

***2010 Annual Report  
on the Control of Exports  
of Military Equipment,  
Small Arms for Civilian Use  
and Dual-Use Items and Technologies  
in the Czech Republic***

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## Introduction

Democratic countries that manufacture and export sensitive goods are responsible for ensuring that these goods are not used for illicit purposes and that they do not fall into the wrong hands (terrorists, illegal militias, illegal arms dealers, organised crime). It is the long-term objective of the Czech Republic to develop a transparent, reliable, and generally-respected regulatory system for trading in such items, and to reconcile the diverse interests inevitably involved in this activity.

Over the course of recent years the Czech Republic has been fulfilling a commitment aimed at increasing the transparency of its policies in this area of trade, while at the same time gradually increasing the effectiveness of the principles and tools used for controlling its exports.

The publication of the "2010 Annual Report on the Control of Exports of Military Equipment, Small Arms for Civilian Use<sup>1</sup> and Dual-Use Items and Technologies in the Czech Republic" (hereinafter the "Report") is now one of the established steps taken in order to further understanding between the public administration and members of both chambers of Parliament, NGOs and the general public.

The first predecessors of this Report were entitled "Information on the Import, Export and Possession of Small Arms and Light Weapons in the Czech Republic" and were published in the years 2001-2003. These reports were then superseded by "Reports on the Control of Exports of Military Equipment" which conformed to the methodology for the preparation of EU joint annual reports. The present Report is the eighth of this type, and was prepared by the Ministry of Industry and Trade in collaboration with the Ministry of Foreign Affairs, the Ministry of Defence, the Ministry of the Interior, the General Customs Directorate and the State Office for Nuclear Safety.

The introductory part of the Report describes the system for controlling trade in military equipment and small arms for civilian use and the export of dual-use items and technology, including the role and status of authorities cooperating in the control process. This is followed by an evaluation of activities in the field of international cooperation, information on the status of preparation of the Arms Trade Treaty and of the activities of the UN in regard to the control of small arms and light weapons in the framework of the *Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects*. Following this, the next part of the Report contains information on the engagement of the Czech Republic in international control regimes, and describes the activities of the Wassenaar Arrangement (WA) during the control of exports of conventional arms and dual-use items and technologies. As usual, the last part of the Report is devoted to a current overview of international arms embargoes which the Czech Republic is actively involved in formulating and updating based on its membership of international organisations. The Report is supplemented by spreadsheets and tables containing numerical data on licences issued for purchase (import) and sale (export), broken down by volume, end-user country and end-user percentage shares.

Main activities in the field of control regimes in 2010:

In connection with the supplemented rules under Council Regulation (EC) No 428/2009 of 5 May 2009, the Czech Republic has adopted, with effect from 7 December 2010, Act No. 343/2010 Coll., amending Act No. 594/2004 Coll., implementing the Community regime for the control of exports of dual-use items and technology, as amended. This Act lays down new regulation on the control of the provision of brokering services in connection with dual-use items

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<sup>1</sup> "Small arms for civilian use" is a working term used to denote firearms exported in accordance with Act No. 228/2005 Coll.

and their transit, as well as the rights and obligations of persons transporting such items from the Czech Republic to another Member State of the European Union and persons importing such items into the Czech Republic.

During 2010 work was also carried out on the implementation of Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community into Czech law by means of an amendment to Act No. 38/1994 Coll., so that this amendment can be submitted to the government for approval in February 2011.

Implementing the Directive into national law via this amendment will significantly facilitate the movement of military equipment when Czech entities trade with partners from Member States of the European Union. Such movements will primarily be facilitated by the abolition of import licences during transfers of defence-related products within the European Union. This will mean that the licence granted by the administrative authority - which in this case is the Ministry of Industry and Trade - will be valid throughout the European Union. No further authorisations will then be required either for transit through other Member States or for entry onto the territory of other Member States of the European Union. The amendment will also allow natural persons to trade in military equipment within the European Union, not only legal persons, as is currently the case.

The amendment also introduces a new categorisation system for export licences. Henceforth, natural and legal persons will be able to choose whether to apply for:

- an individual transfer licence (for transfer to one recipient);
- a global transfer licence (for transfer to multiple recipients); or
- a "general transfer licence" (registration required) in cases where the recipient is an army or a certified recipient, and for exhibitions, repairs and warranty claims.

The newly introduced mechanism of "recipient certification" will in practice significantly reduce the administrative burden both for suppliers and certified recipients.

The amendment will thereby lead to a significant reduction of the administrative burden for authorisation holders. This reduction is estimated to be around 23%. However, these steps to facilitate business in the area of foreign trade in military equipment within the countries of the European Union may by no means be taken at the expense of the safety and other state-protected interests of the Czech Republic. The legislation on foreign trade in military equipment carried out with countries outside of the European Union will remain unchanged.

In addition to the implementation of the Directive, during 2010 new definitions of the status of the Ministry of Defence and the Ministry of the Interior were also incorporated into the draft of the amendment.

The proposed amendment of the relevant part of Act No. 38/1994 Coll. will allow these ministries to purchase military equipment directly, without brokers. This will set up conditions for making such purchases cheaper.

The proposed legislation will enable direct purchasing by allowing tendering procedures for public contracts used for carrying out tasks of the Ministry of Defence and the Ministry of the Interior to be performed from beginning to end in such a way that the contracting authority will also be able to receive, assess and evaluate tenders submitted by foreign economic operators.

In accordance with the transposition deadline for the Directive, it has been proposed that the amendment should come into effect on 30 June 2012, with the exception of the provisions allowing the Ministry of Defence and the Ministry of the Interior to make direct purchases without brokers, which are proposed to come into effect on 1 September 2011.

## **1. System for controlling foreign trade in military equipment and small arms for civilian use and exports of dual-use items and technologies in the Czech Republic**

### **1.1 Foreign trade in military equipment**

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., on foreign trade in military equipment, as amended, (hereinafter "Act No. 38/1994 Coll.") which regulates the conditions for the performance of the government's responsibilities of authorisation and control in an area where the business activities involved might jeopardise the economic, foreign policy and national security interests of the Czech Republic. This Act functions in conjunction with Decree No. 332/2009 Coll., implementing certain provisions of Act No. 38/1994 Coll. This Act establishes the procedures that apply during the authorisation of trading, the conditions for the issuance and use of licences and the overall procedure for controlling trade in military equipment, including the imposition of sanctions for violations of the law. The Ministry of Industry and Trade is the authority responsible under the law for the administration and implementation of the associated licensing regime.

The control of foreign trade in military equipment in the Czech Republic is carried out in two stages:

- 1) A business entity may only market its products and services and enter into negotiations with foreign partners etc. after obtaining a relevant decision on the issuance of an **authorisation to conduct foreign trade in military equipment**,
- 2) to carry out specific transactions it is then necessary to apply for the issuance of a decision granting a **licence**.

Only legal entities with their seat in the Czech Republic may hold such an authorisation. The authorisation sets out the specific items of military equipment in which the relevant legal entity is authorised to trade, as well as a list of the countries with which such trading activities may be carried out. Authorisations are issued by the "Licence Administration" of the Ministry of Industry and Trade following approval from the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defence. Authorisations are issued for a limited period of time, at most 5 years.

For every business transaction, legal entities which are authorisation holders must then apply for the granting of a licence, whose period of validity is also limited. Licences also specify the scope and the conditions of the transaction. Decisions on the issuance or denial of licences are made in administrative proceedings conducted by the MIT Licence Administration after the other ministries concerned have provided their binding opinions. A decision denying a licence is issued if the applicant fails to meet the requirements of law, or on grounds connected with the Czech Republic's foreign policy, trade or national security interests (Council Common Position 2008/944/CFSP and the common database of denials of the EU Member States are also taken into consideration).<sup>2</sup>

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<sup>2</sup> In cases where they are considering the export of significant military equipment, business entities also have the option

Regulation of foreign trade in military equipment falls within the field of competence of the Ministry of Industry and Trade (MIT). The MIT also holds all the administrative proceedings associated with foreign trade in military equipment, the most important of which are proceedings on the issuance of authorisations to conduct foreign trade in military equipment and on the issuance of licences for specific transactions.

2010 was the first year in which practical application was made of the extensive amendment to the basic legislative instrument Act No. 38/1994 Coll., on foreign trade in military equipment. This amendment increased the level of transparency in this area and also revised the system for cooperation among the authorities involved in the necessary regulation of trade in military equipment and the observance of security criteria. Businesses welcomed the reduction of the administrative burden, which consisted of reducing the number of reports submitted on business transactions by 50% and the introduction of a new type of "EU licence". This simplification covers imports and exports in cases where the contractual partners and end-users at both ends of the transaction are from EU Member States. In 2010, this simplification was used by 5 companies during exports to Austria, Slovakia, Germany, Estonia, Sweden and Slovenia with a total value of 100.1 million CZK (3 958 thousand €) and by 4 companies during imports from Germany, Portugal, Great Britain and the Netherlands with a total value of 8.1 million CZK (319 thousand €). This type of licence also proved to be of benefit in view of other legislative changes made in relation to Directive of the European Parliament and Council No 2009/43/EC. Transparency was also increased by new legislation on the violation of applicable laws.

Easier access to business, based on the fact that in 2010 legal and natural persons from EU Member States were no longer subject to restrictions regarding their capital structure and a condition of Czech citizenship or residence, did not result in any increase in the number of legal persons holding an authorisation.

As of the end of 2010, 169 legal persons held an authorisation to conduct foreign trade in military equipment. A total of 1 005 licences were granted for exports of military equipment in 2010, with a value of 11 408.3 million CZK (451.1 million €).

7 applications for export licences were denied and 31 applications were withdrawn by businesses themselves. The actual value of the transactions for which the licences were utilised amounted to 5 485.4 million CZK (216.9 million €). A total of 457 export licences were issued for exports to other EU countries, with a total value of 4 951.7 million CZK (195.8 million €). The actual utilisation under these licences was 2 190.1 million CZK (86.6 million €). The greatest numbers of licences were issued for exports to the Slovak Republic (113), Germany (65) and Poland (56). In terms of their value, the greatest volumes of exports were to Austria in the amount of 791.6 million CZK (31.3 million €), the Slovak Republic in the amount of 275.7 million CZK (10.9 million €), Spain in the amount of 217.5 million CZK (8.6 million €) and Italy in the amount of 194.7 million CZK (7.7 million €). The greatest numbers of licences for exports to countries outside the EU were issued for exports to the USA (79), Thailand (64) and India (30). In terms of their value, the greatest volumes of exports were to India in the amount of 743.5 million CZK (29.4 million €), Saudi Arabia in the amount of 217.5 million CZK (8.6 million €) and Thailand in the amount of 149.2 million CZK (5.9 million €).

A total of 874 licences were granted for imports of military equipment in 2010, with a value of 12 167.1 million CZK (481.1 million €), and the actual utilisation under these licences amounted to 9

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of submitting applications for 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 licence during licensing proceedings.

524.2 million CZK (376.6 million €). Only 1 application for an import licence was denied, and 12 applications were withdrawn by businesses themselves. A total of 472 licences were issued for imports from countries outside the EU with a total value of 9 268.7 million CZK (366.5 million €), and the actual utilisation under these licences amounted to 8 520.2 million CZK (336.9 million €). The greatest numbers of licences were issued for imports from the Slovak Republic (86), Great Britain (66) and Italy (27). In terms of their value, the greatest volumes of imports were from Austria in the amount of 3 651.9 million CZK (144.4 million €), Spain in the amount of 3 173.9 million CZK (125.5 million €), Germany in the amount of 574.1 million CZK (22.7 million €), Norway in the amount of 328.8 million CZK (13.0 million €), the USA in the amount of 323.7 million CZK (12.8 million €), and Italy in the amount of 290.8 million CZK (11.5 million €).

For imports with subsequent export (i.e. "brokering") a total of 48 licences were issued with a total import value of 169.4 million CZK (6.7 million €) and a subsequent export value of 242.8 million CZK (9.6 million €). In terms of value, the greatest imports were from Bulgaria in the amount of 15.3 million CZK (604 thousand €) in connection with exports to Vietnam valued at 49.6 million CZK (1 963 thousand €).

Overview of administrative revenues from Licence Administration:

<b>Administrative act</b>	<b>Number of administrative acts performed</b>	<b>Administrative fees collected (CZK)</b>
<b>Authorisations to trade in military equipment</b> (fee paid to account - 20 000 CZK)	47	940 000
<b>Fines for administrative offences</b> (to account)	14	390 000
<b>Licences – military equipment</b> (fee - 1 000 CZK stamp)	1 775	1 775 000
<b>Authorisations - civilian weapons and ammunition</b> (fee - 500 CZK stamp)	1 483	741 500
<b>Authorisations - international control regimes</b> (fee - 500 CZK stamp)	225	112 500
<b>Authorisations – instruments of torture</b> (fee - 500 CZK stamp)	4	2 000
<b>Copies of pages from administrative files</b>		750
<b>REVENUES</b> <b>Licence Administration - total</b>		<b>3 961 750</b>

Note: No fee is charged for the issuance of licences in the case of the export and import of military equipment for the purposes of exhibitions, demonstrations, warranty claims procedures and the free-of-charge export and import of samples.

A more detailed breakdown is given in the annexes to this Report.

## ***1.2 Foreign trade in small arms for civilian use***

In the Czech Republic, foreign trade in civilian weapons and ammunition is regulated by Act No. 228/2005 Coll., on the control of trade in products whose possession is restricted in the Czech Republic for security reasons. The promulgatory regulation for Act No. 228/2005 Coll. is

Government Regulation No. 230/2005, which lists the products subject to this legislation. The legislation applies to revolvers, pistols and certain types of rifles, as well as the relevant ammunition. The control of trade in these arms is carried out in a single stage, in contrast to the two-stage system for controlling foreign trade in military equipment.

The Czech Republic is bound by the common EU rules governing the control of exports of military technologies and equipment (Common Position 2008/944/CFSP) as well as other documents of international law, including in particular international sanctions relating to exports of arms and ammunition. The Ministry of Foreign Affairs provides the MIT's Licence Administration with opinions in regard to applications for export authorisation, which must be taken into consideration before a decision is made on granting or denying an application.

Authorisation is denied if the application requirements are not met, or if this is required by the national security interests of the Czech Republic, or if the applicant's authorisation was previously revoked. According to the law, authorisation may be revoked if the authorisation holder fails to comply with the conditions specified in the authorisation, or if false information was stated in the application, or if required by national security interests.

In 2010, exports of **semi-automatic pistols, revolvers and cartridges** totalled 1 250 867 thousand CZK.

#### **Revolvers and semi-automatic pistols: 27 630 pcs, 187 815 thousand CZK**

These exports went to the following countries (outside the EU): Argentina, Australia, Bangladesh, Belize, Brazil, Chile, Montenegro, the Philippines, Guatemala, Honduras, Croatia, Indonesia, Iceland, Israel, South Africa, Canada, Kazakhstan, Kenya, Colombia, Costa Rica, Kuwait, Madagascar, Macedonia, Malaysia, Moldova, Namibia, Nicaragua, the Netherlands Antilles, Norway, New Caledonia, New Zealand, Pakistan, Panama, Paraguay, Peru, the Russian Federation, El Salvador, Singapore, Serbia, the United Arab Emirates, the United States of America, Switzerland, Tanzania, Thailand, Uruguay, Vietnam and Zambia.

#### **Long firearms: 42 951 pcs, 277 498 thousand CZK**

These exports went to the following countries (outside the EU): Argentina, Australia, Bangladesh, Belize, Bosnia and Herzegovina, Brazil, Chile, Montenegro, Egypt, the Philippines, Greenland, Honduras, Croatia, Indonesia, Iceland, Israel, South Africa, Jordan, Canada, Kazakhstan, Kenya, Costa Rica, Kuwait, Kyrgyzstan, Macedonia, Malaysia, Mexico, Moldova, Mongolia, Namibia, Nicaragua, Norway, the Netherlands Antilles, New Caledonia, New Zealand, Pakistan, Paraguay, Peru, the Russian Federation, El Salvador, Singapore, the United Arab Emirates, the United States of America, Serbia, Switzerland, Tanzania, Thailand, Ukraine, Uruguay, Vietnam and Zambia.

#### **Cartridges: 395 430 790 pcs, 785 555 thousand CZK**

These exports went to the following countries (outside the EU): Andorra, Argentina, Australia, Belarus, Brazil, Bosnia and Herzegovina, Montenegro, Egypt, Georgia, Greenland, Honduras, Chile, Croatia, India, Indonesia, Iran, Iceland, Israel, Japan, South Africa, Jordan, Canada, Kazakhstan, Kenya, Kuwait, Madagascar, Macedonia, Malaysia, Mauritius, Moldova, Norway, New Zealand, Pakistan, Peru, the Russian Federation, the United States of America, Serbia, Sri Lanka, Switzerland, Tanzania, Thailand, Taiwan, Turkey, Ukraine, Uruguay and Vietnam.



### Revolvers and pistols HS Code 9302 - Largest exports

<u>country</u>	<u>pcs</u>	<u>value</u>
1. USA	10 305	57 509 160 CZK
2. Peru	2 509	18 329 888 CZK
3. Paraguay	1 870	8 250 948 CZK
4. Thailand	1 792	15 955 481 CZK
5. Canada	1 324	11 797 763 CZK

### Long firearms HS Code 9303 - Largest exports

<u>Country</u>	<u>pcs</u>	<u>value</u>
1. USA	15 497	74 352 114 CZK
2. Thailand	5 782	37 185 625 CZK
3. Russian Federation	5 085	40 175 694 CZK
4. Australia	4 574	27 628 713 CZK
5. Canada	1 871	13 702 112 CZK

### *1.3 Exports of dual-use items and technologies*

Dual-use items and technologies comprise a broad range of items with industrial, nuclear, chemical and biological uses. Although these items are primarily manufactured and intended for civilian use, they can also be used for military purposes due to their nature and properties, and in particular for the manufacture of weapons of mass destruction (hereinafter "WMD") and their means of delivery or for the manufacture of conventional arms. As a key component of the overall strategy for the prevention of the proliferation of WMD, the export control system used in this area is an important mechanism for preventing the production and accumulation of conventional weapons in high risk regions and the proliferation of WMD and their means of delivery. An effective common system of controls on exports of dual-use items and technologies is vital in order to secure compliance with the international commitments and obligations of the member states of groups engaged in international control regimes (see the relevant part of this Report below) and of the EU in regard to non-proliferation objectives.

In the framework of the EU common trade policy, a control regime for the export of dual-use items and technologies was introduced in the year 2000 under Council Regulation (EC) No 1334/2000. An annex to this regulation lays down a list of dual-use items, summarising all the items on lists agreed upon in the various international control regimes, i.e. the Wassenaar Arrangement (WA), the Australia Group (AG), the Nuclear Suppliers' Group (NSG) and the Missile Technology Control Regime (MTCR). This list of controlled items is updated annually in accordance with the applicable commitments and obligations which each member state has undertaken as a participant in the respective international non-proliferation regimes and as a party to agreements on export controls or as a signatory that has ratified the respective international treaties.

In June 2003, the EU Member States adopted, at the level of their heads of state and government, an Action Plan on Non-Proliferation of Weapons of Mass Destruction. In December 2003, the EU Council subsequently adopted an EU Strategy against the Proliferation of Weapons of Mass Destruction. This strategy specifically calls for the strengthening of policies and procedures for controlling exports of dual-use items.

In April 2004, the UN Security Council adopted Resolution No. 1540, under which all the member states undertook to adopt and strengthen effective measures to implement national control mechanisms designed to prevent the proliferation of nuclear, chemical and biological weapons and their means of delivery. These measures were also to include the introduction of suitable controls on associated materials and, amongst other things, controls on transit and brokering. For this reason,

at the end of 2006 the European Commission issued a Communication on the review of the regime of controls of exports of dual-use items and technologies, and simultaneously submitted a draft revision of the Council Regulation. The main reasons for this were to increase the effectiveness of controls in order to ensure a higher level of security, to ensure a better regulatory environment for the manufacturing sector, and to achieve greater consistency in the application of the regulation by member states by adopting general principles or best practices for its implementation.

After more than two years of negotiations, work on the draft of the new regulation was finally completed during the Czech Presidency in the first half of 2009, and on 5 May 2009 **Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports and the transfer, brokering and transit of dual-use items** was published in the Official Journal of the European Union. The new regulation entered into force on 27 August 2009, and it is fully binding on and directly applicable in all Member States.

The most significant changes introduced in the new Council Regulation (EC) No 428/2009 included the extension of the system of controls of the handling of dual-use items to transit activities and brokering. Other changes relate to the conditions for the use of the Community General Export Authorisation and National General Export Authorisations.

For the purpose of implementing the export control regime, at the national level the Czech Republic has adopted **Act No. 594/2004 Coll., implementing the Community regime for the control of exports and the transfer, brokering and transit of dual-use items**, which was amended by Act No. 343/2010 Coll. effective from 7 December 2010. This act regulates in particular the system of controls used for the exporting of dual-use items, as well as the rights and obligations of persons transporting such items from the Czech Republic to another Member State of the European Union and persons importing such items into the Czech Republic. New regulation has now also been laid down on the control of the provision of brokering services in connection with dual-use items and their transit.

This Act also implements measures adopted under Council Joint Action No. 2000/401/CFSP of 22 June 2000 concerning the control of technical assistance related to certain military end-uses.

The licensing process is applicable in particular to the exporting of goods that are on the list of controlled items (Annex I to Council Regulation (EC) No. 428/2009) and which can only be exported from the EU on the basis of export authorisation.

With the exception of the General Export Authorisation, which is published directly in the Council Regulation, the individual authorisations are issued by the respective licensing authorities of each Member State. Exporters must apply for authorisations in the country where they have their seat. Authorisations have a prescribed format, and can also be submitted to customs authorities in an EU country other than the one from which they were issued. In cases where goods are located in a different Member State from the one in which an application is being made for export authorisation, a consultation procedure is prescribed between the relevant authorities of both Member States.

Authorisation for the export of dual-use items which are not listed in Annex I to Council Regulation (EC) No. 428/2009 is also required whenever the exporter has been informed that the items in question are or may be intended, either in whole or in part, for use in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missile systems capable of delivering such weapons. Authorisation is also required if the purchasing country or country of destination is

subject to an arms embargo and the exporter has been informed that the given items are or may be intended, either in whole or in part, for a military end use, or that the given items are or may be intended, either in whole or in part, for use as parts or components of items listed in the national List of Military Equipment that have been exported without authorisation or in violation of an authorisation.

Since 2005 the Ministry of Industry and Trade has informed all known exporters of items classified under subcategories 8456 - 8466 of the Czech Integrated Tariff (these include various types of machine tools and accessories) that regardless of whether or not these items meet the technical requirements stated on the list of controlled items they may be exported to Iran and Syria solely on the basis of an individual export authorisation issued by the MIT's Licence Administration. In connection with the international sanctions against North Korea, the export of a wide range of products to this country is subject to authorisation. Based on information obtained primarily from the General Customs Directorate, a total of 232 exporters have so far been informed of this obligation and others continue to be alerted to it.

The authority in charge of issuing export authorisations is the Licence Administration of the MIT. The following authorities collaborate with the MIT in assessing individual export authorisation applications: the Ministry of Foreign Affairs, the Ministry of Defence, the Ministry of the Interior and the central intelligence services - all of which provide their opinions based on their respective field of competence - the General Customs Directorate, which is the control authority appointed by law, and also the State Office for Nuclear Safety ("SONS") in its role as the executive and control authority for items of a nuclear, chemical or biological nature.

One of the key elements of the system for controlling exports of dual-use items and technologies is collaboration with the private sector. Exporters and, in particular, manufacturers are jointly responsible with state authorities for the effectiveness of the system of controls. Information on the implementation of the system of export controls is exchanged primarily in consultations held in the course of the routine contact between applicants and the MIT's Licence Administration during the processing of their applications. Exporters can obtain complete and up-to-date information either from the MIT's website or by attending the seminars which it organises. In January 2010 the MIT Licence Administration once again organised, in partnership with the CzechTrade agency, a **seminar (with 70 participants) on the theme of "Control of Exports of Dual-Use Items - Current Practices and New Aspects"**, which followed up on similar seminars held in previous years.

**In 2010, the MIT issued a total of 246 decisions in regard to dual-use items and technologies, of which:**

- 225 granted authorisation for exports, with a total of 32 countries of destination,
- 2 denied authorisation for export,
- 19 suspended administrative proceedings pursuant to Section 66(1)(a) and b) of Act No. 500/2004 Coll., the Administrative Procedure Code, as amended by Act No. 413/2005 Coll.

Additionally, in 22 cases the MIT issued its opinion on applications from exporters for a preliminary examination of the potential for the issuance of an authorisation, and in 2 cases in regard to an assessment of the need to apply for an authorisation.

The largest buyer countries in 2010 included China (39x), The Russian Federation (34x), India (21x), Iran (15x), Serbia (12x), Turkey (11x), Ukraine and Saudi Arabia (6x).

The most frequently exported items in 2010 were:

- engineering products (machine tools and spare parts),
- from the chemical industry primarily sodium and potassium cyanide, "Krasol" (liquid hydroxyl-terminated polybutadiene) and hydrofluoric acid, carbon and aramid fibres,
- scanning electron microscopes,
- detector tubes, chemical warfare agent detection papers,
- protective gas masks.

In 2010 further registrations were made for the use of the Community General Export Authorisation (Annex II to Council Regulation (EC) No. 428/2009) for a total 23 companies exporting to seven specified countries. This brings the current total number of companies that may export on the basis of a General Export Authorization to 56.

## **1.4 Role and status of state authorities and other components in the system of controls**

### **1.4.1 Ministry of Foreign Affairs**

The role and status of the Ministry of Foreign Affairs ("MFA") in controlling exports of military equipment ensue from Act No. 38/1994 Coll., whose amended version stipulates that the opinion of the MFA is binding. Under this Act, the MFA is required to ensure that licences granted and the subsequent exports of equipment do not conflict with the foreign policy interests of the Czech Republic, including in particular commitments ensuing from promulgated international treaties and the Czech Republic's membership of international organisations.

In the case of arms exports, the Czech Republic's foreign policy interests include a range of national security, human rights, humanitarian and other aspects. Policy in this area is based on a comprehensive assessment performed by the entire apparatus of the MFA, including the active participation of representations abroad and also involving consultation with partners in the EU and other international actors. The fundamental prerequisite is that exports be carried out in compliance with international control regimes and the laws of the importing country. At another level, the aim is to minimise the risk that exports will be carried out in a manner other than as declared and guaranteed in the relevant documentation. These risks, which could potentially be associated with criminal activities and the proliferation of the exported items (whether intentionally or unintentionally) to users other than those set out in the end-use statement, are also carefully examined by the other state authorities involved in the licensing procedure.

During the evaluation process - which involves several of its departments - the Ministry of Foreign Affairs also gives significant consideration to the risks which may arise from the use of the items in accordance with the declared intention. In this context, the MFA also takes into account other connected circumstances and the impacts which the shipment might have on the existing human rights situation in the recipient country and potentially worsening it, impacts on the internal security situation in the country, or disrupting the balance of power and the overall situation in the region. A relatively clear statement of the fundamental aspects involved is given in the eight criteria of Council Common Position 2008/944/CFSP, which this Report discusses in the next chapter.

The evaluation of these criteria and the performance of checks on the submitted documentation involve close collaboration between the MFA's headquarters in Prague and representations in the countries of the declared end-users. This process is sometimes quite time-consuming, especially when the Czech Republic has no resident embassy in the country involved. In such cases, the MFA must apply, in accordance with the Act, for an extension of the 20-day term. The system of mutual

formal and informal consultations with other EU Member States is also being continuously developed. The Ministry of Foreign Affairs is making ever greater efforts to use preventive dialogue and communication with private entities as a means to avoid the submission of applications for export licences which would be unacceptable for the Ministry from the very outset. This approach reduces the administrative burden not only on the apparatus of the state but also on private entities, while at the same time reducing the risk of economic losses and potential court disputes. In collaboration with representations abroad, the Ministry of Foreign Affairs increasingly stipulates post-licensing control conditions in its favourable opinions, which not only reduce the risk of violations of the criteria set out under Council Common Position 2008/944/CFSP, but also create pressure on end-users to use the imported military equipment in a transparent and responsible manner.

In 2010, the MFA assessed a total of 1 097 applications for licences to export military equipment, representing an increase of 4% compared to 2009. Of these, the MFA issued unfavourable opinions in 6 cases, i.e. around 0.5% of the total number of applications. This percentage represents a drop by 1.4% from 2009, which is a further result of the increased awareness of Czech arms companies about destinations conflicting with foreign policy, as well as increased informal communication between the MFA and businesses. As a result of these informal consultations (in person at the Ministry or by email or telephone) and through the use of "applications for preliminary approval for the export of military equipment", a number of problematic transactions have been cancelled prior to the formal submission of an export licence application. In addition to improving communication with applicants for export licences, the Ministry also continued to intensify its efforts to set up effective post-licensing measures and controls. The number of favourable opinions granted by the MFA with such conditions stipulated rose from 82 in 2009 to 118 in 2010.

In 2010 the MFA issued an unfavourable opinion on specific applications to export items for various end-users in Gambia, the Democratic Republic of Congo and the Central African Republic. The items involved were on the Czech List of Military Equipment, LME 4 (1 case), LME 3 (3 cases), LME 2 (1 case) and LME 1 (1 case). The MFA applies a particularly restrictive approach when assessing exports of arms designed for the blanket destruction of targets (such as rocket launchers and high-explosive incendiary ammunition). In the framework of its controls on trade in small arms for civilian use, the MFA refused exports to Bosnia and Herzegovina, Madagascar and Pakistan.

As in previous years, the MFA also includes in its overview denied transactions where items from the Czech Republic were to be exported via a broker or where the broker was a company registered in the Czech Republic. In such brokering transactions, the MFA always examines the end-use of the given items and the authorisation of the broker to negotiate these types of transaction<sup>3</sup>.

As in the second half of 2009, some EU Member States, including the Czech Republic, were criticised by Russia in regard to supplies of arms to Georgia. In response to these allegations, the MFA explained that the relevant exports were always assessed on a case by case basis in accordance with national legislation and on the basis of the then politically binding EU Code of Conduct on Arms Exports.

In accordance with Czech law, the MFA also issues its opinion on applications for authorisation to trade in military equipment as part of the two-stage system for controlling exports of military equipment. In general the MFA works primarily on the premise that if an applicant meets the conditions stipulated by law, then as a rule there is no reason to refuse authorisation from the

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<sup>3</sup> At EU level, brokering is dealt with under Council Common Position 2003/468/CFSP.

perspective of foreign policy interests of the Czech Republic. In 2010 the MFA did not issue an unfavourable opinion on any applications for authorisation from the perspective of foreign policy.

The territories involved also form an integral part of the assessment of applications for trading authorisation. In 2010 the MFA denied authorisations to trade in military equipment, or, as applicable, restricted the territorial validity of trading authorisations in the case of countries covered by arms embargoes of the international community and countries whose policies threaten international or regional security or the foreign policy interests of the Czech Republic and its allies<sup>4</sup>. Compared to previous years, the MFA has partially reconsidered its policy towards Armenia and Azerbaijan. It now grants approval only for exports of military equipment of a non-weaponised and non-lethal nature. By the same logic, it also assesses specific applications for licences so as to remain in compliance with the OSCE embargo of 1992.

Along with the other stakeholders, the MFA participated intensively in the finalisation of the amendment to Act No. 38/1994 Coll. The MFA's proposals were motivated by a desire to simplify matters for companies in the case of transactions which are unproblematic from the foreign policy perspective. Companies are to take on a greater share of the responsibility for the control process (e.g. by setting up their internal procedures transparently or by obtaining a security certification for legal entities).

Using its improved communications with the business sector, the MFA is attempting to define clearer guidelines as regards the foreign policy of the Czech Republic in the area of potential exports of military equipment, in order to avoid conflicts with the interests of the state while at the same time allowing room for transparent and responsible trade in this commodity of strategic importance.

In the framework of collaboration aimed at securing controls on exports of dual-use items, the MFA also provides its opinion from the perspective of foreign policy in regard to applications for export authorisations for such items.

#### **1.4.2 Ministry of the Interior**

The role and status of the Ministry of the Interior ("MoI") in controlling and exporting military equipment ensue from Act No. 38/1994 Coll. The MoI is required by law to provide the MIT with its opinion within a set term on all applications for the issuance of authorisation and the granting of licences for foreign trade in military equipment. This opinion is binding and covers the issues of public order, national security and protection of the public.

In the process of issuing its binding opinions, the MoI cooperates closely with the central intelligence services (the Security Information Service and the Office for Foreign Relations and Information) and the Police Presidium of the Czech Republic, from which it obtains important information for assessing applications. It then analyses this information and assesses its relevance before preparing a binding opinion for the MIT.

In order to ensure that all applicants are treated equally, the MoI has issued internal guidelines prescribing the procedure to be followed when issuing opinions and providing information to the MIT. Whenever necessary, the information obtained is as a matter of course discussed and reviewed by the MoI's staff with the entity that provided the information, and only after this has been carried out does the MoI prepare its binding opinion, which must have a proper rationale, especially if it is unfavourable. The MoI prepares all its binding opinions immediately after obtaining the

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<sup>4</sup> This issue is also addressed in Chapter 5 - International arms embargoes.

background materials from the intelligence services and the Czech Police. This is carried out within the time limits set by law.

In the framework of the implementation of Act No. 594/2004 Coll., implementing the Community regime for the control of exports of dual-use items and technology, as amended, the MoI performs an assessment from the perspective of the national security interests of the Czech Republic of all applications for authorisation to export the relevant commodities which are forwarded to it by the MIT. In doing so, it collaborates with the Security Information Service and the Police Presidium of the Czech Republic. The system is analogous to that used in the case of foreign trade in military equipment.

### **1.4.3 Ministry of Defence**

The tasks of defence policy - which is one of the basic tools for furthering the security interests of the Czech Republic - are to ensure territorial integrity and to protect the lives and property of the country's citizens from external threats. Ensuring the defence of its territory in accordance with Article 51 of the UN Charter by means of both its domestic forces and resources and in partnership with its NATO allies is a matter of paramount importance to the Czech Republic.

The powers and authorities of the Ministry of Defence (MoD) in the area of foreign trade in military material are laid down under Act No. 38/1994 Coll.

In accordance with Section 6(2) of Act No. 38/1994 Coll., the MoD provides its opinion in the first stage of control of the two-stage national control mechanism in regard to applications made by legal entities for the issuance of authorisation for foreign trade in military equipment.

In the second stage of control, it issues its opinion, in accordance with Section 16(1)(c) of Act No. 38/1994 Coll., in regard to applications submitted by entities which already hold authorisations for foreign trade in military equipment for the granting of licences for individual transactions involving significant military equipment.

In 2010, the MoI issued 67 favourable binding opinions in proceedings on applications for the issuance of authorisation for foreign trade in military equipment.

Pursuant to Section 16(1)(c) of Act No. 38/1994 Coll. the MoD issues binding opinions in regard to applications of authorisation holders for the issuance of licences for foreign trade in military equipment. The MoD assesses applications from the perspective of ensuring the defence of the Czech Republic. The opinion of the MoD is required in the case of significant military equipment within the meaning of Section 20 of the Act.

The MoD's procedure in issuing its binding opinions in regard to foreign trade in military equipment is prescribed by an internal regulation. During the proceedings, the competent departments of the ministry provide their own individual opinions on the matter. In addition to issues relating to securing the defence of the Czech Republic, the individual opinions of these departments also take into account international commitments ensuing from the Czech Republic's membership of NATO, the EU, the UN and the OSCE, the criteria set out in EU Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, and not least of all obligations arising from the need to comply with the provisions of the Treaty on Conventional Armed Forces in Europe (published in the Czech Republic's Collection of International Agreements No. 94/2003) and the Vienna Document 1999.

In 2010 the MoD received a total of 103 applications submitted by 21 entities - of which 43 were

applications for an opinion in regard to imports, 2 were applications for import and export without transit through the Czech Republic, 58 were applications for an opinion in regard to exports of significant military equipment, and 3 were applications for the export of services. The commodities involved were: tanks and armoured vehicles, military vehicles, aircraft, engineering equipment, large calibre weapons, missile technology, cryptographic devices, small firearms and large calibre ammunition. The countries involved were as follows: Afghanistan 1x, Australia 1x, Belgium 1x, Bosnia and Herzegovina 1x, Bulgaria 9x, Estonia 1x, Finland 1x, Italy 4x, Yemen 1x, Jordan 4x, Kazakhstan 1x, Luxembourg 2x, Hungary 7x, Germany 13x, Norway 6x, Poland 9x, Austria 4x, Romania 2x, Russia 1x, Slovakia 13x, Slovenia 1x, Sweden 1x, Thailand 1x, Turkey 1x, Ukraine 1x, USA 9x, Great Britain 5x and Vietnam 1x.

#### 1.4.4 Ministry of Finance - General Customs Directorate

Customs authorities oversee that all trading activities involving military equipment are carried out only by legal entities that hold authorisation in accordance with Act No. 38/1994 Coll. and that the respective transactions are carried out in the scope and under the terms and conditions stipulated in the licences issued. The Czech Customs Administration also monitors the export of dual-use items in accordance with Act No. 594/2004 Coll., implementing the regime of the European Communities for the control of exports of dual-use items and technologies, as amended (hereinafter "Act No. 594/2004 Coll."). A total of 1 052 dual-use items were exported in 2010 based on licences issued by the Ministry of Industry and Trade (hereinafter the "MIT").

For the purpose of its oversight activities, the MIT provides the General Customs Directorate (hereinafter the "GCD") with information in the extent absolutely necessary regarding licences issued for trade in arms, military equipment and dual-use items. The GCD provides the MIT with retrospective data relating to the utilisation of licences which is generated during the activities of customs offices.

The following numbers of exports and items are recorded in the GCD's database in the area of military equipment for the period 1 January 2010 to 31 December 2010:

HS Code	Description	Number of exports
8710	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	174
8801	Balloons and dirigibles, gliders, hang gliders and other non-powered aircraft	21
8802	Other aircraft (e.g. helicopters, aeroplanes), spacecraft (including satellites) and suborbital and spacecraft launch vehicles	154
8803	Parts of goods of headings 8801 or 8802	1 495
8804	Parachutes (including dirigible parachutes & paragliders) and rotochutes, parts thereof and accessories	565
8805	Aircraft launching gear or similar gear, deck-arrestor or similar gear, ground flying trainers or similar gear, and parts of the foregoing	30
9301	Military weapons, excluding revolvers, pistols and the arms of heading 9307	64
9302	Revolvers and pistols, excluding those of headings 9303 or 9304	503
9303	Other firearms and similar devices which operate by the firing of an explosive charge	548
9304	Other arms (e.g. rifles, carbines and pistols), excluding cutting and stabbing weapons of heading 9307	131
9305	Parts of goods of headings 9301 to 9304	710
9306	Bombs, grenades, torpedoes, mines, missiles and similar munitions of	855



war and parts thereof, cartridges and similar ammunition and parts thereof, including shot and cartridge wads
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Many headings of the Combined Nomenclature are divided into further subheadings for civilian use and others under which it is possible to classify items otherwise not specified in greater detail.

In 2010 one case was found where items subject to the provision of Section 10(4) of Act No. 228/2005 Coll., on the control of trade in products whose possession is restricted in the Czech Republic for security reasons, and amending certain acts, as amended, were exported without an export licence. In one case, items of a military nature were imported without an appropriate licence, thereby fulfilling the objective elements of an administrative offence under Section 25 of Act No. 38/1994 Coll., and violating Section 293(1)(d) of Act No. 13/1993 Coll., the Customs Act, as amended. Customs authorities are the control authorities responsible for controlling compliance with Act No. 594/2004 Coll., implementing the Community regime for the control of exports and the transfer, brokering and transit of dual-use items. In 2010, customs authorities found eight cases of the violation of Act No. 594/2004 Coll.

#### **1.4.5 State Office for Nuclear Safety**

The State Office for Nuclear Safety (SONS) is the central authority of public administration responsible for securing the performance of tasks ensuing from the Nuclear Non-Proliferation Treaty (NPT), the Chemical Weapons Convention (CWC) and the Biological and Toxin Weapons Convention (BTWC). As the executive and control authority for items of a nuclear, chemical or biological nature, SONS performs state oversight in regard to chemical, biological and radioactive agents and nuclear materials, and monitors compliance with the requirements imposed on the handling of such materials. It performs this oversight within the defined scope of its competence and in accordance with applicable national legislation, namely: Act No. 18/1997 Coll., on the peaceful use of nuclear energy and ionizing radiation (the Atomic Act) and amending and supplementing certain Acts, as amended; Act No. 19/1997 Coll., on certain measures associated with the prohibition on chemical weapons, as amended; and Act No. 281/2002 Coll., on certain measures associated with the prohibition on bacteriological (biological) and toxin weapons and amending the Trades Licensing Act, as amended.

Of the controlled items which fall under the competence of SONS, only Schedule 1 chemicals under the Chemical Weapons Convention (highly hazardous substances according to Act No. 19/1997 Coll.) belong in the category of military equipment. No exports of such chemicals were carried out in the Czech Republic in 2010. As regards controls on the export of other chemicals dealt with under the Chemical Weapons Convention, chemicals under Schedule 2 and Schedule 3 of the Convention were exported from the Czech Republic in 2010 (hazardous substances and less hazardous substances respectively under Act No. 19/1997 Coll.).

One Schedule 2 chemical was exported to Poland which forms part of a chemical treatment for fireproofing fabrics.

Schedule 3 chemicals were exported mainly to EU countries (Slovakia, Estonia, Hungary, Bulgaria, Spain, Romania and Germany). Outside of the European Union, Schedule 3 chemicals were exported to Serbia and Croatia.

For chemicals which fall under the Chemical Weapons Convention, monitoring is also necessary in the case of exports to EU countries because the relevant data must be reported to the Technical Secretariat of the Organisation for the Prohibition of Chemical Weapons.

In the framework of export controls on nuclear materials, SONS issued a total of 162 decisions in 2010 in regard to authorisation for exports of nuclear materials, selected items and dual-use items of a nuclear nature within the meaning of Section 9(1)(k) of Act No. 18/1997 Coll.

A total of 15 authorisations were issued for exports of nuclear materials, 12 authorisations for exports of selected items and 111 authorisations for exports of dual-use items of a nuclear nature.

A total of 12 decisions were issued for the export and re-import of dual-use items of a nuclear nature, 2 decisions for the export and re-import of selected items, and 5 decisions for the export and re-import of nuclear materials. Changes to the conditions of the decision were issued in five cases.

In 2010, high-risk biological agents were exported to Slovakia from the Czech Republic by the Veterinary Research Institute (*Newcastle disease virus (poultry)*) and to Austria by the company Baxter BioScience s. r. o. (*Poultry influenza virus /Uncharacterised avian influenza virus - GMO strain reconstructed from: A/Chick/Hong Kong/G9/97(H9N2 and A/PR/8/34(H1N1)*).

#### **1.4.6 Cooperation between control authorities and the public during export control**

Effective performance of controls on foreign trade in military equipment requires the cooperation and coordination of all the bodies of public administration involved – the Ministry of Industry and Trade, the Ministry of Foreign Affairs, the Ministry of the Interior, the Ministry of Defence and the central intelligence services.

One of the objectives of the efforts to establish a system of export controls that is as transparent as possible is to familiarise the Czech public (and in particular journalists and the staff of non-governmental organisations on the one hand, and representatives of manufacturers and traders in military equipment on the other) with the principles and procedures of controls which result from the gradual evolution of the national system in line with the common standards and values of the European Union. For this purpose, annual reports are published which are available to the public in both Czech and English versions.

In order to increase the transparency of the process of granting and rejecting licence applications, the MIT communicated in 2010 with the main non-profit organisations engaged in monitoring trade in military equipment and the control of such trade by competent authorities of the Czech Republic. The MFA is trying by this means to broaden the scope of this transparency to include both the professional community and the general public, and to avoid any communication gap with the non-profit sector.

The MFA has continued to be actively involved in activities at EU level relating to controls on arms exports in third countries even after the end of the Czech EU Presidency. It speaks highly of the Czech control system that foreign partners are interested in learning from Czech experience with the establishment and functioning of its system. In 2010, MFA experts actively participated in organising seminars to promote the establishment of the same arms export control system as is applied in the European Union. These experts participated in a seminar for the countries of the Western Balkans, which took place in Bosnia and Herzegovina, and also in a seminar focused on the member countries of the "Eastern Partnership", which took place in Ukraine. They also took an active role in a seminar focused on the countries of Central Asia organised in Kazakhstan by the NGO Saferworld. As part of an EU-sponsored project organised by UNIDIR, MFA experts participated in a regional seminar in support of the Arms Trade Treaty, which was focused on countries of South and Southeast Asia and which took place in Nepal.

In collaboration with Saferworld they devised a new format for the joint meeting of experts of the Council Working Group on Arms Control (COARM) with non-governmental organisations, which traditionally takes place in the second half of the year in Brussels. In addition to the conventional seminar, a "workshop" was also organised, at which representatives of non-governmental organisations assessed fictitious applications for export licences from the perspective of control experts, and had to reach a final decision. The MFA notes that representatives of Czech non-governmental organisations were once again missing from the event. MFA representatives also actively participated in a seminar organised by the Netherlands, which focused on the application of Criterion 8 of Council Common Position 2008/944/CFSP.

As regards communication with non-governmental organisations, the MFA worked closely with the NGO Saferworld in 2010 on several of its investigative projects concerning, for example, legislation and MANPADS. The Ministry also answered questions from the Czech branch of Amnesty International regarding exports of military equipment to Yemen.

The MFA continues to be available for authorisation holders that wish to consult their business plans.

## **2. The European Union and international collaboration in the field of conventional arms control**

### ***2.1 European Union***

Similarly to all the other EU Member States, the Czech Republic has for many years been observing the basic principles of the EU's Common Foreign and Security Policy (CFSP). In the area of export controls these principles include taking a responsible approach to the export of military equipment and making efforts to reduce and to eliminate the risk arising from the uncontrolled proliferation of weapons.

Thanks to the regular meetings held by its specialists<sup>5</sup> and politicians, the European Union - which on the global level is the most emphatic proponent of thorough and consistent controls on exports of military equipment - has a well-developed system for assessing every licence application.

#### **2.1.1. Council Common Position 2008/944/CFSP**

In 2008 the Council of Foreign Ministers of the EU Member States adopted Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment. Article 2 of this document sets out eight criteria for evaluating every case of arms export in the Member States. These are the eight criteria which were adopted by the EU Member States in 1998 as a politically binding Code of Conduct on Arms Exports<sup>6</sup>. In addition to this, several Articles of Council Common Position 2008/944/CFSP contain reformulations of the Operative Provisions which also formed part of the EU Code of Conduct.

The adoption of these eight common criteria, which Member States are to take into account when deciding on applications for export licences, in the form of a legally binding Common Position is seen by the EU as a signal both to its partners and the European public.

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<sup>5</sup> Meetings of COARM are attended by representatives of the authorities responsible for controlling the export of conventional weapons in the individual Member States. The working group generally meets six times a year.

<sup>6</sup> The EU Code of Conduct on Arms Exports. The established Czech translation does not correspond precisely to the original meaning, as the Code covers not only arms in the sense of weapons but the entire area of military equipment.

The Common Position is not directly applicable in the legal systems of Member States, and neither does it fall under the jurisdiction of the European Court of Justice. Nonetheless, according to Article 15 of the Treaty on European Union (as amended by the Treaty of Nice) "*Member States shall ensure that their national policies conform to the common positions.*" For this reason, some Member States, and the Czech Republic among them, began to take the implementation of the principles of Common Position 2008/944/CFSP<sup>7</sup> into account when amending their national legislation in 2009.

In the Czech Republic the criteria of the Code were already being taken into account during the assessment of all exports in the years prior to this. The elevation of the status of the EU Code of Conduct during arms export control to an EU Common Position and the implementation of its principles into national legislation have strengthened and increased the transparency of the Czech control system, and fully integrated it into the EU framework. The basic principles of the common approach of the EU Member States defined by the eight criteria can be summarised as follows:

1. international commitments of EU Member States (sanctions imposed by the UN Security Council, the EU/EC and the OSCE, non-proliferation agreements etc.);
2. respect for human rights in the country of final destination (Common Position 2008/944/CFSP also newly mentions observance of international humanitarian law);
3. the internal situation in the country of final destination;
4. 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 behaviour of the buyer country with regard to the international community, in particular as regards its attitude to 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 exports with the technical and economic capacity of the recipient country.

The above criteria, their full text, a commentary and recommended procedures for interpreting them contained in the User's Guide comprise a detailed description of the common approach to export policy in the area of conventional arms. In the Czech Republic every licence application is also assessed according to these criteria<sup>8</sup>.

Within COARM, Member States have taken steps to achieve a uniform interpretation and to increase transparency in the area of export controls. Based on the obligations ensuing from the Code and the twelve Operative Provisions adopted together with the Code, the EU has begun to publish Annual Reports on Arms Exports (8th Provision) and to share practical information on the interpretation of the criteria of the Code and on licence applications denied (3rd provision).

The third Operative Provision has probably had the greatest effect in the area of diplomatic correspondence among COARM members. The member states circulate reports on the denial of applications to export military equipment (*denial notifications*) to all the other members states in a prescribed form. Given the risk of their misuse, these notifications have the status of classified

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<sup>7</sup> A number of Member States (e.g. Germany) had incorporated the criteria of the EU Code of Conduct into their national legislation earlier.

<sup>8</sup> In some cases, e.g. criteria 3 and 7, it is difficult to define the territorial applicability of the respective criterion. The MFA monitors the permeability of borders and the boundaries of problematic areas within particular countries. In most cases the logical unit to which restrictions are applied is a nation state.

information.

The database of denials is regularly updated by the Council Secretariat, and during their assessment of each licence application the assessment bodies of the EU Member States cross-check in this database whether another state has not assessed a similar case as being in conflict with the criteria of the Code. If it is discovered that the database contains valid information on the prior denial of an "essentially identical transaction"<sup>9</sup> by any other member state, the member state assessing the current licence application is required to consult it with the member state that had previously rejected a similar transaction. If this consultation does indeed confirm that the two transactions are "essentially identical", the current licence application is denied. If a licence is granted despite a confirmatory result from consultation (*undercutting*) the relevant member state must notify the others of this fact and provide a detailed explanation for its procedure.

In accordance with the provision of Article 15, Council Common Position 2008/944/CFSP will be updated three years after its adoption – i.e. in 2011 - under a Council Decision in accordance with Article 25 of the Treaty on European Union (as amended by the Treaty of Lisbon).

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

An important document which has been prepared in the framework of COARM's discussions is the User's Guide to Common Position 2008/944/CFSP. The text of this document has been continuously updated on a regular basis since it was first published in 2003. In the first half of 2008, during the Slovenian Presidency, the User's Guide was supplemented by a short analysis of the technical capacity of end-users to make effective use of the supplied equipment (pages 70-71 of the English version of the text, the part interpreting the fifth criterion).

The User's Guide provides more precise rules for communication among Member States, makes reference to best practices in licensing, and gives a more detailed explanation of the criteria of Common Position 2008/944/CFSP, namely: 1 (the international commitments of EU Member States), 2 (respect for human rights in the country of destination), 3 (the internal situation in the country as a function of the existence of tensions or armed conflicts), 4 (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 behaviour of the buyer country with regard to the international community, in particular as regards its attitude to terrorism), 7 (the risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions) and 8 (the compatibility of the exports with the technical and economic capacity of the recipient country). It also defines the manner in which Member States are to contribute to the EU Annual Reports prepared on the basis of Article 8 of Common Position 2008/944/CFSP.

For members of the professional community who will be working with the Czech Annual Report for 2010, the most interesting parts of the User's Guide will probably be the second and the third parts of the document, which discuss licensing procedures, and provide a more detailed breakdown of the eight criteria.

In developing the User's Guide, the most difficult task has been to strike a balance between general criteria and their practical application to specific cases. The Czech Republic is not opposed to the use of relatively complex and comprehensive formulations, but it is also aware of the complications that may be associated with the increasing number of aspects for assessment.

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<sup>9</sup> In general, "essentially identical transactions" mean transactions with one and the same end-user and similar supplied equipment.

### **2.1.3 Activities aimed at strengthening control mechanisms in other countries**

Many EU Member States - as well as other countries with developed export control systems - are trying in many different ways to support the control mechanisms of other countries. These activities are being carried out either bilaterally or through international organisations.

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", whose main objectives are to promote the basic principles of the EU Code of Conduct / Common Position 2008/944/CFSP. This involves, in particular, providing assistance with the preparation of a legislative framework for export controls, assisting with the training of the personnel involved in the implementation of national control mechanisms, providing assistance with the preparation of national reports on the control of arms exports, and promoting the project for an international Arms Trade Treaty<sup>10</sup>. Due to its success and practical impact on the application of the EU principles in control regimes, this Joint Action was repeated in 2010, once again with a two-year duration.

### **2.1.4 Position of the Czech Republic in the EU**

The Czech Republic plays an active role in the system of common EU standards for the control of foreign trade in conventional arms. In 2010 the Czech Republic informed the other Member States in the prescribed manner of four cases<sup>11</sup> where it had denied licence applications. In fourteen cases it also formally consulted with other states on their approach to exports by means of questions and answers in regard to the notified denial of a licence application. Naturally, many more informal consultations took place, both at COARM meetings and via telephone and email.

Although it is now standard practice for the members of COARM to share fairly detailed information on licensing mechanisms and their practical application, differences continue to exist between the export policies of the individual Member States, just as their opinions may differ on the EU's policy with regard to different parts of the world. These differences have historical bases, resulting from traditional practices, but are also due to business opportunities and relationships which have arisen in the modern era.

The Czech Republic also has its own specificities which differentiate it from the other Member States. As is clear from a comparison of exports from the Czech Republic and from the other countries which contributed to the 12th EU Annual Report for 2009,<sup>12</sup> there are destinations (outside the EU and NATO member states), where the Czech Republic is a major exporter of military equipment from the EU in terms of the volume of exports carried out.<sup>13</sup> However, these exports should be viewed in the context of the specificities of the individual Member States mentioned above, and since they reflect business activities in a particular given year they should not be considered indicative of any trends as regards foreign trade in military equipment.

In 2009, exports of military material from the Czech Republic accounted for more than half of the total exports of military equipment from the EU in the cases of the following countries: Cameroon,

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<sup>10</sup> For more information see the relevant passage in Chapter 4.

<sup>11</sup> The difference between the number of denials stated above and the number of unfavourable decisions issued by the MFA (see the preceding Chapter) is due to the fact that denials are formulated more generally.

<sup>12</sup> European data on 2010 exports were not available as of the preparation of this report.

<sup>13</sup> The EU report on export controls does not include information on exports from non-EU countries that are not bound by the EU Code of Conduct.

Cape Verde, Ethiopia, Nepal, Slovakia, Ukraine, Yemen and Hong Kong.<sup>14</sup> As regards exports to EU Member States, the greatest percentage of the Czech Republic's exports went to Slovakia (66.7 %). In terms of movements of goods within the EU, exports from the Czech Republic had a 2.52 % share, and Czech exports accounted for 1.71 % of global exports from the entire EU.<sup>15</sup>

More detailed information regarding the nature of the equipment supplied, broken down according to the EU list, can be found in the Twelfth Annual Report of the EU, which was published in the Official Journal of the EU under reference number 2011/C 9/01 on 13 January 2011.

### **3. International cooperation**

Great attention is likewise being given on a global level to the issue of the control of trade in - and generally transfers of - military equipment. This issue is therefore coming to the forefront of international cooperation between countries, and is being discussed on the councils of a number of international organisations. The volume of arms trading worldwide is continually growing. However, the greatest problem does not arise from legal exports to reliable state entities, but from arms sold to illegal non-state paramilitary entities, terrorist groups etc., as these lead to the overall destabilisation of the situation in certain areas – for example in Sub-Saharan Africa.

#### ***3.1 Arms Trade Treaty***

The project for a legally binding treaty of global application to regulate trade in conventional arms can be dated to around 2003, when a coalition of non-governmental organisations launched the Control Arms Campaign calling for an Arms Trade Treaty (ATT). The objective of this campaign was to initiate discussion at international forums and to persuade the governments of as many countries as possible of the urgent need for such an instrument to control international trade in military equipment. The main principles which this legally binding international treaty should include are as follows: the responsibility of each individual state; restrictions on transfers of arms in cases where such arms could be misused to violate international law and to support organised crime and corruption, to jeopardise regional security, stability and sustainable development, or to violate international, regional or national commitments; transparency; and comprehensive controls.

The Czech Republic supports this initiative and is making efforts to assist in promoting it at both bilateral and multilateral levels. At a session of the General Affairs Council in Luxembourg in October 2005, the European Union as a whole also declared its support for the concept of the ATT.

On 6 December 2006, the 61st meeting of the UN General Assembly passed "Resolution No. 61/89 - Towards an Arms Trade Treaty: Establishing a Common International Standard for the Import, Export and Transfer of Conventional Arms" with support from the delegates of 153 countries.

In connection with this initiative aimed at the preparation of a binding international treaty to regulate trade in conventional arms, in the framework of the coordinated approach of EU Member

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<sup>14</sup> These involved: various different types of practice ammunition and grenades (Cameroon); pistols and cartridges (Cape Verde); parts for aircraft and especially for tanks (Ethiopia); parts for combat aircraft, anti-aircraft cannons, ammunition and grenades (Yemen); and miscellaneous equipment (Slovakia). In the cases of Yemen, Nepal, Ukraine and Hong Kong, other EU MS had higher values in terms of licences granted, but some of these do not state a figure for the value of the transactions actually carried out on the basis of the licences, which thereby affects the overall statistics.

<sup>15</sup> In 2009 the following countries had greater values than the Czech Republic in terms of transactions authorised or actually carried out: Austria, Belgium, France, Germany, Italy, Netherlands, Poland, Spain, Sweden and Great Britain. Meanwhile, Belgium, Germany, Poland and Great Britain had higher values in terms of licences granted, but do not state the value of the transactions actually carried out on the basis of the licences. Of the EU MS which joined the EU after 2004, the Czech Republic therefore has the highest value of arms exports actually carried out (Poland could potentially have a higher value of exports, but the EU Annual Report states only the value of the licences granted).

States and the implementation of the above Resolution 61/89 of the UN General Assembly, the Czech Republic submitted a national report to the UN Secretary General supporting the intention to commence the process leading to the agreement of the ATT within the UN. The UN Secretary General published a summary of these national reports during a session of the First Committee of the 62nd General Assembly of the UN in the autumn of 2007.

In the course of 2008, three meetings were held of the Group of Government Experts (GGE). Seven of the twenty-eight members of the GGE represented the EU (FI, FR, DE, RO, IT, UK, ES). The outcome of the complex negotiations of the GGE was a compromise Final Report, which opened a path for further negotiations. The countries which were sceptical included the USA, Russia, China, India, Egypt and Pakistan.

Further to discussion of the GGE Report, the 63rd General Assembly approved (under Resolution 63/240) the creation of an Open-Ended Working Group (OEWG)<sup>16</sup>, whose task was to discuss the objectives, scope and parameters of the eventual treaty. The OEWG met twice in 2009, with the Czech Republic acting as one of its Vice-Chairs.

A further important step was achieved at the meeting of the 64th UN General Assembly in 2009. Under the approved Resolution 64/68 of the UN General Assembly a decision was made to hold a diplomatic conference in 2012 to negotiate the adoption of the Arms Trade Treaty. At the same time, a further decision was made to convert the remaining planned meetings of the OEWG into meetings of a Preparatory Committee leading up to the conference.

The first meeting of the Preparatory Committee (the "PrepCom on the ATT") took place at the UN Headquarters in New York on 12 - 23 July 2010. The meeting was mainly for individual countries to present their initial positions. It is notable that, with the exception of Pakistan, none of the delegations expressed any doubts about the sense and feasibility of the treaty. Even the delegation of the USA - which previously had serious doubts about how realistic these efforts were - engaged fully in the preparatory process. Based on the discussions that took place both in plenary meetings and on particular working groups, facilitators' reports and a Chairman's Summary were prepared as a basis for further negotiations.

To support the process of negotiating the ATT, the EU adopted 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". Plans were also made to hold six regional seminars and several accompanying events in Geneva and New York in 2009 and 2010. In early 2010, the EU also submitted a proposal for an EU Council Decision on EU activities in support of the ATT, in the framework of the European Security Strategy.

In the opinion of the Czech Republic, the Arms Trade Treaty should lay down legally binding regulation on trade in all conventional arms and their respective ammunition. In order for the treaty to become the basis for a reliable and functioning system of arms control, the Czech Republic believes that it should regulate not only all the types of international transactions, such as import, export, re-export, transit and transshipment (i.e. transfers), but also brokering. By adopting it as an internationally binding legal instrument, it will be possible to ensure that the ATT will become a powerful tool guaranteeing the legality and transparency of international arms trade.

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<sup>16</sup> In this context, "Open-Ended" refers to the fact that, unlike the GGE, this working group has an open structure and its meetings can be attended by representatives of all countries. Non-governmental organisations have the status of observers.



### ***3.2. UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects***

The Czech Republic continues to support the efforts of the international community to prevent illicit trade in small arms and light weapons (SALWs) and their uncontrolled proliferation and accumulation. An important framework for the UN's activities in regard to the control of small arms and light weapons (hereinafter "SALWs") is provided by the *UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects* (hereinafter the "UN Programme of Action"). The UN Programme of Action was approved in 2001, and set out the objectives of the international community in this area to 2006. One particular virtue of the UN Programme of Action is that it sets out specific obligations and mechanisms aimed at improving controls on SALWs which are to be put onto the market. These measures can be distinguished according to the level at which they are to be adopted - i.e. the national, regional or global level.

At the *national* level the measures involve *inter alia* the adoption and implementation of legislative standards relating to:

1. controls on the manufacturing, export and import of SALWs,
2. maintaining records and monitoring the movements of SALWs,
3. the destruction of surplus SALWs.

The measures at the *regional* are voluntary and are aimed at increasing mutual transparency. They may also include regionally binding moratoria on the manufacture, import and export of SALWs in order to prevent their undesirable accumulation in a given region or area.

At the *global* level the measures primarily involve cooperation in combating illicit arms trading.

The measures form part of an international effort aimed at averting conflicts in which SALWs are misused, and at resolving such conflicts. The primary measures involved include demobilisation, demilitarisation, disarmament and reintegration projects for ex-combatants. Naturally, a key element is the destruction of SALWs in affected areas.

A component of the implementation of the UN Programme of Action was the adoption in 2005 of an "International Instrument to Enable States to Identify and Trace, in a Timely and Reliable Manner, Illicit Small Arms and Light Weapons" (shortened to the "International Tracing Instrument"), which is a politically binding document.

Biennial Meetings of States are held to discuss methods for strengthening the mechanisms of the UN Programme of Action and to exchange experience derived from its implementation. The 4th Biennial Meeting of States (BMS4), which took place in New York on 14 - 18 June 2010, also assessed the implementation of the "International Tracing Instrument". The meeting pointed out the far-reaching negative impacts of the illicit trade in small arms and light weapons on society and statehood, and its very adverse effects in economic, developmental, humanitarian and political areas.

Emphasis was laid on the primary and indispensable role of each country's government, whose obligations include a government initiative to set up a legislative environment, the preparation of national legislation, and ensuring that corresponding institutional measures and guarantees are put in place.

An associated instrument is bilateral and multilateral international cooperation, significant components of which are the exchange of information and foreign aid and assistance, including the provision of material and financial support and expertise. A success achieved at the meeting was the adoption of a Final Outcome Document, which will be used as background material for a meeting of the Experts Group in 2011. The task of this group will be to prepare the Review Conference of the UN Programme of Action in 2012 (BMS5).

In connection with BMS4, the EU proposed a project to cooperate with the UN to support the Programme of Action, and adopted it in the form of a Council Decision.

The EU's measures in relation to the illicit proliferation of SALWs include a clause prohibiting the illicit accumulation and proliferation of small arms and light weapons (SALWs). On 8 December 2008 this clause became a binding component of international agreements between the EU and third countries.

An EU initiative to prevent the illicit trafficking of SALWs by air transport has been under discussion since 2009, and in spring 2010 a proposal was put forward for a Council Joint Action in this area.

The UN General Assembly gives consideration to the issue of the illicit proliferation of SALWs every year. At its 65th meeting in 2010, the UN General Assembly adopted Resolution No. 65/64 "Illicit Trade in Small Arms and Light Weapons in All Its Aspects" and Resolution No. 65/50 "Assistance to States for Curbing the Illicit Traffic in Small Arms and Light Weapons and Collecting Them". The adopted Resolution No. 65/75 "Preventing and Combating Illicit Brokering Activities" also closely relates to this issue.

In the context of implementing the Programme of Action the Czech Republic is giving consideration to measures at the national level. These include in particular: strengthening legislative standards relating to regulation of the possession, carrying and registration of SALWs; controls on the manufacture, exportation, importation, transit and transfer of SALWs in order to prevent illegal activities, including legal sanctions; marking arms at their points of manufacture and importation; maintenance of records; and the destruction of surplus SALWs. At the regional and global levels, the Czech Republic has engaged in EU initiatives.

As in previous years, in 2010 the Czech Republic once again took part in the implementation of the UN Programme of Action and complied with the requirements of the International Tracing Instrument.

In 2008, the Czech Republic supported the activities of the United Nations Office for Disarmament Affairs (UNODA) by making a voluntary contribution of 1.8 million CZK. This contribution was used in 2009 to organise a UNODA seminar in Prague for participants from West African countries, focused on the implementation of the International Tracing Instrument, and in 2010 for similar activities in other regions.

### ***3.3 Cluster munitions***

The use of cluster munitions (hereinafter "CM") presents great humanitarian risks. Containers dropped out of aircraft or launched from the ground contain relatively large quantities of explosive sub-munitions, which explode before, upon or after hitting the ground. As a weapon with a large range of effect, cluster munitions do not discriminate between combatants and civilians when improperly used. Up to 25% of CM fails to explode on impact, so that its effect then becomes similar to an anti-personnel mine, even when the conflict is over. The sub-munitions have an

attractive appearance for children (generally resembling a shiny round bell), and explode either unpredictably or upon contact, for example during farm work. The Czech army has already stopped using this type of munition, and is gradually destroying its remaining inventories.

In February 2007 the "Oslo Process" was commenced, aimed at banning the use of CM. A total of 46 countries (including the Czech Republic and 20 other EU Member States) agreed to conclude by the end of 2008 a legally binding international instrument that would prohibit the use, production, movement and storage of CM. The *Convention on Cluster Munitions* (CCM) was agreed in Dublin on 30 May 2008 and signed in Oslo on 3 December 2008 by more than 100 countries. The CCM was signed on behalf of the Czech Republic by its Minister of Foreign Affairs Karel Schwarzenberg.

The CCM entered into force on 1 August 2010, i.e. 6 months after ratification by 30 countries. Following this, on 9 - 12 November 2010 the First Meeting of States Parties to the CCM took place in Vientiane. The Czech Republic participated in the meeting as a signatory to the Convention. By the end of 2010, 108 states had signed the Convention, and of these 50 had completed the ratification process. (However, the Convention was not signed by the countries with the largest inventories of cluster munitions). In the Czech Republic, the ratification process has not yet been completed - this can be expected at some time during the course of 2011. The Czech Republic will become a State Party to the Convention six months after the depositing of the instruments of ratification with the Secretary-General of the UN.

The CCM covers similar issues to the forthcoming protocol VI to the *Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects* (CCW). Along with a marginal majority of the other EU countries, the Czech Republic supports both the CCM and the process leading to the new protocol in the framework of the CCW, as without the involvement of the "big players" (which have the largest stocks of CM) no legal documents will have sufficient strength. Another important fact is that the CCM and the potential CCW protocol have different scopes, as the new protocol would regulate the usage of CM which is not covered by the CCM. Expert negotiations on the text of Protocol VI to the CCW are still ongoing. The 4th CCW Review Conference in November 2011 will provide information about the future of these negotiations.

#### **4. International control regimes**

Like other developed industrial countries, the Czech Republic is an active participant in all the important international control regimes covering foreign trade in military equipment, technologies and dual-use items which are applicable to it.

The security risks which the Czech Republic thereby seeks to eliminate at the global level arise mainly from the potential proliferation of weapons of mass destruction and dual-use items, the excessive accumulation of conventional arms in particular countries or regions, and the misuse of weapons for terrorist purposes. International control regimes can be broken down according to their focus into:

1. *The Zangger Committee and the Nuclear Suppliers Group*<sup>17</sup> in the area of nuclear non-proliferation,
2. *The Australia Group* in the area of non-proliferation of chemical and biological weapons,
3. *The Missile Technology Control Regime* in the area of missile delivery systems for weapons of

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<sup>17</sup> The Nuclear Suppliers Group (NSG)

mass destruction,<sup>18</sup>

4. *The Wassenaar Arrangement* in the area of conventional arms and dual-use items and technologies.

Although the activities carried out under most international control regimes are not derived from international treaties (an exception is in the case of the Zangger Committee, whose role is prescribed by the *Treaty on the Non-Proliferation of Nuclear Weapons*), they are nonetheless focused on the consistent performance of the obligations of the participating countries under legally binding international agreements of the UN relating to the prohibition and/or non-proliferation of weapons of mass destruction<sup>19</sup>. This means that international control regimes effectively complement and reinforce the system of these UN instruments. The Arms Trade Treaty which is currently being drafted at the UN may result in further improvements in this area<sup>20</sup>.

In the Czech Republic, trade in nuclear, chemical and biological weapons, and in equipment capable of delivering such weapons, is prohibited under Act No. 38/1994 Coll<sup>21</sup>. A directly related issue is the control of exports of dual-use items, which forms part of the work of the international control regimes described above. With the exception of the Wassenaar Arrangement, the activities of the Czech Republic in these international control regimes have no direct impact on Czech foreign trade in military equipment, and for the most part remain in the area of diplomacy and prevention<sup>22</sup>.

The proliferation of weapons of mass destruction is not the only problem connected with military equipment. Small arms and light weapons kill an unacceptably large number of civilians worldwide, and the global community is also starting to pay increasing attention to this issue. The danger posed by transfers of small arms and light weapons to non-state entities has been demonstrated by examples of the misuse of man-portable air defence systems against civilian aircraft.

The Czech Republic is also active in existing control regimes in the area of small arms and light weapons, and advocates the global enforcement of stricter controls, similar to those by which the Czech Republic itself is bound.

Within the framework of global control regimes there are authorities which focus on specific types of weapons, most often on weapons of mass destruction. The only similar initiative at the global level focused solely on small arms and light weapons - although it is limited to illicit trade in them - is the "UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects", which has already been mentioned above. An alternative to the creation of further special regimes for small arms and light weapons is to increase the emphasis that is placed on this type of equipment in control regimes with a broader focus, whether at the regional<sup>23</sup> or global level<sup>24</sup>.

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<sup>18</sup> Missile Technology Control Regime (MTCR). The associated Hague Code of Conduct (HCOC) is a political document which was adopted in 2002 and which defines measures for building mutual trust in this area.

<sup>19</sup> An important document in this context is United Nations Security Council Resolution No. 1540 (2004) on the non-proliferation of weapons of mass destruction.

<sup>20</sup> See the previous section of the Report.

<sup>21</sup> "Trade in military equipment may not involve weapons of mass destruction, meaning specifically nuclear, chemical and biological weapons." Section 4 of Act No. 38/1994 Coll.

<sup>22</sup> As regards chemical weapons, it cannot be ruled out that international control regimes will have an impact on Czech foreign trade. The issue of the proliferation of weapons of mass destruction is rather more closely related to the issue of dual-use items than of military equipment.

<sup>23</sup> Aside from the EU mechanism for the control of arms exports described above (Common Position 2008/944/CFSP), other examples of regional cooperation in controlling arms transfers include the Nairobi Protocol and similar initiatives in the framework of MERCOSUR, the OSCE or CARICOM.

<sup>24</sup> Besides the Wassenaar Arrangement, the main example is the Arms Trade Treaty which is being prepared.

Activities under the the international control regime of the Wassenaar Arrangement have a real impact on the control of exports of military equipment and small arms for civilian use in the Czech Republic.

**The 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 as a group of countries focusing their attention on a wide range of conventional weapons and dual-use items, i.e. items intended primarily for use in industry, but also capable of being used for the production of conventional weapons.

The activities carried out in the framework of the WA mainly consist of the sharing of information on general aspects of the international trade in strategic goods, including on global trends in the arms trade, the security situation in certain regions, suspicious acquisition patterns of specific countries, suspicious projects or businesses operating in certain countries etc., as well as the exchange of specific information on particular transfers of such items and on denials of licence applications for non-member countries.

The 16th Wassenaar Arrangement Plenary Meeting (Vienna, 8 - 9 December 2010) endorsed all the recommendations prepared over the course of the year by expert working groups. Both the work plan for 2011 and the budget and reports of the various working groups (including changes in the list of controlled items) were approved without any difficulties. The meeting gave attention to the preparation of the 2011 review process and approved the procedure for selecting and appointing a new Head of the Wassenaar Arrangement Secretariat based in Vienna. In 2011 the Czech Republic will assume the position of Chair of the Plenary, and on this basis will perform a range of tasks over the course of the year. Under the Czech chairmanship approval will also be given for the final evaluation of WA activities, and a decision will be made on the new Head of the Secretariat.

The Plenary Meeting did not make any progress in its discussions on the Russian initiative regarding "Best Practices on Re-Export Controls for Conventional Weapons." These discussions will continue on the basis of 3 working documents - the original proposal of the Russian Federation from 2003, a Polish proposal from July 2010 and a new proposal prepared by Norway, which was the Chair of the General Working Group in 2010.

Currently, all of the EU countries except for Cyprus are members of the WA. Turkey continued to block the entry of Cyprus into the Wassenaar Arrangement even at the Plenary Meeting in 2010. The delegations of the United States and France have expressed their support for India's membership.

## **5. International embargoes**

The Czech Republic respects all the arms<sup>25</sup> embargoes imposed by the UN, the EU and the Organisation for Security and Cooperation in Europe (even though the measures announced by the OSCE are not mandatory). It also actively participates in the formulation and updating of such embargoes within the framework of all these international organisations.

The list of countries that are subject to partial or complete international embargoes and the scope of

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<sup>25</sup> This Report does not include any information on restrictive measures in the areas of dual-use items or instruments of torture.

particular embargoes changes continuously over the course of the year based on the relevant UN Security Council Resolutions ("UNSCR"), the EU Council (Common Positions, hereinafter "CP") or potentially other entities.

The texts of embargoes generally state the material which they cover, and the area or end-users that they are directed against. The material is usually described in very broad terms as "arms and related material". Only in particular cases are restrictions placed on the import of heavy equipment,<sup>26</sup> or, conversely, light firearms<sup>27</sup>. In the case of embargoes, the undesirable end-users may be the governments of particular countries (e.g. the EU embargo against Burma/Myanmar) or non-governmental armed militias operating on a certain territory (e.g. the embargo against Lebanon). The respective UNSCR or EU CP usually include exemptions from the embargoes, allowing supplies to peacekeeping missions or to security services protecting the embassies of EU countries.

In particular cases new documents have been issued (UNSCR or CP): in relation to Iran, Cote d'Ivoire, Sierra Leone (in this case the lifting of an embargo was involved), Somalia, Sudan, and subsequently also in relation to Eritrea.<sup>28</sup>

The applicability of the restrictive measures was extended or revised, but without any major change to the impact of the embargo, in the cases of Cote d'Ivoire, Burma/Myanmar, Iran, Liberia, the Democratic People's Republic of Korea, Somalia and Zimbabwe.

The EU maintains complete embargoes, with only minimal exemptions, against *the Democratic People's Republic of Korea, Burma/Myanmar, Iran, Sudan and Zimbabwe*. The embargoes against *Iraq, the Democratic Republic of Congo, Liberia, Cote d'Ivoire and Somalia* allow only supplies to international missions operating in the particular countries, and in some cases also supplies to the central government.

The Ministry of Foreign Affairs continues to monitor the situation in *Uzbekistan* closely, and assesses each application for a licence for the export of military equipment according to the developments there, with particular emphasis on human rights.

The restrictive measures against *Lebanon* limit supplies to transactions approved by the Lebanese government. The EU's Madrid Declaration of 27 June 1989, which imposed an embargo on China shortly after the events on Tienanmen Square, explicitly declares a ban on the export of weapons which can be misused for the suppression of human rights. The embargo against the forces engaged in the Nagorno-Karabakh conflict is interpreted by the EU as an embargo against *Armenia and Azerbaijan*. A special control regime is applied by the member countries of *ECOWAS* amongst themselves (in the West Africa region). This regime covers small arms and light weapons, or, where applicable, other selected types of military equipment. The Czech Republic supports the application of this control regime, and any supplies to ECOWAS countries must be accompanied by the appropriate documentation.

Specific examples of restrictive measures are the *bans on supplies to terrorist groups* and the *ban on the trade in anti-personnel mines and cluster munitions*<sup>29</sup> which is applicable in the Czech Republic.

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<sup>26</sup> In UN terminology, "heavy equipment" refers to weapons included on the UN's UNROCA register. Such UN embargoes limit imports to Iran and North Korea.

<sup>27</sup> For example the ECOWAS moratorium.

<sup>28</sup> The embargo on Eritrea was imposed on the basis of Council Decision 2010/127/CFSP.

<sup>29</sup> See chapter 4.2.

Following the developments that ensued after the presidential elections in Côte d'Ivoire, the UN Security Council adopted Resolution No. 1946/2010, which prolongs, amongst other things, the arms embargo against that country. This does not apply to non-lethal equipment used by the security forces to maintain law and order - although this may only be imported with the prior permission of the Sanctions Committee.

Other UNSCR involving arms embargoes which have been newly adopted (due to the unsatisfactory nature of developments in the relevant territory) are Nos. 1916/2010 (Somalia) and 1929/2010 (Iran).

On the other hand, restrictive measures were lifted in September 2010 in the case of Sierra Leone, under UNSCR No. 1940/2010. This was at the request of Sierra Leone itself, and resulted from positive developments in the country.

A list of restrictions currently in place is available at [www.mzv.cz/kontrolaexportu](http://www.mzv.cz/kontrolaexportu)<sup>30</sup>.

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<sup>30</sup> Or, for example, at <http://www.sipri.org/databases/embargoes>.

## **6. List of annexes**

### **Annex No. 1**

Detailed breakdown of items on the Czech List of Military Equipment (LME) valid from 1 October 2009

### **Annex No. 2**

Licences granted and utilised for the export (sale) of military equipment in 2010

### **Annex No. 3**

Shares of items on the List of Military Equipment in the utilisation of export licences in 2010

### **Annex No. 4**

Exports (sales) of any type of military equipment to foreign entities in 2010

### **Annex No. 5**

Utilisation of licences for the export (sale) of military equipment in the period 2003 - 2010 by end-user country

### **Annex No. 6**

Exports of military equipment - sales to foreign entities carried out in the period 1994 - 2010

### **Annex No. 7**

Licences granted and utilised for the import (purchase) of military equipment in 2010

### **Annex No. 8**

Shares of items on the List of Military Equipment in the utilisation of import licences in 2010

### **Annex No. 9**

Imports (purchases) of any type of military equipment from foreign entities in 2010

### **Annex No. 10**

Imports of military equipment - purchases from foreign entities carried out in the period 1994 - 2010

### **Annex No. 11**

Licences granted and utilised for the import and subsequent export of military equipment in 2010

### **Annex No. 12**

Authorisations to conduct foreign trade in military equipment in 2010

### **Annex No. 13**

Licences to conduct foreign trade in military equipment in 2010



Categories of military equipment under the Czech List of Military Equipment (by LME code)	LME code according to Decree No. 332/2009 Coll.
<b>Smooth-bore weapons with a calibre of 20 mm, and rifle-barrelled weapons with a calibre of 12.7 mm or less</b> weapon parts and components, gun supports, carriages, weapon sights, mountings and clips for tactical accessories, bayonets and glass breakers revolvers and semi-automatic pistols, tasers with dart electrodes submachine guns and automatic pistols automatic rifles rifles and carbines (self-loading, repeating, sporting-type rifles - SA VZ 58 assault rifles etc.) light machine guns smooth-bore weapons with a calibre of less than 20 mm silencers and flash suppressors services	1
<b>Smooth-bore weapons with a calibre of more than 20 mm, other weapons with a calibre of more than 12.7 mm</b> weapon parts and components, gun supports, carriages, weapon sights, mountings and clips for tactical accessories rifles and heavy machine guns guns, howitzers and cannons with a calibre from 20 mm to 70 mm bazookas and RPGs, mortars, grenade launchers, rocket launchers and flame-throwers with a calibre from 20 mm to 70 mm towed artillery systems and rocket launchers with a calibre greater than 70 mm anti-tank cannons with a calibre from 20 mm to 70 mm anti-aircraft cannons with a calibre from 20 mm to 70 mm recoilless cannons with a calibre from 20 mm to 70 mm smoke, gas and pyrotechnic projectors, throwers and generators services	2
<b>Ammunition, fuse setting devices and components for weapons under LME codes 1, 2 and 12</b> parts and components of ammunition small calibre ammunition (up to 12.7 mm) large calibre ammunition (over 12.7 mm) services	3
<b>Mines, bombs, torpedoes, rockets, missiles, explosive devices, charges and components</b> parts and components of mines, bombs, torpedoes, rockets, missiles, explosive devices and charges rockets and missiles (anti-tank and anti-aircraft), including launching devices, guided missile nozzles and re-entry vehicle nosetips hand grenades, bazooka and RPG shells and ammunition for artillery mines, bombs and torpedoes blasting cartridges and charges, demolition kits and devices, demolition charges, including depth charges and demolition and mine clearance devices simulation equipment, simulators and smoke generators Uncategorised equipment and devices designed for handling items falling under LME code 4 according to point 4b of the LME aircraft missile protection systems (AMPS) services	4
<b>Equipment for fire control, alarms and warning devices and equipment for testing</b> fire control, alerting and warning equipment and related systems and test and alignment and countermeasure equipment and its specially designed components and accessories services	5
<b>Ground vehicles and their specially designed components</b> specially designed parts and components of ground vehicles and spare parts tanks with armament armoured fighting vehicles with armament tanks and armoured fighting vehicles without armament ground vehicles as collector's items and for museum exhibits self-propelled artillery systems, self-propelled rocket launchers and mortars amphibious, recovery, rescue and towing vehicles and vehicles used for the transporting of ammunition and weaponry systems other vehicles for military use, hovercraft and ground-effect vehicles services	6
<b>Chemical and biological toxic agents, radioactive materials and related equipment</b> Chemical and biological toxic agents, radioactive materials and related equipment, components and materials services	7
<b>Energetic materials (explosives and related propellants)</b> energetic materials (explosives and related propellants) services	8
<b>Vessels of war, naval gear, equipment, devices and accessories</b> vessels of war, naval gear, equipment, devices, specially-designed components and accessories services	9
<b>Aircraft, lighter-than-air vehicles, unmanned airborne vehicles</b> airborne and ground-based aircraft equipment and systems, their parts and components, and airborne troop and emergency parachutes aero-engines and their parts and components aircraft parts and components and related spare parts aircraft armament and gear armed combat aircraft other aircraft unmanned airborne vehicles services	10
<b>Electronic equipment specially designed for military use and its components</b> electronic equipment specially designed for military use and its components services	11
<b>Kinetic energy weapon systems and their specially-designed components</b> kinetic energy weapon systems and their specially-designed components services	12
<b>Armoured or protective equipment, constructions and components</b> armoured or protective equipment, constructions and components services	13
<b>Equipment for military training or for simulating military operations, and its components</b> specialised equipment for military training or for simulating military operations, and its specially-designed components services	14

<b>Imaging equipment (infra-red image intensifying and recording), special notebooks</b>	
imaging equipment (infra-red, thermal imaging, image intensifying and recording equipment) and its components, and special notebooks	15
services	
<b>Forgings, castings and other semi-finished parts for products under LME codes 1 - 4, 6, 9, 10, 12 and 19</b>	
forgings, castings and other semi-finished parts for products under LME codes 1 - 4, 6, 9, 10, 12 and 20	16
services	
<b>Equipment, materials and "libraries" of technical documentation</b>	
miscellaneous equipment, materials and "libraries" - including technical documentation, robots and mobile workshops	17
services	
<b>Production equipment for the manufacture of the products categorised under the LME</b>	
production equipment for the manufacture of the products categorised under the LME	18
services	
<b>Directed energy weapon systems (DEW)</b>	
Directed energy weapon systems (DEW)	19
services	
<b>Cryogenic and "superconductive" equipment</b>	
cryogenic and "superconductive" equipment	20
services	
<b>Software</b>	
software	21
services	
<b>Technologies for the manufacture of products categorised under the LME</b>	
technologies for the manufacture of products categorised under the LME	22
services	

## Licences granted and utilised for the export (sale) of military equipment in 2010

Exports - countries	Licences granted		Licences utilised		
	Number of licences	Main items of military equipment (LME)	Value thous. EUR	Main items of military equipment (LME)	Utilisation thous. EUR
North Africa	14	10,6,17,3,18	26 672	6,10,22,18	9 493
Algeria	9	10,6,3	23 562	6,10,22	8 961
Libya	4	17,18	2 912	18	13
Tunisia	1	10	198	10,22	519
Sub-Saharan Africa	24	10,3,1,6,11	2 353	10,1,2,6,11,3	1 315
Burkina-Faso	1	1	127		0
Ethiopia	3	10,6	602	10,2,6	754
South Africa	4	10,6,11	2	10,6,11	2
Cameroon	1	3	613		0
Cape Verde	1	3	7		0
Kenya	2	1	42	1,3	29
Dem. Rep. of the Congo	1	11	116		0
Mali	1	10	206	10	181
Mauritania	2	1	22	1,3	6
Namibia	2	1	318	1	148
Nigeria	3	10	151	10	118
Equatorial Guinea	1	6	61	6	42
Togo	1	1	37	1	35
Zambia	1	3	49		0
North America	89	10,6,3,7,4,14,1,11,2,15,5	90 215	10,3,4,14,6,1,22,7,21,15,11,2,5	12 430
Canada	10	3,1,4	1 104	3,1,2,4	551
USA	79	10,6,7,3,4,14,1,11,2,15,5	89 111	10,4,14,6,3,1,22,7,21,15,11,5	11 879
Central America and the Caribbean	15	1,3,13	2 720	1,3	2 735
Costa Rica	3	3,1	173	3,1	153
Mexico	9	1,3,13	2 385	1,3	2 485
Nicaragua	1	1	5		0
Panama	1	3	110	3	97
El Salvador	1	1	47		0
South America	14	3,6,1,8	804	6,1,3,8	517
Brazil	6	6,3,1,8	644	6,1,8	401
Chile	3	3	121	3	91

Colombia	1	8	0	8	0
Paraguay	1	1	8		0
Suriname	2	3,1	8	1	5
Uruguay	1	6	23	6	20
Central Asia	2	1	198	1	41
Kazakhstan	2	1	198	1	41
Northeast Asia	9	10,18,11,3	914	10,11	938
China	6	10,11	835	10,11	921
Republic of Korea	2	18,11	55	11	17
Macao	1	3	24		0
Southeast Asia	103	1,6,10,3,14,11,8,18,7,4,2	19 521	1,6,10,14,11,3,8,18,22,7,15,2,4	11 550
Brunei	0		0	8	21
Philippines	3	1	602	1	365
Indonesia	7	11,1,4,6,2	76	8,11,1,2,6,3	54
Malaysia	11	3,10,7,11,1,4	67	3,10,22,11,1,7,4,15	54
Thailand	64	1,10,3,8	9 936	1,10,3,8	5 897
Vietnam	18	6,1,10,14,11,18,3	8 840	6,14,10,11,18,3,1	5 159
South Asia	80	6,10,14,1,3,18,5,11,7,15,4	41 612	6,10,22,3,14,1,18,5,11,7,15,4	37 205
Afghanistan	8	3,10	1 094	22,3,10	2 560
Bangladesh	29	10,1,3,11	2 598	1,10,3,11	1 438
India	30	6,18,5,7,1,3,15,4,14	31 189	6,5,7,3,4,1,15	29 382
Pakistan	10	10,14,18,11	6 585	10,14,3,22,18,11	3 481
Sri Lanka	3	10,6	146	10,22,6	344
European Union	457	6,10,3,4,15,11,8,2,13,1,7,18,22,21,5,14,16	195 781	10,3,6,4,11,22,2,8,14,13,1,5,7,18,17,15,21,16	86 553
Belgium	13	8,3,1,4,2	2 826	8,3,1,2,18	1 791
Bulgaria	14	3,4,6,10,2,1	7 187	4,3,6,8,10,2	4 684
Denmark	3	3,18	644	3,18	480
Estonia	12	10,11,7,1	1 604	10,11,7,1,3	747
Finland	7	4,11,6,1	311	4,11,6,1,2	308
France	38	8,3,4,18,1,11,14,6,2,15,7,10,5	261	13,10,8,3,1,18,11,4,14,6,7,2,15,5	505
Ireland	0		0	6	17
Italy	13	10,3,8,6	14 191	10,3,8,4,1	7 680
Lithuania	10	8,3,10,4,1	939	8,3,10,4,1	617
Latvia	4	10,1	205	10	993
Luxembourg	10	4,10,1	185	10,1	69
Hungary	17	10,2,5,8,18,6,1	1 382	22,2,8,6,10,18	3 098
Germany	65	3,6,11,10,8,14,16,15,4,18,7,1,13,5	4 637	11,6,10,14,3,8,16,18,15,4,7,13,1,5	6 026
Netherlands	9	13,7,3,1,18,10	409	7,3,18,13,1	181
Poland	56	6,10,3,2,8,4,18,11,1	6 051	6,10,3,2,4,1,18,8,11	4 450

Portugal	5	3	645	3	642
Austria	20	6,15,3,7,11,5	138 858	3,4,6,11,14,22,5,17,15,7	31 348
Romania	7	3,10	274	3,10	256
Greece	2	3,8	237	3,8	223
Slovakia	113	6,3,11,2,10,13,4,1,22,21,7,5,8,18,16,14,15	13 186	6,2,13,1,10,11,21,7,3,5,8,18,22,16,15,14	10 874
Slovenia	7	1,8,10	32	1,8	14
Spain	5	10,3,8	151	10,1,3,8	8 528
Sweden	3	10	863	10,18,11	2 235
United Kingdom	24	10,3,6,2,11,1,15,7	703	10,6,2,11,1,15,3,7	787
Other European countries	74	10,14,18,3,6,2,17,16,1,13,4,7,5,11	16 987	10,6,14,3,18,1,2,17,13,4,7,5,8,11,22	18 525
Azerbaijan	4	10,18,17	4 923	10,18,17	3 117
Bosnia-Herzegovina	2	3	34	3	28
Georgia	4	6,13,11	1 077	6,13,11	4 022
Croatia	5	3,11,7	147	3,8	133
Moldova	1	1	16	3,1	35
Norway	5	14,18,3,2	2 692	14,3,18	2 218
Russian Federation	10	10,1,3,4,5	1 601	10,6,3,1,4,2	3 890
Serbia	2	16,10	296		0
Switzerland	14	14,1,18,7,5,3,10	574	14,18,7,5,3,1,10,22	1 320
Turkey	4	18,1	280	18,1	356
Ukraine	23	10,3,18,2,6	5 347	1,10,2,6,3,18	3 406
Middle East	110	3,6,13,2,1,15,11,8,10,18,4,17	53 221	3,6,13,2,1,4,11,8,15,10,18,7,22,17	35 664
Bahrain	1	3	0	3	0
Egypt	20	3,6,11,8,18,1	10 333	3,6,11,8,7,18,1	7 750
Iraq	3	1	2 412	1	1 491
Israel	37	15,6,3,10,18,4,1,11,8	3 588	6,15,10,3,18,11,22,1,8,4	1 440
Yemen	13	3,6,2	18 338	3,6,2	12 525
Jordan	15	2,3,6,1,17,4	1 890	2,4,3,6,1,17	2 268
Qatar	1	3	4	3	5
Kuwait	0		0	8	41
Lebanon	1	3	128	3	24
Oman	1	3	3	3	3
Saudi Arabia	5	13,3,6,17	12 368	13,3,6,17	8 556
United Arab Emirates	13	6,3,10,1	4 157	6,10,1,3	1 561
Australia and Oceania	14	1,2	81	1,2,4	24
Australia	5	1,2	60	1,2,4	10
New Zealand	9	1	21	1	14
Total	1 005	6,10,3,1,13,2,14,15,11,4,8,17,18,7,22,16,21,5	451 079	6,10,3,1,4,13,11,14,22,2,8,18,5,7,15,17,21,16	216 990

## Shares of items on the LME in the utilisation of export licences in 2010

Country	Share in %	LME code %	LME code %	LME code %	LME code %
Austria	14.45	LME 3 - 45	LME 4 - 23	LME 6 - 13	LME 14 - 5
India	13.55	LME 6 - 100			
Yemen	5.78	LME 3 - 60	LME 6 - 26	LME 2 - 15	
USA	5.48	LME 10 - 63	LME 14 - 8	LME 6 - 8	LME 4 - 8
Slovakia	5.02	LME 6 - 49	LME 2 - 14	LME 13 - 13	LME 1 - 9
Algeria	4.13	LME 6 - 81	LME 10 - 19		
Saudi Arabia	3.95	LME 13 - 73	LME 3 - 25		
Spain	3.94	LME 10 - 97			
Egypt	3.58	LME 3 - 62	LME 6 - 26	LME 11 - 8	
Italy	3.54	LME 10 - 84	LME 3 - 15		
Germany	2.78	LME 11 - 72	LME 6 - 9	LME 10 - 7	
Thailand	2.72	LME 1 - 84	LME 10 - 10		
Vietnam	2.38	LME 6 - 76	LME 14 - 9	LME 10 - 7	LME 11 - 6
Bulgaria	2.16	LME 4 - 48	LME 3 - 27	LME 6 - 20	LME 8 - 5
Poland	2.06	LME 6 - 48	LME 10 - 28	LME 3 - 12	LME 2 - 5
Georgia	1.86	LME 6 - 98			
Russian Federation	1.80	LME 10 - 62	LME 6 - 32		
Pakistan	1.61	LME 10 - 39	LME 14 - 38	LME 3 - 16	LME 22 - 7
Ukraine	1.57	LME 1 - 26	LME 10 - 24	LME 2 - 24	LME 6 - 11
Azerbaijan	1.44	LME 10 - 81	LME 18 - 14	LME 17 - 5	
Hungary	1.43	LME 22 - 83	LME 2 - 10		
Afghanistan	1.18	LME 22 - 59	LME 3 - 34	LME 10 - 8	
Mexico	1.15	LME 1 - 61	LME 3 - 39		
Jordan	1.05	LME 2 - 38	LME 4 - 33	LME 3 - 22	LME 6 - 7
Sweden	1.04	LME 10 - 100			
Norway	1.03	LME 14 - 51	LME 3 - 45		
Belgium	0.83	LME 8 - 56	LME 3 - 40		
United Arab Emirates	0.72	LME 6 - 98			
Iraq	0.69	LME 1 - 100			
Israel	0.67	LME 6 - 61	LME 15 - 15	LME 10 - 8	LME 3 - 6
Bangladesh	0.67	LME 1 - 61	LME 10 - 35		
Switzerland	0.61	LME 14 - 93			
Latvia	0.46	LME 10 - 100			
China	0.43	LME 10 - 99			
United Kingdom	0.37	LME 10 - 96			
Ethiopia	0.35	LME 10 - 64	LME 2 - 26	LME 6 - 10	
Estonia	0.35	LME 10 - 86	LME 11 - 12		
Portugal	0.30	LME 3 - 100			
Lithuania	0.29	LME 8 - 65	LME 3 - 28		
Canada	0.26	LME 3 - 54	LME 1 - 46		
Tunisia	0.24	LME 10 - 78	LME 22 - 22		
France	0.24	LME 13 - 43	LME 10 - 32	LME 8 - 14	LME 3 - 7
Denmark	0.23	LME 3 - 80	LME 18 - 20		
Brazil	0.19	LME 6 - 69	LME 1 - 31		
Philippines	0.17	LME 1 - 100			
Turkey	0.17	LME 18 - 99			
Sri Lanka	0.16	LME 10 - 50	LME 22 - 29	LME 6 - 20	
Finland	0.15	LME 4 - 64	LME 11 - 23	LME 6 - 8	
Romania	0.12	LME 3 - 73	LME 10 - 27		
Greece	0.11	LME 3 - 100			

Mali	0.09	LME 10 - 100			
Netherlands	0.09	LME 7 - 43	LME 3 - 35	LME 18 - 12	LME 13 - 6
Costa Rica	0.08	LME 3 - 98			
Namibia	0.07	LME 1 - 100			
Croatia	0.07	LME 3 - 99			
Nigeria	0.06	LME 10 - 100			
Panama	0.05	LME 3 - 100			
Chile	0.05	LME 3 - 100			
Luxembourg	0.04	LME 10 - 75	LME 1 - 25		
Malaysia	0.03	LME 3 - 96			
Indonesia	0.03	LME 8 - 55	LME 11 - 43		
Equatorial Guinea	0.02	LME 6 - 100			
Kuwait	0.02	LME 8 - 100			
Kazakhstan	0.02	LME 1 - 100			
Moldova	0.02	LME 3 - 67	LME 1 - 33		
Togo	0.02	LME 1 - 100			
Kenya	0.02	LME 1 - 100			
Bosnia-Herzegovina	0.02	LME 3 - 100			
Lebanon	0.02	LME 3 - 100			
Brunei	0.01	LME 8 - 100			
Uruguay	0.01	LME 6 - 100			
Republic of Korea	0.01	LME 11 - 100			
Ireland	0.01	LME 6 - 100			
New Zealand	0.01	LME 1 - 100			
Slovenia	0.01	LME 1 - 68	LME 8 - 32		
Libya	0.01	LME 18 - 100			
Australia	0.01	LME 1 - 82	LME 2 - 15		
Mauritania	0.01	LME 1 - 100			
Suriname	0.01	LME 1 - 100			
Qatar	0.01	LME 3 - 100			
Oman	0.01	LME 3 - 100			
South Africa	0.01	LME 10 - 100			
Bahrain	0.01	LME 3 - 100			
Colombia	0.01	LME 8 - 100			

## Exports (sales) of types of military equipment to foreign entities in 2010

Military equipment (examples)	pcs	countries (most significant)
<b>Revolvers and pistols</b>		
various CZ types, ALFA revolvers	33495	Thailand, Mexico, Bangladesh, USA, Iraq, Philippines
<b>Rifles and carbines</b>		
<i>CZ 858 Tactical, various types by individual items</i>	2413	Belgium, Philippines, Canada, Kazakhstan, Slovakia
<b>Submachine guns</b>		
<i>submachine gun - various types</i>	658	Belgium, Moldova
<b>Automatic rifles</b>		
<i>SA VZ 58 automatic assault rifle</i>	473	Belgium, Kenya
<b>Light machine guns</b>		
<i>PKMS, PKT, various types by individual items</i>	368	Poland, Slovakia
<b>Heavy machine guns</b>		
<i>ZPU-2, GŠ-23/23L, NR-30 and GSh-2</i>	167	Yemen, Russian Federation, Latvia
<b>Tanks</b>		
<i>T-55 with armament, T-72M with armament</i>	72	Slovakia, USA
<b>Armoured fighting vehicles</b>		
<i>BMP-1, PANDUR II in various models (the end user will be the Ministry of</i>	33	Yemen, Austria
<b>Large calibre artillery systems</b>		
<i>howitzer D-30</i>	48	Ukraine
<b>Rockets and missiles, portable anti-tank missile systems</b>		
<i>9M33M3, S-24B</i>	495	Bulgaria, Russian Federation
<b>Airplanes and helicopters</b>		
<i>SU-22M4</i>	16	Latvia

In addition to this, other vehicles were also exported, modified for use as collector's items, e.g. armoured personnel carriers BRDM, BRDM 2, OT 64, tank VT 55A, T 34/85



## Export/sale of military equipment carried out in the years 2003-2010

2010	2009	2008	2007	2006	2005	2004	2003
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approximate value in thous. EUR.

	2010	2009	2008	2007	2006	2005	2004	2003
<b>North Africa</b>	<b>9 493</b>	<b>7 717</b>	<b>17 791</b>	<b>14 650</b>	<b>7 096</b>	<b>3 470</b>	<b>6 043</b>	<b>19 659</b>
Algeria	8 961	6 651	17 221	9 339	2 213	2 265	5 292	17 491
Libya	13	0	383	2 233	712			
Morocco		0				362	199	
Tunisia	519	1 066	187	3 078	4 171	843	552	2 168
<b>Sub-Saharan Africa</b>	<b>1 315</b>	<b>9 439</b>	<b>9 394</b>	<b>11 434</b>	<b>1 581</b>	<b>1 683</b>	<b>1 051</b>	<b>2 188</b>
Angola		0				304		
Chad		0				3		
Ethiopia	754	6 980	2 432	7 334	1 015	839	709	307
Ghana		0		135				
South Africa	2	0	26	160			81	
Cameroon		2 002	106					
Cape Verde		7	4	2		5		
Kenya	29	0					222	733
Democratic Republic of Congo		0						992
Madagascar		0		37				
Malawi		0					1	
Mali	181	0			3	422		
Mauritania	6							
Namibia	148							
Nigeria	118	446	6 532	1 736	539	110	38	156
Equatorial Guinea	42	4		2 030				
Sudan		0	294					
Togo	35							
Zambia		0			24			
<b>North America</b>	<b>12 430</b>	<b>10 305</b>	<b>10 801</b>	<b>10 636</b>	<b>9 433</b>	<b>13 215</b>	<b>4 668</b>	<b>5 429</b>
Canada	551	539	433	410	96	207	110	467
USA	11 879	9 766	10 368	10 226	9 337	13 008	4 558	4 962

<b>Central America and the Caribbean</b>	<b>2 735</b>	<b>1 196</b>	<b>3 156</b>	<b>798</b>	<b>221</b>	<b>1 450</b>	<b>212</b>	<b>281</b>
Dominican Republic		0				33		
Haiti		0	57					
Honduras		0	168					
Costa Rica	153	4	3					
Mexico	2 485	1 192	2 928	533	221	1 333	212	281
Panama	97	0		265				
Trinidad and Tobago		0				84		
<b>South America</b>	<b>517</b>	<b>7 560</b>	<b>1 192</b>	<b>563</b>	<b>1 208</b>	<b>1 907</b>	<b>1 505</b>	<b>615</b>
Brazil	401	6 358	75	64				
Ecuador		1 015			68	63		
Chile	91	7	87	62	3		1	243
Colombia		176	815	251	438	1 733	1 424	372
Peru		0				1		
Suriname	5							
Uruguay	20	4	215	186	118	110	80	
Venezuela		0			581			
<b>Central Asia</b>	<b>41</b>	<b>27</b>	<b>4</b>	<b>0</b>	<b>324</b>	<b>1 515</b>	<b>1 815</b>	<b>122</b>
Kazakhstan	41	22			324	1 515	1 685	122
Kyrgyzstan		5	4					
Uzbekistan		0					130	
<b>Northeast Asia</b>	<b>938</b>	<b>57</b>	<b>630</b>	<b>299</b>	<b>1 282</b>	<b>2 165</b>	<b>3 038</b>	<b>132</b>
China	921	44	189		1 166	2 162	3 006	100
China - Hong Kong		1			1			
Japan		7	16	93	81			
Republic of Korea	17	5	67					32
Mongolia		0	24	4	34	3	31	
Taiwan		0	334	202			1	
<b>Southeast Asia</b>	<b>11 550</b>	<b>10 992</b>	<b>23 129</b>	<b>5 622</b>	<b>5 650</b>	<b>6 032</b>	<b>4 921</b>	<b>5 262</b>
Brunei	21	0						
Philippines	365	40	151	69	19		12	83
Indonesia	54	0	19	431	167		625	1 778
Cambodia		0	29					
Malaysia	54	3 633	17 306	473	357	21	3	45
Singapore		0	95		139	15		
Thailand	5 897	5 260	4 209	4 277	2 221	2 268	3 146	2 519

Vietnam	5 159	2 059	1 320	372	2 747	3 728	1 135	837
<b>South Asia</b>	<b>37 205</b>	<b>33 104</b>	<b>41 282</b>	<b>53 423</b>	<b>9 186</b>	<b>5 579</b>	<b>20 791</b>	<b>17 736</b>
Afghanistan	2 560	347	520	920	205	355	1 842	
Bangladesh	1 438	785	414	326	437	578	1 021	565
India	29 382	17 097	20 430	39 457	7 024	3 793	17 240	17 025
Nepal		33						
Pakistan	3 481	14 289	9 004	12 697	46	3	2	12
Sri Lanka	344	553	10 914	23	1 474	850	686	134
<b>European Union</b>	<b>86 553</b>	<b>70 823</b>	<b>44 562</b>	<b>41 326</b>	<b>38 639</b>	<b>33 850</b>	<b>30 314</b>	<b>21 043</b>
Belgium	1 791	1 533	573	528	257	277	456	179
Bulgaria	4 684	1 976	517	182				
Czech Republic		0		5 454				
Denmark	480	438	116		4			
Estonia	747	423	51	4 231	3 158	19	68	29
Finland	308	54	10	19	72	138	48	85
France	505	506	1 786	375	216	12	534	248
Cyprus		1			59	488		
Ireland	17							
Italy	7 680	10 477	5 733	226	13			
Lithuania	617	2 375	445	2 415	435	797	262	1 295
Latvia	993	349	78	2 486	3 318	606	47	16
Luxembourg	69	17	184	300	18			
Hungary	3 098	1 529	171	1 012	99	1 283	988	2 377
Malta		25	14	26				
Germany	6 026	8 754	4 234	5 918	3 865	1 765	3 992	1 466
Netherlands	181	137	113	232	100	48	33	54
Poland	4 450	4 502	7 648	3 149	6 271	4 556	7 424	1 639
Portugal	642	77	14	28	14	50	7	
Austria	31 348	11 584	1 868	2 442	956	7	52	4
Romania	256	193	175	299				
Greece	223	502	226	343	361	286	69	21
Slovakia	10 874	21 613	18 972	10 696	18 748	21 089	13 085	12 866
Slovenia	14	1 345	21	19	14	97	64	70
Spain	8 528	1 845	1 033	295	206	193	330	325
Sweden	2 235	322	247		383	240		334
United Kingdom	787	246	333	651	72	1 899	2 855	35

<b>Other European countries</b>	<b>18 525</b>	<b>6 758</b>	<b>27 795</b>	<b>20 802</b>	<b>9 598</b>	<b>7 734</b>	<b>5 314</b>	<b>3 961</b>
Azerbaijan	3 117	0	466	470	230	717	165	363
Bosnia-Herzegovina	28	22						
Bulgaria		0			540	1 622	460	169
Georgia	4 022	40	14 023	13 244	6 196	3 264	2 043	1 363
Croatia	133	650	120	593			96	13
Macedonia		0	190		68	25	1 148	
Moldova	35	14	3	43				
Norway	2 218	72	14	544	2			1
Romania		0			838	207	81	263
Russian Federation	3 890	3 218	9 864	3 142	327	1 021	911	1 705
Switzerland	1 320	248	2 347	241	66	25	31	82
Turkey	356	195	251	30	9	41	21	2
Ukraine	3 406	2 299	517	2 495	1 322	812	358	
<b>Middle East</b>	<b>35 664</b>	<b>17 129</b>	<b>9 872</b>	<b>15 065</b>	<b>8 744</b>	<b>9 456</b>	<b>10 019</b>	<b>6 460</b>
Egypt	7 750	4 191	7 124	6 177	4 646	3 443	1 648	854
Iraq	1 491	975	962	2 404	38	2 063	2 873	2 286
Israel	1 440	362	161	394	261	1 289	821	1 803
Yemen	12 525	10 498	1 230	1 854	3 071	4	2 355	
Jordan	2 268	38	121	553	299		1	295
Qatar	5							
Kuwait	41	143			12	186		
Lebanon	24	0				712	342	140
Oman	3	83				5		
Saudi Arabia	8 556	4		2 578		551	957	
United Arab Emirates	1 561	835	274	1 105	202	936	1 022	972
Syria		0			215	267		110
<b>Australia and Oceania</b>	<b>24</b>	<b>10</b>	<b>6</b>	<b>107</b>	<b>27</b>	<b>2</b>	<b>7</b>	<b>0</b>
Australia	10	0	6			2		
New Zealand	14	10		107	27		7	
<b>Total</b>	<b>216 990</b>	<b>175 117</b>	<b>189 614</b>	<b>174 725</b>	<b>92 989</b>	<b>88 058</b>	<b>89 700</b>	<b>82 888</b>

**Exports of military equipment carried out according to available data -  
sales to foreign entities in the years 1994-2010  
(millions EUR)**

<b>Year</b>	<b>Amount</b>
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
2009	175,1
2010	216,99

## Licences granted and utilised for the import (purchase) of military equipment in 2010

Imports - countries	Number of licences	Licences granted		Licences utilised	
		Main items of military equipment (LME)	Value in thousands of EUR	Main items of military equipment (LME)	Utilisation in thousands of EUR
North Africa	3	10,6	1 927	10	629
Algeria	2	10,6	621	10	576
Tunisia	1	10	1 306	10	53
Sub-Saharan Africa	5	5,1	23	5,1	16
South Africa	5	5,1	23	5,1	16
North America	250	10,11,1,15,13,3,5,7,6,14,22	58 119	10,11,15,6,3,1,22,5,13,2,4,7	13 319
Canada	15	11,3,10	437	11,3,10,1	509
USA	235	10,11,1,15,13,5,3,7,6,14,22	57 682	10,15,11,6,3,1,22,5,13,2,4,7	12 810
South America	3	3	776	3	393
Brazil	3	3	776	3	393
Central Asia	5	11,1	2 103	11	1 114
Kazakhstan	1	1	9		0
Kyrgyzstan	4	11	2 094	11	1 114
South Asia	3	10,14	0	10	74
Afghanistan	0		0	10	0
Bangladesh	2	10	0	10	74
Pakistan	1	14	0		0
European Union	472	6,10,5,1,11,3,18,15,4,14,13,8,7,2,9,17,12,19	366 575	6,10,3,4,14,18,11,1,5,15,13,22,17,8,2,7,12,19	336 861
Belgium	11	11,1,2,18,3	4 743	1,18,10,11,3,2	1 554
Bulgaria	16	3,8,4,6,14	2 560	6,8,3,4,2,10,14,22	3 579
Denmark	1	13	7	18,13	1 829
Finland	3	6,17	516	17	9
France	25	10,18,15,11,5,13,4,3,12	10 372	15,18,10,22,5,13,4,3,12,11	2 603
Gibraltar	1	2	3	2	3
Italy	27	6,3,10,1,8,15	34 894	6,10,22,3,15	11 506
Lithuania	9	18,10,3,11	1 866	10,18,22,3	2 043
Latvia	5	10	748	10	152
Luxembourg	2	4	0		0

Hungary	9	6,2,10,3,8	1 102	6,3,2,10,4,8	2 362
Germany	128	11,5,18,1,3,6,10,17,8,7,13,4,2,14,15,19	8 013	4,3,18,11,6,1,5,10,7,13,8,17,22,2,19,15	22 695
Netherlands	4	15,5,12	2 745	15,5	1 177
Poland	39	1,3,6,10,4,8,2,11	2 037	3,10,6,1,8,4,2,11	2 931
Portugal	1			11	0
Austria	21	6,4,14,1,18,13,3	239 102	6,3,14,4,17,1,18,13,22	144 393
Romania	2	4,3	1 136	1	547
Slovakia	86	6,1,3,10,13,9,11,7,2,8,4,14	16 264	6,3,13,10,4,1,7,8,11,14,2,5	6 412
Slovenia	2	6	0	6,2	0
Spain	5	10,15	27 958	10,3,15,4,1	125 456
Sweden	9	5,6,8,2	9 799	6,5,3,8,2	4 629
United Kingdom	66	11,7,10,6,2,1,3,15,8	2 710	11,10,22,6,2,3,7,15,8	2 981
Other European countri	107	2,10,3,6,11,14,5,17,8,1,4,13	47 439	3,2,10,11,14,5,22,17,7,6,8,1,13,15	22 118
Albania	2	3,8	2 157	3,8	935
Bosnia-Herzegovina	2	2,3	208	2	70
Montenegro	1	4	65		0
Croatia	2	11,1	0	1	0
Norway	16	2,11,8,1,3	21 416	3,2,11,8,15,22	13 042
Russian Federation	41	10,14,6,5	18 858	10,14,11,22,5	5 314
Serbia	4	1,6,13	72	3,13	385
Switzerland	18	5,17,10,11,1,3,8	754	3,5,17,7,10,1,8	787
Turkey	2	3,2	8		0
Ukraine	19	3,6,10,1	3 901	10,3,22,6,1	1 585
Middle East	26	10,4,11,6,1,18	4 205	4,10,11,1,6,18,13,5	2 107
Egypt	3	6	0		0
Israel	19	10,4,11,1,6,18	4 132	4,10,11,1,18,13,6,5	2 069
Jordan	4	6	73	6	38
Total	874	6,10,2,11,3,5,1,18,15,4,13,14,8,7,17,9,12,22,19	481 167	10,6,3,4,14,2,11,18,1,15,5,13,22,17,8,7,12,19	376 631

## Shares of items on the LME in the utilisation of import licences in 2010

Country	Share in %	LME code %	LME code %	LME code %	LME code %
Austria	38.34	LME 6 - 77	LME 3 - 13	LME 14 - 8	
Spain	33.31	LME 10 - 99			
Germany	6.03	LME 4 - 78	LME 3 - 7	LME 18 - 5	
Norway	3.47	LME 3 - 49	LME 2 - 46	LME 11 - 5	
USA	3.41	LME 10 - 67	LME 15 - 8	LME 6 - 7	LME 11 - 7
Italy	3.06	LME 6 - 94	LME 10 - 5		
Slovakia	1.71	LME 6 - 47	LME 3 - 18	LME 13 - 16	LME 10 - 8
Russian Federation	1.42	LME 10 - 86	LME 14 - 12		
Sweden	1.23	LME 6 - 60	LME 5 - 32	LME 3 - 5	
Bulgaria	0.96	LME 6 - 87	LME 3 - 5	LME 8 - 5	
United Kingdom	0.80	LME 11 - 71	LME 10 - 13	LME 22 - 8	LME 6 - 6
Poland	0.78	LME 3 - 43	LME 10 - 38	LME 6 - 16	
France	0.70	LME 15 - 26	LME 18 - 24	LME 10 - 23	LME 22 - 11
Hungary	0.63	LME 6 - 76	LME 3 - 14	LME 2 - 5	
Israel	0.55	LME 4 - 69	LME 10 - 16	LME 11 - 11	LME 1 - 5
Lithuania	0.55	LME 10 - 98			
Denmark	0.49	LME 18 - 100			
Ukraine	0.43	LME 10 - 47	LME 3 - 40	LME 22 - 7	LME 6 - 5
Belgium	0.42	LME 1 - 67	LME 18 - 14	LME 10 - 10	LME 11 - 5
Netherlands	0.32	LME 15 - 99			
Kyrgyzstan	0.30	LME 11 - 100			
Albania	0.25	LME 3 - 98			
Switzerland	0.21	LME 3 - 42	LME 5 - 28	LME 17 - 12	LME 7 - 9
Algeria	0.16	LME 10 - 100			
Romania	0.15	LME 1 - 100			
Canada	0.14	LME 11 - 62	LME 3 - 22	LME 10 - 15	
Brazil	0.11	LME 3 - 100			
Serbia	0.11	LME 3 - 97			
Latvia	0.05	LME 10 - 100			
Bangladesh	0.02	LME 10 - 100			
Bosnia-Herzegovina	0.02	LME 2 - 100			
Tunisia	0.02	LME 10 - 100			
Jordan	0.01	LME 6 - 100			
South Africa	0.01	LME 5 - 96			
Finland	0.01	LME 17 - 100			
Gibraltar	0.01	LME 2 - 100			
Portugal	0.01	LME 11 - 100			
Croatia	0.01	LME 1 - 100			
Slovenia	0.01	LME 6 - 100			
Afghanistan	0.01	LME 10 - 100			



## Imports (purchases) of types of military equipment from foreign entities in 2010

Military equipment (examples)	pcs	countries (most significant)
<b>Revolvers and pistols</b>		
various models: GLOCK, Beretta, Colt;	1620	Israel, Germany, Ukraine, Austria
<b>Rifles and carbines</b>		
various types: Mosin, SVT and RADOM-SPORT and Works 11	1514	Germany, Ukraine, Poland
<b>Submachine guns</b>		
PM, UZI, HK submachine guns and Auto pistols	2546	Poland, Germany, Ukraine
<b>Automatic rifles</b>		
M6A2 calibre 5.56 mm	19	USA
<b>Light machine guns</b>		
DShK, KPT	885	Slovakia, Belgium
<b>Heavy machine guns</b>		
M2 QCB AA, ZPU-2	4	Belgium, Poland
<b>Tanks</b>		
T-55, VPV	74	Bulgaria
<b>Armoured fighting vehicles</b>		
Pbv-501, PANDUR II, IVECO, BRDM-2, OT 64, BVP	473	Austria, Hungary, Sweden, Italy
<b>Large calibre artillery systems</b>		
D-30 howitzer, 85 mm calibre cannon, Acacia howitzer	7	Hungary, Slovakia, Poland
<b>Rockets and missiles, portable anti-tank missile systems</b>		
SPIKE	65	Germany
<b>Airplanes and helicopters</b>		
	0	

**Imports of military equipment carried out according to available data -  
purchases from foreign entities in the years 1994-2010  
(millions EUR)**

<b>Year</b>	<b>Amount</b>
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
2009	179,6
2010	376,63

## Licences granted and utilised for the import and subsequent export of military equipment in 2010

Imports (I) - countries	Exports (E) - countries	Number of licences	Licences granted			Licences utilised		
			Main items of military equipment (LME)	Value - I thous. EUR	Value - E thous. EUR	Main items of military equipment (LME)	Utilisation - I thous. EUR	Utilisation - E thous. EUR
North Africa		1	6	0	0		0	0
Algeria	Slovakia	1	6	0	0		0	0
North America		2	11	9	13	11,7	109	138
USA	Croatia	1	11	9	13	11	10	10
USA	Poland	1	11	0	0	11	98	127
USA	Slovakia	0		0	0	7	1	1
European Union		18	10,6,1,7,11,3	3 857	5 700	10,6,7,11,3	1 782	3 790
Bulgaria	Bangladesh	0		0	0	6	217	292
Bulgaria	Vietnam	1	6	561	1 823	6	604	1 963
France	Germany	1	3	2	4	3	2	4
Latvia	Latvia	1	10	1 273	1 273	10	82	891
Germany	Thailand	1	10	5	7			7
Poland	Jordan	1	10	0	0		0	0
Poland	Poland	1	10	835	835	10	583	
Romania	Latvia	0		0	0			471
Romania	Poland	1	1	160	331		0	0
Slovakia	Bangladesh	0		0	0	10	8	8
Slovakia	Ethiopia	1	10	58	83	10	58	81
Slovakia	Poland	1	6	442	509		0	0
Slovakia	Russian Federation	2	11	199	249	10,7	141	43
Slovakia	USA	1	10	9	13			13
Slovakia	Vietnam	1	10	249	473		0	0
United Kingdom	Poland	1	11	2	13	11	2	13
United Kingdom	Slovakia	3	10	2	4	10,11	2	4
United Kingdom	Thailand	1	10	60	83	10	83	
Other European countries		26	10,6,11,5,3	2 809	3 853	10,5,11,6,3	1 613	2 229
Norway	Slovakia	2	3	26	32	3	26	31
Russian Federation	Algeria	1	10	41	83	10	39	80
Russian Federation	Azerbaijan	2	10	1 228	1 814	10	563	856
Russian Federation	Bangladesh	1	10	8	12		0	0
Russian Federation	Bulgaria	1	10	142	155		0	0
Russian Federation	Egypt	3	11	240	333	11,1	252	352

Russian Federation	Ethiopia	1	10	76	110	10	73	106
Russian Federation	Poland	1	10	9	9	10	10	10
Russian Federation	Russian Federation	1	10	0	0		0	0
Russian Federation	Sri Lanka	1	10	8	11	10	7	9
Switzerland	Georgia	1	5	111	145	5	264	341
Ukraine	Algeria	6	6	594	704	6	219	233
Ukraine	Bangladesh	1	10	47	70	10	116	150
Ukraine	Egypt	1	5	113	157	5	44	61
Ukraine	Ethiopia	2	6	143	192		0	0
Ukraine	India	1	6	23	26		0	0
Middle East		1	11	0	0		0	0
Egypt	Russian Federation	1	11	0	0		0	0
Total		48	10,6,11,5,1,7,3	6 675	9 566	10,6,11,5,7,3	3 504	6 157

**Authorisations to conduct foreign trade in military equipment in 2010**

<b>Number of applications submitted for authorisation</b>	<b>44</b>
<b>Number of decisions on issuance of authorisation</b>	<b>47</b>
of which unfavourable	<b>0</b>
<b>Number of authorisations cancelled</b>	<b>2</b>

<b>Number of applications for the modification of authorisation</b>	<b>72</b>
<b>Number of decisions on the modification of authorisation</b>	<b>66</b>

<b>Number of authorisation holders as of the end of 2010</b>	<b>169</b>
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<b>Number of authorisation holders as of the end of 2009</b>	<b>161</b>
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**Licences to conduct foreign trade in military equipment in 2010****a) Application procedures ending in the granting of a licence**

<b>Licences granted - total</b>	<b>1927</b>
for exports	<b>1005</b>
for imports	<b>874</b>
for imports with subsequent export (i.e. brokering)	<b>48</b>

**b) Application procedures ending in the denial of a licence**

<b>Licences denied - total</b>	<b>8</b>
for exports	<b>7</b>
for imports	<b>1</b>

**c) Application procedures where the applicant withdrew its application**

<b>Number of withdrawn applications</b>	<b>43</b>
for exports	<b>31</b>
for imports	<b>12</b>