikt Nederlandse software die emoties leest*' ('Notorious Chinese security ministry uses Dutch software that reads emotions')

26-11-2019, **Annexe to the Proceedings 2019-2020, no. 1045**, Response to questions from MPs Maurits von Martels and Joba van den Berg (Christian Democratic Alliance) to the State Secretary for Infrastructure and Water Management about not exporting nuclear waste to the Dutch firm COVRA but to Russia.

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 Paper, 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 Paper, 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 Dossier	Number	Date	Country
22 054	314	18/10/2019	Jordan
22 054	326	09/03/2020	Qatar ⁴⁶

⁴⁶ Unfortunately, due to an omission in the Ministry's internal communication procedure, the notification was not sent out before the agreed deadline. As soon as this was discovered, the letter was sent (Parliamentary Paper 22 054, no. 326).