

STRATEGIC GOODS COMMISSION ACTIVITY REPORT YEAR 2006

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.

Estonia currently belongs to three export control regimes. Those are the Wassenaar Arrangement, the Nuclear Supplier's Group and the Australia Group. Estonia in 2006 participated in the plenary of the Wassenaar Arrangement as well as in the celebration of the 10th anniversary of the organisation, in the plenary session of the Nuclear Supplier's Group in Brazil and in the plenary of the Australia Group in Paris. In addition to plenary sessions, the members of the Strategic Goods Commission took part in the working meetings of the aforesaid organisations. In 2006, the countries participating in the Missile Technology Control Regime failed to attain consensus as to the involvement of new members and for that reason the accession to that organisation is being postponed for the near future.

The representatives of the Strategic Goods Commission actively partook also in the work of the European Union's working groups for export controls on conventional arms (COARM) and dual-use goods (WPDUG). On Estonia's initiative the good practices of the EU Code of Conduct on Arms Exports were complemented with a new format of notifying about the refusal to enter an arms broker in register.

In November 2006, with the participation of the Strategic Goods Commission a co-operation meeting of export control officers of the Nordic and Baltic countries took place, at which themes concerning the above-said regimes currently topical in the European Union's working groups as well as the opportunities of tightening mutual co-operation were discussed.

In the spring of 2006, three members of the Commission (KPA, MTA and KM) participated in the PSI training TOPPORT in Rotterdam, Holland; and in autumn the representative of the KPA participated in the PSI training AMBER SEA in Gdansk, Poland.

The Strategic Goods Commission has always considered the promotion of training connected with the topic of strategic goods to be very important. In the autumn term of 2006, enhanced lectures on international export control system and strategic goods control in Estonia were conducted for the students of taxation and customs of the Financial College of the Public Service Academy.

2006 saw the elaboration of the electronic licence-application approval info-system for strategic goods, which significantly improved information exchange between the members of the commission and expedited licence proceeding. In addition to current communication through electronic information channels, three regular commission meetings took place in 2006.

Statistics of the activity of Strategic Goods Commission

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

The Strategic Goods Commission issued special authorisations and end-use control documents for strategic goods as follows:

- Export licences of dual-use goods – 8;
- Import licences of military goods – 16;
- Export licences of military goods – 19;
- Transit permissions – 5;
- International import certificates – 20;
- End-use certificates – 25.

Altogether 93 documents were issued, including 48 special authorisations and 45 end-use control documents. The total value of goods exported, imported or transited via Estonia on the basis of licences surpassed three billion kroons (see statistics in the Annex).

2. Entry in the state register or refusal to make an entry in the state register of brokers of military goods

In 2006, one application filed with the commission for entry in the state register of brokers of military goods was refused.

3. Refusal of issuing a licence, certificate or end-use control document

The commission refused applications on five occasions: one import licence of military goods, three export licences of military goods and one transit certificate.

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

In 2006, military goods were imported to Estonia without licence on 9 occasions. Criminal procedure was started on the basis of Penal Code Section 392 subsection 3. In criminal matters, the proceeding of which was ended, imposing a pecuniary punishment, enterprises were fined with compensation levies totalling 725,000 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 and countries of destination**

	Definition of goods	Origin of goods	Country of destination	Value of goods
Export: Dual-use goods	1B227	RU	CN	1,040,600 USD
	1C350	EE	RU; NA; BY;	10,176,000 EEK
	3A232	EE	PH	2,101 EUR
	7A006	US	US	8,000 USD
	9A001	IE	RU	120,000 USD
Export: Military goods	ML1	DE; US; IT; AT; CN; RO; SE	FI; LT; LV; AF	12,356,587 EEK 6,960 EUR 24,960 USD
	ML3	RU	LV; PL	19,193 EUR
	ML7	EE	DE	13,398 EUR
	ML9	EE	LT	88,800 EUR
	ML10	UA; RU; CZ	UA; RU; CZ	553,176 EEK 35,460 EUR 246,000 USD
	ML14	EE	QA; US	65,312 EUR 15,000 USD
	ML15	EE	BG	492,985 EUR
Import: Military goods	ML1	IL; DE; CH	EE	11,486 EUR 10,906 CHF 675 USD
	ML3	FI; DE	EE	3,000 EEK
	ML6	SE	EE	23,300 SEK
	ML10	CZ	EE	1,365 EUR 8,686 USD
	ML15	SE; NL; US; IL; BG	EE	29,682 EEK 290,115 EUR
Transit: Military goods	ML4	SE	LV	185,000,000 SEK
	ML6	FI	FI	637,894 EUR
	ML10	RU; SE	PL; LT; LV	351,596 USD

Annex 2. Issued end-use control documents

End-use control document type	Definition of goods	Origin goods	Value of goods
End-use certificate (EUC)	ML1	NO; DE; CH	508,858 EEK 5,256 EUR 31,040 NOK 10,906 CHF
	ML3	CZ; DE	582,449 EEK 900 EUR
	ML4	FI; DE; GB	208,025,600 EEK 4,463,830 EUR
	ML6	DE	45,625 EEK 6,195 EUR
	ML10	US	27,227 USD
	ML11	US; IT; FI; GB	1,928,827 EUR 3,000 USD
	ML14	GB	847,000 EEK
	ML15	US; GB; FI; IL	60,990 EUR 16,200 USD
	1C350	KZ	2,092,720 USD
	3A001	GB	9,981,148 EEK
International Import Certificate (IIC)	ML1	DE; US; CZ; CS; CH	183,661 EUR 4,167 USD 10,906 CHF
	ML3	CN; LT; DE	495,000 EEK 45,955 EUR
	ML10	CZ	1,365 EUR
	ML15	US; IL; FI; SE	1,592,083 EEK 57,990 EUR
	1C351 d 5	SE	1,160 SEK