

**ROMANIA**

**NATIONAL AGENCY FOR EXPORT CONTROLS**

**REPORT**  
**ON ARMS EXPORT CONTROLS**  
**2002**

Bucharest  
2005

Edited by  
**National Agency for Export Controls - ANCEX**

On the cover: a portion of the painting  
„The Smârdan Assault”, by Nicolae Grigorescu, Romanian  
national painter

ISBN 973-0-03530-X

*„...the import of the Community  
acquis and of European advanced  
practices represents the pillar of the  
current stage of development and  
modernization of arms export controls in  
Romania.”*



# CONTENTS

<b>Chapter 1 The National Legal and Institutional Framework .....</b>	<b>1</b>
<b>1.1. The national export controls system .....</b>	<b>1</b>
<b>1.2. The principles of the export controls of the conventional arms.....</b>	<b>4</b>
<b>1.3. Licensing and enforcement mechanisms and procedures.....</b>	<b>4</b>
<b>Chapter 2 The international framework.....</b>	<b>6</b>
<b>2.1. The international regimes and arrangements for multilateral export controls.....</b>	<b>6</b>
2.1.1. <i>The Wassenaar Arrangement on export controls of conventional arms and of dual use goods and technologies.....</i>	<i>6</i>
2.1.2. <i>The Nuclear Suppliers Group.....</i>	<i>8</i>
2.1.3. <i>The Zangger Committee.....</i>	<i>9</i>
2.1.4. <i>The Australia Group .....</i>	<i>10</i>
2.1.5. <i>The Missile Technologies Control Regime .....</i>	<i>11</i>
2.1.6. <i>The International Code of Conduct against Ballistic Missile Proliferation.....</i>	<i>12</i>
<b>2.2. International cooperation and transparency in the arms exports .....</b>	<b>13</b>
2.2.1. <i>The UN Register for conventional arms.....</i>	<i>13</i>
2.2.2. <i>The information exchange within the Wassenaar Arrangement.....</i>	<i>13</i>
2.2.3. <i>The European Union Code of Conduct on arms exports.....</i>	<i>14</i>
<b>2.3. International embargoes and other restrictive measures .....</b>	<b>15</b>
<b>2.4. Small Arms and Light Weapons Control.....</b>	<b>16</b>
2.4.1. <i>The United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects.....</i>	<i>16</i>
2.4.2. <i>The OSCE Document on SALW.....</i>	<i>17</i>
2.4.3. <i>The European Union and the SALW control.....</i>	<i>17</i>
2.4.4. <i>NATO and the SALW control.....</i>	<i>18</i>
<b>Chapter 3 Fostering Romania arms export controls regime in 2002 .....</b>	<b>19</b>
<b>3.1. The legal framework .....</b>	<b>19</b>
<b>3.2. The institutional framework.....</b>	<b>20</b>
<b>3.3. Interagency cooperation .....</b>	<b>20</b>
<b>3.4. Enforcement.....</b>	<b>22</b>
<b>3.5. Government Outreach to Industry.....</b>	<b>23</b>
<b>3.6. International Cooperation .....</b>	<b>24</b>

<b>Chapter 4 Facts and Figures on Arms Transfers.....</b>	<b>26</b>
<b>4.1. Authorization .....</b>	<b>26</b>
<b>4.2. Export licensing .....</b>	<b>29</b>
4.2.1. Processing, examination and approval of licenses applications .....	29
4.2.2. Individual export licenses.....	31
4.2.3. Actual exports.....	33
<b>4.3. Import licensing.....</b>	<b>39</b>
<b>4.4. Non-commercial operations, transit and transshipment.....</b>	<b>41</b>
<b>4.5. Observance of embargoes and other restrictive regimes .....</b>	<b>42</b>
<b>4.6. Law observance and enforcement activities .....</b>	<b>42</b>
<b>Chapter 5 Directions of action and developments of the export controls regime.....</b>	<b>45</b>
<b>Annex 1 EU Code of Conduct on Arms Exports .....</b>	<b>49</b>
<b>Annex 2 International embargoes on arms exports .....</b>	<b>53</b>
<b>Annex 3 List of armaments, munitions and other military goods .....</b>	<b>54</b>
<b>Annex 4 Relevant Romanian companies.....</b>	<b>80</b>
<b>Annex 5 Romania arms exports in 2002 - destination by destination - .....</b>	<b>81</b>
<b>Annex 6 2002 Romania arms exports, by categories of military goods .....</b>	<b>82</b>
<b>BIBLIOGRAPHY .....</b>	<b>86</b>
<b>ABBREVIATIONS.....</b>	<b>87</b>

## **FOREWORD**

*It may not be by mere chance that the completion of this Foreword happened just before 29th of March 2004, the historical moment which marks „de jure” Romania’s accession to the North Atlantic Treaty Organization.*

*The fact that, during the last four years, no accusations or doubts have been expressed on any alleged violations of the international embargoes by Romanian companies dealing with arms exports, represents not only a warranty attesting the development of Romanian export controls regime, but also a contribution to the process of recognition of Romania as a supplier of security and stability in the region.*

*The escalation of the terrorist actions and proliferation of conventional arms, weapons of mass destruction and means of delivery represent a serious threat to international peace and security.*

*States and international organizations elaborated and implemented, especially after September 11th 2001, strategies and action plans aiming to prevent and control the attempts of terrorists to acquire NBC or conventional materials. The responsibilities of the states promoting policies of non-proliferation are directly related to the effective implementation of all existing international tools. Even more obvious is the new role of international treaties and verification mechanisms, domestic and international coordination in export controls, the programs for destruction of military arsenals and capabilities, the agreements and effective implementation of economic sanctions and of some restrictive regimes in connection with the transfer towards states or entities which support the terrorist networks.*

*One of the political documents of major interest from the point of view of the non-proliferation policies is the Declaration of the European Union and USA in December 2000 on the states’ responsibilities and transparency of arms exports.*

*In the context of validation of specific responsibilities and of stating a common vision on arms export controls, the European Union and USA have decided to act jointly, in order to encourage all states exporting arms to implement rigorous criteria in their national decision-making process to approve exports, and a policy of increasing*

*transparency in the field. Among the political instruments recommended to the states we can mention the supply of national data to the United Nations' Register for Conventional Arms, and also the exchange of information on the basis of the OSCE Document on SALW or in the framework of the Wassenaar Arrangement.*

*Focusing on the strict domain of export controls, as an effective instrument of fighting against the international terrorism, the year 2002 represented a period of better awareness and increasing of the role of this mechanism for the national non-proliferation policies. Inclusion of terrorism as a ground for export controls regime in the Wassenaar Arrangement, by amending the Initial Elements in December 2001 and the Guidelines of MTCR in January 2003, represents an important step forward in countering the risk of use of conventional arms and missile technologies by terrorists.*

*In addition, the inclusion such a marked technical field on the political agendas of heads of states, of leaders and of main political factors, is a proof of the strong impact the export controls have in avoiding or stopping the illicit transfers of military goods and weapons of mass destruction.*

*All the way, from the political declarations, to the practical aspects of the export controls, a structural change towards the effectiveness dimension of the national export controls regime is apparent. Thus, despite all inherent limitations encountered during the process of preventing the acquiring of military goods and technologies by terrorists (the same as in the case of the nations – state acquisitions), export control is an instrument whose refinement leads to an increased contribution to the fight against terrorism.*

*To this end, one of the resolutions of the Australia Group Plenary, held in June 2002, established that the „catch-all” clause should represent one of the essential conditions of the export controls policies. This clause also constitutes a precedent subsequently extended in the framework of other regimes of export controls to the field of weapons of mass destruction accumulations.*

*For instance, the Wassenaar Arrangement participating states have supported ever since 2002 the necessity of expanding the „catch-all” clause towards the exports of dual-use goods having military end-use.*

*During the 2002 Plenary of Australia Group, specific control of intangible technology transfers were also established, as a recommendation to be considered by the participating states.*

*Another recently codified issue in the export controls regime is the brokering of military goods by „exportation” of some effective national practices of some WA participating states.*

*In this context, 2002 was the second year in a row during which no doubts were expressed, either in the national or international mass media, concerning any alleged breaches of the international embargoes by the Romanian exporters of military goods.*

*Confirmations of the mature development of export controls came not only from the governmental sources, but also from the reports of NGOs which have assessed the behavior of the Central and Eastern Europe states within the field of arms transfer controls. In this vein, I mention the open letter of the Human Rights Watch organization to the NATO states and governments, addressed to the General Secretary of NATO, Lord George Robertson (also available on the site [www.hrw.org/press/2002](http://www.hrw.org/press/2002)).*

*Without the intention of painting a comprehensive picture of the international evolutions during the year 2002, I will only refer to significant progress made in connection with world security relationship, directly impacting the evolution of the Romanian export controls system.*

*In the international arena, during the year 2002 the American strategy for fighting against terrorism crystallized, and the world’s states joined their forces as the “coalition of willpower”.*

*In this context, the rapid adaptation of the Romanian institutions in charge of national security can be summarized by referring to the approval by the Supreme Council of National Defense of the National Strategy for prevention and combating terrorism.*

*A mechanism of implementation of this political document is the General Protocol on the organization and working of the System for prevention and combating terrorism, approved in 2002, to which ANCEX is an integral part, due to its specific responsibilities and surveillance mechanisms of strategic products transfers.*

*From a strictly normative point of view, 2002 represented the year of Romania’s ratification of the International Convention on terrorism funding suppression (Law No. 623/2002), of the adoption of the law against terrorist acts and disturbance of public order (Law No.*

472/2002), as well as the law for prevention, control and sanctioning of money laundering (Law No. 656/2002).

*Arms export controls represent, especially after September 11th 2001, an emerging field of non-proliferation and a mechanism of national and international cooperation and coordination.*

*Since January 2002, when president Bush launched the famous expression “Evil’s axis“, the US position and efforts have been directed, towards building a network of cooperation and international exchange of information, in order to prevent and combat terrorism.*

*Among the valuable developments and progress in the export controls, I also mention the adoption by the Wassenaar Arrangement Plenary, December 11-12, 2002, of the Guidelines for best practices in small arms and light weapons exports.*

*This document codified the most advanced national practices of the WA participating states; for instance, it included criteria related to circumstances specific to the states - potential end users of SALW and to the risk of diversion towards areas of armed conflict, or to terrorist networks. The 2002 WA Plenary recommended the notification of the re-exportations to the originally exporting states.*

*Improvement of the arms export controls regime and the national authority in charge is currently one of the requirements for Romania’s accession to the European Union.*

*As a matter of recent history Romania became full member of NATO on November 2002, which marked the completion of an ample process of importing the most advanced standards of arms and dual use export controls.*

*During 2002, the National Agency for Export Controls <sup>(1)</sup> drafted and submitted to the Government and to the Supreme Council of National Defense the first report on the Romanian exports of conventional weapons; an excerpt from this report was published on the occasion of the National Conference „10 years of export controls in Romania“, organized September 25-28, 2002.*

---

<sup>(1)</sup> *At the moment of the printing of the present report, following the restructuring of the Government in 2004, the Agency remained subordinated to the Ministry of Foreign Affairs, and the enforcement activity is coordinated by the minister delegate for the coordination of the control authorities; the name of the Agency was changed to the National Agency for the Control of Exports, preserving all of its previous attributions. Even if during 2002 the name of the Agency was ANCESIAC, it was deemed necessary to use the abbreviation valid at the time of the printing of the report, respectively ANCEX.*

*In July 2003, on the occasion of the biennale reunion on the implementation of the UN Program of Action to prevent, combat and eradicate the illicit trade in small arms and light weapons in all its aspects, the Romanian delegation also presented the English version of this report (both versions are also available on the Agency website, [www.ancex.ro](http://www.ancex.ro)).*

*The present report presents the main developments in the national policy for export controls during 2002, especially the measures concerning the awareness and observance by Romanian companies of the principles and criteria of the EU Code of Conduct on arms exports, as applicable to the candidate countries.*

*From this perspective, the efforts made by Romania were mentioned and encouraged in the 2002 Regular Report on the progress of Romania towards accession.*

*“Romania proved being on the good path in terms of External Policies and Common Security and continued to align its policy to that of the European Union. (...).*

*Romania continued to observe the international sanctions and the restrictive measures imposed by the United Nations and EU. (...).*

*Romania subscribed to the contents and principles contained in the EU Code of Conduct on arms exports and it continues to observe and implement the criteria of the Code.”(Chapter 27).*

*The data and information in the present Report are based on the data possessed by ANCEX and also on the periodical report from Romanian companies authorized to conduct foreign trade activities with conventional weapons.*

*The 2002 report represents a sustainable indication of Romania’s permanent to promote a responsible policy in the export of weapons and implement effective mechanisms and procedures of control.*

*During 2002, ANCEX continued to organize events under the program „Transparency, cooperation and communication”, launched in April 2001, with the sense of developing a responsible conduct by Romanian companies in the activities connected to non-proliferation and export controls. The motto of this Program of building government – industry relationships is „to know – to understand – to observe – to act in compliance with the law”.*

*Bilateral consultations were conducted with the officials in charge with export controls from USA, Great Britain, Germany, France, the*

*Netherlands and Norway.*

*As a matter of fact, the construction and maintenance of communication network with capital cities in the Euro-Atlantic area is one of the values added to the foreign affairs dimension of export controls in Romania during the 2001-2004 administration.*

*An important event meant to strengthen Romania's role as a regional leader in export controls was the international seminar organized by ANCEX in cooperation with the US Department of State and the US Department of Commerce, June 12–14, 2002 on „Non-proliferation and strengthening of the export controls”; representatives from ten Central and Eastern European countries participated.*

*The bilateral foreign activities and the regional reunions also act as an awareness-raising mechanism and the grounds for a rapid assimilation, both of the recent evolutions in terms of standards and procedures (usages), as well as of the so-called „lessons learned”, which can be adapted as optimal solutions in Romania as well.*

*From the perspective of Romania's participation to the multilateral non-proliferation and export controls regimes, the year 2002 set the beginning of an ample process of active participation, to be hopefully continued.*

*Also established was a strategy of legislative regulation of Romania's participation to all major regimes of export controls during the next three years, which will allow the regulation of all obligations Romania assumed and fulfills by its participation in export controls multilateral regimes.*

*A first result of this regulation process was the initiation and adoption of Law No. 499/2002 on the payment of the annual subscription of Romania for supporting the Secretariat of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies in Vienna; in addition to that, Law No. 499/2002 contains the constitutive document of the Wassenaar Arrangement, entitled „Initial Elements”, as ammended in the Wassenaar Arrangement Plenary of December 2001.*

*Indirectly, Law no. 499/2002 fulfills the need for information of both Romanian companies, the main end users of the export controls regime, as well as for the general public, which has little familiarization with the concepts and standards of the export controls.*

*Year 2002 also marks the initiation of the recently passed Law on the participation of Romania to the Australia Group for chemical and biological non-proliferation (Law No. 92/2004).*

*ANCEX team and I were encouraged by the readers of the first Report on arms export controls 2000-2001 and the present Report is making progress from the point of view of the transparency of the data and information on the transfers of military products from and to Romania.*

*It is already a known fact that in the front line of the principles of a corporate government stands the transparency of the decision - making process, and the undertaking of responsibility, the two being the prerequisites of any efficient administration and accountability.*

*The sense of Europeanization of the Romanian export controls regime was also given by studying and capitalizing the last years' annual reports, elaborated and presented successively by two European reporters, Gary Titley and Karl von Wogau, in terms of evaluation of the stage of implementation of the EU Code of Conduct on arms export.*

*The report of Karl von Wogau<sup>(1)</sup>, subject to debate within the European Parliament during 2002, contains an examination of the measures, priority in the European vision, required for an effective implementation of the principles, criteria and operational part of the Code.*

*Of significance is the fact that the European rapporteur, by stressing the Code's role in creating a permanent dialogue with reference to the states' responsibilities in the transfers of weapons, deemed the fourth year of implementation of the EU Code of Conduct on arms export document (respectively, 2001) as having the role to „consolidate its position as the most comprehensive international weapons export controls regime, providing a high level of internal and external transparency, dialogue, dynamism and compliance with the notifications on denials.”*

*As far as the Romanian arms export controls system is concerned, these comments are as more valuable, as the import of community acquis and of the European advanced practices represent the backbone of the*

---

<sup>(1)</sup> *In the elaboration of Chapter 4 predominantly, I assigned value to the assertion made by rapporteur Karl von Wogau, from the fourth Report on the implementation of the operative provision 8 of the EU Code of Conduct on arms exports, according to which „Maximum transparency is an essential prerequisite for the democratic accountability as the best guarantor of peace and stability” (Fourth annual report according to operative provision 8 of the European Union Code of Conduct on arms' exports, <http://europa.eu.int/eur-lex/pri/en/oj/dat/2002>).*

*current stage of development and modernization of the arms export controls in Romania.*

*On the other hand, the European Report shows a diversity yet unharmonized, and therefore difficult to compare, of the national statistic data reports regarding arms exports from different European states.*

*The priority trends inside the Union and also for the states associated to EU are the followings:*

- the control of the exports of military equipments for the security and police forces,*
- arms brokering,*
- the issue of the „hard core” of elements for the certificates of end user and authorized production of military products.*

*The report of the European Parliament contains a compendium of practices followed by EU member states, in the context of the Code, and data and information referring to the values of the exports of military equipment, destination by destination.*

*The main reason I emphasized this European report is a fundamental one: the European radiography of the implementation of the Code, the conclusions and recommendations of the European Parliament represent the most valuable milestones both for the evaluation of the current stage of development of the Romanian arms export controls regime, as well as for the drafting of the development strategy in the field over the next years.*

*Main trends, such as brokering, the notification of the production of military products and the standardization of the certificate of end user, are also future regulation fields for Romania.*

*At the time of processing this „Foreword”, the Agency has also finalized draft law, which will distinctly regulate the arms exports control, in a fully European, profoundly responsible manner.*

*We will further evoke the main milestones of a comparative approach of the two reports elaborated by ANCEX during 2001 – 2002, concerning arms export controls in Romania.*

*First of all, we must mention that the Report on arms export controls in 2002 maintains the structure of the first report: the legislative and institutional framework, the international cooperation, the activities for the development of Romanian arms export controls system in 2002, facts and figures – which will remain for sure the most read and debated; as well as the main trends for 2003 – 2004.*

*Enclosed herewith, as for the first Report, is the Romanian version of the European political document titled „EU Code of Conduct on arms exports”, adopted in June 1998 by Ministers of Foreign Affairs and endorsed by Romania one month later, which does have a crucial importance during the political decision making process in the arms transfers.*

*The report also contains an embargo chart, as they were in force in 2002, as well as an annex of the Romanian companies’ holding licenses for transfers of military items.*

*Also, to ensure that the Romanian developments of arms export controls is put in the right context, we inserted as an annex the Chapter 5 (Facts and Figures) of the first Romanian arms export controls Report for 2000-2001, (also available on the Internet, at [www.ancex.ro](http://www.ancex.ro) in Romanian and English version).*

*One word on the cover of the Report: it represents a portion of a painting titled „The Smârdan Assault”, by the Romanian national painter Nicolae Grigorescu, since no other famous painter ever painted battle scenes – which, on a civilizing level, speaks to the deep attachment to peace of the Romanian nation and its elites.*

*It is obvious that the substance of increased transparency lies within Chapter 4 (Romanian Arms Transfers – Facts and Figures).*

*My first comment concerns the diversification of the criteria for evoking the Romanian universe of companies holding export licenses. The main reason for inserting this added layer pertains to the political and social framework of the Romanian defense industry. Some of future solutions for economic survival and profitability of Romanian companies suppliers of conventional are also reflected. In the absence of a „Marshall plan” for this sector of the national economy, it is by studying “our own recent experience” that possibilities can be identified.*

*For instance, amongst the new additions to the “Romanian club” are companies such as Eurocopter Romania SA - the first joint-venture in the field, dealing in repairs of military products, MFA Mizil SA- a former “spare part” of Romarm SA, Stimpex SA – producer and supplier of ballistic protection products and NBC equipment, or Aerotech SA and EMP Trade SRL.*

*On the other hand, the 2002 Report includes, for the first time, the total amount of the arms in Romania (136.4mil.US\$). By comparison to the volume of arms exports 2002 (43.8 mil.US\$), the*

*financial effort made by the national defense system to sustain an endowment strategy as requested by NATO standards is obvious.*

*The total amount of arms exports from Romania represents 0,1% of the exports of USA, 1,17% of the exports of France, 1,5% of the exports of Great Britain, 6,5% of the exports of Italy or 10% of the exports of Germany. These figures represent the efforts of Romanian industry to survive and adapt to a market economy.*

*The total amount of arms exports from Romania consists of definitive exports (28,8 million US\$) and military spare parts, repairs and lohn activities (14,91 million US\$).*

*Repairs and lohn activities became a separate field of activity and profit for some Romanian companies (some of them facing economic survival problems).*

*For instance, Condor SA, a medium size company, is conducting a serious trade with clients from Great Britain.*

*It is also worth mentioning here that the participation of foreign investors to companies such as SC Elmet International SA, or SC A-E Electronics SA (i.e. Elbit company – a major private Israeli supplier), has allowed the purchase of high-tech equipment and the capitalization of the human potential for production of military spare parts.*

*In this line, attracting foreign investors towards Romania's defense industry might be one of the solutions for re-launching the national military industry.*

*In the same context, I would also like to mention that the exports of spare parts represent only 20% of the total amount of Romanian arms exports 2002.*

*Considering the consistent evolutions in the field of small arms and light weapons (SALW), we have provided specific statistic data in order to highlight the transfers of SALW, at large (including ammunition, ML3).*

*However, I would like to stress the necessity for a permanent reassessment of arms exports from Romania (43,8 mil US\$) by comparison not only to the world exporters of conventional weapons, but also to other exporters from Central and Eastern Europe.*

*In addition to that, we have also provided data concerning the ratio between the products as such and the spare parts, the main destination of Romania arms transfer, still being the USA for 2002, same as for the previous years.*

*Another transparency layer built in compliance with the European advanced practices is represented by the description, destination by destination, of arms exports from Romania.*

*Two essential issues have to be noticed also: first is that the whole Report is built on the data of the actual transfers, and not on the statistics of the approved licenses. Of course, we valued the principle of effectiveness.*

*Since the validity period of licenses for arms transfers was of 6 months, during 2002 the Agency, as a licensing authority, has the possibility to re-visit a license 6 months after it was granted.*

*The second essential issue with reference to the transparency principle is the fact that we reported on value groups, with a description of the categories of military products exported from Romania in 2002, according to Governmental Decree No. 844/2001.*

*A comparative survey for 2000-2001-2002 shows the downward trend in African end users and the increasing one for NATO final destinations.*

*Predictably, the comparative analysis also consolidates the position of the USA market as a leading destination.*

*A characteristic of the Romanian system for export controls is the so-called „no denials“ strategy. In a nutshell, this approach is a consequence of a new culture of compliance fared by the managers of Romanian companies - either suppliers or exporters of military items.*

*Even if the Romanian law does not include the legal obligation to obtain an approval prior to the initiation or conclusion of a commercial contract of arms sale, a diligent manager should use the procedure of prelicensing consultation on the opportunity to conclude a contract from the point of view of observance the international embargoes. Of course, the role of the Ministry of Foreign Affairs remains a dominant one during prelicensing.*

*On the other hand, the „no denials strategy“ also proves the effectiveness of the export controls regime: the fulfillment of legal obligations incumbent upon ANCEX (in its capacity of national authority) and especially upon the president of the Agency, concerning the reach of a consensus among Romanian institutions involved in the decision making process: the Ministry of National Defense, the Ministry of Economy and Trade, the Ministry of Administration and Interior, the Ministry of Foreign Affairs, the National Customs Authority and the*

*intelligence services.*

*The consensus may not always be reached at the participating administrative level of the state institutions in the meetings of the Interagency Council.*

*This is the reason why, during 2002, I introduced a new procedure for the very few cases when consensus tended to be blocked.*

*Failure to reach a consensus among state institutions entailed the meeting of Interagency Council at the state secretary level, which unblocked the domestic process of approval of the highly sensitive license applications.*

*In addition to that, the Agency initiated the practice of license approval with the monitoring and additional obligations named „monitoring procedure“.*

*Within the more general framework of strengthening and increasing the post-licensing vigilance, the monitoring procedure can include, amongst others: the obligatory notification of the transporter at the time when the license is approved, the data and information on the right timeframe prior to the transfer, the notification of the route (especially where multimodal transportation is involved), the confirmation of entering into the customs' territory of the end-user state, etc.*

*During the monitoring procedure, of a vital importance is the rapid online communication and the effectiveness of the inter-agency cooperation.*

*Continuing to publish an annual report on arms export controls, Romania brought a specific contribution to the process of strengthening international cooperation and increasing the transparency promoted by the states participating to the international non-proliferation and export controls regimes.*

*Moreover, following some valuable comments to the first Report on arms export controls 2000-2001, I considered increasing the transparency on data and information on arms transfers in 200 to be a strong requirement.*

*I would like to mention especially the suggestions made by one of the most active non-governmental organizations, Saferworld, which turned out to be instrumental in the selection of statistic data and information in addition to the previous Arms Export Controls Report.*

*In the end I would like to thank the team of Conventional Arms Division in ANCEX for processing and displaying the data and information.*

*In addition to that, I have to mention the fact that September 2002 marked out not only the celebration of 10 years since the birth of Romanian export controls regime, but also a change of the management of Conventional Arms Division, whose positive results can also be seen in the substance of this Report.*

*The progresses referred to in the Report on arms export controls in 2002 proves the honesty and professional responsibility of ANCEX team and, at large, of all the officials in charge from all the national defense agencies, in their daily management of an extremely sensitive field.*

*As for the first Report, any comments from the readers will maintain a European rhythm of transparency for the preparation of the Report on arms export controls for 2003 - 2004*

*Nineta BĂRBULESCU  
President of ANCEX*

*Bucharest, March 29, 2004*



## Chapter 1

# The National Legal and Institutional Framework

### 1.1. The national export controls system

An important stage in the evolution of the national export controls system of strategic products, established in the year 1992, has been represented by the adoption of the Government Ordinance No.158/1999 on the exports and imports regime of strategic goods. By Law No. 387 entering into force on November 5, 2003, the Government Ordinance No. 158/1999 was partially rescinded and at the time of the elaboration and publishing of the present report, this normative document was regulating exclusively the control of the exports and imports of armaments, ammunition and other military goods.

The Government Ordinance No. 158/1999 contains regulations concerning the authorization and licensing of the transfer operations, it establishes the contents and dimensions of the field of responsibility of the relevant national authority and it enhances the control mechanisms and procedures, in accordance with the evolutions registered in the international arena and also with the practice of some other states with advanced control systems, mainly with the members states of the European Union.

The conventional arms subject to the export controls regime were enclosed in the annex list to the Government Decision No. 844/2001.

Due to the experience acquired in the enforcement of the export control regime, as well as a result of the need to harmonize the national control policies with the guidelines adopted within the international regimes for non-proliferation and export controls, important and valuable changes to the secondary legislation were made in 2002, mainly aiming to render more efficient the export controls procedures and strengthen the export controls system.

The elements of novelty are presented in details in Chapter 4.

ANCEX, as the national authority in the field of export and import controls of strategic goods (conventional arms and dual-use goods and technologies), has the following attributions:

- drafts acts, elaborates regulations for its own use or in cooperation with other authorities in this field, in line with the existing legislation and collaborates with these authorities for the enforcement of the legal provision in its field of activity;
- applies the guidelines and the lists of strategic goods subject to an end-use control within the international regimes for non-proliferation and export controls;
- authorizes the persons involved in foreign trade activities with strategic goods, in compliance with the existing regulations;

- verifies the records or sites, whenever it is necessary, the relevant aspects concerning the conclusion, development or completion of the foreign trade activities with strategic goods, as well as the compliance with the end-user or end-use of these goods;
- verifies the conformity and accuracy of the declarations of the persons involved in foreign trade activities with strategic goods;
- assesses and accepts, on a case by case basis, the international import certificate or other similar documents, issued or certified by the competent authorities from the importing countries in order to issue the export licenses for strategic goods;
- issues the international import certificate or other similar documents and the delivery control certificate for the imports of strategic goods;
- analyzes and approves, upon the recommendations formulated by the Inter-agency Council, established in compliance with the law, the applications for export and import licenses for strategic goods;
- issues the export or import licenses for strategic goods;
- examines and approves the applications for permits for non-commercial operations, international transit and transshipment on the Romanian territory;
- issues permits for non-commercial operations, international transit permits, transshipment permits for Romanian territory, as well as other documents required by the foreign partners for non-commercial transfer operations on the Romanian territory;
- in the event of violation of the control regime for exports and imports of strategic goods, it stops or prohibits the respective export, import, international transit, transshipment or other transfers of strategic goods and it sanctions, according to the law, the persons who violated the control regime;
- drafts and publishes the annual report on arms export controls;
- organizes, with the support of the ministries and relevant institutions, information programs for the companies focused on the principles, objectives, norms and procedures on the control regime for exports and imports of strategic goods;
- controls the fulfillment of the obligations and commitments assumed by Romania through the agreements, conventions, international treaties and commitments in the field;
- controls the observance of the embargoes and restrictive regimes imposed on trade with strategic goods, by the resolutions of the Security Council of the United Nations, OSCE resolutions, common positions and joint actions adopted by the Council of the European Union or imposed by states with whom Romania has concluded partnership agreements in the field;

- represents Romania together with the ministries and concerned institutions, within the activities developed by the international regimes for non-proliferation and export controls, in the international organizations and competent entities in the field;
- cooperates with the similar authorities of other states, with a view to:
  - offering mutual information and consultation in the case of licenses or permits applications, when there are well-grounded suspicions that these could be used for other purposes than the officially declared ones;
  - updating and consistently applying the existing regulations in the field, including the lists of strategic goods;
  - notifies violations of the controls regime, in order to be sanctioned by the competent national authorities;
- initiates the updating of the lists of strategic goods subject to the control regime for export and import, in accordance with the obligations and commitments undertaken by Romania at international level;
- is in charge with the adoption of the *community acquis* in the field;
- initiates, with the Ministry of Foreign Affairs and other relevant institutions, actions aimed at promoting Romania's specific interests in its relations with international organizations and regimes for non-proliferation and export controls.

The list of the tasks of the Agency in its capacity of national authority has also been consolidated due to the most recent developments and practices adopted within the last few years.

The strengthening of the export controls system represents also the result of the efforts made by some key governmental institutions, represented in the Interagency Council for the control of the exports and imports of strategic goods.

The Interagency Council is an important component of the national export controls system, and according to the law it includes representatives, at least at the director level, of the following institutions: the National Agency for Export Controls, the Ministry of Foreign Affairs, the Ministry of National Defence, the Ministry of Public Finance, the Ministry of Economy and Trade, the Ministry of Administration and Interior, the Ministry for European Integration, the Romanian Intelligence Service, the Foreign Intelligence Service and the National Commission for the Control of Nuclear Activities.

The principles, regulations, procedures and mechanisms issued by ANCEX in accordance with the guidelines and criteria used by the international regimes for non-proliferation and export controls also constitute important elements of the conventional arms export controls system.

## **1.2. The principles of the export controls of the conventional arms**

The principles applied in the examination of the applications for the issue of conventional arms export licenses are stipulated in the Government Ordinance No. 158/1999. The export licenses for conventional arms can be issued only after a complete assessment of all the circumstances in which the exports take place, taking into account the strict observance of:

- the fundamental directions of the foreign policy of Romania;
- the economic and national security interests of Romania;
- the objectives of non-proliferation of weapons of mass-destruction, of the means of delivering such weapons and of other strategic goods used for destabilizing military purposes;
- the international commitments undertaken by Romania;
- the principle of cooperation with the states promoting a similar non-proliferation policy in the field.

The processing of every license application is based on the use of the principles and criteria stipulated in the European Union Code of Conduct on arms exports. Thus, the export license applications cannot be approved, for instance, if the final destinations are states subject to the embargoes regimes, involved in armed conflicts with other states, the scene of armed domestic conflicts, terrorism and organized crime or seriously infringe upon human rights.

## **1.3. Licensing and enforcement mechanisms and procedures**

The commercial operations of conventional arms transfers can be carried on, according to the law, only by entities residing in Romania who have been authorized by ANCEX or by the Ministry of National Defense, as the case may be. The authorization can be issued only for those legal persons that meet the legal requirements and it represents a pro-forma understanding, but not a sufficient one, on behalf of the state authorities, based on which specific transfer operations of conventional arms can be carried out. The legal person holder of an authorization can perform a transfer operation of conventional arms only if it obtained an export or import license issued by ANCEX, in compliance with the law.

In 2002, ANCEX has issued authorizations for 38 companies for transfer operations of conventional arms, and the Ministry of National Defence has issued such authorizations for 6 institutions from the defense, public order and national security fields.

The license represents the main control document, the license application being subject to a complex assessment procedure within ANCEX.

In the cross-disciplinary and multi-criteria assessment of the license applications, the following are taken into account:

- the resolutions of the United Nations Security Council imposing the embargoes regimes upon the transfers of arms, ammunition and related materials and services;
- the political OSCE decisions, provisions stipulated by the European Union joint actions and common positions concerning the embargoes imposed in connection with an area or region and the measures required for strengthening the export controls of the conventional arms, aiming to prevent destabilizing accumulations of such weapons;
- the principles and criteria of the European Union Code of Conduct on arms exports;
- the commitments resulting from the strategic and special partnerships concluded by Romania with other states;
- the political, economic and security interests of Romania;
- the provisions of the international agreements, treaties and conventions in the field of non-proliferation and of the control of conventional arms;
- the decisions adopted within the Wassenaar Arrangement and other international regimes on export controls of strategic goods;
- the data and information resulting from the bilateral and multilateral cooperation in the field;
- the reliability and behaviour of the foreign partners involved in commercial transfers;
- the credibility of the end user and the end-use of the transferred strategic goods.

The license applications, supported by original and authentic documents concerning the end-user and the end-use, are examined on the case-by-case basis, and the transfers of conventional arms are carried out only on the basis of the individual export or import licenses, issued by ANCEX. The mentioned criteria are also valid in the case of issuance of permits for temporary or final non-commercial operations, international transit or transshipment, with the procedural exception according to which the applicants do not need a prior authorization to perform such operations.

The delivery verification document, that must be submitted by the exporter in original within 4 months from the date of delivery, represents an important mechanism of finalizing an export of conventional arms, this confirming that the goods have reached the declared destination and representing a guarantee for the fact that the operation has been fulfilled in accordance with the legal provisions.

The use of this legal mechanism gives to Romania the possibility of avoiding some negative consequences at the international level resulting from the misappropriation of some arms transfers towards areas of conflict or organizations which support terrorism.

## Chapter 2

# The international framework

### 2.1. The international regimes and arrangements for multilateral export controls

#### 2.1.1. *The Wassenaar Arrangement on export controls of conventional arms and of dual use goods and technologies*

The Wassenaar Arrangement (WA) on export controls of conventional arms and of dual use goods and technologies, established in 1996 as a successor of COCOM (dissolved in 1994), aims at contributing to the strengthening of security and stability at regional and international level by promoting transparency and responsibility, information sharing and multilateral coordination in the arms transfers. Amongst these, the member states support the efforts of the international community to prevent the destabilizing accumulations of such arms.

Romania is a founding member of the Wassenaar Arrangement, being admitted at the inaugural meeting in 1996. For Romania, the status of a participating state in the Wassenaar Arrangement has a special importance attached to the political and economical level.

The participation of Romania to the Wassenaar Arrangement on export controls for conventional arms and dual-use goods and technologies – Initial Elements –, adopted on July 11-12, 1996 and amended on December 6-7, 2001, was approved by Law No. 499 of July 11, 2002, which also regulates the annual contribution of Romania to the functioning of the Secretariat of the Wassenaar Arrangement.

By its participation to a top level group of producers and exporters of advanced products and technologies, Romania made its contribution to international and regional peace and security, and fostered the process of integration in the European and Euro-Atlantic structures. Obviously, this quality facilitates the modernization and the upgrade of technology of the national defense and security structures with military items at EU and NATO standards.

At the Wassenaar Arrangement Plenary meeting, held in December 2002, the „Best practice guidelines for exports of small arms and light weapons” and the „Statement of understanding on arms brokerage” were adopted.

The guidelines and criteria which have to be observed in SALW exports (small arms and light weapons) comprise the modalities of SALW exports assessment, in accordance with the WA documents „Initial Elements”, „Elements for objective analysis and advice concerning potentially destabilizing accumulations of conventional arms”, with their subsequent amendments, as well as the methods for the prevention of illicit transfers of SALW. The participating states agreed for the SALW exports to be assessed by considering the followings:

- the criteria of evaluation of the importer state of SALW;
- the criteria of evaluation of the risks of the SALW exports;
- the guarantees concerning the rights of the Participating States of the Wassenaar Arrangement to re-export SALW, in accordance with the bilateral arrangements. The Participating States must notify to the Wassenaar Arrangement before they perform the re-export;
- avoiding the unlicensed manufacture of foreign-origin SALW;
- the careful evaluation of the SALW importer when considering exports of SALW other than to governments or their authorized agents.

By acknowledging that SALW illicit transfers represent a serious threat to peace and security, especially in the areas of conflicts and tensions, and considering the fact that theft, corruption or negligence represent threats for the warehouses of SALW, the Participating States have agreed upon the following elements:

- the assessment of the stockpiles management and of the security procedures of the importer, including his ability and vigilance in protecting himself against unauthorized re-transfers, losses, thefts or risk of diversions;
- the marking and registration of SALW;
- the elaboration of the appropriate national legislation.

The Plenary adopted the Statement of Understanding on arms brokerage, document which reflects the interest of the Participating States of the Wassenaar Arrangement in establishing the essential elements for an efficient national legislation in the field.

For the purpose of developing a minimal threshold for the Participating States of the Wassenaar Arrangement concerning international arms brokerage, the Participating States will elaborate specific measures both in terms of legislation and procedures. These should refer to:

- the procedure of registration of the arms brokers;
- the procedure of licensing or authorization of the arms brokerage, or
- the requirements to declare the names and addresses of the brokers, as well as the documents related to the transactions.

The Participating States of the Wassenaar Arrangement also agreed to analyze and review the guidelines concerning the exports of man-portable air defense systems (MANPADS) in order to prevent the use of these systems in terrorist actions. The 2002 Wassenaar Arrangement Plenary also adopted an action plan for the improvement of the informatic system (WAIS). Romania is connected to WAIS through three terminals, located at the headquarters of ANCEX (the Conventional Arms Division and the Dual-Use Goods and Technologies Division) and at the Ministry of Foreign Affairs (the Office for Non-proliferation).

It has also been agreed that in 2003 the Participating States will perform an

overall process of assessing the procedures and objectives of the Wassenaar Arrangement through the working groups for specific issues (task force). In this respect, Romania has been appointed as coordinator of the task force on export controls documentation.

The documents of the Wassenaar Arrangement Plenary meeting can be found in a representative and consistent volume on the Internet at the address: [www.wassenaar.org](http://www.wassenaar.org).

### *2.1.2. The Nuclear Suppliers Group*

The Nuclear Suppliers Group (NSG) was created in 1978, in London, and is also known as „the London Group”. The NSG is the result of a nuclear test performed by India with the purpose to ensure the framework required for the control of the exports of products which serve exclusively for nuclear purposes, as well as of the dual-use products which can be used in the process of production of nuclear weapons.

The NSG imposes conditions to the nuclear items transfers, for peaceful purposes, in order to prevent their unauthorized use and handling, aiming to impede the development and the production of nuclear weapons.

The NSG members undertake to improve transparency in the field of export controls of nuclear materials, and also to cooperate more closely with the NSG member states.

The NSG is a group of nuclear supplier countries which seek to contribute to the nonproliferation of nuclear weapons through the implementation of two sets of Guidelines for nuclear exports and nuclear related exports (published in 1978 and 1992, as AIEA documents, INFCIRC/254/Part 1 and INFCIRC/254/Part 2).

The 40 state members apply the Guidelines adopted by consensus and they exchange specific information referring to the most important activities, the transfer of dual-use equipments, materials and technology (items which have both nuclear and non-nuclear applications) to the states which are not members of the NSG. The guidelines and the lists of control were published in INFCIRC 254 by the International Atomic Energy Agency (IAEA) from Vienna.

The organizational framework of the NSG consisting of the Plenary, the Working Groups and the Contact Point (represented by the Permanent Mission of Japan to Vienna) facilitates the exchange of information. The NSG also has an electronic information system (NISS).

The working groups are the followings:

- » The Consultative group - performing activities dealing with the technical aspects related to the updating the institutional lists in the field of dual-use items and the “outreach” activities.

- » The Group for information exchange, specialized in the exchange of information on the development of nuclear programs by the states which do not present

guarantees from the point of view of nuclear non-proliferation, the technique of secondary proliferation.

The NSG Plenary debates and adopts, by consensus, the measures agreed within the working groups. Later on, these are to be implemented in the national control system. The lists of nuclear products subject to control are complementary to the lists of some other control regimes (WA, ZC, AG, MTCR) and they are implemented within the national control lists by the member states.

Romania is a member of NSG since 1991. This membership has a particular importance at the political and economic level, both through its direct participation in preventing the proliferation of the nuclear weapons of mass destruction, as well as due to the fact that it ensures the access to dual-use goods and technologies, required for the process of economic development.

In 2002, the NSG member states have focused on:

- the enhancement of the dialogue with the non-member states, which have nuclear technology, to join new members to the group;
- the encouraging of the states to sign and implement the Additional Protocol to the IAEA Safeguards Agreement;
- the study of the possibility to amend the Guidelines, as a consequence of the increasing danger of nuclear terrorism and introduction of the term of „nuclear terrorism“;
- the risks of transshipment and illicit trafficking of nuclear materials;
- the implementation of efficient export controls by the NSG member states.

In 2002, NSG has amended the guidelines by including the risk of use of the nuclear items in terrorist activities, the strengthening of the information exchange and the improvement of transparency in the practice of the member states.

Romania has permanently fulfilled the commitments as a NSG member and has supported the initiatives aiming to render more efficient the export controls for the prevention of nuclear proliferation.

### *2.1.3. The Zangger Committee*

Also known as the Committee of the NPT Exporters, the Zangger Committee has been established in 1971, under the chairmanship of Ph.D. Claude Zangger (Switzerland). The main supplying nuclear states engaged in foreign trade with nuclear items have considered useful the implementation of Art.III.2 of the Nuclear Non-Proliferation Treaty, “NPT”, which became effective in March 1970.

The objective of this committee is non-proliferation of nuclear weapons of mass destruction, by applying the International Atomic Energy Agency Safeguards system to the exports of nuclear items. The list of these items, referred also as the Trigger List, published in 1974 as an IAEA document, is constantly subject to sequential clarifications and completions. The Trigger List is complementary to the Wassenaar

Arrangement lists, and also to some other control regimes, and it is implemented within the national control lists of the ZC member states.

ZC implements the policy of nuclear weapons non-proliferation by applying the guidelines, established by consensus, subject to two different memorandums: the first memorandum defines the source materials, the special fissionable materials, along with their export conditions and the second memorandum defines the equipment and non-nuclear materials exports.

The committee consists of 35 states, which are parties to the Nuclear Non-Proliferation Treaty "NPT", and brings together most of the suppliers of nuclear materials and technologies. Romania is ZC member since 1991.

ZC functions via the Permanent Mission of United Kingdom of Great Britain and Northern Ireland from Vienna, which ensure the secretariat and also represent the Point of Contact.

In 2002 the ZC member states continued to focus on the debates concerning:

- adhering to the objectives concerning the increase of the transparency of ZC by explaining its role, purpose and functions, in particular its role as a technical interpreter of Art. III.2 of the NPT concerning non-proliferation of nuclear weapons in the „outreach” activities;

- creating opportunities for an open dialogue on the issues of common interest in connection with non-proliferation and the nuclear export controls;

- the amendments to the Trigger List;

At the Zangger Committee meeting from 2002 there has been decided the role of this body in organizing the future 2005 NPT review conference, and the continuation of the efforts for the promotion of transparency between member states.

Romania takes active part in the process of decision-making within ZC, and supports the initiatives aiming to render more efficient the export controls of nuclear items.

#### *2.1.4. The Australia Group*

The Australia Group (AG) Plenary organized during June 3-6, 2002 in Paris adopted new guidelines for the purpose of strengthening the export controls and fostering the efforts for the prevention of the chemical and biological weapons proliferation. As already known, Romania participated to the AG Plenary in 2002, among the other 34 states.

The new guidelines contain a „catch-all” provision, which means there can be required export licenses for some items which have not been included in the control list, if there are suspicions that they will be used for chemical and biological weapons’ production.

It was agreed upon to control the intangible transfers of technologies used for the production of chemical and biological weapons, measures reflecting the desire of the participating states to use all the means in order to limit the proliferation of these types of weapons.

Also, the Australia Group Plenary approved measures concerning the review of the control lists by including of some toxins and biological equipments.

#### *2.1.5. The Missile Technologies Control Regime*

Starting from 1980, the development of missiles capable of carrying nuclear weapons has become an active concern for states such as Libya, Iraq and other developing countries, which made important efforts towards the procurement from developed countries of equipment and technologies relevant to the development of the missiles' technique.

In these circumstances, Canada, France, the Federal Republic of Germany, Italy, Japan, Great Britain and the United States of America agreed on April 16, 1987 upon the guidelines concerning the export of technologies for missiles, the agreement being known also as the Missile Technologies Control Regime (MTCR). At this moment, 34 states participate in MTCR. Romania applied to be admitted in this regime starting from 1992.

MTCR is an informal association of the countries sharing the objectives of non-proliferation of the unmanned delivery systems of weapons of mass destruction (WMD) and whose aim is to coordinate the national export controls regimes in a way as to prevent uncontrolled proliferation of WMD.

MTCR has been initially created as a reaction to the increased proliferation of WMD, such as nuclear, chemical and biological weapons. The risk of proliferation of WMD has been acknowledged as a threat against international peace and security.

The threat of proliferation of the unmanned delivery systems of WMD has determined many states, including the partners of MTCR, to introduce, voluntarily, measures for licensing the exports of ballistic missiles and of some other unmanned air vehicles, or of the related equipment, materials and technologies.

The activity of MTCR focused in 2002 on the improvement of the guidelines and of the control lists, as well as on intensifying the actions of persuading the states which are not members to apply the guidelines and the control lists in the field.

The latest Plenary of MTCR (the XVII-th) took place in September 2002, in Poland, its purpose being to review its own activities carried out to strengthen the efforts towards prevention of the proliferation of missiles carrying weapons of mass destruction. The Plenary emphasized the necessity to make efforts towards limiting the risk regarding the uncontrolled transfer of products and related technologies to terrorist groups. At the Plenary it was agreed that the strengthening of the actions against missiles' proliferation was essential at the national, regional and international level. In

this context, the important role of export controls was underlined, the necessity to impose and strictly implement them, as well as the need to strengthen and adapt the control in accordance with the technological development, and also with the evolution of the security environment.

The Missile Technologies Control Regime has a website ([www.mtcr.info](http://www.mtcr.info)), which contains the control lists and other documents of public interest.

#### *2.1.6. The International Code of Conduct against Ballistic Missile Proliferation.*

The negotiations initiated in Helsinki in 2000, concerning the elaboration of a code of conduct at international level concerning ballistic missiles proliferation, continued in 2002, in Paris and Madrid.

These were materialized in November in the Hague, through the adoption, by 104 states, Romania among them, of the Code of Conduct against ballistic missiles proliferation, also known as „the Hague Code of Conduct” (HCOC), which contains principles, commitments and measures to increase trust with a view of reducing the proliferation of ballistic missiles.

The principles of the Code de Conduct against Ballistic Missile Proliferation are mainly the followings:

- ✓ recognition of the need to prevent and curb the proliferation of Ballistic Missile systems capable of delivering weapons of mass destruction;
- ✓ recognition of the importance of strengthening multilateral disarmament and non-proliferation mechanisms;
- ✓ recognition that adherence to, and full compliance with, international arms controls, disarmament and non-proliferation norms help to confidence building measures taken by the States;
- ✓ recognition that participation in this Code is voluntarily and open to all States;
- ✓ confirmation of their commitment to the United Nations Declaration on International Cooperation in the Exploration and Use of Outer Space for the Benefit and in the Interest of All States taking into particular Account the Needs of Developing Countries, adopted by the United Nations General Assembly (Resolution 51/122 of 13 December 1996);
- ✓ recognition that states should not be excluded from using the benefits of space for peaceful purposes, but that, in collecting such benefits and in conducting related cooperation, they must not contribute to the proliferation of Ballistic Missiles capable of delivering weapons of mass destruction;
- ✓ recognition that Space Launch Vehicle programmes should not be used to conceal Ballistic Missile programmes and the related technologies;
- ✓ recognition of the necessity of appropriate transparency measures on Ballistic Missile programmes and Space Launch Vehicle programmes in order to

increase confidence and to promote non-proliferation of Ballistic Missiles and related technologies.

From the political point of view, this document represents a forward step in the efforts made by the international community to codify the field of development, production, transfer and use of ballistic missiles and it contributes to the completion and strengthening of multilateral, regional and bilateral legal regimes in the field of disarmament, non-proliferation and arms controls.

In its capacity as a state with a responsible policy in the export controls field of non-proliferation of weapons of mass destruction and strategic goods, since its launching in 2000, Romania has supported the initiative of MTCR and took active part in two reunions, where the draft of the code of conduct was elaborated. At the same time, on the occasion of the political dialogue, the Romanian delegation underlined the importance of adopting a minimal set of measures concerning the increase of transparency and the trust in the field, in order to reduce the risks and threats generated by the ballistic missiles proliferation.

## **2.2. International cooperation and transparency in the arms exports**

### *2.2.1. The UN Register for conventional arms*

Through the United Nations General Assembly Resolution No. 46/36 L dated December 9, 1991, the United Nations Register for conventional arms was created, by means of which the exports and imports of major conventional weapons are reported, classified in seven categories: battle tanks, armored combat vehicles, large caliber artillery systems, fight aircraft, attack helicopters, war vessels and missiles / launchers of missiles.

On the basis of the data received from the Ministry of National Defence and ANCEX, the Ministry of Foreign Affairs transmits every year to the Secretariat of the United Nations, on standardized forms, the transfers of conventional arms classified in the seven listed categories.

In 2002, Romania did not export conventional arms belonging to the seven listed categories and transmitted to the Secretariat of the United Nations the simplified form, specified by the document of the United Nations Organization.

National notifications, including those of Romania, have public character and they can also be found on the site of the United Nations' Organization, at [www.un.org](http://www.un.org).

### *2.2.2. The information exchange within the Wassenaar Arrangement*

The Wassenaar Arrangement Participating States have agreed to exchange general information on the risks associated to the transfers of conventional arms and dual-use goods and technologies and to act for a coordinating the control policies in order to eliminate these risks.

Twice a year, the Participating States notify the effective exports carried on to the non-participating states, for categories of weapons similar to those comprised in the United Nations Register of conventional arms. In the case of items from the list of relevant armaments and ammunition for the purposes of the Arrangement, the participating states can notify by their own will the denials of export licenses applications.

At the same time, the Wassenaar Arrangement Participating States have also agreed to exchange specific information, by means of which any specific information to an arms transfer can be requested, inter alia, through diplomatic channels.

Romania has observed its obligations stipulated in the Initial Elements of the Wassenaar Arrangement to notify by WAIS, twice a year, about the conventional arms transfers to the states which are not members of the Wassenaar Arrangement.

The Wassenaar Arrangement Plenary, held in December 2002, adopted some modifications to the munitions list, some new guidelines for the exports of small arms and light weapons, a new statement of understanding on arms brokerage and a program for development and strengthening of the informatic system.

### *2.2.3 The European Union Code of Conduct on arms exports*

The Code of Conduct on arms exports, adopted in 1998, is founded upon the minimal common criteria regarding the exports of military equipments used by the European Union members states in the assessment of the export licenses applications. The principles and criteria agreed within the European Union, and opposable to Romania starting from July 1998, have been listed in Annex No.1.

The criteria of the European Union Code of Conduct on arms exports are the followings:

- the 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;
- the respect of human rights in the country of final destination;
- the internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts;
- preservation of regional peace, security and stability;
- 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;
- the behavior of the buyer country with regard to the international community, as regards in particular its attitude to terrorism, the nature of its alliances and respect for international law;

- the existence of a risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions;
- 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.

In accordance with the stipulations of the Code of Conduct, every European Union member state should submit an annual report concerning the exports of military goods to the states outside EU, and to inform about the export transactions for which there has been denied the issue of licenses.

According to the Code of Conduct, the EU member states should encourage and also support some other arms exporter states to subscribe to the criteria and principles stipulated in this document.

So far, to the criteria and principles provided in the European Union Code of Conduct have adhered the states in course of integration, the states candidates to the accession, Romania being among them, the countries of the European Free Trade Association (EFTA) members of the European Economic Area (EEA) and Canada.

### **2.3. International embargoes and other restrictive measures**

The embargoes imposed by the Resolutions of the United Nations Security Council, by the OSCE resolutions or by joint actions and common positions of the EU Council have influenced the transfers of arms and military equipments.

During 1998-2002, 35 international embargoes were imposed, totally or partially, applied to the transfers of arms and military equipment for 21 countries, one territory and 4 rebel groups.

Taking into consideration the strategic partnership relations between Romania and some NATO member states, the arms export applications to destinations subject of unilaterally embargo regime imposed by the allied states have been examined and approved, as the case may be, after a preliminary consultation with the competent authorities from these states.

After the terrorist attacks of September 11, 2001 against the United States of America, Romania strengthened its export controls regime by introducing new mechanisms and licensing procedures, in which prevention and control of terrorist actions represent an important criterion considered in examination and authorization process of weapons transfers.

The situation of the international arms embargoes in effect at the end of the year 2002 is presented in Annex No. 2 to the present report.

## 2.4. Small Arms and Light Weapons Control

### 2.4.1. *The United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects*

Following the Decision 55/415 of 20 November 2000 of the General Assembly from 9 to 20 July 2001 took place in New York the United Nations Conference on Illicit Trade in Small Arms and Light Weapons in All Its Aspects.

The conference adopted the Program of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, which contains common guidelines to the members states of the United Nations Organization concerning the control of production, marking and transfers of this type of weapons, as well as the adoption of adequate legislation in the field in order to eliminate excessive, uncontrolled and destabilizing accumulations of small arms and light weapons.

The implementation of the Program of Action stipulations, the concrete measures taken by the member states at the national, regional and international level and the progress made in this direction will be analyzed on the occasion of the first biennial meeting, supposed to take place in July 2003 in New York.

It is worth mentioning here the fact that in 2002 Romania elaborated a national program of destruction of the surplus of small arms and light weapons from the Ministry of National Defense, and, within this program, over 195.000 small arms and light weapons were destroyed, and over 36 million rounds of ammunition of different calibers, by using the financial support of the United States of America, Great Britain and Norway. The activities of destruction took place within the units subordinated to CN ROMARM SA.

The implementation of the Program of Action indicated the political will of the government in the creation of an adequate institutional and legislative framework concerning the production, use and transfer of SALW, inter-institutional cooperation at the level of enforcement and observance of the law, the use „of the best practices” of the states which have an advanced export controls system, the appropriate human and financial resources represent essential conditions to obtain concrete results in the prevention, control and eradication of smuggling with small arms and light weapons.

Romania's integration process in the European and Euro-Atlantic structures had a positive impact upon the development and further enhancement of the system of export controls, in particular concerning the law *enforcement* component.

The activity of ANCEX within the Ministry of Foreign Affairs starting from January 2001 has added a specific value to the activities of export controls, due to a better coordination between the authorities from Romania.

The export controls policy has generated strict standards and criteria, but also efficient, used in the pre/post licensing phases which facilitated the assessment and decision making process concerning the license applications, avoiding the transfers of weapons with high diversion risk.

The implementation of the European Union Code of Conduct on arms exports has surpassed the declarative phase, the whole licensing process being structured in accordance with the contents and export criteria of this political document.

The Ministry of Economy and Trade, in cooperation with the Romanian Association of Standardization, issued the National Standard SR 13475 concerning the marking of SALW in order to ensure that all the Romanian producers put into practice an appropriate and reliable marking system. This document was issued on the basis of the recommendations comprised in the OSCE document on SALW.

With a view to identifying the most adequate mechanisms and procedures for the implementation of the Program of Action, in 2002 the cooperation both at the bilateral and regional level, and between the Wassenaar Arrangement member states was expanded.

This way, ANCEX initiated and developed an exchange of opinions and consultations concerning the experience accumulated in the export controls with similar authorities from the United States of America, Great Britain, Germany, France, Norway, The Netherlands, Japan, Poland, Hungary, Bulgaria and Israel.

At the regional level, Romania organized in June 2002, in cooperation with the United States of America, a workshop on regional non-proliferation and law *enforcement* in the field of arms exports.

#### *2.4.2. The OSCE Document on SALW*

The OSCE document concerning small arms and light weapons, adopted in 2000 by the Forum for Security Cooperation (FSC), contains objectives, norms, principles and measures for increasing the transparency in the field, as well as common criteria regarding the export controls of small arms and light weapons. For the purpose of controlling smuggling and destabilizing accumulations of such weapons, the OSCE document also includes measures referring to the registration and destruction of the surplus. As a measure to increase transparency, the document provides an information exchange, by notification made until every June 30 of the year, concerning the legislation and national practices in the field of control of the manufacturing, marking, storage, imports and exports of small arms and light weapons between the OSCE member states.

The document can be considered an integral part of the OSCE efforts aiming to prevent conflicts, crises management and post-conflict rehabilitation.

#### *2.4.3. The European Union and the SALW control*

The measures taken by the European Union in this field are based on the Common Action adopted by the European Union Council in December 1998, concerning the control of destabilizing accumulations and uncontrolled dissemination of small arms and light weapons, updated on July 12, 2002 by Decision of the Council.

This Common Action has materialized in 2002 in the supply of financial assistance in the states in course of development, for stopping the uncontrolled circulation of arms, both on the own territory, and outside their borders (projects in Cambodia, Balkans and Latin America).

#### *2.4.4. NATO and the SALW control*

The control, management and security of stockpiling, collecting and destruction of small arms and light weapons also represent one of the main goals for NATO and the Euro-Atlantic Partnership Council. The Euro-Atlantic Partnership Council, a multilateral forum which serves as a framework for consultations between the 46 members upon a wide range of political and security issues, along with the North Atlantic Council, has agreed upon the creation of a working group and a chapter within the program of cooperation of the Partnership for Peace (PfP). Cooperation in this field is beneficial for the states which support to achieve an adequate level of the defence and internal security needs, for the management and security of the stocks and the prevention of illegal transfers of small arms and light weapons.

Within the program of cooperation of the PfP, a special fund was established for the destruction of the surplus of stocks of antipersonnel landmines, ammunition and small arms and light weapons of the partner countries.

## Chapter 3

# Fostering Romania arms export controls regime in 2002

### 3.1. The legal framework

During the year 2002, as a result of the necessity to harmonize the national policy of arms export controls to the guidelines adopted within the international non-proliferation and export controls regimes, new stipulations of the secondary legislation were introduced.

Thus, ANCEX initiated new normative documents, which came into force during 2002, as follows:

#### a) primary legislation:

The Law No. 499/2002, on the approval of the payment of the subscription pertaining to Romania, as participant in the Wassenaar Arrangement on export controls of conventional arms and dual use goods and technologies, published in the Official Gazette, Part I, No. 551/29.07.2002;

#### b) secondary legislation:

- Executive Order of the President of ANCESIAC No. 71/2002 concerning the enforcement of the control regime of some goods which not listed in the List of armaments, ammunition and other military goods (the enforcement of the „catch-all” procedures for military goods);
- Executive Order of the President of ANCESIAC No. 81/2002 on the deadline for the consultancy on the clasification of the goods in the Lists of strategic goods subject to the control regime of exports and imports;
- Executive Order of the President of ANCESIAC No. 159/2002 for the approval of the Methodological Norms on the authorization of legal persons for carrying on foreign trade operations with strategic goods;
- Executive Order of the President of ANCESIAC No. 275/2002 concerning the reporting of the permanent export operations subject to the control regime established by the Government Ordinance No. 158/1999.
- The General Director of the General Customs' Department has issued Decision No. 1497/2002 on the customs offices able to control and to perform customs operations at the border and inside the Romanian territory with strategic goods.

Due to the measures taken by the Agency, the conventional arms export controls system became more efficient, gaining also consistency and clarity concerning:

- the harmonization with the guidelines of the European Union and the international non-proliferation and export controls regimes;
- the observance of the embargoes and of the restrictive measures imposed in

the field;

- the promotion of transparency in the export controls system and the increase of the national authority performances, the control mechanisms and procedures;
- the development and strengthening of the control means in preventing the violation of the strategic goods export controls regime.

### **3.2. The institutional framework.**

The restructuring process initiated in 2001 also continued in 2002, aiming at rendering the staff more responsible in the fulfillment of their functional attributions, at enhancing cooperation at the level of the agency's structures, as well as at a development of the relations of inter-institutional cooperation.

During 2002, taking into account the high sensitivity and importance of the operations with military goods, the arms export controls represented the main objective of the activities performed by ANCEX.

By the Order of the Minister of Foreign Affairs No.1151/2002, the agency organizational structure was modified, aiming to have a more efficient use of the available human and material resources.

Starting from the experience of some advanced export controls systems, under the concerned departments, distinct departments were created, with new responsibilities focused on the surveillance of the conventional arms transfers performed on the basis of the licenses issued by the agency, for monitoring of the dynamics of international embargoes and sanctions and for the initiation, development and management of some IT projects in the field of export controls.

### **3.3. Interagency cooperation**

The process of rendering interagency cooperation more efficient was a priority for the agency, mainly for increasing the responsibilities of the representatives of the ministries and institutions under the system and the control mechanisms and the development of the bilateral cooperation relations as well.

The activity of the Interagency Council (IC) for the export and imports controls of strategic goods, created since 1992, is based on the provisions of art. 23 of the Government Ordinance No. 158/1999 concerning the regime of exports and imports of strategic goods, on the Structure and Functioning Regulations (ROF), as well as the rules adopted by the Council members. The IC represents the interagency component of the national export controls system, and it is the result of the inter-agencies collaboration. The attributions of IC concerning the fulfillment of the objective of enforcement of the regime of control of the exports of strategic products are the following:

the examination and approval of the licenses applications for:

- » the export of all the strategic goods;
  - » the import of armaments, ammunition and other military goods;
  - » the import of sensitive and very sensitive dual-use goods;
  - » the operations performed with foreign partners, referring to purchases or sales of strategic goods without physically touching the Romanian territory;
- the analysis and assessment of any aspects referring to foreign trade operations with strategic goods.

The structure and working of IC, regulated through the ROF on 2001, 21 March are the followings:

- ✓ the IC issues resolutions;
- ✓ it is made up of representatives, at least at the director level, of the competent institutions in the field of control of the strategic goods transfers;
- ✓ the presidency of IC is provided by ANCEX, by its president;
- ✓ the secretariat of IC is provided by the Control and Authorization Division from ANCEX, the director of this department is the executive secretary of IC.

Referring to the activity of the IC, the following features can be mentioned:

- the president of IC is the chairperson of the IC meetings
- the increase in the responsibilities of the IC members by their obligation to explain the adopted positions within the meetings;
- the development of inter-sessional activities;
- the generalization of the work procedures in two stages: a) examination and b) examination and approval;
- the implementation of the rule of motivating in writing the applications for an extension of licenses and of the requests for urgent approvals of the applications;
- the involvement of the IC members in the activities of ANCEX dedicated for the Government outreach to Industry;
- the elaboration of the first report of activity of the IC President.

Since 2002, the practice of an Interagency Council with variable composition depending on the agenda of the meetings was introduced, such as, for the dual-use goods and technologies, or for military goods, according to the model of some other European states, NATO and EU member states, with advanced export controls systems.

The Agency coordinates the activity of the national export controls system, made up of the representatives of the following institutions, members of the IC:

- ✓ the Ministry of National Defence, the Ministry of Administration and Interior, the Ministry of Foreign Affairs, the Ministry of European Integration, the National Customs Authority and the Ministry of Economy and Trade, through their specialized structures;

- ✓ the Romanian Intelligence Service and the Foreign Intelligence Service;

- ✓ the National Commission for the Control of Nuclear Activities.

In 2002, the Interagency Council worked in 30 ordinary meetings and 12 extraordinary meetings. The activity of IC can also be characterized through:

- ✓ the implementation of additional procedures in the event of a failure to achieve consensus within ordinary meetings;

- ✓ the enhancement of inter-institutional cooperation between the members of IC, focusing on the bilateral relations between the national authority and the institutions competent in the field of control of the strategic goods transfers;

- ✓ the better information of the IC members with regards to the tendencies demonstrated by the international control regimes to which Romania is part;

- ✓ the capitalization of the external bilateral meetings organized between ANCEX and the similar authorities from other states with advanced export controls systems.

The prompt information of the members of the Interagency Council regarding the implementation of previous resolutions, as well as about all relevant aspects concerning the export and import license applications constituted a consistent practice of the agency.

For the purpose of a correct evaluation of the applications for the release of a license of export or import of conventional weapons and for the purpose of prevention of the risks associated to such transfers, the Agency requested the support of the competent institutions, benefiting from data and information about Romanian or foreign trade companies involved in commercial operations with such goods.

The actions of control concerning the legal character of the transfers of strategic goods carried on by the Romanian trade companies having their registered offices outside Bucharest were performed by the agency, benefitting from the support of some institutions members of the Interagency Council for the control of the exports and imports of strategic goods.

Inter-institutional collaboration also focused on the exchange of information, the harmonization of the legislation in the field, the training of the staff and achieve of some specific monitoring procedures of the conventional arms export transfers.

### **3.4. Enforcement**

In the activity of export controls, ANCEX developed the preventative dimension *vis-a-vis* the trade companies, considering it as important as the punitive one. In this

sense, the Agency promoted a culture of law observance, based on the knowledge of the legal stipulations and good faith, and it disseminated amongst corporations the best practices used in the export controls regime.

The activity of control developed at the headquarters of the company's holders of authorizations for transfers of military goods focused mainly on the prevention of legal breaches in the field, the sanctioning of violations of the specific legislation in effect, the verification of the aspects intimated by the specialized structures and the operational control performed by the Agency.

The control activities organized and carried on by the control unit of the Agency were as follows: target controls, controls of conformity, controls for authorization, thematic controls and operational controls.

The control unit carried out inspections at the premises of some trade companies following the procedure of authorization, of some information received by diplomatic channels as well as by auto-intimation initiated by some press notices. On the other hand, on the initiative of the Agency, inspections were performed, with the goal of evaluating the strategic character of the manufacture technologies of some components of military technique, imported and/or exported by companies authorized to carry on transfers of military goods.

A special importance was placed on the inter-institutional collaboration within the activities of prevention control, reactive and of conformity.

In 2002, the inspection unit of ANCEX carried out inspections at the premises of the companies having as a purpose the verification of the mode of carrying out the commercial operations with military products. Among the trade companies controlled in 2002, the following can be mentioned: SC Aerofina SA, SC Aerostar SA, SC BOSS EXIM Trading Group SRL, CN Romtehnica SA, CN Romarm SA, SC IAR SA, SC Turbomecanica SA and SC ICCO Medical SRL.

A new culture was developed, that of observance of the Wassenaar Arrangement by companies through the initiation by the Agency of programs of warning, dissemination and information concerning legislative novelties in the field of control of the export of strategic products. In this sense, various reunions, seminars, „public / private” meetings were organized, with all the authorized economic agents or in course of authorization, where discussions interesting for all the parties involved in this activity happened.

### **3.5. Government Outreach to Industry**

The activity of ANCEX in the conventional arms export controls field was completed by adopting a policy of transparency and communication with the economic medium. In this sense, the program „Transparency and communication with economic partners” was adopted, launched in April 2001, having as a motto: „*Common mechanisms for common challenges*”, which comprised a series of relevant activities, including in the field of control of commercial and non-commercial operations with

conventional arms.

The website of ANCEX, launched in 2001, was permanently enriched and updated, offering to the interested people the latest data and information concerning the regulations in the field, control mechanisms and procedures, specialty consultancy and relevant link concerning the international regimes of non-proliferation and control of exports.

The organization of the national Conference „10 years of exports' control in Romania”, on September 25-28, 2002, also marked the release to the civil society of the first Report on the weapons export controls carried out during the interval 2000-2001, work by means of which data and internal statistics in the field are made public.

This report, appreciated by the officials of the states members of NATO, EU and also of the candidate countries, is also characterized by the fact that it is the first of the kind published in a country in Central and South-East Europe.

As a matter of fact, the progress made by Romania in terms of transparency, was mentioned at large in the study „Small Arms Survey 2004”, which inserts the comments of the experts of the „Graduate Institute of International Studies” from Geneva, from the point of view of the contents of the first Report (for details see the integral text at [www.smallarmssurvey.org](http://www.smallarmssurvey.org)).

Based on the accumulated experience, the Agency initiated and organized a series of conferences and seminars (March 2002, April 2002, May 2002, September 2002, November 2002), which added to the value of the process of communication and which created a medium propitious for cooperation and mutual trust between the National Authority for Export Controls, the state institutions competent in the field and the economic agents.

These activities completed the range of public debates organized by the Agency in 2001, along with the Chamber of Commerce and Industry of Romania and of Bucharest Municipality (June – procedures and practices in export controls; September – embargoes and restrictive policies in weapons trade).

To these events it can be added the permanent activity of ANCEX in terms of special consultancy given to all economic agents or private persons interested in the operations of export or import of conventional weapons.

### **3.6. International Cooperation**

The external activities carried out by ANCEX in the course of the year 2002 had as a purpose the strengthening of its role as national authority in the management of the issues related to the control of conventional arms, and they took into consideration the developments within the international non-proliferation and export controls regime, as well as the relevant initiatives at the international, regional or sub-regional level.

ANCEX, by means of its representatives, has taken active and constant part in the debates organized within the reunions of the working groups (the general working

group, the experts group, the group of the licensing and enforcement officers, the group for the management of the WAIS) and the plenary of the Wassenaar Arrangement and of some other regimes of non-proliferation and export controls. By harmonizing national interest with the purpose and objectives of the Wassenaar Arrangement, our country has adhered to the stands aiming to improve the guidelines, the control mechanisms and procedures, and to update the lists of goods and technologies subject to the control of final destination.

By presenting the policies, the practices and experience in the field of conventional arms export controls, Romania made its contribution to the improvement of the multilateral cooperation mechanisms and the development of the general and specific information exchange within the Wassenaar Arrangement.

The regional seminar concerning the strengthening of export and non-proliferation controls, organized by ANCEX in Bucharest, on June 12-14, 2002 with the support of the Department of State the United States of America, representatives from 10 regional states participated, represented one more opportunity for Romania to demonstrate its abilities as regional leader in the field.

Concerning the rapports of bilateral cooperation, which play an important role in the improvement of the export controls regime, in 2002 ANCEX had consultations with similar authorities from the United States of America, the Netherlands, Norway, Germany, France and Great Britain.

The bilateral consultations with the officials of the United States of America took place in Washington on the occasion of the symposium organized for the foreign officials dealing with the export controls.

The bilateral consultations had as an objective getting mutual knowledge in terms of national control systems and highlighting the best relevant practices, the mutual capitalization of experience, with a view towards improving every separate national system, and they allowed an open EU dialogue and a large exchange of general and specific information with the officials working in the field.

## Chapter 4

### Facts and Figures on Arms Transfers

#### 4.1. Authorization

In 2002, a number of 44 economic agents have held licenses for foreign trade operations with arms, ammunition and other military equipment in accordance with the provisions of the *Government Ordinance No.158/1999 on strategic goods export and import regime*. Out of these, 38 economic agents have been authorized by ANCEX, and 6 have been authorized by the Ministry of National Defence.

It is worth mentioning here that the number of licenses issued in 2002 for foreign trade operations with military goods is relatively constant compared to the previous year.

Economic agents, holders of licenses, had both state-owned capital and private capital.

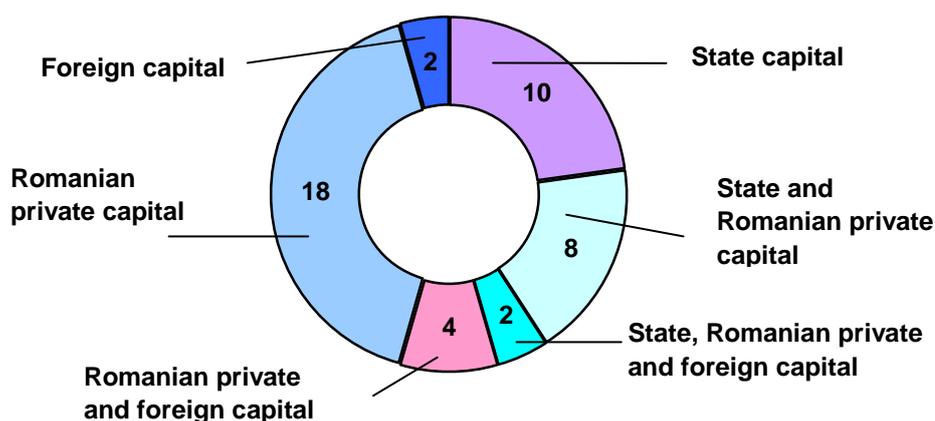


Figure no.1. The number of companies authorized by ANCEX according to the structure of their registered capital

In Figure no. 1. it can find a classification of the Romanian companies holders of licenses, according to the structure of their registered capital. One can notice that out of 44 companies, 10 are fully state owned, and a number of 10 companies are partially owned by the state.

Practically speaking, 55% of the companies (24) are privately owned, out of which 18 contain Romanian capital shares, 2 contain foreign capital and 4 are joint ventures (Romanian and foreign capital shares).

The licenses issued covered all the classes of foreign trade operations stipulated by the *Government Ordinance No. 158/1999*, art. 1, para. a) and c), respectively the temporary or permanent import, export, re-export, and the commercial operations without physically touching of the Romanian territory.

Following the progress made in the enhancement process of the military goods export controls regime, it was considered necessary to encode the criteria of

re-authorization of the companies by *Executive Order No. 159/2002 of the president of ANCEX concerning approval of the methodological norms on the authorization of legal persons for carrying out foreign trade operations with strategic goods on the basis of the Government Ordinance No. 158/1999 on the strategic goods export and import regime.*

It is worth mentioning here that an essential criterion for the re-authorization of companies and for a demarcation of the field of military operations and categories of goods is represented by the transfers of military goods actually made.

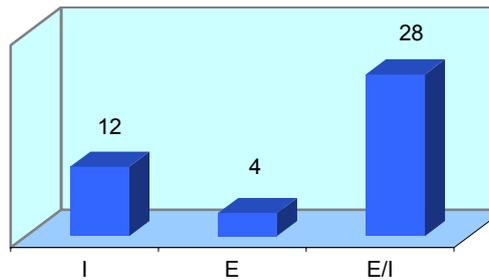
The effectiveness criteria turned out very useful to stop the tendency of some companies of applying for authorizations just in order to complete their „list of trophies“. In addition to that, this criterion also encouraged and stimulated newly authorized companies to perform operations with military goods.

Making a comparative analysis of the ratio of the import and export operations in the issued authorizations, we can notice that the import operations (91% of total number of operation) are more present in the sphere of activity of many companies than the export operations (73% of total number of operation).

This can be explained by the needs of acquiring from abroad military goods and equipment required for the endowment of the national defense system, of the public order and national security system, as well as for the Romanian defense industry.

On the other hand, we can also refer to the presence of some other categories of foreign trade operations requested by companies (re-export, operations without touching Romanian territory), which highlights their concern regarding brokering operations on arms using the foreign suppliers as export sources. Thus, there are CN ROMTEHNICA SA, SC IAR SA Braşov and SC EMP Trade SRL, holders of authorizations for all the categories of commercial operations with military goods (import, export, re-export, commercial operations performed with foreign partners without touching Romanian territory).

The repartition of the issued licenses per categories of operations can be seen in Figure no. 2. It is worth noticing here that, if 50% of the economic agents authorized during the year 2001 have not requested licenses for foreign trade operations with military goods, in the year 2002 only 20% of their number have not made use of the issued licenses, which shows the role of the criteria of effectiveness, and also the seriousness and responsibility manifested by the national authority regarding this preliminary procedure prior to licensing the exports and imports of military goods.



Legend:

I – authorizations for import;  
 E – authorizations for export;  
 E / I – authorizations for export, import and other operations;

Figure no. 2. The number of authorized companies expressed per types of operations with military goods

Figure no. 2 highlights the interest of the companies regarding the obtaining of the authorizations required for performing both of the operations of import and export, in this sense 28 companies being authorized.

In 2002, 4 companies were authorized only for the performing of the export operations, and 12 companies only for the import of military goods.

The encoding and enacting in detail of the procedure of authorization, as well as the simplification of the extension procedure of the authorizations for other operations or categories of military goods took place by means of *Executive Order No. 159/2002 of the president of ANCEX* previously quoted.

According to that, by filling out an application for a license regarding an operation or category which was not included in the authorization, the procedure of field extension starts automatically as well.

Practically speaking, at the end of the process of licensing, the company also becomes holder of an extended authorization.

We would like to mention here that the Agency made reference to the free of charge character of all the procedures of authorization and licensing.

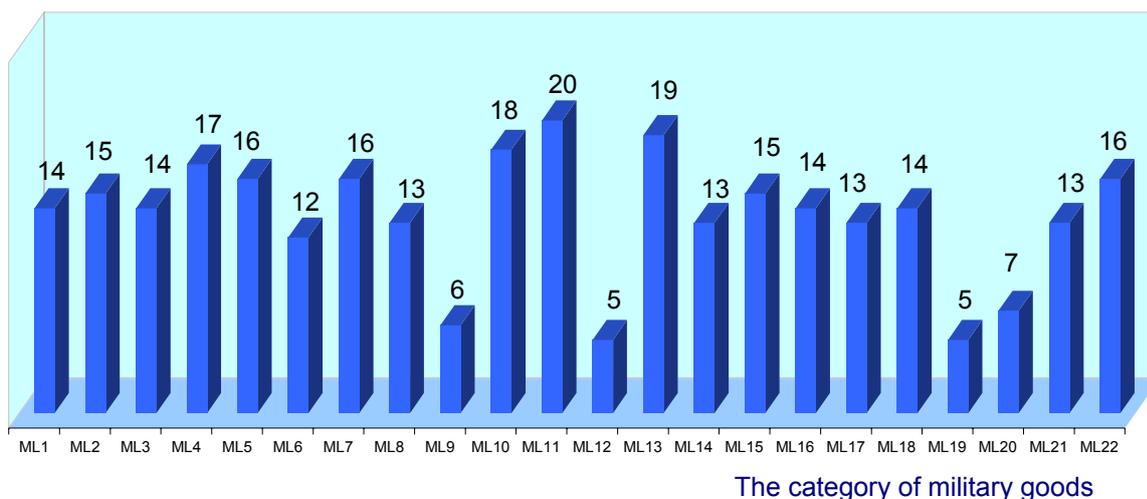


Figure no. 3. The number of companies authorized for every category of military goods

The presence of the categories of military goods, according to the List of armaments, ammunition and other military goods approved by the Government Decision No. 844/2001 (Annex No. 3), in the field of authorization of the Romanian companies can be found in Figure no. 3., where for every separate category (ML) the number of companies holding authorizations for the concerned category of military goods was indicated.

Highlighted are the categories of military goods ML11, ML13 and ML10 for which no less than 18 of the companies received authorization.

It is worth mentioning here the Romanian companies which in 2002 became for the first time holders of authorizations which allowed them to perform foreign trade operations with military goods: SC Aeroteh SA (București), SC EMP Trade SRL (București), SC Eurocopter Romania SA (Brașov), SC MFA Mizil SA (Mizil) and SC Stimpex SA (București).

At the same time, special reference should be made to SC Mirsand SRL from Brașov, which was authorized at the end of 2001, but which carried out operations of foreign trade with military goods in the course of 2002.

## **4.2. *Export licensing***

### **4.2.1. Processing, examination and approval of licenses applications**

The main part of the process of analysis, examination and approval of the applications for the issuing of military goods export licenses by the authorized economic agents, was attached to basic processing – the documentary and *in situ* analysis (in certain situations) – performed by the experts of the agency.

The number of applications for the issuing of military goods export licenses (permanent or temporary) filled during the year 2002, submitted to ANCEX, and approved by the Interagency Council, has been of 525.

The year 2002 represented the year during which registered an interest by Romanian companies for the preliminary consultations with the Agency about the exports to new destinations (with new foreign partners).

In this context, the Agency automatically starts a consultation procedure with the Ministry of Foreign Affairs, at the end of which the applicant receives a preliminary approval (approval of principle) concerning the opportunity of performing an export from the point of view of the foreign policy of Romania.

It is worth specifying that most of the times this approval precedes the conclusion of the contracts of sale, whenever this is a motivated approval.

This mechanism of preliminary consultation demonstrates the maturity of the managers of the Romanian companies exporting military goods, who understand the necessity of performing some activities in full accordance with the necessities of the

foreign policy of Romania and also with the principle of compliance of the embargoes imposed on the arms exports.

As expected, this restrictive policy has had and it still has some negative effects at the diplomatic level, this representing what is called *secondary costs* attached to NATO accession and EU integration.

This collaboration between companies and the agency has been called „the no denial strategy“, which evokes the evolution of a new approach of the Romanian companies.

With one single exception, the president of ANCEX has approved by decree all the applications for the issuing of export licenses advised by the Interagency Council.

Table no. 1					
Quarterly distribution of the issued export licenses for military goods, in 2002					
The count of issued export licenses	Qrt. I	Qrt. II	Qrt. III	Qrt. IV	TOTAL
	<b>124</b>	<b>113</b>	<b>128</b>	<b>160</b>	<b>525</b>

As per Table no.1, the number of licenses has increased slightly during 2002, requiring from the ANCEX experts a permanent and sustained effort in the licensing process, which is a complex and multidimensional one.

In support of the applications for individual export licenses for military goods, the economic agents have submitted either international import certificates or similar documents, in original, as provided by art.17 of the Government Ordinance No. 158/1999.

Although the process of licensing has a lot of components (technical, political, assessment, of legality), the average duration of processing of the export license applications by the ANCEX - Conventional Arms Division has been of approximately 10 working days for 98% of these.

In accordance with the work procedures agreed upon by the members of the Interagency Council during 2002, sensitive license applications can be advised by the Council through a mechanism „in two steps“, thing which allows additional clarifications, related data and information connected to the export potential and even a dialogue with the general manager of the company within the ordinary meetings of the Council.

The procedure „in two steps“ could require an export approval with a deadline of 45 days, being finalised with a conditional advise and followed by a „monitoring“ procedure.

By this procedure, the export is allowed upon preliminary information sent from the company to the agency regarding the concerned transfer, and also by a consistent cooperation on this matter with other members of the Council, aiming to increase the effectiveness of the export in the approved conditions.

Of the monitored exports, reference should be made to the export of small arms and light weapons and ammunition to the United States of America in a total amount of \$ 15,6 million which has been advised by an extraordinary Interagency Council meeting, at the state secretary level.

#### 4.2.2. Individual export licenses

During 2002, the Agency issued only individual export licenses, which allowed a multi-criteria scrutiny, case-by-case.

In accordance with Romanian law, the validity term of the license is of 6 months. From here results that, out of 525 issued export licenses, some of them are licenses for an extension of the same operations.

A similar situation can also be found in the case of the export licenses for active processing operation (lohn or activity of production of components, the consequence of some raw materials imports), or of passive processing operation (the export of some products to be repaired by an foreign partner).

Only 145 from the total number of licenses issued by ANCEX during 2002 are permanent export licenses.

The total amount mentioned in the permanent export licenses issued was classified in value groups, the limits of which are indicated in Table no. 2.

We would like to specify that the selection of the value standards/limits of the groups was made by taking into consideration the main importance according to Romanian exports amounting to US\$ 50,000.

The count of licenses issued in 2002, for each group of values, is showed in Figure no. 4.

Table no. 2	
Value groups	
No.	Values
1	less than 10 000 US\$
2	10 000- 50 000 US\$
3	50 000- 100 000 US\$
4	100 000- 500 000 US\$
5	500 000 – 1 million US\$
6	over 1 million US\$

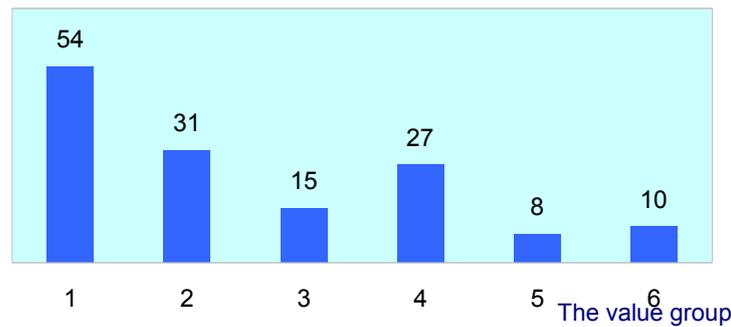


Figure no.4 The count of export licenses issued by value group

In Figure No. 4 it is noticeable that the values of approximately 60% of the total number of permanent export licenses issued were lower than \$ 50,000, defined as operations having small values.

In opposition to that, it should be mentioned that although the „6” values group (over US \$ 1 million) comprise only 10 permanent export licenses, whose contribution to the total value of the Romanian arms exports is a preponderant one.

The total value of the individual export licenses issued by ANCEX in 2002 for operations of permanent export and for temporary operations with foreign currency cashing from active processing operations were of US \$ 140.2 million. Considering the relevant activity of foreign trade developed by some of the Romanian companies, we consider useful to classify (Table no. 3) by the number of licenses received by those during the year 2002.

We may notice that CN Romtehnica SA, in this classification, ranks the first position with 223 export licenses, followed by CN Romarm SA with 81 export licenses - these companies maintaining their position as the main Romanian military goods exporters.

We would like to mention here that all the Romanian companies authorized for the first time during 2002 performed foreign trade activities, especially SC EMP Trade SRL, SC MFA Mizil SA, SC Eurocopter Romania SA and SC Mirsand SRL.

Annex no. 4 shows the main Romanian companies performing foreign trade operations with military goods.

In accordance with provisions of Romanian regulations, the licenses were issued on advice from the Interagency Council, by order of the president of the Agency.

Taking into consideration the level of development and maturity of the Romanian export controls, the Agency promoted the procedures designed for an effective management of the export controls of military goods, hence the destinations of the Romanian exports of arms were governmental structures or foreign companies authorized to perform foreign trade operations with arms by the competent authorities of the recipient states.

Table no. 3

Top ten of the Romanian companies, holders of export licenses, in 2002

Crt. no.	Logo of the company	The export licenses account
<b>1</b>	CN Romtehnica SA	<b>223</b>
<b>2</b>	CN Romarm SA	<b>81</b>
<b>3</b>	SC A-E Electronics SA	<b>72</b>
<b>4</b>	SC Aerostar SA	<b>31</b>
<b>5</b>	SC IAR Brasov SA	<b>27</b>
<b>6</b>	SC Tehnoimportexport SA	<b>20</b>
<b>7</b>	SC EMP Trade SRL	<b>13</b>
<b>8</b>	SC Turbomecanica SA	<b>13</b>
<b>9</b>	SC Condor SA	<b>11</b>
<b>10</b>	SC Elprof SA	<b>10</b>

From the point of view of the value of the export licenses of arms issued in 2002, CN ROMARM SA ranks first with a military goods export license (from categories ML1, ML2, ML3, ML4 and ML6) to the United States of America in value of US\$ 15.6 million, followed by an individual export license issued for SC IAR SA from Braşov for military goods belonging to the category ML10 to UAE in value of US\$ 11.4 million.

#### 4.2.3. Actual exports

The total value of the permanent exports of military goods, fulfilled during 2002, was of US \$ 43.8 million, which represents 0.3% of the total number of exports performed by Romania. The exports of military goods fulfilled during the year 2002 have been greater than US \$ 19.3 million by comparison with 2001, which represents an increase of 78% by preceding year. According to the regulations of the Government Ordinance No.158/1999 on the regime of exports and imports of strategic goods, the export operation also includes the passive processing operations, as defined by the Law No. 141/ 1997 on the Customs Code of Romania.

The increase in exports of military goods for the 2002 is due especially to the exports of small arms, light weapons and ammunition to the United States of America performed by CN ROMARM SA.

In 2002, the export – import balance in the field of military goods was maintained unbalanced like in the previous years, the imports representing 64%, while exports represented 36% of the total number of foreign trade operations with military goods.

Figure no. 5 shows the dynamics of the Romanian exports of military goods between 1994 and 2002, which manifest a downward trend of the last decade.

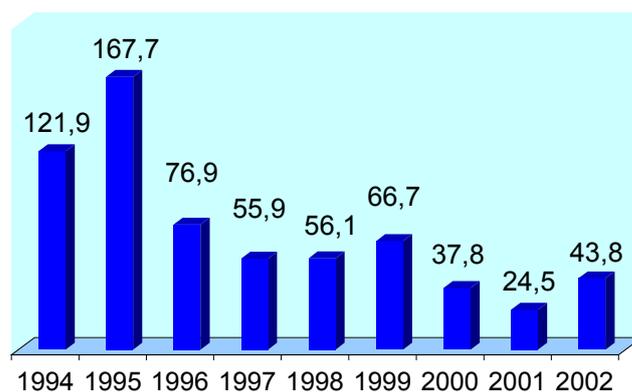


Figure no. 5. The dynamics of the Romanian exports of military goods military 1994 – 2002 [millions of US\$].

The permanent exports of military goods were supported during even the year 2002, mainly by the national companies CN ROMARM SA and CN ROMTEHNICA SA, and the export after active processing operations by SC Aerostar SA from Bacau and SC Turbomecanica SA from Bucharest. These 4 Romanian companies belong to the category of companies with exports over US \$ 1 million.

The most dynamic companies, which fulfilled exports with values greater than US \$ 300,000 as follows (in decreasing exports values): SC Tehnoimportexport SA, SC EMP Trade SRL, SC Elprof SA, SC A-E Electronics SA and SC IAR SA. In the category of Romanian companies having exports over US \$ 100,000 belongs SC Condor SA, SC Electromagnetica SA, SC MIRSAND SRL, SC MFA Mizil SA and SC ALDIMPEX'98 SRL.

Figure no. 6 shows the distribution of value by participation of the Romanian companies to the total amount value of the military products exports.

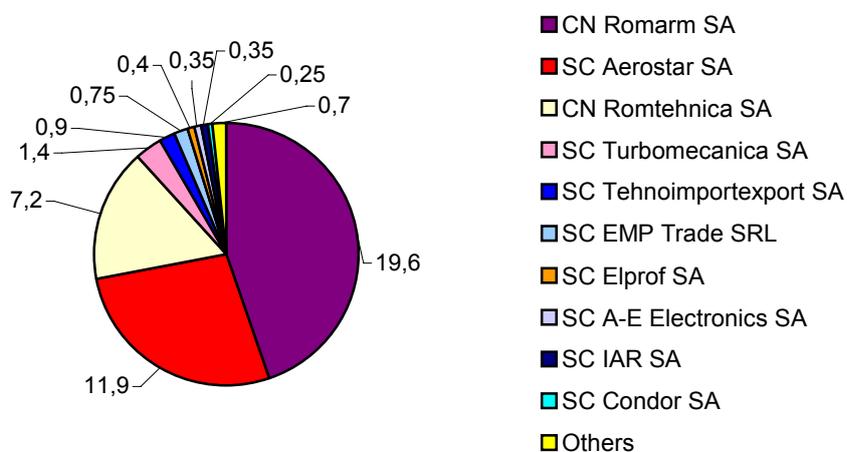


Figure no. 6 The repartition by value of the participation of the Romanian companies to the total value of the exports of military goods [millions of US\$]

The total volume of cashed moneys from the exports of weapons, ammunitions and other military goods is made up of three main components, namely:

- the value of the military equipments,
- the value of the parts and components destined for military goods and equipments, and
- the value of the labour involved in the production process, in the active processing or lohn system for military goods

The distribution of these three components in the total value of the exports is shown in Figure no 7. It is visible that the percent distribution of the exports of military goods (equipment/ensembles) and components/spare parts designed for military goods are respectively 45% and 21%. Another component of Romanian arms export is obtained by repairs and active processing of military goods. The contribution of 34% of the third component shows the one of survival modalities of the Romanian defence industry by using the qualified human potential.

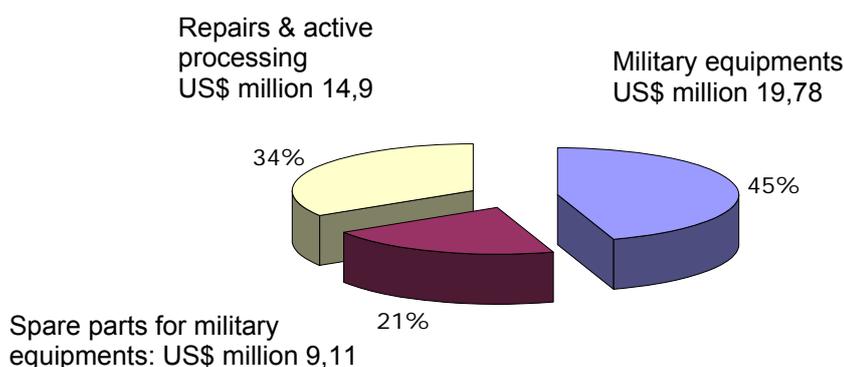


Figure no. 7. The components of the total value of the exports of armaments, ammunition and other military goods of Romania, in 2002

All weapons, ammunition and other military goods export licenses were advised by the Interagency Council and then approved by the president of the Agency, in the close respect of the embargoes imposed by resolutions of the United Nations Security Council, resolutions of OSCE or by common positions and joint actions of the EU Council.

The destinations subject to some unilaterally imposed embargoes by the NATO member states with whom Romania has developed strategic partnership relations have been examined and approved, by case, after a preliminary consultation with the competent authorities from these states. On the other hand, the analysis of the destinations of weapons transfers has been priorly considered the criterion of terrorist actions prevention and control.

Figure no. 8 represents the distribution of the exports of military goods per recipients states, from which it results that the United States of America continue to hold the most significant weight as recipient-state of Romanian military goods.

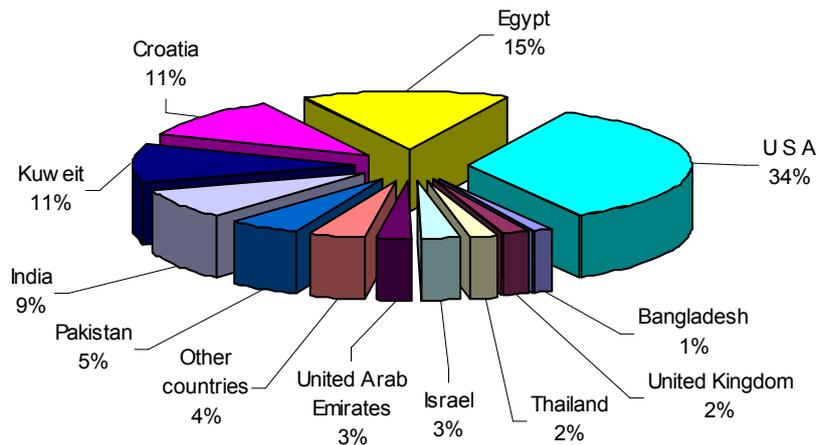


Figure no. 8. The main destinations of the Romanian exports of military goods in 2002 [% of the total value of the exports]

Besides the United States of America, other important destinations were Egypt, Croatia, Kuwait, India and Pakistan, which were beneficiaries of goods resulted following the operations of active processing (repairs and lohn) developed by SC AEROSTAR SA, SC TURBOMECANICA SA, SC A-E ELECTRONICS SA and SC CONDOR SA for category ML10 (aviation).

In the „others” field were included all the other for transfers with values of up to 0,05% of the total value of the Romanian exports of military goods.

Geographical distribution per continents of the values of exports of armaments, ammunition and other military goods made by Romania can be found in table no. 4, and the distribution in percentages, in Figure no. 9.

Geographical distribution of Romanian arms exports [US \$ million] Table 4

Continent	Value of arms exports in 2002
<b>AFRICA</b>	<b>6,62</b>
<b>ASIA</b>	<b>14,86</b>
<b>NORTH AMERICA</b>	<b>15,12</b>
<b>EUROPE</b>	<b>7,20</b>
<b>TOTAL</b>	<b>43,80</b>

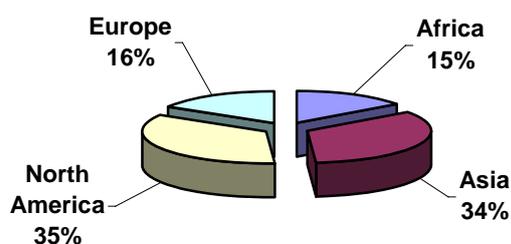


Figure no.9 Geographic repartition value (per continents) of the military goods exports

A synthetic image of the distribution per continents of the values of Romanian arms exports during the years 2000, 2001 and 2002 can be seen in Figure no. 10, where it is clearly noticeable the increase in the exports of military goods towards the European states and the United States of America, measurable with a decrease in the number of exports towards Africa and Asia.

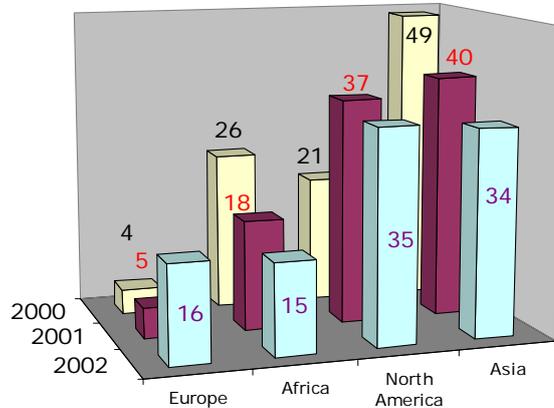


Figure no. 10. Repartition per continents of the values of the Romanian exports of military goods in the years 2000, 2001 and 2002 [US\$ million]

The distribution of exports per separate categories of goods (Figure no.11) is dominated by the category ML10 („Aircrafts”, aviation engines and aeronautical equipments, the afferent equipments and components, especially designed or modified for military use) with 37%, followed by ML 3 (Ammunition and components especially designed therefore) with 34% and ML 1 (Individual weapons and automatic weapon with caliber smaller or equal to 12,7mm, as well as components especially designed therefore) with 21%.

A significant weight in the structure of the Romanian exports of military goods is represented by the small arms and light weapons (SALW) and the ammunition for these (ML1, ML2 and ML3), which proves that in the circumstances of an increased competition on the world market of weapons, the Romanian industry continues to be present as a supplier of military goods.

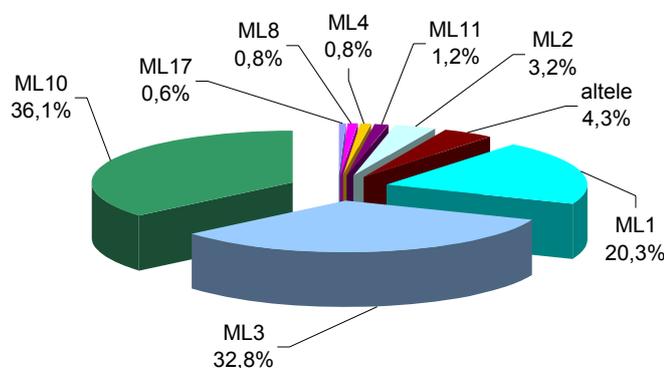


Figure no. 11 Romanian arms exports by the categories of military goods

The Romanian exports of small arms and light weapons and ammunition for these types (ML1, ML2 and ML3) represent approximately US\$ 25.3 million, which is 57.7% from the total of exports of military goods.

Making a comparative analysis of the percentage of SALW in the total figure of the exports of military goods, it can be noticed (Figure no.12) that compared to 2001, considered the year of a critical minimum, the total value of the exports of military goods increased to 78,7% (from US \$ 24.5 mil. to US \$ 43.8 mil.), while the value corresponding to SALW (ML1, ML2, ML3) under these total values raised to 63,7% ), which demonstrates that the weight of some other categories of military goods increased in the total number of exports of such goods.

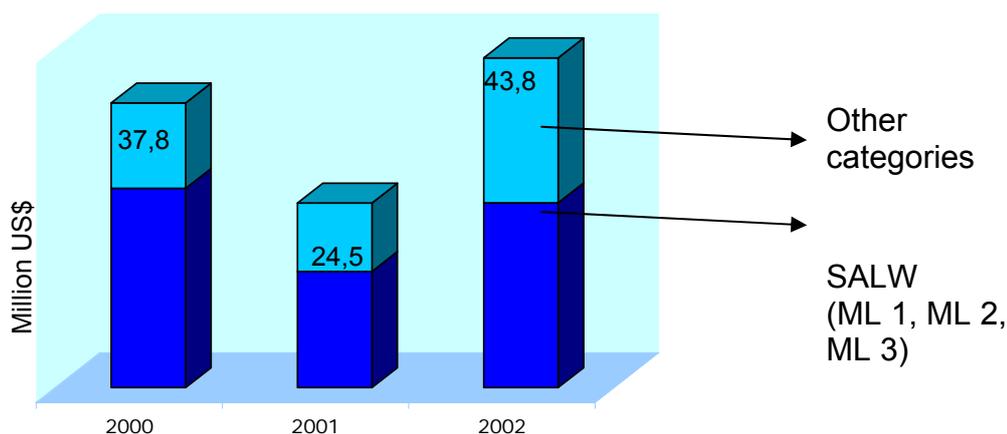


Figure no. 12 Dynamics of the SALW value in the total value of military goods exports (%)

Table no. 5  
Value of armaments, ammunition and other military goods exports in 2002

EU and some European countries	Value (EURO million)	Percentage of EU total
<b>European Union</b>	6978,3	100%
<b>France</b>	3117,3	44,60%
<b>Germany</b>	367,3	5,26%
<b>Finland</b>	40,3	0,57%
<b>Italy</b>	554,1	7,94%
<b>Portugal</b>	10,6	0,15%
<b>Spain</b>	231,1	3,31%
<b>United Kingdom</b>	1916,1	27,45%
<b>Romania</b> (main exchange rate 1 US\$ = 0,833 EUR)	36,5	0,52%

Concerning the comparison with the report forwarded to the European Union and published in synthesis by the European rapporteur Karl von Wogau in the Annual Report on the implementation of the operative provision no. 8 of the European Union

Code of Conduct on the arms exports, it is obvious that the achievements of Romania in 2002, in this particular field, are small.

In Table no. 5 the difference between the main exporters from the European Union, comparatively to the ones from Romania, Portugal and Finland can be seen.

### 4.3. *Import licensing*

The number of import license applications (permanent or temporary) of military goods filed in 2002 with ANCEX, examined by the Interagency Council and approved by the president of the Agency, was 825.

Table no. 6

Quarterly distribution of the issued arms import licenses in 2002

The count of issued import licenses	Qrt. I	Qrt. II	Qrt. III	Qrt. IV	TOTAL
	<b>145</b>	<b>174</b>	<b>225</b>	<b>281</b>	<b>825</b>

In Table No.6, the count of import licenses went slightly higher during 2002, and the evolution being similar to that of the number of export licenses. Like in the case of export licenses, it is worth specifying that, according to the Law, the validity of licenses is of 6 months. Consequently, it results that out of 825 import licenses issued, some are extending the period of validity of the same operations. A similar situation can also be found in the case of the licenses of temporary imports for the operations of active processing (activity of production of components) or of passive processing (the import of some products repaired by the foreign supplier).

The ranking of the first 10 importers-companies in Romania can be seen in Table no. 7.

Table no. 7

Top ten of Romanian companies, holders of import licenses, in 2002

Curent number	Logo of Company	The count of import licenses
<b>1</b>	CN Romtehnica SA	<b>256</b>
<b>2</b>	CN Romarm SA	<b>159</b>
<b>3</b>	SC IAR Brasov SA	<b>98</b>
<b>4</b>	SC Aerostar SA	<b>77</b>
<b>5</b>	SC A-E Electronics SA	<b>73</b>
<b>6</b>	SC Turbomecanica SA	<b>38</b>
<b>7</b>	SC Eurocopter SA	<b>19</b>
<b>8</b>	SC Elprof SA	<b>15</b>
<b>9</b>	SC RAMI Dacia SA	<b>11</b>
<b>10</b>	SC Pro Optica SA	<b>11</b>

During 2002, ANCEX issued, based on the approval of the Interagency Council, a number of 825 individual import licenses of military goods, both for permanent operations as well as for temporary operations, in total value of US \$ 136.4 million.

Naturally, the top rankers are the companies Romtehnica SA and ROMARM SA, followed by IAR SA, AEROSTAR SA and A-E Electronics SA. It can be noticed that seven of the top ranking importers – companies are top ranking exporters as well.

From the point of view of value (see Figure no.13), the imports of military goods made by the Company Romtehnica SA and RAMI Dacia SA are the weightiest imports as procurements for the Ministry of National Defence and the Ministry of Administration and Interior.

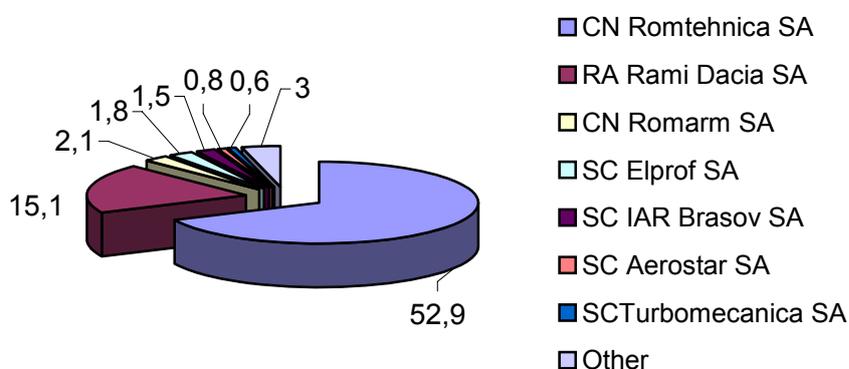


Figure no. 13 The percentage of participation of companies to the total value of the definitive imports

The percentage attached to the main categories of imported goods in the total number of imports performed by Romanian companies during 2002 is shown in Figure no. 14.

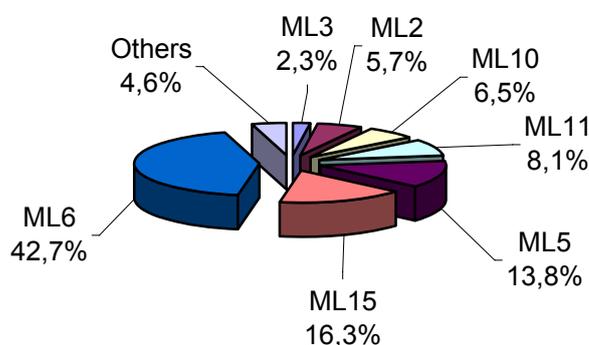


Figure no. 14 The percentage attached to the categories of imported military goods in the total number of imported goods

The main partner states from which military goods were imported in 2002 are the following: Israel, with approximately 43% of the total number of imports, France with 21% and Great Britain with 18,5%.

It is worth mentioning here that 41,6 % of the goods imported in 2002 originated from Israel, 23,6 % from France, 13,1 % from Germany, 7% from the United States of America, 6,22 % from Switzerland and 4 % from Great Britain, many Romanian companies having contracts within programs of upgrading of the equipment of the Romanian Armed Forces.

#### **4.4. *Non-commercial operations, transit and transshipment***

During 2002, ANCEX issued 129 permits for non-commercial operations. Out of these, 81 permits were issued for the introduction on the national territory of military goods on the occasion of different actions:

- military activities of joint training and military exercises (JCET 20W, SMÂRDAN 2002, CARPATHIAN EXPRESS 2002, GREEN CARPATHIAN 2002, COOPERATIVE PARTNER 2002, BLACKSEAFOR 2002), to which military forces from the United States of America, Italy, Great Britain, France, Greece, Spain, Turkey, Germany, Bulgaria, Russia, Georgia, Ukraine participated;
- the rotation of the American military contingent KFOR;
- other military activities (official and unofficial visits, demonstrations, activities of military unit repatriation).

The permits were issued for the military goods from the categories: ML1, ML 2, ML3, ML4, ML5, ML6, ML7, ML8, ML10, ML11, ML13, ML15, ML17, ML 21.

Also 48 permits were issued for taking out of the national territory of the military goods destined for the participation of the Romanian armed forces to:

- peace-keeping missions (KFOR, UNMIK, ISAF);
- military exercises with subunits belonging to foreign armed forces (CORNER STONE 2002, DYNAMIC RESPONSE 202, COOPERATIVE KEY 2002, STRONG RESOLVE, COMBINED ENDEAVOUR);
- other military activities.

ANCEX issued permits for non-commercial operations of temporarily taking out of the territory of Romania of the goods belonging to the categories ML1-ML8, ML10, ML11, ML13, ML15, ML17, ML21 and ML22.

During 2002, 135 permits of international transit for military goods were issued.

The operations of transit performed on the Romanian territory were supervised by the Ministry of National Defense, which also secured the surveillance and security

for 109 of these, and by the Ministry of Administration and Interior for the remainder of 26 operations.

The international transit of military goods on the national territory referred to the passage of the foreign military echelons in peace-keeping missions (100 operations) and to the participation to joint military exercises (9 operations).

The main categories of products for which permits of international transit were issued are ML1, ML2, ML3, ML4, ML6, ML8, ML11 and ML13.

Nearly 50% of the operations of transit were performed on the route Giurgiu – Curtici, and the transport was done by railway in proportion of 66 % and by road in proportion of 34%.

During the year 2002, 12 permits of transshipment were issued, out of which 2 permits for the Ministry of National Defense (with reference to the rotation of the American contingent KFOR) and 10 permits for CN ROMTEHNICA SA (with reference to transshipment in the Constanța harbour of the military equipment donated to the Government of the Republic of Georgia by Hungary, Poland, the Czech Republic, Lithuania and Bulgaria).

#### **4.5. *Observance of embargoes and other restrictive regimes***

Romania has fulfilled and still fulfills the international commitments, especially the arms embargoes imposed against target foreign countries, groups, organizations or fractions and individuals by the Resolution of the United Nations Security Council, the Decisions of the OSCE, the common positions and joint actions of the European Union Council or other NATO member states, or those resulting from a strategic partnership between Romania and other countries.

A List of the arms embargoes in force in 2002 was presented in Annex no. 2.

The export license applications for military goods and especially those for the export of small arms and light weapons towards destinations subject to an arms embargo imposed by United States of America were analyzed and approved following direct consultations with the Department of State of the United States of America.

ANCEX provided consultancy to Romanian exporting companies regarding the opportunity of some transfers of military goods towards sensitive destinations.

#### **4.6. *Law observance and enforcement activities***

The supply of consultancy for the benefit of the Romanian companies constituted one of the main directions of ANCEX action in order to prevent the performing of illegal transfers of military goods.

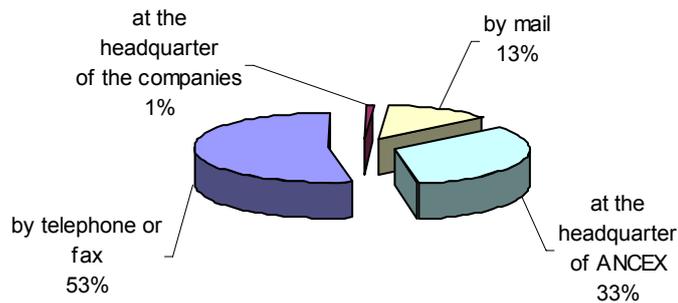


Figure no. 15. The main types of consultation provided by ANCEX to the companies

It is worth mentioning that during 2002 the experts of ANCEX provided technical consultation regarding a classification of products for over 80 economic agents at the headquarters of the agency, by different means of communication and at the headquarters of the companies (Figure no.15).

The number of over 2300 specialty consultancies given in the field of military goods constituted an important volume of work in the activity of ANCEX.

The increase of the importance attached to the consulting activities represents the result of the promotion of the *Program of Transparency, Cooperation and Communication with Economic Partners*, launched by ANCEX as early as 2001, and appreciated by the officials from the field of exports' control of the allied states as being a consistent value added to the Romanian export control system.

In the activity developed in the field of export control, ANCEX has developed the preventional dimension, considering it more important than the punitive dimension.

In this sense, it has promoted a culture of observing the law based on the knowledge of the legal provisions and good faith, and it has disseminated around the companies the best and most popular practices used in the enforcement of the control regime.

The activity of control developed at the headquarters of the companies holders of authorizations for military goods transfers has mainly focused on the prevention of legal breaches in the field, on the sanctioning of the violations of the specific legislation in effect, on the verification of the aspects intimated by the specialized structures and on the operational controls performed from the initiative of the Agency.

The control activities organized and carried out by the control unit of the Agency were of the type of target inspections, inspections of conformity, inspections with a view to authorization, thematic inspections and operational inspections.

The control unit has performed actions of control at the registered offices of some trade companies as a result of the procedures of authorization, following the receipt of some information through diplomatic channels, as well as by the auto-intimation initiated by some press articles.

At the same time, at the initiative of the Agency, inspections were performed, having as main objective the assesment of the strategic character of the manufacturing technologies of some components of the military equipments, imported and/or exported by companies authorized to perform transfers of military goods.

A special importance was assigned to interinstitutional collaboration within the activities of preventive, reactive control and conformity.

During 2002, the control unit of ANCEX performed inspections at the registered offices of the trade companies, their purpose being to verify the mode of carrying out the commercial operations with military goods.

Of the companies inspected in 2002 the following can be listed: SC Aerofina SA, SC Aerostar SA, SC BOSS EXIM Trading Group SRL, CN Romtehnica SA, CN Romarm SA, SC IAR SA, SC Turbomecanica SA and SC ICCO Medical SRL.

A new culture of observance of the law was developed by the companies through the initiation by the Agency of some programs of warning, dissemination and information concerning legislative improvements in the field of control of military goods exports.

In this sense, various seminars, „open doors / close doors” meetings were organized, with all the economic agents either authorized or about to be authorized, occasion on which many discussions took place, of interest for all the parties involved in this activity.

## Chapter 5

### Directions of action and developments of the export controls regime

The activities performed during the last two years, having as a purpose the strengthening of the regime of export controls, created favorable premises for the perfection and strengthening in a sustained rhythm of the process of maturation of the national control system, as to allow it to raise in 2004 to the level of effectiveness of the similar systems from the western countries with long tradition and experience in the field.

Regarding the domain of export control policies of military goods, ANCEX is aiming at a gradual increase of transparency as regards the process of approval of the applications filed for the issuing of licenses, in accordance with the recommendations comprised in the fourth report of the European Union, as well as at publishing an excerpt from the present report, in the Romanian and English languages, in compliance with the provision of the eighth operational criterion of the Code of Conduct of the European Union concerning the weapons exports.

ANCEX will continue the policy of refraining from conjunctural and economically attractive transfers, to areas or destinations subject to embargoes or other international relevant sanctions.

In the fulfillment of this ambitious objective the following directions of action and objectives will be had in view:

*a) in the legislative and regulatory field:*

1. the elaboration of a project of organic law on the regime of control of the exports of military goods, in accordance with:

- the harmonization of the national policies with the principles, norms and guide lines adopted within the international regimes of non-proliferation and control of exports, to which Romania either is party or it submitted its candidatedship of state member;

- the taking over *expressis verbis* of the European standards in the field;

- the capitalization of the experience accumulated so far in the field, as well as the adjustment to the specific character of our country of the valuable elements from the legislations of other countries, especially of the countries members NATO and EU;

2. the development and improvement of the secondary legislation in the field:

- the periodical updating of the military goods list subject to the control of final destination, in accordance with the decisions of the Plenaries of the Wassenaar Arrangement;

- the elaboration of new simplified methodological norms, mechanisms and specific procedures with reference to the control of the military goods transfers accompanying military echelons.

*b) in the field of interinstitutional cooperation:*

- the increase of the responsibilities of the concerned ministries in the examination, approval and adoption of the decisions concerning the military goods transfers;

- the increase of the role of intelligence services in the decision-making process regarding the approval of the applications of export licenses and later on, in the procedure post-authorization monitoring;

- the improvement of the activities within the Interagency Council concerning the control of the exports and imports of strategic goods by increasing the significance placed on the intersessional activities;

- rendering more efficient the exchange of information between ANCEX - in the capacity of national authority - and the other institutions contributing to the national system for the export controls;

*c) in the field of implementation and surveillance of enforcement*

- capacitating the Romanian companies providers/exporters of military goods for all the stages of the process of enforcement of the export controls regime by:

- o the careful examination of the propositions „*de lege ferenda*”;
- o facilitation of the rapid access to public information on embargoes;
- o activities of consulting, especially as concerns the rightfulness from the point of view of the foreign policy of some military goods transfers of (in cooperation with the Ministry of Foreign Affairs and the diplomatic missions of Romania abroad);
- o keeping free of charge the procedure of authorization and licensing;
- o actively involving the employers associations in the enforcement of the military goods export controls regime;
- o ensuring a high degree of transparency according to the legal provisions in effect;
- o a complete and up-to-date information by means of the sites managed by ANCEX on the procedures from export controls regime;

- unitary coordination of the activities of enforcement performed in the field of military goods export control, as the case may be, with the customs' workers from the competent customs' offices and the officials of the Ministry of Administration and Domestic Affairs

- strengthening the role of the preventive activities, especially in relationship with the personnel entrusted with export tasks of the relevant companies;

- the fluidization of the activity of consulting by creating a national focal point of consultation;

- creation of the prerequisites for a new culture of the enforcement within the companies by increasing the role and dimension of the control in the pre-licensing stages, as well as in the post-authorization and post-licensing phases, especially in terms of the post-delivery control;

- the perfection of the mechanisms and procedures of analysis and decision in the process of approval, authorization, licensing and control, and elimination of some bureaucratic elements in order to increase the efficiency and operativity of the foreign trade operations with arms;

- capitalization of the best practices of the Romanian companies in foreign trade activities with military goods by their codification;

- the automation of the activities of authorization, licensing and control of foreign trade operations with military goods and creation of the premises for the realization of an integrated computer system;

- improving the specialized training of the personnel responsible in this field and hiring new specialists able to effect multidisciplinary and multicriterial analyses;

d) *in terms of the relationship between Government and Industry:*

- the elaboration of a guide book and of some guidelines for the managers of the companies performing operations of foreign trade with military goods;

- the promotion of a policy policies of transparency and communication in the relations with the partners from economy, as well as with the civil society (mass media, non-governmental organizations etc);

- the development of relations based on transparency and predictability between the national authority and the Romanian companies performing transfers of military goods and proliferation of the best practices in the field;

- dissemination of the relevant information in the field of export controls for the state authorities and for the arms exporters and importers by organizing manifestations with general or thematic character (conferences, symposiums, seminars, round tables, workshops, hearings and public debates etc.);

- continuing the implementation of the pilot project „*the Program of Internal Control*” (PIC) within the companies involved in foreign trade activities with military goods;

- the permanent updating of the websites of ANCEX ([www.ancex.ro](http://www.ancex.ro) and [www.export-control.ro](http://www.export-control.ro)) with data and information concerning the export controls regime of strategic goods or other relevant information in the field required by the Romanian companies involved in foreign trade operations with military goods;

- providing support and consultancy to the Romanian companies, non-governmental organizations or other interested persons by elaborating documentary

materials concerning the national policies and practices in terms of arms export control;

e) *in the field of representation and international cooperation:*

- extension of the bilateral cooperation with the similar authorities from the countries with mature control systems, priority going to the NATO and EU members countries;

- the promotion of regional initiatives in the field of export control;

- providing assistancy and „exporting” Romanian experience for the creation and development of the export control system in the regional countries (primordially in the Republic of Moldova, Serbia and Muntenegro, later on in other countries from South-East Europe);

- a more active and more efficient participation of Romania to the development of the mechanisms of multilateral control of the arms transfers;

- supporting at the international and regional level the initiatives for combating the illicit trafficking of arms and some other adjacent activities.

## **Annex 1**

### **EU Code of Conduct on Arms Exports**

The Council of the European Union,

BUILDING on the Common Criteria agreed at the Luxembourg and Lisbon European Councils in 1991 and 1992,

RECOGNIZING the special responsibility of arms exporting states,

DETERMINED to set high common standards which should be regarded as the minimum for the management of, and restraint in, conventional arms transfers by all EU Member States, and to strengthen the exchange of relevant information with a view to achieving greater transparency,

DETERMINED to prevent the export of equipment which might be used for internal repression or international aggression, or contribute to regional instability,

WISHING within the framework of the CFSP to reinforce their cooperation and to promote their convergence in the field of conventional arms exports,

NOTING complementary measures taken by the EU against illicit transfers, in the form of the EU Programme for Preventing and Combating Illicit Trafficking in Conventional Arms,

ACKNOWLEDGING the wish of EU Member States to maintain a defense industry as part of their industrial base as well as their defense effort,

RECOGNIZING that states have a right to transfer the means of self-defense, consistent with the right of self-defense recognized by the UN Charter,

Have adopted the following Code of Conduct and operative provisions:

#### **CRITERION ONE**

**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**

An export license should be refused if approval would be inconsistent with, inter alia:

a) The international obligations of Member States and their commitments to enforce UN, OSCE and EU arms embargoes.

b) The international obligations of member states under the Nuclear Non-Proliferation Treaty, the Biological and Toxin Weapons Convention and the Chemical Weapons Convention;

c) The commitments in the frameworks of the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group and the Wassenaar Arrangement;

d) The commitment not to export any form of anti-personnel landmine.

## **CRITERION TWO**

### **The respect of human rights in the country of final destination**

Having assessed the recipient country's attitude towards relevant principles established by international human rights instruments, Member States will:

a) Not issue an export license if there is a clear risk that the proposed export might be used for internal repression.

b) Exercise special caution and vigilance in issuing licenses, on a case-by-case basis and taking account of the nature of the equipment, to countries where serious violations of human rights have been established by the competent bodies of the UN, the Council of Europe or by the EU;

For these purposes, equipment which might be used for internal repression will include, inter alia, equipment where there is evidence of the use of this or similar equipment for internal repression by the proposed end-user, or where there is reason to believe that the equipment will be diverted from its stated end-use or end-user and used for internal repression. In line with operative paragraph 1 of this Code, the nature of the equipment will be considered carefully, particularly if it is intended for internal security purposes.

Internal repression includes, inter alia, torture and other cruel, inhuman and degrading treatment or punishment, summary or arbitrary executions, disappearances, arbitrary detentions and other major violations of human rights and fundamental freedoms as set out in relevant international human rights instruments, including the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights.

## **CRITERION THREE**

### **The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts**

Member States will not allow exports, which would provoke or prolong armed conflicts or aggravate existing tensions or conflicts in the country of final destination.

## **CRITERION FOUR**

### **Preservation of regional peace, security and stability**

Member States will not issue an export license if there is a clear risk that the intended recipient would use the proposed export aggressively against another country or to assert by force a territorial claim.

When considering these risks, EU Member States will take into account inter alia:

- a) The existence or likelihood of armed conflict between the recipient and another country;
- b) A claim against the territory of a neighboring country which the recipient has in the past tried or threatened to pursue by means of force;
- c) Whether the equipment would be likely to be used other than for the legitimate national security and defense of the recipient;
- d) The need not to affect adversely regional stability in any significant way.

## **CRITERION FIVE**

**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**

Member States will take into account:

- a) The potential effect of the proposed export on their defense and security interests and those of friends, allies and other member states, while recognizing that this factor cannot affect consideration of the criteria on respect of human rights and on regional peace, security and stability;
- b) The risk of use of the goods concerned against their forces or those of friends, allies or other member states;
- c) The risk of reverses engineering or unintended technology transfer.

## **CRITERION SIX**

**The behavior of the buyer country with regards to the international community, as regards in particular to its attitude to terrorism, the nature of its alliances and respect for international law**

Member States will take into account inter alia the record of the buyer country with regard to:

- a) Its support or encouragement of terrorism and international organized crime;
- b) Its compliance with its international commitments, in particular on the non-use of force, including under international humanitarian law applicable to international and non-international conflicts;

c) Its commitment to non-proliferation and other areas of arms control and disarmament, in particular the signature, ratification and implementation of relevant arms control and disarmament conventions referred to in sub-para b) of Criterion One.

## **CRITERION SEVEN**

### **The existence of a risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions**

In assessing the impact of the proposed export on the importing country and the risk that exported goods might be diverted to an undesirable end-user, the following will be considered:

- a) The legitimate defense and domestic security interests of the recipient country, including any involvement in UN or other peacekeeping activity;
- b) The technical capability of the recipient country to use the equipment;
- c) The capability of the recipient country to exert effective export controls;
- d) The risk of the arms being re-exported or diverted to terrorist organizations (anti-terrorist equipment would need particularly careful consideration in this context).

## **CRITERION EIGHT**

### **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 defense with the least diversion for armaments of human and economic resources**

Member States will take into account, in the light of information from relevant sources such as UNDP, World Bank, IMF and OECD reports, whether the proposed export would seriously hamper the sustainable development of the recipient country. They will consider in this context the recipient country's relative levels of military and social expenditure, taking into account also any EU or bilateral aid.

## Annex 2

### International embargoes on arms exports

Country/Entity /Group	UN Embargoes	EU Embargoes	SUA-ITAR Embargoes
Afghanistan (talibans) Al-Qaida, Usama Bin Laden	UNSCR 1333/2000 UNSCR 1390/2002	2002/402/PESC	67 FR 44352/02.07.2002
Angola	UNSCR 864/2002		
Armenia	UNSCR 853/1993 non compulsory		
Azerbaijan	UNSCR 853/1993 non compulsory		
Belarus			58 FR 39280/22.07.1993
Bosnia and Herzegovina		2001/719/PESC	
China		European Council Declaration 1989	58 FR 39280/22.07.1993
Cyprus			57 FR 60265/18.12.1992
Democratic Republic of the Congo		2002/829/PESC	58 FR 39280/22.07.1993
Democratic People's Republic of Korea			49 FR 47682/06.12.1984
Cuba			49 FR 47682/06.12.1984
Haiti			59 FR 15624/04.04.1994
Indonesia			66 FR 65235/18.12.2001
Iran (Islamic Republic of)			56 FR 55630/29.10.1991
Iraq	UNSCR 661/1990	Declaration nr.56/1990	56 FR 55630/29.10.1991
Libyan Arab Jamahiriya		1999/261/PESC	56 FR 55630/29.09.1991
Liberia	UNSCR 1343/2001		66 FR 46491/05.09.2001
Myanmar (formal Birmania)		General Council Declaration 29.07.1991	58 FR 39280/22.07.1993
Pakistan			63 FR 33122/17.06.1998
Rwanda (nongovernmental forces) <sup>a</sup>	UNSCR 1011/1995 <sup>a</sup>		59 FR 42158/17.08.1994
Sierra Leone (nongovernmental forces) <sup>b</sup>	UNSCR 1171/1998 <sup>b</sup>	1998/409/PESC	
Syrian Arab Republic			56 FR 55630/29.10.1991
Somalia	UNSCR 1425/2002	2002/960/PESC	58 FR 39280/22.07.1993
Sudan		1994/165/PESC	59 FR 15624/04.04.1994
Viet Nam			49 FR 47682/06.12.1984
Yemen			57 FR 59852/16.12.1992
Zimbabwe		2002/145/PESC	67 FR 48242/23.07.2002
<b>OSCE Embargo</b>			
Nagorno-Karabakh (Armenia, Azerbaidjan)	28.02.1992		OSCE declaration of the Committee of Senior Officials

<sup>a</sup> Exception UNAMIR; caution to the neighbour states;

<sup>b</sup> Exceptions UNAMSIL and ECOWAS;

## Annex 3

### List of armaments, munitions and other military goods

Note 1: Terms in "quotations" are defined terms. Refer to 'Definitions of Terms used in these Lists' annexed to this List.

Note 2: CAS numbers are shown as examples. They do not cover all the chemicals and mixtures controlled by the Munitions List and other military goods

Note 3: The goods mentioned in the Annex include also new and used goods.

#### GENERAL TECHNOLOGY NOTE

The export of "technology" which is "required" for the "development", "production" or "use" of items controlled in the Munitions List is controlled according to the provisions in the Munitions List entries. This "technology" remains under control even when applicable to any uncontrolled item.

Controls do not apply to that "technology" which is the minimum necessary for the installation, operation, maintenance (checking) and repair of those items which are not controlled or whose export has been authorized.

Controls do not apply to "technology" "in the public domain", to "basic scientific research" or to the minimum necessary information for patent applications.

#### **ML1. Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore:**

a. Rifles, carbines, revolvers, pistols, machine pistols and machine guns:

Note: ML1.a. Does not control the following:

1. Muskets, rifles and carbines manufactured earlier than 1938;
2. Reproductions of muskets, rifles and carbines the originals of which were manufactured earlier than 1890;
3. Revolvers, pistols and machine guns manufactured earlier than 1890, and their reproductions;

b. Smooth-bore weapons specially designed for military use;

c. Weapons using caseless ammunition;

d. Silencers, special gun-mountings, clips, weapons sights and flash suppressers for arms controlled by sub-items ML1.a. ML1.b. or ML1.c.

#### Technical Note:

Smooth-bore weapons specially designed for military use as specified in ML1.b. are those which:

- a. Are proof tested at pressures above 1,300 bars;
- b. Operate normally and safely at pressures above 1,000 bars; and
- c. Are capable of accepting ammunition above 76.2 mm in length (e.g., commercial 12-gauge magnum shot gun shells).

The parameters in this Technical Note are to be measured according to the standards of the Commission Internationale Permanente.

Note 1: ML1. Does not control smoothbore weapons used for hunting or sporting purposes. These weapons must not be specially designed for military use or of the fully automatic firing type.

Note 2: ML1. Does not control firearms specially designed for dummy ammunition and which are incapable of firing any controlled ammunition.

Note 3: ML1. Do not control weapons using non-centre fire cased ammunition and which are not of the fully automatic firing type.

**ML2. Armament or weapons with a caliber greater than 12.7 mm (caliber 0.50 inches), projectors and accessories, as follows, and specially designed components therefore:**

a. Guns, howitzers, cannon, mortars, anti-tank weapons, projectile launchers, military flame throwers, recoilless rifles and signature reduction devices therefore;

Note: ML2.a. Includes injectors, metering devices, storage tanks and other specially designed components for use with liquid propelling charges for any of the equipment controlled by ML2.a.

b. Military smoke, gas and pyrotechnic projectors or generators.

Note: ML2.b. does not control signal pistols.

c. Weapons sights.

**ML3. Ammunition, and specially designed components therefore, for the weapons controlled by ML1., ML2. or ML12.**

Note 1: Specially designed components include:

- a. Metal or plastic fabrications such as primer anvils, bullet cups, cartridge links, rotating bands and munitions metal parts;
- b. Safing and arming devices, fuses, sensors and initiation devices;
- c. Power supplies with high one-time operational output;
- d. Combustible cases for charges;
- e. Sub-munitions including bomblets, minelets and terminally guided projectiles.

Note 2: ML3. Does not control ammunition crimped without a projectile (blank star) and dummy ammunition with a pierced powder chamber.

Note 3: ML3. Does not control cartridges specially designed for any of the following purposes:

- a. Signaling;
- b. Bird scaring; or
- c. Lighting of gas flares at oil wells.

**ML4. Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, as follows, specially designed for military use, and specially designed components therefore:**

- a. Bombs, torpedoes, grenades, smoke canisters, rockets, mines, missiles, depth charges, demolition-charges, demolition-devices and demolition-kits, "pyrotechnic" devices, cartridges and simulators (i.e. equipment simulating the characteristics of any of these items);

Note: *ML4.a. Includes:*

- 1. *Smoke grenades, firebombs, incendiary bombs and explosive devices;*
  - 2. *Missile rocket nozzles and re-entry vehicle nose tips.*
- b. Equipment specially designed for the handling, control, activation, powering with one-time operational output, launching, laying, sweeping, discharging, decoying, jamming, detonation or detection of items controlled by ML4.a.

Note: *ML4.b. includes:*

- 1. *Mobile gas liquefying equipment capable of producing 1,000 kg or more per day of gas in liquid form;*
- 2. *Buoyant electric conducting cable suitable for sweeping magnetic mines.*

Technical Note:

*Hand-held devices, limited by design solely to the detection of metal objects and incapable of distinguishing between mines and other metal objects, which are not considered to be specially designed for the detection of items controlled by ML4.a.*

**ML5. Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, as follows, specially designed for military use, and specially designed components and accessories therefore:**

- a. Weapon sights, bombing computers, gun laying equipment and weapon control systems;
- b. Target acquisition, designation, range-finding, surveillance or tracking systems; detection, data fusion, recognition or identification equipment; and sensor integration equipment;

Note: *ML5.b. includes observation and detection satellites specially design for military use, as well as their ground stations, with the exception of their dual-use components.*

- c. Countermeasure equipment for items controlled by ML5.a. or ML5.b.
- d. Field test or alignment equipment, specially designed for items controlled by ML5.a. or ML5.b

**ML6. Ground vehicles and components therefor specially designed or modified for military use.**

Technical Note:

*For the purposes of ML6. the term ground vehicles includes trailers.*

Note 1: *ML6.: includes:*

- a. *Tanks and other military armed vehicles and military vehicles fitted with mountings for arms or equipment for mine laying or the launching of munitions controlled under ML4;*

- b. Armored vehicles;
- c. Amphibious and deep water fording vehicles;
- d. Recovery vehicles and vehicles for towing or transporting ammunition or weapon systems and associated load handling equipment.

Note 2: Modification of a ground vehicle for military use entails a structural, electrical or mechanical change involving one or more specially designed military components. Such components include:

- a. Pneumatic tire casings of a kind specially designed to be bulletproof or to run when deflated;
- b. Tire inflation pressure control systems, operated from inside a moving vehicle;
- c. Armored protection of vital parts, (e.g., fuel tanks or vehicle cabs);
- d. Special reinforcements for mountings for weapons.

Note 3: ML6. does not control civil automobiles or trucks designed for transporting money or valuables, having armored protection.

**ML7. Chemical or biological toxic agents, "tear gases", radioactive materials, related equipment, components, materials and "technology" as follows:**

- a. Biological agents and radioactive materials "adapted for use in war" to produce casualties in humans or animals, degrade equipment or damage crops or the environment, and chemical warfare (CW) agents;
- b. CW binary precursors and key precursors, as follows:
  - 1. Alkyl (Methyl, Ethyl, n-Propyl or Isopropyl Phosphonyl Difluorides, such as: DF: Methyl Phosphonyldifluoride (CAS 676-99-3);
  - 2. O-Alkyl (H or equal to or less than C 10 , including cycloalkyl) O-2-dialkyl (Methyl, Ethyl, n-Propyl or Isopropyl) aminoethyl alkyl (Methyl, Ethyl, n-Propyl or Isopropyl) phosphonite and corresponding alkylated and protonated salts, such as: QL: O-Ethyl-2-di-isopropylaminoethyl methylphosphonite (CAS 57856-11-8);
  - 3. Chlorosarin: O-Isopropyl methylphosphonochloridate (CAS 1445-76-7);
  - 4. Chlorosoman: O-Pinakolyl methylphosphonochloridate (CAS 7040-57-5);
- c. "Tear gases" and "riot control agents" including:
  - 1. Bromobenzyl cyanide (CA) (CAS 5798-79-8);
  - 2. O-Chlorobenzylidenemalononitrile (o-Chlorobenzalmalononitrile) (CS) (CAS 2698-41-1);
  - 3. Phenylacetyl chloride (w-chloroacetophenone) (CN) (CAS 532-27-4)
  - 4. Dibenz-(b,f)-1,4-oxazepine (CR) (CAS 257-07-8);
- d. Equipment specially designed or modified for the dissemination of any of the following and specially designed components therefor:
  - 1. Materials or agents controlled by ML7.a. or c.; or
  - 2. CW made up of precursors controlled by ML7.b.

- e. Equipment specially designed for defence against materials controlled by ML7.a. or c. and specially designed components therefor;

*Note ML7.e.: includes protective clothing.*

- f. Equipment specially designed for the detection or identification of materials controlled by ML7.a. or c. and specially designed components therefor;

*Note: ML7.f. does not control personal radiation monitoring dosimeters.*

*N.B.: For civil gas masks and protective equipment see also entry 1.A.4. on the Dual-Use List*

- g. "Biopolymers" specially designed or processed for the detection or identification of CW agents controlled by ML7.a., and the cultures of specific cells used to produce them;

- h. "Biocatalysts" for the decontamination or degradation of CW agents, and biological systems therefor, as follows:

1. "Biocatalysts" specially designed for the decontamination or degradation of CW agents controlled by ML7.a. resulting from directed laboratory selection or genetic manipulation of biological systems;
2. Biological systems, as follows: "expression vectors", viruses or cultures of cells containing the genetic information specific to the production of "biocatalysts" controlled by ML7.h.1.;

- i. "Technology" as follows:

1. "Technology" for the "development", "production" or "use" of toxicological agents, related equipment or components controlled by ML7.a. to ML7.f.;
2. "Technology" for the "development", "production" or "use" of "biopolymers" or cultures of specific cells controlled by ML7.g.;
3. "Technology" exclusively for the incorporation of "biocatalysts", controlled by ML7.h.1., into military carrier substances or military material.

*Note 1: ML7.a. includes the following:*

- a. CW nerve agents:

1. O-Alkyl (equal to or less than C 10 , including cycloalkyl) alkyl (Methyl, Ethyl, n-Propyl or Isopropyl) - phosphonofluoridates, such as:

Sarin (GB):O-Isopropyl methylphosphonofluoridate (CAS 107- 44-8);  
*and*

Soman (GD):O-Pinacolyl methylphosphonofluoridate (CAS 96- 64-0);

2. O-Alkyl (equal to or less than C 10 , including cycloalkyl) N,N-dialkyl (Methyl, Ethyl, n-Propyl or Isopropyl) phosphoramidocyanidates, such as:

Tabun (GA): O-Ethyl N,N-dimethylphosphoramidocyanidate (CAS 77- 81-6);

3. O-Alkyl (H or equal to or less than C 10 , including cycloalkyl) S-2-dialkyl (Methyl, Ethyl, n-Propyl or Isopropyl)-aminoethyl alkyl (Methyl, Ethyl, n-Propyl or Isopropyl) phosphonothiolates and corresponding alkylated and protonated salts, such as:

VX: O-Ethyl S-2-diisopropylaminoethyl methyl phosphonothiolate  
(CAS 50782-69-9)

b. CW vesicant agents:

1. Sulphur mustards, such as:

2-Chloroethylchloromethylsulphide (CAS 2625-76-5);  
Bis(2-chloroethyl) sulphide (CAS 505-60-2);  
Bis(2-chloroethylthio) methane (CAS 63869-13-6);  
1,2-bis (2-chloroethylthio) ethane (CAS 3563-36-8);  
1,3-bis (2-chloroethylthio) -n-propane (CAS 63905-10-2);  
1,4-bis (2-chloroethylthio) -n-butane(CAS 142868-93-7);;  
1,5-bis (2-chloroethylthio) -n-pentane;(CAS 142868-94-8  
Bis (2-chloroethylthiomethyl) ether;(CAS 63918-90-1);  
Bis (2-chloroethylthioethyl) ether (CAS 63918-89-8);

2. Lewisites, such as:

2-chlorovinylchloroarsine (CAS 541-25-3);  
Tris (2-chlorovinyl) arsine (CAS 40334-70-1);  
Bis (2-chlorovinyl) chloroarsine (CAS 40334-69-8);

3. Nitrogen mustards, such as:

HN1: bis (2-chloroethyl) ethylamine (CAS 538-07-8);  
HN2: bis (2-chloroethyl) methylamine (CAS 51-75-2);  
HN3: tris (2-chloroethyl) amine (CAS 555-77-1);

c. CW incapacitating agents such as:

3-Quinuclidinyl benzilate (BZ) (CAS 6581-06-2);

d. CW defoliants such as:

1. Butyl 2-chloro-4-fluorophenoxyacetate (LNF);  
2. 2,4,5-trichlorophenoxyacetic acid mixed with 2,4-dichlorophenoxyacetic acid (Agent Orange).

Note 2: ML7.e. includes air conditioning units specially designed or modified for nuclear, biological or chemical filtration.

Note 3: ML7.a. and ML7.c. do not control:

a. Cyanogen chloride (CAS 506-77-4);  
b. Hydrocyanic acid (CAS 74-90-8);  
c. Chlorine (CAS 7782-50-5);  
d. Carbonyl chloride (phosgene) (CAS 75-44-5);  
e. Diphosgene (trichloromethyl-chloroformate) (CAS 503-38-8);  
f. Ethyl bromoacetate (CAS 105-36-2);  
g. Xylyl bromide, ortho: (CAS 89-92-9), meta: (CAS 620-13-3), para: (CAS 104-81-4);  
h. Benzyl bromide (CAS 100-39-0);  
i. Benzyl iodide (CAS 620-05-3);  
j. Bromo acetone (CAS 598-31-2);  
k. Cyanogen bromide (CAS 506-68-3);  
l. Bromo methylethylketone (CAS 816-40-0);  
m. Chloro acetone (CAS 78-95-5);  
n. Ethyl iodoacetate (CAS 623-48-3);  
o. Iodo acetone (CAS 3019-04-3);  
p. Chloropicrin (CAS 76-06-2).

Note 4: The "technology", cultures of cells and biological systems listed in ML7.g., ML7.h.2. and ML7.i.3. are exclusive and these sub-items do not control "technology", cells or biological systems for civil purposes, such as: agricultural, pharmaceutical, medical, veterinary, environmental, waste management, or in the food industry.

Note 5: ML7.c. does not control tear gases or riot control agents individually packaged for personal self-defense purposes.

Note 6: ML7.d., ML7.e. and ML7.f. control equipment specially designed or modified for military purposes.

N.B.: See also entry 1.A.004. on the Dual-Use List.

**ML8. "Military explosives" and fuels, including propellants, and related substances, as follows:**

- a. Substances, as follows, and mixtures thereof:
  1. Spherical aluminum powder (CAS 7429-90-5) with particular size of 60 µm or less, manufactured from material with an aluminum content of 99% or more;
  2. Metal fuels in particle form whether spherical, atomized, spheroidal, flaked or ground, manufactured from material consisting of 99% or more of any of the following:
    - a. Metals and mixtures thereof:
      1. Beryllium (CAS 7440-41-7) in particle sizes of less than 60 µm;
      2. Iron powder (CAS 7439-89-6) with particle size of 3 µm or less produced by reduction of iron oxide with hydrogen;
    - b. Mixtures, which contain any of the following:
      1. Zirconium (CAS 7440-67-7), magnesium (CAS 7439-95-4) and alloys of these in particle sizes of less than 60 µm;
      2. Boron (CAS 7440-42-8) or boron carbide (CAS 12069-32-8) fuels of 85% purity or higher and particle sizes of less than 60 µm;
  3. Perchlorates, chlorates and chromates composited with powdered metal or other higher energy fuel components;
  4. Nitroguanidine (CAS 556-88-7);
  5. Compounds composed of fluorine and any of the following: other halogens, oxygen, nitrogen;
  6. Carboranes; decarboranes (CAS 17702-41-9); pentaborane and derivatives thereof;
  7. Cyclotetramethylenetetranitramine (CAS 2691-41-0) (HMX); octahydro-1,3,5,7-tetranitro-1,3,5,7-tetrazine; 1,3,5,7-tetranitro-1,3,5,7-tetraazacyclooctane; (octogen, octogene),
  8. Hexanitrostilbene (HNS) (CAS 20062-22-0);
  9. Diaminotrinitrobenzene (DATB) (CAS 1630-08-6);
  10. Triaminotrinitrobenzene (TATB) (CAS 3058-38-6);
  11. Triaminoguanidinenitrate (TAGN) (CAS 4000-16-2);
  12. Titanium subhydride of stoichiometry TiH 0.65-1.68;
  13. Dinitroglycoluril (DNGU, DINGU) (CAS 55510-04-8); tetranitroglycoluril (TNGU, SORGUYL) (CAS 55510-03-7);

14. Tetranitrobenzotriazolobenzotriazole (TACOT) (CAS 25243-36-1);
  15. Diaminohexanitrobiphenyl (DIPAM) (CAS 17215-44-0);
  16. Picrylamminodinitropyridine (PYX) (CAS 38082-89-2);
  17. 3-nitro-1,2,4-triazol-5-one (NTO or ONTA) (CAS 932-64-9);
  18. Hydrazine (CAS 302-01-2) in concentrations of 70% or more; hydrazine nitrate (Cas 37836-27-4); hydrazine perchlorate (CAS 27978-54-7); unsymmetrical dimethyl hydrazine (CAS 57-14-7); monomethyl (CAS 60-34-4) hydrazine; symmetrical dimethyl hydrazine (CAS 540-73-8);
  19. Ammonium perchlorate (CAS 7790-98-9);
  20. Cyclotrimethylenetrinitramine (RDX) (CAS 121-82-4); cyclonite; T4; hexahydro-1,3,5-trinitro-1,3,5-triazine; 1,3,5-trinitro-1,3,5-triazacyclohexane (hexogen, hexogene);
  21. Hydroxylammonium nitrate (HAN) (CAS 13465-08-2); hydroxylammonium perchlorate (HAP) (CAS 15588-62-2);
  22. 2-(5-cyanotetrazolato) penta amine-cobalt (III) perchlorate (or CP) (CAS 70247-32-4);
  23. cis-bis (5-nitrotetrazolato) tetra amine-cobalt (III) perchlorate (or BNCP);
  24. 7-Amino-4,6-dinitrobenzofurazane-1-oxide (ADNBF) (CAS 97096-78-1);
  25. 5,7-diamino-4,6-dinitrobenzofurazane-1-oxide (CAS 117907-74-1), (CL-14 or diamino dinitrobenzofuraxan);
  26. 2,4,6-trinitro-2,4,6-triazacyclohexanone (k-6 or Keto-RDX) (CAS 115029-35-1);
  27. 2,4,6,8-tetranitro-2,4,6,8-tetraazabicyclo[3,3,0]-octanone-3 (CAS 130256-72-3) (tetranitrosemiglycouril, K-55 or keto bicyclic HMX);
  28. 1,1,3-trinitroazetidine (TNAZ) (CAS 97645-24-4);
  29. 1,4,5,8-tetranitro-1,4,5,8-tetraazadecalin (TNAD) (CAS 135877-16-6);
  30. Hexanitrohexeazaisowurtzitane (CAS 135285-90-4) (CL-20 or HNIW); and chlathrates of CL-20;
  31. Polynitrocubanes with more than nitro groups;
  32. Ammonium dinitramide (AND or SR 12) (CAS 140456-78-6);
  33. Trinitrophenylmethylnitramide (tetryl) (CAS 479-45-8);
- b. Explosives and propellants that meet the following performance parameters:
1. Any explosive with detonation velocity exceeding 8,700 m/s or a detonation pressure exceeding 34 GPa (340 kbar);
  2. Other organic explosives not listed in ML8. yielding detonation pressures of 25 GPa (250 kbar) or more that will remain stable at temperatures of 523 K (250°C) or higher for period of 5 minutes or longer;
  3. Any United Nations (UN) Class 1.1 solid "propellant" with a theoretical specific impulse (under standard conditions) of more than 250 seconds for non-metallized, or more than 270 seconds for aluminized compositions;
  4. Any UN Class 1.3 solid "propellant" with a theoretical specific impulse (under standard conditions) of more than 230 seconds

- for non-halogenized, 250 seconds for non-metallized compositions and 266 seconds for metallized compositions;
5. Any other gun propellants not listed in ML8. having force constant of more than 1,200 kJ/kg;
  6. Any other explosives, propellant or pyrotechnic not listed ML8. that can sustain a steady-state burning rate of more than 38 mm/s under standard conditions of 6.89 Mpa (68.9 bar) pressure and 394 K (21°C); or
  7. Elastomer modified cast double based propellants (EMCDB) with extensibility at maximum stress of more than 5% at 233 K (-40°C);
- c. "Military pyrotechnics";
- d. Other substances, as follows:
1. Aircraft fuels specially formulated for military purposes;
  2. Military materials containing thickeners for hydrocarbon fuels specially formulated for use in flame throwers or incendiary munitions, such as metal stearates or palmates (e.g. octal (CAS 637-12-7)) and M1, M2, and M3 thickeners;
  3. Liquid oxidisers comprised of or containing inhibited red fuming nitric acid (IRFNA) (CAS 8007-58-7) or oxygen difluoride;
- e. "Additives" and "precursors", as follows:
1. Azidomethyloxetane (AMMO) and its polymers;
  2. Basic copper salicylate (CAS 62320-94-9; lead salicylate (CAS 15748-73-9);
  3. Bis(2,2-dinitropropyl) formal (CAS 5917-61-3) or Bis(2,2-dinitropropyl) acetal (CAS 5108-69-0);
  4. Bis-(2-fluoro-2,2-dinitroethyl) formal (FEFO) (CAS 17003-79-1);
  5. Bis-(2-hydroxyethyl)glycolamide (BHEGA) (CAS 17409-41-5);
  6. Bis(2-methyl aziridiny) methyllamino phosphine oxide (Methyl BAPO0 (CAS 85068-72-0);
  7. Bisazidomethyloxetane and its polymers (CAS 17607-20-4);
  8. Bischloromethyloxetane (BCMO) (CAS 142173-26-0);
  9. Butadienenitrileoxide (BNO);
  10. Butanetrioltrinitrate (BTTN) (CAS 6659-60-5);
  11. Catocene (CAS 37206-42-1) (2,2-Bis-ethylferrocenyl propane); ferrocene carboxylic acids; N-butyl-ferrocene (CAS 319904-29-7); butacene (CAS 125856-62-4) and other adducted polymer ferrocene derivatives;
  12. Dinitroazetidide-t-butyl salt;
  13. Energetic monomers, plasticisers and polymers containing nitro, azido, nitrate, nitraza or difluoroamino groups;
  14. Poly-2,2,3,3,4,4-hexafluoropentane-1,5-diol formal (FPF-1);
  15. Poly-2,4,4,5,5,6,6-heptafluoro-2-tri-fluoromethyl-3-oxaheptane-1,17-diol formal (FPF-3);
  16. Glycidylazide Polymer (GAP) (CAS 143178-24-9) and its derivatives;

17. Hexabenzylhexaazaisowurtzitane (HBIW) (CAS 124782-15-6);
18. Hydroxyl terminated polybutadiene (HTPB) with hydroxyl functionality equal to or greater than 2.2 and less than or equal to 2.4, a hydroxyl value of less than 0.77 meq/g and a viscosity at 30°C of less than 47 poise (CAS 69102-90-5);
19. Superfine iron oxide (Fe<sub>2</sub>O<sub>3</sub> hematite) with specific surface area more than 250 m<sup>2</sup>/g and an average particle size of 0.003 µm (CAS 1309-37-1);
20. lead beta-resorcylate (CAS 20936-32-7);
21. Lead stannate (CAS 12036-31-6), lead maleate (CAS 19136-34-6), lead citrate (CAS 14450-60-3);
22. Lead-copper chelates of beta-resorcylate or salicylates (CAS 68411-07-4);
23. Nitratomethylmethyloxetan or poly (3-Nitratomethyl, 3-methyl oxetane); (Poly\_NIMMO) (NMMO) (CAS 84051-81-0);
24. 3-nitroaza-1,5-pentane diisocyanate (CAS 7406-61-9);
25. N-Methyl-p-Nitroaniline (CAS 100-15-2);
26. Organo-metallic coupling agents, specifically:
  - a. neopentyl[diallyl]oxy, tri[diethyl]phosphato titanate (CAS 103850-22-2); also known as titanium IV, 2,2[bis 2-propenolato-methyl, butanolato, tris(diethyl)phosphato] (CAS 110438-25-0); or LICA 12 (CAS 103850-22-2);
  - b. Titanium IV, [(2-propenolato-1)methyl, n-propanolatomethyl] butanolato-1, tris[diethyl]pyrophosphate; or KR3538;
  - c. Titanium IV, [(2-propenolato-1)methyl, n-propanolatomethyl] butanolato-1, tris(diethyl)phosphate;
27. Polycyanodifluoroaminoethylenoxide (PCDE);
28. Polyfunctional aziridine amides with isophthalic, trimesic (BITA or butylenes imine trimesamide), isocyanuric or trimethyladipic backbone structures and 2- methyl or 2-ethyl substitutions on the aziridine ring;
29. polyglycidyl nitrate or poly (nitratomethyl oxirane); (Poly-GLYN) (PGN) (CAS 27814-48-8);
30. Polynitroorthocarbonates;
31. Propyleneimine, 2-methylaziridine (CAS 75-55-8);
32. Tetraacetyldibenzylhexaazaisowurtzitane (TAIW);
33. Tetraethylenepentaamineacrylonitrile (TEPAN) (CAS 68412-45-3); cyanoethylated polyamines and their salts;
34. Tetraethylenepentaamineacrylonitrileglycidol (TEPANOL) (CAS 68412-46-4); cyanoethylated polyamines adducted with glycidol and their salts;
35. Triphenyl bismuth (TPB) (CAS 603-33-8);
36. Tris-1-(2-methyl)aziridinyl phosphine oxide (MAPO) (CAS 57-39-6); bis (2-methyl aziridinyl) 2-(hydroxypropanoxy) propylamino phosphine oxide (BOBBA 8); and other MAPO derivatives;

37. 1,2,3-Tris[1,2-bis(difluoroamino)ethoxy]propane (CAS 53159-39-0); tris vinoxyl propane adduct (TVOPA);
38. 1,3,5-trichlorobenzene (CAS 108-70-3);
39. 1,2,4-trihydroxybutane (1,2,4-butanetriol);
40. 1,3,5,7 tetraacetyl-1,3,5,7,-tetraaza cyclo-octane (TAT) (CAS 41378-98-7);
41. 1,4,5,8-Tetraazadecalin (CAS 5409-42-7);
42. Low (less than 10,00) molecular weight, alcohol-functionalised, poly(epichlorohydrin); poly(epichlorohydrindiol) and triol.

Note 1: *The military explosives and fuels containing the metals or alloys listed in ML8.a.1. and ML8.a.2. are controlled whether or not the metals or alloys are encapsulated in aluminum, magnesium, zirconium or beryllium.*

See also entry 1.C.011 on the Dual-Use List.

Note 2: *ML8. does not control boron and boron carbide enriched with boron-10(20% or more of total boron-10 content).*

Note 3: *Aircraft fuels controlled by ML8.d.1. are finished products not their constituents.*

Note 4: *ML8. does not control perforators specially designed for oil well logging.*

Note 5: *ML8. does not control the following substances unless they are compounded or mixed with military explosives or powdered metals:*

- a. Ammonium picrate;
- b. Black powder;
- c. Hexanitrodiphenylamine;
- d. Difluoroamine; (HNF<sub>2</sub>)
- e. Nitrostarch;
- f. Potassium nitrate;
- g. Tetranitronaphthalene;
- h. Trinitroanisole;
- i. Trinitronaphthalene;
- j. Trinitroxylene;
- k. Fuming nitric acid non-inhibited and not enriched;
- l. Acetylene;
- m. Propane;
- n. Liquid oxygen;
- o. Hydrogen peroxide in concentrations of less than 85%;
- p. Misch metal;
- q. N-pyrrolidinone; 1-methyl-2-pyrrolidinone;
- r. Dioctylmaleate;
- s. Ethylhexylacrylate;
- t. Triethylaluminium (TEA), trimethylaluminium (TMA), and other pyrophoric metal alkyls and aryls of lithium, sodium, magnesium, zinc or boron;
- u. Nitrocellulose;
- v. Nitroglycerin (or glyceroltrinitrate, trinitroglycerine) (NG);
- w. 2,4,6-trinitrotoluene (TNT);
- x. Ethylenediaminedinitrate (EDDN);
- y. Pentaerythritoltetranitrate (PETN);

- aa. Lead azide, normal and basic lead styphnate, and primary explosives or priming compositions containing azides or azide complexes;
- bb. Triethyleneglycoldinitrate (TEGDN);
- cc. 2,4,6-trinitroresorcinol (styphnic acid);
- dd. Diethyldiphenyl urea; dimethylidiphenyl urea; methylethyldiphenyl urea [Centralites];
- ee. N,N-diphenylurea (unsymmetrical diphenylurea);
- ff. Methyl-N,N-diphenylurea (methyl unsymmetrical diphenylurea);
- gg. Ethyl-N,N-diphenylurea (ethyl unsymmetrical diphenylurea);
- hh. 2-Nitrodiphenylamine (2-NDPA);
- ii. 4-Nitrodiphenylamine (4-NDPA);
- jj. 2,2-dinitropropanol;
- kk. Chlorine trifluoride.

**ML9. Vessels of war, special naval equipment and accessories, as follows, and components therefore, specially designed for military use:**

- a. Combatant vessels and vessels (surface or underwater) specially designed or modified for offensive or defensive action, whether or not converted to non-military use, regardless of current state of repair or operating condition, and whether or not they contain weapon delivery systems or armors, and hulls or parts of hulls for such vessels;
- b. Engines, as follows:
  - 1. Diesel engines specially designed for submarines with both of the following characteristics:
    - a. A power output of 1.12 MW (1,500 hp.) or more; and
    - b. A rotary speed of 700 rpm or more;
  - 2. Electric motors specially designed for submarines having all of the following characteristics:
    - a. A power output has more than 0.75 MW (1,000 hp.);
    - b. Quick reversing;
    - c. Liquid cooled; and
    - d. Totally enclosed;
  - 3. Non-magnetic diesel engines specially designed for military use with a power output of 37.3 kW (50 hp.) or more and with a non-magnetic content in excess of 75% of total mass;
  - 4. Independent power air supplying systems, specially designed for submarines;
- c. Underwater detection devices specially designed for military use and controls thereof;
- d. Submarine and torpedo nets;
- e. Equipment for guidance and navigation specially designed for military use;
- f. Hull penetrators and connectors specially designed for military use that enable interaction with equipment external to a vessel;

*Note :ML9.f. includes connectors for vessels which are of the single-conductor, multi-conductor, coaxial or waveguide type, and hull penetrators for vessels, both of which are capable of remaining impervious to leakage from without and of retaining required characteristics at marine depths exceeding 100 m; and fibre-optic connectors and optical hull penetrators specially designed for "laser" beam transmission regardless of depth. It does not include ordinary propulsive shaft and hydrodynamic control-rod hull penetrators.*

- g. Silent bearings, with gas or magnetic suspension, active signature or vibration suppression controls, and equipment containing those bearings, specially designed for military use.

**ML10. "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use, as follows:**

- a. Combat "aircraft" and specially designed components therefore;
- b. Other "aircraft" specially designed or modified for military use, including military reconnaissance, assault, military training, transporting and airdropping troops or military equipment, logistics support, and specially designed components therefore;
- c. Aero-engines specially designed or modified for military use, and specially designed components therefore;
- d. Unmanned airborne vehicles and related equipment, specially designed or modified for military use, as follows, and specially designed components therefore:
  - 1. Unmanned airborne vehicles including remotely piloted air vehicles (RPVs) and autonomous programmable vehicles;
  - 2. Associated launchers and ground support equipment;
  - 3. Related equipment for command and control.
- e. Airborne equipment, including airborne refueling equipment, specially designed for use with the "aircraft" controlled by ML10.a. or ML10.b. or the aero-engines controlled by ML10.d., and specially designed components therefore;
- f. Pressure refuellers, pressure refueling equipment, equipment specially designed to facilitate operations in confined areas and ground equipment, developed specially for "aircraft" controlled by ML10.a. or ML10.b., or for aero-engines controlled by ML10.d.;
- g. Pressurized breathing equipment and partial pressure suits for use in "aircraft", anti-g suits, military crash helmets and protective masks, liquid oxygen converters used for "aircraft" or missiles, and catapults and cartridge actuated devices for emergency escape of personnel from "aircraft";
- h. Parachutes and related equipment, used for combat personnel, cargo dropping or "aircraft" deceleration, as follows:
  - 1. Parachutes for:
    - a. Pin point dropping of rangers;
    - b. Dropping of paratroopers;

2. Cargo parachutes;
  3. Paragliders, drag parachutes, drogue parachutes for stabilization and attitude control of dropping bodies, (e.g. recovery capsules, ejection seats, bombs);
  4. Drogue parachutes for use with ejection seat systems for deployment and inflation sequence regulation of emergency parachutes;
  5. Recovery parachutes for guided missiles, drones or space vehicles;
  6. Approach parachutes and landing deceleration parachutes;
  7. Other military parachutes;
- i. Automatic piloting systems for parachuted loads; equipment specially designed or modified for military use for controlled opening g jumps at any height, including oxygen equipment.

Note 1: *ML10.b. does not control "aircraft" or variants of those "aircraft" specially designed for military use which:*

- a. *Are not configured for military use and are not fitted with equipment or attachments specially designed or modified for military use; and*
- b. *Have been certified for civil use by the civil aviation authority in a participating state.*

Note 2: *ML10.c. does not control:*

- a. *Aero-engines designed or modified for military use, which have been certified by civil aviation authorities in a participating state for use in "civil aircraft", or specially designed components therefore;*
- b. *Reciprocating engines or specially designed components therefore, except those specially designed for unmanned airborne vehicles.*

Note 3: *The control in ML10.b. and ML10.c. on specially designed components and related equipment for non-military "aircraft" or aero-engines modified for military use applies only to those military components and to military related equipment required for the modification to military use.*

**ML11. Electronic equipment, not controlled elsewhere on the Munitions List, specially designed for military use and specially designed components therefore.**

Note: *ML11. includes:*

- a. *Electronic countermeasure and electronic counter-countermeasure equipment (i.e., equipment designed to introduce extraneous or erroneous signals into radar or radio communication receivers or otherwise hinder the reception, operation or effectiveness of adversary electronic receivers including their countermeasure equipment), including jamming and counter-jamming equipment;*
- b. *Frequency agile tubes;*
- c. *Electronic systems or equipment designed either for surveillance and monitoring of the electro-magnetic spectrum for military intelligence*

- or security purposes or for counteracting such surveillance and monitoring;*
- d. Underwater countermeasures, including acoustic and magnetic jamming and decoy, equipment designed to introduce extraneous or erroneous signals into sonar receivers;*
- e. Data processing security equipment, data security equipment and transmission and signaling line security equipment, using ciphering processes;*
- f. Identification, authentication and key loader equipment and key management, manufacturing and distribution equipment;*
- g. Military telecommunication satellites and their ground stations, except their dual-use components.*

**ML12. High velocity kinetic energy weapon systems and related equipment, as follows, and specially designed components therefore:**

- a. Kinetic energy weapon systems specially designed for destruction or effecting mission-abort of a target;
- b. Specially designed test and evaluation facilities and test models, including diagnostic instrumentation and targets, for dynamic testing of kinetic energy projectiles and systems.

*N.B.: For weapon systems using sub-caliber ammunition or employing solely chemical propulsion, and ammunition therefore, see ML1. to ML4.*

*Note 1: ML12. includes the following when specially designed for kinetic energy weapon systems:*

- a. Launch propulsion systems capable of accelerating masses larger than 0.1 g to velocities in excess of 1.6 km/s, in single or rapid-fire modes;*
- b. Prime power generation, electric armors, energy storage, thermal management, conditioning, switching or fuel-handling equipment; and electrical interfaces between power supply, gun and other turret electric drive functions;*
- c. Target acquisition, tracking, and fire control or damage assessment systems;*
- d. Homing seeker, guidance or divert propulsion (lateral acceleration) systems for projectiles.*

*Note 2: ML12. controls weapon systems using any of the following methods of propulsion:*

- a. Electromagnetic;*
- b. Electro-thermal;*
- c. Plasma;*
- d. Light gas; or*
- e. Chemical (when used in combination with any of the above).*

*Note 3: ML12. does not control "technology" for magnetic induction for continuous propulsion of civil transport devices.*

**ML13. Armoured or protective equipment and constructions and components, as follows:**

- a. Armoured plate as follows:
  1. Manufactured to comply with a military standard or specification; or
  2. Suitable for military use;
- b. Constructions of metallic or non-metallic materials or combinations thereof specially designed to provide ballistic protection for military systems, and specially designed components therefore;
- c. Military helmets;
- d. Body armors and flak suits manufactured according to military standards or specifications, or equivalent, and specially designed components therefore.

*Note 1: ML13.b. includes materials specially designed to form explosive reactive armors or to construct military shelters.*

*Note 2: ML13.c. does not control conventional steel helmets, neither modified or designed to accept, nor equipped with any type of accessory device.*

*Note 3: ML13.d. does not control individual suits of body armors for personal protection and accessories therefore when accompanying their users .*

*N.B.: See also entry 1.A.5. on the Dual-Use List.*

**ML14. Specialized equipment for military training or for simulating military scenarios and specially designed components and accessories therefore.**

*Technical Note:*

*The term 'specialized equipment for military training' includes military types of attack trainers, operational flight trainers, radar target trainers, radar target generators, gunnery training devices, anti-submarine warfare trainers, flight simulators (including human-rated centrifuges for pilot/astronaut training), radar trainers, instrument flight trainers, navigation trainers, missile launch trainers, target equipment, drone "aircraft", armament trainers, pilotless "aircraft" trainers and mobile training units.*

*Note: ML14. includes image generating and interactive environment systems for simulators when specially designed or modified for military use.*

**ML15. Imaging or countermeasure equipment, as follows, specially designed for military use, and specially designed components and accessories therefore:**

- a. Recorders and image processing equipment;
- b. Cameras, photographic equipment and film processing equipment;
- c. Image intensifier equipment;
- d. Infrared or thermal imaging equipment;

- e. Imaging radar sensor equipment;
- f. Countermeasure or counter-countermeasure equipment for the equipment controlled by sub-items ML15.a. to ML15.e.

Note: *ML15.f. includes equipment designed to degrade the operation or effectiveness of military imaging systems or to minimize such degrading effects.*

Note 1: *The term 'specially designed components' includes the following when specially designed for military use:*

- a. *Infrared image converter tubes;*
- b. *Image intensifier tubes (other than first generation);*
- c. *Micro-channel plates;*
- d. *Low-light-level television camera tubes;*
- e. *Detector arrays (including electronic interconnection or read out systems);*
- f. *Pyroelectric television camera tubes;*
- g. *Cooling systems for imaging systems;*
- h. *Electrically triggered shutters of the photochromic or electro-optical type having a shutter speed of less than 100  $\mu$ s, except in the case of shutters which are an essential part of a high speed camera;*
- i. *Fibre optic image inverters;*
- j. *Compound semiconductor photocathodes.*

Note 2: *ML15 does not control "first generation image intensifier tubes" or equipment specially designed to incorporate "first generation image intensifier tubes".*

N.B.: *For the status of weapons sights incorporating "first generation image intensifier tubes" see entries ML1., ML2. and ML5.a.*

N.B.: *See also entries 6.A.002.a.2. and 6.A.002.b. on the Dual-Use List.*

**ML16. Forgings, castings and other unfinished products the use of which in a controlled product is identifiable by material composition, geometry or function, and which are specially designed for any products controlled by ML1.to ML4., ML6., ML9., ML10., ML12. or ML19.**

**ML17. Miscellaneous equipment, materials and libraries, as follows, and specially designed components therefore:**

- a. Self-contained diving and underwater swimming apparatus, as follows:
  - 1. Closed or semi-closed circuit (rebreathing) apparatus specially designed for military use (i.e. specially designed to be non magnetic);
  - 2. Specially designed components for use in the conversion of open-circuit apparatus to military use;
  - 3. Articles designed exclusively for military use with self-contained diving and underwater swimming apparatus;
- b. Construction equipment specially designed for military use;
- c. Fittings, coatings and treatments for signature suppression, specially designed for military use;

- d. Field engineer equipment specially designed for use in a combat zone;
- e. "Robots", "robot" controllers and "robot" "end-effectors", having any of the following characteristics:
  - 1. Specially designed for military use;
  - 2. Incorporating means of protecting hydraulic lines against externally induced punctures caused by ballistic fragments (e.g., incorporating self-sealing lines) and designed to use hydraulic fluids with flash points higher than 839 K (566°C); or
  - 3. Specially designed or rated for operating in an electro-magnetic pulse (EMP) environment;
- f. Libraries (parametric technical databases) specially designed for military use with equipment controlled by the Munitions List;
- g. Nuclear power generating equipment or propulsion equipment, including "nuclear reactors", specially designed for military use and components therefore specially designed or modified for military use;
- h. Equipment and material, coated or treated for signature suppression, specially designed for military use, other than those controlled elsewhere in the Munitions List;
- i. Simulators specially designed for military "nuclear reactors";
- j. Mobile repair shops specially designed to service military equipment;
- k. Field generators specially designed for military use;
- l. Containers specially designed for military use;
- m. Bridges specially designed for military use.
- n. Test models specially designed for the "development" of items controlled by ML4., ML6., and ML9. or ML10.

*Technical Note:*

*For the purpose of ML17., the term 'library' (parametric technical database) means a collection of technical information of a military nature, reference to which may enhance the performance of military equipment or systems.*

**ML18. Equipment and "technology" for the production of products referred to in the Munitions List, as follows:**

- a. Specially designed or modified production equipment for the production of products controlled by the Munitions List, and specially designed components therefore;
- b. Specially designed environmental test facilities and specially designed equipment therefore, for the certification, qualification or testing of products controlled by the Munitions List;
- c. Specific production "technology", even if the equipment with which such "technology" is to be used is not controlled;
- d. "Technology" specific to the design of, the assembly of components into, and the operation, maintenance and repair of complete production installations even if the components themselves are not controlled.

Note 1: ML18.a. and ML18.b. include the following equipment:

- a. Continuous nitrators;
- b. Centrifugal testing apparatus or equipment having any of the following characteristics:
  1. Driven by a motor or motors having a total rated horsepower of more than 298 kW (400 hp);
  2. Capable of carrying a payload of 113 kg or more; or
  3. Capable of exerting a centrifugal acceleration of 8 g or more on a payload of 91 kg or more;
- c. Dehydration presses;
- d. Screw extruders specially designed or modified for military explosive extrusion;
- e. Cutting machines for the sizing of extruded propellants;
- f. Sweetie barrels (tumblers) 1.85 m or more in diameter and having over 227 kg product capacity;
- g. Continuous mixers for solid propellants;
- h. Fluid energy mills for grinding or milling the ingredients of military explosives;
- i. Equipment to achieve both sphericity and uniform particle size in metal powder listed in ML8.a.8j.;
- j. Convection current converters for the conversion of materials listed in ML8.a.3.

Technical Note:

For the purposes of ML18., the term 'production' includes design, examination, manufacture, testing and checking.

Note 2:

- a. The term 'products referred to in the Munitions List' includes:
  1. Products not controlled if inferior to specified concentrations as follows:
    - a. Hydrazine (see ML8.a.18.);
    - b. "Explosives" (see ML8.);
  2. Products not controlled if inferior to technical limits, (i.e., "superconductive" materials not controlled by 1.C.5. on the Dual-Use List; "superconductive" electromagnets not controlled by 3.A.1.e.3. on the Dual-Use List; "superconductive" electrical equipment excluded from control under ML20.b.);
  3. Metal fuels and oxidants deposited in laminar form from the vapor phase (see ML8.a.5.);
- b. The term 'products referred to in the Munitions List' does not include:
  1. Signal pistols (see ML2.b.);
  2. The substances excluded from control under Note 3 to ML7.;
  3. Personal radiation monitoring dosimeters (see ML7.f.) and masks for protection against specific industrial hazards, see also Dual-Use List;

4. *Difluoroamine and potassium nitrate powder (see Note 6 to ML8.);*
5. *Aero-engines excluded from control under ML10.;*
6. *Conventional steel helmets not equipped with, or modified or designed to accept, any type of accessory device (see Note 2 to ML13.);*
7. *Equipment fitted with industrial machinery, which is not controlled such as coating machinery not elsewhere specified and equipment for the casting of plastics;*
8. *Muskets, rifles and carbines dated earlier than 1938, reproductions of muskets, rifles and carbines dated earlier than 1890, revolvers, pistols and machine guns dated earlier than 1890, and their reproductions;*

Note 3: *Note 2.b.8. of ML18. does not release from controls "technology" or production equipment for non-antique small arms, even if used to produce reproductions of antique small arms.*

Note 4: *ML18.d. does not control "technology" for civil purposes, such as agricultural, pharmaceutical, medical, veterinary, environmental, waste management, or in the food industry.*

N.B.: *See Note 4 to ML7*

**ML19. Directed energy weapon systems (DEW), related or countermeasure equipment and test models, as follows, and specially designed components therefore:**

- a. "Laser" systems specially designed for destruction or effecting mission-abort of a target;
- b. Particle beam systems capable of destruction or effecting mission-abort of a target;
- c. High power radio-frequency (RF) systems capable of destruction or effecting mission-abort of a target;
- d. Equipment specially designed for the detection or identification of, or defense against, systems controlled by ML19.a. to ML19.c.;
- e. Physical test models and related test results for the systems, equipment and components controlled by this Item.
- f. Continuous wave or pulsed "laser" systems specially designed to cause permanent blindness to un-enhanced vision, i.e., to the naked eye or to the eye with corrective eyesight devices.

Note 1: *Directed energy weapon systems controlled by ML19. include systems whose capability is derived from the controlled application of:*

- a. *"Lasers" of sufficient continuous wave or pulsed power to effect destruction similar to the manner of conventional ammunition;*
- b. *Particle accelerators which project a charged or neutral particle beam with destructive power;*

- c. *High pulsed power or high average power radio frequency beam transmitters which produce fields sufficiently intense to disable electronic circuitry at a distant target.*

Note 2: *ML19. includes the following when specially designed for directed energy weapon systems:*

- a. *Prime power generation, energy storage, switching, power conditioning or fuel-handling equipment;*
- b. *Target acquisition or tracking systems;*
- c. *Systems capable of assessing target damage, destruction or mission-abort;*
- d. *Beam-handling, propagation or pointing equipment;*
- e. *Equipment with rapid beam slew capability for rapid multiple target operations;*
- f. *Adaptive optics and phase conjugators;*
- g. *Current injectors for negative hydrogen ion beams;*
- h. *"Space qualified" accelerator components;*
- i. *Negative ion beam funneling equipment;*
- j. *Equipment for controlling and slewing a high-energy ion beam*
- k. *"Space qualified" foils for neutralizing negative hydrogen isotope beams*

**ML20. Cryogenic and "superconductive" equipment, as follows, and specially designed components and accessories therefor:**

- a. Equipment specially designed or configured to be installed in a vehicle for military ground, marine, airborne or space applications, capable of operating while in motion and of producing or maintaining temperatures below 103 K (- 170°C);

Note: *ML20.a. includes mobile systems incorporating or employing accessories or components manufactured from non-metallic or non-electrical conductive materials, such as plastics or epoxy-impregnated materials.*

- b. "Superconductive" electrical equipment (rotating machinery and transformers) specially designed or configured to be installed in a vehicle for military ground, marine, airborne or space applications, capable of operating while in motion.

Note: *ML20.b. does not control direct-current hybrid homopolar generators that have single-pole normal metal armatures which rotate in a magnetic field produced by superconducting windings, provided those windings are the only superconducting component in the generator.*

**ML21. "Software", as follows:**

- a. "Software" specially designed or modified for the "development", "production" or "use" of equipment or materials controlled by the Munitions List;
- b. Specific "software", as follows:

1. "Software" specially designed for:
  - a. Modelling, simulation or evaluation of military weapon systems;
  - b. "Development", monitoring, maintenance or up dating of "software" embedded in military weapon systems;
  - c. Modelling or simulating military operation scenarios, not controlled by ML14.;
  - d. Command, Communications, Control and Intelligence (C 3 I) or Command, Communications, Control, Computer and Intelligence (C 4 I) applications;
2. "Software" for determining the effects of conventional, nuclear, chemical or biological warfare weapons.
3. "Software", not controlled by ML21.a., b.1. or b.2., specially designed or modified to enable equipment not controlled by the Munitions List to perform the military functions of equipment controlled by ML5., ML7.f., ML9.c., ML9.e., ML10.e., ML11., ML14., ML15., ML17.i., or ML18.

**ML22. "Technology" according to the General Technology Note of the Munitions List for the "development", "production" or "use" of items controlled in the Munitions List, other than that "technology" controlled in ML7. and ML18.**

### DEFINITIONS OF TERMS USED IN THESE LISTS

This document contains the definitions of the terms used in these Lists, in alphabetical order.

**"Adapted for use in war"**

Any modification or selection (such as altering purity, shelf life, virulence, dissemination characteristics, or resistance to UV radiation) designed to increase the effectiveness in producing casualties in humans or animals, degrading equipment or damaging crops or the environment.

**"Additives"**

Substances used in explosive formulations to improve their properties.

**"Aircraft"**

A fixed wing, swivel wing, rotary wing (helicopter), tilt rotor or tilt-wing airborne vehicle.

**"Biocatalysts"**

Enzymes for specific chemical or biochemical reactions or other biological compounds, which bind to and accelerate the degradation of CW agents.

Technical Note

*'Enzymes' means "biocatalysts" for specific chemical or biochemical reactions.*

## **"Biopolymers"**

Biological macromolecules as follows:

- a. Enzymes for specific chemical or biochemical reactions;
- b. Antibodies, monoclonal, polyclonal or anti-idiotypic;
- c. Specially designed or specially processed receptors;

### Technical Notes

1. *'Anti-idiotypic antibodies' means antibodies, which bind to the specific antigen binding sites of other antibodies;*
2. *'Monoclonal antibodies' means proteins, which bind to one antigenic site and are produced by a single clone of cells;*
3. *'Polyclonal antibodies' means a mixture of proteins, which bind to the specific antigen and are produced by more than one clone of cells;*
4. *'Receptors' means biological macromolecular structures capable of binding ligands, the binding of which affects physiological functions.*

## **"Civil aircraft"**

Those "aircraft" listed by designation in published airworthiness certification lists by the civil aviation authorities to fly commercial civil internal and external routes or for legitimate civil, private or business use.

## **"End-effectors"**

Grippers, active tooling units and any other tooling that is attached to the baseplate on the end of a "robot" manipulator arm.

### Technical Note

*'Active tooling units' are devices for applying motive power, process energy or sensing to a workpiece.*

## **"Energetic materials"**

Substances or mixtures that react chemically to release energy required for their intended application. "Explosives", "pyrotechnics" and "propellants" are subclasses of energetic materials.

## **"Explosives"**

Solid, liquid or gaseous substances or mixtures of substances which, in their application as primary, booster, or main charges in warheads, demolition and other applications, are required to detonate.

## **"Expression Vectors"**

Carriers (e.g., plasmid or virus) used to introduce genetic material into host cells.

## **"First generation image intensifier tubes"**

Electrostatically focused tubes, employing input and output fibre optic or glass face plates, multi-alkali photocathodes (S-20 or S-25), but not micro-channel plate amplifiers.

**"Laser"**

An assembly of components which produce both spatially and temporally coherent light that is amplified by stimulated emission of radiation.

**"Nuclear reactor"**

Includes the items within or attached directly to the reactor vessel, the equipment which controls the level of power in the core, and the components which normally contain or come into direct contact with or control the primary coolant of the reactor core.

**"Precursors"**

Specialty chemicals used in the manufacture of explosives.

**"Pyrotechnic(s)"**

Mixtures of solid or liquid fuels and oxidizers which, when ignited, undergo an energetic chemical reaction at a controlled rate intended to produce specific time delays, or quantities of heat, noise, smoke, visible light or infrared radiation. Pyrophorics are a subclass of pyrotechnics, which contain no oxidizers but ignite spontaneously on contact with air.

**"Riot control agents"**

Substances which produce temporary irritating or disabling physical effects which disappear within minutes of removal from exposure. There is no significant risk of permanent injury and medical treatment is rarely required.

**"Robot"**

A manipulation mechanism, which may be of the continuous path or of the point-to-point variety, may use sensors, and has all the following characteristics:

- a. is multifunctional;
- b. is capable of positioning or orienting material, parts, tools or special devices through variable movements in three-dimensional spaces;
- c. Incorporates three or more closed or open loop servo-devices which may include stepping motors; and

**"Robot" contd.**

- d. Has "user-accessible programmability" by means of the teach/playback method or by means of an electronic computer, which may be a programmable logic controller, i.e., without mechanical intervention.

*Note The above definition does not include the following devices:  
1. Manipulation mechanisms, which are only manually/teleoperator controllable;*

2. *Fixed sequence manipulation mechanisms, which are automated moving devices, operating according to mechanically fixed programmed motions. The programme is mechanically limited by fixed stops, such as pins or cams. The sequence of motions and the selection of paths or angles are not variable or changeable by mechanical, electronic or electrical means;*
3. *Mechanically controlled variable sequence manipulation mechanisms, which are automated moving devices, operating according to mechanically, fixed programmed motions. The programme is mechanically limited by fixed, but adjustable stops, such as pins or cams. The sequence of motions and the selection of paths or angles are variable within the fixed programme pattern. Variations or modifications of the programme pattern (e.g., changes of pins or exchanges of cams) in one or more motion axes are accomplished only through mechanical operations;*
4. *Non-servo-controlled variable sequence manipulation mechanisms, which are automated moving devices, operating according to mechanically, fixed programmed motions. The programme is variable but the sequence proceeds only by the binary signal from mechanically fixed electrical binary devices or adjustable stops;*
5. *Stacker cranes defined as Cartesian coordinate manipulator systems manufactured as an integral part of a vertical array of storage bins and designed to access the contents of those bins for storage or retrieval.*

### **"Space qualified"**

Products designed, manufactured and tested to meet the special electrical, mechanical or environmental requirements for use in the launch and deployment of satellites or high altitude flight systems operating at altitudes of 100 km or higher.

### **"Superconductive"**

Refers to materials, (i.e., metals, alloys or compounds) which can lose all electrical resistance (i.e., which can attain infinite electrical conductivity and carry very large electrical currents without Joule heating).

#### Technical Note

*The "superconductive" state of a material is individually characterized by a "critical temperature", a critical magnetic field, which is a function of temperature, and a critical current density, which is, however, a function of both magnetic field and temperature.*

### **"Tear gases"**

Gases which produce temporary irritating or disabling effects which disappear within minutes of removal from exposure.

Software (all categories) a collection by one or more "programs" or "microprogramms, which are stored on any type of accessible support.

*Note*        *“Micro-programmes”:* a sequence of elementary instructions maintained in a special storage, the execution of which is initiated by the introduction of its reference instruction register

**“In the public domain”**

This means “software” or “technology” which has been made available without restrictions upon its further dissemination. (Copyright restrictions do not remove “software” or “technology” from being “In the public domain”

**“Development”**

Is related to all phases prior to “ production” such as: design, design research, design analysis, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, layouts.

**“Basic scientific research”**

Experimental or theoretical work undertaken principally to acquire new knowledge of the fundamental principles of phenomena or observable facts, not primarily directed towards a specific practical aim or objective.

**"Technology"**

Specific information necessary for the "development", "production" or "use" of a product. The information takes the form of technical data or technical assistance. Controlled "technology" is defined in the General Technology Note and in the Dual-Use List.

Technical Notes

1. *'Technical data'* may take forms such as blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals and instructions written or recorded on other media or devices such as disk, tape, read-only memories.
2. *'Technical assistance'* may take forms such as instruction, skills, training, and working knowledge, consulting services. *'Technical assistance'* may involve transfer of *'technical data'*.

**“Use”**

Means: operation, installation (including on-site installation) maintenance, repair, overhaul, refurbishing

**Annex 4**  
**Relevant Romanian companies**

<b>No.</b>	<b>Logo of the companies</b>	<b>Website Internet</b>
1.	SC A-E Electronics SA	<a href="http://www.aee.ro">www.aee.ro</a>
2.	SC Aerofina SA	<a href="http://www.aerofina.ro">www.aerofina.ro</a>
3.	SC Aerostar SA	<a href="http://www.aerostar.ro">www.aerostar.ro</a>
4.	SC Aerotech SA	<a href="http://www.aeroteh.ro">www.aeroteh.ro</a>
5.	CN Romarm SA	<a href="http://www.romarm.ro">www.romarm.ro</a>
6.	SC Cobra Security SRL	<a href="http://www.uti.ro">www.uti.ro</a>
7.	SC Condor SA	<a href="http://www.condor-sa.ro">www.condor-sa.ro</a>
8.	SC Electromagnetica SA	<a href="http://www.electromagnetica.ro">www.electromagnetica.ro</a>
9.	SC Elprof SA	<a href="http://www.elprof.ro">www.elprof.ro</a>
10.	SC IAR Brasov SA	<a href="http://www.iar.ro">www.iar.ro</a>
11.	SC MFA Mizil SA	<a href="http://www.mfa.ro">www.mfa.ro</a>
12.	SC Mirsand SRL	<a href="http://www.mirsand.rdsbv.ro">www.mirsand.rdsbv.ro</a>
13.	CN Romtehnica SA	<a href="http://www.romtehnica.com.ro">www.romtehnica.com.ro</a>
14.	SC Stimpex SRL	<a href="http://www.stimpex.roknet.ro">www.stimpex.roknet.ro</a>
15.	SC IOR SA	<a href="http://www.ior.ro">www.ior.ro</a>
16.	SC Pro Optica SA	<a href="http://www.prooptica.ro">www.prooptica.ro</a>
17.	SC Rom Tech SA	<a href="http://www.romtech.ro">www.romtech.ro</a>
18.	SC Romaero SA	<a href="http://www.romaero.rdsnet.ro">www.romaero.rdsnet.ro</a>

**Annex 5**  
**Romania arms exports in 2002**  
**- destination by destination -**

No	Final destination state	Value of the components of arms exports expressed by value groups			
		Equipments	Spare parts	Active processing/repairs	TOTAL
1.	Algeria	3	2	1	4
2.	Austria	2	1	1	2
3.	Bangladesh	0	0	5	5
4.	Belgium	1	0	1	1
5.	Croatia	1	4	6	6
6.	Egypt	1	6	6	6
7.	France	1	3	4	4
8.	Georgia	2	2	0	3
9.	Germany	1	0	3	3
10.	Hungary	1	0	1	1
11.	India	4	4	6	6
12.	Israel	1	5	4	6
13.	Italy	1	4	1	4
14.	Kuwait	6	0	1	6
15.	Latvia	1	0	1	0
16.	Lebanon	1	0	1	0
17.	Maldives	4	0	1	4
18.	Oman	4	0	4	4
19.	Pakistan	1	6	4	6
20.	South Africa	1	0	1	0
21.	Thailand	5	0	1	5
22.	Turkey	4	4	1	5
23.	Ukraine	1	0	1	1
24.	United Arab Emirates	0	2	6	6
25.	United Kingdom	4	4	4	5
26.	United States of America	6	6	1	6
27.	Viet Nam	0	0	1	1

**Legend:** Meaning by value group

Group	Values
1	less 10 000 US\$
2	10 000 – 50 000 US\$
3	50 000- 100 000 US\$
4	100 000- 500 000 US\$
5	500 000- 1000 000 US\$
6	over 1 milion US\$

## Annex 6

### 2002 Romania arms exports, by categories of military goods

No.	Final destination state	Categories of military items, from List of armaments, ammunitions and other military items (HG 844/2001)			
		Military items and equipments	Parts and components for military goods	Costs for repairs of military goods and lohn	Details
1.	South Africa	ML7			<b>ML7.</b> Chemical or biological toxic agents, "tear gases", radioactive materials, related equipment, components, materials and "technology".
2.	Algeria	ML6	ML16 ML18		<b>ML6.</b> Ground vehicles and components therefore specially designed or modified for military use. <b>ML16.</b> Forgings, castings and other unfinished products the use of which in a controlled product is identifiable by material composition, geometry or function, and which are specially designed for any products controlled by ML1.to ML4, ML6, ML9., ML10., ML12 or ML19. <b>ML18.</b> Equipment and "technology" for the production of products referred to in the Munitions List.
3	Austria	ML1	ML1		<b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore.
4.	Bangladesh			ML10	<b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.
5.	Belgium	ML18			<b>ML18.</b> Equipment and "technology" for the production of products referred to in the Munitions List.
6.	Croatia		ML8	ML10	<b>ML8.</b> "Military explosives" and fuels, including propellants, and related substances. <b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.
7.	United Arab Emirates		ML10	ML10	<b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.
8.	Egypt		ML3 ML8 ML10	ML10	<b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12. <b>ML8.</b> "Military explosives" and fuels,

No.	Final destination state	Categories of military items, from List of armaments, ammunitions and other military items (HG 844/2001)			
		Military items and equipments	Parts and components for military goods	Costs for repairs of military goods and lohn	Details
					including propellants, and related substances. <b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.
9.	France	ML1	ML1 ML10 ML11	ML10 ML11	<b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore. <b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use. <b>ML11.</b> Electronic equipment not controlled elsewhere on the Munitions List, specially designed for military use and specially designed components therefore.
10.	Georgia	ML3	ML1		<b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore. <b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.
11.	Germany	ML16		ML10	<b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use. <b>ML16.</b> Forgings, castings and other unfinished products the use of which in a controlled product is identifiable by material composition, geometry or function, and which are specially designed for any products controlled by ML1 to ML4, ML6, ML9., ML10., ML12 or ML19.
12.	India	ML1 ML3 ML5	ML1 ML4	ML10	<b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore. <b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12. <b>ML4.</b> Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, as follows, specially designed for military use, and specially designed components therefore. <b>ML5.</b> Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, as follows, specially designed for military use, and specially designed components and accessories therefore. <b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related

No.	Final destination state	Categories of military items, from List of armaments, ammunitions and other military items (HG 844/2001)			
		Military items and equipments	Parts and components for military goods	Costs for repairs of military goods and lohn	Details
					equipment and components, specially designed or modified for military use.
13.	Israel	ML17	ML2 ML3 ML4 ML6 ML10	ML4 ML5 ML10 ML17 ML18	<p><b>ML2.</b> Armament or weapons with a caliber greater than 12.7 mm (caliber 0.50 inches), projectors and accessories, as follows, and specially designed components therefore.</p> <p><b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.</p> <p><b>ML4.</b> Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, as follows, specially designed for military use, and specially designed components therefore.</p> <p><b>ML5.</b> Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, as follows, specially designed for military use, and specially designed components and accessories therefore.</p> <p><b>ML6.</b> Ground vehicles and components therefore specially designed or modified for military use.</p> <p><b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.</p> <p><b>ML17.</b> Miscellaneous equipment, materials and libraries, and specially designed components therefore.</p> <p><b>ML18.</b> Equipment and "technology" for the production of products referred to in the Munitions List.</p>
14.	Italy	ML11			<b>ML11.</b> Electronic equipment not controlled elsewhere on the Munitions List specially designed for military use and specially designed components therefore.
15.	Kuwait	ML3			<b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.
16.	Letonia	ML13			<b>ML13.</b> Armoured or protective equipment and constructions and components.
17.	Lebanon	ML1			<b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, and specially designed components therefore.
18.	Maldives	ML3			<b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.
		ML1 ML3	ML1 ML2	ML10 ML11	<b>ML1.</b> Arms and automatic weapons with a

No.	Final destination state	Categories of military items, from List of armaments, ammunitions and other military items (HG 844/2001)			
		Military items and equipments	Parts and components for military goods	Costs for repairs of military goods and lohn	Details
19.	United Kingdom of Great Britain and Northern Ireland		ML10		<p>caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore.</p> <p><b>ML2.</b> Armament or weapons with a caliber greater than 12.7 mm (caliber 0.50 inches), projectors and accessories, as follows, and specially designed components therefore.</p> <p><b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.</p> <p><b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.</p> <p><b>ML11.</b> Electronic equipment, not controlled elsewhere on the Munitions List, specially designed for military use and specially designed components therefore.</p>
20.	Pakistan		ML1 ML3	ML10	<p><b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore.</p> <p><b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.</p> <p><b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.</p>
21.	Oman	ML3			<p><b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.</p>
22.	United States of America	ML1 ML2 ML3 ML4 ML10	ML1 ML2 ML5		<p><b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore.</p> <p><b>ML2.</b> Armament or weapons with a caliber greater than 12.7 mm (caliber 0.50 inches), projectors and accessories, as follows, and specially designed components therefore.</p> <p><b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.</p> <p><b>ML4.</b> Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, as follows, specially designed for military use,</p>

No.	Final destination state	Categories of military items, from List of armaments, ammunitions and other military items (HG 844/2001)			
		Military items and equipments	Parts and components for military goods	Costs for repairs of military goods and lohn	Details
					and specially designed components therefore. <b>ML5.</b> Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, as follows, specially designed for military use, and specially designed components and accessories therefore. <b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.
23.	Thailand	ML2 ML3			<b>ML2.</b> Armament or weapons with a caliber greater than 12.7 mm (caliber 0.50 inches), projectors and accessories, and specially designed components therefore. <b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12.
24.	Turkey	ML4 ML8	ML1 ML2 ML3		<b>ML1.</b> Arms and automatic weapons with a caliber of 12.7 mm (caliber 0.50 inches) or less and accessories, as follows, and specially designed components therefore. <b>ML2.</b> Armament or weapons with a caliber greater than 12.7 mm (caliber 0.50 inches), projectors and accessories, as follows, and specially designed components therefore. <b>ML3.</b> Ammunition, and specially designed components therefore, for the weapons controlled by ML1, ML2 or ML12. <b>ML4.</b> Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, as follows, specially designed for military use, and specially designed components therefore. <b>ML8.</b> "Military explosives" and fuels, including propellants, and related substances.
25.	Ukraine	ML13			<b>ML13.</b> Armoured or protective equipment and constructions and components.
26.	Hungary		ML8		<b>ML8.</b> "Military explosives" and fuels, including propellants, and related substances.
27.	Viet Nam			ML10	<b>ML10.</b> "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.

## BIBLIOGRAPHY

1. Report on arms export controls 2000 – 2001, edited by National Agency for Export Control of Strategic Goods and Prohibition of Chemical Weapons;
2. Government Ordinance no. 158/1999 on export and import regime of strategic goods, published in Official Gazette of Romania no.519/1999, 26 oct;
3. ANCESIAC President Order no.25/1999 for approval of the Methodological Norms to implement Government Ordinance no.158/1999 on export and import regime of strategic goods, published in Official Gazette of Romania no.563/1999,18 nov.;
4. Government Decision no.844/2001 on the list of armaments, munitions and other military goods subject to the export and import control regime, published in Official Gazette of Romania no.586/2001,19 sept.;
5. Law no.499/2002 on the approval of Romania contribution to the Wassenaar Arrangement on Export Controls of Conventional Arms and Dual Use Goods and Technologies – Initial Elements – adopted in 1996, 11 – 12 July and amended on 2001, 6 – 7 December, published in Official Gazette of Romania no.551/2002, 29 jul.;
6. ANCESIAC President Order no.71/2002 on the implementation of the of the export control regime to export of some goods not listed in the national lists of control, published in Official Gazette of Romania no.130/2002, 19 febr.;
7. ANCESIAC President Order no.81 on the consulting procedure, published in Official Gazette of Romania no.137/2002, 21 febr.
8. ANCESIAC President Order no.159/2002 on authorization regulations, published in Official Gazette of Romania no.204/2002, 26 mar.
9. ANCESIAC President Order no.275/2002 on the companies duties to report the export stage of military goods, published in Official Gazette of Romania no.359/2002, 29 may;
10. Fourth Annual Report According to Operative Provision 8 of the European Union Code of Conduct on Arms Exports, published in Official Journal of the European Communities, 2002,19 dec;
11. [www.wassenaar.org](http://www.wassenaar.org)
12. [www.nsg-online.org](http://www.nsg-online.org)
13. [www.zanggercommittee.org](http://www.zanggercommittee.org)
14. [www.un.org](http://www.un.org)
15. [www.europa.eu.int](http://www.europa.eu.int)

## ABBREVIATIONS

AG	–	Australia Group;
AIEA	–	International Atomic Energy Agency;
AW	–	Wassenaar Arrangement;
CI	-	Interagency Council;
HCOC	–	Hague Code of Conduct;
HG	–	Government Decision;
MTCR	–	Missile Technologies Control Regime;
NPT	–	Nuclear Nonproliferation Treaty;
NSG	–	Nuclear Suppliers Group;
OUG	–	Government Ordinance;
PESC	–	Common Foreign and Security Policy;
PfP	–	Parteneriat for peace;
SALW	–	Small Arms and Light Weapons;
UNSCR	–	UN Security Council Resolution
WAIS	–	Wassenaar Arrangement Information System;
WMD	–	Weapons of Mass Destruction;
ZC	–	Zangger Committee.