

## STRATEGIC GOODS COMMISSION ACTIVITY REPORT YEAR 2005

The Strategic Goods Commission is a licensing body within the Ministry of Foreign Affairs, which is composed of the representatives of MFA, Ministry of Defence, Ministry of Economic Affairs and Communications, the Security Police Board and Estonian Tax and Customs Board. Pursuant to the Strategic Goods Act, Article 48, the Strategic Goods Commission submits an activity report to the Government at least once a year.

The goal of the international export control regimes of strategic goods is peace and security via surveillance of the supply of arms and dual-use goods. Export control regimes have been developed to guarantee that the agreements on combating international distribution of arms shall be implemented. Each year the importance of export control increases in relation with combating terrorism and non-proliferation.

For Estonia the major event in the line of international cooperation in 2005 was definitely the accession to the Wassenaar Arrangement. The process of accession to this export control regime started already in 1999, when the order of the Government of the Republic of Estonia nr 927-k authorised MFA to prepare accession to the Wassenaar Arrangement and other export control regimes. Republic of Estonia delivered the wish to access to the Head of the Secretariat of Wassenaar Arrangement with a letter dated 6 October 1999 Nr 6.-5/14629.

To accede to Wassenaar Arrangement the support from other states participating in the regime is required. A country is taken to be a new participating state of the regime with decision reached by consensus. At a Plenary Session of December 2004 the 34 member states agreed that Estonia had made efficient progress when applying export control and Estonia was ready to become a participating state of the regime.

The decision of the Plenary Session was announced to Estonia with a letter dated 19 April 2005 written by the Head of the Secretariat of Wassenaar Arrangement. For the completion of the accession process it was necessary to exchange notes between the Republic of Estonia and the Plenary Chair where Estonia confirmed that it will follow the principles of Wassenaar Arrangement.

Previously coordinated notes were exchanged after the Government of Estonia had approved of the accession on 12 May 2005. On 13 May 2005, the Chairman of the regime, ambassador Dorothea Auer sent a note to the participating states of Wassenaar Arrangement, where it informed of the completion of the process and Estonia's accession. This is also an official date of the accession for Estonia.

Starting from the official date of accession the officials of Estonia export control had received a possibility to participate as full members in the General Working Group of Wassenaar Arrangement<sup>1</sup>. In Wassenaar Plenary Session in December 2005 Estonia participated already as a full member.

Owing to the participation in the work of Wassenaar Arrangement for the Strategic Goods Commission the access to information necessary for processing the applications for import, export and transit license of strategic goods connected to

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<sup>1</sup> General Working Group – GWG

conventional weapons has improved. Also as regards to the information on sensitive end-users, area of application and states. Members of the Commission have their say in the decision process and establish direct contacts with colleagues from participating states of the Wassenaar Arrangement. This all improves the decision making process of the Strategic Goods Commission.

In 2005 Estonia participated as full member in Plenary meeting of the Australia Group in Australia, Sydney; in the Nuclear Suppliers Group Plenary Session in Oslo and in extraordinary Plenary Meeting on the issue of Iran in Vienna. Accession to the fourth export control regime - The Missile Technology Control Regime – is scheduled into the plans of 2006.

The Strategic Goods Commission has always laid stress on enhancing the education in the field of strategic goods. Also in 2005 there were several projects which covered this area.

From 28 October - 4 November 2005 there was a general training exercise “Estonia Gateway 2005” in Estonian Public Service Academy, with the aim of checking the capabilities and cooperation of operative services when reacting in the field of chemical and radiation protection and check the efficiency of protection system of population on state level. Security Police, Border Guard Administration, Police Board and Rescue Board, Estonian Public Service Academy, Public Prosecutor’s Office, Radiation Centre, Estonian Tax and Customs Board and State crisis management team (altogether more than 150 persons) participated at the training exercises. Organisers of the training were US Defense Threat Reduction Agency (DTRA) and Ministry of Internal Affairs. The scenario of the training exercise included among other things the identification and neutralisation of chemical weapon, collection and analysing of chemical and health damaging agents, discovering and analysing false documentation, identifying radioactive danger and liquidation.

2005 saw a full scale implementation of electronic licence-application approval info-system for strategic goods, which means a significant improvement in information exchange between the members of commission and expedites licence proceeding.

## **Statistics of the activity of Strategic Goods Commission**

### **1. Number of licences, certificates and end-use control documents**

Strategic Goods Commission issued special licences and end-use control documents as follows:

- export licences of dual-use goods – 8;
- import licence of military goods – 19;
- export licence of military goods – 19;
- export licence for intermediating military goods – 1;
- transit permissions – 6;
- international import certificates – 26;
- end-use certificates – 14;
- delivery verification certificates – 1.

Altogether 95 documents were issued, including 54 special authorisations and 41 end-use control documents. On basis of licences altogether goods in the amount of worth more than 90 million kroons was imported, exported and transited via Estonia (see statistics in the Annex).

### **1. Total number of brokers entered in the state register of brokers of military goods**

In 2005 one application for entry into the state register of brokers of military goods was filed, the proceeding of which had not been completed by the end of the year.

### **2. Refusal of issuing a licence, certificate or end-use control document or refusal to make an entry into the state register of brokers of military goods**

Commission refused applications on three occasions: one import licence of military goods, one export licence of military goods and one transit certificate.

### **4. Offences and failure to comply with international sanctions connected to strategic goods**

In 2005 military goods was imported to Estonia without licence on three occasions. Criminal procedure was started on the basis of Penal Code Section 392 subsection 3. Case was closed owing to the lack of public interest and enterprises were fined with compensation levies in the amount of 100–160 thousand kroons. There has been no offence against international sanctions.

**Annex 1. Value of goods imported, exported or transited on the basis of licences;  
countries of origin of the goods and countries of destination**

Transaction type	Definition of goods	Origin of goods	Country of destination	Value of goods
<b>Export: Dual-use goods</b>	1C350	EE	RU; BY; KZ;	10,485,840.- EEK 410,000.- USD
	1A004	EE	BG	171,602.- EEK
	2B226	UA; EE	RU	57,625.- EUR
	2B255	EE	RU	125,172.- EEK
<b>Export: Military goods.</b>	ML 1	DE; RU; IT; AT; DK; RU	FI; SE; LT	3,894,360.- EEK
	ML 1/EST 2	SE	LT	1,878.- EEK
	ML 1a	CN	IQ	3,864,000.- EEK
	ML 3	RU	LV	7,050.- EUR
	ML 6	RU	KZ	1,202,500.- EEK
	ML 10	UA; RU; CZ; PL	UA; RU; ZA; US; PL	6,152,800.- EEK 6,441,531.- RUR
	ML 10.b	CZ	DE; CZ	533,176.- EEK
<b>Export: Intermediating military goods</b>	ML 10	CZ	US	1,416,000.- EEK
<b>Import: Military goods</b>	ML 1	DE; FI	EE; FI	42,200.- EEK
	ML 3	-	YU	272,170.- EEK
	ML 4	SE	EE	190,000.- EEK
	ML 10	CZ; CH; RU; UA	UA; CZ; RU; CH; UA	1,040,055.- EEK 40,721.- EUR 274,744,262.- USD (kingitused)
	ML 13	FR	LV	39,704.- EEK
	HR 2	US	US	108,000.- EEK
<b>Transit: Military goods</b>	ML 1	FI; IT	FI; LV	641,120.- EEK
	ML 3	FI	FI	637,894.- EEK
	ML 6	FI	FI	51,871,700.- EEK
	ML 15.d	DE	DE	1,805,500.- EEK
	ML 10	CZ	US	141,600.- EEK

**Annex 2. Issued end-use control documents**

<b>End-use control document type</b>	<b>Definition of goods</b>	<b>Origin of goods</b>	<b>Value of goods</b>
<b>End-use certificate (EUC)</b>	ML 1	NO	2,845,500.- NOK
	ML 1;ML 3	NO	4,500,000.- NOK
	ML 3	BR; SE	N/A
	ML 6	DE	76,800.- EUR
	ML 10.b	LT	398,184.- EUR
	ML 11; ML 1	DE	287,734.- EUR
	ML 11	US	594,830.- USD
	ML 13	FI; LV	11,467.- EUR
	EST 6	US	7,600.- USD
<b>International import certificate (ICC)</b>	ML 1	DE; US; SK; CA	108,410.- USD 269,210.- EUR
	ML 1/EST 2	LT	3,000.- EUR
	ML 1.d/EST 1	CZ	21,415.- EUR
	ML 3	DE; RU; CN; YU; LT	45,842.- EUR 2,352,205.- EEK
	ML 3/EST 3	LT	7,786,265.- EUR
	N/A	RU	3,888,000.- USD
<b>Delivery Verification Certificate (DVC)</b>	ML 10	UA	40,000.- USD