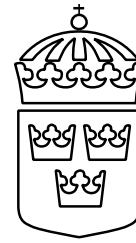


Government Communication 2015/16:114



Strategic Export Control in 2015 – Military Equipment and Dual-Use Items

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The Government hereby submits this Communication to the Riksdag.

Stockholm on 17 March 2016

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(Ministry for Foreign Affairs)

Main contents of the Communication

In this Communication, the Swedish Government provides an account of Sweden's export control policy with respect to military equipment and dual-use items in 2015. The Communication also contains a report detailing exports of military equipment during the year. In addition, it describes the cooperation in the EU and other international forums on matters relating to strategic export controls on both military equipment and dual-use items.

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1 Government Communication on Strategic Export Control

In this Communication, the Government provides an account of its policy regarding strategic export control in 2015, i.e. the export control of military equipment and dual-use items.

Controlling exports of military equipment is necessary in order to meet both our national objectives and our international obligations, by ensuring that the products exported from Sweden go to approved recipient countries in accordance with established guidelines. Under Section 1, second paragraph of the Military Equipment Act (1992:1300), military equipment may only be exported if there are security and defence policy reasons for doing so, and provided there is no conflict with Sweden's foreign policy. Applications for licences are considered in accordance with the Swedish guidelines on exports of military equipment¹, the criteria in the EU Common Position on Arms Exports, and the Arms Trade Treaty (ATT).

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

This is the thirty-second time that the Government has reported on Sweden's export control policy in a Communication to the Riksdag. The first Communication on strategic export control was presented in 1985. Sweden was, at that time, one of the first countries in Europe to provide a transparent account of the preceding year's activities in this area. In addition to informing the Riksdag of Sweden's export control policy, the Communication is intended to serve as a basis for wider discussion of issues related to export controls on military equipment and dual-use items.

Over the years, the Communication has been developed from a brief compilation of Swedish exports of military equipment, without extensive explanations, to a relatively comprehensive account of the whole of Sweden's export control policy. More statistics are available today thanks to an increasingly transparent policy and more effective

¹ Govt Bill 1991/92:174, p. 41 ff.

information processing systems. In parallel with Sweden's policy of disclosure, EU Member States have gradually developed, since 2000, a shared policy of detailed disclosure. The Government continually strives to increase transparency in the area of export control.

This Communication consists of three parts and a statistical section. The first part contains an account of Swedish export control of military equipment. The second part deals with Swedish export control of dual-use items. In the third part, the Government presents the authorities responsible for this area. Then follows a section containing statistics covering Swedish exports of military equipment and dual-use items. The Inspectorate of Strategic Products (ISP) and the Swedish Radiation Safety Authority (SSM) contribute material for the Communication at the request of the Government. The statistics in this Communication supplement the information available in these authorities' own publications.

Significant events during the year

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

After the UN's Arms Trade Treaty came into effect on 24 December 2014, the first Conference of States Parties was held in August 2015, chaired by Mexico. Sweden contributed to the preparations ahead of the meeting in particular by coordinating international work on reporting under Article 13 of the Treaty. One of the decisions made was that a secretariat for the Treaty would be established in Geneva. Rules on procedural issues and funding were adopted and a head of secretariat and chair were appointed. Simeon Dumisani Dladla from South Africa took up the position of interim head of the new secretariat. Nigeria was chosen to chair the work on the Treaty until the second Conference of States Parties in the autumn of 2016.

Sweden has continued to play an active part in the continued development of Treaty cooperation and to press for universalisation of the Treaty. At the end of the year, the Treaty had 79 States Parties, and work on ratification is in progress in a number of other countries.

The updating of the user manual supplementing the EU Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment was completed in the EU in 2015.

In June 2015, the Cross-Party Committee of Inquiry on Military Equipment Exports (KEX) presented its final report *Tightened Export Control of Military Equipment* (SOU 2015:72) to the Government. Both the Committee's final report and its interim report *Penalty-Shift – More Effective Sanctions in the Area of Export Control* (SOU 2014:83) were sent for comment in August to around a hundred bodies, including authorities, the business sector and civil society. Discussion of the proposals has subsequently continued at the Government Offices.

Work on reviewing the EU's common regulatory framework for export control of dual-use items continued in 2015. The Stockholm International

Peace Research Institute (SIPRI) carried out an extensive analysis on behalf of the European Commission of the various options discussed during the process. In the autumn, the Commission issued invitations to a public consultation. Comm. 2015/16:114

In June 2015, the Commission also initiated a review of Directive 2009/43/EC simplifying terms and conditions of transfers of defence-related products within the Community. This review is expected to continue in 2016.

Summary of the statistical data

The account of Swedish exports of military equipment in 2015 is appended to this Communication. Statistics from recent years are also presented for comparison. A more accurate understanding can be obtained when looking at exports over a couple of years. Individual sales and deliveries of major systems may cause wide fluctuations in the annual statistics. The information contained in the Communication is based on the responsible authority's own decisions and on statutory annual reporting from military equipment-exporting companies and the authorities for 2015. The material has been compiled by the ISP.

62 countries received deliveries of Swedish military equipment in 2015. The value of the exports of military equipment actually delivered over the course of 2015 was SEK 7.6 billion. Total exports have thus decreased by about 4 per cent compared with 2014. It should be noted that just over SEK 800 million of actual exports in 2015 relates to products (technical assistance and armour plates) that were not subject to export control in Sweden before 30 June 2012.

In 2015, the share of deliveries of larger systems was comparatively low, which has an impact on the statistics. The largest individual recipient countries for Swedish military equipment in 2015 were Norway (SEK 2 128 million), the United States (SEK 667 million), Finland (SEK 541 million), India (SEK 380 million) and Germany (SEK 341 million). Deliveries of Combat Vehicle 90 to Norway continued. Exports to the USA were mainly of ammunition and naval subsystems (weapons and command and control systems). Exports to Finland were mainly of anti-tank systems. Exports to India were dominated by follow-up deliveries to previously exported army equipment, in particular ammunition but also supplementary orders for spare parts and components. Exports to Germany were mainly of components for weapon systems, electronic systems and armour plate. With regard to traditional partner countries, it may be noted that exports to France, Germany, Italy, South Korea and the United Kingdom were also considerable.

The value of the export licences granted in 2015 totalled SEK 4.6 billion, which is an increase of 10 per cent on 2014 (approx. SEK 4.5 billion). In addition, exports of civil firearms and associated ammunition were granted to a value of SEK 307 million.

The statistical report also contains an account of Swedish exports of dual-use items (DUIs). Unlike the situation with exports of military equipment, the companies involved do not submit any delivery declarations. The number of cases involving DUIs and sanctions

continued to increase somewhat in 2015. The proportion of cases concerning financial transactions subject to sanctions increased sharply in 2014 and continued to increase in 2015. (See table 1 in Annex 2.)

2 Military Equipment

2.1 Background and regulatory framework

A licence requirement for exports of military equipment is necessary to ensure that the products exported from Sweden and the technical assistance provided go to approved recipient countries. The regulatory framework for Swedish export controls consists of the Military Equipment Act (1992:1300) and the Military Equipment Ordinance (1992:1303), as well as the Government's guidelines on exports of military equipment, as approved by the Riksdag. Under Section 1, second paragraph of the Military Equipment Act, military equipment may only be exported if there are security and defence policy reasons for doing so, and provided there is no conflict with Sweden's foreign policy. In assessing applications for licences, Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment must also be applied. Furthermore, the UN Arms Trade Treaty must be applied in Swedish assessments of applications for licences.

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

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

The Ordinance (2015:125) amending the Military Equipment Ordinance updated the list to reflect the changes decided as a result of European Commission Directive 2014/108/EU, which entered into force on 12 December 2014.

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

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Final report of the Cross-Party Committee of Inquiry on Exports of Military Equipment

On 1 June 2012, the then Government decided to appoint a cross-party committee of inquiry to review export controls on military equipment. This committee, consisting of representatives of all eight political parties in the Riksdag, was tasked with conducting an inquiry into future Swedish export controls on military equipment and the regulatory framework surrounding these. The main purpose of the inquiry was to submit proposals for new military equipment legislation with the aim of tightening controls on exports to non-democratic countries (Terms of Reference 2012:50). Hans Wallmark, Member of Parliament, a member of the Parliamentary Committee on Defence and the Defence Commission, and a deputy member of the Committee on Foreign Affairs, was appointed chairman. In December 2014 former Minister for Foreign Affairs and Deputy Prime Minister Lena Hjelm-Wallén was appointed deputy chairman.

In an interim report (SOU 2014:83 Penalty-Shift – More Effective Sanctions in the Area of Export Control) of 12 December 2014, the Committee presented its proposal for how the system of sanctions in the Military Equipment Act and the Dual-Use Items and Technical Assistance Control Act (2000:1064) can be made more effective. The report contained proposals for the introduction of financial penalties and expanded obligation to obtain a licence.

On 26 June 2015, the Committee presented its final report Tightened Control on Exports of Military Equipment (SOU 2015:72) to the Government. In the report, the Committee proposed that a special democracy criterion be introduced into the guidelines on export of military equipment. The democratic status of the recipient country, according to the majority of the members of the Inquiry (consisting of the Centre Party, the Christian Democrats, the Liberal Party, the Moderate Party, the Green Party and the Social Democratic Party) ought to be a key condition in assessing applications for licences. The Committee further proposed that openness and transparency in export control should be increased, that supervision and control should be expanded, that the Policy for Global Development (PGD) should be taken into account in assessing applications for licences, that the concept of follow-on deliveries should be restricted in a certain way and that the criteria in the guidelines on human rights should be tightened.

The Committee's two reports were sent out to around a hundred referral bodies in August 2015, including courts of law, authorities, municipalities, companies and non-governmental organisations. At the end of the referral period, on 6 November, around 70 bodies had expressed opinions, which have since been collated and analysed by the Government Offices. Legislative activity has then been initiated with the

aim of formulating a proposal to tighten up export control in relation to non-democratic states.

Export controls and the Policy for Global Development

One of the Government's explicit aims is to strengthen and modernise work on the Policy for Global Development (PGD, Govt Bill 2002/03:122, Report 2003/04:UU3, Riksdag Communication 2003/04:122). This relaunch of the PGD is taking place in light of the fact that a new universal agenda for sustainable global development, known as Agenda 2030, has been adopted internationally. The agenda contains 17 global sustainability objectives. To implement the new agenda and the PGD, it is required that all the Government's policy areas, where this can be done, formulate and implement policy in a way that strengthens the Swedish contribution to equitable and sustainable global development. The PGD is based on the idea that global development challenges require shared solutions in which all parties assume responsibility.

The three dimensions of sustainable development – social, economic and environmental – as well as the rights perspective and the perspective of the poor, are key points of departure for work on the Policy for Global Development.

The Government Offices are pressing for the PGD perspective to be included in material for the Export Control Council when it may be significant in the assessment of individual cases. The Government Offices are also endeavouring to support the Inspectorate of Strategic Products with the enhancement of skills on matters of global development, with the aim of strengthening the analytical capability of the authority in the area.

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

Export control and feminist foreign policy

By conducting a feminist foreign policy, the Government is endeavouring systematically to achieve outcomes that strengthen the rights, representation and resources of women and girls. In doing so, the Government attaches great importance to preventing and counteracting sexual and gender-based violence.

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

In line with this, the Government is making active efforts to ensure that attention is paid to these issues and that they are followed up in the UN's Arms Trade Treaty. This is done, among other ways, by Sweden pressing for Article 7(4) of the Arms Trade Treaty to be put into operation and applied in practice by the states parties. The Treaty provides in this article, which was introduced into the treaty with strong support from Sweden, among others, that the states parties have to take into account the risk of exported equipment being used to commit or facilitate serious acts of gender-based violence or serious acts of violence against women and children. Comm. 2015/16:114

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

The Swedish Government Offices are also pressing to ensure that the Inspectorate of Strategic Products has sufficient competence to apply Article 7(4) on gender-based violence against women and children.

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

Combating corruption in the international arms trade

Both the giving and accepting of bribes have long been criminal offences under Swedish law. In addition, the reform of bribery legislation in 2012 introduced among other things a provision making the funding of bribery through negligence a criminal offence. This provision is aimed, for example, at cases in which a trader provides money or other assets to a subsidiary or an independent contractor which represents the trader in a particular matter and consequently, through gross negligence, promotes a crime of bribery in that matter. The new penal provision can also be assumed to be significant for the international defence equipment market.

In various international forums, Sweden actively promotes the effective application of conventions prohibiting bribes in international business transactions. For example, this applies to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions from 1997 and the UN Convention against Corruption from 2005. Sweden was audited in a 2013 peer review within the framework of the UN Convention against Corruption. The final report noted, among other things, that Sweden has a robust institutional framework in place to combat corruption. A follow-up of the audit of Sweden was made under the OECD Convention in 2014. This audit highlighted the progress Sweden has made in the area.

The Government has devised a more ambitious policy for sustainable enterprise, and in December 2015 presented a communication to the Riksdag in this area (Comm. 2015/16:69, Policy for Sustainable Enterprise). Anti-corruption is a key element in work on sustainable enterprise. As well as what is governed by Swedish legislation, among

other things, the Government expects Swedish companies to apply a clear policy to combat corruption and base their work, both at home and abroad, on the international guidelines on sustainable enterprise. The international guidelines primarily comprise the OECD Guidelines for Multinational Enterprises; the UN Global Compact, which addresses human rights, labour law, the environment and efforts to combat corruption; the UN Guiding Principles on Business and Human Rights; the ILO Core Conventions and the ILO's tripartite declarations. The Government further urges companies to analyse the UN's Agenda 2030 for sustainable development, which among other things contains targets to reduce all forms of corruption and bribery.

The Government welcomes the initiative taken by manufacturers of military equipment – initially on a European basis through the European trade association the Aerospace and Defence Industries Association of Europe (ASD), and then jointly with its American counterpart – to develop and apply an international code of conduct, including zero tolerance of corruption. The largest Swedish trade association, the Swedish Security and Defence Industry Association (SOFF), which represents more than 95 per cent of companies in the defence industry in Sweden, also requires prospective members to sign and comply with its Code of Conduct on Business Ethics as a condition of membership.

2.2 The role of defence exports from a security policy perspective

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

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

The Government confirmed in May 2015 in Defence Policy Orientation – Sweden's Defence 2016–2020 (Govt Bill 2014/2015:109) that Sweden's security is built in solidarity together with others and that threats to peace and security are best averted together and in collaboration with other countries and organisations. Sweden's security and defence cooperation is developed together with Finland, the other Nordic countries and the Baltic states, as well as in the framework of the

EU, the UN, the Organisation for Security and Co-operation in Europe (OSCE), the NATO partnerships and the transatlantic link.

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

In the Budget Bill for 2016 (Govt Bill 2015/16:1), the Government emphasises that the armed forces are a national concern, and that the choice of security arrangements made by EU Member States is reflected in equipment supply, e.g. regarding the view of security of supply and the maintenance of strategic competence for military capacities. The continued work on industry and market issues within the EU should therefore consider the distinctive nature of the military equipment market, and the need to meet the security interests of the Member States within the framework of the common market. The possibility of maintaining the transatlantic link should also be considered in this context.

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

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

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

The meeting of the European Council in June 2015 re-confirmed the importance of continuing to work on the basis of the European Council's discussion in December 2013 on Common Foreign and Security Policy. Particular emphasis was given to the importance of strengthening the competitiveness of the European defence industry.

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

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

Cooperation in multilateral frameworks pays dividends in terms of improved resource utilisation from a European perspective and increasingly harmonised and improved European and transatlantic cooperative capability. In this context, the EDA and NATO/the Partnership for Peace, together with the FA/LoI and Nordic Defence Cooperation (NORDEF), are vital.

Areas of activity

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

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

2.3 Cooperation within the EU on export control of military equipment

EU Common Position on Arms Exports

The EU Member States have national rules concerning the export of military equipment. However, the Member States have to some extent chosen to coordinate their export control policies. The EU Code of Conduct on Arms Exports, adopted in 1998, specified common criteria

for exports of military equipment, applied in conjunction with national assessments of export applications. The Code of Conduct was made stricter in 2005, and was adopted as a Common Position in 2008 (2008/944/CFSP). It is applied by all the EU Member States and a number of countries that are not members of the EU, such as Bosnia and Herzegovina, Canada, Iceland, Macedonia, Montenegro and Norway.

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

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

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

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

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

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

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

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

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

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

Exchange of information on denials

In accordance with the rules for implementing the Common Position, Member States must exchange details of export licence applications that

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have been denied. If another Member State is considering granting a licence for an essentially identical transaction, consultations are to take place before the licence can be granted. The consulting Member State must also inform the notifying state of its decision. The exchange of denial notifications and consultations on the notifications make export policy in the EU more transparent and uniform in the longer term between the Member States. The consultations lead to greater consensus on different export destinations. Member States notifying each other about the export transactions that are refused, and explaining the grounds for such refusal, reduces the risk of another Member State approving the export. The ISP is responsible for issuing details of Swedish denials and arranging consultations.

In 2015, Sweden received 359 denial notifications from other Member States and Norway. Sweden issued 22 denial notifications. This applied to Armenia, Bahrain, China, Egypt, Gabon, India, Macedonia, Nepal, Pakistan (3), Saudi Arabia (3), Taiwan, Thailand, Tunisia, the United Arab Emirates and Vietnam (4).

The fact that exports to a particular recipient country have been denied in a specific case does not mean that the country is not eligible for Swedish exports in other cases. Swedish export control does not use a system involving lists of countries, i.e. predetermined lists of countries that are either approved or not approved as recipients. Each export application is considered individually in accordance with the guidelines adopted by the Government for exports of military equipment, the EU Common Position on Arms Exports and the UN Arms Trade Treaty. To allow a licence to be granted, the application must be supported by the regulatory framework as a whole.

Work as part of COARM

The Working Party on Conventional Arms Exports (COARM) is a forum in which EU Member States regularly discuss the application of the Common Position on Arms Exports and exchange views on various export destinations. An account of this work, the agreements reached and statistics on the Member States' exports of military equipment is published in an annual EU report. The latest report was published in the EU's Official Journal (EUT C103) on 27 March 2015.

Since the criteria in the Common Position span a number of different policy areas, the goal is to achieve increased and clear coherence between these areas. Sweden works actively to ensure that Member States adopt a common approach on these issues. An important way of bringing this about is to increase transparency between the Member States.

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

Over the course of the year, the group has completed an update of the Common Position User's Guide in order to adapt it to the entry into force

of the Arms Trade Treaty. The User's Guide was formally updated with the adoption of Council conclusions in the summer of 2015. Comm. 2015/16:114

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

Under the Swedish Presidency in 2009, Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community, the ICT Directive, was adopted. The intention with the Directive was to allow for more competitive groups of defence industry companies and defence cooperation at the European level. The European Commission is in charge of implementation of the Directive with the assistance of a committee of Member State representatives, the ICT Committee. This committee held one meeting in 2015.

In 2015, the Commission initiated a review of the Directive in accordance with its Article 15. As part of this work, the ICT Committee organised a technical working group to develop a basis for harmonising the implementation of the Directive at national level. To this end, the working group has held a workshop and six working meetings with representatives of the EU Member States about its experiences. The views of the defence industry have also been canvassed. A consultancy (Technopolis) has been engaged by the Commission to conduct an independent evaluation of implementation of the Directive. The ISP, the Swedish Security and Defence Industry Association (SOFF) and the Defence Materiel Administration (FMV) have provided data to the consultancy regarding circumstances in Sweden. The review is expected to be completed in 2016 with the Commission's report to the Council and the European Parliament on implementation of the Directive.

Control of arms brokering

To tackle the problem of uncontrolled arms brokering and avoid the circumvention of arms embargoes, the Council adopted a Common Position (2003/468/CFSP) on the control of arms brokering in 2003. In accordance with this, the Member States agree to adopt the measures necessary to control arms brokering within their territory. Control of arms brokering in Sweden was already well-functioning due to the provisions of the Military Equipment Act. Work to produce appropriate mechanisms for the exchange of information about registered arms brokers between Member States is taking place as part of COARM. In Sweden, 28 companies are registered as brokers of products classified as military equipment.

Article 10 of the UN Firearms Protocol

Regulation (EU) No 258/2012 of the European Parliament and of the Council implementing Article 10 of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the UN Convention against Transnational Organized Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for

firearms, their parts and components and ammunition was adopted in 2012. The intention of the regulation, and of the UN protocol, is to combat crime by reducing access to firearms. References to exports in the Regulation indicate exports outside of the EU; as far as Sweden is concerned, this means, on the one hand, exports from Sweden to third countries and, on the other, exports from any other Member State to a third country in cases where the supplier is established in Sweden.

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

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

The Regulation is valid in Sweden immediately and is applied with effect from 30 September 2013. There are provisions that complement the EU Regulation in the Ordinance (2013:707) concerning the control of certain firearms, parts of firearms and ammunition. The ISP is the authority responsible for licences in accordance with the EU Regulation. In 2015 it received 342 applications and issued 355 export licences.

Arms embargoes etc.

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

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

of EU sanctions against the Russian Federation, the Government decided in December 2014 to impose an arms embargo on Russia.

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There are currently formal EU decisions, either independent or based on UN decisions, that arms embargoes apply to Afghanistan, Belarus, the Central African Republic, the Democratic Republic of Congo, Eritrea, Guinea, Iraq, Iran, Ivory Coast, Lebanon, Liberia, Libya, Myanmar (Burma), North Korea, the Russian Federation, Somalia, South Sudan, Sudan, Yemen and Zimbabwe. The embargoes vary in their focus and scope. There are also individually targeted arms embargoes against individuals and entities currently named on the UN terrorist lists. The EU also applies an arms embargo against China, based on a Council declaration issued as a result of the events in Tiananmen Square in 1989. Sweden does not permit the export of any military equipment to China. Under an OSCE decision, a weapons embargo is also maintained on the area of Nagorno-Karabakh.

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

A list of all applicable EU legal acts concerning sanctions, including those relating to arms embargoes and embargoes on dual-use items can be found on the website of the European External Action Service.

2.4 Other international cooperation on export controls of military equipment

Transparency in conventional arms trade

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

The reports are concerned with trade in the following seven categories of equipment: tanks, armoured combat vehicles, large-calibre artillery systems, combat aircraft, attack helicopters, warships and missiles/missile launchers. Following reviews by the UN, most recently in 2013, the definitions of the categories have been expanded to include more weapons systems, and it is now also possible to voluntarily report trade in small arms and light weapons (SALW). Particular importance is now attached to Man-Portable Air Defence Systems (MANPADs), which have been included in the category of missiles/missile launchers since 2003. The voluntary reporting also includes information on countries' stockpiles of these weapons and procurements from their own defence industries. In consultation with the Ministry of Defence and the ISP, the

Ministry for Foreign Affairs compiles annual data, which is submitted to the UN in accordance with the resolution.

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

Sweden's share of world trade in heavy weapons systems continues to be limited. The report that Sweden will make to the UN register for 2015 will include exports to Norway (Combat Vehicle 90), Brazil (Missile 70), Ireland (Missile 70) and Lithuania (Missile 70). Trade in heavy weapons systems and small arms and light weapons is reported annually to the OSCE in the same way as to the UN.

The Wassenaar Arrangement's (WA) reporting mechanism regarding exports of military equipment largely follows the seven categories reported to the UN register. However, certain categories have been refined through the introduction of subgroups and an eighth category for small arms and light weapons has been added. The Member States have agreed to report twice yearly, in accordance with an agreed procedure, and further information may then be submitted voluntarily. The purpose of this agreement is to draw attention to destabilising accumulations of weapons at an early stage. Exports of dual-use items and technology are also reported twice yearly.

The UN Arms Trade Treaty (ATT)

On 2 April 2013, the UN General Assembly voted to approve the international Arms Trade Treaty (ATT), with 154 votes in favour, 23 abstentions and 3 against. The Treaty created an internationally binding instrument that requires its parties to maintain effective national control of the international trade in defence equipment and sets standards for what this control will entail.

Sweden and the other EU countries signed the treaty when it was opened to signatories on 3 June 2013. During the spring of 2014 the Government presented a bill for the incorporation of the UN Arms Trade Treaty. With the approval of the Riksdag, Sweden ratified the Arms Trade Treaty on 10 June 2014 and started to apply it at the same time. The Treaty came into force on 24 December 2014, 90 days after the 50th ratification instrument had been deposited with the UN Secretary-General. By the end of 2015, 130 countries had signed and 80 countries had also ratified the Treaty.

The first Conference of States Parties to the Arms Trade Treaty was held in Cancún, Mexico in August 2015. Annual conferences of states parties are provided for under the procedural rules that were adopted at that time, and a secretariat for the Treaty is being set up in Geneva. The secretariat and conferences are funded by annual contributions from the states parties, which gives the organisation desirable stability and a long-term nature. In 2015, Sweden contributed in particular to work on implementation of the Treaty by coordinating the international work on creating reporting templates for the Treaty.

The EU Member States continued in 2015 to coordinate their actions concerning the ATT using a special subgroup of COARM. Significant efforts are also continuing to be made to promote the universal adoption

of the Treaty, through dialogue with other countries and regional groupings. The EU's triennial programme to support implementation of the Arms Trade Treaty by other countries and therefore their prospects of acceding to the Treaty has been met with significant interest, and activities have so far been carried out in 10 countries and in a number of regional contexts.

During 2015, Sweden contributed for the second time to the UN Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR), which includes funding to projects that support the implementation of the ATT. Sweden is one of around 10 countries that have contributed to this fund.

The Government attaches great importance to a widespread adoption and effective implementation of the ATT. A universal, legally binding treaty that strengthens global control of the conventional arms trade is an effective way of dealing with the cross-border illicit arms trade which, in many parts of the world, sustains violence, armed conflicts and instability at regional or national levels, causes extensive humanitarian suffering, and hampers or thwarts economic development. Sweden will therefore play an active part in continued work aimed at realising the objectives of the Treaty.

Small arms and light weapons

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

In 2001, the United Nations adopted a programme of action to combat the illegal trade in small arms and light weapons. The aim of the UN's work is to raise awareness about the destabilising effect small arms and light weapons have on regions suffering from conflict. Non-proliferation is also important in combating criminality and, not least, terrorism. As a result of the entry into force of the ATT, and as the number of states parties to it grows, efforts under the UN programme of action will be able to benefit from greater control of international trade and focus on measures at national level to combat the illegal proliferation of SALW. Sweden contributed actively to work on the UN action programme in 2015, in part through an international meeting of experts focused on how technological development is affecting the marking and tracing of small arms and light weapons.

During 2015 Sweden has reported exports of small arms and light weapons to the UN arms trade register as well as to the OSCE register of trade in conventional weapons. The Wassenaar Arrangement (WA) also includes an obligation to report trade in these arms, among others.

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

The Six-Nation Initiative – Letter of Intent (LoI)

In 2000, the six nations in Europe with the largest defence industries (France, Germany, Italy, Spain, Sweden and the United Kingdom) signed an important defence industry cooperation agreement at governmental level, known as the Framework Agreement. This agreement was negotiated as a result of the declaration of intent adopted by the countries' defence ministers in 1998, the Six-Nation Initiative or Letter of Intent (LoI). The purpose of the agreement is to promote the rationalisation, restructuring and operation of the European defence industry. Activity in the six-nation initiative and its working groups has also covered export control issues.

In 2015, the Export Control Informal Working Group (ECIWG), chaired by France, continued to deal with the implementation and application of the ICT Directive (2009/43/EC), in close collaboration with the Commission, the Directorate-General for Internal Market, Entrepreneurship and SMEs and the group that has been established for work under the ICT Committee. The working group has focused on opportunities for harmonising the scope of and conditions in general licences the Member States are to issue under the Directive.

3 Dual-use items

3.1 Background and regulatory framework

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

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

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

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

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

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

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

It follows from the EU Regulation that the Member States can use a mechanism that enables products not on the lists to be made subject to controls in the event that the exporter or the licensing authorities become aware that the product is or may be intended for use in connection with the production etc. of weapons of mass destruction or for other military

purposes. This is known as a catch-all mechanism, and is also common practice within the international export control regimes.

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

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

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

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

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

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

The majority of the DUIs exported with a licence from the ISP are telecommunications equipment, primarily encryption and thermal imaging devices that are controlled in the Wassenaar Arrangement's export regime (WA). Carbon fibre also accounts for a significant share. Another major product in terms of volumes is heat exchangers. These are controlled within the Australia Group (AG). Other products, such as isostatic presses, chemicals or UAVs (unmanned aerial vehicles) and

equipment related to such vehicles represent a smaller share of DUIs but can require extensive resources in the assessment of licence applications. Comm. 2015/16:114

The embargoes on trade in DUIs are in accordance with decisions by the UN and have been implemented and expanded by the EU to encompass Iran and North Korea. Through the decisions of the EU, these embargoes are fundamentally comprehensive, i.e. they cover all items on the EU control list, with some individual exceptions in the case of Iran. Certain other items are also covered by an embargo or licence requirement. Against the background of Russia's actions in Ukraine, the EU has furthermore adopted certain restrictive measures (sanctions) against Russia. Export restrictions cover the entire EU control list for DUIs, when intended for military end use or for military end users. Exceptions are made for certain products/technologies intended for the aerospace industry for non-military use and non-military end users. In accordance with EU decisions, exports of certain DUIs are also prohibited or covered by a licence requirement in relation to Syria. The agreement reached on 14 July 2015 between Iran, the United States, the United Kingdom, France, Russia, China, Germany and the EU on Iran's nuclear programme (Joint Comprehensive Plan of Action, JCPoA) anticipates that all EU sanctions against Iran related to nuclear technology will be lifted the day the International Atomic Energy Agency (IAEA) can confirm that Iran has fulfilled its obligations under the plan. During the year, this led to analyses of the future handling of export cases relating to Iran, as the DUIs that have previously been subject to embargo will then be covered by ordinary licensing procedures.

3.2 Cooperation within international export regimes

International agreements

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

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

source or special fissionable material or equipment is subject to the International Atomic Energy Agency's (IAEA) safeguards.

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

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

Although the primary objective of these international agreements is to prevent the proliferation of weapons of mass destruction and to promote disarmament, they also require the parties to promote trade for peaceful purposes. The reason for this is that a substantial proportion of the products and technologies concerned are dual-use items.

The international export control regimes

To strengthen international cooperation on the non-proliferation of weapons of mass destruction, some forty countries have, on their own initiative, come together in five international export control regimes: the Zangger Committee (ZC), the Nuclear Suppliers Group (NSG), the Australia Group (AG), the Missile Technology Control Regime (MTCR) and the Wassenaar Arrangement (WA).

The purpose of the regimes is to identify goods and technologies that can be used in connection with weapons of mass destruction and to enhance the uniformity of the participating countries' export control of these. To support this work, each regime has a list of items subject to control. The lists are revised on a regular basis. This work also includes exchanging information on refused exports, proliferation risks and contacts with third countries for the purpose of promoting the regimes' non-proliferation objectives.

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

The Zangger Committee

The Zangger Committee, which was established in 1974, deals with export control issues related to the Non-Proliferation Treaty (NPT). The Committee defines the meaning of equipment or material especially designed or prepared for the production of special fissionable material. Consequently, its responsibilities overlap to some extent with those of the Nuclear Suppliers Group (NSG), discussed below. The NPT stipulates that export of such equipment and material, as well as fissionable material, to a non-nuclear-weapon state is only allowed if the fissionable material is subject to IAEA safeguards. The equipment and materials are specified in the Committee's control list, which is updated to keep pace with technological developments. The list can be found in

the IAEA's Information Circular No 209 (INFCIRC/209/Rev.3). The Swedish Defence Research Agency (FOI) is responsible for setting up the regime's website. Comm. 2015/16:114

The Nuclear Suppliers Group

The Nuclear Suppliers Group (NSG) has its origins in the "London Club", established in the mid-1970s. The work of the NSG is concerned with the export control of products listed in Part 1 and Part 2 of the NSG Guidelines, including products with nuclear applications and DUIs that can be used in connection with the development or production of nuclear weapons. These products are listed in the IAEA's Information Circular No. 254, which includes two control lists for each group of items (INFCIRC/254/Rev.12/Part 1 and INFCIRC/254/Rev.9/Part 2).

In 2015, the Technical Working Group (TEG), chaired by Sweden, continued its work on technical proposals and on updating the content of the control lists. The annual plenary meeting was held in Bariloche, chaired by Argentina. It included continued discussions of how the NSG can promote adherence to the regime's guidelines and control lists among countries which are not regime members. In addition, guidance on how the process of government guarantees prior to exports of particularly sensitive products could be more efficient was discussed.

The Australia Group

The Australia Group (AG) was formed in 1985 on the initiative of Australia. Its aim is to harmonise member countries' export controls to prevent the proliferation of chemical and biological weapons. Originally, the Group's work only encompassed chemicals and chemical production equipment. In 1990, however, it was decided to expand the control lists to include microorganisms, toxins and certain manufacturing equipment for biological weapons. In 2015 the AG continued its outreach work with countries that are not members of the regime. The 2015 plenary meeting was held in Perth (Australia) to formally mark the 30th anniversary of the regime. Discussion of the future orientation of the AG was initiated at the meeting, focusing in particular on membership strategy. A dialogue meeting was held with six non-member countries in conjunction with the plenary meeting with the aim of sharing examples of best practice and experience in order to strengthen non-proliferation efforts.

The Missile Technology Control Regime

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

In 2015 the work within the MTCR included continuing the review of the content of the lists of controlled items, exchanging information on the sensitive spread of rocket equipment, technological development, national weapons programme and procurement strategies and conducting outreach activities with a range of countries. The plenary meeting for 2015 was held in Rotterdam, chaired jointly by the Netherlands and Luxembourg. The issue of membership was also discussed. A number of EU countries remain outside the regime.

Sweden was mandated to lead the Technical Working Group for a further two years.

The Wassenaar Arrangement

The Wassenaar Arrangement (WA) was formed in 1996 as a successor to the international export control cooperation that had previously taken place within the framework of the Coordinating Committee for Multilateral Export Controls (COCOM). The Arrangement's work covers the control of conventional weapons, as well as dual-use items and technologies not controlled by other regimes. Consequently, it represents an important complement to the work of other regimes that focus exclusively on weapons of mass destruction and certain delivery systems.

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

The Wassenaar Arrangement's broader product focus may be seen in the two control lists attached to the regime's basic document: the Munitions List, which covers conventional military equipment, and the List of Dual-Use Goods and Technologies, which covers products and technologies with both civilian and military uses that are not included in the other regimes' control lists. In practice, the two Wassenaar lists guide the contents of the EU's corresponding control lists.

The Wassenaar Arrangement's annual plenary meetings are held in the winter. These meetings address matters of fundamental significance to the continued development of this cooperation. On the basis of the ongoing technical work throughout the year, formal decisions on updating the control lists to reflect the technological development of conventional arms and weapons of mass destruction. The 2015 plenary meeting was held in December, chaired by Spain. New consensus recommendations describing various aspects of good export control practice were adopted. A decision was made regarding amendments to the control lists in a number of areas.

According to an agreed rotation, Sweden will serve as chair of the General Working Group (GWG) of the Wassenaar Arrangement in 2016. At the same time, this means responsibility for directing the review of the procedures, etc. of the Wassenaar Arrangement, which takes place every five years.

Consular vigilance

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One element of the work to limit the danger of the proliferation of nuclear weapons and other weapons of mass destruction is what is known as consular vigilance. Sweden has both legally binding commitments, in the form of sanctions adopted by the UN and the EU, and political commitments, within the scope of the export control regimes, aimed at limiting the spread of sensitive information and technologies. One way of spreading sensitive information is through knowledge transfer. This issue becomes relevant when assessing applications for admission or residence permits for studies relating to such sensitive information and technologies. Cooperation between the authorities concerned, which aims, for example, to increase awareness of proliferation risks with regard to sensitive university study programmes or research partnerships, continued in 2015. An extensive survey was conducted among the Member States at EU level to gather information on national rules and experience, which is to form the basis for future discussions and cooperation.

3.3 Collaboration within the EU on dual-use items

The export control regimes and the EU

Work within the EU on the export control of dual-use items is closely associated with the international work that takes place as part of the export control regimes. Work within the EU is coordinated most closely by two working groups – CONOP (Council Working Group on Non-Proliferation), which deals with non-proliferation issues in general, and the WPDU (Working Party on Dual-Use Goods), which focuses on policy issues and updates the control list of DUIs that are covered by Council Regulation (EC) No 428/2009 (the DU Regulation). The following section addresses the work of the WPDU.

In accordance with the EU's strategy against the proliferation of weapons of mass destruction, the Member States have to work towards becoming leading cooperative partners in the export control regimes by, for example, coordinating the EU positions within the regimes. The EU has long held the view that all EU Member States should be invited to join all of the export control regimes. The main reason is the desire to ensure that all EU countries maintain harmonised and effective national export controls based on the regimes' control lists, guidelines for export control and exchange of information on proliferation risks. The EU constitutes a common market for the vast majority of dual-use items. Trade within the EU is not regarded as export in this context. However, transfer of goods and technologies to a third country does constitute export. EU Member States are thus dependent on one another's export control systems. This is an additional reason why the issue of membership in the export control regimes is a substantial one.

All EU countries are members of the Nuclear Suppliers Group (NSG) and the Australia Group (AG). This is not the case for the Missile Technology Control Regime (MTCR), where Croatia, Cyprus, Estonia,

Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia still remain outside the regime. The same applies to Cyprus with regard to the Wassenaar Arrangement (WA).

Work on the control lists in 2015

The changes made to the regimes' control lists over the course of the year are detailed in Annex I of the Council Regulation referred to above and thus become legally binding for EU Member States. In accordance with the powers delegated to it (Regulation (EU) No 599/2014), the Commission has updated Annex I to reflect the changes determined within the export control regimes. These changes became effective on 24 December 2015.

The WPDU's work

In 2015 work within the WPDU was dominated by the ongoing review of the EU's regulatory framework for DUI export control. On behalf of the Commission, the Stockholm International Peace Research Institute (SIPRI), in cooperation with another international research institute, ECORYS, carried out fact gathering and an impact assessment of the development alternatives the Commission had presented in its Communication (COM(2014) 244). The report was published in August.

The SIPRI report, together with the outcome of the public consultation held in the autumn of 2015, will provide the basis for a combined evaluation report that the Commission intends to present during the spring of 2016. Specific proposals for new legislation and/or proposals for other measures for how the EU's export control policy can be developed are expected to be presented during the first six months of 2016.

Work in the Dual-Use Coordination Group (DUCG)

Activity in the Dual-Use Coordination Group (DUCG) is aimed at coordinating application of the DUI Regulation. During the year, the group produced a guidance document on cryptography, initiated a number of technical studies under the ongoing review of the regulatory framework on DUIs and made improvements to the electronic information system for the Member States' licensing authorities.

3.4 UN Security Council Resolution 1540 and the Proliferation Security Initiative (PSI)

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

shipments. The Resolution also contains provisions on assisting other countries with the implementation of the obligatory measures.

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It was also decided through Resolution 1540 to establish a committee tasked with reporting to the Security Council on the Resolution's implementation. The UN's Member States are urged to report to this committee on the steps that they have taken to implement the Resolution. The 1540 Committee's mandate was extended in April 2011, with the new mandate period running until April 2021.

In 2015, work on updating Sweden's reporting on the implementation of Resolution 1540 was completed, and a new version of the national matrix on the applicable regulatory framework and other implementation was handed over to the UN's 1540 Committee.

An international initiative that shares several points with Security Council Resolution 1540 and partly overlaps with it is the Proliferation Security Initiative (PSI). This initiative, supported by the EU and Sweden, aims to prevent the transport of weapons of mass destruction and the components of such products to unauthorised recipients within the framework of international and national law.

National efforts to maintain the necessary preparedness and to act in an urgent matter of this type are divided between the authorities concerned according to established remit principles.

4 Responsible Authorities

4.1 The Inspectorate of Strategic Products

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

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

The Government has appointed the ISP as what is known as the competent authority, responsible for executing certain duties stipulated by Council resolutions concerning sanctions decided by the European Union. The ISP also has supervisory duties in relation to special

prohibiting regulations issued by the Government with the support of the Act (1996:95) on Certain International Sanctions.

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

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

The authority's responsibilities are set out in the Ordinance (2010:1101) with instructions for the inspection of strategic products.

In April the Swedish National Audit Office decided to initiate a preliminary study on the ISP. Based on this preliminary study, the National Audit Office decided in November 2015 to initiate a main study of the ISP. The principal purpose of the study is to review whether export control of military equipment takes place in an effective way and works as intended. Control of DUIs is not intended to be included in the study. A review report is expected to be published in October 2016.

Contacts with companies

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

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

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

contacts with DUI companies are different than is the case with regard to military equipment. With the exception of a few companies, the ISP meets DUI companies less regularly. Comm. 2015/16:114

In its supervisory role, the ISP carries out compliance visits to companies to monitor their internal export control organisations. In 2015 the ISP carried out 25 compliance visits.

Funding

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

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

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

The ISP's exports of services should primarily be funded by parties other than the ISP.

The Export Control Council (ECC)

In 1984, on the basis of Govt. Bill 1984/85:82, proposing greater transparency and consultation on matters relating to exports of military equipment, the Riksdag decided to establish an advisory board concerned with exports of military equipment. The Government reorganised this board into the Export Control Council (ECC) in connection with the establishment of the ISP in 1996. The rules governing the composition and activities of the ECC are included in the ISP's instructions. All parliamentary parties are represented on the ECC. It is chaired by the Director-General of the ISP. A list of the Council's members in 2015 appears below.

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

At meetings of the ECC, the Ministry for Foreign Affairs presents assessments of the relevant purchasing countries, and the Ministry of Defence provides assessments of the defence policy aspects of the applications. The Director-General may also summon other experts. One task of the Council is to present opinions on proposed exports based on

the Swedish guidelines, the EU Common Position on Arms Exports and the UN Arms Trade Treaty, in order to provide further guidance to the ISP.

The members have unrestricted access to the documentation of all export licence application proceedings. The Director-General reports all export licence decisions continuously, as well as advance decisions that have been ruled on, but not previously reported to the Export Control Council and applications decided upon in accordance with guideline practice (tender notifications and cooperation agreements). With effect from 2005, the ISP has also reported all preparatory proceedings for dual-use items to the ECC. Taken together, this system ensures good insight into application of the rules on export control for members of parliament from all parties represented in the Riksdag.

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

The Advisory Council on Foreign Affairs, and not the Export Control Council, is still consulted in cases where this is prescribed by the Instrument of Government. The Export Control Council met six times in 2015.

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

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

The Strategic Cooperation Council

The Strategic Cooperation Council is a forum attached to the ISP for cooperation on issues related to non-proliferation. It consists of a Director-General and members from the cooperating authorities appointed by the ISP. The SCC did not meet in 2015.

The Technical-Scientific Council

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In connection with matters concerning the classification of military equipment and dual-use items, the Director-General of the ISP is assisted by a Technical-Scientific Council attached to the Agency. This consists of representatives of institutions with expertise in the technology's civilian and military applications. The Technical-Scientific Council held four meetings in 2015.

4.2 The Swedish Radiation Safety Authority

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

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

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

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

The SSM cooperates with other authorities on export control matters, in particular the ISP and Swedish Customs. The SSM is also supported by the specialist technical expertise of FOI, but does itself have a high level of specialist expertise in the field of nuclear technology.

Control of nuclear exports

Nuclear materials (uranium, plutonium and thorium) and nuclear technology products are classified as DUIs; consequently, their export is

governed by Regulation (EC) No 428/2009. Exports to countries outside of the EU require licences, but the EU's general export licences do not apply to these items. In addition, transfers within the EU involving several products, including particularly sensitive nuclear materials and nuclear equipment, also require licences.

When an application for a licence to export nuclear fuel is submitted, the SSM assesses, in parallel, the issue of the possible transfer of the nuclear material in accordance with the Act (1984:3) and Ordinance (1984:14) on Nuclear Activities. In the case of spent nuclear fuel, the SSM also investigates the issue of the materials final disposal. With regard to spent nuclear fuel originating from nuclear activities in Sweden, the application has to include an assurance that the exporter will recover the material if it cannot be disposed of in the intended manner. Furthermore, the SSM decides how nuclear material will be transported with the aim of preventing radiological accidents and to ensure that there is adequate physical protection.

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

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

Within the scope of the Euratom Treaty, the EU has the right to enter into agreements with third countries. Bilateral agreements on the peaceful use of nuclear energy have been entered into between the EU and Australia, Canada, Japan, Ukraine, the United States and Uzbekistan. There is an equivalent agreement between the EU and South Africa, but this had not yet entered into force in 2015.

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

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SSM handled 46 applications for export licences in 2015. These related exclusively to products for nuclear reactors and nuclear fuel, of which approximately 10 per cent consisted of nuclear material and the remainder consisted of equipment and components and technical documentation and software. Details of the export licences granted by the SSM can be found in Table 5 of Annex 2.

The SSM makes contact with the companies affected by its safeguarding activities when necessary. In its supervisory role, the SSM carries out visits to companies to ensure that they are aware of and comply with the requirements made on them in the event of intra-EU transfers or extra-EU exports of DUIs. Three such visits took place in 2015.

5 Statistics and Terminology

The Inspectorate of Strategic Products (ISP) provides the Government with the statistical material on which the reporting of Swedish exports of military equipment and dual-use items is based. The data in the Communication is based on the statutory reporting submitted annually to the ISP by companies and authorities exporting military equipment. The report on Swedish exports of military equipment in 2015 is presented in Annex 1 and the account of exports of dual-use items in Annex 2.

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

Reporting of activity related to military equipment

Manufacturing and brokering

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

177 companies and three authorities were covered by the reporting requirement in 2015. 56 of the companies and two authorities exported military equipment or technical assistance during the year.

Export licences granted and actual exports

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

The value and scope of the licences issued by the ISP provide merely an indication of what actual exports may look like in subsequent years. This is due in part to not all licences being utilised and to the fact that actual deliveries may take place several years after the export licence has been issued. The aggregate value of granted export licences become an increasingly poor indicator of the following year's deliveries as more global and general licences are issued. The value of these types of export licences is not as a rule specified. Licences of "unlimited value" are highlighted by the symbol ∞ in Table 7.

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

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

Military training

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

Four permits for military training were issued in 2015.

Follow-on deliveries

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

Categories of military equipment

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

The Swedish list of military equipment is also supplemented by a division into military equipment for combat purposes (MEC) and other

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

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

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

In 2015 the ISP approved eight licences for Swedish companies to enter into agreements involving the granting or transfer of manufacturing rights to parties outside Sweden (Section 7 of the Military Equipment Act). These licences were in reference to the following countries: Brazil, India and the United States.

In 2015 the ISP approved 42 licences for Swedish government agencies and Swedish companies to enter into cooperation agreements with parties outside the country to jointly with said parties or on their behalf provide technical assistance to parties abroad, develop military equipment or methods for the manufacture of such material or to jointly manufacture military equipment (Section 8 of the Military Equipment Act). These licences were in reference to the following countries and organisations: Australia, Austria, Belgium, Brazil, Canada, Chile, Czech Republic, Denmark, European Defence Agency (EDA), Finland, France, Germany, Greece, Indonesia, Italy, Netherlands, Norway, Portugal, Republic of Korea, Singapore, Spain, Turkey, United Arab Emirates, United Kingdom and United States.

In 2015 the ISP approved 9 licences for Swedish government agencies and Swedish companies to enter into agreements regarding additions or changes to such agreements as require licences under Sections 7 or 8 of the Act referred to (Section 9 of the Military Equipment Act). These licences were in reference to the following countries and organisations: Canada, the European Defence Agency (EDA), the Netherlands, Pakistan, Singapore and the United Kingdom.

Entities having transferred manufacturing rights for military equipment by agreement to a party in a foreign country or having entered into a cooperation agreement with a foreign partner must report on an annual basis whether the agreement is still in force, whether production or other cooperation under such an agreement still takes place and how such cooperation is conducted (Section 23 of the Military Equipment Ordinance). In 2015, 16 companies and one government agency reported 180 agreements on transferred manufacturing rights or agreements entered into for cooperation in 23 countries.

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A party holding a manufacturing or brokerage licence for military equipment (and government agencies undertaking corresponding activity) is obliged to provide information to the ISP on ownership in foreign legal entities undertaking development, manufacturing, marketing or sale of military equipment (Section 17 of the Military Equipment Act). In 2015, eight companies reported ownership in 79 foreign legal entities in 34 countries.

Exports of Military Equipment

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Appendix 1

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

Type of case	2013	2014	2015
Advance notifications	19	39	37
Notification of tenders	313	254	294
Export licences	1247	1043	1123

The number of cases received concerning exports of civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU is shown in Table 17.

Table 2. Value of export licences granted in 2011–2015, grouped by military equipment for combat purposes (MEC) and other military equipment (OME)

Year	Value at current prices (SEK million)			Change in per cent		
	Total	MEC	OME	Total	MEC	OME
2011	10,898	2,960	7,937	-18	-69	+113
2012	7,936	5,147	2,789	-27	+74	- 65
2013	9829	6339	3490	+24	+23	+25
2014	4481	1349	3132	-54	-78	-10
2015	4949	2790	2159	+10	+107	-31

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

Table 3. Value of granted export licences, grouped by military equipment for combat purposes (MEC) and other military equipment (OME) 2011-2015 (SEK million)

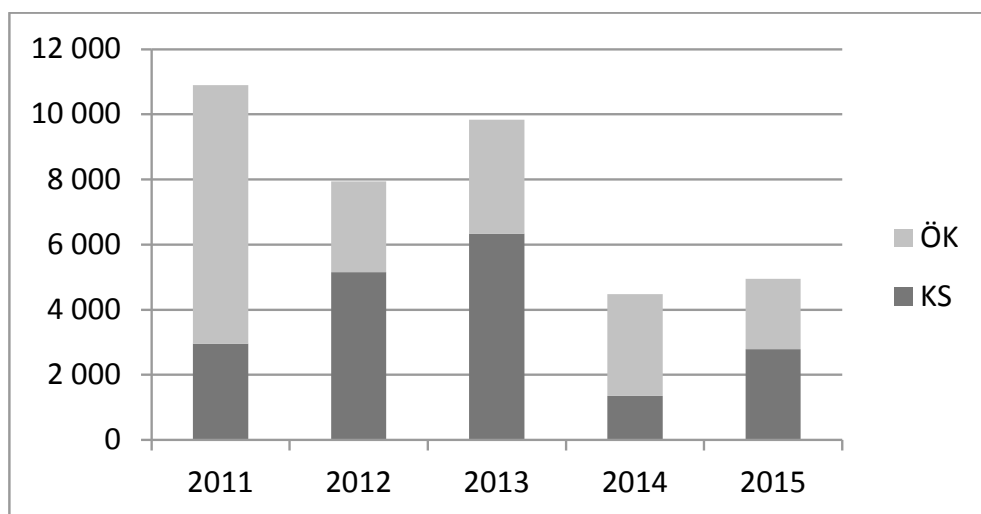


Table 4. Actual exports of military equipment 2011-2015 compared with total exports of goods

Year	Sweden's total exports of goods (current prices) SEK million	Military equipment exports						
		Proporti on of exports of goods %	Current prices (SEK million)			Change in per cent		
			Total	MEC	OME	Total	MEC	OME
2011	1 212 300	1.15	13914	5840	8074	+ 1	-13	+15
2012	1 168 300	0.84	9760	3746	6014	-30	-35	-25
2013	1 090 800	1.09	11942	5554	6388	+22	+48	+6
2014	1 125 300	0.71	7958	3258	4700	-33	-41	-26
2015	1 178 900	0.65	7603 ²	3560	4043	-4	+9	-14

² Of which SEK 143 million relates to exports of civil firearms and ammunition therefor.

Table 5. Actual exports of military equipment 2011-2015 (SEK million)

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Appendix 1

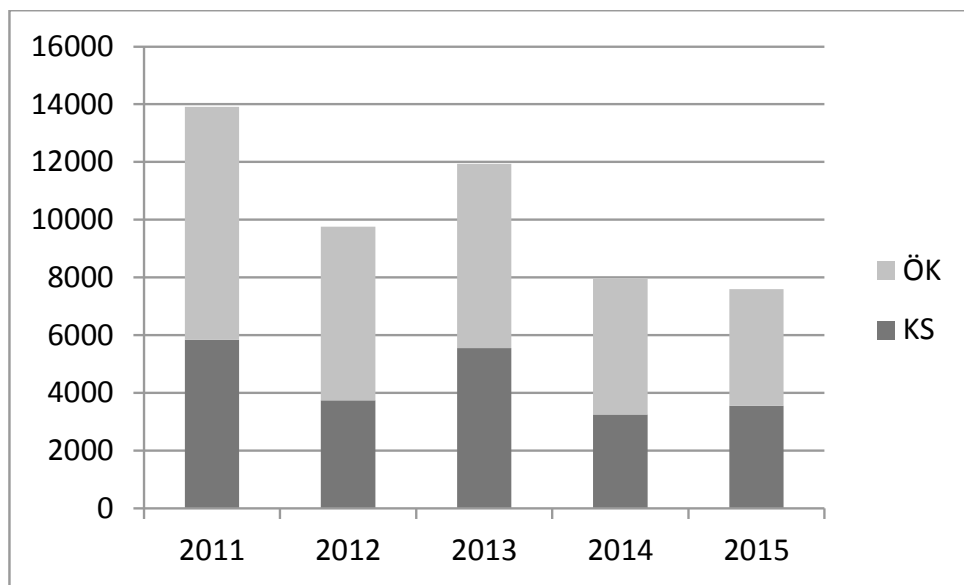


Table 6. Categories of military equipment

EU ML	Products classed as MEC (others are OME)	Scope
1	ML 1 a except for revolvers and pistols and weapons designed for hunting and sport shooting. Breeches, barrels, jackets and magazines. ML 1c	Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12.7 mm (calibre 0.50 inches) or less and accessories and specially designed components therefor.
2	ML 2 a except for signature reduction devices. Barrels, mechanisms, ground plates and recoil mechanisms. ML 2d	Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12.7 mm (calibre 0.50 inches), projectors and accessories and specially designed components therefor.
3	ML 3 a except for smoke, flare and training ammunition and expanding bullet ammunition of a type employed for hunting or sport shooting. Projectiles, shell bodies, homing devices and warheads.	Ammunition and fuse setting devices and specially designed components therefor.
4	ML 4 a except for smoke pots, cartridges and simulators. Homing devices, warheads, fuses, proximity fuses, motors, control systems, barrels and carriages. ML 4 b. Only activating, firing, laying, detonating and discharge of MEC defined equipment.	Bombs, torpedoes, rockets, missiles, other devices and charges with explosive effect and associated equipment and accessories and specially designed components therefor.
5	ML 5 a) ML 5 b only target capture, target designation and target tracking systems.	Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.
6	ML 6 with restriction to note 1 a) and b)	Ground vehicles and components.
7	ML 7 a), b) and e)	Chemical or biological toxic agents, "riot control agents" equipment, components and materials.

EU ML	Products classed as MEC (others are OME)	Scope	Comm. 2015/16:114 Appendix 1
8	ML 8 a), b) and c)	"Energetic materials" and related substances.	
9	ML 9 a) 1, 2a) and b)	Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels.	
10	ML 10 a) combat aircraft and c) armed UAVs	"Aircraft", "lighter-than-air vehicles", Unmanned Aerial Vehicles ("UAVs"), aero-engines and "aircraft" equipment, related equipment, and components specially designed or modified for military use.	
11		Electronic equipment, "spacecraft" and components, not specified elsewhere on the EU Common Military List.	
12	ML 12 a)	High velocity kinetic energy weapon systems and related equipment, and components specially designed for these weapons.	
13		Armoured or protective equipment, constructions and components.	
14		'Specialised equipment for military training' or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or	
15		Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.	
16		Forgings, castings and other unfinished products, the use of which in a specified product is identifiable by material composition, geometry or function, and which are specially designed for any products specified by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19.	
17		Miscellaneous equipment, materials and 'libraries', and components specially designed therefor.	
18		Production equipment and components, as follows.	
19	ML 19 a), b), c) and f)	Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test models, and specially designed components therefor.	
20		Cryogenic and "superconductive" equipment, and specially designed components and accessories therefor.	
21		"Software".	
22		"Technology".	

Table 7. Export licences and actual exports in 2015, broken down by recipient country and product category (SEK million)

Export licences granted and actual exports of civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU is shown in Table 17. Export licences granted and actual exports of ammunition for hunting and sport shooting weapons (OME) to recipients within the EU are included in the values stated below. Export licences granted and actual exports of civil firearms (hunting and sport shooting weapons) and parts of such weapons within the EU are handled by the Swedish Police and are therefore not reported in this annex.

Region/ Country	Export licences granted			Actual exports	
	Numb er of licenc es grant ed	Main category of the licensed equipment (EU Common Military List)	Value of the licence (SEK million)	Main category of the licensed equipment (EU Common Military List)	Value of the exports (SEK million)
EU					
Belgium	6	5,8,13	4	3,5,8,13,22	15
Bulgaria	1	13	∞	3	0.2
Cyprus	1	13	∞	-	-
Denmark	15	1,2,3,5,8,11,13, 17	9	1,2,3,5,6,8,11,13,1 7,21,22	160
Estonia	10	1,2,5,6,13,17	5	1,2,3,5,17,22	4
Finland	28	2,3,4,5,8,13,14, 17,18,21,22	467	1,2,3,4,5,6,8,10,13, 14,16,17,18,21,22	541
France	16	1,3,5,8,11,22	290	1,3,5,6,8,10,11,13, 15,21,22	311
Greece	3	4,5,13	6	5,13,22	2
Ireland	3	3,4,13,22	5	3,4,5,14	31
Italy	12	1,3,4,5,8,13,17,22	17	1,3,5,6,8,11,13,17, 22	252
Croatia	4	3,5,13	5	3,5,22	1
Latvia	7	3,4,5,13,17,22	42	3,4,17	22
Lithuania	6	1,3,13,14	43	3,4,8,14,18,22	72
Luxembourg	2	6,13	0.02	6	0.02
Malta	1	13	∞	-	-
Nether- lands	8	3,7,13,17	0.8	3,5,6,7,13,17,	241
Poland	12	1,4,5,8,13,14,18,21, 22	11	3,4,8,13,14	46
Portugal	6	3,13,14,17	8	3,9,14,17	2
Romania	1	13	∞	3	0.5
Slovakia	4	2,3,8,13	21	2,3,13	18

Region/ Country	Export licences granted		Actual exports		
	Number of licences granted	Main category of the licensed equipment (EU Common Military List)	Value of the licence (SEK million)	Main category of the licensed equipment (EU Common Military List)	Value of the exports (SEK million)
Slovenia	4	1,13,17	0.09	1,3,17	0.5
Spain	13	3,4,5,6,8,9,13,22	9	3,5,6,8,9,11,13	31
United Kingdom	24	1,3,4,8,10,13,17,21, 22	843	3,4,5,6,8,10,11,13, 14,17,18,21,22	315
Czech Republic	4	3,4,5,13,22	56	1,3,4,5,8,13,14	22
Germany	53	3,4,5,6,7,8,10,11,13 ,17,18,21,22	117	3,4,5,6,7,8,10,11,1 3,14,17,18,22	341
Hungary	4	3,8,13,17	16	3,17	7
Austria	10	3,7,8,10,13,17	95	2,3,4,8,10,17	10
Total	259	1,2,3,4,5,6,7,8,9,10,1 1,13,14,15, 17,18,21,22	2059	1,2,3,4,5,6,7,8,9,10, 11,12,13,14,15,16,1 7,18,21,22	2446
Rest of Europe					
Iceland	1	13	∞	3,8	0.03
Liechtenstein	1	13	∞	-	-
Norway	64	2,3,4,5,7,8,9,11, 13,17,22	190	2,3,5,6,7,8,9,10,11, 13,14,15,17,21,22	2112
Switzerland	27	2,3,7,8,213,17	5	2,3,5,6,7,8,10,13,1 7	78
Turkey	5	5,8,13,17,21	8	5,8,13,21	35
Total	98	2,3,4,5,7,8,9,11, 13,17,21,22	203	2,3,5,6,7,8,9,11,1 3,14,15,17,21,22	2225
North America					
Canada	14	2,5,13,15,17,18, 21,22	147	2,3,5,13,17,21,22	294
United States	49	2,3,5,8,13,14,17,18, 21,22	815	2,3,5,8,11,13,14,1 7, 18,21,22	569
Total	63	2,3,5,8,13,14,15,17,1 8,21,22	962	2,3,5,8,11,13,14,17, 18,21,22	863
Central America/ Caribbean					
Trinidad and Tobago	1	3	4	3	4
Mexico	2	5,13,15,21,22	27	2,9,13,15,22	54
Total	3	3,5,13,15,21,22	31	2,3,9,13,15,22	58
South					

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Region/ Country	Export licences granted			Actual exports	
	Number of licences granted	Main category of the licensed equipment (EU Common Military List)	Value of the licence (SEK million)	Main category of the licensed equipment (EU Common Military List)	Value of the exports (SEK million)
America					
Argentina	1	13	∞	-	-
Brazil	6	2,3,4,5,13,14,22	123	2,3,4,5,13,14,18	63
Chile	2	2.13	0.4	2	1
Peru	-	-	-	8	0.3
Uruguay	1	13	∞	-	-
Total	10	2,3,4,5,13,14,22	124	2,3,4,5,8,13,14,18	64
North-East Asia					
Japan	16	2,3,4,5,8,13,14,22	51	2,3,4,5,8,9,13,14,22	39
Republic of Korea	10	5,8,9,10,13,18,22	165	4,5,8,9,10,13,18,22	303
Total	26	2,3,4,5,8,9,10,13,17,18,22	216	2,3,4,5,8,9,10,13,14,18,21,22	342
South-East Asia					
Brunei	2	2.22	51	2.3	6
Malaysia	2	5,13,22	4	2	1
Singapore	7	2,5,8,9,13,22	78	2,4,5,8,9,13,14,22	187
Thailand	7	2,3,4,9,13,22	74	2,3,4,5,9,10,21,22	201
Total	18	2,3,4,5,8,9,13,22	207	2,3,4,5,8,9,10,13,14,21,22	395
South Asia					
India	18	2,5,8,9,13,14,21,22	185	2,3,5,8,9,21,22	380
Pakistan	4	4,5,10,11,21,22	284	4.5	31
Total	22	2,4,5,8,9,10,11,13,14,21,22	469	2,3,4,5,8,9,21,22	411

Middle East						Comm. 2015/16:114 Appendix 1
Bahrain	-	-	-	5	0.2	
United Arab Emirates	2	2,3,15, 22	141	5,10,21,22	68	
Jordan	1	13	10	13	1	
Kuwait	1	6,7,11,21,22	83	11	76	
Oman	1	5.22	10	-	-	
Qatar	6	17	79	17	26	
Saudi Arabia	2	5.22	2	5.22	14	
2,3,5,6,7,11,13, Total 13 17,21,22 325 5,10,11,13,17,21,22 185						
North Africa						
Algeria	1	4,5,18,21,22	∞	5.21	80	
Tunisia	1	2,3,14,22	71	2,3,14	71	
Total 2 2,3,4,5,14,18,21,22 71 2,3,5,21 151						
Sub-Saharan Africa						
South Africa	8	5,10,13,14,21,22	148	3,5,10,13,14,21,22	236	
Total 8 5,10,13,14,21,22 148 3,5,10,13,14,21,22 236						
Oceania						
Australia	19	2,3,4,5,9,13,14, 17,21,22	130	2,3,4,5,8,9,11,13,1 4,17,21,22	83	
New Zealand	5	2,3,8,13,14	6	2,3,8,14	1	
2,3,4,5,8,9,13,14,17, Total 24 21,22 136 2,3,4,5,8,9,11,13,14 ,17,21,22 84						
TOTAL 1,2,3,4,5,6,7,8,9,10,1 1,13,14,15, 541 17,18,21,22 4951 1,2,3,4,5,6,7,8,9,10, 11,13,14,15,16,17,1 8,21,22 7460						

Table 8 a. Actual exports of military equipment 2013–2015 broken down by country and region grouped according to MEC and OME (SEK million)

Region/Country	2013			2014			2015		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
EU	843	1992	2835	607	1620	2227	936	1510	2446
Belgium	23	3	26	20	2	22	4	11	15
Bulgaria	-	1	1	0	0.7	0.7	0	0.2	0.2
Denmark	108	103	211	20	120	140	6	154	160
Estonia	0.06	2	2	1.5	6.5	8	0.07	4	4
Finland	81	314	395	108	152	260	386	155	541
France	135	357	492	132	321	453	25	286	311
Greece	0.3	4	4	0	49	49	0	2	2
Ireland	-	9	9	-	-	-	8	23	31
Italy	124	90	214	14	83	97	202	50	252
Croatia	-	1	1	0	0.3	0.3	0.1	0.8	1
Latvia	0.5	3.5	4	0.004	1	1	19	3	22
Lithuania	-	1	1	0.007	4	4	58	14	72
Luxembourg	30	1	31	0	0.4	0.4	0	0.02	0.02
Netherlands	0.3	200	200	0.5	176	176	0.04	241	241
New Caledonia, Fr	-	0.3	0.3	-	-	-	-	-	-
Poland	22	15	37	4	23	27	6	40	46
Portugal	-	1	1	9	2	11	0	2	2
Romania	-	0.4	0.4	0	0.2	0.2	0	0.5	0.5
Slovakia	1	1	2	0	1	1	16	2	18
Slovenia	-	1	1	0.003	0.3	0.3	0.006	0.5	0.5
Spain	4	27.5	31.5	9	19	28	7	24	31
United Kingdom	217	388	605	233	294	527	138	177	315
Czech Republic	2	2	4	4	3	7	2	20	22
Germany	82.5	451	533.5	50	352	402	58	283	341
Hungary	0.5	2.5	3	0.3	3	3	0.001	7	7
Austria	12	12	24	0.08	9	9	1	9	10
Rest of Europe	900	164	1064	1250	54	1304	1961	264	2225
Andorra	-	0.2	0.2	-	-	-	-	-	-
Iceland	-	0.3	0.3	0.06	0	0.06	0.003	0	0.003
Montenegro	-	0.06	0.06	0	0.1	0.1	-	-	-
Norway	900	61.5	961.5	1246	23	1269	1951	161	2112
Russia	-	13	13	-	-	-	-	-	-
Switzerland	-	67	67	4	30	34	3	75	78

Region/Country	2013			2014			2015		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
Turkey	1	20	21	0.2	0.3	0.5	7	28	35
Ukraine	-	0.5	0.5	-	-	-	-	-	-

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North America	779	776	1555	1092	573	1665	269	594	863
United States	653	553	1206	982	336	1318	269	300	569
Canada	126	223	349	109	238	347	0	294	294

Central America and the Caribbean	-	4	4	0	25	25	4	54	58
Mexico	-	4	4	0	25	25	0	54	54
Trinidad and Tobago	-	-	-	-	-	-	4	0.5	4

South America	6	103	109	29	67	96	39	25	64
Argentina	-	-	-	6	4	10	-	-	-
Brazil	4	102	106	16	63	79	39	24	63
Chile	2	1	3	7	0	7	0	1	1
Peru	-	-	-	-	-	-	0.3	0	0.3

North-East Asia	137	162	299	17	158	175	33	309	342
Japan	134	13	147	14	26	40	33	6	39
Republic of Korea	3	149	152	3	132	135	0.4	303	303

Central Asia	-	1	1	-	-	-	-	-	-
Kazakhstan	-	1	1	-	-	-	-	-	-

South-East Asia	2563	945	3508	43	671	714	19	376	395
Brunei	-	16	16	3	12	15	5	1	6
Indonesia	9	-	9	0	0.3	0.3	-	-	-
Malaysia	-	8	8	0	9	9	0	1	1
Singapore	2	153	155	21	137	158	0.7	187	187
Thailand	2552	767	3319	19	513	532	14	187	201

South Asia	24	686	710	7	476	483	165	246	411
Bangladesh	-	0.3	0.3	-	-	-	-	-	-
India	24	685	709	7	461	468	165	215	380
Pakistan	-	1	1	0	14	14	0.5	31	31

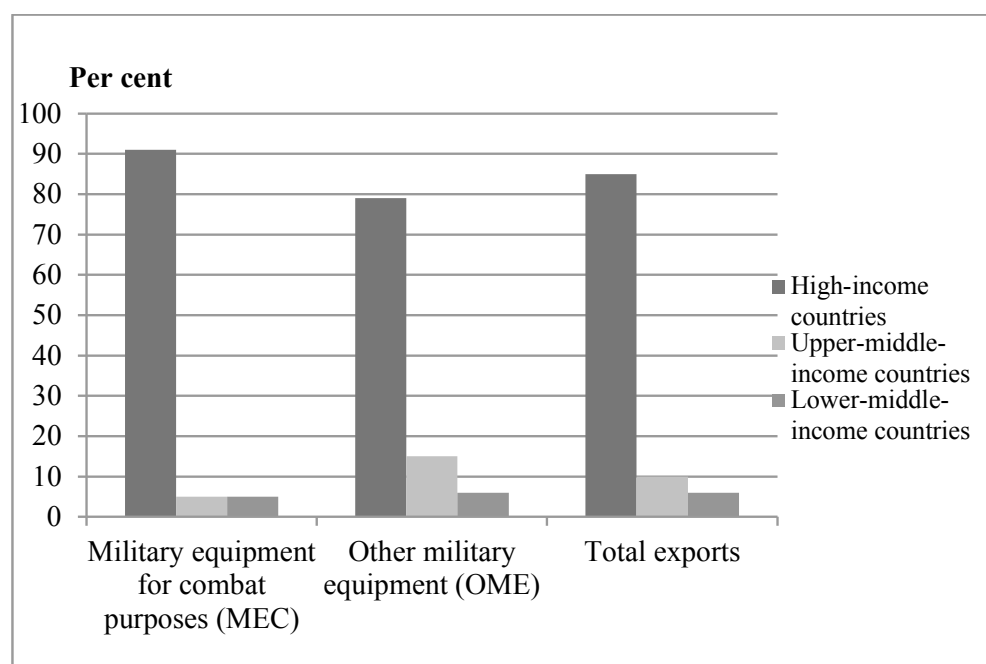
Region/Country	2013			2014			2015		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
Middle East	59	1008	1067	36	345	381	13	172	185
Bahrain	24	0	24	0	0.6	0.6	0	0.2	0.2
Egypt	-	16	16	-	-	-	-	-	-
United Arab Emirates	-	271	271	0	40	40	0	68	68
Israel	-	0.2	0.2	-	-	-	-	-	-
Jordan	-	-	-	-	-	-	0	1	1
Kuwait	-	4	4	-	-	-	0	76	76
Oman	-	2	2	1	1	2	-	-	-
Saudi Arabia	35	715	750	34	304	338	13	1	14
Qatar	-	-	-	0	0.2	0.2	0	26	26
North Africa	-	163	163	58	134	192	103	48	151
Algeria	-	161	161	58	134	192	40	40	80
Tunisia	-	2	2	-	-	-	63	8	71
Sub-Saharan Africa	-	151	152	0.01	167	167	1	235	236
Botswana	-	0.1	0.1	-	-	-	-	-	-
Namibia	-	0.3	0.3	-	-	-	-	-	-
South Africa	-	151	151	0	167	167	1	235	236
Tanzania	-	0.5	0.5	-	-	-	-	-	-
Zambia	-	0.1	0.1	0.01	0	0.01	-	-	-
Oceania	242	233	475	119	232	351	17	67	84
Australia	241	232	473	117	231	348	16	67	83
New Zealand	1	1	2	2.5	0.5	3	0.2	0.5	1
UN United Nations	-	0.4	0.4	0	0.06	0.06	-	-	-
TOTAL	5554	6388	11942	3258	4521	7779	3560	3900	7460

Table 8 b. Actual exports, broken down by region in per cent of the total value in 2015

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Region	Share of total exports (%)
EU	32.2
South Asia	5.4
Middle East	2.5
South-East Asia	5.2
North America	12.7
Rest of Europe	29.5
Sub-Saharan Africa	3.2
Oceania	1.2
North-East Asia	4.5
North Africa	2.0
Central America and the Caribbean	0.8
South America	0.9
Central Asia	0.0
UN, United Nations	0.0

Table 8 c. Actual exports of military equipment broken down by countries grouped according to income



¹ The country groupings are based on the World Bank's synthesis of countries' economic status. A complete list of the country groupings can be found on the website www.worldbank.org. The countries Sweden exports military equipment to or has granted export licences to in 2015 are grouped as follows: **High-income countries:** Australia, Austria, Bahrain, Belgium, Brunei, Canada, Chile, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kuwait, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Qatar, Republic of Korea, Saudi Arabia, Singapore, Slovakia, Slovenia, Spain, Switzerland, Trinidad and Tobago, United Arab Emirates, United Kingdom, United States. **Upper-middle-income countries:** Algeria, Brazil, Bulgaria, Jordan, Malaysia, Mexico, Peru, Romania, South Africa, Thailand, Tunisia, Turkey. **Lower-middle-income countries:** India, Pakistan. **Low-income countries:** -

Table 9. Follow-on deliveries in 2015

Country	Number of licences	Of which follow-on delivery licences	Of which new licences	Items, new licences
Algeria	1		1	Missile system
Argentina	1		1	Armour plate
Brazil	6	5	1	Armour plate
Brunei	2	2		
United Arab Emirates	2		2	Naval gun, Marine sensor
India	18	10	8	Explosives, Gyros, armour plate
Jordan	1		1	Armour plate
Kuwait	1		1	Chemical protection equipment
Liechtenstein	1		1	Armour plate
Malaysia	2	1	1	Armour plate
Oman	1	1		
Pakistan	4	4		
Qatar	6		6	Camouflage equipment
Saudi Arabia	2	2		
Singapore	7	5	2	Armour plate, explosives
South Africa	8	7	1	Armour plate
Thailand	7	6	1	Ship component
Trinidad and Tobago	1	1		
Tunisia	1		1	Anti-tank system
Uruguay	1		1	Armour plate

Table 10. Actual exports of small arms and light weapons in 2015 as defined in the UN Register of Conventional Arms ³

Categorised in accordance with the UN Register of Conventional Arms
Small arms
1. Revolvers and self-loading pistols No exports

³ This report does not include an account of exports of civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons.

2. Rifles and carbines	No exports	Comm. 2015/16:114 Appendix 1
3. Sub-machine guns	No exports	
4. Assault rifles	No exports	
5. Light machine guns	No exports	
6. Other	Small-bore ammunition was exported to Australia, Austria, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, South Africa, the United Kingdom and the United States. Equipment for manufacturing ammunition was exported to Finland and the United States.	
Light weapons		
1. Heavy machine guns (12.7 mm)	Export of ammunition to Norway	
2. Hand-held underbarrel and mounted grenade launchers (40 mm)	Components to Germany	
3. Portable anti-tank guns	No exports	
4. Recoilless rifles (rocket-propelled grenades)	Rocket-propelled grenades were exported to Australia, Slovakia and Tunisia. Spare parts, training equipment, components and ammunition were exported to Australia, Austria, Brazil, the Czech Republic, Chile, Denmark, Estonia, India, Japan, Lithuania, New Zealand, Norway, Portugal, Slovakia, Trinidad and Tobago, Tunisia and the United States.	
5. Portable anti-tank missile launchers and rocket systems	Anti-tank missile launchers and rocket systems were exported to Finland and the United States. Spare parts, training weapons and components were exported to Austria, Brazil and Finland.	
6. Mortars of calibres less than 75 mm	No exports	
7. Other	No exports	

Table 11. Actual exports of MANPADS (man-portable air defence systems) in 2015 as defined in the UN Register of Conventional Weapons

Missiles, spare parts, training equipment etc. were exported to Australia, Brazil, the Czech Republic, Finland, Ireland, Latvia, Lithuania, Pakistan, Singapore and Thailand to a total value of SEK 110 982. Sights intended for MANPADS were exported to Brazil, Ireland and Lithuania.

Table 12. Licences issued in 2015 for re-export of equipment originally exported from Sweden.

Application from	Equipment concerned	Destination
Australia	Software for naval command systems, ML 21	Canada
Canada	Temporary export of software for naval command and control systems, ML 21	Australia, Canada, France, Germany, Israel, New Zealand, Spain, United Kingdom, United States
Latvia	Assault rifles, ML 1	Other recipient in Latvia
Netherlands	Combat Vehicle 90, ML 6	Estonia
Norway	Combat Vehicle 90 chassis, ML 6	Estonia
Switzerland	Explosive, ML 8	Sweden
United States	Ammunition, ML 3	Other recipient in United States

Table 13. Exporting companies and authorities in 2015

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

Company	MEC	OME	Total
BAE Systems Hägglunds AB	1831	469	2300
Saab Dynamics AB	727	385	1112
Saab AB, Electronic Defence Systems	311	541	852
Saab AB, Security and Defence Systems	55	606	661
BAE Systems Bofors AB	54	406	460
FFV Ordnance AB	164	186	350
Norma Precision AB	18	242	260
SSAB EMEA AB	0	235	235
EURENCO Bofors AB	199	0	199
Nammo Vanäsverken AB	163	0.01	163
Saab AB, Aeronautics	0	145	145
Saab AB, Support and Services	0	134	134
Saab Underwater Systems AB	0	103	103
GKN Aerospace AB	0	85	85

Company	MEC	OME	Total
Saab Barracuda AB	0	79	79
N. Sundin Dockstavarvet AB	0	65	65
Scania AB	0	60	60
Saab AB, Industrial Products and Services	0	47	47
Nammo LIAB AB	22	12	34
Saab Kockums AB	0	28	28
FLIR Systems AB	17	8	25
GKN Aerospace Applied Composites AB	0	24	24
FOI, Swedish Defence Research Agency	0	23	23
Exensor Technology AB	0	23	23
FMV, Swedish Defence Materiel Administration	0	17	17
Taiga AB	0	15	15
Saab AB, Training & Simulation	0	13	13
Patria Helicopters AB	0	11	11

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The following companies exported equipment to a value of between SEK 1 million and SEK 10 million in 2015:

Airsafe Sweden AB, BAE Systems SWS Defence AB, Schill Reglerteknik AB, VO Vapen AB, Befyraem Technologies AB (B4M), Polyamp AB, Deform AB, Aerodynamics Research Center STARCS AB, Carmenta AB, Sepson AB, SSPA Sweden AB, Aimsport Sweden AB, Rolls-Royce AB, Åkers Krutbruk Protection AB, Exova Materials Technology AB, Arma Tech AB, Saab Bofors Test Center AB, Aimpoint AB, ECAPS AB.

The following companies exported equipment to a value of less than SEK 1 million in 2015:

Ekenäs Mekaniska AB, Spuhr i Dalby AB, Ammo Tech Sweden AB, Stalons Svarv & Svets AB, MSE Engineering AB, Comtri AB, Lesjöfors Fjädrar AB, Waltreco AB, Nammo Vingåkersverken AB, Swedish Ordnance i Stockholm AB, GP Rifle, Clustertronix HB

Of other companies with manufacturing or brokerage licences in 2015, 55 companies only undertook sales in Sweden. 65 companies and one authority (FXM) did not sell any military equipment in 2015.

Table 14. Individual brokerage licences granted in 2015⁴

From country	To country	number	ML Category	Item
Australia	Canada	2	ML 21/22	Software for command and control systems
Denmark	Afghanistan	3	ML 13	Bulletproof vests and ballistic plates
Greece	Norway	1	ML 15	Night vision equipment
Italy	Hungary	1	ML 18	Components
Canada	Denmark	1	ML 1	Components
Latvia	Ireland	1	ML 17	Diving equipment
Namibia	Namibia	1	ML 1	Hunting weapons
Singapore	Singapore	4	ML 13	Armour plate
United Kingdom	Australia	2	ML 5	Sensors
	United Kingdom	11	ML 13	Armour plate
South Africa	Botswana	1	ML 17	Camouflage equipment
	South Africa	13	ML 13	Armour plate
Czech Republic	Czech Republic	1	ML 10	Components
Germany	Belgium	2	ML 13	Armour plate
	Denmark	1	ML 3	Ammunition
	Finland	1	ML 13	Components
	Greece	2	ML 13	Armour plate
	Netherlands	3	ML 13	Armour plate
	Norway	1	ML 1	Firearms
	Norway	1	ML 3	Ammunition
	Poland	1	ML 13	Armour plate
	Rep. Korea	1	ML 13	Armour plate
	Saudi Arabia	1	ML 10	Spare part
	Switzerland	1	ML 13	Armour plate
	Germany	20	ML 13	Armour plate
United States	Austria	1	ML 13	Armour plate
	Afghanistan	1	ML 13	Bulletproof vests
	Denmark	3	ML 1	Firearms
	Canada	5	ML 13	Armour plate
	Mexico	1	ML 13	Armour plate
	Norway	2	ML 1	Firearms
	United States	13	ML 13	Armour plate

⁴ Individual brokerage licences are issued for Swedish companies, authorities and private individuals when military equipment deals are brokered between two foreign entities. The number of brokerage licences issued has increased sharply over the past three years due to distribution of Swedish-made armour plate frequently being distributed between warehouses abroad to a large number of customers.

Companies licensed to supply military equipment in 2015

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BAE Systems SWS Defence AB, Caliber 44 Varberg, Catron Elektronik AB, Defendor AB, Equipnor AB, EX&PLOSE AB, FFV Ordnance AB, Gripen International AB, Gripen International KB, ILEK AB, LEAF Supply & Services AB, Milmac Sweden AB, MP-Sec International AB, Naverviken Logistic AB, Neptunus Hav & Land AB, 9-Line AB, Patria Helicopters AB, Promoteq i Sandviken AB, Saab Underwater Systems AB, Sako Oy Finland Filial, Scandinavian Risk Solutions AB, SKF Eurotrade AB, Swedish Ordnance AB, Teknikinformation i Krokomb AB (TIKAB), Tempest Security AB, Venatio AB, Vesper Group AB, W.L. Gore & Associates Scandinavia AB.

Table 15. General licences, certifications and the number of individual and global licences granted to other EEA countries in 2015

General licences

The ISP has determined five categories of general licences, which are published in the Swedish Customs' statute book (TFS) and also on the ISP website www.isp.se. The licences cover only transfer within the European Economic Area (EEA). Each category has an appendix describing the military equipment and technical assistance it covers.

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

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

In 2015, four companies informed ISP of the use of general licences, as follows:

TFS 2012:7	TFS 2012:8	TFS 2012:9	TFS 2012:10	TFS 2012:11
0	1	2	1	1

Whoever utilises the licences only needs to inform ISP the first time the licence is used. A cumulative number of notifications since 2012 is therefore also presented, as follows:

TFS 2012:7	TFS 2012:8	TFS 2012:9	TFS 2012:10	TFS 2012:11
11	6	18	11	11

Actual exports in 2015 under general licences:

FS	Category	Value (SEK thousand)	Recipient country
2012:7	ML 5	25467	Denmark, Germany, United Kingdom
	ML 6	109694	Denmark, Finland, France, Germany, Netherlands, Norway
	ML 10	20599	Finland, Norway
	ML 14	4957	Finland, Germany, Norway, Poland, United Kingdom
	ML 15	738	France
	ML 21	393	Norway
	ML 22	3085	France, Norway
2012:8	ML 6	279	Finland
	ML 13	279	Finland
	ML 16	279	Finland
	ML 21	3539	France
2012:9	ML 5	102	United Kingdom
	ML 22	64	United Kingdom
	ML 22	189	Estonia
2012:11	ML 22	260	Finland

The European Commission in 2015 initiated an analysis and, in collaboration with the Member States, started work aimed at harmonising the use of the general licences in the EEA.

Certification

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

No new Swedish companies were certified in 2015. One company was re-certified. Up to and including 2015, 51 companies in 14 EU countries had been certified as follows:

2012: 10 companies

2013: 12 companies
2014: 18 companies
2015: 11 companies

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

Proportion of global and individual licences to other EEA countries

- 1 In 2012, ISP granted a total of 362 export licences to EEA countries, of which 20 per cent global and 80 per cent individual.
- 2 In 2013, ISP granted a total of 642 export licences to EEA countries, of which 15 per cent global and 85 per cent individual.
- 3 In 2014, ISP granted a total of 552 export licences to EEA countries, of which 20 per cent global and 80 per cent individual.
- 4 In 2015, ISP granted a total of 565 export licences to EEA countries, of which 16 per cent global and 84 per cent individual.

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

Table 16 presents statistics relating to export licences for civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons outside the EU⁵.

Table 16:1 Number of cases received concerning civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons.

Type of case	2013	2014	2015
Applications for export licences	32	277	342

⁵ Both Regulation (EU) No 258/2012 of the European Parliament and of the Council of 14 March 2012 implementing Article 10 of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for firearms, their parts and components and ammunition, and the Military Equipment Act (1992:1300), are followed in assessing applications. This does not, however, apply to exports of smooth-bore shotguns and parts and ammunition for such weapons, where assessment takes place only according to the EU Regulation mentioned.

Table 16:2 Licences granted and actual exports to recipients outside the EU for such civil firearms (hunting and sport shooting weapons) and parts and ammunition for such weapons that also constitute military equipment.

Region/Country	Export licences granted			Actual exports ⁶	
	Number of licences granted	Main category of the licensed equipment (EU Common Military List)	Value of the licences (SEK million)	Main category of the exported equipment (EU Common Military List)	Value of the exports (SEK million)
Rest of Europe					
Andorra	2	3.8	0.3	3.8	0.3
Greenland	2	1	0.6		
Iceland	5	1.3	0.4	3	0.6
Norway	158	1,3,8	172	3.8	17
New Caledonia	1	3	0.4	3	0.4
Switzerland	16	1,3,8	3	3.8	4
Total	184	1,3,8	177	3.8	22
North America					
Canada	2	1.3	1	3	0.6
United States	50	1,3,8	103	3.8	98
Total	52	1,3,8	104	3.8	99
South America					
Chile	1	3	0.4	3	0.4
Uruguay	1	3	0.1	3	0.1
Total	2	3	0.5	3	0.5
North-East Asia					
Japan	3	3	1	3	0.7
Republic of Korea	2	3	0.09	3	0.09
Total	5	3	1	3	0.7
Central Asia					
Kazakhstan	3	1.3	3	1.3	3
Total	3	1.3	3	1.3	3
Middle East					
United Arab	1	1	11	1	5

⁶ Actual exports comprise only exports from companies obliged to submit an annual declaration to ISP concerning invoiced and delivered military equipment.

Emirates					
Total	1	1	11	1	5
Sub-Saharan Africa					
Botswana	1	3	0.1	3	0.1
Namibia	1	3	0.08	3	0.08
South Africa	12	1.3	14	1.3	9
Tanzania	1	3	0.3	3	0.3
Total	15	1.3	14	1.3	9
Oceania					
Australia	4	1.3	3	3	3
New Zealand	14	1.3	2	3	0.8
Total	18	1.3	5	3	4
TOTAL	280	1,3,8	316	1,3,8	143

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Table 16:3 Licences granted to recipients outside the EU for smooth-bore shotguns and parts and ammunition for such weapons (not military equipment)

Export licences granted			
Region/ Country	Number of licences granted	Products	Value of the licence (SEK million)
Rest of Europe			
Greenland	1	Shotguns etc.	0.03
Norway	80	Shotguns, etc. and ammunition	4
Switzerland	6	Shotguns, etc. and ammunition	0.03
Total	87	Shotguns, etc. and ammunition	4
North America			
Canada	2	Shotguns etc.	0.1
United States	5	Shotguns etc.	0.1
Total	7	Shotguns etc.	0.2
New Zealand	3	Shotguns etc.	0.01
Total	3	Shotguns etc.	0.01
TOTAL	97	Shotguns, etc. and ammunition	4

Export of Dual-Use Items

Table 1. Number of export cases etc. received concerning dual-use items (DUIs) 2013-2015

Export cases	2013	2014	2015
Total	1123	1324	1467
Export licences, global and individual, of which:			
Wassenaar Arrangement	702	766	793
Missile Technology Control Regime	7	11	9
Nuclear Suppliers Group (Part 2)	11	18	149
Australia Group	316	365	332
Sanctions	87	164	184
Sanctions against Iran – financial applications	2013	2014	2015
Total	392	626	693
Cases concerning the transfer of assets and financial services			
Notifications	189	520	584
Licences	185	106	109

Table 2. Number of advance decisions, enquiries about non-controlled items relating to DUIs 2013–2015

	2013	2014	2015
Total number of advance decisions issued	115	196	139
Of which, number of enquiries about non-controlled items			
	66	126	97

Table 3. Number of resolved cases affecting applications for advance decisions – controlled and non-controlled items – 2015

Country	Non-controlled items			Controlled items		Total
	No reason to apply catch-all	Catch-all negative	Catch-all	Listed item, positive	Listed item, denial	
USA		1				1
Syrian Arab Republic	3		1			4
Argentina				1		1

Country	Non-controlled items			Controlled items		
	No reason to apply catch-all	Catch-all negative	Catch-all	Listed item, positive	Listed item, denial	Total
Australia				1		1
Azerbaijan	2					2
Brazil				3		3
Chile				1		1
Colombia				2		2
Denmark	1					1
Egypt		1		1		2
Ethiopia				1		1
PRC	4	1	1	3		9
United Arab Emirates	2					2
India	1	1				2
Iran	37	2	1	2		42
Israel				1		1
Jordan				1		1
Kenya				1		1
Kuwait	1					1
Liberia	1					1
Mexico				1		1
Netherlands	1					1
Nigeria				1		1
Norway				1		1
Russian Federation	4	11	6	6	2	29
South Africa	1			1		2
South Sudan	1					1
Taiwan				1		1
Turkey				1		1
Germany	1					1
Ukraine	2					2
Vietnam	1					1
Belarus	1					1

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Table 4. General licences

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

The companies in questions are obliged to register with the ISP that they plan to make use of these at least 30 days before their first use.

The number of companies that registered in 2015 is as follows:

EU 001	EU 002	EU 003	EU 004	EU 005	EU 006
16	1	1	0	0	0

As the companies in question need to register use only once, below is a report of the accumulated number of registrations since 2009 (EU 001) and 2012 (EU 002–006):

EU 001	EU 002	EU 003	EU 004	EU 005	EU 006
122	2	4	3	1	0

Table 5. Export licences granted for dual-use items (DUIs), belonging to Category 0 in Annex 1 of Council Regulation (EC) No 428/2009, from companies in Sweden (source: SSM)

In the nuclear area, licences are obligatory for exports outside the EU. For the majority of products, licences are also required for transfer between EU countries. The items affected are described in Annex IV Part 2 of Council Regulation (EC) No 428/2009. General licences may not be used for these products. 46 licences were granted for exports or for transfers within the EU in 2015.

Recipient country	Number of global licences	Number of individual licences	Item category
Argentina	1		0D001, 0E001
Belgium	1*		0D001, 0E001
Finland	1*	1	0A001, 0D001, 0E001
France	2*		0D001, 0E001
Japan	1		0E001
PRC		1	0A001
Luxembourg	1*		0D001, 0E001
Netherlands	1*		0D001, 0E001
Norway	1	3	0A001, 0C002, 0D001, 0E001
Russia	1		0E001
Switzerland		4	0A001, 0C001,

Recipient country	Number of global licences	Number of individual licences	Item category
			0C002, 0E001
Spain	1*	4	0A001, 0D001, 0E001
United Kingdom	1*		0D001, 0E001
South Africa		1	0A001, 0C002, 0D001, 0E001
Czech Republic	1*		0D001, 0E001
Germany	1*	5	0A001, 0D001, 0E001
Ukraine		3	0A001, 0C001, 0C002
United States	9	9	0A001, 0C001, 0C002, 0D001, 0E001
Austria	1*		0D001, 0E001

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* of which one under a licence with several recipient countries

Table 6. Membership of multilateral export control regimes in 2015

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

Country	ZC	NSG	AG	MTCR	WA
Croatia	x	x	x	-	x
Latvia	-	x	x	-	x
Lithuania	-	x	x	-	x
Luxembourg	x	x	x	x	x
Malta	-	x	x	-	x
Mexico	-	x	x	-	x
Netherlands	x	x	x	x	x
Norway	x	x	x	x	x
New Zealand	x	x	x	x	x
Poland	x	x	x	x	x
Portugal	x	x	x	x	x
Romania	x	x	x	-	x
Russia	x	x	-	x	x
Switzerland	x	x	x	x	x
Serbia	-	x	-	-	-
Slovakia	x	x	x	-	x
Slovenia	x	x	x	-	x
Spain	x	x	x	x	x
United Kingdom	x	x	x	x	x
Sweden	x	x	x	x	x
South Africa	x	x	-	x	x
Czech Republic	x	x	x	x	x
Turkey	x	x	x	x	x
Germany	x	x	x	x	x
Ukraine	x	x	x	x	x
Hungary	x	x	x	x	x
United States	x	x	x	x	x
Belarus	x	x	-	-	-
Austria	x	x	x	x	x
TOTAL	39	48	41	34	42

The European Commission participates as a member of the Australia Group and as an observer in the Nuclear Suppliers Group and Zangger Committee.

Table 7. Global licences for permanent exports granted in 2015

Region/Country	Civilian end-use			EU Regulation	Regime
	Number of licences	Item category	Item		
All countries with the exception of embargo countries/sanction countries	23	3A001	Electronic components	428/2009	WA
		5A001	Telecommunications		
		5E001	Telecommunications (information security)		
		6A001	Sensor systems, Swedish Coast Guard		
		6A003	IR camera		
Afghanistan	1	5D002	Telecommunications (information security)	428/2009	WA
Algeria	1	5A002, 5D002	Telecommunications (information security)	428/2009	WA
USA	1	9A117	Adapters	428/2009	MTCR
Argentina	2	5A002, 5D002	Telecommunications (information security)	428/2009	WA
Armenia	3	5A002,	Telecommunications	428/2009	WA

Region/Country	Civilian end-use			EU Regulation	Regime
	Number of licences	Item category	Item		
		5D002	Telecommunications (information security)		
Azerbaijan	2	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
Bahrain	1	5A002	Telecommunications (information security)	428/2009	WA
Bangladesh	2	5A002	Telecommunications (information security)	428/2009	WA
Brazil	3	3A001, 3A002, 3E001, 5A001, 5E001, 6A003	Electronic components Electronic components Electronic components Telecommunications Telecommunications (information security) IR camera	428/2009	WA
PRC	8	2E001, 2E002 3A001, 3A002,	Filter equipment Filter equipment Electronic components Electronic components	428/2009	WA

Region/Country	Civilian end-use			EU Regulation	Regime
	Number of licences	Item category	Item		
		5A001	Telecommunications		
		5A002	Telecommunications		
		5D002	Telecommunications (information security)		
United Arab Emirates	1	5A001, 5D001	Telecommunications Telecommunications (information security)	428/2009	WA
Guinea-Bissau	1	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
Hong Kong, China	2	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
India	16	2E001, 3A001, 3A002, 5A001, 5A002, 5D002	Filter equipment Electronic components Electronic components Telecommunications Telecommunications Telecommunications (information security)	428/2009	WA

Region/Country	Civilian end-use			EU Regulation	Regime
	Number of licences	Item category	Item		
Indonesia	1	5A002	Telecommunications (information security)	428/2009	WA
Iraq	5	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
Iran	1	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
Israel	1	5A002	Telecommunications (information security)	428/2009	WA
Jordan	1	5A002	Telecommunications (information security)	428/2009	WA
Kyrgyzstan	1	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
Kuwait	2	5A002	Telecommunications (information security)	428/2009	WA
Lebanon	3	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA

Region/Country	Civilian end-use			
	Number of licences	Item category	Item	EU Regulation Regime
Libya	2	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009 WA
Malaysia	2	3A001, 3A002 5A001	Electronic components Electronic components Telecommunications (information security)	428/2009 WA
Maldives	1	5A002	Telecommunications (information security)	428/2009 WA
Morocco	1	5A002	Telecommunications (information security)	428/2009 WA
Mexico	1	3A001, 3A002, 5A001	Electronic components Electronic components Telecommunications (information security)	428/2009 WA
Pakistan	3	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009 WA
Qatar	2	5A002,	Telecommunications	428/2009

Region/Country	Civilian end-use			EU Regulation	Regime
	Number of licences	Item category	Item		
		5D002	Telecommunications (information security)		WA
Saudi Arabia	1	5A002	Telecommunications (information security)	428/2009	WA
Sri Lanka	1	5A002	Telecommunications (information security)	428/2009	WA
Sudan	1	5A002, 5D002	Telecommunications (information security)	428/2009	WA
South Africa	3	5A002, 5D002	Telecommunications (information security)	428/2009	WA
South Sudan	2	5A002, 5D002	Telecommunications (information security)	428/2009	WA
Thailand	1	5A002	Telecommunications (information security)	428/2009	WA

Region/Country	Civilian end-use					EU Regulation	Regime
	Number of licences	Item category	Item				
Turkmenistan	2	5A002, 5D002	Telecommunications Telecommunications (information security)		428/2009	WA	
Vietnam	1	5A002	Telecommunications (information security)		428/2009	WA	
Belarus	1	5A002	Telecommunications (information security)		428/2009	WA	
Zimbabwe	2	5A002, 5D002	Telecommunications Telecommunications (information security)		428/2009	WA	

Table 8. Individual licences for permanent exports granted in 2015

Region/Country	Civilian end-use				Military end-use			
	Number of licences	Item category	Item		EU Regulation	Regime	Number of licences	Item category
Afghanistan	4	5A002, 5D002	Telecommunications Telecommunications		428/2009	WA		

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
(information security)										
Algeria	2	5A002, 5D002	Telecommunications	428/2009	WA	1	6A003	IR camera	428/2009	WA
(information security)										
USA	4	1C010 2B230, 9B115,	Carbon fibre Pressure sensors Measuring instruments	428/2009	WA NSG MTCR					
Angola	1	1A004	Chemical protection suit	428/2009	WA					
Syrian Arab Republic	2	5A002, 5D002	Telecommunications	428/2009	WA					
(information security)										
Argentina	4	2B350, 3A001, 3A225	Heat exchanger plate Printed circuit card Frequency inverter	428/2009	WA NSG AG					
Armenia	1	5A002, 5D002	Telecommunications	428/2009	WA					
(information security)										
Aruba	1	5A002, 5D002	Telecommunications	428/2009	WA					
(information security)										

Region/Country		Civilian end-use			Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR Regime
Australia	2	2B350	Heat exchanger plate	428/2009	AG				
Azerbaijan	9	1A004,	Chemical protection suit	428/2009	WA AG				
		2B350,	Heat exchanger plate						
		5A002,	Telecommunications						
		5D002	Telecommunications						
			(information security)						
Bahrain	2	5A002	Telecommunications	428/2009	WA	3	5A002, 5D002	Telecommunications	428/2009 WA
			(information security)					(information security)	
Bangladesh	1	3A225	Frequency inverter	428/2009	NSG				
Bolivia	1	3A225	Frequency inverter	428/2009	NSG				
Bosnia-Herzegovina	3	1C010, 3A225	Carbon fibre Frequency inverter	428/2009	WA NSG				
Botswana	1	5A002, 5D002	Telecommunications Telecommunications	428/2009	WA				
			(information security)						
Brazil	48	1A004, 1C002, 2B350,	Chemical protection suit Titanium powder Heat exchanger	428/2009	WA NSG AG	2	1A004	Chemical protection suits	428/2009 WA

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
		2B352,	Bioreactor							
		3A225,	Frequency inverter							
		5A002,	Telecommunications							
		5D002	Telecommunications							
(information security)										
Brunei	1	5A002, 5D002	Telecommunications	428/2009	WA					
(information security)										
Chile	20	2B350, 3A002, 3A225, 5A002, 5D002,	Heat exchanger	428/2009	WA NSG					
			Signal generator		AG					
			Frequency inverter							
			Telecommunications							
			Telecommunications							
(information security)										
Colombia	6	2B350, 2B352, 5A002,	Heat exchanger plate	428/2009	WA AG	2	6A003	IR camera	428/2009	WA
			Bioreactor							
			Telecommunications							
(information security)										
		9A012	UAV							
Costa Rica	2	2B352, 6A003	Bioreactor	428/2009	WA					
			IR camera							

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
Democratic Republic of Congo	3	5A002, 5D002, 6A003	Telecommunications Telecommunications (information security) IR camera	428/2009	WA					
Djibouti	1	5A002, 5D002,	Telecommunications Telecommunications (information security)	428/2009	WA					
Dominican Republic	1	3A225	Frequency inverter	428/2009	AG					
Ecuador	4	2B350, 3A225	Heat exchanger plate Frequency inverter	428/2009	NSG AG					
Egypt	25	5A002, 5D002,	Telecommunications Telecommunications (information security)	428/2009	WA NSG AG	3	6A002, 6A003	IR camera IR camera	428/2009	WA
Ivory Coast	6	2B352 3A225 6A003, 5A002, 5D002,	Bioreactor Frequency inverter IR camera Telecommunications Telecommunications (information security)	428/2009	WA					

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
Ethiopia	6	5A002, 5D002,	Telecommunications Telecommunications (information security)	428/2009	WA					
Philippines	1	1A004	Chemical protection suit	428/2009	WA					
UN and other international organisations	1	5D002	Telecommunications (information security)	428/2009	WA					
PRC	189	1A004, 1C002, 1C010, 2B004, 2B104, 2B204, 2B230, 2B350, 2B352, 2D002, 3A001, 3A002, 3A225, 3C001,	Chemical protection suit Titanium powder Carbon fibre Isostatic press Isostatic press Isostatic press Pressure sensor Heat exchanger plate, pumps, bioreactor Water cutting machine Printed circuit card Data collection card Frequency inverter Silicon wafers	428/2009	WA NSG AG MTCR					

Region/Country		Civilian end-use			Military end-use						
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime	
	5A002,	Telecommunications (information security)									
	6A003,	IR camera									
	6A005,	Lasers									
	6A008,	Radar sensor									
	9A012	UAV									
France	1	5A002	Telecommunications (information security)		428/2009	WA					
United Arab Emirates	28	1A004, 1C010, 1C202, 2B350, 5A002, 5D002,	Chemical protection suit Carbon fibre Aluminium rods Heat exchanger plate, pumps Telecommunications Telecommunications (information security)	428/2009	WA NSG Ag 16	5A002	Telecommunications (information security)	428/2009	WA		
	6A003, 9A012	IR camera UAV									
	Ghana	2	6A003	IR camera		428/2009	WA				

Region/Country		Civilian end-use			Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR Regime
Greenland				428/2009	1	6A003	IR camera		428/2009 WA
Guatemala	7	1A004,	Chemical protection suit	428/2009	WA AG				
		2B350,	Heat exchanger plate						
		5A002,	Telecommunications						
		5D002	Telecommunications (information security)						
Guinea	4	5A002,	Telecommunications	428/2009	WA				
		5D002	Telecommunications (information security)						
Guyana	1	3A225	Frequency inverter	428/2009	NSG				
Hong Kong, China	13	1C002,	Titanium powder	428/2009	WA NSG				
		1A004,	Chemical protection suit						
		1C010,	Carbon fibre						
		2B004,	Isostatic press						
		2B104,	Isostatic press						
		2B204,	Isostatic press						
		2B230,	Pressure sensor						
		2B352,	Bioreactor						
		2D002,	Water cutting machine						
		3A001,	Printed circuit card						

Region/Country		Civilian end-use			Military end-use						
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime	
		3A002,	Data collection card								
		3A225,	Frequency inverter								
		3C001,	Silicon wafers								
		5A002,	Telecommunications (information security)								
		6A003,	IR camera								
		6A005,	Lasers								
		6A008,	Radar sensor								
		9A012	UAV								
	India	27	1A004,	Chemical protection suit	428/2009	WA NSG AG 2		6A003	IR camera	428/2009	WA
			2B204,	Isostatic press							
		2B350,	Pumps, valves								
		2B352,	Bioreactor								
		3A001,	Printed circuit card								
		3A225,	Frequency inverter								
		5A002,	Telecommunications								
		5D002,	Telecommunications (information security)								
		6A003	IR camera								
Indonesia		28	1C350,	Hydrofluoric acid	428/2009	WA NSG AG					
		2B350,	Heat exchanger plate,								

Region/Country			Civilian end-use			Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
		3A225, valves								
		5A002, Frequency inverter								
		5D002' Telecommunications								
		6A003 Telecommunications (information security)								
IR camera										
Iraq	10	5A002, Telecommunications		428/2009	WA	2	5A002	Telecommunications (information security)	428/2009	WA
		5D002 Telecommunications (information security)								
Iran	179	III.A1.003 Spare parts for dairy equipment		267/2012	Sanctions					
		III.A2.010								
Iceland	7	3D225, Software for frequency inverter		428/2009	WA NSG					
		5A002, Telecommunications								
		5D002 Telecommunications (information security)								
Israel	42	1A004, Chemical protection suit		428/2009	WA NSG AG					
		2A101, Ball bearings			MITCR					
		2B350, Heat exchanger plate, pumps								
		2B352, pumps								
		3A002, Bioreactor								

Region/Country		Civilian end-use				Military end-use			
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR Regime
		3A225,	Data collection card						
		5A002,	Frequency inverter						
		5D002,	Telecommunications						
		6A002	Telecommunications (information security)						
			IR sensor						
Italy	1	1C351	Bacteria	428/2009	AG				
Jamaica	1	5D002	Telecommunications (information security)	428/2009	WA				
Japan	6	1A004, 2B350, 3C001, 6A003	Chemical protection suit Valves Silicon wafers IR camera	428/2009	WA AG				
Jordan	8	5A002, 5D002, 5E002, 6A003	Telecommunications Telecommunications Telecommunications (information security) IR camera	428/2009	WA	4	5A002, 5D002, 6A003	Telecommunications Telecommunications (information security) IR camera	
Kazakhstan	3	1A004, 5A002	Chemical protection suit Telecommunications (information security)	428/2009	WA				

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
Kenya	1	3A225	Frequency inverter	428/2009	NSG					
Kosovo	1	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA					
Kuwait	5	1A004, 2B350, 3A225, 5A002, 5D002, 6A003	Chemical protection suit Heat exchanger plate Frequency inverter Telecommunications Telecommunications (information security) IR camera	428/2009	WA AG					
Lebanon	6	1C202, 5A002, 5D002	Aluminium rods Telecommunications Telecommunications (information security)	428/2009	WA NSG					
Macedonia (FYROM)	1	3A225	Frequency inverter	428/2009	NSG					
Malawi	1	5D002	Telecommunications (information security)	428/2009	WA					
Malaysia	19	1A004,	Chemical protection suit	428/2009	WA NSG AG 2	6A003	IR camera		428/2009	WA

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
		2B350,	Heat exchanger plate,							
		3A001	pumps							
		3A225,	Printed circuit card							
		5A002,	Frequency inverter							
			Telecommunications							
		6A003	(information security)							
			IR camera							
Morocco	3	5A002,	Telecommunications	428/2009	WA	2	6A003	IR camera	428/2009	WA
		5D002,	Telecommunications							
		6A003	(information security)							
Mexico	32	1A004,	Chemical protection suit	428/2009	WA	NSG	AG			
		2B230,	Pressure sensors							
		2B350,	Heat exchanger plate							
		3A225,	Frequency inverter							
		5A002,	Telecommunications							
			(information security)							
		9A012	UAV							
Moldova	2	5A002,	Telecommunications	428/2009	WA					
		5D002	Telecommunications							
			(information security)							

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
Montenegro						1	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
Myanmar (Burma)	2	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA					
Namibia	1	5A002	Telecommunications (information security)	428/2009	WA					
Nepal	1	5A002	Telecommunications (information security)	428/2009	WA					
Nicaragua	2	3A225	Frequency inverter	428/2009	NSG					
Nigeria	1	3A225	Frequency inverter	428/2009	NSG					
Norway	1	9A007	Rocket motor	428/2009	MTCR					
Oman	6	1A004, 2B350, 5D002	Chemical protection suit Pumps Telecommunications (information security)	428/2009	WA AG	4	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA
Pakistan	8	3A225,	Frequency inverter	428/2009	WA NSG AG 2		1C210,	Carbon fibre cloth	428/2009	WA

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
		2B350,	Heat exchanger plate				5A002,	Telecommunications		
		5A002,	Telecommunications products				5D002	Telecommunications (information security)		
		5D002	Telecommunications products (information security)							
Panama	1	1A004	Chemical protection suit	428/2009	WA					
Peru	4	1A004,	Chemical protection suit	428/2009	WA NSG					
		3A225,	Frequency inverter							
		5D002,	Telecommunications (information security)							
		6A003	IR camera							
Qatar	15	1A004,	Chemical protection suit	428/2009	WA AG	6	1A004,	Chemical protection		
		2B350,	Heat exchanger plate				2B350,	suit		
		5A002,	Telecommunications products				5A002,	Heat exchanger plate		
		5D002,	Telecommunications products (information security)				5D002,	Telecommunications (information security)		
		6A003	IR camera				6A003	IR camera		
Republic of Korea	31	1C240,	Nickel powder	428/2009	WA NSG AG	10	6A003,	IR camera		WA

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
		2B204,	Isostatic press				6D002,	IR camera		MTCR
		2B350,	Heat exchanger plate,				8A002,	Composite shaft		
		2B352,	pumps				9B105	Wind tunnel		
		3A001,	Chemical protection suit							
		3A002,	Printed circuit card							
		3A225,	Data collection card							
		5A002	Frequency inverter							
			Telecommunications							
		6A002,	(information security)							
		6A003,	IR sensor							
		6A008,	IR camera							
		9A012	Radar sensor							
			UAV							
Rwanda	4	3A225,	Frequency inverter	428/2009	WA NSG					
		5A002,	Telecommunications							
		5D002,	Telecommunications							
			(information security)							
Russian Federation (Russia)	94	Catch-all		428/2009	WA NSG AG					
		1A004,	Chemical protection suit							
		1C002,	Titanium powder							
		2B204,	Isostatic press							

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
		2B230,	Pressure sensor							
		2B350,	Heat exchanger plate							
		2B352,	Bioreactor							
		3A225,	Frequency inverter							
		5A002,	Telecommunications							
		5D002,	Telecommunications							
			(information security)							
		6A003	IR camera							
Saudi Arabia	24	1A004,	Chemical protection suit	428/2009	WA NSG AG 8		5A002,	Telecommunications	428/2009	WA
		2B230,	Pressure sensors				5D002,	Telecommunications		
		2B350,	Heat exchanger plate					(information security)		
		3A225,	Frequency inverter				6A003	IR camera		
		5A002,	Telecommunications							
		5D002,	Telecommunications							
		(information security)								
		6A003	IR camera							
Switzerland	1	2B350	Heat exchanger plate	428/2009	AG					
Serbia	8	1A004	Chemical protection suit	428/2009	WA NSG					
		2B001,	Machine tools							
		3A225,	Frequency inverter							

Region/Country		Civilian end-use			Military end-use						
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime	
Singapore	31	5A002, (information security)	1A004,	Chemical protection suit	428/2009	WA AG	2	5D002	Telecommunications (information security)	428/2009	WA
			1C002,	Titanium powder							
			2B350,	Pumps							
			2B352,	Bioreactor							
			3A002,	Data collection card							
			3C001,	Silicon wafers							
			5A002,	Telecommunications							
			5E002,	Telecommunications (information security)							
			6A003,	IR camera							
			7A003	Inertia platform							
Sudan	4	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	W						
South Africa	26	1C107, 2A226, 2B350, 3A225, 5A002,	Ceramic rods	428/2009	WA NSG AG MTCR						
			Valves								
			Heat exchanger plate								
			Frequency inverter								
			Telecommunications								

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
		5D002,	Telecommunications (information security)							
		6A003,	IR camera							
		9A001,	Gas turbine engines							
		9A012	UAV							
South Sudan	2	5A002, 5D002	Telecommunications (information security)		428/2009	WA				
Taiwan	26	1A004, 1C002, 2B001, 2B204, 2B350, 2B352, 3A001, 3A225, 3C005, 5A002	Chemical protection suit Titanium powder Machine tools Isostatic press Heat exchanger plate Bioreactor Printed circuit card Frequency inverter Semi-insulated substrates		428/2009	WA NSG AG				
			Telecommunications							
			Telecommunications (information security)							

Region/Country		Civilian end-use			Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR Regime
Tanzania	3	9A012, 6A003	UAV IR camera	428/2009	WA				
Thailand	40	1A004, 1C010, 2B350, 2B352, 3A001, 3A225, 5A002, 5D002	Chemical protection suit Carbon fibre Heat exchanger plate, pumps Bioreactor Printed circuit card Frequency inverter Telecommunications Telecommunications (information security)	428/2009	WA NSG AG				
Tunisia	5	3A225, 2B350	Frequency inverter Heat exchanger plate	428/2009	NSG AG				
Turkey	23	2B001, 2B350, 3A225, 3C005, 5A002, 5D002, 5E002	Machine tools Heat exchanger plate Frequency inverter Semi-insulated substrates Telecommunications Telecommunications	428/2009	WA NSG AG 2	5A002, 5D002	Telecommunications Telecommunications (information security)	428/2009	WA

Region/Country		Civilian end-use			Military end-use					
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EUR	Regime
			Telecommunications							
		6A003	(information security)							
		9A012,	IR camera							
			UAV							
Ukraine	10	2B350, 3A225, 5D002,	Heat exchanger plate Frequency inverter Telecommunications (information security)	428/2009	WA NSG AG 2		5D002	Telecommunications (information security)	428/2009	WA
		6A003,	IR camera							
Venezuela	1	5A002	Telecommunications (information security)	428/2009	WA					
Vietnam	12	1A004, 2B350, 2B352, 5A002, 5D002,	Chemical protection suit Heat exchanger plate Bioreactor Telecommunications Telecommunications (information security)	428/2009	WA AG					
		9A012,	UAV							
Belarus	3	2B230, 2B350,	Pressure sensors Pumps	428/2009	WA NSG AG					

Region/Country		Civilian end-use			Military end-use			
		Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category
Zambia	1	2B350	Heat exchanger plate		428/2009	AG		
Zimbabwe	4	5A002, 5D002	Telecommunications (information security)		428/2009	WA		

The Military Equipment Act

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

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

Manufacturing is defined as the production of such equipment or parts therefore as constitutes military equipment. Supply is understood in the Act to mean sale, granting, offering for sale, loan, gift and brokering. Swedish authorities, Swedish companies and persons resident or permanently domiciled in Sweden may neither conduct activities abroad which relate to supply of military equipment nor in an individual case supply to someone abroad military equipment which is located abroad. Agreements involving the granting or transfer of manufacturing rights to a party abroad and agreements to develop military equipment together with another party abroad also require a licence. Furthermore, with certain exceptions, a licence is required to carry out military training.

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

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

matter must be handed over to the Government for a ruling. The Export Control Council may be consulted before decisions are made on more important matters.

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

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

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

Swedish guidelines for exports of military equipment and other foreign cooperation

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

Overriding criteria and assessment criteria

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

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

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

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

The guidelines particularly emphasise the importance that must be attached to the respect for human rights in the recipient country when assessing each export application in terms of foreign policy. The human rights situation in the recipient country must always be taken into consideration, even in cases involving equipment that in and of itself cannot be used to violate human rights.

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Unconditional obstacles to exports

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

Military equipment for combat purposes and other military equipment

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

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

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

Follow-on deliveries and “Swedish identity”

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

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

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

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

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

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

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

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

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

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

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Licences for exports of military equipment for combat purposes or for other cooperation with foreign partners concerning military equipment for combat purposes or other military equipment should not be granted if the state in question is involved in an armed conflict with another state, regardless of whether or not war has been declared, is embroiled in an international conflict that is in danger of becoming an armed conflict or is the site of internal armed unrest.

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

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

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

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

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

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

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

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

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

The ISP is the licensing authority under the Ordinance.

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

Common EU legislation

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

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

The Regulation facilitates the assessment of licence applications by including common criteria that Member States have to take into account in their assessments. However, licences are granted at the national level (see below). In addition, there is a general community licence for exports

of certain products to certain specified third countries. This type of licence facilitates the work of exporting companies in that the same licence can be invoked regardless of where in the EU the exports originate. This has also led to increased consensus in the EU on exports of this kind.

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Swedish legislation

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

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

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

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

The catch-all clause

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

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

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

Explanations

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

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

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

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

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

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

No-undercut. When a denial is issued, the other members of the international export control regimes are expected to consult the state that has issued this denial before deciding whether to grant an export licence for an equivalent transaction. The purpose of this is to prevent the buyer that has been denied from finding a supplier in another country and to avoid a situation where different countries' export controls distort

competition. In accordance with Council Regulation (EC) No 428/2009, the relevant authorities in the EU Member States have to inform one another and the Commission of denials.

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

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

Abbreviations

AG	Australia Group
ASD	AeroSpace and Defence Industries Association of Europe
ATT	Arms Trade Treaty
BTWC	Biological and Toxic Weapons Convention
CBW	Chemical and Biological Weapons
COARM	Council Working Group on Conventional Arms Export
COCOM	Coordinating Committee on Multilateral exports Controls
CONOP	Council Working Group on Non-Proliferation
CWC	Chemical Weapons Convention
EDA	European Defence Agency
EC	European Community
ECC	Export Control Council
EU	European Union
FA	Framework Agreement
FMV	Swedish Defence Materiel Administration
UN	United Nations
FOI	Swedish Defence Research Agency
FRA	Swedish National Defence Radio Establishment
FXM	Swedish Defence and Security Export Agency
GTRI	Global Threat Reduction Initiative
CFSP	Common Foreign and Security Policy
IAEA	International Atomic Energy Agency
ISP	Inspectorate of Strategic Products
MEC	Military equipment for combat purposes
LoI	Letter of Intent
MANPADS	Man-Portable Air Defence Systems
ML	Military List
MTCR	Missile Technology Control Regime
MUST	Swedish Military Intelligence and Security Directorate
NATO	North Atlantic Treaty Organisation
NETTEM	New and Evolving Technologies Technical Experts Meeting
NL	National additions, where applicable
NPT	Non-proliferation treaty
NSG	Nuclear Suppliers Group
OECD	Organisation for Economic Co-operation and Development
OSCE	Organisation for Security and Cooperation in Europe
DUI	Dual-use items

PGD	Policy for Global Development	Comm.
PSI	Proliferation Security Initiative	2015/16:114
SALW	Small arms and light weapons	Appendix 5
SCB	Statistics Sweden	
SIPRI	Stockholm International Peace Research Institute	
SOFF	Swedish Security and Defence Industry Association	
SSM	Swedish Radiation Safety Authority	
Säpo	Swedish Security Police	
SÖ	Swedish Treaty Series	
TI	Transparency International	
TSC	Technical-Scientific Council	
UNODA	United Nations Office for Disarmament Affairs	
WA	Wassenaar Arrangement	
WPDU	Working Party on Dual-Use Goods	
ZC	Zangger Committee	
OME	Other military equipment	

Guide to other sources

Source references in alphabetical order

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Inspectorate of Strategic Products: www.isp.se
Missile Technology Control Regime: www.mtcr.info
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Ministry for Foreign Affairs: www.ud.se
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Ministry for Foreign Affairs

Excerpt from the minutes of the Cabinet meeting on 17 March 2016

Present: Prime Minister Löfven, chair, and Ministers Romson, Y
Johansson, M Johansson, Baylan, Persson, Bucht, Hultqvist, Hellmark
Knutsson, Andersson, Ygeman, A Johansson, Bolund, Kaplan, Damberg,
Bah Kuhnke, Strandhäll, Fridolin, Wikström, Hadzialic

Rapporteur: Minister Hultqvist

The Government approves Communication 2015/16:114 Strategic Export
Control in 2015 – Military Equipment and Dual-Use Items