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I - INTRODUCTION

During 2014 the Directorate-General for Armaments and Defence Infrastructures (DGAIED) from the Ministry of Defence (MOD) was the Direct State Administration Central Service with the mission to control the access and exercise of the activities of trade and industry of military goods and technology, as well as the transmission and circulation of defence-related products, with the objective to safeguard the strategic interests of Portugal and the respect for its international obligations and commitments. Currently, this mission is assigned to the Directorate-General for National Defense Resources (DGRDN), who was responsible for the elaboration of this report.

This mission was accomplished in close cooperation with the competent national authorities in this field, the Armed and Security Forces and with the National Technological and Industrial Base (BTIDN).

At the level of the competent national authorities for the control of transfers, in the licensing phase, this mission was accomplished in close cooperation with the Ministry of Foreign Affairs (MFA), who assess on a case-by-case basis the impact of the transmission and circulation of defence-related products against the national external policy interests and the criteria established under the Council Common Position 2008/944/CFSP of 8 December 2008.

In addition, it cooperated also with the Customs Authorities, during the customs formalities, phase in which economic operators prove that the transfer was previously authorized. This cooperation is crucial for the respect of rules governing the transmission and circulation of defence related products.

Finally, it cooperated with Security Forces, in the supervision of the respect of rules governing the transmission and circulation of military goods and technology.

The Directorate-General cooperated as well with public services with competency for the control of exports, transfer, brokering and transit of dual-use items and for the control of firearms and its ammunitions for civilian use, namely with the Ministry of Finance (Customs Authority) and Ministry of Interior (National Security Police). This cooperation has the main purpose of harmonize national practices on the control of trade of strategic goods, by promoting administrative and legal innovation, simplifying the relations of the citizens and companies with the public administration, and simultaneously increasing the internal efficiency of public services.

For last, the DGAIED cooperated with the Defence Technological and Industrial Base and with the Portuguese Armed and Security Forces, raising awareness regarding the rules governing the transmission and circulation of defence-related products, with the

main objective of ensuring the effective control of transfers of military goods and technologies and the promotion of its competitiveness and the security of supply.

The present report reflects the activity of DGAIED during 2014, in the framework of national law, European Union legislation and the international commitments of Portugal on the field of Arms Control and Disarmament.

This report is elaborated under article 8 of Council Common Position 2008/944/CFSP of 8 December, which establish that each Member State shall circulate to other Member States an annual report on its exports of military goods and technology, containing also the national contribution for the 17th EU Annual report.

The export, import, brokering and transit data in this report are exclusively of military goods and technology, accordingly to the EU Common Military List. For this reason, there is no reference to dual use goods, which are controlled by the Portuguese Customs Authority.

Regarding firearms, including its ammunitions and parts, the transfers reported are only those whose end user were Armed or Security Forces, or of arms made specifically for military purposes. The arms, its ammunitions and parts, for personal defence, sporting or hunting purposes are not included. Its control is the responsibility of the National Security Police (PSP) on the framework of Law no. 5/2006 of 23 February, amended by Law no. 12/2011 of 27 of April and by the Regulation (EU) no 258/2012 of the European Parliament and of the Council of 14 March 2012 implementing Article 10 of the United Nations' Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition, supplementing the United Nations Convention against Transnational Organized Crime (UN Firearms Protocol), and establishing export authorization, and import and transit measures for firearms, their parts and components and ammunition.

The year of 2014 was particularly dedicated to the ratification and implementation of the Arms Trade Treaty, which implied an additional cooperation between the national control authorities part of the control system. Portugal deposited its instrument of ratification at 25 September 2014. The title of this report changed, reflecting in part the implementation of the ATT in Portugal.

The figures of transfers on this report correspond to values authorized and actual transfers. They represent also the values of transfers made under General and Global Licenses, whose use was reported on a biannual base.

In respect for the international commitments of Portugal on the field of Arms Control and Disarmament, the transfers were declared to the United Nations (UN), to the



Organization for Security Cooperation in Europe (OSCE), in cooperation with the MFA, and directly by DGAIED to the Wassenaar Arrangement Information System (WAIS).

II – LEGAL FRAMEWORK

Portugal is endowed with a legal framework that incorporates the best international practices in the control of export, import, transit and brokering of defence-related products.

Economic operators wishing to engage in the activity of trade and industry of military goods and technology must be previously authorized, through a procedure that implies the verification of several conditions, including the adequacy and sufficiency of financial and human resources, technical competency and integrity, including the need for security clearance. After being authorized economic operators are included in a national public register that can be consulted [online](#).

Only economic operators authorized to engage in the activity of trade and industry of military goods and technology can apply for an authorization to import, export and brokering of defence related products. Portugal additionally controls the transit of defence-related products, whether by air, sea or land, with or without transshipment. Economic operators wishing to transit military goods and technology through national territory must previously obtain the necessary authorization, which is granted by the emission of a transit license.

The authorization for transfer military goods and technology is granted when verified jointly a set of requirements, in particular, the transfer not be against interests of the Portuguese State and compatible with international commitments, particularly the ATT and the Common Position 2008/944/CFSP.

Portuguese law provides additionally several licenses and certificates that authorize the transmission and circulation of defence-related products, through which is requested previous authorization for transfer of military goods and technologies, ensuring that they are detailed. These are General Licenses, Global Licenses, Individual Licenses, International Import Certificates, Delivery Guarantee Certificates, and Brokering Authorizations.

Regarding the European Integration project, the national legislation is harmonized with EU Law, namely by the transposition of community directives and by the application of Common Positions and Regulations regarding arms control and disarmament. A special mention to the Council Common Position 2008/944/CFSP of 8 December, defining common rules governing control of exports of military goods and technology, which in Portugal is a central instrument in the control of the transmission and circulation of defence-related products.

The legal framework reflects likewise the international obligations and commitments of Portugal, as part in Conventions, Treaties and Regimes of arms control and

disarmament, and the implementation of arms embargoes imposed by the UN, EU and OSCE.

1. National Law

The existing legal framework applicable to the transmission and circulation of defence-related products is the following:

- a. **Law 49/2009, of 05 August** – Regulates the provisions to engage and perform the activity of trade, industry and brokering of military goods and technologies.
- b. **Law 37/2011, of 22 June** – Simplifies the terms and conditions of transfers of defence-related products, transposing the Directive 2009/43/EC of the European Parliament and of the Council of 6 May. This law additionally defines the terms and conditions to simplify the control of international trade of defence-related products, observing the provisions of Council Common Position 2008/944/CFSP of 8 December.
- c. **Decree 71/2014, of 12 May** – Transposes to national law the updated version of the Common Military List of the European Union, making the third amendment to the Law 37/2011 of 22 June.
- d. **Ordinance 290/2011, of 4 November** – Approves and publishes the General Licenses in accordance with Article 7 of the Law 37/2011 of 22 June, regulating the requisites of use, the restrictions to re-export and the conditions to its suspension and revocation.
- e. **Ordinance 109/2013, of 26 April** – Approves and publishes forms for the entire licensing system, accordingly to articles 6 and 14 Law 37/2011, of 22 June, to be previously obtained by economic operators authorized to engage in the activity of trade and industry of military goods and technology, under law 49/2009, of 5 August, for the operations of export, import, intra-Community transfer and transit.
- f. **Decree 122/2011, of 29 December, complemented by Regulation Decree 5/2012, of 5 January** – Organic law of the MoD and its central services, assigning the mission and competencies, namely of DGAIED in the domain of the control of trade and industry of defence related products;
- g. **Official Circulated Letter no. 15070/2012, from Customs Authority, of 26 September** – Establishes the instructions regarding the implementation of Council Regulation (EC) No 150/2003 of 21 January, suspending import duties on certain weapons and military equipment.

2. EU Law

- a. **Council Common Position 2008/944/CFSP of 8 December** – defining common rules governing control of exports of military goods and technologies.
- b. **Directive 2009/43/EC of the European Parliament and of the Council of 6 May** – simplifying the terms and conditions of transfers of defence related products within the community;
- c. **Council Regulation (EC) No 150/2003 of 21 January** – suspending import duties on certain weapons and military equipment.

3. Regimes, Conventions and International Treaties

This Directorate participates in different working groups at both national and international levels in the area of arms control, as the national licensing authority. Regarding the Regimes, Conventions and Treaties of Arms Control and Disarmament, this Directorate supports the MFA with its expertise in the technological field and regarding the procedures related the control of the transmission and circulation of defence-related products.

The main Working Groups, Treaties, Conventions in the Framework of arms control and disarmament that Portugal is part, are the following:

- a. **Arms Trade Treaty (ATT):** The object of this Treaty is to establish the highest possible common international standards for regulating or improving the regulation of the international trade in conventional arms, and to prevent and eradicate its illicit trade and diversion. This treaty as the purpose of contributing to international and regional peace, security and stability, reducing human suffering and promoting cooperation, transparency and the responsible action by State Parties in international trade in conventional arms, thereby building confidence among State Parties.
- b. **Wassenaar Arrangement:** This arrangement was established in December 1995 and operationalized in 1996, in order to contribute to regional and international security and stability, by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations. Portugal is amongst the founding members of the Wassenaar Arrangement.
- c. **Missile Technology Control Regime (MTCR):** The Missile Technology Control Regime is an informal and voluntary association of countries which share the goals of non-proliferation of unmanned delivery systems capable of delivering

weapons of mass destruction, seeking to coordinate national export licensing efforts aimed at preventing their proliferation. The MTCR was originally established in 1987 and Portugal became partner of this regime in 1992.

- d. **Organization for the Prohibition of Chemical Weapons – OPCW:** The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction was open to signature in Paris on 13 January 1993. Portugal ratified the CWC through the Republic Assembly Resolution 25-A/96, of 23 July.
- e. **Anti-Personnel Mine Ban Convention – APMBC:** The Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction was adopted on 18 September 1997. Portugal approved the Convention for ratification, through the Resolution of the National Assembly 5/99 of 23 October 1998 and ratified it on 28 January 1999 by the Regulation of The Republic President 64/99.
- f. **Convention on Cluster Munitions – CCM:** The Convention on Cluster Munitions was adopted on 30 May 2008 in Dublin, and signed on 3-4 December 2008 in Oslo. Portugal approved the Convention for ratification, through the Resolution of the National Assembly 141/2010 of 22 October and ratified it on 29 December 2010 by the Regulation of the Republic President 143/2010.
- g. **Convention on Certain Conventional Weapons – CCW:** The CCW counts with five Protocols that specify all prohibitions or restrictions on the use of specific weapons or weapon systems that are considered to cause unnecessary or unjustifiable suffering to combatants or to affect civilians indiscriminately. The CCW was opened for signature on 10 April 1981, and entered into force on 3 December 1983. Portugal ratified the CCW and its Protocols I, II, III and II amended on 4 April 1997. It ratified the Protocol IV on 12 November 2011 and the Protocol V and the amendment to Protocol I on 22 February 2008.
- h. **Forum for Security Cooperation (FSC) of the Organization for Security and Co-operation in Europe – OSCE:** The FSC works to increase military security and stability in Europe and covers some of the most fundamental politico-military agreements of the OSCE participating States. It helps implement landmark confidence and security-building measures to regulate the exchange of military information and mutual verification between states, as well as the Code of Conduct, a key document ensuring the democratic control of security forces. The Forum also develops norms and provides practical assistance to address the proliferation of illicit small arms and light weapons; deals with non-proliferation of weapons of mass destruction; and oversees the regular contact,

co-operation, and sharing of military information among the participating States.

- i. **Proliferation Security Initiative – PSI:** The PSI is an informal regime that strives to stop the proliferation and associated trade in WMDs, related materials and delivery systems that counts with the participation of 102 States.
- j. **The Global Initiative to Combat Nuclear Terrorism – GICNT:** The Global Initiative to Combat Nuclear Terrorism (GICNT) is a voluntary international partnership of nations and international organizations that are committed to strengthening global capacity to prevent, detect, and respond to nuclear terrorism. The GICNT works toward this goal by conducting multilateral activities that strengthen the plans, policies, procedures, and interoperability of partner nations.

III – GENERAL ACTIVITY IN 2014

This chapter analyses the general activity of this Directorate-General, regarding its mission to control the access to the activity of trade and industry of defence related products and its transmission and circulation.

In general during 2014 this Directorate-General authorized the transfer of military goods and technologies valuing **529.393.856,00 €**, and issued **1404** licenses and certificates, and register actual transfers valuing **510.072.700,45 €**, that will be analyzed throughout this chapter by export, import, brokering, transit and transshipment.

1. Access to the activity of trade and industry of military goods and technologies

The activities of trade and industry of military goods and technologies are performed in strict subordination to the safeguard of the national security and economic interests, of public security and policy and in respect for Portugal's international commitments. The access to this activity depends on previous authorization from the minister of defense, as well as from the respect of the norms that regulate this activity.

Throughout 2014 were received 23 applications for authorization, and 13 were authorized, while the remaining applications were still under analysis. At 31 December 2014 the number of economic operators authorized to engage in the activities of trade and industry of military goods and technologies accounted for 130.

2. Transmission and circulation of defence-related products

The control of the transmission and circulation of defence-related products includes all activities that have as purpose the intra-Community transfers, imports, exports, brokering, transit and transshipment..

a. Exports

Each application for the export of military goods and technology comprised a procedure composed by an Individual or Global License and an End User Certificate, when the transfer could not take place under a General License. Regarding the use of Individual License, after the export takes place, its holder has to communicate its use, through official documents proving the expedition of the goods or technology and its reception by the consignee. Concerning the use of General and Global Licenses, economic operators entitled to use them communicated bi-annually the transfers made under them or its non use.

For the purpose of this report intra-Community transfers from Portugal are considered exports.

During 2014 were issued **270** transfers licenses for military goods and technologies authorizing the export of products valuing **169.986.977,04 €**, and register actual transfers exports valuing **156.662.834,35 €**, that will be analyzed in further detail in the next chapter.

b. Imports

Regarding defence related products with extra-community origin, each application for import authorization, which could not take place under a Global License, comprised a procedure composed by the International Import Certificate and the Delivery Guarantee Certificate and documentation proving that the end user received the military goods and technology. Additionally, when requested by the country of origin, by an End User Certificate. On the other hand, in relation to intra-Community transfers of defence-related products to Portugal, each application that could not take place under a General License, comprised a procedure composed by an Individual or Global License and an End User Certificate, when previously requested by the country of origin, and of official documents attesting the delivery of the goods to the stated end user. Regarding the use of General and Global Licenses economic operators entitled to use them communicated bi-annually the transfers made or its non use.

For the purpose of this report intra-Community transfers to Portugal are considered imports.

During 2014 were issued **161** transfers licenses for military goods and technologies and **202** International Import Certificates, authorizing the import of products valuing **359.406.878,96 €**, and register actual transfers exports valuing **353.409.866,40€**, that will be analyzed in further detail in the next chapter.

c. Suspension of import duties on certain weapons and military equipment

The competent authority in Portugal to issue the Certificate for Military Equipment for the suspension of import duties on certain weapons and equipment imported by or on behalf of the authorities in charge of the military defence is this Directorate-General, under the Official Circulated Letter no. 15070/2012, from Customs Authority, of 26 September.

Throughout 2014 were received **487** applications for the suspension of import duties on certain weapons and equipment, under Council Regulation (EC) No 150/2003 of 21 January 2003, giving place to the same number of Certificate for Military Equipment.

d. End User Certificates

This Directorate-General validates the End User Certificates presented by national consignees and end users, in order to allow the state of origin of the supplier of defence-related products to the Portuguese Armed Forces, Security Forces and national industry, to confirm that Portugal is the country of final destination and that this products will not be resell, re-exported or otherwise disposed without its prior authorization. Throughout 2014 were validated **71** End user Certificates.

e. Transit License

Transit licenses are authorizations granted to a third country and allow to its holders to transit through national territory defence related products, with or without transshipment, with origin in a third country and having as declared destination other third country. During 2014 were analyzed and issued **14** Transit Licenses.

3. Certification of Defence-related Enterprises

The certification of recipients for the intra-Community transfer of components of complete arms systems has the objective of promoting the cooperation of the European Defence Technological and Industrial Base, by optimizing the supply chain and the economies of scale. During 2014 were promoted several actions of awareness raising for Portuguese companies who qualify for apply for certification. It was also promoted the supervision of the Portuguese companies certified as recipient under this instrument.

4. Brokering activities

The brokering of military goods and technology by a national or foreign person, from Portugal, as well as from a third country by national persons, depend on a previous authorization from the Minister of Defence. Additionally, only persons previously authorized to engage in the activity of trade and industry of defence related products can apply for such authorization. This Directorate-General received in 2014 two applications for this end, which were authorized and used.

5. Denials

During 2014 were denied **two** export applications. The main reason is due to the fact that two markets of our National Defence Technological and Industrial Base were under embargoes or restrictive measures. The number of denials is not higher because in face of a potential denial, economic operators tends to withdraw or not to present the application.

6. Information sent to EU

All figures in this report regarding exports will be communicate to the EU during July this year, under the no 1, of article 8.º, da Council Common Position 2008/944/CFSP of 8 December.

7. Participation in Working Groups

This Directorate-General represents the MoD in national and international working groups, related with the control of exports and imports of military goods and Technologies, having as main purposes the harmonization of national arms export control policies and procedures at the national and EU level and the cooperation at the international level.

a. National Level – At national level the DGAIED participated in several meeting during 2014, namely:

- Meeting of the National Authority for the Prohibition of Chemical Weapons (ANPAQ);
- Meetings of national coordination in the framework of the Proliferation Security Initiative (PSI);
- Meetings of national coordination in the framework of the Global Initiative to Combat Nuclear Terrorism (GICNT);
- Meetings of the working group established with the objective to evaluate the implications of the sanctions and restrictive measures on the national jurisdiction, to analyze its adequacy to impose their respect and to propose eventual measures to better regulate their application.

b. International Level – At the international level the DGAIED in close coordination with the MFA, participated in the following meetings:

- Meetings of the EU Council Working Party on Conventional Arms Exports (COARM);
- Meetings of interested members of COARM and CODUN on Arms Trade Treaty (ATT);
- Meeting of the Committee established under the Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community;

- Meeting of Licensing and Enforcement Officers on the framework of the Wassenaar Arrangement.

8. Elaboration and Revision of Laws and Regulations

During 2014 was transposed to the national legislation Commission Directive 2014/18/UE of 29 January 2014 amending Directive 2009/43/EC of the European Parliament and of the Council as regards the list of defence-related products. The transposition was concluded with the publication Decree 71/2014, of 12 May, making the third amendment to the Law 37/2011 of 22 June.

9. Outreach

The cooperation with the National Defence Technological and Industrial Base, the Armed Forces and Security Forces, raising awareness regarding the legal framework regulating the transmission and circulation of defence-related products, with the main objectives of ensuring the respect of the law and the effective control of transfers, but also in the promotion of its competitiveness and the security of supply, is essential to the effective accomplishment of the mission of the Directorate-General on this matter. The DGAIED participated also in the implementation of the Council Decisions 2012/711/CFSP of 19 November 2012 on support for Union activities in order to promote, among third countries, the control of arms exports and the principles and criteria of Common Position 2008/944/, and 2013/768/CFSP of 16 December 2013, on the EU activities in support of the implementation of the Arms Trade Treaty, in the framework of the European Security Strategy.

a. National Level – It took place on 30 September a workshop about General and Global Licenses' conditions of use, focusing on aspects related with internal compliance programs, standardization of record keeping and reporting. This workshop had the main purpose of reinforcing the ongoing effort of implementing a general *ex post* control in certain conditions, mainly to parts and components along with an individual *ex ante* control, applied mainly to complete arms systems or in specific situations dictated by the risk analysis assessment.

b. International Level – Regarding the implementation of the Council Decision 2012/711/CFSP of 19 November 2012, Portugal participated with an expert in the individual assistance to the Republic of Montenegro, and in the Regional seminar on Arms Exports Control dedicated to the Countries from the European Neighborhood Policy from North Africa. Regarding the implementation of the Council decision 2013/768/CFSP of 16 December 2013, on the EU activities in support of the implementation of the Arms Trade Treaty, in the framework of the European Security Strategy, an expert participate in the Regional Seminar for the Countries of Latin America and the Caribbean countries and on the initial visit to Colombia.

10. Supervision and control of economic operators

This Directorate-General has the mission to supervise and control the transmission and circulation of defence-related products and the economic operators authorized to engage in the activities of trade and industry of military goods and technology.

With the implementation of the new procedures simplifying the transmission and circulation of defence related products, particularly of General and Global Licenses, there is an increasing substitution of individual ex-ante control by general ex-post control, demanding an additional effort of this Directorate-General on the supervision of economic operators, and an additional effort on these at the level of internal compliance.

Economic operators have an open channel with the Directorate-General by phone, email or presentially, with the main objectives of supporting economic operators in the application and respect of legal procedures regulating the transfer of defence related products.

The management cycle of applications for transfers of defence related ends with supervision and control. In this context, it took place 103 controls and 3 audits, these last in the economic operators' premises.

11. Arms Tracing

In the Framework of the national and international effort for curbing the illicit trade of arms, this Directorate-General has cooperated with several entities in the identification of origin and point of diversion of seized arms, particularly SALW.

IV – STATISTICS

1. Exports

Regarding export operations, which in this report are understood as the transfer from Portugal, temporary or definitive, of military goods and technology with destiny to another country, including the intra-Community transfers, were received in 2014 applications that resulted in the issuing of **270** Individual licenses with the total value of **169.986.977,04€**, and of 13 Global licenses, whose nature does not include a limit to quantity or value. Additionally, were communicated five intentions of use of General Licenses. During this year were performed exports valuing **156.662.834,35 €**, of which **90M€** were definitive and **66,6 M€** were temporary, as show in table 1. These exports included some that were authorized in 2013 but only took place in 2014, due to the licenses expiration date of six months. It includes also temporary and definitive exports made under 15 General Licenses and 8 Global Licenses, which contributed to the difference between the authorized exports and the actual ones.

The actual exports are categorized as exports, re-exports and temporary exports, all representing the departure from exporter territory. Exports are transfers that represent a transfer of title, being considered with the re-exports as definitive export. In addition, re-exports represent a transfer of control of military goods and technologies that were previously imported to Portugal for maintenance, overhaul, repair, tests or demonstration, returning to the country of origin, with no change in title, remaining property of the country of origin government or its companies during the operation. Finally, temporary export represent a change in control of military goods and technologies exported from Portugal for maintenance, overhaul, repair, tests or demonstration, returning to the country of origin, with no change in title, remaining property of the Portuguese government or Portuguese companies during the operation.

Table 1 – Actual exports of military goods and technologies

Legend: E – Export; ET – Temporary Export; RExp – Re-Export

Actual Exports						
Destination		ML	Operation	Description	Value	Quantity
European Union	Germany	ML 1	ET	Components - SA - Assault rifles	100,00 €	1
		ML 6	ET	Components and parts for armored vehicles	206.896,53 €	36
		ML 7	ET	Protection equipment	1.210,00 €	2
		ML 10	E	Components and parts for helicopters	736.346,84 €	974

	ML 10	E	Aeronautical parts and components	1.572.075,94 €	2079
	ML 10	ET	Aeronautical parts and components	118.015,69 €	12
	ML 11	ET	Communications and equipments systems	42.800,00 €	13
	ML 11	E	Communications and equipments systems	106.970,00 €	98
	Total			2.784.415,00 €	3215
Austria	ML 6	E	Components and parts for armored vehicles	268.725,57 €	2693
	ML 10	RExp	Aeronautical parts and components	2.000,00 €	1
	ML 10	ET	Aeronautical parts and components	5.000,00 €	5
	Total			275.725,57 €	2699
Belgium	ML 2	RExp	LW - Recoilless rifles	1.858.999,98 €	12
	ML 2	RExp	LW - Mortars of calibres less than 75 mm	462.400,00 €	3
	ML 3	RExp	Ammunitions	230.291,52 €	379
	ML 6	RExp	Battle tanks	31.693.000,00 €	5
	ML 10	ET	Aeronautical parts and components	10.251.838,17 €	462
	Total			44.496.529,67 €	861
Denmark	ML 10	ET	Aeronautical parts and components	294.400,33 €	13
	Total			294.400,33 €	13
Spain	ML 6	RExp	Components and parts for military vehicles	561.806,94 €	40216
	ML 10	RExp	Aeronautical parts and components	3.316.269,41 €	413
	ML 10	ET	Aeronautical parts and components	1.832.235,23 €	211
	ML 11	E	Communications and equipments systems	433.931,50 €	1
	ML 13	RExp	Components and parts for armored vehicles	129.634,01 €	19
	ML 16	RExp	Components and parts for military vehicles	1.659,42 €	378
	Total			6.275.536,51 €	41238
France	ML 10	RExp	Aeronautical parts	5.465,00 €	9

			and components		
	ML 10	ET	Aeronautical parts and components	4.100.416,28 €	247
	ML 11	ET	Communications and equipments systems	76.175,00 €	41
	Total			4.182.056,28 €	297
Greece	ML 10	RExp	Aeronautical parts and components	4.395,44 €	2
	Total			4.395,44 €	2
Italy	ML 1	RExp	SA- Rifles and carbines	0,00 €	1
	ML 6	E	Batteries	124.470,69 €	1027
	ML 10	E	Components and parts for helicopters	495.880,25 €	2
	ML 10	E	Aeronautical parts and components	1.223.321,74 €	324
	ML 10	ET	Aeronautical parts and components	7.996.688,00 €	172
	ML 11	ET	Communications and equipments systems	329.293,34 €	9
	Total			10.169.654,02 €	1535
Lithuania	ML 7	ET	NBQ Equipment	4.207,00 €	15
	ML 10	ET	Aeronautical parts and components	1.916.562,97 €	150
	Total			1.920.769,97 €	165
Luxembourg	ML 6	E	Components and parts for armored vehicles	0,00 €	10
	ML 10	E	Aeronautical parts and components	3.136.663,55 €	3040
	ML 10	ET	Aeronautical parts and components	149.623,23 €	4
	Total			3.286.286,78 €	3054
Netherlands	ML 10	RExp	Unmanned aerial vehicle	0,00 €	1
	ML 10	RExp	Aeronautical parts and components	436.504,00 €	6
	ML 10	ET	Aeronautical parts and components	1.720.377,26 €	29
	ML 11	E	Communications and equipments systems	243.862,42 €	67
	Total			2.400.743,68 €	103
United Kingdom	ML 10	RExp	Aeronautical parts and components	279.911,88 €	44
	ML 10	E	Aeronautical parts and components	2.815.899,47 €	915

		ML 10	ET	Unmanned aerial vehicle	1.450.000,00 €	3
		ML 10	ET	Aeronautical parts and components	12.883.985,68 €	396
		ML 11	ET	Communications and equipments systems	43.700,00 €	9
		ML 13	RExp	Protection equipment	0,00 €	40
		ML 13	ET	Protection equipment	104.233,00 €	1034
		Total			17.577.730,03 €	2441
	Romenia	ML 10	ET	Aeronautical parts and components	1.539,36 €	1
		Total			1.539,36 €	1
	Sweden	ML 10	ET	Aeronautical parts and components	27.000,00 €	1
		Total			27.000,00 €	1
	Sum EU				93.696.782,64 €	55625
Other european countries	Iceland	ML 6	ET	Components and parts for armored vehicles	200.000,00 €	2
		Total			200.000,00 €	2
	Kosovo	ML 1	ET	SA - Assault rifles	63.942,08 €	158
		ML 1	ET	SA - Sub-machine guns	2.764,12 €	1
		ML 1	ET	SA - Revolvers and self-loading pistols	63.958,60 €	16
		ML 2	ET	LW - Hand-held under-barrel and mounted grenade launchers	6.917,92 €	8
		ML 3	ET	Ammunitions	6.746,84 €	19918
		ML 6	ET	Components and parts for armored vehicles	19.985,60 €	1
		ML 6	ET	Components and parts for military vehicles	738,00 €	6
		ML 7	ET	Anti-riot equipment	13.290,00 €	300
		ML 10	ET	Unmanned aerial vehicle	500.000,00 €	4
		ML 10	ET	Parachutes, paragliders and related equipment	700,00 €	4
		ML 11	ET	Communications and equipments systems	2.893,77 €	3
		ML 13	ET	Protection	530.613,73 €	530

				equipment		
		ML 17	ET	Oficinas Móveis	2.000,00 €	1
		ML 21	ET	PC Hard and Software equipment	11.933,10 €	37
		Total			1.226.483,76 €	20987
	Norway	ML 9	ET	Special naval equipment, accessories and components	10.000,00 €	1
		ML 10	RExp	Aeronautical parts and components	18.072,77 €	1
		ML 14	ET	Image Generation System	10.000,00 €	1
		Total			38.072,77 €	3
	Switzerland	ML 10	ET	Aeronautical parts and components	0,00 €	1
		Total			0,00 €	1
	Sum other european countries				1.464.556,53 €	20993
America	Brazil	ML 10	E	Aeronautical parts and components	14.644.222,69 €	19400
		ML 10	ET	Components and parts for helicopters	119.225,46 €	1
		ML 11	E	Communications and equipments systems	1.878.900,00 €	4
		Total			16.642.348,15 €	19405
	Canada	ML 10	ET	Aeronautical parts and components	279.026,95 €	63
		Total			279.026,95 €	63
	El Salvador	ML 6	E	Military Vehicles	24.497,03 €	4
		Total			24.497,03 €	4
	United States	ML 4	ET	Bombs, torpedoes, rockets, missiles, other explosive devices and charges	60.000,00 €	6
		ML 6	E	Batteries	3.116.926,00 €	28584
		ML 9	ET	Special naval equipment, accessories and components	139.693,82 €	3
		ML 10	E	Aeronautical parts and components	929.218,90 €	4569
		ML 10	ET	Aeronautical parts and components	59.962,00 €	5
		ML 10	ET	Aeronautical parts and components	17.904.151,59 €	962

		ML 10	RExp	Unmanned aerial vehicle	280.000,00 €	1
		ML 10	RExp	Aeronautical parts and components	654.194,75 €	51
		ML 10	RExp	Aeronautical parts and components	0,00 €	2
		ML 10	RExp	Alvos Aéreos	56.539,16 €	38
		ML 11	ET	Communications and equipments systems	121.200,00 €	4
		Total			23.321.886,22 €	34225
	French Guiana	ML 10	E	Aeronautical parts and components	1.120,25 €	7
		Total			1.120,25 €	7
	México	ML 10	RExp	Unmanned aerial vehicle	879.146,59 €	1
		Total			879.146,59 €	1
	Sum América				41.148.025,19 €	53705
Asia	Afghanistan	ML 1	ET	SA - Assault rifles	82.850,20 €	2
		ML 13	ET	Protection equipment	10.000,00 €	80
		Total			92.850,20 €	82
	Saudi Arabia	ML 10	ET	Unmanned aerial vehicle	0,00 €	1
		Total			0,00 €	1
	Bangladesh	ML 10	RExp	Aeronautical parts and components	31.583,34 €	4
		ML 11	E	Communications and equipments systems	340.374,46 €	17
		Total			371.957,80 €	21
	United Arab Emirates	ML 11	E	Communications and equipments systems	99.000,00 €	200
		Total			99.000,00 €	200
	Indonesia	ML 11	E	Communications and equipments systems	52.251,50 €	1
		ML 11	ET	Communications and equipments systems	88.345,00 €	55
		Total			140.596,50 €	56
	Israel	ML 8	ET	Energetic Materials	208.815,09 €	6
		ML 10	ET	Aeronautical parts and components	514.064,44 €	17
		Total			722.879,53 €	23
	Kuwait	ML 10	E	Aeronautical parts and components	11.050,00 €	1

		Total			11.050,00 €	1
	Malasya	ML 10	E	Aeronautical parts and components	13.117,60 €	2
		ML 11	E	Communications and equipments systems	95.344,20 €	97
		ML 11	ET	Communications and equipments systems	154.840,00 €	66
		Total			263.301,80 €	165
	Pakistan	ML 10	RExp	Aeronautical parts and components	239.900,38 €	11
		ML 11	ET	Communications and equipments systems	53.375,00 €	42
		Total			293.275,38 €	53
	Singapore	ML 10	ET	Unmanned aerial vehicle	0,00 €	1
		ML 11	E	Communications and equipments systems	200.373,34 €	4
		ML 11	ET	Communications and equipments systems	119.100,00 €	28
		Total			319.473,34 €	33
	Thailand	ML 10	E	Aeronautical parts and components	82.708,17 €	439
		ML 10	RExp	Aeronautical parts and components	8.927,60 €	7
		Total			91.635,77 €	446
	Sum ASIA				2.406.020,32 €	1081
Africa	South Africa	ML 9	ET	Special naval equipment, accessories and components	205.000,00 €	1
		Total			205.000,00 €	1
	Cape Verde	ML 7	E	Anti-riot equipment	3.083,48 €	170
		ML 10	ET	Aeronautical parts and components	6.800,00 €	3
		Total			9.883,48 €	173
	Camaroon	ML 10	RExp	Aeronautical parts and components	68.180,00 €	2
		ML 10	RExp	Unmanned aerial vehicle	3.400.000,00 €	1
		Total			3.468.180,00 €	3
	Tchad	ML 10	E	Aeronautical parts and components	1.000.431,87 €	1
		ML 10	RExp	Unmanned aerial vehicle	1.501.862,06 €	1

	ML 10	RExp	Aeronautical parts and components	661.729,45 €	38
	ML 13	E	Protection equipment	86.000,00 €	150
	Total			3.250.023,38 €	190
Egipt	ML 11	E	Communications and equipments systems	642.880,00 €	1674
	ML 11	ET	Communications and equipments systems	301.259,00 €	59
	Total			944.139,00 €	1733
Mali	ML 1	ET	Components - SA - Assault rifles	5.561,74 €	26
	ML 1	ET	Components - SA- Rifles and carbines	1.575,29 €	10
	ML 1	ET	SA - Assault rifles	363.058,22 €	25583
	ML 1	ET	SA - Revolvers and self-loading pistols	687,00 €	12
	ML 1	ET	SA- Rifles and carbines	11.058,00 €	1
	ML 3	ET	Ammunitions	6.516,20 €	5500
	ML 5	ET	Night vision devices	31.697,49 €	11
	ML 6	ET	Military Vehicles	51.018,10 €	8
	ML 7	ET	NBQ Equipment	11.747,04 €	24
	ML 10	ET	Aeronautical parts and components	21.220,40 €	61
	ML 11	ET	Eletronic Navigation Equipment	600,00 €	2
	ML 11	ET	Communications and equipments systems	191.689,85 €	52
	ML 13	ET	Protection equipment	63.608,88 €	5830
	ML 15	ET	Night vision devices	48.818,30 €	12
	ML 16	ET	Protection equipment	61.215,49 €	316
	ML 17	ET	Tools	9.022,00 €	30
	ML 21	ET	Software	214.431,19 €	64
	Total			1.093.525,19 €	37542
Morocco	ML 10	E	Aeronautical parts and components	360.406,20 €	58
	ML 10	RExp	Unmanned aerial vehicle	3.604.709,00 €	1
	ML 10	RExp	Aeronautical parts and components	2.891.495,11 €	422
	Total			6.856.610,31 €	481
Nigeria	ML 10	RExp	Aeronautical parts	459.890,33 €	102

				and components		
		Total			459.890,33 €	102
	Somalia	ML 1	ET	SA - Assault rifles	21.328,00 €	6
		ML 1	ET	SA - Revolvers and self-loading pistols	3.440,00 €	6
		ML 3	ET	Ammunitions	890,00 €	2800
		ML 11	ET	Electronic Navigation Equipment	400,00 €	2
		ML 11	ET	Communications and equipments systems	1.749,50 €	3
		ML 13	ET	Protection equipment	17.634,89 €	10
		ML 21	ET	Software	1.500,00 €	2
		Total			46.942,39 €	2829
	Tunisia	ML 15	E	Night vision devices	34.470,00 €	10
		Total			34.470,00 €	10
	Sum AFRICA				16.368.664,08 €	43064
Oceania	Australia	ML 11	E	Communications and equipments systems	1.578.785,59 €	267
		Total			1.578.785,59 €	267
	New Zealand	ML 10	ET	Unmanned aerial vehicle	0,00 €	1
		Total			0,00 €	1
	Sum Oceania				1.578.785,59 €	268
Total temporary					66.677.926,96 €	65733
Total definitive					89.984.907,39 €	108088
Total Global					156.662.834,35 €	173821

When analyzed the definitive exports from Portugal, when there is place for a change in title, for the Conventional arms under the scope of the ATT, and reported under the UNROCA, throughout 2014 there were no exports, has showed in table 2, recalling the stated in the paragraph 11 from the introduction.

Table 2 – Definitive exports of Conventional Arms

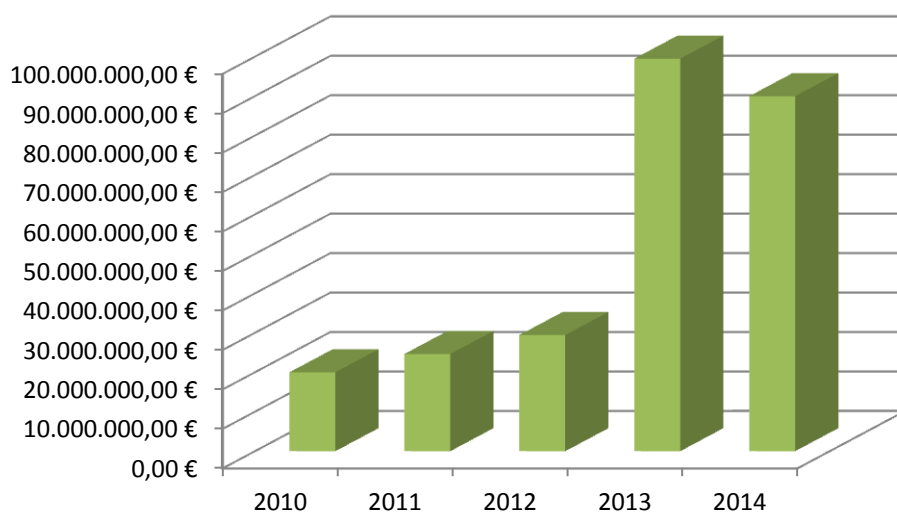
Category	Country of final destination	Quantity
I. Battle tanks	0	0
II. Armoured combat vehicles	0	0
III. Armoured combat vehicles	0	0
IV. Large-caliber artillery systems	0	0
V. Combat aircraft	0	0
VI. Attack helicopters	0	0
VII. Warships	0	0
VIII. Missiles and missile launchers	0	0

a. Trends

The exports in 2014 decreased 10% when compared to 2013, but confirmed the growing trend when compared to the five previous years. Regarding the definitive exports, the same tendency applies. In Graphic 1 it can be verified the evolution of definitive exports of military goods and technology on the last 5 years, that characterized by general increase to 2013 and a small decrease in 2014.

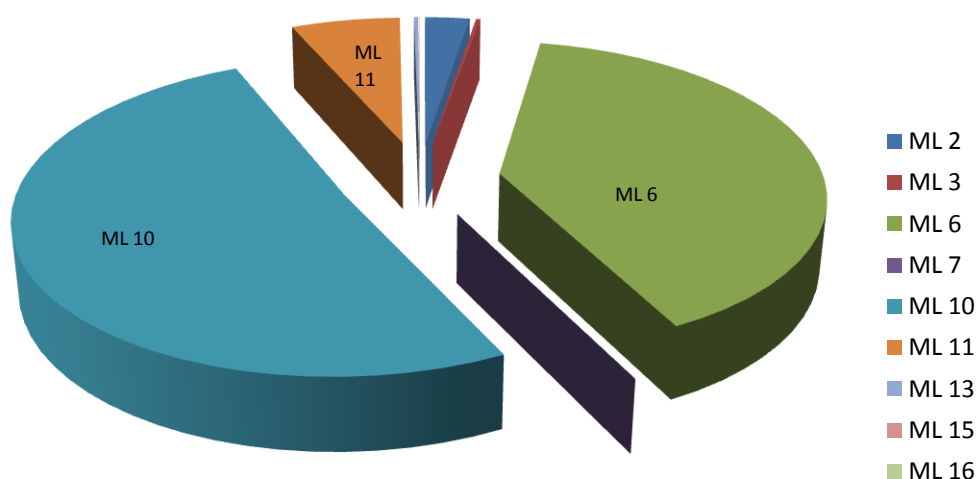
This increase can be explained by the growing exports of our National Defence Technological and Industrial Base, particularly by the aeronautical cluster, by the selling of decommissioned equipment belonging to national Armed Forces, and to the devolution of military goods and technologies previously imported to Portugal Under the Pandur program, to Austria and Spain, belonging to categories ML 1, ML 2 and ML 6. It is important to bear in mind that definitive exports include both products subject to inward processing, like in the case of MRO operations, and others with no value added, like in the cases of tests and demonstrations.

Graphic 1 – Export evolution during the last 5 years



During 2014 were exported definitively goods belonging to categories ML 2, 3, 6, 7, 10, 11, 13, 15 and 16 of the EU Common Military List. In Graphic 2 it can be verified that the category ML 10 represents 51 % of the total definitive exports, followed by ML 6, which represents 40%, and by ML 11, which represents 6%, while the remaining categories have a small representation.

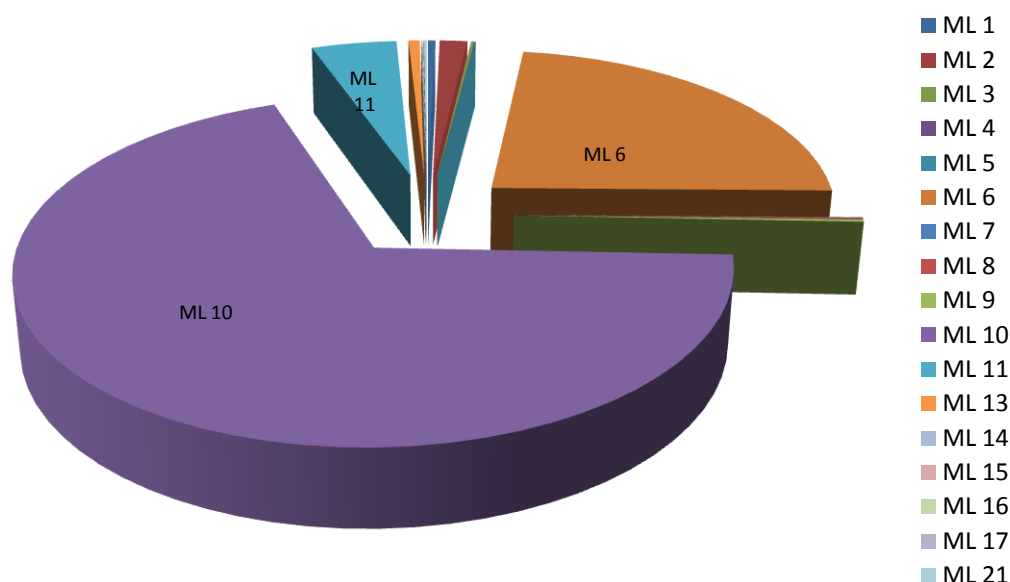
Graphic 2 – Definitive exports by ML



When analyzing the total exports, including definitive and temporary, it can be observed on graphic 3 the preponderance of ML 10 category, representing 69% of total

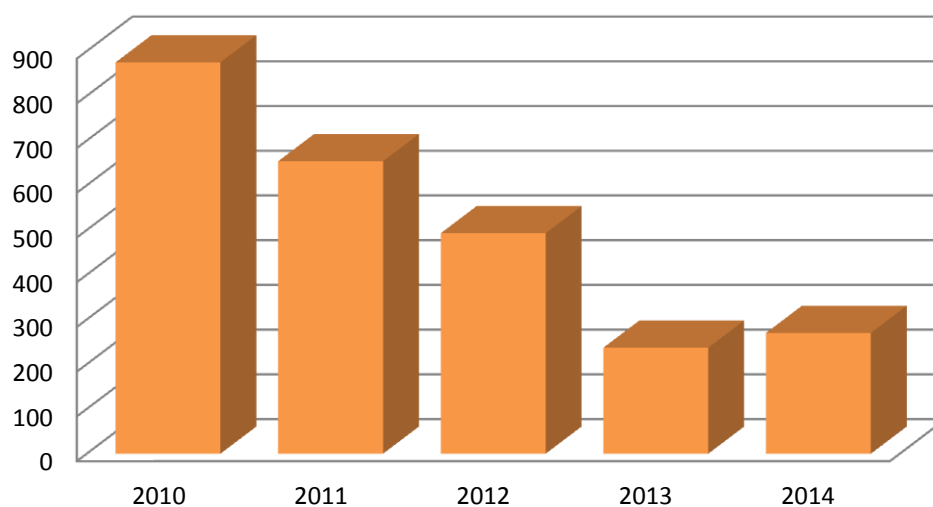
exports, followed by ML 6 representing 23%, and by ML 11 representing 6%, while the rest of the ML categories contribute marginally for total exports, representing 2%.

Graphic 3 – Total exports by ML category



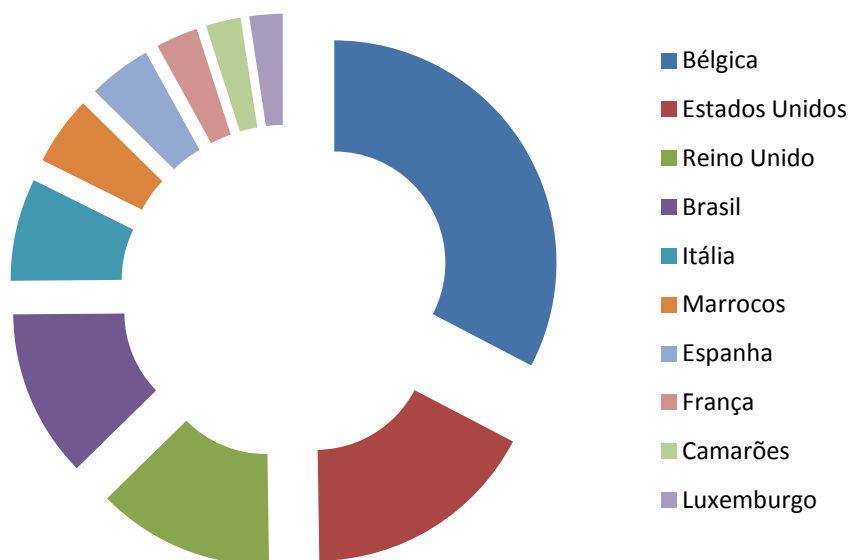
Regarding the number of Certificates and Licenses issues, in 2014 was registered a small increase when compared with 2013, but the five years trend for reduction still can be observed on graphic 4. This reduction is the result of the implementation of the new procedures simplifying terms and conditions of transfer of defence-related products, particularly the use of General and Global Licenses, that in 2014 seems to stabilize.

Graphic 4 – Trend in the number of certificates and licenses issued for export



Below on graphic are the top 10 destination of exports of defence related products, that corresponds to 86% of total exports.

Graphic 5 – Top 10 global export destinations



2. Imports

Regarding import operations, which in this report are understood as the transfer to Portugal, temporary or definitive, of military goods and technology with origin on another country, including the intra-Community transfers, in 2014 were received **363** applications that resulted in the issuing of **202** International Imports Certificates, and **161** Individual licenses for products with origin in the EU, with the total value of **359.406.878,96€**. Additionally were issued and of **3** Global licenses, whose nature does not include a limit to quantity or value. During this year were performed imports valuing **353.409.866,40 €**, of which **153M€** were definitive and **200M€** were temporary, as show in table 3, which lead to the issuing of **184** Delivery Guarantee Certificates, for products with non-EU origin. These imports included some that were authorized in 2013 but only took place in 2014, due to the licenses and certificates expiration date of six months. It includes also temporary and definitive imports made under General Licenses and Global Licenses, which contributed to the difference between the authorized exports and the actual ones.

The actual imports are categorized as imports, re-imports and temporary imports. Imports are transfers that represent a transfer of title, being considered with the re-imports as definitive import. In addition, re-imports represent a transfer of control of military goods and technologies that were previously exported from Portugal for

maintenance, overhaul, repair, tests or demonstration, returning with no change in title, of the Portuguese government or Portuguese companies during the operation. Finally, temporary import represent a change in control of military goods and technologies exported to Portugal for maintenance, overhaul, repair, tests or demonstration, with no change in title, remaining property of the country of origin government or its companies during the operation.

Table 3 – Imports Authorized by Region

Actual Imports							
Origem da Importação		ML	Operation	Description	Value	Quantity	
European Union	Germany	ML 1	I	Components - SA - Assault rifles	49.300,00 €	264	
		ML 1	I	Components - SA - Revolvers and self-loading pistols	0,00 €	417	
		ML 1	I	Components - SA- Rifles and carbines	72.385,50 €	550	
		ML 1	I	SA - Assault rifles	98.040,00 €	48	
		ML 1	I	SA - Revolvers and self-loading pistols	353.862,00 €	1017	
		ML 1	I	SA -Metralhadoras Ligeiras	0,00 €	1	
		ML 3	I	Ammunitions	13.028,40 €	53314	
		ML 4	I	Bombs, torpedoes, rockets, missiles, other explosive devices and charges	41.189,45 €	540	
		ML 6	I	Components and parts for armored vehicles	42.153,99 €	4362	
		ML 6	RImp	Components and parts for armored vehicles	496.614,00 €	19	
		ML 7	I	Protection equipment	1.210,00 €	2	
		ML 7	I	NBQ Equipment	22.524,60 €	5	
		ML 10	RImp	Aeronautical parts and components	83.943,39 €	8	
		ML 10	I	Aeronautical parts and components	109.377,20 €	431	
		ML 11	RImp	Communications and equipments systems	30.000,00 €	3	
		ML 11	I	Communications and equipments systems	842.773,00 €	547	
		ML 15	I	Night vision devices	54.000,00 €	20	
		ML 17	I	Equipamentos, materiais e "bibliotecas" diversos	397.630,00 €	4	
		Total				2.708.031,53 €	61552

Austria	ML 1	I	SA - Revolvers and self-loading pistols	71.031,40 €	162
	ML 10	I	Aeronautical parts and components	2.305,80 €	1
	ML 10	IT	Aeronautical parts and components	0,00 €	1
	Total			73.337,20 €	164
Belgium	ML 1	I	SA- Rifles and carbines	3.806,60 €	2
	ML 2	IT	LW - Outros	1.524.233,32 €	15
	ML 3	I	Ammunitions	2.600.776,48 €	1354189
	ML 4	I	Bombs, torpedoes, rockets, missiles, other explosive devices and charges	270,00 €	1
	ML 6	IT	Battle tanks	60.000.000,00 €	5
	ML 6	IT	Military Vehicles	30.000.000,00 €	4
	ML 10	RImp	Aeronautical parts and components	2.445.253,56 €	7
	ML 10	I	Aeronautical parts and components	132.889,36 €	210
	Total			96.707.229,32 €	1354433
Bulgaria	ML 13	I	Protection equipment	0,00 €	1
	ML 13	IT	Protection equipment	420,00 €	3
	Total			420,00 €	4
Croatia	ML 13	I	Protection equipment	1.750,00 €	10
	Total			1.750,00 €	10
Denmark	ML 4	I	Bombs, torpedoes, rockets, missiles, other explosive devices and charges	8.510,00 €	300
	ML 10	I	Aeronautical parts and components	1.563,00 €	2
	ML 10	RImp	Aeronautical parts and components	356.926,00 €	5
	ML 10	IT	Aeronautical parts and components	22.204,55 €	1
	Total			389.203,55 €	308
	ML 3	I	Ammunitions	591.750,00 €	647330
Spain	ML 4	I	Bombs, torpedoes, rockets, missiles, other explosive devices and charges	316.550,00 €	650
	ML 6	I	Military Vehicles	7.487.461,71 €	4
	ML 8	I	Bombs, torpedoes, rockets, missiles, other explosive devices and charges	250,00 €	500
	ML 10	RImp	Aeronautical parts and	548.702,70 €	229

			components		
	ML 10	I	Aeronautical parts and components	8.024.099,74 €	39727
	ML 10	IT	Aeronautical parts and components	0,00 €	1
	ML 13	I	Protection equipment	868,50 €	180
	Total			16.969.682,65 €	688621
Finland	ML 3	I	Ammunitions	84.236,50 €	109400
	Total			84.236,50 €	109400
France	ML 5	I	Sistema de aquisição de alvos	17.669,80 €	26
	ML 10	I	Aeronautical parts and components	1.038.709,27 €	3518
	ML 10	RImp	Aeronautical parts and components	2.040.445,13 €	290
	ML 10	IT	Aeronautical parts and components	0,00 €	4
	Total			3.096.824,20 €	3838
Ireland	ML 10	I	Aeronautical parts and components	27.286,10 €	2
	Total			27.286,10 €	2
Italy	ML 1	I	SA- Rifles and carbines	1.150,00 €	2
	ML 3	I	Ammunitions	217.500,00 €	1500000
			Bombs, torpedoes, rockets, missiles, other explosive devices and charges		40
	ML 4	I		1.175,88 €	
	ML 4	I	Ammunitions	2.640,00 €	4
	ML 7	I	NBQ Equipment	66.579,28 €	203
	ML 10	RImp	Aeronautical parts and components	12.240.741,51 €	151
	Total			12.529.786,67 €	1500400
Luxembourg			Bombs, torpedoes, rockets, missiles, other explosive devices and charges		1
	ML 4	RImp		15.000,00 €	
	ML 6	RImp	Components and parts for armored vehicles	148.556,71 €	8388
	ML 10	RImp	Aeronautical parts and components	228.596,00 €	10
	Total			392.152,71 €	8399
Netherlands	ML 7	I	Protection equipment	340,44 €	2
	ML 10	RImp	Aeronautical parts and components	1.999.641,98 €	32
	ML 10	I	Aeronautical parts and components	240.405,70 €	5
	ML 10	IT	Aeronautical parts and components	0,00 €	1

	ML 10	IT	Unmanned aerial vehicle	5.000.000,00 €	3
	Total			7.240.388,12 €	43
Poland	ML 13	I	Protection equipment	76.434,67 €	60
	Total			76.434,67 €	60
United Kingdom	ML 1	IT	SA- Rifles and carbines	23.240,00 €	7
	ML 3	I	Ammunitions	6.030,00 €	1500
			Bombs, torpedoes, rockets, missiles, other explosive devices and charges		3664
	ML 4	I		54.997,43 €	
	ML 4	RImp	Explosive Ordnance Disposal Robot	62.175,00 €	1
	ML 7	I	Anti-riot equipment	8.500,00 €	100
	ML 7	I	Protection equipment	87.813,98 €	16
	ML 7	I	NBQ Equipment	35.281,09 €	7
			Special naval equipment, accessories and components		223
	ML 9	I		2.023,70 €	
	ML 10	RImp	Unmanned aerial vehicle	1.450.000,00 €	3
	ML 10	I	Aeronautical parts and components	5.575.768,70 €	33402
	ML 10	RImp	Aeronautical parts and components	17.087.317,56 €	366
	ML 10	IT	Aeronautical parts and components	0,00 €	35
	ML 11	I	Communications and equipments systems	22.009,26 €	1
	ML 13	I	Protection equipment	127.858,76 €	424
	ML 13	RImp	Protection equipment	61.295,50 €	387
ML 21	I	Software	15.375,00 €	2	
Total			24.619.685,98 €	40138	
Czech Republic	ML 3	I	Ammunitions	307.436,40 €	2341400
	ML 7	I	Anti-riot equipment	1.470,50 €	170
	Total			308.906,90 €	2341570
Romenia	ML 10	I	Aeronautical parts and components	1.385,42 €	1
	Total			1.385,42 €	1
Sweden	ML 10	RImp	Aeronautical parts and components	1.645.824,52 €	10
	Total			1.645.824,52 €	10
Sum EU			166.872.566,04 €	6108953	
Other european countries	Iceland		Special naval equipment, accessories and components		4
	ML 9	RImp		204.747,80 €	
	Total			204.747,80 €	4
Kosovo	ML 1	RImp	SA - Revolvers and self-	285,24 €	1

America				loading pistols		
		ML 6	RImp	Military Vehicles	1.188.327,90 €	119
		ML 10	RImp	Unmanned aerial vehicle	500.000,00 €	4
		ML 13	RImp	Protection equipment	970.508,30 €	692
		Total			2.659.121,44 €	816
		ML 3	I	Ammunitions	4,73 €	3020
		ML 9	I	Special naval equipment, accessories and components	1.840,00 €	1
		ML 9	RImp	Special naval equipment, accessories and components	2.679,00 €	2
		ML 10	IT	Aeronautical parts and components	285.850,92 €	2
		ML 10	RImp	Aeronautical parts and components	43.610,00 €	2
		ML 11	I	Communications and equipments systems	4.080,00 €	6
		Total			338.064,65 €	3033
		ML 3	I	Ammunitions	16.850,00 €	53200
		ML 10	RImp	Aeronautical parts and components	32.735,86 €	2
		Total			49.585,86 €	53202
		Sum other european countries			3.251.519,75 €	57055
	Brazil	ML 10	RImp	Aeronautical parts and components	805.497,10 €	87
		Total			805.497,10 €	87
		ML 3	I	Ammunitions	23.612,00 €	27935
		ML 9	I	Special naval equipment, accessories and components	139.780,00 €	19
		ML 10	I	Aeronautical parts and components	10.308,50 €	5
		ML 10	IT	Aeronautical parts and components	502,70 €	1
		ML 10	RImp	Aeronautical parts and components	118.515,61 €	46
		Total			292.718,81 €	28006
		ML 1	I	Components SALW	2.835,70 €	2
		ML 3	I	Ammunitions	306.185,15 €	6000
		ML 4	I	Bombs, torpedoes, rockets, missiles, other explosive devices and charges	9.224,14 €	90
		ML 5	I	Night vision devices	3.177,28 €	26
		ML 6	I	Components and parts	312.040,69 €	7991

Asia				for armored vehicles		
		ML 7	I	Anti-riot equipment	1.287,93 €	2
		ML 7	I	Protection equipment	138.347,47 €	491
		ML 7	I	NBQ Equipment	3.879,77 €	16
		ML 9	I	Special naval equipment, accessories and components	625.449,76 €	90
		ML 9	RImp	Special naval equipment, accessories and components	7.100,00 €	1
		ML 10	I	Aeronautical parts and components	63.199,13 €	119
		ML 10	I	Aeronautical parts and components	6.112,00 €	15
		ML 10	I	Aeronautical parts and components	12.406.903,52 €	861
		ML 10	I	Parachutes, paragliders and related equipment	0,00 €	2
		ML 10	IT	Unmanned aerial vehicle	14.627.767,64 €	1
		ML 10	IT	Aeronautical parts and components	19.769.464,44 €	79
		ML 10	RImp	Aeronautical parts and components	6.024.087,42 €	418
		ML 11	I	Communications and equipments systems	262.107,22 €	50008
		ML 13	I	Protection equipment	85.595,50 €	266
		ML 14	IT	Military training equipment	160.055,20 €	165
		ML 15	I	Night vision devices	298.854,19 €	112
		Total			55.113.674,15 €	66755
	Sum América				56.211.890,06 €	94848
	Afghanistan	ML 1	RImp	SA - Assault rifles	409.976,52 €	624
		ML 3	RImp	Ammunitions	1.978.201,05 €	403186
		ML 6	I	Military Vehicles	477.000,00 €	6
		ML 6	RImp	Military Vehicles	2.565.322,98 €	28
		ML 11	RImp	Communications and equipments systems	3.092.872,59 €	70
		ML 13	RImp	Protection equipment	1.079.440,77 €	129
		Total			9.602.813,91 €	404043
	Saudi Arabia	ML 10	RImp	Unmanned aerial vehicle	23.000.000,00 €	1
		Total			23.000.000,00 €	1
	Bangladesh	ML 10	IT	Aeronautical parts and components	59.878,29 €	4
		Total			59.878,29 €	4
	United Arab Emirates	ML 10	IT	Aeronautical parts and components	226,29 €	1
		Total			226,29 €	1

ASIA	India	ML 11	RImp	Communications and equipments systems	5.700,00 €	5
		Total			5.700,00 €	5
	Indonesia	ML 11	RImp	Communications and equipments systems	89.145,00 €	52
		Total			89.145,00 €	52
	Israel			Bombs, torpedoes, rockets, missiles, other explosive devices and charges		4
		ML 4	I		520,00 €	
		ML 7	I	Anti-riot equipment	1.460,85 €	110
		ML 8	RImp	Materiais Energéticos	194.184,19 €	5
		ML 10	I	Aeronautical parts and components	465.235,64 €	3
		ML 10	RImp	Aeronautical parts and components	654.424,00 €	18
		ML 13	I	Anti-riot equipment	8.053,06 €	165
		Total			1.323.877,74 €	305
	Malasya	ML 11	I	Communications and equipments systems	41.300,00 €	32
		ML 11	RImp	Communications and equipments systems	161.515,00 €	88
		Total			202.815,00 €	120
	Pakistan	ML 10	IT	Aeronautical parts and components	172.025,34 €	3
		ML 11	RImp	Communications and equipments systems	40.100,00 €	8
		Total			212.125,34 €	11
	Singapore	ML 10	RImp	Unmanned aerial vehicle	23.000.000,00 €	1
		Total			23.000.000,00 €	1
Thailand	ML 10	IT	Aeronautical parts and components	19.994,71 €	11	
	Total			19.994,71 €	11	
Sum ASIA				57.516.576,28 €	404554	
Africa	South Africa	ML 9	I	Special naval equipment, accessories and components	100.000,00 €	1
		ML 13	I	Protection equipment	4.112,04 €	10
		Total			104.112,04 €	11
	Tchad	ML 10	IT	Unmanned aerial vehicle	37.896.731,41 €	1
		ML 10	IT	Aeronautical parts and components	187.214,05 €	21
		Total			38.083.945,46 €	22
	Egipt	ML 11	RImp	Communications and equipments systems	301.259,00 €	59
		Total			301.259,00 €	59
	Gabon	ML 10	IT	Unmanned aerial vehicle	18.000.000,00 €	1
		Total			18.000.000,00 €	1

Mali	ML 1	RImp	SA - Assault rifles	7.737,14 €	30
	ML 1	RImp	SA - Revolvers and self-loading pistols	2.689,10 €	11
	ML 1	RImp	SA- Rifles and carbines	29.254,00 €	10
	ML 5	RImp	Night vision devices	11.662,21 €	10
	ML 5	RImp	Fire contro equipment	210,08 €	1
	ML 6	RImp	Military Vehicles	124.699,47 €	1
	ML 11	RImp	Eletronic Navigation Equipment	562,65 €	2
	ML 11	RImp	Communications and equipments systems	37.298,75 €	52
	ML 13	RImp	Protection equipment	8.725,61 €	23
	ML 13	RImp	NBQ Equipment	39.257,40 €	410
	Total			262.096,41 €	550
Morocco	ML 10	IT	Aeronautical parts and components	12.801.657,36 €	121
	Total			12.801.657,36 €	121
Somalia	ML 13	RImp	Protection equipment	4.244,00 €	4
	Total			4.244,00 €	4
Sum AFRICA				69.557.314,27 €	768
Total temporary				200.551.466,22 €	491
Total definitive				152.858.400,18 €	6665687
Total Global				353.409.866,40 €	6666178

When analyzed the definitive imports to Portugal, when there is place for a change in title, for the Conventional arms under the scope of the ATT, and reported under the UNROCA, throughout 2014 the imports are showed in table 4 and 5, the last for SALW. For the information in these two tables it is important to bear in mind the stated in the paragraph 11 of the introduction.

Table 4 – Definitive imports of Conventional Arms

Category	Country of origin	Quantity
I. Battle tanks	0	0
II. Armored combat vehicles	Spain	4
II. Armored combat vehicles	Afghanistan	6
III. Large-caliber artillery systems	0	0
IV. Combat aircraft	0	0
V. Attack helicopters	0	0
VI. Warships	0	0
VII. Missiles and missile launchers	0	0
VIII. Small arms and light weapons	Several	930

Table 5 – Definitive Imports of Small Arms and Light Weapons

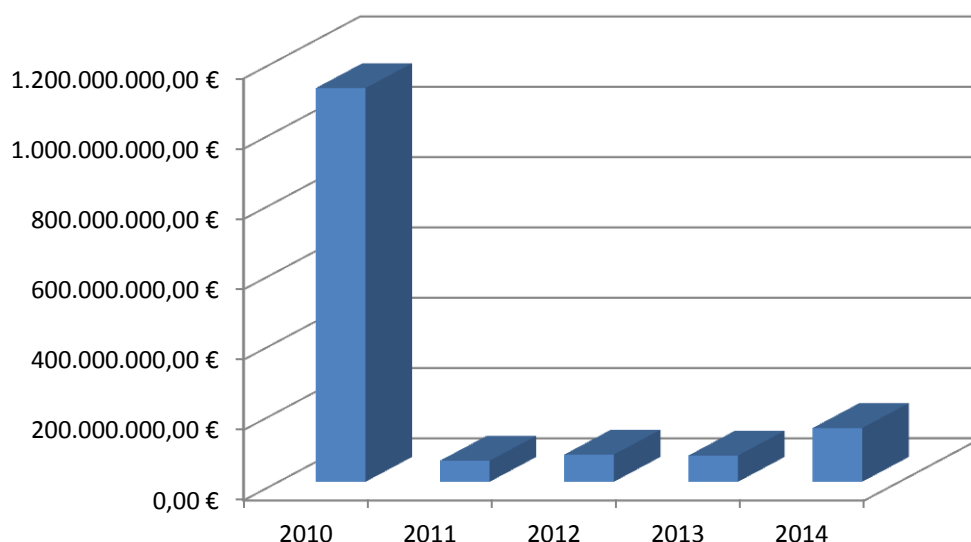
		Country of origin	Quantity
Small Arms			
1.	Revolvers and self-loading pistols	Austria	1 60
		Germany	717
2.	Rifles and carbines	Belgium	2
		Italy	2
3.	Sub-machine guns	0	0
4.	Assault rifles	Germany	48
5.	Light machine guns	Germany	1
6.	Others	0	0
Light Weapons			
1.	Heavy machine guns	0	0
2.	Hand-held under-barrel and mounted grenade launchers	0	0
3.	Portable anti-tank guns	0	0
4.	Recoilless rifles	0	0
5.	Portable anti-tank missile launchers and rocket systems	0	0
6.	Mortars of calibres less than 75 mm	0	0
7.	Others	0	0

a. Trends

The definitive imports in 2014 totalized **152.858.400,18 €**, which represents an increase of **104 %** when compared to 2013. In Graphic 6 it can be verified the evolution of definitive imports of military goods and technology on the last 5 years, characterized by small variations during four of the five years, after a sharp increase in 2010. For this increase it has to be taken into account a change in method. First of all, re-imports are

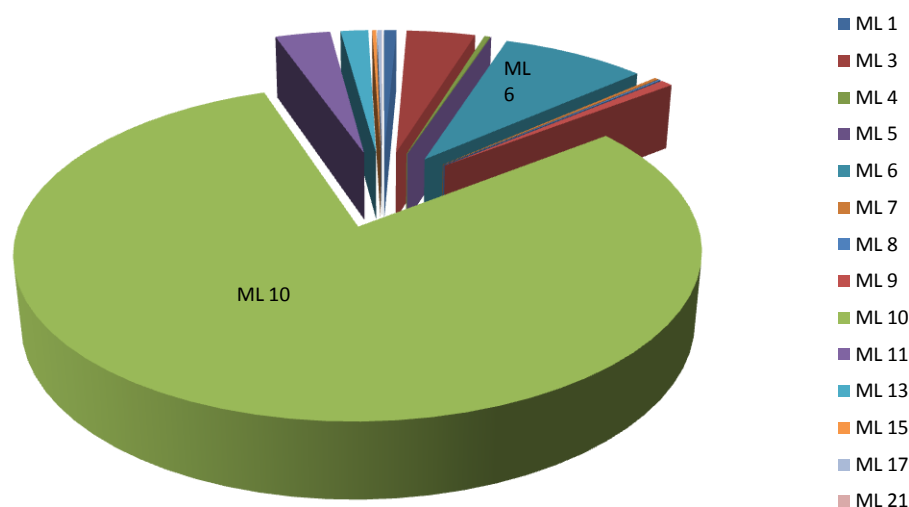
considered definitive imports, and within them are some products that suffered outward processing while others have not, for example, goods exported for demonstrations purposes. Another aspect is related with the growing internationalization of our defense industry, mainly through the aeronautical cluster, for MRO operations, which implies a growing temporary import of products for this purposes.

Graphic 6 – Import evolution during the last 5 years



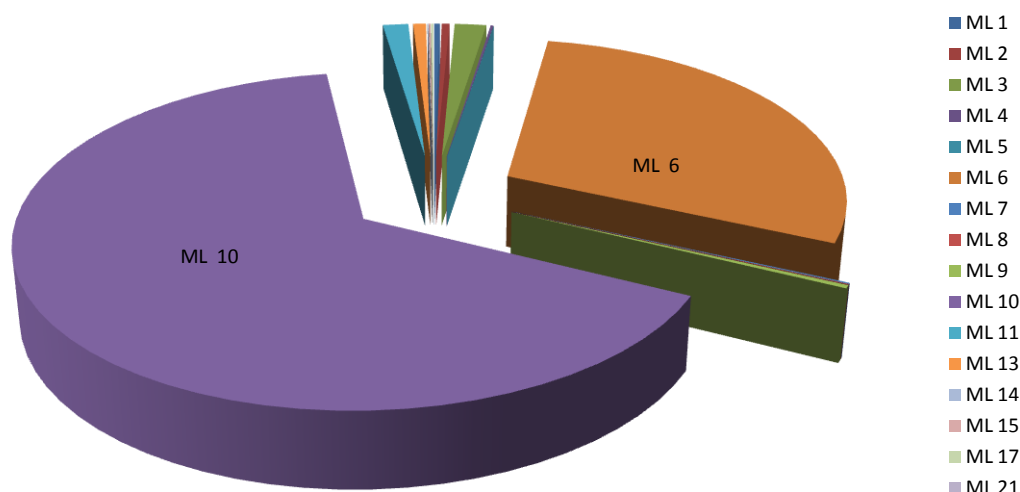
During 2014 were imported definitively goods belonging to several categories of the EU Common Military List. In Graphic 7 it can be verified that the category ML 10 represent 80 % of the total definitive imports, followed by ML 6 representing 9%, ML 3 representing 4% and ML 11 and 13 both representing 3% each. These 5 ML categories counted for 99% of total definitive imports.

Graphic 7 –Definitive imports by ML category



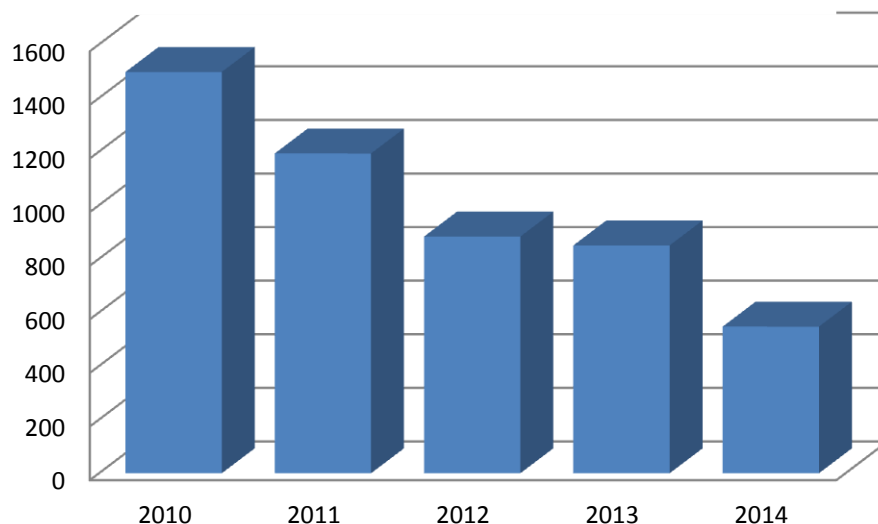
Concerning total imports, including both definitive and temporary, as seen in graphic 8, category ML 10 represent 65 % of the total definitive imports, followed by ML 6 representing 29%, ML 3 2% and ML 11 and 13 both representing 1%. These 5 ML categories counted for 98% of total definitive imports.

Graphic 8 – Total Imports by ML category



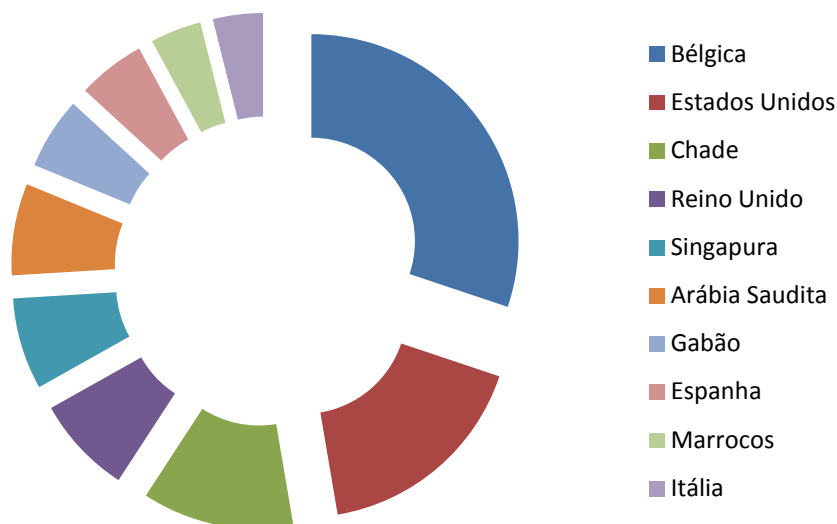
Regarding the number of Certificates and Licenses issues, in 2014 was registered a significant decrease when compared with 2013, a trend already verified in previous years, accordingly to graphic 9. This reduction is the result of the implementation of the new procedures simplifying terms and conditions of transfer of defence-related products, particularly the use of General and Global Licenses.

Graphic 9 – Trend in the number of certificates and licenses issued for import



Below are the top 10 countries of origins of imports of defence related products, that account for 91% of total imports

Graphic 10 – Top 10 Definitive import countries of origin



3. Transits

During 2014 were analyzed and issued 14 transit licenses, accordingly to table 6, which represents a small decrease when compared to the previous year.

Table 6 – Transit licenses issued

Transit Licenses				
Origin	Destination	ML	Nº Licencies	Value
Venezuela	Russia	10	4	0 €
Russia	Venezuela	10	2	6.486.600,00 €
	Mexico	10	1	0,00 €
Spain	Brazil	2	1	1.210,00 €
		6	1	158.800,00 €
	Canada	8	1	289.462,25 €
Bulgaria	Peru	3	1	0 €
USA	Israel	3	1	0 €
Israel	USA	4	1	0 €
	Colombia	4	1	0 €
Total			14	449.472,25 €

4. Brokering

During 2014 were analyzed and authorized two brokering application, concerning the brokering of defence-related products belonging to ML 10 categorie, accordingly to table 7.

Table 7 – Brokering Authorizations

Brokering				
Origin	Destination	ML	Nº Authorizations	Value
Several	Equador	10	1	20.706,87 €
EUA	Japan	10	1	4.372,34 €
Total			2	25.079,21 €

5. Denials

During 2014 were denied two export applications of defence-related products belonging to ML 10 and ML 11 categories, accordingly to table 8.

.Table 8 – Transfer Denials

Denials				
Origin	Destination	ML	Nº Denials	Value
Portugal	Thailand	10	1	37.677,58 €
Portugal	Russia	11	1	120.400,00 €
Total			2	158.077,58 €

V – ACRONYMS

- APMBC – Anti-Personnel Mine Ban Convention;
- ATT – Arms Trade Treaty;
- CCM – Convention on Cluster Munitions;
- CCW – Convention on Certain Conventional Weapons;
- DGAIED – Directorate-General for Armaments and Defence Infrastructures;
- DGRDN - Directorate-General for National Defense Resources;
- EU – European Union;
- FSC – Forum for Security Co-operation;
- GICNT – Global Initiative to Combat Nuclear Terrorism;
- MOD – Ministry of Defence;
- MFA – Ministry of Foreign Affairs;
- MTCR – Missile Technology Control Regime;
- OPCW – Organization for the Prohibition of Chemical Weapons
- OSCE – Organization for Security and Co-operation in Europe;
- PSI – Proliferation Security Initiative;
- SALW – Small Arms and Light Weapons
- UN – United Nations;
- WAIS – Wassenaar Arrangement Information System.

VI – COMMON MILITARY LIST CATEGORIES

- ML1** Smooth-bore weapons with a caliber of less than 20 mm, other arms and automatic weapons with a caliber of 12,7 mm (caliber 0,50 inches) or less and accessories, and specially designed components.
- ML2** Smooth-bore weapons with a caliber of 20 mm or more, other weapons or armament with a caliber greater than 12,7 mm (caliber 0,50 inches), projectors and accessories, and specially designed components.
- ML3** Ammunition and fuse setting devices and specially designed components.
- ML4** Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, and specially designed components.
- ML5** Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment specially designed for military use, and specially designed components and accessories.
- ML6** Ground vehicles and components.
- ML7** Chemical or biological toxic agents, "riot control agents", radioactive materials, related equipment, components and materials.
- ML8** "Energetic materials", and related substances.
- ML9** Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels.
- ML10** "Aircraft", "lighter-than-air vehicles", Unmanned Aerial Vehicles ("UAVs"), aero-engines and "aircraft" equipment, related equipment, and components, specially designed or Modified for military use.
- ML11** Electronic equipment, not specified elsewhere on the EU Common Military List, and specially designed components.
- ML12** High velocity kinetic energy weapon systems and related equipment, and specially designed components.
- ML13** Armored or protective equipment, constructions and components.
- ML14** 'Specialized equipment for military training' or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or ML2, and specially designed components and accessories.
- ML15** Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories.
- ML16** Forgings, castings and other unfinished products, specially designed for items specified by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19.
- ML17** Miscellaneous equipment, materials and 'libraries', as follows, and specially designed components.
- ML18** Production equipment and components.



- ML19** Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test Models, and specially designed components.
- ML20** Cryogenic and "superconductive" equipment, and specially designed components and accessories.
- ML21** "Software".
- ML22** "Technology".



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