

Letter to Parliament

The Hague, September 2011

Subject: Annual report on the Netherlands Arms Export Policy in 2010

Further to the "Policy paper on greater transparency in the reporting procedure on exports of military goods" (Parliamentary Proceedings 22054 No.30, 27 February 1998) as sent to you at an earlier date, we hereby have the honour, also on behalf of the Secretary of State for Foreign Affairs, to submit to you a report and appendices concerning the Netherlands Arms Export Policy in 2010.

This report, which is also to appear as an English-language publication of the Ministry of Economic Affairs, Agriculture & Innovation, 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 at once restrictive and transparent. It 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.

Although small in scale, the industry nevertheless stands out by its high levels of technological production and innovation.

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, the export of military goods is prohibited unless an export licence has been obtained. Applications for export licences 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 2010, as well as tables stating transit licences issued and disposals of surplus defence equipment made by the Netherlands in 2010. Furthermore tables are presented listing licence denial notifications made by the Netherlands in conformity with the Common Position.

As stated in the introduction to the figures for 2010, the total value of licences issued in that year, rounded-off to two decimal places, amounted to € 1,046.96 million. That represents a considerable decrease in relation to 2009. The top five of the main destinations in the year under review was headed by the United States, accounting for a value of just over € 318 million and consisting above all of licences to supply components for combat aircraft (F-16, but lately JSF and F-35 as well) as well as licences to supply parts for air defence missile launch systems.

With a value of more than € 125 million, the item "Other NATO" occupies second place, and comprises for example licenses for the subsupply of equipment to joint venture programmes, such as the NH-90 helicopter or the Evolved Sea Sparrow Missile. Then comes Chile in third place with a value of over € 104 million, almost

entirely attributable to the acquisition of surplus F-16s. Colombia's fourth place, with a value of € 90 million, is attributable to fire control radar systems and allied hardware for the refitting of the four Almirante Padilla class frigates. Fifth place is held by Germany with a value of € 71.5 million, which as usual is mainly attributable to licenses for the supply of military vehicle parts.

In addition to the tables stating values by category of goods and by country of final destination as presented in this Annual Report, in accordance with the transparency as advocated by the Government in this area of policy, individual data on all licences for the export of military goods may be viewed at www.rijksoverheid.nl/exportcontrole. That applies similarly for licences issued for the export of dual-use goods and for notifications of transit of military goods across Netherlands territory.

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1. Introduction

The present report on the Netherlands arms export policy in 2010 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:

- a summary of the principles and procedures of the Netherlands arms export policy,
- a 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 2010 by category of military goods and country of final destination. *Appendix 2* shows the trend in Netherlands arms exports for the period 2001-2010. *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 EU list of military goods¹, 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, Agriculture and Innovation. 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, Innovation and Agriculture. 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, Innovation and Agriculture.

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 Secretary of State of Economic Affairs, Innovation and Agriculture on the basis of that consultation.²

¹ Official Journal of the European Union No. C86 van 18-03-2011 (direct link: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2011:086:0001:0036:NL:PDF>).

² 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).

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.*
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 Position³. 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.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/sancties-en-embargo-s> . In view of the availability of current information via that site it has been decided to discontinue 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.

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 2010 is the fourteenth 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 country of final destination also specify the

³ 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>)

relevant goods categories. For the purpose of clarifying the overall trend, it has been decided to present both the consolidated figures for 2010 as a whole, and the figures for first-half and second-half 2010 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 www.rijksoverheid.nl/exportcontrole the Central Import and Export Service (Centrale Dienst voor In- and Uitvoer, CDIU) publishes the "*Strategic Goods Handbook*" (Handboek Strategische Goederen), which 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 as well as 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). More and more countries are starting to produce non-confidential annual reports, but as regards the provision of data on licence application denials and in the form of monthly summaries the Netherlands leads the world in transparency.

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 German, American, British and Belgian 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 were 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 2008.⁴ The key figures are as follows:

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

⁴ Parliamentary Proceedings 2007-2008, 31 125, No. 4.

an annualised basis. This represents an average share of about 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 Council Working Group on Conventional Arms Exports. On behalf of the Netherlands, representatives of the Ministry of Foreign Affairs and the Ministry of Economic Affairs, Agriculture and Innovation attend COARM meetings. In COARM, within the framework of the EU Common Foreign and Security Policy (CFSP) member states exchange information on their arms export policy and endeavour to improve mutual co-ordination of these policies and the relevant procedures. This approach assures co-ordination of EU policy and creates a level playing field. The basis for this is the EU Common Position (CP), which was agreed by the Council on 8 December 2008.

The best practice guidelines for implementation of the individual criteria of the EU-CP were completed in 2007 and incorporated into the User's Guide to the CP. Common interpretation of the criteria 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 Guide⁵, which is regularly updated, 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.

January 2011 saw publication of the twelfth EU annual report⁶, 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 2009. The report includes data classified by member state and country of final destination, in addition to stating numbers of licences issued, the value of

⁵ The User's Guide is published via the EU Councils's Export Control webs <http://www.consilium.europa.eu/eeas/foreign-policy/non-proliferation,-disarmament-and-export-control-/security-related-export-controls-ii?lang=en>.

⁶ Official Journal of the European Union C9, 13 January 2011 (see direct link to EU website in footnote 5)

licences issued as well as licence denials. The data are classified by category of the military list. At the same time, the information is 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 publication of the thirteenth EU annual report later this year, it may be stated that in 2010 member states notified a total of about 362 licence denials in the EU context, representing a decrease relative to 2009 (in 2009: 406, in 2008: 329, in 2007: 425, and 2006: 360). The number of consultations conducted was about 110, broadly corresponding with preceding years with the exception of 2006, when the number of consultations was significantly lower.

In 2010 the Netherlands was furthermore involved in a total of ten consultations. Two were initiated by the Netherlands, and the Netherlands was consulted by other member states on eight 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 Cyprus⁷, 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 Elements⁸) is to contribute towards regional and international security and stability. This goal is pursued by means of regular information exchange concerning exports to third parties of arms and of goods capable of use for military purposes. The intention is to promote greater knowledge and sense of responsibility in the national assessment of applications for licences for exports of such goods. Clearly, more information will enable participating states to assess more accurately whether the arms build-up of certain countries or regions exceeds their legitimate needs for defence equipment. Where 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. Any revision of the WA list results in an amendment to the at Import and Export Order. Where Netherlands export controls on military goods are concerned, the Strategic Goods Implementing Order refers directly to the EU list of military goods.

In the course of the year under review, the WA paid considerable attention to proposed

⁷ In 2010 only Cyprus was not yet a partner owing to Turkish objections.

⁸ The Initial Elements can be viewed on the website of the Wassenaar Arrangement:
www.wassenaar.org

amendments to the control lists, to information exchange 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 2010 participant countries once again deliberated on a number of proposals for increasing internal transparency within the Wassenaar Arrangement, for example by introducing denial notifications – information exchange on denied licence applications – as is already practised in the framework of the EU Common Position. Further topics included best practice guidelines with reference to Internal Compliance Programmes (ICP's), transport of military goods, and re-export of goods manufactured under licence.

As in preceding years WA partner Russia drew considerable attention 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 on Russia’s assumption that other WA partners should have realised that excessive quantities of arms had been supplied to Georgia before the war. Russia’s stance continued to hamper progress on the above subjects in 2010.

The Plenary Meeting held in December 2010 looked ahead to the Assessment of the Wassenaar Arrangement to be held in 2011. On that occasion the partner countries are to evaluate the progress of the WA in four areas: Best Practice Guidelines, Outreach, Control Lists, and Strategic (Procedural) Affairs. The task groups to be appointed for these topics will consider the Arrangement’s performance, potential scope for improvement, and whether any supplementary understandings can be agreed.

This year the Netherlands again played an active part in the Arrangement, among other things by accepting the candidacy for the chairmanship of the Licensing and Enforcement Officers Meeting (LEOM). That candidacy was approved by the Plenary Meeting. Further information on the principles and aims of as well as current developments within the Wassenaar Arrangement, in addition to the texts of non-confidential documents, is available at 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 ratifying the Convention on Cluster Munitions. By year-end 2010, the Convention had been signed by 108 countries, including the Netherlands, and ratified by 49 countries. The Netherlands ratified the Convention on 23 February 2011, and therefore it will enter into force on 1 August 2011.

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 survivor care, clearance of areas contaminated by cluster munitions, 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 Convention does not have a transitional period and states explicitly that no reservations can be made. This only endows it with additional force.

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 (CCW). The CCW 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, coming 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 2010 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 Uganda and Kenya, where capacity to implement these agreements is lacking. This finds expression in structural support to the 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 firming up within the framework of the first

phase (2009-2011) of the multiannual Memorandum of Understanding with the Burundi government. This MoU envisages Security Sector Development centred on reform of the national police and defence sector, and includes a specific police programme on SALW.

Progress on implementation of the UN action programme is discussed on a biennial basis. During the previous meeting (in July 2010) the Netherlands called for clear and specific understandings to be reached on the first Meeting of Government Experts in 2011 (focused on marking and tracing of SALW) and on preparations for the Assessment Conference (2012). The Netherlands also called for demand-related programmes to be embedded within national strategies as well as an improved match between donor countries' programme offerings and recipient countries' needs.

- 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, is committed to a policy designed to encourage larger countries in particular to join this group so as to add diplomatic punch to its objectives. In addition to ensuring sufficient international support for the link between countering armed violence and meeting development targets – and hence the Millennium Development Objectives 9 as well - the Netherlands has actively sought to match the attainment of specific results in focus countries, including Burundi, to the principles of the Geneva Declaration. Furthermore in 2010 the Netherlands (at various forums and via research organisations which it supports) initiated efforts aimed at defining the correlations, impacts and costs of armed violence worldwide.

- EU and SALW

EU Member States report annually on their national activities for implementation of the Council's Joint Action relating to the European Union's contribution towards 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 Report¹⁰, to which the Netherlands contributes annually. A major topic of attention within the EU in 2010 was the funding and establishment of a database providing information on airlines in Africa suspected of arms trafficking.

- Netherlands Project Support

In 2010, the Netherlands once again provided financial support from the Stability Fund for a number of SALW projects. These relate to specific programmes for arms and ammunition destruction besides capacity build-up for inspection and operational authorities with regard to SALW. Among others, these programmes envisage arms and ammunition destruction in countries such as Kosovo, Sudan, Afghanistan and Tajikistan in addition to 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 SALW ownership,

⁹ These are international agreements on eight specific development goals that must have been achieved by 2015.

¹⁰ Reports are published via the Export Controls website of the European Union: (direct link <http://www.consilium.europa.eu/eeas/foreign-policy/non-proliferation,-disarmament-and-export-control/-security-related-export-controls-ii?lang=en>)

- production and trafficking, and implementation of policy in this regard;
- Reinforcing the capability of government authorities in this regard;
- Reinforcing the capability of NGO's in this regard.

International Arms Trade Treaty

In July 2010 the first Preparatory Committee meeting to discuss the Arms Trade Treaty took place in New York. The Netherlands took an active part in this meeting both on the basis of its EU membership and in its national capacity. UN member states exchanged ideas on the scope and parameters of a possible ATT designed to counter unjustifiable international transfers of conventional arms. The Netherlands is in favour of a global treaty that would include all forms of transfrontier arms transfers and cover the broadest possible range of weapon types and components, including dual-use goods, destined for either military or police use and including production licences.

In the course of the 65th United Nations General Assembly (UNGA) large support was once again voiced for a UN Conference on an International Arms Trade Treaty to be held in 2012. The Conference will be preceded by preparatory meetings in 2011.

Transparency in armaments and the UN Register of Conventional Arms

The UN Register of Conventional Arms, established in 1991 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 the Register was established, a total of 173 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. The ambition remains to achieve universal and consistent participation. The UN Register of Conventional Arms is an instrument that promotes transparency, and is principally intended to counter the excessive stockpiling of conventional weapons. Clearly, such accumulations can easily lead to destabilisation of countries and regions.

The effectiveness of the Register stands or falls with world-wide participation. For that reason the Netherlands deems it to be of great importance that all countries should file their return to the Register, even if it is a nil report of any import or export in any one of the categories for the year in question.

The United Nations Office for Disarmament Affairs (UNODA) is responsible for compiling the data submitted by Member States. With a view to preserving the value of the Register, the UN Secretariat recently organised three regional workshops for countries in West Africa, South East Asia, Latin America and the Caribbean. The decline in the number of returns, which became visible in 2008, continued nevertheless in 2009 and 2010. In 2010 UNODA received 72 national

returns, including 30 nil reports. That number was ten fewer than in 2009. Moreover the number of contributions received for 2010 was the lowest since the Register was set up in 1991.

Small arms and light weapons (SALW)

Since 2006 it has moreover been possible to report imports and exports of small arms and light weapons on a voluntary basis. In the meantime 72 States have submitted such reports at least once annually. In 2010 the number of national reports which included these figures as a separate category even rose to account for almost two-thirds of the total. It continues to be an objective of the Netherlands that SALW should be included as independent eighth category of the Register.

Netherlands action on Transparency in Armaments

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 Russia. The resolution moreover was supported by a record number of co-sponsors (103). This resolution ensures that a group of government experts meets once every three years in order to evaluate and further develop the Register.

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" each year since 2002, and 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 are stored and made universally accessible. Meanwhile this database contains contributions from 54 countries, including the Netherlands. In 2010 Jordan, Macedonia and Tunisia were among Member States filing a return for the first time.

Appendix 1: Tables showing the value of licences for the definitive export of military goods issued in 2010 by category of goods and country of final destination

Introduction

The total value, rounded-off to two decimal places, of licences issued in 2010 amounted to € 1,046.96 million. That represents a considerable decrease in relation to 2009, when the total value came to € 1,409.96 million, but that was the highest value ever reported since the annual reports on the Netherlands arms export policy first appeared.

The top five of the main destinations in the year under review was headed by the United States, accounting for a value of just over € 318 million and consisting above all of licences to supply components for combat aircraft (F-16, but lately JSF and F-35 as well) as well as licences to supply parts for air defence missile launch systems. With a value of more than € 125 million, the item "Other NATO" occupies second place, and comprises for example licenses for the subsupply of equipment to joint venture programmes, such as the NH-90 helicopter or the Evolved Sea Sparrow Missile. Then comes Chile in third place with a value of over € 104 million, almost entirely attributable to the acquisition of surplus Netherlands F-16s. Colombia's fourth place, with a value of € 90 million, is attributable to fire control radar systems and allied hardware for refitting the four Almirante Padilla class frigates. Fifth place is held by Germany with a value of € 71.5 million which, as usual, is mainly attributable to licenses for the supply of military vehicle parts.

Exports of military goods accounted for slightly under 0.27% of total Netherlands goods exports in 2010 (€ 371.5 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.

2010 (1st six months)
Table 1: Value of licences issued for the definitive export
of military goods in the first six months 2010
by category

Main category A, "Arms & Munitions"	2010 (1) in € million
1. Tanks	-
2. Armoured vehicles	-
3. Large-calibre weapons (>12.7 mm)	-
4. Combat aircraft	100.00
5. Combat helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.18
9. Munitions and explosives	1.10
10. Parts and components for "Arms & Munitions" ²	260.01
Total Cat. A	361.29

Main category B "Other military goods"	2010 (1) in € million
1. Other military vehicles	1.98
2. Other military aircraft and helicopters	12.10
3. Other military vessels	0.03
4. Military electronics	101.40
5. ABC substances for military use	-
6. Military exercise equipment	4.79
7. Armour-plating and protective products	0.61
8. Military auxiliary and production equipment	0.01
9. Military technology and software	8.77
10. Parts and components for "Other military goods" ³	103.45
Total Cat. B	233.14
Total Cat. A + B	594.43

2010 (first six months)
Table 1: Value of licences issued for the definitive export
of military goods in the first six months 2010
by category

2010 (first-half) <i>Value in € million</i>					
Country of final destination	Cat. A	Specification	Cat. B	Specification	Total
Argentina	0.17	A10	0.04	B10	0.21
Aruba	-	-	0.01	B6	0.01
Australia	0.60	A10	-	-	0.60
Bangladesh	-	-	0.04	B10	0.04
Canada	1.59	A8, A10	0.70	B4, B10	2.29
Chile	102.28	A4, A10	-	-	102.28
Colombia	0.02	A10	89.77	B4	89.79
Czech Republic	0.03	A8, A9	-	-	0.03
Denmark	0.66	A8, A9, A10	0.54	B4, B9, B10	1.20
Germany	39.87	A8, A9, A10	9.97	B3, B4, B9, B10	49.84
Egypt	6.68	A10	1.10	B4, B10	7.78
Finland	0.01	A10	0.60	B7, B10	0.61
France	0.50	A8, A9, A10	7.75	B6, B7, B9, B10	8.25
Germany	39.87	A8, A9, A10	9.97	B3, B4, B9, B10	49.84
Ghana	-	-	1.98	B1	1.98
Greece	-	-	52.65	B10	52.65
India	1.88	A10	0.77	B10	2.65
Indonesia	3.07	A10	-	-	3.07

Israel	-	-	0.38	B9, B10	0.38
Italy	0.09	A8, A9, A10	0.10	B4, B9	0.19
Japan	4.81	A10	-	-	4.81
Jordan	29.73	A10	-	-	29.73
Lithuania	-	-	0.02	B7	0.02
Malaysia	0.50	A10	0.08	B9, B10	0.58
Morocco	0.60	A9	-	-	0.60
New Zealand	0.03	A10	-	-	0.03
Norway	0.53	A9, A10	1.07	B4, B10	1.60
Oman	0.04	A10	0.14	B10	0.18
Pakistan	0.90	-	-	-	0.90
Peru	-	-	14.00	B2, B10	14.00
Poland	0.04	A10	-	-	0.04
Portugal	0.29	A10	-	-	0.29
Qatar	0.15	A10	-	-	0.15
Saudi Arabia	2.28	A10	-	-	2.28
Singapore	0.53	A10	-	-	0.53
Slovenia	0.13	A8, A10	-	-	0.13
South Korea	0.08	A10	0.96	B10	1.04
Spain	0.10	A8, A10	7.03	B8, B9, B10	7.13
Sweden	1.06	A8, A9, A10	1.30	B4, B10	2.36
Switzerland	1.44	A8, A9, A10	3.82	B9, B10	5.26
Taiwan	6.16	A10	-	-	6.16

Thailand	16.03	A10	2.39	B10	18.42
Turkey	2.32	A8, A10	2.13	B10	4.45
UAE	0.10	A10	-	-	0.10
United Kingdom	8.74	A8, A10	5.05	B4,B6,B10	13.79
USA	83.09	A8, A9, A10	11.51	B4, B10	94.60
Other NATO ⁴	44.14	A10	17.24	B4, B10	61.38
Countries accounting for export values below € 10,000: ⁵					
Austria, Kenya, Malta, Romania, Slovakia, South Africa, Surinam, Tanzania	0.02	A8, A9	-	-	0.02
Total	361.29		233.14		594.43

Footnotes to Tables 1 and 2, first six months 2010

¹ 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.

² 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.

³ 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.

⁴ 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.

⁵ 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.

2010 (2nd six months)

**Table 1: Value of licences issued for the definitive export
of military goods in the 2nd six months 2010
by category**

Main category A, "Arms & Munitions"	2010 (1) in € million
1. Tanks	-
2. Armoured vehicles	4.91
3. Large-calibre weapons (>12.7 mm)	-
4. Combat aircraft	0.94
5. Combat helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.18
9. Munitions and explosives	0.91
10. Parts and components for "Arms & Munitions" ²	272.31
Total Cat. A	279.25

Main category B "Other military goods"	2010 (2) in € million
1. Other military vehicles	2.88
2. Other military aircraft and helicopters	11.84
3. Other military vessels	0.04
4. Military electronics	17.68
5. ABC substances for military use	-
6. Military exercise equipment	1.65
7. Armour-plating and protective products	1.10
8. Military auxiliary and production equipment	-
9. Military technology and software	4.52
10. Parts and components for "Other military goods" ³	133.57
Total Cat. B	173.28
Total Cat. A + B	452.53

Table 2: Value of licences issued for the definitive export of military goods in the 2nd six months 2010
by country of final destination

2010 (2nd six months) <i>in € million</i>					
Country of final destination	Cat. A	Specification	Cat. B	Specification	Total
Andorra	-	-	0.24	B4	0.24
Argentina	0.03	A10	-	-	0.03
Australia	0.08	A8, A10	0.95	B10	1.03
Bangladesh	-	-	0.41	B10	0.41
Canada	1.33	A10	0.86	B4, B10	2.19
Chile	0.57	A4, A10	1.66	B2	2.23
Czech Republic	0.03	A9	0.26	B4	0.29
Denmark	0.53	A10	2.22	B4, B10	2.75
Egypt	0.21	A10	0.22	B10	0.43
Estonia	0.02	A10	2.74	B1	2.76
Finland	0.11	A8, A10	-	-	0.11
France	1.88	A8, A9, A10	2.41	B3, B4, B9, B10	4.29
Germany	20.26	A2, A3, A8, A9, A10	1.45	B6, B9, B10	21.71
Greece	0.38	A4, A10	0.18	B2, B8	0.56
India	-	-	0.03	B10	0.03
Indonesia	0.05	A10	-	-	0.05
Israel	-	-	0.34	B9, B10	0.34
Italy	1.14	A8, A9, A10	0.40	B4, B10	1.54
Japan	11.60	A10	-	-	11.60

Liechtenstein	-	-	0.24	B4	0.24
Malaysia	-	-	52.76	B10	52.76
Mexico	-	-	0.18	B7	0.18
New Zealand	0.03	A10	-	-	0.03
Norway	0.01		0.87		0.88
Oman	-	-	0.04	B10	0.04
Pakistan	-	-	0.52	B10	0.52
Peru	-	-	11.11	B2, B10	11.11
Portugal	0.13	A10	1.15	B1, B6, B10	1.28
Qatar	0.03	A10	-	-	0.03
Romania	0.01	A8, A10	3.00	B9	3.01
San Marino	-	-	0.24	B4	0.24
Saudi Arabia	0.02	A7	-	-	0.02
Singapore	0.30	A10	0.06	B9, B10	0.36
South Africa	-	-	0.12	B7, B10	0.12
South Korea	4.86	A10	0.11	B1	4.97
Spain	0.06	A8, A10	0.35	B10	0.41
Sweden	0.26	A8, A9,A10	0.08	B4, B10	0.34
Switzerland	0.10	A8, A9, A10	2.50	B4, B10	2.60
Taiwan	20.87	A10	0.01	B9	20.88
Thailand	-	-	0.60	B6, B10	0.60
Turkey	2.22	A8, A10	2.35	B9, B10	4.57
UAE	1.01	A10	1.15	B4, B6, B10	2.16

United Kingdom	1.98	A8, A9, A10	2.89	B4, B7, B10	4.87
USA	185.42	A8, A9, A10	38.16	B4, B9, B10	223.58
Vatican City	-	-	0.24	B4	0.24
Other Nato⁴	23.71	A10	40.18	B4, B9, B10	63.89
Countries accounting for export values below € 10,000: ⁵					
Bulgaria, Hungary Serbia, Slovenia, Tanzania	0.01	A8, A9, A10	-	-	0.01
Total	279.25		173.28		452.53

Footnotes to Tables 1 and 2, 2nd six months 2010

¹ 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.

² 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.

³ 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.

⁴ 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.

⁵ 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.

2010 (Total)

Table 1: Value of licences issued for the definitive export of military goods in 2010 ¹

Main category A, "Arms & Munitions"	2010 (1) in € million
1. Tanks	-
2. Armoured vehicles	4.91
3. Large-calibre weapons (>12.7 mm)	-
4. Combat aircraft	100.94
5. Combat helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.36
9. Munitions and explosives	2.01
10. Parts and components for "Arms & Munitions" ²	532.32
Total Cat. A	640.54

Main category B "Other military goods"	2010 (1) in € million
1. Other military vehicles	4.86
2. Other military aircraft and helicopters	23.94
3. Other military vessels	0.07
4. Military electronics	119.08
5. ABC substances for military use	-
6. Military exercise equipment	6.44
7. Armour-plating and protective products	1.71
8. Military auxiliary and production equipment	0.01
9. Military technology and software	13.29
10. Parts and components for "Arms & Munitions" ²	237.02
Total Cat. B	406.42
Total Cat. A + B	1,046.96

Table 2: Value of licences issued for the definitive export of military goods in 2010

by country of final destination

2010 (total) <i>Value in € million</i>					
Country of final destination	Cat. A	Specification	Cat. B	Specification	Total
Andorra	-	-	0.24	B4	0.24
Argentina	0.20	A10	0.04	B10	0.24
Aruba	-	-	0.01	B6	0.01
Australia	0.68	A8, A10	0.95	B10	1.63
Bangladesh	-	-	0.45	B10	0.45
Canada	2.92	A8, A10	1.56	B4, B10	4.48
Chile	102.85	A4, A10	1.66	B2	104.51
Colombia	0.02	A10	89.77	B4	89.79
Czech Republic	0.06	A8, A9	0.26	B4	0.32
Denmark	1.19	A8, A9, A10	2.76	B4, B9, B10	3.95
Egypt	6.89	A10	1.32	B4, B10	8.21
Estonia	0.02	A10	2.74	B1	2.76
Finland	0.12	A8, A10	0.60	B7, B10	0.72
France	2.38	A8, A9, A10	10.16	B3, B4, B6, B7, B9, B10	12.54
Germany	60.13	A2, A3, A8, A9, A10	11.42	B3, B4, B6, B9, B10	71.55
Ghana	-	-	1.98	B1	1.98
Greece	0.38	A4, A10	52.83	B2, B8, B10	53.21
India	1.88	A10	0.80	B10	2.68

Indonesia	3.12	A10	-	-	3.12
Israel	-	-	0.72	B9, B10	0.72
Italy	1.23	A8, A9, A10	0.50	B4, B9	1.73
Japan	16.41	A10	-	-	16.41
Jordan	29.73	A10	-	-	29.73
Liechtenstein	-	-	0.24	B4	0.24
Lithuania	-	-	0.02	B7	0.02
Malysia	0.50	A10	52.84	B9, B10	53.34
Mexico	-	-	0.18	B7	0.18
Morocco	0.60	A9	-	-	0.60
New Zealand	0.06	A10	-	-	0.06
Norway	0.54	A8, A9, A10	1.94	B4, B10	2.48
Oman	0.04	A10	0.18	B10	0.22
Pakistan	0.90	A10	0.52	B10	1.42
Peru	-	-	25.11	B2, B10	25.11
Poland	0.04	A10	-	-	0.04
Portugal	0.42	A10	1.15	B1, B6, B10	1.57
Qatar	0.18	A10	-	-	0.18
Romania	0.01	A8, A10	3.00	B9	3.01
San Marino	-	-	0.24	B4	0.24
Saudi Arabia	2.30	A7, A10	-	-	2.30
Singapore	0.83	A10	0.06	B9, B10	0.89
Slovenia	0.13	A8, A10	-	-	0.13

Spain	0.16	A8, A10	7.38	B8, B9, B10	7.54
Taiwan	27.03	A10	0.01	B9	27.04
Thailand	16.03	A10	2.99	B6, B10	19.02
Turkey	4.54	A8, A10	4.48	B10	9.02
UAE	1.11	A10	1.15	B4, B6, B10	2.26
United Kingdom	10.72	A8, A9, A10	7.94	B4,B6,B10	18.66
USA	268.51	A8, A9, A10	49.67	B4, B9, B10	318.18
South Africa	-	-	0.12	B7, B10	0.12
South Korea	4.94	A10	1.07	B1, B10	6.01
Sweden	1.32	A8, A9, A10	1.38	B4, B10	2.70
Switzerland	1.54	A8, A9, A10	6.32	B9, B10	7.86
Vatican City	-	-	0.24	B4	0.24
Other NATO ³	67.85	A10	57.42	B4, B10	125.27
Countries accounting for export values below € 10,000: ⁴					
Bulgaria, Hungary Kenya, Malta, Austria Serbia, Slovakia, Surinam, Tanzania	0.03	A8, A9, A10	-	-	0.03
Total	640.54		406.42		1,046.96

Footnotes to Tables 1 and 2, 2010 (total)

¹ 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 .

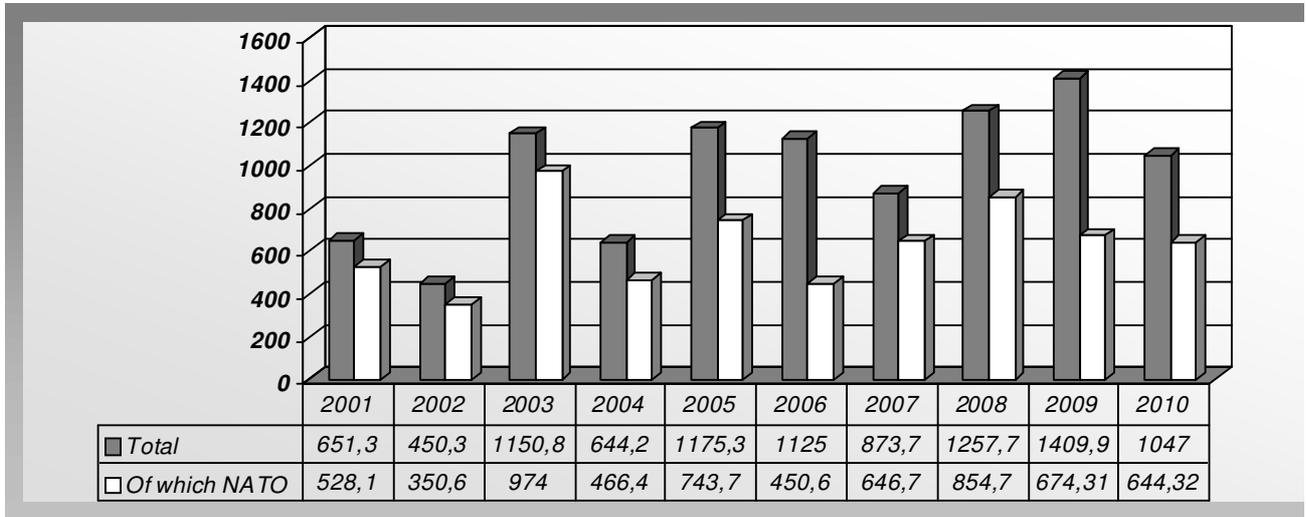
² For details on the main deliveries classified in categories A10 and B10 in the year under review, reference is made to the explanatory footnotes to the tables on first-half 2009 and second-half 2010.

³ 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.

⁴ 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 2001 – 2010
(value of licences issued, in € million)**



* In 2010 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 2010 ¹**
by country of final destination

2010 <i>Value in € million</i>					
Country of final destination	Cat. A	Specification	Cat.B	Specification	Total
Ecuador	-	-	0.04	B4, B10	0.04
Egypt	0.26	A9, A10	-	-	0.26
Guatamala	0.13	A9	-	-	0.13
Israel	0.01	A10	-	-	0.01
Kenya	-	-	0.02	B7	0.02
Malaysia	0.25	A10	-	-	0.25
Mexico	-	-	0.47	B7	0.47
Nigeria	-	-	0.06	B7	0.06
Panama	-	-	0.01	B7	0.01
Russia	0.21	A10	1.70	B2	1.91
Tanzania	0.04	A8	-	-	0.04
UAE	0.34	A9	-	-	0.34
Countries accounting for export values below € 10,000					
Ethiopia, Namibia, Qatar, Saudi Arabia, South Africa	0.01	A8, A9		-	0.01
Total	1.26		2.30		3.56

¹ 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.rijksoverheid.nl/exportcontrole. 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 2010
notified in conformity with the EU Common Position
(2008/944)**

Date of notification	Country of final destination ¹	Brief description ²	Recipient	End user	Reason for denial
09-04-2010	Thailand	Armoured vehicle parts	Chaiseri Metal & Rubber Co., Pathum Thani	Royal Thai Armed Forces	Criteria 2 and 3
18-05-2010	Ecuador from Bosnia and Herzegovina	Mortar ammunition and parts	Ecuadorian Army	ditto	Criteria 2 and 3
18-05-2010	Ecuador from Serbia	Hand grenades	Ecuadorian Army	ditto	Criteria 2 and 3
20-05-2010	Israel	Image intensifier tubes	Israel Police Airborne Search & Rescue Unit	ditto	Criteria 2, 3, 4, 6 and 7
20-05-2010	Pakistan via France	Image intensifier tubes	Photonis SAS, Brive	Pakistan Infantry, for Frontier Corps	Criteria 3, 4 and 6
01-06-2010	Israel	Image intensifier tubes	Israel Prison Service	ditto	Criteria 2, 3, 4, 6 and 7
07-06-2010	Israel	Image intensifier tubes	New Noga Light (2000) Ltd.	ditto	Criteria 2, 3, 4, 6 and 7
12-07-2010	Surinam	Semi-automatic pistols	NV Ditra Int, Paramaribo	Ditra clients, and licensed shooting club members in Surinam	Criterion 7
02-09-2010	Thailand	Armoured vehicle parts	Chaiseri Metal & Rubber Co., Pathum Thani	Royal Thai Armed Forces	Criteria 2 and 3
13-10-2010	Surinam	Repeating rifle	Mr. Holwijn, Paramaribo	ditto	Criterion 7
14-10-2010	Israel	Materials for optical sensors (epitaxial wafers)	Optigo Systems Ltd. Lod	Unknown	Criteria 2, 3, 4, 6 and 7

Footnotes to Appendix 4:

¹ 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.

² 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 2010 ¹

Type of equipment	To/via²	Country of final destination	End user
Video training system for Leopard 2 tank	n.a.	Portugal	Ministry of defence
Fokker 60 aircraft (MPA and Utility)	n.a.	Peru	Ministry of defence
Wheeled vehicles and trailers	n.a.	Chile	Ministry of defence
F-16 aircraft components	n.a.	Chile	Ministry of defence
Leopard 2 tank components	Global Logistics Support GmbH Germany	Canada	Ministry of defence
Flycatcher components	Thales Nederland	Thailand	Ministry of defence
Leopard 2 tank components	Star Defence Logistic & Engineering Spain	Norway and Finland	Ministry of defence
YPR'n, howitzers and wheeled vehicles	n.a.	Jordan	Ministry of defence
Leopard tank components	WIBA Nederland	Germany, Canada and Spain	Ministry of defence
Munitions	n.a.	Belgium	Ministry of defence
Howitzer FH70	Rheinmetall Germany	Unknown	Unknown ²
YPR vehicle components	Star Defence Logistic & Engineering Spain	Egypt	Ministry of defence
Patria armoured vehicles	n.a.	Estonia	Ministry of defence
Leopard tank components	Krauss Maffei Wegmann, Germany	Unknown	Unknown ²
Various sales in Afghanistan	n.a.	Australia and USA	Ministry of defence
Total value of contracts			Approx. € 95 million

Footnotes to Appendix 5:

¹ The amount shown is based on the value of the contracts concluded in 2010. Actual delivery of the goods did not in all cases take place in 2010.

² 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.