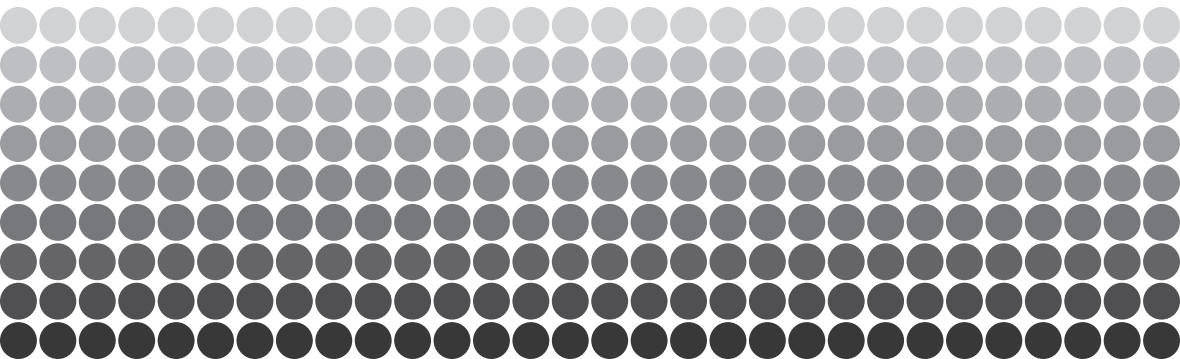


# **SIPRI YEARBOOK 2013**

Armaments, Disarmament and International Security

## Transparency in arms transfers

PAUL HOLTOM AND MARK BROMLEY



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## IV. Transparency in arms transfers

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Official and publicly accessible data on arms transfers is important for assessing states' arms export and arms procurement policies. However, publishing data on arms sales and acquisitions is a sensitive issue for nearly all states. This section analyses recent developments in official international, regional and national reporting mechanisms that aim, in whole or in part, to increase the quality and quantity of publicly available information on international arms transfers. This includes the United Nations Register of Conventional Arms (UNROCA) as well as national and regional reports on arms exports.<sup>1</sup>

### The United Nations Register of Conventional Arms

UNROCA, which was established in 1992, is the key international mechanism for official transparency on arms transfers. Each year all UN member states are requested to report information to UNROCA on the export and import of seven categories of conventional weapons in the previous calendar year.<sup>2</sup> States are also invited to provide information on their international transfers of small arms and light weapons (SALW) and their holdings and procurement from domestic production of major conventional weapons.

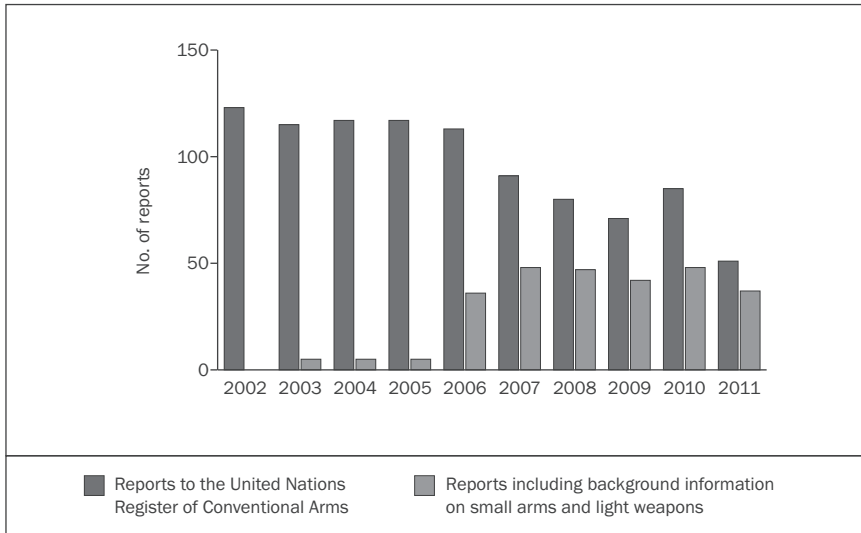
The level of reporting decreased from 86 states in 2011 to an all-time low in 2012 (see figure 5.2).<sup>3</sup> As of December 2012, 52 states had submitted reports on their arms transfers for 2011 (including 15 nil reports, i.e. reports indicating no imports or exports of major conventional weapons).<sup>4</sup> All but one region recorded a significant decline in reporting (see table 5.5). The exception was Africa, where reporting increased from 1 state in 2011 to 2 in 2012, with Mozambique providing a nil report for the seven categories of

<sup>1</sup> This section does not address confidential intergovernmental exchanges of information on arms transfers, such as those that occur within the Organization for Security and Co-operation in Europe, the Organization of American States and the Wassenaar Arrangement. Another source of information on the international arms trade is the customs data of the UN Commodity Trade Statistics Database (Comtrade). Comtrade data is not discussed here because it is neither intended nor designed to be a tool for increasing the amount of publicly available information on international arms transfers. Comtrade data is included in the Norwegian Initiative on Small Arms Transfers (NISAT) Small Arms Trade Database, <<http://www.prio.no/NISAT/Small-Arms-Trade-Database/>>.

<sup>2</sup> These categories are battle tanks, armoured combat vehicles, large-calibre artillery systems, combat aircraft, attack helicopters, warships, and missiles or missile launchers.

<sup>3</sup> 2013 Group of Governmental Experts on the United Nations Register of Conventional Arms, *Background* (United Nations Office of Disarmament Affairs: New York, Mar. 2013), p. 3.

<sup>4</sup> Information on 36 submissions was made publicly available before 31 Dec. 2012. Information submitted by a further 11 states was made publicly available on 30 Jan. 2013. As of 27 Mar. 2013, information provided by 5 states, including the USA, has not been made publicly available.



**Figure 5.2.** Reports submitted to the United Nations Register of Conventional Arms, 2002–11

Years refer to the year covered by the report, not the year of its submission.

Source: UNROCA database, <<http://www.un-register.org/>>.

the register for the first time since 2007. For the first time, no reports were submitted by states in the Middle East.

Previous analyses have highlighted the strong correlation between the decline in the number of states submitting nil reports and the overall level of reporting.<sup>5</sup> However, only 7 of the 10 largest suppliers of major conventional weapons in 2008–12 (as recorded by SIPRI) reported for 2011; for the first time, Israel, Italy and Spain did not report. Four of the 10 largest importers did not report for 2011, including India and Pakistan—both regular reporters. This dramatic decline in reporting is likely to be a priority issue for consideration by the Group of Governmental Experts (GGE) on UNROCA that will meet in 2013.<sup>6</sup> It should also be an issue to be explored for those hoping that an arms trade treaty (ATT) will lead to an increase in transparency in the international arms trade.<sup>7</sup>

Of the 52 states that provided information to UNROCA for 2011, 32 provided background information on international transfers of SALW (63 per cent), including 5 nil reports. For the first time, Malaysia provided background information on international transfers of SALW. However, three states that had previously included background information on SALW

<sup>5</sup> Holtom, P. and Bromley, M., 'Transparency in arms transfers', *SIPRI Yearbook 2010*, p. 323.

<sup>6</sup> The GGE was supposed to meet in 2012, but it was postponed until after the final UN conference on an arms trade treaty.

<sup>7</sup> On the arms trade treaty negotiations in 2012 see chapter 10, section I, in this volume.

**Table 5.5.** Reports submitted to the United Nations Register of Conventional Arms (UNROCA), by region, 2007–11

Years refer to the year covered by the report, not the year of its submission. Figures in brackets are numbers of nil reports.

	2007	2008	2009	2010	2011
Africa	8 (7)	4 (3)	4 (3)	1 (0)	2 (1)
Americas	13 (6)	15 (9)	10 (2)	19 (10)	7 (3)
Asia and Oceania	21 (12)	19 (7)	17 (9)	19 (11)	11 (3)
Europe	46 (13)	40 (10)	39 (15)	45 (13)	32 (8)
Middle East	3 (1)	2 (1)	2 (1)	2 (1)	0 (0)
<b>Total</b>	<b>91 (39)</b>	<b>80 (30)</b>	<b>72 (30)</b>	<b>86 (35)</b>	<b>52 (15)</b>

Source: UNROCA database, <<http://www.un-register.org/>>.

transfers and submitted reports for 2011 did not report on SALW transfers: the Czech Republic, Greece and Ukraine. Although the Ukrainian State Export Control Service published information on Ukraine's SALW transfers in UNROCA format on its website, it does not appear to have provided this information to UNROCA.<sup>8</sup> Australia provided information on international transfers of SALW, but the information related to export licences issued and did not contain information on the actual number of small arms authorized for export.

Eleven states have submitted views on the inclusion of SALW in UNROCA since being invited to do so by the UN General Assembly at the end of 2009.<sup>9</sup> In 2012 Germany and the United States expressed support for the expansion of UNROCA to include SALW. Germany called for the GGE to conduct a 'fundamental debate on the nature of the categories'.<sup>10</sup>

### National and regional reports on arms exports

Since the early 1990s an increasing number of governments have published national reports on arms exports.<sup>11</sup> As of January 2013, 35 states had published at least one national report on arms exports since 1990, including

<sup>8</sup> Ukrainian State Export Control Service, [Information on the international transfer of certain categories of weapon made by Ukraine in 2011], Aug. 2012 <[http://www.dsecu.gov.ua/control/uk/publish/article?art\\_id=46460&cat\\_id=46454](http://www.dsecu.gov.ua/control/uk/publish/article?art_id=46460&cat_id=46454)> (in Ukrainian).

<sup>9</sup> These states were Burkina Faso, Colombia, Germany, Israel, Japan, Mauritius, Mexico, the Netherlands, Singapore, Switzerland and the USA.

<sup>10</sup> United Nations, General Assembly, United Nations Register of Conventional Arms, 'German policy and practice on exports of conventional weapons and related technology, Berlin, May 2012', Annex to A/67/212/add.2, 30 Jan. 2013, p. 37.

<sup>11</sup> A database of the published reports is maintained by SIPRI at <[http://www.sipri.org/research/armaments/transfers/transparency/national\\_reports](http://www.sipri.org/research/armaments/transfers/transparency/national_reports)>. See also Weber, H. and Bromley, M., 'National reports on arms exports', SIPRI Fact Sheet, Mar. 2011, <[http://books.sipri.org/product\\_info?c\\_product\\_id=423](http://books.sipri.org/product_info?c_product_id=423)>.

32 that had done so since 2009.<sup>12</sup> Of the 32 states, 28 included information in their reports on arms export licences granted and 23 included information on actual arms exports. During 2012 no state produced a national report on arms exports that had not done so previously.

In several states, governments make information available about decision making in the field of arms export controls to the parliament as a whole or to a specific parliamentary committee. In certain cases, this information is made available on a confidential basis and therefore does not contribute to the overall transparency in the states' arms exports. For example, the Swedish Export Control Council (ECC), which is appointed by the Swedish Parliament, meets regularly to discuss certain export licence applications that have yet to be approved or denied.<sup>13</sup> These consultations are confidential. In other cases, this information is also made available to the public at large and thus contributes to the overall transparency of the states' arms exports. For example, the 1976 US Arms Export Control Act requires the US Department of Defense and the US Department of State to formally notify the US Congress of potential arms sales that exceed a certain value.<sup>14</sup> These notifications are made public.

During 2012 there were improvements in the amount of publicly accessible information made available to certain European parliaments on arms exports. In April 2012 the Netherlands began issuing publicly accessible notifications to the parliament about any export licence granted worth more than €2 million (\$2.6 million).<sup>15</sup> The system applies to transfers to all destinations apart from member states of the European Union (EU) or the North Atlantic Treaty Organization as well as Australia, Japan, New Zealand and Switzerland. Notifications are provided within two weeks of a licence being issued and include information on the government's assessment of the deal in the light of its own export licensing criteria. In July 2012 the British Committee on Arms Export Controls published its annual report on British strategic export controls.<sup>16</sup> During the compilation of the report, the committee requested and received information on the

<sup>12</sup> The 3 states that have produced a report since 1990 but not since 2009 are Australia, Belarus and the Former Yugoslav Republic of Macedonia.

<sup>13</sup> Swedish Ministry for Foreign Affairs, Strategic export control in 2011—military equipment and dual-use products, Government communication, Skr. 2011/12:114, presented to the Swedish Parliament 15 Mar. 2012, pp. 19–20.

<sup>14</sup> See Schroeder, M. and Stohl, R., 'US export controls', *SIPRI Yearbook 2005*, pp. 732–33.

<sup>15</sup> Dutch Estates General, Second Chamber, 'Brief van de staatssecretaris van economische zaken, landbouw en innovatie' [Letter from the secretary of state for economic affairs, agriculture and innovation], Arms Export Control Policy no. 192, The Hague, 12 Apr. 2012, <<https://zoek.officielebekendmakingen.nl/kst-22054-192.html>>.

<sup>16</sup> British House of Commons, Business, Innovation and Skills, Defence, Foreign Affairs and International Development Committees, *Scrutiny of Arms Exports (2012): UK Strategic Export Controls Annual Report 2010, Quarterly Reports for July to December 2010 and January to September 2011, the Government's Review of arms exports to the Middle East and North Africa, and wider arms control issues*, First Joint Report of Session 2012–13, vol. 1 (Stationery Office: London, July 2012).

**Table 5.6.** Submissions of information to the European Union annual report on arms exports, 2003–2011

Annual report	Year covered	No. of states making submissions	No. of states making full submission <sup>a</sup>	Proportion of states making full submission (%)
14th	2011	27	18	67
13th	2010	27	17	63
12th	2009	27	17	63
11th	2008	27	19	70
10th	2007	27	16	59
9th	2006	25	16	64
8th	2005	25	17	68
7th	2004	25	13	52
6th	2003	22 <sup>b</sup>	6	27

<sup>a</sup> A 'full submission' is taken to be data on the financial value of both arms export licences issued and actual exports, broken down by both destination and EU Common Military List category.

<sup>b</sup> Because the 6th annual report covers export licences issued and actual exports in 2003, the 10 member states that joined the EU in May 2004 were not obliged to submit data. Instead, they were invited to submit figures for 2003 if they were available, which 7 of them did.

Source: Council of the European Union, EU annual reports, <[http://www.eeas.europa.eu/non-proliferation-and-disarmament/arms-export-control/index\\_en.htm](http://www.eeas.europa.eu/non-proliferation-and-disarmament/arms-export-control/index_en.htm)>.

reasons certain export licences were granted or refused during 2011. The committee also requested and received details on the equipment covered by arms export licences for transfers to China during 2011 and the reasons the licences were issued. This information, which is more detailed than the information in the British Government's annual report, was reproduced in full in the committee's final report.

The EU Common Position defining common rules governing the control of exports of military technology and equipment requires EU member states to exchange data on the financial values of their export licence approvals and actual exports along with information on their denials of arms export licences.<sup>17</sup> The Council of the EU compiles and publishes this data in an annual report. For the 14th annual report, published in December 2012 and covering transfers during 2011, 18 of the 27 EU member states provided full submissions; that is, they provided data on the number of licences issued and the financial value of both arms export licences and actual arms exports, broken down by both destination and EU Military List category. This figure is up from 17 for the 12th and 13th annual reports (see

<sup>17</sup> Council Common Position 2008/944/CFSP of 8 Dec. 2008 defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, L335, 13 Dec. 2008. On developments related to the EU Common Position see chapter 10, section V, in this volume.

table 5.6).<sup>18</sup> Sweden was able to provide a full submission for the first time. Sweden had previously been unable to submit disaggregated data on the financial values of arms export licences and actual arms exports because of differences between its national control list and the EU Common Military List.<sup>19</sup> However, several states—including France, Germany and the United Kingdom, the EU's three largest arms exporters—continue to have difficulties collecting and submitting data on actual arms exports disaggregated by EU Common Military List categories.<sup>20</sup>

Reflecting the ongoing problems many states have in this area, the 14th annual report, for the first time, does not present aggregated data on actual arms exports for all destinations listed in the report. Instead, aggregated data for a particular destination is only provided when all the EU member states that exported arms to that destination have provided disaggregated data on actual arms exports.<sup>21</sup> The 11th EU annual report listed 'earlier adoption and harmonisation of national reports' as the first 'priority guideline' for EU member states.<sup>22</sup> In subsequent reports, EU member states have highlighted the need for 'early finalisation and publishing' of the EU annual report, but have made no mention of harmonizing national reports. This change in language—combined with the omission of aggregated data on actual arms exports for all destinations—implies that it may be a long time before all EU member states make full submissions to the EU annual report.

<sup>18</sup> Council of the European Union, Fourteenth Annual Report according to Article 8(2) of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, C386, 14 Dec. 2012; Council of the European Union, Thirteenth Annual Report according to Article 8(2) of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, C382, 30 Dec. 2011; and Council of the European Union, Twelfth Annual Report according to Article 8(2) of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, C9, 13 Jan. 2011.

<sup>19</sup> Bauer, S. and Bromley, B., *The European Union Code of Conduct on Arms Exports: Improving the Annual Report*, SIPRI Policy Paper no. 8 (SIPRI: Stockholm, 2004), p. 24.

<sup>20</sup> Holtom, P. and Bromley, M., 'Transparency in arms transfers', *SIPRI Yearbook 2012*, p. 298.

<sup>21</sup> Council of the European Union, Fourteenth Annual Report (note 18), p. 8.

<sup>22</sup> Council of the European Union, Eleventh Annual Report according to Article 8(2) of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, C265, 6 Nov. 2009, p. 4.