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TRADE

EXPORT STATISTICS SPAIN:
DEFENCE MATERIAL, OTHER
MATERIAL AND DUAL-USE
PRODUCTS AND TECHNOLOGIES,
2005

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INTRODUCTION

Organic Law 3/1992 of 30 April defining cases of smuggling in respect of the export of defence and dual-use items and the Anti-smuggling Act, Organic Law 12/1995 of 12 December, consider the unauthorised export of defence and dual-use material or by means of a false or incomplete declaration a criminal act. Said Law 3/1992 states that licence applications may be denied and authorisations may be suspended or revoked if they give rise to a disturbance of peace, stability or world or regional security, when they may violate international commitments adopted by Spain or when they have a negative effect on overall national defence interests and the State's foreign policy.

Control of the said operations is based on Royal Decree 1782/2004 of 30 July approving the control Regulation governing the external trade of defence material, other material and dual-use items and technologies. Article 8 of this Royal Decree explicitly stipulates those international commitments to which Spain is party concerning control of the external trade of 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 export or the criteria adopted by the OSCE in the 24 November 2000 Small Arms and Light Weapons document.

Licence applications may be denied and authorisations may be suspended or revoked when material, products or technologies could be used in a way contrary to the respect and dignity inherent in all human beings.

Licence applications are studied in accordance with the former legislation, conducting a case by case analysis taking into account the mandatory binding report of the Inter-Ministerial Regulatory Board on Foreign Trade in Defence and Dual-Use Material (JIMDDU). The overarching purpose of that analysis is to prevent the proliferation of weapons of mass destruction, especially to prevent arms and dual-use products 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 on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction; and the 10 April 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction.

The last legislative amendment, included in 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 main international control and non-proliferation fora, e.g. the Wassenaar Arrangement, the Zangger Committee, the Missile Technology Control Regime, the Nuclear Suppliers Group and the Australia Group.

This report, focusing on the export statistics of defence material, of other material and of dual-use items and technologies in 2005, 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:

- Disclose, on an annual basis, 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, 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.

On 11 December 2001 the said agreement was supplemented with the congressional approval of the Agreement regarding transparency and more stringent control of the small arms trade (Annex I). 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 urges 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 and exported 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 2005.

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 Foreign Trade attached to the Ministry of Industry, Tourism and Trade. It should be remembered that this Secretariat holds the data concerning all of the authorised export licenses while the data corresponding to exports actually undertaken 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 includes 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 Foreign 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 control Regulation governing the external trade of defence material, other material and dual-use items and technologies and companies are called upon 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 2005 statistics report is divided into two main blocks. The first covers the information already referred to; i.e. Spanish legislation, Community regulations,

data on Spain's export of defence material, other material and dual-use items and technologies and the main actions undertaken at international control fora. The second section is comprised of eight annexes with information regarding the statistics tables presenting export figures for these products during 2005, 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 reported by Spain to the OSCE. No information is included in respect of Spain's contribution to the Code of Conduct Annual Report because when these statistics went to press the information to be furnished in 2006 had yet to be determined. Concerning reports from previous years, neither was it 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 that this report was finalised.

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 Publication published by 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. Applicable legislation. The Arms Trade Act

Organic Law 3/1992 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 as the unauthorised export of defence or dual-use material or export with authorisation obtained by means of a fraudulent 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 foreign 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 of defence material, other material and dual-use items and technologies.

This new legislation which entered into force on 1 October 2004 met two funda-

mental needs: greater control over exports and greater flexibility in respect of shipments arising from cooperation programmes in the field of defence in which Spain has been participating to an increasingly greater degree.

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 2005 the said update was undertaken by means of the 12 January 2006 Order issued by the Ministry of Industry, Tourism and Trade.

The Ministry of Economy and Finance is also planning to amend 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) 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 2003/468/CFSP of 23 June 2003 on the control of arms brokering; and Council Regulation (EC) No 1236/2005 on the marketing of certain products 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 "export" and of "dual-use items" with a view to bringing them into line with Regulation (EC) 1334/2000. Introduc-

tion of new definitions of the terms "import", "expedition", "introduction" and "other material" and updating of the existing definitions of "precursors" and "biological agents or toxins".

- Inclusion of the control of products that could be used for capital punishment, torture or other cruel, inhuman 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, intra-community brokering or the transfer of defence material, other material and dual-use items and technologies or for the import/export of items that could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment.
- Control of transit of the so-called "other material" and of items that could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment through the territory and sea and air space, similar to that provided for in Law 12/1995 for defence and dual-use material.

As alluded to in the Introduction, the 13 December 2005 Agreement supporting an Arms Trade Act urges the Government to submit a preliminary draft of the said Act.

The ministries involved in the control of these products have been called upon to issue a report on the said preliminary draft. Submission to Parliament is expected in December in compliance with the deadline established by the Government.

It should be recalled that the defence material subject to control under Spanish law is based on the Wassenaar Arrangement Munitions List, the Common List of Military Equipment covered by 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 certified by 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 arms and their munitions 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 this export control. The same holds true for certain types of gunpowder, industrial use explosives and cutting and thrusting weapons.

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. Regulation 1782/2004 includes 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.

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 Foreign Trade in Defence and Dual-Use Material – Spanish initials JIMDDU)

This Board was first constituted in 1988 as an inter-ministerial administrative body and is vouchsafed 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 the Regulation 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 most important function of the JIMDDU is to inform, on a compulsory and binding basis, the administrative authorisations and preliminary agreements in respect of the said materials.

B) The General Secretariat for Foreign Trade

The General Secretariat for Foreign Trade, duly informed by the JIMDDU, is responsible for granting authorisation for import/export transactions concerning defence material, other material and dual-use items and technologies. 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 Mate-

rial 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 stressed 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).

Defence material exports in 2005 rose by 3.3% vis-à-vis 2004, continuing the growth trend in exports dating back to 2000. The value of exports totalled €419.4 million.

Year	Amount (€ millions)
1999	141.38
2000	138.27
2001	231.18
2002	274.71
2003	383.10
2004	405.90
2005	419.45

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	250.69	59.77	
United Kingdom	73.27	17.47	8,10,11,15
Germany	65.67	15.66	6,10,11,15
Poland	48.91	11.66	10
Italy	34.40	8.20	8,10,11,15
Greece	20.26	4.83	1,6,8,11
Others	8.18	1.95	1,3,4,8
EU non-NATO countries	0.33	0.08	2,3,4,16
NATO (non-EU) countries	9.02	2.15	
United States	6.58	1.57	1,3,4,8,10
Norway	1.22	0.29	3,4
Canada	1.21	0.29	1,4,22
Others	0.01	0.00	1
NATO + EU	260.04	62.00	
Other countries	142.83	34.05	
Algeria	110.58	26.36	10
Ecuador	32.25	7.69	10
Remaining countries	16.58	3.95	
TOTAL	419.45	100	

* NATO countries in 2005: EU countries excluding Ireland, Sweden, Finland and Austria plus the United States, Canada, Turkey, Norway, Iceland, Bulgaria and Romania.

The table shows that exports are concentrated in European Union countries with 59.8% of the total, while NATO countries account for 61.9%.

Sales to EU countries totalled €251 million mostly divided among the United Kingdom, Germany, Poland, Italy and Greece. The largest shipments were two aircraft to Poland and parts for the EF-2000 aircraft to the United Kingdom, Germany and Italy. Leopard tank parts constituted another important category of exports to Germany and Greece.

Aside from the shipments/exports to EU and NATO countries, the rest of the sales (€159.4 million accounting for 38.0% of the total), were divided among 33 countries of which special mention should be made of Algeria accounting for €110.6

million consisting of 6 aircraft for logistical missions, and Ecuador accounting for €32.2 million corresponding to the sale of 3 aircraft for coastal surveillance and the fight against narcotrafficking along the border. Mention should also be made of the non-commercial value donation made to Colombia of 3 aircraft outfitted for medical intervention. Some other exports may attract attention such as machine gun spare parts shipped to Haiti for the Chilean navy on a United Nations peacekeeping mission. Figures corresponding to Mauritania show the shipment of 2 hunting rifles and in the case of Cameroon 1 hunting rifle was shipped.

As for product categories, of special importance was the export of "military aircraft" in the amount of €208.2 million accounting for 49.6% of total volume. Sales of "image processing and counter-measure equipment" were also relevant with sales totalling €84.6 million accounting for 20.2% of the total. The third most important category was "military all-terrain vehicles" with sales of €43.0 million accounting for 10.2% of the total, the majority of the transactions for tank parts and components for the Leopard to Germany and Greece in addition to 136 all-terrain vehicles exported to Morocco.

The following table shows a comparison among the three most widely exported categories in 2005 and their relative weight vis-à-vis the previous year.

Categories	Year			
	2004		2005	
	Amount	%	Amount	%
Military aircraft	222.78	54.90	208.17	49.63
Image processing and counter-measure equipment	78.60	19.36	84.64	20.18
Military all-terrain vehicles	37.59	9.26	43.03	10.25

It is also of interest to list the main cooperation programmes in which Spanish

companies are taking part and which accounted for defence material exports in 2005.

Most important DM programmes	Amount (€ millions)	%
Eurofighter	119.91	28.59
United Kingdom	59.14	
Germany	31.61	
Italy	29.16	
Meteor Missile	2.50	0.60
United Kingdom	2.39	
Germany	0.11	
MIDS	0.20	0.05
Germany	0.20	
A-400M	0.04	0.01
France	0.02	
Germany	0.02	
Total DM programmes	122.65	29.25
TOTAL DM	419.45	100

Having regard to the so-called "Other Material", exports totalled €1.4 million the only target countries being the Palestinian National Authority (€1.1 million accounting for 78.7%), Venezuela (€152,445, 11.1%), Nicaragua (€137,888, 10.1%) and Andorra (€1,854, 0.1%). Exports to the Palestinian NA consisted of 2 anti-riot lorries with water cannons for the police force.

B) Data regarding operations undertaken

In 2005 a total of 604 license applications for the export of defence material were processed breaking down as follows: 437 individual licenses, 11 global licenses (for multiple shipments to different countries and beneficiaries), 10 global project licenses (similar to global licenses but deriving from cooperation programmes in the defence field) and 146 temporary licenses. In addition to the foregoing, 6 inward processing traffic licenses were processed and rectifications were made to 188 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" 10 individual licenses and 5 rectifications were processed and approved.

Of the 437 individual licenses, 374 were approved, 16 denied (15 deriving from the enforcement of the EU Code of Conduct and one corresponding to denial of REOCE registration), 6 withdrawn by the exporter himself, 16 expired for failing to submit the control document concerning the end use of the license before the prescribed deadline and 25 remained pending. Of the 11 global licenses, 9 were approved, 1 expired and the remaining one was withdrawn. As for the 10 global project licenses, 7 were approved, 2 expired and 1 was withdrawn. Of the 145 temporary licenses, all were approved except for 1 which was left pending. All rectifications of licenses and traffic were approved. Mention should also be made of the 22 preliminary export agreements which were approved in 2005. This is initial conformity regarding future specified shipments.

No licenses were authorised in 2005 for operations under Common Position 2003/468/CFSP of 23 June on the control of arms brokering.

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

In 2005, 50 entries were made concerning companies trading in defence and other material. Of these entries, 1 corresponded to a natural person acting as a broker. Two requests were denied.

D) Data concerning licensing denied

In 2005, 15 applications were denied due to enforcement of the code of conduct. Of these, 12 were related to small arms and denial was based on criterion 7 in 9 cases (risk of equipment being diverted), the

end user failing to furnish sufficient guarantees, while refusal in the remaining three cases was grounded on criterion 1 (embargo). The 3 remaining denials were related with anti-riot material, parts for war weapons and aerial bombs, the first grounded on criterion 7, the second on criterion 4 (regional situation) and the third on criteria 3 (internal situation), 4 and 8 (compatibility of the arms exports with the technical and economic capacity of the recipient country).

The 15 licenses denied were duly communicated to the EU Member States.

The Spanish Ministry of Foreign Affairs denied 14 transit licence applications of the total 188 subject to processing in 2005.

As a consequence of the unrest expressed by the Defence Commission of the Congress of Deputies and in the media in previous years, the General Secretariat for Foreign Trade called on the Department of Customs and Excise Duties to apply a series of filters in the case of export to specific sub-Saharan African countries of sub-headings 9306.21.00 (shotgun cartridges), 9306.29.40 (cases) and 9306.30.91 (centrefire cartridges). As a consequence of these interventions it was shown that, given the units exported, their weight and per-unit value, the shipments contained hunting ammunition and not small arms as some non-governmental organisations were leading the public to believe.

A study was also conducted regarding the possible concentration of shipments of second hand small arms to a particular destination for which the collaboration of the authorities of the country in question was requested to look into the solvency of the recipients of the said exports. Based

on the foregoing, the decision was taken to make authorisation for these transactions contingent upon the submission of a control document with a specific clause prohibiting re-export expressly signed by the said authorities.

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

- a) Strict 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 could be used 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 allow the export of these arms to official consignees for public purposes only (armed forces and police) in the case of particularly sensitive countries or in those where the risk of diversion of this material was deemed acceptable.

The requirement of submitting a control document continued throughout all of 2005 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 gang chains is 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 arms in 2005

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 2005, special mention should be made of the following:

1. *Review and transformation of the Code of Conduct into a Common Position.* The technical work of reviewing the Code and its possible transformation into a Common Position has been completed, both points now awaiting approval by the Council. This work began in 2004. Not only Member States but several non-governmental organisations participated in this process as well. The principal amendment proposals focused on criterion 6 (the behaviour of the destination country vis-à-vis the international community, especially as regards its attitude to terrorism), 7 (risk of diversion) and 8 (compatibility of arms exports with the technical and economic capacity of the destination country) and the operational provisions.
2. *Review of the Common List of Military Equipment of the Code of Conduct.* In April 2005 an updated version of the Common List was published based on the changes made to the Wassenaar Arrangement Military Equipment List.
3. *Standardisation of national contributions to the Code of Conduct Annual Report.* The COARM Group studied the situation arising in some Member States concerning the inability to furnish data regarding licenses issued or shipments made. It was also agreed to incorporate, on a voluntary basis, a breakdown of the amount exported by product category and countries of destination in the VII Annual Report.
4. *Control of arms trade brokering transactions.* 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 undertook to include in their domestic legal systems. The Member States have been adapt-

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ing their legislations to this Common Position. As for Spanish legislation, Article 7 of Royal Decree 1782/2004 incorporated all of these instruments.

5. *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 provision of data for the Annual Report. The data base contains all of the denials of the 25 Member States organised according to denying country, country denied and criteria applied. The latest updated version of the Guide was published in October 2005 and contains information regarding the steps to be taken in granting licenses, guidelines for interpretation of criterion 8 and requirements concerning data contained in the Annual Report.
6. *Instrument for overseeing the lifting of arms embargos.* Discussions continued in 2005 in connection with the possible adoption of a temporary toolbox as a supplement to the Code in the event of the EU lifting an arms export embargo. Thus, during a period of time the States would engage in periodical consultations and exchange of information concerning denials (last three years) and authorisations (last five years) in addition to providing notice every three months of new licenses issued to the country which had been the target of the embargo.
7. *Participation and disclosure activities.* The accession on 1 May 2004 of ten

new countries to the European Union gave rise to an increase in the number of licenses denied and consultations made by those countries regarding the application of the Code. This has also led to the convergence of policies and export procedures applicable to EU-25. As of May 2005, Bulgaria and Romania participate in the meetings of the COARM Group and also take part in the denial and consultation mechanism.

As concerns the disclosure of information, it should be mentioned that talks were held with other countries and international organisations interested in abiding by the Code and exchanging information regarding the respective denials of military equipment arising from Code enforcement. An example of the foregoing was the case of Norway when it began to participate in the Code's information exchange mechanism in 2004. Since the adoption of the Code on 8 June 1998 six more countries – Bulgaria, Romania, Iceland, Norway, Canada and Croatia – have come on board.

8. *International Arms Trade Treaty.* The COARM Group held discussions on the initiative forwarded by several NGOs and the Government of the United Kingdom regarding the drafting and adoption of an international arms trade treaty. In October, that initiative gained the support of the foreign affairs ministers of the 25 Member States.

The work programme envisaged by COARM for 2006 may be summarised as follows:

- Culmination of the Code of Conduct review process and its possible trans-

formation into a common position. In its assessment of the VI 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 best to adapt it to domestic legislation.

- Standardisation of the national statistics reports.
- Follow-up on the adaptation of the Common Position on control of arms brokering to national legislations and the establishment of an information exchange system.
- Development of guidelines with a view to achieving uniform interpretation of criteria 2 and 7.
- Continuation of assistance in member 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.

B) Trade Issues Group

In 2003 the COARM Group raised the issue of the possible drafting of a common list of non-military security and police equipment the export of which should be controlled in accordance with criterion 2 of the Code (respect of human rights in the country of final destination). That same year the initiative was forwarded to the Council's Trade Issues Group. Up to June 2005, this group debated a regulatory text drafted by the Commission on trade in certain items which could be used for capital punish-

ment, torture or other cruel, inhumane or degrading treatment or punishment.

Council Regulation (EC) 1236/2005 was finally approved on 27 June (Annex V). It will enter into force on 30 July 2006, facilitating adaptation of national laws during this period of time. In the case of Spain, an amendment needs to be made to the Anti-smuggling Act, Law 12/1995 of 12 December given that the latter does not list the export of certain items and equipment included in Annex II of the Regulation as a crime.

The Regulation contains nineteen Articles and five Annexes. Annex II includes a list of items for capital punishment and related technical assistance, the export and import of which is prohibited: 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 items are excluded as well. Annex III lists torture-related equipment: restraint chairs and shackle boards, handcuffs, gang chains, shackles, individual handcuffs and wrist shackles, thumbcuffs, portable anti-riot devices for administering an electric shock, 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 EU Code of Conduct in respect of arms exports has been set up (Arts. 11 and 13). And lastly, in Spain the sanctions scheme laid down in Art. 17 calls for amendment of the Anti-smuggling

Act, Law 12/1995 and the license form included in Annex V needs to be published for use by operators starting 30 July 2006.

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

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 under the aegis 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.

In 2005 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 in the fight against the proliferation of small arms and light weapons and assistance for victims of armed conflicts. It has thus contributed to the Small Arms

Control Programme of the Economic Community of West African States (ECOWAS) with a sum of €1,965,000; to NATO's “Partnership for Peace” trust fund with €1,000,000 for an arms and munitions dismantling project in the Ukraine; to the International Committee of the Red Cross (ICRC) with €4,000,000 for protection programmes targeting victims of conflict; to UNICEF with €2,844,000 for children's programmes (especially children soldiers) and to the disarmament and reinsertion system for former combatants and displaced persons.

The EU also took part in the following projects: Cambodia (€600,000), Indonesia (€9,000,000), Croatia (€4,000,000), South-eastern Europe through the NGO Saferworld (€200,000).

The Fifth Annual Report on the application of Joint Action describes the actions arising from this Joint Action undertaken by Spain in 2005 which can be summarised as follows:

The Spanish authorities continued organising, as they had in past years, seminars for the training of persons directly involved in the Joint Action. The Spanish authorities have confiscated 269,171 different types of firearms, 43,324 of which will be destroyed and 20,811 sold by auction in 2006. Thanks to the coordination of the Civil Guard's Arms and Explosives Intervention Unit, 1,115 illegal firearms were confiscated. A total of 8,849 inspections were conducted of manufacturing plants and storage facilities for these arms and 22,697 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 and seized several containers of arms in Barcelona, Algeciras and Las Palmas.

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.

The Civil Guard provided technical assistance to Cape Verde authorities in fire-arms and explosives control.

The Police Directorate-General, together with Polish officials, participated in cooperation programmes targeting new accession countries (Bulgaria and Romania), in addition to Turkey.

Spain continued to participate in the EU MEDA Programme to strengthen Moroccan border control, in the EU's Coordinating Office for Palestinian Police Support (supplying anti-riot equipment) and in the PAMECA Mission supporting the organisation and strengthening of the Albanian police.

In 2005 Spain renewed its participation in an assistance project initiated in 2004 within the framework of the Organisation for Security and Co-operation in Europe (OSCE) in collaboration with the United Kingdom and Switzerland. This project is related to the stockpiling, management

and destruction of surplus stocks of small arms and light weapons and their munitions and to the improvement of safety conditions of small arms and light weapons facilities in Belorussia. The Spanish contribution took the form of a series of visits by Ministry of Defence experts to evaluate facilities in Belorussia and the visit of a delegation of Belorussian experts to Spanish small arms facilities in the vicinity of Madrid.

The Armed Forces and State Police and Security Forces participating in international peacekeeping operations took part in the search for arms deposits and the collection of arms throughout 2005.

Thus, within the framework of EUFOR (EU force in Bosnia and Herzegovina), the following arms and munitions were collected: 1,500 arms of different types, 6,000 hand grenades, 3,200 mines, 400,000 shells and approximately 200 kilograms of explosives; in the United Nations Stabilisation Mission in Haiti (MINUSTAH), 16 small arms (rifles, shotguns and revolvers or pistols), and in KFOR (NATO force in Kosovo), 3 arms of different types.

Participation in approximately ten international seminars focusing on arms of this type.

And finally it should be recalled that, since its constitution in Madrid in October 2002, Spain has been taking part in the Parliamentary Forum on Small Arms and Light Weapons with the participation of MPs from Spain, Sweden, Finland, Colombia, Central America and the European Parliament (joined recently by MPs from some African nations), in addition to government officials and representatives from inter-governmental bodies and institutions

and the civil society. The Forum mainly focuses on improving legislation and control mechanisms in respect of these arms; harmonisation and standardisation of attendant laws; the fostering and exchange of information between Members of Parliament and firearms commissions; and the bolstering of the role played by national Parliaments in all subjects having to do with the stabilisation and consolidation of democracy and peace and development processes in Latin America and the Caribbean (now broadened to include Africa).

The 2005 meeting was held from 19-21 October in Mexico.

Spanish representatives also took part in the Brussels meetings on the European Firearms Directive.

And lastly, it should be mentioned that the Ministry of the Interior envisages the passing in 2006 of the amendment to the Arms Regulation (Royal Decree 137/1993 of 29 January). Royal Decree 277/2005, reinforcing inspection activities at explosives plants and manufacturers was published in 2005.

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

Spain places a high priority on international cooperation in combating and eradicating the illicit trade of these types of arms. The Spanish Administration has lent its support to all of the work conducted in this field within the scope of the United Nations and other international fora (OSCE, Wassenaar Arrangement) as evidenced by the different sections of this report.

The first Conference was held in New York from 9 to 20 July 2001 with the aim of encouraging the control of illicit traffick-

ing in small arms and light weapons (SALW), focusing especially on the dealings of brokers.

Work in this regard 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 whereby transactions undertaken by brokers may be effectively controlled.
- Cooperation in the collection, control and destruction of these arms and likewise the integration and resocialisation of combatants.
- Increase in police cooperation.

Part II of the Programme of Action envisages a series of legislative and regulatory measures to be adopted on the national level (regulation of the production, export, import, re-export and transit of small arms and light weapons; possession, stockpiling and illegal trade in these arms; etc.). Most of these measures are much less stringent than the rules currently in force in Spain.

For example, as concerns control of the export of defence and dual-use material, the Programme of Action calls for the implementation of an authorisation system for the export of these arms which takes stock of "the risk of diversion to illicit trafficking". Spain however, in authorising or denying its exports of defence material, applies the Code of Conduct on Arms Exports approved by the Council of the European Union in June 1998 which introduces much more stringent and precise criteria than those envisaged under the Programme of Action. Similarly, in other aspects such as the marking, registration and monitoring of these arms, Spanish and European rules are more thorough and ambitious than the Programme of Action provisions or the International Instrument to identify and trace small arms and light weapons (adopted in 2005 within the framework of the UN General Assembly). The fact is that in Spain marking has been compulsory since 1929.

Moreover, the Spanish legal system already has legislation (the Criminal Code and the Anti-smuggling Act, Law 12/1995) regarding the criminal classification of the production, possession, stockpiling and illicit trade in these arms meaning that the enforcement of this Programme of Action has not required any change.

The Programme of Action also envisages State adoption of administrative measures to facilitate the coordination and transmission of information in the sphere of the small arms and light weapons trade. In this connection, States are urged to designate a "contact point" or are requested to voluntarily remit information regarding arms confiscated or destroyed to international organisations. In December 2003 the Ministry of Foreign Affairs and Cooperation communicated the Spanish contact point.

Lastly, the Programme of Action contains a series of provisions of a political nature calling on States to cooperate in the elimination of illicit trafficking in SALW and to provide technical and financial assistance in this field for States in need and to promote transparency and customs cooperation measures on the regional level. On the European Union level, the Joint Action on small arms and light weapons and the Programme for Preventing and Combating Illicit Trafficking in Conventional Arms already address these issues in a broader way than the Programme of Action analysed.

Having regard to activities undertaken in 2005, Spain actively participated in three sessions of the Open-ended Working Group entrusted with negotiating an international instrument for the identification and tracing of SALW which took place in New York in January/February 2005 and in June 2005 respectively.

At those meetings the Spanish delegation advocated coming up with the broadest possible legally binding instrument (including all types of SALW and their munitions to be enforced in as many situations as possible, including terrorism). Spain and the rest of the EU countries share the view that the commitment reached is the lowest common denominator, far below the EU's initial aspirations, in light of its political nature (voluntary enforcement) and its content (full of optional formulas). Notwithstanding the above, the EU values the fact that the agreement is a step in the right direction because it keeps the SALW regulatory process alive as the first Review Conference of the Programme of Action draws near (26 June to 7 July 2006). The negotiation of the Instrument paves the way for the convening, following the 2006 Review Conference and no later than 2007, of a governmental think-tank

to reflect on the way to strengthen international cooperation to prevent, combat and eliminate the illegal brokering of SALW. 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 also took part in the II Biannual Meeting of States which examined the enforcement of the United Nations Programme of Action to prevent, combat and eradicate the illicit trade in SALW in all its aspects (New York, 11-15 July 2005). In the course of the debate Spain expressed 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.

In close connection with the Programme of Action, Spain organised two seminars on the control of trade in small arms and light weapons in Latin America. The seminars were held on 25 to 29 April 2005 and 12 to 16 December in Cartagena de Indias (Colombia).

E) 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, illicit 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 the most important instruments of this initiative is the exchange of information and increase in transparency in accordance with which, on an annual basis and no later than 30 June of each year commencing in 2002, all countries must inform the others in respect of their imports and exports of small arms and light weapons to/from the other participating States. The most recent information furnished by Spain to the OSCE refers to exports authorised and undertaken in 2005 which are listed in Annex VII attached to this report.

The following material figures 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 police 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 five transactions were authorised and they were to the United States, Lithuania, Portugal, Germany and the Netherlands and all were for insignificant amounts. None of these licenses actually led to material shipments in 2005.

Since 2003 discussions have been under way at the OSCE regarding the development of an instrument against the illicit 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.

F) 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 Frame-

work 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 2005 Spain continued to participate in the activities carried out in the six aforementioned subcommittees. In respect of subcommittee 2 on Export Proceedings, the main task revolved around the study of more adroit and flexible controls applicable to the LOI programmes. The European defence industry proposes the use of fewer controls on shipments unrelated to programmes. Alternatives include the general open license used in the United Kingdom and the general authorisation in force in the Community dual-use regime. A sort of middle ground would be a system facilitating expeditions within a transnational company (internal authorisation).

Other subjects developed by Subcommittee 2 included:

- Possible standardisation of the GPLs.
- Simplification of the formalities for transit between LOI countries.
- Standardisation of the information contained in the national statistics submitted to the parliaments regarding shipments deriving from LOI programmes.

In addition to the foregoing actions undertaken within the framework of the EU working groups or international fora, Spain also participated in the VI International Export Control Conference organised by the United States and Sweden held in Stockholm on 20 to 22 September.

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 by which the export of dual-use items and technologies included in Annex I must be controlled (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 aims. 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 2005 with an increase of 109.1% with respect to 2004 with exports totalling €58.6 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)
1999	327.14
2000	319.65
2001	75.28
2002	81.40
2003	22.66
2004	28.05
2005	58.64

The following were the top ten countries of destination:

DU countries	Amount (€ millions)	%	Categories
Most relevant countries	55,04	93,87	
United States	28.11	47.94	0,1,2,3,5
China	13.05	22.25	0,2,3,5
Brazil	3.61	6.16	1,2,3
Venezuela	2.63	4.48	1
India	1.63	2.78	1,2
Iran	1.60	2.73	1,2
Cuba	1.47	2.51	0,1,2
South Korea	1.20	2.05	1
Mexico	0.91	1.55	2
Russia	0.83	1.42	2,3
Remaining countries	3.60	6.13	
TOTAL	58.64	100	

Of these destination countries, especially important were exports to the United States of freeze-drying equipment for food production, steam generators for nuclear power plants and pre-impregnated carbon fibre for civil aviation and to China of cryptography equipment for mobile telephones, steam generators for nuclear power plants, power condensers for coal mines and electrical power plants, a machining centre for the production of plastic tubes, machine tools for the automotive industry and numerical control centres for the manufacture of timepieces. This latter destination is growing in importance as a receiver of Spanish dual-use exports.

The following countries were also recipients of a significant volume of exports: Brazil – chemicals for laboratory analyses and the manufacture of dyes and machining centres for the manufacture of blast furnace moulds; Venezuela – chemicals for the petrochemical and tanning industries and laboratories; India – chemicals for laboratories and for use in the pharmaceutical industry as well as a numerical control system for the manufacture of moulds for use in metallurgy; Iran - chemicals for the production of detergents and machine tools for the automotive industry and the generation of

electricity; Cuba - chemicals for laboratories and the chemical industry as well as freeze-drying equipment for the production of medicines; South Korea – machinery for the inspection of aeronautical carbon fibre components; Mexico – two freeze-drying units; and Russia – machine tools for the manufacture of conventional arms casing and parts.

The small remaining percentage (6.1%) was distributed among 46 countries and different product categories.

Sales in 2005 were concentrated in three main categories: "Nuclear material, facilities and equipment" (€29.6 million), "Material Processing" (€18.4 million) and "Materials, chemicals, microorganisms and toxins" (€9.9 million) accounting for 98.7% of total exports.

B) Data regarding operations undertaken

In 2005, 318 license applications for the export of dual-use items and technologies were processed corresponding to 315 individual licenses, 2 global licenses and 1 temporary license. 25 rectifications of licenses already awarded were approved as well. No inward processing traffics were handled. One general authorisation was granted pursuant to article 6 of the Community Regulation on dual-use. Of the 315 individual licenses, 276 were approved, 21 denied, 8 expired and 10 were abandoned by the exporter himself. The 2 global licenses remained pending. The temporary export license was approved. Four preliminary agreements were processed, 2 receiving authorisation, 1 expiring and in the last case the exporter abandoned the process.

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

In 2005, 15 entries were made of companies dealing in dual-use items and technologies.

D) Data concerning licensing denied

Within the scope of dual-use, 21 licenses were denied, 2 pertaining to machine tools, 1 to a fertiliser plant and the rest to 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 2005, Spain reported its decision to the Australia Group to renew 11 denials whose deadline had passed. It also decided to renew one denial corresponding to equipment controlled by the Missile Technology Control Regime.

The JIMDDU took the decision on 4 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.

Also in 2005 the investigation continued regarding possible shipments from Spain by a broker company of machine tools and their being diverted to proliferation programmes in different countries. The Customs and Excise Department was also called upon to inspect shipments by five different companies to diverse locations.

And finally an appeal to a higher court and an action for pecuniary damages were informed. These were filed in response to export denials concerning machine tools and equipment issued in previous years.

3. Principal actions undertaken at international control and non-proliferation fora in 2005

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 2005 is found below.

1. Follow-up on the Action Plan for the development of the basic principles of a European strategy against proliferation of weapons of mass destruction. This action plan was adopted by the Policy and Security Committee following the 2002 Thessalonica Declaration on the non-proliferation of weapons of mass destruction. Phase two took place in 2005 bearing in mind the recommendations made during the previous period.

Special mention should be made of the following recommendations:

- Improve communication channels in the exchange of information on denials and sensitive information. In 2005 it was agreed to create an electronic database of authorisation denials concerning the lists of dual-use items and technologies arising from the enforcement of the Community Regulation and those of the international fora. A pilot project is being developed and

is expected to commence operations in the second half of 2006. This database will significantly improve the capacity of EU countries in the exchange of information regarding denials.

- Information from the Member States to the Commission regarding national legislation linked with the external trade of dual-use items and technologies.
- Discussion of the conditions provided for in the request of the different types of export authorisations with a view to greater harmonisation of currently divergent practices between Member States.
- Agreement in principle on the inclusion of provisions in the Community Regulation enabling effective action against illicit trafficking in dual-use items and technologies in transit or trans-shipment in compliance with UN Resolution 1540.
- Creation of a group of technical experts who would be responsible for helping the administrations of associated countries to recognise dual-use items and technologies subject to control and to share information on innovative tools and software developed by EU countries for the analysis of the said items.
- Compiling of a list of items which Member States can use in their didactic activities with industry with a view to providing European businesses with more detailed information on export controls and assistance in combating proliferation of weapons of mass destruction. In 2005, consultations were held with a wide range of

exporters concerning possible improvements to export control systems.

2. *Update of annexes I and IV of the Community Regulation on dual-use.* Said update was conducted based on the changes agreed in 2004 and 2005 to the Wassenaar Arrangement, the Missile Technology Control Regime, the Nuclear Suppliers Group, the Australia Group and the Chemical Weapons Convention. As a result of the foregoing, Regulation (EC) 394/2006 of 27 February, updating and consolidating the annexes of Regulation 1334/2000, was published.
3. *Support lent to request for accession of candidate countries in 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.
4. *Control of brokering transactions in the sphere of dual-use.* Advances in 2005 continued to be very insignificant in this field.
5. *Control of intangible technology transfer.* A best practices handbook featuring instruments which can be applied in the control of technology transfer by intangible means was adopted.
6. *Extension of control.* A study was conducted on management of the catch-all clause for dual-use items and technologies not included on the control lists when they are intended for use in a weapon of mass destruction programme.

Spain played an active role in 2005 in several of these subjects by expressing its point of view and making suggestions of how to achieve the objectives set.

In addition to forging ahead on the aforementioned subjects, in 2006 the conclusions of the impact study being compiled by a private consulting firm upon request by the Commission will be implemented. This study focuses on the mechanisms underlying the control of intangible transfers of technology, possible improvements in the enforcement of the catch-all clause and the most efficient manner in which to exercise control over the transit and trans-shipment of dual-use items and technologies. The Spanish authorities have initiated dissemination efforts based on the implementation mechanisms of controls of intangible transfers of technology.

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.

The main issues of debate in 2005 were:

1. *Terrorism.* The 2002 Plenary created the Security and Intelligence Subgroup of Experts which plans to extend its work in 2006. 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 pos-

sible 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 2005 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 2005 there was a notable increase in the number of documents focusing on regions of concern in respect of trade in conventional arms. Special mention should be made of the document submitted by the United Kingdom regarding Latin America, especially the Andean Region, expressing the UK's alarm at the rearmament situation in Venezuela. Consensus was still not reached regarding individualised notification of the denials stemming from the 7 appendices on conventional arms 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 "Best Practices" document was adopted for the control of this transfer of technology. 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. *Statistics and customs proceedings.* At the General Working Group meeting held in October, Spain was among the first countries to make a complete and detailed presentation of its statistics from 2004 concerning external trade in defence material, other material and dual-use items and technologies. An English-version copy of these statistics was distributed for the first time.
 5. *Disclosure and participation.* Spain provided information regarding the seminar held in Guatemala in 2005 based on United Nations Resolution 1540. Argentina and Spain expressed their support for the inclusion of Chile in the 2006 dissemination activities of the Wassenaar Arrangement. In respect of the entry of new countries, South Africa was accepted as a new member of the Arrangement and discussions were held concerning the inclusion of Cyprus which filed for membership in 2004 but was blocked by Turkey.
- 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 by which to amend control lists.
 - Reports by member countries on the enforcement of their MOUs regarding the so-called man-portable air defence systems (MANPADS).
 - Implementation of common elements of the control documents.
 - Review of the Wassenaar Arrangement Information System (WAIS).

C) Nuclear Suppliers Group (NSG)

The aim of the Nuclear Suppliers Group is to prevent the proliferation of nuclear weapons by means of controlling the export of nuclear products and equipment, software and related dual-use technology, without hampering international co-operation in the peaceful use of nuclear energy.

The Group met twice in plenary session in 2005, the annual meeting held on 20-24 June in Oslo (Norway) and a non-scheduled meeting held on 19 October in Vienna (Austria) to discuss the decision taken by the Governing Board of the International Atomic Energy Agency (IAEA) regarding Iran's breach of its international obligations.

At its meeting in Oslo, the Group admitted Croatia as member No 45, reiterated

The following other topics were discussed in 2005 and will continue to be addressed in 2006:

its staunch support for the Non-Proliferation Treaty (NPT) despite recognising the unsubstantial results of the 2005 Review Conference, welcomed United Nations resolution 1540 and declared its willingness to cooperate in favour of the full enforcement of the Resolution, especially concerning the establishment of export controls. It also deemed it appropriate to hold meetings with the IAEA with a view to increasing collaboration and defining the information which should be shared with the said Organisation and to persevere in contacting non-member states to encourage them to adopt the NSG guidelines.

With a view to strengthening national export controls, it was agreed to establish a procedure by which to suspend nuclear transfers to countries which fail to uphold their safeguard agreements by taking a decision at national level. A set of instruments was also developed by which to require the State of destination, in the event that safeguards with the IAEA are suspended, to guarantee enforcement of these safeguards or of equivalent measures during the entire lifetime of the material transferred. The Member States decided to consider the existence of legislation and the effective enforcement of export controls in the country of destination as a delivery prerequisite for nuclear transfers and as a factor to be considered in the case of the dual-use of nuclear items and technologies. It was also agreed to prioritise the inclusion of the Additional Protocol as a prerequisite for delivery and to reinforce the NSG guidelines concerning enrichment and reprocessing technologies.

Having regard to the lists of products subject to control, an amendment to the dual-use Annex was adopted in order to clarify controls of machine tools.

And finally, at both the information exchange session and plenary meeting, special attention was devoted to the current proliferation challenges posed by North Korea and Iran and all States were called upon to undertake extremely tight surveillance to assure that their export of products and technologies do not contribute to the development of nuclear arms programmes. In this connection, the Group scheduled a special session for 19 October in Vienna where it reiterated its concern over Iran and the need to continue with the negotiations between that country and three EU countries.

The forum's 2006 plenary will be held in Brazil.

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. It has 34 members.

The Regime held its plenary meeting in Madrid from 12-16 September 2005. This meeting marked the commencement of the Spanish Presidency which will end at the next plenary in the Autumn of 2006 in Denmark.

The Plenary focused mostly on non-proliferation commitments, especially UN Security Council Resolution 1540. The principal point of discussion was the risk associated with the fact that missiles and unmanned aerial vehicles could be diverted and used to commit acts of terrorism.

The meeting included information exchange sessions on missile proliferation trends and concern was expressed in connection with activities and missile

testing in different regions of the world including the Middle East, and southern and eastern Asia. In this connection, members were called upon to tighten surveillance of exports through trade transit points used by companies in certain sensitive countries.

As for export controls, a specific number of amendments to the Annex listing products subject to control were adopted for subsequent inclusion into national law. Priority was given to the issue of controlling the transfer of intangible technology and brokering activities.

Regarding the Regime's dissemination and promotional activities vis-à-vis non-member countries, mention was made of the importance of continuing to promote MTCR objectives and of trying to encourage new voluntary adoption of its guidelines as was the case of India in 2005. The Spanish Presidency accepted this mission as one of the essential activities to be undertaken during its mandate.

E) Australia Group (AG)

The plenary assembly of the Australia Group was held on 18-21 April 2005 in Sydney, marking its 20th anniversary. The Ukraine joined the Group bringing the total number of member nations to 39 plus the European Commission which has observer status. The Group was also informed of Chile's interest in forming part of the Australia Group and Israel's intention to abide by its guidelines.

The meeting highlighted the important role played by the Group over the course of these last two decades in bolstering control of the export of precursors and agents liable to be used in the manufacture of chemical or biological weapons

and new measures were adopted to contribute to the Group's effectiveness in combating terrorism.

The proposals tabled for the inclusion of the most dangerous aerosols on the control lists of biological equipment were accepted and a review was conducted of existing controls on pumps and genetically modified organisms with a view to facilitating enforcement. Proposals were also tabled for the inclusion of 25 biological products but were postponed for discussion between sessions. Discussions also focused on strengthening control over brokering and other types of intermediation activities and the importance of developing information programmes targeting businesses and public and private universities and research centres mostly focusing on biological products was stressed.

During the course of the Plenary there was an information exchange meeting which drew attention to the need to control visas in order to prevent the intangible transfer of technology. The growing use of new materials was stressed (microencapsulation, microreactors, niobium and coatings) as were Internet transactions.

The 2006 Plenary session will be held in Paris.

F) Chemical Weapons Convention (CWC)

As of 31 March 2006, a total of 178 States Parties had signed and ratified the Convention. In addition there are 8 signatory states. There are only 8 States which do not form part of the Convention.

In 2005, meetings 39, 40, 41, 42 and 43 of the Executive Council of the Organisation for the Prohibition of Chemical

Weapons (OPCW) were held. This Organisation's activities have focused mainly on combating terrorism. As this aspect was not envisaged in the Convention, in 2003 a Working Group on international terrorism was formed and is run by the Chairman of the Council.

The creation of an OPCW office in Africa was also approved.

The 10th Conference of State Parties was held on 7-11 November and one of the principal points addressed was Libya's request for an extension for its submission of a report on the destruction of part of its chemical arsenal.

A training course was organised in Madrid on United Nations Security Council Resolution 1540 from 27 June to 1 July 2005 within the framework of technical assistance furnished to Latin American countries.

A workshop was held at the beginning of August in Havana (Cuba) on the role played by bodyguards in OPCW inspections and on 4-5 October there was a workshop in The Hague for customs authorities on the transfer regime.

G) Biological and Toxin Weapons Convention (BTWC)

As of 31 March 2006, 155 State Parties formed part of the Convention, 16 States are signatories but have yet to ratify and 23 States are not party to the Convention.

The third annual meeting of State Parties to the Convention was held in Geneva on 13-24 June 2005. This annual meeting is held within the framework of a triennial programme approved in 2002 by the 5th Review Conference of the Convention

where it was decided that State Parties would meet twice yearly until the next Review Conference which will take place in 2006 to discuss and promote joint and effective action. A number of issues focused on strengthening the Convention were addressed at that meeting.

In 2005 the greatest emphasis was put on seeking common ground and effective action concerning the content, enactment and adoption of codes of conduct for scientists. Hence, a Group of Experts was entrusted with studying the options of drafting and enforcing codes of conduct to prevent science from being used to violate Convention rules especially in the field of biology and biotechnology. Discussions were held on how awareness raising campaigns and education of scientists can be used to combat the development and proliferation of microorganisms and pathogenic toxins and associated equipment and technologies for hostile purposes. Participants therefore included prestigious Party State scientists, experts from international organisations, regional and international scientific academy representatives, researchers and business associations.

The ratification process of the Convention's verification protocol is still pending.

Aside from the meetings of the international non-proliferation and control fora, 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 dates back to the 11 September 2001 terrorist attacks and its aim is to coordinate the initiatives of these

Governments in confiscating shipments or re-routing sea vessels or aircraft for inspection when it is suspected that they may be illegally transporting items related to the proliferation of weapons of mass destruction.

On 14-16 November 2005 Spain participated in a decision-making exercise within that framework organised by the United Kingdom with the participation of four countries (Greece, Italy, Turkey and Spain). This exercise consisted of a mock maritime shipment of machine tools diverted to a possible proliferation programme.

The Ministry of Foreign Affairs and Cooperation organised its first seminar on proliferation in Antigua (Guatemala) on 27-30 June. This seminar focused on control authorities of Latin American countries.

Spain also attended the seminar on the transfer of chemicals organised by the OPCW at The Hague on 4-5 October.

Lastly, 6 meetings were held with companies and associations, mostly focusing on the spread of export control mechanisms applicable to chemical and biological substances as well as machine tools.

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 of March 1997

The Congress of Deputies urges the Government:

1. To 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. To 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. To 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 militarisation, 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 police 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 police 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 the illicit traffic of small arms and light weapons.

Text of the Plenary-session agreement taken at the Congress of Deputies on 13 December 2005

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, police 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 statistics 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 2005

AUTHORISED EXPORTS OF DEFENCE MATERIAL BY COUNTRY 2005

Country	Lic. No	Value €
Algeria	1	129,500,000
Andorra	17	52,741
Argentina	5	5,300
Australia	6	3,001,053
Austria	13	1,101,377
Bahrain	1	762,295
Belgium	19	4,494,990
Brazil	1	1,034
Brunei	2	0
Cameroon	1	900
Canada	14	8,842,593
Chile	9	178,660,528
Colombia	11	152,000
Denmark	4	0
Dominican R.	1	0
Egypt	5	165,710
El Salvador	1	142,506
Finland	9	4,779,900
France	58	5,797,966
Germany	83	154,982,658
Greece	12	13,324,500
Haiti	1	1,431
Hungary	1	500
India	4	0
Indonesia	5	812,038
Ireland	4	0
Israel	7	953,116
Italy	32	155,491,303
Japan	4	0
Kuwait	1	3,500
Kyrgyzstan	2	3,700
Lithuania	2	12,031
Luxembourg	16	135,902
Malaysia	10	212,715
Mexico	6	13,014
Morocco	5	6,023,109
Netherlands	7	1,364,346
New Zealand	4	0
Norway	17	259,929,449
Oman	4	43,895
Peru	1	27,237
Poland	8	103,161,351
Portugal	60	2,072,812
Qatar	5	606,364
Romania	1	1,000
Russia	3	0
Saudi Arabia	8	4,942,552

AUTHORISED EXPORTS OF DEFENCE MATERIAL BY COUNTRY 2005 (Continued)		
Country	Lic. No	Value €
Singapore	3	1,447,720
South Africa	7	500,000
South Korea	4	0
Sweden	5	23,560
Switzerland	14	286,088
Thailand	2	259,425
Tanzania	1	400
Trinidad and Tobago	1	30,000
Turkey	5	540
U. Arab Emirates	5	607,640
United Kingdom	46	176,163,696
United States	68	9,332,799
Uruguay	1	15,000
Venezuela	3	26,292
Vietnam	1	0
TOTAL	657	1,230,272,576

Note.- The number of defence material licenses is higher than the number of licenses actually processed given that the global and global 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
2005**

Country	Categories										
	1	2	3	4	5	6	7	8	9	10	11
Algeria										110,578,796	
Andorra	7,323		21,353								
Argentina	1,800										
Australia	1,053								210,870		
Austria		9,927	57,250								
Belgium			3,262,901	2,524,364							
Brazil	1,034										
Cameroon	900										
Canada	26,156			499,936							
Chile				1,349,577					173,492	63,193	
Colombia				152,000						0	
Dominican R.	0										
Ecuador										32,254,708	
Egypt		136,734									
Finland				156,800							
France				234,061				1,183,849		30,034	
Germany	250		40,000	146,501		33,554,759		95,249		4,516,372	6,919,000
Greece	73,988					45,000		20,050,170			92,904
Haiti	1,431										
Hungary	500										
Indonesia				820,904							
Israel	83,738			6,737				50,760			
Italy	800		317,760	28,500				3,898,215		5,676,839	3,525,003
Kenya				162,881							
Kyrgyzstan	3,000										
Luxembourg						3,731				7,823	
Malaysia					134,085						
Mauritania	300										
Mexico	8,288									39,749	
Morocco			1,430,000	694,106		7,088,000				17,386	
Netherlands				689,600							
Norway			1,227,600	1,200							
Oman				0		65,177					
Peru						27,237					
Poland										48,910,198	
Portugal	74,092		154,302								
Qatar						184,837					
Saudi Arabia	110,813	18,800	10,825			1,842,775					
Singapore			752,820	298,265							
South Africa	0										
Sweden				63,646							
Switzerland	1,490		9,594								
Thailand									80,237		
Tunisia				368,000							
Turkey	1,770										
U. Arab Emirates						7,377					
United Kingdom			13,375	2,479,517		215,250		10,200,025		5,678,900	10,320,000
United States	560,429		25,319	5,246,743				345,594		396,092	6,264
TOTAL	959,155	165,461	7,323,099	15,923,338	134,085	43,034,143		35,823,862	464,599	208,170,090	20,863,171

EXPORTS OF DEFENCE MATERIAL BY COUNTRY AND PRODUCT CATEGORY
2005 (Continued)

Country	Categories										Value €	
	12	13	14	15	16	17	18	19	20	21		22
Algeria												110,578,796
Andorra												28,676
Argentina												1,800
Australia												211,923
Austria												67,177
Belgium												5,787,265
Brazil												1,034
Cameroon												900
Canada											687,999	1,214,091
Chile												1,586,262
Colombia												152,000
Dominican R.												0
Ecuador												32,254,708
Egypt												136,734
Finland					44,352							201,152
France												1,447,944
Germany				20,401,797								65,673,928
Greece												20,262,062
Haiti												1,431
Hungary												500
Indonesia												820,904
Israel				132,493								273,728
Italy				20,954,908								34,402,025
Kenya												162,881
Kyrgyzstan												3,000
Luxembourg				6,036								17,590
Malaysia												134,085
Mauritania												300
Mexico												48,037
Morocco												9,229,492
Netherlands												689,600
Norway												1,228,800
Oman												65,177
Peru												27,237
Poland												48,910,198
Portugal												228,394
Qatar												184,837
Saudi Arabia		1,770										1,984,983
Singapore												1,051,085
South Africa												0
Sweden												63,646
Switzerland												11,084
Thailand												80,237
Tunisia												368,000
Turkey												1,770
U. Arab Emirates												7,377
United Kingdom			1,219,622	43,141,817								73,268,506
United States												6,580,441
TOTAL		1,770	1,219,622	84,637,051	44,352						687,999	419,451,797

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	Vessels of war	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 2005

Country	Lic. No	Value €
Andorra	2	1,853
Egypt	1	0
Guatemala	1	1,343,645
Nicaragua	2	122,875
Palestinian National Authority	1	1,081,152
Venezuela	3	152,445
TOTAL	10	2,701,970

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 JIMDDU, 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 2005

Country	Value €
Andorra	1,853
Nicaragua	137,888
Palestinian National Authority	1,081,152
Venezuela	152,445
TOTAL	1,373,339

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 2005

BY-COUNTRY AUTHORISED EXPORT OF DUAL-USE ITEMS AND TECHNOLOGIES 2005		
Country	Lic. No	Value €
Algeria	13	602,541
Argentina	4	862,211
Australia	4	346
Benin	2	114
Bolivia	2	25
Brazil	12	9,634,992
Bulgaria	5	76,140
Burkina Faso	3	493,000
Canada	1	26,128
Chile	6	15,770
China	26	20,538,998
Colombia	5	201,798
Costa Rica	1	39,534
Croatia	5	7,945
Cuba	25	3,944,170
Dominican R.	4	10,326
Egypt	5	890
Ethiopia	9	37,702
Ghana	1	107
Guatemala	1	50,085
India	2	11,453
Iran	6	1,814,041
Israel	7	1,581,443
Ivory Coast	1	139
Kenya	1	4,985
Malaysia	2	0
Mauritius Islands	3	474
Mexico	1	1,116,000
Morocco	19	461,346
Netherlands Antilles	1	356,028
New Zealand	11	1,152
Nigeria	3	685,000
Panama	1	11,057
Paraguay	1	39,000
Peru	6	43,397
Philippines	1	69,635
Romania	2	223,285
Russia	4	832,320
Saudi Arabia	6	343,827

BY-COUNTRY AUTHORISED EXPORT OF DUAL-USE ITEMS AND TECHNOLOGIES 2005 (Continued)		
Country	Lic. No	Value €
Senegal	1	18,000
Singapore	4	126
South Africa	5	1,953,850
South Korea	2	1,202,995
Sudan	1	46
Taiwan	4	861
Thailand	2	381,503
Tunisia	20	8,878
Turkey	3	394,600
Uganda	1	10
Ukraine	2	260,000
U. Arab Emirates	1	1,392
United States	4	28,038,995
Uruguay	1	1,271
Venezuela	14	4,674,693
Vietnam	3	676
TOTAL	280	81,075,300

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.

BY-COUNTRY/BY-PRODUCT EXPORTS OF DUAL-USE ITEMS AND TECHNOLOGIES ACTUALLY UNDERTAKEN											
2005											
Country	Categories									Value €	
	0	1	2	3	4	5	6	7	8		9
Algeria	207	106,583									106,790
Argentina		312,823									312,823
Australia		155									155
Benin		149									149
Bolivia		25									25
Brazil		1,730,177	1,810,870	73,440							3,614,487
Bulgaria	416	15,380									15,796
Burkina Faso		81,684									81,684
Chile		10,070									10,070
China	2,832,809		9,916,442	114,902		182,362					13,046,515
Colombia		25,273									25,273
Costa Rica		26,908									26,908
Croatia		2,445									2,445
Cuba	692,304	30,873	750,000								1,473,177
Dominican R.		15,230									15,230
Egypt		865									865
Ethiopia		86									86
Ghana		107									107
Guatemala		2,385									2,385
India		3,528	1,625,301								1,628,829
Iran		440,000	1,161,822								1,601,822
Israel		41,317									41,317
Ivory Coast		278									278
Japan		331,798					185,000				516,798
Jordan		20,250									20,250
Kenya		5,400									5,400
Malaysia				835		112,728					113,563
Mauritius Islands		282									282
Mexico			905,284								905,284
Morocco		474,106									474,106
Myanmar		20									20
Netherlands Antilles		265,609									265,609
New Zealand		1,680									1,680
Nigeria		276,840									276,840
Panama		6,788									6,788
Paraguay		13,356									13,356
Peru		20,320									20,320
Philippines		39,980									39,980
Romania		150,150									150,150
Russia			828,700	3,620							832,320
Saudi Arabia		1,346									1,346
Singapore		161									161
South Africa		257,734									257,734
South Korea		1,202,995									1,202,995
Switzerland		17,976									17,976
Taiwan		1,178									1,178
Thailand		1,042	380,461								381,503
Tunisia		6,763									6,763
Turkey		344,313	35,200								379,513
U. Arab Emirates	1,392										1,392
Uganda		10									10
United States	26,061,294	978,930	985,035	518		80,482					28,106,259
Uruguay		1,134									1,134
Uzbekistan		16									16
Venezuela		2,633,248									2,633,248
Vietnam		208									208
TOTAL	29,588,422	9,899,974	18,399,115	193,315		375,572	185,000				58,641,398

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, telemetry 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 fly-by-wire 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 account the desirability that states should achieve their legitimate needs of security and defence with the least diversion for armaments of human and economic resources.

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 provisions 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 Co-ordination 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. The admission of South Africa at the December 2005 Plenary brought the total number of members to 40.

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 foreign trade in defence and dual-use material, preventing the stockpiling of weapons that could endanger global security and the stability of the most con-

flictive regions. Since its creation the Arrangement 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 will be 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 Group 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 38 Member States 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.

As of 27.03.06 there were 167 signatory countries and 156 nations had ratified it. 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 substance 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 declaration 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 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 Co-operation 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 with 153 Member Countries as of 27.03.06 (169 signatory countries), the Biological and Toxin Weapons Convention was given renewed impetus in the middle of the 90's.

The Convention prohibits the development, production, stockpiling, acquisition and holding of microbiological and other biological agents or toxins regard-

less of their origin or production method, type or in quantities not warranted by pacific 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 pacific 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 main problem is that the Convention does not have the means by which 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
Russian Fed.	X	X	X		X
Slovak Rep.	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.)	
Iraq	August 1990 May 2003 (Mod.)	August 1990 July 2003 (Mod.)	
Ivory Coast	November 2004		
Liberia	March 2001 December 2003 (Mod.)	May 2001 February 2004 (Mod.)	
Myanmar (Burma)		July 1991 April 2004 (Mod.)	
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-Qaida 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 Iraq, Rwanda and Sierra Leone, the prohibition of arms shipments to their governments is excluded.

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

(v) Voluntary embargo.

(Mod.) Date of modification.

ANNEX VII. STATISTICS ON SPANISH FOREIGN 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 police 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 police officials 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 2005 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 police officials in respect of the consignees of the arms and to OSCE countries in terms of countries of destination.

EXPORTS AUTHORISED IN 2005
Annual information regarding the export of small arms and light weapons

Reporting country Spain
 Original Language: English

Reporting year: 2005
 Date of the report: May 2006

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	Lithuania	56	Spain		Exempt
	Portugal	22	"		CII
	USA	2	"		"
2. Rifles and Carabines					
3. Submachine guns					
4. Assault rifles					
5. Light machine guns	Germany	2	Spain		Exempt
B. Light weapons					
1. Heavy machineguns					
2. Portable grenade launchers with and without support					
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	Netherlands	1	Spain		CII

* Control document.

EXPORTS UNDERTAKEN IN 2005
Annual information regarding the export of small arms and light weapons

Reporting country: Spain	Reporting year: 2005				
Original Language: English	Date of the report: May 2006				
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					
6. Revolvers and automatic pistols					
7. Rifles and Carabines					
8. Submachine guns					
9. Assault rifles					
10. Light machine guns					
D. Light weapons					
9. Heavy machineguns					
10. Portable grenade launchers with and without support					
11. Portable anti-aircraft arms					
12. Portable anti-tank arms					
13. Recoilless cannons					
14. Launchers for portable anti-tank missile and rocket systems					
15. Launchers for portable anti-aircraft missiles					
16. Mortars under 100 mm calibre					

* 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).
- 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://diplobel.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>