

Government Communication

2008/09:114

Strategic Export Control in 2008 – Military
Equipment and Dual-Use Products

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The Government hereby presents this Communication to the Riksdag.

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Brief Summary of the Communication

In this Communication, the Swedish government reports on Sweden's export control policy with respect to military equipment and dual-use products in 2008. The Communication also contains a presentation of actual exports of military equipment in 2008 and describes the ongoing cooperation in the EU and other international fora on matters relating to military equipment and dual-use products.

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1 The Government Communication on Strategic Export Control

This is the twenty-fourth time that the Government is reporting on Sweden's export control policy in a Communication to the Riksdag. The first Communication was presented in 1985. Sweden was at that time one of the first countries in Europe to present transparent reports on the preceding year's activities in the export control sector. The aim has always been to provide a basis for wider discussion of issues related to export controls and non-proliferation of military equipment and dual-use products.

Over the years, a great deal has happened vis-à-vis the contents and design of the Communication. Previously, the Communication was a brief summary of Sweden's exports of military equipment. The annexed tables gave a general picture of the latest statistics, but they contained no detailed explanations. Today, the Communication is a rather detailed report on Swedish export control policy as a whole. More statistics are available today thanks to an increasingly transparent policy and more effective information processing systems. The government seeks ever-greater openness in the area of export control. At the request of the Government, the Swedish Inspectorate of Strategic Products (ISP) and the Swedish Radiation Safety Authority (SSM) have contributed to the Communication.

The Communication consists of three principal parts and a set of annexes. The first principal part contains an introduction and summary of the year's activities (sections 1-3). The second deals with the implementation of export controls in Sweden (sections 4-8). The third part reports on international cooperation (sections 9-21). Since 2008 was an eventful year for EU cooperation in this area, there is both progress and news to report in this regard. *Annexes 1-6* include statistics on Sweden's exports of military equipment and dual-use products, the relevant Swedish and European regulatory frameworks and a list of international arms embargoes.

2 Exports of military equipment and dual-use products in 2008

The multilateral agreements and instruments relating to disarmament and non-proliferation are important results of the international community's efforts towards disarmament and prevention of the proliferation of weapons of mass destruction and uncontrolled flows of other weapons. However, there is also a need for strict and effective export controls to achieve the declared objectives. Export controls are therefore a key instrument for individual governments when it comes to meeting their international obligations with respect to non-proliferation.

Export controls are implemented at the national level. Sweden is under an obligation to make sure that its export controls are responsible and reliable. Efforts to effectively prevent proliferation must be pursued at different levels and in different international fora. Sweden is active both in the multilateral export control regimes and at the EU level to further strengthen export control as an instrument for non-proliferation and against uncontrolled flows of conventional weapons.

Common European legislation has applied since 2000 in all EU member states to exports of dual-use products. This is currently being updated.

Regarding military equipment, an important advance was achieved at the end of 2008 with the adoption of the European Union Code of Conduct on Arms

Exports as a common position (Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment). The Code - now the Common Position - provides member states with the conditions for a more convergent application of their national legislation in this area. Member states can have their own, stricter guidelines.

Furthermore, a directive is being prepared intended to harmonise regulations on the transfer of defence equipment between EU member states.

This Communication reports on both the value of actual Swedish exports of military equipment and dual-use products in 2008 and the value of the permits issued. The Swedish Inspectorate for Strategic Products (ISP) gives its view on important trends in Swedish and international export control in an annex to the Communication.

Military equipment

Controls on exports of military equipment are necessary to ensure that the products exported from Sweden go to approved countries. Exports of military equipment are thus only permitted if they are justified for security or defence reasons and do not conflict with Sweden's foreign policy. It is of key importance to ensure compliance with the Swedish guidelines for arms exports and the criteria in the EU common position on arms exports.

Details of Sweden's exports of military equipment are thus presented in the annexes. Figures for recent years are also included. Individual sales and deliveries of large systems can cause considerable fluctuations in the annual statistics, as was the case in 2008. The information in the Communication is based on data that companies exporting military equipment are required by law to report annually and that have been compiled by the ISP.

In all, 60 countries received deliveries of Swedish military equipment in 2008, three more than in 2007. Of these 60 countries, about seven received only hunting and sport shooting ammunition to a value of SEK 16 million.

The regional distribution of exports for 2008 shows the normal pattern whereby the largest part of Swedish exports of military equipment goes to EU member states, other European countries and North America. In 2008, 58.8 percent of total exports (just over SEK 7 bn) went to the EU, Switzerland and Norway compared with 52.4 percent in 2007.

The value of invoiced sales of military equipment (both in Sweden and abroad) in 2008 totalled SEK 20.7 billion, which represents an increase of 24 percent compared with 2007. The value of actual export deliveries of military equipment in 2008 was SEK 12.7 billion, an increase of 32 percent at current prices compared with the previous year. The corresponding change between 2006 and 2007 was a decrease of 7 percent (see table 3 on page 52). The increase is largely attributable to sales of individual large systems to EU member states, such as Denmark (to which exports more than doubled), the Netherlands (up 59 percent) and Greece (up from SEK 80 million to SEK 1,071 million). Exports to France and the UK also increased. Other destination countries for which increases were recorded in 2008 include India, Pakistan and South Korea. The category Other Military Equipment (OME), i.e. equipment which does not have destructive capacities, accounted for approximately half of actual exports in 2008.

The largest destination country for Swedish military equipment in 2008 was South Africa (SEK 1.9 billion), followed by the Netherlands (SEK 1.8 billion) and Denmark (SEK 1.8 billion). The group of "largest recipient countries" varies from year to year. This can also be explained by the fact that large single orders or deliveries can have a very sharp impact on statistics for a particular year. In the case of South Africa, its order for JAS 39 Gripen aircraft continued to have an impact on statistics in 2008. For Pakistan, deliveries consisted primarily of

spare parts and supplemental components for earlier deliveries and of the completion of contracts regarding airborne reconnaissance radar. Deliveries to India were also dominated by spare parts, components and ammunition for systems delivered earlier. All new permits for these two countries were for supplemental deliveries. In the case of Singapore, exports continued to consist mainly of underwater technology.

The value of the exports for which licences were granted in 2008 was SEK 9.6 billion, corresponding to an increase of approximately 40 percent compared with 2007. The value of the export licences granted can vary greatly from year to year. For further details, see Annex 1.

Dual-use products

Export controls of dual-use products aim to prevent the proliferation of products that are manufactured for civilian use but that could be misused to produce weapons of mass destruction and military equipment. Effective export controls are necessary to prevent exports of this kind. In recent years, the fight against terrorism has sharpened the focus on export controls.

Cooperation on export controls of dual-use products takes place mainly through a number of international bodies - multilateral export control regimes. Within these, there is a regular discussion regarding which products and technologies should be controlled and which states may be sensitive from the point of view of non-proliferation. The threat of terrorism and the increasing globalisation of the world economy have demonstrated the need for deeper cooperation on export controls across national boundaries. Work in the multilateral export control regimes the Australia Group (Biological and Chemical weapons), the Missile Technology Control Regime, the Nuclear Suppliers Group, the Wassenaar Arrangement (conventional weapons) and the Zangger Committee, continued in 2008. The EU has continued to make the question of membership, among other issues, a priority in these regimes since a number of new EU member states are still not members of some of these regimes. With ten new members being admitted to the EU in 2004, an extensive review of their national export control systems was carried out. This work formed an important part of the EU's strategy against proliferation of weapons of mass destruction.

During 2005 and 2006, necessary improvements in the European regulatory framework were identified. In 2006, against the background of this review, and resolution 1540 (2004) of the UN Security Council, the Commission prepared a proposal for amendments to the EC regulation concerning dual-use products. The Member States have been conducting negotiations regarding this proposal since 2007. Good progress towards agreement on a revised version of the regulation was achieved in 2008.

3 Information activities

Information activities relating to the trade in military equipment are undertaken at both national and international level. This Communication represents one part of efforts to achieve greater transparency in this area. It is published in Swedish and English and is available on websites including www.regeringen.se and www.isp.se.

Within the EU, an annual report is also compiled, which is an important instrument in increasing transparency at the European level. Sweden acts for this report, which is published in the Official Journal of the European Union (OJEC), to be continuously improved and expanded. The latest report was published in OJEC C 300, 2.11.2008, p. 1.

To promote information access in this area at the international level, the Government helps fund the statistics and information activities of the Stockholm International Peace Research Institute (SIPRI). Among other things, SIPRI has built up a database containing information on national and international export control regimes and export statistics. The database is available on the Internet at www.sipri.org.

The ISP and the SSM work nationally to disseminate information about export controls to companies and the general public. These authorities also make available up-to-date regulatory frameworks and lists of both military equipment and dual-use products on their websites www.isp.se and www.ssm.se. In order to increase transparency in connection with exports of military equipment, the ISP now publishes monthly reports on export licences granted for military equipment. In 2008 ISP arranged seminars and information meetings primarily targeting industry representatives.

4 Swedish exports, export controls and export aid

According to the Military Equipment Act (1992:1300), export controls cover the manufacture, supply and export of military equipment as well as certain agreements on rights to manufacture military equipment etc. Under the same Act, a licence is required to carry out training with a military purpose. The Act covers weapons, ammunition and other materiel designed for military use, which constitute military equipment according to regulations issued by the Government.

Export controls of dual-use products and of technical assistance in connection with these products, are provided for in the Act (2000:1064) concerning Control of Dual-Use Products and of Technical Assistance. The Act contains supplementary provisions to the Council Regulation (EC) No. 1334/2000 setting up a Community regime for control of exports of dual-use items and technology.

4.1 Export control of military equipment

For defence, security and foreign policy reasons, Sweden has decided to permit exports of military equipment to a certain extent. A country that exports arms is also responsible for making sure that they do not fall into the wrong hands. To prevent this, it is necessary to first define the circumstances under which Sweden considers that arms must not be exported to a certain recipient and, secondly, an implementation system must be developed to make sure that the rules can be met in practice.

The Swedish rules consist of the Military Equipment Act (1992:1300), with the appurtenant Ordinance (1992:1303), and the Swedish government's guidelines on exports of military equipment, which have been approved by the Riksdag. Within the framework of the implementation system, an independent authority, the Swedish Inspectorate of Strategic Products (ISP), considers applications for export licences in accordance with these rules.

However, it is not enough for Sweden to design and apply export controls at the national level. In order to discharge its responsibility for preventing undesirable proliferation of arms, it must also take an active part in international cooperation in this area.

The world has changed drastically since the end of the cold war, and the opportunities for transparency and cooperation between countries have never been better. For example, the EU member states agreed in 1998 on a politically binding Code of Conduct on Arms Exports. The Code is applied together with the Swedish national guidelines when the ISP makes its assessment of licence applications. The Code of Conduct was revised in 2004 and 2005 to further reinforce it as an instrument for export control. The Code of Conduct was

adopted as a common position at the end of 2008. During 2008, good progress was also made towards a directive on the simplification and harmonisation of licensing for transfers of military equipment within the European Community (ICT).

The dynamic trend in EU cooperation has affected the conditions for the follow-up of the report of the Military Equipment Enquiry (KRUT, SOU 2005:9). In this context, the process initiated within the UN framework, seeking an international Arms Trading Treaty (ATT), will probably also have to be considered. Consequently, these EU and UN processes will have to be assessed and analysed jointly and together with the continued consideration of the KRUT report.

In 2008, a bill was presented that was indirectly linked to the Enquiry's report (Gov. Bill 2007/08:166). This concerned the financing of the ISP. The bill that was presented has been approved by the Riksdag (Committee Report 2008/09:UU4, Parliamentary Communication 2008/09:19).

A security policy perspective on the defence industry and the role of exports

The political map of Europe has changed since the early 1990s, and Sweden has had to modify its positions on international issues accordingly.

During the Cold War, the aim was to have a domestic defence industry that was independent of other countries, which designed and developed specifically Swedish solutions. According to today's security and defence policy assessments, this does not seem either possible or desirable when taking into consideration Sweden's overall interests. In view of the principle of non-participation in military alliances, it is now in Sweden's security interests to collaborate with like-minded countries, both within and outside the EU, on joint security-promoting activities and crisis management. Such collaboration is carried out with civilian and military means. The new security and defence policy realities also necessitate collaboration on defence equipment supplies. The principle of self-sufficiency as regards equipment for Sweden's defence has been replaced by a growing need for cooperation with like-minded states and neighbours.

It lies in Sweden's security interests that we should maintain long-term and continuous cooperation with our traditional partner nations. This mutual cooperation, including collaboration projects, is based on both exports and imports of military equipment.

Continued participation in international cooperation on military equipment will promote Sweden's long-term foreign, security and defence policy interests, in among other ways by collaboration with countries that are of fundamental importance for Sweden's security and defence policy interests. The defence policy aspects are based, inter alia, on Sweden's non-participation in military alliances and the need for a cost-efficient equipment supply and other benefits deriving from a domestically active defence industry. Foreign and security policy interests include Sweden's ability to contribute to international peace and security by effective participation in international peace-promoting activities, in which a general similarity between our systems and those of our foremost partners enhances operational efficiency.

Equipment procurement, both in Sweden and in other countries, is nowadays based on agreements and mutual dependence. Cooperating countries are mutually dependent on supplies of components, subsystems and complete systems, as well as products manufactured in each country. Only through the continued development of an internationally competitive level of technology will Sweden remain an attractive international cooperation partner, which is in our national interests.

International competitive technology also offers better opportunities in connection with international cooperation for Sweden to exert influence on international export control cooperation. This applies especially to the EU, but also in a broader international context.

By participating in the Six-Nation Initiative between the six largest industrial countries in Europe (Framework Agreement/Letter of Intent, FA/LoI), Sweden can influence the development of defence industry and defence export policies in Europe. In the long run, this will affect the emerging EU common defence and security policy both directly and indirectly.

Previous decisions taken by the Government and the Riksdag

The government's New Defence bill (Gov. Bill 1999/2000:30) stated that it is important for the Government and the Swedish authorities to support the defence industry's export efforts in an active and structured manner, provided that they are consistent with the existing guidelines for Swedish exports of military equipment.

The Riksdag agreed with the recommendations of the Parliamentary Standing Committee on Defence in its report (1998/99:FöU1) to take further measures in order to promote exports of successful major military equipment projects, such as the JAS 39 Gripen aircraft.

The resolution on defence policy focus for 2005-2007 authorised the government, for purposes of supporting exports or promoting security through international collaboration, to transfer or make available equipment not essential to the Swedish Armed Forces' operational capacity or that can be spared for a limited period (Gov. Bill 2004/05:05, Committee Report 2004/05:FöU5, Parliamentary Communication 2004/05:143).

Export promotion

A basic condition for government export promotion is that exports are approved by the responsible export control authority.

Export promotion activities should continue to be used as means of promoting a cost-effective supply of equipment.

Export opportunities can also be considered and highlighted in various international fora, such as within the framework of the European Defence Agency (EDA), as well as within the Framework Agreement/Letter of Intent (FA/LoI) and in connection with other international collaboration efforts where judged resource efficient from a lifecycle perspective.

4.2 Dual-use products

Non-proliferation policy and export control

The multilateral agreements on disarmament and non-proliferation of weapons of mass destruction are central international instruments for the protection of peace and security in the world. They are important results of the international community's efforts towards disarmament and prevention of the proliferation of weapons of mass destruction and uncontrolled flows of other weapons. However, as mentioned previously, there is also a need for strict and effective export controls in order to achieve the declared objectives.

The export controls themselves are always implemented at the national level. However, a major coordinating exercise is in progress in the multilateral export control regimes and the EU.

Dual-use products

Dual-use products are goods that are produced for legitimate civil uses, but can also be used for military purposes, for example, for the production of weapons of mass destruction and military equipment. The international community has in recent decades developed various cooperation arrangements for the purpose of limiting the proliferation of these products. Within the multilateral the export control regimes, control lists have been developed establishing which products shall be subject to licensing. A basic reason for such controls being necessary is that some countries have developed weapons of mass destruction programmes despite having signed international agreements prohibiting such activities. The countries in question have often acquired the necessary capacity by importing civilian products that can be used for military purposes. History shows that countries that acquire military capacity by using civilian products imported those products from exporting countries that were not aware that they were contributing to the development of, e.g., weapons of mass destruction. Often the same purchase request was sent to companies in different countries. Previously, one country could refuse an export licence while another granted one. Consequently, there was an obvious need for closer cooperation and information-sharing between producer countries. This need resulted in the establishment of the export control regimes. The need for more rigorous control has been underscored in recent years by the threat of terrorism.

The inclusion of a product in a control list does not automatically mean that exports of that product are prohibited. Rather, listing indicates the product as sensitive and associated with risks. In the EU, the control lists adopted by the various regimes are incorporated into the Annex to Council Regulation (EC) No. 1334/2000 and constitute a basis for decisions for granting or denial of export licences. The list was most recently updated by Council Regulation (EC) No. 1167/2008 of 24 October 2008 amending and updating Regulation (EC) No. 1334/2000.

The multilateral export control regimes, as well as the Council Regulation, also use a mechanism that makes it possible to control products that are not included in the lists in the event of it coming to the knowledge of the exporter or the licensing authorities that the product is or may be intended in connection with the production etc. of weapons of mass destruction or for military purposes. This is known as a *catch-all* mechanism.

Much of the work within the EU and the regimes consists of internal and external outreach activities directed at domestic industry and at other countries on the need for export controls and developing export control systems.

5 Sweden's defence industry – structure and products

Background and development

The Swedish defence industry developed to its present size and competence during the Cold War. Sweden's neutrality policy, as formulated after the Second World War, required strong armed forces, which in turn required a strong national defence industry. The ambition was maximum independence from foreign suppliers. The defence industry became an important part of Swedish security policy. It is organised through the Swedish Security and Defence Industry Association (SOFF). SOFF currently comprises 45 member companies, of which 11 are major companies and 34 small and medium-sized companies. There is also a separate association for small and medium-sized defence industry companies, SME-D. For companies active in Sweden offering products, services

and systems in the area of civil security, there is the SACS trade association (Swedish Association of Civil Security).

Over the past 15-20 years, the defence industry has undergone extensive restructuring in parallel with the Swedish Armed Forces' development from invasion defence to operational defence. For the defence industry, this development has entailed a considerable reduction in the Swedish market.

For the government, it has been important to maintain the competence and capacity of the industry, which has resulted in sizeable international operations and considerable exports of goods and services. The Swedish security and defence industry has acquired a favourable reputation as a world-leading product supplier - even to countries with established industries of their own.

Among the companies, Saab holds a dominant position, being responsible for close to 50 percent of the companies' total sales. A major change was the merger between Saab and Celsius whereby aircraft, robot and avionic manufacture were concentrated at Saab, while artillery activities, including intelligent ammunition were transferred to BAE Systems Bofors. The acquisition of Ericsson Microwave Systems and its unique radar and sensor activities have reinforced the picture of Saab as a complete supplier of defence and security systems.

On the naval side, both surface ship and submarine development has been concentrated at Kockums.

Ammunition and gunpowder manufacture is now located at the Norwegian-owned Nammo Sweden.

On the vehicle side, BAE Systems Hägglunds has acquired a leading position in the field of combat and tracked vehicles, not least by sale of Combat Vehicle 90 to Sweden, Denmark, Finland, Norway, Switzerland and the Netherlands.

The larger companies also include Volvo Aero with its expertise both in the sphere of military and civil aircraft engines, 3M Svenska AB (formerly Peltor), with activities relating to hearing protection (now a hi-tech field) and Logica Sweden, specialist in system designs and IT solutions.

The picture of an advanced Swedish defence industry must be complemented by a large number of small and medium-sized enterprises (SMEs), which are important sub-contractors but which also develop and sell their own civil and military products and services.

Sectors

The main sectors in Sweden's defence industry today are:

- Network-based command and control systems,
- Public security systems,
- Telecommunications systems, including electronic countermeasures,
- Combat aircraft; manned and unmanned,
- Aircraft engines,
- Command and control systems for land, marine and air applications,
- Systems for exercise and training,
- Telecommunications war systems; passive and active,
- Signal adaptation (e.g. camouflage systems); UV, VIS, NIR, TIR and radar,
- Surface vessels and submarines built with stealth technology,
- Combat vehicles, tracked vehicles,
- Short and long-range weapons systems; land, sea and air-based,
- Land and sea-based and airborne radar and IR systems,
- Small-bore and big-bore ammunition,
- Smart artillery ammunition,
- Gunpowder and other pyrotechnical material,
- Services and consultancy operations,
- Support systems for operation and maintenance.

It may be worth noting that of the total sales of goods and services by the defence industry, 40 percent consist of military equipment and 60 percent of civilian/commercial goods and services. Of exports, 50 percent consist of military equipment.

Ownership structure

The ownership structure of the Swedish defence industry has changed in parallel with the rationalisation and consolidation of the defence industry. Today, all of the companies are privately owned.

International ownership has increased over the years. According to SOFF, this has been perceived positively by the companies. Among the larger companies, BAE Systems plc, through its US company BAE Systems Inc, owns the companies BAE Systems Bofors (including the subsidiary C-ITS) and BAE Systems Hägglunds, coordinated in Sweden under BAE Systems AB. BAE Systems plc also owns 20 percent of Saab. Kockums is owned by the German company ThyssenKrupp Marine Systems. Nammo Sweden is owned by the Norwegian Nammo A/S, Logica Sverige by the British Logica CMG and 3M Svenska AB (formerly Peltor AB) by American 3M. Volvo Aero, with PartnerTech and EuroMaint are today the only large defence industry companies wholly owned by Swedish industrial interests. Among the 34 SME companies, private Swedish owners dominate.

International operations, etc.

A trend of internationalisation can be clearly noted in the industry's activities. At the same time as there is a relatively large foreign ownership in Sweden, Swedish companies are making large investments abroad. Examples that can be given are Saab's companies in Australia, the United States, South Africa, Germany, Norway, Denmark and Finland, Volvo's in the United States and Norway and PartnerTech's in Poland, the UK, Finland, Norway and the United States.

The defence industry plays an important part in the procurement of military equipment for the Swedish armed forces. However, not everything can be developed and produced in Sweden. According to the Riksdag's decision, Sweden shall endeavour to participate in international cooperation programmes in order to be able to share costs and ensure interoperability.

Consequently, a well-balanced import and export of defence equipment is a means for the procurement of military equipment. Export of defence equipment contributes to maintaining the competence and capacity of the domestic companies to maintain, further develop and adapt the equipment of the Armed Forces.

Export successes also contribute to the domestic defence industry being perceived as an attractive partner in international cooperation. It also reinforces the industry's position in a cross-border network of defence industries, which serves as the basis for establishing long-term relations and increasing reliability of delivery.

6 Swedish exports of dual-use products

It is difficult to provide an overall picture of industries that work with dual-use products in Sweden, since a considerable share of products are sold in the EU market or exported to markets covered by the general licence EU 001. The general licence applies with some exceptions to all products in annex I of the EC regulation destined for export to Australia, Japan, Canada, New Zealand, Norway, Switzerland and the United States.

Unlike the companies which are subject to the military equipment legislation, no basic licences are required for companies that work with dual-use products. Nor are these companies obliged to make a declaration of delivery. However, a company is obliged to make a fee declaration if it has manufactured controlled products, subject to supervision by the ISP, and if the invoiced value of products of this kind sold by the manufacturer during the year exceeds SEK 2.5 million. This includes sales within and outside Sweden.

The predominant part of the dual-use products exported with a licence from ISP consists of telecommunications equipment, primarily encryption and heat-seeking cameras that are controlled within the Wassenaar Arrangement. Another product, which is large in terms of volume, is heat exchangers and these are controlled within the Australia Group. Other products such as isostatic presses, chemicals and separation equipment for satellites are not so large in terms of volume but can still be very resource-intensive when considering licence applications.

With respect to recipient countries, there are no restrictions as long as the product is not subject to any relevant sanction and there is no doubt that the it is wholly intended for a civilian end use and not for weapons of mass destruction. When the end use is military, the same criteria and guidelines are applied as for other military equipment.

7 The Swedish Inspectorate for Strategic Products

Background

In connection with the establishment of the Swedish Inspectorate for Strategic Products (ISP) in 1996, the agency took over responsibility for the major part of the matters previously decided upon by the Government or by the minister responsible for reporting such matters following preparation by the Inspectorate-General of Military Equipment (KMI) and subsequently the department within the Ministry for Foreign Affairs that was responsible for strategic export controls.

The ISP is the central administrative authority for matters and supervision under the Military Equipment Act (1992:1300) and the Dual-use Products and Technical Assistance Act (2000:1064), unless, in the latter instance, another authority has this task. The Swedish Radiation Safety Authority is responsible for corresponding issues relating in particular to sensitive nuclear products. The Swedish Defence Research Agency (FOI) assists the ISP with specialist technical expertise and the Swedish Security Service and the Swedish Defence Radio Centre, inter alia, assist the ISP with information.

In addition, ISP is the competent national authority responsible for performing the tasks provided for in the Act (1994:118) concerning Inspections in accordance with the United Nations Convention on the Prohibition of Chemical

Weapons and the adherent ordinance. This activity of the ISP is not dealt with in more detail in this document.

From 1 January 2008, new directives apply for ISP: Ordinance (2007:1219) with instructions for the Inspectorate regarding strategic products. Most of the changes are adjustments arising from the new Government Agencies Ordinance (2007:515) that applies for central government agencies effective from 1 January 2008.

Contacts with companies

The ISP maintains regular contacts with the companies whose exports are subject to control. The companies' obligations are governed by the Military Equipment Ordinance (1992:1303). With regard to military equipment, companies shall report regularly to the ISP on their marketing activities abroad. These reports form the basis for the ISP's periodic briefings with the companies regarding their export plans. Besides processing applications for licences, the ISP reviews the notifications that companies are required to submit at least four weeks before submitting tenders or signing contracts for export of military equipment or other cooperation with foreign partners in this field. Finally, exporters of military equipment must notify the deliveries of military equipment that are made under the export licences issued to them. In its supervisory role, the ISP has carried out 30 inspection visits in 2008 at companies to monitor their internal export control organisation - an increase of 50 percent compared with the preceding year. This activity takes place in close cooperation with the Board of Customs and, in certain cases, with the Police.

There is also close cooperation between the ISP and the companies that manufacture dual-use products. There are some differences between the Control of Exports of Dual-Use Products Act and the Exports of Military Equipment Act that affect the arrangements for contacts between the Inspectorate and the companies concerned. It is, for example, not always easy for a company to decide whether it is affected by the law. This is because dual-use products include a range of categories of products and are more difficult to classify than military equipment. The control lists that are drawn up pursuant to EC Regulation 1334/2000 on dual-use items state which product categories are subject to licence for export outside the EU. No licence is required to purchase or manufacture dual-use products, or to sell them within Sweden or – usually – within the EU.

Within the framework of its outreach activity, in 2008, the ISP conducted a general seminar on export controls, and, in collaboration with other authorities, two seminars on the issue of sanctions, focusing in particular on Iran. During the year, the ISP also invited a representative from the equivalent UK body, the Department for Business, Enterprise and Regulatory Reform (BERR), to lecture on UK export control policy at a seminar organised in collaboration with the defence industry.

Financing

The ISP is financed by annual fees paid by the companies manufacturing military equipment and dual-use products. These fees are assessed on the basis of the total value of controlled products delivered by the respective company in excess of SEK 2.5 million per year. The fees are calculated on the basis of deliveries both in Sweden and abroad. The agencies are granted an appropriation in the usual way and cost coverage is achieved by charging the companies retroactively on an annual basis.

In 2006, the review of the fee system initiated in 2005 resulted in a report by a working group recommending a changed fee system for financing ISP's activities. This report has been circulated for consideration by the bodies

concerned. In 2008, following the submission of a government bill, the Riksdag adopted a new system for the financing of the ISP's operations, which came into effect on 1 January 2009. Fees for 2008 are calculated in accordance with the previous rules.

The new rules broaden the group of companies required to pay fees and divides the fees between three fee classes relating to military and dual-use products and the Act concerning Inspections in accordance with the United Nations Convention on the Prohibition of Chemical Weapons. Parts of the ISP's international operations and all work related to sanctions are financed through government grants. International outreach activities may be financed as service exports.

Export licence applications

The number of export licence applications received by the ISP is shown in the table below.

	Military equipment	Dual use products
2008	1,132	491
2007	1,070	481
2006	1,024	305
2005	1,141	371
2004	1,042	366

For previous years (2007), the above table includes sanctions-related cases. Effective from 2008, the ISP reports sanctions separately (see below).

The number of export licence applications received shows a slightly increasing tendency. The number of dual-use product applications has risen notably over the past two years. This increase has taken place primarily within the framework of the Wassenaar Arrangement and the Australia Group.

During the latter part of 2007, the ISP implemented new procedures regarding the authority's licensing process. This came into full operational effect in 2008. Despite the increasing number of export licence applications, it has been possible to shorten processing times considerably. In 2008, 89 percent of military equipment applications were processed within two weeks (the ISP's target was 65 percent within two weeks). Among dual use applications, 74 percent were processed within two weeks (the ISP's target was 75 percent within two weeks).

Sanctions

In July 2007, the government extended ISP's licensing assignment to include making decisions regarding sanctions and releasing frozen financial assets (Council Regulation (EC) No. 423/2007 concerning restrictions against Iran). During 2008, the ISP continued its efforts to enhance efficiency and assure quality in licensing assessment procedures. In addition, cooperation was established with the new customer category, banks, and with other relevant authorities, including the Swedish Financial Supervisory Authority, the Swedish Security Service, the Swedish Customs and the Financial Intelligence Unit of the Swedish National Criminal Police. All cases addressed in 2008 dealt with Iran. The number of cases received by the ISP is shown in the table below. Data for 2007 pertain only to the latter six months of that year.

Sanctions cases	Exports	Release of assets
2008	39	39
2007	24	59

The Export Control Council (EKR)

The Riksdag passed a Bill (1984/85:82) in 1984 that proposed greater transparency and consultation in matters relating to exports of military equipment and the establishment of an Advisory Board on Exports of Military Equipment. The government reorganised the Board as the Export Control Council (ECC) in 1996 in connection with the establishment of the ISP. The rules on the composition and activities of the Board are included in the directives for the ISP. Since 2003, all parliamentary parties have been represented on the ECC, which is chaired by the Director-General of the Inspectorate. An up-to-date list of the members of the Council is shown below.

The Director-General of the Inspectorate consults with the Export Control Council in those applications which are selected for consultation. The Director-General shall consult the Council before the Inspectorate submits an application to the government for consideration under the Military Equipment Act or the Dual-Use Products Act. The Director-General shall also keep the Council informed of the Inspectorate's activities with regard to export controls.

At meetings of the Export Control Council, the Ministry for Foreign Affairs presents assessments of the relevant recipient countries and the Ministry of Defence contributes assessments of the defence policy aspects. The Director-General can also request other experts to attend. The Council seeks to interpret the guidelines in order to provide further guidance to the ISP.

The members have unrestricted access to the documentation of all export licence application proceedings. The Director-General reports all export licence decisions continuously, as well as advisory opinions not previously reported in the Export Control Council and applications decided in accordance with guideline practice (tender notifications and cooperation agreements). From 2005, the ISP has also reported all preparatory proceedings for dual-use products in the Export Control Council.

On the whole, this procedure ensures parliamentary insight into the application of the Military Equipment Act and the Act on Dual-Use Products and Technical Assistance. It also ensures that decisions the Director-General intends to make comply with the Government's guidelines for exports of military equipment.

The purpose of the Swedish system, which is unique in international comparison in that representatives of the political parties can discuss potential export transactions in advance, is to build a broad consensus on export control policy and promote continuity in the conduct of that policy. By contrast with many other countries, the Export Control Council deals with cases at a very early stage, even before a concrete transaction is being considered. Since it would harm the export companies commercially if their plans were made known before they had concluded a deal, the discussions with the Export Control Council are not public. Apart from this, the assessments of individual recipient countries are subject to confidentiality in relation to foreign affairs.

The Advisory Council on Foreign Affairs, and not the Export Control Council, is still consulted in cases where this is prescribed by the Instrument of Government. Nine meetings of the Export Control Council were held in 2008. During the year, the ECC and the ISP visited Washington DC for bilateral consultations regarding the US export control regulations and the UN in New York for consultations on non-proliferation and sanctions.

On 1 February 2007, the Government decided to appoint the following persons to the Export Control Council. These appointments apply until further notice, although until 31 December 2010 at the latest:

Jan Andersson (c), MP
 Annicka Engblom (m), MP
 Lars Johansson (s), MP
 Björn Leivik (m), MP
 Göran Lenmarker (m), MP
 Else-Marie Lindgren (kd), MP
 Peter Pedersen (v), MP
 Lennart Rohdin (fp), ex-MP
 Tone Tingsgård (s), MP
 Majléne Westerlund Panke (s), ex-MP
 Lars Ångström (mp), ex-MP

The Technical and Scientific Council (TVR)

In connection with matters concerning the classification of military equipment and dual-use products, the National Inspectorate of Strategic Products is assisted by a Technical and Scientific Council. This consists of representatives of several institutions with expertise in technological applications for both civilian and military uses. One meeting was held in 2008. An up-to-date list of the members of the Council will be found on ISP's website.

According to the ISP's directives, the agency itself is responsible for appointing Council members after their period of office has expired. Since the main task of the Council is to take a position on very technical classification issues, the Government considers that the agency should decide itself which technological and scientific expertise it needs. In 2008, three members submitted their resignations from the Council. The ISP is currently preparing the appointment of three new members in consultation with the Council.

8 The Swedish nuclear industry and the Swedish Radiation Safety Authority

The Swedish nuclear industry

The Swedish nuclear industry operates in an open, international and commercial market. Today, it comprises both private and state-owned companies that operate nationally and internationally.

There are currently ten nuclear reactors in operation in Sweden. State-owned Vattenfall is the main owner of Forsmark Kraftgrupp AB (three reactors) and Ringhals AB (four reactors). German E-on is the main owner of OKG AB, Oskarshamn (three reactors).

Westinghouse Electric Sweden AB in Västerås produces nuclear fuel for reactors, certain reactor components and carries out service work at nuclear power plants. Its customers are both in Sweden and abroad. The Swedish company is a subsidiary of the US Westinghouse Electric Company, LLC, which is owned by the Japanese Toshiba Corporation. Studsvik Nuclear AB (which is the direct successor to the previously state-owned AB Atomenergi) carries out research and development work in the field of nuclear safety and decommissioning and dismantling. The company has customers both in Sweden and abroad and, among other things, carries out analyses and tests of reactor fuel. Studsvik also processes low-level radioactive waste resulting from nuclear activity. Kärnkraftsäkerhet och Utbildning AB (KSU) in Nyköping trains nuclear power staff and conducts analyses of operating experiences. A number of other Swedish companies – including Areva NP Uddcomb AB, ES-konsult, the Elajo Group, ÅF and SQC Kvalificeringscentrum AB – carry out service, and produce

analyses and reports, etc. for the nuclear power industry. AB Sandvik Steel provides zirconium alloy pipes specially intended for production of nuclear fuel and Wedholm Medical AB in Nyköping makes neutron detectors for nuclear reactors.

Export controls

All export from the EU of nuclear substances (uranium and plutonium) and nuclear technology products are regulated in the Council Regulation (EC) No. 1334/2000 setting up a Community regime for control of exports of dual-use items and technology. This regulation also deals with transfers within the EU of special sensitive nuclear material and of all nuclear equipment. These transfers are subject to licence since these products are considered to be especially sensitive. They are listed in Annex IV in the Regulation's control list.

Special sensitive nuclear material refers to uranium enriched to more than 20 percent and separated plutonium. Other nuclear material (including ordinary reactor fuel) may be transferred within the EU without an export licence. This was decided through Council Regulation (EC) 2889/2000 amending Regulation (EC) No. 1334/2000. The reason given for this in Regulation 2889/2000 is that it has become apparent that intra-Community controls of less proliferation-sensitive nuclear materials were hampering trade without improving the level of protection already conferred by the EURATOM Treaty. The controls imposed on such materials could therefore be abolished.

When making decisions whether or not to grant export licences under Regulation (EC) No. 1334/2000, member states shall, under Article 8 of the regulation, take into account all relevant aspects including the obligations and commitments they have each accepted as a member of the relevant international non-proliferation regimes and export control arrangements, or by ratification of relevant international treaties.

Applied to nuclear material and nuclear products, this means that Sweden is to take into consideration all of its obligations and commitments in international non-proliferation, including those that follow from the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT, Swedish Treaty Series 1970:12). Basic regulations in such decisions are stated in the guidelines issued by the Nuclear Suppliers Group (NSG) and that have been approved by the Participating Governments. These guidelines have been published in IAEA document INFCIRC/254/Rev.9/Part 1.

The NSG Guidelines mean that Sweden, when exporting nuclear material and nuclear products to a state, which has acceded to NPT, but which is not a recognised nuclear-weapon state under the Treaty, must obtain certain specified assurances from the government of the recipient country before an export licence can be granted. The recipient country must give an assurance that the products will not be used for the production of nuclear weapons, that the IAEA has full right of inspection in the country, that nuclear material in the country has adequate physical protection, not to re-export the products obtained from Sweden, or nuclear products produced with the aid of the products exported from Sweden, without obtaining the corresponding assurances.

When nuclear material and nuclear equipment are imported to Sweden, the exporting country's government requires the corresponding assurances from the Swedish government.

The governmental assurances provided for in the NSG Guidelines can be obtained from the recipient government on each occasion of export or by bilateral or multilateral agreements.

The Swedish Radiation Safety Authority (SSM) has been commissioned by the Government to obtain assurances from the recipient country's government for nuclear exports, and to design and provide the Swedish government's assurance

to the government of the exporting country on import of such material. The SSM shall do this in the event of repeated transactions with a country. The Ministry for Foreign Affairs shall obtain the assurance for export and provide the assurance for import for the first transaction. This commission to the SSM applies until the end of 2009 when the SSM is to report on its experiences to the Government.

All EU Member States have acceded to the treaty establishing the European Atomic Energy Community (The EURATOM Treaty), the main purpose of which is to establish a common market for special material and equipment in the field of nuclear energy and to guarantee that nuclear material is not used for other than the intended purposes. Under the EURATOM Treaty, nuclear operations within the EU are subject to the EU Commission's safeguard control, which, among other things, ensures that nuclear material transferred between EU member states is only used for civilian purposes. Moreover, all EU member states have ratified the Non-Proliferation Treaty (NPT) and, accordingly, the EU's non-nuclear-weapon states have assured that they do not intend to manufacture or otherwise acquire nuclear weapons. Twenty-two of the EU's non-nuclear-weapon states and EURATOM also have a common control agreement with the IAEA with full right of control including expanded inspection rights (see INFCIRC/193 and INFCIRC/193/Add.8 published by the IAEA). The other six non-nuclear-weapon states have previously concluded similar arrangements on control rights, including inspection rights.

All EU member states have undertaken to report all exports of nuclear material and nuclear equipment to the IAEA. For Sweden, this means that the EU Commission, through its safeguard control under the EURATOM Treaty, shall report all exports of nuclear materials to the IAEA and that the Swedish Radiation Safety Authority shall report all export of nuclear equipment to the IAEA.

Sweden considers that that the existing licensing procedure for trade within the EU according to Regulation (EC) No. 1334/2000 and the commitments of the member states within the framework of EURATOM normally provides sufficient security in transfers of nuclear material and nuclear equipment between EU Member States and is in accordance with the NSG Guidelines. In the normal case, the Swedish government therefore does not need to obtain additional assurances from the recipient government in the event of such transfers. This would cause unnecessary barriers to trade without increasing security.

Within the framework of the EURATOM Treaty, the EU has the right to enter into agreements with third countries. Bilateral agreements on the peaceful use of nuclear energy have been concluded between the EU and a number of other states (the United States, Canada, Australia, Japan, Ukraine and Uzbekistan). These agreements cover import and export of nuclear substances, and, in certain cases, nuclear equipment. In the agreements, the recipient country guarantees that the nuclear material and the nuclear equipment will only be used for peaceful purposes and not for the development of nuclear explosive devices. These guarantees are often complemented with additional assurances which mainly accord with the NSG Guidelines (see the four points above). If EURATOM's agreement with third countries includes the NSG Guidelines, Sweden need not obtain additional assurances from the government of the third country in the event of exports.

The Swedish Radiation Safety Authority

The Swedish Radiation Safety Authority (SSM) was formed on 1 July 2008 through the merger of the former Swedish Nuclear Power Inspectorate (SKI) and the Swedish Radiation Protection Institute (SSI). The Swedish Radiation Protection Authority has assumed all supervisory duties from the SKI and the SSI, including Swedish supervision of non-proliferation. The SSM decides on

licences for export to countries outside the EU or transfer within the EU of nuclear material and nuclear products except in certain special cases or cases involving matters of principle, where the Government decides. The products are listed in Annex I to Regulation (EC) nr 1334/2000. The SSM's tasks in connection with exports of nuclear material and nuclear products are stated in Ordinance (2000:1217) on Control of Dual-Use Products and of Technical Assistance. Licence applications shall be submitted to the SSM. An application for consent to export or for transfer within the EU of spent nuclear fuel must include particulars of the final disposal of the material. With regard to material deriving from nuclear activity in Sweden, the application is to include an assurance that the exporter will take it back if it cannot be taken care of in the intended way.

The transportation of nuclear material is also regulated by Swedish legislation, which complies with international standards, to prevent radiological accidents and to ensure that there is adequate physical protection.

Table 26 in Annex 4 of this document details the export licences granted by the SSM.

9 Cooperation in the EU on export controls of military equipment

The EU Common Position Defining Common Rules Governing the Control of Exports of Military Technology and Equipment

Under Article 296 of the EC Treaty, any member state may implement measures it considers necessary to safeguard its essential security interests with regard to the manufacture or trading of weapons, ammunition and military equipment. On the basis of this article, the EU member states have adopted national rules for export of military equipment. However, the member states have to some extent preferred to co-ordinate their export policies. The Code of Conduct on Arms Export adopted in 1998, specifies common criteria for exports of military equipment that are to be applied in connection with national assessments of export applications. Member states can have their own, stricter guidelines. The Code of Conduct was reinforced in 2005 and was adopted as a Common Position in December 2008.

The first part of the Common Position contains eight criteria which are each to be taken into account before a decision is made on permitting arms export to a country. These criteria concern

- The situation in the recipient country
- The situation in the recipient country's region
- The exporting country and the recipient country's international undertakings.

With respect to the situation in the recipient country, account is to be taken of respect of human rights and international humanitarian law, whether there are tensions or armed conflicts in the country, the risk of the weapons being diverted or re-exported and whether the export would seriously hamper the sustainable development of the recipient country. The situation in the region refers to stability in the area and the risk of the recipient being able to use the weapons in a regional conflict. Finally, international undertakings of the exporting and the recipient country are to be taken into account - for example, arms embargoes must be respected, the national security of member states must be considered and the behaviour of the recipient country in the international community shall be

taken into account. The latter concerns, among other things, the country's attitude to terrorism, the nature of its alliances, and its respect for international law.

The Common Position is complemented by a list of the products that it covers (the EU common military list) and a user's guide that provides more details on implementation of the agreements in the Common Position on the exchange of information and consultations and on how its criteria for export control shall be applied.

Exchange of information on denials

Under the operative provisions of the Common Position, member states are to exchange details of denied export permit applications. If another member state is considering granting a licence for an essentially identical transaction, consultations are to take place before the licence can be granted. The consulting member state must also inform the notifying state of its decision. The exchange of details of denials and consultations on the details make the EU's export policy more transparent and uniform. The consultations promote a consensus on the various export destinations, and the fact that the member states notify each other of the export transactions they deny reduces the risk that another member states will approve the export. The intention is that once other member states have been informed of the denial of certain export, the same export should not be approved by another member state. The ISP is responsible for issuing details of Swedish denials and arranging consultations.

In 2008, Sweden received 284 notifications of denials from 17 member states. Sweden issued six notifications of denials. These concerned Mauritius, Argentina (two), Russia and Libya.

The fact that exports to a certain buyer country have been denied in a specific case does not mean that the country is not eligible for Swedish exports in other cases. Swedish export controls do not apply a system of country lists, i.e. predetermined lists of countries that are either approved or not approved as recipients. Each export application is considered on a case-by-case basis in accordance with the guidelines adopted by the Government for exports of military equipment and the EU Common Position on the Control of Exports of Military Technology and Equipment.

User's Guide

To complement the Common Position, there is, as mentioned above, a User's Guide available to assist the licensing authorities in the member states. This is available at the EU website (<http://ue.eu.int>.) under the heading 'Security-related export control'. The User's Guide also contains more detailed guidelines for application of the criteria for export controls. The User's Guide specifies procedures to improve the system for notifications of denials and consultation and clarifies the responsibility of member states in these respects. The User's Guide is updated annually.

Export controls and global development policy

In its report 2005/06:UU12, the Parliamentary Committee on Foreign Affairs emphasised the importance of Swedish arms export not counteracting the work to achieve the goal of equitable and sustainable global development. The Committee further emphasised that the annual report on export controls should contain an assessment of the extent to which the export of military equipment accords with the overarching goals with respect to agreement between different policy areas in the policy for global development. The Committee took this matter up again in its report 2006/07:UU12.

The policy for global development gives all policy areas the task of finding ways to strengthen the Swedish contribution to equitable and fair development within the framework of the particular goals for their field. The Government endeavours to avoid effects that are negative for the efforts to contribute to equitable and sustainable global development. These important aspects are to be included in the assessments made, not least through the application of the EU Common Position, whose eighth criterion highlights the technical and economic capacity of the recipient country and the need to take into account whether there is a risk that sustainable development will be hampered. Sweden has actively favoured the former Code of Conduct being accepted as a Common Position and for it to be interpreted and applied uniformly by the EU member states. Sweden was one of the states that took the initiative to drawing up guidelines for application of the eighth criterion of the Code of Conduct. These guidelines are now included in the User's Guide for application of the Common Position. Overall, the Government considers that the Common Position, vouches for the goals, perspectives and principal features of the Swedish policy for global development being expressed in Swedish export control policy.

The Commission's proposed directive on conditions for transfer of military equipment within the Community (ICT)

After the usual consultation process in which the member states, the defence industry, individual organisations and others have commented on a consultation paper, the Commission presented a proposed directive at the end of 2007 on the simplification of the conditions for the transfer of defence equipment within the community (COM [2007] 765 final). This proposal, which is less far reaching than the original ideas in the consultation paper, constitutes, together with a proposed directive on procurement in the field of defence and security, part of the strategy to strengthen the competitiveness of the European defence industry.

An overarching objective of the Commission's proposal is to facilitate the mobility of defence equipment and defence equipment services between EU member states. The Commission points out that there are at present 27 different licensing systems within the EU and that this diversity is considered to be an administrative burden for companies and hampering the competitiveness of the European defence industry as a whole. The proposal therefore aims to reduce barriers to transfer of defence equipment and defence equipment services within the EU by simplifying and harmonising licensing conditions and procedures.

One major point of the proposal is that consent for transfer of defence equipment within the EU shall be based on a new system that harmonises and simplifies export control regimes. It is proposed that consent for transfer of defence equipment within the EU shall be granted in the form of general, global or individual transfer licences. General licences mean that a company does not need to apply for consent to transfer certain predetermined defence equipment intended for a recipient approved in advance (certified by the recipient state). Global licences cover one or several transfers of defence equipment to one or several recipients. Individual licences cover one transfer to a single recipient. According to the proposal, this type of licence shall be used when it is necessary to protect important security interests or to comply with relevant international non-proliferation agreements, export control arrangements or treaties.

The proposal does not affect the rules governing exports outside the EU. However, it does stipulate that member states shall ensure that recipients of defence-related products applying for an export licence shall, in cases where such products received from another member state are subject to export restrictions, declare to the relevant authorities that they have complied with the terms of these restrictions and that they have, in relevant cases, obtained the necessary consent from the originating member state.

Negotiations on the proposal were conducted throughout 2008, with the result that it was modified somewhat. The final version clarifies the continued right of decision of the member states, while the harmonising function of the proposal remains. At the end of 2008, consensus was reached between the Council of Ministers, the Commission and the European Parliament. The European Parliament voted in favour of the proposal on 16 December 2008. A decision by the Council of Ministers is expected in early 2009. From the date on which it comes into effect, the member states have two years in which to convert the directive into national legislation. It is the government's assessment that the text negotiated and agreed between the institutions of the EU fulfils its purpose satisfactorily. A favourable balance is achieved between internal market considerations and the maintenance of effective export controls.

COARM's activities

The Council Working Party on Conventional Arms Exports (COARM) is a forum in which the member states of the EU regularly discuss the implementation of the Common Position, exchange views on individual export destinations and draft common guidelines on the member states' regulatory framework on export controls. An account of this work, detailing agreements reached and statistics on the member states' exports of military equipment are published in an annual report. The annual reports show that the Common Position, has led to significant changes in the member states' national rules and export policy.

Since the criteria in the Common Position extend over a number of different policy areas, it is aimed to achieve increased and clear agreement between these areas. Sweden is making active efforts to achieve a common approach by the member states.

The member states have also decided to systematise the EU's outreach activities in non-EU countries by means of a dialogue on export control policy. This work continued in 2008. The purpose is to encourage other countries to develop export control systems along the lines of the EU's Common Position. To approach these activities systematically, COARM has identified countries where visits and seminars are suitable, contacted them and set up a database for these activities, whether they are undertaken jointly by several EU member states or on a bilateral basis between a single EU member state and a non-EU country. The aim is to make outreach activities more effective and to provide opportunities for the EU to speak with one voice on export controls and the values on which EU cooperation is based.

With a view to further coordinating efforts, a Joint Action was undertaken regarding the EU's outreach work (2008/230/CFSP on support for EU activities in order to promote the control of arms exports and the principles and criteria of the EU Code of Conduct on Arms Exports among third countries). This action is valid for the period 2008–2009. During the Swedish Presidency, a workshop will be held in the Georgian capital, Tbilisi, to which five states will be invited (Armenia, Azerbaijan, Georgia, Moldova and Belarus). The ISP is the Swedish authority responsible for the implementation of the workshop.

Control of arms brokering

To tackle the problem of uncontrolled arms brokering and avoid circumvention of arms embargoes, in 2003, the Council adopted a Common Position (2003/468/CFSP) on control of arms brokering. According to this, the member states undertake to take necessary measures to control arms brokering within their territory. Control of arms brokering in Sweden was already good due to the provisions of the Military Equipment Act (1992:1300). Within COARM, an

appropriate mechanism for exchange of information between states on registered arms brokers is being produced. In Sweden, some 30 companies are registered as brokers of products classified as military equipment.

10 International reporting on arms transfers

The UN Register and other international reporting on arms transfers

In December 1991, the United Nations General Assembly adopted a resolution on transparency in the arms trade urging member states to voluntarily report both their imports and exports of major conventional weapon systems to a register administered by the UN Department for Disarmament Affairs. Trade in the following seven categories of weapons is reported: tanks, armoured combat vehicles, heavy artillery, combat aircraft, attack helicopters, warships and missiles/missile launchers. After a review by the United Nations, most recently in 2006, the definitions of the categories have been broadened to include more weapon systems and it has also been made possible to report trade with small arms and light weapons. Particular importance is now placed on portable anti-aircraft rockets (MANPADS) which have been included in the category missiles/missile launchers since 2003. The voluntary reporting also includes information on the weapons of the categories in question held by states and procurements from their own arms industry. In consultation with defence agencies, and the ISP, the Ministry for Foreign Affairs therefore compiles annual information which is submitted to the UN in accordance with the above-mentioned resolution.

The frequency of reports has varied over the years. The largest number of countries, 126, reported on their arms trade in 2001. Altogether 170 states have submitted a report at some time since 1992. In the fifteenth year of the UN Register, 2006, 110 UN member states presented a report. Since reports have been made by all of the large exporters, with the exception of North Korea and from most large importers, it is estimated that at least 95 percent of the world's trade in heavy conventional weapon systems is covered by the Register.

Sweden's share of world trade in heavy weapon systems continues to be modest. The report that Sweden will make to the UN Register for 2008 will include exports of combat 90 vehicles to Denmark and the Netherlands, tracked carriers S 10 to the UK, tracked carriers 206 S to Italy and Germany, JAS Gripen to South Africa and Robot 70 to Finland. The information submitted to the UN Register is available at the UN's website.

An annual report on major conventional weapons systems is made to the Organisation for Security and Co-operation in Europe (OSCE) in the same way as to the United Nations.

The reporting mechanism for military equipment used by the Wassenaar Arrangement is largely based on the seven categories reported to the UN Register, although a breakdown into subcategories has made some categories more detailed and an eighth category has been added for small arms and light weapons. The member states have agreed to report twice yearly in accordance with an agreed procedure and to include further information on a voluntary basis. The purpose of this agreement is to bring destabilising accumulations of weapons to the notice of the member states at an early stage. Exports of dual-use products and technology are also reported twice yearly.

11 Current issues regarding arms embargoes

What are arms embargoes and when are they imposed?

Sometimes events in a country or region make it necessary for the international community to take measures to show that the actions of a government are unacceptable and to persuade it to desist from these actions. One measure that can be taken is to impose an embargo on a country, meaning that trade with a certain country is prohibited. An embargo can apply to all types of military equipment and related services, or to specific categories. There may often be exemptions for deliveries of specific military equipment, which is to be used for humanitarian purposes or for protection, or which is for international peacekeeping forces in the country in question. At regular intervals, the embargo is reassessed to determine whether it should continue to apply, whether the conditions should be changed or whether the embargo should be lifted altogether.

An embargo is usually applied when other international forms of applying pressure have failed. Embargoes should be clearly defined and of a temporary nature. Their purpose is therefore not to permanently regulate exports of military equipment to a particular country. The lifting of an embargo does not necessarily mean that arms can be exported to the country concerned. The national laws and rules of each exporting country determine the terms on which exports can be approved.

A decision by the UN Security Council, by the EU or by the OSCE (Organisation for Security and Cooperation in Europe) on an arms embargo is an unconditional barrier against Swedish exports according to the Swedish guidelines for export of military equipment. The member states of the EU also fully comply with binding political decisions of this kind on arms embargoes.

In certain cases, arms embargoes that are stricter than those imposed by the Security Council are agreed upon unanimously within the framework of the EU's Common Foreign and Security Policy. These EU decisions may be regarded as an expression of the member states' resolve to adopt common responses to various security policy issues. An arms embargo imposed by the EU is implemented in accordance with each member state's national export control rules. EU arms embargoes normally also include a prohibition against export of technical and financial services relating to military equipment. These prohibitions are regulated in EC regulations.

For a list of arms embargoes, see the website http://ec.europa.eu/comm/external_relations/cfsp/sanctions/measures.htm. SIPRI's website also contains information about embargoes, see <http://www.sipri.org/contents/armstrad/embargoes.html>.

Current arms embargo issues

In 2008 Sweden applied 17 arms embargoes against 16 countries. One embargo relates to Osama bin Laden, members of al-Qaida and the Taliban and is not associated with any particular country. Fifteen of these embargoes have been decided on within the EU. Often, more than one international organisation imposes an embargo on the same country.

The EU arms embargo against China was introduced as a result of the events in Tiananmen Square in 1989. Sweden permits no exports of military equipment to China.

In 2006, the UN Security Council introduced an arms embargo against North Korea in Resolution 1718. The EU adopted a Common Position on an arms embargo against North Korea on 20 November 2006 (Council Common Position 2006/795/CFSP concerning restrictive measures against the Democratic People's Republic of Korea).

In 2006, 2007 and 2008, the UN Security Council adopted resolutions with decisions on sanctions against Iran (resolutions 1737, 1747 and 1803). In line with its previous policy of not selling military equipment to Iran, the EU has decided to prohibit exports of military equipment etc. to and from Iran (see the Council's Common Position 2007/246/CFSP). As in the case of other arms embargoes decided upon in the EU, the prohibition against export of military equipment to Iran is introduced in the member states' legislation, in Sweden by the Military Equipment Act (1992:1300). The prohibition on providing technical and financial services relating to military equipment has been carried out in a community regulation (Council Regulation [EC] No. 423/2007, in its wording according to Council Regulation [EC] No. 628/2007). Pursuant to the Act (1996:95) concerning Certain International Sanctions, Swedish provisions, inter alia, on the prohibition of purchasing, importing or transporting military equipment from Iran, have been introduced through the Ordinance (2007:704) concerning Certain Sanctions against Iran.

In collaboration with Uppsala University, SIPRI has produced a study on UN arms embargoes and the result that these have had. This report, "United Nations Arms Embargoes: Their Impact on Arms Flows and Target Behaviour" was presented in New York in November 2007.

12 The international arms trade

The Stockholm International Peace Institute (SIPRI) compiles statistics on trade in military equipment in its yearbook and in a database. These statistics are based on trend indicator values and relate to transfers of major conventional weapons. According to the most recent information from the SIPRI Arms Transfers database, transfers of major conventional weapons decreased from USD 26,765 million in 2007 to USD 22,680 million in 2008.

During the period 2004-2008, Sweden ranked tenth in SIPRI's annual list of exporters of major conventional weapons (aircraft, warships, artillery, armoured vehicles, missiles and target acquisition and radar systems) with 1.8 percent of total world exports. The largest exporter, the United States, accounted for 30.5 percent of global exports, followed by Russia (25 percent), Germany (10 percent), France (8.4 percent), and the United Kingdom (4.5 percent).

The leading importer of major conventional weapons during the period 2004-2008 was China, which accounted for 11.3 percent, followed by India (7.2 percent), the United Arab Emirates (6.2 percent), South Korea (6.1 percent) and Greece (4.2 percent). Sweden was in 53rd place during the period with 0.3 percent of total imports of major conventional weapons. More information is available from the SIPRI Arms Transfers database website at www.sipri.org.

13 An international Arms Trade Treaty, ATT

In 2005, the United Kingdom proposed a global Arms Trade Treaty (ATT). In December 2006, the UN General Assembly approved a resolution according to which a process would commence with the purpose of initiating negotiations on a global treaty of this kind. In an initial stage, the Secretary General gathered the points of view of the member states. Sweden communicated its support of the proposal in a response submitted in April 2007. A common EU response, also supporting the proposal, was submitted to the Secretary General at about the same time.

During the autumn on 2007, an international Group of Governmental Experts (GGE) was appointed to submit proposals ahead of the continued process. The group consisted of experts from 28 countries with a broad geographical spread,

including seven EU countries. However, the group's final report in August 2008 contained no substantive proposals on the possible contents of an international arms trade treaty, but mainly affirmed that further consideration was needed on issues of feasibility, scope and parameters.

In December 2008, the UN General Assembly adopted a new resolution regarding ATT (Res. 63/240). Sweden was one of the countries behind this proposal. The principal component of the resolution is the establishment of an open-ended working group (OEWG). This group shall continue and further develop the work of the GGE towards a legally binding arms trade treaty on conventional weapons within the framework of the UN. Only the United States voted against the resolution. Nineteen countries abstained from voting (including Egypt, India, Israel, China, Pakistan and Russia). The OEWG shall conduct six week-long negotiation meetings - the first in March and the second in July of 2009. The group shall present its first progress report to the UN General Assembly in the autumn of 2009.

In 2008, efforts also commenced within the EU to implement a series of measures to support the ATT process in third countries. Seminars on ATT will be organised at six different locations around the world. The United Nations Institute for Disarmament Research (UNIDIR) is responsible for organising these. SIPRI is also expected to play a role in this context. Efforts are being undertaken in close cooperation with the EU Presidency, the Commission and the Council Secretariat. The fact that the EU's Code of Conduct was adopted as a Common Position at the end of 2008 also favours the EU's opportunities to advance the ATT process.

14 Efforts to combat the proliferation of small arms and light weapons

The term 'small arms and light weapons' (SALW) basically refers to firearms, which are intended to be carried and used by one person, and light weapons which are intended to be carried and used by up to three persons. Examples of the former category are pistols and automatic carbines, examples of the latter category are heavy machine guns, medium anti-tank weapons and portable anti-aircraft rockets. It has not been possible to adopt any generally accepted and recognised definition of the term.

Work is in progress in various international forums with a view to preventing and combating destabilising accumulations and uncontrolled proliferation of small arms and light weapons. No other types of weapons cause more deaths and suffering than these, which are used every day in local and regional conflicts, mainly in developing countries. The UN estimates the number of persons killed by light weapons to be at least 300,000 annually. The number of wounded and maimed is not even included in UN statistics. These weapons are inexpensive, easy to carry and easy to smuggle.

In 2001, the United Nations adopted a programme of action to combat the illegal trade with light weapons. In the following year, the EU decided to revise the Joint Action from 1998 on combating the destabilising accumulation and illegal spread of small arms and light weapons with a view to also including ammunition for these weapons. An EU strategy with an action plan on the same topic was adopted by the European Council in December 2005. An instrument for the labelling and tracking of small arms and light weapons was negotiated and adopted through a resolution by the UN General Assembly in the autumn of 2005. In February 2008, the EU resolved to support the tracking instrument through the adoption of a Joint Action.

In 2000, the Organisation for Security and Cooperation in Europe (OSCE) adopted a document on light weapons relating to control of manufacturing and

export and rules for labelling, registering, traceability and information exchange, safekeeping and surplus equipment. In 2003, the OSCE adopted a similar document for conventional ammunition. Furthermore, the OSCE adopted three decisions during 2004 intended to further reinforce work against illicit spread of small arms and light weapons, including portable anti-aircraft rockets (MANPADS). Within the Wassenaar Arrangement, there is an obligation to report on trade with these weapons. Sweden is endeavouring for each country to set up and implement a responsible export policy with comprehensive laws and regulations. The goal is for all countries to have effective systems that control manufacturers, vendors, purchasers, agents, brokers and intermediaries of small arms and light weapons.

Follow-up of the UN's programme of action

The aims of the UN's work on small arms and light weapons include raising awareness of their destabilising effects in conflict regions. Non-proliferation is also important in combating criminality and terrorism. In accordance with the action programme, a review conference was held in New York in 2006. At the review conference, the participating states were unable to agree on a final document and the proposal to expand the action programme could not therefore be adopted. However, the action programme continues to be implemented. In July 2008, a third implementation conference was held in New York and attended by all states except the United States. The mandate of the conference was limited to issues concerning the implementation of the action programme. For this reason, it was unable to produce a final document. The outcome of the conference should be considered a significant step following the failed review conference of 2006.

Swedish exports of small arms and light weapons

As part of the continuous efforts to achieve increased transparency in the sphere of export controls, this Government Communication has been expanded with information about small arms and light weapons. Swedish exports of small arms and light weapons are presented in Annex 1. The value of exports of such weapons from Sweden in 2008 amounted to approximately SEK 961 million. Swedish exports of man-portable air defence systems, MANPADS (according to the definition in the UN Weapons Register) is also shown in Annex 1. The value of exports from Sweden of such weapons in 2008 amounted to SEK 195 million (of which SEK 154 million involved exports to Finland).

15 International cooperation on military equipment

The six-nation initiative – Letter of Intent (LoI)

In July 2000, the six large defence industry nations in Europe (France, Italy, Spain, the United Kingdom, Sweden and Germany) signed an important defence industry cooperation agreement at the government level, the Framework Agreement. This agreement was negotiated as a result of the declaration of intent adopted by the countries' defence ministers in 1998, the Six-State Initiative or "Letter of Intent" (LoI). The purpose of the agreement is to promote the rationalisation, restructuring and operation of the European defence industry, and it focuses mainly on the supply side, i.e. the states delivering the products. Six working groups have subsequently worked to put the principles of the framework agreement into practice. The areas covered are security of supplies, export

controls, security protection, defence-related research and technology, treatment of technical information, harmonisation of military requirements and protection of commercially sensitive information. In 2008, four of the six working groups continued to submit ongoing debriefs to the International Executive Committee of the LoI. During 2008, the working group on export control issues continued, under French chairmanship, to study the conditions for facilitating the flow of military equipment between the six states. A certain amount of progress was achieved during the year. In 2008, the working group completed its work on an addition to Article 16 in the original treaty dealing with a broad license for components within the six nations. The addition was approved through a government resolution in December 2008. The ISP is responsible for the operational work by the LoI export control group. In accordance with the implementation regulations in the cooperation agreement, Sweden and Germany issued their first joint global project license (GPL) in 2007.

16 Combating corruption in the international arms trade

For a number of years, Sweden has cooperated with the UK section of the NGO Transparency International (TI) to combat corruption in the arms trade. In collaboration with TI, several seminars have been organised in Sweden with the purpose of increasing the awareness of relevant companies regarding the importance of developing internal codes of conduct, etc.

It is also significant that the European trade association Aero Space and Defence Industries Association in Europe (ASD) has taken the initiative for a Common Industry Standard. The member organisations now have the task of ensuring that all member companies implement this.

17 Cooperation in the multilateral export control regimes

What are weapons of mass destruction?

The issue of non-proliferation of weapons of mass destruction has been high on the international agenda for a long time. The term 'weapons of mass destruction' means nuclear, chemical and biological weapons. Efforts to prevent the proliferation of such weapons usually also extend to certain means of delivery, such as long-range ballistic missiles and cruise missiles.

Multilateral measures to prevent proliferation of weapons of mass destruction have in particular been expressed through a number of international conventions and less formal export control regimes.

International agreements

Among the international agreements, special mention may be made of the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their destruction (BTWC) and the 1993 Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and their destruction

(CWC). Sweden is a party to all three conventions (see Swedish Treaty Series 1970:12, 1976:18 and 1993:28).

Under the NPT, non nuclear-weapon states undertake not to receive or manufacture nuclear weapons, and the five nuclear-weapon states commit themselves to disarmament. Furthermore, the parties also undertake not to provide nuclear fuel or special fissionable material, or equipment or material especially designed or prepared for the production of special fissionable material to any non-nuclear weapon state, unless the material or equipment is subject to the International Atomic Energy Agency (IAEA) safeguards.

In BTWC, the parties undertake not to transfer, either directly or indirectly, equipment that can be used for the production of biological weapons.

Similarly, the CWC stipulates that the parties shall never transfer directly or indirectly, chemical weapons to any other state.

Although the primary objective of these international agreements is to prevent proliferation of weapons of mass destruction and to promote disarmament, they also require the parties to promote trade for peaceful purposes. The reason for this is that a substantial proportion of the products and technologies concerned are dual-use products.

The multilateral export control regimes

To facilitate international cooperation on non-proliferation of weapons of mass destruction, about forty countries have joined five multilateral export control regimes: the Zangger Committee (ZC), the Nuclear Suppliers Group (NSG), the Australia Group (AG), the Missile Technology Control Regime (MTCR) and the Wassenaar Arrangement (WA).

The purpose of the regimes is to identify products and technologies that can be used in connection with weapons of mass destruction, exports of which should therefore be subject to coordinated control. Efforts also include the exchange of information on proliferation risks and contacts with third countries in order to promote the regimes' non-proliferation aims.

Unlike the international conventions mentioned above, the export control regimes are not binding under international law. Instead, cooperation is based on a common political desire to prevent the proliferation of weapons of mass destruction by national legislation enabling export controls for products and technologies identified as strategic. Participation in these regimes also makes it easier to meet the international legal obligation laid under the above-mentioned international conventions to refrain from assisting other states, directly or indirectly, in acquiring weapons of mass destruction.

Basic concepts used by the regimes

Two key concepts in this multilateral cooperation are 'denials and 'no undercutting'. A regime member that has denied an export licence for a specific transaction with reference to the regime's objectives is expected to inform the other members of its decision. The other members of the regime are expected to consult the state that has issued this denial before deciding whether to grant an export licence for a similar transaction. This consultation procedure is referred to as the 'no undercutting principle' and is intended to prevent another country granting an export licence for the same product.

Export control regimes after 11 September 2001

The terrorist attacks in New York and Washington on 11 September 2001, caused mass destruction without the use of weapons of mass destruction. The circulation of anthrax bacteria in the USA during the autumn of 2001

demonstrated that biological material that can be used in biological weapons had fallen into the wrong hands. In the light of these events and the risk of terrorists gaining access to weapons of mass destruction by export, cooperation in the multilateral export control regimes now focuses to a great extent on terrorist threats. The first step has been to declare explicitly in the regimes' basic documents that one of the purposes of their activities is to prevent the spread of dual-use products to terrorists. Another measure is to expand information exchange within the regimes to include the risk of items being transferred to non-state actors.

Catch-all clauses

In order to further strengthen export controls, the regimes have also introduced a catch-all clause in their guidelines. Catch-all clauses provide a legal basis for carrying out export controls of products and technologies that are not included in the regimes' control lists where there is reason to suspect that they may be used in connection with weapons of mass destruction or related weapons carriers. The EU, which had already provided for this mechanism in EC Regulation 1334/2000 on dual-use items, played an active part in promoting these efforts.

The Zangger Committee

The Zangger Committee, which was established in 1974, deals with export control matters within the framework of the Nuclear Non-Proliferation Treaty (NPT). The Committee defines the meaning of equipment or material especially designed or prepared for reprocessing, use or production of special fissionable material. The NPT lays down that such equipment, as well as source and special fissionable material, may only be exported to a non-nuclear state, if the fissionable material is subject to IAEA safeguards. The equipment and material are specified in the Committee's control list, which is continuously updated in the light of technological developments. The list can be found in the IAEA's information circular No. 209 (INFCIRC/209/Rev.2). Information about the ZC can be found on the website www.zanggercommittee.org.

Nuclear Suppliers Group

The Nuclear Suppliers Group has its origins in the 'London Club', which was established in the mid-1970s. The work of the NSG involves export controls for products that can be used to produce nuclear material for use in weapons and of dual-use products that can be used for the production of nuclear weapons. These items are listed in the IAEA's information circular No. 254, which includes a control list for each group of items (INFCIRC/254/Rev.9/Part 1 and INFCIRC/254/Rev.7/Part 2).

The initiative of the United States and India on cooperation on the civil use of nuclear energy was a prominent issue for the NSG in 2008. At an extraordinary plenary session in September 2008, a resolution was adopted exempting India from the condition stated in the NSG's guidelines that all nuclear facilities in a country receiving nuclear material and equipment should be placed under IAEA control. The IAEA and India had previously entered a safeguard agreement according to which a number of Indian nuclear reactors were to be placed under IAEA control. In connection with the NSG resolution in September 2008 the Indian Foreign Secretary confirmed in writing several key non-proliferation commitments, including a continued, unilateral moratorium on nuclear testing.

During 2008, the NSG also continued work aimed at strengthening the regime's guidelines with respect to export control of particularly sensitive equipment. Sweden (FOI) led the work of a technical working group which

reported to the plenary meeting in 2008. Information about NSG is available on the website www.nuclearsuppliersgroup.org.

The Australia Group

The Australia Group (AG) was formed in 1985 at the initiative of Australia. Its aim is to harmonise its members' export control to prevent the proliferation of chemical and biological weapons (CBW) both to states and to terrorist groups. Originally, it was only concerned with chemical and chemical production equipment. However, the members of the Group decided in 1990 to extend its control to include microorganisms, toxins and certain manufacturing equipment for biological weapons.

Central to the AG's work in 2008 was, among other things, continued exchange of information on the development of new technologies with potential for CBW-related activities. Work continues to update the regime's control lists. At the year's plenary meeting, an advisory body was established to enhance the regime's opportunities to stay abreast of technological developments. Russia's interest in being included as a member of the Australia Group encountered continued resistance in 2008 with several member countries claiming that Russia did not fully meet the regime's membership criteria. Further information is available at www.australiagroup.net.

The Missile Technology Control Regime

The Missile Technology Control Regime (MTCR) was set up as a result of an American initiative in 1982. It focuses on export controls of complete missile systems (including ballistic missiles, space launch rockets and missiles and sounding rockets) and other unmanned aircraft (including cruise missiles, target and reconnaissance platforms) with a range of 300 kilometres or more. Controls also extend to components of such systems and other products that can be used to produce such missiles.

During 2008, work continued in MTCR on reviewing the content of the lists of controlled products, exchanging information on sensitive proliferation of missile equipment, technological development, national programmes, procurement strategies and engaging in outreach activity targeted on a number of countries. At present, there are a large number of identified non-member states which have been proposed for outreach activities. At the plenary meeting in 2008, members also discussed the importance of controlling intangible transfers of technology. Several EU countries are still not members of the MTCR regime. Their membership continued to be blocked in 2008 for political reasons.

Information on MTCR is available at www.mtcr.info.

The Wassenaar Arrangement

The Wassenaar Arrangement (WA) was created in 1996 as a successor to the multilateral export control cooperation that had previously taken place within the framework of the Coordinating Committee on Multilateral Export Controls (COCOM).

The regime's aim is to contribute to regional and international security and stability by promoting transparency and responsible action with regard to transfers of conventional weapons and dual-use products, thus helping to avoid destabilising accumulations. The activities of the Wassenaar Arrangement are based on the principle that trade in the items in the control lists should be permitted, but must be controlled.

The Wassenaar Arrangement targets a broader product portfolio than the other export control regimes. Two control lists are attached to the basic document: the

Munitions List, which covers conventional military equipment, and the List of Dual-Use Products and Technologies, which covers technologies with civilian and military uses that are not included in the control lists of the other control regimes.

During 2007, work in the Wassenaar Arrangement was focused to a great extent on evaluation and review of its activities. This evaluation work emphasised issues such as re-export control, transparency, best practices and outreach. In 2008, the work of the regime involved efforts to implement the conclusions of the evaluation. The plenary meeting in the late autumn of 2008 underscored the need to strengthen export controls regarding MANPADS. Certain adjustments to the control lists were made, including changes regarding sensors. Further information is available at www.wassenaar.org.

18 UN Security Council Resolution 1540 and the Proliferation Security Initiative (PSI)

In April 2004, the United Nations Security Council adopted Resolution 1540. Under Chapter VII of the UN Charter, the resolution, which is binding for the member countries of the United Nations, seeks to prevent state and non-state actors obtaining access to weapons of mass destruction and the means of delivery for these weapons. The resolution also contains non-binding recommendations for UN member countries. With respect to export controls, it is established that all states are to establish effective national controls of exports, transit traffic, trans-shipments and re-exports. End-user controls are also to be introduced. All states are also to introduce appropriate penal or administrative penalties for violations of such export control laws and regulations. The resolution also contains provisions on assistance in implementing the provisions of this resolution.

It was also decided through Resolution 1540 to set up a committee of the Security Council, with the task of reporting to the Council for its examination of the implementation of the resolution. Furthermore, the member countries of the United Nations were urged to report to the Committee on the steps that they had taken to implement the resolution. The mandate of the 1540 Committee has been extended twice, most recently until 2011. Resolution 1540 entails commitments currently not met in their entirety by many countries. In Sweden's case, export control policies for dual-use products are guided by Council Regulation (EC) 1334/2000, which, currently lacks regulations for the control of brokering, transits and trans-shipments. The EU regulation is currently being reviewed. In addition, a review of Sweden's implementation of Resolution 1540 has been made within the Government Offices in order to assess whether the EU rules should be supplemented with Swedish domestic provisions.

An international activity which has a number of points of contact with, and also partly overlaps Resolution 1540 is the Proliferation Security Initiative (PSI). The EU and Sweden support this initiative, which aims at preventing transport of weapons of mass destruction and components for these within the framework of international and national law. The Swedish authorities concerned are co-ordinating their work in this sphere and have conducted scenario-based discussion exercises to develop their cooperative capacity.

19 UN and EU sanctions with respect to non-proliferation and export control

International sanctions

Sanctions are a valuable instrument for international efforts to secure peace and security. Sanctions enable the international community to attempt to influence a state's conduct peacefully by various economic and political measures. The intention of imposing sanctions is to persuade a state to cease a particular conduct or to carry out certain reforms. This may, for instance, involve persuading a state to cease systematic violations of human rights or to attempt to persuade a state to adopt certain democratic principles.

For a number of years, the international community has primarily imposed what are usually referred to as targeted sanctions to attempt to exert influence. Targeted sanctions are focused on a particular product, organisation or individual, instead of on a country in general. In this way, the effect of the sanctions on the civilian population can more easily be avoided at the same time as the sanctions send a clear signal to those they are intended to influence.

In the case of sanctions targeted on individuals, special consideration must be given to the aspects of legal security and respect for fundamental rights and freedoms.

UN and EU sanctions

Chapter VII of the UN Charter serves as the basis for the sanctions of the international community. When the Security Council has decided on sanctions, the member countries are obliged according to international law to take steps to incorporate these provisions into their domestic legislation.

The EU may decide on international sanctions within the framework of the Common Foreign and Security Policy. This may entail decisions to implement UN sanctions or independent decisions on sanctions. This takes place through the EU Council of Ministers adopting a Common Position. The measures that fall within the competence of the Community are then implemented in an EC regulation which is directly applicable in Swedish domestic legislation. The EC regulation can stipulate that certain tasks are to be carried out by special competent authorities in every member state. Other measures fall under the competence of the member states and are implemented in national legislation.

North Korea

As a result of North Korea's nuclear weapon test in October 2006, the UN Security Council adopted sanctions against North Korea (Resolution 1718). Within the framework of the Common Foreign and Security Policy, the EU member states have decided to impose common sanctions (Council Common Position 2006/795/CFSP). The decisions of the UN and the EU entail, inter alia, that it is prohibited to export military equipment to North Korea and that it is prohibited to export material or technology that may contribute to North Korea's programme relating to nuclear weapons, other weapons of mass destruction or ballistic robots.

The prohibitions are regulated in EC Regulation (EC) No. 329/2007 which is directly applicable as law in Sweden. The regulation contains certain possibilities for exceptions from the sanctions. The ISP, the SSM, the Swedish Financial Supervisory Authority and the Swedish Social Insurance Agency have been appointed as competent authorities for, inter alia, granting of consent under the regulation.

Iran

At the end of 2006 and beginning of 2007, the UN Security Council adopted resolutions (1737 and 1747 respectively) with decisions on sanctions against Iran. Iran had then not complied with the UN Atomic Energy Agency's repeated resolutions, urging Iran, inter alia, to suspend activities to enrich uranium. Nor had it accepted a proposal for negotiations. The background was suspicions that Iran was building up a capacity to develop nuclear weapons and weapon carriers for missile systems. In March 2008, the UN Security Council adopted resolution 1803 which increases the stringency of the sanctions. The intention of the resolutions is to influence Iran to act in such a way as to restore the trust of the international community that Iran's nuclear activities have solely civil and peaceful aims.

These sanctions are implemented in the EU through two Common Positions (2007/140/CFSP and 2007/246/CFSP) and EC regulations (regulation nos. 423/2007 and 618/2007). Additions and amendments were made on 7 August 2008 via Common Position 2008/652/CFSP and on 10 November 2008 via Council Regulation (EC) 1110/2008. The EC regulations are directly applicable in Sweden and apply as domestic Swedish legislation. These regulations contain some possibilities for exceptions from sanctions. The ISP, the SSM, the Swedish Financial Supervisory Authority and the Swedish Social Insurance Agency have been appointed as competent authorities for, inter alia, granting of consent under the EC regulations.

A considerable part of the sanctions are closely related with the Government's efforts for non-proliferation and export control of goods and technologies, which can be used in connection with weapons of mass destruction. This applies to:

- Prohibition of export and import of dual-use products listed by the export control regimes NSG and MTCR;
- Prohibition of development assistance and investments related to dual use-products listed by NSG and MTCR;
- Licence requirement for export of certain other dual-use products;
- Licence requirement for development assistance and investments relating to certain dual use products.

The sanctions regime also includes freezing of financial assets for individuals and units associated with Iran's programme for weapons of mass destruction, including a prohibition of making assets available for these. The sanctions against Iran also include an arms embargo, which is mainly implemented in domestic legislation. There is also the possibility to perform special checks on cargoes transported by certain Iranian transport companies.

Further information about sanctions

The Ministry for Foreign Affairs has compiled information about the implementation of sanctions against North Korea and Iran on the website www.ud.se/d/9230. The ISP also provides information about sanctions on the website www.isp.se.

20 Cooperation in the EU on dual-use products

The export control regimes and the EU

The EU's work on export controls of dual-use products is closely connected with the international work of the export control regimes. The work carried out in Brussels is coordinated, in particular, by two working groups - CONOP (Council Working Party on Non-proliferation) which deals with non-proliferation issues in general and WPDU (Working Party on Dual-use Goods) which works with policy issues and updates the control lists provided for by EC Regulation No. 1334/2000. The following section takes up the work in WPDU.

This year's work on the control lists

The alterations to the regimes' control lists are inserted in the annex to the EC regulation and are thus legally binding in all EU member states. Alterations in the regime lists up to the end of 2007 have been inserted in the EU's control list by Regulation (EC) No. 1167/2008 amending and updating Regulation (EC) No. 1334/2000, which came into force in Sweden in December 2008.

Work of the WPDU

The EU's strategy against proliferation of weapons of mass destruction from 2003 includes an undertaking to strengthen the effectiveness of export controls for dual-use products in Europe. One fundamental reason for improving export control is that the EU is a large manufacturer of sensitive products and technologies that could be misused for production of weapons of mass destruction. The export control measures required in the EU must at the same time be proportional in relation to the proliferation risk and not unnecessarily disturb the development of the internal market or the competitiveness of European companies.

The review of the national export control systems carried out during 2004 was examined in December of the same year by the Council. The Council then stated that the recommendations of the review should be implemented without delay.

As the government has informed the Riksdag in previous communications on Strategic Export Control (2008 p. 8 and p. 48, 2007 p. 10 and p. 51) the Council Working Party WPDU is preparing a proposed amendment to Council Regulation (EC) No. 1334/2000 presented by the Commission in December 2006. The work of the Council Working Party is expected to be completed in 2009, after which it is expected that the Council will adopt the amended EC regulation. Against this background, the government expects to present certain proposed amendments to the Act (2000:1064) concerning Control of Dual-Use Products and of Technical Assistance during the year. The amendments to the EC regulation have been implemented, inter alia, to improve the extent to which it meets the requirements of UN Security Council resolution 1540 with regard to the regulation of brokering and transit (cf. section 18 in this Communication).

In addition, activities in 2008 within the framework of the WPDU included:

- coordination between member states with regard to handling control of dual-use products not included in the control lists. This has mainly concerned establishing more in-depth collaboration to prevent proliferation of nuclear products and missile products to Iran,
- the development of a user guide for end-user certification,

- continued work on a database of member countries' notifications of denied applications for export licences in accordance with EC Regulation 1334/2000,
- member states' information to the Commission regarding changes to internal regulations, and
- outreach activity to the business sector has been reinforced.

EU coordination within the multilateral export control regimes

According to the EU strategy to prevent proliferation of weapons of mass destruction, member states shall work to become key partners of the export control regimes. This should take place, in among other ways, by coordination of EU positions within the regimes. A joint action on the part of the EU in the different regimes has in line with this become increasingly common in recent years. In recent years, EU initiatives have, among other things, led to members in the respective regime being able to agree to maintain export control also for products outside the control lists (*catch-all*), if these can be assumed to be used in connection with weapons of mass destruction. The EU has also sought to strengthen the exchange of information between the member countries in the regimes.

The EU has for a long time taken the view that all EU member states should be invited to join all regimes. The main reason is the endeavour to maintain a harmonised and effective national export control for all EU countries based on the regimes' control lists, guidelines for export control and exchange of information on proliferation risks. The EU area is a home market for the great majority of dual-use products. Trade within the EU is not export. However, transfer of goods and technology to a third country is export. The EU member states are therefore dependent on one another's export control systems. This is an additional reason why membership in the export control regimes has a particularly important dimension.

By decisions of the NSG and the Australia Group, all EU countries are now members of those regimes. The equivalent decision has not yet been made in the MTCR with regard to Cyprus, Estonia, Latvia, Lithuania, Malta, Slovakia, Slovenia and Romania. With regard to the Wassenaar Arrangement, the same applies to Cyprus.

The Nordic-Baltic cooperation

The Nordic-Baltic cooperation on export controls has broadened and deepened. As part of this work, regular meetings now take place between representatives of the Nordic and Baltic countries. These meetings provide opportunities for exchanges of information and views concerning topical export control issues with reference to both military equipment and dual-use products.

21 Raising awareness about export control policy

A large proportion of Swedish national information efforts regarding export controls are conducted by the ISP. Internationally, a great deal of information is also provided by a number of countries and organisations. The purpose of these activities is to strengthen the international export control system by raising awareness of the need for export controls and what this involves. These efforts are directed primarily at countries and regions that are not currently involved in multilateral activities in the regimes or in the field of military equipment. These countries often have a well-established national export control system, but lack international contacts. Apart from the information value of the seminars and meetings that are arranged in this connection, they also offer opportunities for more open discussions of various problems and proliferation risks. This promotes broader international cooperation on issues that are of interest to most responsible exporting countries.

For several years, the EU's member states have engaged in information activities and sent deputations to non-EU countries to discuss export control policy. The main focus of these activities in the field of military equipment has been on the former EU Code of Conduct on Arms Exports and how it works in practice. As mentioned previously, a Joint Action regarding the EU's outreach activities was adopted in March 2008 with the purpose of further coordinating efforts. This will be implemented during the Slovenian, French, Czech and Swedish presidencies.

In the area of dual-use products, the focus has been on informing about Council Regulation (EC) No. 1334/2000 and how it is applied in particular Member States. Within the framework of the EU strategy against proliferation of weapons of mass destruction, work has been initiated in recent years aiming at strengthening national export control in third countries by seminars and technical assistance on the part of the EU. This work is also based on UN Security Council Resolution 1540. In 2008, the ISP participated in the EU projects aimed at exchanging experiences within the field of export control of dual-use products. The projects are led by BAFA (Bundesamt für Wirtschaft und Ausfuhrkontrolle), Germany's equivalent to the ISP. The countries with which the ISP worked in 2008 were Bosnia and Herzegovina, Macedonia, Montenegro, Russia and Ukraine. The Swedish contributions have been appreciated by the cooperating countries and the project leadership. Sweden has been able to offer high-level broad expertise, one variant for how export control can be conducted in a small country. In addition, there is extensive interest among the multilateral export control regimes to have a good dialogue with non-members and interest organisations. The purpose of these contacts is to create a transparency of the regimes' activities, promote their non-proliferation objectives, including accession to the regimes' guidelines for national export control and, where necessary, offer technical assistance in order to strengthen national export control systems. These activities are pursued within the framework of the regimes' outreach programmes.

Annexes

Annex 1 Swedish exports of military equipment in 2008

Introduction

The National Inspectorate of Strategic Products (ISP) continuously monitors the marketing and export of military equipment and dual-use products, and it supplies the Government with the statistical data for the reporting of exports of Swedish military equipment and dual-use products. Given below are certain explanations to the tables on categories of military equipment, export licences, actual deliveries, leasing, manufacturing rights, cooperation and military-oriented training.

Companies licensed to manufacture and supply military equipment – currently 161, of which about 50 are active exporters – are required to submit reports on various aspects to the ISP.

Categories of military equipment

To make it easier to compare the statistics for Sweden's exports of military equipment with those reported by other EU member states, the categories of equipment are those used in the EU Common Military List. A comparison between the Swedish categories and this list will be found in Table 19. The most important product types are also listed for each category. More detailed information on the content of each category (Annex 1 to the Military Equipment Ordinance (1992:1303)) will be found in Annex 5.

Unlike the Swedish classification, no distinction is made in the EU Military List between the categories of military equipment for combat purposes (MEC) and other military equipment (OME). The MEC category consists of destructive equipment, including sights, and firing control equipment. The OME category consists of parts and components for equipment for combat purposes and equipment that is not directly destructive in a combat situation.

When a table relates to export licences or exports associated with a specific category, this means that the export licences were granted for one or more of the products, or related subcomponents, in an equipment category. But it does not mean that export licences were granted for all the products in each category.

The data do not permit far-reaching conclusions about export trends, since the volume of exports is not sufficiently large to ensure uniform equipment flows in all the categories produced in Sweden; rather, the figures indicate a random emphasis that shifts over time depending on the export contracts won by the industry.

Export licences

Export licences are granted, on the one hand, for many small transactions involving items such as spare parts or ammunition, and on the other hand for a small number of very large transactions involving major systems that are delivered over a period of several years. A few large transactions, which do not necessarily occur every year, can thus have a very significant effect on the results in a given year. There are therefore considerable differences in the statistics on export licences from one year to another. However, actual exports of Swedish military equipment do not fluctuate to the same extent from one year to the next. The reason for this is that the exports associated with a high-value export licence are usually spread over several years.

In cases where only one or two licences were granted, an approximate value is given in order to protect commercial interests or defence secrets.

Actual deliveries

The ISP's export statistics are based on the statements on the invoiced value of equipment supplied that the export companies are required to submit.

Changes in the statistics from one year to another cannot be used as a basis for long-term assessments of export trends. Individual sales of large systems give rise to substantial fluctuations in the statistics.

Swedish exports of military equipment are also recorded in the general foreign trade statistics which are based on information supplied by the customs authorities to Statistics Sweden (SCB). However, SCB statistics differ from those reported by ISP. SCB's statistics, which are reported under the heading of "Weapons and Ammunition" include both products classified as military equipment and civilian products. Military aircraft, vehicles and ships are reported under other headings. Furthermore, SCB's statistics include products which have entered or left Sweden as repairs are to be carried out in Sweden or abroad, which are not reported as export for sale in ISP's statistics. These figures cannot be compared with ISP statistics and are not included in this report.

Follow-on deliveries

It can sometimes be of interest to examine in more detail how large a part of export licences for sale to a particular country consist of follow-on deliveries. Table 8 provides this kind of report for a number of countries. It also shows the type of equipment covered by new licences.

Leasing

The Swedish defence industry as well as the Defence Materiel Administration (FMV) have, in recent years, increasingly entered into various forms of leasing contracts with foreign customers. The background to this can be sought in the international development in recent years where international operations often entail immediate operational needs for equipment and there is no time for a normal procurement procedure.

Modern equipment manufactured for the Swedish armed forces has also become available as a result of the reduced size of the organisation and the changed threat scenario without an immediate threat to Sweden.

An example of this is the leasing of the radar reconnaissance aircraft to Greece at the beginning of the 2000s in conjunction with Greece acquiring this system. Another example is the leasing that took place to the United Kingdom, Canada and Italy of artillery location radar a few years ago.

During 2005, FMV has delivered 14 JAS 39 Gripen to the Czech Republic due to the leasing agreement for the period 2005-2015 concluded between Sweden and the Czech Republic in 2004. The contract value was around SEK 5.7 billion. During 2007, FMV made the final delivery of 6 (out of a total of 14) JAS 39 Gripen to Hungary (will pass over to purchase in 2016). Furthermore, a licence was granted to Saab Microwave System to lease 2 Radar AMB Giraffe to the United Kingdom until the end of 2010.

Leasing contracts with foreign customers are not included in the basis for the export statistics since no sale is involved. However, contracts can mean a considerable income for the defence industry and the state, as shown above.

Transfers of manufacturing rights, cooperation, etc

Three licences were granted in 2008 for the transfer of manufacturing rights to other countries. The countries concerned were Finland, the Republic of Korea and Pakistan (extension).

Furthermore, seven cooperation agreements were examined and authorised for joint development or production in 2008. The agreements relate to cooperation between Swedish and foreign companies and are distributed by country as follows: Singapore, Finland/France, the USA (4) and South Africa/the UK. In assessments of cases involving the transfer of manufacturing rights or cooperation with foreign partners, the stricter criteria applied to exports of military equipment for combat purposes are applied irrespective of the type of export, because this kind of cooperation normally results in a lengthier commitment than in the case of regular exports. The scope of such agreements, their duration, re-export clauses etc. are examined in detail.

Under the Military Equipment Act (1992:1300), the government requires entities having transferred manufacturing rights for military equipment to a party in a foreign country or having entered into a cooperation agreement with a foreign partner to report on an annual basis whether the agreement is still in force, whether production or other cooperation under such an agreement still takes place and how such cooperation is conducted. In 2008, eight companies reported ownership in 64 legal entities in 23 countries. A total of 192 licencing and cooperation agreements in 26 countries were reported by 20 companies.

Military-related training

Under the Military Equipment Act foreign subjects must not be given military-oriented training within or outside Sweden without the permission of the National Inspectorate of Strategic Products. The prohibition does not apply to training related to the sale of military equipment for which an export licence has been obtained.

One licence for military-oriented training has been granted during 2008.

Table 1. Value of export licences granted, 2004-2008, broken down into military equipment for combat purposes (MEC) and other military equipment (OME)

Year	Amount in current prices, SEK million			Change in %		
	Total	MEC	OME	Total	MEC	OME
2004	6 491	2 077	4 413	-28	-53	-5
2005	15 147	10 214	4 933	+133	+571	+12
2006	15 034	2 132	12 902	-0,7	-79	+162
2007	6 832	3 679	3 153	- 55	+73	-76
2008	9 604	6 095	3 508	+40	+66	+11

Table 2. Value of export licences granted, broken down into military equipment for combat purposes (MEC) and other military equipment (OME), 2004-2008 (SEK m)

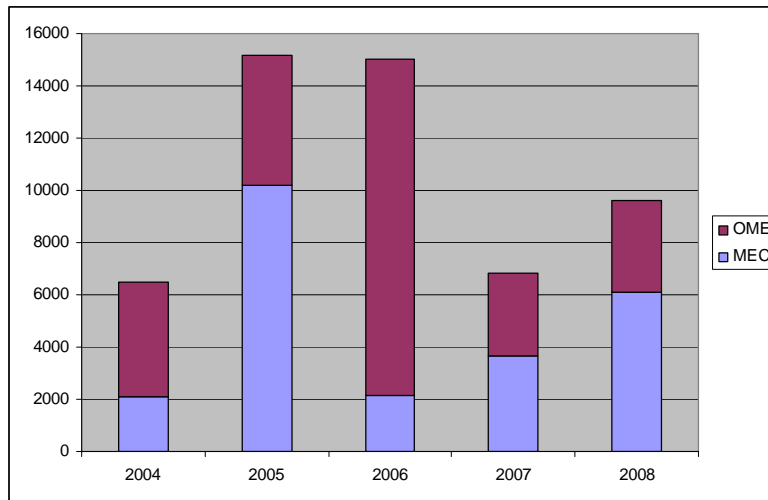
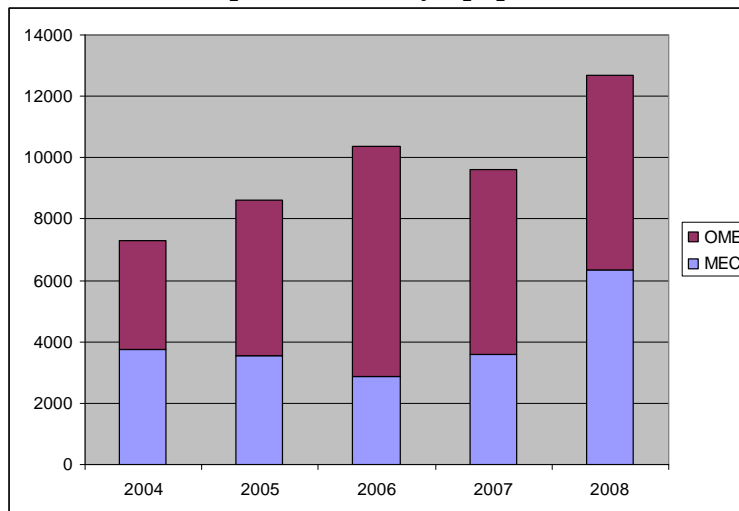


Table 3. Actual exports of military equipment in 2004-2008 compared with total exports of goods

Year	Sweden's total exports of goods (current prices) SEKm	Exports of military equipment						
		Share of total exports, %	Current prices, SEK million			Change in %		
			Total	MEC	OME	Total	MEC	OME
2004	904,000	0.81	7,291	3,740	3,551	+12	+22	+4
2005	972,900	0.88	8,628	3,533	5,095	+18	-5	+43
2006	1,087,000	0.95	10,372	2,877	7,495	+20	-18	+47
2007	1,141,400	0.84	9,604	3,609	5,995	-7	+25	-20
2008	1,195,300	1.06	12,698	6,326	6,372	+32	+75	+6

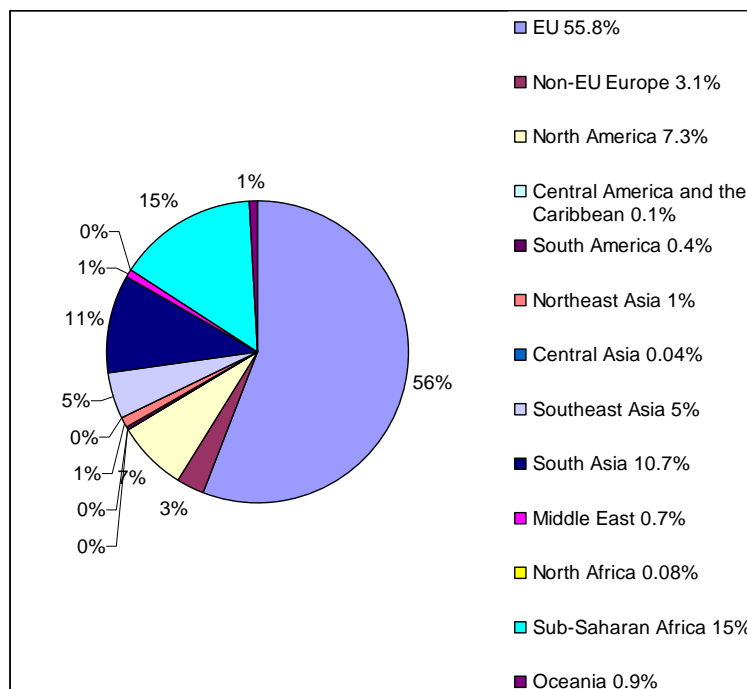
Table 4. Actual exports of military equipment in 2004-2008 (SEK m)**Table 5. Export licences and actual exports in 2008 by recipient country and product category (SEK m)**

Amounts in SEK m

Region / country	Licences granted			Actual exports	
	No. of licences granted	Main category for which export licences were granted (EU military list) *	Value of licensed items, SEKm	Main category of exported equipment (EU military list)	Export value, SEKm
EU	354		2 208		7 091
Belgium	6	3, 6, 8	11	3, 5, 6, 8	18,3
Bulgaria	1	8	0,3	3, 8	1,2
Denmark	34	1, 2, 3, 5, 6, 8, 14, 21	224,7	1, 2, 3, 5, 6, 9, 10, 14, 21	1 767
Estonia	8	1, 3, 5, 14	61,9	1, 3, 5	28,9
Finland	51	1, 2, 3, 4, 5, 6, 8, 10, 13, 14, 18	776,2	1, 2, 3, 4, 5, 6, 8, 10, 13, 14, 18	406,2
France	24	1, 3, 5, 8, 15	85,4	1, 3, 5, 8, 10, 15, 21	546,4
Greece	4	3, 8	2	5, 6, 8	1 071
Ireland	-	-	-	3	4,9
Italy	22	1, 3, 4, 5, 8, 10, 15	82,9	1, 3, 5, 6, 8, 10, 15	212,6
Latvia	17	1, 2, 3, 4, 5, 14	42,9	1, 2, 3, 5, 14	32,4
Lithuania	6	2, 3, 14	57,9	2, 3, 14	40,3
Luxembourg	1	3	0,04	-	-
Malta	1	1	0,03	-	-
Netherlands	17	1, 3, 5, 6, 8, 14	16,9	1, 3, 5, 6, 8, 10, 14	1 817,4
New Caledonia (F)	-	-	-	3	0,2
Poland	21	1, 2, 3, 4, 5, 8, 14, 18, 21	168,7	1, 2, 3, 4, 5, 8	33
Portugal	3	2	0,5	2, 3	1
Romania	5	3, 5	2,7	3, 5	0,8
Slovakia	8	3, 5, 8, 13	8,1	3, 8	5,5
Slovenia	5	1, 5, 14	6,3	1, 3, 5, 14	4,3
Spain	11	3, 5, 6, 8, 10, 13	314,4	3, 4, 5, 6, 8, 10, 13	81,2
United Kingdom	36	1, 2, 3, 5, 8, 9, 10, 11, 14, 18	207,3	1, 2, 3, 4, 5, 6, 8, 9, 10, 14, 15, 18	422,5
Czech Republic	12	2, 3, 8, 14	8,9	2, 3, 5, 8, 10, 14	9,8
Germany	43	2, 3, 4, 5, 6, 7, 8, 10, 11, 13, 14, 18	106	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 18	572,4
Hungary	6	3, 5, 8	9,3	3, 5, 8	3,4
Austria	12	1, 3, 6, 8	13,4	1, 2, 3, 4, 6, 9, 10	10,3
Non-EU Europe	74		369		397,1

Region / country	Licences granted			Actual exports	
	No. of licences granted	Main category for which export licences were granted (EU military list) *	Value of licensed items, SEKm	Main category of exported equipment (EU military list)	Export value, SEKm
Iceland	1	3	0,2	3	0,3
Croatia	3	4, 5	7,5	3, 4, 5	8
Norway	41	1, 2, 3, 5, 6, 8, 9, 10, 14	155,3	1, 2, 3, 5, 6, 8, 9, 10, 13, 14	316,2
Russia	5	3	28,8	1, 3	13,1
Switzerland	18	1, 3, 5, 8, 13	163,4	1, 3, 5, 6	55
Turkey	1	8	0,3	3, 8	3,5
Ukraine	5	1, 3	13,2	3	1
North America	71		658		926,6
Canada	10	1, 2, 3, 5, 8, 18	38,2	2, 3, 5, 8	106
USA	61	1, 2, 3, 4, 5, 6, 8, 13, 14, 21	619,3	1, 2, 3, 4, 5, 6, 8, 10, 13, 14, 21	820,6
Central America and the Caribbean	6		24		13,1
Mexico	3	2, 18	23,5	5, 9	12,9
Trinidad and Tobago	3	1	0,4	1	0,2
South America	7		21		48
Brazil	3	2, 5	2,1	2, 5, 8	14,4
Chile	4	5, 8, 14	19	2, 3, 5, 8, 14	33,6
North-east Asia	26		619		127,6
Hongkong, China	1	1	0,04	1, 5	0,08
Japan	19	1, 2, 3, 4, 5, 8, 14, 18	24,6	2, 3, 4, 8, 14, 18	19
Republic of Korea	6	5, 8, 18, 21	594	5, 8, 18	108,5
Central Asia	-	-	-		0,5
Kazakstan	-	-	-	3	0,5
South-east Asia	66		4 042		629,2
Brunei	1	3	0,06	3	0,03
Indonesia	2	4	17,8	4	2,6
Malaysia	30	1, 2, 4, 5, 14, 15, 18, 21	139,4	1, 2, 5, 18, 21	12,2
Singapore	17	1, 3, 4, 5, 8, 13, 18	133	4, 5, 8, 9, 13, 21	601,8
Thailand	16	2, 4, 10, 14, 15, 21	3.752	2, 4, 5, 14	12,6
South Asia	25		1 300		1 352,6
India	20	1, 2, 5, 18	902,6	2, 5, 18, 21	506,2
Pakistan	5	4, 5, 18	397,8	4, 5, 10, 21	846,4
Middle East	16		32		90,6
Bahrain	1	2	0,8	2, 5, 10, 18, 21	12,3
Egypt	1	5	6,8	-	-
United Arab Emirates	5	1, 3, 5	2,5	1, 3, 5	47,8
Jordan	1	5	0,5	5	0,5
Kuwait	2	1	2,7	5	2,2
Oman	3	1, 3	0,2	5	0,8
Saudi Arabia	3	1, 15	18,5	1, 5, 14, 15	27
North Africa	4		41		1
Algeria	1	6	39,5	-	-
Tunisia	3	1, 5, 8,	1	8	1
Sub-saharan	7		10		1 902,7
Namibia	1	3	1	3	0,6
South Africa	5	3, 8, 15	5,8	3, 5, 8, 10, 15, 21	1 901
Tanzania	1	3	3	3	1,1
Oceania	29		280		117,9
Australia	25	2, 3, 4, 5, 8, 14, 15, 18, 21	278,3	2, 3, 4, 5, 8, 9, 14, 18, 21	114
New Zealand	4	1, 3, 5	1,3	1, 2, 3, 5	3,9
TOTAL	685		9 604		12 698

* A comparison between the EU's military list and the Swedish military list is given in Table 19. The Swedish military list is given in Annex 5.

Table 6. Exports of military equipment, broken down by regions as a percentage of their value, 2008**Table 7. Exports of military equipment 2006-2008 by recipient country and broken down into military equipment for combat purposes (MEC) and other military equipment (OME)**

Amounts in SEK m

Region / country	2006			2007			2008		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
EU	1 559	2 776	4 335	2 589,3	2 101,6	4 690,9	3 596,2	3 494,8	7 091
Belgium	0,2	2,3	2,5	2,7	1,8	4,5	14,3	4	18,3
Bulgaria			Se Övriga Europa	0,1	0,5	0,6	0,3	0,9	1,2
Cyprus	-	0,005	0,005	-	-	-	-	-	-
Denmark	42,5	52,9	95,4	476,4	271,5	747,9	1 360,2	406,8	1 767
Estonia	6,2	3,3	9,5	0,1	1,5	1,6	26,5	2,4	28,9
Finland	491,1	436,0	927,1	524,3	182	706,3	135,6	270,6	406,2
France	240,2	499,2	739,4	145,8	197,5	343,3	13,3	533,1	546,4
Greece	1,9	87,1	89,0	-	82,2	82,2	2	1 069	1 071
Ireland	0,4	4,8	5,2	-	39,4	39,4	-	4,9	4,9
Italy	1,9	192,4	194,3	0,008	237,5	237,5	1,1	211,5	212,6
Latvia	0,02	35,6	35,6	124,6	28,2	152,8	6,4	26	32,4
Lithuania	0,02	1,7	1,7	0,02	1	1	13,7	26,6	40,3
Malta	-	-	-	-	0,02	0,02	-	-	-
Netherlands	400,1	618,6	1 018,7	976,2	167,2	1 143,4	1 753,5	63,9	1 817,4
New Caledonia	-	0,2	0,2	-	0,3	0,3	-	0,2	0,2
Poland	2,8	53,9	56,7	8,5	1,3	9,8	27,3	5,7	33
Portugal	5,9	1,2	7,1	0,5	1,2	1,7	-	1	1
Romania			Se Övriga Europa	0,04	0,2	0,2	0,2	0,6	0,8
Slovakia	0,2	0,3	0,5	1,3	0,8	2,2	4,6	0,9	5,5
Slovenia	0,01	0,9	0,9	1,1	18,2	19,3	0,9	3,4	4,3
Spain	0,3	11,5	11,8	0,8	15,7	16,5	61	20,2	81,2

Region / country	2006			2007			2008		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
United Kingdom	48,3	107,8	156,1	67,5	195,8	263,3	163,2	259,3	422,5
Czech Republic	262,2	2,9	265,1	229,2	1,8	231	5,9	3,9	9,8
Germany	53,9	650,8	704,7	29,3	640,5	669,8	4,8	567,6	572,4
Hungary	0,4	2,2	2,6	0,6	1,5	2,1	0,8	2,6	3,4
Austria	0,7	10,5	11,2	0,2	14	14,2	0,6	9,7	10,3
Non-EU Europe	242	184	426	175,3	169,2	344,5	249,6	147,5	397,1
Bulgaria	-	0,5	0,5			Se EU			Se EU
Iceland	0,03	0,2	0,2	0,01	0,2	0,2	0,01	0,3	0,3
Croatia	0,03	0,3	0,3	0,1	0,2	0,3	0,006	8	8
Norway	242,1	95,8	337,9	174,7	135,4	310,1	245,1	71,1	316,2
Romania	-	0,3	0,3			Se EU			Se EU
Russia	-	3,1	3,1	-	7,9	7,9	-	13,1	13,1
Switzerland	0,1	82,9	83,0	0,2	24,4	24,6	2	53	55
Turkey	-	-	-	0,3	0,6	0,9	2,5	1	3,5
Ukraine	-	0,4	0,4	-	0,5	0,5	-	1	1
North America	617	453	1 070	589,2	436,7	1 025,9	540,5	386,1	926,6
USA	597,9	355,2	953,1	566,3	292,2	858,5	526,2	294,4	820,6
Canada	19,0	97,6	116,6	22,9	144,5	167,4	14,3	91,7	106
Central America and Caribbean	0,6	-	0,6	1,2	21,3	22,5	-	13,1	13,1
Mexico	0,6	-	0,6	1,2	21,3	22,5	-	12,9	12,9
Trinidad and Tobago	-	-	-	-	-	-	-	0,2	0,2
South America	9,7	9,7	19,4	28,6	14	42,6	24,3	23,7	48
Brazil	2,5	9,0	11,5	-	14	14	1	13,4	14,4
Chile	7,2	0,7	7,9	-	0,07	0,07	23,3	10,3	33,6
Venezuela	-	-	-	28,6	-	28,6	-	-	-
North-east Asia	95,2	10,2	105,4	26,3	152,7	179	13,6	114	127,6
Hongkong, China	-	0,006	0,006	-	0,02	0,02	-	0,08	0,08
Japan	13,8	8,1	21,9	16	91,9	107,9	13	6	19
Republic of Korea	81,5	2,1	83,6	10,3	60,8	71,1	0,6	107,9	108,5
Central Asia	-	0,2	0,2	-	0,2	0,2	-	0,5	0,5
Kazakhstan	-	0,2	0,2	-	0,2	0,2	-	0,5	0,5
South-east Asia	98,9	470,3	569,2	13	656	669	9,7	619,5	629,2
Brunei	-	0,005	0,005	-	-	-	-	0,03	0,03
Indonesia	-	3,8	3,8	-	1,3	1,3	-	2,6	2,6
Malaysia	-	16,1	16,1	11,6	12,8	24,4	-	12,2	12,2
Singapore	80,7	440,8	521,5	1,4	638,3	639,7	9,7	592,1	601,8
Thailand	18,2	9,6	27,8	-	3,6	3,6	-	12,6	12,6
South Asia	-	1 567,5	1 567,5	-	989,7	989,7	-	1 352,6	1 352,6
India	-	366,0	366,0	-	310,5	310,5	-	506,2	506,2
Pakistan	-	1 201,5	1 201,5	-	679,2	679,2	-	846,4	846,4
Middle East	0,005	51,6	51,6	-	17,1	17,1	1,7	88,9	90,6
Bahrain	-	0,7	0,7	-	1,0	1,0	0,8	11,5	12,3
Egypt	-	12,2	12,2	-	0,01	0,01	-	-	-
United Arab Emirates	0,005	3,2	3,2	-	5,1	5,1	-	47,8	47,8
Jordan	-	-	-	-	-	-	-	0,5	0,5
Kuwait	-	-	-	-	-	-	-	2,2	2,2
Oman	-	32,6	32,6	-	0,8	0,8	-	0,8	0,8
Saudi Arabia	-	2,9	2,9	-	10,2	10,2	0,9	26,1	27
North Africa	-	2,5	2,5	-	-	-	1	-	1
Tunisia	-	2,5	2,5	-	-	-	1	-	1
Africa, Sub-saharan	1,3	1 862	1 863	1,7	1 331,9	1 333,6	1 865	37,7	1 902,7
Mauritius	-	0,06	0,06	-	0,01	0,01	-	-	-
Namibia	-	0,6	0,6	-	0,1	0,1	-	0,6	0,6
South Africa	1,3	1 861	1 862	1,7	1 331,8	1 333,5	1 865	36	1 901
Tanzania	-	-	-	-	-	-	-	1,1	1,1
Oceania	253,1	108,2	361,3	184,7	104,8	289,5	24,5	93,4	117,9
Australia	249,6	104,3	353,9	184,3	104,5	288,8	20,8	93,2	114
New Zealand	3,5	3,9	7,4	0,4	0,3	0,7	3,7	0,2	3,9
TOTAL	2 877	7 495	10 372	3 609,3	5 995,2	9 604,5	6 326	6 372	12 698

Table 8. Follow-on deliveries in 2008

Country	No. of licences	Of which, follow-on licences	Of which, new licences
Algeria	1		1
Bahrain	1	1	
Brunei	1	1	
Egypt	1		1
United Arab Emirates	5	5	
Hongkong, China	1	1	
India	20	20	
Indonesia	2	2	
Jordan	1		1
Kuwait	2	2	
Oman	3	3	
Pakistan	5	5	
Saudi Arabia	3	3	
Tanzania	1		1
Thailand	16	15	1
Trinidad and Tobago	3	2	1
Tunisia	3	2	1

Table 9. Licences for manufacturing rights issued to foreign companies in 2008

Country	Company	General scope
Finland	Saab Barracuda AB	Company products
Republic of Korea	Saab AB, Saab Microwave Systems	Artillery-locating radar ARTHUR
Pakistan	Saab AB, Saab Aerotech	Saab MFI 17 aircraft (extension)

Table 10. Partnership agreements with foreign companies approved in 2008

Country	Company	General scope
Singapore	Swedish Defence Research Agency	Energetic materials
Finland/France	Saab AB, Saab Aerosystems	Helicopter 14 training facility
USA	Swedish Defence Research Agency	Energetic materials
USA	Saab AB, Saab Microwave Systems	GIRAFFE AMB surveillance radar
USA	Swedish Defence Research Agency	Sensor technology
USA	Swedish Defence Research Agency	Energetic materials
South Africa/United Kingdom	Saab AB, Saab Avitronics	Electronic warfare databases

Table 11. Value of actual exports during 2007-2008 by product category (SEK m)

Military equipment for combat (MEC)		2007	2008	Other military equipment (OME)		2007	2008
Swedish military list	EU military list			Swedish military list	EU military list		
MEC1	1	-	-	OME21	1	11,1	20,1
MEC2	2	306,6	152,7	OME22	2	340,4	547,6
MEC3	3	585	808,4	OME23	3	499,4	493,2
MEC4	4	330	99,7	OME24	4	345	420,4
MEC5	5	417,3	135,9	OME25	5	780	1 878,2
MEC6	7	0,1	0,4	OME26	13	1,6	44,3
MEC7	8	141	186,7	OME27	8	0,3	0,4
MEC8	9	66	12	OME28	9	647,4	592
MEC9	10	-	1 860,7	OME29	10	2 155	1 232,1
MEC10	6	1 763	3 069,2	OME30	6, 17	836	809,6
MEC11	19	-	-	OME31	19	-	-
				OME32	13	-	-
				OME33	15	88,8	93,3
				OME34	15	1,1	-
				OME35	14	244,3	182,6
				OME36	18, 22	21,4	34
				OME37	21	23,2	24,4
Total MEC		3 609	6 326	Total OME		5 995	6 372

Table 12. Swedish exports of small arms and light weapons in 2008 (as defined in the UN Register of Conventional Arms¹)

Category according to UN Register	
Small arms	
1. Revolvers and automatic pistols	No exports
2. Rifles and carbines	No exports
3. Sub-machine guns	No exports
4. Assault rifles	No exports
5. Light machine guns	No exports
6. Other During 2008 ammunition, components for ammunition, attachments for sights, etc. have been exported for a total value of over SEK 617,000,000 to the following states: Australia, Belgium, Brunei, Bulgaria, Canada, Denmark, Estonia, Finland, France, United Arab Emirates, Iceland, Italy, Japan, Kazakhstan, China (Hong Kong), Croatia, Latvia, Lithuania, Malaysia, Namibia, Netherlands, Norway, New Caledonia, New Zealand, Poland, Portugal, Rumania, Russia, Saudi Arabia, Switzerland, Slovenia, Slovakia, United Kingdom, Spain, South Africa, Tanzania, Czech Republic, Turkey, Germany, Ukraine, Hungary, US and Austria. Leverans har även skett till NAMSA (Luxemburg)	

Country	Product	Export licence	Amount in SEK 000s
Light weapons			
1. Heavy machine guns (12,7 mm)			
Norway	Ammunition 12,7 mm	2	2 708
Total		2	2 708
2. Grenade attachments for mounting on weapons (40 mm grenade attachment)			
Australia	Ammunition - parts	1	99
France	Ammunition - parts	1	1
Total		2	100
3. Portable anti-tank guns		No exports	
4. Recoilless weapons (medium anti-tank weapon systems)			
Australia	Ammunition, spare parts etc.	5	48 741
Canada	Ammunition, spare parts etc.	6	82 740
Chile	Ammunition	1	12 934
Denmark	Ammunition, spare parts etc.	4	104 971
Estonia	Ammunition etc.	1	27 792
India	Components	1	271 378
Ireland	Ammunition	1	4 935
Japan	Spare parts, components etc.	6	4 078
Latvia	Ammunition, training equipment etc.	3	22 532
Litauen	Ammunition, training equipment etc.	2	32 745
Netherlands	Ammunition etc	1	45
Norway	Spare parts etc.	2	51
New Zealand	Spare parts etc.	2	3 743
Poland	Ammunition etc.	1	14 194
Czech Republic	Medium anti-tank weapons, ammunition, training equipment etc.	3	5 639
US	Ammunition, training equipment etc.	9	157 323
Austria	Spare parts etc.	1	23
Total		49	793 864

5. Portable anti-tank weapons			
Bahrain	Anti-tank grenade launchers	1	814
Denmark	Spare parts	1	59
Latvia	Anti-tank grenade launchers, training equipment	2	7,540
Lithuania	Anti-tank grenade launchers	1	5,898
Poland	Anti-tank grenade launchers	1	8,400
US	Anti-tank grenade launchers	5	137,508
Ireland	Components (NLAW)	5	731
Norway	Components (M72)	3	2,177
United Kingdom	Components (NLAW)	1	630
	Spare parts (RBS 56)	1	123
Total		21	163,880
6. Grenade launchers with a calibre of less than 75 mm		No exports	
7. Other (hand grenades)			
Norway	Smoke grenade	2	23
Total		2	23

¹ This information has been obtained manually from the delivery declarations which companies are obliged to provide to the ISP.

Table 13. Decisions on approved re-export of Swedish military equipment

During 2008, the ISP received the following applications for re-export of Swedish military equipment, which have all been approved.

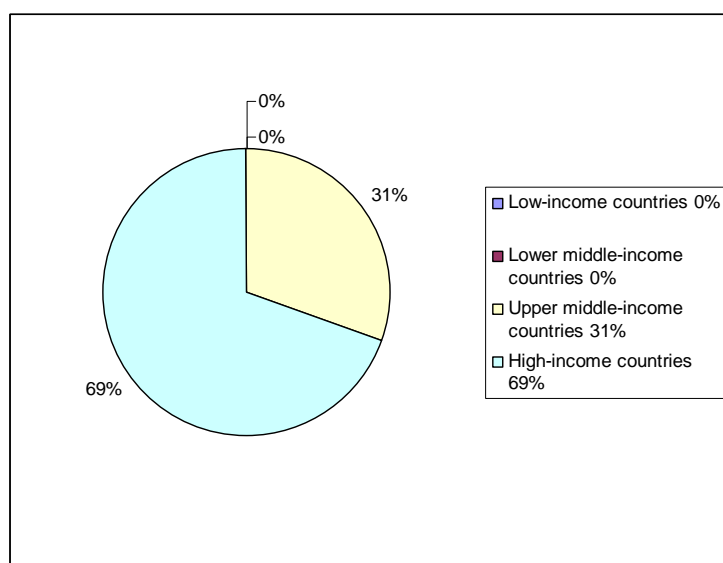
Application from	Relates to equipment	Destination
Norway	GIRAFFE surveillance radar (OME25)	Sweden
Norway	RBS70 anti-aircraft missile system (MEC4) and GIRAFFE surveillance radar (OME25)	Ireland
Finland	9LV Electronics system (MEC5), RBS15 air-to-surface missile system (MEC5), Bofors shipboard air-defence gun (MEC2) and Philax marine countermeasure system (OME33)	Croatia
Norway	Scania heavy vehicles (OME30)	Netherlands
Latvia	Small calibre ammunition (MEC3)	Other central government agency in the country

Table 14. Swedish export in 2008 of MANPADS (Man-Portable Air Defence Systems) as defined in the UN Register of Conventional Arms

Land	Materiel i stort	Utförseltillstånd	Värde tkr
Australia	Spare parts, materiel etc,	3	12 071
Finland	Firing units, robots, Spare parts etc.	5	154 217
Indonesia	Spare parts etc.	1	770
Pakistan	Spare parts etc.	1	26 346
Singapore	Spare parts etc.	2	1 360
Thailand	Spare parts etc.	2	201
Total		14	194 965

Table 15. Export of military equipment in 2008 broken down by country according to income²

Export of military equipment for combat (MEC)



²Country groupings are based on the World Bank's country classification by economic status. A complete list of country groupings can be found at the website www.worldbank.org. The countries that Sweden exports military equipment to or has granted an export licence to in 2008 comply with the grouping: **High-income countries:** Australia, New Zealand, Saudi Arabia, United Arab Emirates, Bahrain, Singapore, Republic of Korea, Japan, Hong Kong, Canada, USA, Norway, Iceland, Austria, Germany, United Kingdom, Spain, Slovenia, Portugal, New Caledonia (FR), Netherlands, Italy, Ireland, Greece, France, Finland, Denmark, Belgium, Estonia, Malta, Switzerland, Oman, Hungary, Czech Republic, Slovakia. **Upper middle-income countries:** Mauritius, South Africa, Malaysia, Chile, Mexico, Russia, Romania, Croatia, Poland, Lithuania, Latvia, Bulgaria, Brazil, Turkey, Venezuela, Kazakhstan, Brunei, Kuwait, Trinidad/Tobago. **Lower middle-income countries:** Namibia, Egypt, Thailand, Indonesia, Ukraine, India, Jordan, Tunisia. **Low-income countries:** Pakistan, Tanzania.

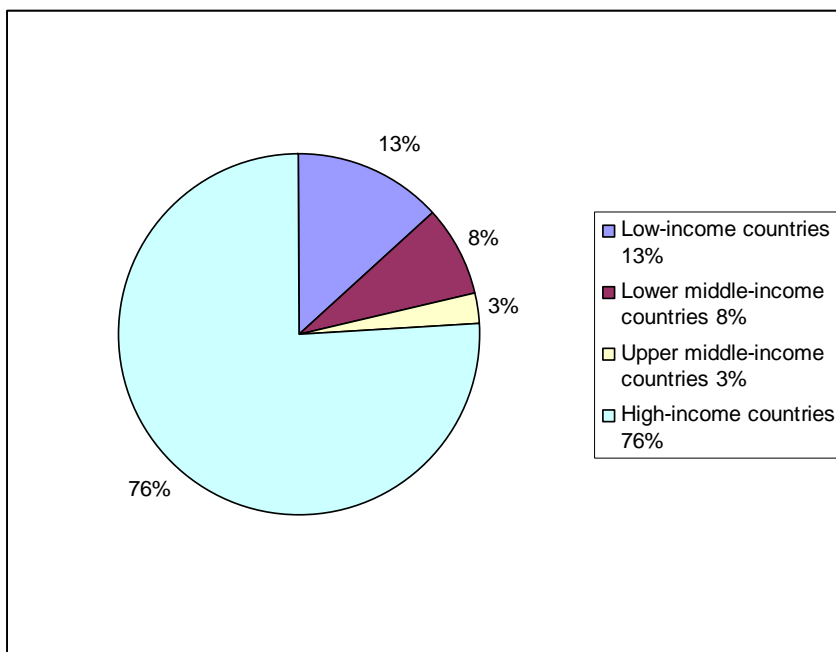
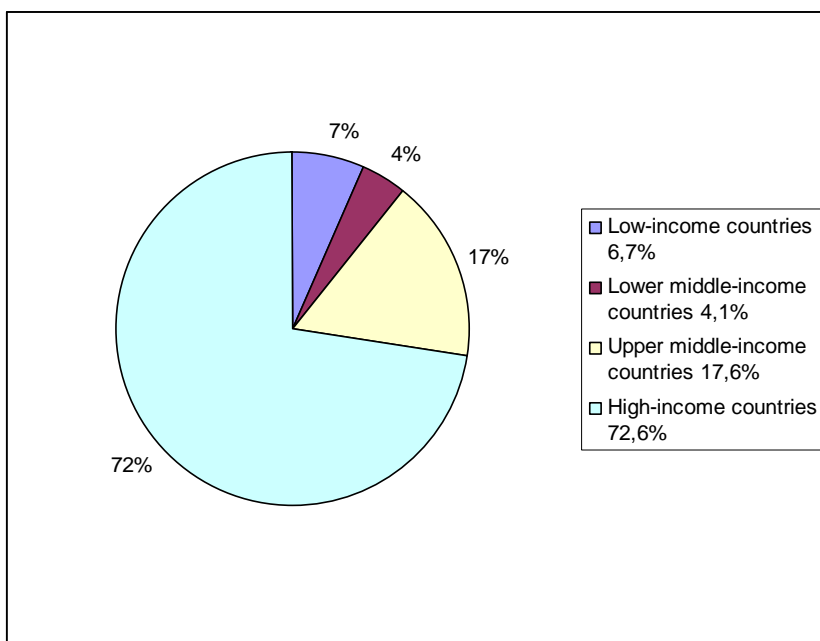
Table 16. Export of other military equipment (OME)**Table 17. Total export**

Table 18. Exporting companies in 2008**Companies with exports exceeding SEK 10 million, in SEK million**

Company	MEC	OME	Total
BAE Systems Hägglunds AB	3 072	744	3 816
Saab AB, Saab Aerosystems	1 861	499	2 360
Saab AB, Saab Microwave Systems	60	1 346	1 406
Saab Bofors Dynamics AB	500	763	1 263
Saab AB, Saab Surveillance Systems	-	813	813
Kockums AB	12	575	587
Vanäsverken AB	412	1	413
BAE Systems Bofors AB	163	245	408
FFV Ordnance AB	-	271	271
Saab AB, Saab Systems	36	198	234
BAE Systems SWS Defence AB	-	226	226
Norma Precision AB	10	166	176
EURENCO Bofors AB	170	0,4	170
Saab AB, Saab Avitronics	-	122	122
Saab Training Systems AB	-	105	105
Saab AB, Saab Aerotech	-	43	43
Örnalp Unozon AB	-	35	35
Volvo Aero AB	-	34	34
Polyamp AB	-	24	24
Scania CV AB	-	22	22
Aimpoint AB	2	19	21
Saab Underwater Systems AB	9	10	19
Saab Barracuda AB	-	17	17
Nammo Vingåkersverken AB	15	0,02	15
Botnia Production AB	-	12	12
N. Sundin Dockstavarvet AB	-	12	12
Nammo LIAB AB	-	11	11

The following companies exported for between SEK 1 million and SEK 10 million in 2008

Exensor Technology AB, Scanjack AB, PartnerTech Karlskoga AB, Patria Helicopters AB, Airsafe Sweden AB, New Pac Safety AB, Åkers Krutbruk Protection AB, Applied Composites AB, Befyraem Technologies AB (B4M), MSE Weibull AB, Schill Reglerteknik AB, FLIR Systems AB, Filtrator Värme & Vent AB, CNC-Process i Hova AB.

A number of companies exported for less than SEK 1 million in 2008

INM Mekaniska AB, Loxitec AB, Taiga AB, Ekenäs Mekaniska AB, Waltreco AB, Norabel Ignition Systems AB, Vallrud Vision Sweden AB, FX Airguns AB, Sundström Safety AB, Degerfors Formnings AB (Deform), Comtri Produktion AB, Trelleborg Sigma AB, Bofors BEPAB AB, Trelleborg Protective Products AB, Comtri AB.

Table 19. Categories of defence-related products – the EU and Swedish lists; an approximate comparison

EU military list	Swedish military list (MEC)	Swedish military list (OME)	General scope of arms category
1	1	21	Small-calibre barrel weapons
2	2	22	Howitzers, grenade launchers, anti-tank weapons
3	3	23	Ammunition
4	4	24	Missiles, rockets, torpedoes, bombs
5	5	25a-b,d	Firing control equipment
6	10	30a-c,e	Combat vehicles, ground vehicles
7	6	26a (part),b	NBC weapons
8	7	27	Gunpowder and explosives
9	8	28	Warships, submarines, surveillance vessels
10	9	29	Combat aircraft, other aircraft designed for military use
11	part of MEC4,10,	33 OME28,29	Other electronic equipment
12			High-speed weapons with kinetic energy
13		26a (part), c-d	Armour or protective equipment
14		35	Training equipment
15		33.34	Photographic and countermeasure equipment
16			Forged pieces, castings, unprocessed products
17		25c, 30d	Other equipment and materials
18		36a-b	Manufacturing equipment
19	11	31	Directed energy weapon system
20			Cryogenic and superconductor equipment
21		37	Software
22		36c	Technology
-		32	Fortifications
	Appendix	C	List of products/substances subject to declaration requirement in accordance with § 25 C weapons

Annex 2 The Swedish Inspectorate of Strategic Products on significant trends in Swedish and international export control

The following text is a contribution from the ISP (Swedish Inspectorate of Strategic Products), where the agency presents its view on important trends in Swedish and international export controls during 2008.

The ISP's vision: A responsible control of strategic products – our contribution to a safer world

In tandem with the climate issue, the proliferation of weapons of mass destruction (WMD) appears as a major global threat. It is important that Swedish industry and research institutions do not unconsciously or deliberately contribute to this proliferation by export of dual-use products (DUP) and technologies to states or non-state actors with WMD ambitions. Likewise, it is important that the products of the Swedish defence industry do not end up in countries that may use them for aggressive purposes or to oppress their own population.

The task of the ISP, the Inspectorate of Strategic Products, is to manage Swedish export control. This should be carried out in an efficient and responsible manner. At the same time as export control is to prevent proliferation of WMD and Swedish military equipment falling into the wrong hands, it is important that this control does not become a barrier to academic contacts, legal trade or legitimate bilateral or multilateral cooperation projects in the sphere of military equipment.

The following section presents the most important trends in Swedish and international export control with respect to dual-use products and military equipment and the ISP's role.

Dual-use Products (PDA)

Background

Export control of dual-use products – civilian products with a military use – is in principle managed in two ways: based on the product or on the end use. A product-specific approach means working with lists of products considered to have an important military significance. For Swedish export control, this is based on the list in Annex 1 to the European Council Regulation (EC) 1334/2000. This list includes all agreements that exist regarding control of products within the Wassenaar Arrangement (WA), the Missile Technology Control Regime (MTCR), the Nuclear Suppliers' Group (NSG), the Australia Group (AG) and the Chemical Weapons Convention (CWC).

Taking end use as the basis means that it is known or suspected that there are military projects in the recipient country to which Sweden does not wish to contribute. To manage this control, the ISP and the collaborating agencies must acquire knowledge of the businesses, organisations and individuals that serve as channels for procurement for the undesirable end use. In accordance with the above-mentioned EC Regulation, the ISP is able to place unlisted dual-use items under control to a defined recipient if it is suspected that the product may be used in a weapons of mass destruction programme ("catch-all").

In order to manage export control efficiently, close collaboration between the ISP, the Swedish Customs, Swedish Security Service (SÄPO), MUST, FRA and FOI is of key importance and this collaboration must be continuously further developed. The focus is on both products and the end use. This cooperation is a key prerequisite for efficient and responsible use of the "catch-all" instrument as

above. The ISP has produced a process and an evaluation model for “catch-all” cases with a view to further quality assurance of this type of cases.

In recent years, the ISP has developed the forms for global licences. Global licences are broad licences granted to companies with a well-developed internal control programme. Thanks to the use of global licences, resources are freed at the ISP for the more complex licensing issues at the same time as it enables efficient use of resources at the exporting companies. A continued high quality of export control is ensured through the supervision of the companies’ internal control programmes by the ISP.

The current situation

The number of enquiries about the suitability or not of a particular export (advance ruling) has increased sharply in recent years. This is a consequence of increased awareness due to the UN resolutions adopted in recent years; Resolution 1540, which requires all member countries to control products associated with weapons of mass destruction and missiles and a number of resolutions aimed at Iran’s and North Korea’s nuclear and missile programmes respectively. These resolutions are partly based on product lists although it is the emphasis placed on end use control which is of greater interest for the future.

In the light of this, the ISP, as the competent authority, was assigned by the government, in July 2007³, the task of managing certain restrictive measures against the Democratic People’s Republic of Korea, Burma, Liberia and Somalia. All of these are subject to UN sanctions except Burma, which is subject to EU sanctions. These new tasks concern technical or financial assistance relating to certain activities. Product control has been expanded, financing has been placed under control and the organisations, companies and persons with whom it is prohibited to do business have been listed.

The UN sanctions against Iran are based on suspicions that Iran is building up a capacity to develop nuclear weapons and weapon carriers for nuclear weapon systems. The ISP had already previously a very restrictive attitude with respect to exports of sensitive products to Iran, although the two UN resolutions and EC Regulation 423/2007 contributed to putting additional focus on Sweden’s economic contacts with Iran. The sanctions thus introduced are targeted on persons, units and bodies that are directly linked to or support Iran’s nuclear activities or development of systems of weapon carriers. It is prohibited to trade with them and their assets and financial resources are frozen. It is also prohibited to export to Iran products and technology included in the NSG’s and MTCR’s lists. In addition to this, there are now licensing requirements for certain products and technologies that have not previously been subject to licence, and licensing requirements for technical assistance and appurtenant financial support. In 2008, the restrictions grew more extensive, entailing additional products being made subject to control, and trading bans and/or restrictions being imposed on additional individuals, entities and banks in Iran.

On the basis of UN Resolution 1540, work is in process within the EU to update Regulation 1334/2000. Requirements are made here on introduction of control of transit, transshipment and brokering. Regardless of the further treatment of the UN resolution by the EU, the Swedish legislation should be reviewed to enable central elements of this to be incorporated into the Swedish regulatory framework.

³ Through government decision of 12 July 2007, UD2007/24890/NIS

The future

The focus can be expected to remain on non-proliferation issues in the coming years. Product control will continue to serve as the basis for Swedish export control while the focus on end use control will increase. The following issues deserve to be particularly emphasised with regard to future export controls:

Product control

An increasing emphasis will be placed on industry's knowledge of its customers and how they may use the products sold. In this context, expanded responsibility will be required of the companies' internal export control programmes. In certain cases, an end user certificate may not be sufficient but the companies must provide guarantees that the exported products really will be used in the intended way at the designated facilities. This development is necessary because of the increasing complexity of cases. The ISP's role in this situation will be to make guideline decisions, to grant broad licences with frameworks for the activity and to provide training, information and support to those responsible for export control at the companies. One means of carrying out this work is to utilise and guide the companies' quality processes – e.g. ISO 9000 – and to monitor their control processes during inspection visits. This means that the ISP's already expanding supervisory activity will be even more extensive and important.

End use control

Enquiries about the suitability of a particular export to a particular end user and thus potential “*catch-all*” applications will increase. This increase is based on greater awareness of the problem of proliferation and the coordinated information provided to business and academic institutions by the Board of Customs, the Swedish Security Service (SÄPO) and the ISP.

Export controllers at exporting companies will have to work similarly to the Board of Customs, stopping and checking consignments. If they notice that a planned delivery deviates from the normal pattern in one way or another, they should stop it. The export controller can then seek assistance and possibly a decision from the ISP. Part of the companies' increased self-control is also that all staff should be aware of export controls and the risks of proliferation.

Product-end user-financing control

The EC's Iran Regulation 423/2007 considerably expands the products subject to control and prohibits direct business transactions or financial contacts with listed companies and persons. This model of export control involves a new approach, which can be expected to be applied to an increasing extent in the next few years. In 2008, the restrictions against Iran were reinforced and, depending on the outcome of the discussion overtures now being made, further restrictions may be appropriate.

Coordination between authorities

In 2008, the government assigned the ISP, alongside other relevant authorities, the task of developing proposals regarding coordination formats, including procedures for the exchange of information. These efforts were based on the national implementation of the Proliferation Security Initiative (PSI) – an international initiative to prevent the proliferation of sensitive products. The authorities' conclusions were reported to the Government Offices by the ISP at the end of the year and included a number of proposals for strengthened national coordination. In its report, the ISP stressed the importance of continuous coordination on non-proliferation issues. While it remains the responsibility of each authority to pursue these issues within the framework of their respective assignments, this must be done in close coordination. It was proposed that the ISP be assigned the responsibility of leading coordination on non-proliferation issues. A prerequisite for effective coordination is that the authorities concerned

have adequate resources to be able to work with these issues. The proposed new legislation on signals intelligence represents a serious threat to national efforts in this area.

Military equipment – exports and international cooperation

Background

Since the Military Equipment Act (1992:1300) came into force in 1993, the EU has been expanded from 12 to 27 member states. In the preparatory legal materials of the act, it is stated that foreign policy impediments were not considered to exist for export of military equipment to countries within the EU, the Nordic countries or to traditionally neutral countries in Europe. On this basis, the number of recipient countries for which there is a positive presumption on this basis, has more than doubled, which has naturally affected Swedish exports of military equipment. Exports have also been affected by the fact that product development increasingly involves international collaboration. It may be noted in this context that exports can vary sharply from year to year – both in terms of value and with respect to country distribution. The main explanation for this is that one single large export order can have a pronounced effect on the total export statistics in any one year.

Export of military equipment 2008

During 2008, the Swedish defence industry exported military equipment corresponding to a value of approximately SEK 12.7 billion, representing an increase of slightly more than 30 percent compared with 2007 (SEK 9.6 billion). Over the year, licences were issued for exports to 54 of the world's 241 countries. Licences for exports of hunting and sport shooting ammunition only were issued for a further seven countries to a value of SEK 16 million.

Exports to the EU – including Switzerland and Norway – amounted to approximately SEK 7.4 billion (59 percent of exports) compared with approximately SEK 5 billion (52 percent of exports) in 2007.

The largest recipients of Swedish military equipment in 2008 were South Africa (SEK 1.9 billion), the Netherlands (SEK 1.8 billion), Denmark (SEK 1.8 billion), Greece (SEK 1.1 billion), Pakistan (SEK 846 million) and the United States (SEK 800 million).

Exports to the Nordic countries Denmark, Finland and Norway amounted to slightly less than SEK 2.5 billion (approximately 20 percent) of the total value. Germany, France and the United Kingdom were also significant purchasers of Swedish military equipment in 2008.

The division between other military equipment (OME) and military equipment for combat (MEC) in 2008 was roughly 50/50. This is explained by the deliveries of Combat Vehicle 90 made to Denmark and the Netherlands during the year. The corresponding figures in 2007 were 38 percent MEC and 62 percent OME. It is worth noting in this context that exports of MEC-classified products went almost exclusively (97 percent) to established recipient countries within the EU and to South Africa (JAS Gripen), the United States and Australia.

With regard to the largest purchasing countries in Asia – Singapore, Pakistan and India – exports to Singapore primarily involved maintenance, upgrades and supplemental deliveries concerning naval products. In the case of Pakistan, exports involved the completion of Saab's contract for airborne reconnaissance radar (Erieye) and spare parts and supplemental deliveries concerning equipment delivered previously. For many years, India has taken delivery of spare parts, components and ammunition for military systems delivered previously. In this

context it can be noted that the ISP did not approve any new transactions with Pakistan in 2008 as a consequence of political developments there. However, existing agreements are being honoured and are dealt with in accordance with the guidelines for exports of military equipment.

As regards exports of light weapons, it may be noted that exports of the Carl Gustaf medium anti-tank weapon and AT 4 light anti-tank weapons totalled SEK 960 million during the year. The most important recipient countries were Australia, the United States, Canada, India and Denmark.

International collaboration

The Riksdag has established (Government Bill 2004/05:5 Our future defence) that Sweden's international equipment collaboration should be focused on the countries that can best meet our national needs for expertise in the future provision of equipment to the Swedish Armed Forces. The countries stated here were mainly the countries within the six-nation collaboration LoI/FA (France, Italy, Germany, Spain, the United Kingdom and Sweden), the United States and the Nordic countries. The importance of Nordic collaboration was further emphasised in the report prepared by the former Norwegian Foreign Minister Thorvald Stoltenberg and presented to the Nordic Ministers for Foreign Affairs on 9 February 2009. The national experts who participated in the process represented both the political majority and the opposition.

Within the framework of cooperation with these countries, Swedish part-systems and components are exported to industries for integration in military equipment systems for subsequent use in Sweden and in the collaborating country, but which may also come into question for export to a third country. Before export of a military equipment system of this kind takes place from a collaborating country, a joint assessment is made of suitable purchasing countries on the basis of legislation in Sweden and the collaborating country.

This trend is also in line with the discussions conducted and decisions made within the EU in 2008. Consequently,

- In the autumn, the Parliamentary Standing Committee on Defence (2008/09:FöU3) considered the European Commission's communication "A strategy for a stronger and more competitive defence industry in the EU". The Standing Committee states that a well functioning defence industry market represents an important component in meeting the shared undertakings in European security and defence policy. International collaboration on military equipment is also affected by the increasing multilateralisation of the defence industry and of the European cooperation efforts including the establishment of the European Defence Agency, the principal task of which is to seek to simplify and coordinate several countries' military equipment procurement. In the case of Sweden, all large Swedish defence industries are also wholly or partly owned by foreign interests.
- In December, the Commission resolved that the 1998 Code of Conduct, which had been politically binding, should in the future be binding under international law, forming a Common Position in the assessment of exports of defence equipment. The Common Position states that national legislation shall continue to form the basis for licensing. The Common Position agrees well with the Swedish guidelines. However, it is stated that international humanitarian law shall be observed in the assessment of export cases.
- In December, the European Parliament adopted a proposed directive prepared by a Council working party with the purpose of facilitating intra-community transfers of defence equipment. According to the proposal, three new types of

licenses would be introduced – global, general and individual. General licenses are to be used primarily in connection with sales to the defence forces of member states and to certified systems integrators within the EU. However, the application of the directive is to take place at the national level. The proposal is expected to enter force later this year.

A consequence of the increased collaboration in the sphere of military equipment is that export controls also need to be adapted to these circumstances. This takes place through regular consultation with the ISP's sister agencies, inter alia in the six-nation sphere (FA/LoI), within which a framework for global project licences (GPL) has been established. At present, work is being completed to introduce a new form of export licence mainly intended to facilitate the transfer of components between the defence industries in the collaborating countries.

Alongside the LoI collaboration, there is also an expanding collaboration within the Nordic sphere. Within the framework of the ongoing restructuring of the Swedish Armed Forces, consideration is being given to stronger Nordic collaboration both for unit production and collaboration on equipment. The ISP considers that the Nordic dimension will gradually become more and more important with respect to dealing with export control issues. It may be noted in this context that almost 20 per cent of the Swedish exports of military equipment in 2008 went to Denmark, Finland and Norway.

Cooperation with the United States continues within the framework of a special export control annex linked to the MoU that has existed for a number of years. Among other things, this agreement shall safeguard Swedish imports of advanced technology to meet the needs of the Swedish Armed Forces and the defence industry. A similar export control annex exists with South Africa intended to address the emerging collaboration between the Swedish and South African defence industries and enable the joint assessment of exports to third countries of jointly developed products.

Negotiations with Australia on a similar export control annex were concluded in 2008 and are expected to be signed during the first half of 2009. The need for additional bilateral export control agreements and agreements linked to "user clubs" will be assessed.

In 2008, a Swedish-led battle group (Nordic Battle Group, NBG) was on standby in the EU and consisted of participants from Sweden, Finland, Norway, Estonia and Ireland. In preparation for Swedish international efforts, the ISP has, following an application by the Swedish Armed Forces, issued an export permit allowing Swedish equipment to be used by the participating countries. This represents a new type of end-user conditions. The ISP has regulated end user issues in a corresponding way with NATO's logistic organisation NAMSA with regard to reacquisition of spare parts, etc. where deliveries may be made with NAMSA as intermediary to end users previously approved by ISP.

Development of customary practice

In accordance with the Military Equipment Act, licenses may be issued on grounds of defence or security policy. Since these areas of policy develop over time, practices have had to change to take this development into account. The trend towards equipment-specific considerations and the importance of international cooperation have been central. Practices have developed, in part, through decisions subject to government assessment and, in part, by it being possible to consult the Export Control Council regarding more complicated cases. The Export Control Council includes representatives for all parties represented in the Riksdag. Today, the council consists of 11 members, of which the Moderates

and the Social Democrats have three members each while the other parties have one member each.

In 2008, the Export Control Council met nine times. In total, 11 cases were considered. Two negative advance decisions were notified in these cases. Two cases were adjourned for further consideration. The other EU member states were informed of the negative decisions. The basis for the consideration of the cases has been the Swedish Military Equipment Act and the guidelines for exports of military equipment. Sweden's international cooperation in the area of military equipment has also been paid particular consideration. The Code of Conduct for Export of Military Equipment adopted by the EU in 1998 has also been taken into consideration.

The Export Control Council receives ongoing information regarding exports of military equipment to established recipient countries. At the same time, the Council is able to discuss new or less frequent recipient countries as well as export to countries where the political situation has fluctuated in such a way that there are special reasons to consider the prerequisites for export. This assessment considers in particular the extent to which the relevant equipment may be used for aggressive purposes, against the domestic population, as well as the extent to which new threats to Sweden's security have been identified.

When the Swedish Military Equipment Act came into force in 1993, the security concept was still shaped by the conceptual framework of the cold war. Subsequently, a more global perspective on security has developed, where natural disasters, terrorist attacks, piracy or international organised crime abroad may also be considered as having effects on Sweden. Drugs from abroad are sold on Swedish streets and school playgrounds. Natural disasters may have global overtones. The supply of energy may be disrupted or the distribution of food or other important goods if shipping is not operating normally.

An equipment-specific approach provides reason to consider how the type of surveillance system initially used only to analyse military situations could also be used for civilian purposes. Examples of products of this kind are sensors, radar equipment, both on land and at sea and systems for improved border monitoring. Swedish-manufactured surveillance systems our component naval systems, such as shipboard guns or naval command systems could thus contribute to counteracting piracy or terrorist attacks on shipping in the Strait of Malacca or the Strait of Hormuz. Furthermore, airborne reconnaissance radar (Erieye) could contribute to counteracting organised crime in northern Latin America.

Although it is possible, in this regard, to see new important areas of use for Swedish military equipment, which also lie within the framework of the broadened security policy perspective, it remains extremely important that the products of the Swedish defence industry do not end up in countries where they will be used for aggressive purposes or to oppress the domestic population.

To sum up, there can be expected to be a continued focus on and discussions about Swedish exports of military equipment. The Commission's proposal on "Intra Community Transfers" as well as the LoI and the Nordic collaboration are important building blocks for future export controls. These processes must lead to a simplified and non-bureaucratic collaboration between the European countries at the same time as they must not lead to a weakening of Swedish export control, which is rigorous in an international comparison. With regard to issues of non-proliferation, we can expect these to remain strongly in focus. Product controls will remain important but they will be complemented by increased end-user controls with regard to non-listed products. This imposes new

demands on the responsible authorities with regard to how they collaborate and communicate.

The ISP's vision, "*Responsible export control – our contribution to a safer world*", must not just remain a proud slogan but must also permeate Swedish export controls. In this context, it is important to carry on working with the aim of "making the simple simpler" in order to be able to better focus on the difficult cases. But the ISP cannot solve its tasks by itself without close cooperation with other relevant national authorities. Inadequate resources at the Swedish Customs and the proposed new legislation on signals intelligence risk becoming serious impediments to effective export control. Sweden has an international obligation to prevent the proliferation of WMDs and delivery systems. Fulfilling this task requires well functioning coordination between authorities and the availability of adequate resources for the assignment!

Annex 3 Swedish arms brokering

Swedish arms brokers

To tackle the problem of uncontrolled arms brokering, the European Council adopted the Common Position 2003/468/CFSP on control of arms brokering on 23 June 2003. According to this, the member states undertake to take necessary measures to control arms brokering within their territory. Under Article 5 of the Common Position, a system was stipulated for exchange of information between member states with respect to national legislation in this area, registered arms brokers, lists of brokers and denials of applications.

Licences of arms brokering takes place in accordance with the Military Equipment Act (1992:1300). During 2008, 32 companies were registered as suppliers (brokers) of military equipment.

Registered brokers during 2008

AB Arnheim, ACR Aviation Capacity Resources International AB, BAE Systems SWS Defence AB, Baltic Alloys AB, CA Monitor AB, Chematur Engineering AB, Compomill Nordic Components AB, Countermine Operations AB, Countermine Technologies AB, Dalasteel, Fastighetsaktiebolaget Stefan Persson, FFV Ordnance AB, Gripen International KB, Gripen International KB, Henry Wallenberg & Co AB, Interplan AB, LISCO Sweden AB, Millesvik Maskin & Trading AB, Milmac Sweden AB, MP-SEC International, MvP Enterprises, Naverviken Logistic AB, Norabel Ignition Systems AB, Renajs Scandinavia AB, Rybro International Limited, Scandinavian Aerospace & Industry AB, SOURIAU Sweden AB, SwETech AB, Södermanlands regementes museiförening, Trilog, Venatio AB och Åkers Krutbruk Protection AB.

Table 20. Approved individual brokering licences during 2008

Number	Value	ML categories ⁴	Countries
10 st	It is not always possible to state a value since this is not demanded by ISP	1, 2, 4, 5, 8	Denmark Finland France United Arab Emirates Jordan Netherlands Norway Poland United Kingdom Germany USA

⁴. Current equipment consists mainly of subcomponents, mainly to sub-contractors in cooperation projects.

Annex 4 Dual-use products

It is not possible to give a complete account of exports of dual-use products, similar to that provided for military equipment, since control of dual-use products is based on the freest possible trade with controls only when justified. In the most sensitive nuclear area, a large part of trade is to EU member states and all trade outside the EU is subject to licence. These rules are also applied to other particularly sensitive products and technologies. For other dual-use products and technologies (the predominant portion) licences are required only for trade with third countries. Export of other dual-use products to certain countries, such as the United States, are usually covered by general licences.

Trade in dual-use products within the EU is normally not subject to licence. However, licences are required for export to another EU member state of products and technologies as specified in Annex IV of EC Regulation 1334/2000.

General licences

There are two types of general licence. The general licence that applies in accordance with the EU regulatory framework (included in Annex II of EC Regulation 1334/2000) and a national Swedish general licence (included in the Board of Customs Code of Statutes TFS 2000:24 with appurtenant amendment TFS 2004:35).

The EU general licence (EU 001) applies to products in Annex 1 of EC Regulation 1334/2000. This licence applies for exports to Australia, USA, Japan, Canada, New Zealand, Norway and Switzerland

The national Swedish licence covers, as ISP has stipulated, a large number of products which are controlled in accordance with the Wassenaar Arrangement list and applies to 42 countries

The licence can be used for temporary export for repair or replacement, temporary export for demonstration and export after repair or demonstration that has taken place in Sweden.

The general licence applies without it being necessary to make an application. The exporter who intends to export a product which is covered by a licence to an approved country only needs to stipulate this in the export declaration.

This policy is being currently reviewed since all other EU member states require a company that uses general licences to be registered at the export control authority.

Catch-all rules are also used in cases where the exporter wishes to use a general licence. A general licence may not be used if the exporter has been notified by the Swedish authorities that the products in question may wholly or partly be intended for use in connection with, for instance, the development or proliferation of weapons of mass destruction under Article 4.1-3 of EC Regulation 1334/2000, or if the exporter in question knows that the products are intended for such use. (This is the '*catch-all*' clause). According to the same article in EC Regulation 1334/2000, special rules also apply in the event of there being an arms embargo against the recipient country.

Global licences

Global licences are company specific licences, which can apply to an unlimited quantity of defined products. The form of the global licences can differ according to the company's needs and the sensitivity of the products. Some licences only apply to one recipient, others for several countries and recipients. Global licences are only granted for civil end-use. These licences can be valid for several years. Most global licences granted are for products that are controlled in accordance with the Wassenaar Arrangement list.

To obtain a global licence, a company must have a documented and inspected export control organisation. Moreover, the licence is conditional on, for instance, the exporter verifying the undertakings on final use to avoid re-export of the products to undesirable end-users.

Individual licences

Individual licences usually only apply to a single contract that the exporter has with one customer. Careful examination takes place and a licence is only granted in the cases where it is considered that there is no risk of misuse of the product to produce weapons of mass destruction or military equipment. The same grounds of assessment are used for military end-use as for export of other military equipment.

Table 21. Number of export applications received for dual-use products (DUP) 2006-2008

Export applications	2006	2007	2008
Total, export licences , global and individual, of which:	305	508	491
Wassenaar Arrangement	173	277	291
Missile Technology Control Regime	16	5	4
Nuclear Suppliers Group (Part 2)	13	11	9
Australia Group	103	190	187
Sanctions		25	39

Table 22. Number of approved individual licences for permanent export of dual-use products in 2008

Country	Control regime	Number
Afghanistan	WA	1
Algeria	WA	3
USA	AG	1
Argentina	AG, WA	2
Azerbaijan	AG	2
Brazil	AG, NSG, WA	14
Chile	AG	1
Colombia	WA	2
Ecuador	WA	1
Egypt	AG, WA	4
The Philippines	AG, WA	2
People's Republic of China	AG, NSG, WA	60
United Arab Emirates	AG, WA	6
Guatemala	AG	1
Guinea	WA	1
Hong Kong, China	WA	2
India	AG, WA	47
Indonesia	AG, WA	13
Iran	AG, WA, sanktioner	49
Iceland	AG	2
Israel	AG	7
Kazakhstan	WA	1
Kenya	WA	1
Republic of Korea	AG, WA	22
Croatia	WA	1
Libya	WA	1
Malaysia	AG, WA	21
The Maldives	AG	1
Morocco	AG	2
Mexico	AG, WA	4
Nigeria	WA	1

Norway	AG	2
Pakistan	AG, WA	3
Qatar	AG, WA	2
Rwanda	WA	1
Russia	AG, MTCR, NSG, WA	24
Saudi Arabia	AG, WA	3
Serbia	WA	3
Singapore	AG, WA	13
South Africa	AG	3
Syria	"catch-all"	1
Taiwan	AG, WA	10
Thailand	AG, WA	13
Turkey	AG, WA	12
Ukraine	AG, NSG	3
Uruguay	WA	2
Venezuela	AG, WA	2
Vietnam	AG, WA	6
Belarus	AG, WA	2

Table 23. Number of advance rulings and enquiries about uncontrolled products in 2008

	2004	2005	2006	2007	2008
Total number of advance rulings	35	61	64	118	81
Of which number of enquiries about uncontrolled products			50	103	93

Table 24. Number of applications concerning requests for advance rulings – controlled and uncontrolled products in 2008

Country	No action	"Catch all" denial	"Catch all" licence	List product, positive	List product, negative	Total
Iran	66	7	4	2	1	80
Malaysia				1		1
Thailand				1		1
Iraq	3					3
Sudan				1		1
Venezuela				1		1
Morocco	1					1
China				4	1	5
Russia				1		1
Pakistan				1	1	2
Bangladesh	1					1
Syria			1			1
India	10			1	1	12
Total	81	7	5	13	4	110

Table 25. Number of classification enquiries received 2006-2008

2006	2007	2008
79	142	177

Activity at the Swedish Radiation Safety Authority, SSM

In the nuclear area, a large part of trade to EU member states and all export outside the EU is subject to licence. The products and technologies concerned are listed in Annex IV to Regulation (EC) no. 1334/2000. General licences may not be granted

Table 26. Export licences granted for products on NSG's list 1 from companies in Sweden (Source: Swedish Radiation Safety Authority)

Recipient country	2006 Exporting company, no. of licences	2007 Exporting company, no. of licences	2008 Exporting company, no. of licences
All EU member states and USA	Westinghouse 1		
Finland	Westinghouse 3	Westinghouse 2	Westinghouse 1
France		Uppsala Univ. 1	
Japan	Westinghouse 2	Westinghouse 3 Sandvik 1	Westinghouse 2
China	Sandvik Materials Technology 1		
Malaysia		Svenska Tanso 1	
The Netherlands		Studsvik 1	
Norway	Westinghouse 4	Westinghouse 3 Studsvik 3 Wedholm Medical 1	Westinghouse 1 Studsvik 1 Wedholm Medical 1
Russia			Svenska Tanso 1
Switzerland	Westinghouse 2	Westinghouse 3	Westinghouse 1
Spain	Westinghouse 3	Westinghouse 2	Westinghouse 4
South Africa		Westinghouse, 2	
Germany	Uddcomb Engineering 1 Westinghouse 2	Wedholm Medic 3 Westinghouse 1	Westinghouse 1 Wedholm Medical 2 Vattenfall Nuclear Fuel 1
Germany, France, Spain, USA		Uddcomb Engineering 1	
Ukraine		Westinghouse 1	Westinghouse 1
USA	Westinghouse 18 AA International 1	Westinghouse 27 Studsvik 1	Westinghouse 14 Studsvik 1
USA – Taiwan			Westinghouse 1

Annex 5 Regulatory framework

The Military Equipment Act

The manufacture and exportation of military equipment are governed by the Military Equipment Act (1992:1300) and the corresponding Ordinance (1992:1303). Both these statutory instruments entered into force on 1 January 1993, replacing the Control of the Manufacture of Military Equipment etc. Act (1983:1034), the Prohibition of Exports of Military Equipment etc. Act (1988:558) and the corresponding ordinances.

The present Act is essentially based on the previous legislation and previous practice. However, it applies a broader definition of military equipment and simplifies, clarifies and updates the provisions relating to the control of manufacturing and cooperation on military equipment with foreign partners.

The Military Equipment Act stipulates that military equipment must not be manufactured without a licence. A licence is also required for all types of defence industry cooperation with foreign partners. The term 'cooperation with foreign partner' covers both export sales and other arrangements for supplying military equipment (for instance transfer of ownership or brokering). It also includes the grant or transfer of manufacturing rights, agreements with a party in another country on the development of military equipment or production methods for such equipment together with or on behalf of that party, and agreements on joint manufacture of military equipment. Lastly, with certain exceptions, a licence is required for the provision of military-oriented training.

The Act divides military equipment into two categories: Military Equipment for Combat Purposes (MEC) and Other Military Equipment (OME). The Military Equipment Ordinance contains provisions specifying the types of equipment that are assigned to the two categories. The MEC category consists of destructive equipment, including sights, and firing control equipment. The OME category consists of parts and components for military equipment for combat purposes and equipment that is not directly destructive in a combat situation.

Council Regulation (EC) No 1334/2000 setting up a Community Regime for the Control of Exports of Dual-Use Items and Technology requires, in certain cases, export licences for products not included in the concept of military equipment but that are associated with exported military equipment.

Up until 31 January 1996, decisions regarding export licences were made by the minister assigned with presenting military equipment export cases, or, in more important cases, by the government. Since 1 February 1996, decisions on export cases are made primarily by the the Swedish Inspectorate of Strategic Products (ISP), except those deemed to be of importance in terms of principal or otherwise particularly important, which are to be referred to the government for ruling.

Swedish guidelines on exports of military equipment and other cooperation with foreign partners

Under paragraph 1 section 2 of the Military Equipment Act (1992:1300) licences may only be granted if the export transaction in question is justified for security or defence reasons and does not conflict with Sweden's foreign policy. The principles applied when examining applications have been established by government practice and are described in the Government's Guidelines on exports of military equipment and other cooperation arrangements with foreign partners, which have been approved by Parliament (cf. Gov. Bill 1991/92:174, p. 41 ff., Gov. Bill 1995/96:31, p. 23 ff. and Report 1992/93:UU1). The full text of the guidelines follows after this report.

Overarching criteria and criteria for assessment

The Guidelines are interpreted on the basis of broad parliamentary support and are applied by the ISP in connection with the processing of applications for export licences under the Military Equipment Act and the Military Equipment Ordinance.

The guidelines contain two general criteria for the granting of licences under the Act, namely that cooperation with foreign partners is considered necessary to meet the Swedish armed forces' need of military equipment or know-how or is otherwise desirable for reasons of national security, and that collaboration does not conflict with the principles and objectives of Swedish foreign policy. These general criteria may be regarded as a clarification of section 1 (2) of the Military Equipment Act.

The guidelines also specify the factors that should be taken into account in connection with the consideration of individual applications. One basic condition is that all the relevant circumstances in a particular case must be considered, whether or not they are explicitly mentioned in the guidelines. These criteria also apply to collaboration with persons or enterprises in other countries on the development or manufacture of military equipment.

The guidelines emphasise in particular the importance that should be attached, in connection with the assessment of the foreign policy aspects of each application, to the human rights situation in the recipient country. The human rights criterion must always be taken into account, even in cases involving exports of equipment which in itself cannot be used to violate human rights.

Absolute obstacles to exports

The guidelines specify three types of absolute obstacles which, if they exist, are deemed to rule out the possibility of exports. These are: decisions by the UN Security Council, international agreements to which Sweden has acceded (e.g. EU sanctions), and bans imposed under international law on exports from neutral states during war.

Military equipment for combat purposes and other military equipment

The definition of military equipment was extended in 1993 to include some equipment for civilian or partly civilian uses. As a result of this extension of the definition, previously unregulated exports are now subjected to political scrutiny and appear in the statistics on exports of military equipment. The extension of the definition was accompanied by a division of military equipment into two categories, which are treated slightly differently in the guidelines concerning exports.

In the case of military equipment for combat purposes (MEC) the Government should not grant licences for exports to a state that is involved in an armed conflict with another state or in an international conflict that may lead to an armed conflict, or to a state in which internal armed disturbances occur. A licence should be revoked if the recipient state becomes involved in an armed conflict or internal armed disturbances. However, revocation of a licence may be waived if this is consistent with international law and with the principles and objectives of Swedish foreign policy. Licences should not be granted for exports to a state in which widespread and serious violations of human rights occur. These conditions are the same as those applied before 1993, except that previously it was only necessary to take violations of human rights into account if the equipment itself could be used to violate human rights. Sweden differs from some other EU member states in this respect.

In the case of exports of Other Military Equipment (OME), which consists largely of items that were not subject to control prior to 1993 (such as

reconnaissance radars and simulators for training purposes), licences should be granted for exports to countries that are not involved in armed conflicts with other states and in which internal armed disturbances and widespread and serious violations of human rights do not occur. The risk of armed conflict is not applied as a criterion in assessments of exports of other military equipment.

Owing to the differences in the guidelines for MEC and OME, a larger number of countries may be considered as potential recipients of OME, i.e. equipment that is non-destructive, than of MEC.

Follow-on deliveries and "Swedish identity"

As regards follow-on deliveries, the guidelines state that "licences should be granted for exports of spare parts for equipment exported previously under a licence, unless an absolute obstacle exists. The same applies to other deliveries, for example of ammunition, linked to previous exports of equipment, or otherwise in cases where it would be unreasonable to deny permission".

With respect to cooperation with foreign partners, exports to third countries should be assessed in accordance with the Swedish guidelines if the identity of the item is predominantly Swedish. If its identity is predominantly foreign, or if Sweden has a strong defence policy interest in cooperation, the export rules of the cooperating country may be applied to exports from that country.

Full text of the Swedish guidelines

Licences for exports of military equipment or for other cooperation arrangements with foreign partners involving military equipment should only be granted where such exports or cooperation:

1. are considered necessary to meet the Swedish armed forces' need of military equipment or know-how or are otherwise desirable for reasons of national security; and
2. do not conflict with the principles and objectives of Swedish foreign policy.

When considering an application for a licence, the Government shall make an overall assessment of all the relevant circumstances, taking into account the basic principles mentioned above.

There is no obstacle from the point of view of foreign policy to cooperation with, or exports to, the Nordic countries and the traditionally neutral countries of Europe. In principle, cooperation with these countries may be considered consistent with Sweden's security policy. As cooperation with the other Member States of the European Union develops, the same principles regarding cooperation with foreign partners and exports should be applied to these countries too.

Licences may only be granted to governments, central government agencies or government-authorised recipients, and an End User Certificate or an Own Production Declaration should be presented in connection with exports of military equipment. A state which, despite undertakings given to the Swedish Government, allows, or fails to prevent, unauthorised re-exportation of Swedish military equipment shall not in principle be eligible as a recipient of such equipment from Sweden as long as these circumstances persist.

Licences for exports or for other cooperation arrangements with foreign partners pursuant to the Military Equipment Act must not be granted if this would contravene an international agreement to which Sweden is a party, a Resolution adopted by the United Nations Security Council or provisions of international law concerning exports from neutral states during a war (absolute obstacles).

Licences for exports of military equipment or for other cooperation arrangements with foreign partners must not be granted where the recipient country is a state in which widespread and serious violations of human rights occur. Respect for human rights is an essential condition for the issuance of licences.

Licences for exports of Military Equipment for Combat Purposes or for other cooperation arrangements with foreign partners involving Military Equipment for Combat Purposes or Other Military Equipment should not be granted where the state in question is involved in an armed conflict with another state, regardless of whether or not war has been declared, is involved in an international conflict that may lead to an armed conflict or is the scene of internal armed disturbances.

Licences should be granted for exports of equipment designated as Other Military Equipment provided that the recipient country is not involved in an armed conflict with another state, that it is not the scene of internal armed disturbances, that widespread and serious violations of human rights do not occur there and that no absolute obstacles exist.

A licence that has been granted should be revoked not only if an absolute obstacle to exports arises, but also if the recipient country becomes involved in an armed conflict with another country or becomes the scene of internal armed disturbances. Exceptionally, revocation of a licence may be forgone in the last two cases if this is consistent with international law and with the principles and objectives of Swedish foreign policy.

Licences should be granted for exports of spare parts for equipment previously exported under a licence, unless an absolute obstacle exists. The same applies to other supplies, for example of ammunition, linked to previous exports of equipment, or otherwise in cases where it would be unreasonable to refuse a licence.

As regards agreements with a foreign party on joint development or production of military equipment, the basic criteria mentioned above are to be applied when licence applications are considered. Exports to the cooperating country under the agreement should be permitted unless an absolute obstacle arises. If an agreement with a foreign party is linked to exports from the cooperating country to third countries, the question of such exports should, provided that the identity of the equipment concerned is predominantly Swedish, be considered in accordance with the guidelines for exports from Sweden.

As regards equipment with a predominantly foreign identity, exports from the cooperating country to third countries should be considered in accordance with the export rules of the cooperating country. If Sweden has a strong interest in cooperation for reasons of defence policy, and certain exports from the cooperating country are a condition for cooperation, exports to third countries may, depending on the circumstances, be allowed under the export rules of the cooperating country in other cases too.

In cases where cooperation on military equipment with a foreign partner is extensive and important to Sweden, an intergovernmental agreement should be concluded between Sweden and the cooperating country. The Advisory Council on Foreign Affairs should be consulted before such agreements are concluded.

EU Common Position Defining Common Rules Governing the Control of Exports of Military Technology and Equipment

The Council Common Position 2008/944/CFSP of 8 December 2008 on defining common rules governing the control of exports of military technology and equipment has the following content (OJEC L 335, 13.12.2008, page 99):

THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty of the European Union, and in particular Article 15 thereof, Whereas:

(1) Member States intend to build on the Common Criteria agreed at the Luxembourg and Lisbon European Councils in 1991 and 1992, and on the European Union Code of Conduct on Arms Exports adopted by the Council in 1998.

(2) Member States recognise the special responsibility of military technology and equipment exporting States.

(3) Member States are determined to set high common standards which shall be regarded as the minimum for the management of, and restraint in, transfers of military technology and equipment by all Member States, and to strengthen the exchange of relevant information with a view to achieving greater transparency.

(4) Member States are determined to prevent the export of military technology and equipment which might be used for internal repression or international aggression or contribute to regional instability.

(5) Member States intend to reinforce cooperation and to promote convergence in the field of exports of military technology and equipment within the framework of the Common Foreign and Security Policy (CFSP).

(6) Complementary measures have been taken against illicit transfers, in the form of the EU Programme for Preventing and Combating Illicit Trafficking in Conventional Arms.

(7) The Council adopted on 12 July 2002 Joint Action 2002/589/CFSP on the European Union's contribution to combating the destabilising accumulation and spread of small arms and light weapons (1).

(8) The Council adopted on 23 June 2003 Common Position 2003/468/CFSP (2) on the control of arms brokering.

(9) The European Council adopted in December 2003 a strategy against the proliferation of weapons of mass destruction, and in December 2005 a strategy to combat illicit accumulation and trafficking of SALW and their ammunition, which imply an increased common interest of Member States of the European Union in a coordinated approach to the control of exports of military technology and equipment.

(10) The UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects was adopted in 2001.

(11) The United Nations Register of Conventional Arms was established in 1992.

(12) States have a right to transfer the means of self-defence, consistent with the right of self-defence recognised by the UN Charter.

(13) The wish of Member States to maintain a defence industry as part of their industrial base as well as their defence effort is acknowledged. 13.12.2008 EN Official Journal of the European Union L 335/99 (1) OJ L 191, 19.7.2002, p. 1. (2) OJ L 156, 25.6.2003, p. 79.

(14) The strengthening of a European defence technological and industrial base, which contributes to the implementation of the Common Foreign and Security Policy, in particular the Common European Security and Defence Policy, should be accompanied by cooperation and convergence in the field of military technology and equipment.

(15) Member States intend to strengthen the European Union's export control policy for military technology and equipment through the adoption of this Common Position, which updates and replaces the European Union Code of Conduct on Arms Exports adopted by the Council on 8 June 1998.

(16) On 13 June 2000, the Council adopted the Common Military List of the European Union, which is regularly reviewed, taking into account, where appropriate, similar national and international lists (1).

(17) The Union must ensure the consistency of its external activities as a whole in the context of its external relations, in accordance with Article 3, second paragraph of the Treaty; in this respect the Council takes note of the Commission proposal to amend Council Regulation (EC) No 1334/2000 of 22 June 2000 setting up a Community regime for the control of exports of dual use items and technology (2),

HAS ADOPTED THIS COMMON POSITION:

Article 1

1. Each Member State shall assess the export licence applications made to it for items on the EU Common Military List mentioned in Article 12 on a case-by-case basis against the criteria of Article 2.

2. The export licence applications as mentioned in paragraph 1 shall include:

— applications for licences for physical exports, including those for the purpose of licensed production of military equipment in third countries,

— applications for brokering licences,

— applications for 'transit' or 'transshipment' licences,

— applications for licences for any intangible transfers of software and technology by means such as electronic media, fax or telephone.

Member States' legislation shall indicate in which case an export licence is required with respect to these applications.

Article 2

Criteria

1. Criterion One: Respect for the international obligations and commitments of Member States, in particular the sanctions adopted by the UN Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations.

An export licence shall be denied if approval would be inconsistent with, *inter alia*:

(a) the international obligations of Member States and their commitments to enforce United Nations, European Union and Organisation for Security and Cooperation in Europe arms embargoes;

(b) the international obligations of Member States under the Nuclear Non-Proliferation Treaty, the Biological and Toxin Weapons Convention and the Chemical Weapons Convention;

(c) the commitment of Member States not to export any form of anti-personnel landmine;

(d) the commitments of Member States in the framework of the Australia Group, the Missile Technology Control Regime, the Zangger Committee, the Nuclear Suppliers Group, the Wassenaar Arrangement and The Hague Code of Conduct against Ballistic Missile Proliferation.

2. Criterion Two: Respect for human rights in the country of final destination as well as respect by that country of international humanitarian law.

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

(a) deny an export licence if there is a clear risk that the military technology or equipment to be exported might be used for internal repression;

(b) exercise special caution and vigilance in issuing licences, on a case-by-case basis and taking account of the nature of the military technology or equipment, to countries where serious violations of human rights have been established by the competent bodies of the United Nations, by the European Union or by the Council of Europe; L 335/100 EN Official Journal of the European Union 13.12.2008 (1) Last amended 10 March 2008, OJ C 98, 18.4.2008, p. 1. (2) OJ L 159, 30.6.2000, p. 1.

For these purposes, technology or equipment which might be used for internal repression will include, *inter alia*, technology or equipment where there is evidence of the use of this or similar technology or equipment for internal repression by the proposed end-user, or where there is reason to believe that the technology or equipment will be diverted from its stated end-use or end-user and used for internal repression. In line with Article 1 of this Common Position, the nature of the technology or 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.

— Having assessed the recipient country's attitude towards relevant principles established by instruments of international humanitarian law, Member States shall:

(c) deny an export licence if there is a clear risk that the military technology or equipment to be exported might be used in the commission of serious violations of international humanitarian law.

3. Criterion Three: Internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.

Member States shall deny an export licence for military technology or equipment which would provoke or prolong armed conflicts or aggravate existing tensions or conflicts in the country of final destination.

4. Criterion Four: Preservation of regional peace, security and stability.

Member States shall deny an export licence if there is a clear risk that the intended recipient would use the military technology or equipment to be exported aggressively against another country or to assert by force a territorial claim. When considering these risks, Member States shall 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) the likelihood of the military technology or equipment being 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.

5. Criterion Five: 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 military technology or equipment to be exported on their defence and security interests as well as those of Member State and those of friendly and allied countries, while recognising that this factor cannot affect consideration of the criteria on respect for human rights and on regional peace, security and stability;

(b) the risk of use of the military technology or equipment concerned against their forces or those of Member States and those of friendly and allied countries.

6. Criterion Six: Behaviour of the buyer country with regard to the international community, as regards in particular its attitude to terrorism, the nature of its alliances and respect for international law.

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

- (a) its support for or encouragement of terrorism and international organised crime;
- (b) its compliance with its international commitments, in particular on the non-use of force, and with international humanitarian law;
- (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 point (b) of Criterion One.

7. Criterion Seven: Existence of a risk that the military technology or equipment will be diverted within the buyer country or re-exported under undesirable conditions. 13.12.2008 EN Official Journal of the European Union L 335/101

In assessing the impact of the military technology or equipment to be exported on the recipient country and the risk that such technology or equipment might be diverted to an undesirable end-user or for an undesirable end use, the following shall be considered:

- (a) the legitimate defence and domestic security interests of the recipient country, including any participation in United Nations or other peace-keeping activity;
- (b) the technical capability of the recipient country to use such technology or equipment;
- (c) the capability of the recipient country to apply effective export controls;
- (d) the risk of such technology or equipment being re-exported to undesirable destinations, and the record of the recipient country in respecting any re-export provision or consent prior to re-export which the exporting Member State considers appropriate to impose;
- (e) the risk of such technology or equipment being diverted to terrorist organisations or to individual terrorists;
- (f) the risk of reverse engineering or unintended technology transfer.

8. Criterion Eight: Compatibility of the exports of the military technology or equipment with the technical and economic capacity of the recipient country, taking into account the desirability that states should meet their legitimate security and defence needs with the least diversion of human and economic resources for armaments.

Member States shall take into account, in the light of information from relevant sources such as United Nations Development Programme, World Bank, International Monetary Fund and Organisation for Economic Cooperation and Development reports, whether the proposed export would seriously hamper the sustainable development of the recipient country. They shall consider in this context the recipient country's relative levels of military and social expenditure, taking into account also any EU or bilateral aid.

Article 3

This Common Position shall not affect the right of Member States to operate more restrictive national policies.

Article 4

1. Member States shall circulate details of applications for export licences which have been denied in accordance with the criteria of this Common Position together with an explanation of why the licence has been denied. 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 shall 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 shall notify the Member State or States issuing the denial(s), giving a detailed explanation of its reasoning.

2. The decision to transfer or deny the transfer of any military technology or equipment shall 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 export of the military technology or 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.

3. Member States shall keep such denials and consultations confidential and not use them for commercial advantage.

Article 5

Export licences shall be granted only on the basis of reliable prior knowledge of end use in the country of final destination. This will generally require a thoroughly checked end-user certificate or appropriate documentation and/or some form of official authorisation issued by the country of final destination. When assessing applications for licences to export military technology or equipment for the purposes of production in third countries, Member States shall in particular take account of the potential use of the finished product in the country of production and of the risk that the finished product might be diverted or exported to an undesirable end user.

Article 6

Without prejudice to Regulation (EC) No 1334/2000, the criteria in Article 2 of this Common Position and the consultation procedure provided for in Article 4 are also to apply to Member States in respect of dual-use goods and technology as specified in Annex I to Regulation (EC) No 1334/2000 where there are serious grounds for believing that the end-user of such goods and technology will be the armed forces or internal security forces or similar entities in the recipient country. References in this Common Position to military technology or equipment shall be understood to include such goods and technology.

Article 7

In order to maximise the effectiveness of this Common Position, Member States shall work within the framework of the CFSP to reinforce their cooperation and to promote their convergence in the field of exports of military technology and equipment. L 335/102 EN Official Journal of the European Union 13.12.2008

Article 8

1. Each Member State shall circulate to other Member States in confidence an annual report on its exports of military technology and equipment and on its implementation of this Common Position.

2. An EU Annual Report, based on contributions from all Member States, shall be submitted to the Council and published in the 'C' series of the *Official Journal of the European Union*.

3. In addition, each Member State which exports technology or equipment on the EU Common Military List shall publish a national report on its exports of military technology and equipment, the contents of which will be in accordance with national legislation, as applicable, and will provide information for the EU Annual Report on the implementation of this Common Position as stipulated in the User's Guide.

Article 9

Member States shall, as appropriate, assess jointly through the CFSP framework the situation of potential or actual recipients of exports of military technology and equipment from Member States, in the light of the principles and criteria of this Common Position.

Article 10 While Member States, where appropriate, may also take into account the effect of proposed exports on their economic, social, commercial and industrial interests, these factors shall not affect the application of the above criteria.

Article 11

Member States shall use their best endeavours to encourage other States which export military technology or equipment to apply the criteria of this Common Position. They shall regularly exchange experiences with those third states applying the criteria on their military technology and equipment export control policies and on the application of the criteria.

Article 12

Member States shall ensure that their national legislation enables them to control the export of the technology and equipment on the EU Common Military List. The EU Common Military List shall act as a reference point for Member States' national military technology and equipment lists, but shall not directly replace them.

Article 13

The User's Guide to the European Code of Conduct on Exports of Military Equipment, which is regularly reviewed, shall serve as guidance for the implementation of this Common Position.

Article 14

This Common Position shall take effect on the date of its adoption.

Article 15 This Common Position shall be reviewed three years after its adoption.

Article 16

This Common Position shall be published in the *Official Journal of the European Union*. Done at Brussels, 8 December 2008.

For the Council

The President

B. KOUCHNER

13.12.2008 EN Official Journal of the European Union L 335/103

The Swedish military list

Annex 1 to the Military Equipment Ordinance (1992:1303) (point A and B, point C is not included in this Communication)

A. List of military equipment for combat purposes (MEC) in accordance with the Military Equipment Act (1992: 1300)

MEC1. Barrel weapons of less than 20mm calibre, etc.

- a. Rifles and carbines manufactured later than 1937 which are designed for combat since they feature facilities for the firing of grenades, have a bayonet mounting or are in other ways specially adapted for military combat, and are also fully automatic weapons such as automatic carbines, sub-machine guns, light machine guns and machine guns,
- b. Mechanisms, barrels and boxes for the above weapons.

MEC2. Barrel weapons of 20mm calibre or greater, etc.

- a. Artillery pieces, such as cannon and howitzers, mortars, and also anti-tank weapons such as recoilless anti-tank guns and light anti-armour weapons,
- b. Flame-throwers,
- c. Barrels, mechanisms, gun-carriages, ground plates and recoil mechanisms for the above weapons.

MEC3. Ammunition and warheads for barrel weapons, etc.

- a. Ammunition for combat purposes which may be used with MEC 1 and MEC 2 equipment,
- b. Projectiles, shell bodies, homing devices and submunitions for the above ammunition.

MEC4. Missiles, rockets, torpedoes, bombs. etc.

- a. Missiles, rockets, torpedoes, bombs, hand grenades, rifle grenades, land mines and naval mines for combat purposes,
- b. Apparatus and arrangements designed for the arming, deployment and launching of the above equipment,
- c. Homing devices, warheads, submunitions, fuses, proximity fuses, motors, control systems, barrels and carriages for the above equipment.

MEC5. Apparatus and gear for the aiming and control etc. of military equipment for combat purposes

- a. Firing control equipment functionally integrated in weapons systems and essential for the aiming of weapons under MEC 1, MEC 2 and MEC 4, such as sights, gun-laying instruments, apparatus for gun-laying calculations or trajectory calculations and also sensors,
- b. Target tracking and target illumination systems, and also localisation equipment which provide weapons systems with final targeting information.

MEC6. ABC weapons, etc.

- a. Nuclear charges, and also radiological, biological and chemical weapons,
- b. Apparatus and other arrangements for the dissemination of radiological, biological and chemical weapons,
- c. Special components and substances for the above materiel.

MEC7. Gunpowder and explosives, etc.

- a. Military gunpowder and fuels for ammunition, missiles, rockets, torpedoes, etc.,
- b. Military high explosives for nuclear charges, ammunition, missiles, rockets, torpedoes, bombs, shells, mines, etc.,
- c. Military destructive charges and military pyrotechnics,

d. Military fuel thickening agents, including substances (e.g. octal) or mixtures of such substances (e.g. napalm) which are especially designed to produce gel-type incendiary material when mixed with petroleum products, for use in bombs, shells or flame throwers or for other combat purposes.

MEC8. Warships, etc.

Vessels, boats and other surface and submarine craft designed for combat in that they are armed or prepared for the fitting of weapons, or in other respects equipped for the deployment, laying or launching of military materiel.

MEC9. Combat aircraft, etc.

Aircraft and spacecraft designed for combat in that they are armed or prepared for the fitting of weapons or equipped or designed to carry military equipment covered by MEC 4 and MEC 6.

MEC10. Combat vehicles, etc.

Combat vehicles and other armed or armoured vehicles, and also vehicles prepared for the fitting of weapons or designed for the launching or laying of weapons.

MEC11. Directed energy weapon systems

Laser beam, particle beam or micro-wave systems especially designed to damage or destroy targets in the course of military combat.

B. List of Other Military Equipment (OME) in accordance with the Military Equipment Act (1992:1300)

For the purposes of this list, a structural, electrical or mechanical change which involves the replacement of a component by at least one specially designed military component, or the addition of at least one such component is referred to as "specially modified for military use".

A product is considered to be specially designed for military use if it has been primarily developed or designed on the basis of military specifications or objectives, irrespective of whether it also has civilian applications.

The term "special parts and components" refers to parts and components which have been specifically designed for military use or have been modified for such use in accordance with the above definition and have also been subject to final processing to comply with the intended specifications or are incomplete in that only one or a few minor operations are required to achieve completion. However, machine components and electrical and electronic components of standard type do not constitute military equipment if the modification is of a minor nature and does not significantly change the function of the component.

OME21. Barrel weapons of less than 20 mm calibre etc.

- a. Rifles and carbines manufactured prior to 1938 or designed for hunting and sport purposes and also hand operated firearms such as revolvers and pistols; with the exception of antique firearms manufactured prior to 1890, reproductions of such weapons, smooth-bore weapons for hunting and sport purposes and also air guns and spring-powered weapons or carbon dioxide weapons with an impact force of less than or equal to 10 joules at a distance of 4 metres from the muzzle.
- b. Special parts for weapons covered by sub-section a. which are subject to the provisions of the Weapons Act,
- c. Special parts for weapons included in MEC 1.

OME22. Barrel weapons of 20 mm calibre or greater etc.

- a. Barrel weapons of a type covered by MEC 2 but exclusively designed for the launching of non-destructive ammunition,
- b. Special parts and equipment for barrel weapons of 20mm calibre, etc. as above and as covered by MEC 2.

OME23. Ammunition, etc.

- a. Smoke, flare and training ammunition for weapons covered by MEC 1, MEC 2 and MEC 4,
- b. Expanding bullet ammunition of a type employed for hunting or sporting purposes,
- c. Safety and arming devices, fuse and detonation chain connections.
- d. Special parts for ammunition as above and as covered by MEC 3.

OME24. Bombs, torpedoes, rockets and missiles, etc.

- a. Training, smoke, flare and foil versions of equipment covered by MEC 4a and 4b,
- b. Apparatus and devices for the localization, discovery, sweeping, clearing, disarming or exploding of equipment covered by MEC 3 and MEC 4,
- c. Special parts and equipment for materiel as above and as covered by MEC 4.

OME25. Reconnaissance and measurement equipment, etc. which is specially designed or modified for military applications, etc., including

- a. Distance, position and altitude measuring equipment, discovery, recognition and identification equipment and also equipment for sensor integration,
- b. Electronic, electro-optical, gyro-stabilized, acoustic and optical observation equipment,
- c. Equipment to suppress acoustic, radar, infra-red and other emissions,
- d. Special parts for equipment as above and as covered by MEC 5.

OME26. Protective equipment, etc.

- a. Equipment designed for military applications providing protection and defence against conventional weapons and also against biological agents, chemical weapons or radioactive materials covered by MEC 6,
- b. Equipment designed for military applications for the discovery and identification of biological and chemical agents and radioactivity,
- c. Designs involving specially composed combinations of materials to provide protection for military systems against the effects of weapons,
- d. special components for the above equipment.

OME27. Explosives, etc.

- a. Special products contained in military explosives, gunpowder and fuels, such as additives and stabilizers, also other substances and mixtures specifically used for the manufacture of products covered by MEC 7.

OME28. Surveillance vessels. Specially designed or modified components and equipment for warships and also special naval equipment, etc.

- a. Vessels for surveillance purposes which are not designed for military action,
- b. Motors which are specially designed or modified for permanent installation in warships and also submarine storage batteries,
- c. Apparatus for the detection of objects under water which are specially designed for military purposes and control equipment for such apparatus,
- d. Submarine and torpedo nets,
- e. Compasses, course indicators and inertial navigation equipment specifically designed for submarines,
- f. Special parts for the above equipment and equipment as covered by the MEC 8.

OME29. Aircraft and helicopters specially designed or modified for military applications, etc.

- a. Aircraft, helicopters and other air vessels, including those designed for military reconnaissance, military training and military maintenance,
- b. Aircraft engines specially designed for use in military aircraft and helicopters covered by sub-section a,
- c. Unmanned air vessels and auto-guided, programmable air vessels and their launchers, ground equipment and communications and control equipment,
- d. Equipment for high pressure respiration and pressure suits for use in aircraft and helicopters, G-suits, military air helmets and protective masks, oxygen equipment for aircraft, helicopters and missiles and also catapults and other ejection equipment for personnel rescue purposes,
- e. Parachutes for combat personnel, the air dropping of loads and speed reduction,
- f. Special parts for the above equipment and equipment as covered by MEC 9.

OME30. Vehicles which are specially designed or modified for military applications, etc., including

- a. Towing vehicles,
- b. Artillery trucks and traction vehicles especially designed to pull artillery pieces and combat vehicles,
- c. Amphibious vehicles, vehicles for deep-fording and also hovercraft,
- d. Mobile workshops especially designed for servicing military equipment,
- e. Special parts for the above equipment and equipment as covered by MEC 10.

OME31. Directed energy weapons systems, etc.

- a. Special parts for directed energy weapons systems.

OME32. Fortification facilities, etc.

- a. Fortification facilities primarily designed for armed defence measures or for the direct command of such measures,
- b. Production data for the above facilities.

OME33. Electronic equipment especially designed for military applications, etc.

- a. Jamming equipment and equipment for countermeasures against jamming, including electronic jamming equipment (ECM) and equipment for countermeasures (ECCM),
- b. Countermeasure equipment for submarine applications, including acoustic and magnetic jamming equipment and decoy targets which are designed to produce alien or false signals in sonar receivers,
- c. Security equipment for computers and for transmission equipment and signal links which employ cryptography,
- d. Special parts and components for the above equipment.

OME34. Photographic and electro-optical image equipment especially designed for military use, etc.

- a. Aerial reconnaissance cameras and associated equipment,
- b. Film development and copying apparatus,
- c. Infra-red, thermal image and light amplification equipment and also countermeasures against such equipment,
- d. Special parts and components for the above equipment.

OME35. Training equipment, etc.

- a. Equipment designed for military applications involving training in the use of equipment covered by this list,
- b. Special parts and components for the above equipment.

OME36. Equipment for the manufacture of military equipment, etc.

- a. Specially designed or modified manufacturing equipment and special parts and components for such equipment,
- b. Specially designed environmentally determined test facilities for certification, qualification or testing,
- c. Production data for the manufacture of military equipment.

OME37. Software

Software which is specially designed or modified for the development and production of or use in equipment or materiel covered by this list,

- b. Special software as follows:
 1. Software specially designed for military command, communications, control or intelligence applications,
 2. Software specially designed for the simulation of the operating sequence of military weapons systems,
 3. Software to determine the effects of conventional, nuclear, chemical and biological weapons.

Regulation (EC) No. 1334/2000 on the establishment of a Community Regime for the Control of Exports of Dual-use Products

Community law

In 2000 the Council of the European Union issued Council Regulation (EC) No 1334/2000 setting up a Community regime for the control of exports of dual-use items and technology (OJ No L 159, 30.6.2000, p. 1). The Regulation entered into force on 28 September 2000, replacing Council Regulation (EC) No 3381/94 setting up a Community regime for the control of exports of dual-use items, which entered into force in 1995. Unlike the multilateral export control regimes that were described in previous sections, the Regulation is legally binding on Sweden, as well as the other EU member states. Its purpose is as far as possible to establish free movement for controlled items in the internal market while strengthening and harmonising the various national control systems for exports to third countries.

The Regulation combines the Member States' undertakings within the framework of the multilateral export control regimes with the freest possible movement of goods in the internal market. Developments in the regimes (the AG, MTCR, NSG, and WA) are taken into account by continuous alterations and updates of the lists of items annexed to the Regulation. The annexes to the new Regulation are adopted within the framework of Community cooperation under the first pillar, which means that they become directly applicable at the national level. The annexes are to be updated on an annual basis.

The Regulation of 2000 introduced several new elements. The processing of licence applications is now simpler since the regulation includes common criteria that must be taken into consideration by member states when processing applications. However, licences are granted nationally, see below. Furthermore, a general community authorisation for export of specific products to certain third countries was introduced. This type of authorisation has simplified matters for exporters since one and the same authorisation can be referred to regardless of the EU country from which the products are exported. This has also led to a better consensus in the EU on this type of exports.

Swedish legislation

In Sweden, the Control of Dual-Use Products and Technical Assistance Act (2000:1064) and the associated Ordinance (2000:1217) complement the Council Regulation at the national level. Both the Act and the Ordinance entered into force on January 1 2001, replacing the Strategic Products Act (1998:397) and the Strategic Products Ordinance (1998:400).

Unlike the legislation on military equipment, in which export licences represent exemptions from a general prohibition of exports, the reverse applies under the rules for control of dual-use goods. In such cases export licences are granted unless they are prejudicial to foreign or security interests within the meaning of the EC Regulation.

Licences must be obtained for exportation and transfer of dual-use goods, and the granting authority is the Inspectorate for Strategic Products (ISP). However, in the case of nuclear material and materials etc. listed in Category 0 of Annex 1 to the Council Regulation, licences are granted by the Swedish Nuclear Power Inspectorate.

Like the previous legislation, the Dual-use goods and Technical Assistance Act does not include any provisions concerning the possibility of obtaining

advance notification of whether or not an export licence will be granted in the event of exportation of dual-use goods to a specific destination. However, in practice the ISP gives companies advance notifications nonetheless.

The catch-all clause

Under Article 4 of EC Regulation 1334/2000 and the relevant Swedish legislation, a licence may also be required for exports of items that are not specified in the annexes to the Regulation ('non-listed products') if the exporter has been informed by the Swedish authorities that the item is or may be intended to be used in connection with the production of weapons of mass destruction or missiles that are capable of carrying such weapons. This provision, which allows for controls of non-listed items, is known as a catch-all clause and has been added to ensure that the aims of the Regulation are not circumvented due to the fact that item lists are seldom exhaustive in view of rapid technological developments.

For the catch-all clause to be applicable, the exporter must have been informed by the Swedish authorities of the use of the product. However, the exporter is also required to inform the Swedish authorities if he is aware that an item is intended, in its entirety or in part, for a use referred to in Article 4.1-3. In that case the ISP must decide whether or not an export licence is required.

The catch-all clause also lays down special conditions for licences in certain cases for exports related to military end use or military equipment, or exports of non-listed products which are or may be intended for use in a country that is subject to an embargo imposed by the UN, the EU or the OSCE (Organisation for Security and Co-operation in Europe) and for exports of non-listed products which are or may be intended to be used as parts or components for military equipment that has been illegally exported. On the basis of this provision, the EU has endeavoured to introduce catch-all clauses in the various export control regimes.

Table 27. Membership of multilateral export control regimes in 2008

Country	ZC	NSG	AG	MTCR	WA
Argentina	x	x	x	x	x
Australia	x	x	x	x	x
Belgium	x	x	x	x	x
Brazil	-	x	-	x	-
Bulgaria	x	x	x	x	x
Cyprus	-	x	x	-	-
Denmark	x	x	x	x	x
Estonia	-	x	x	-	x
Finland	x	x	x	x	x
France	x	x	x	x	x
Greece	x	x	x	x	x
Ireland	x	x	x	x	x
Iceland	-	-	x	x	-
Italy	x	x	x	x	x
Japan	x	x	x	x	x
Canada	x	x	x	x	x
Kazakhstan	-	x	-	-	-
China	x	x	-	-	-
Korea (Rep.)	x	x	x	x	x
Croatia	x	x	-	-	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
Norway	x	x	x	x	x
New Zealand	-	x	x	x	x
Poland	x	x	x	x	x
Portugal	x	x	x	x	x
Romania	x	x	x	-	x
Russia	x	x	-	x	x
Switzerland	x	x	x	x	x
Slovakia	x	x	x	-	x
Slovenia	x	x	x	-	x
Spain	x	x	x	x	x
United Kingdom	x	x	x	x	x
Sweden	x	x	x	x	x
South Africa	x	x	-	x	x
Czech Republic	x	x	x	x	x
Turkey	x	x	x	x	x
Germany	x	x	x	x	x
Ukraine	x	x	x	x	x
Hungary	x	x	x	x	x
USA	x	x	x	x	x
Belarus	-	x	-	-	-
Austria	x	x	x	x	x
TOTAL	36	45	39	34	40

The European Commission participates as a partner in the Australia Group and as an observer in the Nuclear Suppliers Group and the Zangger Committee.

Annex 6 International weapon embargoes

International weapon embargoes in 2008

The table below lists the currently applicable international arms embargoes and, where known, when their applicability ceases, as well as the decision under which the embargo was imposed and, in some cases, changed or lifted. References are also included to the legislation including prohibitions against providing technical assistance for military activity and prohibition against supplying equipment that can be used for internal repression. Resolutions and legislation affecting the sanctions regime against a country without directly addressing arms embargoes or associated restrictions are indicated in parentheses. The table also shows whether there are any exemptions from the embargoes. Such exemptions are usually related to humanitarian assistance or peacekeeping operations. For details concerning exemptions, see www.un.org, www.europa.eu or www.osce.org.

Table 28. International weapon embargoes

Country	Type of embargo	Expires	Reference
Armenia	UN embargo (non-binding)		UNSCR 853 (1993)
	OSCE embargo on supplies of weapons and ammunition to the combatant forces in Nagorno- Karabakh		CSOOSCE (1992)
Azerbaijan	UN-embargo (non-binding)		UNSCR 853 (1993)
	OSCE embargo on supplies of weapons and ammunition to the combatant forces in Nagorno- Karabakh		CSOOSCE (1992)

Country	Type of embargo	Expires	Reference
Burma/Myanmar	EU embargo Some exceptions	30 Apr. 2009	General Affairs Council Declaration of 29 July 1991 Common Position 2006/318/CFSP <i>changed by:</i> -Common Position 2007/248/CFSP -Common Position 2007/750/CFSP - Common Position 2008/349/CFSP Council Regulation (EC) No. 194/2008 <i>changed by:</i> -Council Regulation (EC) No. 385/2008
Ivory Coast	UN embargo Some exceptions EU embargo Some exceptions	31 Oct. 2008	UNSCR 1572 (2004) UNSCR 1643 (2005) UNSCR 1727 (2006) UNSCR 1782 (2007) Common Position 2007/761/ CFSP Council Regulation (EC) No. 174/2005 <i>changed by:</i> -Commission Regulation 1209/2005

Country	Type of embargo	Expires	Reference
Democratic People's Republic of Korea (North Korea)	UN embargo EU embargo Some exceptions		UNSCR 1718 (2006) Common Position 2006/795/CFSP Council Regulation (EC) No. 329/2007 <i>changed by:</i> -Commission Regulation 117/2008
Democratic Republic of Congo (formerly Zaire)	UN embargo Some exceptions EU embargo Some exceptions	31 Oct. 2008	UNSCR 1493 (2003) UNSCR 1596 (2005) UNSCR 1807 (2008) Declaration 33/93, 7 April 1993 Common Position 2008/369/CFSP Council Regulation (EC) No. 889/2005 <i>changed by</i> - Council Regulation (EC) No. 1377/2007 - Council Regulation (EC) No. 666/2008

Iraq	UN embargo Some exceptions EU embargo Some exceptions		UNSCR 661 (1990) UNSCR 1483 (2003) UNSCR 1546 (2004) Declaration 56/90 4 August 1990 Common Position 2003/495/CFSP <i>changed by:</i> - Common Position 2003/735/CFSP - Common Position 2004/553/ CFSP - Common Position 2008/186/ CFSP
Iran	UN embargo EU embargo		(UNSCR 1696 (2006)) (UNSCR 1737 (2006)) UNSCR 1747 (2007) (UNSCR 1803 (2008)) Common Position 2007/140/CFSP <i>changed by:</i> - Common Position 2007/246/ CFSP Council Regulation (EC) No. 423/2007 <i>changed by:</i> - Council Regulation (EC) No. 618/2007 -Commission Regulation 116/2008
China (excluding Hongkong and Macao)	EU embargo		European Council's Declaration 27 June, 1989
Lebanon	UN embargo		UNSCR 1701

	(non-binding) Some exceptions EU embargo Some exceptions	Reviews on a 12- monthly basis	(2006) Common Position 2006/625/CFSP Council Regulation (EC) No. 1412/2006
Liberia	UN embargo Some exceptions EU embargo Some exceptions		UNSCR 1521 (2003) UNSCR 1683 (2006) UNSCR 1731 (2006) UNSCR 1792 (2007) Common Position 2008/109/ CFSP Council Regulation (EC) No. 234/2004 <i>changed by:</i> - Council Regulation (EC) No. 1126/2006 - Council Regulation (EC) No. 866/2007
Sierra Leone	UN embargo on transfers to non- government forces in Sierra Leone. Some exceptions EU embargo Some exceptions		UNSCR 1171 (1998) UNSCR 1299 (2000) Common Position 98/409/ CFSP <i>changed by:</i> - Common Position 2008/81/CFSP
Somalia	UN embargo Some exceptions EU embargo Some exceptions		UNSCR 733 (1992) UNSCR 1425 (2002) UNSCR 1725 (2006) UNSCR 1744 (2007) Common Position 2002/960/ CFSP <i>changed by :</i> - Common Position 2007/94/ CFSP

			<p>- Common Position 2007/391/ CFSP</p> <p>Council Regulation (EC) No. 147/2003</p> <p><i>changed by :</i></p> <p>- Council Regulation (EC) No. 631/2007</p>
Sudan	<p>UN embargo Some exceptions</p> <p>EU embargo Some exceptions</p>		<p>UNSCR 1556 (2004) UNSCR 1591 (2005)</p> <p>Common Position 2005/411/ CFSP</p> <p>Council Regulation (EC) No. 131/2004</p> <p><i>changed by:</i></p> <p>- Council Regulation (EC) No. 1353/2004 - Council Regulation (EC) No. 838/2005</p>
Osama bin Laden, al-Qaida and the Taliban	<p>UN embargo</p> <p>EU embargo</p>	Ongoing inspections	<p>(UNSCR 1267 (1999)) UNSCR 1333 (2000) UNSCR 1390 (2002) UNSCR 1455 (2003) UNSCR 1526 (2004) UNSCR 1617 (2005) UNSCR 1735 (2006) UNSCR 1822 (2008)</p> <p>Common Position 2002/402/ CFSP</p> <p><i>changed by:</i></p> <p>-Common Position 2003/140/CFSP</p> <p>Council Regulation (EC) No. 881/2002</p>
Uzbekistan	EU embargo Some exceptions	13 Nov. 2008	Common Position 2007/734/ CFSP

			Council Regulation (EC) No. 1859/2005
Zimbabwe	EU embargo Some exceptions	20 Feb. 2009	Common Position 2004/161/ CFSP <i>changed by:</i> - Common Position 2008/135/CFSP Council Regulation (EC) No. 314/2004

Annex 7 Explanations

Denial. A negative decision by an authority regarding an application by an individual or entity for a licence to export military equipment or dual-use products to a certain country. A member of a multilateral cooperation is expected to inform other members of the negative decision. According to Council Regulation (EC) No. 1334/2000, the relevant authorities in the EU member states shall inform one another and the Commission of denials.

Export control regimes. There are currently five such regimes: the Zangger Committee (ZC), the Nuclear Suppliers Group (NSG), the Australia Group (AG), the Wassenaar Arrangement (WA) and the Missile Technology Control Regime (MTCR). Their objective is to identify goods and technologies that should be made subject to export controls, to harmonise the export control, to exchange information about proliferation risks and to promote non-proliferation in contacts with countries that do not belong to the regimes.

Catch-all. This concept refers to the possibility to subject dual-use goods that are not included in the export control lists to export controls. An exporter shall advise the export control authority if the export control authority has informed it that the item that it wishes to export may be intended for the production etc. of weapons of mass destruction. The authority determines whether it is suitable to require a licence for the export. The same applies where the exporter is aware that the item is intended for production etc. of such weapons.

Non-proliferation. Measures that are taken in various international (multilateral) forums in order to prevent the proliferation of weapons of mass destruction. The main results of these measures are a number of international agreements and cooperation in several export control regimes.

Intangible transfers. Transfers of software or technology from one country to another with the help of electronic media, fax, telephone or person to person.

Weapons of mass destruction. Nuclear, biological and chemical weapons. Efforts to prevent the proliferation of weapons of mass destruction also address certain weapon carriers such as long-range ballistic missiles and cruise missiles.

No undercut. When a denial is issued, the other members of the multilateral regime are expected to consult the issuing state if they are considering an application for an export licence in respect of a similar transaction. The purpose of this is to make sure that the refused buyer does not try to find a supplier in another country and that countries' export controls do not lead to competitive distortions.

Outreach. Activities designed to raise awareness, provide information or services to citizens or interest individuals or organizations in the context of export control.

Export licences. According to 6 § of the Military Equipment Act (1992:1300), military equipment may not be exported from Sweden without permission, unless otherwise stipulated by the Act or other statute. A company applies for an export licence for the amount agreed by contract with a particular country. Deliveries are then usually made over several years and seldom commence during the year in which the contract was signed. Consequently, export licences are not the same thing as an actual delivery; they merely indicate the volume of orders for controlled products won by Swedish companies in the international market in a given year.

Annex 8 Abbreviations

AG	Australia Group
ATT	Arms Trade Treaty
BAFA	Bundesamt für Wirtschaft und Ausfuhrkontrolle
BTWC	Biological and Toxin Weapons Convention
COARM	Council Working Group on Conventional Arms Exports
CBW	Chemical and biological weapons
COCOM	Coordinating Committee on Multilateral Export Controls
CONOP	Council Working Group on Non-proliferation
CWC	Chemical Weapons Convention
EAPC	Euro-Atlantic Partnership Council
EDA	European Defence Agency
EKR	Export Control Council
EURENCO	European Energetics Corporation
FOI	Swedish Defence Research Agency
IAEA	International Atomic Energy Agency
ISP	Inspectorate for Strategic Products
MEC	Military Equipment for Combat Purposes
LoI	Letter of Intent
MANPADS	Man-Portable Air Defence Systems
MTCR	Missile Technology Control Regime
NPT	Nuclear Non-Proliferation Treaty
NSG	Nuclear Suppliers Group
OECD	Organisation for Economic Cooperation and Development
OJ	Official Journal of the European Union
OME	Other military equipment
OPCW	Organisation for the Prohibition of Chemical Weapons
OSCE	Organisation for Security and Co-operation in Europe
PSI	Proliferation Security Initiative
SALW	Small Arms and Light Weapons
SIPRI	Stockholm International Peace Research Institute
SME	Small and Medium-Sized Enterprises
SSM	Swedish Radiation Safety Authority
SÖ	Sweden's International Agreements
TI	Transparency International
WEAG	Western European Armaments Group
WEAO	Western European Armaments Organization
WA	Wassenaar Arrangement
ZC	Zangger Committee
WPDU	Working Party on Dual-Use Goods

Annex 9 A guide to other sources

Further information about the subject matter of this Communication can be found on the websites listed below. Most of these belong to organizations outside the Government Offices. Consequently, the Government Offices are not responsible for the content or accuracy of the information contained in these websites. The references listed below should therefore be regarded as an optional guide for interested readers.

Australia Group	www.australiagroup.net
European Defence Agency	http://eda.europa.eu/
European Union	http://europa.eu/
Export Control Council	http://www.isp.se/sa/node.asp?node=525
United Nations	www.un.org
International Atomic Energy Agency	www.iaea.org
Inspectorate of Strategic Products	www.isp.se
Lagrummet – Joint website for Swedish legal texts	www.lagrummet.se
Missile Technology Regime	www.mtcr.info
Nuclear Suppliers Group	www.nuclearsuppliersgroup.org
Organisation of Economic Co-operation and Development	www.oecd.org
Organisation for the Prohibition of Chemical Weapons	www.opcw.org
Stockholm International Peace Research Institute	www.sipri.org
Swedish Radiation Safety Authority	www.stralsakerhetsmyndigheten.se
Swedish Government	www.regeringen.se
The Riksdag (Swedish Parliament)	www.riksdagen.se
Ministry for Foreign Affairs	www.ud.se
World Bank	www.worldbank.org
Wassenaar Arrangement	www.wassenaar.org
Zangger Committee	www.zanggercommittee.org