

Letter to Parliament

The Hague, June 2010

**Subject: Annual report on the Netherlands Arms Export Policy in 2009**

Further to the "Policy paper on greater transparency in the reporting procedure on exports of military goods" (Parliamentary Proceedings 22 054 No. 30, 27 February 1998) as sent to you at an earlier date, we hereby have the honour, also on behalf of the Minister for Development Co-operation, to submit to you a report and appendices concerning the Netherlands Arms Export Policy in 2009.

This report, which is also to appear as an English-language publication of the Ministry of Economic Affairs, considers among other things the instruments, procedures and principles of the Netherlands arms export policy. In addition, it examines the nature of the Dutch defence-related industry and describes a number of international developments in the field of arms export controls.

The Netherlands arms export policy is based on recognition that, in the interests of the international legal order and the safeguarding of peace and security, limits must be imposed on the export activities of the defence-related industry. Within those limits, in the Government's judgement the Dutch industry should be able to meet other countries' legitimate needs for defence equipment.

In order to permit an assessment of whether an export transaction is admissible or whether it conflicts with the limits of the arms export policy, formally the export of military goods is prohibited unless an export licence has been obtained. Applications for licences for the export of military equipment are therefore subsequently assessed on a case-by-case basis against the eight criteria of the arms export policy with due consideration for the nature of the product, its country of final destination and end user. These eight criteria were defined by the European Councils of Luxembourg (1991) and Lisbon (1992) and have meanwhile been incorporated in their entirety in the Common Position 2008/944/CFSP stating common rules governing control of exports of military goods and technology.

The appendices to the report include tables showing the values of export licences issued by category of goods and by country of final destination in 2009, as well as tables stating transit licences issued and disposals of surplus defence equipment made by the Netherlands in 2009. Furthermore tables are presented listing licence denial notifications in the EU context.

As stated in the introduction to the figures for 2009, the total value of licences issued in that year, rounded-off to two decimal places, amounted to € 1,409.94 million. That represents a slight increase relative to 2008, when the total value came to € 1,257.67 million, but at the same time it is the highest value ever recorded since the annual reports on the Netherlands arms export policy first appeared. That high value is determined to a substantial extent by a single licence for the supply of three new-build naval vessels to Morocco.

With a value of over € 500 million, Morocco accordingly heads the top five destinations in the year under review. In second place comes the United States with a value of € 178.28 million, made up largely of licences for the supply of components for fighter aircraft (F-16, but lately JSF or F-35 as well)

and licences for components of air defence missile launch systems.

Accounting for a value of almost € 149 million, Germany takes third place. That value, as usual, is attributable to licences for the supply of parts for military vehicles, such as the substantial orders relating to the Boxer 8x8 large wheeled multi-role armoured vehicle. Fourth place is held by Canada with just under € 85 million followed by Turkey with € 66.42 million in fifth place. Both the latter cases relate mainly to supplies of radar equipment.

Also worthy of mention are major licences to two other countries of final destination. The largest disposal transaction, for which licences worth just under € 29 million were issued in the year under review, concerned the sale of surplus F-16's plus peripherals to Jordan, while the other licence worth almost € 25 million was issued for the supply of parts for an Offshore Patrol Vessel destined for the Romanian border police.

Besides the tables showing values by category of goods and by country of final destination as presented in this Annual Report, for purposes of the transparency in this area of policy as advocated by the Government, individual details pertaining to all licences issued in 2009 for the export of military goods are published at [www.exportcontrole.ez.nl](http://www.exportcontrole.ez.nl). The same applies for all export licences for dual-use goods issued in 2009 and for all notifications concerning transit of military goods across Netherlands territory issued in 2009.

*signed:*

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# Annual report on The Netherlands arms export policy 2009

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## 1. Introduction

The present report on the Netherlands arms export policy in 2009 is the thirteenth annual report drawn up in accordance with the "Policy paper on greater transparency in the reporting procedure on exports of military goods" (Parliamentary Proceedings 22 054 No. 30, 27 February 1998). The report comprises:

- summary of the principles and procedures of the Netherlands arms export policy,
- description of developments relating to transparency,
- an outline of the Dutch defence-related industry,
- a description of developments within the EU relevant to the arms export policy,
- an outline of the role and significance of the Wassenaar Arrangement, and
- a description of efforts in the field of arms control with specific reference to the problem of small arms and light weapons.

*Appendix 1* to the report states the values of licences for exports of goods issued in 2009 by category of military goods and by country of final destination. *Appendix 2* shows the trend in Netherlands arms exports for the period 2000-2009. *Appendix 3* contains a table of the licences issued for transit of military goods to third countries. *Appendix 4* lists the denial notifications issued by the Netherlands to EU partners. These notifications are exchanged among partners in accordance with Article 4 of Common Position 2008/944/CFSP stating common rules governing control of exports of military goods and technology, formerly the EU Code of Conduct governing arms exports. Lastly, *Appendix 5* tables the disposals of surplus defence equipment made in 2009.

## 2. Instruments and procedures of the arms export policy

Licences for the export of military goods are issued on the basis of the General Customs Act (Algemene Douanewet) and the export control instruments governed thereby. Companies or persons intending to export goods or technology appearing on the list of military goods pertaining to the Annex to the Strategic Goods Import and Export Order<sup>1</sup>, apply to the Central Import and Export Service (Centrale Dienst Voor In- en Uitvoer, CDIU) for an export licence. The CDIU forms part of the Tax and Customs Service/North (Belastingdienst/Douane Noord) Department of the Ministry of Finance and, with regard to arms export policy aspects, receives its instructions from the Ministry of Economic Affairs. Applications for the export of military goods to NATO and EU member states and equated-status countries (Australia, Japan, New Zealand and Switzerland) are in principle dealt with by the Ministry of Economic Affairs. During the year under review an exception to this rule applied for Cyprus and Turkey. Applications for exports to these as well as all other countries are submitted to the Minister of Foreign Affairs for advice. The latter's advice plays an essential role in the decision-taking process on the issue of an export licence. If no objections are found to exist with regard to the intended export, an export licence will be issued by the Ministry of Economic Affairs.

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<sup>1</sup> Official Journal of the European Union No. C65, 19-03-2009 (direct link:: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:065:0001:0034:NL:PDF>).

In the case of applications for exports to developing countries appearing on the OECD/DAC list, the Minister of Foreign Affairs will first consult with the Minister for Development Co-operation and then advise the State Secretary of Economic Affairs on the basis of that consultation.<sup>2</sup>

In the case of exports of military goods being disposed of by the Dutch armed forces, Parliament receives prior confidential notification from the State Secretary of Defence. Disposals of this nature are subject to the regular licence procedure and – just like commercial export transactions – such transactions are assessed by the Ministry of Foreign Affairs against the criteria of the arms export policy.

An amendment to the Import and Export Act in 2001 created the possibility for the classification and assessment system of the arms export policy to be extended in certain cases to the transit of strategic goods across Netherlands territory. Since then the transit control procedure has undergone a number of modifications but with effect from August 2008 a generic mandatory licence has applied in principle, to which a number of exceptions have been defined in accordance with section 6 of the Strategic Goods Order. The principal exception relates to transit consignments which are subject to the effective export control of a friendly (partner) country or an ally or which are destined for any of the following countries: EU member states, NATO allies, Switzerland, Australia, New Zealand and Japan (EU/NATO+ for short). Such transit consignments are nevertheless subject to mandatory notification.

### **3. Principles of the arms export policy**

Applications for licences for the export of military equipment are assessed on a case-by-case basis against the eight criteria of the arms export policy with due consideration for the nature of the product, its country of final destination and end user. These eight criteria were defined by the European Councils of Luxembourg (1991) and Lisbon (1992) and have meanwhile been incorporated in their entirety in the Common Position 2008/944/CFSP stating common rules governing control of exports of military goods and technology. The criteria read as follows:

1. *Respect for the international commitments of EU member states, in particular the sanctions decreed by the UN Security Council and those decreed by the Community, agreements on non-proliferation and other subjects, as well as other international obligations.*
2. *The respect of human rights in the country of final destination as well as respect by that country of international humanitarian law.*
3. *The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.*
4. *Preservation of regional peace, security and stability.*

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<sup>2</sup> The OECD DAC list is a list of countries receiving international financial aid, drawn up by the Organisation for Economic Co-operation and Development (OECD).

5. *The national security of the member states and of territories whose external relations are the responsibility of a Member State, as well as that of friendly and allied countries.*
6. *The behaviour of the buyer country with regard to the international community, as regards in particular to its attitude to terrorism, the nature of its alliances and respect for international law.*
7. *The existence of a risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions.*
8. *The compatibility of the arms exports with the technical and economic capacity of the recipient country, taking into account the desirability that states should achieve their legitimate needs of security and defence with the least diversion for armaments of human and economic resources.*

On 8 December 2008 the Council of the European Union adopted the decision to transform the EU Code of Conduct on Arms Exports as established ten years previously into a Common Position for the definition of common rules governing controls on exports of military goods and technology <sup>3</sup>. The above-mentioned criteria together with the mechanism for information exchange, notification and consultation where one country has an export licence application under consideration for a destination for which a similar application has previously been denied by another member state, continue to form the basis for the Common Position 2008/944/CFSP, but the transformation also brings with it a wider scope. Brokerage, transit, intangible forms of technology transfer and production licences have been brought within the ambit of the Common Position where in a member state such activities are subject to mandatory licensing.

Bosnia-Herzegovina, Canada, Croatia, Iceland, Montenegro and Norway have officially endorsed the criteria and principles of the Common Position. Furthermore, Norway exchanges information with the EU relating to licence denials.

The Netherlands as a matter of course observes in full the arms embargoes instituted within EU, OSCE and UN frameworks. The following website offers access to relevant national measures implementing UN and EU sanctions including arms embargoes:

[http://www.minbuza.nl/nl/Onderwerpen/Internationale\\_rechtsorde/Internationale\\_sancties](http://www.minbuza.nl/nl/Onderwerpen/Internationale_rechtsorde/Internationale_sancties)

In view of the availability of current information via this site it has been decided to discontinue the inclusion in the Annual Report of an appendix in the form of a table listing operational arms embargoes. In addition to the information provided on the above website, it should be noted that a non-binding UN embargo has been in force for Armenia and Azerbaijan since 1993 (UN Security Council resolution 853). Likewise an OSCE embargo on arms and ammunition is applicable to the warring factions in Nagorno-Karabakh (decree of the Senior Committee - predecessor of Permanent Council – of 28 February 1992). It may also be noted that sanctions no longer in force can be viewed at the website [www.wetten.nl](http://www.wetten.nl).

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<sup>3</sup> Official Journal of the European Union No. L 335/99, 13-12-2008 (direct link <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:335:0099:0103:nl:PDF> )

#### **4. Transparency in the arms export policy**

In accordance with a pledge made by the Minister of Foreign Affairs in the course of a debate in December 1997 on the Foreign Affairs budget, the Government in February 1998 submitted a policy paper on greater transparency in the reporting procedure on exports of military goods (Parliamentary Proceedings 22 054, No. 30). The present report on 2009 is the thirteenth non-confidential report which has been issued since then. It is based on the value of the licences issued by category of military goods and by country of final destination. In order to further enhance the transparency of the figures, the tables stating the value by country of final destination also specify the relevant goods categories. For the purpose of clarifying the overall trend, it has been decided to present both the consolidated figures for 2009 as a whole, and the figures for first-half and second-half 2009 separately. Furthermore, information is included on licence denials notified to the EU partners in the context of the Common Position 2008/944/CFSP (see Appendix 4).

Besides the present report on Netherlands exports of military goods in 2009, non-confidential information is also otherwise available on the arms export policy. For example, on the [www.exportcontrole.ez.nl](http://www.exportcontrole.ez.nl) website the Central Import and Export Service (Centrale Dienst voor In- and Uitvoer, CDIU) publishes the "Strategic Goods Handbook" (Handboek Strategische Goederen). This handbook is intended for persons, companies and organisations with professional interests in procedures governing imports and exports of strategic goods. It provides users with information on policy objectives and relevant legislative measures and procedures, besides containing a wealth of practical information. Moreover the handbook is regularly updated in the light of national and international developments in this area, and altogether it has become a valuable instrument for increasing user awareness of this specific area of policy.

In addition, the above-mentioned website also presents a range of information on the export and transit of strategic goods, including the present annual report as well as key data on all licences issued for the export of military goods and also monthly summaries stating core data on the transit of military goods across Netherlands territory. These data are taken from the mandatory notifications of such movements supplied to the CDIU. With this additional information reported on the export controls website, this website now contains monthly summaries of all licences issued for military goods, all licences issued for dual-use goods, and all notifications received for transit of military goods. In common with the practice in recent years, the data on transit licences issued are included in the present Annual Report (Appendix 3).

#### **5. The Dutch defence-related industry**

With very few exceptions, the Dutch defence-related industry consists above all of civil enterprises and research organisations with divisions specialising in military production. Although this sector is small in size, it is nevertheless characterised by high-tech production, ongoing innovation and highly skilled personnel. Within the bounds of a responsible foreign and security policy, the Government's policy is aimed at retaining this technologically valuable capability for the Netherlands. To this end, Dutch companies are involved in



national military tenders, either directly or indirectly through offset orders. Because the national market is clearly too small to maintain the available expertise independently, the Dutch defence-related industry is also encouraged to take part in international joint ventures and co-operation in the field of defence equipment. This has led to the establishment of commercial relations with above all Belgian, British, German and American enterprises, also involving joint commitments relating to systems maintenance and subsequent components delivery. Joint ventures also play an important role where supplies to third countries are concerned. Accordingly, the scope for Dutch companies to enter into long-term international joint ventures and co-operation arrangements depends in part on the transparency and the consistency of the Netherlands arms export policy.

The importance of the export activities of this sector is recognised as an essential condition for the continuity of the existing technological base. Equally, it is recognised that, in the interests of the international legal order and the safeguarding of peace and security, limits must be imposed on the export activities of the defence-related industry. Within those limits, in the Government's judgement the Dutch industry should be able to meet other countries' legitimate needs for defence equipment. Bearing in mind the above-mentioned conditions and circumstances, the Dutch defence-related industry has pursued a policy of increasing specialisation. Those companies with the largest export share in their military production manufacture principally advanced components and sub-systems. The maritime sector still has the capability to undertake all the production stages from drawing-board to launching-slip and thereby to contribute to Netherlands exports of complete weapons systems.

The most recent quantitative data on the defence-related industry was made available on a voluntary basis by the firms concerned in the context of a study commissioned by EZ/CMP and performed by EIM Policy Research, which was communicated to Parliament by letter of 16 May 2008 <sup>4</sup>. The key figures are as follows:

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<sup>4</sup> Parliamentary Paper 31 125, No. 4.

**Table 1**  
**Specification of the Dutch defence-related industry**

<i>Feature</i>	
Number of companies	290
% defence-related companies performing civil work	92
Defence-related turnover in 2006	€ 3.56 billion
Defence-related turnover as % of total turnover	4%
Volume of defence-related exports	€ 1.58 billion
Number of defence-related fte employees	16.740
Number of defence-related fte positions	15.770
Number of defence-related fte positions in R&D	3.400

*Source: EIM 2008.*

The figures relate to production (civil/military), exports (as share of total sales), manpower etc. For a number of years around 290 SME firms in the Netherlands have in some way been engaged in military production. In that respect it should be noted that military production is defined as production intended for domestic and foreign defence orders, and not as production of goods which are classified as military goods in accordance with the Strategic Goods Import and Export Order. That explains the possible disparity between the export volume stated here and the total value of licences issued for exports of military goods as stated elsewhere in this report.

Military production accounts for on average an estimated total Dutch turnover of € 3.56 billion on an annualised basis. This represents an average share of 4% of the total turnover of the companies and organisations concerned, most of which therefore perform mainly civil work. There are only a few firms that concentrate virtually completely on the defence market. Of the total exports by these companies and organisations, about 44% or approximately € 1.58 billion is classified as military exports. The development of advanced technology associated with military production enables these companies and organisations to accomplish product innovations and is moreover an important source of military spin-offs and civil spill-overs. With a count of 51%, the aerospace sector is the most frequently reported sector of industrial activity, followed by the maritime sector, the command, control and communication sector and the information technology sector.

The number of persons in defence-related employment amounts to just under 17,000. Adjusted for the fte effect, the number of defence-related positions is just below 16,000. A considerable proportion of this is accounted for by R&D activities: 3,400 positions, or just over 20% of total defence-related jobs.

## 6. EU co-operation

EU co-operation on arms exports is co-ordinated within COARM, the Working Group on Conventional Arms Exports. On behalf of the Netherlands, representatives of the Ministry of Foreign Affairs and the Ministry of Economic Affairs attend COARM meetings. In COARM, within the framework of the EU Common Foreign and Security Policy (CFSP) the member states exchange information on their arms export policy and endeavour to improve mutual co-ordination of these policies and the relevant procedures. The basis for this is the EU Common Position (CP), which was agreed on 8 December 2008.

The best practice guidelines for implementation of the individual criteria of the EU Common Position were completed in 2007 and incorporated into the User's Guide to the CP. Common interpretation of the criteria of the EU Code of Conduct promotes harmonisation of the arms export policy of the EU member states and contributes towards integration of the CP system in new member states. Common interpretation of the individual criteria of the EU Code of Conduct promotes harmonisation of the arms export policy of the EU member states and contributes towards integration of the CP system in new member states. At the same time the guidelines are proving to be a useful instrument for the purpose of outreach activities to non-EU countries.

The User's Guide<sup>5</sup> also provides practical guidelines regarding the information and consultation procedure on licence denials. Also, the central database of national denials, which is maintained by the EU Council Secretariat in Brussels, has been operational since January 2004. The intention is that, prior to issuing licences, EU member states should consult this database to see whether similar cases have met with denials from other member states. If that is the case, consultation between those states is required. If the prior denial is not observed, the reasons for doing so must be stated.

November 2009 saw publication of the eleventh EU annual report<sup>6</sup>, reviewing the subjects discussed within COARM. In addition, the report contains detailed statistical information on exports of military equipment by the EU member states in 2008. The report includes data classified by member state and by country of final destination, in addition to stating numbers of licences issued, the value of licences issued as well as licence denials. The data are classified by category of the military list. At the same time, they are presented on both a regional and a worldwide basis. Since exports in support of international missions (UN missions) in embargoed countries frequently attract questions, the EU annual report also includes separate tables with summaries showing supplies for the purpose of international missions. Lastly, the report states the number of brokering licences requested and denied in addition to the number of consultations undertaken by EU partners.

In anticipation of the publication of the twelfth EU annual report later this year, it may be stated that in 2009 member states notified a total of about 406 licence denials in the EU context, representing a significant increase relative to preceding years (in 2008: 329, in 2007: 425, and 2006: 360). The number of consultations conducted was about 101, broadly

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<sup>5</sup> The User's Guide is published via the Export Control website of the European Union: (direct link: [http://www.consilium.europa.eu/cms3\\_fo/showPage.asp?id=1484&lang=nl&mode=g](http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=1484&lang=nl&mode=g) ).

<sup>6</sup> Official Journal of the European Union C265, 6 November 2009

corresponding with preceding years with the exception of 2006, when the number of consultations was significantly lower.

In 2009 the Netherlands was furthermore involved in a total of eleven consultations. Seven were initiated by the Netherlands, and the Netherlands was consulted by other member states on four of its denials.

## **7. The Wassenaar Arrangement**

On the multilateral level, developments surrounding arms exports are discussed in the framework of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (WA). In the year under review altogether 40 countries, including the United States, Russia and all EU member states with the exception of Cyprus<sup>7</sup>, participated in this forum, which owes its name to the town where, under the presidency of the Netherlands, the negotiations were conducted on the founding of the Arrangement. These countries together are estimated to account for over 90% of total world exports of military goods.

The goal of the WA (as stated in the Initial Elements<sup>8</sup> is to contribute towards regional and international security and stability. This goal is pursued by means of regular information exchange relating to exports to third parties of arms and of goods that can be used for military purposes. The intention is to promote a greater sense of responsibility in national assessments of applications for licences for exports of such goods. Clearly, more information will enable participating states to assess with greater accuracy whether the arms build-up of certain countries or regions exceeds their legitimate needs for defence equipment. If that is the case, this should result in participating states becoming more cautious in their licence issuing policy towards such countries of final destination.

In addition to a list of (conventional) dual-use goods that is applicable to the Netherlands via the EU Dual-Use Regulation, the Wassenaar Arrangement has a list of military goods which are deemed to be subject to export controls. In the Netherlands, this control list forms an integral part of the Strategic Goods Import and Export Order. Each revision of the WA list therefore automatically results in an amendment to that Import and Export Order.

In the course of the year the Arrangement paid considerable attention to proposed amendments to the control lists, to the exchange of information on exports of military goods and dual-use goods with potentially conventional military end use, and to outreach contacts with non-participant countries and international organisations. In 2009 participant countries once again deliberated on a number of proposals for increasing internal transparency within the Wassenaar Arrangement, for example by including small-calibre ammunition as a reporting category in the mutual information exchange on arms exports, and by introducing denial notifications as a reporting category, as is already practised in the framework of the EU Common Position. Further topics included best practice guidelines with reference to

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<sup>7</sup> In 2008 only Cyprus was not yet a partner owing to Turkish objections.

<sup>8</sup> The Initial Elements can be viewed on the website of the Wassenaar Arrangement:  
[www.wassenaar.org](http://www.wassenaar.org)

Internal Compliance Programmes (ICP's), and possibilities of imposing further rules on transport of military goods were examined.

As in the preceding year, WA partner Russia caused a good deal of attention in 2009 to be paid to defining the term "destabilising accumulation of arms". The Russian focus on this definition was occasioned by the five-day war between Georgia and Russia in August 2008 and Russia's assumption that other WA partners should have realised that excessive quantities of arms had been supplied to Georgia before the war. During the Plenary Meeting in December 2009, it was decided that a separate open-ended ad hoc meeting would take place in 2010 in the margins of both General Working Group meetings on the theme of destabilising accumulations.

This year the Netherlands again played an active part in the Arrangement, among other things by accepting the chairmanship of the General Working Group for 2009, by participating in discussions and giving presentations on Customs matters, on specific consignments of strategic goods with which the Netherlands has been involved, and on military acquisitions by a number of countries in South America. Further information on the principles and goals of the WA in addition to current developments and the texts of public documents can be found on the website [www.wassenaar.org](http://www.wassenaar.org).

## **8. Arms control**

The area of arms control features a number of topics relevant to arms export policy. These include activities relating to small arms and light weapons, the draft international arms trade treaty and the UN Register of Conventional Arms.

### **Cluster munitions**

In the course of the year under review further steps were taken towards ratification of the Convention on Cluster Munitions. By year-end 2009, the Convention had been signed by 104 countries, including the Netherlands, and ratified by 26 countries.<sup>9</sup> The Netherlands hopes to have completed ratification as soon as possible.

The Convention on Cluster Munitions is a legally binding instrument. It embodies a far-reaching ban on the use, production, transfer and stockpiling of types of cluster munitions that cause unacceptable human suffering. In addition the convention establishes a framework for co-operation and assistance, with provisions relating among other things to care for survivors, clearance of 'contaminated' areas, and destruction of stockpiles of prohibited cluster munitions. The convention also incorporates a provision on the basis of which co-operation with non-Partner states remains possible (known as the interoperability article). For the Netherlands and a large number of like-minded countries, inclusion of such a provision was an important condition enabling them to endorse the final outcome. The treaty has no transitional period and states explicitly that no reservations can be made. This only endows it with additional force.

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<sup>9</sup> At the time of writing the Treaty has been signed by 106 countries and ratified by 32, so that it will enter into force on 1 August 2010.

The Secretary-General of the United Nations (SGUN) and the President of the International Red Cross have described the treaty as a new standard in humanitarian law of war. The Netherlands Government endorses this view.

#### **- *Complementarity***

The Netherlands will urge countries not yet signatory to the Convention on Cluster Munitions to join the Convention. The Netherlands will also remain an active player in the framework of the Convention on Certain Conventional Weapons (CCCW). The CCCW is seen as the vehicle whereby the number of participating states can be maximised. Major focuses here are the synergy and mutual reinforcement between the parallel Oslo and CCW processes relating to cluster munitions. The Netherlands has launched a proposal for guaranteeing the complementarity of the Convention on Cluster Munitions, which comes into force on 1 August 2010, with existing conventions such as CCW, a future CCW Protocol on cluster munitions, and international humanitarian law. Of particular importance in this respect is the present Protocol V to the CCW, embodying as it does general provisions on explosive debris of war.

#### **Small arms and light weapons (SALW)**

The Netherlands government pursues a policy aimed at curbing the uncontrolled proliferation of SALW and their ammunition. The objective of the Netherlands policy is to reduce the numbers of victims of armed violence, armed conflicts and gun crime and thereby contribute towards security and stability, as a condition for sustainable development and attainment of the Poverty Reduction Objectives.

In the field of arms control, the policy on the SALW problem is an important subject. Recent years have been dominated by multilateral developments on the one hand and, on the other, by support for practical projects relating to arms destruction, stockpile management and allied technical subjects. Numerous international and regional agreements have arisen from these international efforts, such as the UN Programme of Action on SALW (2001), and the Geneva Declaration on Armed Violence and Development (2006). The Netherlands continued to play an active role in 2009 aimed at further elaborating and firming up these agreements.

#### **- *UN Programme of Action***

The UN Programme of Action requires states to pursue active policies at the national, regional and international level in the field of SALW, including development and implementation of arms legislation, destruction and secure storage of (surplus) arms and ammunition, improved co-operation among states, inter alia in the marking and tracing of illegal weapons, and assistance and support for activities in countries and regions possessing insufficient capability themselves to implement the measures as set out in the UN Programme of Action. In practice this means among other things that the Netherlands focuses on long-term support to a number of partner states where capacity to implement these agreements is lacking. This finds expression in structural support to National Focal Points (mandatory under the UN Action Programme) and development of national strategies to curb the proliferation of SALW. Additionally, for example in Burundi the subject of SALW has been further elaborated in the framework of the multiannual Memorandum of Understanding concluded with the Burundi government in 2008. This MoU envisages Security Sector Development centred on the national police and defence sector, and includes a specific SALW programme.

### **- Geneva Declaration on Armed Violence and Development**

In becoming a signatory to this declaration in 2006, the Netherlands demonstrated its realisation of the fact that the fight against armed violence and policy on development are inseparably interconnected. As a member of the Geneva Declaration core group, the Netherlands is closely involved in further developing the principles of this declaration. The number of signatory nations has meanwhile risen to 108. In the coming period the Netherlands, as a member of the above-mentioned core group, will pursue a policy designed to encourage larger countries in particular to join this group so as to add “diplomatic punch” to the objectives of this group. In addition to ensuring sufficient international support for the link between countering armed violence and meeting development targets – and hence the Millennium Development Objectives<sup>10</sup> as well – the Netherlands pursued an active policy aimed at matching the Geneva Declaration to specific results in focus countries, including Burundi.

In 2008 a direct linkage was established between the Geneva Declaration and the UN. This was done at year-end 2008 by moving a UNGA resolution on armed violence (Res. 63/23) in relation to development, in which the SGUN calls on all member states to set out their views and policies in this area. This resolution led to a report from the SGUN clarifying the importance of opposing armed violence as a condition of poverty reduction. The follow-up to this resolution was prepared in 2009, and a new resolution will call for the further formulation of specific understandings on this matter.

Thirdly, the Geneva Declaration generates momentum for the performance of scientific investigation into the interrelations, impact and worldwide cost of armed violence. All in all, the work performed within the framework of this Declaration will make an important contribution to worldwide willingness to counter all forms of armed violence and the unchecked proliferation of SALW as a major impediment to the achievement of development targets.

### **- EU and SALW**

The EU Member States report annually on their national activities for implementation of the Council’s Joint Action relating to the contribution of the European Union to combating the destabilising accumulation and proliferation of small arms and light weapons (2002/589/CFSP). The national reports and the EU activities are combined in the Joint Annual Report<sup>11</sup>, to which the Netherlands contributes annually. A new departure within the EU is the funding and establishment of a database providing information on airlines in Africa suspected of arms trafficking.

The EU also acts as a source of funding for specific programmes. For example, a substantial amount was recently appropriated for the funding of programmes operated by the Regional Centre on Small Arms (RECSA). This organisation focuses on the introduction of national legislative and regulatory measures in Africa aimed at combating the proliferation and

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<sup>10</sup> These are international agreements on eight specific development goals that must have been achieved by 2015.

<sup>11</sup> Reports are published via the Export Controls website of the European Union: (direct link <http://www.consilium.europa.eu/cms3/fo/showPage.asp?id=1484&lang=nl&mode=g> )

ownership of SALW. RECSA also engages in the destruction and tracing of arms stockpiles in African countries.

#### **- Netherlands Project Support**

In 2009, the Netherlands once again provided financial support from the Stability Fund for a number of SALW projects. These included specific programmes for arms and ammunition destruction besides capacity build-up for inspection and operational authorities in the Great Lakes region and the Horn of Africa. The main objectives of the latter programmes are:

- Assisting with legislative and regulatory provisions governing ownership, production and trafficking of SALW and implementation of policy in this regard;
- Reinforcing the capacity of government authorities in this regard;
- Reinforcing the capacity of NGO's in this regard.

#### **International Arms Trade Treaty**

In 2009 two meetings of the Open-Ended Working Group towards an Arms Trade Treaty took place. In this context UN member states exchanged ideas on the scope and parameters of a possible Arms Trade Treaty. The Netherlands took an active part in these meetings on the basis of its vision as previously communicated to the SGUN.

The 64th General Assembly of the United Nations (UNGA) passed a resolution with an overwhelming majority and with support of the United States (which had voted against previous resolutions on the ATT), in which it was agreed that a UN conference would be convened in 2012 in order to negotiate a definitive ATT. The Conference will be preceded by preparatory meetings in 2010 and 2011.

#### **Transparency in armaments and the UN Register of Conventional Arms**

The UN Register of Conventional Arms, established in established 1992 partly on a Netherlands initiative, provides information on an annual basis on the source country of military goods exports, the transit country if any, and the importing country, together with the size of the goods flows classified in the following categories: I. tanks, II. armoured combat vehicles, III. heavy artillery systems, IV. combat aircraft, V. combat helicopters, VI. warships, and VII. missiles and missile launch systems. Since 2006 there has moreover existed the option to report imports and exports of small arms and light weapons on a voluntary basis. In 2007 almost 40 countries, including the Netherlands, included this information in their national returns to the Register. It remains an ambition of the Netherlands to add to the Register an independent eighth category "Small arms and light weapons".

Since the Register was established, a total of 175 nations have at some time participated in the Register, including all the major arms-manufacturing, arms-importing and arms-exporting countries. The register is currently estimated to encompass over 95% of the worldwide trade in the above-mentioned seven categories of conventional arms. In recent years there was a gradual increase in the number of participating countries from 99 in 1992 to 126 in 2001. Meanwhile the figure has stabilised at around 115 notifications annually. The ambition remains to achieve universal and consistent participation. The adoption of AVVN/RES/61/77 in December 2006 confirmed that the UN Register of Conventional Arms is



intended solely for transactions between UN member states. For China, which for years did not report on account of notifications (by the United States) of supplies to Taiwan, this smoothed the way to resume its participation in the Register. In July 2009 China filed its return on 2008.

Twice every three years the Netherlands moves the UNGA resolution Transparency in Armaments, which traditionally can count on the support of a large majority of the UN member states. In 2009 150 states voted in favour, including China, Israel, the United States and the Russian Federation. The resolution moreover was supported by a record number of co-sponsors (103). This resolution ensures that once every three years a group of government experts meets in order to evaluate and further develop the Register, and that the results are then implemented. The group of experts met once more in the first half of 2009.

The Netherlands continues to focus its effort on universal participation in and effectiveness of the UN Register of Conventional Arms. Partly on a Netherlands initiative the EU places emphasis at all relevant forums on the importance of transparency in armaments and participation in the UN Register of Conventional Arms. For example, the SGUN is notified on an annual basis of the European Union's position regarding transparency in armaments, and the data are also exchanged within the Organisation for Security and Co-operation in Europe (OSCE).

#### **UN transparency in legislation**

The Netherlands has moved the UNGA resolution "National legislation on transfer of arms, military equipment and dual-use technology" annually since 2002; since 2005 that it has done so every other year. With this resolution, which was adopted in 2009 again without a vote, UN member states are urged to exchange information on their national legislation governing arms exports. In the framework of this resolution an electronic UN database has also been created, where the exchanged law texts and other information can be stored and made readily accessible to anybody. Meanwhile this database contains contributions from 46 countries, including the Netherlands.

## **Appendix 1:**

### **Tables showing the value of licences for the definitive export of military goods issued in 2009 by category of goods and by country of final destination**

#### **Introduction**

The total value, rounded-off to two decimal places, of licences issued in 2009 amounted to € 1,409.94 million. That represents a slight increase over 2008, when the total value came to € 1,257.67 million, but at the same time it is the highest value ever recorded since the annual reports on the Netherlands arms export policy first appeared. That high value was determined to a substantial extent by a single licence for the supply of three new-build naval vessels to Morocco. With a value of over € 500 million Morocco accordingly heads the top five destinations in the year under review. In second place comes the United States with a value of € 178.28 million, made up largely of licences for the supply of components for fighter aircraft (F-16, but lately JSF or F-35 as well) and licences for components of air defence missile launch systems. Accounting for a value of almost € 149 million, Germany takes third place. That value, as usual, is attributable to licences for the supply of parts for military vehicles, such as the substantial orders relating to the Boxer 8x8 large wheeled multi-role armoured vehicle. Fourth place is held by Canada with just under € 85 million followed by Turkey with € 66.42 million in fifth place. Both the latter cases related mainly to supplies of radar equipment. Also worthy of mention are major licences to two other countries of final destination. The largest disposal transaction, involving just under € 29 million worth of licences, concerned the sale of surplus F-16's plus peripherals to Jordan, while the other licence worth almost € 25 million was issued for the supply of parts for an Offshore Patrol Vessel destined for the Romanian border police.

Exports of military goods accounted for just over 0.45% of total Netherlands goods exports in 2009 (€ 309.5 billion). For an international comparison of this percentage, it is important to know that in the Netherlands it is not only exports of military goods manufactured by Dutch industry that are subject to mandatory licensing but that the Government itself is also required to apply for licences to export military goods. Only the equipment of Netherlands military units accompanying those units on exercises or international operations abroad is exempted from mandatory export licensing. Unlike in certain other countries, disposals of Dutch defence equipment to third countries are therefore included in the figures.

#### **Methodology**

The values reported below are based on the value of the licences for definitive export of military goods issued in the period under review. The licence value indicates the maximum export value, although at the time of publication that value need not necessarily correspond with the exports actually realised. Licences for temporary export have been disregarded in the figures, in view of the fact that such licences are subject to mandatory re-import. These cases normally relate to consignments for demonstration or exhibition purposes. On the other hand, licences for trial or sample consignments are included in the figures because no re-import obligation is attached to these exports in view of their nature. Licences for goods returned following repair in the Netherlands are similarly not included in the reported figures. However, in such cases the goods must have formed part of prior deliveries from the Netherlands, the value of which will therefore have been included in a previous report. Inclusion of such "return following repair" licences would clearly lead to duplication of the

figures. For the same reason, the value of licences for which the term of validity has been extended does not appear in the figures. Lastly, the same applies to licences that are replaced in connection, for example, with the recipient's change of address. If an extension or replacement licence with a higher value than the original licence is issued, the added value will of course be reported.

For the purpose of classifying the licence value for individual transactions in the table showing the value by category of military goods, it was in many cases necessary to include co-supplied parts and components and installation costs as part of the value of complete systems. The value of licences for the initial delivery of a system is frequently based on the contract value, which often comprises installation and a number of parts and components. The value of licences for the subsequent delivery of components is included in categories A10 or B10.

In conclusion, to compile the table showing the value of licences issued by category of military goods a choice had to be made as to the classification of sub-systems. It was decided to apply a differentiation based on the criterion of the extent to which a subsystem can be regarded as standalone or multifunctional. This has a bearing in particular on the classification of licences for exports of military electronics. If such a product is suitable solely for a maritime application, for example, the associated subsystems and their components are classed in category A10, as components for category A6, "Warships". If such a product is not manifestly connected to one of the first seven sub-categories of main category A, it will be classed in sub-category B4 or in sub-category B10.

**2009 (first-half)**  
**Table 1: Value of licences issued for the definitive export**  
**of military goods in first-half 2009**  
*by category*<sup>1</sup>

<b>Main category A, "Arms &amp; Munitions"</b>	<b>2009 (1)</b> in € million
1. Tanks	11.34
2. Armoured vehicles	0.03
3 Large-calibre weapons (>12.7 mm)	-
4. Combat aircraft	-
5. Combat helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.12
9. Munitions and explosives	0.75
10. Parts and components for "Arms & Munitions" <sup>2</sup>	244.49
<b>Total Cat. A</b>	<b>256.73</b>

<b>Main category B "Other military goods"</b>	<b>2009 (1)</b> in € million
1. Other military vehicles	6.00
2. Other military aircraft and helicopters	-
3. Other military vessels	4.78
4. Military electronics	34.34
5. ABC substances for military use	-
6. Military exercise equipment	0.01
7. Armour-plating and protective products	0.01
8. Military auxiliary and production equipment	3.06
9. Military technology and software	33.46
10. Parts and components for "Other military goods" <sup>3</sup>	45.04
<b>Total Cat. B</b>	<b>126.70</b>
<b>Total Cat. A + B</b>	<b>383.43</b>

**Table 2: Value of licences issued for the definitive export of military goods in first-half 2009 by country of final destination**

<b>2009 (first-half)</b> <i>in € million</i>					
<b>Country of final destination</b>	<b>Cat. A</b>	<b>Specification</b>	<b>Cat. B</b>	<b>Specification</b>	<b>TOTAL</b>
<b>Argentina</b>	0.17	A10	0.05	B10	0.22
<b>Australia</b>	-		0.10	B4,B10	0.10
<b>Austria</b>	0.02	A8,A10	-	-	0.02
<b>Brunei</b>	0.19	A10	-		0.19
<b>Brazil</b>	-		0.03	B10	0.03
<b>Canada</b>	11.39	A1,A8,A10	8.23	B4	19.62
<b>Chile</b>	0.02	A10	0.30	B10	0.32
<b>Colombia</b>	-		1.03	B10	1.03
<b>Denmark</b>	0.52	A10	1.20	B10	1.72
<b>Egypt</b>	0.07	A10	-		0.07
<b>Finland</b>	0.19	A10	5.90	B1,B10	6.09
<b>France</b>	0.28	A2,A8,A9,A10	30.97	B4,B9,B10	31.25
<b>Germany</b>	101.19	A1,A8,A9,A10	19.77	B4,B9,B10	120.96
<b>Greece</b>	-		0.20	B9,B10	0.20
<b>India</b>	8.90	A10	0.17	B10	9.07
<b>Israel</b>	0.08	A10	-		0.08
<b>Italy</b>	0.21	A8,A9	0.97	B4,B10	1.18
<b>Japan</b>	10.78	A10	-		10.78
<b>Malaysia</b>	-		1.37	B4,B10	1.37

<b>New Zealand</b>	0.03	A10	-	-	0.03
<b>Nigeria</b>	-	-	4.78	B3	4.78
<b>Norway</b>	1.47	A10	0.31	B4,B10	1.78
<b>Oman</b>	0.35	A10	0.18	B10	0.53
<b>Pakistan</b>	-	-	8.67	B4	8.67
<b>Poland</b>	-	-	0.06	B10	0.06
<b>Portugal</b>	0.01	A10	0.06	B8	0.07
<b>Qatar</b>	-	-	0.21	B10	0.21
<b>Rumania</b>	-	-	3.01	B8,B10	3.01
<b>Saudi Arabia</b>	-	-	0.12	B10	0.12
<b>Singapore</b>	0.01	A10	0.01	B10	0.02
<b>South Africa</b>	-	A10	0.02	B10	0.02
<b>South Korea</b>	2.31	A10	0.35	B10	2.66
<b>Spain</b>	0.13	A8,A10	0.05	B10	0.18
<b>Sweden</b>	4.39	A8,A9,A10	1.83	B10	6.22
<b>Switzerland</b>	3.12	A9,A10	8.37	B10	11.49
<b>Taiwan</b>	10.76	A10	3.00	B10	13.76
<b>Thailand</b>	0.01	A10	3.06	B10	3.07
<b>Tunesia</b>	0.74	A10	-	-	0.74
<b>Turkey</b>	15.79	A8,A10	1.58	B9,B10	17.37
<b>UAE</b>	4.76	A10	-	-	4.76
<b>United Kingdom</b>	3.19	A8,A10	13.15	B4,B6,B10	16.34
<b>Uruguay</b>	-	-	0.18	B1	0.18

<b>USA</b>	68.96	A8,A9,A10	2.45	B4,B7,B10	71.41
<b>Yemen</b>	-		2.03	B10	2.03
<b>Other NATO <sup>4</sup></b>	6.67	A10	2.92	B9, B10	9.59
<b>Countries accounting for export values below € 10,000: <sup>5</sup></b>					
Bangladesh, Czech Republic, Ireland, Malta, Surinam,	0,02	A8, A9	0,01	B10	0.03
<b>Total</b>	<b>256.73</b>		<b>126.70</b>		<b>383.43</b>

#### Footnotes to Tables 1 and 2, first-half 2009

<sup>1</sup> Rounding-off to two decimal places means both in Table 1 and Table 2 that sub-categories where the value remains below € 10,000 are not reported separately.

<sup>2</sup> The sub-category A10 (Parts and components for "Arms & Munitions") relates as usual largely to deliveries of combat aircraft and combat helicopter components to the manufacturers of such systems in the United States and deliveries of components for tanks and other military combat vehicles to the German manufacturer of such systems. For instance, in this period three licences for the export of parts for the Boxer 8x8 multi-wheeled armed vehicle to Germany, accounting for a combined value of almost € 67 million. However, this sub-category also serves to accommodate supplies of radar equipment (parts) where such equipment is integrated in ships to such an extent as to form part thereof.

<sup>3</sup> The sub-category B10, Parts and components for "Other military goods", in this period again consists of multiple small-scale deliveries of parts for military electronic systems and parts for military aircraft and vehicles.

<sup>4</sup> The item "other NATO" generally relates to export licences for components in sub-category A10, for the purpose of which a number of NATO countries (excluding Turkey) are licensed final destinations. In practice, this type of licence is used for the sub-supply of components to manufacturers wishing to have the capability to make supplies out of stock to the NATO customers listed as end-users on the licence. As stated above with reference to the figures for prior periods, this item is also used for export licences for goods which after undergoing finishing abroad will be returned to the Netherlands as final destination.

<sup>5</sup> In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.

**2009 (second-half)**  
**Table 1: Value of licences issued for the definitive export**  
**of military goods in first-half 2009**  
*by category*<sup>1</sup>

<b>Main category A, "Arms &amp; Munitions"</b>	<b>2009 (2)</b> in € million
1. Tanks	-
2. Armoured vehicles	12.00
3 Large-calibre weapons (>12.7 mm)	-
4. Combat aircraft	20.70
5. Combat helicopters	-
6. Warships	555.00
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.13
9. Munitions and explosives	8.16
10. Parts and components for "Arms & Munitions" <sup>2</sup>	199.80
<b>Total Cat. A</b>	<b>795.79</b>

<b>Main Category B "Other military goods"</b>	<b>2009 (2)</b> in € million
1. Other military vehicles	0.87
2. Other military aircraft and helicopters	-
3. Other military vessels	24.79
4. Military electronics	97.30
5. ABC substances for military use	-
6. Military exercise equipment	0.83
7. Armour-plating and protective products	-
8. Military auxiliary and production equipment	-
9. Military technology and software	3.41
10. Parts and components for "Other military goods" <sup>3</sup>	103.52
<b>Total Cat. B</b>	<b>230.72</b>
<b>Total Cat. A + B</b>	<b>1026.51</b>



**Table 2: Value of licences issued for the definitive export  
of military goods in second-half 2009**  
*by country of final destination*

<b>2009 (second-half)</b> <i>in € million</i>					
<b>Country of final destination</b>	<b>Cat. A</b>	<b>Specification</b>	<b>Cat. B</b>	<b>Specification</b>	<b>TOTAL</b>
<b>Argentina</b>	0.02	A10	0.02	B10	0.04
<b>Australia</b>	-	-	3.81	B10	3.81
<b>Brunei</b>	0.51	A10	-	-	0.51
<b>Canada</b>	9.59	A8, A10	55.76	B4, B9	65.35
<b>Chile</b>	0.58	A10	0.87	B1, B10	1.45
<b>Czech Republic</b>	0.01	A8, A09	-	-	0.01
<b>Denmark</b>	0.11	A10	1.38	B3, B4, B9, B10	1.49
<b>Egypt</b>	1.20	A10	-	-	1.20
<b>Germany</b>	14.83	A2, A8, A9, A10	13.20	B4, B9, B10	28.03
<b>Finland</b>	0.18	A8, A10	2.00	B4, B10	2.18
<b>France</b>	0.55	A8, A9, A10	12.25	B4, B9, B10	12.80
<b>Greece</b>	1.54	A10	0.03	B9, B10	1.57
<b>India</b>	0.25	A10	0.12	B9, B10	0.37
<b>Indonesia</b>	0.23	A10	-	-	0.23
<b>Italy</b>	0.01	A8,A9	8.58	B4, B7	8.59
<b>Jordan</b>	29.10	A4, A10	-	-	29.10
<b>Malaysia</b>	-	-	0.83	B4	0.83
<b>Morocco</b>	555.00	A6	-	-	555.00
<b>Neth. Antilles</b>	0.04	A9	-	-	0.04

<b>New Zealand</b>	-	-	0.10	B10	0.10
<b>Norway</b>	0.03	A10	1.12	B4, B10	1.15
<b>Oman</b>	-	-	0.09	B4	0.09
<b>Peru</b>	0.79	A10	-	-	0.79
<b>Portugal</b>	7.91	A9,A10	-	-	7.91
<b>Romania</b>	-	-	24.75	B3, B10	24.75
<b>Saudi Arabia</b>	-	-	5.64	B4, B9, B10	5.64
<b>Singapore</b>	0.33	A10	-	-	0.33
<b>Spain</b>	0.33	A10	2.25	B4, B10	2.58
<b>Taiwan</b>	5.56	A10	-	-	5.56
<b>Thailand</b>	0.34	A10	15.20	B10	15.54
<b>Turkey</b>	48.11	A9, A10	0.94	B9, B10	49.05
<b>USA</b>	97.95	A4, A8, A9, A10	8.92	B4, B9, B10	106.87
<b>UAE</b>	0.02	A10	4.29	B6, B10	4.31
<b>United Kingdom</b>	1.18	A8, A9, A10	18.56	B4, B9, B10	19.74
<b>South Africa</b>	-	-	0.08	B9, B10	0.08
<b>South Korea</b>	0.11	A10	6.52	B10	6.63
<b>Sweden</b>	3.55	A8, A9,A10	2.35	B4, B10	5.90
<b>Switzerland</b>	0.91	A8, A9, A10	5.33	B10	6.24
<b>Vietnam</b>	-	-	1.00	B10	1.00
<b>Other NATO <sup>4</sup></b>	14.91	A10	34.73	B4, B6, B10	49.64
<b>Countries accounting for export values below € 10,000: <sup>5</sup></b>					
Austria, Estonia, Lithuania, Malta,	0.01	A8, A10	-	-	0.01

Pakistan, Slovenia, Surinam					
<b>Total</b>	<b>759.79</b>		<b>230.72</b>		<b>1026.51</b>

**Footnotes to Tables 1 and 2, second-half 2009**

<sup>1</sup> Rounding-off to two decimal places means both in Table 1 and Table 2 that sub-categories where the value remains below € 10.000 are not reported separately.

<sup>2</sup> The sub-category A10 (Parts and components for "Arms & Munitions") relates as usual largely to deliveries of combat aircraft and combat helicopter components to the manufacturers of such systems in the United States and deliveries of components for tanks and other military combat vehicles to the German manufacturer of such systems. A relevant exception to that in this period was a licence for the supply of two omnidirectional surveillance radar systems to the British Royal Navy. These radar systems were reported under A10 as components for sub-category A6, warships. However, this sub-category also serves to accommodate supplies of radar equipment (parts) where such equipment is integrated in ships to such an extent as to form part thereof. For instance, in the period under review this sub-category includes a licence to the value of almost € 47 million for radar equipment for the Turkish navy. Furthermore a licence to the value of almost € 22 million appears in this sub-category for delivery of air defence missile launch systems to the US.

<sup>3</sup> The sub-category B10, Parts and components for "Other military goods", in this period again consists of a multitude of small-scale deliveries of parts for military electronic systems and parts for military aircraft and vehicles, such as the NH90 helicopter and the Boxer 8x8 MRAV. One of the larger licences to Germany this time related to the delivery of C3 and radar systems for patrol vessels of the Thai navy, to the value of over € 15 million.

<sup>4</sup> The item "other NATO" generally relates to export licences for components in sub-category A10, for the purpose of which a number of NATO (currently excluding Turkey) are licensed final destinations. In practice, this type of licence is used for the sub-supply of components to manufacturers wishing to have the capability to make supplies out of stock to the NATO customers listed as end-users on the licence. As stated above with reference to the figures for prior periods, this item is also used for export licences for goods which after undergoing finishing abroad will be returned to the Netherlands as final destination.

<sup>5</sup> In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.

## 2009 (total)

**Table 1: Value of licences issued for the definitive export of military goods in 2009**  
by category <sup>1</sup>

Main category A "Arms & Munitions"	2009 in € million
1. Tanks	11.34
2. Armoured vehicles	12.03
3 Large-calibre weapons (>12.7 mm)	-
4. Combat aircraft	20.70
5. Combat helicopters	-
6. Warships	555.00
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.25
9. Munitions and explosives	8.91
10. Parts and components for "Arms & Munitions" <sup>2</sup>	444.29
<b>Total Cat. A</b>	<b>1052.52</b>

Main category B "Other military goods"	2009 in € million
1. Other military vehicles	6.87
2. Other military aircraft and helicopters	-
3. Other military vessels	29.57
4. Military electronics	131.64
5. ABC substances for military use	-
6. Military exercise equipment	0.84
7. Armour-plating and protective products	0.01
8. Military auxiliary and production equipment	3.06
9. Military technology and software	36.87
10. Parts and components for "Other military goods" <sup>3</sup>	148.56
<b>Total Cat. B</b>	<b>357.42</b>
<b>Total Cat. A + B</b>	<b>1409.94</b>

**Table 2: Value of licences issued for the definitive export of military goods in 2009**  
by country of final destination

<b>2009 (total)</b> <i>in € million</i>					
<b>Country of final destination</b>	<b>Cat. A</b>	<b>Specification</b>	<b>Cat. B</b>	<b>Specification</b>	<b>TOTAL</b>
<b>Argentina</b>	0.19	A10	0.07	B10	0.26
<b>Australia</b>	-	-	3.91	B4,B10	3.91
<b>Austria</b>	0.02	A8, A10	-	-	0.02
<b>Brazil</b>	-	-	0.03	B10	0.03
<b>Brunei</b>	0.70	A10	-	-	0.70
<b>Canada</b>	20.98	A1, A8, A10	63.99	B4, B9	84.97
<b>Chile</b>	0.60	A10	1.17	B1, B10	1.77
<b>Colombia</b>	-	-	1.03	B10	1.03
<b>Czech Republic</b>	0.01	A8, A09	-	-	0.01
<b>Denmark</b>	0.63	A10	2.58	B3, B4, B9, B10	3.21
<b>Egypt</b>	1.27	A10	-	-	1.27
<b>Finland</b>	0.37	A8, A10	7.90	B1, B4, B10	8.27
<b>France</b>	0.83	A2,A8, A9, A10	43.22	B4, B9, B10	44.05
<b>Germany</b>	116.02	A1, A2, A8, A9, A10	32.97	B4, B9, B10	148.99
<b>Greece</b>	1.54	A10	0.23	B9, B10	1.77
<b>India</b>	9.15	A10	0.29	B9, B10	9.44
<b>Indonesia</b>	0.23	A10	-	-	0.23
<b>Israel</b>	0.08	A10	-	-	0.08
<b>Italy</b>	0.22	A8,A9	9.55	B4, B7, B10	9.77

<b>Japan</b>	10.78	A10	-	-	10.78
<b>Jordan</b>	29.10	A4, A10	-	-	29.10
<b>Malaysia</b>	-	-	2.20	B4, B10	2.20
<b>Morocco</b>	555.00	A6	-	-	555.00
<b>Neth. Antilles</b>	0.04	A9	-	-	0.04
<b>New Zealand</b>	0.03	A10	0.10	B10	0.13
<b>Nigeria</b>	-	-	4.78	B3	4.78
<b>Norway</b>	1.50	A10	1.43	B4, B10	2.93
<b>Oman</b>	0.35	A10	0.27	B4, B10	0.62
<b>Pakistan</b>	-	-	8.67	B4	8.67
<b>Peru</b>	0.79	A10	-	-	0.79
<b>Poland</b>	-	-	0.06	B10	0.06
<b>Portugal</b>	7.92	A9, A10	0.06	B8	7.98
<b>Qatar</b>	-	-	0.21	B10	0.21
<b>Romania</b>	-	-	27.76	B3, B8, B10	27.76
<b>Saudi Arabia</b>	-	-	5.76	B4, B9, B10	5.76
<b>Singapore</b>	0.34	A10	0.01	B10	0.35
<b>South Africa</b>	-	-	0.10	B9, B10	0.10
<b>South Korea</b>	2.42	A10	6.87	B10	9.29
<b>Spain</b>	0.46	A8, A10	2.30	B4, B10	2.76
<b>Sweden</b>	7.94	A8, A9, A10	4.18	B4, B10	12.12
<b>Switzerland</b>	4.03	A8, A9, A10	13.70	B10	17.73
<b>Taiwan</b>	16.32	A10	3.00	B10	19.32

<b>Thailand</b>	0.35	A10	18.26	B10	18.61
<b>Tunesia</b>	0.74	A10	-	-	0.74
<b>Turkey</b>	63.90	A8, A9, A10	2.52	B9, B10	66.42
<b>UAE</b>	4.78	A10	4.29	B6, B10	9.07
<b>United Kingdom</b>	4.37	A8, A9, A10	31.71	B4, B6, B9, B10	36.08
<b>Uruguay</b>	-	-	0.18	B1	0.18
<b>USA</b>	166.91	A4, A8, A9, A10	11.37	B4, B7, B9, B10	178.28
<b>Vietnam</b>	-	-	1.00	B10	1.00
<b>Yemen</b>	-	-	2.03	B10	2.03
<b>Other NATO <sup>4</sup></b>	21.58	A10	37.65	B4, B6, B9, B10	59.23
<b>Countries accounting for export values below € 10,000: <sup>5</sup></b>					
Bangladesh, Estonia, Ireland, Lithuania, Malta, Slovenia, Surinam	0.03	A8, A10	0.01	B10	0.04
<b>Total</b>	<b>1052.52</b>		<b>357.42</b>		<b>1409.94</b>

#### Footnotes to Tables 1 and 2, first-half 2009

<sup>1</sup> Rounding-off to two decimal places means both in Table 1 and Table 2 that sub-categories where the value remains below € 10,000 are not reported separately.

<sup>2</sup> For details on the main deliveries classified in categories A10 and B10 in the year under review, reference is made to the explanatory footnotes to the tables on first-half 2009 and second-half 2009.

<sup>3</sup> Category B5 is blank as usual. This indicates that no export of ABC substances for military use took place, but for the sake of completeness it is pointed out that this does not mean that no substances appearing in Schedule 1 of the Chemical Weapons Convention are ever exported. The Netherlands TNO Organization performs research into systems providing protection against chemical weapons, for which purpose it indeed employs minor quantities of Schedule 1 substances. Also, on occasion TNO exchanges such substances with associate laboratories in other countries for the same purpose: research into systems for protection against or rapid neutralisation of these substances. Such production, manufacture and exchange are naturally subject to strict supervision by the Organisation for the Prohibition of Chemical Weapons, not only

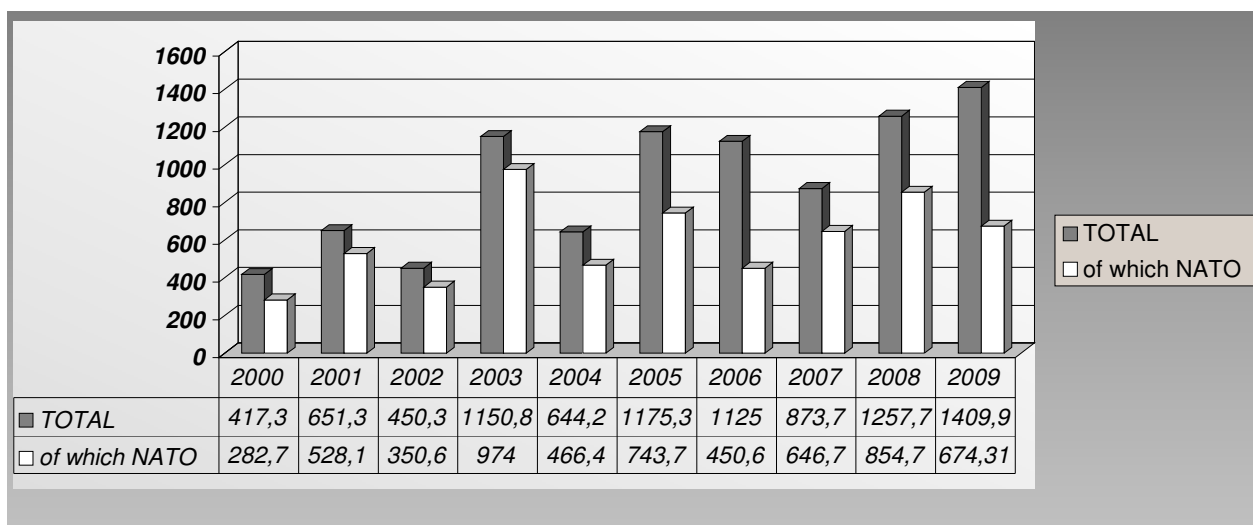
in the form of notification requirements in accordance with the Convention but also by on-site inspections by specialised OPCW teams. Moreover, the OPCW establishment in the Netherlands is one of TNO's clients. In the framework of the Chemical Weapons Convention, proficiency tests are held twice a year which all laboratories seeking OPCW accreditation are required to take. For the purpose of these tests, OPCW commissions one of the laboratories to prepare the samples for testing elsewhere. The TNO organisation is regularly asked to provide this service. The samples may contain a wide range of chemicals: from Schedule 1 substances (compounds which are themselves classed as chemical weapons) to let us say common salt. Owing to the small quantities of chemicals and their non-military use, their export remains invisible in the statistics; however, quite apart from that, the OPCW as an international organisation is exempt from the duty to comply with export regulations. That exemption similarly applies to agencies and organisations instructed by the OPCW to deal with the consignment (such as the sample preparer and forwarder). Accordingly, this type of consignment requires no export licence, but as host country the Netherlands stipulates that the OPCW give voluntary notification of forthcoming consignments to ensure that some measure of sight can be maintained on the dispatch of samples which may potentially contain a Schedule 1 substance.

<sup>4</sup> The item "other NATO" generally relates to export licences for components in sub-category A10, for the purpose of which a number of NATO countries (excluding Turkey) are licensed final destinations. In practice, this type of licence is used for the sub-supply of components to manufacturers wishing to have the capability to make supplies out of stock to the NATO customers listed as end-users on the licence. As stated above with reference to the figures for prior periods, this item is also used for export licences for goods which after undergoing finishing abroad will be returned to the Netherlands as final destination.

<sup>5</sup> In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.



**Appendix 2: Trend in Netherlands arms export 2000 – 2009  
(value of licences issued, in € million)**



\* In 2009 the following 28 countries were members of NATO:

Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxemburg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom and United States of America.

**Appendix 3: Value of licences issued for transit  
of military goods in 2009 <sup>1</sup>**  
*by country of final destination*

<b>2009</b> € million					
<b>Country of final destination</b>	<b>Cat. A</b>	<b>Specification</b>	<b>Cat.B</b>	<b>Specification</b>	<b>Total</b>
<b>Algeria</b>	-	-	0.04	B10	0.04
<b>UAE</b>	-	-	12.85	B4	12.85
<b>India</b>	1.54	A10	3.56	B10	5.10
<b>Malaysia</b>	-	-	0.03	B4	0.03
<b>Mali</b>	-	-	0.15	B1	0.15
<b>Russia</b>	0.04	A9	-	-	0.04
<b>South Africa</b>	0.30	A2	0.01	B7	0.31
<b>South Korea</b>	0.01	A10	-	-	0.01
<b>Tanzania</b>	0.03	A8, A9	-	-	0.03
<b>Ukraine</b>	0.44	A10	-	-	0.44
<b>Countries accounting for export values below € 10,000</b>					
<b>Philippines, Israel Latvia</b>	0.01	A8, A10		-	0.01
<b>TOTAL</b>	<b>2.37</b>		<b>16.64</b>		<b>19.01</b>

<sup>1</sup> Since August 2008 all transit of military goods not involving partner/allied countries (EU/NATO+) has been subject to mandatory licensing. Where an EU/NATO+ partner is involved, mandatory notification applies. Information on those notifications is available on the website [www.exportcontrole.ez.nl](http://www.exportcontrole.ez.nl). Further information on the transit licences of which the value is reported here in Appendix 3 is also published on that website, be it not under transit reports but in the monthly returns for military goods.

**Appendix 4: Denials of licence applications and sondages in 2009,  
notified in conformity with the EU Common Position  
(2008/944)**

<b>Date of notification</b>	<b>Number</b>	<b>Country of final destination <sup>1</sup></b>	<b>Brief description</b>	<b>Recipient</b>	<b>End user</b>	<b>Reason for denial</b>
19-06-2009	NL 01/2009	Ecuador from Serbia	Shells and ammunition	Defence, Ecuador	ditto	Criterion 2
19-06-2009	NL 02/2009	Iran	Aircraft components (civil / catch all)	ANA Trading Co. Ltd.	Ditto	Criterion 1
19-06-2009	NL 03/2009	Israel	Thermal imaging system parts for missile launch system	Rafael, Israel	Defence, Israel	Criteria 2, 3, 4 and 6
19-06-2009	NL 04/2009	Azerbaijan	Aluminium profiles for missile launch system	Israel Military Industries	Defence, Azerbaijan	Criterion 1
19-06-2009	NL 05/2009	Rwanda	Aluminium profiles for missile launch system	Israel Military Industries	Defence, Rwanda	Criterion 4
19-06-2009	NL 06/2009	Turkey	Single-barrel rifle + ammunition & parts	Shooting club, Turkey	ditto	Criterion 7
19-06-2009	NL 07/2009	India via Israel	Image intensifier tubes (2nd generation)	New Noga Light Ltd, Israel	Home Affairs, India	Criteria 3, 4 and 6
19-06-2009	NL 08/2009	Serbia	Night vision optical sight	Centar Novih Tehnologija D.O.O., Serbia	ditto	Criterion 7
19-06-2009	NL 09/2009	Israel from Brazil	Ammunition, cal 9mm	North Arms R 2002 Ltd., Israel	ditto	Criteria 2, 3, 4 and 6
19-06-2009	NL 10/2009	Philippines	Thermal imager	Defence, Philippines	ditto	Criterion 2
19-06-2009	NL 11/2009	Vietnam	Thermal imager	Defence, Vietnam	ditto	Criterion 2
10-09-2009	NL 12/2009	Surinam	Pistols	Shooting club, Surinam	ditto	Criterion 7
16-10-2009	NL 13/2009	Iran	Camouflage paint (civil / catch-all)	Iran Helicopter Support and Renewal Company	Tavanir, Teheran, Iran	Criterion 1
02-11-2009	NL 14/2009	Venezuela via Denmark and Spain	Decoy launch systems	Terma A/S, Denmark and Navantia S.A., Spain	Navy, Venezuela	Criteria 4 and 5
22-12-2009	NL 15/2009	Israel	Image intensifier tubes (2nd generation)	Elbit Systems Ltd, Israel	ditto	Criteria 2, 3, 4, 6 and 7
22-12-2009	NL 16/2009	Pakistan via Brazil	Missile heads	Defence, Pakistan	ditto	Criteria 3, 4, 5, 6 and 7
22-12-2009	NL 17/2009	Israel from Brazil	Ammunition, cal 9mm	North Arms R 2002 Ltd, Israel	ditto	Criterion 7
22-12-2009	NL 18/2009	Russian Federation from Israel	UAV with components	Federal Security Services, RF	ditto	Criteria 2, 3 and 4

**Footnotes to Appendix 4:**

<sup>1</sup> Where the word "via" is used under "Country of final destination", this refers to an intended export by way of the country mentioned to the likewise mentioned country of final destination. Where the word "from" is used, however, this refers to an intended transit from the country mentioned to the likewise mentioned destination by way of the Netherlands.

<sup>2</sup> Where dual-use goods are intended for army, police or security services of the intended country of final destination, the Netherlands will also notify any denied applications and sondages in the EU context as well.

**Appendix 5: Table showing Government disposals of surplus defence equipment in 2009 <sup>1</sup>**

<b>Type of equipment</b>	<b>To/via<sup>2</sup></b>	<b>Country of final destination</b>	<b>End user</b>
Stinger training systems	n.a.	United Kingdom	Ministry of Defence
Leopard 2 tank test equipment	Krauss Maffei Wegmann GmbH Germany	Unknown <sup>2</sup>	Unknown <sup>2</sup>
Goalkeeper components	Thales Nederland N.V. Netherlands	South Korea	Ministry of Defence
Leopard 2A4 turrets and Leopard 2A4 training tank	Flensburger Fahrzeugbau GmbH Germany	Unknown <sup>2</sup>	Unknown <sup>2</sup>
F-16 Midlife Update aircraft	n.a.	Chile	Ministry of Defence
AN/ALQ-131 jamming pods	n.a.	Jordan	Ministry of Defence
Leopard 2 toolkits	Star Defence Logistic & Engineering Spain	Norway	Ministry of Defence
Wheeled vehicles, trailers and field kitchens	n.a.	Chile	Ministry of Defence
Leopard 2A4 tank spare parts	WIBA B.V. Netherlands	Canada	Ministry of Defence
Kitchen and kitchen infrastructure, Tarin Kowt, Afghanistan	n.a.	Australia	Ministry of Defence
<b>Total value of contracts</b>			<b>Approx. € 110 million</b>

**Footnotes to Appendix 5:**

<sup>1</sup> The amount shown is based on the value of the contracts concluded in 2009. Actual delivery of the goods did not in all cases take place in 2009.

<sup>2</sup> Surplus defence equipment is occasionally sold to the original manufacturer. Occasionally sale of surplus defence equipment may also take place through a private firm on behalf of an end-user known and agreed at the sale or to a private firm for own use. A further alternative possibility is sale to a private firm in another EU/NATO+ country where the precise final destination and end-user of the equipment are as yet unknown. In that case an International Import Certificate serves to confirm that (re-)export if any will be subject to control by the relevant EU/NATO+ country.