



MONTENEGRO
Ministry of Economy
Podgorica, 2012

2010 ANNUAL REPORT ON FOREIGN TRADE IN CONTROLLED GOODS

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Translation, proofreading and printing of this publication was supported by UNDP/SEESAC through a project funded by the Norwegian Ministry of Foreign Affairs.

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Graphic design and pre-press

MaxNova Creative

Printed by

Grafik Centar Ltd.

Number of copies

70

ISBN 978-86-7728-180-9

The Ministry of Economy of Montenegro, as a key agency responsible for the arms transfer control system, has produced the Fifth Report on Foreign Trade in Arms, Military Equipment and Dual-Use Goods. This Report gives an overview of the issued licenses for export, import and brokering activities and describes the cooperation of the Ministry with international institutions and organizations in the area of arms, military equipment and dual-use transfer control. Given that the licenses issued in 2010 can be realized until the closing of year 2011, this report does not cover the realization of licenses issued in 2010.

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I. SECTION 1

INTRODUCTION

With the enforcement of the Law on Foreign Trade in Arms, Military Equipment and Dual-Use Goods (“Official Journal of Montenegro”, No. 80/08) and the related by-laws, the normative prerequisites for establishment of state controls have been improved with the goal to ensure and protect the security, foreign trade and economic interests of Montenegro, its international reputation and integrity. In this way specific state licensing criteria have been created for the activities of import, export and brokering of arms, military equipment and dual-use goods (hereinafter referred to as: Controlled Goods).

The legal framework for producing the Annual Report on International Transfers of Controlled Goods has been summarized in Article 32, paragraph 1 of the **Law on Foreign Trade in Arms, Military Equipment and Dual-Use Goods** (“Official Journal of RMNE”, No.80/08). The Ministry of Economy of Montenegro, as the body responsible for the implementation of the law and related regulations in the area of exports and imports of controlled goods, produced this Report.

The 5th National Report provides an overview of the export-import control of arms, military equipment and dual-use goods during 2010.

After the Report has been submitted to the Government and adopted, the Report is forwarded to all relevant international institutions and organizations and is published on the official website of the Ministry. Thus a higher level of transparency is achieved in these activities, which contributes to building of Montenegro’s credibility worldwide and improving international cooperation in this field.

With regards to the selection of data to be published, a compromise has been reached implying that there is a commitment to publish information while at the same time protecting the commercial interests of legal entities. All data have been given in an aggregated form in order to maintain the confidentiality of the data, in accordance with the Data Secrecy Act (“Official Journal of RMNE”, No. 14/08, 76/09, 41/10) and Unpublished Data Protection Act (“Official Journal of RMNE”, No. 16/07, 73/08).

In producing this Report, the EU recommendations on the form and content of national reports have been observed in order to make it compatible with the reports of the European Union and useable for comparison with the national reports of neighbouring countries and worldwide.

The Report contains general information on the new Law on Foreign Trade in Controlled goods, in effect from 1 July 2009, the policy of export/import controls, national control lists, competent institutions in the licensing process, licensing criteria, international conventions and agreements, past experience in the field of foreign trade of controlled goods, active participation in workshops and further advancement of the control system, as well as an analysis of statistical data shown in the Annexes.

The Annexes also contain tables with figures of registered foreign trade activities, i.e. approved and denied applications.

II. SECTION 2

NATIONAL LEGISLATION

National legislation in the area of foreign trade in controlled goods (for the period of observation) includes the following laws:

1. Law on Foreign Trade in Weapons, Military Equipment and Dual-Use Goods;
2. By-laws;
3. Other regulations; and
4. Ratified international conventions and agreements.

1. Law on Foreign Trade in Weapons, Military Equipment and Dual-Use Goods

The Law on Foreign Trade in Weapons, Military Equipment and Dual-Use Goods ("Official Journal of Montenegro", No. 80/08) prescribes the procedure and conditions for foreign trade in controlled goods.

Foreign trade in controlled goods includes:

- a) *export and import;*
- b) *technical assistance related to development, production, assembly, testing, repair or maintenance of controlled goods, as well as any other technical service that may be provided in the form of an instruction, training, transfer of commercial know-how or skills or consulting services, including any form of verbal assistance;*
- c) *brokering and other services related to foreign trade in controlled goods.*

The control system of foreign trade in controlled goods implies that the right to engage in foreign trade (export, import, transit, brokering, technical assistance, etc.) in controlled goods may be exercised once the applicants are entered in the **Register of Entities** that may perform foreign trade, kept by the relevant authority in charge of foreign trade activities (Ministry of Economy).

Prior to making a final decision on licensing applications, the Ministry must obtain an approval from the Ministries of Defence, Foreign Affairs and Interior. If any of the ministries responds negatively to the application in question, the Ministry of Economy shall not issue the licence¹. If necessary, and depending on the type and intended use of controlled goods, the Ministry shall seek the opinion of other relevant authorities.

Criteria of the EU Code of Conduct on Arms Exports – are the basic criteria of the EU Council Common Position EU 2008/944/CFSP, defined in Articles 18, 19, and 20 of the Law, and they provide the grounds for approving or denying the request for a licence.²

The Ministry of Economy certifies the **International Import Certificate** and the **End User Certificate**, issued pursuant to Article 16 of the Law **by the final user** when importing goods in Montenegro. In other words, it checks the issued End User Certificate, which is a mandatory document in the process of issuing an export license.

Customs clearance is performed by the **Montenegrin Customs Administration**, which, pursuant to Article 36 of the Law, may during customs clearance of the controlled goods, within its area of responsibility, limit, stop, revoke or suspend the transport of controlled goods. The Customs Administration shall inform the Ministry of Economy about such decisions. The Customs authorities shall

¹ An issued license may be revoked if the competent ministry finds out that it has been issued on the basis of false data; in the case that the circumstances under which the license was issued have significantly changed; when the person or the foreign trade deal threaten the security and foreign policy interests of the country; when the person does not observe the conditions given in the license; or when the person ceases to observe the conditions.

² These criteria (the Code of Conduct was adopted in June 1998 and consists of 8 criteria) are politically binding for the EU member countries. By consistent application of the eight criteria in its licensing procedure Montenegro will show compliance with the European standards though not being a EU member, and will thus pave the way for membership in international control regimes, and for the possibility of using all the benefits thereof.

check whether the Unique Customs Document (UCD) is accompanied by a licence issued by the competent ministry and whether the data from the licence for controlled goods transfer correspond to the data in the UCD and to the actual condition of the goods, in accordance with the Rulebook on the Actions of Customs Authorities in Customs Procedures Related to Arms, Military Equipment and Dual-Use Goods.

The Ministry of Internal Affairs and Public Administration controls and oversees the transportation and transit of arms and military equipment, weapons, ammunition and explosives across the state border and on the territory of Montenegro, in road and railway traffic, in accordance with the provisions of the following regulations:

- Law on Transportation of Dangerous Materials;³
- Law on Weapons;⁴
- Law on Explosives;⁵
- Regulation on Transportation of Arms and Military Equipment.⁶

2. By-laws

The by-laws regulating specific issues related to export controls of transfers in controlled goods include:

- Decision on the National Control List of Arms and Military Equipment (harmonized with the *Common Military List of the European Union No 2010/C 69/03 of 15 February 2010*);⁷
- Decision on the National Control List of Dual-Use Goods (harmonized with the EU List of Dual-Use Goods and Technologies, *Council Regulation (EC) No 428/2009 of 05 May 2009*);⁸
- Regulation on the Form of Licensing Application, Form on the Content Licence, and forms of other documents required for international trade in controlled goods;⁹
- Regulation on the Form of Request to be Registered in the Register of Entities who May Perform Foreign Trade in Controlled Goods and on the Form and Manner of Keeping the Register.¹⁰
- Regulation on the Actions of Customs Authorities in Customs Procedures Related to Arms, Military Equipment and Dual-Use Goods (“Off. Journal of MNE” No. 60/09).

National Control Lists

The Law prescribes that upon the request of a ministry in charge of foreign trade activities (Article 6 of the Law) the Government shall approve and update national control lists and shall harmonize them with the EU legislation. *The EU Lists are evolving documents and are updated on an annual basis; thus it is necessary to regularly update the corresponding national lists in order to keep up with developments and events in the respective international control regimes, and to harmonize with them.*

The EU Control List on Dual-Use Goods and Technologies contains the lists of all different international control regimes, such as the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (WA), Missile Technology Control Regime (MTCR), Nuclear Suppliers Group (NSG), Australia Group (AG) and the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (CWC). The List has a flexible format which allows for the integration of new international controls.

■ ³ “Official Journal of RMNE”, No. 05/08 of 23 January 2008.

⁴ “Official Journal of RMNE”, No. 49/04; 49/08; 20/11 of 15 April 2011.

⁵ “Official Journal of RMNE”, No. 49/08, 58/08 of 1 October 2008.

⁶ “Official Journal of FRY” No. 54/97.

⁷ “Official Journal of MNE”, No. 55/10 of 22 September 2010.

⁸ “Official Journal of MNE”, No. 55/10 of 22 September 2010.

⁹ “Official Journal of MNE”, No. 08/11 of 4 February 2011.

¹⁰ “Official Journal of MNE”, No. 45/09; 08/11 of 4 February 2011.

3. Other regulations

There are other applicable law, in addition to the Law on Foreign Trade in Weapons, Military Equipment and Dual-Use Goods, in the Montenegrin legislation in the area of foreign trade transfers of controlled goods. They regulate specific issues of importance in the field of foreign trade of arms. These laws include the following:

1. Law on Production and Transfers of Arms and Military Equipment ("Official Journal of FRY", No. 41/96 and "Off. Journal of SCG" No. 07/05);
2. Law on Foreign Trade ("Official Journal of the RMNE", No. 28/04, 37/07);
3. Law on Customs ("Official Journal of the RMNE", No. 07/02, 38/02, 72/02, 21/03, 31/03, 29/05, 66/06 and "Official Journal of RMNE No. 21/08, 001/11);
4. Law on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction ("Official Journal of SCG", No. 44/05);
5. Law on Border Controls ("Official Journal of RMNE", No. 72/09, 20/11).

Besides the above mentioned, other laws are also applied, e.g.: Law on Chemicals ("Official Journal of RMNE", No. 11/07); Law on the Protection from Ionic Radiation and on Radiation Safety ("Official Journal of RMNE", No. 56/09 and 58/09); Law on Control of Production and Trade of Substances that May Be Used in the Production of Narcotics and Psychotropic Substances ("Official Journal of RMNE", No.83/09).

The Ministry of Economy, except in the cases of foreign trade in controlled goods, issues licenses in accordance with Article 6 of the Law on Foreign Trade ("Official Journal of Montenegro", No. 28/04 and 37/07). By virtue of a special decree the Government establishes, updates and publishes the Export, Import and Transit Control List¹¹ that contains the information about the goods, the exports and imports of which are in any way restricted (in accordance with the provisions of other laws).

4. International legal instruments and control regimes

International control regimes, aimed at identifying goods and technologies that should be subject to export controls, exchanging information on the proliferation risks, and promoting non-proliferation of weapons of mass destruction during contact with non-regime countries are:

- The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies - WA
- The Missile Technology Control Regime - MTCR
- The Australia Group - AG
- The Nuclear Suppliers Group - NSG
- The Zangger Committee – ZG

More detailed information above the above regimes, international conventions and arrangements is provided in the Third Annual Report on Foreign Trade in Controlled Goods in 2008.

■ ¹¹ "Official Journal of Montenegro", No. 10/11 of 11 February 2011

III. SECTION 3

MONTENEGRO IN THE EXPORT CONTROL SYSTEM

Compliance with standards in the area of control of arms, military equipment and dual-use transfers, which are observed by all countries united in the combat against international terrorism and the proliferation of weapons of mass destruction (WMD), is of utmost importance for the inclusion of Montenegro in the international export control system and accession to international control regimes and agreements in this area.

In the course of 2006, 2007, 2008, 2009 and 2010, the EU strongly supported the development of an efficient export control system in Montenegro. The 2004 EU Pilot Project related to building an export control system in South Eastern European countries was conducted by the **Stockholm International Peace Research Institute (SIPRI)**,¹² and the **German agency Federal Office of Economics and Export Control (BAFA)**¹³ was given a mandate to implement the Pilot Project – Cooperation with Third Countries in the Area of Export Control. Also, considerable support was provided by the USA Government – Export Control and Related Border Security Programme (EXBS).

1. International cooperation

In early August 2004, the Government of the Republic of Montenegro adopted the Small Arms and Light Weapons (SALW) Control Strategy, and in October of the same year a National Commission was established and a SALW Control National Coordinator appointed. The Project of the MoI of Montenegro and UNDP began with launching the National strategy and included the activities of drafting an action plan for the implementation of the strategy, raising the awareness of citizens on the threats posed by weapons, and prompting the international and other partners to provide support for further projects on control and reduction of SALW.¹⁴

2. Technical support for capacity building in Montenegro in the field of controlled goods transfer controls

The Montenegrin Government continued its active cooperation with international organizations and institutions in the field of control of arms, military equipment and dual-use transfers in 2010, as well. Representatives from the Ministry of Economy and other institutions involved in the export control system took part in the following workshops and conferences:

- The Stockholm International Peace Research Institute (SIPRI), in cooperation with IAN Slovenian Customs Authority, organized a study tour for the purpose of a regional training on research and prosecution of export control violations. The training course was held on **Bled, Slovenia** from **2 to 3 February 2010**.
- Under the auspices of The South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC), the second meeting of the Regional Arms Exports Information Exchange Process was held on **23 March 2010** in **Skopje, Macedonia**, with participation of delegations from Albania, Bosnia and Herzegovina (BiH), Croatia, Montenegro and Serbia.
- The Ministry of Economy, in cooperation with SEESAC¹⁵ from Belgrade, organized the second Industry Outreach in the Field of “Export Control of Arms, Military Equipment and Dual-Use Goods.” The event was held on **25 May** in **Podgorica, Montenegro**.

■ ¹² Stockholm International Peace Research Institute – SIPRI; www.sipri.org

¹³ Federal Office of Economics and Export Control – BAFA; www.bafa.bund.de

¹⁴ During this period the Government organised an awareness programme in high schools, which included guest speakers from the Government Commission, awareness classes and workshops on the risks and dangers of weapons, especially for children and young adults. This resulted in an improved awareness of the population about the threats posed by weapons.

¹⁵ The South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons – SEESAC, was established in Belgrade on 8th May 2002. SEESAC was a component of the Regional Implementation Plan on Combating Proliferation of Small Arms and Light Weapons (SALW) formulated and adopted by the Stability Pact in November 2001 and revised in 2006. The aim of the Plan is to stop the flow and availability of SALW in the region, consolidate current achievements and support the socio-economic conditions for peace and development in South Eastern and Eastern Europe.

- USA Government and the Export Control and Related Border Security Programme (EXBS) from Belgrade, in cooperation with the Ukrainian Government, organized 11th Annual International Export Control Conference, from **8 to 10 June** in **Kiev, Ukraine**.
- COARM (Council Working Group on Conventional Arms Exports), organized a Regional Arms Export Control Conference in **Sarajevo, Bosnia and Herzegovina**, from **15 to 16 June 2010**.
- A conference on the Second Regional Report on Arms Exports was held on **21-22 June 2010** in **Jahorina, Bosnia and Herzegovina**.
- The Export Control Conference, held in **Hamburg, Germany** on **5-7 July 2010**. The goal of the conference was to inform the representatives of SEE countries and other participants about the manner of communication between the licensing and customs authorities, with an emphasis on the importance of close cooperation between these authorities as regards arms export controls.
- The South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC) hosted a Regional Seminar on the Marking and Tracing of Firearms for government officials, industry and NGO representatives, and international organizations. The Seminar was held in **Belgrade, Serbia**, on **14-15 September 2010**.
- The representatives of the USA government and EXBS Program of the American Embassy in Belgrade organized a training course on end-user certificates as related to the international transfers of arms, military equipment and dual-use goods, and with the view to building the capacity of the country for illegal transfer risk prevention. The title of the course was "End Use/End User Training", and it was held in Maestral Hotel, Milocer, **Budva** from **21 to 23 September 2010**.
- The third meeting of the Regional Arms Exports Information Exchange Process was held on **23-24 November 2010** in **Belgrade** with participation of delegations from Albania, Bosnia and Herzegovina (BIH), Croatia, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.
- Cooperation with EU in the field of dual-use export controls, **Podgorica, 14-15 December 2010**.
- The German Federal Office of Economics and Export Control (BAFA), organized a Regional Workshop held in **Frankfurt, Eschborn**, on **16-17 December 2010** in the framework of an EU Project related to arms and dual-use export control cooperation in which Montenegro, among other countries, would be included for the following two and half years.

3. Activities related to the implementation of the Law on Foreign Trade in Controlled Goods

The activities of the Ministry of Economy are aimed at constant improvement of export controls. In order to further improve the export-import control system, it is necessary to:

- Continue with the process of development and full implementation of the legal regulations and of the present system of arms, military equipment and dual-use export control system;
- Strengthen regional cooperation in the field of export control;
- Establish new National Control Lists, or else harmonize them with the lists adopted in the EU;
- Fulfill all the commitments derived from the membership of Montenegro in the UN, together with numerous resolutions, recommendations and other documents in the field of combating proliferation of weapons of mass destruction and terrorism;
- Hold workshops and training courses for local industry and the governmental sector on export control of controlled goods;
- Improve the technical base and education of Customs Authorities in order to train them to combat the trafficking of controlled goods;
- Install TRACKER software;¹⁶

■ ¹⁶ **TRACKER software** is a programme that has replaced non-automated methods of processing data on transfer control and allows for keeping track of thousands of cases. Thus Tracker functions as a central database of license applications to record data on the submitting, processing, monitoring, assessing and decision-making of applications.

Tracker has evolved into a powerful, international set of tools and includes automatization of work, internationalization, users, groups, licenses and relation-building. Using this set of tools and technologies, the authorities may communicate directly with their peers (e.g. ministries, agencies and departments) and organize and analyze information in a way that was not previously possible.

- Continue participating in the EU Long-term Project¹⁷;
- Consider the possibility and the need to introduce the Internal Control Programme in local companies.

IV. SECTION 4

STATISTICAL OVERVIEW

In order to have an overview of arms, military equipment and dual-use imports and exports, all the relevant data have been given in tables in the Annexes. This part of the Report provides an overview of the issued export and import licences for arms, military equipment and dual-use goods and the value of exports and imports of controlled goods, broken down by issued licences, destinations and categories of the National Control Lists.

The following Annexes give a detailed overview:

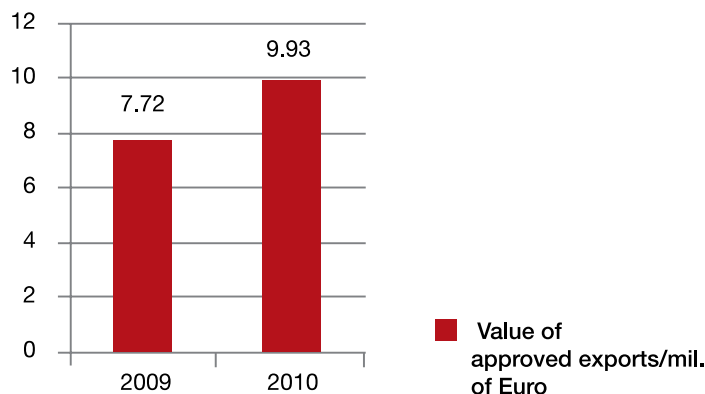
- 1 Data on issued export licences for weapons and military equipment;
- 2 Data on issued import licences for weapons and military equipment;
- 3 Data on issued export licences for dual-use goods;
- 4 Data on issued import licences for dual-use goods;
- 5 Data on issued brokering licenses; and
- 6 Information on denied applications.

Annex 1/10:

Data on issued export licences for arms and military equipment

Graph No. 1: In 2010 the MNE Ministry of Economy issued a total of **57** export licences for **22** destinations, in the value of **€9.93 million**. The entire value of issued export licences in 2010 was by €2.21 million (or 28.6%) higher than the value of exports approved in 2009.

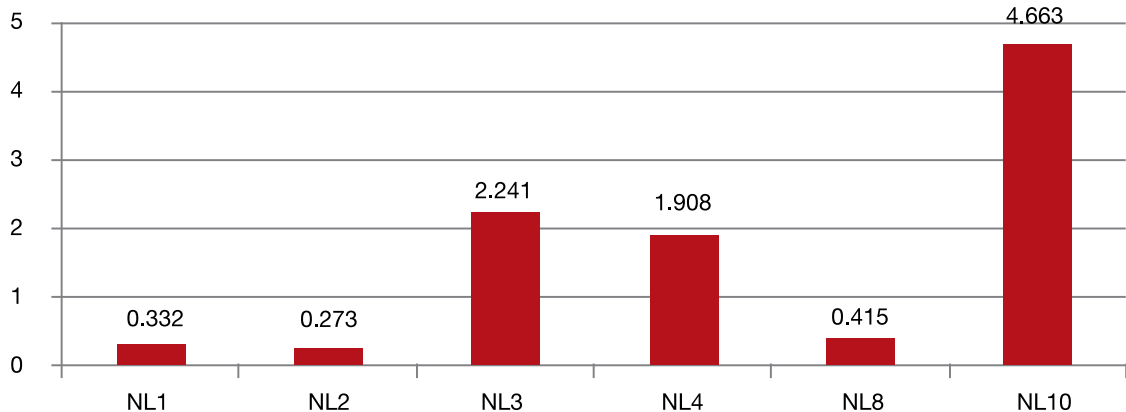
Graph No. 1 Graph of exports of arms and military equipment (2009/2010)



¹⁷ The long-term Project is a follow-up of the EU Project implemented through institutions BAFA, from Germany, and SIPRI, from Sweden, and funded by the European Commission.

Graph No. 2 shows the distribution of approved export licenses in 2010. It demonstrates that the goods that were most exported are classified in the group NL10, followed by the categories from NL3, NL4, NL1, NL2 and NL8. In other words, the structure of the goods that were the object of exports included products under 6 control numbers of the National Control List of Arms and Military Equipment, or else 99% of the total approved exports (*Please see the description below the graph*):

Graph No. 2 Graph of the structure of exports of arms and military equipment in 2010

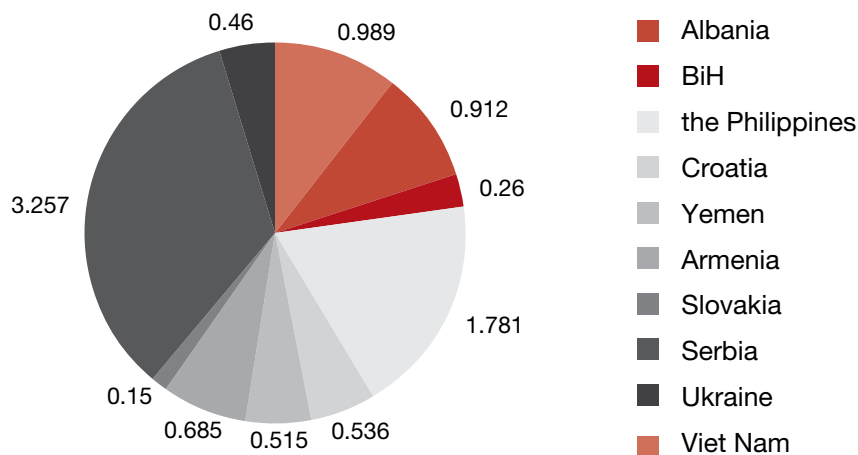


NL1	Smooth-bore weapons with a caliber of less than 20 mm, other arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less
NL2	Smooth-bore weapons with a caliber of 20 mm or more, other weapons or armament with a caliber greater than 12.7 mm (caliber 0.50 inches)
NL3	Ammunition and fuse setting devices
NL4	Bombs, torpedoes, rockets, missiles, other explosive devices and charges
NL8	Energetic materials
NL10	Catapults and cartridge actuated devices, for emergency escape of personnel from "aircraft"

Graph No. 3 shows the structure of exports of arms and military equipment in 2010 (broken down by countries). It demonstrates that **€9.54 million**, or else **96%** of the overall approved exports for 2010, were exported to 10 destinations.

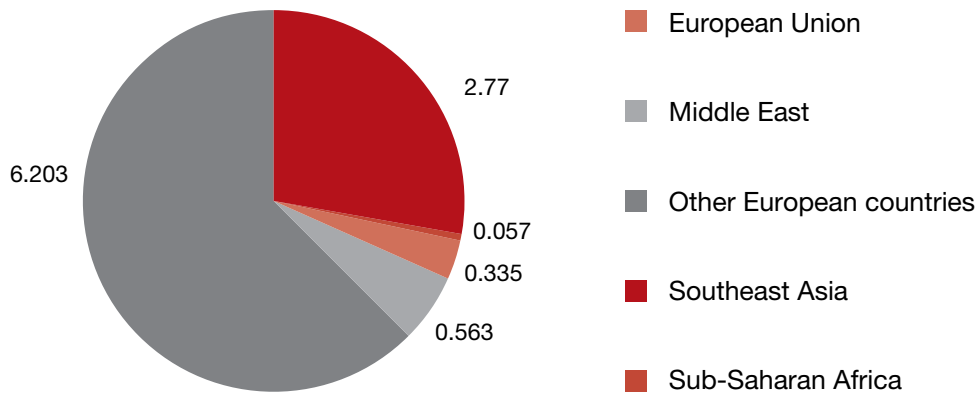
Detailed information about the approved exported quantities and respective values is provided in **Annex 1a/10**.

Graph No. 3 Graph of actual exports of arms and military equipment (broken down by countries) in 2010



Graph No. 4: If we look at the reported data about the regions most exported to (end-user countries), based on the data and graph No. 4, we will see that most exports were destined for other European countries – 62.4%, followed by 27.9% to Southeast Asia, 5.7% to the Middle East and 3.4% to the EU, which makes almost 100 % of approved exports.

Graph No. 4 Graph of approved exports of arms and military equipment (broken down by regions)

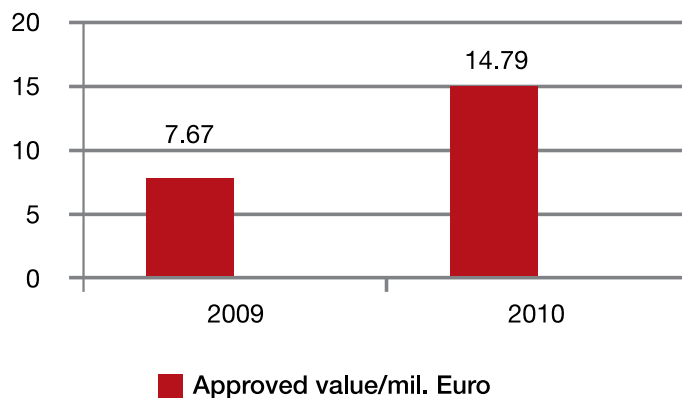


Annex 2/10:

Data on issued import licences for arms and military equipment

Graph No. 5: In 2010, the Ministry of Economy issued a total of **47** import licences from **12** destinations in the total value of **€14.79 million**. The entire value of issued import licences in 2010 was by **€7.12 million** higher than the value of licences issued in 2009, or twice as much.

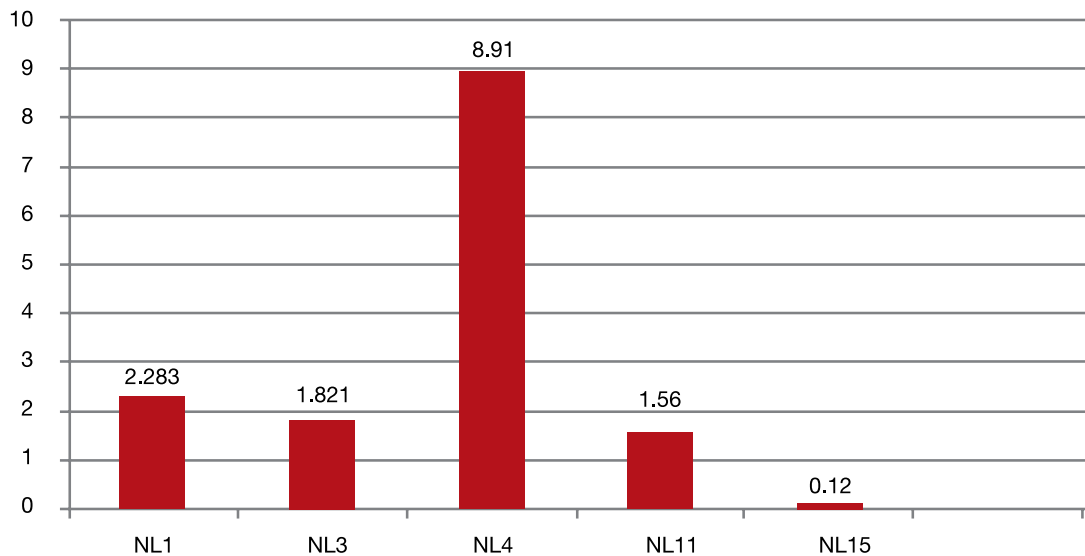
Graph No. 5 Graph of imports of arms and military equipment (2009/2010)



Graph No. 6 shows the structure of approved import licenses in 2010. The most imported goods fall under category NL4, followed by goods under NL1, NL3, NL11 and NL15, which makes 99% of the total imports.

However, it is essential to mention that the value of imported torpedo - **NL4**, amounting to **€8.55 million** was entered only for the purpose of customs records; this in reality refers to the overhaul of a torpedo, after which the product is returned to the owner. The value of the overhaul service is set to **€368,000**. In view of this fact, the total approved imports amount to **€6.61 mil.** which is by **€0.51 million** less in comparison with the previous year.

Graph No. 6 Graph of the structure of imports of arms and military equipment in 2010

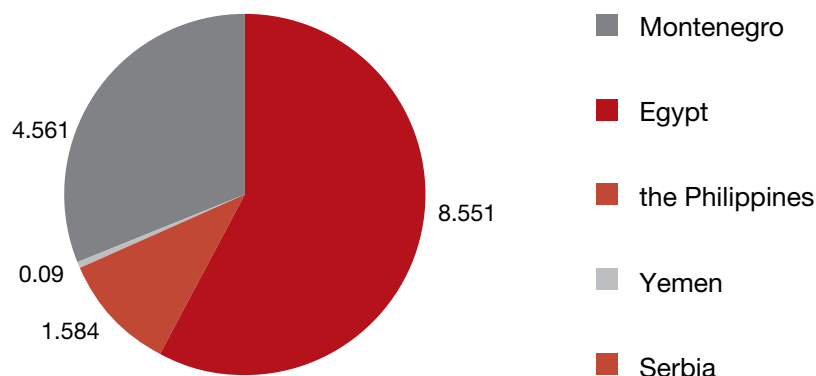


NL1	Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12.7 mm (calibre 0.50 inches) or less
NL3	Ammunition and fuse setting devices
NL4	Bombs, torpedoes, rockets, missiles, other explosive devices and charges
NL11	Electronic equipment, not specified elsewhere on the Military List, and related specially designed components
NL15	Imaging or counter-measure equipment for military use and related specially designed components and accessories

It is worth mentioning that out of the issued 47 arms and military equipment import licenses, 4 licenses were issued for re-export purposes, i.e. for active servicing in Montenegro, to be re-exported to other destinations.¹⁸

Graph No. 7: Out of the approved imports of arms and military equipment in 2010, **31%** of the goods were imported for Montenegrin market, while **58%** of the imported goods (goods classified under NL4) were marked for the overhaul and re-export to Egypt. **11%** of the imported goods (goods classified under NL3) were marked for re-export to an end-user from the Philippines. **0,6%** imported goods (goods classified under NL3) were marked for re-export to an end-user in Yemen. A negligible quantity of goods from Albania was intended for sale in the Serbian market.

Graph No. 7 Graph of approved imports of arms and military equipment (broken down by countries) in 2010



¹⁸ Montenegrin Law on Foreign Trade of Weapons, Military Equipment and Dual-Use Goods came into force on 1st July 2009, and thus the brokering activities were regulated.

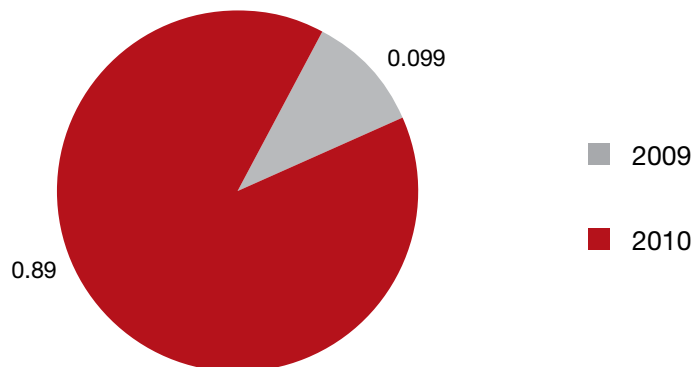
Detailed information about the actual imported quantities of arms and military equipment and the respective values (broken down by countries) is provided in the Annex of the Report (see **Annex 2a/10**).

Annex 3/10:

Data on issued export licenses for dual-use goods

In 2010 the Ministry of Economy issued **9 licenses** for export of dual-use goods.

Graph No. 8 Graph of approved imports of dual-use goods in 2009/2010



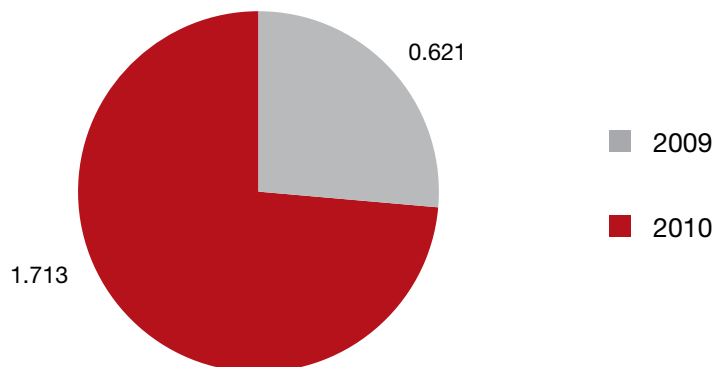
Graph No. 8 shows that in 2010 the approved exports of dual-use goods amounted to **€890,201** while the value of issued licenses in 2009 amounted to **€99,000**.

Annex 3a/10 shows the quantities of approved dual-use goods exports and their respective values (broken down by countries).

Annex 4/10:

Data on issued licenses for import of dual-use goods

Graph No.9 Graph of approved imports of dual-use goods in 2009/2010



21 licences for import of dual-use goods, in the amount of **€1.71 million**, were issued in 2010. Compared to the previous year, the value of approved imports is by **€1.1 mil. (63.7%)** higher.

A detailed description of the import of dual-use products (broken down by countries), is given in **Annex 4a/10**. This annex shows that goods in the value of **€1.195 million** were imported for use by the Montenegrin market, while goods in the value of **€0.518 million** were imported for the purposes of re-export.

Annex 5/10:

Data on issued licenses for brokering activities

With the entry into force of the Law on Foreign Trade in Controlled Goods, on 1 July 2009, the control of brokering activities was introduced.¹⁹

Article 8 (1) of the Law provides for licensing of brokering activities related to the controlled goods classified in the National Control Lists.

In **2010** the Ministry of Economy issued a total of **6 licenses** for brokering activities, in the total value of **€2.07 million**. The value of the licenses in **2009** amounted to **€3.037 million**, which means that in 2010 brokering activities were approved in the value reduced by **€0.97 million** or by **68%**.

More details are given in **Annex 5a/10**.

A novelty introduced by the new regulations is the requirement to license the goods included by the Catch-All clause²⁰ (Article 7 of the Law) and under technical assistance²¹. Since the initial enforcement of this Law, till the end of 2009, there were no licenses for this type of goods.

Annex 6/10:

Data on denied applications for export/import of controlled goods

In 2010 a total of **140 licenses** were issued. During the mentioned period, legal entities chose not to realize **one (1)** arms and military equipment export license, **one (1)** dual-use import license and **one (1)** brokering deal. During the same period, the Ministry of Economy denied, on the grounds of the EU Council Position 2008/944/CFSP, **one (1)** export license application.

■ ¹⁹ "Brokering activity" is negotiation or contraction of transactions related to buying, selling or supplying controlled goods from one foreign country to another foreign country or providing information to a person who is buying, selling or supplying those goods from one country to another, excluding the activities such as transport, financial services, insurance, re-insurance, advertising and promotion;

²⁰ "Catch all" clause implies the need to obtain a dual-use export license for the goods not included under the National Control List of Dual-Use goods. The intention is that the export control should include all the goods that may entirely or partially be used for military purposes.

²¹ "Technical assistance" is the assistance related to development, production, assembly, testing, repair or maintenance of controlled goods, as well as any other technical service that may be provided in the form of an instruction, training, transfer of know-how and skills or consulting, including any form of verbal assistance.

Annex 1a/10 ISSUED EXPORT LICENCES FOR ARMS AND MILITARY EQUIPMENT - (broken down by end-user country)

END USER COUNTRY	NUMBER OF ISSUED LICENCES	CATEGORY IN THE NATIONAL CONTROL LIST	DESCRIPTION OF GOODS	APPROVED QUANTITY (IN MEASUREMENT UNITS)	VALUE OF ISSUED LICENCES (EUR)	COUNTRY OF ORIGIN	CONSIGNEE (BUYER)
Albania	1	NL 4	64mm rocket – "Zolja"	10,000 pcs	912,120		Albania
TOTAL	1				912,120		
Belarus		NL 10	Pilot seat ejection cartridge, different models and types; R-4 pyro cutter; PZ-AL propellant charge	753 pcs	76,969	Montenegro	Cyprus
TOTAL	1				76,969		
Bosnia and Herzegovina		NL 2	Launcher	8 pcs	6,320	Montenegro	Bosnia and Herzegovina
		NL 8	Hail defense rocket; TG-10 hail defense rocket	1,105 pcs	253,796	Montenegro	Bosnia and Herzegovina
TOTAL	2				260,116		
Philippines		NL 3	HE 60mm mortar bomb; HE 81mm bomb; 5.56mm ammunition for M193 ball; 5.56mm ammunition SS 109 in ammunition belts	1,871,840 pcs	1,780,789	Serbia	Israel Philippines
TOTAL	7				1,780,789		
Croatia		NL 8	Meteorological hail defense rocket	1,030 pcs	226,600	Montenegro	Croatia
		NL 1	Other equipment; pistol; assault rifle; optics	8 gn; 11 pcs	6,889	Croatia	Croatia
		NL 10	Explosive charge PK-3M-1; R-4 pyro cutter; PP3 explosive charge; aircraft "Galeb G-4"	166 pcs	301,514	Montenegro; BiH	Croatia
		NL 2	Grenade launcher	1 set	1,000	Croatia	Croatia
UKUPNO	5				536,003		
Israel		NL 1	Hunting carbine 308 Winchester	6 pcs	4,370	Serbia	Israel
TOTAL	1				4,370		
Yemen		NL 3	HE 130mm illuminating ammunition for M46 gun; HE 130mm ammunition for M46 gun, full gunpowder charge; HE 130mm ammunition for M46 gun, reduced gunpowder charge; 82mm shell for 82 mm recoilless gun M60	4,208 pcs	164,772	Montenegro	Cyprus
		NL 4	90 mm rocket; M50 and M52 hand grenade;	21,955 pcs	325,209	Montenegro; Bosnia and Herzegovina	Cyprus
		NL 2	Anti-aircraft gun 20/1, overhauled; AAG 20/3mm, overhauled; 20mm shell for AAG 20/3mm; 82mm recoilless gun M60	8 pcs	25,235	Montenegro	Bosnia and Herzegovina Cyprus
TOTAL	5				515,216		

Armenia	NL 1	7.62x39mm sub-machine gun; M84machine gun; 7.62x54mm machine gun tripod, 9mm pistol CZ P-07 Luger	491 pcs	105,491	Albania	Seychelles
	NL 2	122mm DD-30 howitzer spare parts	16 sets	159,842	Bosnia and Herzegovina	Seychelles
	NL 3	9x19mm ammunition	50,000 pcs	14,000	Sweden	Seychelles
	NL 4	82mm HE bomb – made in Albania; 82mm smoke bomb; 120mm smoke bomb	53,528 pcs	405,833	Albania	Seychelles
TOTAL	9			685,166		
Cyprus	NL 3	HEAT T-55 100mm round	1,526 pcs	98,593		Cyprus
TOTAL	1			98,593		
Lebanon	NL 10	'FOLAND' explosive charge	12 sets	43,560	Montenegro	Serbia
TOTAL	1			43,560		
Niger	NL 10	PPI-26 explosive charge	3,000 pcs	45,000	Montenegro	Cyprus
TOTAL	1			45,000		
Nigeria	NL 10	Pilot seat ejection cartridge PPL	500 pcs	12,500	Montenegro	Cyprus
TOTAL	1			12,500		
Poland	NL 10	KW 9 explosive charge; PK-16m cartridge	300 pcs	41,600	Montenegro	Switzerland
TOTAL	1			41,600		
Romania	NL 10	PPL explosive charge	1,000 pcs	34,650	Montenegro	Switzerland
TOTAL	1			34,650		
Russian Federation	NL 1	Hunting rifle	1 pc	1,420		Russian Federation
TOTAL	1			1,420		
United States of America	NL 10	Aircraft installations; PK-3M-1 explosive charge; TVU-1-3D-1 explosive charge; PK-21M-2 explosive charge	15 pcs	2,960	Montenegro	Cyprus
TOTAL	2			2,960		
Slovakia	NL 10	Explosive charge	2,134 pcs	149,975	Montenegro	Cyprus
TOTAL	1			149,975		
Slovenia	NL 9	P-911 submarine	1 pc	10,261	Croatia	Slovenia
TOTAL	1			10,261		

Serbia	NL 8	Ammonium-perchlorate; hexogen	3,200 pcs; 500 kg	11,120	Montenegro; Albania	Serbia; Hungary
	NL 4	1-57mm rocket with UTI-1 fuze; S-5M-57mm rocket with fuze V-5m-1	5,048 pcs	249,404	Serbia	Serbia
	NL 10	MI-8 helicopter spare parts; G-4 aircraft (N62); aircraft explosive charge; fire fighting charge; aircraft charge; aircraft rocket propulsion system; set of aircraft explosive charge	7 sets; 894 pcs	2,814,280	Montenegro	Bosnia and Herzegovina; Serbia
	NL 3	Anti-air cannon – Pat 20/2-M, Bov – 3 with vehicle	16 pcs	182,424	Montenegro	Serbia
TOTAL	6			3,257,228		
Ukraine	NL 1	12.7mm submachine gun DSK	250 pcs	213,582	Albania	Cyprus
	NL 10	Explosive charge – various types; explosive charge pk-3m-1; UDP2-1; pk 21m-2; pk 16ml	3,323 pcs	150,921	Montenegro	Cyprus
	NL 2	60mm mortar	100 pcs	80,191	Albania	Cyprus
	NL 4	Submachine gun barrel	220 pcs	15,746	Albania	Cyprus
TOTAL	5			460,440		
UNMIK (KOSOVO)	NL 4	Plastic explosive PEP 500; sheet plastic explosive; plastic explosive PEP-500	6 pcs; 265 kg	13,591	Montenegro	UNMIK (KOSOVO); Macedonia
TOTAL	3			13,591		
Viet Nam	NL 10	Explosive charge	7,288 pcs	989,256	Montenegro	Cyprus
UKUPNO	1			989,256		
TOTAL	57			9,931,783		

Annex 2a/ 10 ISSUED IMPORT LICENCES FOR ARMS AND MILITARY EQUIPMENT (broken down by end-user countries)

END USER COUNTRY	NUMBER OF ISSUED LICENCES	CATEGORY IN THE NATIONAL CONTROL LIST	DESCRIPTION OF GOODS	APPROVED QUANTITY (IN MEASUREMENT UNITS)	VALUE OF ISSUED LICENCES (EUR)	COUNTRY OF ORIGIN	SENDER
MONTENEGRO		NL 8	Magnesium powder; double-base propellant	1,450 kg	41,335	Austria; Serbia	Switzerland Serbia
		NL 5	Firearms stabilization platform for test fire	1 pc	3,500	Russian Federation	Serbia
		NL 4	Chemical drill rifle grenade; drill smoke cartridge M3F; chemical drill rifle grenade – explosive; smoke bomb – neutral, white; practice bursting bomb M81; M79, AF-1 hand grenades; 82mm bomb; 12.7 mm submachine gun barrel, model 1938/46	50,600 pcs	358,602	Serbia; Poland	Serbia Poland
		NL 3	Carbine ammunition; 380 auto ammunition; 45 auto ammunition; 6.35 ammunition (25 Auto); 357 Magnum ammunition; 7.62mm Tokarev ammunition; 40S&W ammunition; 38 Special ammunition; 7.65mm ammunition (32Auto); 9mm Luger ammunition; revolver and pistol ammunition; carbine centre fire ammunition	848,620 pcs	147,040	Austria; Germany; Serbia	Austria Germany Serbia
		NL 2	60mm mortar; VHS-BG 40x46mm grenade launcher	1 set; 100 pcs	15,173	Albania; Croatia	Albania Croatia
		NL 15	AN-PVS-7 night goggle	60 pcs	119,622	USA	USA
		NL 13	Small chest panel; medium chest panel; extra large chest panel; large chest panel	120 pcs	24,053	USA	USA
		NL 11	Radio with accessories; portable night start – overhauled and completed	125 pcs	1,560,261	Norway; Bosnia and Herzegovina	Serbia
		NL 10	Martin Baker rocket motor sub-structure	6 pcs	8,400	Serbia	Serbia
		NL 1	Various type and calibre pistols; pistol spare parts; various cal. pistol bullets; various cal. carbine ammunition; under-barrel launcher – that can be mounted; set of spare parts for G-36 V; set of spare parts for G-36 KV; laser light LLMO1; cleaning set; bayonet; set of spare parts; assault rifle; illuminating AIMPOINT device; hunting carbine; Taser with accessories; sniper rifle with accessories; submachine gun parts and accessories; combined rifle; combine rifle spare barrel; snipers-optics; automatic rifle with accessories	9 sets; 833,013 pcs	2,283,083	Italy; Czech Republic; Germany; Serbia; USA; Taiwan Austria Croatia	Italy Czech Republic Germany Serbia USA Taiwan Austria Croatia
TOTAL					4,561,068		

Egypt				Disassembled torpedo 53-VA, without the explosive charge and with the related equipment	10 pcs	Egypt	Serbia
TOTAL	1	NL 4				8,551,125	8,551,125
Philippines				5.56 mm SS-109 ammunition in ammunition belts; HE 60 mm mortar shell; HE 81 mm mortar shell; 60mm bomb; 5.56 mm ammunition for M193 ball	1,871,840 pcs	Serbia	Serbia
TOTAL	7	NL 3				1,584,051	1,584,051
Yemen				HEAT 100mm shell	1,526 pcs	Czech Republic	Bulgaria
TOTAL	1	NL 3				90,473	90,473
Serbia				Hexogen with 0% flegmatizers	3,200 pcs	Albania	Albania
TOTAL	1	NL 8				4,800	4,800
TOTAL	47					14,791,517	14,791,517

Annex 3a/10 ISSUED EXPORT LICENCES FOR DUAL-USE GOODS (broken down by end-user countries)

END USER COUNTRY	NUMBER OF ISSUED LICENCES	CATEGORY IN THE NATIONAL CONTROL LIST	DESCRIPTION OF GOODS	APPROVED QUANTITY (IN MEASUREMENT UNITS)	VALUE OF ISSUED LICENCES (EUR)	COUNTRY OF ORIGIN	CONSIGNEE (BUYER)
Albania	2	NL 1	Electric detonator - instantaneous 2x2m; millisecond electric detonator; DK-8 detonating cap; detonating cord	815,000 pcs; 300,000 m	228,865	India	Albania
TOTAL	2				228,865		
Former Yugoslav Republic of Macedonia	2	NL 1	DK-8 detonating cap; electric blasting cap	12,000 pcs	7,320	Montenegro	Macedonia
TOTAL	2				7,320		
UNMIK (Kosovo)	5	NL 1	Nonel detonator; electric detonator; safety fuze; DK-8 detonating cap; electric detonator 1A007; electric detonator; low-energy tube; non-electric detonator; surface connector	522,300 pcs; 3,015,200 m	654,016	Montenegro Bosnia and Herzegovina	UNMIK (Kosovo); Serbia
UKUPNO	5				654,016		
TOTAL	9				890,201		

Annex 4a/10 ISSUED IMPORT LICENCES FOR DUAL-USE GOODS - (broken down by end-user countries)

END USER COUNTRY	NUMBER OF ISSUED LICENCES	CATEGORY IN THE NATIONAL CONTROL LIST	DESCRIPTION OF GOODS	APPROVED QUANTITY (IN MEASUREMENT UNITS)	VALUE OF ISSUED LICENCES (EUR)	COUNTRY OF ORIGIN	SENDER
Montenegro		NL 1	<p>Delayer; blasting cap; electric detonator; detonating cord; plastic connector; initialization tube; amatol; radiological dosimeter; automatic chemical detector with battery; filter NBC-M2; igniter I and igniter II for hail defense rockets with resistance; Aflatoxin mixture B1, B2, G; Ochrotoxin B10; Aflatoxin M1; Fluoride; C Zanide; Trinitrotoluene TNT; safety fuze</p>	<p>2,600,928 pcs; 200,000 kg; 2,382,000 m; 800 tonnes</p>	1,195,565	<p>India; Bosnia and Herzegovina; Czech Republic; Albania; Germany; England; Serbia; Bulgaria</p>	<p>India Bosnia and Herzegovina Croatia Albania Germany England Bulgaria Serbia</p>
TOTAL	20				1,195,565		
UNMIK (Kosovo)		NL 1	Non-electric detonator BIHNEL LE L; surface connector BIHNEL; low-energy initiating tube	320,000 pcs; 3,000,000 m	517,750	Bosnia and Herzegovina	Bosnia and Herzegovina
TOTAL	1				517,750		
TOTAL	21				1,713,315		

Annex 5a/10 ISSUED LICENCES FOR BROKERING ACTIVITIES - (broken down by end-user countries)

END USER COUNTRY	NUMBER OF ISSUED LICENCES	CATEGORY IN THE NATIONAL CONTROL LIST	DESCRIPTION OF GOODS	APPROVED QUANTITY (IN MEASUREMENT UNITS)	VALUE OF ISSUED LICENCES (EUR)	COUNTRY OF ORIGIN	SENDER
Azerbaijan		NL 2	128mm guided rocket for RAK – 12; multi-barrel grenade launcher for 128mm RAK – 12	20,010 pcs	502,806	Bosnia and Herzegovina	Bosnia and Herzegovina
TOTAL	1				502,806		
Philippines		NL 4	HEDP 40x46mm ammunition; 105mm HE ammunition	10,349 pcs	506,448	Serbia	Serbia
TOTAL	2				506,448		
Armenia		NL 4	120mm HE mortar shell; 82mm HE mortar shell; 60mm HE shell	65,040 pcs	806,382	Albania	Albania
TOTAL	1				806,382		
Ukraine		NL 4	60mm shell; 82mm illuminating mortar shell	27,216 pcs	256,407	Serbia	Serbia
TOTAL	2				256,407		
TOTAL	6				2,072,043		