

***Annual Report on the Czech
Republic's Control of Exports of
Military Equipment and Small Arms
for Civilian Use - 2008***

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Introduction

In recent years, the government of the Czech Republic has been committed to a focused effort to improve the transparency of its policies in the area of military equipment export controls as well as to continue the development of principles and mechanisms applicable to the implementation of such controls.

The publication of the *Annual Report on the Czech Republic's Control of Exports of Military Equipment and Small Arms for Civilian Use - 2008*¹ (hereinafter as “**Report**”) is one of the individual steps undertaken to enhance the transparency of the Czech Republic’s exporting of military equipment. A greater awareness of the issues associated with the regulation and control of the foreign trade in military equipment promotes a common level of understanding among government bodies, the professional community, the general public, the business sector and non-governmental organizations.

This *Report* builds on previously published information on the import, export and possession of small arms and light weaponry in the Czech Republic and it is in full conformity with the methodology used for the preparation of the consolidated annual reports published by the European Union. This document is the sixth edition of this type of a report. It has been prepared by the Ministry of Industry and Trade in collaboration with the Ministry of Foreign Affairs, the Ministry of Defense, the Ministry of the Interior and the General Customs Directorate.

The first part of this *Report* describes the system of controls used for the trade in military equipment carried out in the Czech Republic, including the roles and the positions of the various bodies that collaborate as part of the control process, as well as the collaboration that takes place with the general public. This part of the *Report* also describes the legislative and legal processes that are part and parcel of changes to *Act No. 38/1994 Coll. on foreign trade in military equipment (as last amended)*, the objective of which is to respond to the new conditions that have existed after the Czech Republic’s joining of the EU and the goal is to further enhance the transparency of this foreign trade in military equipment and to concomitantly reduce the administrative burden on the private sector – all of which is to take place consonant with the government’s objectives with respect to national security as well as other interests.

The second part of the *Report* is devoted to the Czech Republic’s integration into the control standards that are being implemented at an EU level and the Czech Republic’s collaboration with other countries internationally. The main events that have taken place at an EU level in the area dealing with military equipment in 2008 have included the passing of the *Common Position of the EU Council*, which sets out common rules for the control of the export of military technologies and equipment and which acts as a replacement for the existing *EU Code of Conduct on Arms Exports*. This *Common Position* will be used to effectuate ongoing updates to the *User’s Guide to the EU Code of Conduct*, which serves a practical explanatory purpose. In 2008, the EU has also been working on the drafting of the directive of the European Parliament and of the Council on the simplification of the terms and conditions for the transfer of defense-related products within the Community. A final approval of this directive is anticipated in the first half of 2009. The transposition of this directive into the

¹ “Small arms for civilian use” is a working term used to describe firearms that are exported pursuant to *Act No. 228/2004 Coll.*

corresponding national legislation will likely require major changes to the existing Czech legislation governing trade in military equipment. This will include the passing of a new act, which will replace the existing *Act No. 38/1994 Coll.* It is expected that such a new act will be passed sometime in 2010. The existing legislation, which is to be replaced by the new act, currently represents the principle framework for the system of controls governing the Czech Republic's foreign trade in military equipment. In terms of key developments in this area that have taken place on an international level in 2008, these have included the release of information on the current status of the drafting of the *Arms Trade Treaty* and the *Convention on Cluster Munitions*.

The third part of the *Report* deals with the controlling of the trade in small arms intended for sports, leisure, hunting and self-defense-related purposes.

The fourth part of the *Report* contains information on the control of exports involving dual-use items and technology and the Czech Republic's participation in international organizations and control regimes, which facilitate the exchanging of information on various aspects of the international trade in controlled goods.

As usual, the last part of the *Report* contains an up-to-date overview of international arms embargos, the effectuation and updating of which the Czech Republic has been actively involved in as part of its membership in the respective international organizations.

This document is accompanied by a series of annexed reports and tables containing figures and data on licenses issued for the purchase (import) and sale (export) of goods with a breakdown by volume and end-user country and an end-user percentage breakdown.

1. Controlling the Export of Military Equipment

The regulation of the foreign trade in military equipment falls within the competency of the Ministry of Industry and Trade (**MPO**), which also oversees all of the administrative proceedings that take place in relation to this foreign trade in military equipment – most notably, with respect to the issuance of the permits to conduct this foreign trade in military equipment and the issuance of licenses for specific business transactions.

As of the end of 2008, there were 157 businesses in possession of a permit to conduct this foreign trade in military equipment. A total of 1,044 licenses to export military equipment, with a total value of € 212.3 million, were issued in 2008 – which represents a 10% increase over 2007 in terms of the number of licenses issued. The actual utilization of these licenses produced a trading volume of € 189.6 million, which represents a € 15.6 million increase over 2007.

589 export licenses were issued for exports to other EU countries, which had a total value of € 51.9 million. The actual utilization of these licenses was € 44.5 million. The largest number of licenses were issued for exports to Germany (172), Slovakia (164) and Poland (59). In terms of the total value of the exported equipment, exports to Slovakia topped the list (€ 18.9 million worth of special armored materials and electronic equipment), followed by Poland (€ 7.6 million worth of services, vehicles and special vehicle components), Italy (€ 5.7 million worth of services and ammunition) and Germany (€ 4.2 million worth of electronic equipment and ammunition).

In terms of exports to non-EU countries, the greatest number of licenses were issued for exports to the US (80 licenses for the export of aircraft and helicopters, aircraft engines, weapons and special components for weapons), Egypt (33 licenses for the export of ammunition, special military training equipment, vehicles and special vehicle components) and Thailand (32 licenses for the export of weapons and special components for weapons, aircraft and helicopters and aircraft engines). As in previous years, India topped the list in terms of the value of the exports (a total of € 20.4 million worth of military vehicles).

In terms of administrative fees collected in 2008 (in accordance with *Act No. 634/2004 Coll. on administrative fees*), a total of CZK 600,000 was collected from the issuance of permits to conduct foreign trade in military equipment (a fee of CZK 20,000 per permit) and CZK 923,000 was collected from the issuance of the export licenses for military equipment (a fee of CZK 1,000 per license; licenses for the export and import of military equipment for exhibition purposes, demonstrations, the meeting of defective product claims and for the export and import of samples provided at no cost are exempt from this fee). These collected administrative fees represent income to the national budget.

See the annexes to this report for additional details.

1.1. The Control of Foreign Trade in Military Equipment – Objectives

Every developed, democratic country that manufactures and exports military equipment is also responsible for making sure that these materials are not used for any illegal purposes and that they never reach the wrong hands (terrorists, illegal militias, illegal arms dealers, organized crime, etc.). The respective country is also responsible for the prevention of any exports that might contribute to an escalation of international or national conflicts, exports which might be used for the suppression of human rights or exports which might go against the security interests of the country's friends and allies.

It is the long-term objective of the Czech government to develop a transparent, credible and widely-respected regulatory system for its foreign trade in military equipment and to coordinate the individual interests of the diverse parties involved in this process.

1.2. The Control of Foreign Trade in Military Equipment in the Czech Republic – Framework and Key Elements of the Control System

1.2.1. Current Situation

The basic framework for the system of controls in the area of foreign trade in military equipment is set out in *Act No. 38/1994 Coll.*, which regulates the conditions for the exercise of the government's licensing and oversight responsibilities in an area where the related business activities might compromise the economic, foreign-policy-related and national security-related-interests of the Czech Republic. The basic framework for this system of controls is also dealt with in *Decree No. 89/1994 Coll.* This legislation establishes the procedures that are applicable to the issuance of trading permits, the criteria for the issuance and use of trade licenses and the general controls applicable to the area of trading in military equipment – including the imposition of sanctions for violations of the law.

The system of controls over the foreign trade in military equipment in the Czech Republic takes place at two levels:

- 1) A business entity may only market its products and services, enter into negotiations with foreign partners, etc. after obtaining the necessary **permit to conduct foreign trade in military equipment**.
- 2) A **license** must also be applied for in order to engage in specific trading transactions.

Re: 1)

The holder of such a license may only be a legal entity with a registered address in the Czech Republic. The permit lists the individual types of military equipment in which the given legal entity is permitted to conduct its trading activities, as well as a list of countries with which such trading activities can be carried out. The permits are issued by the “Licensing Section” of the Ministry of Industry and Trade (**MPO Licensing Section**) and approvals from the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defense are also required. The permits are issued for a limited period of time (a maximum of 5 years).

Re: 2)

To engage in a specific trading transaction, the given legal entity (i.e. the holder of a permit) must apply for an export (import) license. Licenses can only be issued for a single, specific transaction. In addition, the validity of each license is time-constrained and the scope and terms and conditions of the given transaction are specified in the license. Decisions concerning the issuance of licenses (or their denial) are made in administrative proceedings conducted by the MPO Licensing Section. The decision on the issuance of a license is made after the other, above-listed ministries have provided their input. A decision not to grant a license is made if the applicant has failed to meet the applicable legal criteria or for reasons related to the Czech Republic’s foreign policy, business or national-security-related interests (the *EU Code of Conduct on Arms Exports* and the joint denial database of the EU member states are also taken into consideration).²

1.2.2. Amendment to Act No. 38/1994 Coll.

In its *Resolution No. 1476, dated November 24, 2008*, the Czech government passed the draft of a new act, which functions as an amendment to the existing *Act No. 38/1994 Coll.* The newly proposed legislation governing the foreign trade in military equipment is fully consistent with the government’s objective of “enhancing the transparency of military equipment exports” for the following reasons:

1. The proposed changes reflect the fact that the Czech Republic is now a **member of the EU and it is up-to-date with the current practices** in this area (the existing legislation was passed 14 years ago). Most notably, by delineating the different equipment categories that are included on the list of military equipment, the new legislation will parallel the common list that is being used across the EU.
2. The proposed changes provide a more precise definition of the term “**trade in military equipment**” for the purposes of this act with respect to the export, import and trade brokerage categories.

² In the course of doing the planning for a major order for the export of military equipment, the exporting entity may also apply for a “preliminary approval”. However, such an approval is indicative only and it does not assure the outcome of a final decision on the granting of an export license.

3. “**Anti-personnel mines**” have been put on the list of prohibited goods with respect to this foreign trade in military equipment.
4. The proposed changes provide a more precise **definition of military equipment** for the purposes of this act in response to general technical advancements and the areas in which the given goods are being used.

The regulatory impact assessment (**RIA**)³ conducted with respect to the above legislative changes confirms that they will help to reduce the related administrative burdens and improve the existing business environment. The aim of **reducing the administrative burden on the private sector** has been incorporated into the draft of the new legislation through the following specific changes:

1. The **introduction of a new type of import and export license** for transactions in which the contracting parties on both sides of the transaction and the end-users of the given item are from an EU member state. With this **newly introduced “euro-license”**, which will be available for certain types of military equipment, the businesses engaging in the given type of trading transactions will no longer be required to apply for a license for every single transaction, as was previously the case. This will reduce the number of license applications and simplify the process of transferring military equipment within the EU.
2. The ability to more easily become involved in business activities involving the foreign trade in military equipment due to the greatly reduced number of documents that are required in submitting an application for a trading permit. It is no longer required to include supplements such as an abstract from the registry of criminal records, a statement verifying that the applicant meets the necessary security criteria and the applicant’s financial statements. The elimination of the required inclusion of these documents from the application process is part of the effort to not request information that the government already has access to or which it can obtain on its own.
3. Additional steps have been taken to make it **easier for businesses to become involved** in this sector: in the future, **legal entities and natural persons from an EU member state** will no longer be subject to restrictions related to the size of their registered capital nor will there be a requirement to have Czech citizenship or to be a resident of the Czech Republic. Under the new rules, such EU entities and individuals will be treated in a manner equal to that of legal entities and natural persons registered in or residing in the Czech Republic.
4. The amount of information required in relation to the utilization of licenses has also been reduced. Under the new system, this information will no longer have to be submitted four times a year (as was previously the case). It will only have to be provided twice a year. The amended legislation also anticipates the conversion over to an electronic filing and processing system for license applications to trade in military equipment. The new legislation no longer requires applications to be submitted in writing. (Although written applications will still be required under the accompanying implementing regulation, this regulation will be revised once the government has the technical capability to switch over to electronic data processing in the given administrative area.)

3 The “regulatory impact assessment” is a tool designed to improve the quality of the respective regulatory processes. Such an assessment includes a series of analytical procedures, the purpose of which is to systematically evaluate both the negative and positive impacts of proposed or existing legal regulations.

It is anticipated that the administrative burden on businesses will have been reduced by up to 37% as a result of the above-noted changes.

1.3. Cooperation Between Governmental Bodies and Other Parties

1.3.1. Ministry of Foreign Affairs

The role and the status of the Ministry of Foreign Affairs (MZV), with respect to the oversight of military equipment exports are set out under the *Act on Foreign Trade in Military Equipment*. Under this act, the MZV is required to make sure that the licenses that have been granted and the subsequent exports of this category of goods are not in violation of any of the foreign policy interests of the Czech Republic.

With respect to arms exports, the country's foreign policy related interests include several different types of considerations. The primary overall objective is to make sure the given export activities take place in compliance with the existing international control regimes and the laws of the recipient country. Another objective is to minimize the chances that the given export activity is being carried out other than as described and guaranteed in the related documentation. These risks – which could potentially be associated with illegal activities and the further distribution of the exported items (whether intentionally or unintentionally) to users other than those listed in the documentation on the end-use of the exported item(s) – are also being thoroughly examined by other governmental authorities, which are involved in the licensing process.

Among the issues, which the MZV considers in the course of the evaluation process, which actually involves several of the ministry's different departments, are the potential risks of the given equipment not being used for the declared purposes. With respect to this issue, the ministry examines other circumstances and the possible impact that the delivery of the given equipment might have on the existing conditions in the recipient country with respect to the protection of human rights and any possible deterioration in these protections, the impact on the internal security of the country and a disruption of the balance of power within the country and the overall geopolitical situation within the given region.

The eight criteria contained in the *EU Council Common Position 2008/944/CFSP* (which is further discussed in a later section of this *Report*) clearly outlines the primary objectives of the ministry in this particular area. The review of whether or not the above-noted criteria have been met and the review of the submitted documentation are processes which take place in close collaboration between the MZV's Prague head office and the local embassies and consulates of the respective countries. In certain situations, this can be quite a time consuming process. This is particularly true in situations in which the Czech Republic has no embassy in the declared user's country. In such cases, the MZV has to ask the MPO for an extension of the 20-day time window (in accordance with *Act No. 38/1994 Coll.*).

Based on MZV information, the ministry reviewed a total of 1,071 applications for a military equipment export license in 2008 – which represented a 7.5% increase over 2007. Out of the above-noted applications, the MZV issued a negative decision in 38 cases or for roughly 3.5% of all applications submitted. Compared to 2007, the percentage of rejected applications in 2008 was one percentage point greater.

In 2008, the MZV issued a negative decision with respect to specific applications for exports to various end-users located in the following countries: Afghanistan, Brazil, Burkina Faso,

Georgia, Iraq, Israel, Yemen, Cameroon, the Democratic Republic of the Congo, Malaysia, Moldavia, Serbia, Sri Lanka, Uganda and the Ukraine. The rejected applications involved the following items on the Czech list of military equipment (SVM): SVM 1 – weapons and their special components (8 cases); SVM 3 – ammunition and its special components (18 cases); SVM 6 – vehicles (4 cases); SVM 2 – large caliber ammunition or weapons and launchers and their special components (3 cases); SVM 8 – military explosives and propellants (1 case); and, SVM 24 – services (1 case). The MZV takes an especially restrictive viewpoint when reviewing applications for the export of surface target weaponry (e.g. rocket launchers and high explosive incendiary ammunition).

Similar to the practice it has used in past years, the MZV's list of rejected export transactions also included those, which involved the export of goods from the Czech Republic through a broker and transactions in which a company, registered in the Czech Republic, acted as an intermediary for the given transaction. In such brokered transactions, the MZV always examines the intended end-use of the given equipment and the authorization of the given brokerage firm to facilitate this type of transaction.⁴

In the second half of 2008, the Czech Republic was accused by the Russian and Czech media of supplying weapons to Georgia. The MZV made it clear at several international forums that such export transactions were in full compliance with the applicable international control regimes and the *EU Code of Conduct on Arms Exports (Common Position 2008/944/CFSP)*. The MZV also responded by stating that the information published in the Russian media was overblown and in conflict with the real facts, which were officially made accessible in the *United Nations Register of Conventional Arms (UNROCA)*.

In its two-level system of controls for the exporting of military equipment, the ministry is also required – in accordance with Czech legislation – to provide input on applications for a permit to conduct foreign trade in military equipment. The process generally functions on the premise that if the applicant meets statutorily required criteria for the issuance of the permit, there is normally no reason to deny the permit with respect to the foreign policy interests of the Czech Republic. In 2008, the ministry didn't negatively respond to any permit applications on foreign policy related grounds.

The territorial aspects of the permit to conduct foreign trade in military equipment play an important role in an evaluation of the application for the issuance of such a permit. In 2008, the ministry refused to issue an approval to grant a permit to conduct foreign trade in military equipment or restricted the territorial applicability of such a permit by excluding those countries that were the subject of an international arms embargo and countries whose policies were a threat to international or regional security or to the foreign policy interests of the Czech Republic or its allies.⁵

1.3.2. Ministry of the Interior

The role and the status of the Ministry of the Interior (**MV**), with respect to the oversight of military equipment exports, are set out under the *Act on Foreign Trade in Military Equipment*. Under this act, the MV is required to provide its opinion to the MPO on all applications for a permit to conduct foreign trading activities in military equipment. Furthermore, under an agreement that was signed between the Ministry of Industry and Trade and the Ministry of the

⁴ At the level of the EU, brokered transactions are covered in *EU Council Common Position 2003/468/SZBP*.

⁵ This issue is covered under *International Arms Embargos* (see a later section in this Report).

Interior in 2003, the MV is also required to provide its opinion with respect to national security related interests on each application for a license to conduct foreign trade in military equipment.

For each application for the issuance of an export permit or an export license, the MV collects large volumes of information from the central intelligence services and the Czech police. Subsequently, the ministry analyzes this information and reviews its relevance; and, only then does it prepare a response or a statement for the MPO. In order to make sure all applicants are treated equally, the MV has introduced an internal directive, which prescribes the procedures to be followed in producing a response or statement for specific applications and when providing information to the MPO. Whenever necessary, the information acquired is discussed and reviewed by the ministry's staff with the entity that has provided the information – and, only then does the ministry issue a final (binding) opinion, which is properly substantiated (especially if the opinion is negative). All statements and responses are produced by the ministry within the statutorily required timeframe or within an extended timeframe that has been approved by the MPO.

1.3.3. Ministry of Defense

The authority of the Ministry of Defense (**MO**) with respect to the conduct of foreign trade in military equipment is established under *Act No. 38/1994 Coll.* As part of its role in the two-level system of controls for the exporting of military equipment, the MO renders its own opinion on applications for the issuance of the **permit to conduct such foreign trade in military equipment**, as filed by a legal entity. In 2008, the ministry received a total of 53 such applications; and, in all cases, it issued a favorable opinion. As part of the second level of the national control system used for the monitoring of this foreign trade in military equipment, the ministry provides its opinion on an application for a preliminary approval of an **intended import or export of strategic military equipment**, which has been filed by a legal entity (permit holder) and which precedes the filing of an application for the issuance of a license.

The ministry's internal procedures related to the issuance of opinions on activities related to the foreign trade in military equipment are covered in an internal directive of the ministry. As part of these procedures, various competent departments of the MO provide their own individual input. The responses coming from these internal departments deal with issues such as international commitments associated with the Czech Republic's membership in NATO, the EU, the UN and the OSCE and the criteria that are outlined in the *EU Council Common Position 2008/944/CFSP*, which defines common rules governing the control of exports of military technology and equipment.

In 2008, the ministry provided its opinion on the import or export of the following types of strategic military equipment:

- Military vehicles, aviation equipment, large caliber weaponry and ammunition, rocket technologies and firearms.

It did so for the following countries:

- Hungary, Switzerland, Poland, Great Britain, Bulgaria, Slovakia, USA, Belgium, Jordan, Canada, Cameroon, Germany, Sri Lanka, Yemen, Burkina Faso, Lithuania, New Zealand, Poland, United Arab Emirates, the Ukraine, Georgia, Democratic Republic of the Congo and France.

1.3.4. Ministry of Finance – General Customs Directorate

The customs authorities are responsible for making sure that all trading activities involving military equipment are carried out only by legal entities that possess a proper permit, issued in accordance with *Act No. 38/1994 Coll.*, and for making sure that the respective transactions are in compliance with the terms and conditions set out in the given license.

To facilitate proper oversight with respect to this type of trade, the MPO provides the General Customs Directorate (**GŘC**) with the necessary basic information about the licenses that have been issued in accordance with the above-referenced act. In return, the GŘC supplies the MPO with data produced in the course of the activities carried out by the customs authorities in relation to the utilization of the trading licenses that have been issued.

For the January 1, 2008 through December 31, 2008 period, GŘC's database contained the following information in relation to export transactions and military-equipment-type goods:

HS Code	Description	Number of Export Instances
8710	Tanks and other armored fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles.	141
8801	Balloons & dirigibles; gliders, hang gliders, non-powered aircraft.	25
8802	Aircraft, powered; spacecraft & launch vehicles, helicopters and satellites.	188
8803	Parts of aircraft, spacecraft, balloons, etc., of 8801, 8802.	1,707
8804	Parachutes (including dirigible parachutes) and rotachutes; parts and accessories thereof.	540
8805	Aircraft launching gear; deck-arrestor & similar gear; ground flying trainers; parts thereof.	24
9301	Military weapons (excl. revolvers, pistols & the arms listed under heading 9307).	31
9302	Revolvers and pistols (other than those listed under headings 9303 or 9304).	317
9303	Other firearms & similar devices which operate by the firing of an explosive charge.	258
9304	Other arms (e.g. spring, air or gas guns & pistols, truncheons - excl. those listed under heading 9307).	69
9305	Parts and accessories for items listed under headings 9301 through 9304.	213
9306	Bombs & similar munitions of war & parts thereof; cartridges & other ammunition & projectiles & parts thereof.	389

Many of the categories that are part of the common nomenclature are further broken down into subcategories *for civilian use* and *other*. Those goods that are lacking a particular categorization can generally be further specified using these subcategories.

In 2008, the authorities came across two situations in which goods of a military nature were exported without the appropriate license. These transactions fell under the criteria established under *Section 25 of Act No. 38/1994 Coll.* and they were also in violation of Section 293, Subsection 1(d) of Act No. 13/1993 Coll., the Customs Act (as last amended).

1.4. Cooperation Between Regulatory Bodies and the Public in the Monitoring of Exports

One of the objectives of the government's effort to operate a transparent system of export controls is to keep the Czech public (and, in particular, the media and employees of non-governmental organizations, as well as the parties representing the manufacturers and dealers in military equipment) informed and up-to-date on the control principles and procedures that are being used as part of the gradual process of harmonization of the national system with the standards being used in developed EU countries. For the above purposes, the government has been publishing these annual reports, which are available to the public, in both Czech and English versions.

To enhance the transparency of the process for the issuance or rejection of licenses, the Ministry of Foreign Affairs was in communication in 2008 with key non-profit organizations involved in the monitoring of the trade in military equipment and the oversight of this trade by the relevant Czech authorities. This was part of the ministry's efforts to achieve the greatest possible degree of transparency with respect to both the professional community, as well as the general public, and to avoid any gaps in communicating with the non-profit sector.

In terms of specific activities, the MZV finalized its collaboration with SIPRI⁶, an important non-governmental organization, which involved a case study dealing with arms export controls in the Czech Republic in the context of the implementation of the *EU Code of Conduct on Arms Exports*. A document titled "*The impact on Domestic Policy of the EU Code of Conduct on Arms Exports – The Czech Republic, the Netherlands and Spain*" was published in May 2008 as *SIPRI Policy Paper No. 21*. In the fall of 2008, the MZV responded to a report released by the Human Rights First organization, which monitors the supplying of weapons to the Sudan. Human Rights First's claims that Sudan had imported firearms from the Czech Republic were refuted by the representatives of the Czech Permanent Mission to the UN in New York. The only license for the export of militarily related goods to the Sudan in recent years was issued for the export of unarmed, armored vehicles for the UNAMID mission. In 2008, the MZV also worked together – through the Czech Permanent Mission to the UN in Geneva – with the Small Arms Survey research project team; and, in February 2009, experts from Amnesty International met with officials from the MZV and the MPO in Prague. The MPO and MZV also make representatives of the respective ministries available to permit holders for consultative discussions on business objectives.

2. Key Events and Exchanges of Information in the Conventional Arms Category in 2008 (across the EU and internationally)

2.1. European Union

As with other EU member states, the Czech Republic adheres to the key principles contained within the EU's *Common Foreign and Security Policy (CFSP)*. In the export controls area, these principles include taking a responsible approach to the export of military equipment and

⁶ SIPRI stands for the *Stockholm International Peace Research Institute*. The above-referenced case study is available on the institute's website, www.sipri.org or at http://books.sipri.org/product_info?c_product_id=359#.

the effort to mitigate or eliminate the possible risks associated with the uncontrolled proliferation of weapons. In 2008, these principles have been declared at the highest possible level – in the form of a common position of the EU Council.⁷

Thanks to the ongoing coordinated efforts of its experts⁸ and politicians, the EU, which is considered globally to be the most rigorous advocate of strict arms control measures, possesses a highly sophisticated system, which is used to evaluate each individual application for an export license.

2.1.1. EU Council Common Position 2008/944/CFSP

In 2008, the Council of Foreign Ministers of the EU Member States passed *CP 2008/944/CFSP*⁹, which defines common rules to govern the control of exports of military technology and equipment. The second article of the above-referenced document lists eight criteria to be used by the member states to review any trading transactions involving the export of arms. These criteria were passed in 1998 by the EU member states in the form of the politically binding *EU Code of Conduct on Arms Exports*.¹⁰ Additionally, several articles of *CP 2008/944/CFSP* contain partially revised operative provisions which are to be part of the above-referenced code of conduct. The EU views the passing of these eight common criteria, which are to be used by its member states in the form of a legally binding CP, as part of decision-making processes in the course of export license application proceedings, as a signal to both its trading partners and its citizens, that the oversight of arms exports is one of Europe's top priorities.

Unlike the instruments that are part of the first of the three pillars of the European Union¹¹, the CP is not directly applicable in the legal systems of the EU's member states and it doesn't fall within the jurisdiction of the European Court of Justice. At the same time, *Article 15 of the EU Treaty* affirms that “*member states shall ensure that their national policies conform to the common positions*”. For this reason, some member states – including the Czech Republic – are planning to introduce a new law or legal changes to implement *CP 2008/944/CFSP*.¹²

In practical terms, the MZV doesn't anticipate any major changes to the existing arms export controls policy due to the fact that in past years, all export transactions have already been subject to being examined in accordance with the criteria set out in this EU code of conduct.

The key principles of the common position of the EU member states that have been defined as a series of eight criteria can be briefly summarized as follows:

⁷ The common position of the EU Council is an instrument of the EU's *Common Foreign and Security Policy*, which is defined under Article 15 of the *EU Treaty*.

⁸ The meetings of the Council Working Group on Conventional Arms Exports (COARM) are attended by representatives of the authorities responsible for controlling the export of conventional weapons in the individual member states. In 2008, during the Slovenian and the Czech Presidencies of the EU, the group held six formal and two informal meetings.

⁹ For readability purposes, the term “Council Common Position” is abbreviated in the following parts of the document as “CP”.

¹⁰ The commonly used Czech translation of the English title of this document (“*Kodex chování EU při vývozu zbraní*”) does not reflect the exact title of the document because the *EU Code of Conduct on Arms Exports* covers more than just arms exports and includes all military equipment in general.

¹¹ E.g. the decisions, directives and regulations arising out of the EU Treaty.

¹² A number of member states (e.g. Germany) have already incorporated the criteria of this EU Code of Conduct into their national legislation.

1. International commitments of EU member states (sanctions imposed by the UN Security Council, the EU/EC and OSCE, non-proliferation agreements, etc.).
2. Respect for human rights in the country of final destination (newly, the *CP 2008/944/CFSP* also mentions the respect for the international humanitarian law).
3. The internal situation in the country of final destination.
4. The preservation of regional peace, security and stability.
5. The national security of the member states and of territories whose external relations are the responsibility of a member state, as well as that of friendly and allied countries.
6. The behavior of the buyer country with respect to the international community, in particular with respect to its attitude towards terrorism.
7. The existence of a risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions.
8. The compatibility of the arms exports with the technical and economic capacity of the recipient country.

The above-listed abbreviated version of the eight criteria, their full version and comments and recommendations for their interpretation, which are contained in the *User's Guide*, provide a relatively detailed description of the common position to be followed with respect to the export of conventional arms. Each license application submitted in the Czech Republic is also reviewed based on these eight criteria.¹³

Through the Council Working Group on Conventional Arms Exports (**COARM**), the EU member states have taken numerous steps to work towards a uniform interpretation of the eight criteria and to provide a greater degree of transparency with respect to export control processes. Based on the requirements established in the above-noted EU code of conduct (and *CP 2008/944/CFSP*), the EU has begun the publication of its annual reports on the export of arms and the sharing of information on the interpretation of the eight criteria and rejected license applications.

The member states have been notifying all of their counterparts about any denials of an application for an export license for military equipment by using a prescribed notification protocol. Due to the potential for abuse of the information that is being exchanged as part of this process for commercial purposes, the information has a “classified” restriction. The database of rejected license applications is updated by the Secretariat of the EU Council; and, the authorities in the individual EU member states who are responsible for reviewing license applications crosscheck each application against this database in order to make sure that another member state hasn't already flagged a similar transaction in the past as failing to meet the applicable criteria. If it is discovered that the database contains information on a prior rejection of a “practically identical transaction”¹⁴ by any other member state, the member state reviewing the current license application is required to consult with the member state that had previously rejected a similar transaction about the subject case. If the results evidence that the two transactions are “practically identical”, the current license application is denied. Whenever a license is issued, despite the fact that the results of the investigation confirmed

¹³ In certain cases – e.g. with respect to Criteria 3 and 7 – it can become problematic to define the territorial applicability of the respective criterion. The MZV monitors the permeability of borders, as well as the delineation of problem areas in individual countries, while using the entire country as a logical unit to which the respective restrictions shall apply in a majority of cases.

¹⁴ The term “practically identical transaction” normally refers to a transaction with the same end-user and a similar type of exported goods.

the prior rejection of a similar transaction, the member state issuing the license must notify the other members and provide a detailed explanation as backup for their particular decision.

2.1.2. User's Guide to the EU Code of Conduct on Arms Exports

The *User's Guide to the EU Code of Conduct on Arms Exports* is an important document, which was drafted by the COARM council working group.¹⁵ Since its initial release in 2003, the document has undergone a series of regular updates. In the first half of 2008, during the Slovenian Presidency of the EU, the *User's Guide* was revised with the addition of a brief analysis of the technical capability of the end-user to work with the supplied equipment (pages 70-71 in the English version, the part discussing an interpretation of the fifth criterion). The version, which was approved on February 29, 2008, has 108 pages and is made up of six parts and three annexes. The passing of *CP 2008/944/CFSP* anticipates further minor changes to the *User's Guide*, which are likely to be adopted in 2009.

The *User's Guide* provides more detailed rules for the communications between the member states. It refers to best licensing practices and it provides additional detailed explanations for Criterion 1 (*international commitments of EU member states.*), Criterion 2 (*the respect for human rights in the country of final destination*), Criterion 3 (*the internal situation in the country of final destination as a function of the existence of tensions or armed conflicts*), Criterion 4 (*preservation of regional peace, security and stability*), Criterion 5 (*the national security of the member states and of territories whose external relations are the responsibility of a member state, as well as that of friendly and allied countries*), Criterion 6 (*the behavior of the buyer country with respect to the international community, in particular with respect to its attitude towards terrorism*), Criterion 7 (*the existence of a risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions*) and Criterion 8 (*the compatibility of the arms exports with the technical and economic capacity of the recipient country*) of the *EU Code of Conduct (CP 2008/944/CFSP)*. The *User's Guide* also provides guidance on the contributions of the member states to the annual EU report as required by *Operative Provision 8 of the EU Code of Conduct on Arms Exports* (currently *Article 8 of CP 2008/944/CFSP*).

For the members of the Czech professional community who will be using the Czech version of the 2008 Annual Report, the most interesting parts of the *User's Guide to the EU Code of Conduct on Arms Exports* will perhaps be the second and the third parts of the document, which discuss licensing procedures, and provide more details on the eight criteria.

In developing the *User's Guide*, the most difficult task has been to strike a balance between comprehensive, detailed definitions covering all aspects of each criterion, and the feasibility of applying them in practice. The views of the various member states differ. Some prefer a comprehensive description; others prefer a more concise one. The Czech Republic is not opposed to the use of lengthier and more complex descriptions, but understands that the ever-increasing list of aspects to be considered in each case may eventually pose difficulties.

2.1.3. Activities Seeking to Improve Control Mechanisms in Other Countries

Many EU member states, as well as other countries with well-developed export control systems, have been working to support the control mechanisms that are being used by other

¹⁵ The English version of the *User's Guide* can be found at:
<http://register.consilium.europa.eu/pdf/en/08/st07/st07486.en08.pdf>

countries in varying ways. Such activities are either carried out bilaterally or through international organizations.

In 2008, the EU adopted Council Joint Action 2008/230/CFSP – on support for EU activities in order to promote the control of arms exports and the principles and criteria of the EU Code of Conduct on Arms Exports among third countries. The primary objectives of this joint action are to promote the EU Code of Conduct on Arms Exports, to provide assistance with the preparation of legislative tools for export controls, to assist with the training of personnel involved with the implementation of national regulatory systems, to provide assistance with the preparation of national reports on the control of arms exports and to promote the project for the adoption of an international treaty establishing common standards for the global trade in conventional arms.

On June 4 through 6, 2008, the Slovenian Presidency of the EU held a seminar in Ljubljana for the countries of Western Balkans¹⁶. During the subsequent French Presidency, officials from the EU and Morocco, Algeria, Tunisia, Libya and Egypt held another meeting in Rabat. The following Czech Presidency was planning to hold COARM seminars in the Ukraine (April 2009) and in Albania (June 2009 for the countries of the Western Balkans). The joint action of the council will be concluded in October 2009 with a seminar organized for Armenia, Azerbaijan, Belarus, Georgia and Moldavia.

2.1.4. The Czech Republic's Position within the EU

The Czech Republic has been actively participating in the EU system of common standards for the control of foreign trade in conventional arms. In 2008, the Czech Republic adhered to the standard protocol and notified the other member states on rejected license applications in 10 individual cases. In nine cases, the Czech Republic also consulted on export practices with other member states by enquiring about or responding to questions related to reported license application denials.

Despite the fact that it has become standard practice to share fairly detailed information on the respective licensing mechanisms and their application in practice between members of the COARM Group, differences continue to exist between the export policies of the individual member states, as well as their positions towards the EU's policies with respect to the different geographical regions of the world. Such differences grow out of an historical context and the existence of certain traditional practices, as well as from newly arising business opportunities and relationships.

In certain respects, the Czech Republic also differs from the other member states. As shown in the comparison of Czech exports to the exports of other countries that were included in the tenth annual report of the EU for the year 2007¹⁷, there are certain geographic regions (outside of the territories of the EU and NATO members), where the Czech Republic has the position of being a major EU exporter of military equipment in terms of total export volumes.¹⁸ However, this data should be judged in light of the specific situation and approaches of each member state. The data merely reflects the transactions taking place in the given year, and should not be treated as indicative of any trends in foreign trade in military equipment.

¹⁶ For the purposes of this joint action, this included the following countries: Albania, Bosnia and Herzegovina, Montenegro, Croatia, Macedonia (FYROM) and Serbia.

¹⁷ European data on 2008 exports were unavailable at the time of the preparation of this report.

¹⁸ The European report on export controls does not include information on exports from non-EU countries that are not bound by the EU Code of Conduct.

In 2007, the countries where the Czech Republic accounted for more than half of all military equipment imported from the EU included: Azerbaijan, Ethiopia, Haiti, Madagascar, Equatorial Guinea and Slovakia.¹⁹ In terms of exports to other EU member states, the Czech Republic was percentage-wise, the main exporter to Slovakia (92.4%). Exports from the Czech Republic represented 1.4% of all goods moved within the EU and the Czech share of the EU's total global exports was 1.7%.²⁰

Further information on the equipment exported, with a breakdown based on the official EU list of equipment, can be found in the tenth annual report of the EU, which was published in the *Official Journal of the EU (No. 2008/C 300/ 01)* on November 22, 2008.

2.1.5. Draft Directive of the European Parliament and of the Council on Simplifying Terms and Conditions for Transfers of Defense-Related Products within the Community

In 2008, the EU worked on the preparation of a draft of the directive of the European Parliament and of the Council on simplifying terms and conditions for transfers of defense-related products within the Community (hereinafter as “*draft directive*”). The *draft directive* was adopted by the European Parliament as part of its first reading on December 16, 2008. The directive was then officially passed at the April 2009 Council meeting. The transposition of this directive will require further revisions to the existing legal framework governing the conducting of foreign trade in military equipment.

The draft directive is part of a defense package, which also includes regulations related to the awarding of defense contracts.

The EU marketplace for defense-related goods currently is made up of 27 national regimes, which are used to regulate not only the majority of defense contracts but also the transfer, transit and import of military equipment within the EU. The proposed simplification of the national regimes for the granting of licenses for the transfer of defense-related goods within the EU marketplace is a necessary step for the future growth of the market for these types of goods and the ability of the EU's defense industries to compete at a global level. The simplification of the transfer process for defense-related goods within the Community will have a positive impact on the security aspects of the equipment being supplied to EU member states and it will also reduce unnecessary administrative burdens by providing conditions that allow the regulators to focus their resources on the more significant types of transfers.

The draft directive, which only deals with trading activities within the marketplace of the EU and excludes the exporting of such goods to third countries, introduces the following three types of licenses for trading activities within the EU: “general”, “global” and “individual”. The new legislation also introduces a system of certification, which will help to determine the reliability of the recipient entity – in particular, with respect to its ability to adhere to the

¹⁹ The exported equipment included spare parts for the L-39 (Azerbaijan and Ethiopia), training simulators (Ethiopia), small arms and related ammunition (Madagascar), armored vehicles (Haiti for MINUSTAH and Equatorial Guinea) and various types of equipment exported to Slovakia.

²⁰ In 2007, the countries with a greater volume of approved or completed transactions than the Czech Republic included France, Italy, Germany, Spain, Sweden, Great Britain, Belgium and Holland. The Czech Republic is the leading arms exporter among the EU member states that joined the EU after 2004.

export restrictions on the given defense-related goods acquired under the given license. The EU's Common Military List will act as a reference platform for the *draft directive*.

2.2. International Cooperation

The monitoring of the trade in military equipment and the transfer of such equipment in general has also been receiving a lot of attention globally. This area has therefore been moving to the forefront of discussions on international cooperation between different countries and it has become a major area of interest at a number of different international organizations. The overall volumes of the global trade in defense-related goods have been increasing. However, it isn't the legal trade in such goods and their export to trusted governmental entities that has been creating a problem; but rather, it is the defense equipment that is being sold illegally to non-governmental paramilitary forces, terrorist organizations, etc. that are of concern. Sales and transfers to such entities have been contributing to the overall destabilization of the security situation in such regions as Sub-Saharan Africa.

2.2.1. The Arms Trade Treaty

The project for a legally binding global treaty to regulate the trade in conventional arms started in 2003, when a coalition of non-governmental organizations launched the Arms Trade Treaty (ATT) campaign. Its objective was to initiate a series of discussions at international forums and to persuade as many governments as possible of the urgent need for a mechanism to control the international trade in military equipment. The main principles behind such a legally binding international treaty would include the following: the responsibility of the state, a limitation on the transfers of arms where the arms are likely to be used in a manner in violation of international law or where the transfer is likely to facilitate organized crime or corrupt practices or to adversely affect regional security or stability or to adversely affect sustainable development, involve corrupt practices or contravene other international, regional or national commitments and such a treaty would foster transparency and comprehensive control mechanisms. The Czech Republic supports this initiative and seeks to promote it both bilaterally and multilaterally. The EU as a whole expressed its support for the ATT at the meeting of its General Affairs and External Relations Council in Luxembourg in October 2005.

At the 61st meeting of the UN General Assembly, which took place on December 6, 2006, the representatives of 153 governments voted in favor of Resolution No. 61/89 – Towards an Arms Trade Treaty: Establishing a Common International Standard for the Import, Export and Transfer of Conventional Arms. As part of this initiative, which should lead to the drafting of an international treaty regulating the trade in conventional arms as part of a coordinated approach of EU member states and the implementation of UN General Assembly Resolution No. 61/89, the Czech Republic submitted to the Secretary General of the UN a national report supporting the UN initiative to kick-start the process leading towards the passage of the ATT. A compendium of such national reports was released by the Secretary General of the UN during a session of the 1st Committee of the 62nd General Assembly of the UN in the fall of 2007.

In 2008, the Group of Government Experts (GGE) held a series of three meetings where the feasibility of the entire project and the various aspects of a future ATT were discussed. The EU was represented by experts from seven of the member states (FI, FR, DE, RO, IT, UK and

ES) in the 28-member group of government experts. The outcome of the complex series of discussions taking place at the GGE meetings was a final compromise report, which left the door open for further negotiations. The countries, which remained skeptical, were the US, Russia, China, India, Egypt and Pakistan. The process leading toward the signing of the ATT then continued with the release of the report of the 1st Committee and the UN General Assembly Resolution 63/240 – Towards an Arms Trade Treaty. Based on these documents, two meetings are to be held in 2009 by the Open-Ended Working Group (OEWG)²¹, where the objectives, the applicability and other parameters of any such future treaty will be discussed. The Czech Republic holds a vice-chairmanship position in the OEWG. A positive outcome to the OEWG discussions will open the door to further negotiations – but, even if this is the case, the drafting of a future ATT will require several years for completion.

In support of the process of negotiating the future adoption of the ATT, the EU passed Council Decision 2009/42/CFSP – on support for EU activities in order to promote among third countries the process leading towards an Arms Trade Treaty, in the framework of the European Security Strategy. In 2009 and in early 2010, six regional seminars and a series of accompanying events will be held in Geneva and in New York. The purpose of these working meetings will be to promote a debate on the details of any future treaty. Officials from the Czech Republic will be actively participating in all of these activities.

The Czech Republic believes that the Arms Trade Treaty should regulate – in a legally binding manner – the trade in all types of conventional arms and related ammunition. The Czech Republic also believes that in order to become the foundation of a reliable and well-functioning system for arms control, the treaty should regulate all types of international transactions such as the import, export, re-export, transit and transfer, as well as the brokering of such transactions. By adopting such an international, legally binding instrument, the authorities can make sure that the ATT will become a powerful instrument to ensure the transparency and legality of the international trade in arms.

2.2.2. UN Program of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects

The Czech Republic has been supportive of the efforts of the international community to prevent the illegal trade in small arms and light weapons (hereinafter as “SALW”)²² and the uncontrolled distribution and accumulation of such equipment. The *Program of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects* (hereinafter as “*UN Program of Action*”) serves as an important framework for the initiatives of the United Nations with respect to the monitoring of the trade in small arms and light weapons. The *UN Program of Action* was first adopted in 2001 as a program that laid out the objectives of the international community in the subject area for the period through 2006. The advantage of the *UN Program of Action* was the fact that it defines specific commitments and mechanisms to be adhered to in order to improve the control over the trade in small arms and light weapons, which are to be placed into circulation. These measures can

²¹ In this context, the term “open-ended” refers to the fact that unlike the GGE, this working group has an open structure and its meetings can be attended by officials from all countries. Non-governmental organizations have observer status.

²² According to the definition used by the UN, small arms are weapons intended for personal use and usually operated by a single person (e.g. automatic weapons and light machine guns); light weapons are operated by a group of individuals and transported using light transportation equipment (e.g. lower caliber mortars and certain types of portable cannons).

be categorized based on the level at which they are to be adopted (national, regional or global).

At the “national” level, this includes the passage and implementation of legislation covering the following areas:

1. Control over the manufacturing, export and import of SALW.
2. Monitoring and tracking of transfers of SALW.
3. Destruction of redundant SALW.

Measures implemented at a *regional* level are voluntary and they focus on an overall enhancement of transparency. These efforts can also include regionally binding moratoriums on the manufacture, import and export of SALW with the objective of preventing any undesirable accumulation of this equipment in the given region or territory. At the *global* level, this primarily involves cooperation in the fight against illegal trade in SALW.

These measures are part of international efforts with a focus on the prevention of conflicts, which involve an abuse of SALW and the resolution of such conflicts. These measures primarily consist of demobilization, demilitarization, disarmament and reconsolidation projects for militants that have been involved in a conflict. The key task is naturally the liquidation of SALW located in the affected areas.

As part of these efforts, the UN General Assembly passed Resolution No. 61/66 – The Illicit Trade in Small Arms and Light Weapons in All Its Aspects and Resolution No. 61/71 – Assistance to States for Curbing the Illicit Traffic in Small Arms and Light Weapons and Collecting Them.

As part of the UN Program of Action, the Czech Republic continues to focus on the implementation of measures at a national level. In particular, such measures include stricter legislation regulating the possession, carrying and tracking of SALW; control over the manufacturing, export, import, trafficking and transfer of SALW in order to prevent illegal activities (including the related legal sanctions); the clear identification of arms as part of the manufacturing process or importation; the maintaining of records; and, the disposal of redundant SALW. At the regional and global levels, the Czech Republic has joined in with the initiatives of the EU and the country has been supportive of activities aimed at restricting SALW transfers – in particular to non-governmental entities.

As part of the implementation of the UN Program of Action, the Czech Republic was among the countries that in 2005 adopted the “**International Instrument to Enable States to Identify and Trace Illicit Small Arms and Light Weapons**”. As part of the implementation of this politically binding international document, in 2008 the Czech Republic submitted to the UN Secretary General its second report on the national system for the identification of SALW.

In 2008, the Czech Republic made a contribution of CZK 1,800,000 to UNODA for the organizing of seminars on the tracking of SALW for government officials from African countries. The seminars are to be organized by the UNODA in partnership with the Czech Ministry of Foreign Affairs and the Czech Proof House for Firearms and Ammunition, as part of the agenda of the Czech Presidency of the EU. The events will take place in May 2009 in Prague, Vlašim and Uherský Brod.

2.2.3. Cluster Munitions

The use of cluster munitions (hereinafter as “CM”) poses great humanitarian concerns. Containers filled with ammunition and dropped out of an aircraft or set-off on land contain larger volumes of explosives, which are set-off before, during or after hitting the ground. If used in an improper fashion, this type of weaponry, which is capable of covering a large area, is unable to differentiate between civilians and combatants. On average, up to 25% of CM munitions fail to detonate upon hitting the ground and thus continue to pose an extreme hazard in a manner similar to anti-personnel mines. The Czech army no longer uses this type of munitions and the leftover Soviet-made inventory will be destroyed by 2011.

In February 2007, a process to restrict the use of CM was initiated at an international conference in Oslo, where a group of 46 countries (including the Czech Republic and 20 other EU member states) agreed to adopt, by the end of 2008, a legally binding international instrument banning the use, manufacture, transfer and storage of CM. The *Convention on Cluster Munitions (CCM)* was adopted on May 30, 2008 in Dublin and signed on December 3, 2008 in Oslo by more than 100 countries. This convention was signed on behalf of the Czech Republic by its Minister of Foreign Affairs, Karel Schwarzenberg.

The adoption of the *CCM* came in response to the lengthy negotiations on the restriction of the use of CM as part of the *Convention on Certain Conventional Weapons (CCW)*. The strict provisions of the *CCM* have discouraged key users and manufacturers of cluster munitions from signing the convention. In practical terms, the convention is only applicable to a smaller amount of CM, most of which comes from older production. This is also why parallel negotiations on Protocol VI to the *CCW* restricting the use of CM took place in Geneva. In October of 2008, these talks arrived at a point approaching a compromise solution. These talks are to be continued in February and April of 2009.

3. Control of the Trade in Small Arms and Light Weapons for Civilian Use in the Czech Republic

In Czech legislation, the term “firearms of a non-military nature” refers to weapons intended for sports, leisure, hunting and self-defense.²³ In the Czech Republic, any foreign trading in civilian weapons and ammunition is regulated by Act No. 228/2005 Coll. on the control of trade in products for which possession in the Czech Republic is restricted for security reasons. Government Decree No. 230/2005 – an appendix to Act No. 228/2005 Coll. – lists the products that are regulated by this legislation. In practice, it only applies to revolvers, pistols and certain types of rifles and the related ammunition. The manufacturing information of leading Czech producers shows that a large part of their production and exports fall within this category of trade-controlled goods.

Unlike the two-level system used for the control of foreign trade in military equipment, the trade in civilian weapons is controlled using a single-level system. The MPO issues a permit based on a written application that is filed by a natural person or a legal entity, containing

²³ *Act No. 119/2002 Coll.* breaks down arms and ammunition into several categories. Military arms fall into Category 'A', which is used for weapons, the ownership, possession or carrying of which is prohibited. The Czech Police can grant an exemption from this ban to holders of an “arms permit” or an “arms license” – provided the conditions established in the above act are complied with.

information about the target destination, the purchaser, the number of units being supplied, etc. When deciding on the issuance of the permit, the MPO may request that the applicant provide additional information or documentation, as required for an appropriate assessment of the application or the ministry ask other governmental bodies for their input. The permit is not issued whenever: any of the applicable formal requirements remain unmet; whenever its issuance would be in conflict with the security interests of the Czech Republic; or, if the applicant has had a previously issued permit revoked in the past. Under the law, a permit can be revoked if the holder has failed to adhere to the requirements, which have been specified in the permit; if they have provided false information in their application; or, if the revocation of the permit would be justified by circumstances related to national security.

Under the EU Code of Conduct (Common Position 2008/944/CFSP) and other legally binding international arrangements, the Czech Republic is also required to respect any embargos that have been enacted in this area. In practice, the MZV only provides a broad-brushed review of the information, which has to be taken into consideration as part of the decision on issuing an export permit, to the Licensing Section of the MPO.

In 2008, the country exported a total of 26,799 **pistols and revolvers** with a total value of CZK 154,983,849 to the following countries:

Argentina, Australia, Angola, Brazil, Belize, Bolivia, Bangladesh, Egypt, Philippines, Guatemala, Honduras, Hong Kong, Chile, Croatia, Iceland, Israel, South Africa, Jordan, Cameroon, Canada, Kenya, Colombia, Costa Rica, Kuwait, Madagascar, Malaysia, Moldavia, Nicaragua, Norway, New Caledonia, New Zealand, Oman, Paraguay, Peru, Salvador, Serbia, Switzerland, Tanzania, Thailand, Turkey, Ukraine, Uruguay, USA, Venezuela and Zambia.

In 2008, the country exported 43,140 units of **long firearms** with a total value of CZK 256,079,887 to the following countries:

Angola, Argentina, Australia, Belize, Belarus, Bolivia, Bosnia and Herzegovina, Brazil, Egypt, Philippines, Greenland, Guatemala, Chile, Croatia, Indonesia, Iceland, Israel, South Africa, Jordan, Canada, Kazakhstan, Kenya, Colombia, Costa Rica, Kuwait, Macedonia, Malaysia, Malta, Mexico, Mongolia, Namibia, Nicaragua, Norway, New Caledonia, New Zealand, Paraguay, Peru, Russian Federation, El Salvador, Sierra Leone, Vanuatu, United Arab Emirates, Serbia, Switzerland, Tanzania, Thailand, Tunisia, Turkey, Ukraine, Uruguay, USA and Zambia.

4. The Czech Republic's Control of the Export of Dual-Use Items and Technology

Dual-use items and technology comprise a broad range of items with industrial, nuclear, chemical and biological uses. Even though these items are produced and intended for civilian use, their use can be abused for military purposes due to their nature and capabilities. In particular, this applies to uses involving the manufacture of weapons of mass destruction (hereinafter as "**WMD**") and the related delivery systems, as well as the manufacture of conventional weapons. As an important part of an overall strategy for the prevention of the proliferation of WMD, the export control system used in this area is an important instrument, which is designed to prevent the production and accumulation of conventional weapons in high risk regions and the proliferation of WMD and the delivery systems for these weapons. An effective common system of controls for the export of dual-use items and technology is a

must when it comes to the coordination of the international obligations and commitments of the countries participating in the existing international control regimes (see the next part of this *Report*) and the obligations and commitments of the EU related to these non-proliferation objectives.

In the EU, the control of the export of dual-use items and technology is regulated under **Council Regulation (EC) No. 1334/2000, setting up a Community regime for the control of exports of dual-use items and technology**. In legislative terms, this legal instrument is directly applicable to all EU member states and, in accordance with established competencies, the regulation has been incorporated into the national legislation of the individual member states. In an effort to allow the member states and the Community to live up to their international commitments, the above-referenced regulation has an annex containing a common **list of dual-use goods and technologies**, which implements internationally agreed upon dual-use controls, including the Wassenaar Arrangement (**WA**), the Australia Group (**AG**), the Nuclear Suppliers' Group (**NSG**) and the Missile Technology Control Regime (**MTCR**). The annex is updated annually, in accordance with the respective obligations and commitments (and any changes thereto), which each member state has adopted as a participant in the respective international non-proliferation regimes and agreements on export controls or as one of the signatories that have ratified the respective international treaties.

The export control measures, which the above Council regulation leaves under the competencies of the individual members states or requires them to adopt, are being implemented in the Czech Republic under **Act No. 594/2004 Coll., implementing the regime of the European Communities for the control of exports of dual-use items and technology**. Based on the competencies set out under this act, the government has passed an implementing regulation, which was released in the form of **Governmental Order No. 595/2004 Coll. appointing application forms for individual and global export authorizations and application forms for an international import certificate for dual-use items and technology**. Under the above-listed regulatory instruments, **exports** to non-EU countries are the only type of transaction that is subject to a control regime. Under certain conditions, the **transfer of these goods and technologies from the Czech Republic to a destination within the European Community** is also subject to the respective controls. The above act also includes measures that have been adopted under Council Joint Action No. 2000/401/CFSP of June 22, 2000, **concerning the control of technical assistance related to certain military end-users**. The licensing process therefore also applies to the supplying of **technical assistance** that is associated with the movement of personnel outside of the EU. This includes verbal forms of assistance intended for use for purposes related to WMD or to be used by military end-users.

The licensing process primarily applies to the exporting of goods that are on the list of controlled items. In practice, this means that those **goods that are on the list** of dual-use items and technology can only be exported from the territory of the Community with a valid export permit. With the exception of a "general export authorization", which is published directly in Council Regulation (EC) No. 1334/2000, individual permits are issued by the licensing authorities of the respective state. The exporter must apply for a permit in the country in which they are based. The permit has a prescribed format and it can also be submitted to customs authorities in an EU country other than the one from which it was issued. In a situation in which the given goods are located in a member state other than the one in which an application for an export permit is being submitted, there is a prescribed procedure for the communication between the authorities in the two given member states. **Goods that are not on the list** have to be exported under a permit in situations in which there

is the possibility that the given materials could be used for purposes related to the proliferation of nuclear, chemical or biological weapons or the manufacturing of conventional weapons. The “catch-all” controls that have been introduced allow the monitoring of the export of any type of goods, including those that are not on any special lists. In such cases, the licensing process is similar to the one used for goods that are on a special list. The current regulations allow the member states to adopt their own measures, applicable in situations in which the exporter themselves is suspicious with respect to the end-use of the goods that are being exported. The export regime also includes **software and technology transfers by electronic means** of items that are on the list of controlled goods. This is why a permit is also required in such situations. Software and technology transfers are not subject to any customs clearance and the given export permit therefore doesn't pass through the customs authorities.

Individual Export Authorization: intended for the export of a specific quantity and type of dual-use goods to a single destination country, based on the contractual arrangement between the exporter and their foreign counterparty.

Global Export Authorization: allows a specific exporter to export dual-use goods of the same type to one or more specified countries.

General Export Authorization: allows exporters to export their goods without individual permit application proceedings. The exporter is required to register before using this export authorization for the first time.

The Czech national authorities that are responsible for oversight in this area are the **MPO Licensing Section**, which functions as the permit issuing authority, and the **State Office for Nuclear Safety (SÚJB)** as the executive and oversight body for items of a nuclear, chemical or biological nature. As part of its competencies and in accordance with the applicable domestic legislation (Act No. 18/1997 Coll. on the peaceful utilization of nuclear energy and ionizing radiation (the Atomic Act) and on amendments and alterations to certain acts, as amended; Act No. 19/1997 Coll. on some measures concerning chemical weapons prohibitions, as amended; and, Act No. 281/2002 Coll. on some measures related to the prohibition of bacteriological (biological) and toxin weapons and on amendments to the Trades Licensing Act), the SÚJB is responsible for governmental monitoring of chemical, biological and radioactive agents and nuclear materials and the monitoring of compliance with the requirements that exist with respect to the handling of such materials. As a body of the central government, the SÚJB is responsible for the handling of tasks arising out of the Nuclear Non-Proliferation Treaty (NPT), the Chemical Weapons Convention (CWC) and the Biological and Toxin Weapons Convention (BTWC). Under Act No. 594/2004 Coll., the MPO may only issue an export permit for nuclear materials with the approval of the SÚJB.

The bodies that work together in this process include the **Ministry of Foreign Affairs**, the **Ministry of Defense** and the **Ministry of the Interior**. These ministries participate in the reviewing of applications for export permits that are filed by authorized applicants. The **General Customs Directorate** acts as an oversight body during this process.

One of the key elements of the system used to control the export of dual-use items and technology is collaboration with the private sector. Alongside the government's authorities, the businesses involved in these activities become co-responsible for the efficiency of the control system. Such collaboration can however only function if there is an effective system for the **exchanging of information** as part of the implementation of the export controls. In the Czech Republic, this regular exchanging of information primarily takes place in the form of

consultations that are part of the communications that take place between the applicant and the MPO Licensing Section (as part of the application process). For some time, exporters have been able to access necessary information through the MPO's website or by attending various seminars and training programs. In 2008, the MPO Licensing Section organized, in partnership with the CzechTrade agency, a seminar on the topic of "dual-use export controls – the latest developments", which was a follow-up to seminars organized in previous years.

In 2008, the MPO issued a total of 101 decisions related to the export of dual-use items and technology:

- 97 permits were issued for exports to 25 countries.
- 4 export permit applications were denied.

The leading importers of Czech dual-use items and technology in 2008 were the Russian Federation (26x), China (11x), Syria (11x) and Iran (9x). The most frequently exported types of goods in this year were machinery (machining equipment); in the chemical industry the leading export products were sodium cyanide and Krasol (a hydroxyl-terminated liquid polybutadiene); scanning electron microscopes and protective gas masks. 32 export permits issued to exporters from other member states for goods located in the Czech Republic were approved as a result of the consultative procedures between the Czech authorities and the authorities of the other member state. The number of cases requiring a review dropped after the Czech Republic joined the EU (imports are no longer monitored; deliveries to other EU member states, which are a significant part of the country's total exports in terms of both frequency and volumes, are no longer treated as exports; and, there are seven so-called "reliable countries" to which the Czech Republic can export based on a simple registration for the use of the general export authorization of the European Community). On the other hand, the sensitivity of the individual export transactions has increased substantially, which requires a heightened degree of cooperation with other bodies of the government, including the central intelligence services.

Through a joint effort of the member states and the European Commission, additional details have been added to the overall text of Council Regulation (EC) No. 1334/2000, which is now more precise legalistically. Furthermore, several new key control instruments have been introduced in line with the international commitments of the member states. In particular, this includes the introduction of specific controls on brokerage activities and on the transit and transshipment of dual-use items and technology. The revisions to the subject regulation are expected to be fully finalized in 2009, which will be during the Czech Presidency of the EU (this task will be the responsibility of the MPO). The document will not end up being submitted before the EU Parliament and it will come into effect 90 days after its publication in the Official Journal of the European Union and it will be enforceable in all EU member states.

The implementation of Council Regulation (EC) No. 1334/2000 into the Czech law will require an amendment to Act No. 594/2004 Coll., implementing the regime of the European Communities for the control of exports of dual-use items and technology and Governmental Order No. 595/2004 Coll.

5. International Export Control Regimes

Like other developed industrial countries, the Czech Republic takes on an active role in all important international control regimes governing foreign trading activities in the area of military equipment, technologies and dual-use goods.

By participating in these regimes, the Czech Republic seeks to provide assistance with the elimination of the risks to global security posed mainly by the proliferation of WMD and dual-use goods, the excessive accumulation of conventional arms in individual countries and regions and the use of weapons by terrorists.

Following are the different types of existing international export control regimes:

1. *Zangger Committee and the Nuclear Suppliers Group*²⁴ for nuclear non-proliferation.
2. *Australia Group* for the non-proliferation of chemical and biological weapons.
3. *Missile Technology Control Regime* for missiles capable of delivering weapons of mass destruction²⁵.
4. *Wassenaar Arrangement* on export controls for conventional arms and dual-use goods and technologies.

Although the implementation of most international export control regimes is not based on international treaties (with the exception of the Zangger Committee, whose role is established in the *Treaty on the Non-Proliferation of Nuclear Weapons*), all of these activities generally focus on the careful fulfillment of the participating country's obligations arising out of the legally binding international treaties of the United Nations related to the ban on and/or the non-proliferation of WMD²⁶. In this sense, the international export control regimes have provided an effective means of support for the control mechanisms put into place by the UN. The Arms Trade Treaty, which is currently being drafted by the UN, can be expected to positively impact this area.

In the Czech Republic, the trade in nuclear, chemical and biological weapons, as well as the equipment capable of delivering such weapons is prohibited under Act No. 38/1994 Coll.²⁷. The Czech Republic's participation in the above-listed international export control regimes (with the exception of the Wassenaar Arrangement) therefore has no direct impact on the Czech Republic's foreign trade in military equipment and it is generally limited to diplomatic initiatives and prevention²⁸.

The proliferation of WMD isn't the only problem associated with the trade in military equipment. SALW have claimed the lives of an unacceptably high number of civilians across the globe and the global community is starting to pay increasing attention to this area of concern. The risks associated with the transfer of SALW to non-governmental entities have

²⁴ Nuclear Suppliers Group (NSG)

²⁵ Missile Technology Control Regime (MTCR). The related *Hague Code of Conduct (HCOC)* is a political document, which was adopted in 2002, that sets out measures for the building of mutual trust in this area.

²⁶ In this regard, the *UN Security Council Resolution No. 1540 (2004)* on the non-proliferation of weapons of mass destruction plays an important role.

²⁷ "Weapons of mass destruction, which specifically refer to nuclear, chemical and biological weapons, may not be the subject of trade in military equipment" – quote from *Section 4 of Act No. 38/1994 Coll.*

²⁸ In the area of chemical weapons, there could be some impact on Czech foreign trade from international export control regimes. The proliferation of WMD tends to be associated more with dual-use goods rather than with military equipment.

been demonstrated in numerous examples of the abuse of man-portable air defense systems against civilian aircraft.

As part of its commitment, the Czech Republic has been actively participating in the existing regimes overseeing the movement and use of SALW and it has been an advocate of the global enforcement of tighter control measures, similar to those that are binding on the Czech Republic.

The various international export control regimes have their own secondary sections, which specialize in specific types of weapons – in most cases, WMD. The only similar type of global initiative, which has a specific focus on the illicit trade in SALW, is the previously-referenced UN Program of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All of Its Aspects. One alternative to the creation of additional special regimes for the controlling of SALW is to put an additional emphasis on this type of equipment in the broader scope control regimes at both regional²⁹ and global levels³⁰.

The following part of this document only discusses those parts of the international export control regimes, which have a real impact on the control of the export of military equipment and small arms for civilian use in the Czech Republic – i.e. the Wassenaar Arrangement. This Report deliberately avoids going into detail on the fight against the proliferation of WMD. The document also avoids going into any detailed discussions about compliance with the obligations arising out of the Treaty on Conventional Arms in Europe because these matters tend to be more related to security policies and only marginally related to export controls.

Wassenaar Arrangement - WA (*The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies*)

The *Wassenaar Arrangement (WA)* on export controls for conventional arms and dual-use goods and technologies was established in 1995 to include a group of countries that focused their attention on a broad spectrum of conventional arms and dual-use goods and technologies (i.e. items that are primarily intended for industrial use but which could also be used for the production of conventional arms).

WA activities largely consist of the sharing of information on the general aspects of the international trade in strategic goods, which includes global trends in the arms trade, the security situation in certain regions, the suspicious procurement activities of specific countries, suspicious projects or businesses operating in certain countries, etc. The activities carried out under this regime also include an exchange of detailed information on particular transfers of such goods and rejected license applications for transactions with non-member countries.

At the 14th general meeting of WA members (December 2-3, 2008 in Vienna), the members discussed all of the recommendations that had been prepared by the respective groups of experts throughout the year, they approved numerous changes to the WA control lists and approved a continuation of cooperation with countries that are not part of the Wassenaar Arrangement. Upon the recommendation of the Russian Federation, the problem of the

²⁹ Besides the previously discussed EU control mechanism for arms exports (*CP 2008/944/CFSP*), the *Nairobi Protocol* and similar types of initiatives that are part of MERCOSUR, OSCE or CARICOM can also be identified as examples of regional cooperative arrangements in the control of the movement of arms.

³⁰ Besides the *Wassenaar Arrangement*, the best example is the planned *Arms Trade Treaty*.

destabilizing accumulation of weapons in conflict-prone regions was added as a new item on the permanent agenda of WA general meetings.

Neither the Russian proposed “Best Practices to Control the Subsequent Transfer (Re-Export) of Conventional Arms Specified in Appendix 3 to the Initial Elements of the Wassenaar Arrangement” nor the Polish counterproposal to these rules were passed and they will remain on the agenda for WA activities in 2009. The acceptance of Cyprus as a member to the Wassenaar Arrangement was blocked by Turkey (as it was in 2004 through 2007).

6. International Arms Embargos

The Czech Republic respects all arms³¹ embargos imposed by the UN, the EU and the Organization for Security and Cooperation in Europe (even though the restrictions imposed by the OSCE are non-mandatory). The country also plays an active role in the drafting and updating of such measures as a member of the above-noted organizations.

As with the specific nature of individual embargos, the list of countries that are subject to partial or complete international embargos can change through the course of the year, based on decisions passed by the UN Security Council (UN SC resolutions), the EU Council (Common Position) or other entities.

The text of the embargo usually includes the list of the materials being embargoed and the region (or end-users) being targeted. The materials covered by the embargo are often broadly described as “arms and related materials” and only in certain cases is there a specific restriction on the importing of heavy equipment³² or light firearms³³. Under an embargo, undesirable end-users can include the governments of specific countries (e.g. the EU embargo against Burma/Myanmar) or non-governmental armed militias operating in a certain territory (e.g. the embargo against Lebanon). The respective UN resolutions or EU common positions usually include exemptions from the embargo for supplies provided to peace missions or to security services protecting the embassies of EU member states in the given region.

In individual cases, new documents have been published with respect to the Democratic Republic of the Congo, Liberia, Burma/Myanmar, Ivory Coast, Rwanda, Somalia, Uzbekistan and Zimbabwe.

With respect to Liberia, Burma/Myanmar, Ivory Coast, Uzbekistan and Zimbabwe, the newly issued documents extended the validity of the existing restrictive measures without any major changes to the impact of the given embargos.

The EU imposes complete embargos – with only minimal exceptions – against North Korea, Burma/Myanmar, Iran, Sudan, Uzbekistan and Zimbabwe. The embargos against Iraq, the Democratic Republic of the Congo, Liberia, Ivory Coast, Sierra Leone and Somalia only

³¹ This chapter excludes information on restrictive measures concerning dual-use items and technology.

³² In UN terminology, “heavy equipment” refers to weapons included on the UN’s UNROCA register. This is used for UN embargos restricting exports to Iran and North Korea.

³³ For example, the ECOWAS moratorium.

allow supplies to international missions operating in the given countries. In certain cases, exports to the central governments of the given country are also permitted.

The restrictive measures in place against Lebanon only permit transactions that have been approved by the Lebanese government. The EU's Madrid Declaration of June 27, 1989, which imposed an embargo on China shortly after the Tiananmen Square incident, specifically calls for a ban on the export of weapons, which can be used for the suppression of human rights. The OSCE embargo against the forces involved in the Nagorno-Karabakh conflict has been interpreted by the EU as an embargo against Armenia and Azerbaijan.

The Economic Community of West African States (**ECOWAS**) internally implements a special control regime, which applies to SALW and, in some cases, other selected types of military equipment. The Czech Republic supports the use of this control regime and any Czech exports to ECOWAS countries must be accompanied by the appropriate documentation.

Specific examples of restrictive measures include a **ban on the supplying of materials to terrorist organizations**; and, a **ban on the trade in anti-personnel mines**, which is enforced in the Czech Republic.

In 2008, revisions were made to the existing restrictive measures in place against the Democratic Republic of the Congo, Rwanda and Somalia.

In its Resolution No. 1807/2008, the UN Security Council weakened the existing embargo in place against the Democratic Republic of the Congo. The ban on the supply of weapons to non-governmental and private entities however remains fully in force. In a similar manner, the EU Council also relaxed this embargo through its CP 2008/369/CFSP. The UN Security Council subsequently extended the validity of this embargo through November 30, 2009 (Resolution No. 1857/2008).

The existing conditions on the control regime for exports to **Rwanda**, which were introduced under UN Security Council Resolution No. 918/1994, were recently cancelled through UN Security Council Resolution No. 1823/2008.

The existing conditions governing exports to **Somalia** were confirmed through UN Security Council Resolutions Nos. 1801, 1811 and 1844/2008, which only allow arms exports under certain conditions – specifically for the purposes of the African Union mission and for purposes related to support for the development of local security forces. The EU Council has integrated the conditions set out in the above UN resolutions into its CP 2009/138/CFSP.

A list of currently valid restrictions can be found at the following web address:

http://www.mzv.cz/jnp/cz/zahranicni_vztahy/bezpecnostni_politika/kontrola_exportu_zbrani/prehled_restriktivnich_opatreni/index.html

or at the following website of the European Commission:

http://ec.europa.eu/external_relations/cfsp/sanctions/measures.htm

Annexes

Annex No. 1

The Czech List of Military Equipment (SVM) and the EU Common Military List (CML)

Annex No. 2

Licenses for the Export (Sale) of Military Equipment Issued and Used in 2008

Annex No. 3

Breakdown of Export Licenses by Type of Military Equipment in 2008

Annex No. 4

Export (Sale) of Selected Military Equipment to Foreign Entities in 2008

Annex No. 5

Utilization of Licenses for the Export (sale) of Military Equipment in the Period 2003 – 2008 by End-User Country

Annex No. 6

Imports of Military Equipment (Purchases from Foreign Entities), 1994-2008

Annex No. 7

Licenses for the Import (Purchase) of Military Equipment Issued and Used in 2008

Annex No. 8

Breakdown of Import Licenses by Type of Military Equipment in 2008

Annex No. 9

Import (Purchase) of Selected Military Equipment from Foreign Entities in 2008

Annex No. 10

Exports of Military Equipment (Sales to Foreign Entities), 1994-2008

Annex No. 11

Permits to Engage in the Foreign Trade in Military Equipment in 2008

**The Czech List of Military Equipment (SVM) and the EU Common
Military List (CML)**

Military Equipment per MPO Decree No. 89/1994 (SVM)	Description	Military Equipment per EU Common Military List (CML)
1	Weapons and their specially-designed components with a caliber of less than 12.7 mm (rifled) and less than 20 mm (smooth-bore).	10
2	Large caliber weapons, launchers and their specially-designed components.	20
3	Ammunition and its specially-designed components for weapons in SVM categories 1, 2 and 23.	30
4	Bombs, torpedoes, rockets, projectiles and their specially-designed components.	40
5	Fire-control systems and subsystems and their specially-designed components and accessories.	50
6	Vehicles and their specially-designed components.	60
7	Toxic agents, teargas and related equipment, materials and technologies.	70
8	Military explosives and propellants.	80
9	Naval ships and special naval equipment.	90
10	Airplanes and helicopters, aircraft engines and systems used in airplanes and helicopters.	100
11	Electronic equipment specially designed for military purposes and related components.	110
12	Photographic and electro-optical display units and their components.	150
13	Special armored materials.	130
14	Special equipment for military training.	140
15	Infrared equipment, thermal imaging and image enhancement equipment for military purposes and related components.	150
16	Forgings, castings and intermediate products designed for use in products listed under SVM categories 1, 2, 3, 4, 6 and 10.	160
17	Miscellaneous equipment and materials.	170
18	Equipment and technologies used for the manufacturing of products included on this list.	180
19	Cryogenic and superconductive equipment.	200
20	Electrically-triggered photochromic or electro-optical type shutters.	150
21	Directed energy weapon systems.	190
22	Software	210
23	Kinetic energy weapon systems.	120

Licenses for the Export (Sale) of Military Equipment Issued and Used in 2008

Licenses Granted		Approx. Value EUR '000's
No. of Licenses	Main Military Equipment Categories (SVM)	

Use of Licenses		Approx. Value EUR '000's
Main Military Equipment Categories (SVM)		

North Africa	26	6,10,24,5,8,18	31 667
Algeria	23	6,10,5,24,8,18	31 064
Libya	0		0
Tunisia	3	10,24	603
Sub-Saharan Africa	16	14,6,1,24,10,8,3	7 502
Ethiopia	4	14,6,24	6 789
South Africa	3	8,24	27
Cameroon	1	1	124
Cape Verde	1	3	4
Nigeria	3	24,10,6	192
Sudan	1	6	321
Zambia	3	1,3	45
North America	99	10,1,6,3,14,2,24,7,4,13,11,8	16 314
Canada	19	1,3,13,24	830
USA	80	10,1,6,3,14,2,24,7,4,11,8,13	15 484
Central America and Caribbean	13	1,13,11,24	2 482
Haiti	0		0
Honduras	1	1	211
Costa Rica	1	1	3
Mexico	11	1,13,11,24	2 268
South America	18	6,11,3,1,8,18,17,7,24	620
Brazil	4	3,18,1,24	47
Chile	3	11,17,7	6
Colombia	7	11,1,3,8,24	283
Paraguay	1	3	1
Uruguay	3	6,3,24	283

6,10,5,24,8,18	17 791
6,10,5,8,24,18	17 221
24	383
10,24	187
6,14,24,10,1,8,3	9 394
14,6,10,24	2 432
8,24	26
1	106
3	4
6,24,10	6 532
6	294
	0
10,1,6,24,14,3,2,4,13,11,16,7	10 801
3,1,13,24	433
10,1,6,24,14,2,3,4,11,16,13,7	10 368
1,13,6,24	3 156
6,24	57
1	168
1	3
1,13,24	2 928
8,3,6,1,17,18,7,24	1 192
3,17,18,1,24	75
3,7,17	87
8,1,3,24	815
	0
6,3	215

Annex No. 2

Licenses Granted		Approx. Value EUR '000's
No. of Licenses	Main Military Equipment Categories (SVM)	

Central Asia	2	1,3	4
Kyrgyzstan	2	1,3	4
Northeast Asia	14	10,8,18,3,7,11,24	788
China	2	10,24	149
Japan	2	7	16
Republic of Korea	4	18,24	72
Mongolia	1	3	24
Taiwan	5	10,8,11,24	527
Southeast Asia	52	1,10,24,3,11,8,7,6	5 608
Philippines	1	1	359
Indonesia	1	24	19
Cambodia	2	1,3	33
Malaysia	10	3,7,8,24,6	101
Singapore	3	11,8,24	98
Thailand	32	1,10,24,3	3 741
Vietnam	3	10,3,11	1 257
South Asia	61	6,1,10,3,24,18,11	38 431
Afghanistan	0		0
Bangladesh	10	10,11,24	544
India	22	6,11,24	13 227
Pakistan	11	10,24,18	7 355
Sri Lanka	18	1,6,3,24,10	17 305
European Union	589	24,3,11,6,10,8,2,22,4,13,16,1,7,18,12,5,23,14	51 866
Belgium	9	8,3,6,1,24	1 244
Bulgaria	17	2,4,3,10,8,24	2 115
Denmark	3	3,18,24	126
Estonia	7	10,24,3,1	136
Finland	3	1,24	12
France	25	6,5,8,1,24	167
Italy	11	3,1,18,4,8,24	1 442

Use of Licenses		Approx. Value EUR '000's
Main Military Equipment Categories (SVM)		

1,3	4
1,3	4
10,8,18,17,3,7,11,24	630
10,17	189
7	16
18	67
3	24
10,8,11,24	334
11,1,10,24,3,18,8,7,6	23 129
1	151
24	19
1,3	29
11,3,18,7,24,8,6	17 306
11,8,24	95
1,10,24,3	4 209
10,24,11,3	1 320
6,11,18,3,1,24,10,13	41 282
24,10	520
10,11	414
6,18,24	20 430
11,10,24,6,13	9 004
6,3,1,24,10	10 914
24,13,11,3,10,6,4,8,18,22,12,16,7,14,1,5,23,2	44 562
8,6,1,3,24	573
4,3,8,24	517
3,18	116
10,24	51
1,24	10
10,24,1,8,6,3	1 786
24,3,18	5 733

Annex No. 2

Licenses Granted		Approx. Value EUR '000's
No. of Licenses	Main Military Equipment Categories (SVM)	

Lithuania	13	3,11,10,4,7,24,2	1 140
Latvia	3	24,10,6	85
Luxembourg	3	6,1,24	191
Hungary	19	24,8,10,7,3,6	2 855
Malta	5	23,1,14,12,11	15
Germany	172	11,10,3,8,6,16,7,24,4,13	9 327
Netherlands	7	24,7,3,10,1	92
Poland	59	24,3,6,11,4,8,18,5	11 209
Portugal	1	13	14
Austria	17	3,16,6,24,13,8	5 524
Romania	3	3,10	180
Greece	4	3,7,24	261
Slovakia	164	6,10,24,11,22,13,1,12,8,7,3,4,5,18,16	11 432
Slovenia	4	24,11,7	1 423
Spain	11	10,11,3,1,13,24	2 252
Sweden	3	11,24	208
Great Britain	26	8,6,3,1,7,24	416
Other European Countries	76	4,6,3,14,10,5,18,12,7,8,24,23,1,16,2,11	29 754
Azerbaijan	0		0
Georgia	19	4,3,5,12,10,7,24	14 997
Croatia	3	3	435
Macedonia	1	3	78
Moldavia	1	3	9
Norway	6	3,18,24	376
Russian Federation	10	6,10,1,24	8 250
Switzerland	17	14,10,8,24,23,3,16,1,11	2 901
Turkey	6	7,8,24	246
Ukraine	13	6,18,10,2,3,24	2 462

Use of Licenses		Approx. Value EUR '000's
No. of Licenses	Main Military Equipment Categories (SVM)	

11,3,7,4,10,2	445
24,10	78
6,1,24	184
10,8,7,3,24,6	171
23,1,14,12,11	14
11,3,24,14,10,16,6,7,8,4,13,22	4 234
3,24,10,7,4,1	113
24,6,4,3,11,8,18,5	7 648
13	14
3,12,16,24,6	1 868
3,10	175
3,7,24	226
13,11,10,6,18,22,24,12,8,1,3,7,4,5,16	18 972
24,7	21
3,11,10,1,13,24	1 033
11,10,18,24	247
8,6,3,1,7,24	333
4,6,10,14,3,5,12,7,8,24,18,1,16,23,11	27 795
10	466
4,3,5,6,12,10,7,1,24	14 023
3	120
3	190
3,1	3
18,3,24	14
6,10,24	9 864
14,10,8,24,6,3,1,16,23,11	2 347
7,8,24	251
6,10	517

Annex No. 2

Licenses Granted		Approx. Value
No. of Licenses	Main Military Equipment Categories (SVM)	EUR '000's

Middle East	77	6,3,18,2,14,16,22,5,12,1,7,24,11,10	27 254
Egypt	33	3,14,6,18,22,1,7,11,5,24	7 113
Iraq	5	3,24	1 204
Israel	16	12,18,24,3	285
Yemen	9	6,3,2,16,5,24	17 009
Jordan	10	18,6,2,1,3,24	1 381
Saudi Arabia	1	24	0
United Arab Emirates	3	3,10,24	262
Australia and Oceania	1	18	5
Australia	1	18	5
Total	1 044	6,10,3,1,24,14,11,4,18,2,8,5,16,22,7,13,12,23,17	212 295

Use of Licenses		Approx. Value
Main Military Equipment Categories (SVM)		EUR '000's

3,6,18,22,14,5,4,1,12,24,7,2,10	9 872
3,6,18,22,14,4,1,7,24,5	7 124
3	962
12,24,18,10,3	161
6,5	1 230
6,2,1,3,24	121
24	0
3,24	274
18	6
18	6
6,11,10,3,24,4,1,13,18,14,8,5,22,12,7,16,2,17,23	189 614

Annex No. 3

Breakdown of Export Licenses by Type of Military Equipment in 2008

Country	Share in Overall Usage Volume (%)
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India	10,78
Slovakia	10,01
Malaysia	9,13
Algeria	9,09
Georgia	7,40
Sri Lanka	5,76
USA	5,47
Russian Federation	5,21
Pakistan	4,75
Poland	4,04
Egypt	3,76
Nigeria	3,45
Italy	3,03
Germany	2,24
Thailand	2,22
Mexico	1,55
Ethiopia	1,29
Switzerland	1,24
Austria	0,99
France	0,95
Vietnam	0,70
Yemen	0,65
Spain	0,55
Iraq	0,51
Colombia	0,43
Belgium	0,31
Afghanistan	0,28
Bulgaria	0,28
Ukraine	0,28
Azerbaijan	0,25
Lithuania	0,24
Canada	0,23
Bangladesh	0,22
Libya	0,21
Taiwan	0,18
Great Britain	0,18
Sudan	0,16
United Arab Emirates	0,15
Turkey	0,14
Sweden	0,14
Greece	0,12
Uruguay	0,12
Macedonia	0,11

SVM - Percentage Share			
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SVM 6 - 83	SVM 18 - 17		
SVM 13 - 45	SVM 11 - 14	SVM 10 - 13	SVM 6 - 8
SVM 11 - 97			
SVM 6 - 51	SVM 10 - 46		
SVM 4 - 69	SVM 3 - 11	SVM 5 - 8	SVM 12 - 5
SVM 6 - 50	SVM 3 - 25	SVM 1 - 22	
SVM 10 - 45	SVM 1 - 18	SVM 6 - 13	SVM 24 - 9
SVM 6 - 76	SVM 10 - 24		
SVM 11 - 79	SVM 10 - 11	SVM 24 - 9	
SVM 24 - 34	SVM 6 - 21	SVM 4 - 20	SVM 3 - 18
SVM 3 - 56	SVM 6 - 19	SVM 18 - 7	SVM 22 - 6
SVM 6 - 69	SVM 24 - 30		
SVM 24 - 92	SVM 3 - 6		
SVM 11 - 54	SVM 3 - 12	SVM 24 - 6	SVM 16 - 5
SVM 1 - 57	SVM 10 - 19	SVM 24 - 16	SVM 3 - 8
SVM 1 - 97			
SVM 14 - 81	SVM 6 - 17		
SVM 14 - 88	SVM 10 - 6		
SVM 3 - 65	SVM 12 - 18	SVM 24 - 7	SVM 16 - 7
SVM 10 - 50	SVM 24 - 44		
SVM 10 - 48	SVM 24 - 20	SVM 11 - 17	SVM 3 - 16
SVM 6 - 79	SVM 5 - 21		
SVM 3 - 49	SVM 11 - 25	SVM 10 - 24	
SVM 3 - 100			
SVM 8 - 91	SVM 1 - 5		
SVM 8 - 86	SVM 6 - 11		
SVM 24 - 100			
SVM 4 - 61	SVM 3 - 25	SVM 8 - 14	
SVM 6 - 84	SVM 10 - 16		
SVM 10 - 100			
SVM 11 - 52	SVM 3 - 45		
SVM 3 - 59	SVM 1 - 33	SVM 13 - 8	
SVM 10 - 72	SVM 11 - 28		
SVM 24 - 100			
SVM 10 - 70	SVM 8 - 27		
SVM 8 - 64	SVM 6 - 27	SVM 3 - 7	
SVM 6 - 100			
SVM 3 - 100			
SVM 7 - 89	SVM 8 - 11		
SVM 11 - 83	SVM 10 - 15		
SVM 3 - 100			
SVM 6 - 76	SVM 3 - 24		
SVM 3 - 100			

China	0,10
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SVM 10 - 79	SVM 17 - 21		
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Annex No. 3

Country	Share in Overall Usage Volume (%)
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SVM - Percentage Share			
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Tunisia	0,10
Luxembourg	0,10
Romania	0,10
Hungary	0,10
Honduras	0,09
Israel	0,09
Philippines	0,08
Jordan	0,07
Croatia	0,07
Denmark	0,07
Netherlands	0,06
Cameroon	0,06
Singapore	0,06
Chile	0,05
Latvia	0,05
Brazil	0,04
Republic of Korea	0,04
Haiti	0,04
Estonia	0,03
Cambodia	0,02
South Africa	0,02
Mongolia	0,02
Slovenia	0,02
Indonesia	0,02
Japan	0,01
Norway	0,01
Malta	0,01
Portugal	0,01
Finland	0,01
Australia	0,01
Cape Verde	0,01
Kyrgyzstan	0,01
Moldavia	0,01
Costa Rica	0,01
Saudi Arabia	0,00

SVM 10 - 91	SVM 24 - 9		
SVM 6 - 93	SVM 1 - 7		
SVM 3 - 83	SVM 10 - 17		
SVM 10 - 31	SVM 8 - 23	SVM 7 - 22	SVM 3 - 13
SVM 1 - 100			
SVM 12 - 50	SVM 24 - 27	SVM 18 - 19	
SVM 1 - 100			
SVM 6 - 90	SVM 2 - 7		
SVM 3 - 100			
SVM 3 - 95	SVM 18 - 5		
SVM 3 - 43	SVM 24 - 37	SVM 10 - 10	SVM 7 - 6
SVM 1 - 100			
SVM 11 - 70	SVM 8 - 30		
SVM 3 - 99			
SVM 24 - 85	SVM 10 - 15		
SVM 3 - 49	SVM 17 - 37	SVM 18 - 12	
SVM 18 - 100			
SVM 6 - 85	SVM 24 - 15		
SVM 10 - 72	SVM 24 - 28		
SVM 1 - 61	SVM 3 - 39		
SVM 8 - 100			
SVM 3 - 100			
SVM 24 - 98			
SVM 24 - 100			
SVM 7 - 100			
SVM 18 - 100			
SVM 23 - 55	SVM 1 - 21	SVM 14 - 11	SVM 12 - 7
SVM 13 - 100			
SVM 1 - 100			
SVM 18 - 100			
SVM 3 - 100			
SVM 1 - 99			
SVM 3 - 100			
SVM 1 - 100			
SVM 24 - 100			

SVM - Military Equipment Listed Category

Export (Sale) of Selected Military Equipment to Foreign Entities in 2008

Military Equipment (example)	Quantity	Country (key importers)
Revolvers and Pistols		
CZ various models	31 986	Thailand, Mexico, Honduras, Egypt, Cameroon, USA
Rifles and Carbines		
CZ 858 Tactical, CZ 2003, FSN, modified versions 61 and 58	4 236	USA, Canada, Spain, Malta
Machine Rifles		
Škorpion, PPS 41, versions 24 and 26	415	Canada, USA, Belgium, Finland
Automatic Weapons		
version 58	40 167	Sri Lanka, Belgium, Canada
Light Machine Guns		
UK 59, PKT, YakB	47	USA, Finland, Canada
Heavy Machine Guns		
YakB, M2	13	USA, Finland, Switzerland
Tanks		
T-72	6	Slovakia
Armored Vehicles		
OT 64, BVP 1	60	Ukraine, Sudan, Haiti
Large-Caliber Cannon Systems		
RM-70, S21, BM-21, D 20, D 30	14	USA, Poland
Portable Anti-Tank Rocket Equipment		
RPG	108	USA
Helicopters		
Mi-17, Mi-24V	6	Afghanistan

In addition, other vehicles were exported, modified as collectables (e.g. BVP 1, BTR 60, T-72, T-34, T-55).

Utilization of Licenses for the Export (Sale) of Military Equipment in the Period 2003 – 2008 by End-User Country

	2008	2007	2006	2005	2004	2003
(approximate value in EUR '000's)						
North Africa	17 791	14 650	7 096	3 470	6 043	19 659
Algeria	17 221	9 339	2 213	2 265	5 292	17 491
Libya	383	2 233	712			
Morocco				362	199	
Tunisia	187	3 078	4 171	843	552	2 168
Sub-Saharan Africa	9 394	11 434	1 581	1 683	1 051	2 188
Angola				304		
Chad				3		
Ethiopia	2 432	7 334	1 015	839	709	307
Ghana		135				
South Africa	26	160			81	
Cameroon	106					
Cape Verde	4	2		5		
Kenya					222	733
Democratic Republic of the Congo						992
Madagascar		37				
Malawi					1	
Mali			3	422		
Nigeria	6 532	1 736	539	110	38	156
Equatorial Guinea		2 030				
Sudan	294					
Zambia			24			
North America	10 801	10 636	9 433	13 215	4 668	5 429
Canada	433	410	96	207	110	467
USA	10 368	10 226	9 337	13 008	4 558	4 962

	2008	2007	2006	2005	2004	2003
(approximate value in EUR '000's)						
Central America and Caribbean	3 156	798	221	1 450	212	281
Dominican Republic				33		
Haiti	57					
Honduras	168					
Costa Rica	3					
Mexico	2 928	533	221	1 333	212	281
Panama		265				
Trinidad and Tobago				84		
South America	1 192	563	1 208	1 907	1 505	615
Brazil	75	64				
Ecuador			68	63		
Chile	87	62	3		1	243
Colombia	815	251	438	1 733	1 424	372
Peru				1		
Uruguay	215	186	118	110	80	
Venezuela			581			
Central Asia	4	0	324	1 515	1 815	122
Kazakhstan			324	1 515	1 685	122
Kyrgyzstan	4					
Uzbekistan					130	
Northeast Asia	630	299	1 282	2 165	3 038	132
China	189		1 166	2 162	3 006	100
China - Hong Kong			1			
Japan	16	93	81			
Republic of Korea	67					32
Mongolia	24	4	34	3	31	
Taiwan	334	202			1	

	2008	2007	2006	2005	2004	2003
(approximate value in EUR '000's)						
Southeast Asia	23 129	5 622	5 650	6 032	4 921	5 262
Brunei						
Philippines	151	69	19		12	83
Indonesia	19	431	167		625	1 778
Cambodia	29					
Malaysia	17 306	473	357	21	3	45
Singapore	95		139	15		
Thailand	4 209	4 277	2 221	2 268	3 146	2 519
Vietnam	1 320	372	2 747	3 728	1 135	837
South Asia	41 282	53 423	9 186	5 579	20 791	17 736
Afghanistan	520	920	205	355	1 842	
Bangladesh	414	326	437	578	1 021	565
India	20 430	39 457	7 024	3 793	17 240	17 025
Nepal						
Pakistan	9 004	12 697	46	3	2	12
Sri Lanka	10 914	23	1 474	850	686	134
European Union	44 562	41 326	38 639	33 850	30 314	21 043
Belgium	573	528	257	277	456	179
Bulgaria	517	182				
Czech Republic		5 454				
Denmark	116		4			
Estonia	51	4 231	3 158	19	68	29
Finland	10	19	72	138	48	85
France	1 786	375	216	12	534	248
Cyprus			59	488		
Italy	5 733	226	13			
Lithuania	445	2 415	435	797	262	1 295
Latvia	78	2 486	3 318	606	47	16
Luxembourg	184	300	18			

	2008	2007	2006	2005	2004	2003
(approximate value in EUR '000's)						
Hungary	171	1 012	99	1 283	988	2 377
Malta	14	26				
Germany	4 234	5 918	3 865	1 765	3 992	1 466
Netherlands	113	232	100	48	33	54
Poland	7 648	3 149	6 271	4 556	7 424	1 639
Portugal	14	28	14	50	7	
Austria	1 868	2 442	956	7	52	4
Romania	175	299				
Greece	226	343	361	286	69	21
Slovakia	18 972	10 696	18 748	21 089	13 085	12 866
Slovenia	21	19	14	97	64	70
Spain	1 033	295	206	193	330	325
Sweden	247		383	240		334
Great Britain	333	651	72	1 899	2 855	35
Other European Countries	27 795	20 802	9 598	7 734	5 314	3 961
Azerbaijan	466	470	230	717	165	363
Bulgaria			540	1 622	460	169
Georgia	14 023	13 244	6 196	3 264	2 043	1 363
Croatia	120	593			96	13
Macedonia	190		68	25	1 148	
Moldavia	3	43				
Norway	14	544	2			1
Romania			838	207	81	263
Russian Federation	9 864	3 142	327	1 021	911	1 705
Switzerland	2 347	241	66	25	31	82
Turkey	251	30	9	41	21	2
Ukraine	517	2 495	1 322	812	358	

	2008	2007	2006	2005	2004	2003
	(approximate value in EUR '000's)					
Middle East	9 872	15 065	8 744	9 456	10 019	6 460
Egypt	7 124	6 177	4 646	3 443	1 648	854
Iraq	962	2 404	38	2 063	2 873	2 286
Israel	161	394	261	1 289	821	1 803
Yemen	1 230	1 854	3 071	4	2 355	
Jordan	121	553	299		1	295
Kuwait			12	186		
Lebanon				712	342	140
Oman				5		
Saudi Arabia		2 578		551	957	
United Arab Emirates	274	1 105	202	936	1 022	972
Syria			215	267		110
Australia and Oceania	6	107	27	2	7	0
Australia	6			2		
New Zealand		107	27		7	
Total	189 614	174 725	92 989	88 058	89 700	82 888

**Imports of Military Equipment Based on Available Data -
Purchases from Foreign Entities, 1994-2008
(in EUR millions)**

Year	Value in EUR
1994	39
1995	44
1996	30,5
1997	29,3
1998	38,8
1999	102,3
2000	150,5
2001	113,3
2002	92
2003	120,4
2004	125
2005	726,8
2006	93
2007	193
2008	106,7

Licenses for the Import (Purchase) of Military Equipment Issued and Used in 2008

Licenses Granted		Approx. Value
No. of Licenses	Main Military Equipment Categories (SVM)	EUR '000's

Sub-Saharan Africa	5	5,10,13,1	63
Ethiopia	1	1	0
South Africa	4	5,10,13	63
North America	132	11,10,24,3,7,1,12,18,5,14,6	6880
Canada	20	24,7,11,1,3	1334
USA	112	11,10,3,24,12,1,7,18,5,14,6	5545
South America	1	3	32
Brazil	1	3	32
Central Asia	1	11	739
Kyrgyzstan	1	11	739
Northeast Asia	5	8,24,10,1	365
China	4	8,10,1	307
Taiwan	1	24	57
Southeast Asia	2	4,2	1464
Malaysia	1	4	1463
Singapore	1	2	1
South Asia	2	10	16
Bangladesh	2	10	16
European Union	391	6,10,3,24,11,2,1,4,14,8,5,18,12,22,7,17,13	83825
Belgium	12	24,3,2,1,11	5249
Bulgaria	30	6,3,8,4,5,1,2,24	11132
Denmark	3	22,1,24	57
Estonia	1	11	142
Finland	9	6,3,17,13,2	625
France	12	18,10,3,12,11,7,13,24	1258
Italy	9	6,10,1,24	6943
Cyprus	0		0

Use of Licenses		Approx. Value
Main Military Equipment Categories (SVM)		EUR '000's

5,10,13,24,1	24
1,24	0
5,10,13	24
11,24,10,1,7,3,12,4,5,14,6	5709
11,1,7,3,24	753
11,24,10,12,3,1,7,4,5,14,6	4956
3	56
3	56
11	700
11	700
8,10	174
8,10	174
	0
4,1,2,24	1497
4,1	1496
2,24	1
10	17
10	17
6,10,11,3,4,1,12,24,2,14,5,18,8,22,17,7,13	69785
8,11,3,1,2,24	1512
6,4,3,5,8,1,2,24	8732
22,1	57
11	78
3,17,13,6,2	35
18,12,24,10,11,7,13	2077
6,10,24,1	9466
10	2

Annex No. 7

Licenses Granted		Approx. Value
No. of Licenses	Main Military Equipment Categories (SVM)	EUR '000's

Lithuania	0	0
Latvia	4 10	443
Luxembourg	1 24	0
Hungary	24 6,3,10,4,2,1,8	8023
Germany	84 6,10,11,1,24,14,3,8,22,5,12,4,7	24344
Netherlands	0	0
Poland	27 10,24,6,17,11,3,8,1,4,5	6435
Austria	23 4,1,3,5,11,18,6,24	1433
Romania	2 3	970
Greece	1 24	0
Slovakia	48 6,2,18,3,10,7,4,13,24	8943
Slovenia	1 8	19
Spain	3 1	103
Sweden	16 14,3,11,5,4,24,8	2856
Great Britain	81 11,6,10,3,1,13,4,24,17	4850
Other European Countries	206 10,24,5,11,3,4,1,12,6,7,8,13,2,17,23	84343
Bosnia and Herzegovina	6 3	1928
Croatia	4 4,1,13	488
Norway	15 5,11,12,3,8,24	7306
Russian Federation	94 10,24,11,1,3,6,5	65384
Serbia	12 4,3,1,13	2757
Switzerland	27 5,7,12,3,11,10,8,1,2,17,23,24	1368
Turkey	1 1	118
Ukraine	47 10,24,6,1,12,11	4993
Middle East	17 11,13,24,12,1	2506
Israel	16 11,13,24,12,1	2506
Saudi Arabia	1 24	0
Australia and Oceania	3 11,6	337
New Zealand	3 11,6	337
Total	765 10,6,24,11,3,5,4,1,2,14,8,12,18,7,13,22,17,23	180569

Use of Licenses		Approx. Value
Main Military Equipment Categories (SVM)		EUR '000's

10,24	548
10	967
1	1
6,10,2,1,3	4087
6,10,11,1,3,5,22,12,8,24,7,4,14	25485
12,11,24	1111
10,17,24,6,1,4,3,8	2176
4,1,3,5,11,18	1305
3,4	1219
24	0
6,2,3,18,10,4,13,24,7,8,11	3876
	0
1,3	169
14,3,5,4,11,8,24	2273
11,6,10,3,4,13,24,1,2	4610
10,24,5,3,11,12,6,1,8,7,13,17,2	26692
3	71
1,13	7
5,3,11,8	8163
10,11,24,3,6,5	9814
1,3,13	50
5,12,3,11,7,10,1,17,24,2	1428
	0
24,10,6,12,1	7159
11,13,6,12,1,5,24	1928
11,13,6,12,1,5,24	1928
	0
11,6	109
11,6	109
6,10,11,24,3,5,4,12,1,2,14,8,18,7,22,13,17	106692

Breakdown of Import Licenses by Type of Military Equipment in 2008

Country	Share in Overall Usage Volume (%)
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Hungary	3,84
Slovakia	3,64
Sweden	2,14
Poland	2,04
France	1,95
Israel	1,81
Belgium	1,42
Malaysia	1,41
Switzerland	1,34
Austria	1,23
Romania	1,15
Netherlands	1,05
Latvia	0,91
Canada	0,71
Kyrgyzstan	0,66
Lithuania	0,52
China	0,17
Spain	0,16
New Zealand	0,11
Estonia	0,08
Bosnia and Herzegovina	0,07
Denmark	0,06
Brazil	0,06
Serbia	0,05
Finland	0,04
South Africa	0,03
Bangladesh	0,02
Croatia	0,01
Republic of Cyprus	0,01
Singapore	0,01
Luxembourg	0,01
Ethiopia	0,01
Greece	0,01

SVM - Percentage Share			
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SVM 6 - 73	SVM 10 - 18	SVM 2 - 6	
SVM 2 - 34	SVM 6 - 34	SVM 18 - 10	SVM 3 - 10
SVM 14 - 63	SVM 3 - 22	SVM 5 - 9	SVM 4 - 5
SVM 10 - 84	SVM 17 - 9	SVM 24 - 5	
SVM 18 - 34	SVM 12 - 33	SVM 24 - 21	SVM 10 - 10
SVM 11 - 79	SVM 13 - 8	SVM 6 - 7	
SVM 8 - 33	SVM 11 - 26	SVM 3 - 26	SVM 1 - 10
SVM 4 - 98			
SVM 5 - 51	SVM 12 - 32	SVM 3 - 9	
SVM 4 - 46	SVM 1 - 24	SVM 3 - 14	SVM 5 - 11
SVM 3 - 90	SVM 4 - 10		
SVM 12 - 70	SVM 11 - 30		
SVM 10 - 100			
SVM 11 - 57	SVM 7 - 16	SVM 1 - 16	SVM 3 - 11
SVM 11 - 100			
SVM 10 - 92	SVM 24 - 8		
SVM 8 - 98			
SVM 1 - 61	SVM 3 - 39		
SVM 11 - 100			
SVM 11 - 100			
SVM 3 - 100			
SVM 22 - 100			
SVM 3 - 100			
SVM 1 - 56	SVM 3 - 37	SVM 13 - 6	
SVM 3 - 71	SVM 13 - 9	SVM 17 - 9	SVM 6 - 6
SVM 5 - 79	SVM 10 - 14	SVM 13 - 7	
SVM 10 - 100			
SVM 1 - 62	SVM 13 - 38		
SVM 10 - 100			
SVM 2 - 100			
SVM 1 - 100			
SVM 1 - 50	SVM 24 - 50		
SVM 24 - 100			

SVM - Military Equipment Listed Category

Import (Purchase) of Selected Military Equipment from Foreign Entities in 2008

Military Equipment (example)	Quantity	Country (key exporters)
Revolvers and Pistols		
(Glock and CZ various models, Tokarev, Makarov, Nagant,	2 320	Austria, Germany, Ukraine, Bulgaria
Rifles and Carbines		
SKS, SVT, Mauser, Mosin, Garand, Enfield	1 735	Ukraine, Germany, Italy, Belgium
Machine Rifles		
PPŠ-41, PPS-43, Thompson, AKM, Colt M4	1 413	Ukraine, Germany, Poland, Canada
Automatic Weapons		
HK G36, HK417	378	Germany
Light Machine Guns		
MG 3, DP, Maxim, ZB	402	Hungary, Ukraine, Poland, Serbia, Spain, Croatia
Heavy Machine Guns		
KPVT, DŠK,	370	Hungary, Slovakia, Belgium
Tanks		
ŠKODA LT version 35, JVBT - 55A	2	Hungary, USA
Armored Vehicles		
DINGO, IVECO, OT 90, BVP 1	497	Slovakia, Hungary, Germany, Italy
Large-Caliber Cannon Systems		
RM-70, GVOZDIKA, BM-21, D 20,	364	Slovakia, Hungary
Portable Anti-Tank Rocket Equipment		
Carl Gustaf	6	Sweden
Aircraft		
L-39 ZO	10	Hungary

**Exports of Military Equipment Based on Available Data -
Sales to Foreign Entities, 1994-2008
(in EUR millions)**

Year	Value in EUR
1994	172
1995	136
1996	103
1997	161
1998	92
1999	89,9
2000	86,7
2001	60,5
2002	77
2003	82,9
2004	89,7
2005	88
2006	92,7
2007	174
2008	189,6

Permits to Engage in the Foreign Trade in Military Equipment in 2008

Number of Permit Applications Submitted	36
Number of Decisions Issued	30
-- negative decisions	0
Number of Cancelled Permits	0

Number of Permit Change Applications Submitted	57
Number of Permit Change Decisions Issued	62

Number of Permit Holders (end of 2008)	157
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Number of Permit Holders (end of 2007)	156
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