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AND TRADE

SPANISH EXPORT STATISTICS
REGARDING DEFENCE
MATERIAL, OTHER MATERIAL
AND DUAL-USE ITEMS AND
TECHNOLOGIES, 2006

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INTRODUCTION

This report, focusing on the export statistics of defence material, of other material and of dual-use items and technologies in 2006, was compiled in compliance with the agreement taken at the Plenary Session of the Congress of Deputies on 18 March 1997 on arms trade transparency (Annex I).

That Agreement urged the Government, inter alia, to:

- Annually disclose the essential export data as from 1991 including statistics by countries of destination in accordance with Spanish law and international commitments made by Spain.
- Send the essential export data in respect of defence and dual-use material to the Defence and Foreign Affairs Commissions of the Congress of Deputies every six months.

On 11 December 2001 the congressional approval of the Agreement regarding transparency and more stringent control of the small arms trade (Annex I) was added to the said agreement. Point one of the 11 December 2001 Agreement urged the Government to:

- Forge ahead in its transparency of information policy in respect of the export of defence, security and law enforcement material with a view to achieving greater specificity in terms of products and countries.

At a more recent plenary session of the Congress of Deputies, the 13 December 2005 Agreement supporting an Arms Trade Act (Annex I) was approved. This

Agreement urged the Government to submit, within a period of twelve months, a preliminary draft law on arms trading which should include, inter alia:

- Detailed instructions regarding the minimum information which must be contained in the official Spanish statistics report on the transfer of defence and dual-use material and must coincide with the best practices of other European Union countries in terms of transparency practices.
- The half-yearly submission of information to the Congress of Deputies on the transfers authorised during the most recent reference period and the annual appearance of the Secretary of State for Tourism and Trade before the Defence Commission of the Congress of Deputies to report on annual statistics.

This report is drawn up in compliance with the aforementioned agreements and is an expression of the Spanish Government's will to furnish transparent and detailed information concerning export operations of these types of products as well as actions undertaken at international control and non-proliferation fora during the course of 2006.

Before delving into the analysis of specific export data, an explanation must first be given regarding the methodology followed in compiling the statistics contained herein.

The body entrusted with the authorisation of each external trade transaction concerning defence material, other material

and dual-use items and technologies, duly informed by the JIMDDU, is the Secretariat-General for External Trade attached to the Ministry of Industry, Tourism and Trade. It should be remembered that the Secretariat-General holds the data concerning all of the authorised export licenses while the data corresponding to exports actually made is available at the Department of Customs and Excise Duties of the National Tax Administration Agency attached to the Ministry of Economy and Finance.

This report presents the data concerning operations undertaken, the information having been obtained by reviewing, one by one, export licenses issued and checking them against each one of the shipments made. Moreover, the Secretariat-General for External Trade collects information regarding export shipments directly from companies so as to be able to correct any data discrepancy. This authority is provided for in Article 11 of Royal Decree 1782/2004 of 30 July approving the Regulation governing the control of external trade in defence material, other material and dual-use items and technologies and companies are called on to submit monthly reports regarding shipments made.

It should be pointed out that these statistics do not reflect temporary exports (shipments made for the purpose of repair, homologation, testing, fairs, defective items returned to the manufacturer) which are void of any commercial value.

The 2006 statistics report is divided into two main blocks. The first covers information on Spanish legislation, Community regulations, data on Spain's export of defence material, other material and dual-use items and technologies and the main progress made at international control fora. The second section is com-

prised of eight annexes with information regarding the statistics tables presenting export figures for these products during 2006, the texts of the Congressional plenary session agreements mentioned at the beginning of the report, the criteria and operational provisions set out in the European Union Code of Conduct on Arms Exports, the principal international control and non-proliferation fora, a list of defence material embargos and the bibliography published on these matters by the Secretariat of State for Tourism and Trade. These annexes also include information regarding external trade figures on small arms and light weapons remitted by Spain to the OSCE. Concerning reports from previous years, it has not been possible to incorporate the Spanish contribution to the United Nations Register of the seven categories of conventional arms. This was due to the fact that the said data were not available at the time when the 2006 statistics were finalised.

Although the Arms Trade Act is still pending approval, in this report, the Government has decided to go ahead and include the information concerning the end use of the exported items, the nature of the end users and technical assistance. This commitment is envisaged in Article 16 of the draft law. Similarly, the Government has deemed appropriate the inclusion of two additional tables. The first provides detailed data on leasing operations, donations, second-hand items and production under license abroad. The second table provides a breakdown of exports classified according to defence cooperation programmes in which Spanish companies take part.

Spain's export statistics on defence material, other material and dual-use items and technologies are published in the

Economic Bulletin of the Spanish Trade Information Review, a publication of the Ministry of Industry, Tourism and Trade. The unabridged version of these articles

can be found on the web page of the Secretariat of State for Tourism and Trade.

[\(http://www.comercio.es/\)](http://www.comercio.es/)

PART I. EXPORT OF DEFENCE AND OTHER MATERIAL

1. Legislation in force. Law regarding the Control of External Trade in Defence and Dual-use Material

Organic Law 3/1992 of 30 April introduced administrative crimes and infractions in connection with the smuggling of defence and dual-use material for the first time into domestic regulations. Law 3/1992 described the crime of smuggling in the same terms as today's Anti-smuggling Act, Organic Law 12/1995 of 12 December, as the unauthorised export of defence or dual-use material or export with authorisation obtained by means of a false or incomplete declaration.

To implement the aforementioned law, it was then necessary to enact a new law at the Royal Decree level as provided for in Organic Law 3/1992. This was accomplished by means of the publication of Royal Decree 824/1993 of 28 May approving the Regulation on external trade in defence and dual-use material. The disperse regulations existing up to that time were grouped together under this Regulation: registration, external export/import trade, the Inter-ministerial Board, lists of defence and dual-use material subject to control, types of licenses and control documents.

Royal Decree 824/1993 was replaced by Royal Decree 491/1998 of 27 March. It should be pointed out that this legislation, in turn, was subsequently replaced by Royal Decree 1782/2004 of 30 July approving the Regulation on the control of external trade in defence material, other material and dual-use items and technologies.

Mention should also be made of Law 49/1999 of 20 December on control measures applicable to chemical substances liable to be diverted for the manufacture of chemical weapons. Royal Decree 1782/2004 included the implementation of the aforementioned Law within the scope of control of the import/introduction of substances figuring on lists 1, 2 and 3 of the Chemical Weapons Convention included previously in Royal Decree 1315/2001 of 30 November.

Article 8 of this Regulation explicitly stipulates those international commitments to which Spain is party concerning the control of external trade in defence material. The European Union agreed guidelines are included with special mention made of the eight criteria of the 8 June 1998 Code of Conduct regarding arms exports and the criteria adopted by the OSCE in the 24 November 2000 Small Arms and Light Weapons Document.

Authorisations may likewise be suspended, denied or revoked when material is used in any way disrespectful of the dignity inherent to all human beings.

Requests for transfer are studied in accordance with the former legislation, conducting a case by case analysis and drafting the mandatory binding report of the Inter-Ministerial Regulatory Board on External Trade in Defence and Dual-Use Material (JIMDDU). The overarching purpose of that analysis is to prevent the proliferation of weapons of mass destruction and especially to prevent arms and dual-use items from falling into the hands of and being used by terrorists, all without prejudice to

the legitimate sale of arms in accordance with Article 51 of the United Nations Charter which recognises the legitimate right to individual or collective defence of all member nations.

The Spanish control authorities also apply the Council Joint Action of 22 June concerning the control of technical assistance related to certain military end-uses; United Nations Resolution 55/255 regarding the Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition; United Nations Resolution 1540 on the non-proliferation of weapons of mass destruction; the 13 January 1993 Convention prohibiting the development, production, stockpiling and use of chemical weapons and on their destruction; and the 10 April 1972 Convention prohibiting the development, production and stockpiling of biological and toxin weapons and on their destruction.

The last legislative amendment forming part of Royal Decree 1782/2004 has also incorporated the elements of Council Common Position 2003/468/CFSP of 23 June on the control of arms brokering.

And lastly, the Spanish control system assumes the obligations undertaken within the framework of the most important international control and non-proliferation fora, i.e. the Wassenaar Arrangement, the Zangger Committee, the Missile Technology Control Regime, the Nuclear Suppliers Group and the Australia Group.

As was pointed out in the Introduction, the 13 December 2005 Agreement urged the Government to submit a preliminary draft law on Arms Trade.

In 2006, that preliminary draft was subjected to reports by the ministries involved in the control of these items and by the Council of State. It was finally approved by the Cabinet at its meeting of 29 December.

The 13 December 2005 Agreement was a very important step. In the draft law currently in Parliament, those aspects believed to improve operation authorisation procedures were considered as was the quality of the statistical information while maintaining, in any case, the confidentiality of export companies in accordance with the terms of Article 13 of the Public Statistics Act, Law 12/1989.

The most salient aspects of the draft law can be summarised as follows:

First of all, Spanish legislation in this connection has the status of Law, meaning that it will be accompanied by an instrument allowing for more effective use of controls.

Secondly, the Law updates the regulation of external trade transfers of defence material, other material and dual-use items and technologies in accordance with the new commitments made by Spain through international control and non-proliferation fora.

Thirdly, this is the first time that a regulation includes the Government's commitment to submit complete and detailed information to Parliament regarding the export of the said items with the half-yearly remittal of statistics and an annual appearance by the Secretary of State for Tourism and Trade before the Defence Commission of the Congress of Deputies. In addition to other data, the Government will furnish Parliament with annual information concerning the final use of exported items, the nature of the end user and technical assistance operations.

The fourth aspect has to do with the extension of control to all types of firearms (including hunting and sporting firearms, their components and ammunition) in compliance with UN Resolution 55/255 approving the Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition.

The 13 December Agreement made specific mention of the need to strictly and scrupulously apply the eight criteria of the Code of Conduct on Arms Exports. The Law lists these criteria as well as those envisaged by the OSCE for transactions involving small arms and light weapons.

An additional point in the 13 December Agreement urged the Government to encourage and take part in regional and international processes designed to exercise greater control of the arms trade and very specifically the adoption of an International Arms Trade Treaty. The Spanish authorities have always backed all of these initiatives and Spain was one of the 125 co-sponsors of the said project on 26 October 2006 at the 61st session of the United Nations General Assembly.

The text of the draft law contains a preamble which refers to the commitments made by Spain through international institutions and fora related to the control of this trade and non-proliferation; 17 articles broken down into three chapters, a transitional provision, a Repeal Provision and five final provisions.

The text states that the Government will dictate the implementing regulations by Royal Decree. That is why already in the last quarter of 2006, the first draft of the Royal Decree approving the Regulation controlling external trade in these items was drawn up. Said Royal De-

creed will replace Royal Decree 1782/2004.

The principal changes envisaged in the said draft may be summarised as follows:

- Introduction of control over the import of certain biological items pursuant to the Biological Weapons Convention and of firearms in general (providing that muzzle kinetic energy exceeds 24.2 Jules), in keeping with the commitments laid down in the United Nations Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition.
- Update of the makeup of the JIMDDU (Police and Civil Guard Directorates-General).
- Establishment of a series of requirements for inscription, nullification and suspension in the Special Register of External Trade Operations.
- Replacement of the General Authorisation for Defence Material with the General License for Defence Material (arising from the work undertaken on the Letter of Intent for the restructuring and integration of the European defence industry) and with the General Authorisation for firearms (sporting and hunting firearms not formerly subject to control).
- Update of the Annexes of the control lists of items, license forms and control documents in accordance with the changes implemented in the different international regimes. The items subject to control under Council Regulation (EC) No 1236/2005 of 27 June 2005 concerning trade in certain items which could be used for capital

punishment, torture or other cruel, inhumane or degrading treatment or punishment, have been eliminated from the List of Other Material figuring in Annex II.

A legislative change of this importance requires an amendment to the Anti-smuggling Act, Law 12/1995.

This amendment will be implemented in compliance with the obligations arising from the Chemical Weapons Convention; the Biological and Toxin Weapons Convention; the most recent changes to Regulation (EC) No 1334/2000 on dual-use items; the Council Joint Action of 22 June 2000 concerning the control of technical assistance related to certain military end-uses; Council Common Position No 2003/468/CFSP of 23 June 2003 on the control of arms brokering; and Council Regulation (EC) No 1236/2005 concerning trade in certain items that could be used in the enforcement of the death penalty or to inflict torture.

The changes can be summarised as follows:

- Replacement of the existing definition of the terms "export" and "dual-use items" with a view to bringing them into line with Regulation (EC) No 1334/2000. Introduction of new definitions of the terms "import", "consignment", "introduction" and "other material" and update of the existing definitions of "precursors" and "biological agents or toxins".
- Inclusion of the control of items which could be used in the enforcement of the death penalty or to inflict torture or other cruel, inhumane or degrading treatment or punishment.

- Broadening of the classification of crimes given that in the aforementioned Organic Law 12/1995 provisions are not made for imports, technical assistance, brokering, intra-community transfer of defence material, other material and dual-use items and technologies or for the import/export of items used to enforce the death penalty or to inflict torture.
- Control of transit throughout the territory and sea and air space of so-called "other material" and of items which could be used to enforce the death penalty or inflict torture, similar to that provided for in the aforementioned Law 12/1995 for defence and dual-use material.

It should likewise be recalled that the defence material subject to control under Spanish law is based on the Wassenaar Arrangement Military List, the Common List of Military Equipment of the European Union Code of Conduct on Arms Exports and also includes categories I and II of the Missile Technology Control Regime.

Among the products which are not classified as defence material, special mention should be made of certain specific cases. Transport aircraft which are not specifically designed or modified for military use and which are registered with the Directorate-General of Civil Aviation as civil aircraft are expressly excluded from the international lists. Cargo or transport vessels and ships, provided they do not have military specifications or equipment, are also exempt from control. Lastly, smooth-barrel hunting and sporting firearms and their ammunition which, due to their technical specifications, are not apt for military use and are not completely automatic, are not considered as defence

material and therefore are not subject to export control.

Lists of products and equipment subject to control under Spanish legislation must be updated each year in accordance with the amendments approved in the international lists. In 2006 the said update was undertaken by means of the 12 January 2006 Order issued by the Ministry of Industry, Tourism and Trade.

In 2006, the control of the external trade in defence and dual-use material was supplemented by the approval of the 20 July 2006 Order issued by the Secretariat of State for Tourism and Trade. This order established the procedure for the processing of external trade authorisations in application of Council Regulation (EC) No 1236/2005 of 27 June 2005 concerning trade in certain items that could be used in the enforcement of the death penalty or to inflict torture.

The Community Regulation contains nineteen Articles and five Annexes. Annex II includes a list of items related to the enforcement of the death penalty whose export and import is prohibited, as is any related technical assistance: gallows and guillotines, electric chairs, gas chambers, lethal chemical injection systems and electric-shock belts. This prohibition does not apply to shipments of this equipment to museums. Medical equipment is excluded as well. Annex III lists torture-related equipment: restraint chairs and shackle boards, handcuffs, gang chains, shackles, individual handcuffs and wrist shackles, thumb-cuffs, portable anti-riot devices delivering electric shocks, incapacitating chemical substance dispensing devices and two chemical substances used in the manufacture of tear gas. These items may be exported and imported but they need

prior authorisation and a control document listing the recipient, use and end user.

Transits and brokering transactions are not included in this Regulation. A denial and consultation procedure similar to the one used for the European Union Code of Conduct on Arms Exports has been set up (Articles 11 and 13). And lastly, in the case of Spain, the sanctions regime envisaged under Article 17 will entail amendment of the Smuggling Repression Act, Law 12/1995.

2. Control bodies

A) La Junta Interministerial Reguladora del Comercio Exterior de Material de Defensa y de Doble Uso (the Inter-Ministerial Regulatory Board on External Trade in Defence or Dual-Use Material – Spanish initials JIMDDU)

This Board was first constituted in 1988 as an inter-ministerial administrative body and is attached to the Ministry of Industry, Tourism and Trade. The JIMDDU meets on a monthly basis with the exception of the month of August and has a Working Group responsible for preparing operations and reports.

Its makeup is determined by Article 13 of Royal Decree 1782/2004 which states that those units of the administration which are directly involved in the control of external trade in defence material, other material and dual-use items and technologies shall be represented (Ministries of Industry, Tourism and Trade; Foreign Affairs and Cooperation; Economy and Finance; Defence; and the Interior).

The JIMDDU's most important function is the compulsory and binding review of

administrative authorisations and preliminary agreements relating to the said materials and the compulsory and consultative review of amendments made to regulations governing this trade.

B) The General Secretariat for External Trade

Authorisation for import/export transactions concerning defence material, other material and dual-use items and technologies, duly informed by the JIMDDU, is the responsibility of the General Secretariat for External Trade. The processing procedure for the issuing of licenses and control documents is undertaken by the Deputy Directorate-General of External Trade in Defence and Dual-use Material which, in turn, also serves as the Secretariat of the JIMDDU.

3. Statistical analysis

A) Data regarding exports

The tables showing the export figures corresponding to defence material and other material are included in Annex II of this report.

Before delving into concrete data analysis, it should be highlighted that Spain is a modest exporter in the international arms trade and its sales fluctuate significantly from one year to the next depending on the contracts awarded to companies working in the sector. Notwithstanding the above, the import/export flow has stabilised over the last several years as a result of the participation of several Spanish companies in joint military cooperation programmes (Eurofighter programmes, the A 400M transport aircraft, the Tiger helicopter, the Leopard tank, Meteor and Iris-T Missiles and the MIDS electronic communications programme).

In 2006 there was a significant 101.5% rise in defence material exports with respect to 2005, continuing the growth trend in exports dating back to 2000. The value of exports totalled €845.1 million.

Year	Amount (€millions)
2000	138.27
2001	231.18
2002	274.71
2003	383.10
2004	405.90
2005	419.45
2006	845.07

The following table, based on the statistical data from Annex II, shows Spain's principal export markets. It lists countries and groups of countries (NATO and European Union), amount and percentage of exports and the main categories exported in each case.

Countries DM	Amount (€ millions)	%	Categories
EU NATO countries	239.36	28.32	
United Kingdom	86.81	10.27	4, 8,10,15
Germany	81.33	9.63	4,6,10,15
Italy	33.50	3.96	10,11,15
Greece	22.83	2.70	1,8
Others	14.89	1.76	1,3,4,21
EU non-NATO countries	2.57	0.30	
NATO (non-EU) countries	290.34	34.37	
Norway	269.90	31.94	3,4,8,9
United States	17.13	2.03	1,2,3,4,5,8
Others	3.31	0.40	1,6,14,21
NATO + EU	532.27	62.99	
Other countries	252.64	29.89	
Chile	178.59	21.13	1,3,4,9
Brazil	74.05	8.76	10
Remaining countries	60.16	7.12	
TOTAL	845.07	100	

For the second straight year, percentage of exports to European Union countries declined significantly and in 2006 only accounted for 28.6% of the total com-

pared with 59.8% in 2005 and 79.6 in 2004. NATO countries absorbed 62.7% of exports, largely due to the export of the first F-85 frigate to the Norwegian Navy.

EU sales in absolute terms totalled €241.9 million, a figure slightly below that of 2005 (€251.0 million) but significantly below the 2004 total of €322.9 million. Exports were basically distributed between the United Kingdom, Germany, Italy and Greece. Main export categories were parts and replacements for the EF-2000 aircraft to the United Kingdom, Germany and Italy. Another noteworthy category in terms of shipments was parts and replacements for the Leopard tank and Iris-T and Meteor missiles to Germany and military fuel to the United Kingdom and Greece.

Once having accounted for shipments/exports to EU and NATO countries, the remaining sales (€312.8 million accounting for 37.0% of the total) were distributed among 38 countries with special mention of Chile with €178.6 million in the form of one Scorpene submarine (programme envisaging two submarines in collaboration with France) and Brazil with €74.0 million in the form of three transport aircraft. It is also important to stress the export of technical studies and documentation concerning a project for the design of a vessel for strategic purposes to Australia, three second-hand transport aircraft to Bolivia and one Mirage F1 second-hand aircraft to Jordan.

Other exports which may attract attention include a radar system to Botswana. The figure corresponding to Morocco basically corresponds to the shipment of 100 off-road transport vehicles while that of Cameroon and Tanzania corresponds to hunting rifles.

Focusing on product categories, attention should be drawn to the export of "Warships" with €445.9 million accounting for 52.8% of the total and "Aircraft" with €123.0 accounting for 14.6%.

As for "Other Material", exports totalled €960,917, the only countries of destination being Guatemala (€827,537 accounting for 86.1%), Morocco (€90,900 accounting for 9.5%) and Argentina (€42,480 accounting for 4.4%).

B) Data regarding operations undertaken

In 2006 a total of 812 applications for the export of defence material were processed and break down as follows: 627 individual licenses, 9 global licenses (for multiple shipments to different countries and recipients), 6 global project licenses (similar to global licenses but focusing on cooperation programmes in the defence field) and 170 temporary licenses. In addition to the foregoing, 2 inward processing traffic licenses were processed and rectifications were made to 205 licenses granted previously (rectification refers to an extension of the expiration date or a change in the customs release post).

Under the heading "Other Material", 21 individual licenses and 6 rectifications were processed. Of those 21 licenses, 6 were approved, 14 were left pending and 1 expired. All of the rectifications were approved.

Of the 627 individual licenses, 559 were approved, 3 denied, 6 were abandoned by the exporter, 17 expired due to failure to submit the end-use control document associated to the license by the deadline date and 42 were left pending for authorisation in 2007. Of the 9 global licenses, 8 were approved and one was left pending. The 6 global project li-

censes were approved. All of the 170 temporary licenses were approved with the exception of one which expired and another which was abandoned by the exporter. All of the license rectifications were approved with the exception of one which was abandoned by the exporter. The two traffic licenses were approved. Mention should also be made that 14 preliminary export agreements were approved in 2006 while one was left pending. This is an administrative approval signalling initial conformity regarding future shipments.

No licenses were authorised in 2006 for operations under Common Position 2003/468/CFSP of 23 June on the control of arms brokering.

C) Entries in the Special Register of External Trade Operations in Defence and Dual-use Material

In 2006, 27 entries were made concerning companies trading in defence and other material. Of these entries, one corresponded to a legal person acting as a broker for both defence and dual-use material.

D) Data concerning licensing denied

In 2006, 3 applications were denied due to enforcement of the code of conduct. All three corresponded to sporting firearms; criterion 1 (embargo) was applied in two cases and criterion 7 (risk of diversion) to the third.

The licenses denied were duly communicated to the EU Member States.

The Spanish Ministry of Foreign Affairs denied approval of 5 transit requests of the total 213 subject to processing in 2006.

Also, the diversion of a consignment of light arms from the country of destination to another country was studied. These arms had been exported in accordance with all legal conditions in 1990. Another investigation revolved around the possible unlicensed manufacture of certain rifles in Spain once it was discovered that production of this sort was not registered in Spanish territory. The authorities of a Sub-Saharan African nation requested the collaboration of the Spanish Government to verify the illicit transport by sea of arms and munitions. And lastly, upon request by two member countries of the Wassenaar Arrangement, it was found that no Spanish company was involved in any sort of defence or nuclear proliferation and missile activity with a company based in a destination country of concern and the possible involvement of a Spanish brokering company in the supply of armoured vehicles to the United Nations peacekeeping mission in Sudan was likewise disproven.

Prior to informing the operations, the JIMDDU conducted a case-by-case analysis of all 2006 transactions applying the following parameters:

- a) Full and absolute respect for United Nation, European Union and OSCE embargoes currently in force (Annex VI).
- b) Observance of commitments undertaken at international control and non-proliferation fora in which Spain participates.
- c) Application of the eight criteria of the European Union Code of Conduct on Arms Exports to exports of defence material.

d) Adoption of restrictive principles in approving exports to certain countries immersed in domestic or regional situations of conflict thus preventing the shipment of arms or equipment that, in light of their characteristics, could be used to take life or injure or for the purpose of domestic repression or as anti-riot material.

e) As concerns transactions involving small arms and light weapons, in 2001 the JIMDDU took the decision to make export authorisation of these arms contingent upon the end recipient/user being a public body (armed forces and law enforcement officials) in the case of particularly sensitive countries or in those where there is a risk of diversion in terms of the end use made of this material.

The requirement of submitting a control document continued throughout all of 2006 specifying this point as a prerequisite for license authorisation.

f) As of December 2001, the Spanish export of certain devices for the restriction of bodily movement such as leg shackles and waist chains has been prohibited. This prohibition was incorporated as Additional Provision Twelve to the Fiscal, Administrative and Social Order Act, Law 24/2001 of 27 December.

4. Principal actions undertaken and exchanges of information in the field of conventional weapons in 2006

A) COARM – Working Group of the Council on conventional arms exports

The duty of the COARM Group is to study those initiatives whose purpose is to strengthen conventional arms trade

controls. In addition to that responsibility, its central point of debate focuses on aspects related with the European Union Code of Conduct on Arms Exports. The Code of Conduct is comprised of eight criteria as well as a series of operational provisions which are set out in Annex IV.

Of the most important advances made in 2006, special mention should be made of the following:

1. *Transformation of the Code of Conduct into a Common Position.* The draft Council Common Position laying down the common rules governing control of the export of military technology and equipment was proposed by the Finnish Presidency and submitted to the Permanent Representatives Committee at the latter's meetings held in October and November and to the General Affairs Council at its December 2006 meeting. Consensus was not reached on its approval, however.
2. Review of the Common List of Military Equipment of the Code of Conduct. On 27 February 2006, the Council adopted an updated version of the Common List based on the changes made to the Wassenaar Arrangement Military Equipment List. This version was published on 17 March 2006.
3. *Improvement of the Code of Conduct "User's Guide" and the denial database.* Both were compiled in 2003 and became fully operational as of 1 January 2004. The Guide features clarifications on procedures to be applied to the communication of denials and consultations stemming from the latter in addition to guidelines concerning the interpretation of certain criteria and requirements for the pro-

vision of data for the Annual Report. The database managed by the General Secretariat of the EU Council contains all of the denials issued by Member States organised according to the denying country, country of destination and criterion on which denial was based.

Based on the development of other control regimes, best practices regarding final user certification will be adapted to the indicative list containing end use guarantees agreed at the plenary session of the Wassenaar Arrangement held in December 2005. A survey of Member States was likewise conducted on national policies in this field with a view to determining possible common elements.

Also, following the September 2005 adoption of best practices for the interpretation of Code of Conduct criterion 8 (compatibility of the arms exports with the technical and economic capacity of the recipient country), in June 2006 the Member States approved the best practices for the interpretation of criterion 2 (respect for human rights) and criterion 7 (risk of diversion). In June 2006, the decision was taken to commence work on best practices for criterion 3 (internal situation) and criterion 4 (regional situation).

4. *Participation and information dissemination activities.* In accordance with the mechanism agreed in 2004, several measures were taken to enhance the coordination of external activities undertaken by Member States in promoting the principles and criteria of the Code among candidate countries and third countries. This mechanism mainly consists of a database contain-

ing information on national activities undertaken in the said countries. On 4 May 2006, a seminar was held in Vienna jointly organised by the Austrian Presidency and the Stockholm International Peace Research Institute (SIPRI) targeting countries of the Western Balkans regarding the control of exports of conventional arms and dual use items.

Meetings with other countries and international organisations interested in joining the Code were held and information was exchanged on countries' respective denials of military equipment based on the application of the Code. An example of the foregoing was the case of Norway when it began to participate in the information exchange mechanism in 2004. Since the adoption of the Code on 8 June 1998 four further countries – Iceland, Norway, Canada and Croatia – have signed on.

5. *International Arms Trade Treaty.* On 3 October 2005, the Council supported the principle of an arms trade treaty, urging the commencement of a formal United Nations process, the only forum capable of enacting a universal instrument. In March 2005, the COARM Group created a contact group to act as a subgroup in which Member State representatives participate. Spain is one of the countries co-sponsoring this project.
6. *Standardisation of national contributions for the Annual Report.* While differences continue to exist in the way information is presented, significant progress has been made over the last several years in improving the standardisation of procedures used in obtaining statistical data. Particular at-

tion was paid to the difficulties encountered in gathering information on exports made. In this connection, a seminar was held in Prague on 16 November 2006 regarding the gathering of data targeting officials responsible for the granting of licenses and customs services

7. *Arms brokering.* In 2003, the Council adopted Common Position 2003/468/CFSP of 23 June on the control of arms brokering. The said Common Position contains the criteria, instruments (licenses, written authorisations, activities register, consultations) and definitions which the Member States agreed to include in their domestic legal systems. Twenty Member States have been adapting their legislations to this Common Position. In the case of Spain, Article 7 of Royal Decree 1782/2004 incorporated all of these instruments.

8. *End use controls.* The COARM Group initiated information sharing on national provisions in this area. Although special emphasis was put on controls at the stage prior to issue of the license, the Member States also agreed to continue looking for ways to improve the exchange of information, cooperation and verification assistance subsequent to dispatch.

Priority guidelines of the COARM Group for 2007 may be summarised as follows:

- Culmination of the process transforming the Code of Conduct into a common position. In its assessment of the VII Annual Report, the European Parliament reiterated its call for the Code to be made legally binding and for a study to be done on how to adapt it to domestic legislation.

- Continuation of the harmonisation process of national statistics reports, stressing data regarding the value of exports actually made.
- Development of mechanisms to harmonise national procedures and practices involving use certifications and end users including post dispatch verification.
- Follow-up on the adaptation of the Common Position on control of arms brokering to national legislations and broadening of the information exchange mechanism.
- Development of best practices for the interpretation of Code of Conduct criteria.
- Continuation of assistance to member countries and third countries with a view to guaranteeing policy standardisation in respect of control of arms exports and enforcement of Code of Conduct criteria and provisions.
- Improvement of the "User's Guide and the centralised denial database.
- Promotion of the initiative based on an international arms trade treaty.
- Intensification of dialogue with the European Parliament and cooperation with international NGOs and the defence industry.

B) European Union Joint Action on Small Arms and Light Weapons

The European Union is an actor and main contributor in the worldwide effort to combat the unlawful proliferation and

stockpiling of small arms and light weapons and their munitions.

Joint Action 1999/34/CFSP adopted by the European Union on 18 December 1998 and updated by Joint Action 2002/589/CFSP of 12 July bolsters other already existing European Union initiatives, especially the so-called Programme for Preventing and Combating Illicit Trafficking in Conventional Arms of 26 June 1997 and likewise the Code of Conduct on Arms Exports of 8 June 1998.

The said Joint Action focuses on conflict regions and its objectives are to prevent the destabilising stockpiling and proliferation of light weapons and also to contribute to the reduction in stocks of these types of arms. The projects developed within the framework of this Joint Action are mainly financed through the CFSP budget (specific article on "non-proliferation and disarmament").

As for the enforcement of the Joint Action, special emphasis is being put on the granting of financial and technical assistance for the elimination of stocks and assistance programmes for victims of armed conflicts. The first specific intervention was approved in 1999 targeting Cambodia.

Additionally, in December 2005 the EU Strategy on small arms and light weapons was put into operation as part of its 2003 Security Strategy. Other EU programmes and strategies focusing on anti-personnel mines and the participation of children soldiers in conflicts will round-out the construction of the Security Strategy.

In 2006 the EU Commission developed new legislative proposals for the Union

regarding regulatory measures in this connection: Update of the Weapons Directive (91/477); proposal of a new Firearms Directive to enforce the UN Firearms Protocol; and a Communication on the security of explosives, detonators and equipment liable to be used for the manufacture of bombs and firearms.

In 2006 the EU continued to provide technical and financial assistance with funds from different budgets for programmes and projects undertaken by different international and non-governmental organisations to combat the proliferation of small arms and light weapons and assistance for victims of armed conflicts.

Africa was once again the continent which received the most attention and funding from the EU. The Union earmarked €17 million for the implementation of different activities throughout this continent: €2 million for the Small Arms Control Programme of the Economic Community of West African States (ECOWAS); €8 million for disarmament and social integration projects targeting ex-combatants in Congo-Brazzaville; and €7 million for the International Committee of the Red Cross (ICRC) and UNICEF for programmes ranging from care for victims of conflicts, especially children soldiers, to disarmament and reinsertion system for ex-combatants and displaced persons.

In Southern and South-eastern Europe, the EU contributed €5.7 million for the funding of regional projects and specific support for Croatia, focusing on administrative and judicial capacity building and law enforcement in the area of weapons and munitions depot management and export control and for awareness-raising

and education targeting the general population.

The Ukraine was awarded €1.2 million through NATO's Association for Peace Trust Fund to finance a project aimed at the destruction of arms and munitions in coordination with the OSCE for a project designed to improve munitions storage conditions.

In Latin America and the Caribbean, the EU earmarked €700,000 for the UN Regional Centre in Lima (UN-LiREC) to finalise the last stage of a large-scale programme for the training of government workers with responsibilities in the control of unlawful trading in arms initiated in 2001.

In Asia, the EU provided €26.2 million for an ambitious project related to munitions.

Having regard to the actions undertaken by Spain in 2006, the most relevant was the Regional Conference to review progress made by Latin America and the Caribbean in the application of the United Nations Program of Action on preventing, combating and eradicating the illicit trade in small arms and light weapons in all its aspects held at the Training Centre of the Spanish International Cooperation Agency (AECI) on 2-4 May 2006 in La Antigua (Guatemala).

The aim of this conference, to which the 33 nations comprising the Group of Latin American and Caribbean countries (GRULAC) were invited, was to seek a common approach with a view to contributing, from a regional perspective, to the work of the Action Programme Review Conference held in New York from 26 June to 7 July 2006. The Conference ended with the approval of the Antigua Declaration.

The Spanish authorities confiscated 291,196 different types of firearms, 40,772 of which were destroyed and 22,382 sold by auction in 2006. Thanks to the coordination of the Civil Guard's Arms and Explosives Intervention Unit, 7,015 illegal firearms were confiscated. A total of 8,071 inspections were conducted of manufacturing plants and storage facilities for these arms and 15,656 inspections of explosives plants and storage facilities. The Department of Customs and Excise Duties and the Civil Guard's Tax and Airport Authority set up permanent port and airport surveillance as part of their anti-smuggling programme.

The Early Prevention and Alert System was created in 2005 to detect possible theft, disappearance or lack of control concerning arms, munitions, explosives and NBC substances and equipment liable to be diverted to terrorist organisations.

In December 2005, Spain signed a Memorandum of Understanding with the ECOWAS Executive Secretariat committing to contribute a minimum of €1 million to that organisation's activities and programmes in 2006-2008; €750,000 of that amount being earmarked for the Small Arms Control Programme in West Africa. A total of €500,000 corresponding to 2006 and 2007 has already been executed.

The Civil Guard provided technical assistance to Cape Verde authorities in firearms and explosives control.

The Spanish police engaged in cooperation programmes with Bulgaria, Croatia and other countries. Spain continued to participate in the EU MEDA II Pro-

gramme for border control enhancement in North African countries.

The Armed Forces and State Police and Security Forces present in international peacekeeping operations took part in the search for arms deposits and the collection of arms throughout 2006. In this connection, within the framework of EUFOR (EU force in Bosnia and Herzegovina), 79 light weapons, 60,700 shells, 99 full magazines and 46 empty ones, 730 hand grenades, 56 rifle grenades and 6.1 kilos of explosives were collected and under KFOR (NATO force in Kosovo) 3 hunting shotguns, 6 buckshot shells and 1 machete were likewise collected.

Within the framework of the OSCE's programme for security improvement at small arms and light weapons depots in Belorussia, the Ministry of Foreign Affairs and Cooperation made a contribution of €100,000 to the donor's fund during the period 2006-2007. The following amounts have likewise been donated to other trust funds within the framework of OSCE initiatives: €300,000 for the destruction of rocket fuel in the Ukraine and Kazakhstan and €150,000 for the improvement of security conditions at arms depots and the destruction of excess munitions in Tajikistan.

It should likewise be recalled that Spain has taken part in the Parliamentary Forum on Small Arms and Light Weapons since its constitution. The Parliamentary Forum is the only worldwide network of members of parliament devoted exclusively to the control of small arms and light weapons and to combating the proliferation of these arms. It was constituted in the Spanish Congress of Deputies in 2002, fruit of an initiative between Spain, Sweden and the countries of Central America. A meeting of representatives is held each year and to date its or-

dinary meetings have been held in Panama (2003), Stockholm and Helsinki (2004), Mexico City (2005) and Montevideo (2006).

The plenary session of the 2006 meeting held in Montevideo on 9-10 November was devoted to the future of the United Nations process on small arms and light weapons, reform of the security and small arms sector, (Parliamentary) control of international arms transfers and the transversal subject of the perspective of children's rights with regard to small arms. The inclusion of munitions in all debates focusing on these types of arms was likewise stressed as an inseparable part of the problem on an equal footing with control of brokering and marking.

C) United Nations Conference on the Illicit Trafficking of Small Arms and Light Weapons. Action Programme

Spain places a high priority on international cooperation in combating and eradicating unlawful trafficking in these types of arms. As a result, since the very beginning the Spanish Government has been supporting the work undertaken in this field under the auspices of the United Nations, from the New York Conference held on 9-20 July 2001 with the objective of promoting control of unlawful trafficking in small arms and light weapons (SALW), especially broker trading, to the recent Review Conference of the Programme of Action held on 26 June to 7 July 2006 and other international fora such as the OSCE and Wassenaar Arrangement fora.

The works of the 2001 Conference took the form of a Programme of Action which is currently under development as a supplement to the signing of the Protocol Against the Illicit Manufacturing of and

Trafficking in Firearms, Ammunition and Related Materials and the United Nations Draft Convention Against Transnational Organised Crime.

The said Programme of Action includes the following elements:

- The introduction of export criteria based on those laid down in the EU's Code of Conduct.
- The marking of arms making each one unique so that they can be traced internationally implementing the current International Instrument on the identification and tracing of small arms.
- Development of a legally binding international agreement for the effective control of transactions undertaken by brokers.
- Cooperation in the collection, control and destruction of these arms and likewise the integration and re-socialisation of combatants.
- Increased police cooperation.

The first fruit of the Action Programme was an international instrument for the marking and tracing of small arms and light weapons adopted in 2005 within the framework of the United Nations General Assembly.

Marking has been compulsory in Spain since 1929. Since 1969, Spain has also been party to the Convention for the Reciprocal Recognition of Proof Marks on Small Arms. In accordance with that Convention and the regulations laid down by the Permanent International Commission for the Proof of Small Arms and their munitions, the *Banco Oficial de Pruebas de Armas de Éibar* (official bank of proof

of arms – Spanish acronym BOPE), attached to the Directorate-General for Armament and Materiel of the Ministry of Defence, is responsible for the marking of all small arms for civilian use manufactured in Spain pursuant to the Proof of Arms Regulation currently in force in accordance with the Ministerial Order of 19 February 1979. Said marking includes the name of the manufacturer, the serial number of the weapon, the year of manufacture and the BOPE proof marks.

The marking of arms is one of the recommended actions and is very useful in the monitoring and tracing of arms in the case of unlawful trafficking.

The following arms (all marked) were manufactured in Spain in 2006: 280 pistols, 22,942 rifles (including loose rifle barrels) and 28,138 shot guns.

Furthermore, within the framework of the Spanish Arms Regulation, in 2006 the BOPE destroyed 1,276 small arms (mostly pistols and revolvers).

Having regard to activities undertaken in 2006, Spain actively participated in the preparatory meetings and in the I Review Conference of the Programme of Action which took place in New York from 26 June to 7 July 2006 which was unsuccessful. In response to a number of different requests, the Spanish delegation incorporated representatives from Parliament and the civil society.

Following the 2006 Review Conference, the only activity envisaged within the scope of the Action Programme was the calling of a meeting in 2007 of a governmental think-tank to reflect on the way to bolster international cooperation to prevent, combat and eliminate illegal SALW brokering. In other words, it will spark the initiation of a reflection process within the

framework of the United Nations which should lead, judging from the track record of the identification and trace instrument, to the conclusion in 2008 or 2009 of another international instrument to combat illegal brokering.

Spain reiterated its support for the initiative tabled by several organisations through the "Arms under control" campaign consisting of a proposal to initiate negotiations within the framework of the United Nations for the adoption of a legally binding universal instrument to regulate trade in all conventional arms and co-sponsored the attendant Resolution of the United Nations General Assembly. Spain was one of the 125 co-sponsors of this project which was passed on 26 October 2006 at the 61st United Nations General Assembly. A think-tank was created to develop the project.

It would also be noted that on 9 February 2007, Spain deposited its instrument of ratification for the Protocol Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition and Related Materials which supplements the United Nations Convention against Transnational Organised Crime.

D) OSCE Document on small arms and light weapons

The OSCE Document was adopted in Plenary session on 24 November 2000 and addresses the fundamental objective of putting an end to the excessive stockpiling of SALW and their use in certain regional conflicts. By means of this document, the participating States commit to the development of regulations, measures and principles needed to achieve the said objective. In concrete terms, unlawful trafficking in these types

of arms is pursued, measures are agreed to prevent their stockpiling and a recommendation is made to authorise shipments strictly for reasons of domestic security, legitimate defence or participation in peacekeeping forces under the auspices of the United Nations or the OSCE.

One of this initiative's most important instruments is the exchange of information and increased transparency pursuant to which all countries must file annual reports on the export and import of small arms and light weapons to and from other participating States. The most recent information furnished by Spain to the OSCE refers to exports authorised and undertaken in 2006 which are listed in Annex VII attached to this report.

The following material appears under the heading "small arms": revolvers and pistols, rifles and carbines, submachine guns, assault rifles and light machine guns. Under light weapons: grenade launchers, heavy machine guns, portable anti-aircraft arms, portable anti-tank arms, portable missile and rocket launching systems, portable anti-aircraft missile launching systems and mortars under 100 mm calibre.

It should be pointed out that the exchange of information in the OSCE is limited, first of all, to armed forces and law enforcement officials in terms of arms recipients and secondly, to OSCE countries in respect of countries of origin and destination which means that Spanish exports included in this annex are a part of the total exports of SALW. Furthermore, the figures appearing in the tables regarding authorised licenses issued do not necessarily coincide with the figures appearing in the tables on operations undertaken because not all of the licenses give rise to shipments. Moreover,

shipments made in one fiscal year could be carried out under a license issued in the previous year.

As for exports, the focus of this report, only four transactions were authorised and they were to Belgium, Bulgaria, Denmark and the Netherlands and all were for insignificant amounts. Of these, in 2006 only partial exports were actually made to Bulgaria and Denmark and a dispatch to the United Kingdom which had been authorised in 2005.

Since 2003, discussions have been under way at the OSCE regarding the development of an instrument against the unlawful brokering of SALW along the same lines as that set out in the Common Position of the European Union and the work done by the United Nations and the Wassenaar Arrangement.

E) Letter of intent (LOI) regarding the restructuring and integration of the European Defence industry

The signing of the Framework Agreement implementing this Letter of Intent took place on 27 July 2000 coinciding with the Farnborough aerospace trade fair (United Kingdom). This Agreement was drawn up based on the conclusions reached by six sub-committees whose creation stemmed from the 8 July 1998 signing of the Letter of Intent (LOI) on the restructuring and integration of the European defence industry by six countries: France, United Kingdom, Germany, Italy, Sweden and Spain.

The aim of the Letter of Intent is to encourage the creation of a competitive and flexible European industrial structure in the best possible position to tackle future defence sector challenges. The Framework Agreement sets the stage for the

creation of a sector-wide political and legal framework with three major aims: the industrial restructuring of the European defence sector, fostering the creation of transnational European companies in this field and encouraging the creation of a stronger and more competitive technological base.

In 2006 Spain continued to participate in the activities of the aforementioned sub-committees. As concerns Subcommittee No 2 on Export Proceedings, the brunt of the work focused on the development of a General Licence applicable to shipments of components, parts and subsystems between companies of the six countries outside of the scope of the cooperation programmes. In 2005, representatives of the European defence industry suggested the study of the implementation of a more flexible control system of shipments, over and above cooperation programmes.

Also in 2006, the six LOI countries fostered the use of Global Project Licenses between companies involved in cooperation programmes.

Another important aspect debated in Subcommittee No 2 was a Commission initiative having to do with the liberalisation of intra-community movements of defence equipment. This proposal was tabled for the first time in February 2005. The basic instruments of this initiative are based on a prior rating of defence companies (in these cases, operations would be authorised through global licenses and companies would have to communicate shipments *a posteriori*) and individual authorisations for each transfer for all other unrated companies.

Aside from the foregoing actions and within the framework of the EU working groups or in certain international fora, an

international seminar on controlling the arms trade was organised at the Congress of Deputies on 24 April 2006.

PART II. EXPORT OF DUAL USE ITEMS AND TECHNOLOGIES

1. Regulations in force

Regulation (EC) 1334/2000 of 22 June, amended by Regulations 2432/2001 of 20 November and 394/2006 of 27 February apply to external trade in dual-use items and technologies. The Community Regulation lays down a regime to check the export of dual-use items and technologies included in Annex I (control list of 10 categories of dual-use items and technologies) along with others not included on this list pursuant to article 4 (catch-all clause). Annex IV of the Regulation includes the subset of dual-use items and technologies whose shipments within the European Union are subject to control given their especially sensitive nature.

This Regulation was accompanied by Joint Action 2000/401/CFSP of 22 June on the control of technical assistance concerning certain military uses. Here, special attention is paid to the control of technical assistance (including that transmitted verbally) which could foster or serve as the basis for the development of weapons of mass destruction. Joint Action introduces control of technical assistance lent to non-community countries, allowing Member States to choose between an authorisation or prohibition system. Member States are also urged to consider the possible application of control when technical assistance has a conventional military end-use and focuses on

countries subject to international embargoes.

2. Statistical analysis

A) Data regarding exports

The tables corresponding to these exports are found in Annex III.

Exports of dual-use items and technologies continued to rise in 2006 with an increase of 34.7% over 2005 and exports totalling €79.0 million. The reason behind the decline in 2001 export figures was the closure of a plant belonging to a well-known foreign multinational in Spain. Up until the first semester of 2001, its subsidiary had been the number one exporter of dual-use products thanks to the sale of electronic circuits to South-eastern Asian countries (basically Singapore and Thailand).

Year	Amount (€ millions)
2000	319.65
2001	75.28
2002	81.40
2003	22.66
2004	28.05
2005	58.64
2006	79.04

The following were the top ten countries of destination:

DU countries	Amount (€ millions)	%	Categories
Most relevant countries	76.10	96.28	
United States	48.97	61.96	0,1,2,5
China	7.83	9.91	2,3,5

Cuba	4.20	5.31	0,1,2
Mexico	3.46	4.38	2
Brazil	3.15	3.99	1,2,3
Venezuela	2.64	3.34	1
Iran	2.16	2.73	2,9
Turkey	1.64	2.07	1,2,5
Israel	1.59	2.01	1,2,4,5
Russia	0.46	0.58	1,2,3
Remaining countries	2.94	3.72	
TOTAL	79.04	100	

Of these countries of destination, special mention should be made of the export of steam generators for nuclear power plants and pre-impregnated carbon fibre for civil aviation, a machining centre for industrial components and a spectrum analyser to the United States. Also worthy of mention were the shipments to China of cryptography equipment for mobile telephones, power capacitors for electricity plants, machine tools for the civil aviation, automobile and textile industries, and numerical control centres for the manufacture of timepieces. This latter destination is growing in importance as a receiver of Spanish dual-use exports.

Mention should likewise be made of exports to another series of countries. Cuba was the receiver of graphite electrodes for steel furnaces, chemicals for the chemical industry and laboratories and freeze-drying equipment for the production of medicines and pharmaceuticals. Tools and spare parts for the automotive industry and spare parts for civilian aircraft were exported to Iran. Israel was the receiver of electronic processing cards for the civil aeronautics industry, computer equipment, a machine tool for the manufacture of parts for use at a desalination plant and chemicals for alkylation processes at refineries. And lastly, chemicals for

laboratory analyses, power capacitors for electric trains, components for a meteorological satellite and a machine tool for the manufacture of lighting fixtures and gas cylinders for automobiles were sold to Russia.

The small remaining percentage (3.7%) was distributed among 55 countries and different product categories.

Sales in 2006 were concentrated in three main categories: "Nuclear material, facilities and equipment" (€45.3 million), "Processing of materials" (€17.0 million) and "Materials, chemicals, microorganisms and toxins" (€13.7 million) accounting for 96.1% of total exports.

B) Data regarding operations undertaken

In 2006, 343 license applications for the export of dual-use items and technologies were processed corresponding to 337 individual licenses and 6 temporary licenses. 17 rectifications of licenses already awarded were approved as well. No inward processing traffics were handled. No general authorisation pursuant to Article 6 of the Community Regulation on dual-use was granted either. Of the 337 individual licenses, 313 were approved, 12 denied, 2 expired, 3 were left pending and 7 were abandoned by the exporter himself. The 6 temporary licenses and 17 rectifications were approved.

C) Entries in the Special Register of External Trade Operations in Defence and Dual-use Material

In 2006 there were 16 entries by companies producing dual-use products and technologies, one of these corresponding to the brokering company of defence and dual-use material mentioned in Part I of this report.

D) Data concerning licensing denied

Twelve denials were registered within the framework of dual-use: 1 machine tool, 2 nuclear substances and the remaining 9 were chemicals. The reason for the said denials was risk that the equipment would be diverted to the manufacture of weapons of mass destruction. Also during 2006, Spain reported its decision to the Australia Group to renew 12 denials whose deadline had expired.

The JIMDDU took the decision on 5 different occasions to enforce the catch-all clause as laid down in Article 4 of the European Regulation on dual-use with regard to the export of machine tools and centrifuges.

In 2006, investigations were conducted on possible shipments from Spain to a destination characterised by the proliferation of equipment subject to control under the headings: chemical-biological and nuclear products, missiles and unmanned aerial vehicles. As a result of some of these investigations, the decision was taken to apply the catch-all clause to the exports of certain companies. In accordance with Article 21 of the Community dual-use Regulation, the shipment of a machine-tool to a European Union country was subjected to authorisation in light of the risk of re-export to a third country which had been denied a similar operation. The

Customs and Excise Department was also called upon to inspect shipments made by four different Spanish companies to two different locations.

And lastly, an appeal to a higher court was informed. This appeal was lodged in response to a denial concerning the export of machine-tools.

3. Principal actions undertaken at international control and non-proliferation fora in 2006

The specific characteristics of these fora are explained in Annex VI.

A) Ad-hoc Council Group on the export of dual-use items and technologies and the Commission Coordination Group

The principal responsibility of these groups is the review of the Community dual-use Regulation and the update of its annexes. To this end, stock is taken of the changes decided at the principal international control and non-proliferation fora.

A summary of the main subjects addressed by these groups in 2006 is found below.

1. *EU Action Plan and strategy against proliferation of weapons of mass destruction.* These include a commitment to enhance the effectiveness of export controls for dual-use items and technologies in the enlarged European Union.

The following points should be stressed from the report on progress made in 2006 arising from the Peer Review exercise:

- Establishment of an electronic database of denials concerning the lists of dual-use items and technologies arising from the dual-use Regulation and international export control fora. A database pilot project is under development and contains a growing number of denials issued by Member States under Article 9(2) of European Regulation 1334/2000, together with the denials of non-European countries exchanged within the framework of the Australia Group and some from the Nuclear Suppliers Group. This database will significantly improve EU countries' information exchange capabilities regarding denials.
- Information from Member States to the Commission regarding national legislation and points of contact to assure transparency and facilitate cooperation relating to external trade in dual-use items and technologies.
- Continuance with the voluntary group of technical experts created in 2005 to assist targeted enlargement countries in recognising dual-use items subject to control and to cooperate in the valuation of export license applications. Software designed to recognise products subject to control has been developed by a Member State and is being freely used by other EU countries.
- Enhanced coordination for the implementation of Article 4 con-

trols (catch-all clause). In 2006, EU Member States and Institutions reached an agreement to more efficiently coordinate and implement "maximum surveillance" over the export of certain products destined to extremely sensitive countries as was indicated in the conclusions of the EU's General Affairs Group (GAERC) in May and July 2006.

- Awareness-raising among industry as concerns export control and more systematic risk analysis including the creation of risk profiles with a view to improving customs control.
- Drafting of a proposal for the consolidation of a new Community dual-use Regulation. To this end, the impact study and compliance with Community obligations arising from UN Resolution 1540 have been considered as have the thorough deliberations of the Dual-Use Group and the Coordination Group.

Changes to the future Community Regulation will bear the following aspects in mind:

- Alignment with UN Resolution 1540, especially those aspects relating to transit, transshipment and dual-use brokering when the products in question pose a risk in terms of proliferation of weapons of mass destruction.

- Clarification and update of controls on the intangible transfer of technology.

- Increased flexibility for transfers within the European Union.

- Promotion of the competitiveness of European industry by reducing unnecessary controls and introducing measures to facilitate trade and increase the transparency and clarity of the dual-use Regulation.

- Adoption of best administrative practices, where relevant, for all aspects having to do with the Peer Review follow-up and impact study.

2. Update of annexes I and IV of the Community Regulation on dual-use. Said update was conducted based on the changes agreed in 2006 to the Wassenaar Arrangement, the Missile Technology Control Regime, the Nuclear Suppliers Group, the Australia Group and the Chemical Weapons Convention.
3. *Support for requests for accession of candidate countries to international control and non-proliferation fora.* Member States defended the desirability of the new EU nations' joining the said fora – especially Cyprus which is not yet a member of the Wassenaar Arrangement.

Spain played an active role in 2006 in several of these issues by expressing its point of view and making suggestions on how to achieve the objectives set.

B) Wassenaar Arrangement (WA)

The Arrangement, having replaced the Coordination Committee on Multilateral Export Controls (COCOM) on 19 December 1995, is the principal international control and non-proliferation forum. It is comprised of 40 countries:

The main issues of debate in 2006 were:

1. *Terrorism.* The 2002 Plenary created the Security and Intelligence Subgroup of Experts which plans to extend its work in 2007. Spain takes part in this Subgroup alongside 14 other nations. Spain's participation in this Security and Intelligence Subgroup of Experts came about as the result of the active role Spain has played in Wassenaar in this regard leading to the 2001 Plenary decision, with the decisive support of Spain, to include an additional objective in the initial elements (guidelines) dealing with the prevention of the possible acquisition of conventional arms and dual-use items and technologies by individuals, groups or terrorist organisations.

The work of this subgroup commenced in 2003 with the study and preparation of a list of items and technologies which could be of use to terrorists (which do not necessarily have to be included on the Arrangement's control lists). In 2006 the subgroups forged ahead on the identification of products and technologies liable to be used by terrorists. Information exchange was set up regarding counter-terrorism affairs and improvements have been introduced in terms of coordination

with the Licensing and Enforcement Officers Meeting (LEOM).

2. *Exchange of general and specific information.* In 2006 there was a notable increase in the number of documents focusing on regions of concern in respect of trade in conventional arms. Spain tabled two documents relating to the proliferation of small arms and light weapons in Central America. It also tabled a document regarding the control of arms transport. It should likewise be noted that consensus has not yet been reached regarding individualised notification of the denials stemming from the 7 conventional arms categories and the same was true regarding the use of a consultation mechanism prior to the authorisation of an application “essentially identical” to others denied by other countries (known as the no undercut policy). The application of this mechanism to denials of products on the sensitive and very sensitive dual-use list was not approved either.

3. *Intangible transfer of technology.* A new version of the “Best Practices” document concerning control of that transfer of technology was adopted for study in 2007. This document advocates the enactment of laws which clearly define what is considered export and when the latter is undertaken. Impetus was also given to the undertaking of dissemination activities regarding the control of technology transfer by intangible means between universities, companies and research centres. And finally, the establishment of suitable sanctions was encouraged.

4. *Brokering.* At the General Working Group meeting held in May, Spain reported on its legislation and experience dating back to 2004 concerning the control of arms brokering. It likewise reported on a seminar addressing small arms and light weapons in Latin America held in Columbia in December 2005.

5. *Participation.* As for the entry of new countries, discussions were held concerning the inclusion of Cyprus which filed its application in 2004 but was blocked by a member country. Iceland informed the Arrangement’s Secretariat of its willingness to commence talks leading to its future inclusion as a member of the WA.

The following other topics were discussed in 2006 and will continue to be addressed in 2007:

- Reinforcement of the Licensing and Enforcement Officers Meeting (LEOM) providing it with its own president.
- Study of the possible inclusion of a catch-all clause for terrorism.
- Greater flexibility in control proceedings for less sensitive dual-use items.
- Review of mechanisms and guidelines to amend control lists.
- Reports by member countries on the enforcement of their Statements of Understanding (SoU) regarding the so-called

man-portable air defence systems (MANPADS). In October Spain sent its report on the MANPADS controls.

- Implementation of common elements of the control documents.
- Review of the Wassenaar Arrangement Information System (WAIS).

The third assessment review of the Arrangement will take place in 2007 (the first two were held in 1999 and 2003 respectively). Four Task Forces have been created for this purpose: disclosure and participation; small arms and light weapons, MANPADS and arms transport and brokering; re-export; and transparency. Spain will take part in the second task force.

C) Nuclear Suppliers Group (NSG)

The aim of the Nuclear Suppliers Group (NSG) is to prevent the proliferation of nuclear weapons by means of controlling the export of nuclear products and related dual-use items, equipment, software and technology, without hampering international cooperation in the peaceful use of nuclear energy. There are currently 45 member countries and the European Commission is a permanent observer.

The Group held two plenary meetings in 2006, the scheduled annual meeting held on 1-2 June in Brasilia (Brazil) and an extraordinary meeting on 11-12 October in Vienna (Austria). The sole purpose of the second meeting was to ratify the candidacies of the future presi-

dencies of the group submitted by South Africa and Germany for the 2007/2008 and 2008/2009 periods respectively.

The plenary meeting in Brasilia was held in an atmosphere of continued concern over the current proliferation activities in Iran which sparked the IAEA's Board of Governors to adopt Resolution GOV2005/77 in September 2005 on Iran's alleged failure to comply with its international obligations. In this respect, the Member States expressed their full support for the processes undertaken in several international fora to find a diplomatic solution and likewise supported the efforts made by France, Germany and the United Kingdom with the backing of high-ranking EU officials.

With a view to ongoing reinforcement of export controls, discussions continued on the reinforcement of NSG Guidelines having to do with enrichment and reprocessing technologies and the possible inclusion of the Additional Protocol as a supply prerequisite. These discussions are still under way.

Having regard to the lists of products subject to control, the inclusion of valves especially designed for enrichments plants, gas centrifuges and processes and technologies for the separation of stable isotopes on part I of the Lists was adopted.

Another important point was the follow-up of the situation caused by the joint US-India Declaration on civil nuclear cooperation of 18 July 2005 concerning which there are varied opinions ranging from those which deem nuclear transfer to India difficult to align with NSG

guidelines to those which view this as a good opportunity for disarmament. In any case, a need was seen to follow-up on the steps taken by India before taking a position on this issue. In this connection, an Indian delegation took advantage of the October scheduled meeting of the Group in Vienna to make a presentation before the IAEA of the steps it had taken but it failed to shed light on the existing unknowns such as, inter alia, the types of safeguard agreements which need to be applied to the enrichment facilities and which must be included.

And lastly, in reaction to the test explosion of a nuclear device announced by North Korea on 9 October 2006 the Group, at its scheduled Autumn consultation meeting, condemned the conducting of this test and underscored the need to revitalise the six-party talks with a view to the verifiable denuclearisation of the Korean Peninsula. To this end, it called on North Korea to respect the obligations of the Non-Proliferation Treaty and reiterated the 2003 Plenary decision to exercise strict surveillance in order to guarantee that no exports contribute to the nuclear efforts being made by that country.

And finally, as mentioned in the foregoing, the next plenary sessions of the NSG will be held in South Africa in 2007 and in Germany in 2008.

D) Missile Technology Control Regime (MTCR)

The MTCR was set up in 1987 in order to control the export of missiles capable of transporting weapons of mass destruction and related equipment and

technology. The commitments made by the 34 Member States constitute a noteworthy international standard in terms of the control of exports in the field of non-proliferation thus contributing to global peace and security.

The Spanish Presidency of the MTCR, which commenced on 12 September 2005 and concluded on 4 October 2006, coincided with relevant events in the area of missile proliferation such as the launching of ballistic missiles in July 2006 by North Korea thus breaking the moratorium it had respected up to that time, and those conducted by Iran which continued into 2006 following the end of the Spanish Presidency.

It should also be mentioned that during the MTCR promotion visits paid to non-member countries during the Spanish Presidency, countries such as India and Pakistan verbally expressed their interest in joining the Regime but, in accordance with standard procedure, those requests were not considered by the Copenhagen Plenary as formal applications to join.

The Regime held its Plenary meeting in Copenhagen (Denmark) on 4-6 October 2006 within a context of special attention to non-proliferation commitments, basically UN Resolution 1540. The need to intensify the fight against the proliferation of delivery vehicles of weapons of mass destruction was recognised, especially in regional areas of concern in Northeast Asia, Southeast Asia and the Middle East.

In this connection, the members expressed their determination to strictly enforce United Nations Security Council Resolution 1695 on North Korea's mis-

sile launches and agreed to exercise strict surveillance of export controls to Korean entities involved in missile proliferation activities. Resolution 1696 concerning Iran was also debated and members confirmed their intention to fully enforce the said Resolution taking very strict surveillance measures and including the exchange of information regarding export authorisations of products which are liable to contribute to the development of missile programmes causing concern.

The importance of continuing with Regime information and promotion activities in non-member countries normally undertaken by the Presidency was stressed given the importance of this activity in promoting the objectives of the Regime and acquiring new voluntary followers of its Guidelines.

Having regard to the new technical challenges posed by missile proliferation and export control, a number of amendments were adopted to the Annex of products subject to control for their inclusion in national laws while underscoring the importance of controlling the intangible transfer of technology and software controlled by the MTCR.

Of special relevance in this connection was the consideration given to the proposal tabled by the United States to modify the criteria for the inclusion of cruise missiles and unmanned aerial vehicles (UAV) in Category I, currently defined by the range/payload ratio of 300km / 500kg, by including other criteria such as whether they have incorporated stealth technologies or air defence penetration systems. This would give rise to a change in Regime guide-

lines and therefore will be one of the fundamental subjects of study at next year's meetings.

At the time this report went to press, it had not yet been decided which country will host the 2007 plenary meeting.

E) Australia Group (AG)

The annual meeting of the Australia Group was held on 12-15 June 2006 in Paris with the participation of the 39 members which today comprise the Group (plus the Commission).

Russia's interest in joining the Group was considered and Croatia's application for admission was positively received. Chile also announced its intention of filing a formal application for admission.

During the meeting, the inclusion of chemical manufacturing equipment made with niobium or niobium alloys and the incorporation of the following three biological agents on the controls lists was accepted: *coccidioides immitis*, *coccidioides posadasii* (two agents causing coccidioidomycosis in humans) and the toxin Shiga-like ribosome.

The importance of increasing control of the export of dangerous biological agents and the knowledge associated with them (intangible technology) was stressed. A proposal was also tabled for amendment of the Australia Group Guidelines to incorporate consideration of the role played by distributors, brokers and other intermediaries involved in transfers. Strengthening of the control over the activities of these intermediaries will aid in the control of increasingly sophisticated procurement meth-

ods used by proliferators, including terrorists.

The 2007 Plenary session will be held in Paris.

F) Chemical Weapons Convention (CWC)

Since its entry into force in 1997 and according to the information as of 31 March 2007, the CWC has 181 Contracting States, the latest ratifications being Comoros and the Central African Republic. Enforcement of the convention provides the International Community with an instrument to permanently eliminate the possibility of the development, production, use, stockpiling or transfer of chemical weapons. Seventy-six Contracting States having been inspected since its entry into force. There are a further 6 countries (signatory states) which have signed but not yet ratified the CWC. Only 7 States have not taken any measure with respect to the Convention: Angola, the Democratic Republic of Korea, Egypt, Iraq, Lebanon, Somalia and Syria. The Organisation for the Prohibition of Chemical Weapons (OPCW) provides support for all non-party States in joining the Convention and effectively implementing a world-wide prohibition of chemical weapons.

Since the Convention's entry into force, 100% of the declared chemical weapons production facilities have been deactivated. The destruction of 30% of the 8.6 million chemical munitions and containers under the CWC has also been verified as has the destruction of 22% of the world's declared arsenals

accounting for approximately 71,000 tons of chemical agents.

While the main objective of the OPCW is the prohibition of chemical weapons, it also pursues international cooperation between Contracting States in the use of chemicals for pacific purposes by sponsoring scientific research, providing legal assistance, improving the capacity of laboratories and providing specialised training regarding Convention enforcement and the safe handling of chemical substances. In order to follow-up on these and other objectives, in 2006 the OPCW had a budget of €75,614,241.

Between March and November 2006, Executive Board meetings 44, 45 (the last under Spanish Presidency), 46 and 47 were held. The main topic of discussion was the extension of the deadlines for the destruction of Category 1 chemical weapons arsenals. In this connection, Albania applied for an extension to 2007, Korea to 2008, India to 2009, Libya to 2011 and the United States and Russia to 2012. India's application was approved while the rest were left pending further study.

As for the activities of the National Authority for the Prohibition of Chemical Weapons, four Spanish companies underwent inspection in 2006. In all cases, the inspections were concluded without any incidences.

The following courses and seminars were given during 2006:

- Assistance and Protection Course targeting representatives

from Latin America (Madrid, 27 March and 6 April).

- VII Meeting of the National Authorities from the Latin American and Caribbean Group of Nations (Mexico, 23-24 May).
- Seminar on the role of the chemical industry and the Convention (Santa Marta, Colombia, 29-30 June).
- Basic course for the National Authorities of the American and Caribbean Group of Nations (Madrid, 3-13 July).

Also, a meeting of National Authorities was held in Bratislava on 25-27 October, chaired by the Technical Secretary of the OPCW for the purpose of evaluating the effectiveness of the training courses given in different Contracting States, with special focus on assistance and protection.

G) *Biological and Toxin Weapons Convention (BTWC)*

As of 31 March 2007, there were 155 BTWC Contracting States including all of the members of the United Nations Security Council. A further 16 States have signed but not yet ratified the Convention and 23 are not Member States. These figures give the BTWC an almost universal nature although it still lacks verification powers with which to guarantee compliance.

The effective operation of the BTWC is vital not only in prohibiting the use of biological weapons by States at war but also to prevent their possible use by

non-state agents such as terrorist groups, in line with the provisions of United Nations Security Council Resolution 1540 on the non-proliferation of weapons of mass destruction.

The Sixth BTWC Review Conference was held in Geneva on 20 November to 8 December 2006. The Conference established the adoption of a new process between sessions, the creation of a unit to support enforcement and a programme to achieve universal adherence. The European Union played an active diplomatic role in achieving international backing for a stronger Convention fostering voluntary and non-binding inspections and improved national laws in the period leading up to the Review Conference. On 27 February 2006, Council Joint Action 184/CFSP was approved in support of the Convention and to promote its universal nature through activities such as regional and sub-regional seminars and workshops to encourage the accession of states which are not yet party to the Convention. Also, on 20 March 2006 the European Union adopted Council Common Position 242/CFSP with a view to overseeing the Sixth Review Conference and seeing to it that positive results were achieved in defining effective mechanisms whereby to consolidate and verify compliance with the Convention.

On 27 April 2006, the United Nations General Assembly at its 60th period of sessions published a report by the Secretary-General with recommendations for a world strategy to combat terrorism, stressing the threat of biological terrorism and proposing the provision of adequate resources to combat it.

At national level, the Ministry of Foreign Affairs and Cooperation promoted the creation of a Biological Weapons Working Group (Spanish acronym GRUPABI) which held two meetings during the year, one in May and another in October, putting special emphasis on the need to permanently coordinate Government action taken in matters of BTWC. However, the lack of an international mandate such as the one giving rise to the National Authority for the Prohibition of Chemical Weapons, undermines GRUPABI's operability and today it only operates on an informal level.

Aside from the meetings of the international non-proliferation and control fora, in 2006 there were also opportunities to participate in other initiatives and in different seminars.

Hence, meetings were held between the eighteen countries which participated in the so-called Proliferation Security Initiative (PSI). This initiative is rooted in the terrorist attacks of 9/11/2001 and its aim is to combat proliferation by means of interception (visits, searches – willing or otherwise) coordinated with shipments or the diversion of vessels or aircraft from their routes in accordance with international law (sea and air) and with domestic legislation when information indicates that vessels or aircraft are transporting products related to the proliferation of weapons of mass destruction under what appear to be unlawful conditions.

The Ministry of Foreign Affairs and Cooperation is the body responsible for the exchange of information and coor-

dination of actions with other PSI nations and likewise coordinates with the rest of the Spanish organisations with competencies in this connection.

In 2006, the PSI undertook a number of different coordination exercises between participating countries among which special mention should be made of *Top Port*, organised by the Netherlands at Rotterdam Port on 4-5 April 2006; a meeting of the *Operational Expert Group* (OEG) on 10-12 April in Miami (United States); the *Leading Edge* exercise conducted on 25-27 October in Bahrain under the leadership of the United States and a meeting of the OEG on 5-7 December in Montreal (Canada).

These exercises included simulations of proliferation and joint action of PSI Member Countries was coordinated to prevent that proliferation and in some cases included real demonstrations of boardings in port.

It should be pointed out that for the first time in 2006 and the beginning of 2007, dual-use embargoes were established. United Nations Resolutions 1737 (2006) and 1747 (2007) resulted in the adoption of preventive measures related to possible transfers of nuclear products, equipment and technology to Iran. These Resolutions were complemented by Common Position 2007/140/CFSP of 27 February. The second of the embargoes affected the Popular Democratic Republic of Korea by virtue of the United Nations Security Council's decision to enforce Resolution 1718 (2006). This took the form of an embargo on the export of conventional weapons and articles, equipment, material, items and technology related with

nuclear and missile programmes. The European Union also adopted Common Position 2006/795/CFSP as concerns shipments to that country of destination.

And lastly, 6 educational courses and seminars were held in 2006 in the field of external trade and dual-use:

- 24th Machine-Tool Biennial (Bilbao, 7 March).
- Seminar at the Spanish Association of Manufacturers of Armaments and Defence and Security Material (Spanish acronym AFARMADE) on controlling the intangible transfer of technology (Madrid, 8 June).
- Presentation of the Community dual-use regulation at the General Assembly of the Association of Exporters of Fluid Handling Equipment (FLUIDEX) (Madrid, 15 June).
- Seminar on control of end use and dual-use (Berlin 19-20 June).
- Course given to the Police Directorate-General on NBC (Madrid, 23 June).
- Seminar at the Association of Machine-Tool Manufacturers (Spanish acronym AFM) on the control of intangible transfers of technology (Bilbao, 28 June).

ANNEX I. PLENARY SESSION AGREEMENTS TAKEN AT THE SPANISH CONGRESS OF DEPUTIES ON ARMS TRADE TRANSPARENCY

Text of the Plenary-session agreement taken at the Congress of Deputies on 18.03.97

The Congress of Deputies urges the Government to:

1. Incorporate and implement the eight criteria in respect of transparency and control of the export of defence and dual-use material approved by the European Union in 1991 and 1992 into Spanish legislation.
2. Include all military security and police transfers of material as well as personnel, training and technology in the legislation and arms trade information.
3. Disclose, on an annual basis, the essential export data as from 1991 including statistics by countries of desti-

nation in accordance with Spanish law and international commitments undertaken by Spain.

4. Send, half-yearly, the essential export data in respect of defence and dual-use material to the Defence and Foreign Affairs Commissions of the Congress of Deputies.
5. Provide the Defence and Foreign Affairs Commissions of the Congress of Deputies with the list of countries which, given their human rights status, degree of conflict or militarization, are subject to embargo by the United Nations, the European Union or by any other international organisation of which Spain is a member and which should therefore be subject to restrictions with respect of the export of defence and dual-use material.

Text of the Plenary-session agreement taken at the Congress of Deputies on 11 December 2001

The Congress of Deputies urges the Government to:

1. Continue advancing in its policy of information transparency as concerns exports of defence, security and law enforcement material with a view to achieving more specific information in respect of products and countries in accordance with that which was passed by the Congress of Deputies on 18 March 1997.
2. Enforce the European Union Code of Conduct approved in 1998 on an individualised, transaction by transaction basis, remaining firm in refusing to authorise exports when these do not comply with the criteria laid down in the Code.
3. Promote, during the upcoming Presidency of the European Union and within the framework of the COARM, the study of all initiatives which increase the level of transparency and control of conventional arms exports and specifically the following: improvement and reform of the Code of Conduct on the transfer of defence, security and law enforcement material; widening of the scope of products to be included in the said Code in line with the definition established by the United Nations in 1997, including material used for the purpose of torture and enforcement of the death penalty;
- improvement of control mechanisms curtailing the activities of brokers, promoting the usefulness of creating a register in that regard and studying and controlling transactions; establishment of controls on licensed production and effective control mechanisms in respect of the end-use of transfers and the enforcement of the European Union Code of Conduct in all OSCE countries.
4. Continue participating in the different international fora which address the problem of the proliferation and control of small arms.
5. Promote initiatives envisaging the buy-back, collection and destruction of arms in specific countries or areas through the European Union and the working group established to that end.
6. Appear before the Defence Commission of the Congress of Deputies to provide a detailed account of external trade transactions involving defence and dual-use material and the initiatives carried out by the Government to contribute to better control of small arms.
7. Propose a debate, within the context of the European Union, on the control of air, sea and land transit of arms through Member States' territory.
8. Apply the results of the United Nations Conference held in July in New York on unlawful trafficking in small arms and light weapons.

Text of the Plenary-session agreement taken at the Congress of Deputies on 13.12.05

The Congress of Deputies urges the Government to submit, within a period of one year, a Draft Law on Arms Trade assuring control of Spanish transfers of military, law enforcement and security material as well as dual-use items and technologies to other countries and to guarantee transparency in the official information furnished regarding the said transfers. The Draft Law should include:

1. A transparent procedure by which to authorise these transfers, incorporating a periodic control mechanism implemented by the Congress of Deputies.
2. Guarantees that this procedure is based on the strict enforcement and scrupulous interpretation of the criteria laid down in the European Union Code of Conduct on Arms Exports.
3. Detailed instructions regarding the minimum information which must be contained in the official Spanish sta-

tistics report on the transfer of defence and dual-use material and which must coincide with the best practices of other European Union countries in terms of transparency practices.

4. The half-yearly submission of information to the Congress of Deputies on the transfers authorised during the most recent reference period and the annual appearance of the Secretary of State for Tourism and Trade before the Defence Commission of the Congress of Deputies to report on annual statistics.

The Congress of Deputies likewise urges the Government to participate in and encourage regional and international processes designed to exert greater control over the arms trade throughout the world such as, for example, the process for the possible adoption of an international arms trade treaty, those developed within the framework of the European Union or United Nations initiatives.

ANNEX II. EXPORT STATISTICS ON DEFENCE AND OTHER MATERIAL IN 2006

AUTHORISED EXPORTS OF DEFENCE MATERIAL BY COUNTRY 2006		
Country	Lic. No	Value €
Afghanistan	1	0
Andorra	21	35,557
Argentina	3	1,400
Australia	4	64,886
Austria	3	11,243,450
Bahrain	2	0
Belgium	10	383,587
Bolivia	1	1,735,400
Botswana	1	5,993,457
Brazil	1	233,200,624
Bulgaria	1	19,993
Canada	9	1,485,631
Chile	12	1,634,714
Colombia	3	11,426,250
Czech Rep.	1	108,000
Denmark	6	4,007,393
Ecuador	4	262,221
Egypt	7	1,707,871
Finland	6	49,205,913
France	74	41,723,025
Germany	83	256,918,510
Greece	5	10,730,988
Hungary	1	550
India	3	209,565,600
Indonesia	8	2,271,154
Israel	13	1,109,575
Italy	34	72,421,928
Jordan	4	600,000
Kazakhstan	1	800
Kuwait	2	5,000
Libya	2	0
Liechtenstein	1	400
Luxembourg	20	0
Malaysia	2	0
Mexico	7	13,240
Morocco	7	14,736,237
Netherlands	6	3,000,000
New Zealand	1	5,972,935
Norway	20	6,598,349
Oman	3	572,260
Pakistan	1	968,571
Peru	3	179,107
Portugal	186	1,866,292
Qatar	9	1,653,593
Romania	4	765,424
Russia	1	82,600
Saudi Arabia	12	1,921,800
Singapore	7	6,500,833
Slovenia	3	2,640,947
South Africa	6	4,200
South Korea	2	48,434
Sri Lanka	1	355
Sweden	3	407,277

AUTHORISED EXPORTS OF DEFENCE MATERIAL BY COUNTRY 2006 (Continued)		
Country	Lic. No	Value €
Switzerland	15	1,012,283
Tanzania	1	0
Thailand	4	381,913
Turkey	2	4,577,270
U. Arab Emirates	3	0
United Kingdom	51	260,060,689
United States	81	60,560,332
Venezuela	5	3,267,338
TOTAL	793	1,295,656,156

Note.- The number of defence material licenses is higher than the number of licenses actually processed given that the global and galobal project licenses affecting more than one country are computed as many times as there are countries included.

EXPORTS OF DEFENCE MATERIAL BY COUNTRY AND PRODUCT CATEGORY 2006

Country	Categories										
	1	2	3	4	5	6	7	8	9	10	11
Andorra	11,715		34,068								
Argentina	3,200										
Australia									210,870		
Austria			1,034,200								
Bahrain				702,295							
Belgium	6,875	0		1,694,062							
Bolivia										300,000	
Botswana											
Brazil										74,051,520	
Bulgaria		19,993									
Cameroon	900										
Canada	67,012			1,031,850							
Chile	8,520		3,261	454,379					178,126,595		
Czech Rep.				108,000							
Denmark		1,348,412									
Ecuador			216,633								
Egypt	113,611		13,576					41,112			
Finland	3,080			1,480,606							
France	36,640	2,000		1,643,165				6,371,891		1,401,487	1,034,605
Germany	630,034		11,500	21,510,861	1,588,665	26,154,357		56,930		15,024,770	
Greece	558,281							22,275,692			
Hungary	2,434										
India		1,645,600									
Indonesia	37,643			2,010,984							
Israel	74,905			155,253				50,760			
Italy	3,084		28,000	28,500						10,674,403	4,140,705
Jordan										600,000	
Kyrgyzstan	700										
Libya		25,953									
Liechtenstein	400										
Luxembourg				23,469		25,738					
Malaysia	22,810		3,982		36,035						
Mexico	5,300										
Morocco			556,200	6,922,200		8,720,000				600,022	
Netherlands				861,746							
New Zealand											5,972,535
Norway			1,834,281	589,216				56,420	267,421,178		
Oman					83,284	11,725					
Pakistan				1,037,780							
Peru						145,691					
Poland			200							68,234	
Portugal	182,118		44,998	16,670				17,698			
Qatar			1,487,320			779,689					
Romania	5,087					762,384					
Saudi Arabia	371,700	16,000	1,308,450	1,390,800		2,764,157					
Singapore			1,412,332								
South Africa	1,500									500,000	
South Korea										48,434	
Sri Lanka	2,000										
Sweden				27,883							
Switzerland	1,919		573,125								19,360
Tanzania	0										
Thailand	86,350	277,500	118,500						189,063		
Trinidad and Tobago				30,000							
Turkey											
U. Arab Emirates		38,418									
United Kingdom	28,725			2,208,034		122,586		37,472,299		18,216,559	133,852
United States	1,445,377	1,255,609	423,914	3,991,614	5,046,556	268,725		3,182,972		1,487,078	24,706
Uruguay				15,000							
Venezuela				3,241,047							
TOTAL	3,711,920	4,629,485	9,104,540	51,175,414	6,754,540	39,755,052		69,525,774	445,947,706	122,972,507	11,325,763

EXPORTS OF DEFENCE MATERIAL BY COUNTRY AND PRODUCT CATEGORY
2006 (Continued)

Country	Categories											Value €
	12	13	14	15	16	17	18	19	20	21	22	
Andorra												45,783
Argentina												3,200
Australia										8,831,471		9,042,341
Austria												1,034,200
Bahrain												702,295
Belgium												1,700,937
Bolivia												300,000
Botswana										5,973,562		5,973,562
Brazil												74,051,520
Bulgaria												19,993
Cameroon												900
Canada												1,098,862
Chile												178,592,755
Czech Rep.												108,000
Denmark												1,348,412
Ecuador												216,633
Egypt												168,299
Finland					20,856							1,504,542
France												10,489,788
Germany				16,244,283						107,113		81,328,513
Greece												22,833,973
Hungary												2,434
India												1,645,600
Indonesia												2,048,627
Israel				160,417								441,335
Italy				18,625,322								33,500,014
Jordan												600,000
Kyrgyzstan												700
Libya												25,953
Liechtenstein												400
Luxembourg												49,207
Malaysia												62,827
Mexico												5,300
Morocco		25,922										16,824,344
Netherlands												861,746
New Zealand												5,972,535
Norway												269,901,095
Oman												95,009
Pakistan												1,037,780
Peru												145,691
Poland												68,434
Portugal												261,484
Qatar												2,267,009
Romania												767,471
Saudi Arabia												5,851,107
Singapore												1,412,332
South Africa												501,500
South Korea												48,434
Sri Lanka												2,000
Sweden												27,883
Switzerland		126,750										721,154
Tanzania												0
Thailand												671,413
Trinidad and Tobago												30,000
Turkey			1,219,914							207,030		1,426,944
U. Arab Emirates												38,418
United Kingdom				28,629,001								86,811,056
United States												17,126,551
Uruguay												15,000
Venezuela												3,241,047
TOTAL		152,672	1,219,914	63,659,023	20,856					6,287,705	8,831,471	845,074,342

EXPORTS OF DEFENCE MATERIAL WITH INDICATION OF THE NATURE OF THE END USER
AND FINAL USE MADE OF THE MATERIAL

2006			
Country	End user	End use	Percentage
Andorra	Armoury	Private	12.24
	Private person	Private	6.33
	Private company	Private	81.43
Argentina	Private person	Private	100
Australia	Armed Forces	Public	100
Austria	Armed Forces	Public	100
Bahrain	Armed Forces	Public	100
Belgium	Armed Forces	Public	64.75
	Private person	Private	0.29
	Private company	Private	34.96
Bolivia	Armed Forces	Public	100
Botswana	Armed Forces	Public	100
Brazil	Armed Forces	Public	100
Bulgaria	Armed Forces	Public	100
Cameroon	Private person	Private	100
Canada	Armed Forces	Public	0.39
	Private company	Private	99.61
Chile	Armed Forces	Public	100
Czech Republic	Armed Forces	Public	100
Denmark	Armed Forces	Public	100
Ecuador	Armed Forces	Public	100
Egypt	Armed Forces	Public	92.40
	Private company	Private	7.60
Finland	Armed Forces	Public	99.80
	Private person	Private	0.20
France	Armed Forces	Public	76.03
	Private person	Private	0.10
	Private company	Private	23.87
Germany	Armed Forces	Public	90.75
	Private company	Private	7.65
	Public company	Public	1.60
Greece	Armoury	Private	0.01
	Armed Forces	Public	99.86
	Private company	Private	0.01
	Public company	Public	0.12
Hungary	Armoury	Private	22.60
	Private person	Private	77.40
India	Armed Forces	Public	100
Indonesia	Armed Forces	Public	99.74
	Police	Public	0.26
Israel	Armoury	Private	2.27
	Armed Forces	Public	36.35
	Private company	Private	35.58
	Public company	Public	25.80
Italy	Armed Forces	Public	74.51
	Private person	Private	0.01
	Private company	Private	19.59
	Public company	Public	5.89
Jordan	Armed Forces	Public	100
Kyrgyzstan	Private person	Private	100
Libya	Armed Forces	Public	100
Liechtenstein	Private person	Private	100
	Armed Forces	Public	4.54
Luxembourg	Armed Forces	Public	4.54
	Public company	Public	95.46

EXPORTS OF DEFENCE MATERIAL WITH INDICATION OF THE NATURE OF THE END USER AND FINAL USE MADE OF THE MATERIAL 2006 (Continued)			
Malaysia	Armed Forces	Public	100
Mexico	Private person	Private	100
Morocco	Armed Forces	Public	99.85
	Police	Public	0.15
Netherlands	Armed Forces	Public	100
New Zealand	Armed Forces	Public	100
Norway	Armed Forces	Public	99.08
	Private company	Private	0.92
Oman	Armed Forces	Public	100
Pakistan	Armed Forces	Public	87.28
	Public company	Public	12.72
Peru	Armed Forces	Public	100
Poland	Armed Forces	Public	99.71
	Private company	Private	0.29
Portugal	Armoury	Private	68.23
	Armed Forces	Public	11.05
	Private person	Private	13.54
	Private company	Private	7.18
Qatar	Armed Forces	Public	100
Romania	Armed Forces	Public	99.34
	Private person	Private	0.66
Saudi Arabia	Armed Forces	Public	100
Singapore	Armed Forces	Public	100
South Africa	Armed Forces	Public	99.70
	Private person	Private	0.30
South Korea	Armed Forces	Public	100
Sri Lanka	Private person	Private	100
Sweden	Armed Forces	Public	100
	Armoury	Private	0.03
Switzerland	Armed Forces	Public	20.26
	Private company	Private	79.71
Tanzania	Private person	Private	100
Thailand	Armed Forces	Public	96.49
	Public company	Public	3.51
Trinidad and Tobago	Armed Forces	Public	100
	Private company	Private	85.49
Turkey	Public company	Public	14.51
	Armed Forces	Public	100
U. Arab Emirates	Armed Forces	Public	100
	Armoury	Private	0.01
	Armed Forces	Public	68.05
	Private person	Private	0.02
	Private company	Private	30.94
United Kingdom	Public company	Public	0.98
	Armoury	Private	0.55
	Armed Forces	Public	15.43
	Private person	Private	0.20
United States	Private company	Private	82.94
	Public company	Public	0.88
Uruguay	Armed Forces	Public	100
Venezuela	Armed Forces	Public	100

EXPORTS MADE AS PART OF THE MOST NOTEWORTHY DEFENCE MATERIAL PROGRAMMES 2006		
Programme/Country	Value €	%
Eurofighter	106,106,667	12.56
United Kingdom	46,622,679	5.52
Germany	30,109,995	3.56
Italy	29,213,576	3.46
Israel	160,417	0.02
Leopard	28,165,162	3.33
Germany	27,743,022	3.28
Greece	421,140	0.05
Luxembourg	1,000	0.00
Iris-T	12,287,392	1.45
Germany	12,066,149	1.43
Norway	221,243	0.02
MIDS	4,140,705	0.49
Italy	4,140,705	0.49
Taurus	4,102,200	0.48
Germany	4,102,200	0.48
Meteor	889,046	0.11
United Kingdom	888,439	0.11
Sweden	607	0.00
Mistral	520,355	0.06
France	520,355	0.06
A-400M	47,045	0.01
France	28,050	0.00
United Kingdom	13,155	0.00
Germany	5,840	0.00
Total programmes	156,258,572	18.49
TOTAL DM	845.074.342	100

DEFENCE MATERIAL EXPORTS (LEASING, DONATIONS, SECOND-HAND, TECHNICAL ASSISTANCE AND PRODUCTION UNDER LICENSE) 2006			
Country	Product	Operation	Value €
Australia	Definition and technological design studies	Technical assistance	8,831,471
Bolivia	Three C-212 aircraft	Second-hand	300,000
Canada	Used revolvers	Second-hand	1,093
Jordan	One F-1 aircraft and one test rig	Second-hand	600,000
	Total		9,732,564

DESCRIPTION OF THE 22 ARTICLES FIGURING ON THE LIST OF DEFENCE MATERIAL

(ROYAL DECREE 1782/2004 OF 30 JULY)

Category	Description 22 articles	List of products included
1	Smooth-bore weapons with a calibre of less than 20 mm.	Rifles, carbines, revolvers, pistols, machine pistols, machine guns, silencers, clips, sights and flash suppressers
2	Smooth-bore weapons with a calibre of 20 mm or more	Firearms (including pieces of artillery), howitzers, cannons, mortars, anti-tank weapons, projectile launchers, flame throwers, recoilless rifles, signature reduction devices, military smoke, gas and pyrotechnic projectors or generators and weapons sights
3	Ammunition, devices and components	Ammunition for the weapons subject to control by articles 1, 2 or 12. Fuse-setting devices including cases, links, bands, power supplies with high operational output, sensors, submunitions
4	Bombs, torpedoes, rockets, missiles	Bombs, torpedoes, grenades, smoke canisters, rockets, mines, missiles, depth charges, demolition charges, "pyrotechnic" devices, cartridges and simulators, smoke grenades, incendiary bombs, missile rocket nozzles and re-entry vehicle nosetips
5	Fire control systems	Weapon sights, bombing computers, gun laying equipment, weapon control systems, systems for data collection, surveillance or tracking, recognition or identification
6	Ground vehicles	Tanks and other military armed vehicles and military vehicles fitted with mountings for arms or equipment for mine laying, armoured vehicles, amphibious vehicles, bullet-proof tyres
7	Chemical or biological toxic agents	Biological agents and radioactive materials, nerve agents, vesicant agents, tear gases
8	Energetic materials and related substances	Explosives, propellants, pyrotechnics, fuels and related substances, perchlorates, chlorates and chromates, oxidizers, binders, additives and precursors
9	Warships	Combatant vessels and surface or underwater vessels and components therefore, diesel engines especially designed for submarines, electric motors especially designed for submarines, underwater detection devices, submarine and torpedo nets
10	Aircraft	Combat aircraft, unmanned airborne vehicles, aero-engines, remotely piloted air vehicles, refuelling equipment, pressurised breathing equipment, parachutes, automatic piloting systems
11	Electronic equipment	Electronic countermeasure and electronic counter-countermeasure equipment, underwater acoustic material, data security equipment, equipment using ciphering processes, guidance and navigation equipment
12	Kinetic energy weapon systems	Kinetic energy weapon systems, test and evaluation facilities and test models, propulsion systems, homing seeker, guidance or divert propulsion systems for projectiles
13	Armoured equipment and constructions	Armoured plate, constructions of metallic or non-metallic materials, military helmets, body armour and protective garments
14	Military training or simulation equipment	Attack trainers, flight trainers, radar target trainers, anti-submarine warfare trainers, missile launch trainers, image generating trainers
15	Imaging or countermeasure equipment	Recorders and image processing equipment, cameras, photographic equipment, image intensifier equipment, infrared or thermal imaging equipment, imaging radar sensor equipment
16	Forgings, castings and unfinished products	Forgings, castings and unfinished product parts
17	Miscellaneous equipment, materials and libraries	Self-contained diving and underwater swimming apparatus, closed and semi-closed circuit apparatus, robots, ferries
18	Production equipment	Environmental test facilities, continuous nitrators, centrifugal testing apparatus or equipment, screw extruders
19	Directed energy weapon systems	Laser systems, particle beam systems, radio-frequency systems, particle accelerators
20	Cryogenic and superconductive equipment	Equipment especially designed or configured to be installed in a vehicle for military ground, marine, airborne or space applications, superconductive electrical equipment
21	Software	Software designed for modelling, simulation or evaluation of military weapon systems or for the simulation of military operation scenarios, for command, communications, control and intelligence applications
22	Technology	Technology for the development, production or use of items controlled

BY-COUNTRY EXPORT OF "OTHER MATERIAL" AUTHORISED IN 2006

Country	Lic. No	Value €
Argentina	1	42,480
Morocco	1	246,966
Nicaragua	3	0
Portugal	1	1,158
TOTAL	6	290,604

Note 1.- Value 0 €, indicates no charge made for export

Note 2.- The number of licenses authorised is lower than the number of licenses actually processed given that the former does not include licences denied by the JIM-DDU, abandoned by the company or expired for failure to submit control documents by the stipulated date.

BY-COUNTRY EXPORT OF "OTHER MATERIAL" ACTUALLY UNDERTAKEN IN 2006

Country	Value €
Argentina	42,480
Guatemala	827,537
Morocco	90,900
TOTAL	960,917

EXPORTS OF "OTHER MATERIAL" WITH INDICATION OF THE NATURE OF THE END USER AND FINAL USE MADE OF THE MATERIAL

2006

Country	End user	End use	Percentage
Argentina	Police	Public	100
Guatemala	Police	Public	100
Morocco	Police	Public	100

DESCRIPTION OF "OTHER MATERIAL" (ROYAL DECREE 1782/2004 OF 30 JULY)

Firearms or propelled arms

Visors and sights, telescopic sights and light or image intensification

Generator devices, projectors, smoke dispensers, gases, "anti-riot agents" or incapacitating substances

Launchers of the foregoing elements

Bombs, grenades and explosive devices

Armoured vehicles and vehicles equipped with metal or non-metal materials providing anti-ballistic protection

Light and deafening sound equipment for riot control

Devices for the restriction of bodily movement including leg and/or waist shackles with or without chains and remote, fixed anti-movement devices

Portable equipment and electric shock belts.

Vehicles equipped for anti-riot control.

ANNEX III. EXPORT STATISTICS ON DUAL-USE ITEMS AND TECHNOLOGIES IN 2006

BY-COUNTRY AUTHORISED EXPORT OF DUAL-USE ITEMS AND TECHNOLOGIES 2006		
Country	Lic. No	Value €
Algeria	8	560,645
Argentina	4	151,373
Australia	12	13,902
Bosnia and Herzegovina	5	616
Brazil	9	3,086,063
Bulgaria	4	2,525
Burkina Faso	1	240,000
Chile	5	25,110
China	17	3,102,024
Colombia	21	1,018,245
Costa Rica	1	100,000
Croatia	4	234
Cuba	12	3,017,074
Dominican Rep.	3	24,434
Ecuador	1	386
Egypt	9	101,985
El Salvador	1	9,580
Guatemala	3	125,770
India	1	5,085
Iran	6	6,642,505
Israel	4	2,333,750
Kenya	1	525
Kuwait	1	1,180
Libya	3	16,000,069
Madagascar	6	233
Malaysia	3	0
Mali	2	18,181
Mauritius Islands	1	13
Mexico	1	1,224,704
Morocco	9	652,140
New Zealand	4	371
Nigeria	4	805,190
Pakistan	2	112
Panama	1	16,600
Paraguay	1	3,465
Peru	2	56,250
Russia	5	850,236
Rwanda	3	168
Saudi Arabia	6	615,831

**BY-COUNTRY AUTHORISED EXPORT OF DUAL-USE
ITEMS AND TECHNOLOGIES
2006 (Continued)**

Country	Lic. No	Value €
Senegal	1	10
Singapore	35	23,084
South Africa	5	1,475,401
South Korea	8	1,279
Sudan	1	19
Switzerland	2	444
Syria	1	150
Taiwan	11	2,136
Thailand	5	8,575
Togo	1	47
Tunisia	12	67,185
Turkey	12	2,239,440
U. Arab Emirates	6	297,137
Uganda	2	67
United States	7	51,814,665
Uruguay	1	156,000
Venezuela	11	1,509,660
Vietnam	5	616
Yemen	2	146
TOTAL	314	98,402,635

Note.- The number of licenses authorised is lower than the number of licenses actually processed given that the former does not include licences denied by the JIMDDU, abandoned by the company or expired for failure to submit control documents by the stipulated date.

ANNEX III. EXPORT STATISTICS ON DUAL-USE ITEMS AND TECHNOLOGIES IN 2006

BY-COUNTRY / BY-PRODUCT EXPORTS OF DUAL-USE ITEMS AND TECHNOLOGIES ACTUALLY UNDERTAKEN 2006											
Country	Categories									Value €	
	0	1	2	3	4	5	6	7	8		9
Algeria		83,462									83,462
Argentina		415,904		676		11,694					428,274
Australia		8,611									8,611
Bosnia and Herzegovina		192									192
Brazil		2,829,035	242,063	79,200							3,150,298
Bulgaria		2,526									2,526
Burkina Faso		82,764									82,764
Canada	5,448										5,448
Chile		27,031									27,031
China			7,499,118	141,289		189,478					7,829,885
Colombia	70	23,815									23,885
Costa Rica		15,060									15,060
Croatia		1,042									1,042
Cuba	1,922,238	9,170	2,270,000								4,201,408
Dominican Rep.		14,434									14,434
Ecuador		386									386
Egypt		47,840									47,840
El Salvador		3,457									3,457
Ethiopia		9,878									9,878
Ghana		107									107
Guatemala		44,563									44,563
India			6,098								6,098
Iran			59,235							2,103,060	2,162,295
Israel		18,419	1,500,000		0	68,900					1,587,319
Japan		80,729									80,729
Kenya		525									525
Kuwait		1,180									1,180
Madagascar		9									9
Malaysia				84,930		30,488					115,418
Mali		13,033									13,033
Mauritius Islands		26									26
Mexico			3,456,704								3,456,704
Morocco		384,777									384,777
Netherlands Antilles		276,130									276,130
New Zealand		660									660
Nigeria		454,878									454,878
Norway		72,864									72,864
Pakistan		125									125
Panama		8,644									8,644
Paraguay		7,830									7,830
Peru		14,562									14,562
Philippines		8,035									8,035
Romania		57,926									57,926
Russia		26	352,500	106,710							459,236
Rwanda		308									308
Saudi Arabia		93,470									93,470
Senegal		20									20
Singapore	621	1,378									1,999
South Africa		195,451									195,451
South Korea		1,349									1,349
Sudan		85									85
Switzerland		12									12
Syria		150									150
Taiwan		953									953
Thailand		2,945									2,945
Togo		47									47
Tunisia		28,674									28,674
Turkey		548,542	950,000			140,000					1,638,542
U. Arab Emirates		102	297,000								297,102
Uganda		144									144
United States	43,341,749	5,145,225	413,015			66,681					48,966,670
Uruguay		20,908									20,908
Venezuela		2,640,527									2,640,527
Vietnam		628									628
Yemen		146									146
TOTAL	45,270,126	13,700,719	17,045,733	412,805	0	507,241				2,103,060	79,039,684

**EXPORTS OF DUAL-USE ITEMS AND TECHNOLOGIES WITH INDICATION OF THE NATURE OF
THE END USER AND FINAL USE MADE OF THE MATERIAL
2006**

Country	End user	End use	Percentage
Algeria	Private company	Private	100
Argentina	Private company	Private	99.84
	Public company	Public	0.16
Australia	Private company	Private	100
Bosnia and Herzegovina	Private company	Private	100
Brazil	Private company	Private	100
Bulgaria	Private company	Private	100
Burkina Faso	Private company	Private	100
Canada	Private company	Private	100
Chile	Private company	Private	100
China	Private company	Private	55.17
	Public company	Public	44.83
Colombia	Private company	Private	100
Costa Rica	Private company	Private	100
Croatia	Private company	Private	100
Cuba	Private company	Private	85.82
	Public company	Public	14.18
Dominican Republic	Private company	Private	100
Ecuador	Private company	Private	100
Egypt	Private company	Private	100
El Salvador	Private company	Private	100
Ethiopia	Private company	Private	100
Ghana	Private company	Private	100
Guatemala	Private company	Private	100
India	Private company	Private	100
Iran	Private company	Private	100
Israel	Private company	Private	99.44
	Public company	Public	0.56
Japan	Private company	Private	100
Kenya	Private company	Private	100
Kuwait	Private company	Private	100
Madagascar	Private company	Private	100
Malaysia	Private company	Private	100
Mali	Private company	Private	100
Mauritius Islands	Private company	Private	100
Mexico	Private company	Private	100
Morocco	Private company	Private	95.72
	Public company	Public	4.28
Netherlands Antilles	Public company	Public	100
New Zealand	Private company	Private	100
Nigeria	Private company	Private	100
Norway	Private company	Private	100
Pakistan	Private company	Private	100
Panama	Private company	Private	100

**EXPORTS OF DUAL-USE ITEMS AND TECHNOLOGIES WITH INDICATION OF THE NATURE OF
THE END USER AND FINAL USE MADE OF THE MATERIAL
2006 (continued)**

Country	End user	End use	Percentage
Paraguay	Private company	Private	100
Peru	Private company	Private	100
Philippines	Private company	Private	100
Romania	Private company	Private	100
Russia	Private company	Private	77.55
	Public company	Public	22.45
Rwanda	Private company	Private	100
Saudi Arabia	Private company	Private	100
Singapore	Private company	Private	100
South Africa	Private company	Private	100
South Korea	Private company	Private	100
Sudan	Private company	Private	100
Switzerland	Private company	Private	100
Syria	Private company	Private	100
Taiwan	Private company	Private	100
Thailand	Private company	Private	100
Togo	Private company	Private	100
Tunisia	Private company	Private	100
Turkey	Private company	Private	100
Uganda	Private company	Private	100
U. Arab Emirates	Private company	Private	100
United States	Private company	Private	100
Uruguay	Private company	Private	100
Venezuela	Private company	Private	17.55
	Public company	Public	82.45
Vietnam	Private company	Private	100
Yemen	Private company	Private	100

CORRESPONDENCE BETWEEN THE 10 STATISTICAL CATEGORIES AND THE CATEGORIES OF PRODUCTS AND TECHNOLOGIES UNDER REGULATION 1334/2000 AND SUBSEQUENT AMENDMENTS

Category	Description 10 categories	List of products included
0	Nuclear material, facilities and equipment	Nuclear reactors, plants for the separation of isotopes of natural uranium, depleted uranium and fissile materials, gas centrifuges, mass spectrometers, graphite electrodes
1	Materials, chemicals, "microorganisms" and "toxins"	Gas masks, body armour, personal dosimeters, prepregs, tools, dies, moulds, continuous mixers, filament winding machines, fluids and lubricating materials, fluorides, sulphides, cyanides and halogenated derivatives
2	Materials processing	Bearings, crucibles, machine tools, isostatic presses, measuring instruments, robots, motion simulators and machining centres
3	Electronics	Electronic components, integrated circuits, microprocessor microcircuits, programmable gate logic arrays, microwave components, mixers and converters and electrically fired explosive detonators
4	Computers	Electronic, hybrid, digital, analogue, systolic array, neural and optical COMPUTERS
5	Telecommunications and "information security"	Telecommunications transmission equipment and systems, underwater communication systems, radio equipment, optic fibre cables, telemetering and telecontrol equipment and security systems
6	Sensors and lasers	Acoustics, image intensifier tubes, optical sensors, instrumentation cameras, optics, lasers, gravity meters, gravity gradiometers and radar systems
7	Navigation and avionics	Inertial navigation accelerometers, gyros, GPS and GLONASS, hydraulic, mechanical, electro-optical and electro-mechanical flight control systems including <i>fly-by-wire</i> types
8	Marine	Submersible vehicles and surface vessels, hydrofoil vessels, underwater vision systems, diving and underwater swimming apparatus
9	Propulsion systems, space vehicles and related equipment	aero and marine gas turbine engines, space launchers and space vehicles, solid and liquid rocket propulsion systems, ramjet, turbojet and turbofan engines, sounding rockets, hybrid rocket propulsion systems, launch support equipment, environmental and anechoic chambers and re-entry vehicles

ANNEX IV. EUROPEAN UNION 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,

RECOGNISING 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 to 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 defence industry as part of their industrial base as well as their defence effort,

RECOGNISING that states have a right to transfer the means of self-defence, consistent with the right of self-defence recognised in the UN Charter,

have adopted the following Code of Conduct and operative provisions:

CRITERION ONE

Respect for the international commitments of EU Member State, 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 licence 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) their commitments in the frameworks of the Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group and the Wassenaar Arrangement;
- d) their 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 licence 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 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 licence 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 neighbouring 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 defence 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 shall take into account:

- a) the potential effect of the proposed export on their defence and security interests and those of friends, allies and other Member States, while recognising 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 items concerned against their forces or those of friends, allies or other Member States;
- c) the risk of reverse engineering or unintended technology transfer.

CRITERION SIX

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

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 organised 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 subparagraph 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 items might be diverted to an undesirable end-user, the following will be considered:

- a) the legitimate defence 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 organisations (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 ac-

count the desirability that states should achieve their legitimate needs of security and defence 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 the 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.

OPERATIVE PROVISIONS

1. Each EU Member State will assess export licence applications for military equipment made to it on a case-by-case basis against the provisions of the Code of Conduct.
2. This code will not infringe on the right of Member States to operate more restrictive national policies.
3. EU Member States will circulate through diplomatic channels details of licences refused in accordance with the Code of Conduct for military equipment together with an explanation of why the licence has been refused. The details to be notified are set out in the form of a draft pro-forma at Annex A. Before any Member State grants a licence which has been denied by another Member State or States for an essentially identical transaction within the last three years, it will first consult the Member State or States which issued the denial(s). If following consultations, the Member State nevertheless decides to grant a licence, it will notify the Member State or States issuing the denial(s), giving a detailed explanation of its reasoning.
4. EU Member States will keep such denials and consultations confidential and will not use them for commercial advantage.
5. EU Member States will work for the early adoption of a common list of military equipment covered by the Code, based on similar national and international lists. Until then, the Code will operate on the basis of national control lists incorporating, where appropriate, elements from relevant international lists.
6. The criteria in this Code and the consultation procedure provided for by paragraph 3 of the operative provisions will also apply to dual-use items as specified in Annex 1 of Council Decision 94/942/CFSP as amended, where there are grounds for believing that the end-user of such items will be the armed forces

The decision to transfer or deny the transfer of any item of military equipment will remain at the national discretion of each Member State. A denial of a licence is understood to take place when the Member State has refused to authorise the actual sale or physical export of the item of military equipment concerned, where a sale would otherwise have come about, or the conclusion of the relevant contract. For these purposes, a notifiable denial may, in accordance with national procedures, include denial of permission to start negotiations or a negative response to a formal initial enquiry about a specific order.

- or internal security forces or similar entities in the recipient country.
7. In order to maximise the efficiency of this Code, EU Member States will work within the framework of the CFSP to reinforce their cooperation and to promote their convergence in the field of conventional arms exports.
 8. Each EU Member State will circulate to other EU Partners in confidence an annual report on its defence exports and on its implementation of the Code. These reports will be discussed at an annual meeting held within the framework of the CFSP. The meeting will also review the operation of the Code, identify any improvements which need to be made and submit to the Council a consolidated report, based on contributions from Member States.
 9. EU Member States will, as appropriate, assess jointly through the CFSP framework the situation of potential or actual recipients of arms exports from EU Member States, in the light of the principles and criteria of the Code of Conduct.
 10. It is recognised that Member States, where appropriate, may also take into account the effect of proposed exports on their economic, social, commercial and industrial interests, but that these factors will not affect the application of the above criteria.
 11. EU Member States will use their best endeavours to encourage other arms exporting states to subscribe to the principles of this Code of Conduct.
 12. This Code of Conduct and the operative provision will replace any previous elaboration of the 1991 and 1992 Common Criteria.

Annex A

(Name of Member State) has the honour to inform partners of the following denial under the EU Code of Conduct:

Destination Country:

Short description of equipment, including quantity and, where appropriate, technical specifications:

Proposed consignee:

Proposed end-user (if different):

Reason for refusal:

Date of denial:

ANNEX V. INTERNATIONAL CONTROL FORA

A. Wassenaar Arrangement (WA)

The Wassenaar Arrangement dates back to 19 December 1995 when it replaced the Coordination Committee on Multilateral Strategic Export Controls (COCOM). This latter organisation was in operation from 1950 until March of 1994 and was based on a series of informal agreements between the governments of 17 countries (NATO countries) along with Japan and Australia and 6 collaborating nations (Austria, Finland, Ireland, New Zealand, Sweden and Switzerland). With the fall of the Berlin Wall in November 1989 and the end of the Cold War, the COCOM Member States decided that it no longer made sense to persevere in a common control system for the export of sensitive products and technologies with respect to countries from the defunct Warsaw Pact.

However, the existence of regional conflicts and the underlying threat of the possible stockpiling of weapons of mass destruction in some regions, called for some sort of general agreement based on the control of the export of arms and dual-use items and technologies. Subsequent to a series of drawn-out discussions, the decision was taken to negotiate a new, less restrictive agreement which did not focus on a block of "banned nations". Finally on 19 December 1995 a "minimum" agreement known as the "Wassenaar Arrangement" was reached at the meeting held at the Dutch city of Wassenaar. In addition to the COCOM member nations and the six collaborating countries, the agreement was subscribed to

by Russia and four other ex-socialist block countries (Hungary, Poland, the Czech Republic and Slovakia). These 28 founding countries were later joined by a further five (Argentina, Bulgaria, South Korea, Romania and Ukraine). Slovenia was admitted in December 2004 and Estonia, Latvia, Lithuania, Croatia and Malta in 2005. Today there are a total of 40 members.

Spain joined the COCOM in 1985. The Arrangement's Secretariat is located in Vienna.

The Arrangement has two export control lists: The Munitions List and the Dual-Use List. The Dual-Use List, in turn, has two annexes: the first corresponds to sensitive products and technologies (Sensitive List) while the second addresses very sensitive products and technologies (Very Sensitive List).

The Wassenaar dual-use list basically corresponds to Categories 1 to 9 of Annex I of Regulation (EC) 1334/2000 (amended by Regulation 2432/2001 of 20 November, 394/2006 of 27 February) the former including a category 0 of nuclear material and a more extensive list of products from other fora (the Australia Group and the Missile Technology Control Regime).

The main goal of the Arrangement is to foster international transparency, develop effective cooperation and information systems and encourage greater responsibility in respect of external trade in defence and dual-use material, preventing the stockpiling of weapons that could endanger global security and the stability of the most conflictive regions. Since its creation the Ar-

agement has undergone two review processes in 1999 and 2003.

B. Nuclear Suppliers Group (NSG)

The NSG is a group formed by nuclear supplier countries whose aim is to contribute to the non-proliferation of nuclear weapons through compliance with two sets of Guidelines applicable to the export of nuclear products and likewise of materials, software and related technology without hindering international trade and cooperation in the peaceful use of nuclear energy.

Part I of the NSG guidelines lays down the fundamental principles concerning export safeguards and controls applicable to nuclear transfers for peaceful purposes to any State which does not possess nuclear arms and, in the case of re-transfer control, it applies to all nations.

The aforementioned guidelines require formal guarantees from the recipient government assuring the peaceful use of the products exported (non-proliferation policy, blanket safeguards, physical protection, etc.). This first set of guidelines applies to an initial list known as the Trigger List which includes nuclear material and specific equipment for nuclear purposes as well as related technology. Part 2 of the NSG guidelines governs the export, to any country, of a list of dual-use nuclear-industrial material and technology which could play an important role in nuclear explosive activities or in the nuclear fuel cycle not subject to safeguards but which are widely used in industry.

The NSG has a Consultation Group which was created in 2001 for the study

of the guidelines and technical annexes of both parties. The plenary session is held once yearly taking decision by consensus. The NSG does not have a headquarters but rather a contact point housed in Japan's Permanent Mission at Vienna. It is comprised of 45 member countries. Spain became a member of the NSG in 1988.

Aside from the NSG, there is the so-called Zangger Committee (ZC) also known as the Nuclear Exporters Committee constituted as another nuclear non-proliferation forum with the aim of achieving the standard enforcement of article III.2 of the Non-Proliferation Treaty (NPT).

The NSG and Zangger Committee guidelines and control lists are published by the IAEA under the name of INFCIRC 254/ Part 1, INFCIRC 254/ Part 2 and INFCIRC 209, respectively.

C. Missile Technology Control Regime (MTCR)

The MTCR is an export control regime aimed at restricting the proliferation of certain missile systems and unmanned aerial vehicles and related technology, of systems capable of transporting a payload of 500 kg over a distance of 300 km and likewise of systems capable of transporting weapons of mass destruction.

The Regime was created in 1987 by 7 nations concerned about the proliferation of missiles capable of carrying nuclear warheads. It is currently formed by 34 Member States. Spain joined the Regime in 1989. The Regime's point of contact is in Paris.

Being an MTCR member entails the adoption of common guidelines regarding export policies applicable to an Annex of equipment, software and technology which includes a wide range of military and dual-

use products which are important for the development, production and deployment of missiles.

MTCR guidelines call for the enforcement of restrictions concerning the approval of all transfers of the products listed in the Annex. These transfers must be considered on a case-by-case basis.

The MTCR Annex (list of products subject to control) is divided into two categories:

- “Category I Products”: These include complete missile and unmanned aerial vehicle systems with a “range/payload” of over 300 km/500 kg, facilities for their manufacture and their main sub-systems. These are considered highly sensitive products subject to a “high likelihood of export denial”. Transfer of production facilities for Category I products is strictly prohibited.
- “Category II Products”: These include the remainder of the Annex; i.e. the complete missile and unmanned aerial vehicle systems not included in Category I with a range of 300 km or greater and likewise a wide array of equipment, material and technology much of which have other uses other than their application in missiles under the MTCR. Despite export restrictions these materials do not generally encounter great difficulties in procuring authorisation providing that their end use is not related to the development of missiles regulated by the MTCR.

The Regime is not intended to hinder national space or international cooperation programmes providing that the said

programmes do not contribute to the development of transport systems for weapons of mass destruction.

The MTCR does not take group decisions regarding export licences. Decisions regarding exports are taken at the national level in accordance with national laws and practices.

D. Australia Group (AG)

The Australia Group was created in June 1985, the result of an informal agreement, its purpose being that of curtailing the risk that certain exports and transfers have of contributing to the proliferation of chemical and biological weapons. Up until 2001 the Group had limited its meetings to one yearly plenary session but has held a number of meetings since February 2002 given mounting concern over the 11 September 2001 attacks.

The Australia Group is comprised of 39 members and its point of contact is the Australian Embassy in Paris. This forum has six annexes of controlled products (chemical precursors, dual-use products and chemicals, pathogenic agents for use against plants and animals and dual-use biological equipment). Spain became a member of the Australia Group in December 1985.

Australia Group participants do not undertake legally binding obligations. The efficacy of cooperation among participating members depends solely on their commitment to the non-proliferation objectives of chemical and biological weapons and on the effectiveness of the measures adopted individually by each one on the national level. Therefore, the Group's members must bear in mind that the said measures must be effective in terms of curtailing the production of chemical and

biological weapons, they must be reasonably easy to enforce and should not hinder normal trade in materials and equipment used for legitimate purposes.

All of the States party to the Australia Group are also Member States of the Chemical Weapons Convention and the Biological and Toxin Weapons Convention.

E. Chemical Weapons Convention (CWC)

The Convention on the Prohibition of the Development, Production, Stockpiling and use of Chemical Weapons and on their Destruction, signed at Paris on 13 January 1993 is a unique international legal instrument in the history of disarmament and non-proliferation; it entered into force on 29 April 1997.

On 31 March 2007 there were 181 Contracting States. The international organisation entrusted with its effective enforcement is the Organisation for the Prohibition of Chemical Weapons (OPCW) with headquarters at The Hague (Netherlands).

The CWC envisages the complete prohibition of the development, production, acquisition by any other means, stockpiling or upkeep of chemical weapons and the direct or indirect transfer of the said weapons. The products controlled by the CWC not only include chemical weapons but also toxic chemicals and their precursors except those cases in which the latter are intended for purposes not prohibited by the CWC and providing that the type and quantity of the substances in question are in line with the said purposes.

There are three lists of chemicals within the CWC:

- List 1: Compounds and precursors which are considered chemical weapons given that they have no civilian use with the exception of ricine and saxitoxin. Trade in these substances, even among OPCW countries, is strictly prohibited except for limited quantities and for specific purposes (medical and research use in laboratories).
- List 2: Dual-use chemical substances and precursors. Export of this material outside of the OPCW is prohibited.
- List 3: Widely available chemical substances and precursors. Export is allowed even to OPCW non-member countries but under strict control including licence application and the submission of an end-use certificate.

However, the Convention not only lays down a set of regulations concerning Member States –during war or peacetime– but also envisages a set of strict verification measures with a view to assuring compliance. Specifically, each Member State is required to file a series of periodical declarations to the OPCW furnishing detailed information regarding civilian or military facilities affected by the CWC as well as data concerning external trade transactions undertaken. Based on these declarations, the Organisation has the authority to carry out routine inspections or inspections stemming from a charge filed with a view to checking the veracity of the data furnished by the States thus preventing the illicit diversion of chemicals for the manufacture of weapons of mass destruction (WMD).

In Spain, Law 49/1999 of 20 December regulates the composition and operation of the National Authority for the Prohibition of Chemical Weapons (Spanish initials ANPAQ), a collegiate body of the General State Administration chaired by the Under-Secretary of the Ministry of Foreign Affairs and Cooperation and comprised of the Under-Secretaries of the eight ministerial departments directly involved in the CWC.

The executive body of the ANPAQ is the permanent Secretariat-General attached to the Ministry of Industry, Tourism and Trade and a Working Group was created to provide assistance. Spain also has a Permanent Representation to the OPCW at its embassy in The Hague.

F. Biological and Toxin Weapons Convention (BTWC)

Signed in 1972 and ratified by 155 Member Countries as of 31.03.07, the Biological and Toxin Weapons Convention was given renewed impetus in the middle of the 90's.

The Convention prohibits the development, production, stockpiling, acquisi-

tion and holding of microbiological and other biological agents or toxins regardless of their origin or production method, type or in quantities not warranted by peaceful purposes and likewise weapons, equipment or means of transfer designed for the use of the said agents or toxins for hostile purposes or in armed conflicts. The signatory States undertake to destroy or divert for peaceful purposes all prohibited agents, toxins and weapons, to not directly or indirectly transfer the said materials and to not encourage or provide technical assistance to anyone for their development, production, stockpiling, acquisition or holding.

The Convention does not have the means to verify or enforce compliance given that at the time it was drawn up (during the Cold War) biological warfare was not considered a threat. A stronger regime thus became necessary to detect and prevent violations of the Convention and in 1995 the signatory countries commenced negotiations to set up a Verification Protocol that would include declaration, verification and inspection provisions similar to those envisaged in the Chemical Weapons Convention.

G. List of member countries of international fora controlling the export of defence material and dual-use items and technologies.

Countries	WA	MTCR	NSG	AG	ZC
Argentina	X	X	X	X	X
Australia	X	X	X	X	X
Austria	X	X	X	X	X
Belgium	X	X	X	X	X
Belorussia			X		
Brazil		X	X		
Bulgaria	X	X	X	X	X
Canada	X	X	X	X	X
China			X		X
Croatia	X		X		
Cyprus			X	X	
Czech Rep.	X	X	X	X	X
Denmark	X	X	X	X	X
Estonia	X		X	X	
Finland	X	X	X	X	X
France	X	X	X	X	X
Germany	X	X	X	X	X
Greece	X	X	X	X	X
Hungary	X	X	X	X	X
Iceland		X		X	
Ireland	X	X	X	X	X
Italy	X	X	X	X	X
Japan	X	X	X	X	X
Kazakhstan			X		
Latvia	X		X	X	
Lithuania	X		X	X	
Luxembourg	X	X	X	X	X
Malta	X		X	X	
Netherlands	X	X	X	X	X
New Zealand	X	X	X	X	
Norway	X	X	X	X	X
Poland	X	X	X	X	X
Portugal	X	X	X	X	X
Romania	X		X	X	X
Russia	X	X	X		X
Slovakia	X		X	X	X
Slovenia	X		X	X	X
South Africa	X	X	X		X
South Korea	X	X	X	X	X
Spain	X	X	X	X	X
Sweden	X	X	X	X	X
Switzerland	X	X	X	X	X
Turkey	X	X	X	X	X
Ukraine	X	X	X	X	X
United Kingdom	X	X	X	X	X
United States	X	X	X	X	X
European Commission	OBS		OBS	OBS	OBS

ANNEX VI. DEFENCE MATERIAL EMBARGOES CURRENTLY IN FORCE

Countries	United Nations	European Union	OSCE
Armenia	July 1993 (v)		March 1992 (*)
Azerbaijan	July 1993 (v)		March 1992 (*)
China		June 1989 (v)	
Dem. Rep. Congo (Zaire)	July 2003	April 1993 September 2003 (Mod.)	
Democratic Rep. of Korea	Oct 2006	November 2006	
Iran	March 2007		
Iraq	August 1990 May 2003 (Mod.)	August 1990 July 2003 (Mod.)	
Ivory Coast	November 2004		
Lebanon	August 2006	September 2006	
Liberia	March 2001 December 2003 (Mod.)	May 2001 February 2004 (Mod.)	
Myanmar (Burma)		July 1991 April 2004 (Mod.)	
North Korea	July 2006 October 2006 (Mod.)	November 2006	
Rwanda	May 1994 August 1995		
Sierra Leone	June 1998 May 2000 (Mod.)	June 1998	
Somalia	January 1992 July 2002 (Mod.)	December 2002	
Sudan		March 1994 January 2004 (Mod.)	
Uzbekistan		November 2005	
Zimbabwe		February 2002 February 2004 (Mod.)	

The United Nations (January 2002) and the European Union (May 2002) agreed to prohibit the export of arms and all types of related equipment to Osama Bin Laden, members of Al-Qaeda and Talibans and likewise other individuals, groups and organisations related to these.

The embargoes reflected in this table exclude prohibitions on the export of non-lethal equipment for humanitarian purposes or for certain International Organisations and United Nations personnel as well as those used for demining actions except in the case of China. In the case of the embargoes on Lebanon, Iraq, Rwanda and Sierra Leone, the prohibition of arms shipments to their governments is excluded. The embargo on North Korea also applies to items, equipment, materials, products and technology related to nuclear and missile programmes.

(*) The region of Nagorno-Karabakh is subject to an OSCE embargo.

(v) Voluntary embargo.

(Mod.) Date of modification.

Countries	United Nations	European Union	Restrictive measure
Non-governmental agents	April 2004 (1540) April 2006 (1673)		Prevent all transfer for use in WMD and their delivery vehicles
North Korea	July 2006 (1695) October 2006 (1718)	November 2006	Prevent all transfer of conventional weapons, dual-use products and luxury products
Iran	July 2006 (1696) December 2006 (1737) March 2007 (1747)	February 2007	Prevent all transfer of dual-use items except when it is certain that these cannot be used for WMD or their delivery vehicles.

The United Nations Resolution calls on Member States to prevent the direct or indirect supply, sale or transfer through their territories or by their nationals, or using their flag vessels or aircraft, of products and their related technology, including technical or financial assistance, investments, brokering or other related services, having to do with unlawful uses and the transfer of persons related with the proliferation of WMD.

Resolution 1737 (2006) requires, in cases in which transfer is not prohibited, compliance with the Guidelines of the Non-proliferation Regimes, the right to verify use and final destination and notification of approval to the Committee within a period of 10 days. In the case of products on the Nuclear List, notification of the IAEA within a 10-day period is likewise required.

WMD: weapons of mass destruction

ANNEX VII. STATISTICS ON SPANISH EXTERNAL TRADE IN SMALL ARMS AND LIGHT WEAPONS FIGURING IN THE OSCE DOCUMENT

In accordance with the OSCE Document concerning small arms and light weapons Spain, as a participating State, must submit on an annual basis and using the agreed format, the information regarding the export and import to and from the rest of the participating States.

The said Document defines as small arms those intended for use by individual members of the armed forces or law enforcement officials. Included under this denomination are revolvers and pistols, rifles and carbines, submachine guns, assault rifles and light machine guns. In this same Document, light weapons are defined as those intended for use by several members of the armed forces or law enforcement offi-

cials acting collectively including: grenade launchers, heavy machine guns, portable anti-aircraft arms, portable anti-tank arms, portable missile and rocket launching systems, portable anti-aircraft missile launching systems and mortars under 100 mm calibre.

This Annex presents 2006 data concerning authorisations and exports actually undertaken. The data set out in this section do not necessarily have to coincide with those presented in the foregoing tables given that the exchange of information in the OSCE is limited, first of all, to the armed forces and law enforcement officials in respect of the consignees of the arms and to OSCE countries in terms of countries of destination.

EXPORTS AUTHORISED IN 2006
Annual information regarding the export of small arms and light weapons

Reporting country Spain
 Original Language: Spanish

Reporting year: 2006
 Document date: May 2007

Category and sub-category	End importing State	Number of products	State of origin (if not the importer)	Intermediate situation (if applicable)	Commentary on the transfer*
A. Small arms					
1. Revolvers and automatic pistols					
2. Rifles and Carabines					
3. Submachine guns					
4. Assault rifles					
5. Light machine guns	Belgium	1	Spain		IIC
B. Light weapons					
1. Heavy machineguns					
2. Portable grenade launchers with and without support	Bulgaria	3	Spain		EUC
3. Portable anti-aircraft arms					
4. Portable anti-tank arms					
5. Recoilless cannons					
6. Launchers for portable anti-tank missile and rocket systems					
7. Launchers for portable anti-aircraft missiles					
8. Mortars under 100 mm calibre	Denmark Netherlands	90 1	Spain "		IIC "

* Control document.

EXPORTS UNDERTAKEN IN 2006

Annual information regarding the export of small arms and light weapons

Reporting country Spain	Reporting year: 2006				
Original Language: Spanish	Document date: May 2007				
Category and sub-category	End importing State	Number of products	State of origin (if not the importer)	Intermediate situation (if applicable)	Commentary on the transfer*
C.. Small arms					
1. Revolvers and automatic pistols	United Kingdom	1	Spain		IIC
2. Rifles and Carabines					
3. Submachine guns					
4. Assault rifles					
5. Light machine guns					
D. Light weapons					
1. Heavy machineguns					
2. Portable grenade launchers with and without support	Bulgaria	1	Spain		EUC
3. Portable anti-aircraft arms					
4. Portable anti-tank arms					
5. Recoilless cannons					
6. Launchers for portable anti-tank missile and rocket systems					
7. Launchers for portable anti-aircraft missiles					
8. Mortars under 100 mm calibre	Denmark	26	Spain		EUC

* Control document.

ANNEX VIII. AVAILABLE PUBLICATIONS

Articles published

(State Secretariat for Tourism and Trade)

1. External Trade Control of Defence and Dual-use Material (*Boletín Económico de Información Comercial Española* [Economic Bulletin of Spanish Trade Information] No. 2.409 of 18-24 April 1994).
2. Community Regime for the Control of the Export of Dual-use Products (*Boletín Económico de Información Comercial Española* No. 2.468, of 4 to 10 September 1995).
3. External Spanish Trade in Defence and Dual-use Material 1991-1994 (*Boletín Económico de Información Comercial Española* No. 2.478, of 13 to 19 November 1995).
4. Report on Authorisations for the Export of Defence and Dual-use Material issued by the Directorate-General of External Trade in 1995 (*Boletín Económico de Información Comercial Española* No. 2.527, of 16 to 22 December 1996).
5. Export of Defence Material by Recipient Country. Period from 1991-1996 (*Boletín Económico de Información Comercial Española* No. 2.566, of 2 to 15 February 1998).
6. Export of Defence and Dual-use Material in 1997 by recipient countries (*Boletín Económico de Información Comercial Española* No. 2.589, of 5 to 11 October 1998).
7. External Trade Control of Defence and Dual-use Material (*Boletín Económico de Información Comercial Española* No. 2.594-2.596 of 9-22 November 1998).
8. External Trade of Defence and Dual-use Material first semester 1998 (*Boletín Económico de Información Comercial Española* No. 2.625 of 2 August to 5 September 1999).
9. External Trade in Defence and Dual-use Material second semester of 1998 (*Boletín Económico de Información Comercial Española* No. 2.638, of 20 December 1999 to 2 January 2000).
10. The Chemical Weapons Convention (CWC) and external trade (*Boletín Económico de Información Comercial Española* No. 2.649, of 10-23 January 2000).
11. The European Union Code of Conduct on Arms Exports (*Boletín Económico de Información Comercial Española* No. 2.644, of 21-27 February 2000).
12. External Trade Statistics concerning Defence and Dual-use Material from 1999 (*Boletín Económico de Información Comercial Española* No. 2.666 of 9-15 October 2000).
13. The future of weapons of mass destruction non-proliferation regimes. Export control regime (*Boletín Económico de Información Comercial Española* No. 2.687 of 2-15 April 2001).

14. External Trade Statistics concerning Defence and Dual-use Material from 2000 (*Boletín Económico de Información Comercial Española* No. 2.708 of 2-118 November 2001).
15. External trade and non-proliferation of chemical and biological weapons (*Boletín Económico de Información Comercial Española* No. 2.723, of 18-31 March 2002).
16. External Trade in Defence and Dual-use Material 2001 (*Boletín Económico de Información Comercial Española* No. 2.745, of 28 October to 3 November 2002).
17. Spanish exports of defence and dual-use material in the first semester of 2002 (*Boletín Económico de Información Comercial Española* No. 2.771, of 16-22 June 2003).
18. External Trade in Defence and Dual-use Material 2002 (*Boletín Económico de Información Comercial Española* No. 2.780, of 29 September to 5 October 2003).
19. Spanish Export Statistics regarding Defence and Dual-use Material 2003 (*Boletín Económico de Información Comercial Española* No. 2.827, of 13-19 December 2004).
20. New Spanish legislation regarding the control of external trade in defence material, other material and dual-use items and technologies (*Boletín Económico de Información Comercial Española* No. 2.829, of 27 December 2004 to 9 January 2005).
21. Spanish Export Statistics regarding defence material, other material and dual-use items and technologies in 2004 (*Boletín Económico de Información Comercial Española* No. 2.849, of 11-31 July 2005).
22. European Union Code of Conduct on Arms Exports. Seven years of experience (*Boletín Económico de Información Comercial Española* No. 2.858 of 10 to 16 October 2005).
23. Spanish Export Statistics regarding defence material, other material and dual-use items and technologies in 2005 (*Boletín Económico de Información Comercial Española* No. 2.886, of 14-27 August 2006).
- Other articles
- “The Industrial Defence Sector.” Annual Report 2006, AFARMADE.
- By-country reports available on the Internet.
1. *Spain*
<http://www.comercio.es>
 - link to publications
2. *Australia*
<http://www.dmo.defence.gov.au/id/export/ar2000.pdf>
3. *Belgium*
http://diplomel.fgov.be/Politics/policy_exportation_d'armes_FR.htm
4. *Canada*
<http://www.dfait-maeci.gc.ca>
5. *Denmark*
<http://www.um.dk>

6. Finland

<http://www.vn.fi/plm/evkas.htm>
(report 2000)

7. Germany

<http://www.bmwi.de/Homepage/Startseite.jsp>

8. Ireland

<http://www.entemp.ie/export/military.htm>
(report 2000)

9. Netherlands

<http://www.minez.nl/ezenglish/export.htm>

10. Norway

<http://www.odin.dep.no>

11. Sweden

<http://www.utrikes.regeringen.se/prefak>

<http://www.utrikes.regeringen.se/prefak/document>

12. United Kingdom

<http://www.fco.gov.uk/news/newstext>

13. United States

<http://www.state.gov/www/global/arms/bureauac.html>

International forum web pages

1. Australia Group (AG)

<http://www.australiagroup.net>

2. Chemical Weapons Convention (CWC)

<http://www.opcw.org>

<http://www.mcx.es/anpaq>

3. Missile Technology Control Regime (MTCR)

<http://www.mtcr.info>

4. Nuclear Suppliers Group (NSG)

<http://www.nsg-online.org>

5. Wassenaar Arrangement (WA)

<http://www.wassenaar.org>