



Montenegro
Ministry of Economy

ANNUAL REPORT ON FOREIGN TRADE IN CONTROLLED GOODS IN 2008



Podgorica, June 2009

Annual Report on Foreign Trade in Controlled Goods in 2008

The Ministry of Economy of Montenegro, as a key agency responsible for the arms transfer control system, has produced the Third National Report. This Report gives an overview of issued and used licenses for the export and import of controlled goods in Montenegro and describes the cooperation of the Ministry with international institutions and organizations in the area of arms, military equipment and dual-use transfer control.

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Acronyms:

AG	Australia Group
CoE	Council of Europe
CWC	Chemical Weapons Convention
EU	European Union
IMF	International Monetary Fund
MTCR	Missile Technology Control Regime
NSG	Nuclear Suppliers Group
OECD	Organisation for Economic Co-operation and Development
OPCW	Organisation for the Prohibition of Chemical Weapons
OSCE	Organisation for Security and Co-operation in Europe
SALW	Small Arms and Light Weapons
UN	United Nations
UN SC	United Nations Security Council
UNDP	United Nations Development Programme
WA	Wassenaar Arrangement
WB	World Bank
ZG	The Zangger Committee

SECTION ONE

INTRODUCTION

Based on the results of a democratic referendum held on 21 May 2006, the Republic of Montenegro restored its statehood on 03 June 2006. Shortly after that, Montenegro was recognised as an independent state within the international community and became a member of the UN, thus assuming the obligation to implement the decisions of the UN Security Council, as well as other commitments related to the export, import and transit of controlled goods.

By virtue of the “Decision on the Proclamation of Independence” (“Official Paper of the Republic of Montenegro [RMNE]”, no. 36/06 of 05 June 2006), the Government of Montenegro inherited the legislation that had previously been implemented by the former State Union, including the licensing of foreign trade in weapons and military equipment. To carry out this new task a government decree established the necessary licensing regime, which is under the competence of the Ministry for Economic Development (MED). This governmental decree (“Official Paper of the RMNE”, no. 40/06 of 22 June 2006) provides the legislative framework for foreign trade in controlled goods. With the enforcement of the Law on Foreign Trade in Controlled Goods¹ Montenegro will have harmonized its national legislation with the international regulations and standards in this area.

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

This is the **third national report** produced in this field providing an overview of export-import control of arms, military equipment and dual-use goods during 2008. The report also contains comparative data since Montenegro assumed jurisdiction in this area.

After the Report has been submitted to the Government, adopted, and the Montenegro Parliament advised accordingly, the Report is forwarded to all relevant international institutions and organizations and is published on a dedicated internet site. Thus a higher level of transparency is achieved in these activities, which contributes to building the reputation of Montenegro globally and improving international cooperation in this field.

As regards the publication of data, a compromise has been reached implying that there is a commitment to publish information while at the same time protecting the commercial interests of companies. All data have been given in an aggregated form in order not to compromise the confidentiality of this data, in accordance with the Data Secrecy Act (“Official Paper of RMNE”, no. 14/08) and Unpublished Data Protection Act (“Official Paper of RMNE”, no. 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. The International Community is trying to introduce global transparency standards in the field of foreign trade in weapons, and, since 2000, in the field of dual use goods.

The main body of the Report contains general information on applicable legislation, 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 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 analysis of statistical data shown in the Annexes.²

¹ Controlled goods are arms, military equipment and related technologies, as well as dual-use goods, including software and technologies, which may have military as well as civilian use. The Law on Foreign Trade in Controlled Goods was passed in 2005 in the State Union of Serbia and Montenegro, and has been published in the “Official Paper of SCG”, no. 7/05.

² General Annexes give comparative data for 2006 and 2007.

The Annexes also contain tables with figures of registered foreign trade activities, i.e. approved and denied applications, as well as data on companies registered for trade in controlled goods.

It is the Government of Montenegro's strong belief that the promotion of responsible export control and arms transfers strengthens global and especially regional security. Therefore, in the spirit of transparency and good will, the Republic of Montenegro will provide information on its controlled goods import and export control policy on an annual basis.

SECTION TWO

NATIONAL LEGISLATION

National legislation in the area of foreign trade in controlled goods (for the period of observation) includes the following inherited 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 Paper of Serbia and Montenegro [SCG]", no. 7/2005, 8/2005) prescribes the procedure and conditions for foreign trade, transport and transit of arms, military equipment and dual-use goods.

The enforcement of this law aims at establishing state control in order to achieve and protect the security, foreign policy and economic interests of the State of Montenegro, its international credibility and integrity, and to ensure the fulfillment of the international commitments assumed by Montenegro.

Foreign trade in controlled goods includes: a) export and import; b) scientific and technical cooperation, production cooperation, acquisition and transfer of property rights for technologies in the area of manufacturing controlled goods; c) provision of intellectual and material services that might be used for designing, developing, production, use and maintenance of controlled goods; d) representing foreign companies, brokering, re-export, maintenance and other services in foreign trade in controlled goods; e) non-commercial export and import.

In drafting the Law which regulates the conditions under which the activities of foreign trade, transit and transport and provision of technical support regarding controlled goods can be performed, as well as other issues significant in the foreign trade of controlled goods, adopted by the Parliament of Montenegro at session 23, sitting 7 of the second regular session in 2008, on 17 December 2008 ("Official Paper of RMNE" no. 80/08), the MED has actively cooperated with the experts from BAFA (Federal Office of Economics and Export Control) in Germany, SIPRI (Stockholm International Peace Research Institute) from Sweden, and observed the recommendations and comments of UNDP representatives, EK – DG Trade, DG Relax, and NATO, and used the experience from neighbouring countries, including Directive EU (1334/2000).

Amendments to the Draft Law in relation to the previous legal act, are:

- **Catch-All Clause** – This clause refers to the requirement to obtain authorisation to export dual-use goods which are not included in the National control list of dual-use goods. The purpose of the clause is to include all goods which can partially or entirely be used for military purposes in export control.
- This clause regulates the possibility of controlling goods that have not been included in the prescribed national control lists, but that are considered as controlled goods in the case that the person intending to carry out a foreign trade deal learns from the competent authorities or has a reason to believe that the goods in question are or may be, entirely or partially, used for the development, manipulation, possession, maintenance, stockpiling, tracking, detection, identification or proliferation of chemical, biological or nuclear weapons or other nuclear and explosive devices, or else for the development, maintenance or

stockpiling of rockets capable of carrying such weapons. The provisions of this article will be entirely harmonized with Article 4 of Council Regulation no.1334/2000 dealing with “comprehensive control”;

- **Technical Assistance** - (Article 6) It is prohibited to provide technical assistance if it is intended or may be used for the development, production, use and spread of chemical or biological weapons, nuclear weapons or other nuclear warheads, or the development, production, maintenance and stockpiling of projectiles suitable for launching such weapons³;
- **Brokering Activities** - European Legislation has regulated brokering since 2003, despite its previous practice. This law has extended control to brokering activities in accordance with Article 3, paragraph 1 of the European Union Council Common Position (2003/468/CFSP)⁴
- **Criteria of EU Code of Conduct for 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.

The Law has created the conditions for greater transparency and an improved approach by Montenegro to international markets. A safe and planned approach to markets, promotion and increase of export and import activities, economic activities of Montenegrin citizens abroad and of foreign investors in Montenegro is a constant task and orientation of the local economic policy, which makes this Law consistent with the Law on Foreign Trade (“Official Paper of RMNE”, no. 28/04, 37/07) as well as with international legal documents in this area.⁵

1.2. Export and Import Control System

A comprehensive control system of foreign trade in controlled goods or technologies prescribes, inter alia, mandatory registration of persons (natural and legal) that wish to engage in this activity (**see Annex 1**).

1.2.1. Registration

Pursuant to Articles 11 and 12 of the Law on foreign trade in controlled goods, the right to engage in foreign trade (export, import, transit, brokering, technical assistance, etc.) in controlled and dual-use goods may be exercised once the applicants are entered in the **Register of Persons** that may perform foreign trade, kept by the competent Ministry, the MED.

The MED issues a **Decision**, valid for five years. In this way the entire process has become transparent, and the procedure simplified in cases of announcing tenders on the sale of weapons by administrative authorities, or, for instance, in controlling a specific foreign trade. This is a procedure that does not incur any expenses for the persons to be registered and is not long. The procedure is simple and, as a result, we have a database of individuals involved in these activities.

1.2.2. Individual licences

A licence for foreign trade in controlled goods is a written act of the competent ministry, by which a person is entitled to perform **a single foreign trade deal involving a known quantity and type of controlled goods**,

³ **“Technical assistance”** is assistance which refers to the development, production, assembling, testing, repair or maintenance of controlled goods, and any other technical service which may be in the form of instruction, training, transfer of business know-how and skill, or consulting services, including all kinds of oral assistance.

⁴ **“Brokering activity”** is negotiating or arranging a transaction in buying, selling or supplying controlled goods *from one state into another*, or providing information to the person buying, selling or supplying control goods *from one state into another*, excluding activities such as transport, financial services, insurance, re-insurance, advertising and promotion.

⁵ The international legal documents that deal with combating the proliferation of weapons of mass destruction and specific conventional weapons are: Nuclear Non-Proliferation treaty (NPT), Conventions on the prohibitions or restriction on the use of specific weapons that could be potentially dangerous or could have non-discriminatory consequences – so-called inhumane weapons (CCW); and the protocols and Conventions on the prohibition of development, production and stockpiling of biological and toxic weapons and their destruction (BTWC); Conventions on the prohibition of development, production and stockpiling of chemical weapons and on their destruction (CWC); Conventions on the banning of development, production and stockpiling of anti-personnel mines and on their destruction (APM); Conventions on the prohibition of development, production, stockpiling and use of cluster ammunition and on their destruction (CCM), UN Conventions against Trans-national Organized Crime, including the UN Firearms Protocol.

under the conditions stipulated by a contract with an international partner, and in accordance with a previously conducted, legally prescribed procedure. The Rulebook on the licensing application form, licence form and other forms of documents accompanying the foreign trade in controlled goods⁶ defines a specific uniform pattern of the licensing application and other forms, as well as the list of documents to be attached to the submitted application.

Prior to making a final decision on the applications in question, the MED must obtain **consent** from the *Ministries of Defence (MoD) and Foreign Affairs (MFA)* and an **opinion** from the *Ministry of the Interior (Mol)*, which make decisions on a case-by-case basis and within their respective areas of responsibility. If the ministries give a negative response to the application in question, it will be denied, and the licence shall not be issued⁷. Montenegro has accepted a system of **consensus**, which must be reached in order for a licence to be issued, and with a view to reaching efficiency, i.e. so that the **Government** does not have to reconsider the positions of some of its bodies. Notwithstanding the above, the Government of Montenegro retains the possibility to deliberate and decide on complicated and complex applications for which a consensus of the ministries could not be reached.⁸ According to the new Law, the decisions on individual applications shall be based only on the consensus of all bodies involved in the licensing process.

Licensing criteria

In giving its approval the MFA has to consider all the aspects related to the Decision on the Criteria for Licensing Exports of Arms, Military Equipment and Dual-Use Goods, harmonized with the EU Code of Conduct on Arms Exports (The Code).⁹ **The Code is politically binding for EU Member States. By coherently applying the eight criteria in the licensing procedure the Republic of Montenegro will comply with European standards while not being a member of the EU, and will thus pave the way for membership in international control regimes, with the possibility to benefit from all their advantages.** According to the provisions of the new Law, the competent bodies of Montenegro shall, from the aspect of their competency, observe the EU Code of Conduct criteria, and make appropriate decisions regarding the applications.

The MED issues an End User Certificate, in the case of imports, or else checks up the “End User Certificate” in the procedure of issuing an export licence. A Permit for Transport and Transit of Arms and Military Equipment by land and water is approved by the Mol, while the transport and transit by air is approved by the Ministry of Navigation, Transportation and Telecommunications, on the basis of a previously issued licence by the competent ministry for the specific foreign trade deal and the consent of the MFA and MoD.

1.2.3. Oversight and control

The MED oversees and controls the foreign trade in controlled goods in accordance with the provisions of the Law, and in cooperation with the MFA, MoD, Mol, Customs, Security-Intelligence Services, etc.

Persons engaged in foreign trade, transport or transit of controlled goods have a legally prescribed obligation to allow inspection of the goods by the competent oversight and control bodies in all the phases of transfer, transport, transit and storage. In the case of disappearance or damage of controlled goods kept by the person engaged in the foreign trade of controlled goods, or by the person who acquires and stockpiles these goods, they shall report the damage or disappearance of the goods within 24 hours from the occurrence of damage or

⁶ “Official Paper of SCG”, no 12/05.

⁷ An issued licence 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 licence 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 licence; or when the person ceases to observe the conditions.

⁸ During the period of the State Union of Serbia and Montenegro (31 March 2005 – 05 June 2006), the final decision on licensing applications was made by the Council of Ministers.

⁹ This Code of Conduct was adopted in June 1998 and includes eight criteria. All EU Member States have agreed to comply with the Code of Conduct on Arms Exports when considering licensing applications for goods from the Common EU Military List. The Code of Conduct also intends to improve the exchange of information between the Member States and to contribute to better understanding of their export control policies. In June 2000 these rules were expanded to include Dual-Use Goods (Regulation EK 1334), in the cases when it is known or suspected that the end user or end use of the goods is of a military nature.

disappearance to the competent ministry. The person engaged in foreign trade of controlled goods (importer, exporter, broker, owner or second user) shall keep all the documentation on the trade in these goods for a minimum of ten years.

Customs clearance is performed by the **Montenegrin Customs Administration**, which, pursuant to Article 38 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 MED of such decisions. The Customs authorities shall check whether the Unique Customs Document (JCI) 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 JCI and to the actual condition of the goods.

The Mol controls and oversees the transportation and transit of arms and military equipment, weapons and ammunition and explosives over the state border and in the territory of Montenegro, in road and railway traffic, in accordance with the provisions of the following legal regulations:

- Law on Transportation of Dangerous Materials;¹⁰
- Law on Weapons;¹¹
- Law on Explosives, Incendiary Liquids and Gases;¹²
- Decree on Transportation of Arms and Military Equipment.¹³

2. The Law on Foreign Trade

Foreign trade in Montenegro is regulated by the Law on Foreign Trade ("Official Paper of RMNE" no. 28/04; 37/07). Liberation of the legal framework, which regulates foreign trade and economic activity, consistent to the European Union and the World Trade Organisation agreements and general international practice, is the most efficient way to significantly increase the level and scope of foreign trade and economic activity between Montenegro and other countries and regions. The greatest results in international trade liberalisation have been achieved through multilateral trade negotiations, or "trade rounds" organised under GATT. The agreements on subsidies, technical difficulties, trade, import permits, customs value and antidumping represent international obligations within the agreements on the WTO's foundation.

According to Article 6 of this Law, by a special decision the Government shall establish, update and publish a national Control List of import and export goods, containing information on the goods whose export and import is in any way limited, according to the provisions of the Law.

The Control List is needed for the purpose of technical harmonisation of the Control List with the **Regulation on the Harmonisation of the Customs Tariff Nomenclature for 2009**. This Regulation harmonises the Montenegrin Customs Tariff Nomenclature with the EU Nomenclature for 2009 and the law on ratification of the Interim Agreement on trade and related matters between the European Community on the one hand, and the Republic of Montenegro on the other ("Official Paper of RMNE" no. 7/07), which shall be applied in product categorisation in the Customs Tariff.¹⁴

Products such as: porous ammonium nitrate for explosives, gunpowder, prepared explosives, other than gunpowder, slow-burning fuse; detonating fuse; percussion or detonation caps, igniters, electric detonators; pyrotechnic products for fireworks, signal rockets, lightning rockets, signal rockets for fog and other pyrotechnic

¹⁰ "Official Paper of RMNE", no. 05/08 of 23 January 2008.

¹¹ "Official Paper of RMNE", no. 49/04; 49/08 of 15 August 2008.

¹² "Official Paper of RMNE", no. 49/08, 58/08 of 01 October 2008.

¹³ "Official Paper of SRY" no. 54/97.

¹⁴ On 31 October every year, a Council Regulation on the Tariff and Statistical Nomenclature and on the Common Customs Tariff is published by the EU, and all countries signatories of Stabilisation and Association Agreement are obliged to harmonise their Customs Tariff with the Combined Nomenclature of the EU.

products; other firearms and similar apparatus that function through the ignition of an explosive charge (e.g. sporting guns, shotguns and hunting and sports carbines, muzzle loading firearms, signal pistols and other devices designed to discharge only signal rockets, pistols and revolvers which fire blank ammunition, pistols with a fixed bolt for the humane killing of animals, mooring line launchers); parts and products from tar. No. 9301 to 9304; ammunition for shotguns and elements of such ammunition, ammunition for airguns, are subject to control according to the Decision on the control list for export, import and transit of goods (“Official Paper” of RMNE, no. 82/08). Prior to making a decision on an application to issue a permit for the above-mentioned goods, the MED shall obtain an opinion from the Mol. The quantities and value of the above-mentioned weapons, which are imported for commercial purposes, are not the subject of this report, but it is important to note that these weapons are subject to control.

3. Sub-legal acts

The Decree on taking over responsibilities of state authorities prescribes that the following by-laws (detailing specific issues from the subject matter of the law) should be applied in the Republic of Montenegro:

- Decision on the National Control List of Arms and Military Equipment (harmonized with the EU Common Military List);¹⁵
- Decision on the National Control List of Dual-Use Goods (harmonized with the EU List of Dual-Use Goods and Technologies);¹⁶
- Decision on the Criteria of Licensing Arms, Military Equipment and Dual-Use Goods Exports;¹⁷
- Rulebook on the form of licence application, licence form and other documents required for international trade in controlled goods;¹⁸
- Rulebook on the manner of keeping a Register of persons who may perform foreign trade in controlled goods.

3.1. National Control Lists

The Law prescribes that the Government may establish other lists required for fulfilment of commitments laid down in international treaties. As already mentioned, the main goal of establishing national control lists is to control transfers of controlled goods and to improve regional and international security, with a view to establishing transparency, exchange of information and achieving higher responsibility in the area of transfer of conventional munitions and dual use products and technologies, as well as to prevent the proliferation of weapons of mass destruction, their launching systems and related materials and technologies, i.e. to take all available measures and steps so that the controlled goods do not fall into the hands of terrorists in order to promote global security. *EU Lists are evolving documents and are updated on an annual basis; thus it is necessary to regularly update corresponding national lists in order to keep up with developments and events in the respective international control regimes, and to harmonize with them.*

¹⁵ “Official Paper of SCG”, no. 11/05 of 18 March 2005.

¹⁶ “Official Paper of SCG”, no. 11/05 of 18 March 2005.

¹⁷ “Official Paper of SCG”, no. 11/05 of 18 March 2005.

¹⁸ “Official Paper of SCG”, no. 12/05 of 25 March 2005.

EU common lists are politically binding, as is the EU Code of Conduct on Arms Exports, within the common EU foreign and security policy. In that sense, all Member States are politically bound to ensure control of the export of goods included in Common Lists by national regulations.¹⁹

The National Dual-Use Control List (including software and technologies) related to the goods that may have military as well as civilian use has been harmonized with the EU List of Dual-Use Goods and Technologies. The main instrument of controlling these goods in the EU is Regulation 1334/2000, which is binding for all EU Members.

The EU Control List of dual-use goods and technologies includes 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), the Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG), the Australia Group (AG) and the Chemical Weapons Convention (CWC). The List has a flexible format which allows for the integration of new international controls.

4. Other regulations

Besides this Law, in the positive Montenegrin legislation in the area of foreign trade in controlled goods, other laws are also applied, regulating specific issues of importance in the field of arms transfers. These laws include the following:

1. Law on Production and Transfers of Arms and Military Equipment ("Official Paper of SRY", no. 41/96);
2. Law on Foreign Trade ("Official Paper of the RMNE", no. 28/04, 37/07);
3. Law on Customs ("Official Paper of the RMNE", no. 07/02, ... 21/08);
4. Law on Weapons ("Official Paper of the RMNE", no. 49/04, 49/08);
5. Law on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction ("Official Paper of SCG", no. 44/05);
6. Law on Transportation of Dangerous Materials ("Official Paper of the RMNE", no. 05/08);
7. Law on Crossing the State Border and Movement in the Border Zone ("Official Paper of SFRY", no. 34/79 and "Official Paper of SRY", no. 24/94, 28/96).

Besides the above mentioned, other laws are also applied, e.g.: the Law on Explosive Materials, Incendiary Liquids and Gases ("Official Gazette of RMNE", no. 49/08, of 15 August 2008, 58/08 of 01 October 2008); the Law on Chemicals (Official Gazette of RMNE", no. 11/07, of 13 December 2007); the Law on the Protection from Ionic Radiation ("Official Gazette of SRY", no. 46/96 and "Official Gazette of the RS", no.85/05, 101/05); the Law on the Protection from Ionic Radiation and Nuclear Security ("Official Gazette of the RS", no.36/09), the Law on the Production and Trade of Narcotics ("Official Gazette of SRY", no.46/96, 37/02).

¹⁹ The Law on Foreign Trade in Weapons, Military Equipment and Dual-use goods of Montenegro ("Official Gazette of MNE", no. 80/08), shall be in effect as from 01 July 2009. Sub-legal acts which shall ensure effective implementation of the mentioned Law are in the process of being adopted.

The **MED** has prepared national lists which shall soon be adopted by the Government, based on the List of Goods for Military Purposes, adopted by the SE on 23 February 2009 (2009/C65/01/CFSP), the List of Dual-use Goods adopted by the same institution on 24 October 2008, and COUNCIL REGULATION (EC) No 1167/2008, which shall be integrated in the new legal regulation in Montenegro.

SECTION THREE

INTERNATIONAL AGREEMENTS

1. International control regimes

Despite the fact that the Law has been harmonized with international standards in this area, and that the national control lists of arms, military equipment and dual-use goods are practically identical to the EU lists, including the internationally accepted controls such as WA, MTCR, NSG, AG and CWC, recent activities of our country in this field have not been oriented towards accession to these regimes, which should become a priority in the near future.

International control regimes, aimed at identifying goods and technologies that should be subject to export controls, exchanging information on the proliferation of risks and promoting non-proliferation of weapons of mass destruction in contacts 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 Commission (ZAC).

1.1. The Wassenaar Arrangement

The Wassenaar Arrangement was established in December 1995 by 33 states, as a contribution to regional and international security by promoting transparency, information exchange and greater responsibility in transfers of **conventional arms and dual-use goods and technologies**.²⁰

This is an arrangement that is supplementary to other regimes, in so far as it ensures that nothing related to proliferation activities bypasses the existing controls over transfers of conventional weapons and weapons of mass destruction and their delivery systems. States parties to the Wassenaar Arrangement act in order both to prevent and to combat the possible acquisition of such weapons by terrorist groups and organizations. This arrangement also encourages other non-member countries to adopt national policies consistent with the goals of greater transparency and responsibility as regards transfers of *conventional arms and dual-use goods and technologies*.

1.2. The Missile Technology Control Regime

MTCR is a voluntary international association (not an agreement) **aimed at controlling the transfer of technology and equipment for ballistic and cruise missiles, space launch vehicles and other unmanned delivery systems**; it is open to all countries, of a global nature, and established on a non-discriminatory basis whereby every

²⁰ Conditions for becoming a state-party to the Wassenaar Arrangement are: that the applicant has the status of producer or exporter of conventional weapons or industrial equipment and has a non-proliferation policy, and that they comply with all relevant national principles, including conformity with the existing non-proliferation regimes and arrangements, and that the applicant has an efficient export control system. Membership decisions are made by consensus of member countries at annual plenary sessions (usually two sessions are held per year, one in spring and one in autumn).

Participating States in the Wassenaar Arrangement are: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine and United States of America (a total of 40 countries in 2006).

member has an equal standing. The association was established in 1987 by the 'Group of 7' as an informal group of highly developed countries with the aim of curbing the spread of unmanned delivery systems for nuclear weapons, specifically delivery systems that could carry a minimum payload of 500kg for a minimum distance of 300km, as well as WMD delivery systems, and to ensure transparency and active exchange of information among members.²¹

1.3. The Australia Group

The Australia Group was established in 1985, as an informal organization of 15 countries, with the goal of curbing the **proliferation of chemical and biological weapons**, their production capacities and equipment and related technologies, by increasing the effectiveness of export controls.²²

Control documents include the guidelines and common control lists defining what should be controlled and incorporated in the national legislation. Common control lists usually include biological agents, toxins, chemical weapon precursors and dual use technologies and equipment. The Australia Group supports the goal of the international CWC and the BTWC, ratified by Serbia and Montenegro and taken over by Montenegro. All states participating in the Australia Group are parties to these Conventions.

1.4. The Nuclear Suppliers Group

The Nuclear Suppliers Group is not an internationally binding agreement, but a multinational body which seeks to ensure, through the implementation of NSG guidelines, that trade in nuclear material for peaceful purposes does not contribute to the proliferation of nuclear weapons and other nuclear products. This group also aims to control exports of dual-use equipment that may be used as nuclear weapons.

The NSG publishes Guidelines and uses the so-called "trigger list", which includes products "especially designed or prepared" for processing, use or production of special fissionable materials, nuclear reactors and equipment. The Guidelines also include the respective technology for the development and production or use of the mentioned products and processing plants.

The Guidelines are drafted by consensus of states at annual plenary meetings held in Vienna.²³

1.5. The Zangger Committee

The Zangger Committee was formed as an informal agreement, which is not legally or politically binding for Member States. Its goal is the harmonization of interpretation of the Nuclear NPT – ratified by SFRY in 1970, and

²¹ The decision to admit a new partner into the MTCR is taken by consensus; partners consider whether a prospective new member would strengthen international non proliferation efforts, demonstrate a sustained and sustainable commitment to non proliferation and if they have a legally based effective export control system. MTCR has no Secretariat; the Regime's dialogue with prospective partners is conducted through the MTCR Chair, visits to capitals by teams comprised of representatives of four MTCR partners and bilateral exchanges.

Missile Technology Control Regime partners are: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Czech Republic, Denmark, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Russian Federation, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, United States of America (total of 34 countries). In February 2004, SCG unilaterally accepted to comply with MTCR documents: Equipment, Software and Technology as of 30 May 2003, and to observe the Guidelines for Sensitive Missile-Relevant Transfers as of 07 January 1993.

²² Membership in the Australia Group is achieved by showing full commitment to non-proliferation of chemical and biological weapons and the strength of a country's national export control measures that must be effective in impeding the production of chemical and biological weapons; these measures should be practical and reasonably easy to implement and should not impede the normal trade of materials and equipment used for legitimate purposes.

Australia Group Participants are: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United States of America (total of 40 countries). The European Commission has the status of observer.

²³ **Nuclear Suppliers Group Participants are:** Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Slovakia, Slovenia, South Africa, Sweden, Switzerland, Turkey, Ukraine, United States of America (total of 45 countries). The European Commission takes part as an observer.

approved by SRY in 2002 – and the requirements of the International Atomic Energy Agency (IAEA) as regards nuclear exports safeguards. The Committee establishes and updates a list of equipment and materials that may be exported only if the necessary safeguards have been observed. Each Member is free to define its scope of activities. The decisions of the Committee are made by consensus.²⁴

There are numerous advantages for states-parties of international agreements and regimes in the area of arms, military equipment and dual-use export control, such as:

- The possibility of exchanging information between member countries;
- The possibility for a member country to propose or influence decisions related to guidelines or changes in control lists;
- The fact that export into regime Member Countries may be deemed safer, since the country in question performs adequate export controls, etc., as all decisions are made by consensus.

2. Arms Trade Treaty

On 27 October 2006 the UN General Assembly initiated, by a majority of votes, work on drafting an international Arms Trade Treaty. The idea is to take specific measures aimed at addressing the gaps in the existing legislation that allow for diverting weapons in conflict zones in spite of sanctions and export controls, and to stop supplying weapons to countries whose development has been obstructed by the use of weapons and military equipment.²⁵

3. International Conventions and Agreements²⁶

Having restored its statehood, the Republic of Montenegro has been committed to applying and adhering to International Treaties and Agreements signed by the states Montenegro was party to. Consequently, Montenegro made a successor statement related to the most important international disarmament, non-proliferation and arms control agreements. The acknowledged international agreements are part of national legislation and are directly enforced. Montenegro is a contracting party for the following international agreements:

1. **Convention on Prohibition or Restriction on the Use of Certain Conventional Weapons that may be Deemed to be Excessively Injurious or to Have Indiscriminate Effects – the so-called inhumane weapons (CCW)** (SFRY ratified in 1970, SRY approved in 2002; Montenegro became a party as a successor on 23 October 2006);

Convention on Prohibition or Restriction on the Use of Certain Conventional Weapons that may be Deemed to be Excessively Injurious or to Have Indiscriminate Effects, amended on 21 December 2001, is primarily a convention on international humanitarian law. The first version of the Convention was signed in 1980 by 51 states, and currently has 103 states participants.

The objective of the Convention is to prohibit and restrict the use of weapons that have indiscriminately caused unnecessary and unfair suffering to combatants, and products with indiscriminate effects. All prohibitions and restrictions regarding the use of certain kinds of weapons or weapons systems are the subject of protocols added to the Convention.

²⁴ **Members of the Zangger Committee are:** Argentina, Australia, Austria, Belgium, Bulgaria, Canada, China, Croatia (joined on 30 June 2006), Czech Republic, Denmark, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United States of America (total of 36 countries). The European Commission takes part as an observer.

²⁵ The Republic of Serbia is one of 139 countries that voted in favour of taking the first steps towards this international treaty with the goal of preventing illegal and irresponsible arms trade, which fuels conflicts, poverty and serious violations of human rights (only the USA voted against). After its formal independence, Montenegro has continued to support this initiative.

²⁶ Source: MFA (The Ministry of Foreign Affairs)

The protocols added to the Convention, the first three having been adopted at the same time as the Convention, are:

- **Protocol I Protocol on Non-Detectable Fragments,**
- **Protocol II Protocol on Prohibition and Restriction on the Use of Mines, Booby-Traps and Other Devices,** and
- **Protocol III Protocol on Prohibition and Restriction on the Use of Incendiary Weapons,**
- **Protocol IV on Blinding Laser Weapons** was adopted in 1995. The Conference held by member states that same year strengthened the rules regarding prohibition on the use of land mines, booby-traps and other devices by **adopting the amendments to Protocol II.** However, since according to the amended version of Protocol II complete prohibition of land mines hasn't been achieved, certain member states left the negotiations within the Conference on disarmament and reached an agreement, outside this forum, to adopt the so-called Ottawa Convention.
- **Protocol V on Explosive Remnants of War** was adopted in 2003, at the meeting of the Convention member states. This protocol is the first multilateral agreement aiming at dealing with unexploded and rejected ordinance which remained after conflicts.

The text of the Convention adopted initially referred only to situations of international armed conflicts. Because the majority of conflicts nowadays happen within the borders of member states, the contracting parties have reached an agreement on amending the Convention so as to include internal armed conflicts in the provisions. This amendment has become effective by **adopting the amendment to Article 1 of the Convention.**

2. **Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (BTWC)** (SFRY ratified in 1973, SRY approved in 2001; Montenegro became a party to this Convention as a successor on 03 June 2006);

The protocol on the prohibition of the use of suffocating, toxic and other gases, and bacteriological warfare was signed in Geneva in 1925, after the experiences of WW1. Negotiations on complete prohibition of biological weapons were held intensively during the 1960s, and the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxic Weapons and on their Destruction finally signed in 1972. The Convention Depositories are the Governments of the United Kingdom, the USA and Russian Federation.

All signatory countries undertook the obligation to destroy the existing stocks of biological and toxic weapons, and also not to engage in any activities aimed at development, production and stockpiling of microbiological and other biological agents or toxins, biological weapons, and equipment for their use in armed conflicts. The Convention does not prescribe a verification Regime, which is the weakest point in this multilateral agreement. Intensive negotiations on the establishment of a verification mechanism, to be adopted in the form of an additional protocol, have been initiated within the Conference on Disarmament.

According to the Final Report adopted at the 5th Review Conference (2001 – 2002.), a decision was reached to hold an annual Meeting of member states of the Convention and a Meeting of experts until the 6th Review Conference, held in 2006. At the 6th Review Conference an agreement was reached on concrete measures which shall improve the implementation of the Convention. Member states have adopted decrees which contribute to perfecting the procedure of establishment and distribution of the so-called Confidence-Building Measures (CBMs). A complete program of intercessions for the period 2007 – 2010 was also adopted. According to the decision of the 6th Review Conference, an Implementation Support Unit (ISU) was established.

3. **Convention on the Prohibition of the Development, Production and Use of Chemical Weapons and on Their Destruction (CWC)** (SRY ratified in 2000; Montenegro became a party to this Convention as a successor on 03 June 2006, according to the succession statement of 23 October 2007);

The Chemical Weapons Convention is an international agreement controlling the transfer and use of chemicals and destruction of chemical weapons, with an emphasis on chemical weapons and precursors. Each state-party to the Organisation for the Prohibition of Chemical Weapons (OPCW) is to establish a National Team for the Prohibition of Chemical Weapons, whose duty will be to coordinate the activities of relevant state institutions and strengthen cooperation with the OPCW bodies and its member countries. By implementing technical cooperation programmes, submitting specific information and clarifications, conducting training programmes for the staff of relevant institutions, ensuring communication with the National Teams of other countries, etc., the OPCW provides substantial support to new members in the implementation of the Convention.

With its membership in the OPCW, Montenegro, as a state-party, has accepted inter alia the commitment to adopt the necessary legal measures, in accordance with its national legislation, prohibiting all the activities as prescribed by the Convention, including changes in criminal legislation. Also, by establishing the National Team for the Prohibition of Chemical Weapons, Montenegro has made an important step towards fulfillment of its commitments assumed with the accession to the Convention on the Prohibition of the Development, Production and Use of Chemical Weapons, which will enable the competent Montenegrin institutions to take part in different assistance programmes, and strengthen the overall cooperation of Montenegro with this important organization and its member countries.

- 4. *Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction – Ottawa Convention*** (Serbia and Montenegro submitted the ratification instrument to the UN Secretary General in September 2003, the respective commitments commenced on 01 March 2004; Montenegro gave a successor statement on 23 October 2006, and acquired the status of a member state retroactively as from 3 June 2006, when Montenegro assumed responsibility for its international obligations);

5. *Antipersonnel Landmine Convention, Mine Ban Treaty, Ottawa Convention – APLC*

Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction is a general international agreement on discontinuing the use and destroying the existing stocks of anti-personnel mines. The Convention regulates the use of mines, as well as their production, trade, destruction of stocks, decontamination of affected areas, and assistance to victims.

The Ottawa Convention is an international agreement which was signed in 1997, and came into effect in 1999. The current number of states which have ratified the convention is 156.

- 6. *The Treaty on the Non-Proliferation of Nuclear Weapons (NPT)*** (SFRY ratified in 1970, SRY approved in 2002; Montenegro became a party to this Treaty as a successor, on 03 June 2006);²⁷

After the first nuclear test by the USA in Alamogordo, New Mexico, in 1945 and the subsequent use of the atomic bomb in Hiroshima and Nagasaki, other countries started developing nuclear weapons. The USSR performed its first nuclear testing in 1949, Great Britain in 1952, France in 1960, and China in 1964. As a consequence intensive negotiations on a Treaty which would prevent further proliferation of nuclear weapons were initiated. The Treaty was finally signed in 1968, and came into effect on 1970. The current number of states which have ratified the Treaty is 189, including the nuclear powers – the USA, Great Britain, France, Russia, China and People's Republic of China.

The Treaty on the Non-Proliferation of Nuclear Weapons is a general multilateral agreement aiming at prevention of the proliferation of nuclear weapons and technologies aimed at developing such weapons. It also aims to improve cooperation in the area of peaceful use of nuclear energy and nuclear weapons disarmament (the three pillars of the NPT are: Non-proliferation of nuclear weapons, nuclear weapons disarmament, and the use of nuclear energy for peaceful purposes). The Treaty has introduced the status of nuclear and non-nuclear states. Non-nuclear states have undertaken the obligation not to develop nuclear weapons, whereas nuclear states have undertaken the obligation not to sell nuclear

²⁷ On 26 May 2008 Montenegro signed the Agreement on the Application of Protection Measures in the context of the Treaty on the Non-Proliferation of Nuclear Weapons and related protocols (Additional Protocol and Protocol on Small Quantities).

weapons to other states, i.e. not to contribute to nuclear weapons proliferation. The International Atomic Energy Agency (IAEA) oversees the implementation of the Treaty.

7. **Comprehensive Nuclear Test Ban Treaty (CTBTO)** (Serbia and Montenegro ratified this Treaty in 2004; Montenegro became party to the treaty on the basis of succession on 23 October 2006);
8. **Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water - Outer Space Treaty** (Montenegro became a party to this treaty on the basis of succession on 03 June 2006);
9. **Comprehensive Nuclear Test Ban Treaty (CTBT)** (Montenegro became party to the treaty on the basis of succession on 3 June 2006);

The Comprehensive Nuclear Test Ban Treaty (CTBT) prohibits the use of all nuclear explosions for civilian and military purposes. After three years of negotiations within the Conference on Disarmament (CD), CTBT was adopted by the UN General Assembly on 10 September 1996. After intensive negotiations the Treaty was signed by 71 states in 1996. The Comprehensive Nuclear Test Ban Treaty shall come into effect after it has been ratified by the 44 states identified in Annex II of the Treaty as the states which are in possession of nuclear capacities. To date the Treaty has been ratified by 144 states, of which 31 states identified in Annex II have discontinued the ratification process (The Russian Federation is a party to the Treaty, whereas the USA is a signatory country). An umbrella organisation is established to oversee the implementation of the Treaty (CTBTO). Since the Treaty has not yet come into effect, the Preparatory Commission for CTBTO operates in Vienna.

According to the Treaty a Verification Regime shall be established, i.e. a monitoring system including 321 seismic, infrasound, and hydro-acoustic monitoring stations throughout the world. The monitoring stations shall be able to detect seismic and acoustic waves produced by a nuclear explosion. The verification Regime involves consultation, field inspection and confidence and safety building measures.

10. **Treaty on the Prohibition of the Placement of Nuclear Weapons and other Weapons of Mass Destruction on the Sea-Bed and the Ocean Floor and in the Subsoil Thereof – Sea-Bed Treaty** (Montenegro became a party to this treaty on the basis of succession on 03 June 2006);
11. **Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, supplementing the United Nations Convention against Trans-national Organized Crime** (Montenegro made a successor statement on 23 October 2006, and acquired the status of member state retroactively, as of 3 June 2006, when Montenegro assumed responsibility for its international obligations).

Moreover, Montenegro applies the following measures and instruments on disarmament, non-proliferation and arms control: Vienna Document 99; 2000 OSCE Document on Small Arms; 2003 OSCE Document on Stockpiles of Conventional Ammunition; 2004 OSCE Document on End User Certificates; 2004 OSCE Document on Arms Brokers; 2003 OSCE Document on MANPADS; 2001 Stability Pact Regional Implementation Plan; Hague Code of Conduct against Ballistic Missile Proliferation (HCOC); 2004 UN Security Council Resolution 1540 against Proliferation of Weapons of Mass Destruction; Conclusive Negotiation Document as per Article V of Annex 1B of the General Framework Agreement for Peace in Bosnia and Herzegovina (BiH) (Dayton Agreement); United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All its Aspects (UN PoA SALW), **Missile Technology Control Regime (MTCR)** (in February 2004 Serbia and Montenegro unilaterally accepted to comply with the MTCR document “Equipment, Software and Technology“, beginning on 30 May 2003, and the “Guidelines for Sensitive Missile-Relevant Transfers“ beginning on 07 January 1993.

SECTION FOUR

MONTENEGRO IN THE EXPORT CONTROL SYSTEM

Compliance with standards in the area of arms, military equipment and dual use transfers control, which are observed by all countries united in the combat against international terrorism and weapons of mass destruction (WMD) proliferation, 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 initial period of establishing legal regulations in this field, the implementation of the Law started on 31 March 2005, and then in June 2006 in Montenegro, with considerable support from the USA, Great Britain, Canada, and later the EU with a view to implementing the Law as effectively as possible.

The US State Department demonstrated special interest in including this region in export control processes with its decision to appoint within the US Embassy in Belgrade a Resident Representative of the Export Control and Border Security Programme (EXBS) whose field of responsibility includes Serbia, Montenegro and BiH.

In the course of 2006, 2007 and 2008, the EU fully 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, conducted by SIPRI,²⁸ and BAFA,²⁹ was given a mandate to implement the Pilot Project 2006/07/08 – Cooperation with Third Countries in the Area of Export Control.

1. International cooperation

International and regional organizations invest much effort into issues of illegal arms trade and control. The leading agencies are the UN and its agency the UNDP, as well as the OSCE and the Council of Europe.

In early August 2004 the Government of the Republic of Montenegro adopted the SALW Control Strategy, and in October a National Commission was established and a SALW Control National Coordinator appointed.³⁰ The Project of the Mol of Montenegro and UNDP began with a public presentation of the National strategy and included the activities regarding the drafting of a strategy implementation action plan, raising the awareness of citizens in terms of the dangers of weapons, and the need for acquiring international and other partners as support for further projects on control and reduction of SALW.³¹

1.1. Technical support to capacity building in Montenegro in the field of controlled goods transfers

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 2008. Representatives from MED and other institutions involved in the export control system took part in the following workshops and conferences:

- The Ministry of Foreign Affairs of the Republic of Slovenia and the Centre for a European Future organised a two-day regional workshop (for the countries of West Balkans, at castle *Jable*) on control of the export

²⁸ Stockholm International Peace Research Institute – **SIPRI**; www.sipri.org

²⁹ Federal Office of Economics and Export Control – **BAFA**; www.bafa.bund.de

³⁰ **The Ministry of Foreign Affairs of Montenegro**, in cooperation with its responsible authorities, and in view of its new international commitments, is drafting, inter alia, reports on illegal trade in small arms and light weapons (in accordance with UN General Assembly Resolution 63/47); reports related to building a legal framework; procedures and mechanisms in the field of effective control of arms, military equipment and dual-use transfers (in accordance to the UN General Assembly Resolution 62/26); reports related to the observance of specific Conventions and so on.

³¹ During this period the Government organised an educational program within high schools, which included guest speakers from the Government Commission, educational classes and workshops on the risks and dangers of weapons, especially to children and young adults. This resulted in an improvement in raising the awareness of the population of the dangers of weapons.

of weapons and military equipment at the beginning of May 2008. The theme of this workshop was **“End-Use/End-User Analysis Workshop”**.

- The US and Croatian Governments organized the **“Ninth International Conference on Exports Control of Weapons, Military Equipment and Dual-Use Goods”** in Cavtat, Croatia, from 20 to 22 October 2008. *The Conference was attended by representatives from 65 countries, on 5 continents, among whom were: MPs, politicians, competent officials and experts in overseeing weapons and dual-use goods, security department officials, representatives of NGOs and multilateral organisations, and representatives from the industry. The key theme of the Conference was assessing the current situation in the control of export, the development of export control, and future strategy for improving security in the trade of controlled goods.*
- The Defense Threat Reduction Agency (DTRA) **organised a five-day workshop on “International Research on Weapons of Mass Destruction and Dual-Use Goods” in the second quarter of the year in Danilovgrad. The participants in the course were:** police investigators, customs, criminal investigators and prosecutors. The main purpose of this workshop was to provide the know-how and techniques to criminal investigators and prosecutors in order to successfully perform trans-national investigation of material whose export is controlled, and WMD related activities. The workshop was useful in familiarising the participants with the international export control regime, special techniques of design and resources used in international investigations.
- Homeland Security, Customs, and Immigration and Customs Enforcement (ICE) of the USA together with Export Control and Related Border Security (EXBS) program of the American embassy in Belgrade, organised a workshop on **“Investigations in Export Control”** in hotel Podgorica, from 23 to 26 June 2008. The training was intended for representatives of the law enforcement agencies (Customs and Police), the state bodies issuing permit for the import and export of weapons, military equipment and dual-use goods, prosecutors, agencies performing investigations, etc.
- The Working Group for Drafting the Law on Foreign Trade in Controlled Goods was invited by the BAFA and visited this institution in Germany mid-year, when the text of the final Draft of the Law was agreed upon.
- Homeland Security, Customs, and Immigration and Customs Enforcement (ICE) of the USA together with the Export Control and Related Border Security (EXBS) program of the American embassy in Belgrade, organised another workshop on **“Investigations in Export Control – Advanced Course”** in Budva, **from 10 to 13 November 2008**. This was a continuation of the basic course which was organised for all three countries separately during 2007 and 2008. It was intended for the representatives of law enforcement agencies (Customs and Police), the state bodies issuing permits for the import and export of weapons, military equipment and dual-use goods, prosecutors, agencies performing investigations, etc.
- The EXBS Program of the USA in cooperation with the Institute for Nuclear Science “Vinca” in Belgrade and SIPRI organisation based in Stockholm organised the course **“Prevention of Smuggling and Detection of Dangerous Chemicals” in Belgrade, Institute Vinca, from 24 to 28 November 2008**. The course was of a regional character and included **participants from Serbia, Montenegro, Macedonia, and Bosnia and Herzegovina**.
- From 26 July to 02 August 2008 the program for familiarisation and training for the use of “Tracker System”, which provides easy and efficient processing of applications for control in the trade of weapons, was organised in Washington.

2. Cooperation with commercial companies – planned activities

Comprehensive training of the employees of the competent institutions has been carried out, realized with the financial support of UNDP, SIPRI and BAFA (funded by the European Commission), and the US (Department of Commerce and Defense). However we have not been able to organize concurrently workshops for representatives of local institutions and companies dealing with production and foreign trade of controlled goods.

After the adoption of the new Law on Foreign Trade in Controlled Goods, the activities of the MED will become focused on training local companies on the rights and responsibilities included in the laws and by-laws, informing them of the need to obtain licences for dual-use goods. This will be a chance to create a relationship between governmental authorities and commercial interests known within the international community as **“Industry Outreach or Industry-Government Relations”**.

MED activities aimed at the constant improvement of export controls should be maintained, including enforcement of the law. In this we still need the help of the international community and naturally, inter-agency cooperation of all institutions in the application of regulations in this sensitive field, as well as training of commercial actors.

In order to further improve the export-import control system, it is necessary to:

- Continue with the process of development and full implementation of 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;
- Fulfil all the commitments deriving 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 commercial actors 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;³²
- Continue participating in the EU Pilot Project³³;
- Strengthen cooperation with the EU in the framework of the TAIEX Programme;
- Initiate work on the introduction of the Internal Control Programme in local companies;

³² **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 licence 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, licences 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.

³³ EU Pilot Project is realised through institutions BAFTA, from Germany, and SIPRI, from Sweden, and funded by the European Commission. The project is intended for Southeastern European countries whose legal regulations on weapons export control are not harmonised with EU regulations.

SECTION FIVE

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 gives an overview of 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.

It is worth mentioning that the comparative data have been analysed and presented on the basis of the value of issued export or import licences, for the reason that we have not received the data on licenses issued for the period of 2007.

The following five Annexes give a detailed overview³⁴:

- Companies authorised to perform foreign trade in controlled goods;
- Data on export of weapons and military equipment for the period of 2007/2008 (presentation in table form);
- Data on import of weapons and military equipment for the period of 2007/2008 (presentation in table form);
- Data on export of dual-use goods;
- Data on import of dual-use goods, and
- Information on denied licences.

³⁴ MED has obtained the data on licenses issued in 2008 from the companies to which licenses have been issued.

Annex 1/08:

List of Persons entered in the Register

In 2006 at the MED of Montenegro 16 companies dealing with foreign trade in controlled goods were entered in the Register.³⁵ In 2007 and 2008 another 4 persons dealing with import of dual-use goods were entered in the Register of the Ministry.

In terms of the property of the registered legal persons, in most cases property is privately owned (95%, and 5% is state owned). With regard to the principal capital of the registered persons, local capital is the most common (75%), followed by mixed capital at 25%, and there were no companies with solely international capital (according to Article 7, Paragraph 2 of the Law on Foreign Investment, "Official Paper of RMNE", no. 52/00, 36/07, a foreign investor can have a maximum of 49% of share capital or ownership, i.e. voting rights in a local commercial company).

The list of companies registered for foreign trade in arms, military equipment and dual-use goods in 2008 is given in *Table no.1*.

Table no. 1

NO.	NAME OF THE COMPANY	SEAT OF COMPANY	TYPE OF PROPERTY	ORIGIN OF CAPITAL
1.	"Montenegro Defence Industry" d.o.o.	Podgorica	State	Local
2.	"COFIS-MONTENEGRO" d.o.o.	Podgorica	Private	Mixed
3.	"POLIEX" a.d.	Berane	Private	Local
4.	"19 DECEMBAR" a.d.	Podgorica	Private	Local
5.	"BOOM COMPANY" d.o.o.	Podgorica	Private	Local
6.	"Kuljača Company" d.o.o.	Budva	Private	Local
7.	"DIANA" d.o.o.	Podgorica	Private	Local
8.	"IDEA" d.o.o.	Podgorica	Private	Local
9.	"NIKOLAS" d.o.o.	Herceg Novi	Private	Local
10.	"RASTOVAC" d.o.o.	Berane	Private	Local
11.	"RUDNIK UGLJA" a.d.	Pljevlja	Private	Local
12.	"VATROSTALNA" a.d.	Podgorica	Private	Local
13.	"TARA – Aerospace and Defence products" a.d.	Mojkovac	Private	Mixed
14.	"Dura Investmens" d.o.o.	Podgorica	Private	Mixed
15.	"ELETTRONEGENGINEERING" d.o.o.	Tivat	Private	Mixed
16.	"BOOSTER" d.o.o.	Nikšić	Private	Local
17.	"KOMBINAT ALUMINIJUMA" a.d.	Podgorica	Mixed	Mixed
18.	"SIMONS-PS" d.o.o.	Herceg Novi	Private	Local
19.	"JUGOBICIKL PROMET" d.o.o.	Podgorica	Private	Local
20.	"MONTE AQUA" d.o.o.	Bar	Private	Local

³⁵ Note: Over 80% of registered companies deal with import of sports and hunting weapons, while few companies are actually involved in foreign trade of controlled goods.

Annex 2/08:

Data on issued export licences for Arms and Military Equipment (AME)

In 2008 the MED of Montenegro issued a total of **60** export licences for **16** destinations, in the value of **€19.87 million**. Exports realized in this period amounted to **€17.21 million**, around 87% of export, which is by **36.4%** less than in 2007 (see graph no. 1).

Graph no. 1: Graph of exports of controlled goods (2007/2008)



In view of the fact that Montenegrin commerce does not have the necessary AME production capacities, the main activities of companies is trade, or else export of imported goods.

In comparison with 2007, the 2008 data show a decrease in the value of issued licences for arms and military equipment. This is a result of the sale of surplus weapons during the previous year, and also of a decreased intensity of trade.

The highest number of export licences in 2008 was issued to the following destinations: Cyprus (20), British Virgin Islands (11), Serbia (7), Switzerland (4), Ukraine (3), BiH, Croatia and Israel (2 each), Sweden, The USA, Seychelles, Austria, Equatorial Guinea, Italy, and Kyrgyzstan (1 each).

From the value of issued export licences we can conclude that the most important foreign trade partners for the export of arms and military equipment in 2008 were: **Cyprus** (€11.8 million), **Israel** (€4.0 million), **British Virgin Islands** (€1.5 million), **Serbia** (€0.468 million), **Croatia** (0.404 million), etc. 84.3% of the value of our exports was to these destinations.

Detailed data on the value of issued licences is given in Annex 2a/08.

Annex 3/08:

Data on issued import licences for AME

Contrary to other countries controlling only the export of arms and military equipment, our country enforces legislation regulating the import of goods as well.

In 2008 the MED of Montenegro issued a total of **51** import licences from **12** destinations. The value of imports was **€11.68 million**, which is by 27.4% less than in 2007.

Graph no. 2: Graph of imports of controlled goods (2007/2008)



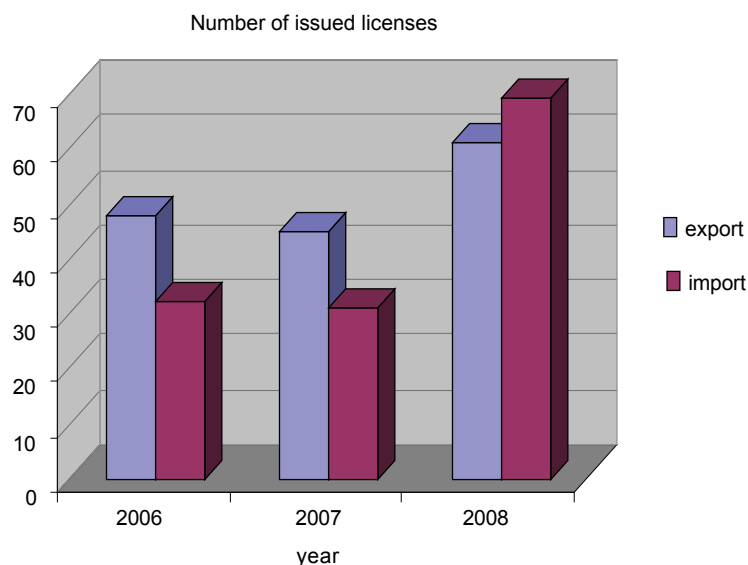
Montenegrin companies dealing with export and import of controlled goods imported in the observed period mostly for purposes of re-exporting.

The highest number of import licences in 2008 were issued to the following destinations: Serbia (21), Austria (8), Croatia (4), BiH (4), Italy (2) etc.

The most important foreign trade partners in AME imports in 2008 were: **Serbia** (€6.4 million), **BiH** (€1.8 million), **Germany** (€1.1 million), **Austria** (€0.718 million), etc.

According to the detailed data in Annex 3a/08 of the report, the realised value for 2008 is **€14.32 million**, which is by **€2.64 million** more than the value of issued licenses. This means that licences which were issued during the previous year were used during 2008.

Graph no. 3: Graph of approved trade in 2006/2007/2008.



Graph no. 3 shows the structure of the number of issued licenses in the period when Montenegro assumed control in foreign trade in weapons, military equipment and dual-use goods. The number of issued licenses, both for import and export, in 2008 is slightly higher than for the previous two years.

The fact that fewer licenses were issued in 2007 did not affect the value, i.e. despite the fact that more licenses were issued in 2008, the total value of licenses issued is lower than in 2007, as can be seen from the above.

It is worth mentioning that the data on licenses issued in 2008 is not necessarily compatible with the data on realised foreign trade, which is shown in the Annexes of this report in greater detail.

The data on realised foreign trade was obtained from the companies whose reports were based on customs documents.

Annex 4/08:

A. Data on licences issued for dual-use goods

In the third year of dual-use transfer control, the MED issued one export licence for dual-use goods.³⁶ The main problem is still a lack of knowledge on the part of both producer and importer, as well as the customs authorities, about what dual-use goods are and whether a product may have a dual-use or not.

Developed countries have been facing this challenge too, for the reason that the list of dual-use goods is constantly being updated, with the discovery of new products and the development of technology and technical performance of existing products. Because of this, the Ministry will take more interest in the issue of the control of foreign trade of dual-use goods and ensure that all participants in the trade of goods that are subject to authorisation receive additional training. In cooperation with the BAFA Institution from Germany and European funds, the Ministry will aim to organise courses for entrepreneurs of Montenegro in order to improve understanding of the rights and responsibilities stipulated in the Law on Foreign Trade in Controlled Goods ("Official Gazette of RMNE", no. 80/08).

Annex 4a/08 shows the quantities of approved and realised exports of dual-use goods. It is evident that some licenses approved in 2007 were used in 2008, since the value of used licenses is by **€6.1 million** higher than the value of approved licenses.

³⁶ See data in **Annex 4a/08**.

Annex 5/08:

Data on issued licenses for import of dual-use goods

19 licences for import of dual use goods, valuing **€1.6 million** were issued in 2008. The value of realised import of dual-use goods was **€951,260** which is around 60% of the approved import.

The highest value of dual-use goods import was from **China** (€781,130), and **Italy** (€170,130). The material was Sodium sulphate, used by the company "Kombinat aluminijuma" a.d in the process of Aluminium production.

No import of dual-use goods was realised from BiH and Slovenia. (See Annex 5a/08).

Data on denied applications for AME exports

In 2008 one application for an export licence for the Republic of Chad was denied on the grounds of observing criteria 3 and 4 of the EU Code of Conduct.

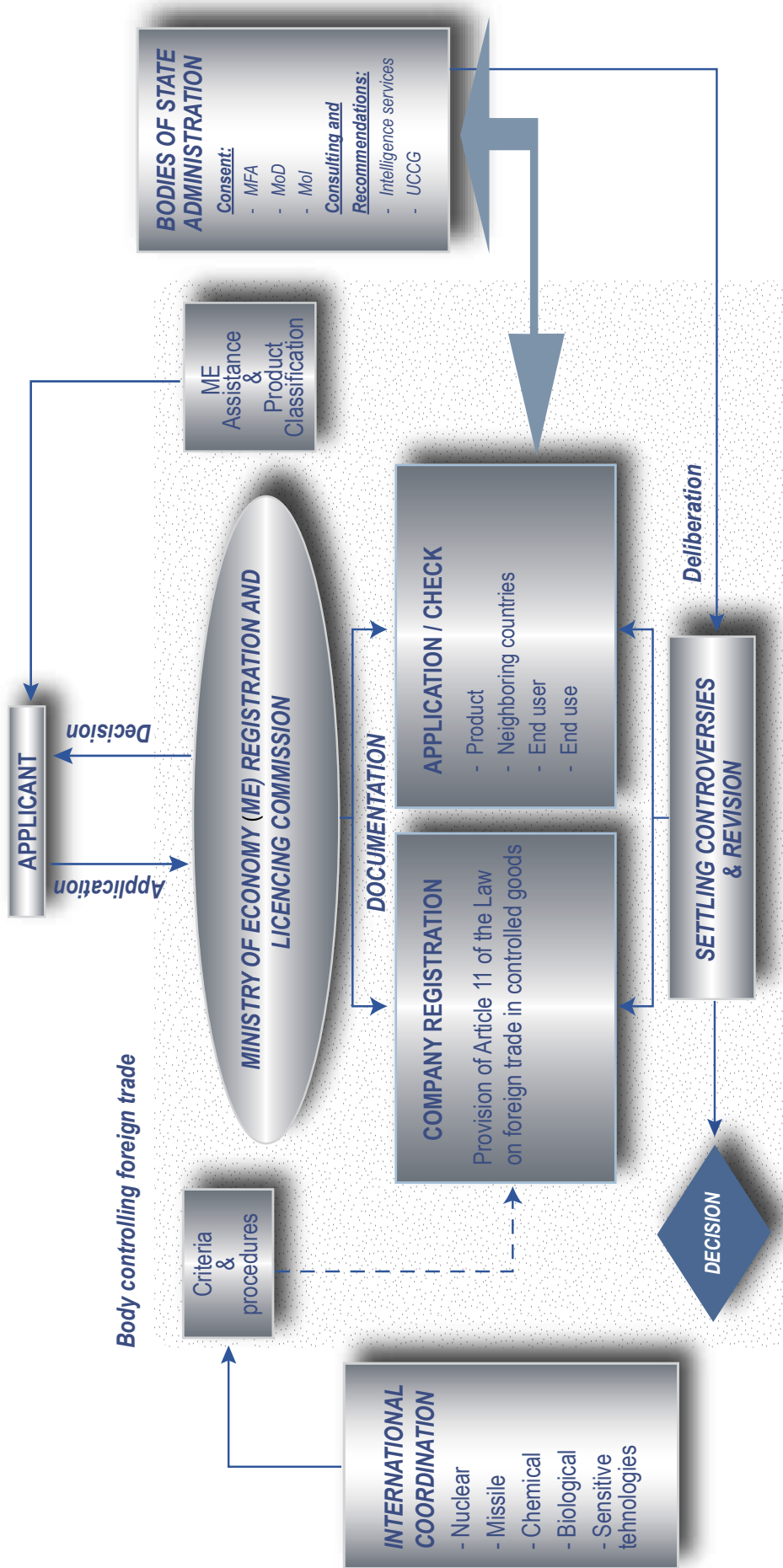
In 2007 two applications for an export licence were denied, on the grounds of submitted documentation being incomplete.

In 2006 there were no denied applications.

ANNEXES

Annex 1

SYSTEM OF CONTROLLED GOODS TRANSFER CONTROL IN MONTENEGRO



Annex 2

Annex 2a/08

ISSUED AND USED LICENCES FOR EXPORT OF ARMS AND MILITARY EQUIPMENT In thousands of EUR¹

EXPORT DESTINATION ²	NUMBER OF ISSUED LICENCES	CATEGORY IN NATIONAL CONTROL LIST (AME)	VALUE OF ISSUED LICENCES	VALUE OF USED LICENCES	DESCRIPTION OF GOODS	QUANTITY (IN MEASUREMENT UNITS)	COUNTRY OF ORIGIN ³	END USER COUNTRY	TYPE OF END-USER ⁴
AUSTRIA	1	1.1	10.00	0,00	5.56x45 mm assault rifle STEYR AUG A3 with accessories	/	Austria	Austria	m
ALBANIA	1	4.1	215.84	215.84	60mm illumination flares 120mm illumination flares	1,000 pcs 1,000 pcs		Albania	m
BIH	2	10.2	345.78	137.42	Helicopter H-45, helicopter H-42, helicopter clutch-services PGR	2 pcs 250 pcs	Montenegro	BIH	m
BRITISH VIRGIN ISLANDS	11	1.1; 3; 4.1; 4.2;	1460.66	966.89	12.7x108mm machine gun DSK; Ammunition Hand grenades M50 and M52, Special smoke grenades M-79, AF-1 30 mm automatic grenade launcher BGA M93., with tripod and accessories 40x46mm hand-held grenade launcher RBG-6, 40x46mm grenades,	12 pcs 1,190,309 pcs 3,200 pcs 100 pcs 3 pcs 986 pcs	BIH, Croatia, Serbia, Russia	Equatorial Guinea, Turkmenistan BIH, Chad	m
CROATIA	2	10.7;	404.19	266.43	Explosive cartridges for ejector seats PK-3M-1, PV-50, PPL, explosive cutters for ejector seats R-4; PGR: TG-10	230 pcs 2,500 pcs	Montenegro	Croatia	m
ITALY	1	1.1.	62.84	62.84	7.9mm PAP M76, 7.62 mm pistol TT M30/33	220 pcs	Montenegro	Italy	m
SWEEDEN	1	8.2.5, 8.4.2.	3.90	3.83	Rocket propellant, Aluminium powder for napalm	45.6 lit 25,61 tonnes	Montenegro	Sweden	m

¹ Values of different currencies have been calculated according to the average exchange rate of the Central Bank of Montenegro (CBCG) on 28 December 2008 (**1€ = 0.7093\$**). <http://www.cb-cg.org>.

² It is a country of export (the buyer) where the headquarters of the buyer is with whom the exporter has a contract/agreement.

³ Specifies the country of origin, according to the manufacturer/owner of the goods.

⁴ Type of End-User: **m** – military; **c** – civilian.

EXPORT DESTINATION ⁵	NUMBER OF ISSUED LICENCES	CATEGORY IN NATIONAL CONTROL LIST (AME)	VALUE OF ISSUED LICENCES	VALUE OF USED LICENCES	DESCRIPTION OF GOODS	QUANTITY (IN MEASUREMENT UNITS)	COUNTRY OF ORIGIN ⁶	END USER COUNTRY	TYPE OF END-USER ⁷
ISRAEL	2	4.1.	4005.05	2451.46	60 mm grenades, 81 mm grenades	24,000 pcs 21,216 pcs	Serbia	The Philippines	m
CYPRUS	20	1.1; 1.4; 10.7; 3; 4.1; 2.1;	11831.43	11831.43	Automatic rifles; machine guns, Spare parts for machine guns; spare bolts for sniper rifles; machine gun stands; Explosive cartridges for ejector seats PK-16ML, R-4; PK-21-M2; PK-3M-1; UDP2-1; PPL-T; PP-3; PDO-1; PPI-26-2-1; PPI-26-1; PPL-T; PK-21-FL; PP-9; VWR; VMP-2M; PZ-AL; PK-16ML; PV-35; PPL; Mortar with spare parts; 12.7mm cartridge belts 82mm grenades, 120mm grenades,	22,048 pcs 19,760 pcs 506 pcs 1,050 pcs 51,270 pcs	Serbia, Montenegro, BIH	Afghanistan, Iraq, Ukraine, Turkmenistan Eq.Guinea, Belarus	m
GERMANY	2	1.1	20.02	13.83	5.56 mm assault rifle 636 KV3 with accessories, deactivated automatic pistol scorpion	300 pcs	Germany, Czech Republic	Germany	m
The USA	1	3. 1.1.	709.34	709.34	7.62 mm x 54 R ammunition Pistol M57	9,400,000pcs 4,096 pcs	Montenegro	The USA	m
KYRGYZSTAN	1	10.2	173.07	173.07	Helicopter HT-40	4pcs	Russia	Kyrgyzstan	m
SERBIA	7	1.1; 3; 2.1;2.2; 4.2; 6; 8.1.19; 4.1.	468.03	331.57	7.62mm automatic rifles, pistol M57 7.62 mm and 30 mm ammunition;, Spare parts for Rubez, AB-2 Anti-aircraft gun, barrels for gun launchers RBU-6000	75 pcs 24,016 pcs 1 set 69 pcs 2 pcs	Montenegro, Russia, Serbia	Egypt, Serbia The USA	m/c
SWITZERLAND	4	1.1	56.20	23,26	Set of unassembled machine gun parts FN MAG- 58 cal. 7.62x51 NATO, unassembled parts of machine gun FN MAG -58 cal.7.62x51	1,800 pcs	Belgium	The USA	m
MACEDONIA	1	10.7	24.13	24.13	Explosive cartridges -Foland	18 pcs	Montenegro	Libya	m
UKRAINE	3	10.7	85.11	0,00	Propellant for ejector seats PZ-AL,		Montenegro	Ukraine	m
TOTAL	60		19,875.59	17,211.90					

⁵ It is a country of export (the buyer) where the headquarters of the buyer is with whom the exporter has a contract/agreement.

⁶ Specifies the country of origin, according to the manufacturer/owner of the goods.

⁷ Type of End-User: **m** - military; **c** - civilian.

Annex 3

Annex 3a/08

ISSUED AND USED LICENCES FOR IMPORT OF ARMS AND MILITARY EQUIPMENT In thousands of EUR¹

SENDER	NUMBER OF ISSUED LICENCES	CATEGORY IN NATIONAL CONTROL LIST (AME)	VALUE OF ISSUED LICENCES	VALUE OF REALISED LICENCES	DESCRIPTION OF GOODS	QUANTITY (IN MEASUREMENT UNITS)	COUNTRY OF ORIGIN ²	END USER COUNTRY	TYPE OF END-USER ³
AUSTRIA	8	1.1; 1.4	718.88	160.80	Pistols Glock; 5.56x45 mm assault rifle STEYR AUG A3 with accessories,	530 pcs	Czech Republic, Germany Austria, USA, Belgium, Finland, Italy,	Montenegro	m
BOSNA I HERCEGOVINA	4	3.;2.1;10.2	1788.79	125.79	Cartridge belts for 50 rounds 12.7x108mm , 82mm mortar M69A, Service c-2 examination and modernisation of one helicopter H-45	205±5pcs 2 services	France, BiH	Afghanistan, Montenegro	m
BRITISH VIRGIN ISLANDS	2	4.1; 3; 2.1.	186.40	1738.90 ⁴	82 mm mortar; cartridge belts; 60mm illumination flares M91, 120mm illumination flares M84	4,506 pcs	British Virgin Islands	Albania	m
BULGARIA	1	1.1	10.36	10.36	12.7x108 mm machine gun DSK	4pcs	The Russian Federation	Equatorial Guinea	m
THE CZECH REPUBLIC	2	10.4.3, 1; 3.	229.80	119.06	NAV/COM/GPS equipment: GTX systems 6.35mm ammunition Browning; 7.62x25mm Tokarev; 7.65 Browning; 9mm Browning Court; 9 mm Luger; 38	92 pcs	The USA, Czech Republic	Montenegro	m
CROATIA	4	4.1; 4.2; 1.1.	633.10	29.78	Pistols 40x46mm hand-held grenade launcher, all models, cal 9x19 mm (refers to what?), sniper rifles, field guns	47 pcs 989 pcs	Italy, Serbia, Russia, Croatia	Equatorial Guinea, Montenegro	m

¹ Values of different currencies have been calculated according to the average exchange rate of the Central Bank of Montenegro (CBCG) on 28 December 2008 (**1€ = \$0,7093**) <http://www.cb-cg.org>.

² Specifies the country of origin, according to the manufacturer/owner of the goods.

³ Type of End-User: **m** - military, **c** - civilian.

⁴ The higher value of realized than issued licences indicates that the licences issued in 2007 were realized in 2008.

SENDER	NUMBER OF ISSUED LICENCES	CATEGORY IN NATIONAL CONTROL LIST (AME)	VALUE OF ISSUED LICENCES	VALUE OF REALISED LICENCES	DESCRIPTION OF GOODS	QUANTITY (IN MEASUREMENT UNITS)	COUNTRY OF ORIGIN ⁵	END USER COUNTRY	TYPE OF END-USER ⁶
ITALY	2	1.1; 1.	120.16	78.23	Sporting carbines Sporting and hunting rifles, pistols and revolvers	98 pcs 150pcs	Italy, Austria, Czech Republic, Portugal, Spain, Australia, Germany, Turkey, The USA	Montenegro	m
CYPRUS	3	1.1;1.1;1.4	113.11	0,00	9 mm pistol Steyer Manlicher M9A1, 7.9mm semi-automatic sniper rifle, tripod with 12.7 mm machine gun NSV		Austria, Serbia, Albania	Israel, Montenegro	m
GERMANY	2	1.1; 1.4	1091.50	6.19	5.56 mm assault rifle 636 KV3 with accessories, automatic rifle HK416A2, cartridge caser 5.56 mmx45,	5pcs	Germany	Montenegro	m
SLOVAKIA	1	4.1	386.57	0.00	Grenades 30mm VOG-17		Slovakia	Montenegro	m
SERBIA	21	3. 4.1; 4.2; 1.4, 1.1. 8.2.5.;	6388.60	11988.12	Rifle and pistol ammunition Tool for filling cartridge belts 60mm and 81 mm grenades Automatic grenade launcher with accessories Services of repair and modernisation on the vessel "Jadranka" Machine gun stand Machine guns PKM, sniper rifles, pistols, carbines Rocket propellant	3,111,150 pcs 41274 pcs 100 pcs 1206 pcs 5825 pcs 3400 kg	Serbia	Montenegro, Russia, The Philippines, Equatorial Guinea, Chad	m
SWITZERLAND	1	1.1	9.71	64.11	Machine gun FN MAG-58, machine gun Browning M2HB	178 pcs	Belgium	Montenegro	m
TOTAL	51		11677.42	14321.33					

⁵ Specifies the country of origin, according to the manufacturer/owner of the goods.

⁶ Type of End-User: **m** - military; **c** - civilian.

Annex 4

Annex 4a/08

ISSUED AND USED DUAL-USE EXPORT LICENCES In thousands of EUR¹

EXPORT DESTINATION ²	NUMBER OF ISSUED LICENCES	CATEGORY IN NATIONAL CONTROL LIST (AME)	VALUE OF ISSUED LICENCES	VALUE OF USED LICENCES	DESCRIPTION OF GOODS	QUANTITY (IN MEASUREMENT UNITS)	COUNTRY OF ORIGIN	END USER COUNTRY	TYPE OF END-USER ³
Serbia	1	6A008 1A007	1.28	5.53	Radar antenna Electric detonators	3 pcs 5000 pcs	Russia BIH	Serbia	c
Kosovo		1A007		1.88	PEP 500 Electric detonators	25 kg 500 pcs	BIH	Kosovo	c
TOTAL			1.28	7.41					

¹ Values of different currencies have been calculated according to the average exchange rate of the Central Bank of Montenegro (CBCG) on 28 December 2008 <http://www.cb-cg.org>.

² It is a country of export (the buyer) where the headquarters of the buyer is with whom the exporter has a contract/agreement.

³ Type of End-User: **m** - military; **c** - civilian.

Annex 5

Annex 5a/08

ISSUED AND USED DUAL-USE EXPORT LICENCES In thousands of EUR¹

SENDER	NUMBER OF ISSUED LICENCES	CATEGORY IN NATIONAL CONTROL LIST (AME)	VALUE OF ISSUED LICENCES	VALUE OF USED LICENCES	DESCRIPTION OF GOODS	QUANTITY (IN MEASUREMENT UNITS)	COUNTRY OF ORIGIN ²	END USER COUNTRY	TYPE OF END-USER ³
BIH	1	3A233	44.45	0.00	Igniters I and igniters II for PGR Tg-11	7000 pcs	Serbia	Montenegro	c
Italy	7	1C350.50.	238.17	170.13	Sodium sulphate	284.85 t	Italy	Montenegro	c
China	10	1C350.50.	1317.54	781.13	Sodium sulphate	1640.05 t	China	Montenegro	c
Slovenia	1	8.2.5.	1.17	0.00	Black powder Nr.6	50kg	Slovenia	Montenegro	c
TOTAL	19		1601.32	951.26					

¹ Values of different currencies have been calculated according to the average exchange rate of the Central Bank of Montenegro (CBCG) on 28 December 2007 <http://www.cb-cg.org>

² Specifies the country of origin, according to the manufacturer/owner of the goods.

³ Type of End-User: **m** - military, **c** - civilian.

