

**First Annual Report According to the
EU Code of Conduct on Arms Exports
NATIONAL REPORT OF FINLAND FOR 1998**

1. REPORTING PERIOD AND SCOPE

The reporting period is the year 1998, 1.1.-31.12.1998. This report covers exports authorized under the Act on the Export and Transit of Defence Materiel.

2. LEGAL BASIS AND NATIONAL LICENSING GUIDELINES

The basic principles, policies and national practices on the export of conventional arms and related technology are embodied in the Finnish legislation concerned. The export of defence materiel and its transit is allowed only if authorization (export licence) therefore has been granted. Authorization shall not be granted if it jeopardizes Finland's security or is in contradiction with Finland's foreign policy.

These basic principles in the Act on the Export and Transit of Defence Materiel are supplemented by clarifying rules contained in the national Guidelines. According to them, the following factors shall be taken into account in the overall assessment of licence applications

- foreign and security policy aspects, including the relevant UN, OSCE, EU and other international obligations be they decisions on arms embargoes, multilateral restraints, criteria, principles or guidelines of multilateral export control regimes
- analysis of the situation prevailing in the recipient country, especially with regard to human rights, including attitudes of other States vis-à-vis the recipient country
- characteristics, intended use and military significance of the item to be exported
- significance of the item and export in relation to the materiel preparedness of Finnish national defence and to the development of domestic defence industry.

The EU Code of Conduct on Arms Exports is incorporated in the Finnish legislation as an annex to the national Guidelines.

Accordingly, all applications are assessed on a case-by-case basis. In ambiguous cases, restraint should be preferred. If the export of the item in question, by virtue of its characteristics and significance, will not lead to, or will in all likelihood not to be used in violations of human rights, offensive armed action or other comparable unacceptable purposes inside or outside the recipient country, granting of a licence may be recommended if the overall assessment is otherwise favourable and if the formal licensing requirements have been met.

There are specific rules for the export licensing of components and subsystems of any defence equipment.

The relevant Finnish legislation is as follows:

Defence materiel (military equipment)

- Act on the Export and Transit of Defence Materiel, promulgated in 1990, amendments in force since 1 March 1995
 - a concise framework law stipulating the authorization and procedure as well as sanctions in case of violations
 - establishes the following responsibilities for various authorities:
 1. Ministry of Defence (MoD): licensing authority
 2. Council of State (Council of Ministers): grants licences in all major exports; affirms the guidelines
 3. Ministry for Foreign Affairs (MfA): advises on foreign and security policy considerations
 4. Customs: enforcement
- General Guidelines for the Export and Transit of Defence Materiel, in force since 1 April 1995 as a Council of State Decision
 - assists in the application of the Act by giving clarifying rules of foreign and security policy substances as well as of procedural substance
 - assists also in the implementation of the international agreements and obligations of Finland in the field of export of defence equipment
 - incorporates the international norms to the domestic legislation by explicit references to the OSCE Principles on arms transfers, the EU Code of Conduct on Arms Exports, decisions on arms embargoes by the UNSC or the EU etc. - and by integrating these sets to the Guidelines proper as its annexes.

- Decree on the Export and Transit of Defence Materiel, in force since 15 February 1997
 - establishes the coverage of controls by defining the list of defence materiel, by main headings, classified into four item categories (based on characteristics, intended use and military significance of the items)
 - by the Act, the coverage includes “related technology” as authorization is also needed for yielding control or transfer abroad of any
 - know-how and licence to manufacture materiel
 - machine tools and equipment especially designed for manufacturing materiel
 - computer software relating to the manufacture or use of materiel
 - the export of technology shall require an export licence even if such technology is intended for development, production or use of an item which is not defined as defence materiel
 - authorization is not required for the exports of technology which is necessary for the installation, use, maintenance, inspection, or repair of an already licensed item
 - nor is authorization required for the export of technology which is widely available internationally or related to basic scientific research.
- Decision by the Ministry of Defence, in force since 15 March 1997
 - based on the Decree, the decision implements the Munitions’ List of the Wassenaar Arrangement.
- Decision by the Ministry of Defence, in force since 1 March 1996
 - introduces the Declaration on intra-Community movement or transit of arms, munitions, war materiel and other military goods.

In regard to the destination and end-user of the equipment, the Guidelines include a list of countries embargoed by the UNSC or EU decisions. This “negative list” is updated with new decisions or sanctions or upon their lifting. In general, Finland applies a concept of a selective restraint, based on overall assessment of each case.

3. SCOPE OF ARMS EXPORT LICENSING

The list of defence materiel (conventional weaponry) being controlled, is practically identical with the Wassenaar Munitions' List. This report covers all arms exports with the exception of exports of civilian hunting and sporting materiel which is licensed under the Firearms Act and Decree.

In order to facilitate assessment of licence applications, defence materiel has been subsumed under four categories based on their characteristics, intended use and military significance.

4. EXPORT LICENCES DURING THE REPORTING PERIOD

Number of export licences granted

155

Total number of applications rejected (denials)

- 1.1.-7.6.1998 (before the adoption of the EU Code of Conduct): 2 denials
- 8.6.-31.12.1998 (The EU Code of Conduct in force): 3 denials

Items according to the Wassenaar Munitions' List

-	Argentina	1 x ML 13
-	Australia	2 x ML 3 2 x ML 13
-	Austria	1 x ML 2 2 x ML 3 2 x ML 10
-	Belgium	1 x ML 11 1 x ML 22
-	Canada	3 x ML 3 1 x ML 10
-	Chile	1 x ML 13
-	Cyprus	1 x ML 13
-	Czech Republic	1 x ML 3 1 x ML 11

-	Denmark	1 x ML 1 1 x ML 3
-	Egypt	1 x ML 1
-	Estonia	1 x ML 1 1 x ML 2 2 x ML 3 1 x ML 13
-	France	2 x ML 1 2 x ML 2 2 x ML 3 2 x ML 6 1 x ML 13 1 x ML 14
-	Germany	5 x ML 3 1 x ML 8 1 x ML 22
-	Hong Kong (China)	1 x ML 13
-	Ireland	1 x ML 1 1 x ML 3
-	Israel	1 x ML 10 1 x ML 11
-	Italy	1 x ML 1 1 x ML 11 3 x ML 13
-	Japan	1 x ML 1 1 x ML 13
-	Republic of Korea	1 x ML 13
-	Kuwait	2 x ML 13
-	Latvia	1 x ML 3
-	Lithuania	1 x ML 13
-	Malaysia	2 x ML 14
-	Netherlands	1 x ML 1 1 x ML 3 1 x ML 6

	1 x ML 10 1 x ML 13
- New Zealand	2 x ML 1 2 x ML 3
- Norway	1 x ML 1 4 x ML 3 2 x ML 6 1 x ML 8
- Oman	1 x ML 3
- Poland	1 x ML 1 2 x ML 3 1 x ML 8 1 x ML 13
- Portugal	1 x ML 13
- Romania	1 x ML 1
- Russian Federation	1 x ML 10
- Saudi Arabia	1 x ML 13
- Singapore	1 x ML 3
- Slovakia	1 x ML 3
- Slovenia	2 x ML 13
- South Africa	1 x ML 1 1 x ML 13
- Spain	1 x ML 1 2 x ML 3
- Sweden	1 x ML 2 7 x ML 3 2 x ML 8 2 x ML 10 3 x ML 13
- Switzerland	1 x ML 1 1 x ML 3 1 x ML 6 1 x ML 8 2 x ML 13

- Thailand
 - 2 x ML 1
 - 1 x ML 11
- Tunisia
 - 1 x ML 13
- Turkey
 - 1 x ML 11
 - 1 x ML 13
- United Arab Emirates
 - 3 x ML 1
 - 1 x ML 2
 - 1 x ML 3
- United Kingdom
 - 3 x ML 1
 - 1 x ML 2
 - 1 x ML 3
 - 2 x ML 6
 - 1 x ML 13
- USA
 - 2 x ML 1
 - 1 x ML 10
 - 3 x ML 13
- Vietnam
 - 2 x ML 10
- Bosnia, UN
 - 2 x ML 3
- Macedonia, UN
 - 1 x ML 3
- Lebanon, UN
 - 1 x ML 3
- Kambodza, UN
 - 1 x ML 6
- Kosovo, OSCE
 - 1 x ML 13
- General licence (for temporary sales promotion purposes to countries for which foreign- and security political restraint does not apply. The items should be returned to Finland.)
 - 1 x ML 13

6. ADDITIONAL REMARKS ON THE EXPORT LICENCE STATISTICS

DEFENCE MATERIEL EXPORTS FROM FINLAND IN 1998 (1000 FIM) BY COUNTRIES AND ACCORDING TO PRODUCT CATEGORIES BASED ON ANNUAL REPORTS GIVEN BY DEFENCE MATERIEL EXPORTERS

	(1000 FIM)	Total (1000 FIM)
1. NETHERLANDS		
Light weapons and their components		
- Sniper rifles and their components	16.2	
Military vehicles		
- Armoured Wheeled Vehicles	101163.8	
Others		
- UAV-Catapult	4095.7	
		105275.7
2. SWITZERLAND		
Light weapons and their components		
- Sniper rifles and their components	34.4	
Military powder	4.4	
Military electronic equipment	335.0	
Others		
- Protective equipment	16929.0	
		17302.8
3. GERMANY		
Light weapons and their components		
- Sniper rifles and their components	1606.6	
Ammunition, shots etc. and their components	10090.7	
		11697.3

4. FRANCE

Light weapons and their components		
- Sniper rifles and their components	18.1	
Ammunition, shots etc. and their components		
- Ammunition	4.3	
Military vehicles		
- High Speed Lift Trucks	10000.4	
		10022.8

5. KUWAIT

Others		
- Protective equipment	8139.6	
		8139.6

6. ITALY

Light weapons and their components		
- Sniper rifles and their components	208.9	
Ammunition, shots etc. and their components		
- Cartridge cases	2477.1	
Military electronic equipment	109.0	
Others		
- Protective equipment	3539.2	
		6334.2

7. SWEDEN

Light weapons and their components		
- Sniper rifles and their components	39.5	
Ammunition, shots etc. and their components		
- Cartridge cases	5072.2	
- Other components	467.2	
Military powder	21.0	
Others		
- Protective equipment	1.7	
- Cartridge cases, scrap metal	213.3	
- Spare parts for military aircraft	241.1	
		6056.0

8. AUSTRALIA

Military electronic equipment	3414.4	3414.4
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9. NORWAY

Light weapons and their components		
- Sniper rifles and their components	8.5	
- Others	10.9	
Ammunition, shots etc. and their components		
- Cartridge cases	920.9	
- Other components	2179.3	
Military vehicles		
- All Terrain Vehicle trailer	81.2	
Military powder	205.5	3406.3

10. THAILAND

Military electronic equipment	3348.0	3348.0
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11. GREAT BRITAIN

Military Vehicles		
- High Speed Lift Trucks	3066.6	
Others		
- Protective equipment	3.0	3069.6

12. OMAN

Ammunition, shots etc. and their components		
- Shots	1554.9	1554.9

13. DENMARK

Light weapons and their components		
- Sniper rifles and their components	16.5	
Ammunition, shots etc. and their components		
- Ammunition	1.5	
- Cap primers	1466.5	
- Other components	0.8	1485.3

14. SPAIN

Light weapons and their components		
- Sniper rifles and their components	64.4	
Ammunition, shots etc. and their components		
- Ammunition	28.5	
- Cartridge cases	1309.6	
		1402.5

15. MALAYSIA

Ammunition, shots etc. and their components		
- Tracers	558.6	
		558.6

16. AUSTRIA

Light weapons and their components		
- Sniper rifles and their components	138.5	
Ammunition, shots etc. and their components		
- Tracers	10.0	
- Bullets	3.2	
		151.7

17. SLOVENIA

Others		
- Protective equipment	106.3	
		106.3

18. USA

Light weapons and their components		
- Magazines, museum pieces	47.1	
Others		
- Protective equipment	40.5	
		87.6

19. SLOVAKIA

Ammunition, shots etc. and their components		
- Ammunition	84.8	
		84.8

20. BELGIUM

Light weapons and their components		
- Sniper rifles and their components	78.2	
		78.2

21. ISRAEL

Military electronic equipment	31.8	
Others		
- Spare parts for military aircraft	39.7	
		71.5

22. UNITED ARAB EMIRATES

Light weapons and their components		
- Sniper rifles and their components	62.0	
Ammunition, shots etc. and their components	0.9	
		62.9

23. CANADA

Light weapons and their components		
- Sniper rifles and their components	36.0	
Ammunition, shots etc. and their components		
- Ammunition	11.8	
Others		
- Spare parts for military aircraft	9.4	
		57.2

24. ARGENTINA

Light weapons and their components		
- Sniper rifles and their components	32.0	
		32.0

25. VIETNAM

Military electronic equipment	30.3	
		30.3

26. SINGAPORE

Ammunition, shots etc. and their components		
- Ammunition	29.3	
		29.3

27. REPUBLIC OF SOUTH AFRICA

Light weapons and their components		
- Sniper rifles and their components	18.9	
Others		
- Protective equipment	0.5	19.4

28. ESTONIA

Ammunition , shots etc. and their components		
- Ammunition	18.0	18.0

29. JAPAN

Light weapons and their components		
- Sniper rifles and their components	16.0	16.0

30. CHILE

Light weapons and their components		
- Sniper rifles and their components	6.0	6.0

31. POLAND

Ammunition, shots etc and their components		
- Ammunition	3.4	
Military powder	0.5	3.9

32. CYPRUS

Others		
- Protective equipment	3.5	3.5

33. NEW ZEALAND

Ammunition, shots etc. and their components		
- Bullets	0.5	0.5

TOTAL		183927.1
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**DEFENCE MATERIEL EXPORTS FROM FINLAND IN 1998 (1000 FIM) ACCORDING TO
PRODUCT CATEGORIES BASED ON ANNUAL REPORTS GIVEN BY DEFENCE
MATERIEL EXPORTERS**

	(1000 FIM)	Total (1000 FIM)
Light weapons and their components		
- Sniper rifles and their components	2400.7	
- Magazines, museum pieces	47.1	
- Others	10.9	
		2458.7
Guns, mortars, etc.	-	-
Ammunition, shots etc. and their components		
- Ammunition	10273.2	
- Cartridge cases	9779.8	
- Cap primers	1466.5	
- Tracers	568.6	
- Shots	1554.9	
- Bullets	3.7	
- Others	2647.3	
		26294.0
Military vehicles		
- Armoured Wheeled Vehicles	101163.8	
- High Speed Lift Trucks	13067.0	
- All Terrain Vehicle trailer	81.2	
		114312.0
Military powder		231.4
Military electronic equipment		7268.5
Others		
- Protective equipment	28763.3	
- Cartridge cases, scrap metal	213.3	
- Spare parts for military aircraft	290.2	
- UAV-Catapults	4095.7	
		33362.5
TOTAL		183927.1