



Export Controls in the Czech Republic in 2003

Controls of Transfers of Military Equipment
Production, Export and Import of Small Arms and Light Weapons

Ministry of Foreign Affairs of the Czech Republic
2004

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The Report on the Control of Arms Exports in the Czech Republic in 2003 is based on the *Information on the Czech Republic's approach to international negotiations concerning military equipment, on its production, import and export and on the numbers of small arms in the possession of holders of arms permits and arms licences in the territory of the Czech Republic in 2003*, approved by the Government of the Czech Republic. Full text of the Information is available on the website of the Ministry of Foreign Affairs of the Czech Republic: www.mzv.cz/kontrolaexportu.

The Report does not include data not directly related to international trade (numbers of small arms in the possession of arms permit and arms licence holders), data available from other sources (a regularly updated list of international embargoes and restrictive measures is available on the MFA website), and data with no general relevance (information on the implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects). The text has been restructured and some explanations were added to facilitate the understanding of all included data.

Petr Kaiser
Editor

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The Report on the Control of Arms Exports in the Czech Republic in 2003 offers an overview of the control of exports of military equipment in the Czech Republic in 2003. Moreover, it includes information on production, export and import of small arms and light weapons. It does not cover control of exports of dual-use material. Its publication proves the commitment of the Government of the Czech Republic to inform the broad public on its arms export controls policy.

The basic principle of the Czech Republic's arms export controls is to deny export licences if the supplied military equipment is likely to contribute to an escalation of international and internal conflicts, to be misused for the suppression of human rights, or to harm the security interests of allies and friends. The Czech Republic's responsible approach is manifested by its participation in all major international control regimes and initiatives seeking to prevent undesirable proliferation of arms and technologies.

The present Report complements the Czech Republic's contribution to the European Union Annual Report. The Czech Republic, like other new European Union members, has voluntarily released its data for 2003, although in that year it was not yet a member of the European Union. On the other hand, the Report builds on Informations on exports and imports of small arms and light weapons published by the Ministry of Foreign Affairs in recent years, while offering a more extensive and detailed information. It distinguishes itself by covering all the categories of military equipment, as recognized in the Czech legislation. The Report was compiled by the Ministry of Foreign Affairs on the basis of data provided by the Licensing Authority of the Ministry of Industry and Trade of the Czech Republic. We thank our colleagues for their cooperation.

In 2003, the Czech Republic was preparing for its accession to the European Union. Its export controls system was being adopted to meet the requirements of the European Union Code of Conduct on Arms Exports. It can be said today that the Czech Republic coped with the task quite well, although the process was complicated and demanding. After the signature of the Treaty of Accession, representatives of the Czech Republic started to participate in political negotiations at the relevant fora in Brussels as

“active observers”. This was a good opportunity to learn more about the practical functioning of export controls policies in the countries of the EU “15” (or rather “25”), also due to the fact that the Czech Republic and other acceding countries gained an access to the necessary information sources (for details see 2.1. below).

The Ministry of Foreign Affairs and other responsible governmental authorities are committed to increasing their transparency in the area of export controls. Next year, we expect to publish even more detailed report, which would contain overviews broken down by the arms categories defined in the European Union Common Military List.

The authors express a hope that the Report will serve as a useful source of information and a tool in the ongoing debate of the Czech Republic’s export controls policy.

Cyril Svoboda

Minister of Foreign Affairs of the Czech Republic

A handwritten signature in black ink, appearing to read 'Cyril Svoboda', written in a cursive style.



This report did not come into life easily. And its life will probably not be easy either. Some people may think that it does not offer enough information, or that a mountain gave birth to a mouse, to put it plainly. Voices from the other side of the spectrum will deem us being excessively transparent, offering information that is too detailed and thus putting the Czech manufacturers and dealers into jeopardy. A third group might hold a view, that the extent of the report is just sufficient, but that the accuracy of its data does not match their statistics and knowledge. We have registered these voices

already during the preparation of the report, therefore they must have a merit.

As authors and editors of this report, we therefore want to respond in advance: there is certainly room for improvement. Nevertheless, we are convinced that the level of transparency which we have established is a good compromise which will contribute to the protection of a fair competition. On the other hand, we believe that the report will reinforce the impression that our country and its representatives want to behave responsibly and under the public scrutiny. Adapting our export control policy for a year now, we still cannot escape the feeling that we are inflating an airship with a tyre pump. It is possible, but it requires time.

This report did not come into life easily and surely has its deficits. It is, however, the best report we were able to prepare. What matters is that we have stepped onto a path.

Jan Winkler
First Deputy Minister of Foreign Affairs

A handwritten signature in black ink, appearing to read 'Jan Winkler'. The signature is stylized with a large, sweeping initial 'J' and a long, horizontal stroke extending to the right.

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PART I

**CONTROL OF TRADE
IN MILITARY EQUIPMENT
IN THE CZECH REPUBLIC
IN 2003**

1. LEGISLATIVE FRAMEWORK OF FOREIGN TRADE IN MILITARY EQUIPMENT IN 2003

1.1 Basic definitions

Foreign trade in military equipment is governed in the Czech Republic by Act No. 38/1994 on regulating foreign trade in military equipment (further “ Act”), and by Act No. 140/1961 – the Criminal Code, as amended. Regulation of the Ministry of Industry and Trade No. 89/1994 implements some of the provisions of the Act.

For the purposes of this Act, “military equipment” is defined as products, including software, technologies and services, associated with defence and security.¹⁾ “Foreign trade in military equipment” (Section 2 of the Act) comprises import, export and handling of military equipment abroad, performance of obligations and receiving of payments and supplies from abroad, as well as a broad range of activities that may lead to the conclusion of contracts, including transmission of information or advertising.²⁾

1.2 Functioning of the control regime

The state organ responsible for the control of foreign trade in military equipment is the Ministry of Industry and Trade of the Czech Republic. On the basis of the legislation defining the competences of governmental bodies, the Ministry of Industry and Trade has created a Licensing Authority to perform this function.

¹⁾ Military equipment includes products, their components and spare parts that, with regard to their specific technical and design characteristics, are deemed to be designed primarily for use by the armed forces, armed security corps and services, or that are in widespread use by these forces for the purpose of national defence and security. It also includes machinery, equipment and complete plant equipment manufactured, modified, equipped or designed for military use, in particular for the development, manufacture, control and testing of other products, their components and spare parts. Military equipment also includes services provided in connection with equipment material, in particular repairs, modifications, as well as the provision of information, sending and receiving of experts for the purposes of research, development, design, manufacture, modifications, repairs, maintenance, use and operation of military equipment, in respect of individual items on the list of military equipment.

²⁾ Foreign trade in military equipment includes its export from the Czech Republic, import into the Czech Republic, handling of military equipment abroad by persons and entities authorized under the Act. It also includes a written declaration of the intent to enter into a contract concerning foreign trade in military equipment and the related transmission of information and advertising. It includes also the act of providing and receiving specimen products free of charge, services provided free of charge, brokering activities in the field of military equipment, etc. Brokering activities in the field of military equipment do not fall outside the scope of the relevant legislation. Like any other activity in this field, they are subject to a two-tier licensing procedure and there are sanctions for any breaches of the applicable regulations, especially of the Act.

The Czech Republic has a two-tier controls system. Czech companies must first obtain a permit to engage in foreign trade in military equipment. On the basis of this permit they may engage in marketing activities, enter into contacts with foreign partners and apply for licences for individual transactions.

A permit to engage in foreign trade in military equipment is granted by the Licensing Authority for a maximum of five years. The permit is not issued automatically: the applicant must meet all the statutory requirements concerning the origin of the company's registered capital, composition of its statutory bodies (members of statutory bodies are subject to additional requirements), available expertise and funds, etc. During this licensing procedure, the Licensing Authority consults with the Ministry of Foreign Affairs on foreign policy aspects, with the Ministry of Defence on defence capabilities aspects, and with the Ministry of the Interior on internal security aspects.

After entering into a contract with a foreign partner, a permit holder requests a license from the Licensing Authority that – if granted – enables the applicant to carry out the transaction. The applications are considered on a case-by-case basis. Special attention is paid to the foreign partner's credibility, especially as regards the stated end-use of the goods. All aspects of the transaction are examined from the perspective of the control regime. An indispensable element of this procedure is the opinion of the Ministry of Foreign Affairs. In case of transfer of significant military equipment, the Licensing Authority also asks the Ministry of Defence to examine the defence capabilities aspects of the transaction.

Article 296 of the Amsterdam Treaty states clearly that laws and regulations on the handling of military equipment are within the sovereign competence of each European Union member state. To protect the security of its citizens, and to safeguard security in the broader sense of the word, the Czech Republic will continue to control foreign trade in military equipment as it has up to now. Only authorized persons and entities, subject to the conditions of the Act No. 38/1994, will be allowed to engage in trade in military equipment.

It was pointed out on several occasions that in order to increase the efficiency of the Act, more attention should be paid to the past record and credibility of the company's statutory and other bodies. Some relevant measures have been included in the National Plan of Action against Terrorism approved by Government Resolution No. 385 of 10 April 2002.

2. INTERNATIONAL CO-OPERATION

2.1 European Union

In the early 1990's, members of the European Community adopted eight criteria for the licensing of arms exports. The criteria were formally confirmed at the Luxembourg European Council (1991) and amended at the Lisbon European Council (1992). On their basis, the Council of the European Union adopted in June 1998 the European Union Code of Conduct on Arms Exports (further "Code of Conduct"), a politically binding document, with the aim to broaden and deepen the previous minimum European Union standards in the area of export controls.

The decision to issue or deny a licence for a military equipment transaction is a prerequisite of each member state. However, common criteria must be respected. In practice, this means that when considering an application, the national authorities must ascertain that the proposed export does not contravene the common criteria. Should this be a case, the licence will be denied. The political criteria seek to prevent:

- 1) diversion of the exported arms from their stated end-use (likelihood of misuse in suppression of human rights, etc.);
- 2) uncontrolled and illegal proliferation;
- 3) breaches of peace and stability.³⁾

The Code of Conduct contains also operative provisions establishing the basic framework for information exchange and consultations on licence denials. These provisions have greatly contributed to the culture of high transparency in export controls policies vis-à-vis foreign governments and the public. Operative Provision 3 states that before any EU member state grants a licence which has been denied by another member state for an essentially identical transaction within the last three years, it will first consult the member state which issued the denial. Operative Provision 8 establishes a practice of submitting a common EU annual report on arms exports, as well as national reports. The Czech Republic is one of the new member states that have contributed to this year's EU Annual Report, although in 2003 it was not an EU member.

³⁾ Full text of the Code of Conduct is available in Czech language on the website of the Ministry of Foreign Affairs www.mzv.cz/kontrolaexportu.

EU member states are regularly deliberating possible ways to maximize the efficiency of the Code of Conduct. They do so in the meetings of the Working Group on Conventional Arms Exports – COARM. In 2003, the discussions focused on issues such as harmonization of national annual reports, standardization of end-use certificates, brokering (see below), and improvement of circulation of denial notifications.⁴⁾

A major step towards greater efficiency of arms export controls has been undertaken when the Council of the European Union adopted in June 2003 a Common Position 2003/468/CFSP on the control of arms brokering. According to its provisions, EU member states are required to take the necessary measures to control brokering activities taking place within their territory, and are encouraged to consider controlling brokering activities outside their territory carried out by brokers of their nationality resident or established in their territory. Member states must set up a clear legal framework for lawful brokering activities, issue licences or written authorizations in accordance with the Code of Conduct, and keep for a minimum of ten years records of all persons and entities which have obtained a licence, as well as exchange information.

The EU Common Military List, approved in November 2003, reflects the updated list of the Wassenaar Arrangement. COARM also approved the User's Guide for the implementation of the Code of Conduct, defining standard procedures for denial notification. The User's Guide is intended to assist the export control authorities in EU member states.⁵⁾ In 2003, the EU continued to pay attention to small arms and light weapons (for details on small arms and light weapons, see Part II below).⁶⁾

Having signed the Treaty of Accession, the Czech Republic acquired an "active observer" status. Since May 2003, its representatives participated at the COARM meetings and took part in discussions, although still without the right to participate in the decision-making until the accession in May 2004.

The Fourth Informal Meeting of experts from EU member and candidate countries on the control of conventional arms exports was held in Prague on 27-28 May 2003. It was a good opportunity to learn more about the functioning of the Code of Conduct.

⁴⁾ Other issues discussed in COARM included transformation of the Code of Conduct into a legal instrument, or the possibility to set guidelines and indicators for the application of Criterion Eight (compatibility of arms exports with the technical and economic capacity of the recipient country). For additional details on COARM meetings in 2003, see the Fifth Annual Report published in the Official Journal (C320) that is available on the EU website europa.eu.int.

⁵⁾ In December 2003, the Council approved guidelines on the implementation and evaluation of sanctions against third parties within the framework of the EU Common Foreign and Security Policy, in order to standardize the application of restrictive measures, including arms embargoes, and to strengthen the implementation methods.

⁶⁾ EU Joint Action 2002/589/CFSP on Combating the Destabilising Accumulation and Spread of Small Arms and Light Weapons.

2.2 Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies

The Wassenaar Arrangement⁷⁾ is an important association of 33 countries,⁸⁾ established to prevent destabilizing proliferation of conventional arms and dual-use technologies. Its primary purpose is general exchange of information on:

- global developments in the field of security;
- security situation in crisis regions;
- global trends in trade in conventional arms and dual-use goods and technologies;
- exports of items listed in any of the conventional arms categories;
- export licence denials.

The Czech Republic is a manufacturer of conventional arms and some industrial dual-use items. It has developed a national control regime and fulfils all its obligations towards the Wassenaar Arrangement. In 2003, it concentrated on the relations between the Wassenaar Arrangement and non-participating states and on the inclusion of new participating states. While holding the chairmanship of the Nuclear Suppliers Group in 2003, the Czech Republic promoted development of cooperation between the Wassenaar Arrangement and other control regimes, with the aim to avoid duplication and to better coordinate global non-proliferation efforts.

The Wassenaar Arrangement plenary meeting in December 2003 adopted a ministerial statement stressing that cooperation between the participating states in the field of export controls for conventional arms and dual-use technologies is important for global security, especially in view of the threat of terrorism. The participating states decided to tighten controls on Man-Portable Air Defence Systems (MANPADS) that may endanger civilian lives, and to enhance the transparency of small arms and light weapons transfers.

2.3 United Nations

In 2003, the activities of the United Nations in the field of export controls and non-proliferation concentrated on small arms and light weapons. They included, above all, implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition. For additional information on small arms and light weapons see Part II below. The United Nations also published the Register of Conventional Arms, an annual standardized instrument on arms transfers (see Part II below).

⁷⁾ For details see www.wassenaar.org.

⁸⁾ OECD countries (except for Mexico and Iceland), Russian Federation, Ukraine, Romania, Bulgaria and Argentina.

2.4 Organization for Security and Co-operation in Europe

Similarly, the Organization for Security and Co-operation in Europe concentrated in the period examined on activities related to small arms and light weapons (see Part II below).

3. OVERVIEW OF NUMBER AND VALUE OF LICENCES ISSUED AND ACTUAL EXPORT OF MILITARY EQUIPMENT IN 2003

The following tables and charts are intended to provide a more detailed overview of export of military equipment.

The basic data are shown in TABLE 1 according to the rules applicable to the EU annual reports (see 2.1 above). The table contains data on exports of military equipment, broken down by end-use country and the eight groups of military equipment under which the exports are recorded in the database of the Licensing Authority.⁹⁾ Each item in the table is further broken down to show:

- a = number of licences issued,
- b = value of licences issued,
- c = value of actual exports,
- d = number of denials,
- e = criterion of the Code of Conduct, on the basis of which the licence was denied.

TABLE 1 also shows figures for each region (consistent with the methodology of previous EU reports) and totals. The value of licences and exports is given in thousands of Euros.

CHARTS 1–3 show the share of exports to EU and NATO countries. The value of licences and actual exports is also given in thousands Euros. For the correct interpretation of these CHARTS, it should be kept in mind that they cover only countries that were members of both organizations in 2003.

TABLES 2–3 show additional details on exports in selected categories of military equipment, providing also information on the end-use country (and the manufacturer) and the number of items delivered.

⁹⁾ The categories are:

- A: Weapons and specially designed components thereof (i.e. small arms and light weapons, artillery),
- B: Ammunition, missile technologies and specially designed components thereof,
- C: Tanks, armoured and other vehicles and specially designed components thereof,
- D: Aviation technologies and specially designed components thereof,
- E: Electronics, measuring equipment and specially designed components thereof,
- F: Collectors' items of military nature,
- G: Technical assistance, training and other services,
- H: Other (protective equipment, filtration etc), including software.

Table 1:
Basic overview of exports according to countries and eight groups of military equipment

<i>Regions / Countries</i>		<i>Groups of Military Equipment</i>								<i>Total per destination</i>
		<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	
North Africa	a	2		1	1	1		1		6
	b	208		355	289	1 258		821		2 930
	c	170	43	349	17 525	1 242		329		19 659
Algeria	a			1		1				2
	b			355		1 258				1 612
	c			349	15 608	1 242		292		17 491
Tunisia	a	2			1			1		4
	b	208			289			821		1 318
	c	170	43		1 917			37		2 168
Sub-Saharan Africa	a	1	2		2	1		1		7
	b	813	13		504	1 126		72		2 528
	c	725	9		462	992				2 188
	d	1	2	2						5
	e	CR 3, 4, 7	CR 3, 4	CR 3, 4						CR 3, 4, 7
Congo (Democratic Republic of)	a					1				1
	b					1 126				1 126
	c					992				992
Ethiopia	a				2			1		3
	b				504			72		576
	c				307					307
Kenya	a	1	1							2
	b	813	8							821
	c	725	8							733

Malawi	a		1						1
	b		4						4
	c								
Namibia	a								
	b								
	c								
	d		2	2					4
	e		CR 3, 4	CR 3, 4					CR 3, 4
Nigeria	a								
	b								
	c		1		155				156
Uganda	a								
	b								
	c								
	d	1							1
	e	CR 3, 4, 7							CR 3, 4, 7
North America	a	7	12	4	12	2	2	5	44
	b	440	1 164	1 004	2 851	49	450	450	6 407
	c	513	1 051	786	2 111	47	876	46	5 429
Canada	a	1	6					1	8
	b	4	509						513
	c	4	463						467
USA	a	6	6	4	12	2	2	4	36
	b	436	655	1 004	2 851	49	450	450	5 894
	c	509	588	786	2 111	47	876	46	4 962
Central America and Carribbean	a	5	1	1	1				8
	b	285	3		24				312
	c	256	3		22				281
Mexico	a	5	1		1				7
	b	285	3		24				312
	c	256	3		22				281

<i>Regions / Countries</i>		<i>Groups of Military Equipment</i>								<i>Total per destination</i>
		<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	
Trinidad and Tobago	a		1							1
	b									
	c									
South America	a	10	4							14
	b	456	257							714
	c	372	243							615
Brazil	a	2								2
	b									
	c									
Colombia	a	5	2							7
	b	455								455
	c	372								372
Chile	a	1	2							3
	b		257							258
	c		243							243
Ecuador	a	1								1
	b									
	c									
Venezuela	a	1								1
	b									
	c									
Central Asia	a	3	2					3		8
	b	104	20					417		541
	c	107	15							122
Kazakhstan	a	3	2					3		8
	b	104	20					417		541
	c	107	15							122

North East Asia	a	1	1		5			2	1	10
	b	35			1 942				1 688	3 646
	c	32			100					132
China	a		1		5			2	1	9
	b				1 942				1 668	3 611
	c				100					100
Korea (Republic of)	a	1								1
	b	35								35
	c	32								32
South East Asia	a	19	12		7	1		9	1	49
	b	1 347	2 008		1 386	46		10 063	1	14 852
	c	894	1 712		1 015	45		1 595	1	5 262
Cambodia	a		1							1
	b		3							3
	c									
Indonesia	a	11	5					2		18
	b	516	1 823							2 339
	c	229	1 549							1 778
Malaysia	a		2			1		1		4
	b					46				46
	c					45				45
Philippines	a	3	1							4
	b	175	11							186
	c	83								83
Singapore	a		1							1
	b									
	c									
Thailand	a	4	1		6			5	1	17
	b	268			1 061			10 054	1	11 384
	c	237			693			1 588	1	2 519

<i>Regions / Countries</i>		<i>Groups of Military Equipment</i>								<i>Total per destination</i>
		<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	
Vietnam	a	1	1		1			1		4
	b	388	172		325			9		894
	c	345	162		322			8		837
South Asia	a	3	10	72	7	1		8	4	105
	b	15	148	17 199	146			276	87	17 872
	c	14	146	14 520	362	2 500		172	21	17 736
Bangladesh	a		3		2			2	1	8
	b		99		102			241	49	491
	c		86		326			153		565
India	a		2	69	4	1		1	2	79
	b			17 050	40			13	23	17 126
	c			14 157	37	2 500		10	21	17 025
Pakistan	a								1	1
	b								15	15
	c		12							12
Sri Lanka	a	3	5	3	1			5		17
	b	15	49	149	5			21		239
	c	14	48	63				9		134
European Union	a	6	14	8	8	20		8	6	70
	b	26	891	188	32	2 232		443	404	4 214
	c	23	785	146	44	1 092		401	260	2 751
Austria	a	1								1
	b	5								5
	c	4								4
Belgium	a		3	1						4
	b		210	3						213
	c		174	5						179

Finland	a			2					2	
	b			39					39	
	c			85					85	
France	a	1	2		6			1	10	
	b		305						305	
	c		248						248	
Germany	a	2	2		1	20		5	4	34
	b	1			2	2 232		165	381	2 781
	c	1			13	1 092		124	237	1 466
Greece	a		1							1
	b		24							24
	c		21							21
Netherlands	a				1				2	3
	b				30				23	53
	c				31				23	54
Portugal	a		2							2
	b		1							1
	c									
Spain	a		2							2
	b		327							327
	c		325							325
Sweden	a			3				2		5
	b			60				278		338
	c			56				278		334
United Kingdom	a	2	2	2						6
	b	20	23	86						129
	c	18	17							35
Other European Countries	a	17	39	55	76	23		40	20	270
	b	996	3 638	6 329	9 050	10 204		5 619	247	36 082
	c	313	2 357	2 407	6 446	5 763		4 671	247	22 253
	d			1						1
	e			CR 1						CR 1

Norway	a							1	1	2
	b								1	2
	c								1	1
Poland	a		4	14	5	3		6		32
	b		65	737	135	3 250		800		4 986
	c		60	509	132	191		747		1 639
Romania	a		2		2					4
	b		82		34					116
	c		85		178					263
Russian Federation	a	1			3					4
	b				1 810					1 810
	c				1 705					1 705
Slovakia	a	3	22	38	41	19		24	13	160
	b	8	2 409	5 389	4 404	6 753		1 846	206	21 016
	c	9	1 388	1 786	2 309	5 411		1 769	196	12 866
Slovenia	a									
	b									
	c					70				70
Switzerland	a	3						1		4
	b							22		22
	c							82		82
Turkey	a	2							3	5
	b	2							2	5
	c								2	2
Ukraine	a			1	2					3
	b			81	64					146
	c									
Middle East	a	17	10	20	13	1		5	5	71
	b	8 019	860	3 574	251	79		1 284	2 263	16 330
	c	1 660	794	1 118	255	57		258	2 318	6 640

New Zealand	a	1								1
	b	4								4
	c									
<i>Total per groups of military equipment</i>	a	92	107	161	132	50	0	79	42	663
	b	12 747	9 003	28 648	16 475	14 994	0	19 446	5 120	106 433
	c	5 080	7 187	19 327	28 343	11 758	0	8 304	2 890	82 888
	d	1	2	3						6
	e	CR 3, 4, 7	CR 3, 4	CR 3, 4	CR 1					

Notice: The figures are rounded up to thousands of Euros, therefore some of the sums do not add up exactly.

NUMBER AND VALUE OF LICENCES AND ACTUAL EXPORTS IN EU/NATO COUNTRIES

Chart 1: Number of licences
issued in 2003:
EU/NATO countries

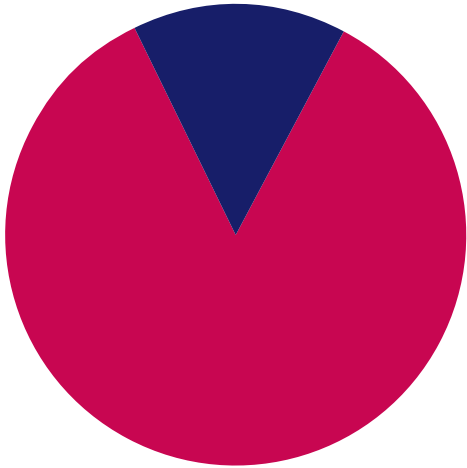


Chart 2: Value of licences
issued in 2003:
EU/NATO countries

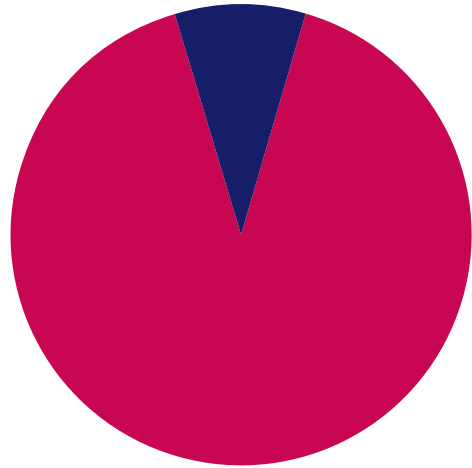


Chart 3:
Actual exports
in 2003: EU/NATO countries

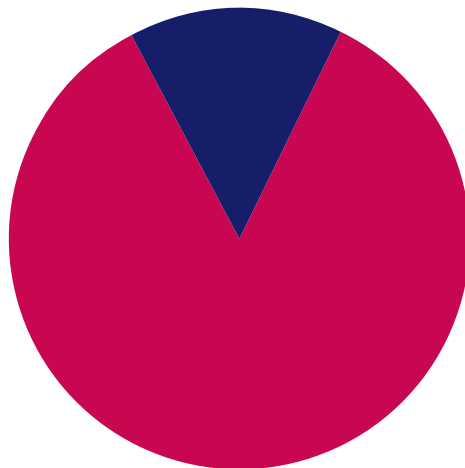


Table 2:
Overview of exports in selected categories

<i>Category of Military Equipment</i>	<i>Country of End User</i>	<i>Quantity</i>	<i>Country of Production</i>
Tanks	Hungary	1	Czech Republic
Armoured Combact Vehicles	USA	1	Czech Republic
Large-calibre Artillery Systems	Georgia, Indonesia	10	Czech Republic, Russian Federation
Combat Aircrafts	Algeria, Georgia, Slovakia, USA	30	Czech Republic, Russian Federation
Revolvers and Self-loading Pistols	Bulgaria, Colombia, Ecuador, Egypt, Indonesia, Jordan, Kazakhstan, Kenya, Lebanon, Lithuania, Mexico, Republic of Korea, Sri Lanka, Syria, Thailand, Tunisia, United Arab Emirates, USA, Vietnam	18 177	Bulgaria, Czech Republic, Germany
Sniper rifles	Hungary, Indonesia, Kazakhstan	32	Austria, Czech Republic
Self-loading Rifles	Switzerland	1	Czech Republic
Submachine Guns	Austria, Canada, Colombia, Egypt, Hungary, Indonesia, Jordan, Philippines, United Kingdom	488	Czech Republic
Assault Rifles	Indonesia	16	Czech Republic
Machine Guns	USA	20	Czech Republic
Heavy Machine Guns	Germany	1	Russian Federation

**Table 3:
Overview of imports in selected categories**

<i>Category of Military Equipment Description</i>	<i>Exporting country</i>	<i>Quantity</i>	<i>Comments</i>
Tanks	Switzerland	1	
Armoured Combact Vehicles	Switzerland	1	
Large-caliber Artillery Systems	nil		
Combat Aircrafts	Ukraine	1	
Atack Helicopters	Germany, Russian Federation	8	1 helicopter was non combatant
Revolvers and Self-loading Pistols	Austria, Bulgaria, Ukraine	2706	
Sniper Rifles	Austria, Germany, Ukraine	2398	
Self-loading Rifles	Germany, Netherlands, Russian Federation, Switzerland, Ukraine	555	
Submachine Guns	Belgium, Germany, Switzerland, Ukraine	891	
Assault Rifles	Bulgaria, Switzerland, USA	35	
Machine Guns	Bulgaria, Ukraine	25	
Silencers	Finland, Switzerland, United Kingdom	60	
Grenade Launchers	USA	6	

**PRODUCTION, EXPORTS AND IMPORTS
OF SMALL ARMS AND LIGHT WEAPONS
IN THE CZECH REPUBLIC
IN 2003**

4. LEGISLATIVE FRAMEWORK

4.1 Basic information

Trade in small arms and light weapons is governed by the same national legislation as is the trade in military equipment. However, there are also other laws and regulations applicable:

- Act No. 156/2000 to regulate proofs of firearms, ammunition and pyrotechnic devices, as amended;
- Act No. 455/1991 to regulate trade licensing (Trade Licensing Act), as amended;
- Act No. 62/2000 to regulate certain measures related to exports or imports of products and the licensing procedure and to amend certain acts;
- Act No. 119/2002 concerning arms, as amended.

A person or company trading in arms must possess the required type of trade licence issued by the Licensing Authority (under the Trade Licensing Act), and an arms licence for the relevant group of arms, issued by the police (under Act No. 119/2002 concerning arms, further “Arms Act”). The Arms Act came into force on 1 January 2003. It supersedes the previous Act No. 288/1995. Its main purpose was to fully align Czech legislation with the EU *acquis*.

In accordance with these regulations, the Arms Act divides weapons into four categories according to lethality and liability to misuse:

- 1) Category A – prohibited weapons (including military weapons and military small arms and light weapons);
- 2) Category B – weapons subject to registration;
- 3) Category C – weapons subject to the reporting duty;
- 4) Category D – other weapons.

The Arms Act includes provisions on the exchange of information with other EU member states. It takes over some elements from Act No. 288/1995, such as arms permits, arms registration, arms waybills, arms passports, etc. Arms authorizations are replaced by arms licences.

The Arms Act newly authorizes the Czech Arms and Ammunition Proofing Authority to decide in cases of doubt about the categorization of arms and ammunition. It also sets new rules for information systems on arms, ammunition and shooting ranges, including access to data from these systems.

The Arms Act introduces permits for entrepreneurs to transfer arms and ammunition intended for import, export or transit. The permit (or its authenticated copy) must accompany the arms or ammunition until arrival at its destination. Like in the previous legislation, arms waybills are required for non-commercial export, import or transit of arms and ammunition.

The procedure of issuing arms waybills and permits for entrepreneurs to transfer arms and ammunition is a valuable source of information on arms transfers, enabling the Police of the Czech Republic to fulfil the international commitments arising from the European Convention on the Control of Acquisition and Possession of Firearms by Individuals and to share data on transfers of arms and ammunition with other states parties.

After more than one year of application of the Arms Act, it can be said that the Czech Republic's legislation in the field of arms and ammunition is in conformity with the EU *acquis*.

According to the requirements of the Organization for Security and Co-operation in Europe (OSCE), small arms and light weapons must be marked at manufacture to indicate the year of manufacture, manufacturer or country of manufacture and the serial number. Until recently, Czech legislation did not sufficiently reflect this obligation by manufacturers. Increased attention was therefore paid in the year 2003 to the issue of marking (and proofs) of military (prohibited) small arms not intended for service with the Czech Republic's armed forces, other security structures, armed structures of the Customs Administration and the intelligence services.

In the period under review, major legislative changes concerning the control of the manufacture and export of military material and the possession of firearms were introduced by:

- Act No. 227/2003 to amend Act No. 156/2000 concerning the proofs of firearms, ammunition and pyrotechnic devices (in force since 1 October 2003),
- Act No. 228/2003 to amend Act No. 119/2002 concerning firearms and ammunition (in force since 1 January 2004).

These amendments represent the Czech Republic's a response to OSCE requirements, as well as steps in implementing the United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects.

4.2 Proofs and categorization of arms

Proofs of designated arms, decision-making on the inclusion of arms and ammunition in Categories A-D, issuance of registration numbers and the decommissioning mark and decision-making on permitted design of weapons and ammunition are within the competence of the Czech Arms and Ammunition Proofing Authority.

Numbers of firearms proofed by the Czech Arms and Ammunition Proofing Authority:

DESIGNATED FIREARMS					
<i>Type of proof / Year</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Individually proofed arms, proof-marked non-military arms	155 348	115 799	111 533	125 623	167 190

In 2003, the Authority issued twenty decisions on the inclusion of arms in Categories A–D in terms of the Arms Act:

- 1 decision on inclusion in Category A;
- 11 decisions on inclusion in Category B;
- 7 decisions on inclusion in Category C;
- 1 decision on inclusion in Category D.

The Authority issued three decisions on the inclusion of ammunition in Categories A–D in terms of the Arms Act:

- 1 decision on inclusion in Category A;
- 2 decisions on inclusion in Categories B and C.

The Authority issued 24 registration numbers and decommissioning marks:

- 5 to legal entities;
- 19 to natural persons.

The Authority issued eleven decisions (expert opinions) on the permitted design of arms and ammunition:

- 7 decisions concerning arms;
- 4 decisions concerning ammunition.

5. INTERNATIONAL CO-OPERATION

5.1 United Nations

In the year 2003, the main activities of the United Nations in the field of small arms and light weapons focused on the implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition. Negotiations on mechanism for tracing small arms and light weapons commenced this year. The aim of these negotiations is standardization of marking, record-keeping and information exchange.

To contribute to transparency in arms transfers, the United Nations publishes annually the Register of Conventional Arms, an overview of imports and exports of conventional arms in prescribed seven categories, based on voluntary submissions. The Czech Republic contributes to this instrument regularly since its inception.

5.1.1 United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects

In July 2001, the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (further “UN Conference”) adopted the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (further “UN Programme of Action”) setting forth the international community’s objectives in the follow-up process at the national, regional and global levels.¹⁰⁾

¹⁰⁾ At the *national* level, the objective is, inter alia, to adopt and implement legislation concerning: control of production, export and import, in order to prevent illegal activities, including legal sanctions; marking of arms at manufacture and export; record-keeping for the purpose of tracing small arms and light weapons; reviewing of national defence needs and disposal, preferably through destruction, of surplus small arms and light weapons. At the *regional* level, the objective is, inter alia, to increase transparency (for the time being on a voluntary basis). Regional measures in the affected regions should include moratoria on the manufacture, imports and exports of small arms and light weapons. At the *global* level, conditions should be created for the harmonization of cooperation in the fight against illicit trade, in conflict prevention and resolution, especially in the context of demobilization, disarmament and reintegration of ex-combatants. Great attention is paid to the destruction of small arms and light weapons in post-conflict situations, especially in the case of internal conflicts.

An international meeting to consider the situation in the field of small arms and light weapons takes place every two years. A conference to review the progress and effectiveness of the measures arising from the UN Programme of Action is to be held in 2006.

The first conference to review the results achieved in the implementation of the UN Programme of Action was held in New York on 7–11 July 2003. The Czech Republic presented its national report and informed about its national legislative measures and participation in regional and global cooperation. Review conferences will be held every second year, the next will meet in 2005.

The Czech Republic's policy seeks to strike balance between responsible fulfilment of international commitments concerning control of trade in small arms and light weapons, and the protection of national security and trade interests. The Czech Republic consistently supports the United Nations efforts to increase transparency, including the adoption of global standards for the tracing of small arms and light weapons.

5.1.2 Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition

In the United Nations system, the issue of small arms and light weapons is closely associated with the debate on the fight against international organized crime. In December 2000, the Czech Republic signed the Convention against Transnational Organized Crime (further "Convention") at the conference in Palermo. Government Resolution No. 1227 of 4 December 2000 instructed the Minister of Interior and the Deputy Prime Minister, Minister of Justice and Chairman of the Government Legislative Council to prepare a proposal for the ratification of the Convention.

The Convention includes the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition (further "Protocol"). The main purpose of the Protocol is to facilitate effective cooperation between countries in combating the illicit manufacture of and trafficking in firearms, including the tracing of firearms, their marking, brokering and record-keeping. In some respects the Protocol overlaps with the UN Programme of Action, especially as regards the definitions of some terms and specification of measures. A positive aspect is that the Protocol is an internationally binding instrument. It contains many practical measures contributing to the efforts of the international community to combat illicit trade in small arms and light weapons and to reduce its negative impacts.

The Czech Republic paid considerable attention to the process of its accession to the Protocol. Since cooperation in preventing illicit arms flows is an important aspect of the fight against terrorism, this task was integrated into the National Plan of Action against Terrorism, approved by the Government Resolution No. 385 of 10 April 2002. Therefore, the Czech Government instructed the First Deputy Prime Minister and Minister of Interior to prepare, in consultation with the Minister of Industry and Trade, a proposal for ratification of the Protocol (Resolution No. 1282 of 16 December 2002).

5.2 European Union

In 2003, the Czech Republic concentrated on the implementation of EU Joint Action 2002/589/CFSP on Combating the Destabilising Accumulation and Spread of Small Arms and Light Weapons. By introducing the Arms Act, the Czech Republic has aligned its legislation on arms and ammunition with the EU *acquis*.

5.3 Organization for Security and Co-operation in Europe

The Organization for Security and Co-operation in Europe (OSCE) discusses and adopts regional measures concerning small arms and light weapons. The Czech Republic observes the measures arising from the OSCE Document on Small Arms and Light Weapons (further “OSCE Document”) adopted by the OSCE Ministerial Council in November 2000.

The Czech Republic regularly submits an information on its fulfilment of the agreed measures. The data are compiled jointly by the Ministry of Industry and Trade and the Ministry of Foreign Affairs.

The OSCE Document stipulates, *inter alia*, that the participating States agree to ensure that all firearms manufactured in their territory are marked in such a way as to enable the tracing of individual arms. All such marks should be permanent and should contain information identifying the country of manufacture and the serial number. A similar obligation applies to imported unmarked small arms and light weapons. Previously, the Czech Republic had no definite rules for the marking of newly manufactured military (prohibited) small arms not intended for service with the Czech Republic’s Army.

To close this gap, the Ministry of Industry and Trade took a legislative initiative. An amendment was adopted according to which manufacturers are obliged to submit for inspection to the Czech Arms and Ammunition Proofing Authority all military arms that are not intended to be in service in the Czech Republic's Army, or will be exported from the Czech Republic.

6. OVERVIEW OF PRODUCTION, EXPORTS AND IMPORTS OF SMALL ARMS AND LIGHT WEAPONS IN 2003

6.1 Overview of production of small arms and light weapons

According to the data provided to the Ministry of Industry and Trade (within the framework of statistical survey under Act No. 89/1995), the following numbers of small arms and light weapons were *manufactured* in the Czech Republic in 2003:

Small arms and light weapons manufactured in 2003

Pistols (CZ 75, 85, ...; Kevin)	48 956
Repeating rifles (CZ 550, 700; Falcon)	1 272
Other	0

Publication of individual manufacturers' data is prohibited by the above-mentioned Act.

6.2 Overview of exports and imports of small arms and light weapons

Hunting and personal defence arms exported from the Czech Republic in 2003

Pistols and revolvers

Number of arms: 58, 032

Approximate value: 10.1 mil. Euros

Licences used: 203

Destination: Argentine, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, Colombia, Denmark, Dominican Republic, Ecuador, Egypt, Estonia, Finland, France, Georgia, Germany, Greece, Guatemala, Guayana, Honduras, Hungary, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Macedonia (FYROM), Malaysia, Mexico, Moldova, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, South Africa, Romania, Salvador, Serbia and Montenegro,

Singapore, Slovakia, Slovenia, Sweden, Thailand, Uganda, Ukraine, United Kingdom, Uruguay, USA, Venezuela, Zambia.

Rifles, shotguns, small-bore rifles

Number of arms: 61, 541

Approximate value: 10.3 mil Euros

Licences used: 75

Destinations: Argentine, Armenia, Australia, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, Costa Rica, Croatia, Denmark, Dominican Republic, Egypt, Ecuador, Estonia, Finland, France, Germany, Greece, Guatemala, Guayana, Honduras, Hungary, Iceland, Indonesia, Ireland, Italy, Jordan, Kazakhstan, Kenya, Latvia, Lithuania, Macedonia (FYROM), Malaysia, Mexico, Moldova, Namibia, Netherlands, New Zealand, Nicaragua, Norway, Oman, Panama, Peru, Philippines, Poland, South Africa, Romania, Russian Federation, Salvador, Serbia and Montenegro, Singapore, Slovakia, Spain, Sweden, Switzerland, Thailand, Ukraine, United Arab Emirates, United Kingdom, USA, Uruguay, Venezuela, Vietnam, Zambia.

Hunting and personal defence arms and arms for hobby purposes imported in the Czech Republic in 2003

Pistols and revolvers

Number of arms: 7,590

Approximate value: 2.2 mil. Euros

Licences used: 100

Countries of origin: Argentine, Austria, Belgium, Croatia, Finland, Germany, Hungary, Israel, Italy, Philippines, Slovakia, Switzerland, USA.

Rifles, shotguns, smallbore rifles

Number of arms: 12, 682

Approximate value: 2 mil. Euros

Licences used: 104

Countries of origin: Austria, Belgium, Canada, Cyprus, Finland, Germany, Italy, Japan, Pakistan, Philippines, Romania, Serbia and Montenegro, Spain, Switzerland, Turkey, Ukraine, United Kingdom, USA.

In addition to commercial exports of military small arms and light weapons and exports of non-military hunting, sporting and personal defence arms, etc., there were also exports on a non-commercial basis. These non-commercial exports fell within the scope of the Arms Act. The permits were granted by the Police of the Czech Republic in the form of so-called arms waybills issued for the purposes of permanent export.

In 2003, 230 arms waybills were issued for the purposes of permanent export under the Arms Act; 304 arms and 35,857 rounds of ammunition were exported on the basis of these waybills. Most of them were pistols (109) and long hunting guns (112), but there were also eight submachine guns. In the same period, 317 arms waybills were issued for the purposes of permanent import; 399 arms and 43,684 rounds of ammunition were imported on their basis.

The Police of the Czech Republic does not keep a record of the prices of imported and exported arms.

For non-commercial imports and exports of arms, an applicant had to obtain arms waybills for the purpose of permanent export or import. Commercial imports and exports of arms were outside the scope of the Arms Act.

SUPPLEMENT

Table 4, chart 4: Export of military equipment from the Czech Republic in recent years

Year	Value of Export of Military Equipment (mil. EUR)
1987	602
1988	496
1989	443
1990	239
1991	177
1992	133
1993	148
1994	172
1995	136
1996	103
1997	161
1998	92
1999	89,9
2000	86,7
2001	60,5
2002	77
2003	82,9

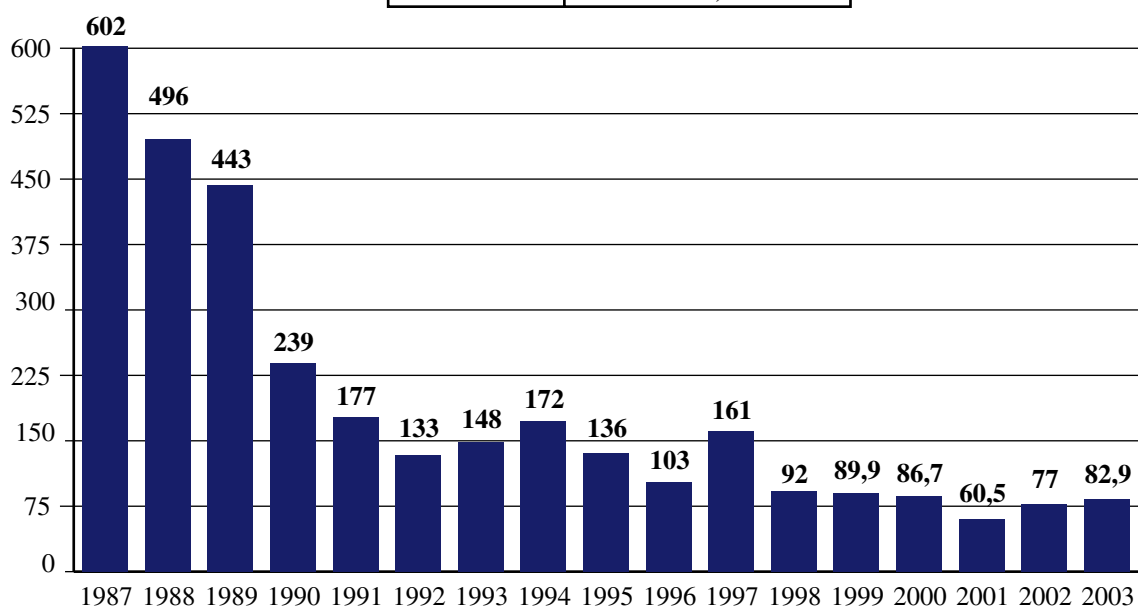


Table 5, chart 5: Import of military equipment to the Czech Republic in recent years

Year	Value of Import of Military Equipment (mil. EUR)
1989	356
1990	208
1991	111
1992	44
1993	37
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

