



Ministry
of Foreign Affairs
Republic of Poland

EXPORTS OF ARMS AND MILITARY EQUIPMENT FROM POLAND

2012 Report

Warsaw, 2013

Ministry of Foreign Affairs
of Poland

**EXPORTS OF ARMS
AND MILITARY EQUIPMENT
FROM POLAND
2012 Report**

Warsaw, 2013

Published by

Ministry of Foreign Affairs of the Republic of Poland

Prepared by

MFA Security Policy Department

Editor

MFA Security Policy Department

Printing

P.P.H. ZAPOL
ul. Piastów 42
71-062 Szczecin

ISSN 2082-6656

TABLE OF CONTENTS

1. Introduction	5
2. Origins of Poland’s export control system	6
3. Basic elements of international export controls	8
4. Government policy on non-proliferation and export controls	11
5. Subject of controls	13
6. Organization of export controls in Poland	14
7. International transparency of arms transfers	15
8. Arms exports	17
9. Quantitative data	18
9.1. General export data	18
9.2. Combat equipment transfer data	28
9.3. Exports and transfers of small arms and light weapons	29
10. Promotion of arms exports	30
Attachment 1: Brief descriptions of EU Common Military List Categories	32
Attachment 2: Participation in multilateral arms control regimes	33

1. Introduction

The Ministry of Foreign Affairs presents its subsequent country report on the export of armaments and military equipment, updated to include 2012 data.

In May 2012, the export control legislative regulations were amended to eliminate a number of solutions that had not contributed to raising the level of international security and placed an additional burden on Polish manufacturers and exporters, as well as the government administration. The amendment allowed to implement to the national regulations the Directive 2009/43/EC of the European Parliament and of the Council simplifying terms and conditions of transfers of defence-related products within the Community as well as the Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment.

Poland's basic commitments towards non-proliferation regimes and the European Union are to strengthen international peace and security, to promote transparency and greater accountability in the field of international arms and dual-use goods transfers and to counteract excessive accumulation of conventional weapons in high-risk regions. This report is one element of the performance of the state's obligations towards the international community of export control in the field of transparency of foreign trade in arms and military equipment.

2. Origins of Poland's export control system

A national system for the control of foreign trade in strategic goods and technologies in Poland began to be established in March 1990. Several months later, the Council of Ministers endorsed an export control system model, followed by Poland's exchanging diplomatic notes with eight COCOM¹ states and the Polish Government declaration that it would introduce the system and that it was committed to international cooperation in this area.

The relevant legislative process was initiated in December 1991 and completed on 2 December 1993 with the adoption by the Sejm of the *Act on the Rules of Particular Control of Foreign Trade in Goods and Technologies in Connection with International Agreements and Obligations*, published in the Journal of Laws (Dziennik Ustaw) No. 129 of 24 December 1993; the Act entered into force on 25 March 1994. The Act covered dual-use goods, while arms export control was regulated by the then in force Act on Economic Activity and customs regulations.

The legal regulations on the control of trade of goods and technologies and the Polish Government's commitment to effective operation of the control system were responsible for deleting Poland from the COCOM 25 restriction list on 25 March 1994, a few days before its final dissolution. As late as in the autumn of 1993, when it became apparent that COCOM was incompatible with the new global political developments, its member states and the six countries that had traditionally cooperated with them (Austria, Ireland, Finland, New Zealand, Switzerland and Sweden) embarked on consultations to create a new international non-proliferation agreement, whose working title was New Forum and which would provide for control of the international trade in conventional weapons, as well as advanced equipment and technologies that could be applied to build military arsenals. Poland participated in negotiations to establish the New Forum, which after December 1995 has been referred to as the Wassenaar Agreement².

One of the outcomes of Poland's participation in the Wassenaar Agreement was the need to adopt new legal provisions that would regulate foreign trading in arms and military materiel aimed at harmonizing Polish definitions and control procedures with those applied by other countries. The relevant provisions were enacted in the *Act of 11 December 1997 on Administering of Foreign Trade in Goods and Technologies and on the Arms Trade*.

The amassed experience relating to the control of trading in weapons, military materiel, and dual-use goods, as well as Poland's integration efforts brought on the need to align Polish export

¹ COCOM/Coordinating Committee for Multilateral Export Control/ existed from 1949, affiliating 17 leading Western countries. The organization was dedicated to controlling exports to Central and Eastern Europe of strategic goods, technologies and services capable of enhancing their military and economic potentials. Due to its informal character, COCOM was not based on any international treaty and operated on the basis of a 'gentlemen's agreement'. The export control system developed by COCOM radically curtailed the access of Central and Eastern European countries to modern military and civilian technologies.

² After Wassenaar, a district of The Hague where the talks were held.

control laws with European Union's standards. Accordingly, Poland adopted goods and technology control lists compliant with their Union counterparts.

The country's economic and technological advancement and the evolution of the international legal environment led to the drafting of new export control regulations. They were incorporated in the Act of 29 November 2000 on Foreign Trade in Goods, Technologies and Services of Strategic Significance for State Security and to the Maintenance of International Peace and Security. The Act was amended in 2004 in connection with Poland's accession to the European Union and the ensuing need to approximate domestic laws to EU legislation. New experiences in subsequent years prompted further changes in the *acquis* – which in turn have called for additional amendments to domestic law. The relevant work was completed in May 2012.

3. Basic elements of international export controls

Export controls, both in the European Union and around the world, are an element of security policy whose effectiveness is enhanced through the application of certain instruments of trade policy.

This ensues from the peculiarity of the goods involved, which are covered by international export controls. They include conventional and mass destruction weapons, arms and a broad group of products with both civilian and military uses. That group of dual-use goods includes manufacturing facilities, control and measuring equipment, software and production and servicing technologies. In the age of terrorist threats all of them might pose a potential danger to international peace and security and for that reason several dozen countries cooperate to monitor international trade of those items.

Export controls, as an instrument of state security policy, apply to international trade and implement control mechanisms and instruments relating to typical trade and customs procedures. They constitute a non-tariff restriction on trade, implying the necessity of obtaining a license (permit in Poland) for various forms of trade, including non-material transfers, when no formal customs clearance is conducted, or when a domestic broker takes part in a transaction between companies from other countries and the product in question does not enter the territory of Poland or the customs area of the European Union. The process of issuing licenses and related end-user certificates, international import certificates and delivery verification certificates is the prerogative of the national export controls authority, whose function in Poland is fulfilled by the Minister of Economy. This process is part of the international monitoring system of trade in goods of strategic significance.

National and international cooperation between export control authorities, the customs service, the foreign service and special services is a crucial element of export controls. It is regulated by the Act of 29 November 2000 on Foreign Trade in Goods, Technologies and Services of Strategic Significance for State security and to the Maintenance of International Peace and Security, which lays down the prerogatives of the authorities that issue export trade licenses, with particular reference to the Minister of the Economy's coordination and control powers.

International treaties and conventions on the non-proliferation of weapons of mass destruction, the United Nations and certain other specialized international organizations and, most importantly, the non-proliferation regimes (agreements) affiliating countries that cooperate on a voluntary, non-treaty basis, motivated by the wish to pursue a common security policy represent the political and legal environment of international export controls.

Control regimes and non-proliferation agreements:

Informal non-proliferation agreements, also called control regimes, constitute a peculiar form of international cooperation in the sphere of export controls. They represent a form of broader implementation of commitments stemming from multilateral agreements reached by consensus. Poland is a member of all the export control regimes and non-proliferation groupings:

- The Zangger Committee (ZC): work to establish it began in 1971, though it was formally set up in 1974. It affiliates 39 countries – exporters of key fissile-material technologies;
- Nuclear Suppliers Group (NSG): in existence since 1975, it affiliates 48 states;
- The Australia Group: established in 1985, it affiliates 41 states;
- The Missile Control Technology Regime (MCTR): launched in 1987. it affiliates 34 states;
- The Wassenaar Arrangement (WA): established in 1995, it affiliates 41 states. Develops arms and dual-use goods control lists and evaluation guidelines for export permit applications. The most important ones are found in the following documents:
 - a. prevention of potentially destabilising accumulations of conventional weapons,
 - b. best practices for effective legislation on arms brokering,
 - c. best practices in the export of small arms and light weapons,
 - d. best practices for export controls of man-portable air defence systems (MANPADS),
 - e. best practices to prevent destabilising transfers of small arms and light weapons,
 - f. best practices for licensing trade in dual-use goods.

See Attachment 2 for a detailed listing of states participating in the respective control regimes.

The control regimes are primarily designed to enhance the transparency of listed-goods transfers and to promote the fundamental principles on which the regimes are based. Strong emphasis is placed on regular exchanges of information between the participating countries. The regimes constantly update the control lists, to keep up with technological progress, and seek to coordinate the controlling efforts of the participating states. Cooperation is based on national legislation and national export control systems.

Every non-proliferation agreement determines, by way of consensus, general export control guidelines and detailed lists of goods subject to controls adapted to the particular area of interests and responsibility of the given regime (i.e. separate lists for nuclear, chemical and biological weapons, missile technologies and modern conventional weapons). It is a rule that exports of arms and dual-use goods are banned to countries covered by UN, EU and OSCE embargos. In some cases exports of such goods are possible on certain conditions, though this always requires a political decision, frequently taken at the top level. Shipments might also be restricted to countries that are not formally subject to international sanctions but could undermine international security or human rights. Furthermore, when increasing use is made of the “catch-all” clause as applied to licenses, which are now also required for “civilian” goods that are not listed but could nevertheless impact defence, human rights or increase the threat of terrorism.

Non-proliferation agreements left the details of export controls up to the respective member states. However, that approach caused diverse technical and organizational problems within the European Union when the single market was being established. For that reason the EU Commission attempted, in the mid-nineties, to draft a regulation that would unify the export control rules in all the fifteen Member States. Those efforts yielded partial success in the form of the repeatedly amended Community regime for the control of dual-use goods and technologies, including a list of such goods and technologies covered by all the non-proliferation agreements.

Arms export controls are currently regulated by the relevant Council Common Position, which is legally binding and its provisions have to be implemented into national laws.

The EU Council takes the lead on political decisions that relate to non-proliferation and export controls. At its session devoted to external affairs the Council considers the total scope of foreign and security policy, based on the principle of protection of common values and fundamental interests, the Union's independence, integrity and security, preservation of peace, consolidation of democracy, observance of human rights and fundamental freedoms.

The Council's works in this regard are assisted by the Permanent Representatives Committee and Political and Security Committee, which prepare opinions worked out at experts' level by the EU working bodies tasked with export controls:

- **Working Party on Dual-Use Goods**

The Party prepares concepts and concrete proposals of legislation which, after consulting with the Commission and legal services, it submits to the Council at sessions. The Party usually conducts up to ten meetings a year, depending on the Party Chair, who is a representative of the state currently holding the Presidency. The Department of Economic Security of the Ministry of Economy is the leading national authority as regards the Working Party.

- **Dual-Use Coordination Group, established under article 23 of Council Regulation (EC) 428/2009/CFSP**

The group examines all questions relating to the implementation of Community law in the area of controls of dual-use goods raised by the Commission or Member States and deals with the harmonization of practical procedures. The above Department of Economic Security of the Ministry of Economy is the leading national authority as regards this Group.

- **Council Working Group on conventional arms exports (COARM)**

It plays a similar role as the Working Party, though with focus on the Union's arms trade policy. It does not concern itself with the practice and mechanisms of controls, which remain a prerogative of national authorities. The Security Policy Department of the MFA is the leading national authority as regards the Group.

The system of exchange of information on export license refusals and the duty to consult with other Member States that have denied licenses before granting a license for an essentially identical transaction is a powerful instrument of exports control both in the framework of the non-proliferation agreements and within the EU.

It is crucial to balance political, social and economic interests when enforcing export controls. The fundamental document of the Wassenaar Arrangement known as the Initial Elements, declares that the Arrangement has been established to contribute to regional and international security and stability by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods, thus preventing destabilizing accumulations. It is also a goal of the Arrangement to prevent the acquisition of conventional arms and dual-use goods and technologies by terrorist groups and organizations as well as by individual terrorists. However, any measures taken must not impede bona fide transactions.

4. Government policy on non-proliferation and export controls

In its non-proliferation and export controls policy the Polish Government adheres to the country's international obligations stemming from ratified international treaties as well as commitments made to international organizations and under voluntary non-proliferation agreements, which have been discussed in the previous chapter.

These include:

1. Treaties and conventions:

- **Nuclear Non-proliferation Treaty (NPT):** prohibits states possessing nuclear-arms technology from selling it to other countries and obligates signatory states to refrain from its development. Ratified by Poland (3 May 1969), affiliates 190 states;
- **Chemical Weapons Convention (CWC):** in force since 1997. ratified by 188 states. It bans the production, development, stockpiling, transfer, acquisition and use of chemical weapons. Signatories are obligated to report possession of chemical weapons and their destruction and to supply data on their chemical industries;
- **Biological and Toxin Weapons Convention (BTWC):** signed in 1972, entered into force in 1975. It bans the development, production and stockpiling of biological weapons and toxins and orders the destruction of their means of delivery. Currently, 155 states are parties to the Convention;
- **Convention on Certain Conventional Weapons (CCW):** entered into force on 2 December 1983, Poland has been a party to the CCW since that year. It has been appended with 5 additional protocols which ban the use of certain types of landmines, incendiary weapons and blinding lasers. In 2003 Poland ratified the protocols on landmines and lasers;
- **Convention on the Prohibition of Anti-Personnel Mines (Ottawa Convention):** it obligates the parties to introduce a complete ban on anti-personnel mines and destroy their stockpiles within 4 years of its ratification. It is an important instrument of international humanitarian law. Poland signed the Convention in 1997 and ratified it in December 2012.

2. International organizations:

- **United Nations:** has the goal of ensuring international peace and security, development of cooperation between nations and promotion of human rights. Poland adheres to Security Council resolutions, including those on sanctions against states and organizations that pose a threat to international peace and security, and fully implements them into national law;
- **Organization for Security and Cooperation in Europe:** established on 1 January 1995 through the transformation of the Conference on Security and Cooperation in Europe into an organization. It is dedicated to the prevention of conflicts in Europe;

- **European Union:** as a member state Poland fully participates in the implementation of the Common Foreign and Security Policy, which upholds UN Security Council resolutions, including those on sanctions and on joint undertakings to prevent the proliferation of weapons of mass destruction and excessive accumulation of small arms and light weapons;
- **Organization for the Prohibition of Chemical Weapons (OPCW):** implementing body of the Chemical Weapons Convention.

Acting upon its political commitments stemming from the above-mentioned treaties, non-proliferation agreements, and membership of international organisations, the Polish export control authorities, in their weapons and military equipment export control policy, also abide by the rule of issuing export licenses solely to state actors³ in countries that meet the criteria of the Council Common Position 2008/944/CFSP. As an exception to this rule, they may issue export licences for weapons and military equipment to non-state actors, but only if they are from EU Member States or other states known for their acceptable and credible export control regimes.

The legal framework of Poland's export control regime is provided for by the following legal provisions:

- Council Regulation (EC) No. 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, amended by Regulation (EU) No. 1232/2011 of the European Parliament and of the Council of 16 November 2011 and by Regulation (EU) No 388/2012 of the European Parliament and of the Council of 19 April 2012.
- Act of 29 November 2000 on Foreign Trade in Goods, Technologies and Services of Strategic Significance for State Security and for the Maintenance of International Peace and Security, amended by the Act of 25 May 2012.
- Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment
- a set of domestic executive acts and resolutions, ordinances and decisions of international organisations imposing specific sanctions and restrictions on arms exports to specified countries.

The Republic of Poland's foreign policy on export controls of weapons, dual-use items and technologies is consistent with the policy of EU Member States. Poland is one of the most active participants in control regimes among the countries of Central-Eastern Europe and has developed broad-ranging cooperation with neighbours and allies regarding export controls. Building on its own experience, Poland intends to support countries in transition in their efforts to establish comprehensive export control systems. By supporting the development of the international system of export controls Poland contributes to the consolidation of international peace and security.

³ Government administration and institutions and organisations authorised by it.

5. Subject of controls

Pursuant to Article 3.3 of the Act, goods of strategic significance are dual-use goods and arms enumerated in the appropriate control lists. A list of dual-use items is an integral part of Council Regulation (EC) 428/2009 of 5 May 2009, while the EU military list is incorporated into the domestic legal system by way of Regulation of the Minister of Economy, prepared on the basis of control reference lists adopted by the Wassenaar Arrangement and European Union agencies.

The lists also include technologies essential for the production and maintenance of the final products and appropriate control-measuring devices. The list of dual-use goods contains over 2000 descriptions of various kinds of equipment, measuring devices, materials, technologies and software subject to international controls. The arms list includes 22 categories of weapons and auxiliary equipment. Attachment 5 contains an abridged description of these categories. The listings are not closed and are updated annually by the competent implementing bodies of the non-proliferation accords.

Export controls also apply to services connected with the listed goods and technologies. No separate licensing is required for minimum technologies needed for the activation and basic use of the end product, if the technology was supplied together with the product on the basis of a valid export authorization.

Notification of refusals to issue export licences and the so-called undercuts represent basic instruments of multilateral cooperation. An administrative refusal to issue an export license should be notified to the regime's other participants, on account of the regime's objectives. In the event that a similar transaction is being reviewed by another state, such state is expected to engage in bilateral consultations with the state that previously refused to grant a license in order to prevent "undercuts". A licence refusal system operates under NSG, AG, MTCR and WA, and bilateral consultations are held under NSG, MTCR and AG. In practice, this obligation entails the presence of ever-growing separate lists, which have to be reviewed in the course of the licensing process.

Similarly, lists of additional goods that are subject to extended control, implemented under regulations that impose sanctions and embargos on certain states, also constitute separate control lists.

The existence of such large number of different control lists and their continuous evolution calls for extensive knowledge and due diligence on the part of producers, exporters and government administration officials.

6. Organization of export controls in Poland

In accordance with the Act, the Minister of Economy is the authority competent in matters of export controls. He implements those tasks through the Department of Economic Security of the Ministry of Economy, which prepares the relevant decisions on the licensing of trade in dual-use goods, arms and military equipment.

The export control authority issues trade permits after obtaining the opinions of the Minister of Foreign Affairs, the Minister of National Defence, the Minister of Interior, the Minister of Finances, the Head of the Internal Security Agency, the Head of the Intelligence Agency, the Head of the Military Intelligence Service, the Head of the Military Counterintelligence Service and, with reference to the nuclear goods and technologies – the President of the State Atomic Agency. Each of them prepares his opinion independently, within the scope of his statutory competencies. The authorities involved in the system of export controls communicate with each other using secure telecom channels. Units of the customs service are being gradually incorporated into the system.

The system of export controls outlined above is in effect a system for the monitoring of legal trade. The physical control of legal trade and prevention of illicit trade is the task of the customs service and special services.

Criminal sanctions imposed on illegal activity are an essential component of any export control system. In Poland the relevant criminal and administrative sanctions are provided for Articles 33-42 of the Act. Penalties for offences connected with the proliferation of weapons of mass destruction, terrorist acts and violations of international embargos are laid down in the Criminal Code.

7. International transparency of arms transfers

The idea of transparency of international commercial and non-commercial arms transfers started making headway in the mid-eighties and is gradually gaining popularity. Its practical implementation consists in the exchange of information between states involved in international export controls on the elements of their systems: legislation, organization, procedures, licensing decisions and refusals. An equally important addressee of the transparency campaign is each country's domestic arms industry, including producers, exporters, brokers, academic centres and research institutions.

Information on the legal and organizational aspects of national export control systems is usually available from the websites of the national export control authorities and institutions collaborating with them. The websites often include additional information links. It should be noted that the quality of the available data differs widely and some countries have not yet managed to launch their websites.

In Poland, topical information is primarily available from the websites of the Ministry of Economy and the Ministry of Foreign Affairs. Insufficient funding sometimes prevents regular updating of the websites and undermines their quality standards. As in other European countries, the foreign-language editions of the websites are significantly poorer than the national-language versions.

Annual reports and registers, worked out in multilateral diplomatic forums, constitute a key transparency instrument to which member states make their input within predetermined deadlines. These reports and registers differ in terms of the type of equipment covered and the character of the data included. There are three basic channels for the annual reports:

- **The UN Register of Conventional Arms**

which concerns transfers of seven categories of arms (see tables 8 and 9) and transfers of small arms and light weapons (see tables 10 and 11)

(<http://www.un.org/disarmament/convarms/Register>)

- **The OSCE Register of transfers of conventional arms and small arms and light weapons (SALW)**

in practice it replicates data submitted to the UN. It also includes data on transfers of man-portable air-defence systems (MANPADS) and SALW transfers by air,

- **The Annual Report as envisioned by Article 8.2 of the EU Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment, published in the C series of the Official Journal of the European Union**

it contains data on the number and value of issued licenses, actual exports (if available), refusals and their basis. According to the amended Act Poland will start to report the actual data on export from 2014.

Transparency concerning export license refusals is a separate topic. In that instance, transparency is limited to the exchange of classified information between states, without

being made available to non-governmental entities. This arrangement has been adopted to protect the commercial interests of the parties involved in transactions.

International NGOs are playing an increasingly prominent role in the sphere of transparency of arms transfers. The pressure they exert both on the exporter countries' administration, companies and importer countries has led to an ever greater awareness, also outside the EU, of the rules applicable to the control of exports of weapons and the knowledge required to implement them. One should also note the growing role of parliaments in promoting the idea of transparency and stimulating the development of export control regimes in many countries. Meanwhile, the importance of transparency will keep rising in step with the growing number of tasks faced by government administrations.

8. Arms exports

Polish arms exports comply with our country's international obligations and applicable law. Any violation of these principles would be penalized. When issuing arms export permits the Polish administration takes into account the right of every state to self-defence – and to make arms purchases – enshrined in Article 51 of the UN Charter.

International reports involve different types of information and thus require the application of different methods for the acquisition and processing of the relevant data. The main difference boils down to the fact that inputs to UN and OSCE registers are prepared on the basis of data on actual transfers counted in number of items, while data input into the European Union annual report are collected, in the most part, from statistics of the value of export licences issued. Poland and some other EU Member States do not provide data on the value of actual exports. Also the scope of the subject matter of the reports in both cases is so different as to make any comparisons difficult. UN registers of conventional armaments, small arms and light weapons are sent data on complete systems, while EU methodology provides for reporting data on transfers of both complete systems and spare parts and components, also made as part of ongoing cooperation between the defence industries of different states. There are also basic differences in the description of the category of equipment between UN registers and the EU report.

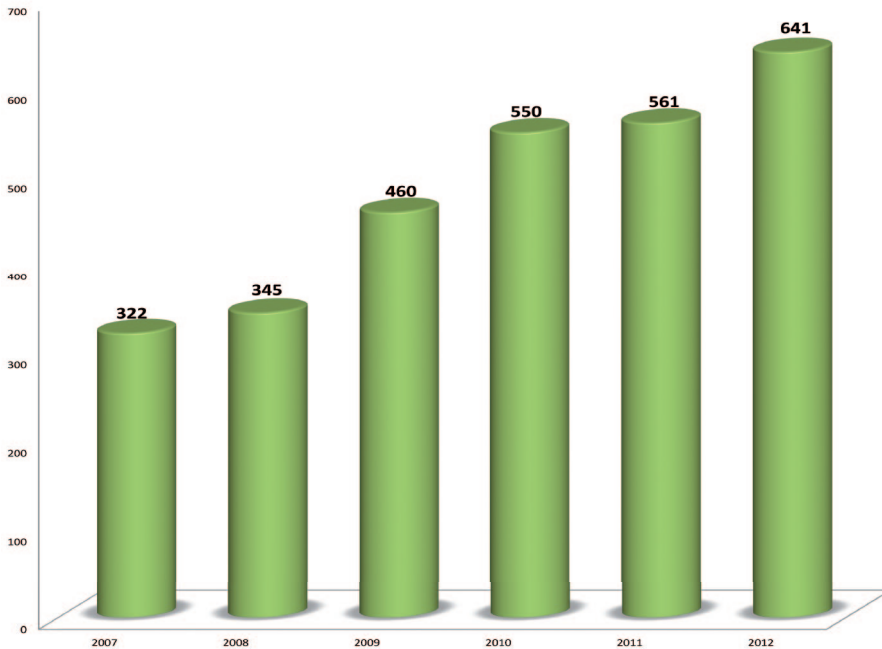
It should be pointed out that export permits are valid for 12 months, which means that actual transfers of equipment might take place in the year following the year when a permit was issued. As a result, data from different sources, if not closely analyzed, might appear inconsistent. Poland is not the only country experiencing this problem. Due to the above circumstances each table below will be accompanied by brief notes explaining how the presented data has been compiled.

9. Quantitative data

9.1. General export data

In recent years, there has been a steady rise in the number of issued export licences, as depicted by the graph below.

Diagram 1: Number of export licenses issued in the years 2007-2012



Considering the need to process applications that are not “new transfers” and those that concern dual-use goods by export control authorities and bodies that issue opinions, the number of decisions that these bodies issue greatly exceed 1200 per year.

Table 1 presents detailed information about the quantity and value of export licenses and refusals to grant export licenses for weapons and military equipment according to the 22 categories of the Military List issued during the last four years to state and government and private sector companies. They do not cover data on non-trade transfers and transfers relating to the running of peacekeeping missions under the auspices of the United Nations, the European Union and NATO. These data only cover new transfers and as such do not include transfers of equipment under warranty repairs, trade shows, tests or repairs of equipment belonging to the Polish Armed Forces or other uniform services that is repaired abroad.

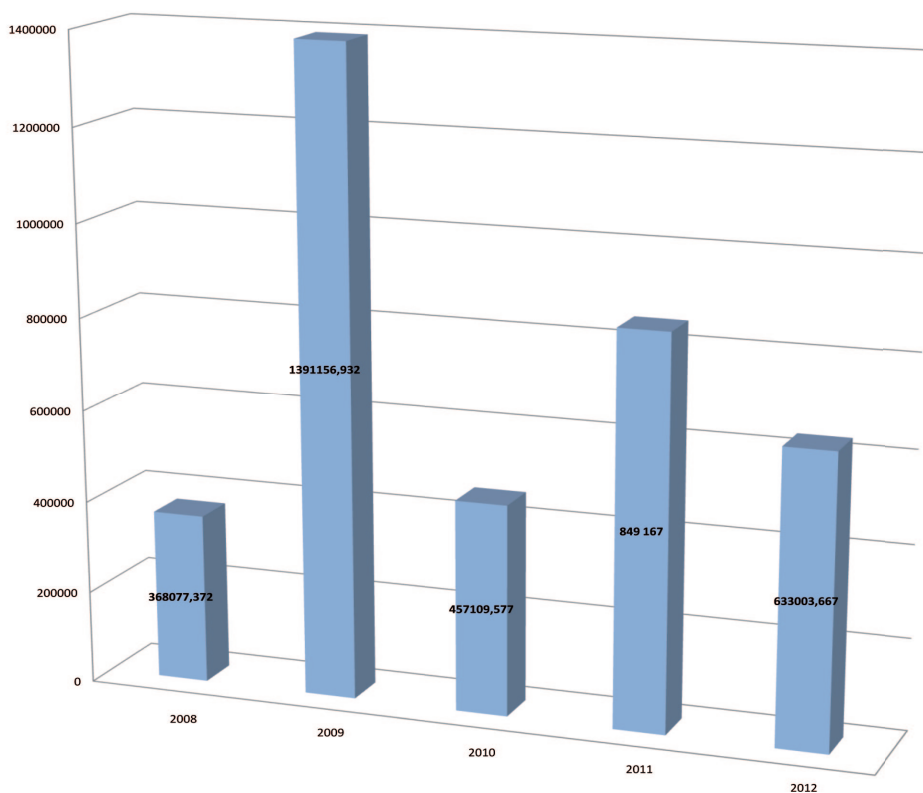
The quantity of issued licenses is given in numbers, although sometimes one license may apply to goods which fall under more than one category from the *Military List*.

The value of issued licenses is given in euro. The last line in the table with information on the refusal criteria refers to the criteria presented in the Common Position 2008/944/CFSP and prior to its entry into force – to the criteria found in the EU Code of Conduct on Arms Exports.

Table 1. Total Polish exports in the years 2009-2012

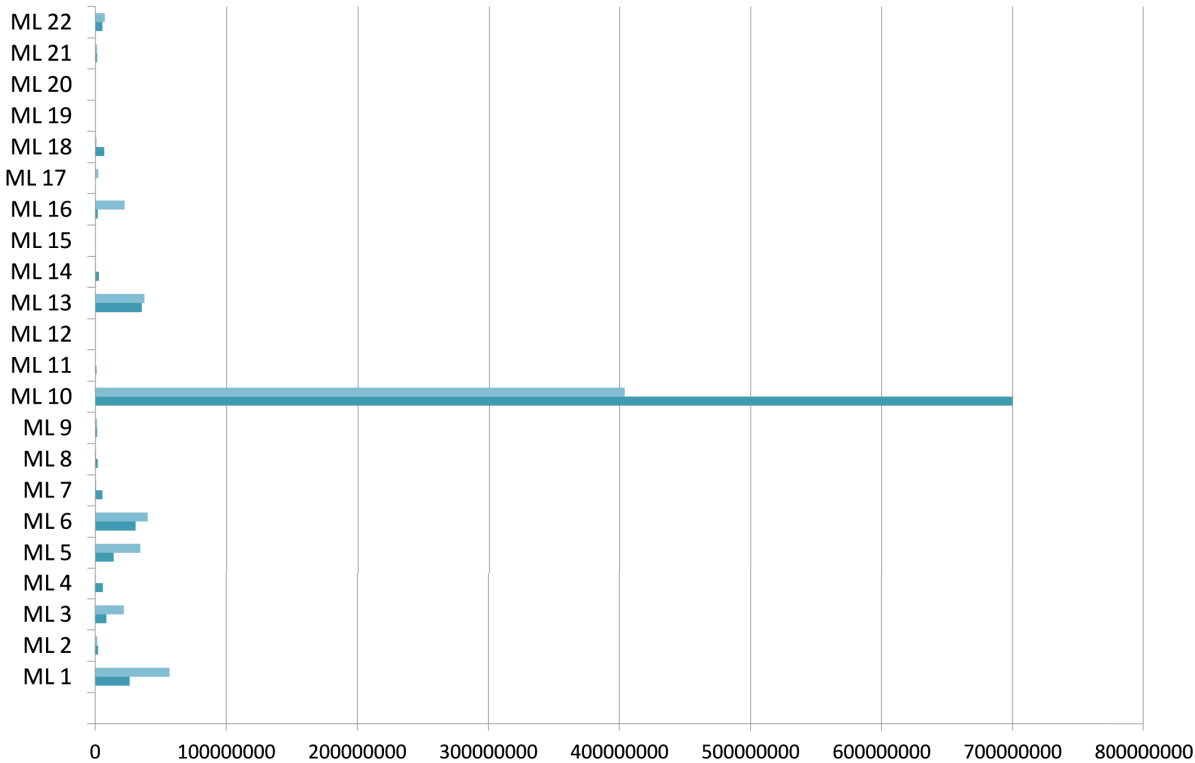
	2009	2010	2011	2012
Number of licenses	460	550	561	641
Total value of licenses	1 391 156 932	457 109 577	849 167 475	633 003 667
Actual exports	n/a	n/a	n/a	n/a
Number of notified refusals	0	1	3	0
Refusal criteria		3, 7, 8	2, 3, 7	

Diagram 2: Changes in the total value of licenses issued in the years 2007-2012



Note should be taken of the 25.5 percent decrease in the value of exports in 2012 relative to the previous year. However, as shown in the next diagram, the major item there being ML 10, this decrease is due to the 42 percent fall in the value of ancillary exports of companies cooperating with foreign corporations or of their subsidiaries. These companies that produce aircraft, helicopter and land vehicle components continue to be the major Polish exporters of equipment covered by the EU Common Military List and their incomes significantly influence the combined value of Polish defence exports.

Diagram 3: 2011-2012 export value as per the Common Military List categories (in EUR)



The next diagram presents the export structure based on the EU Common Military List after deducting the ML 10 category from the total value of licenses issued in three consecutive years.

Diagram 4: Comparison of export values based on the EU Common Military List in 2010-2012. (in EUR – excluding the ML 10 category)

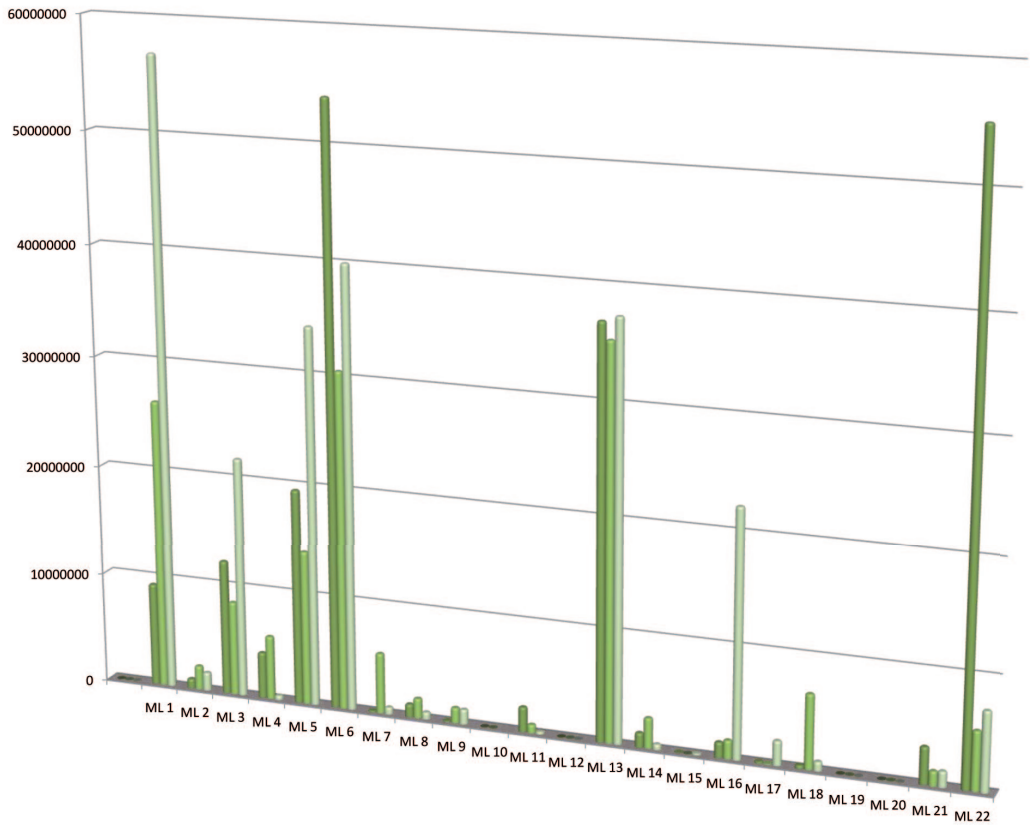


Table 2 presents data on exports from EU countries in the years 2010-2011 to illustrate the position of Poland as a European weapons exporter. Data for 2012 were not available as of the date of this report.

Table 2. Exports of arms and military equipment from EU states in the years 2010-2011 (in EUR)

Lp.	Country	2010			2011		
		A	B	C	A	B	C
1.	Austria	1 907	1 768 320 054	372 630 508	1 436	1 632 165 264	429 828 877
2.	Belgium	1 223	1 002 810 809	n.a.	1 477	834 555 794	n.a.
3.	Bulgaria	338	295 809 848	257 834 535	406	223 451 646	231 397 462
4.	Cyprus	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5.	Denmark	399	375 977 554	n.a.	320	237 240 740	n.a.
6.	Estonia	21	1 977 337	617 083	51	350 300 360	2 728 756

7.	Finland	341	61 219 431	58 766 018	288	183 558 597	97 164 075
8.	France	7 163	11 181 813 034	3 703 898 387	8 021	9 991 574 536	3 647 365 492
9.	Greece	246	295 020 442	n.a.	242	225 904 584	n.a.
10.	Spain	909	2 238 406 427	1 128 302 781	863	2 871 202 275	2 431 212 618
11.	The Netherlands	803	912 881 300	676 348 240	806	415 746 108	771 873 682
12.	Ireland	98	24 356 333	n.a.	72	27 092 560	n.a.
13.	Lithuania	61	23 417 328	14 530 166	53	50 503 454	47 694 319
14.	Luxembourg	7	211 266	37 500	19	1 237 111	n.a.
15.	Latvia	45	7 669 119	7 669 119	5	74 729	67 274
16.	Malta	44	436 468	416 036	230	4 720 386	3 163 267
17.	Germany	16 744	4 754 136 037	n.a.	18 208	5 414 552 181	n.a.
18.	Poland	550	457 109 577	n.a.	561	849 167 475	n.a.
19.	Portugal	319	21 002 406	19 994 521	2 078	31 275 146	24 633 319
20.	Czech Republic	1 005	451 075 224	216 992 823	1 092	346 341 228	183 424 126
21.	Romania	408	151 900 223	122 871 810	371	183 533 121	130 704 073
22.	Slovakia	193	57 749 068	15 348 167	185	29 999 005	10 391 655
23.	Slovenia	42	10 912 926	5 792 545	65	11 598 399	9 170 947
24.	Sweden	686	1 402 198 197	1 457 361 849	658	1 188 676 399	1 507 179 337
25.	Hungary	214	138 164 302	19 033 782	215	156 056 413	18 264 311
26.	Great Britain	29 590	2 836 853 872	n.a.	8 786	7 002 564 521	n.a.
27.	Italy	1 492	3 251 458 929	615 772 364	1 615	5 261 720 872	1 022 662 340
	EU total	64 848	31 722 887 511	n.a.	48 123	37 524 808 609	n.a.

A – number of export licenses issued

B – value of exports in accordance with licenses issued

C – actual value of exports

n. a. – not available

Note: the actual value of exports may differ from the value specified in the issued licenses on account of incomplete utilization of the licenses or the completion of contracts for which licenses were issued in the previous years.

Table 3 presents comparative data on the number of refusals issued in the last four years by all EU Member States.

Table 3. Numbers of export refusals issued by EU Member States in the years 2009-2012

Lp.	Country	2009	2010	2011	2012
1.	Austria	12	38	9	11
2.	Belgium	5	8	17	10
3.	Bulgaria	6	1	9	0
4.	Cyprus	0	0	0	0
5.	Denmark	0	2	8	3
6.	Estonia	0	0	0	0
7.	Finland	1	5	11	10
8.	France	79	37	71	56
9.	Greece	3	1	5	5
10.	Spain	0	0	0	0
11.	The Netherlands	18	1	4	12
12.	Ireland	0	0	0	0
13.	Lithuania	2	1	2	1
14.	Luxembourg	0	0	0	0
15.	Latvia	2	3	6	4
16.	Malta	1	0	0	0
17.	Germany	189	173	158	217
18.	Poland	0	1	3	0
19.	Portugal	0	0	0	9
20.	Czech Republic	9	4	4	0
21.	Romania	2	0	5	0
22.	Slovakia	0	0	0	0
23.	Slovenia	0	0	0	0
24.	Sweden	2	4	5	7
25.	Hungary	0	3	0	0
26.	Great Britain	78	45	115	72
27.	Italy	10	15	6	0

Tables 4 and 5 present data according to regions, taking into account information about the main categories of arms and military equipment exported in 2011-2012, collected using the methodology discussed above. Diagrams found below these tables illustrate the graphic structure of exports according to regions.

Table 4. Exports of arms and military equipment from Poland in 2011 according to regions

Region	Number of licenses issued	Value of licenses issued in EUR	Value of licenses issued – percentages	Principal categories of equipment according to Military List
North America	181	430 459 544	68,0	10, 1, 5, 16
European Union	217	73 255 250	11,6	10, 13, 3, 22, 1, 21
South-East Asia	41	35 646 294	5,6	10, 6, 5
South Asia	95	26 272 970	4,2	6, 10, 9
Other European states	33	20 121 828	3,2	13, 3, 6
North Africa	22	19 515 673	3,1	10, 6, 4
Middle East	32	12 159 395	1,9	3, 6, 1
Central Asia	4	7 805 180	1,2	13, 17, 18, 5
South America	5	5 937 217	0,9	13, 10
Central America and the Caribbean	2	1 450 482	0,2	6, 10
North-East Asia	3	221 009	0,0	6, 7
Sub-Saharan Africa	4	143 343	0,0	2, 10, 15
Oceania	2	15 482	0,0	6
Total	641	633 003 667		10, 1, 6, 13, 5, 16, 3, 22

Diagram 5: Exports from Poland in 2011 according to regions

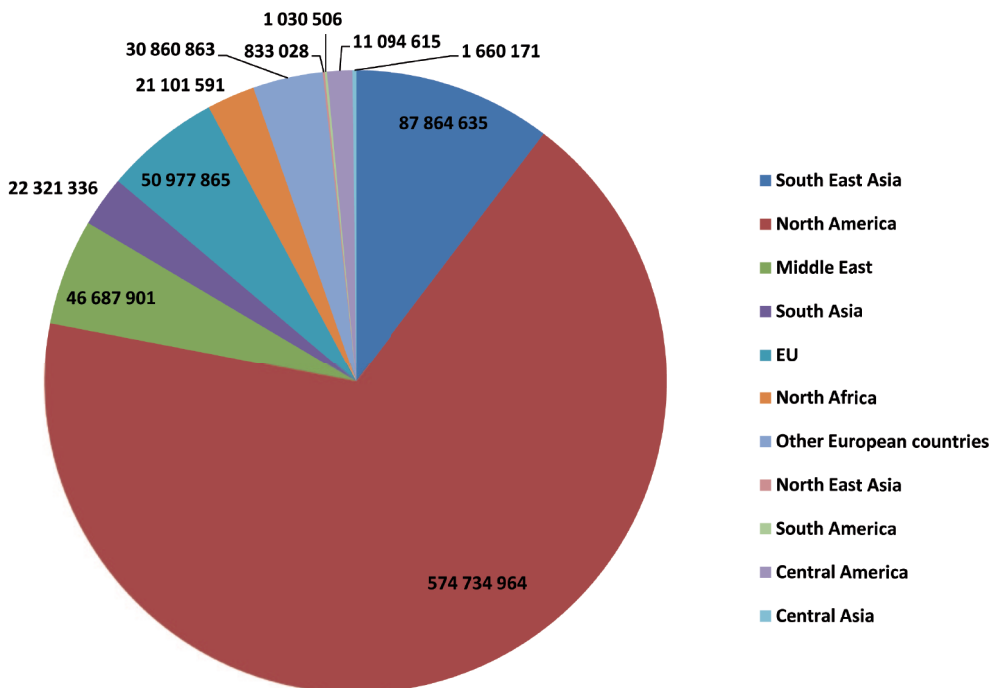
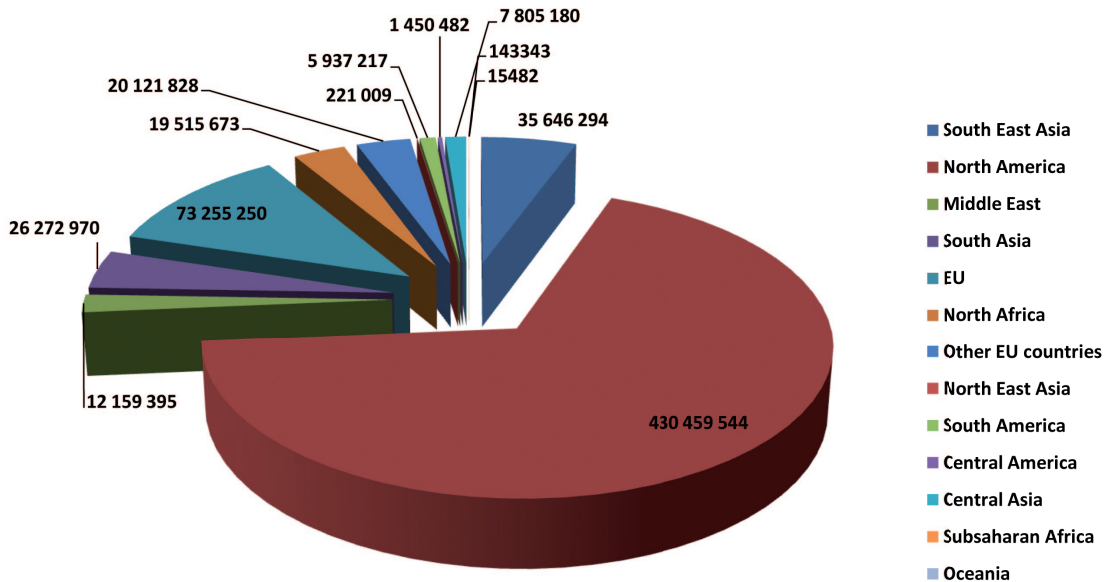


Diagram 6: Exports in 2012 according to regions



Tables 6 and 7 list countries that import Polish arms and military equipment in two consecutive years.

Table 6. Importers from Poland according to value of licenses 2011

No.	State	Number of licenses issued	Value of licenses in EUR	Military list category
1	US	75	430 056 495	10, 1, 3, 16, 14
2	Canada	49	144 678 469	10, 6
3	Philippines	1	64 759 912	10
4	Saudi Arabia	3	31 745 010	5, 1
5	United Kingdom	35	21 873 739	10, 13
6	India	123	21 256 544	6, 18, 10, 9
7	Algeria	10	21 101 591	10, 6
8	Norway	11	16 452 949	13, 5, 3
9	Mexico	3	11 094 615	1
10	Israel	9	9 373 232	1, 8, 4
11	Vietnam	3	8 701 856	5, 10
12	Italia	12	8 406 793	13, 4
13	Switzerland	5	6 929 520	13, 6
14	Indonesia	11	6 638 502	7, 2
15	Germany	16	6 498 424	22, 21

16	Singapore	3	5 740 443	6
17	Bulgaria	5	4 384 858	3, 4
18	Azerbaijan	4	4 260 175	13, 18, 22
19	Iraq	4	3 297 099	1
20	Czech Republic	51	2 941 860	10, 1
21	Georgia	3	2 793 830	4, 14
22	Egypt	25	2 146 560	6, 5
23	Malaysia	18	2 023 601	6
24	Denmark	2	1 715 622	13
25	The Netherlands	3	1 656 665	13, 11
26	Kazakhstan	1	1 660 171	18
27	Republic of Korea	2	833 028	14
28	Finland	7	740 883	13, 6
29	Afghanistan	1	651 665	2
30	Venezuela	2	612 459	10
31	Sweden	5	594 719	13, 5
32	Hungary	2	581 135	5
33	Latvia	5	479 810	13, 10
34	Slovakia	1	416 466	13, 1
35	Bangladesh	3	376 121	10
36	Luxemburg	2	226 744	13
37	Croatia	3	219 820	6, 13
38	Ukraine	1	192 360	7
39	Chile	1	173 725	13
40	France	5	172 087	5, 10
41	Brazil	1	142 500	14
42	Austria	5	130 919	1, 3
43	Yemen	1	126 000	10
44	Peru	2	101 336	10
45	Portugal	2	73 822	13
46	Romania	3	59 180	8, 13
47	Sri Lanka	5	37 006	10
48	Ireland	1	22 583	5
49	Belarus	1	8 098	10
50	Republic of Macedonia	1	4 111	10
51	Belgium	2	1 556	13
52	Colombia	1	486	16
53	Thailand	1	321	3

Table 7. Importers from Poland according to value of licenses 2012

No.	State	Number of licenses issued	Value of licenses in EUR	Military list category
1	US	122	295 507 136	10, 1, 5, 16, 22,
2	Canada	59	134 952 408	10
3	India	88	26 233 225	6, 10, 9
4	Philippines	2	24 885 850	10
5	United Kingdom	57	20 483 980	10, 4, 16
6	Algeria	22	19 515 673	10, 6, 4
7	Luxembourg	2	14 959 513	10, 13
8	Norway	20	13 400 417	13, 3, 8
9	Saudi Arabia	2	9 577 594	3
10	Kazakhstan	4	7 805 180	13, 17, 18, 5
11	Germany	35	7 668 118	22, 21, 13, 14, 10, 6, 3, 16
12	Bulgaria	11	7 577 444	3, 2
13	Italia	16	7 556 502	13, 10, 4
14	Czech Republic	45	6 447 078	1, 10, 8, 6
15	Switzerland	5	6 252 047	13, 6
16	Singapore	3	4 923 404	6
17	Sweden	3	4 914 406	13, 15
18	Chile	1	3 256 363	13
19	Malaysia	26	2 839 871	6, 7, 10
20	Venezuela	1	2 451 286	10
21	Indonesia	5	2 422 972	5, 10
22	Egypt	27	2 376 189	6, 2, 1
23	Guatemala	1	1 399 650	6
24	The Netherlands	4	958 639	13, 16, 22
25	France	12	789 086	6, 2
26	Latvia	3	732 507	13
27	Belgium	3	523 850	3
28	Vietnam	4	485 715	2, 10, 1
29	Finland	5	230 810	13
30	Peru	3	229 568	10
31	Republic of Korea	3	221 009	6, 7
32	Denmark	4	214 892	13
33	Israel	3	205 612	4, 1, 3
34	Ukraine	3	155 050	7, 22
35	Azerbaijan	1	153 045	22

36	Ethiopia	1	99 655	2
37	Croatia	2	97 005	13, 7
38	Thailand	1	88 482	14
39	Estonia	6	80 758	13
40	Mexico	1	50 832	10
41	Montenegro	1	46 182	1
42	Equatorial Guinea	2	42 899	10, 15
43	Austria	4	37 402	1, 2
44	Portugal	3	28 033	13
45	Bangladesh	3	24 172	10
46	Hungary	2	22 337	4
47	Romania	1	19 895	11
48	Bosnia and Herzegovina	1	18 082	6
49	Sri Lanka	4	15 573	10
50	Australia	2	15 482	6
51	Greece	1	10 000	6
52	Kenia	1	789	1

Table 8 presents collective data about Polish companies that acted as brokers in arms trading in 2012, according to a data base on brokerage licences.

Table 8. Brokerage licences for arms trade issued in 2011

Country of destination	No. of licenses	Value based on licenses in EUR	Kategoria ML	Kraj pochodzenia towaru
Egypt	6	492000	5a	Bulgaria
		1742	1	Bulgaria
		235927	3a	Bulgaria
		10249	3a	Bulgaria
		4019	1d	Romania
		376192	3a	Bulgaria

9.2. Combat equipment transfer data

Table 9 presents data on actual exports and transfers of equipment covered by the seven categories of the UN register, compiled on the basis of data supplied by the Ministry of National Defence and the Ministry of Finances (customs service).

Table 9. Polish arms exports in 2012 according to the categories of the UN Register of Conventional Arms

	Category	Importer country	Number of items	Product description
I.	Battle tanks	–	–	–
II.	Armoured combat vehicles	Germany	3 3 2	BRDM-2 BTR60PB MTLB
III.	Large-calibre artillery systems	Germany	1	APC 73 mm gun
IV.	Combat aircraft	–	–	–
V.	Attack helicopters	–	–	–
VI.	Warships	–	–	–
VII.	Missiles and missile launchers	–	–	–

9.3. Exports and transfers of small arms and light weapons

Tables 10 and 11 present data on transfers of small arms and light weapons compiled on the basis of information received from the Ministry of National Defence, the Ministry of Finance and the Ministry of Interior and Administration.

Table 10. Exports of small arms in 2012

	SMALL ARMS	Destination country	Number of items
1.	Revolvers and self-loading pistols	US Austria	2490 914
2.	Rifles and carbines	US Austria	1663 1570
3.	Sub-machine guns	US Austria	1560 36
4.	Assault rifles	–	–
5.	Light machine guns	–	–

Table 11. Exports of light weapons in 2012

	LIGHT WEAPONS	Destination country	Number of items
1.	Heavy machine guns	US	3
2.	Hand-held under-barrel and mounted grenade launchers	Austria	66
3.	Portable anti-tank guns	–	–
4.	Recoilless rifles	–	–
5.	Portable anti-tank missile launchers and rocket systems	–	–
6.	Mortars of calibre under 100 mm	–	–

10. Promotion of arms exports abroad

Export of arms and military equipment, on account of its nature, influences the development of international relations and, as such, is an important element of foreign policy. Polish arms and military equipment are generally sold to government ministries or agencies and consequently cooperation in this area is regarded as a confirmation of good political relations based on trust and common security interests. The activity of government administration, including the Ministry of Foreign Affairs, is focused on official contacts – through high-level meetings and the work of our diplomatic missions, the Polish defence industry offer can be better promoted if it is addressed to persons responsible for the shape and potential of the armed forces. Support for the defence industry also extends to R&D cooperation. It also involves the protection of this sector's interests within organisations and political agreements dealing with international strategic sales.

The Ministry of Foreign Affairs in interaction with the other government administration bodies has been engaged in activities to support the Polish defence industry in its efforts for enhancing international cooperation and more effective promotion on global markets. These measures complement the strictly marketing efforts of Polish entrepreneurs. In the case of the Ministry of Foreign Affairs, these include:

- co-initiating and providing political support for intergovernmental cooperation projects in the spheres of production, procurement, R&D projects in the defence sectors;
- initiating intergovernmental visits to promote trade contacts;
- analyzing a country's domestic conditions importance for the perception of the Polish offer;
- participating in institutional forms of bilateral cooperation (working groups, commissions);
- protecting the Polish industry's interests on international fora;
- participating in meetings and conferences during trade shows.

The possibility of tapping into the potential offered by the extended network of diplomatic missions is particularly valuable. The tasks of the Polish diplomats include:

- analysing the local markets;
- providing support for and promoting specific projects (including participation in trade shows);
- protocol and media support of events connected with the promotion of arms and military equipment;
- assessing the effectiveness of Polish entrepreneurs' activities;
- drafting proposals concerning additional actions undertaken at home, aimed at more effective promotion of the Polish offer.

Close cooperation of the Ministry of Foreign Affairs and its diplomatic missions with the Polish defence industry creates favorable conditions for responsible and transparent export control policy. We are all striving to ensure that rules of the export control policy are taken into account

even in early stages of commercial negotiations of our entrepreneurs with their foreign partners. We also try to discourage companies from engaging in contracts incompatible with Poland's foreign policy and where exporter can realistically expect to receive denial of an export license.

Tasks relating to the promotion of Polish arms and military equipment are planned and carried out pursuant to the Republic of Poland's legal and political commitments. Their main goal is to consolidate Poland's image as a producer of modern armaments, a reliable and impartial partner that honours international export control commitments.

We act on the assumption that Poland's credibility as a member of the international export control regime affects the way in which Polish companies are positioned on the global arms and military equipment export market, making them more attractive. Only by maintaining high export control standards can their participation in the most advanced forms of ancillary cooperation be guaranteed and their ability to obtain state-of-the-art technologies be possible. This will continue to be a common goal and task of the Polish government administration and defence industry.

Brief descriptions of EU Common Military List Categories

- ML 1. 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 therefore.
- ML 2. 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 therefore.
- ML 3. Ammunition and fuse setting devices, and specially designed components therefore.
- ML 4. Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, and specially designed components therefore.
- ML 5. 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 therefore.
- ML 6. Ground vehicles and components.
- ML 7. Chemical or biological toxic agents, 'riot control agents', radioactive materials, related equipment, components and materials.
- ML 8. 'Energetic materials', and related substances.
- ML 9. Vessels of war, (surface or underwater) special naval equipment, accessories, components and other surface vessels.
- ML 10. 'Aircraft', 'lighter than air vehicles', unmanned airborne vehicles, aero-engines and 'aircraft' equipment, related equipment and components, specially designed or modified for military use.
- ML 11. Electronic equipment, not controlled elsewhere on the EU Common Military List, and specially designed components therefore.
- ML 12. High velocity kinetic energy weapon systems and related equipment, and specially designed components therefore.
- ML 13. Armoured or protective equipment, constructions and components.
- ML 14. Specialised equipment for military training or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or ML2, and specially designed components and accessories therefore.
- ML 15. Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefore.

- ML 16. Forgings, castings and other unfinished products the use of which in a controlled product is identifiable by material composition, geometry or function, and which are specially designed for any products controlled by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19.
- ML 17. Miscellaneous equipment, materials and ‘libraries’, and specially designed components therefore.
- ML 18. Production equipment and components of products referred to in the EU Common Military List.
- ML 19. Directed energy weapon systems (DEW), related or countermeasure equipment and test models, and specially designed components therefore.
- ML 20. Cryogenic and ‘superconductive’ equipment, and specially designed components and accessories therefore.
- ML 21. ‘Software’ specially designed or modified for the ‘development’, ‘production’ ‘use’ of equipment or materials controlled by the EU Common Military List.
- ML 22. ‘Technology’ for the ‘development’, ‘production’ or ‘use’ of items controlled in the EU Common Military List.

ATTACHMENT 2

Participation in multilateral arms control regimes

Country	Zangger Committee	Nuclear Suppliers Group	Australia Group	Missile Technology Control Regime	Wassenaar Arrangement
Argentina	x	x	x	x	x
Australia	x	x	x	x	x
Austria	x	x	x	x	x
Belgium	x	x	x	x	x
Belarus	x	x			
Brazil		x		x	
Bulgaria	x	x	x	x	x
Canada	x	x	x		x
China	x	x			
Croatia		x	x		
Cyprus	x	x	x	x	x
Czech Republic	x	x	x	x	x
Denmark		x	x		x
Estonia	x	x	x	x	x

Finland	x	x	x	x	x
France	x	x	x	x	x
Germany	x	x	x	x	x
Greece	x	x	x	x	x
Hungary	x	x	x	x	x
Iceland		x	x	x	
Ireland	x	x	x	x	x
Italy	x	x			
Japan	x	x	x	x	x
Latvia	x	x	x	x	x
Lithuania		x	x		x
Luxembourg	x	x	x	x	x
Kazakhstan		x	x		x
Malta		x	x		x
Mexico		x	x		x
The Netherlands	x	x	x	x	x
New Zealand	x	x	x	x	x
Norway	x	x	x	x	x
Poland	x	x	x	x	x
Portugal	x	x	x	x	x
Republic of Korea	x	x		x	x
Romania	x	x		x	x
Russian Federation	x	x	x		x
Serbia		x			
Slovakia	x	x	x		x
Slovenia	x	x	x		x
South Africa	x	x	x	x	x
Spain	x	x	x	x	x
Sweden	x	x	x	x	x
Switzerland	x	x	x	x	x
Turkey	x	x	x	x	x
Ukraine	x	x	x	x	x
United Kingdom	x	x	x	x	x
United States	x	x	x	x	x
Total	39	48	42¹	34	41

¹ The Australia Group also includes the European Commission

ISSN 2082-6656