

Puolustusministeriö
Försvarsministeriet
Ministry of Defence of Finland

SECOND ANNUAL REPORT ACCORDING TO THE EU CODE OF CONDUCT ON ARMS EXPORT 1999

• Reporting period and scope

The reporting period is the year 1999, 11.-31.12.1999. This report covers exports authorised 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 authorisation (export licence) therefore has been granted. Authorisation shall not be granted if it jeopardises 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:

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 authorisation 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 authorisation 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
- authorisation 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 authorisation 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, which introduced the Declaration on intra-Community movement or transit of arms, munitions, war materials and other military goods, has been abolished by the Decision by the Ministry of Defence, in force since 1 January 2000.

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 Common List of Military Equipment. 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.

4. Export licences during the reporting period

Number of export licences granted

174

Total number of applications rejected (denials)*

1.1-31.12.1999: 1

1.1-30.6.2000: 2

* Please note that numbers provided herein include only notifications of rejected export applications (denials) in accordance with the operative provision 3 of the EU Code of Conduct and thus do not indicate the total number of export licences and prior enquiries refused.

Items according to the Common List of Military Equipment

Country CL

1.	Antarctica	6
2.	Australia	7
3.	Austria	3
		7
		1
4.	Belgium	3
		1
		1
5.	Bosnia (UN)	3
6.	Brazil	7
7.	Bulgaria	7
8.	Canada	3
9.	Chile	7
		7
		7
		7
10.	Cyprus	13
11.	Czech Republic	7
		7
12.	Denmark	11
		3
		3
		1, 2, 3, 6
13.	Egypt	3
		4
		3
14.	Estonia	3
		3
		21
		11
		8
		2, 3, 4
		1, 3
15.	France	4
		4
		3
		11
		1
		4
		9
		11
		4
16.	Germany	3
		13
		10
		8
		3
		2
		8

		11
		11
		9
		7
		1
		7
		9
		11
		2, 3
17.	Hong Kong (China)	3
18.	Ireland	13
19.	Israel	9
		4
		11
		11
		3
		3
20.	Italy	3
		1
		3
21.	Kosovo (UN)	3
22.	Latvia	3
		7
23.	Lebanon (UN)	3
24.	Lithuania	1, 3
		10
		7
25.	Netherlands	10
		7
		3
		3
		1
		1
		1
26.	New Zealand	7
		7
		3
27.	Norway	4
		4
		3
		1
		1, 3, 6, 10, 11
		8
		4
		9
		3
		1, 2, 3, 6
		8
		6

		13
		3
		6
28.	Poland	13
		1
29.	Portugal	11
30.	Republic of Korea	7
31.	Saudi Arabia	13
32.	Singapore	3
33.	Slovakia	7
		7
34.	Slovenia	7
		7
		7
		18
		7
35.	South Africa	1
		1
36.	Sweden	3
		4
		8
		3
		3
		6
		2
		10
		1, 2, 3, 6
		3
		8
		6
		6
		3
		3
37.	Switzerland	3
		3
		13
		11
		7
		8
		1
38.	Turkey	6
39.	United Arab Emirates	7
		3
40.	United Kingdom	6
		3
		3
		3
		7
		1

		18
		10
		1
		3
41.	United States	4
		7
		1
		1
		3
		3
		2
		7
		8
		1
		1
		1
		11
		10
		10
		9
		1
		6
		1
		1
		1
	General licence (to several countries with no foreign or security political restraint according to Finnish legislation)	3
	General licence (to several countries with no foreign or security political restraint according to Finnish legislation)	10

5. Additional remarks on the export licence statistics

DEFENCE MATERIEL EXPORTS FROM FINLAND IN 1999 (1000 FIM) ACCORDING TO PRODUCT CATEGORIES BASED ON ANNUAL REPORTS GIVEN BY DEFENCE MATERIEL EXPORTERS

(1000 FIM) Total (1000 FIM)

A. Light weapons and accessories therefor

Sniper rifles and accessories 2667.7

Weapons and accessories, museum pieces 1004.5

3672.2

B. Guns, mortars, etc.

Guns, museum pieces 8.9

Accessories for mortars 1984.7

1993.6

C. Ammunition, shots etc. and their components

Ammunition and blanks 7864.3

Cartridge cases 8772.2

Bullets 46.4

Cap primers 601.3

Detonators 279.5

Fuses 180.0

Base bleed unit components 45.1

Projectile components 1472.3

19261.2

D. Military vehicles 181463.2

E. Military powder and related materiel 1521.9

F. Military electronic equipment 5075.8

G. Others

Protective equipment 13089.2

Maintenance line for protective equipment 200.1

Cartridge cases, scrap metal 1010.3

Off-road trucks 3424.4

Spare parts for primer manufacturing line 210.0

Spare parts for military aircraft 7833.0

26567.0

TOTAL 238754.9

DEFENCE MATERIEL EXPORTS FROM FINLAND IN 1999 (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

Ammunition, shots etc. and their components

- Ammunition and blanks 4830.0
- Bullets 0.5

Military vehicles 180868.6

Others

- Protective equipment 53.0

185752.1

2. SWEDEN

Light weapons and accessories therefor

- Sniper rifles and accessories 21.7

Ammunition, shots etc. and their components

- Cartridge cases 8729.1
- Detonators 279.5
- Projectile components 1472.2

Military powder and related materiel 738.3

Others

- Cartridge cases, scrap metal 1010.3

12251.1

3. SWITZERLAND

Light weapons and accessories therefor

- Sniper rifles and accessories 32.2

Ammunition, shots etc and their components

- Ammunition and blanks 28.1
- Cartridge cases 25.8

Military powder and related materiel 58.1

Military electronic equipment 4275.8

Others

- Protective equipment 7664.1

12084.1

4. VIETNAM

Others

- Spare parts for military aircraft 7593.1

7593.1

5. GREAT BRITAIN

Ammunition, shots etc and their components

- Ammunition and blanks 1119.7
- Cartridge cases 2.8
- Bullets 3.0

Military vehicles 594.6

Others

- Off-road trucks 3424.4
- Spare parts for primer manufacturing line 210.0

5354.5

6. ITALY

Light weapons and accessories therefor

- Sniper rifles and accessories 440.0

Ammunition, shots etc and their components

- Ammunition and blanks 7.5
- Cartridge cases 8.7
- Bullets 2.1

Others

- Protective equipment 4414.9

4873.2**7. USA****Light weapons and accessories therefor**

- Sniper rifles and accessories 627.4
- Weapons and accessories, museum pieces

1004.5

Guns, mortars etc

- Guns, museum pieces 8.9
- Accessories for mortars 1984.7

Ammunition, shots etc and their components

- Ammunition and blanks 31.9
- Bullets 7.4

Military powder and related materiel 102.6**Others**

- Protective equipment 743.5

4510.9**8. NORWAY****Light weapons and accessories therefor**

- Sniper rifles and accessories 13.5

Ammunition, shots etc and their components

- Ammunition and blanks 4.7

Military powder and related materiel 615.4**Military electronic equipment 800.0****1433.6****9. GERMANY****Light weapons and accessories therefor**

- Sniper rifles and accessories 986.2

Ammunition, shots etc and their components

- Ammunition and blanks 124.2
- Bullets 12.5
- Cartridge cases 5.8
- Base bleed unit components 45.1

Military powder and related materiel 7.5**1181.3****10. SINGAPORE****Ammunition, shots etc and their components**

- Ammunition and blanks 619.5

619.5**11. DENMARK****Ammunition, shots etc and their components**

- Cap primers 598.4

598.4**12. AUSTRIA****Light weapons and accessories therefor**

- Sniper rifles and accessories 241.6

Ammunition, shots etc and their components

- Ammunition and blanks 16.2
- Bullets 0.8
- Fuses 180.0

Others

- Spare parts for military aircraft 32.2

470.8**13. FRANCE****Light weapons and accessories therefor**

- Sniper rifles and accessories 130.0

Ammunition, shots etc. and their components

- Ammunition and blanks 264.3
- Bullets 1.1

395.4**14. SPAIN****Ammunition, shots etc and their components**

- Ammunition and blanks 294.2

294.2**15. SLOVENIA**

Others

- Protective equipment 78.7
- Maintenance line for protective equipment 200.1

278.9**16. ISRAEL****Others**

- Spare parts for military aircraft 207.7

207.7**17. IRELAND****Ammunition, shots etc and their components**

- Ammunition and blanks 181.5

181.5**18. NEW ZEALAND****Ammunition, shots etc and their components**

- Ammunition and blanks 175.8

175.8**19. CHILE****Others**

- Protective equipment 129.9

129.9**20. REPUBLIC OF SOUTH AFRICA****Light weapons and accessories therefor**

- Sniper rifles and accessories 103.0

103.3**21. UNITED ARAB EMIRATES****Ammunition, shots and their components**

- Ammunition and blanks 71.0

71.0**22. SLOVAKIA****Ammunition, shots etc and their components**

- Ammunition and blanks 58.5

58.5**23. BELGIUM****Light weapons and accessories therefor**

- Sniper rifles and accessories 20.4

Ammunition, shots etc and their components

- Bullets 8.1

28.5**24. HONG KONG****Ammunition, shots etc and their components**

- Ammunition and accessories 21.4

Others

- Protective equipment 1.6

23.0**25. ARGENTINA****Light weapons and accessories therefor**

- Sniper rifles and accessories 20.0

20.0**26. CANADA****Ammunition, shots etc and their components**

- Ammunition and blanks 15.8

15.8**27. LUXEMBOURG****Light weapons and accessories therefor**

- Sniper rifles and accessories 14.7

14.7**28. ZIMBABWE****Light weapons and accessories therefor**

- Sniper rifles and accessories 14.2

14.2**29. ESTONIA****Ammunition, shots etc and their components**

- Bullets 7.3
- Cap primers 2.9

10.2**30. AUSTRALIA****Ammunition, shots etc and their components**

- Bullets 3.8

Others

- Protective equipment 1.9

5.7**31. LITHUANIA****Light weapons and accessories therefor**

- Sniper rifles and accessories 2.8

2.8**32. SAUDI ARABIA****Others**

- Protective equipment 1.5

1.5**TOTAL 238754.9**

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DEFENCE MATERIEL EXPORTS FROM FINLAND IN 1999 (1000 FIM) BY COUNTRIES BASED ON ANNUAL REPORTS GIVEN BY DEFENCE MATERIEL EXPORTERS**(1000 FIM) %**

1. NETHERLANDS	185752.1	77.80
2. SWEDEN	12251.1	5.13
3. SWITZERLAND	12084.1	5.06
4. VIETNAM	7593.1	3.18
5. GREAT BRITAIN	5354.5	2.24
6. ITALY	4873.2	2.04
7. USA	4510.9	1.89
8. NORWAY	1433.6	0.60
9. GERMANY	1181.3	0.49
10. SINGAPORE	619.5	0.26
11. DENMARK	598.4	0.25
12. AUSTRIA	470.8	0.20
13. FRANCE	395.4	0.17
14. SPAIN	294.2	0.12
15. SLOVENIA	278.9	0.17
16. ISRAEL	207.7	0.09

17. IRELAND	181.5	0.08
18. NEW ZEALAND	175.8	0.07
19. CHILE	129.9	0.05
20. REPUBLIC OF SOUTH AFRICA	103.0	0.04
21. UNITED ARAB EMIRATES	71.0	0.03
22. SLOVAKIA	58.5	0.02
23. BELGIUM	28.5	0.01
24. HONG KONG	23.0	0.01
25. ARGENTINA	20.0	0.008
26. CANADA	15.8	0.007
27. LUXEMBOURG	14.7	0.006
28. ZIMBABWE	14.2	0.006
29. ESTONIA	10.2	0.004
30. AUSTRALIA	5.7	0.002
31. LITHUANIA	2.8	0.001
32. SAUDI ARABIA	1.5	0.001
TOTAL	238754.9	100.00
EU-countries	211395.7	88.54
Other countries with no foreign- and security political restraint	18284.4	7.66
Other countries, decision made on case by case basis	9074.8	3.80
TOTAL	238754.9	100.00

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