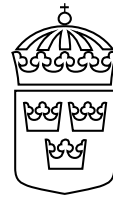


Government Communication



Strategic Export Control in 2022 – Military Equipment and Dual-Use Items

Govt
Comm.
2022/23:114

The Government submits this Communication to the Riksdag.

Stockholm 13 April 2023

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Main content of the Communication

In this Communication, the Swedish Government provides an account of Sweden's export control policy with respect to military equipment and dual-use items in 2022. The Communication also contains a report detailing exports of military equipment during the year. In addition, it describes the cooperation in the European Union (EU) and other international forums on matters relating to strategic export control on both military equipment and dual-use items.

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1 Government Communication on Strategic Export Control

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In this Communication the Government provides an account of the policy regarding strategic export control in 2022, i.e. the export control on military equipment and dual-use items. The term dual-use items is used in reference to items produced for civil use that may also be used in the production of weapons of mass destruction or military equipment.

Control of exports of military equipment is necessary in order to meet Sweden's national objectives and international obligations, and to ensure that the exporting of items from Sweden is done in accordance with the established export control rules. According to the second paragraph in Section 1 in the Military Equipment Act (1992:1300), military equipment may only be exported if there are security or defence policy reasons for doing so, and provided there is no conflict with Sweden's international obligations or Swedish foreign policy. Applications for licences are considered in accordance with the Swedish guidelines on exports of military equipment, the criteria in **the** EU's Common Position defining common rules governing control of exports of military technology and equipment, and the Arms Trade Treaty (ATT). The Inspectorate of Strategic Products (ISP) is the competent licensing authority.

The multilateral agreements and instruments relating to disarmament and non-proliferation of weapons of mass destruction are important manifestations of the international community's efforts to prevent the proliferation of such weapons. Proliferation can be counteracted by controlling the trade in dual-use items. Export control enable individual governments to meet their international obligations with respect to non-proliferation. Export control of dual-use items are also necessary to reduce the undesirable and destabilising development of conventional military capabilities. By ensuring that dual-use items are not exported to recipients of concern, Sweden's security is strengthened. Thus, it is necessary for Sweden to have strict and effective national export control of dual-use items from the point of view of non-proliferation as well as Sweden's security.

This is the thirty-ninth time that the Government has reported on strategic export control policy in a Communication to the Riksdag. The first Communication on strategic export control was presented in 1985. Sweden was among the first countries in Europe to report on activities in the area in the preceding year.

Since that time, the Communication has developed from a brief compilation of Swedish exports of military equipment to a comprehensive account of Sweden's export control policy in its entirety. More statistics are available today thanks to an increasingly transparent policy and more effective information processing systems. In parallel with Sweden's policy of disclosure, EU Member States have gradually developed, since 2000, a shared policy of detailed disclosure.

As part of efforts to increase transparency, this year's Communication includes detailed information on military equipment supplied by Swedish companies abroad. This year's statistics also include a special list of

donations of military equipment to Ukraine from the Swedish state. Two new tables listing sanctions against Russia have been added in Annex 2.

The ISP and the Swedish Radiation Safety Authority (SSM) provide statistical data for the Communication at the request of the Government. The statistics in this Communication supplement the information available in these authorities' own publications. In Annex 3 the ISP presents its own view on significant trends in Swedish and international export control.

Significant events during the year

In 2022, the deteriorating international security situation has had a major impact on strategic export control. Russia's war of aggression against Ukraine and Russia's full-scale invasion of the country on 24 February 2022 constitute a flagrant violation of international law and the European security order. The war Russia is waging against Ukraine had a very marked effect on Swedish foreign and security policy during the year, and had considerable consequences in the area of export control as well.

In response to the Russian invasion of Ukraine on 24 February, the EU imposed extensive and unprecedented sanctions on Russia during 2022. The sanctions packages include dual-use items, advanced technology and civilian firearms. Concerning military equipment, sanctions against Russia were introduced by the EU as early as 2014 when Russia began its illegal aggression against Ukraine.

To support Ukraine, Sweden has sent multiple support packages, including military equipment. Not since the Winter War in Finland has Sweden provided military equipment to a country involved in armed conflict to the extent that we are now supporting Ukraine.

On 18 May 2022, Sweden applied for membership of the North Atlantic Treaty Organization (NATO). NATO membership will change the conditions governing exports of military equipment within Sweden's national regulations. The Government also notes that, during the application period, there were defence and security policy circumstances affecting the assessment of applications from NATO member countries in 2022.

Following some restrictions for several years as a result of COVID-19, meetings in the multilateral export control regimes returned to full scale in 2022.

During the year, Swedish export control of dual-use items were strengthened by amendments to the Dual-Use Items and Technical Assistance Control Act (2000:1064) and Ordinance (2000:1217). The amendments entered into force in August and were justified by a revised version of the Dual-Use Regulation – Regulation (EU) 2021/821 of 20 May 2021 setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items – which entered into force on 9 September 2021.

The accelerating pace of development in emerging technologies such as artificial intelligence, quantum computing and biotechnology made this

work all the more urgent, nationally as well as in the multilateral export control regimes. Skr. 2022/23:114

Activities within the framework of the Arms Trade Treaty continued during 2022, albeit with adapted working methods as a consequence of Covid-19. Sweden has continued to work for further accession to and strengthening of the implementation of the Treaty, including through voluntary contributions to relevant actors within civil society. The Treaty had 113 States Parties at the end of 2022.

The extraordinary developments in the international security milieu and an increased focus on Sweden's security situation also had an impact on the ISP, resulting in an expansion of its remit. Besides being the licensing authority in export control cases, the ISP is also the competent authority in relation to the aforementioned sanctions against Russia.

Summary of the statistical data

Comprehensive statistics on licence approval and on Swedish exports of military equipment and dual-use items are presented in two annexes to this Communication. The statistics cover data from 1 January to 31 December 2022.

Exports and other activity related to military equipment in 2022 are presented in Annex 1. Exports are also shown over the course of time, as individual licences and deliveries of major systems may cause wide fluctuations in the annual statistics.

In 2022, 346 companies, government authorities and private individuals held licences for manufacturing or supplying military equipment. Since 2018, the number of licence holders has increased by just over 80%. The main reason for this increase is that amendments to the Military Equipment Act entail that some additional activities require supplier licences. The increase relates principally to subcontractors of system manufacturers of military equipment.

Sixty-two countries received deliveries of military equipment from Sweden in 2022.

The value of military equipment exports in 2022 was just over SEK 15.2 billion. The value of exports thus decreased by around 24% compared to the previous year.

More than 83% of exports went to the 39 countries designated as established partner countries in the defence and security area. The most significant recipient countries are familiar from previous years. Sales of JAS Gripen made Brazil (at just over SEK 3 billion) the largest recipient country. After Brazil, the United States (just under SEK 2.6 billion) and Germany (just over SEK 1.3 billion) were the largest recipient countries. Exports to the United States included ground combat systems and naval artillery systems, while exports to Germany consisted of components for rocket systems, self-protection systems and naval command and control systems. The leasing of the JAS Gripen system by Hungary and the Czech Republic has also had a big impact on the statistics.

In addition to the established circles of cooperation, India and the United Arab Emirates were the most significant recipient countries. Almost 13%

of exports went to these two countries. In 2020 and 2021, major follow-on deliveries of the Global Eye airborne radar system were made to the United Arab Emirates (UAE). In 2022, no such deliveries took place, which is why the value of exports to the country fell sharply. The UAE is expected to remain a significant recipient country even in the years ahead.

The number of licences for new deals with countries outside the established circle of cooperation was again very low. There were only follow-on deliveries within the category of other military equipment to countries in the Middle East. Two export licences for follow-on deliveries to Türkiye have been granted, but there were no actual exports to the country in 2022.

The export of Swedish military equipment to Ukraine has mainly consisted of donations from the Swedish state. A total of 11 licences have been granted for this purpose while 7 licences have been granted for sales. The ISP has granted 37 further transfers of military equipment manufactured in Sweden from other countries.

The value of the export licences granted in 2022 amounted to just over SEK 21.9 billion, which is an increase of just under 50% compared with 2021. EU countries and the United States also dominate when it comes to the value of granted export licences. The value of granted export licences to Finland, Germany and the United States amounted to over SEK 16 billion.

The licensing of dual-use items is presented in Annex 2. Unlike in cases of exports of military equipment, exporters of dual-use items are not required to submit delivery declarations. Consequently, there is no data on actual exports. As a rule, the transfer of dual-use items within the EU does not require a licence. In addition, extensive EU general licences allow for exports without a licence to certain partner countries outside the EU. As a result, recipient countries of most dual-use item exports are not included in the statistics.

2 Military equipment

2.1 Background and regulations

A licence requirement for exports of military equipment is necessary to ensure that exporting of items from Sweden and provision of technical assistance is done in accordance with established export control rules. Under military equipment legislation, export control covers the manufacture, supply, and export of military equipment, as well as agreements on cooperation or manufacturing rights, etc., regarding such equipment.

The regulatory framework for Swedish export control consists of the Military Equipment Act (1992:1300) and the Military Equipment Ordinance (1992:1303), as well as the principles and guidelines on exports of military equipment decided upon by the Government and approved by the Riksdag. According to the second paragraph in Section 1 of in the Military Equipment Act (1992:1300), military equipment may only be

exported if there are security or defence policy reasons for doing so, and provided there is no conflict with Sweden's international obligations or Swedish foreign policy. Sweden's international obligations must also be taken into account in the examination of applications for licences. This includes the EU Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, as well as the criteria set forth in the Arms Trade Treaty (ATT).

Swedish examination of licence applications is based on an overall assessment in accordance with government guidelines and established practice. The international rules are more in the nature of individual criteria to be observed, assessed or complied with. As an independent authority, the ISP is tasked with assessing licence applications independently in accordance with the whole regulatory framework.

Under the Military Equipment Act, export control thus covers the manufacture, supply and export of military equipment, as well as certain agreements on cooperation and rights to manufacture such equipment. The Act applies both to equipment that is designed for military use and that constitutes military equipment under government regulations and to such technical support for military equipment that, according to the government regulations, constitutes technical assistance. The list of what constitutes military equipment and technical assistance is contained in the annex to the Military Equipment Ordinance. The Swedish list of military equipment is in line with the EU's Common Military List, aside from three national supplements: nuclear explosive devices and special parts for such devices, fortification facilities etc. and certain chemical agents.

In 2018, a stricter Swedish regulatory framework for exports of military equipment was introduced with the broad support of the Riksdag (Govt Bill 2017/18:23). This tightening of the rules included making the democratic status of the recipient country, along with its respect for human rights, a key condition in the assessment of licence applications. This is unique to Sweden's regulatory framework.

Swedish export control rules are updated regularly. The opportunities for successfully addressing the challenges that are a feature of non-proliferation efforts are improved in that way. For example, in 2021 the Government decided to introduce systematic post-shipment controls (verification visits) abroad for exports of light weapons from Sweden. Such controls can be a valuable complement to strict assessments of licence application in countering diversion of military equipment to non-intended recipients, i.e. the exported equipment ending up with a different end-user than the intended end-user. The system was introduced on 1 March 2022.

Post-shipment controls involve visits from personnel from the exporting countries in a country to which certain military equipment has been exported in order to confirm that the equipment is still with the end-user. The aim is thereby also to reinforce mutual trust. Post-shipment controls have previously mainly been carried out by the United States, but have also been introduced in recent years by other countries, including Switzerland, Spain and Germany.

Sweden's post-shipment controls concern light weapons for which the risk of diversion is deemed to be most substantial. These are five types of

Skr. 2022/23:114 anti-tank systems and short-range man-portable air-defence systems (MANPADS).

The ISP is responsible for carrying out post-shipment control visits in the recipient countries. In practice, the visits mean that the ISP on site in the recipient country counts the quantity of the system exported. Established partner countries, for which there are no foreign policy obstacles to foreign cooperation, are exempted from the requirement for post-shipment controls. The system of post-shipment controls will be evaluated within three years of carrying out the first control visit.

Export control and sustainable development

Human rights, democracy and the rule of law are priority areas in Swedish foreign policy, and also important aspects of Sweden's work to implement the 2030 Agenda. Sweden is to implement the 2030 Agenda through a unified policy, nationally and internationally. According to the Swedish guidelines, the assessment of licence applications for the export of military equipment must also take into account whether the export or foreign cooperation runs counter to equitable and sustainable development in the recipient country. The Government strives to avoid Swedish exports of military equipment that negatively affect progress toward equitable and sustainable global development.

As mentioned in section 2.1, a unique aspect of the Swedish guidelines is that the democratic status of the recipient country should be a key condition in the assessment of licence applications. The lower the democratic status, the less scope there is for licences to be granted. If serious and extensive violations of human rights or grave deficiencies in the recipient's democratic status occur, this poses an obstacle to granting licences. Assessment of applications for licences must also take account of whether the export impedes sustainable development in the recipient country. The effects on sustainable development are also being taken into consideration through the application of the EU Common Position on arms exports, the eighth criterion of which highlights the technical and economic capacity of recipient countries and the need to consider whether a potential export risks seriously hampering sustainable development.

There is a clear expectation from the Government that Swedish companies will act sustainably and responsibly and base their work on the international guidelines for corporate social responsibility, both in Sweden and abroad. A number of measures have been taken to encourage and support companies in their sustainability work. For example, legislation on sustainability reporting for large companies, clearer criteria for sustainability in the Public Procurement Act (2016:1145) and stronger legal protection for whistle-blowers have been introduced. In addition to what is governed by Swedish legislation, the Government expects Swedish companies to apply a clear anti-corruption policy and contribute to greater transparency.

The largest Swedish industry association in the defence area, the Swedish Security and Defence Industry Association (SOFF), which represents more than 95% of defence companies in Sweden, requires prospective members to sign and comply with its Code of Conduct on

Business Ethics in order to be accepted as members. The Code of Conduct aims to ensure a high level of business ethics. Individuals who represent the companies also undergo special e-training on anti-corruption that has been developed jointly by SOFF and the Swedish Defence Materiel Administration. To date, more than 5 200 individuals have undergone this training. SOFF also arranges annual experience swapping sessions between senior managers on high business ethics standards. Seminars on responsible sales and rule compliance were also held in 2022.

Export control and gender equality

The Government places great emphasis on its gender equality work. Preventing and countering all forms of gender-based and sexual violence in conflicts and within societies generally is a high priority, as is highlighting and strengthening the influence and meaningful participation of women in political processes and peace- and state-building at all levels of society. An important part of this work is the strict control of exports of military equipment from Sweden. Article 7.4 of the Arms Trade Treaty states that the States Parties must take into account the risk of exported equipment being used to commit or facilitate serious acts of gender-based violence or serious acts of violence against children. The Government is actively working to ensure that Article 7.4 is applied in practice by the States Parties to the Treaty, and for these issues to continue to be highlighted and followed up in work on the Treaty. Sweden was one of the countries driving the introduction of the term ‘gender-based violence’ (GBV) into the Arms Trade Treaty, which was the first time the term had been used in an international, legally binding instrument.

It should be noted that consideration of Article 7.4 of the Treaty takes place in addition to the assessment made previously with respect to human rights under the Swedish guidelines, and according to Criterion Two of the EU Common Position (2008/944/CFSP) on exports of military equipment. The latter regulatory frameworks are therefore also significant in this context.

At national level, the ISP is responsible for ensuring that gender equality aspects and risks of gender-based and sexual violence are taken into account when assessing licence applications and when applying Article 7.4 of the Arms Trade Treaty.

2.2 The role of defence exports from a security policy perspective

The foundations of today’s Swedish defence industries were laid during the Cold War. The ambition at the time was that Sweden would be independent of foreign suppliers. The defence industry thus became an important part of Swedish security policy. Exports of military equipment, which during this time were limited, were an element in ensuring capacity to develop and produce equipment adapted to the needs of the Swedish armed forces.

After the end of the Cold War, this striving for independence in terms of access to military equipment for the Swedish armed forces has gradually been replaced by a growing need for equipment cooperation with like-minded states and neighbours. Technical and economic development has meant that both Sweden and its partner countries are mutually dependent on deliveries of components, sub-systems and finished systems manufactured in other countries. These deliveries are in many cases ensured through contractual obligations.

Sweden's security policy aims to guarantee the country's independence and autonomy; safeguard the sovereignty, interests and fundamental values of Sweden; and to ensure that Sweden can exercise its own discretion when faced with political, military or other forms of external pressure (Govt Bill 2020/21:30 p. 31).

Threats to peace and security are best averted together and in cooperation with other countries. By contributing to a safer world, a stable neighbourhood and predictable intergovernmental relations the security of Sweden is enhanced. Sweden's security policy is based on cohesion in the EU and NATO, as well as cooperation in the Nordic and Baltic Sea regions, within the UN and the Organisation for Security and Cooperation in Europe (OSCE), and with transatlantic partner countries. A strong transatlantic link is essential to Europe's security.

On 24 February 2022, Russia launched an unprovoked, unjustifiable, full-scale invasion of Ukraine in violation of international law. The attack on Ukraine is also an attack on the European security order. Russia's actions have resulted in a drastic deterioration in the security order that is structural and longstanding. This has extensive and far-reaching consequences for Sweden.

The drastic deterioration in the security situation has highlighted the importance of continuing to deepen Sweden's defence and security partnerships. However, developing bilateral defence alliances with mutual defence guarantees outside of existing European and Euro-Atlantic structures is not a realistic option. There is also a lack of political will to develop a collective defence within the EU.

The capacity for practical military collaboration (interoperability), is dependent on Sweden's military equipment systems being able to function together with the equipment of partner countries, as well as being technically mature, reliable and available. It is therefore in Sweden's security policy interests to safeguard long-term and continuous cooperation on equipment issues with a number of traditional partner countries. This mutual cooperation is based, among other things, on both exports and imports of military equipment.

In previous bills put forward by the Government, the Government has highlighted the military aircraft sector, the underwater sector and integrity-critical aspects of the command and control sector, such as sensors, electronic warfare and crypto, as key security interests for Sweden.

The opportunity to maintain national integrity and independence within areas of particular significance is important. In certain cases, significant security interests can be met with foreign equipment if requirements in terms of security of supply and transfers of technology and knowledge are met. Sweden's defence industry and exports of military equipment are an essential part of our security policy. There are therefore defence or security

policy reasons for every export deal, ultimately linked to Swedish defence capability. Skr. 2022/23:114

Military equipment may only be exported if there are security or defence policy reasons for doing so and provided there is no conflict with Sweden's international obligations or Swedish foreign policy. NATO membership will change the conditions governing exports of military equipment within Sweden's national regulations.

Currently, the most important military product areas for Swedish defence and security companies where there are security and defence policy reasons in support of exports of military equipment are:

- 1 combat aircraft,
- 2 surface vessels and submarines,
- 3 combat vehicles and tracked vehicles,
- 4 short and long-range weapons systems in the form of land and sea-based and airborne systems, including missiles,
- 5 small and large-bore ammunition,
- 6 smart artillery ammunition,
- 7 land and sea-based and airborne radar and IR systems,
- 8 electronic warfare systems that are passive and active,
- 9 telecommunications systems, including electronic countermeasures,
- 10 command and control systems for land, sea and air applications,
- 11 systems for exercises and training,
- 12 signature adaptation (e.g. camouflage systems and radar),
- 13 systems for civil protection,
- 14 encryption equipment,
- 15 torpedoes,
- 16 maintenance of aircraft engines,
- 17 gunpowder and other pyrotechnic materials,
- 18 services and consultancy,
- 19 support systems for operation and maintenance.

Equipment support to Ukraine

As a consequence of Russia's violation of international law with its full-scale invasion of Ukraine, the Government decided already on 28 February 2022 to donate military equipment to Ukraine in order to support the country's right to self-defence and to assert its sovereignty over its territory. This unique decision included anti-tank grenade launchers, helmets, protective equipment and combat rations. The Government has since made additional decisions on donations of military equipment. A total of nine military support packages were provided in 2022 and these included weapons, ammunition, air defence systems, off-road passenger vehicles and protective equipment, and also financial contributions. See Annex 1 for more information. Not since the Winter War in Finland has Sweden provided military equipment to a country involved in armed conflict in the way that we are now supporting Ukraine.

In addition, Sweden provided large-scale humanitarian aid, civilian crisis management support and material donations, reform support and reconstruction support to Ukraine throughout the year 2022. For the full

Skr. 2022/23:114 year 2022, total military and civilian support to Ukraine amounted to over SEK 10 billion.

Sweden's application for NATO membership and consequences for Swedish export control of military equipment

On 18 May 2022, Sweden and Finland applied for membership of the North Atlantic Treaty Organization (NATO). On 5 July 2022, the NATO member countries signed the accession protocols that gave Sweden and Finland the status of invited members to NATO.

As a NATO member, Sweden will contribute in solidarity to the security of NATO as a whole. Membership of NATO includes a commitment to the Organization's nuclear doctrine and strategic deterrence. Sweden will be covered by NATO's operations planning and capability development, and will contribute to NATO's deterrence and defence measures. Sweden will be subject to the consultation obligation and mutual defence guarantees in accordance with Articles 4 and 5 of the North Atlantic Treaty. In addition, there are obligations under Article 3 to develop their individual and collective capacity to resist armed attack, which has a bearing on exports of military equipment.

The Government has made it clear that NATO membership will change the conditions governing exports of military equipment within Sweden's national regulations. Sweden's application for membership of NATO has already affected the assessment of applications for licences for the export of military equipment. In 2022, in view of the changed defence and security policy circumstances, the ISP decided to grant a licence for follow-on deliveries from the Swedish defence industry to Türkiye. The Government notes that the application for membership of NATO greatly strengthens the defence and security policy reasons for granting licences for the export of military equipment to NATO member countries.

2.3 Cooperation within the EU on export control on military equipment

The EU Common Position on Arms Exports

The EU Member States have national rules concerning the export of military equipment. However, the Member States have also chosen to coordinate their export control policies to some extent. The EU Code of Conduct on Arms Exports, adopted in 1998, contained common criteria for exports of military equipment, applied in conjunction with national assessments of export applications. The Code of Conduct was made stricter in 2005, and was adopted as a Common Position in 2008 (2008/944/CFSP). It is applied by all the EU Member States and a number of countries that are not members of the EU (Albania, Bosnia and Herzegovina, Canada, Georgia, Iceland, Montenegro, North Macedonia and Norway).

The Common Position contains among other things eight criteria that are to be considered before taking a decision to approve exports of military equipment to a given country:

- *Criterion One* stipulates that the international obligations and commitments of Member States must be respected, in particular the sanctions adopted by the UN Security Council or the European Union.
- *Criterion Two* is concerned with respect for human rights in the country of final destination as well as respect by that country of international humanitarian law. Export licences are to be denied if there is a clear risk that the military technology or equipment to be exported might be used for internal repression.
- *Criterion Three* is concerned with the internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.
- *Criterion Four* is aimed at preservation of regional peace, security and stability. Export licences may not be issued 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.
- *Criterion Five* is concerned with the potential effect of the military technology or equipment to be exported on the country's defence and security interests as well as those of another Member State or those of friendly and allied countries.
- *Criterion Six* is concerned with the behaviour of the purchasing country with regard to the international community, as regards for example its attitude to terrorism and respect for international law.
- *Criterion Seven* is concerned with the existence of a risk that the military technology or equipment will be diverted within the purchasing country or re-exported under undesirable conditions.
- *Criterion Eight* stipulates that the Member States must take into account whether the proposed export would seriously hamper the sustainable development of the recipient country.

Individual Member States may operate more restrictive policies than are stipulated in the Common Position. The Common Position also includes a list of the products covered by the controls (the EU Common Military List). A user's guide has also been produced that provides more details about the implementation of the agreements in the Common Position on the exchange of information and consultations, and about how these criteria for export control are to be applied. The User's Guide is continually updated.

Work as part of COARM

The Working Party on Conventional Arms Exports (COARM) is a forum in which EU Member States regularly discuss the application of the Common Position on Arms Exports. Member States also exchange views on various export destinations. An account of this work, the agreements

reached and statistics on the exports of military equipment of the Member States is published in the EU annual report on arms exports.

Since the criteria in the Common Position span a number of different policy areas, the goal is to achieve an increased and clear coherence between these areas. Sweden is making active efforts to reach a common view among the Member States on implementation of the Common Position. An important way to achieve this is to increase transparency between the Member States.

In 2022, all meetings were held again in Brussels, which facilitated information exchanges. This was important in view of Russia's full-scale invasion of Ukraine. The EEAS also presented a common database for licence case officers in the EU.

Through COARM, the EU additionally pursues an active policy of dialogue with third countries on export control. In this context, dialogue meetings were held during 2022 with Norway and the United States, among others.

Another aspect of the work aimed at third countries is the EU's support programmes to improve export control with respect to military equipment, and to promote implementation of the Arms Trade Treaty, for those countries choosing to accede to the Treaty.

Exchange of information on denials

In accordance with the rules for implementing the Common Position, Member States must exchange details of export licence applications that have been denied. Sweden received 107 denial notifications from other Member States and Norway in 2022.

Sweden submitted six denial notifications. The denials concerned Bahrain, Bosnia and Herzegovina, Israel, Qatar and Tunisia. All were decided with reference to Sweden's national guidelines. The fact that exports to a particular recipient country have been denied in a specific case does not mean that the country is not eligible for Swedish exports of military equipment in other cases. Swedish export control do not use a system involving lists of countries, i.e. pre-determined lists of countries that are either approved or not approved as recipients. Each individual export application is considered in an overall assessment based on the guidelines adopted by the Government for exports of military equipment, the EU Common Position and the Arms Trade Treaty. To allow a licence to be granted, the application must be supported by the regulatory framework as a whole.

If a Member State is considering granting a licence for an essentially identical transaction that another state has denied, consultations are to take place before a licence can be granted. The former Member State also has to inform the latter state of its decision. The exchange of denial notifications and consultations on the notifications make export policy in the EU more transparent and uniform in the longer term between the Member States. The consultations also lead to greater consensus on different export destinations. Member States notifying each other about the export deals that are denied, and explaining the grounds for such denials, reduces the risk of another Member State approving the export.

The ISP is responsible for notifications of Swedish denials and arranges consultations. Sweden received three consultation enquiries from other EU Member States in 2022. No consultations were initiated by Sweden during the year.

Work on EU Directive 2009/43/EC on transfers of defence-related products within the EU and the EEA

Under the Swedish Presidency in 2009, Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community, the ICT Directive, was adopted. The intention with the Directive was to allow for more competitive groups of defence industry companies and defence cooperation at the European level. The European Commission is in charge of the implementation of the Directive. It is assisted in this work by an expert group of representatives from the Member States. The Expert Group held two meetings during 2022.

The main focus of the Expert Group's work during the year continued to be identifying the export control challenges that Member States and participating entities may face as a result of projects financed via the European Defence Fund (EDF), and how the ICT Directive can be used to facilitate the implementation of the EDF projects. In 2022, work also continued on drawing up a common definition for the concept of 'specially designed for military use' in order to reduce the risk of differences in application between the Member States.

Exports of civilian firearms

Regulation (EU) No 258/2012 of the European Parliament and of the Council implementing Article 10 of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the UN Convention against Transnational Organized Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for firearms, their parts and components and ammunition was adopted in 2012. The intention of the regulation, and of the UN protocol, is to combat crime by reducing access to firearms. References to exports in the Regulation indicate exports outside of the EU; from the point of view of Sweden, this means, on the one hand, exports from Sweden to third countries and, on the other, exports from any other Member State to a third country in cases where the supplier is established in Sweden.

The Regulation covers firearms, parts for weapons and ammunition for civil use. It does not apply to firearms etc. that are specially designed for military use, or to fully automatic weapons. Exceptions to the scope of the Regulation are bilateral transactions, firearms etc. that are destined for the armed forces, the police or the authorities of the Member States. Replica weapons, deactivated firearms rendered unusable, antique firearms and collectors or other institutions concerned with the cultural and historical aspects of firearms also fall outside of the scope of the Regulation.

Those firearms etc. that are encompassed by the EU Regulation are also covered, with the exception of smooth-bored hunting and sporting weapons, by the appendix to the Military Equipment Ordinance. According to Regulation No 258/2012 of the European Parliament and of the Council, those aspects that are encompassed by the Common Position must be taken into consideration when assessing licence applications.

The EU Regulation has been applied in Sweden since 2013. There are provisions that complement the EU Regulation in the Ordinance (2013:707) concerning the control of certain firearms, parts of firearms and ammunition. The ISP is the authority responsible for licences in accordance with the EU Regulation. In 2022, 210 cases were received by the ISP and 194 export licences were granted.

Arms embargoes

Within the scope of its Common Foreign and Security Policy (CFSP), the EU implements embargoes that have been adopted by the UN on, for example, the trade in arms and dual-use items. The EU can also decide unanimously on certain embargoes extending beyond those adopted by the UN Security Council. These decisions by the Council of the EU may be regarded as an expression of the Member States' desire to act collectively on various security policy issues. An arms embargo that has been adopted by the UN or the EU is implemented in accordance with each Member State's national export control regulations. EU arms embargoes normally also include prohibitions on the provision of technical and financial services relating to military equipment. These prohibitions are governed by Council Regulations and are therefore directly applicable within the EU Member States. Embargoes on trade in dual-use items are governed by both Council Decisions and Council Regulations. These are normally also accompanied by prohibition of the provision of technical and financial services relating to these items.

A decision by the UN Security Council, the EU or the OSCE to impose an arms embargo represents an unconditional obstacle to Swedish exports in accordance with the Swedish guidelines for exports of military equipment. If an arms embargo also applies to imports, special regulations on the prohibition are issued in Sweden. Such regulations have previously been issued for Iran, Libya and North Korea. As a result of the EU sanctions against Russia, the Government decided in 2014 to impose such an arms embargo on Russia. In 2022, the embargo covering dual-use items and additional items connected to dual-use items has been expanded in stages. In several subsequent decisions in 2022, the number of items subject to the embargo was increased.

There are currently formal EU decisions, either independent or based on UN decisions, to impose arms embargoes on Afghanistan, Belarus, the Central African Republic, the Democratic Republic of Congo, Iran, Iraq, Lebanon, Libya, Myanmar, North Korea, Russia, Somalia, South Sudan, Sudan, Syria, Venezuela, Yemen and Zimbabwe. These embargoes vary in their focus and scope. There are also individually targeted arms embargoes against individuals and entities currently named on the UN terrorist list. The EU also applies an arms embargo against China, based

on a Council declaration issued as a result of the events in Tiananmen Square in 1989. This embargo is not rooted in any legal instrument. Its application varies between the Member States according to national legislation, rules and decision-making processes. Sweden does not permit the export of any military equipment to China. Under an OSCE decision, a weapons embargo is also maintained on the area of Nagorno-Karabakh, which for Sweden affects both Armenia and Azerbaijan.

The Ministry for Foreign Affairs has collated information on what restrictive measures (sanctions) against other countries exist in the EU and thus apply to Sweden. Information can be found on the website www.regeringen.se/sanktioner and is updated regularly. This website provides a country-by-country account of arms embargoes and embargoes on dual-use items that are in force. It also contains links to websites with EU legal acts covering sanctions and, where applicable, the UN decisions that have preceded the EU measures.

2.4 Other international cooperation on export control of military equipment

Transparency in conventional arms trade

In 1991 the UN General Assembly adopted a resolution on transparency in arms trade. The resolution urges the UN member states to voluntarily submit annual reports on their imports and exports of conventional weapon systems to a register administered by the United Nations Office for Disarmament Affairs (UNODA).

The reporting concern trade in the following seven categories of equipment: tanks, armoured combat vehicles, heavy artillery, combat aircraft, attack helicopters, warships and missiles or missile launchers. The definitions of the different categories have been successively expanded to include more weapons systems, and it is now also possible to voluntarily report trade in small arms and light weapons. Particular importance is now attached to Man-Portable Air Defence Systems, which are included in the category of missiles and missile launchers. The voluntary reporting also includes information on countries' stockpiles of these weapons and procurements from their own defence industries. In consultation with the Ministry of Defence and the ISP, the Ministry for Foreign Affairs compiles annual data, which is submitted to the UN in accordance with the resolution.

As the Register is based on reports from many major exporters and importers, a significant share of world trade in heavy conventional weapon systems is reflected here.

Sweden's share of world trade in heavy weapon systems continues to be limited. The report for 2022 that Sweden will submit to the UN on the seven categories of equipment lists exports of JAS 39 Gripen E to Brazil; AT4 anti-tank grenade launchers to Latvia and the United States; Carl-Gustaf grenade launchers to Australia, Denmark, Norway, Hungary and the United States; and RBS 70 portable air defence systems to Argentina,

Estonia, Ireland and the Czech Republic. There are no exports from Sweden to report for the other categories. Trade in heavy weapons systems and small arms and light weapons is reported annually to the OSCE in the same way as to the UN.

The reporting mechanism of the Wassenaar Arrangement export regime regarding exports of military equipment largely follows the seven categories reported to the UN Register. However, certain categories have been refined through the introduction of subgroups and an eighth category for small arms and light weapons has been added. The Member States have agreed to report twice yearly, in accordance with an agreed procedure, and further information may then be submitted voluntarily. The purpose of this agreement is to draw attention to destabilising accumulations of weapons at an early stage. Exports of certain dual-use items and technology are also reported twice yearly.

The Arms Trade Treaty

In 2013, the UN General Assembly voted to approve the international Arms Trade Treaty (ATT). The Treaty created an internationally binding instrument that requires its parties to maintain effective national control of the international trade in defence equipment and sets standards for what this control should entail. The anticipated long-term effects of this treaty are:

- greater responsibility by countries that regularly produce and export military equipment,
- a reduction in unregulated international trade, as more states accede and introduce controls, and
- better opportunities to counteract the illegal trade, through the increased number of countries that exercise control and through improved cooperation between them.

The Arms Trade Treaty entered into force in 2014. All the EU Member States have ratified the Treaty and are therefore full States Parties to it. At the end of 2022, 113 states had ratified the Treaty and a further 28 had signed it.

In 2022, the eighth Conference of States Parties was held. Three working groups have been set up for Treaty work between the Conferences. They address the effectiveness of the implementation of the Treaty, increased accession to the Treaty and transparency and reporting issues. In addition, a Voluntary Trust Fund has been established for financial support to projects for States Parties that need help with improving their control systems. A forum has also been established for information exchanges, to enable States Parties and signatory states to exchange information on detected or suspected diversions in arms trafficking. The Forum held its first formal meeting in connection with the eighth Conference of States Parties.

The Government attaches great importance to the widespread accession to and effective implementation of the Arms Trade Treaty. A universal, legally binding treaty that strengthens the control of trade in conventional

arms is an effective tool to deal with the cross-border flows of weapons that nurture armed violence and armed conflicts. Sweden therefore plays an active part in continued work aimed at realising the objectives of the Treaty and the accession of more states.

In 2022, Sweden participated in the meetings of the working groups, and in the steering group for the ATT Voluntary Trust Fund. Sweden has previously contributed to the Voluntary Trust Fund as well as to the UN Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR). The two funds complement each other in that they are focused on different support channels. In 2022, Sweden also provided grants to civil society organisations working to strengthen implementation of and broader adherence to the ATT, such as the Control Arms coalition.

During the year, EU Member States continued to coordinate their actions concerning the ATT in the Council working group COARM.

Small arms and light weapons (SALW)

The term ‘small arms and light weapons’ (SALW) essentially refers to firearms which are intended to be carried and used by one person, as well as weapons intended to be carried and used by two or more persons. Examples of the former category include pistols and assault rifles. Examples of the latter include machine guns, rocket-propelled grenades and portable missiles. Work to prevent and combat the destabilising accumulation and the uncontrolled proliferation of small arms and light weapons is currently taking place in various international forums such as the UN, the EU and the OSCE. No other type of weapons causes more deaths and suffering than these, which are used every day in local and regional conflicts, particularly in developing countries and in connection with serious and often organised crime.

Sweden strives to ensure that all countries establish and implement a responsible export policy with comprehensive laws and regulations. The aim is for all countries to have effective systems that control manufacturers, sellers, buyers, agents and brokers of SALW.

In 2001, the UN adopted a Programme of Action to prevent, combat and eradicate the illicit trade in small arms and light weapons. The UN’s work aims to raise awareness of the destabilising effect small arms and light weapons have on regions suffering from conflict. Non-proliferation is also important in combating criminality and, in particular, terrorism. The UN Programme of Action complements the international arms trade control work of the Arms Trade Treaty by focusing on measures at national level to reduce illegal flows of small arms and light weapons. In 2022, Sweden participated in the eighth follow-up meeting for the Programme of Action.

Work within the EU is based on a common strategy adopted in 2018 against illegal firearms and small arms and light weapons and ammunition. The strategy contains a number of proposals for measures for work on small arms and light weapons within the Union’s borders and in the vicinity of the EU and reflects Swedish priorities well.

The Russian aggression against Ukraine meant that no decisions were negotiated or adopted at the Council of Ministers in Lodz in 2022. During the year, Sweden reported exports of small arms and light weapons to the

Skr. 2022/23:114 UN Register of Conventional Arms as well as to the OSCE Register of Conventional Arms.

During 2022, Sweden contributed to several projects and funds that aim to reduce the uncontrolled proliferation of small arms and light weapons, and to strengthen the international processes in this area. One such example is the Voluntary Trust Fund in support of the implementation of the regional roadmap on combating illicit small arms and light weapons trafficking in the Western Balkans, which was established by the United Nations Development Programme (UNDP). Sweden is one of the largest donors to the Fund.

The Six Nation Initiative

In 2000, the six nations in Europe with the largest defence industries – France, Germany, Italy, Spain, Sweden and the United Kingdom – signed an important defence industry cooperation agreement at governmental level. This agreement was negotiated as a result of the declaration of intent adopted by the countries' defence ministers in 1998, the Six Nation Initiative. The purpose of the agreement is to facilitate rationalisation, restructuring and the operation of the European defence industry. Activity in the Six Nation Initiative and its working groups also covers export control issues.

COVID-19 continued to limit work within the framework of the Six Nation Initiative in 2022. In the LoI Export Control Informal Working Group (LoI ECIWG), a physical meeting was held at director level. In addition, online work meetings were held during the year to discuss export control issues related to the European Defence Fund (EDF) as well as the future handling of third-country exports within the framework of the Group, but also to share experiences on transfers of intellectual property and the handling of end-user certificates.

3 Dual-Use Items

3.1 Background and definitions

The term dual-use items is used in reference to items produced for civil use that may also be used in the production of weapons of mass destruction or military equipment. Dual-use items also include certain other products of particular strategic importance, such as encryption systems.

The need to control exports of dual-use items is justified by the fact that, for example, some countries run programmes to develop weapons of mass destruction despite having signed international agreements prohibiting or regulating such activities, or because they remain outside these agreements. Such countries have often increased their capacity by importing civilian products that have then been used for military purposes.

Export control of dual-use items is also required to reduce the undesirable and destabilising development of conventional military capabilities.

The inclusion of a dual-use item on a control list does not necessarily mean that the export of that item is prohibited, only that the item is deemed to be sensitive and its export is therefore subject to control. The export control measures required in the EU must, at the same time, be well-demarcated in consideration of the risk of proliferation and not unnecessarily disrupt the internal market or the competitiveness of European companies.

A large part of the work within the EU and in the international export control regimes consists of extensive information activities aimed at domestic industry and other countries, on the need for export control and the development of export control systems.

It is difficult to provide an overall picture of the industries that work with dual-use items in Sweden as a considerable proportion of products sold go to the EU market or are exported to markets covered by the EU's general export licences (see section 3.2.1 below).

3.2 Regulation of Dual-Use Items

In order to prevent the proliferation of weapons of mass destruction and thus to contribute to international security, exports of dual-use items are subject to special regulation at the international level.

Sweden has both legally binding commitments that have been adopted by the UN and the EU, and political commitments, within the scope of the export control regimes, aimed at limiting the spread of sensitive information and technologies, including those that can be used to manufacture weapons of mass destruction.

Export control is always exercised at national level, but extensive coordination also takes place through international export control regimes (see section 3.5 for a review of the regimes) and within the EU. In Sweden, export control of dual-use items is governed mainly by the EU Dual-Use Regulation (see section 3.2 for details) and Sweden's Dual-Use Items and Technical Assistance Control Act (see section 3.2). The export of dual-use items is limited in many cases by targeted restrictive measures (sanctions) which are described in more detail in section 3.3. This has been brought to the fore during the year, not least as a result of Russian aggression against Ukraine and Russia's full-scale invasion of the country on 24 February 2022.

The Dual-Use Regulation

There is a common regulatory framework in the EU the form of Regulation (EU) 2021/821 of the European Parliament and of the Council of 20 May 2021 setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items (the Dual-Use Regulation). This Regulation replaced the previous regulatory framework in the form of Council Regulation (EC) 428/2009 on

Annex 1 to the Dual-Use Regulation

In the EU, the control lists continuously updated in the international export control regimes (see section 3.5 on the export control regimes) are transferred to Annex I of the Dual-Use Regulation. Annex I to the Regulation then constitutes the list of items and technologies that require a licence when exported from the EU.

Other control options

Article 4 of the Dual-Use Regulation establishes that Member States can also use a mechanism that enables products not on the lists to be made subject to controls in the event that the exporter or the licensing authorities have been informed that the product is or may be intended for use in connection with the production etc. of weapons of mass destruction or for other military purposes. This is known as the catch-all mechanism, and is also common practice within the international export control regimes.

Article 5 of the Dual-Use Regulation also makes exports of unlisted cyber-surveillance items subject to an obligation to obtain a licence if the exporter has been informed by the competent authority that the items may be intended for use in connection with internal repression or to commit serious violations of human rights or international humanitarian law. Cyber-surveillance products are defined in Article 2.20 of the Dual-Use Regulation as items that are specifically designed to enable the covert surveillance of physical persons by monitoring, extracting, collecting or analysing data from information and telecommunication systems.

An additional control possibility is found in Article 10, whereby items not listed in Annex I but included in the national control list of any other Member States in accordance with Article 9 may be subject to an obligation to obtain a licence in Sweden if the competent Swedish authority has informed the exporter that the item may be intended for a use which gives rise to public security concerns, including the prevention of terrorist acts, or concerns regarding human rights. The purpose of the mechanism in Article 10 is to enable Member States to coordinate their actions quickly when new risks are identified as in the case of emerging technologies.

General licences

The principal rule in the EU is that no licence is required for transfer to another EU Member State. The general EU001 Licence applies, with some exemptions, to all items in Annex I to the Dual-Use Regulation regarding exports to Australia, Japan, Canada, Iceland, Liechtenstein, New Zealand, Norway, Switzerland, the United Kingdom and the United States. There are also an additional seven EU general licences (EU002–EU008).

In Sweden, the export control of dual-use items and of technical assistance in connection with these items is governed by the Dual-Use Items and Technical Assistance Control Act (2000:1064). This Act contains provisions supplementing the EU Dual-Use Regulation. Following the revision of the Dual-Use Regulation in 2021, a number of amendments were made to the Act and entered into force on 1 August 2022. The amendments included the introduction of powers for the Government to issue regulations on licence requirements.

Unlike exporters which are subject to the military equipment legislation, no basic operating licences under the export control legislation are required for exporters that produce or otherwise trade in dual-use items. Nor are these exporters obliged to make a declaration of delivery in accordance with the export control legislation. However, a company is obliged to make a fee declaration if it has manufactured or sold controlled products subject to supervision by the ISP. This includes sales within and outside Sweden.

Where an exporter is aware or has grounds for suspecting that a dual-use item which it intends to export, and which is not listed in Annex I to the Dual-Use Regulation, is intended for use in connection with weapons of mass destruction, for military end-use in a country subject to an arms embargo, or may be used as a component of military equipment which has been exported from the EU without a licence, the company is obliged to notify the ISP. Failure to comply with this obligation is a criminal offence. After notification, the ISP must examine and decide whether a licence is required in the individual case. The same applies if the exporter has reason to suspect that a cyber-surveillance item not listed in Annex I to the Regulation is intended for use in connection with internal repression or the commission of serious violations of human rights and international humanitarian law under Article 5 of the same Regulation.

3.3 Restrictive measures (sanctions) in the dual-use items area

There are fundamental differences between restrictive measures (sanctions) and export control in the dual-use items area. Sanctions can be imposed on a government, group, organisation or individuals through a legally binding decision by the EU, the UN or an individual state. The aim is to change the behaviour of the target of the sanctions. Sanctions cover different types of restrictive measures and often include prohibitions on exports and imports of dual-use items and military equipment, but not always. The reason why sanctions often target these strategic items is because they facilitate the acts that violate international law or human rights and which are often the cause of the sanctions. Sanctions are thus a tool to achieve foreign policy objectives such as reducing human suffering or putting pressure on an authoritarian leader to implement democratic reforms.

The export control of dual-use items is primarily based on the security policy interests of the exporting state in relation to the intended recipient. The importance of the export to national security is a major factor in this assessment. In the regulations governing export control of both military equipment and dual-use items, there are opportunities to take into account the risks of violations of international humanitarian law and human rights in the licence application process. There is a connection between human rights deficits and armed conflicts, which shows that widespread human rights violations have a security policy dimension. Unlike export control of dual-use item, sanctions are decided within the framework of the EU Common Foreign and Security Policy.

In January 2016, all EU nuclear technology-related sanctions against Iran were lifted in accordance with the Joint Comprehensive Plan of Action (JCPoA), as the International Atomic Energy Agency (IAEA) had confirmed that Iran had complied with its obligations under the plan. In May 2018, the United States announced its intention to leave the JCPoA and unilaterally re-introduce the sanctions previously lifted as a result of the agreement. The United States sanctions were subsequently re-introduced in a first step in August and in a second step in November 2018. The EU's obligations under the plan remain in place for the time being. Licensing procedures now apply to those dual-use items that have previously been subject to embargoes. However, this does not apply to items covered by the Missile Technology Control Regime (MTCR).

An embargo against North Korea on trade in dual-use items is in place under a UN decision and has been implemented and expanded by the EU. Under an EU decision, this embargo is complete, i.e. it covers all products on the EU control list. Certain similar items are also covered by an embargo.

In accordance with EU decisions, the export of certain dual-use items to Syria is also prohibited or covered by a licence requirement.

In light of Russia's annexation of the Crimean Peninsula in Ukraine in 2014, the EU has adopted certain restrictive measures (sanctions) against Russia. Additional extensive sanctions were imposed on Russia in response to the full-scale invasion of Ukraine in 2022 (see section 3.4).

3.4 Sanctions against Russia related to dual-use items imposed in connection with the invasion of Ukraine in 2022

The EU's restrictive measures (sanctions) against Russia, which were imposed already in 2014 as a result of Russia's illegal annexation of Crimea and Russia's aggression against Ukraine, have been greatly expanded during the year in connection with Russia's full-scale invasion of the country on 24 February 2022.

The sale or export dual-use items to Russia or for use in Russia, directly or indirectly, has been prohibited since 2014. The provision of technical or financial assistance, brokering services or other services related to such exports is also prohibited.

The ban on dual-use items applies to all items listed in Annex I to the EU Dual-Use Regulation. Throughout the year, the EU has continuously expanded and tightened sanctions to cover an increasing number of dual-use-related items that can contribute to Russia's military and technological capabilities and the development of its defence and security sector (e.g. drone engines, additional chemical and biological products, riot control agents and electronic components).

Limited exemptions from the prohibition are available for exports for non-military use and for a non-military end-user, when intended for humanitarian and medical purposes, maritime safety, etc.

3.5 Cooperation within international export regimes

To strengthen international cooperation on non-proliferation of weapons of mass destruction, some forty countries have joined together on their own initiative in five international export control regimes: The Australia Group, the Missile Technology Control Regime, the Nuclear Suppliers Group, the Wassenaar Arrangement and the Zangger Committee.

The purpose of the regimes is to identify goods and technologies that can be used in connection with weapons of mass destruction and to prevent destabilising accumulations of conventional weapons and to enhance the uniformity of the participating countries' export control of these. To support this work, each regime has a list of items subject to control. The lists are revised annually. This work also includes exchanging information on refused exports, proliferation risks and contacts with third countries for the purpose of promoting the non-proliferation objectives of the regimes.

Cooperation in the multilateral export control regimes is grounded in a shared political will to prevent the proliferation of weapons of mass destruction. This is achieved through national legislation enabling the export control of goods and technologies identified as strategic. Cooperation in the regimes is not legally binding but are in fact political commitments. However, the control lists from the regimes are incorporated by the EU into the Dual-Use Regulation and thus become legally binding. Participation in these regimes makes it easier to meet the legally binding international commitments in the above-mentioned international agreements to refrain from assisting other states, directly or indirectly, in acquiring weapons of mass destruction.

The international export control regimes have worked for many years on early identification of new non-controlled items and technologies that can be used for military purposes. Ever-faster development in emerging technologies, for example artificial intelligence (AI), quantum computers and biotechnology, makes this work increasingly crucial. Sweden is affected by this development, as it has an export-oriented and advanced industry with leading-edge technology. Ever-greater attention needs to be paid to emerging sensitive technologies, both nationally, for example through strengthened collaboration between government agencies, and internationally through cooperation with other countries in the various export control regimes.

Work in the multilateral export control regimes returned to normal in 2022, when plenary meetings were held in all regimes after having ceased to varying extents during the COVID-19 pandemic.

The Australia Group

The Australia Group was formed in 1985 on the initiative of Australia. Its aim is to harmonise member states' export controls to prevent the proliferation of chemical and biological weapons. Originally, the Group's work only encompassed chemicals and chemical production equipment. In 1990, however, it was decided to expand the control lists to include microorganisms, toxins and certain manufacturing equipment for biological weapons. The Australia Group supports non-proliferation commitments under the Biological and Toxin Weapons Convention (BTWC) and the Chemical Weapons Convention (CWC). All EU Member States participate in this regime. Russia does not participate in this regime. The control lists for this regime were updated in 2022 at the 35th Australia Group Plenary in Paris.

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 control of complete rocket systems (including ballistic missiles, space launch vehicles and sounding rockets) and other unmanned aerial vehicles (including cruise missiles, drones and reconnaissance platforms) with a range of 300 kilometres or more. Controls also extend to components of such systems and other items that can be used to produce robots, as well as smaller unmanned aerial vehicles designed to be able to spread aerosols. The MTCR currently has 35 members, including India and Russia. Nine EU Member States stand outside this regime.

The regime's control lists are updated annually at plenary meetings. The plenary meeting host becomes the Chair of the MTCR for the period extending to the next plenary meeting. The 2022 plenary meeting was held in Montreux, Switzerland. The plenary meeting was the first to be attended broadly since 2019, as the 2021 meeting in Sochi, Russia, brought together only a limited number of countries.

Nuclear Suppliers Group

The Nuclear Suppliers Group's (NSG) is concerned with the export control of items for nuclear-related use (Part 1 of the NSG Guidelines) and other dual-use items that can be used in connection with the development or production of nuclear weapons (Part 2 of the NSG Guidelines). The items listed by NSG are listed in the IAEA's Information Circular No. 254, which includes two control lists for each group of items (INFCIRC/254/Rev.14/Part 1 and INFCIRC/254/Rev.11/Part 2). The NSG currently has 48 Participating Governments (PG), including all EU Member States, China and Russia. The regime's control lists are updated

annually at plenary meetings. The plenary meeting host is the outgoing Chair. The 2022 plenary meeting took place in Warsaw under Poland's Chairship. Argentina was elected as the new Chair for the period 2022–2023.

The Wassenaar Arrangement

The Wassenaar Arrangement was formed in 1996 as a successor to the international export control cooperation that had previously taken place within the Coordinating Committee for Multilateral Export Controls (CoCom). The Arrangement's work covers the control of conventional weapons, as well as dual-use items and technologies not controlled by other regimes. Consequently, it represents an important complement to the work of other regimes that focus exclusively on weapons of mass destruction and certain delivery systems. The Arrangement currently has 42 participating states. These include most large producers and technology holders in the areas concerned.

The Arrangement's aim is to contribute to regional and international security and stability by promoting openness and responsible action with regard to transfers of conventional weapons and dual-use items, thus helping to avoid destabilising accumulations. The basic view taken by the Wassenaar Arrangement is that trading of the items in the control lists should be permitted, but must be controlled.

An important function maintained by the Wassenaar Arrangement is to bring together technical expertise from the participating states on a regular basis to update the common control lists in light of technical developments.

The Arrangement maintains two control lists that are attached to its basic documents: the Munitions List, which covers conventional military equipment, and the List of Dual-Use Goods and Technologies, which covers products and technologies with both civilian and military uses that are not included in the other regimes' control lists. In practice, the two lists guide the contents of the EU's corresponding control lists.

The Wassenaar Arrangement's annual plenary meetings are held in Vienna in the late autumn. These meetings address matters of fundamental significance to the continued development of this cooperation. On the basis of the ongoing technical work throughout the year, formal decisions are also made on updating the control lists. Due to the COVID-19 pandemic, the 2022 plenary meeting was the first to be held since 2019. The plenary decided to introduce new and updated export controls in a number of different areas, including technology for supersonic aircraft and high-performance computers.

The Zangger Committee

The Zangger Committee was established in 1974 and deals with export control issues related to the Treaty on the Non-Proliferation of Nuclear Weapons (Non-Proliferation Treaty, or NPT). The Committee establishes what is meant in Article III.2 of the Treaty by 'especially designed or prepared equipment or material for the processing, use or production of

special fissionable material'. Consequently, its responsibilities overlap to some extent with those of the Nuclear Suppliers Group, which was dealt with above. The informal nature of the regime however has enabled it to act as a forum for certain non-proliferation issues which could have been more difficult to resolve in the NSG. The Swedish Defence Research Agency (FOI) is responsible for maintaining the Zangger Committee's website. The Zangger Committee has 39 Member States and meets annually in Vienna.

3.6 Collaboration within the EU on dual-use items

The export control regimes and the EU

Work within the EU on the export control of dual-use items is closely associated with the international work that takes place as part of the export control regimes. Coordination within the EU takes place principally within the Council's Working Party on Non-Proliferation (CONOP), which deals with non-proliferation issues in general, and within the Working Party on Dual-Use Goods (WPDU), which works, among other things, on policy issues and updating the control list of dual-use items which fall under the Dual-Use Regulation.

In accordance with the EU's strategy against the proliferation of weapons of mass destruction, the Member States have to work towards the EU being a leading partner in the export control regimes. The EU has long held the view that all EU Member States should be invited to join all of the export control regimes. The main reason is the EU's Single Market, which covers the vast majority of dual-use items, as well as the endeavour to maintain effective national export control that are harmonised for all EU Member States, based on the regimes' control lists, guidelines for export control and exchanges of information on proliferation risks. Trade within the EU is not counted as exports in this context. EU Member States are thus dependent on the export control system of each country. . This is an additional reason why the issue of membership in the export control regimes is a substantial one.

All EU Member States are members of the NSG and the Australia Group. This is not the case for the Missile Technology Control Regime, where decisions have not yet been made on Croatia, Cyprus, Estonia, Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia. The same applies to Cyprus with regard to the Wassenaar Arrangement.

The changes made to the regimes' control lists over the course of the year are detailed in Annex I of the Dual-Use Regulation, and thus become legally binding for EU Member States. In accordance with its delegated authorities, the Commission has updated Annex I with the changes determined within the export control regimes, and has made consequential amendments to Annexes IIa–IIg and Annex IV. The changes are set out in the regimes towards the end of a calendar year and are usually entered in Annex I in the subsequent year.

In 2022, the activities of the Working Party on Dual-Use (WPDU) were dominated by the many additional restrictive measures (sanctions) against Russia following its full-scale invasion of Ukraine. In addition, work continued on the implementation of the revised Dual-Use Regulation, the sharing of export control-related information and statistics between the Member States and the European Commission, as well as on questions concerning new technologies. The WPDU also worked on export control issues within the EU-US Trade and Technology Council (TTC), which continued its work during the year.

Work in the WPDU is led by the rotating Presidency in the Council of the European Union and during the year preparations for Sweden's Presidency began. Consultations were held with primarily the EU Member States, the European Commission and the General Secretariat of the Council, and through participation at the EU Export Control Forum in December 2022.

Dual-Use Coordination Group

The Working Party on Dual-Use Goods (WPDU) has an underlying Dual-Use Coordination Group (DUCG). Work in the DUCG aims to coordinate the application of the Dual-Use Regulation. During the year, this group provided support to work on updating the EU-wide control list, prepared statistical data for the Commission's annual report on export control, exchanged experience and information on national implementation of the Dual-Use Regulations and assisted the Commission in the development of the electronic information system Dual Use e-System (DUeS).

In 2019, the DUCG set up a technical expert group with the task of drawing up guidance for export control of dual-use items aimed specifically at educational institutions and other research institutes (research organisations). As a result of the expert group's work, Commission Recommendation (EU) 2021/1700 was published. The ISP participated actively in the expert group on Sweden's behalf. In 2021, the DUCG established a new expert group to coordinate and share information on new technologies and reactivated a previous expert group on cyber-surveillance products to coordinate Member States and develop guidelines on cyber-surveillance products for exporters. The ISP was one of the authorities that represented Sweden in the new expert group.

In 2022, the DUCG set up three new expert groups, the first of which aimed to support information exchanges and direct cooperation between the Member States' government agencies and enforcement bodies. The second aimed to support an EU programme to build licensing and enforcement capacity, while the third aimed to develop guidelines for Member States on the methodology for collecting and processing data for the preparation of the annual report. In the latter expert group, Sweden was represented during the year by the ISP.

3.7 UN Security Council Resolution 1540 and the Proliferation Security Initiative

The United Nations Security Council adopted Resolution 1540 in 2004. The Resolution, supported by Chapter VII of the UN Charter, through binding decisions, obliges all UN Member States to prevent non-state actors (terrorists) from gaining access to weapons of mass destruction, their means of delivery and items connected to such weapons. It sets out, among other things, that all states are to establish effective national controls on exports, brokering, transit and trans-shipments. The Resolution also contains provisions on assisting other countries with the implementation of the obligatory measures.

It was also decided through Resolution 1540 to establish a committee tasked with reporting to the Security Council on the Resolution's implementation. The UN's Member States are urged to report to this committee on the steps that they have taken to implement the Resolution. In April 2021, the mandate for the 1540 Committee was extended until February 2022.

An international initiative that shares several points with Security Council Resolution 1540 and partly overlaps with it is the Proliferation Security Initiative, to which 107 countries have acceded. In December 2022, Russia announced that it would end its participation in the cooperation and that it would no longer be bound by the Initiative's commitments. This initiative, supported by the EU and Sweden, aims to strengthen international cooperation in order to be better able to prevent the transport of weapons of mass destruction and the components of such products to unauthorised recipients within the framework of international and national law. National efforts to maintain the necessary preparedness and to act in an urgent matter of this type are divided between the authorities concerned according to established remit principles.

4 Responsible authorities

4.1 The Inspectorate of Strategic Products

The Inspectorate of Strategic Products (ISP) is the central administrative authority for cases and supervision pursuant to the Military Equipment Act (1992:1300) and the Dual-Use Items and Technical Assistance Control Act (2000:1064). For dual-use items and technical assistance, the ISP has this responsibility in cases where no other authority has this remit. The Swedish Radiation Safety Authority has the same responsibility with reference to particularly sensitive nuclear technology products.

The Swedish Defence Research Agency and the Swedish National Defence Radio Establishment assist the ISP by providing technical expertise and organisations including the Swedish Military Intelligence and Security Directorate, the Swedish Security Service and the Swedish National Defence Radio Establishment supply the ISP with information.

The ISP also has an established partnership with Swedish Customs. Some of the ISP's compliance visits are carried out jointly with Swedish Customs and the authorities also exchange information on export licences.

The Government has appointed the ISP as the competent authority with responsibility for executing certain duties stipulated by Council resolutions concerning sanctions that have been decided on by the European Union. In 2022, this work expanded in scope and importance due to the greatly strengthened sanctions imposed on Russia. The ISP also has supervisory duties in relation to special prohibiting regulations issued by the Government with the support of the Act (1996:95) on Certain International Sanctions.

The ISP is the national authority under the 1992 Chemical Weapons Convention (CWC) and performs the duties pursuant to the Act (1994:118) concerning inspections under the United Nations Chemical Weapons Convention. This aspect of the ISP's activities is not dealt with in the present Communication, as it does not have a direct link to the Inspectorate's work relating to export control.

The ISP is also the licensing authority in accordance with Regulation (EU) No 258/2012 of the European Parliament and of the Council of 14 March 2012 implementing Article 10 of the United Nations' Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition, supplementing the United Nations Convention against Transnational Organised Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for firearms, their parts and components and ammunition. The Regulation regulates licences to export civilian firearms, their parts and ammunition outside the EU, as well as certain import and transit measures.

In June 2020, the ISP was named as Sweden's contact point in accordance with Regulation (EU) 2019/452 of 19 March 2019 of the European Parliament and of the Council establishing a framework for screening of foreign direct investments into the European Union. The Regulation came into force on 11 October 2020. The ISP was also tasked with working together with other relevant government agencies to develop the cooperation forms required in order for the ISP to be able to carry out its duties as a national contact point. Work relating to the screening of foreign direct investments is not dealt with in the present Communication, as it does not currently have a direct link to the Inspectorate's work relating to export control.

The inquiry on screening foreign direct investments (the Direct Investment Inquiry), which submitted its final report in November 2021, proposed that the ISP should be given a new role as audit authority in accordance with the proposed regulatory framework (SOU 2021:87).

The authority's responsibilities are set out in the Ordinance (2010:1101) with instructions for the Inspectorate of Strategic Products. The Ordinance stipulates that the ISP shall present to the Government each year 1) a report on Swedish exports of military equipment and other strategic products during the previous calendar year and 2) a description of significant trends in Swedish and international export control. This information forms the basis for the annual communication on strategic export control, including this year's communication.

Contacts with companies

The ISP maintains regular contact with the companies whose exports are subject to control. The Military Equipment Act and the Military Equipment Ordinance set forth most of the obligations for companies to present notifications and data to the ISP. For example, companies have to 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. The ISP may issue positive or negative preliminary decisions to the companies on destinations that are sensitive or have not yet been assessed.

In addition to processing export licence applications, the ISP reviews the notifications that companies and authorities are obliged to submit at least four weeks prior to submitting tenders or signing contracts concerning exports of military equipment or other cooperation with foreign partners in this field. At this stage, the ISP has the opportunity to notify prohibitions on submitting tenders or entering into contracts. Exporters of military equipment must also report the deliveries of military equipment that are made under the export licences issued to them.

In contrast to military equipment, no operating licence is required to manufacture or supply dual-use items under export control legislation. Furthermore, a licence is not generally required for the sale of dual-use items within the EU (however, a licence applies to such transfers of certain items listed in Annex IV of the Dual-Use Regulation). In light of this, the ISP's contacts with companies that deal with dual-use items are different to those that apply to military equipment. The control list that is drawn up in accordance with the Dual-Use Regulation states which categories of items require licences to be exported outside the EU. It is primarily up to the companies to classify whether or not a product should be considered a dual-use item. When a company is unsure whether its item belongs to the controlled items category, the company can submit an enquiry to the ISP.

In its supervisory role, the ISP carries out compliance visits to companies and authorities to monitor their internal export control organisations. In 2022, the ISP carried out 18 compliance visits. These included educational institutions and companies working in the fields of both dual-use items and military equipment.

Funding

Rules concerning the ISP's funding are detailed in the Ordinance (2008:889) on the financing of the operations of the Inspectorate of Strategic Products (ISP). A large proportion of the authority's activity is funded by actors whose activities are controlled by the ISP. The Ordinance stipulates that the fee structure is broken down into three categories: military equipment, dual-use items and products covered by the Act Concerning Inspections in Accordance with the UN Convention on the Prohibition of Chemical Weapons (1994:118).

When the Ordinance (2013:707) concerning the control of certain firearms, parts of firearms and ammunition handed the ISP the task of assessing export licence applications in accordance with Regulation (EU)

No 258/2012, the ISP was also given the right to charge licence application fees. Skr. 2022/23:114

Parts of the ISP's international operations, support to the Government Offices of Sweden and work on international sanctions, are funded by appropriations.

The ISP's exports of services should primarily be funded by parties other than the ISP. No services were exported in 2022.

Export Control Council

The Riksdag decided in 1984, on the basis of the Government Bill proposing greater transparency and consultation on matters relating to exports of military equipment etc. (Govt Bill 1984/85:82), that an advisory board on military equipment issues should be established. The Government reorganised this board into the Export Control Council (ECC) in connection with the establishment of the ISP in 1996. The rules governing the composition and activities of the ECC are included in the ISP's instructions. All parliamentary parties are represented on the ECC, in some cases with a former Member of the Riksdag. It is chaired by the Director-General of the ISP.

A new Export Control Council started work on 1 November 2019, after being appointed by the Government. In accordance with the proposals of the final report Stricter export control of military equipment (SOU 2015:72), deputy members for the ordinary members were also appointed for the first time. A list of the Council's members and deputy members appears at the end of this section.

The Director-General of the ISP is responsible for selecting those cases that will be subjected to consultation with the Export Control Council. Consultation can take place, for example, before a preliminary decision is issued to a company. The Director-General has to consult the Council before the ISP submits an application to the Government for final assessment under the Military Equipment Act or the Dual-Use Items and Technical Assistance Control Act.

At meetings of the ECC, the Ministry for Foreign Affairs presents assessments of the relevant recipient countries. The Ministry of Defence provides assessments of the defence policy aspects of the cases. The ISP's Director-General may also summon other experts. One task of the ECC is to present opinions on proposed exports based on the Swedish guidelines, the EU Common Position on arms exports and the Arms Trade Treaty 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 continuously on all export licence decisions, processed tender notifications and cooperation agreements, as well as preliminary decisions that have been ruled upon. With effect from 2005, the ISP also reports all export licence decisions on dual-use items to the ECC. Taken together, this system ensures good insight into the application of the rules on export control for the members of all parties represented in the Riksdag.

The intention of the Swedish system, uniquely in international terms in that representatives of the Riksdag parties can discuss potential export

deals in advance, is to build a broad consensus on export control policy and promote continuity in the conduct of that policy. Unlike in many other countries, the Export Control Council deals with cases at an early stage, before a specific deal is carried out. Since it would harm the exporting companies commercially if their plans were made known before they had concluded a deal, the Export Control Council's discussions are not made public. The assessments of individual countries are normally 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 ECC meetings were held in 2022. The Council dealt with ten matters for consultation. All of these concerned military equipment.

In 2022, the members of the Export Control Council were:

- Jan R Andersson, Member of the Riksdag (Moderate Party)
- Camilla Brodin, Member of the Riksdag (Christian Democrats)
- Annicka Engblom, Member of the Riksdag (Moderate Party)
- Camilla Hansén, Member of the Riksdag (Green Party)
- Kerstin Lundgren, Member of Riksdag (Centre Party)
- Mattias Ottosson, Member of the Riksdag (Social Democrats)
- Per Söderlund, Member of the Riksdag (Sweden Democrats)
- Marie Granlund, former Member of the Riksdag (Social Democrats)
- Stig Henriksson, former Member of the Riksdag (Left Party)
- Lars Johansson, former Member of the Riksdag (Social Democrats)
- Per Westerberg, former Member of the Riksdag (Moderate Party)

Deputy members of the Export Control Council:

- Gudrun Brunegård, Member of the Riksdag (Christian Democrats)
- Magnus Ek, Member of the Riksdag (Centre Party)
- Hanna Gustafsson, Member of the Riksdag (Left Party)
- Ann-Charlotte Hammar Johnsson, Member of the Riksdag (Moderate Party)
- Caroline Nordengrip, Member of the Riksdag (Sweden Democrats)
- Agneta Börjesson, former Member of the Riksdag (Green Party)
- Eva Sonidsson, former Member of the Riksdag (Social Democrats)
- Lars Tysklind, former Member of the Riksdag (Liberal Party)

The Strategic Cooperation Council

The Strategic Cooperation Council is a cooperative council attached to the ISP for cooperation on issues related to non-proliferation. It consists of the Director-General and the respective heads of the Swedish Security Service, the Swedish Armed Forces through the Swedish Military Intelligence and Security Directorate, the National Defence Radio Establishment, Swedish Customs, and the Swedish Defence Research Institute. The Strategic Cooperation Council met once in 2022.

A Technical-Scientific Council is attached to the ISP to assist the Director-General of the ISP in the discussion of matters concerning the classification of military equipment and dual-use items. The Council consists of representatives of institutions with expertise in the technology's civilian and military applications. The Technical-Scientific Council held two meetings in 2022.

4.2 Swedish Radiation Safety Authority

In accordance with the Ordinance (2008:452) with instructions for the Swedish Radiation Safety Authority, the Swedish Radiation Safety Authority (SSM) is the central government authority for issues relating to the protection of human health and the environment against the harmful effects of ionising and non-ionising radiation, security and physical protection in nuclear and other activities involving radiation and nuclear non-proliferation.

The SSM's non-proliferation remit in connection with exports of nuclear material and nuclear technology products is stated in the Ordinance mentioned and in the Dual-Use Items and Technical Assistance Control Ordinance (2000:1217). The Ordinance states that the SSM decides on licences for exports to a non-EU country and for intra-EU transfers of nuclear materials and other materials, etc., that are listed in Annex I to the Dual-Use Regulation and which belong to Category 0. This does not, however, apply in certain specific cases, stated in the Ordinance, for which the Government is the decision-making body. The SSM is also the national supervisory authority which checks that these provisions are followed.

By Government Decision, the SSM is assigned as the authority regarding consideration of applications which follow from Council Regulation (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Regulation (EU) No 961/2010.

The SSM is also the national supervisory authority under the Act (1984:3) on Nuclear Activity and Ordinance (1984:14) on Nuclear Activities. Nuclear activities must be conducted in accordance with the obligations resulting from the international agreements to which Sweden is party that aim to prevent the proliferation of nuclear weapons. The SSM is also the national contact point for the International Atomic Energy Agency's database covering the illicit trafficking and other unauthorised handling of nuclear materials and other radioactive substances.

The SSM cooperates with other authorities on export control matters, in particular the ISP. The SSM is also supported by the technical expertise of the Swedish Defence Research Agency, but does itself have a high level of expertise in the field of nuclear technology.

Control of nuclear exports

Nuclear materials (uranium, plutonium and thorium) and nuclear technology products are classified as dual-use items, and are consequently

governed by the Dual-Use Regulation. Exports to countries outside the EU require licences, but the EU's general export licences do not apply to these items. For several products licences are also required for transfers within the EU.

When an application for a licence to export nuclear materials is submitted, the SSM assesses, in parallel, the issue of the possible transfer of the nuclear material in accordance with the Act (1984:3) on Nuclear Activity and Ordinance (1984:14) on Nuclear Activities. For spent nuclear fuel, the SSM also investigates the issue of the materials' final disposal. For spent nuclear fuel, the SSM also investigates the issue of the material's final disposal. With regard to spent nuclear fuel originating from nuclear activities in Sweden, the application has to include an assurance that the exporter will recover the material if it cannot be disposed of in the intended manner. Furthermore, the SSM decides how nuclear material will be transported with the aim of preventing radiological accidents and to ensure that there is adequate physical protection.

The conditions imposed in decisions concerning export licences are based on the guidelines agreed within the Nuclear Suppliers Group (NSG) (see section 3.5). The guidelines include obtaining certain specified assurances from the government of the recipient country before a licence to export can be granted. These assurances shall state that the items are not use for nuclear weapons or nuclear explosive devices, that the IAEA has full safeguarding rights in the country and that nuclear material in the country has adequate physical protection. In addition, there must be a guarantee that re-exportation will not take place without corresponding assurances. The SSM is tasked by the Government with obtaining these assurances from the government of the country in receipt of exports of nuclear technology, as well as with drawing up and submitting Swedish assurances to exporting countries when Sweden imports such nuclear material. However, in the case of initial transactions, the Ministry for Foreign Affairs obtains the assurances for exports or provides assurances for imports.

All EU Member States are also members of the European Atomic Energy Community (via the Euratom Treaty), one purpose of which is to establish a common market for special materials and equipment in the field of nuclear energy and to guarantee that nuclear material is not used for anything other than its intended purpose. All the EU Member States have also ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and have entered into control agreements with the IAEA with associated additional protocols. The Government is of the opinion that the existing licensing procedure for trade within the EU, in accordance with the Dual-Use Regulation and the commitments of the Member States within the scope of Euratom, normally provides sufficient safeguards in the transfer of nuclear material and nuclear technologies between EU Member States and are in accordance with the NSG Guidelines.

The European Atomic Energy Community is authorised under the Euratom Treaty to enter into agreements with third countries. Bilateral agreements on the peaceful use of nuclear energy have been entered into with Australia, Canada, Japan, Kazakhstan, Ukraine, the United States, the United Kingdom and Uzbekistan. A corresponding agreement between

Euratom and South Africa entered into force in 2022, but it has not yet been supplemented with administrative arrangements. Skr. 2022/23:114

All EU Member States have undertaken to report exports of nuclear material and nuclear technologies to the IAEA, under the Additional Protocol to the Safeguards Agreement with the IAEA, in the case of Sweden INFCIRC/193/Add.8. For Sweden, this means that the European Commission, through its safeguards under the Euratom Treaty, reports exports of nuclear material to the IAEA and that the SSM reports exports of nuclear technologies to the IAEA. In contrast to what applies to other dual-use items, this reporting requires the SSM to be notified of exports or transfers within the EU of nuclear technologies listed in Annex 1, Category 0 of the Dual-Use Regulation.

During 2022, the SSM dealt with 125 applications received concerning exports or transfers within the EU, and decided on export licences in 125 cases. Details of the export licences granted by the SSM in 2022 can be found in Annex 2, Table 49.

The SSM makes contact with the companies affected by its safeguarding activities where necessary. In its supervisory role, the SSM supervises companies to ensure that they are aware of and comply with the requirements made on them in the event of intra-EU transfers or extra-EU exports of dual-use items. Six supervisions were carried out in 2022.

5 Statistical report

The Inspectorate of Strategic Products (ISP) provides the Government with the statistical material on which the reporting of Swedish exports of military equipment and dual-use items is based. The figures in the communication are based partly on the ISP's own figures and partly on the statutory reporting that licence holders submit annually to the ISP. The Swedish Radiation Safety Authority monitors the development of nuclear technology in Sweden and provides statistical data for the Government's reporting of exports of dual-use nuclear technologies.

Changes in reporting

The final report Stricter export control of military equipment (SOU 2015:72) included certain proposals on improved openness and transparency on issues concerning exports of military equipment. The Government's assessment within the Government Bill Stricter export control of military equipment (Govt Bill 2017/18:23) is mainly in agreement with the committee's proposals. The Government notes in the Bill that the annual communication on strategic export control and dual-use items presented by the Government to the Riksdag represents an important element in creating openness and transparency in the area of export control. The Government also states in the Bill that it intends to revise the communication, in close cooperation with the ISP, with the aim of presenting more information.

Through the Government's communication Strategic Export Controls in 2018 – Military Equipment and Dual-Use Items (Comm. 2018/19:114), a thorough restructuring of the statistical reporting was carried out to present data in a clearer and more informative manner based on the different stages of the export process, in terms of both military equipment and dual-use items. Since then, further additions and improvements have been made. The information added in recent years includes denial decisions, agreements on cooperation and licence production, and Swedish companies' ownership abroad. In particular, more detailed information is now reported on granted export licences and actual exports of military equipment. This year's report includes more detailed information than before on military equipment supplied by Swedish companies abroad. This year's statistics also include a special compilation of donations of military equipment to Ukraine from the Swedish state. Two new tables showing sanctions against Russia have been added in Annex 2.

Swedish exports of military equipment in 2022 are presented in Annex 1 and exports of dual-use items in Annex 2.

Military equipment

What constitutes military equipment is set out in the annex to the Military Equipment Ordinance (1992:1303), known as the List of Military Equipment. This list corresponds to the EU Common Military List and is broken down into 20 categories of equipment (ML1-ML20), software (ML21) and technical assistance (ML22). As well as the 22 categories, the list contains three national supplements (nuclear explosive devices, fortification facilities and certain chemical warfare agents). Table 1 shows broadly which military equipment is included in each ML category.

The Swedish list of military equipment is supplemented by a division into military equipment for combat purposes (MEC) and other military equipment (OME). Military equipment for combat purposes means equipment with a destructive impact including sights for such equipment and fire control equipment. Certain parts and components for military equipment for combat purposes, as well as equipment that does not have a directly destructive impact, are counted as other military equipment.

This communication mainly presents the equipment according to the ML categories of the List of Military Equipment and broken down into MEC and OME. Where a table states that export licences have been granted or that exports have been made within a particular ML category, this refers to one or more items in that category. It does not mean that export licences have been granted or that there have been exports of every one of the items in that category of equipment.

Table 1 **Categories of military equipment**

Category	Equipment
ML1	Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12.7 mm (calibre 0.50 inches) or less and accessories and specially designed components therefor.
ML2	Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12.7 mm (calibre 0.50 inches), projectors and accessories and specially designed components for these weapons.
ML3	Ammunition and fuse setting devices and specially designed components therefor.
ML4	Bombs, torpedoes, rockets, missiles, other devices and charges with explosive effect and associated equipment and accessories and specially designed components therefor.
ML5	Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.
ML6	Ground vehicles and components.

Category	Equipment
ML7	Chemical or biological toxic agents, “riot control agents”, radioactive materials, related equipment, components and materials.
ML8	“Energetic materials” and related substances.
ML9	Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels.
ML10	“Aircraft”, “lighter-than-air vehicles”, “unmanned aerial vehicles” (“UAVs”), aero-engines and “aircraft” equipment, related equipment, and components specially designed or modified for military use.
ML11	Electronic equipment, “spacecraft” and components not specified elsewhere on the EU Common Military List.
ML12	High velocity kinetic energy weapon systems and related equipment, and components specially designed for these weapons.
ML13	Armoured or protective equipment, constructions and components.
ML14	“Specialised equipment for military training” or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or ML2 and specially designed components and accessories for these.
ML15	Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.
ML16	Forgings, castings and other unfinished products, the use of which in a specified product is identifiable by material composition, geometry or function, and which are specially designed for any products specified by ML1 to ML 4, ML6, ML9, ML10, ML12 or ML19.
ML17	Miscellaneous equipment, materials and “libraries”, and components specially designed therefor.
ML18	Production equipment and components.
ML19	Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test models, and specially designed components for these.
ML20	Cryogenic and “superconductive” equipment, and specially designed components and accessories for these.
ML21	“Software”
ML22	“Technology”

Manufacturing and suppliance

A basic manufacturing licence is required for the manufacturing of military equipment in Sweden. Manufacturing means the production of military equipment or parts thereof which constitute military equipment. The licence requirement also applies if the manufacturer of the military equipment is solely the subcontractor of another party which holds a licence to manufacture military equipment.

Licences are required for the supply of military equipment, inventions concerning military equipment and methods for the production of military equipment in and outside Sweden. The same applies to activities relating to provision of technical assistance to a party abroad. Supply means sale, granting, offering for payment, loan, gift and brokering. The licence

requirement applies to Swedish companies, a party resident or permanently domiciled in Sweden and Swedish authorities. Trading in firearms or parts of such weapons is exempt from requirements for these licences. Licences for such trading are governed by provisions of the Offensive Weapons Act (1996:67).

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Bilaga 1

The companies, authorities and private individuals who hold licences to manufacture or supply military equipment are under the supervision of the Inspectorate of Strategic Products (ISP) and must, on request, provide the information and documents needed for supervisory control and grant the ISP access to premises where the activity is undertaken. Licence holders are also obliged to submit reports in various respects to the ISP.

Swedish defence industry

In 2022, manufacturing or supplier licences were held by 346 Swedish companies, authorities and private individuals. The number of licence holders has almost doubled since the new legislation entered into force in 2018. The increase relates principally to subcontractors of system manufacturers of military equipment.

Among the licence holders, 75 exported military equipment or technical assistance, while 144 only supplied military equipment within the country. 127 licence holders did not report any sale of military equipment. Table 2 shows the total value of sales of military equipment in and outside Sweden in the past five years.

Table 2 Total value of invoiced military equipment in and outside Sweden 2018–2022 (SEK million)¹

	2018	2019	2020	2021	2022
Total value	23,315	30,408	30,531	35,346	29,407

Despite the large number of manufacturing and supplying companies, a handful of these account for the majority of sales. Table 3 shows the fifteen largest operators in terms of sales of military equipment in and outside Sweden.

Table 3 The 15 largest defence companies and government agencies in terms of invoiced and supplied military equipment in and outside Sweden in 2022 (SEK)

Companies	Value	Principal area of equipment
Saab AB	SEK 11,485,905,021	Combat aircraft, radar, etc.

Companies	Value	Principal area of equipment
Saab Dynamics AB	SEK 4,123,387,539	Missile and ground combat systems
BAE Systems Hägglunds AB	SEK 1,967,209,550	Armoured vehicles
Swedish Defence Materiel Administration (Försvarets materielverk or FMV)	SEK 1,697,810,821	Leasing of combat aircraft
FFV Ordnance AB	SEK 1,235,723,547	Ground combat systems
BAE Systems Bofors AB	SEK 1,213,382,884	Artillery systems
Nammo Sweden AB	SEK 873,735,006	Ammunition
Saab Kockums AB	SEK 830,528,138	Surface and submarine craft
Norma Precision AB	SEK 728,092,490	Hunting and sport shooting ammunition
H-B Development AB	SEK 675,617,612	Combat vehicles and artillery systems
EURENCO Bofors AB	SEK 664,124,857	Gunpowder and explosives
Scania CV AB	SEK 592,616,983	Military trucks
GKN Aerospace Sweden AB	SEK 523,284,797	Maintenance of aero-engines
Saab Barracuda AB	SEK 298,360,064	Camouflage products
Aimpoint AB	SEK 252,417,684	Vapensikten

1, 2 Activities relating to the provision of technical assistance in Sweden do not normally require any licence. The exception is technical assistance for inventions concerning military equipment and methods for the production of military equipment. A review of the delivery declarations submitted to the ISP has revealed that many licence holders have reported the kind of technical assistance that does not require a licence. Therefore, in order to give a more accurate picture of the activities subject to licensing carried out in the country, such technical assistance (ML22) has been omitted from the information reported in Tables 2 and 3. This has contributed to the total value for 2022 being lower compared to previous years.

Activities related to other countries

The licensing process for exporting military equipment has several parts. This data presents marketing and preliminary decisions, tender notifications, export licences and actual exports. In addition, some other activities related to other countries such as cooperation agreements and further transfer of military equipment are reported.

Data in the report

The countries indicated in the statistics are in most cases the final recipient countries for the military equipment stated. The ISP seeks to, as far as possible, to track the Swedish military equipment to the end-user country. Some components and sub-systems are acquired by foreign system manufacturers for use in the production of military equipment intended for several different final recipients. It is not possible in these cases to know

in advance who the end-user is, and the control assessments are therefore focused on the system manufacturer and the country in which the latter operates. Examples of such products include explosives and armour plates.

Some caution should be exercised in reading off trends from the numerical material. Some statistical data from previous years is therefore presented for comparison. A more accurate picture is provided when looking at exports over the course of time as individual sales and deliveries may cause wide fluctuations in the statistics. The financial value stated nevertheless does not provide a full picture of the practical situation in comparison with a particular country or region. An individual transaction may have a great impact on the aggregated export statistics.

Marketing and preliminary decisions

Marketing military equipment abroad or in Sweden does not require a licence in the individual case. However, a party holding a basic licence to manufacture or supply military equipment is obliged to present a report on the marketing of military equipment or technical assistance that has been undertaken abroad. This report is based on the regular meetings which the ISP holds with the defence companies regarding their export plans. The marketing meetings enables the ISP at an early stage in the export process to steer exporters away from markets for which licences at a later stage cannot be anticipated. This arrangement means that most of the ISP's negative decisions are delivered informally at the marketing meetings, and that actual applications relating to undesirable recipient countries are reduced.

In the event that an exporter wishes to examine at an early stage whether an export of military equipment or supply of technical assistance is possible, the exporter can request a preliminary decision in writing from the ISP. This may relate, for example, to a previously unexamined recipient country or take place ahead of a major marketing campaign. There is no statutory requirement that a preliminary decision must be requested. The decisions are non-binding and are issued on the basis of the circumstances prevailing at the time. A renewed examination is always conducted at the time of any tender notification and when an application is made for an export licence, even if a positive preliminary decision has already been made.

Table 4 shows the number of preliminary decisions in writing concerning military equipment issued by the ISP in the past five years.

Table 4 **Number of written preliminary decisions made concerning military equipment in 2018–2022**

Type of case	2018	2019	2020	2021	2022
Preliminary decisions	30	36	25	18	18

In 2022, a total of 18 preliminary decisions were issued in relation to 13 countries. Of these, 17 were positive and one negative.

Tender notifications

No later than four weeks before a binding tender for sale of military equipment is submitted or a purchase contract is entered into, the ISP must be informed accordingly. In individual cases the ISP may prohibit tenders being submitted or contracts being entered into. The requirement for tender notification means a further control step in the export process and reduces the risk of the Swedish defence industry entering into contracts which, for example, would conflict with Swedish foreign policy.

A tender notification need not be issued if the tender or contract exclusively relates to spare parts, components or technical assistance for equipment exported previously. It is possible to apply for a general exemption from the duty of notification for particular equipment to specifically stated countries. Most major exporting companies obtain general exemptions for tenders worth less than SEK 500 million to countries within the European Union and certain other established partner countries. A large proportion of the tender notifications received by the ISP therefore relate to countries outside the circle of established partner countries.

Table 5 shows the number of approved tender notifications and general exemptions over the most recent five-year period.

Table 5 **Number of approved tender notifications and general exemptions concerning military equipment 2018–2022**

Type of case	2018	2019	2020	2021	2022
Tender notification	298	309	250	255	346
General exemption	29	23	22	26	25
Total	327	332	272	281	371

The ISP was notified of a total of 346 tenders to a party abroad in 2022. Of these, 340 tender notifications were approved, relating to a total of 60 countries and two international organisations. Decisions to prohibit tenders being submitted were made in six cases and related to a total of five different countries.

Export licences

Exports of military equipment and supply of technical assistance to any party outside Sweden require licences from the ISP. Applications for export licences may be preceded by a preliminary decision, and in exporting for sale, must be preceded by a tender notification. There are three types of export licences. Individual licences are issued for a specific quantity to a recipient in a specific country, while global licences make it possible to export an unlimited quantity of military equipment to more than one recipient in more than one country. General licences are not limited in quantity or value and make it possible to export to all EEA

countries. With certain exceptions, an export licence is also required for the transit of military equipment through Sweden.

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The communication presents individual and global licences which have been issued regarding the sale of military equipment. The value and scope of the licences issued by the ISP provide merely an indication of what actual exports may look like in subsequent years. This is due in part to not all licences being utilised and to the fact that actual deliveries may take place several years after the export licence has been issued. The aggregate value of granted export licences becomes an increasingly poor indicator of the value of the coming year's deliveries as more global licences are issued and more general licences are used.

Table 6 shows the number of applications for export licences over the past five years.

Table 6 Number of processed applications for exports of military equipment 2018–2022

Type of licence	2018	2019	2020	2021	2022
Individual	581	672	570	589	602
Global	300	381	458	449	492
Transit	82	49	58	47	73
Total	963	1,102	1,086	1,085	1,167

Table 7 shows the value and percentage change regarding granted export licences for military equipment in the past five years, broken down into MEC and OME.

Table 7 The value of granted export licences in current prices and annual percentage change 2018–2022 (SEK million)

Category of equipment	2018	2019	2020	2021	2022
Military equipment for combat purposes	4,405 (+7)	7,047 (+60)	7,165 (+1.7)	3,735 (-48)	16,454 (+340)
Other military equipment	4,060 (+1)	6,459 (+59)	7,781 (+20)	10,925 (+40)	5,462 (-50)
Total	8,465 (+4)	13,505 (+60)	14,946 (+11)	14,660 (-1.9)	21,915 (+49)

Table 8 shows the individual and global export licences issued in 2022 concerning sale of military equipment. The table contains information on the number of licences issued per country, as well as the value and, at an aggregated level, which categories of equipment the licences applied to.

Note that some export licences cover several recipient countries, so that the total number of licences does not always match the sum of individual licences.

Table 8 **Granted export licences for sale of military equipment by country in 2022**

Country	Number of licences	Categories of military equipment	MEC/O ME	Value of licences
EU				
Belgium	17	1,2,3,5,8,11,14,17,18,21	MEC, OME	139,788,486
Bulgaria	8	1,3,4,5,8,11,17,18,21,22	MEC, OME	47,970,000
Cyprus	1	1	OME	0
Denmark	26	1,2,3,5,6,11,13,17,21,22	MEC, OME	143,668,573
Estonia	10	1,3,5,11,14,17,21,22	MEC, OME	166,313,800
Finland	28	1,2,3,4,5,6,7,8,9,11,14,15,17,18,21,22	MEC, OME	5,031,024,895
France	50	1,2,3,4,5,8,9,11,14,15,17,21,22	MEC, OME	420,369,477
Greece	3	1.14	OME	468,932
Ireland	6	1,4,6,11,17	MEC, OME	90,528,976
Italy	18	1,5,8,13,14,17,21,22	MEC, OME	98,075,260
Croatia	3	1.2	OME	178,300
Latvia	12	1,2,3,5,18,21,22	MEC, OME	373,351,369
Lithuania	5	1,2,3,22	MEC, OME	152,998,957
Luxembourg	4	1,4,6,22	OME	120,000
Malta	2	1.3	OME	0
Netherlands	13	1,2,3,4,5,6,11,13,17,18,21,22	MEC, OME	235,598,390
Poland	13	1,3,4,5,8,10,11,17,18,21,22	MEC, OME	128,134,600
Portugal	8	1,2,11,17,18,22	OME	627,345
Romania	5	1,2,5,11	OME	9,221,746
Slovakia	6	1.17	OME	482,037
Slovenia	3	1,3,14,17,22	OME	0
Spain	29	1,3,4,8,11,21,22	MEC, OME	46,385,450

Country	Number of licences	Categories of military equipment	MEC/O ME	Value of licences
Sweden	3	4,5,6,18,21,22	MEC, OME	44,000,000
Czech Republic	8	1,8,15,17	MEC, OME	4,065,630
Germany	77	1,2,3,4,5,6,8,9,11,13,14, 15,17,18,21,22	MEC, OME	6,617,744,275
Hungary	10	1,2,3,4,5,10,14,17,21,22	MEC, OME	43,802,139
Austria	6	1,2,3,8,22	MEC, OME	158,530,205
Total	340			13 953 448 842

REST OF EUROPE

Albania	1	11,21	OME	380,000
Iceland	3	17	OME	0
Norway	37	1,2,3,4,5,6,8,13,14,15,17, ,18,21,22	MEC, OME	36,291,693
Switzerland	26	1,2,3,4,5,6,7,8,10,11,13, 14,15,17,21,22	MEC, OME	215,792,585
United Kingdom	64	2,3,4,5,8,9,10,11,14,15,1, 7,18,21,22	MEC, OME	1,573,275,183
Türkiye	2	11,14,21,22	OME	0
Ukraine	7	7,13,15,22	MEC, OME	7,536,506
Total	140			1,833,275,967

NORTH AMERICA

Canada	10	2,5,8,15,17,21,22	MEC, OME	430 888 812
United States	84	2,3,5,6,8,10,11,14,15,17, 18,21,22	MEC, OME	3 396 148 772
Total	94			3 827 037 584

CENTRAL AMERICA

Mexico	2	2,5,18,21,22	OME	465 340 000
Total	2			465 340 000

SOUTH AMERICA

Argentina	1	4,5,17,18,21,22	MEC, OME	387,750,000
Brazil	5	3,4,8,14,21,22	MEC, OME	54,331,000

Country	Number of licences	Categories of military equipment	MEC/O ME	Value of licences
Ecuador	1	11	OME	80,000
Peru	2	8,22	MEC, OME	7,000,000
Total	9			449,161,000

NORTH EAST ASIA

Japan	12	2,3,4,5,8,14,17,21,22	MEC, OME	15,699,580
South Korea	12	4,5,8,14,15,21,22	MEC, OME	182,578,461
Total	24			198,278,041

SOUTH EAST ASIA

Philippines	2	5,21,22	OME	0
Indonesia	3	2,11,18,22	OME	120,000
Malaysia	3	5,6,11,22	OME	7,400,000
Singapore	6	4,5,8,21,22	MEC, OME	736,500
Thailand	3	5,6,11,21,22	MEC, OME	35,000,000
Total	17			43,256,500

SOUTH ASIA

India	16	2,3,4,5,14,18,21,22	MEC, OME	98,959,350
Pakistan	4	5,11,21,22	OME	323,500,000
Total	20			422,459,350

MIDDLE EAST

Bahrain	1	5	MEC,0 ME	0
United Arab Emirates, UAE	3	5,11,21,22	OME	350,000,000
Israel	4	5	OME	13,550,000
Jordan	1	13	OME	1,450,000
Oman	2	4,5,15,18,21,22	MEC,0 ME	300,000
Saudi Arabia	1	4,5,10,11,21,22	OME	0
Total	12			365,300,000

Country	Number of licences	Categories of military equipment	MEC/O ME	Value of licences
NORTH AFRICA				
Algeria	2	4,5,18,21,22	MEC, O ME	0
Total	2			0
REST OF AFRICA				
South Africa	7	4,5,8,10,21	MEC, OME	14,153,696
Total	7			14,153,696
OCEANIA				
Australia	20	2,3,4,5,8,11,14,17,21,22	MEC, OME	323,426,904
New Zealand	4	2,3,14,22	MEC, OME	19,679,260
Total	24			343,106,164
INTERNATIONAL ORGANISATIONS				
EU	1	13	OME	620,000
Total	1			620,000
TOTAL	692			21 915 437 144

On donations of military equipment to Ukraine in particular

Tables 6–8 show export licences for the sale of military equipment. Additionally during 2022, the ISP granted a licence for the export of military equipment that the Government, after approval by the Riksdag, had decided to donate to Ukraine. Table 9 shows the number of licences for donations to Ukraine, as well as the categories of material covered by the licences at aggregated level.

Table 9 **Granted licences for donation of military equipment to Ukraine 2022**

Country	Number	Categories of equipment
Ukraine	11	ML1/MEC, ML1/OME, ML2/MEC, ML3/MEC, ML4/MEC, ML4/OME, ML5/MEC, ML5/OME, ML6/OME, ML11/OME, ML13/OME, ML14/OME, ML17/OME

Follow-on deliveries and international military equipment cooperation

Follow-on deliveries to previously supplied military equipment occupy a special position in the Swedish export guidelines. According to the guidelines, licences should be granted for the exporting of spare parts for military equipment which has previously been exported or transferred with a licence, unless there is an unconditional obstacle. The same should apply to special ammunition for previously supplied military equipment and other deliveries directly connected to previously supplied military equipment. Follow-on deliveries should be assessed on a case-by-case basis under these circumstances. The previous guidelines apply for follow-on deliveries to exports approved before 15 April 2018.

Both the Riksdag and the Government have established on repeated occasions that internal cooperation on the development and production of military equipment is crucial to the Swedish defence industry. The Government states in the Government Bill Stricter Export Controls for Military Equipment (Govt Bill 2017/18:23) that cooperation with the Nordic countries, the six nation group, countries in the EU and Australia, Brazil, Canada, Japan, Liechtenstein, New Zealand, South Africa, South Korea and the United States are of greatest interest. The Government Bill goes on to state that a balance must be struck in international partnerships in making an overall assessment of how the need for international cooperation is to be reconciled with the interests of effective export control. It is noted that it is not self-evident that Sweden will always be able to count on sympathy for all aspects that are unique to its approach with regard to exports to third countries.

Historically there has been interest in those licences granted for exports to countries outside the traditional circle of cooperation. Table 10 presents more detailed information on licences granted to end-user countries outside the circle of countries identified above. It is first indicated whether the licences have related to follow-on deliveries or transactions not linked to previous exports, and then whether these licences have been granted under international collaboration with a country in the traditional partnership group, or whether the export has gone straight from Sweden to the final recipient. The column on the far right shows which categories of equipment have been approved for any new transactions. Note that an export licence may relate to both a follow-on delivery and international cooperation.

Table 10 Detailed description of granted export licences for sale of military equipment to certain countries in 2022

Country	Total number of licences granted	Of which follow-on deliveries	Of which international cooperation	Categories of equipment – new deals
Albania	1	0	0	ML5/OME, ML21/OME
Algeria	2	2	2	-

Country	Total number of licences granted	Of which follow-on deliveries	Of which international cooperation	Categories of equipment – new deals
Argentina	1	1	0	-
Bahrain	1	1	0	-
Ecuador	1	1	0	-
Philippines	2	2	1	-
UAE	3	3	1	-
India	16	14	0	ML22/OME
Indonesia	3	3	0	-
Israel	4	4*	0	-
Jordan	1	1	0	-
Malaysia	3	3	0	-
Mexico	2	2	1	-
Oman	2	1	2	ML4/OEM
Pakistan	4	4	0	-
Peru	2	2	0	-
Saudi Arabia	1	1	0	-
Singapore	6	3	0	ML8/OME, ML22/OME
Thailand	3	3	0	-
Türkiye	2	2	0	-
Ukraine	7	0	2	ML7/OME, ML13/OME, ML15/OME, ML22/OME
Total	67	53	9	

*The licences relate to follow-on deliveries for equipment which, at the time of the original export, did not constitute military equipment.

General export licences

The ISP decided in 2012 to introduce five different types of general licences. The licences make simplified transfers possible within the European Economic Area (EEA). Use of general licences does not require any application. The holder of a basic supplier licence instead has to inform the ISP no later than four weeks prior to the first day on which a general licence is used. General licences are not limited in quantity or value. In 2021, the ISP decided to replace three of the previous licences with a new one.

Each category has an appendix describing the military equipment and technical assistance it covers. Table 11 shows the different types of general licences that were valid in 2022.

Table 11 Types of general licences concerning export of military equipment

TFS number	Scope
2012:7	The transfer of military equipment and the provision of technical assistance to armed forces or a contracting authority in a country within the European Economic Area (EEA)
2012:8	The transfer of military equipment and the provision of technical assistance to a certified recipient in a country within the European Economic Area (EEA)
2021:2	The export of military equipment and the provision of technical assistance to a specific recipient in a country within the European Economic Area (EEA) for demonstration, evaluation, exhibition, maintenance or repair, and after maintenance, repair or demonstration in Sweden.

Table 12 shows the number of notifications of use of the different general licences during 2022.

Table 12 Notification of use of general licences concerning export of military equipment in 2022

	TFS 2012:7	TFS 2012:8	TFS 2021:2
Number of notifications	3	2	8

Table 13 shows a listing of all notifications of use of the various general licences since they were introduced in 2012.

Table 13 Notification of use of general licences concerning export of military equipment since their introduction in 2012

	TFS 2012:7	TFS 2012:8	TFS 2012:9	TFS 2012:10	TFS 2012:11	TFS 2021:2
Number of notifications	20	11	29	14	16	24

Denials

The Swedish export control system, with its mandatory reporting of marketing abroad and the opportunity for written preliminary decisions, leads to the majority of the ISP's negative decisions being delivered at an early stage and the number of actual applications regarding undesirable recipient countries being reduced. However, a renewed examination is

always conducted in connection with tender notifications and when an application is made for an export licence.

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During 2022, the ISP decided on a total of 6 formal denials. These include both decisions to prohibit tenders being submitted and denials of applications for exports. In accordance with the provisions in the EU' Common Position, other Member States are notified of denials on an ongoing basis. Table 14 shows the number of denial decisions per country.

Table 14 Number of denial decisions per country in 2022

Country	Number of licences denied
Bahrain	2
Bosnia and Herzegovina	1
Israel	1
Qatar	1
Tunisia	1
Total	6

Table 15 shows the number of denial decisions per country divided up by five-year period since 2001.

Table 15 Number of denial decisions per country by period since 2006

2006–2010	Number	2011–2015	Number	2016–2020	Number	2021–2022	Number
Argentina	2	Saudi Arabia	8	Turkey	23	Bahrain	2
Libya	2	UAE	7	UAE	8	Qatar	2
Russia	2	Egypt	6	Saudi Arabia	8	Bangladesh	1
Algeria	1	Colombia	4	Qatar	7	Bosnia and Herzegovina	1
Azerbaijan	1	Pakistan	4	Philippines	6	Egypt	1
Bangladesh	1	Vietnam	4	Taiwan	5	Philippines	1
UAE	1	Bahrain	3	Bangladesh	4	Guinea Bissau	1
Israel	1	India	3	Jordan	4	Israel	1
Jordan	1	Israel	3	Thailand	4	Kazakhstan	1
Macedonia	1	Tunisia	3	Egypt	3	Pakistan	1
Mauritius	1	Türkiye	3	Ukraine	3	Saudi Arabia	1
Serbia	1	Indonesia	2	India	2	South Africa	1
Syria	1	Kazakhstan	2	Morocco	2	Taiwan	1
Ukraine	1	China	2	Pakistan	2	Tunisia	1
Total	17	Lebanon	2	Serbia	2	Turkmenistan	1
		Russia	2	Armenia	1	Total	17

2006–2010	Number	2011–2015	Number	2016–2020	Number	2021–2022	Number
	Serbia	2	Bahrain	1			
	Thailand	2	Bosnia and Herzegovina	1			
	Algeria	1	Ecuador	1			
	Armenia	1	Israel	1			
	Azerbaijan	1	China	1			
	Equatorial Guinea	1	Kuwait	1			
	Cote d'Ivoire	1	Lebanon	1			
	Philippines	1	Oman	1			
	Gabon	1	Senegal	1			
	Iran	1	Sierra Leone	1			
	Kuwait	1	Tunisia	1			
	Macedonia	1	Uzbekistan	1			
	Myanmar	1	Total	96			
	Namibia	1					
	Nepal	1					
	Oman	1					
	Paraguay	1					
	Taiwan	1					
	Ukraine	1					
	Total	79					

Actual exports

The actual exporting presented in the communication concerns military equipment and technical assistance both supplied and invoiced during the current year. The data is based on the declarations which each holder of manufacturing or supplier licences is obliged to report to the ISP.

The actual exports are usually the part of the communication that attracts most interest in the Riksdag, among the general public and in the media. The communication therefore contains a number of tables with different interfaces concerning annual exports.

Table 16 shows the value of actual exports of military equipment by country in 2022. The table is broken down into MEC/OME and contains, at an aggregated level, information about which categories of equipment the exports related to. Military equipment was exported to a total of 62 countries and the EU in 2022.

Table 16 Value of actual exports of military equipment by country in 2022 (SEK)

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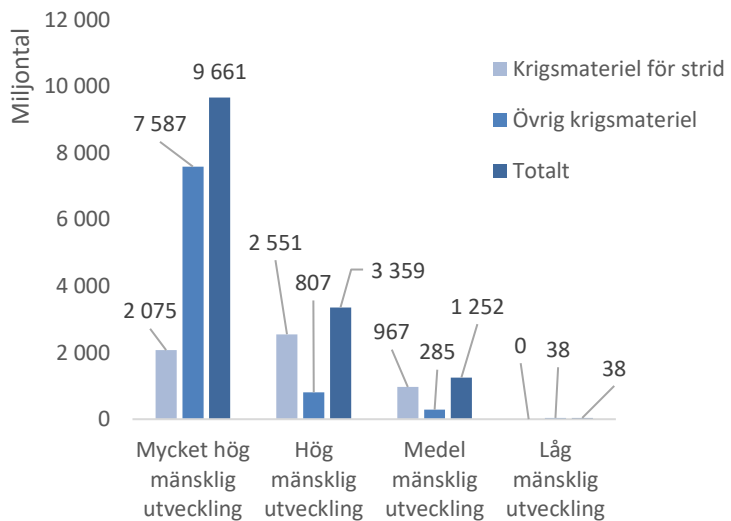
Country	Categories of military equipment	Value of MEC	Value of OME	Total
EU				
Belgium	1,3,5,8,11,14,22	18,160,876	12,183,536	30,344,412
Bulgaria	1,3,8,11	410,701	1,765,389	2,176,090
Denmark	1,2,3,5,6,7,8,10,11, 13,14,17,22	32,806,225	99,519,503	132,325,728
Estonia	1,2,3,4,5,6,11,13,1 4,15,17,22	128,043,527	94,424,664	222,468,191
Finland	1,2,3,4,5,6,8,10,11, 13,14,15,17,21,22	21,929,033	123,939,571	145,868,604
France	1,2,3,4,5,6,8,11,13, 14,15,17,22	85,927,380	205,738,884	291,666,264
Greece	13,14	0	722,550	722,550
Ireland	1,2,3,4,6,11,17	30,315,626	86,890,720	117,206,346
Italy	3,4,5,8,9,13,14,17, 22	41,460,217	54,831,142	96,291,359
Croatia	2,3,13	0	1,336,675	1,336,675
Latvia	1,2,3,4,5,13,22	107,080,105	81,189,989	188,270,094
Lithuania	1,3,11,17	54,990,515	8,279,479	63,269,994
Luxembourg	6	0	120,000	120,000
Malta	3	0	20,015	20,015
Netherlands	1,2,5,6,7,11,13,14, 15,17,22	19,702,751	343,334,038	363,036,789
Poland	1,3,8,10,11,13,14,1 7,18,22	6,149,666	27,870,343	34,020,009
Portugal	1,2,3,11,17	0	4,488,667	4,488,667
Romania	2,3,5,11	0	10,143,050	10,143,050
Slovakia	3,8,13,17,22	324,787	8,819,321	9,144,108
Slovenia	1,3,5,13,17	0	2,756,301	2,756,301
Spain	1,3,4,5,6,8,11,13,2 1	21,401,766	42,273,229	63,674,995
Czech Republic	1,2,3,4,5,8,10,13,1 5,17,18,21,22	254,178,322	465,519,971	719,698,293
Germany	1,2,3,4,5,6,8,10,11, 13,14,17,18,21,22	98,056,554	1,224,042,229	1,322,098,783
Hungary	2,3,4,5,8,10,14,17, 22	18,385,274	861,991,777	880,377,051
Austria	1,2,3,6,8,10,13,14, 15,17	465,766	15,560,490	16,026,256

Country	Categories of military equipment	Value of MEC	Value of OME	Total
Total		939,789,091	3,777,761,533	4,717,550,624
REST OF EUROPE				
Albania	11	0	106,993	106,993
Andorra	3	0	248,131	248,131
Iceland	3,8,10,17	13,433	1,027,441	1,040,874
Norway	1,2,3,4,5,6,8,10,13,14,15,17,18,21,22	246,400,203	421,359,513	667,759,716
Switzerland	1,2,3,4,5,6,8,10,13,17,21	27,990,623	311,944,995	339,935,618
United Kingdom	1,2,3,4,5,6,8,10,11,13,14,16,17,21,22	133,318,899	289,293,476	422,612,375
Ukraine	7,13,15	693,852	3,626,306	4,320,158
Total		408,417,010	1,027,606,855	1,436,023,865
NORTH AMERICA				
Canada	2,5,8,13,15,17,21,22	7,709,290	93,185,144	100,894,434
USA	2,3,5,6,8,10,11,13,14,17,18,21,22	1,329,449,354	1,224,658,295	2,554,107,649
Total		1,337,158,644	1,317,843,439	2,655,002,083
CENTRAL AMERICA				
Mexico	13	0	1,801,112	1,801,112
Total		0	1,801,112	1,801,112
SOUTH AMERICA				
Argentina	4,22	15,321,684	2,822,778	18,144,462
Brazil	1,2,4,5,8,10,11,21,22	2,282,203,701	751,004,741	3,033,208,442
Ecuador	11	0	33,308	33,308
Peru	1.8	6,869,115	162,816	7,031,931
Uruguay	3	0	188,472	188,472
Total		2,304,394,500	754,212,115	3,058,606,615
NORTH EAST ASIA				
Japan	2,3,4,13,14,17	123,850,167	41,635,223	165,485,390
South Korea	5,8,9,13,22	13,590,612	65,958,679	79,549,291

Country	Categories of military equipment	Value of MEC	Value of OME	Total
Total		137,440,779	107,593,902	245,034,681
SOUTH EAST ASIA				
Brunei	2.3	0	823,677	823,677
Philippines	22	0	644,656	644,656
Indonesia	2.11	259,269,009	51,934	259,320,943
Malaysia	2,5,6,11	2,567,000	7,375,508	9,942,508
Singapore	4,5,8,9,11,13,14,21,22	8,591,652	39,030,201	47,621,853
Thailand	5,10,14	0	430,038,461	430,038,461
Total		270,427,661	477,964,437	748,392,098
SOUTH ASIA				
India	2,3,5,13,14,18,21,22	967,035,875	283,779,463	1,250,815,338
Pakistan	5,10,22	0	37,956,529	37,956,529
Total		967,035,875	321,735,992	1,288,771,867
MIDDLE EAST				
United Arab Emirates	5,10,11,22	0	711,981,030	711,981,030
Israel	5	0	4,747,770	4,747,770
Jordan	13	0	334,981	334,981
Kuwait	7,17,21	0	27,696,000	27,696,000
Qatar	4.17	0	5,214,925	5,214,925
Saudi Arabia	22	0	12,683,402	12,683,402
Total		0	762,658,108	762,658,108
REST OF AFRICA				
Botswana	3	0	110,833	110,833
Namibia	3	0	458,299	458,299
South Africa	1,3,4,5,8,10,13,14,21,22	1,886,886	48,510,280	50,397,166
Zambia	3	205,011	248,614	453,625
Total		2,091,897	49,328,026	51,419,923

Country	Categories of military equipment	Value of MEC	Value of OME	Total
OCEANIA				
Australia	2,3,5,8,10,11,13,14,15,17,21,22	164,457,668	111,722,907	276,180,575
New Zealand	2,3,11,14,17	1,292,760	7,086,958	8,379,718
Total		165,750,428	118,809,865	284,560,293
INTERNATIONAL ORGANISATIONS				
EU	13	0	4,249,556	4,249,556
Total		0	4,249,556	4,249,556
TOTAL		6,532,505,885	8,721,564,940	15,254,070,825

Figure 1 Actual exports of military equipment broken down by country according to the Human Development Index* (SEK million)



* The Human Development Index (HDI) is an index by which human development and living standards in a country are measured and compared. The HDI value for a country is geometric mean of normalised indices for each of the dimensions a long and healthy life, being knowledgeable, and having a decent standard of living (measured in GDP per capita). The countries Sweden exports military equipment to or has granted export licences to in 2022 are grouped as follows: **Countries with very high human development:** Andorra,

Argentina, Australia, Austria, Belgium, Brunei, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Qatar, Republic of Korea, Romania, Saudi Arabia, Singapore, Slovakia, Slovenia, Spain, Switzerland, Thailand, the United Arab Emirates, the United Kingdom, the United States, Uruguay. **Countries with high human development:** Albania, Brazil, Bulgaria, Ecuador, Indonesia, Jordan, Mexico, Peru, South Africa, Ukraine. **Countries with average human development:** Botswana, the Philippines, India, Namibia, Zambia. **Countries with low human development:** Pakistan. A full list of the breakdown of countries according to the Human Development Index (HDI) can be found in the Human Development Report 2021 (see Annex 6 for source reference).

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Table 17 shows exports in 2022 by region. The regional breakdown follows the breakdown in the EU's annual statistical report to which the ISP contributes statistical material.

Table 17 Share of actual exports of military equipment in 2022 by region

Region	Percentage
EU	30.9%
South America	20.1%
North America	17.5%
Rest of Europe	9.4%
South Asia	8.4%
Middle East	5.0%
South East Asia	4.9%
Oceania	1.9%
North East Asia	1.6%
Rest of Africa	0.3%
International Organisations	< 0.1%
Central America and the Caribbean	< 0.1%

Table 18 shows actual exports in 2022 by ML category, broken down into MEC and OME. It should be noted that ML11, ML13–18 and ML20–22 contain only OME.

Table 18 The value of actual exports of military equipment in 2022 by category of equipment (SEK)

Category of equipment	Value of MEC	Value of OME
ML1	29,000	29,157,722
ML2	949,575,722	260,261,032
ML3	2,107,501,301	1,332,014,105

Category of equipment	Value of MEC	Value of OME
ML4	397,868,670	146,242,283
ML5	307,697,432	659,924,333
ML6	0	1,139,756,696
ML7	693,852	39,170,024
ML8	488,438,770	1,050,428
ML9	701,138	7,126,820
ML10	2,280,000,000	2,030,376,025
ML11	-	68,537,796
ML12	0	0
ML13	-	171,781,130
ML14	-	54,545,900
ML15	-	42,443,356
ML16	-	44700
ML17	-	172,699,474
ML18	-	28,646,895
ML19	0	0
ML20	-	0
ML21	-	281,814,055
ML22	-	2,255,972,166

Table 19 shows actual exports of small arms, light weapons and Man-Portable Air Defence Systems (MANPADS). The data is included in the report presented by Sweden annually to the UN.

Table 19 Actual exports in 2022 of small arms, light weapons and MANPADS as defined in the UN Register of Conventional Arms

Small arms	
1. Revolvers and self-loading 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. Additional information	Small-calibre ammunition for military use or components for such ammunition were exported to Denmark, Finland, France, Italy, Latvia, Lithuania, Norway, Poland, Spain, United Kingdom and United States.
Light weapons	
1. Heavy machine guns (12.7 mm)	No exports

2. Hand-held underbarrel and mounted grenade launchers	No exports
3. Portable anti-tank guns	No exports
4. Recoilless rifles (rocket-propelled grenades)	Rocket-propelled grenades were exported to Australia, Denmark, Hungary, Norway and the United States. In addition, spare parts, training equipment, components and ammunition for rocket-propelled grenades were exported to Austria, Czech Republic, Estonia, Ireland, Japan, Latvia, Lithuania, and New Zealand.
5. Portable anti-tank missile launchers and rocket systems	Anti-tank missile launchers were exported to Latvia and the United States. In addition, spare parts, training weapons and components for anti-tank systems were exported to France, Ireland, Norway and Switzerland.
6. Mortars of calibres less than 75 mm	No exports
7. Additional information	No exports
MANPADS (Man-Portable Air Defence Systems)	
	MANPADS have been exported to Argentina, Estonia, Ireland and the Czech Republic. In addition, spare parts, training equipment and components for MANPADS have been exported to Brazil, Finland, Latvia and Singapore.

Actual exports over time

The export statistics should be shown over time to make it easier to identify trends and tendencies in the area of military equipment. Individual sales and deliveries of major military equipment systems may cause significant fluctuations in the statistics.

Table 20 shows the value and percentage change compared with the previous year regarding actual exports in the past five years broken down into MEC/OME.

Table 20 The value of actual exports of military equipment in current prices and annual percentage change 2018–2022 (SEK million)

Category of equipment	2018	2019	2020	2021	2022
Military equipment for combat purposes	4,995 (-25)	2,984 (-40)	3,459 (+16)	3,821 (+10)	6,533 (+71)
Other military equipment	6,375 (+40)	13,290 (+108)	12,870 (-3)	16,267 (+26)	8,722 (-46)

Total	11,370 (+1)	16,274 (+43)	16,328 (0.3)	20,089 (+23)	15,254 (-24)
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Table 21 shows the exports of military equipment as share of Sweden’s total exports of goods over the past five years. Alongside this communication, Swedish exports of military equipment are reported in the general statistics on foreign trade, which are based on the data submitted to Statistics Sweden by Swedish Customs. Statistics Sweden uses different product categories than the ISP in its reporting and the figures are thus not directly comparable with the ISP’s statistics.

Table 21 Share of exports of military equipment in total Swedish exports of goods at current prices 2018–2022 (SEK million)

Type of export	2018	2019	2020	2021	2022
Military equipment exports	11,370	16,274	16,328	20,089	15,254
Total exports of goods	1,441,600	1,518,400	1,427,100	1,627,900	1,998,500
Share	0.79%	1.07%	1.14%	1.23%	0.76%

Figure 2 shows the growth in value over a prolonged period. Note that the definition of what constitutes military equipment was expanded in 1993 and 2012.

Figure 2 Growth in value for actual exports of military equipment in current prices 1973–2022 (SEK million)

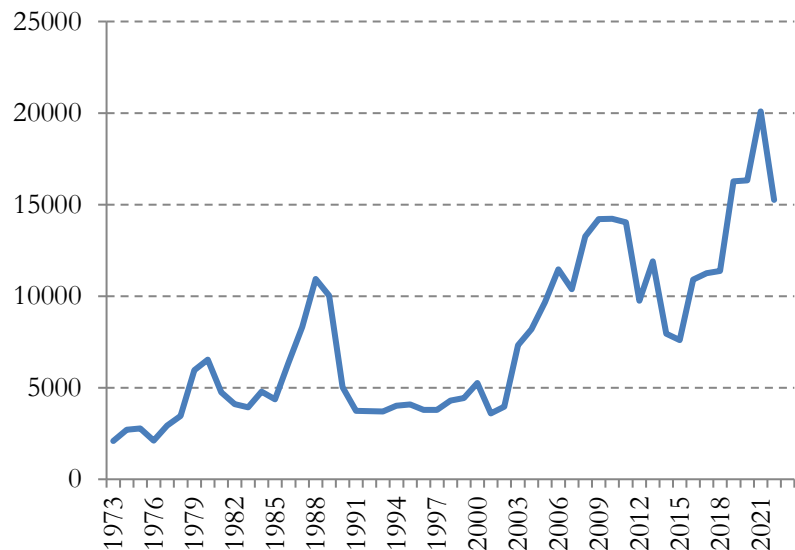


Table 22 shows the value of exports by country over the past three years.

Table 22 The value of actual exports of military equipment by country 2020–2022 (SEK million)

Country	2020	2021	2022
EU			
Belgium	18	42	30
Bulgaria	1.8	2.6	2.2
Denmark	182	161	133
Estonia	112	249	222
Finland	342	244	146
France	295	376	292
Greece	5.7	1.0	0.7
Ireland	67	51	117
Italy	74	69	96
Croatia	0.4	0.5	1.3
Latvia	215	143	188
Lithuania	109	25	63
Luxembourg	-	-	0.1
Malta	0.05	0.05	0.02
Netherlands	648	445	363
Poland	36	31	34
Portugal	8	2.1	4.5
Romania	14	2.2	10
Slovakia	3.1	8	9.1
Slovenia	0.7	36	2.8
Spain	33	50	64
Czech Republic	650	688	720
Germany	654	1,150	1,322
Hungary	856	957	880
Austria	122	49	16
Total	4,447	4,783	4,718
REST OF EUROPE			
Albania	-	-	0.1
Andorra	0.2	0.08	0.2
Iceland	0.8	1.0	1.0
Monaco	0.02	-	-
Norway	461	551	668

Country	2020	2021	2022
Switzerland	348	178	340
United Kingdom	419	230	423
Ukraine	-	-	4.3
Total	1,228	960	1,436

NORTH AMERICA

Canada	88	131	101
USA	2,447	2,915	2,554
Total	2,535	3,045	2,655

CENTRAL AMERICA

Mexico	13	6.8	1.8
Total	13	6.8	1.8

SOUTH AMERICA

Argentina	0.02		18
Brazil	1,940	2,178	3,033
Chile	0.5	0.7	-
Ecuador	-	-	0.03
Peru	8.1	49	7.0
Uruguay	0.1	0.2	0.2
Total	1,949	2,228	3,059

NORTH EAST ASIA

Japan	115	172	165
South Korea	248	176	80
Total	362	347	245

SOUTH EAST ASIA

Brunei	-	0.08	0.8
Philippines	6	1.1	0.6
Indonesia	-	0.07	259
Malaysia	24	5.2	9.9
Singapore	273	35	48
Thailand	335	504	430
Total	638	545	748

SOUTH ASIA

India	558	14	1,251
Pakistan	925	21	38

Country	2020	2021	2022
Total	1,483	35	1,289
MIDDLE EAST			
Bahrain	-	1.6	-
UAE	3,260	7,458	712
Israel	-	-	4.7
Jordan	-	-	0.3
Kuwait	20	6.3	28
Oman	0.9	4.5	-
Qatar	25	50	5.2
Saudi Arabia	48	1.2	13
Total	3,353	7,521	763
NORTH AFRICA			
Algeria	-	0.4	-
Tunisia	-	78	-
Total	-	78	-
REST OF AFRICA			
Botswana	-	-	0.1
Mauritius	0.05	-	-
Namibia	-	0.6	0.5
Nigeria	0.1	-	-
South Africa	84	25	50
Zambia	-	0.3	0.5
Total	84	26	51
OCEANIA			
Australia	223	506	276
New Zealand	11	5.9	8.4
Total	234	512	285
INTERNATIONAL ORGANISATIONS			
EU	1.9	-	4.2
Total	1.9	-	4.2
TOTAL	16,328	20,088	15,254

Table 23 shows the value of Swedish exports of military equipment to the top 30 countries in terms of receipts of such equipment since 1993.

Table 23 Value of actual exports of military equipment to the 30 largest recipient countries in current prices 1993–2022 (SEK million)

Place	Country	Total
1.	USA	26,669
2.	Brazil	21,253
3.	Norway	18,368
4.	UAE	15,557
5.	Netherlands	13,901
6.	India	13,769
7.	Germany	13,744
8.	South Africa	13,004
9.	Czech Republic*	11,363
10.	Thailand	11,341
11.	Pakistan	11,176
12.	United Kingdom	10,761
13.	Hungary*	10,192
14.	Finland	9,965
15.	France	9,849
16.	Singapore	8,965
17.	Switzerland	7,648
18.	Denmark	7,508
19.	Australia	6,329
20.	Saudi Arabia	5,518
21.	Canada	5,089
22.	South Korea	3,387
23.	Austria	3,137
24.	Greece	2,728
25.	Italy	2,664
26.	Japan	2,141
27.	Estonia	1,591
28.	Mexico	1,587
29.	Malaysia	1,171
30.	Latvia	1,086

* Including lease payments

Table 24 shows the 30 largest recipient countries of Swedish military equipment, divided up by five-year period since 2005.

Table 24 Value of actual exports of military equipment to the 30 largest recipient countries by period (SEK million)

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Place	2005– 2009	Value	2010– 2014	Value	2015– 2019	Value	2020– 2022	Value
1.	South Africa	8,051	Thailand	7,967	Brazil	12,308	UAE	11,430
2.	Netherlands	7,037	Saudi Arabia	5 125	Norway	6,431	USA	7,916
3.	Pakistan	4,161	USA	4,881	USA	4,469	Brazil	7,151
4.	USA	4,016	India	4,361	India	3,774	Germany	3,126
5.	Czech Republic*	3,443	United Kingdom	3,741	Hungary*	2,896	Hungary*	2,693
6.	Denmark	3,283	Netherlands	3,195	Pakistan	2,722	Czech Republic*	2,058
7.	Finland	3,183	Norway	3,022	Czech Republic*	2,688	India	1,823
8.	Germany	2,854	Czech Republic*	2,915	Germany	2,529	Norway	1,680
9.	France	2,749	Pakistan	2,832	Netherlands	1,913	Netherlands	1,456
10.	Hungary*	2,431	France	2,481	UAE	1,771	Thailand	1,269
11.	Singapore	2,342	South Africa	2,318	United Kingdom	1,629	United Kingdom	1,072
12.	India	2,296	Canada	2,050	Finland	1,589	Australia	1,005
13.	Greece	2,259	Germany	2,016	France	1,526	Pakistan	984
14.	United Kingdom	2,127	Hungary*	2,001	South Korea	1,476	France	963
15.	Switzerland	1,584	UAE	1,943	Thailand	1,198	Switzerland	866
16.	Norway	1,389	Finland	1,846	Canada	1,171	Finland	732
17.	Australia	1,363	Australia	1,639	South Africa	1,008	Estonia	583
18.	Italy	1,009	Singapore	1,555	Singapore	933	Latvia	546
19.	Canada	709	Denmark	1,256	Denmark	874	South Korea	504
20.	South Korea	610	South Korea	761	Austria	760	Denmark	476
21.	Spain	407	Algeria	738	Australia	696	Japan	452
22.	Japan	290	Italy	614	Estonia	646	Singapore	356
23.	Malaysia	195	Japan	271	Switzerland	576	Canada	320

	2005–		2010–		2015–		2020–	
Place	2009	Value	2014	Value	2019	Value	2022	Value
24.	UAE	182	Estonia	266	Italy	536	Indonesia	259
25.	Thailand	140	Brazil	253	Türkiye	535	Italy	239
26.	Austria	128	Switzerland	239	Japan	488	Ireland	235
27.	Poland	112	Brunei	221	Poland	422	Lithuania	197
28.	Ireland	100	Austria	166	Mexico	321	Austria	187
29.	Mexico	91	Poland	141	Saudi Arabia	236	South Africa	159
30.	Saudi Arabia	89	Spain	130	Latvia	219	Spain	147

* Including lease payments

Other activity abroad

Alongside exports, there are certain requirements for licences and reporting for further activity abroad.

Agreements concerning manufacturing rights and cooperation

Entering into agreements involving the granting or transfer of manufacturing rights to parties outside Sweden requires a licence under the Military Equipment Act. In accordance with the same Act, a licence is required to enter into cooperation agreements with parties outside the country to jointly with said parties, or on their behalf, provide technical assistance to parties abroad, develop military equipment or methods for the manufacture of such material or to jointly manufacture military equipment.

In 2022, the ISP approved 11 licences for Swedish companies to enter into agreements involving the granting or transfer of manufacturing rights to parties outside Sweden and 60 licences to enter into cooperation agreements with a party outside the country. Table 25 shows the number of licences granted per country to enter into licence agreements and partnership agreements. Note that certain agreements relate to both manufacturing rights and cooperation, and that a single agreement may relate to more than one country. Note also that agreements within the framework of the European Defence Fund (EDIDP) and other forms of EU cooperation are reported separately, as these often involve multiple participating countries.

Table 25 Number of licences granted to enter into agreements on licence production and cooperation broken down by country in 2022

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Country	Licence agreements	Cooperation agreements
Australia	-	3
Brazil	1	-
Bulgaria	1	-
Denmark	-	3
EU cooperation: EDF/EDIDP	-	27
EU cooperation: other	-	3
Finland	1	2
France	1	2
United Arab Emirates	-	1
Canada	1	2
Netherlands	2	3
Norway	-	5
New Zealand	-	1
Poland	1	2
Singapore	-	1
Slovakia	-	3
United Kingdom	2	7
South Korea	-	1
Germany	-	2
USA	2	1
Total	12	69

A party that has obtained a licence to enter into agreements is obliged to submit details to the ISP annually on the validity of these agreements. In 2022, 17 companies and one government agency reported a total of 72 licence production agreements. At the same time, 22 companies and four government agencies reported 169 cooperation agreements.

Table 26 shows all currently valid licence agreements and cooperation agreements broken down by country. Note that certain agreements relate to both manufacturing rights and cooperation, and that a single agreement may relate to more than one country.

Table 26 Number of reported licence production and cooperation agreements broken down by country

Country	Licence agreements	Cooperation agreements
Australia	1	10

Country	Licence agreements	Cooperation agreements
Brazil	6	13
Bulgaria	1	-
Denmark	5	2
Estonia	1	10
EU cooperation: EDF/EDIDP	-	30
EU cooperation: other	-	11
Finland	3	8
France	1	12
United Arab Emirates	-	2
Greece	-	1
India	4	1
Indonesia	-	1
Japan	6	2
Canada	2	7
Latvia	1	-
Netherlands	3	10
Norway	2	13
Peru	2	1
Poland	1	2
Romania	1	-
Saudi Arabia	-	1
Switzerland	5	4
Singapore	-	1
Slovakia	-	1
Spain	-	7
United Kingdom	4	29
South Africa	1	2
South Korea	2	7
Czech Republic	12	2
Germany	1	17
USA	7	22
Austria	-	2
Total	72	231

Ownership abroad

A party holding a manufacturing or supplier licence for military equipment is obliged to provide information to the ISP on ownership in foreign legal

entities undertaking development, manufacturing, marketing or sale of military equipment, or which provide technical assistance.

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In 2022, 23 companies reported ownership in 115 foreign legal entities in a total of 40 countries. Table 27 shows the number of foreign legal entities broken down by country in which they operate.

Table 27 Number of reported foreign legal entities broken down by country

Country	Number of Swedish-owned legal entities
Australia	2
Belgium	2
Brazil	9
Chile	1
Colombia	1
Denmark	3
Philippines	1
Finland	4
France	6
United Arab Emirates	3
Greece	2
India	5
Indonesia	1
Italy	2
Japan	1
Canada	1
Kenya	1
Croatia	1
Latvia	1
Malaysia	4
Mauritius	1
Netherlands	6
Norway	5
Pakistan	1
Poland	2
Saudi Arabia	2
Switzerland	4
Singapore	2
Spain	3
United Kingdom	7
South Africa	2

Country	Number of Swedish-owned legal entities
South Korea	2
Taiwan	1
Thailand	2
Czech Republic	2
Türkiye	1
Germany	8
Hungary	1
USA	9
Austria	3
Total	115

Military training

The Swedish Military Equipment Act stipulates that military training of foreign nationals may not be conducted in or outside Sweden without permission from the ISP. This prohibition does not apply to training provided by government agencies or training associated with sales of military equipment for which export licences have been granted.

Two licences for military training were granted in 2022. The licences concerned the training of citizens of the United Kingdom, Ukraine and Hungary.

Further transfer of military equipment

As a rule, military equipment that has been exported from Sweden is subject to the end-use obligations that the purchaser, by signing an end-user certificate, is bound by. In the event that a previous purchaser wishes to transfer such military equipment to another party, consent is required from the ISP, which can then release the purchaser from its end-user obligations. A condition for approval of such further transfer is that an end-user certificate from the new user can be presented. Table 28 shows the licences issued in 2022 for further transfer of equipment originally supplied from Sweden. Note that further transfer within the country and further transfer back to Sweden also require a licence.

Table 28 Approved further transfer of military equipment in 2022 broken down by country and type of equipment

From	To	Number	Categories of equipment
Belgium	Italy	1	ML8/MEC
Estonia	Netherlands	1	ML22/OME
Estonia	Germany	1	ML22/ÖK
France	Belgium	1	ML8/KS

From	To	Number	Categories of equipment
Italy	Norway	1	ML8/KS
Lithuania	Lithuania	1	ML2/MEC
New Zealand	Australia	1	ML5/MEC
United Kingdom	Ireland	5	ML1/OME
United Kingdom	Saudi Arabia	1	ML4/OEM
United Kingdom	United Kingdom	1	ML3/ÖK
United Kingdom	USA	1	ML5/ÖK
South Korea	Philippines	1	ML9/ÖK
	Ukraine*	37	ML1/MEC, ML2/MEC, ML2/OME, ML3/MEC, ML3/OME, ML4/MEC, ML4/OME, ML5/MEC, ML5/OME, ML6/MEC, ML6/OME, ML8/MEC, ML17/OME, ML22/OME
Total		53	

*Due to foreign affairs secrecy rules, the country of origin is not stated in respect of the transfer of military equipment to Ukraine.

Individual suppliance

Swedish authorities, Swedish companies and anyone resident or permanently domiciled in Sweden intending to supply military equipment which is located abroad to another party abroad, must in individual cases hold a licence from the ISP, known as an individual supplier licence. Licences are required irrespective of whether the military equipment belongs to the applicant or to another party. Table 29 shows the licences issued in 2022 for supplying military equipment between two parties abroad.

Table 29 Individual supplier licences granted in 2022 broken down by country and category of equipment

From	To	Number of approvals	Categories of equipment
Denmark	France	2	ML4/OME, ML14/OME
Denmark	United Kingdom	4	ML4/OME, ML14/OME
Estonia	Denmark	1	ML6/OME
Estonia	Ireland	1	ML6/OME
Estonia	Luxembourg	1	ML6/OME

From	To	Number of approvals	Categories of equipment
Estonia	Netherlands	2	ML6/OME
Finland	Finland	1	ML6/MEC, ML21/OME
Finland	France	1	ML4/OEM
Finland	United Kingdom	2	ML4/OEM
France	Norway	3	ML4/OME, ML5/OME
India	Indonesia	1	ML2/MEC
India	USA	2	ML10/OME
Italy	Denmark	3	ML3/MEC
Italy	France	1	ML11/OME
Latvia	France	1	ML17/OME
Latvia	India	1	ML17/OME
Netherlands	Denmark	6	ML6/ÖK
Netherlands	Ireland	1	ML6/OME
Netherlands	Luxembourg	1	ML6/OME
Netherlands	Netherlands	1	ML6/OME
Netherlands	Germany	2	ML6/OME
Spain	Ireland	1	ML6/OME
Spain	Hungary	1	ML3/MEC
United Kingdom	Netherlands	1	ML6/OME
United Kingdom	Switzerland	2	ML4/MEC
United Kingdom	United Kingdom	1	ML4/OEM
United Kingdom	Germany	1	ML5/OME
Germany	Australia	1	ML13/OME
Germany	Norway	1	ML4/MEC, ML4/OME
	Ukraine*	1	ML13/OME
USA	Belgium	1	ML5/MEC
Austria	Luxembourg	1	ML6/OME
USA	USA	1	ML10/OME, ML11/OME, ML18/OME, ML21/OME
Total		51	

*Due to foreign affairs secrecy rules, the country of origin is not stated in respect of individual acts of supply to Ukraine.

Table 30 shows the value of military equipment supplied by Swedish government agencies, Swedish companies and persons resident or permanently domiciled in Sweden that have supplied military equipment which is located abroad to another party abroad. Together with the actual

exports from Sweden, this give a comprehensive picture of Swedish military equipment sales.

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Table 30 Value of actual deliveries of military equipment based on individual supply licences in 2022 broken down by country and category of equipment (SEK)

From	To	Categories of equipment	Value
Estonia	Denmark	ML6/OME	1,366,375
Estonia	Ireland	ML6/OME	32,793
Estonia	Netherlands	ML6/OME	10,307,933
France	Netherlands	ML6/OME	85,657,172
France	Norway	ML4/OME, ML5/OME	8,531,133
Italy	Denmark	ML3/MEC	13,127,118
Latvia	France	ML17/OME	300,000
Latvia	India	ML17/OME	4,500,000
Latvia	Croatia	ML17/OME	3,000,000
Netherlands	Denmark	ML6/OME	264,557,481
Netherlands	France	ML6/OME	2,025,000
Netherlands	Ireland	ML6/OME	2,250,000
Netherlands	Luxembourg	ML6/OME	1,880,000
Netherlands	Netherlands	ML6/OME	1,285,825,071
Netherlands	Germany	ML6/OME	343,500,000
Norway	USA	ML1/MEC, ML1/OME	59,625
Spain	Ireland	ML6/OME	2,250,000
Spain	Lithuania	ML3/MEC	60,890,305
Spain	Hungary	ML3/MEC	1,895,187
United Kingdom	Netherlands	ML6/OME	10,222,524
United Kingdom	Poland	ML5/OME	6,207,357
United Kingdom	Switzerland	ML4/MEC	1,460,000
United Kingdom	United Kingdom	ML4/OEM	10,502,000
Czech Republic	Finland	ML8/MEC	10,667,271
Germany	Netherlands	ML6/OME	96,733,591
Germany	Norway	MI4/MEC	13,649
USA	USA	ML4/MEC	40,000,000

From	To	Categories of equipment	Value
Total			2,267,761,585

Civil firearms

Licences from the ISP are required for exports of civil firearms (hunting and sport shooting weapons), parts for firearms and ammunition for these weapons outside the EU. The assessment of exports of civilian firearms to non-EU countries is carried out both under Council Regulation (EU) No 258/2012 implementing Article 10 of the UN Protocol on the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition and under the War Material Act (1992:1300). This does not, however, apply to exports of smooth-bore shotguns and parts and ammunition for such weapons, and assessment therefore only takes place according to the EU Regulation mentioned.

Table 31 shows the number of applications according to Regulation (EU) No 258/2012 received by the ISP in the past five years.

Table 31 Number of applications concerning exports of civil firearms 2018–2022

	2018	2019	2020	2021	2022
Export applications	248	242	213	236	211

Table 32 shows the number of licences granted per country under the same Regulation. As a large proportion of the licences issued under the Regulation relate to own use, gifts and loans, no value is presented in this table.

Table 32 Number of licences granted concerning exports of civil firearms 2020–2022 per country

Destination	2020	2021	2022
EUROPE			
Andorra	1	2	3
Faroe Islands	-	1	2
Greenland	-	2	-
Iceland	4	4	3
Montenegro	-	1	-
Norway	112	96	110
Switzerland	32	15	18
United Kingdom	-	14	10
Ukraine	-	2	1

Destination	2020	2021	2022
Total	149	137	147
NORTH AMERICA			
Canada	1	5	2
USA	42	36	18
Total	43	41	20
SOUTH AMERICA			
Brazil	-	1	-
Chile	-	-	1
Peru	-	2	2
Uruguay	1	2	2
Total	1	5	5
NORTH EAST ASIA			
Japan	1	3	4
Total	1	3	4
MIDDLE EAST			
UAE	-	1	-
Lebanon	-	2	-
Total	-	3	-
REST OF AFRICA			
Botswana	-	2	-
Mauritius	1	-	-
Namibia	2	5	1
South Africa	5	11	7
Zambia	2	1	3
Total	10	19	11
OCEANIA			
Australia	2	4	3
New Zealand	7	13	4
Total	9	17	7
TOTAL	213	225	194

Export of Dual-Use Items

Transfers within the EU

Licences for transfer of dual-use items to another EU Member State are required only to a very limited extent according to the provisions of Annex IV to Council Regulations 428/2009 and 2021/821. Assuming that exports of dual-use items follow the geographical distribution of total exports of goods, this means that more than half of the exports of dual-use items from Sweden can take place without a licence. This is because the export relates to recipient countries within the EU.

Table 33 shows the number of applications for transfer licences to other EU Member States during 2022, divided up by granted and denied applications for licences.

Table 33 Number of processed applications for transfer licences to another EU Member State in 2022

Granted	Denials	Total
1	0	1

Exports supported by the EU general licence to Australia, Canada, Iceland, Japan, Liechtenstein, Norway, New Zealand, Switzerland, the United Kingdom and the United States.

Just over one quarter of Sweden's total exports of goods in 2022 went to Australia, Canada, Iceland, Japan, Liechtenstein, Norway, New Zealand, Switzerland, the United Kingdom and the United States. There is an EU general licence, which is very extensive in terms of the number of products, for exporting dual-use items to these countries (EU001). A Swedish exporter wishing to export dual-use items under the general licence is required only to make a one-off notification at the time when the licence is first used. An individual or global licence for export to any of the countries mentioned is only required in a few cases.

Table 34 shows the number of exporters that notified use of the general licence EU001 during 2022 and the total number of notifications since this general licence was introduced in 2009.

Table 34 Number of notifications of use of the general licence EU001

Licences	Notifications in 2022	Notifications since introduction in 2009
EU001	33	284

There are seven EU general licences, which are not particularly extensive in terms of the number of products they cover, for trade in dual-use items to certain other countries in the world, known as EU002–EU008. An exporter in Sweden wishing to export dual-use items under any of the five general licences EU002–EU006 is only required to make a one-off notification at the time the licence is first used.

Table 35 shows the number of exporters that notified use of the general licences EU002–EU006 during 2022 and the total number of notifications since the introduction of the licences. The licences were introduced in November 2011, which is why the total number starts from 2012.

Table 35 Number of notifications of the general licences EU002–EU006

Licences	Notifications in 2022	Notifications since introduction in 2012
EU002	1	7
EU003	1	12
EU004	0	9
EU005	1	2
EU006	0	1

Regulation 2021/821 has added two EU general licences in the form of EU007 and EU008. Exports under these two general licences require the exporter to have registered with the ISP and to have notified the inspectorate prior to the first use of the licences.

Table 36 shows the number of exporters who have registered and notified the inspectorate prior to using the EU general licences EU007–EU008 during 2022, and the total number of notifications since their introduction.

Table 36 Number of notifications of the use of the EU general licences EU007–EU008

Licences	Notifications in 2022	Notifications since introduction in 2021
EU007	1	5
EU008	0	1

Exports supported by individual and global export licences

In the event that none of the general licences EU002–EU006 are applicable, either a global or an individual export licence is required for trade in dual-use items outside the EU.

Tables 37 and 38 show the number of decisions on applications for export licences relating to dual-use items, broken down into granted and denied applications for licences. The tables cover applications for both global and individual export licences.

Table 37 shows the number of decisions on applications for export licences concerning dual-use items listed in Annex I to Council Regulations 428/2009 and 2021/821. The table reports licences divided up by the control regime under which the item in question is controlled. The control regimes are the Australia Group (AG), the Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG) and the Wassenaar Arrangement (WA).

Table 37 The number of granted and denied applications for export licences in 2022 concerning dual-use items, broken down by control regime

Control regime	Granted	Denials
Australia Group (AG)	392	1
Missile Technology Control Regime (MTCR)	18	1
Nuclear Suppliers Group (NSG)	25	1
Wassenaar Arrangement (WA)	469	23
Total	904	26

Table 38 shows applications for export licences concerning products not covered by control through application of Article 4 of Council Regulations 428/2009 and 2021/821, the general clause, which is also called the ‘catch-all’ clause. Application of this clause means that products not listed in Annex 1 to Council Regulations 428/2009 and 2021/821 are to be covered by licence requirements following a decision by the ISP in the individual case. Decisions on licence requirements under the catch-all clause may cover products that are or may be wholly or partially intended for biological and chemical weapons and for nuclear weapons or missiles capable of carrying such weapons.

The licence requirement may also cover products intended for a military end-use in countries covered by a weapons embargo, or products that are or may be intended to be used as components for military equipment that has been exported from the EU without a licence or in contravention of a licence.

Table 38 Number of granted and denied applications for export licences in 2022 concerning dual-use items covered by licence requirements under Article 4 (catch-all) of Council Regulations 428/2009 and 2021/821

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Granted	Denials	Total
13	2	15

Table 39 shows the number of applications for export licences granted and denied under article 3a of the Council Regulation 267/2012 concerning restrictive measures against Iran. According to the Regulation, more items are covered by licence requirements than on export to other countries. For this reason, the applications are presented separately in this table, and are thus not included in the material for other tables.

Table 39 Number of granted and denied applications for export licences in 2022 under Council Regulation 267/2012 concerning restrictive measures against Iran

Granted	Denials	Total
236	0	236

Table 40 shows the number of applications granted and denied for exemptions from prohibitions on exports or on the provision of technical assistance pursuant to Articles 2.4–5 or Article 2a.4–5 of Council Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. The applications include exemptions from the prohibition on exports of, or the provision of technical assistance for, dual-use items and/or goods listed in Annex VII to Regulation No 833/2014.

Table 40 Number of applications granted and denied for exemptions from prohibitions on exports or on providing technical assistance (2022) under Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

Granted	Denials	Total
24*	4*	28

* The sanctions rules were updated several times in 2022; at one point in a way that resulted in a number of ISP decisions being no longer valid at the time they were issued. These decisions have therefore been excluded from the Table.

Table 41 shows the number of applications received to exercise the option of an exemption from prohibitions on exports or on the provision of technical assistance pursuant to Articles 2(3) and Article 2a(3) of Council Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. The applications cover exemptions from the prohibition on exports of, or the provision of

technical assistance for, dual-use items and/or items listed in Annex VII to Regulation No 833/2014.

Table 41 Number of applications received concerning exemptions from prohibitions on exports or on the provision of technical assistance (2022) pursuant to Council Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

Notifications in 2022
10

Table 42 shows the number of granted applications for export licences broken down into nine product categories in Annex 1 to Council Regulations 428/2009 and 2021/821. Annex I also covers category 0, which concerns nuclear materials, facilities and equipment. Applications for export licences regarding category 0 are reported by the Swedish Radiation Safety Authority (SSM).

Table 42 Number of export licences granted in 2022 concerning dual-use items broken down by product category and broken down into individual and global export licences

Categories 1–9 in Annex I	Individual export licences	Global export licences	Total
Category 1 <i>Special materials and related equipment</i>	90	2	92
Category 2 <i>Materials processing</i>	402	5	407
Category 3 <i>Electronics</i>	60	8	68
Category 4 <i>Computers</i>	1	1	2
Category 5 <i>Telecommunications and information security</i>	157	53	210
Category 6 <i>Sensors and lasers</i>	109	4	113
Category 7 <i>Navigation and avionics</i>	2	3	5
Category 8 <i>Naval</i>	3	0	3
Category 9 <i>Aerospace and propulsion</i>	5	2	7

Table 43 shows the number of licences granted per country in 2022. The table only includes individual and global licences. As a general rule, these licences are not required for transfers to countries within the EU or to Australia, Canada, Iceland, Japan, Liechtenstein, Norway, New Zealand, Switzerland, the United Kingdom and the United States.

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Table 43 Countries covered by the greatest number of granted export licences for dual-use items in 2022

Country	Number of licences
China	270
South Korea	69
India	67
Israel	59
Taiwan	58
Brazil	53
Singapore	48
Malaysia	44
Indonesia	34
Türkiye	33
Ukraine	32
United Arab Emirates	31
Mexico	30
Oman	30
South Africa	29

Table 44 shows the number of denied applications for individual and global licences in 2022 per country. As a general rule, these licences are not required for transfers to countries within the EU or to Australia, Canada, Iceland, Japan, Liechtenstein, Norway, New Zealand, Switzerland and the United States.

Table 44 Countries with the greatest number of licence denials concerning dual-use items in 2022

Country	Number of licences denied
China	10
Iraq	2
Pakistan	2
Türkiye	2
Colombia	1
Egypt	1
Cote d'Ivoire	1
Philippines	1

Honduras	1
India	1
Israel	1
Malaysia	1
Mexico	1
Moldova	1
Russia	1

Individual and global export licences for dual-use items with a military end-user

Tables 45 and 46 show granted and denied applications for export licences for dual-use items with military end-users. These licences are broken down into global and individual export licences, and are reported per country and final use.

Table 45 Number of granted export licences concerning dual-use items for military end-users in 2022

Country	Global export licences	Individual export licences	Final use
Egypt*	-	1	Area protection
Georgia	-	1	Border surveillance
India	1	4	Telecommunications, for demonstration, for naval use, coastal surveillance
Indonesia	-	3	For naval use
Jordan	-	1	For medical use
Kosovo	-	1	Software
Malaysia	-	1	Software
Oman	-	4	Border surveillance, telecommunications, for naval use
Pakistan	1	-	For use in electronic systems
Qatar	-	2	Telecommunications
Saudi Arabia	-	1	For use in electronic systems
Singapore	-	1	For naval use
Ukraine	-	2	Telecommunications, software
USA	1	-	Space
Total	3	23	

*The application concerns an export to a peacekeeping operation consisting of countries other than the specified destination.

Table 46 Number of denied applications for export licences concerning dual-use items for military end-users in 2022

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Country	Denials of global export licences	Denials	
		individual export licences	Final use
Colombia	-	1	Software
Moldova	-	1	Software
Total	0	2	

Preliminary decisions concerning exports of dual-use items

The report of resolved requests for preliminary decisions is broken down into two main categories. The first category concerns the number of resolved requests for preliminary decisions relating to items controlled under Annex I to Council Regulation 2021/821. The second category concerns the number of resolved requests for preliminary decisions relating to non-controlled items.

Table 47 shows the number of resolved requests for preliminary decisions concerning items controlled in Annex I to Council Regulation 2021/821, broken down into positive and negative preliminary decisions. A positive preliminary decision means that the ISP has issued a positive non-binding preliminary decision that a licence can be expected in an assessment of an application for an export licence. A negative preliminary decision means that the ISP has issued a negative non-binding preliminary decision that a licence cannot be expected in an assessment of an application for an export licence. A final position is always adopted at the time when an application for an export licence is assessed.

Table 47 Number of positive and negative preliminary decisions issued in 2022 concerning exports of items controlled in Annex I to Council Regulation 2021/821

Positive preliminary decisions	Negative preliminary decisions	Total
31	18	49

Table 48 shows resolved enquiries regarding whether export licences are required for non-controlled items – “catch-all”. The enquiries are broken down into the following categories: ‘decision on licence requirement for exports and positive preliminary decision’, ‘decision on licence requirements for exports and negative preliminary decision’ and ‘decision that an export licence is not required’.

The category ‘decision on licence requirement for exports and positive preliminary decision’ means that the ISP has made a decision that the items included in the request are covered by a licence requirement under Council

Regulation 2021/821, and that the inspectorate has issued a non-binding preliminary decision that a licence can be expected on applying for an export licence.

The category ‘decision on licence requirement for exports and negative preliminary decision’ means that the ISP has made a decision that the items included in the enquiry are covered by a licence requirement under Council Regulation 2021/821, and that the inspectorate has issued a non-binding preliminary decision that a licence cannot be expected on applying for an export licence.

The category ‘decision that an export licence is not required’ means that the ISP has made a decision that the items included in the enquiry are not covered by licence requirements under Council Regulation 2021/821.

Table 48 Number of resolved enquiries in 2022 concerning non-controlled items – catch-all

Country	Decisions on licence requirements for exports – positive preliminary decision	Decisions on licence requirements for exports – negative preliminary decision	Decisions that an export licence is not required	Total
Belarus	-	1	1	
Philippines	-	-	1	1
United Arab Emirates	-	-	1	1
India	-	-	2	2
Iraq	-	1	-	1
China	1	1	4	6
Pakistan	-	2	-	2
Russia	1	3	-	4
Vietnam	-	-	1	1
Austria	-	-	1	1
Total	2	8	10	20

Table 49 Licences for exports, or for transfers within the EU, granted for dual-use items, belonging to Category 0 in Annex 1 to the Dual-Use Regulation, from companies in Sweden (source: SSM)

Recipient country	Number global licences	Number individual licences	Item categories
Argentina	0	2	0A001j, 0C002

Belgium	1	1	0A001g, 0E001	Skr. 2022/23:114 Bilaga 2
Brazil	1	1	0A001f, 0C001, 0C002, 0D001, 0D001, 0E001	
Bulgaria	1	0	0D001, 0E001	
Denmark	1*	0	0E001	
France	3	3	0A001h, 0D001, 0E001	
Finland	3	3	0A001c, 0A001h, 0D001, 0E001	
Japan	2	5	0A001d, 0A001h, 0C002, 0D001, 0E001	
Canada	1	0	0D001	
Lithuania	1	0	0D001, 0E001	
Mexico	1	0	0D001, 0E001	
Netherlands	2*	0	0E001	
Norway	1	12	0C001, 0D001	
Italy	1	0	0E001	
Poland	1	0	0D001, 0E001	
Romania	1	0	0D001, 0E001	
Switzerland	4	0	0D001, 0E001	
Slovakia	2	0	0D001, 0E001	
Slovenia	1	0	0D001, 0E001	
Spain	6*	5	0A001h, 0D001, 0E001	
United Kingdom	2	9	0A001d, 0A001f, 0A001h, 0C001, 0C002, 0D001, 0E001	
Sweden	0	1	0A001h	
South Africa	0	1	0A001d, 0A001f, 0A001h, 0C002	
Czech Republic	4	3	0A001h, 0D001, 0E001	
Germany	10*	4	0A001f, 0A001h, 0B005, 0D001, 0D001, 0E001	
Hungary	1	0	0D001, 0E001	
USA	14	10	0A001d, 0A001f, 0A001h, 0B005, 0C001, 0C002, 0D001, 0E001	

* of which one or more in the framework of a licence with more than one recipient country

Table 50 Membership of multilateral export control regimes in 2022

Country	ZC	NSG	AG	MTCR	WA
Argentina	x	x	x	x	x
Australia	x	x	x	x	x
Belarus	x	x	-	-	-
Belgium	x	x	x	x	x
Brazil	-	x	-	x	-

Country	ZC	NSG	AG	MTCR	WA
Bulgaria	x	x	x	x	x
Cyprus	-	x	x	-	-
Denmark	x	x	x	x	x
Estonia	-	x	x	-	x
EU	-	-	x	-	-
Finland	x	x	x	x	x
France	x	x	x	x	x
Greece	x	x	x	x	x
India	-	-	x	x	x
Ireland	x	x	x	x	x
Iceland	-	x	x	x	-
Italy	x	x	x	x	x
Japan	x	x	x	x	x
Canada	x	x	x	x	x
Kazakhstan	x	x	-	-	-
China	x	x	-	-	-
Korea (Rep.)	x	x	x	x	x
Croatia	x	x	x	-	x
Latvia	-	x	x	-	x
Lithuania	-	x	x	-	x
Luxembourg	x	x	x	x	x
Malta	-	x	x	-	x
Mexico	-	x	x	-	x
Netherlands	x	x	x	x	x
Norway	x	x	x	x	x
New Zealand	x	x	x	x	x
Poland	x	x	x	x	x
Portugal	x	x	x	x	x
Romania	x	x	x	-	x
Russia	x	x	-	x	x
Switzerland	x	x	x	x	x
Serbia	-	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

Country	ZC	NSG	AG	MTCR	WA
Türkiye	x	x	x	x	x
Germany	x	x	x	x	x
Ukraine	x	x	x	x	x
Hungary	x	x	x	x	x
United States	x	x	x	x	x
Austria	x	x	x	x	x
TOTAL	39	48	43	35	42

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The Inspectorate of Strategic Products on important trends within Swedish and international export control

Developments internationally and their impact on export control

During 2022, extraordinary events occurred in the international environment that affected Sweden's defence, security and foreign policy greatly. On 24 February, Russia launched a large-scale military invasion of Ukraine. On 16 May, Sweden applied for membership of NATO. On 5 July, all NATO countries signed the Accession Protocol for Sweden.

Since the Swedish Inspectorate for Strategic Products (ISP) is a public authority with tasks related to Sweden's defence, security and foreign policy, the authority has been greatly affected by these changes.

International sanctions against Russia

As a consequence of Russia's invasion of Ukraine, the EU decided to impose comprehensive international sanctions on Russia coordinated with the United States' sanctions. In 2022, the EU decided on a total of nine packages of sanctions against Russia. A major and important part of these sanctions was the expansion of prohibitions on exports of dual-use items and other items that could contribute to Russia's military and technical capabilities or the development of its defence and security sector. The Government appointed the ISP as the competent authority for the aforementioned sanctions.

Military support to Ukraine

In 2022 and following approval from the Riksdag, the Government decided to provide considerable military support to Ukraine. The military support to Ukraine provided in the form of military equipment also required licences from the ISP under the Military Equipment Act (1992:1300). In total during the year, the ISP granted 11 export licences concerning donations of military equipment from Sweden to Ukraine.

Furthermore, the ISP granted 7 export licences for direct sales of military equipment from the Swedish defence industry to Ukraine during 2022. In addition, the ISP granted 37 re-exports during the year, which means that countries that have purchased and have military equipment manufactured in Sweden have sought Sweden's approval to donate the equipment to Ukraine.

For the most part, Swedish military support and the re-exports concerned ground combat and air defence systems.

The ISP controls an estimated 3–4% of Sweden’s total foreign trade in goods through its assessments of licence applications. This corresponds to exports worth around SEK 50 billion per year. Export controls cover goods and technology that it may be sensitive to export or otherwise transfer abroad for defence, security or foreign policy reasons. Around 1% relates to exports of military equipment, while the largest share – about 2–3% – consists of exports of dual-use items. In addition, the ISP controls sales of military equipment manufactured within the country to Swedish government agencies through its assessment of licence applications. Domestic sales correspond to around SEK 15–20 billion per year.

Approximately 550 companies and government agencies are subject to control by the ISP as part of its supervision remit, of which approximately 330 are in the defence industry, 10 are government agencies, and 210 operate in the dual-use items industry. This control is exercised through compliance visits, obtaining data and documentation, and the review of submitted declarations.

The ISP handles about 7,000 cases each year. Most of these are of a routine nature, but a large number of cases are complex and require in-depth knowledge and strategic assessments of Swedish foreign, defence and security policy in each individual case. Swedish industry is advanced and often at the forefront of technology in the defence industry, which manufactures, develops and sells military equipment; and in the industry that manufactures, develops and sells products and technologies covered by the dual-use items regulations. Dual-use items and technology produced by this industry are highly sought after, not only for civilian use but also for military use.

The parliamentary Export Control Council is a strong source of support for the ISP when making assessments on the most sensitive cases.

General information about the purpose of and trends in Swedish and international export control

The purpose of export control

The principal and overriding purpose of export control is often expressed as a country that controls exports not wanting a product or a technology of a particular type to be proliferated to undesirable recipients. An undesirable recipient may be both an end-user country and, for example, a terrorist organisation. Another important purpose of export control is that a country – particularly during times of crisis – will not want to export such products that it will suffer, or risks suffering, a shortage of, and that the country has a great need to keep in the country or to transfer to allies or close partner countries.

To simplify, in the view of the ISP, there are two main reasons why a country that manufactures and exports military equipment or dual-use items does not want the equipment or items to proliferate to undesirable

recipients, namely a threat to the security of the exporting country, or to allied or related countries, or the fact that it conflicts with the principles and objectives of the exporting country's foreign policy.

The trend in export control – arms build-up and internationalisation

In recent years, developments in the international environment have led to a substantial build-up of arms around the world, and the world's total military expenditure is now at an equivalent level to what it was during the Cold War.

This general build-up of military forces in the world has increased the importance of export control internationally. The major powers want to prevent other major powers or other countries from gaining the same technological advantages and level of arms build-up they have themselves, and export control is a means that has been applied. In view of Sweden's high-tech industry, Sweden is also affected by this to a very great extent.

The arms build-up is making great demands on export control. It is to a large extent the combination of the arms build-up and the internationalisation of both the Swedish and foreign defence industries and the dual-use item industry that is leading to heavy demands being made on export control. These requirements go far beyond the traditional export control task of assessing the suitability of a particular kind of military equipment or a particular kind of dual-use item reaching a particular recipient or end-user.

Over the past two decades, more than half of the military equipment manufactured in Sweden has been exported. In addition, the Swedish defence industry and dual-use item industry have located a large part of their research and development abroad during this period. This inevitably leads to a risk of technology regarded as sensitive in terms of the defence capabilities of Sweden, its allies and close partner countries being spread in a way previously unimaginable. Business arrangements where a country in which the Swedish defence industry undertakes research and development wishes to sell a military equipment system containing Swedish technology or Swedish components to an undesirable recipient for Sweden are becoming increasingly common.

During the year, the ISP laid great emphasis in the areas of both military equipment and dual-use items on assessing advanced contract arrangements where counter-purchase requirements from a purchasing country may lead to permanent technology transfer, which in turn poses a risk of leading to undesirable technology transfer to third countries.

International agreements on export control and third-country exports

The closer the European defence industry is interlinked through partnerships, mergers and acquisitions, the greater the challenge becomes when one country says no to a third-country transaction in which its

defence industry acts as subcontractor when another EU Member State or close partner country has sold a system in its entirety to a third country.

With the aim of avoiding – or in any case mitigating – tensions that have arisen as a consequence of such scenarios, Germany and France entered into an agreement at the end of 2019 that includes a *de minimis* rule. This rule means that, provided that a subcontractor country accounts for less than 20% of the content of a jointly manufactured product, the country will not stop the product's export to a third country unless there are strong national security reasons for doing so.

In 2022, Spain acceded to this international agreement between France and Germany.

In 2000, Sweden entered into a six-nation agreement (Letter of Intent (LoI) Framework Agreement (FA) Treaty) with the United Kingdom, Italy, Germany, France and Spain to facilitate the restructuring and operation of the European defence industry. The sub-committees under this six-nation agreement include one on export control matters. With the accession of Spain to the aforementioned international agreement between France and Germany, three of the six countries which are parties to the six-nation agreement are also parties to the 2019 international agreement on export control and third-country exports.

Military equipment

Assessment of licence applications in 2022

The day-to-day work of the ISP mainly involves fulfilling its mission to interpret the Government's guidelines for exports and other foreign cooperation concerning military equipment in light of changes in the international environment, such as Russia's full-scale military invasion of Ukraine, Sweden's application for membership in NATO, the continued build-up of arms in the world and in Sweden, increased tensions between major powers and numerous armed conflicts around the world.

Defence and security policy reasons in favour of exports, including follow-on deliveries and international collaboration, are set in individual cases against such foreign policy reasons against exports, such as deficiencies in the recipient state's democratic status or in respect for human rights that may exist in an individual case. As previously an overall assessment is ultimately made of the circumstances existing in the individual case.

Strategic considerations are essential when defence and security policy reasons are to be balanced against foreign policy reasons. In exceptional circumstances, it may therefore – in an overall assessment of an individual case – turn out that national security and ultimately Sweden's defence capability outweigh strong foreign policy reasons that argue against an export, for example grave deficiencies in a recipient country's democratic governance. The Government has expressed this as follows: “if there are substantial national defence or security policy interests in international cooperation in individual cases, licences may nevertheless be granted following careful assessment” (op. cit.). 2017/18:23).

In such an individual case, the outcome may therefore be that an application for an export licence is granted, without this affecting an otherwise restrictive approach towards the country in question. Such individual cases of granting applications for export licences to certain countries which, for example, have grave deficiencies in their democratic governance – and where a restrictive approach otherwise applies – will primarily relate to follow-on deliveries or export arrangements where Sweden and the Swedish defence industry participate in international equipment cooperation with a close partner country such as the Nordic countries, EU Member States, the United States or the United Kingdom.

The Export Control Council (ECC) has played a very important advisory role during the year with regard to the interpretation of the guidelines.

Cooperation with other authorities

An important trend in relation to export control is for recipient countries to make greater demands for technology transfer and development cooperation in connection with major purchases of military systems. This trend, combined with the risk of military equipment, technology or dual-use items possibly being used for a capability-enhancing purpose, including weapons of mass destruction, for the military forces of a country to whose arms build-up objectives Sweden does not wish to contribute, has made great demands in recent years on the ISP's technical expertise and on the authority's security policy risk assessments.

To ensure effective control of these aspects, the ISP continued its work in 2022 with the cooperation forum, the Military Equipment Security Group (MSG), that was established in 2017 and in which issues are discussed with the Swedish Armed Forces, the Swedish Defence Materiel Administration, the Swedish Defence Research Agency and the Ministry of Defence (Government Offices of Sweden).

Post-shipment controls of military equipment abroad

Following a decision by the Government, a system for post-shipment controls of military equipment exported from Sweden came into force on 1 March 2022. The purpose of post-shipment controls is to ensure that military equipment exported from Sweden has not been diverted to any other recipient than the recipient approved by the ISP. In practice, these verification visits mean that the ISP on site in the recipient country counts the quantity of the system exported. The Swedish system for post-shipment controls covers light weapons for which the risk of diversion is deemed to be at most 'tangible'. Verification visits abroad will be carried out at times and to an extent deemed appropriate by the ISP.

A significant international trend in export control is an increased number of countries conducting post-shipment controls of military equipment that has been exported to another country. Until 2012 the United States was in principle alone in conducting such post-shipment controls. Switzerland began a programme of regular post shipment controls in 2012, followed by Germany in 2015. The Czech Republic also has a system in place for

regular post-shipment controls. Spain introduced a system for post-shipment controls into its legislation in April 2020.

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The European Defence Fund

The European Defence Fund was established in 2021. The budget for the period 2021–2027 is EUR 8 billion. A provision has been included in the EU Regulation on the European Defence Fund, which came into force on 12 May 2021, stating that the issue of third-party exports will be decided on by the individual Member States after an assessment in each individual case.

In consideration of the differing views that exist for the most part between the leading defence industry countries in the EU on the matter of third-country exports, the ISP anticipates that differences of opinion may arise between the collaborating countries when the fully developed systems in the individual projects are to be exported to third countries in the future. With regard to international collaboration of the type that will be relevant through the European Defence Fund and the issue of third-country exports, the Government has stated that ‘it is not obvious that Sweden can always count on a sympathetic hearing for all the aspects that are unique to our approach with regard to cooperation with or export to a third country’ (Govt Bill 2017/18:23 p. 66).

Türkiye

On 15 October 2019 the ISP revoked all current export licences for sale of military equipment to Türkiye. In 2019–2021, the ISP did not issue any new export licences to the country. The ISP continued to examine export applications on a case-by-case basis and there was no arms embargo against Türkiye. Like Sweden and in accordance with the decisions of the Council, several other EU Member States exercised restraint in assessing licence applications for equipment that was regarded as potentially being used by Türkiye in Syria.

In a press release on 30 September 2022, the ISP stated the following.

“It is the Government’s assessment that joining NATO is the best way for Sweden to protect its security and that of the Swedish people. The decision to apply for membership was preceded by consultations between all parties in the Riksdag. - - - Sweden’s application for membership of NATO greatly strengthens the defence and security grounds for granting licences for exports of military equipment to other member countries, including Türkiye. In view of the changed defence and security circumstances and following an overall assessment, the ISP has decided to grant a licence for follow-on deliveries from the Swedish defence industry to Türkiye. - - - The decision to grant a licence for follow-on deliveries has been preceded by consultations with the Export Control Council.”

In 2022, the ISP granted two export licences for military equipment to Türkiye.

New development, maintenance and upgrading of military equipment by the Swedish defence industry

During 2022, the Swedish defence industry received extensive orders, from within Sweden as well as from countries abroad. In 2022, the ISP granted export licences to a value of just under SEK 22 billion. In view of the considerable build-up of arms occurring in the world, and the amount of military equipment manufactured in Sweden that Sweden and other countries have donated to Ukraine and which will be replaced by those countries, the ISP estimates that orders received by the Swedish defence industry will continue to rise during 2023.

Apart from the major powers, there is no other country manufacturing military equipment that has the expertise or technical capability to surpass the high-tech quality, breadth and product range the Swedish defence industry can demonstrate with regard to platforms, sensors, command and control systems, protection and effect. The Swedish defence industry has the capability to manufacture and develop advanced combat aircraft, stealth warships (corvettes or derivatives of other warships), submarines (or other underwater crafts), combat vehicles, tracked vehicles, reconnaissance radar aircraft, advanced command and control systems, simulator systems, land- and sea-based radar systems, advanced missile systems and technologies for the systems mentioned.

An important national trend, closely associated with export control in the past 20 years, is that the increase in technical capability of the Swedish defence industry over that period of time can be largely ascribed to exports of military equipment, i.e. international cooperation. The reason for this is to some extent that exports of military equipment have increased in the past two decades compared with the level of exports in the 1990s, but this is largely due to the orders to the defence industry from the Swedish Armed Forces, including allocations of resources for research and development, having significantly declined to date.

A consequence of this is that over that period of time, the defence industry has to a greater extent committed significant financial resources to research and development of military equipment for the international market and no longer primarily for the Swedish market. The international activities of the defence industry now account for roughly 50% of the military equipment manufactured in Sweden. The political direction in Sweden is that Sweden's defence capability should increase significantly over the next ten years. Despite this, the ISP judges that the defence industry's exports of military equipment will also account for around 50% of the military equipment produced in the country over the next ten years. The reason for this is that not just Sweden but the rest of the world are substantially building up their military forces.

The Swedish defence industry invests a large share of its revenue in research and development (R&D). R&D relates to both maintenance and upgrades of existing military platforms, and new development of completely new military equipment systems. Maintenance, upgrading and new development of military equipment systems takes place

1. following an order placed by the Swedish Defence Materiel Administration or the Swedish Armed Forces

2. following an order placed by both the Swedish Defence Materiel Administration (or the Swedish Armed Forces) and one (or more) foreign armed forces, which has on occasion entered into an international agreement on collaboration on the new or upgraded military equipment system and engaged both Swedish and foreign industry,
3. following an order placed by foreign armed forces,
4. through self-funding by the defence industry or
5. through joint development between and self-funding by Swedish industry and foreign industry.

In both the latter cases, there is often no pre-determined acquiring customer, and the project is instead self-funded by the industry, but the marketing is often initially focused on a particular armed force that has expressed interest in the equipment in question.

Dual-Use Items

New EU Regulation on dual-use item control and new Swedish legislation

A new EU Regulation on the control of dual-use items came into force on 9 September 2021. The new EU Regulation includes provisions for enhanced control of cyber-surveillance technologies as well as emerging technologies and technical assistance.

Following from the new EU Regulation, the Riksdag and the Government decided to amend Sweden's legislation governing dual-use items in order to strengthen controls of dual-use items and technical assistance. These amendments entered into force on 1 August 2022. The implementation of the stricter provisions affects the assessment of licence applications, and work to establish efficient procedures and new common practice is ongoing.

Assessment of licence applications in 2022

Assessment of licence applications for dual-use items is based on foreign and security policy considerations, and mainly concerns whether the item can be assumed to be used, in the end-user country or after diversion to another country, to strengthen military potential in the country or in some other way be directly or indirectly used or diverted for a destructive purpose.

According to the EU legislation and in Sweden's view, the fundamental attitude to exports of dual-use items is positive, as long as an export in the individual case is not contrary to defence, security and foreign policy interests. This fundamentally positive attitude can be seen primarily in transfers of dual-use items within the EU generally not requiring licences, and exports to a number of countries outside the EU being covered by generous EU general licences. The aim of the exemption from the licence

requirements and the general licences is that regulations should not unnecessarily restrict legitimate trade and technology transfers for civil and peaceful purposes. Licences are required from the ISP to export dual-use items to other countries.

A large proportion of the applications for export licences received by the ISP relate to less sensitive items for civilian end-users and for civilian end-use where there is no risk of diversion. In these cases, the assessment of licence applications is generally uncomplicated, and case management is usually relatively quick.

In other cases, a more in-depth assessment is required. This primarily relates to applications for export licences to military end-users or for military end-use, applications to destinations that are sensitive from a security policy perspective, applications that relate to particularly sensitive items and technology, or applications to countries with a lack of respect for human rights where exports risk coming into conflict with Sweden's foreign policy objectives.

During 2022, the number of applications received has decreased, while developments in the international environment have meant that the assessment of licence applications in the individual case has become more complicated, in-depth and resource-intensive.

Cooperation with other authorities

The ISP has long had effective cooperation with other relevant government agencies in the field of non-proliferation. These consultations take place both through bilateral contacts with relevant government agencies and in various cooperation forums that include authorities working on non-proliferation issues.

Operationally focused cooperation at administrative level takes place within the Non-Proliferation and Export Control Group (ISEK) through regular meetings between the ISP and the National Defence Radio Establishment, the Swedish Armed Forces through the Swedish Military Intelligence and Security Service, the Swedish Security Service, the Swedish Defence Research Institute and Swedish Customs.

Non-controlled products and technology

An important trend in Swedish and international export and investment control is the increased focus by many countries on detecting and identifying at an early stage non-controlled items and technologies that may be of crucial significance in a future military conflict.

In 2022, technical experts from the ISP, the Swedish Defence Research Institute, the Swedish Defence Materiel Administration and the Swedish Armed Forces continued their collaboration which began in 2019 and is based on discovering and identifying emerging and other strategic technology that should be regarded as in greatest need of protection, as well as entities that develop and produce these in Sweden.

Most people are aware that artificial intelligence, quantum computers and biotechnology will be of enormous significance to the development of

civil society. It is less well known that the areas of technology mentioned may also have a crucial impact militarily. The military benefit of the emerging technologies is so crucial that many commentators consider that whoever leads technological development in these areas in the future can also anticipate military superiority in certain vital respects.

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Foreign direct investments

The Direct Investment Inquiry reported on its remit to the Government on 1 November 2021 (SOU 2021:87). The Inquiry presented a proposal for a Swedish screening system for foreign direct investments, proposing that the ISP should be the authority tasked with screening foreign direct investments. The proposal was referred for comment. The deadline for responses was 22 February 2022, from which time the proposal has been undergoing further preparation in the Government Offices.

On 4 June 2020, the Government appointed the ISP as the contact point for the implementation of the new EU Regulation on screening foreign direct investments. The EU Regulation came into force on 11 October 2020. The contact point remit has resulted in more than 700 cases of foreign direct investment in other EU countries being received by the ISP since 11 October 2020. Almost 25% of these cases had an indirect or direct link to Sweden, such as a subsidiary operating here, which shows how integrated the economies of EU countries are.

To date, 18 out of 27 EU countries have introduced national screening systems, and at least two more Member States – Belgium and Ireland – are expected to introduce national screening systems in 2023. Sweden is also expected to introduce a screening system for foreign direct investments in 2023.

During 2022, the ISP worked intensively on the adjustment and planning of its own capabilities and resources to support its remit as the contact point for sharing information concerning foreign direct investments within the EU, and its other government commissions, in order to prepare for the establishment of a national screening system.

International sanctions

The ISP is the relevant Government-appointed agency for considering licence applications within the sanction regimes for the Arab Republic of Syria, Belarus, the Democratic People's Republic of Korea, the Democratic Republic of Congo, Iran, Lebanon, Libya, Myanmar (Burma), the Russian Federation, Somalia, South Sudan, Sudan, Ukraine, Venezuela, Yemen and Zimbabwe. The ISP has the primary responsibility for answering questions about arms embargoes and prohibitions concerning equipment that can be used for internal repression, as well as responsibility for assessing applications for certain exemptions linked to such prohibitions.

The Russian Federation/Russia

Since 2014, there has been a prohibition in place on exporting dual-use items to military end-users or for military end-use in Russia. As a consequence of the full-scale Russian war of aggression against Ukraine in February 2022, this prohibition was expanded to all dual-use item exports to Russia or for use in Russia, with very limited possibilities for exemptions. The sanctions also include prohibitions on the export of a wide range of closely related items that could contribute to military and technical enhancements in Russia, or to the development of the Russian defence and security sector. The sanctions regime also identifies entities linked to Russia's military and industrial base for which even stricter export restrictions apply.

The extensive trade-related sanctions imposed on Russia by the EU and by many other countries are an important part of the political and economic pressure being maintained against Russia. The export restrictions on dual-use items and products that can contribute to technical enhancements of the defence and security sectors represent a significant measure which aims to limit and weaken Russian military power.

During the year, for the ISP the tightening of restrictions on exports to Russia has resulted in a large number of questions from, and contacts with, primarily exporters but also other government agencies. In addition, the ISP has received a considerable number of applications for exemptions from prohibitions within the framework of the authority's expanded government commission.

Iran

Since the United States' unilateral decision of 2018 to withdraw from the Joint Comprehensive Plan of Action (JCPOA) regarding Iran's nuclear power program, the contracting parties have sought to revive and renegotiate the plan. The United States' comprehensive national sanctions remain unchanged. The American sanctions partly also affect third countries, known as secondary effects, and thus have a powerful inhibiting effect on all trade with Iran.

The sanctions that the EU continues to uphold against Iran under the plan of action involve a large number of items that are sensitive in terms of distribution being covered by an obligation to obtain a licence. Despite the difficult trade climate, the number of cases received and decided by the ISP increased during the year.

The Military Equipment Act

The Military Equipment Act (1992:1300) applies both to equipment designed for military use and that constitutes military equipment under government regulations and to technical support regarding such military equipment. In the Ordinance (1992:1303) on Military Equipment, the Government specified in more detail what is covered by the provisions of the Act. What constitutes military equipment under the Ordinance coincides with the EU's Joint Military List, with three national supplements. In addition, a distinction between military equipment for combat purposes and other military equipment is made. Military equipment for combat purposes means equipment with a destructive impact including sights for such equipment and fire control equipment. Certain parts and components for military equipment for combat purposes, as well as equipment that does not have a directly destructive impact in a combat situation are counted as other military equipment.

Under the Military Equipment Act, there are general prohibitions on the manufacture, supply and export of military equipment and on the provision of technical assistance to anyone outside the country. Licences may, however, be granted for these activities. Anyone who is authorised to manufacture and supply war material comes under the supervision of the Inspectorate for Strategic Products (ISP).

With effect from 1 February 1996, questions on whether to grant licences under the Military Equipment Act are examined primarily by the ISP, except in such cases where a matter is deemed to be of fundamental significance or otherwise of particular importance. In such a case, the matter must be handed over to the Government for a ruling. Consultation must take place with the Export Control Council before the ISP hands a case over to the Government. The Director-General of the ISP determines which cases are to be submitted to the Export Control Council before the decision is made.

Swedish guidelines for exports of military equipment and other foreign cooperation

Under Section 1, second paragraph of the Military Equipment Act, licences for exports of military equipment may only be granted if there are security or defence policy reasons for doing so and provided there is no conflict with Sweden's international obligations or Swedish foreign policy. The principles applied when examining licence applications were established on the basis of government practice and were detailed in the Government's guidelines for the export of military equipment and other foreign cooperation, approved by the Riksdag (cf. 1991/92:174 s. 41 f., Govt Bill 1995/96:31 p. 23 f. and Govt Bill 2017/18:23). The complete text of these guidelines is provided below.

On 15 April 2018, revised guidelines for military equipment exports were adopted. The full text of the Swedish guidelines (Govt Bill 2017/18:23 p. 66 f.) read as follows:

When assessing licences for exports of military equipment or for other cooperation with foreign partners involving military equipment, the following should apply:

A licence should only be granted if the export or cooperation:

1. is needed in order to meet the Swedish Armed Forces' requirements for equipment or expertise, or there are other security policy reasons for granting it, and
2. it is not incompatible with the principles and objectives of Sweden's foreign policy.

When considering a licence application, a holistic assessment of all relevant circumstances shall be made, with the basic principles mentioned above as the point of departure.

In terms of foreign policy, there are no obstacles to cooperation with, or exports to, the Nordic countries, the Member States of the European Union or the traditionally non-aligned countries in Europe. In principle, cooperation with these countries may be considered consistent with Sweden's foreign and security policy.

A licence may only be granted to a government, a government authority or a government-authorised recipient. Furthermore, exports of military equipment require an end-user certificate, unless this is not necessary. A state which, in contravention of an undertaking to Sweden, has allowed – or failed to prevent – re-export of Swedish military equipment will in principle not be eligible to receive such equipment from Sweden as long as these circumstances remain.

Licences for exports or for other cooperation with foreign partners under the Military Equipment Act shall not be granted if this would contravene an international agreement to which Sweden is a party, a decision by the UN Security Council, the Organisation for Security and Cooperation in Europe (OSCE) or the European Union, or international legal rules concerning exports from neutral states in times of war (unconditional obstacles).

Respect for human rights and the democratic status of the recipient country are key assessment requirements. The weaker the democratic status the less scope for granting a licence. Serious and extensive human rights violations or grave deficiencies in the recipient country's democratic status constitute obstacles to granting a licence.

The licencing assessment shall also take into account whether the export or cooperation runs counter to equitable and sustainable development in the recipient country.

Licences should be granted for exports of equipment classified as other military equipment. This presumption applies if the recipient state is not involved in an armed conflict with another state or subject to internal armed unrest, if no serious and extensive human rights violations are taking place in the recipient state, if there are no grave deficiencies in the recipient state's democratic status, and if there are no unconditional obstacles.

Licences should be granted for exports of equipment classified as other military equipment. This presumption applies if the recipient state is not involved in an armed conflict with another state or subject to internal armed unrest, if no serious and extensive human rights violations are taking place in the recipient state, if there are no grave deficiencies in the recipient state's democratic status, and if there are no unconditional obstacles.

An export licence that has been granted shall be revoked if an unconditional obstacle arises. A licence should also be revoked if the recipient state becomes involved in an armed conflict with another state or becomes subject to internal armed unrest. Exceptionally, it should be possible to forego the revocation of a licence in the latter two cases, if consistent with the rules and the principles of international law and the objectives of Swedish foreign policy.

Licences should be granted for exports of spare parts for military equipment previously exported or transferred under a licence, provided there are no unconditional obstacles. The same should apply to special ammunition for previously supplied military equipment and other deliveries directly connected to previously supplied military equipment. Follow-on deliveries shall be assessed on a case-by-case basis in accordance with the above-mentioned requirements.

Regarding agreements with a foreign partner on the joint development or manufacture of military equipment, the basic criteria mentioned above are to be applied when licence applications are assessed. Exports to the partner country under the agreement should be permitted unless an unconditional obstacle arises. Exports from a partner country to a third country under the agreement should be assessed by weighing together the Swedish interest of the cooperation, the interest of maintaining responsible export control, and the Swedish contribution's importance for the equipment or the cooperation.

In cases involving more extensive and, for Sweden, more important international partnerships in the field of military equipment, an intergovernmental agreement should be concluded between Sweden and the partner country. The Advisory Council on Foreign Affairs should be consulted before such agreements are concluded.

Overriding criteria and assessment criteria

The guidelines have broad parliamentary support and are used by the ISP when assessing export licence applications in accordance with the Military Equipment Act and the Military Equipment Ordinance.

In addition to the guidelines themselves, international commitments Sweden has made and is bound by are also considered. These are, first and foremost, the EU Common Position (2008/944/CFSP) on arms exports and Articles 6 and 7 of the UN Arms Trade Treaty, but may also include other commitments, for example not to export anti-personnel mines under the Ottawa Convention.

Regulation of the European Parliament and of the Council implementing Article 10 of the UN Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition

The Ordinance (2013:707) on the control of certain firearms, their parts and ammunition, and including certain amendments to the Military Equipment Ordinance (1992:1303) came into force on 30 September 2013.

The Ordinance and the amendments to the Military Equipment Ordinance complement Regulation (EU) No 258/2012 of the European Parliament and of the Council of 14 March 2012 implementing Article 10 of the United Nations' Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and ammunition, supplementing the United Nations Convention against Transnational Organised Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit measures for firearms, their parts and components and ammunition, which regulates licences to export civilian firearms, their parts and ammunition outside the EU, as well as certain import and transit measures for such exports. A list of the firearms, their parts and essential components and ammunition that are subject to control is contained in an annex to Regulation 258/2012.

The ISP is the licensing authority under the Ordinance.

Regulation (EU) 2021/821 of the European Parliament and of the Council setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items

Common EU legislation

In 2021, the European Parliament and the Council adopted Regulation (EU) 2021/821 of the European Parliament and of the Council setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items (the Dual-Use Regulation). The Regulation came into force on 9 September 2021, replacing an EU regulation from 2009, Council Regulation (EC) No 428/2009. Among other things, the scope of control was extended to cover the export of unlisted cyber-surveillance products and the provision of technical assistance. A mechanism was also introduced that enables licensing requirements to be imposed based on other Member States' national control lists, as well as two new general EU licences: intra-group transfer of software and technology, and encryption. Unlike the international export control regimes, the Regulation is legally binding for Sweden and all other EU Member States. The purpose is to establish free movement of controlled products within the internal market while ensuring that the

various national systems to achieve effective control of exports to third countries are harmonised between Member States as far as possible.

The Regulation unites Member States' undertakings within the scope of the international export control regimes with the greatest possible freedom of movement of goods within the internal market. Developments within the regimes are taken into account through annual amendments and updates of the item lists included in the Regulation. The annexes to the Regulation have direct effect at national level.

The assessment of licence applications is facilitated by the inclusion of common assessment criteria in the Regulation. However, licences are granted at the national level (see below). There are also general community licences for exports of certain products to certain specified third countries. This type of licence facilitates the work of exporting companies in that the same licence can be invoked regardless of where in the EU the exports originate.

Swedish legislation

In Sweden, the export control of dual-use items and of technical assistance in connection with these items is governed by the Dual-Use Items and Technical Assistance Control Act (2000:1064). This Act contains provisions supplementing the EU's Dual-Use Regulation. Following from the revision of the Dual-Use Regulation in 2021, a number of amendments to the Act were made and entered into force on 1 August 2022.

Unlike exporters which are subject to the military equipment legislation, no basic operating licences under the export control legislation are required for exporters that produce or otherwise trade in dual-use items. Nor are these exporters obliged to make a declaration of delivery in accordance with the export control legislation. However, a company is obliged to make a fee declaration if it has manufactured or sold controlled products subject to supervision by the ISP. This includes sales within and outside Sweden.

Where an exporter should know or have reason to suspect that a dual-use item which the company in question intends to export, and which is not listed in Annex I to the EU's Dual-Use Regulation, is intended for use in connection with weapons of mass destruction; for a military end-use in a country covered by a weapons embargo, or may be used as components for military equipment that has been exported from the EU without a licence, there is an obligation on the company to notify the ISP. Failure to comply with this obligation is a criminal offence. After notification, the ISP is required to examine and decide whether a licence is to be required in the individual case. The same applies if the exporter has reason to suspect that a cyber-surveillance item not listed in Annex I to the EU Regulation is intended for use in connection with internal repression and/or the commission of serious violations of human rights and international humanitarian law under Article 5 of the same Regulation.

The catch-all clause

Under Article 4 of Regulation (EU) 2021/821, a licence may also be required for exports of items that are not specified in the annexes to the Regulation (non-listed items) if the exporter has been informed by the Swedish authorities that the item is or may be entirely or partly intended to be used in connection with the production etc. of weapons of mass destruction or missiles that are capable of delivering such weapons. This catch-all clause has been included to prevent the regulations from being circumvented due to the fact that, on account of rapid technological developments, the lists are seldom completely comprehensive.

For the catch-all clause to be applicable, the exporter must have been informed of the item's area of use by the Swedish authorities. However, if the exporter is aware that an item is entirely or partly intended for uses regulated in Articles 4(1) to 4(3) of the EU Regulation, they are required to report this to the Swedish authorities. The ISP or the SSM will then determine whether a licence is required for the export.

In certain cases, the catch-all clause also contains special licensing requirements for exports related to military end-use or military equipment and for exports of non-listed items that are or may be intended for military end-use in a country subject to a UN, EU or OSCE embargo, as well as for non-listed items that are or could be intended for use as parts or components for illegally exported military equipment.

Abbreviations

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AG	Australia Group
ATT	Arms Trade Treaty
BTWC	The Biological and Toxin Weapons Convention
CWC	Chemical Weapons Convention
COARM	Council Working Group on Conventional Arms Export
CoCom	Coordinating Committee on Multilateral Exports Controls
CONOP	Council Working Group on Non-Proliferation
DUCG	Dual-Use Coordination Group
EDF	European Defence Fund
EKR	Export Control Council
EU	European Union
FMV Stockholm	Försvarets materielverk (Swedish Defence Materiel Administration), Stockholm
UN	United Nations
FOI	Swedish Defence Research Agency
CFSP	EU Common Foreign and Security Policy
IAEA	International Atomic Energy Agency
ISP	The Inspectorate of Strategic Products
JCPoA	Joint Comprehensive Plan of Action
ME	Military equipment
MC	Military equipment for combat purposes
LoI	Letter of Intent
MANPADS	Man-Portable Air Defence Systems
ML	Military list
MTCR	Missile Technology Control Regime
NATO	North Atlantic Treaty Organization
NA	National additions, where applicable
NPT	Non-proliferation treaty
NSG	Nuclear Suppliers Group
OECD	Organisation for Economic Co-operation and Development
OSSE	Organisation for Security and Cooperation in Europe
DUI	Dual-Use Items
SCB	Statistics Sweden
SOFF	Swedish Security and Defence Industry Association
SSM	Swedish Radiation Safety Authority
WA	Wassenaar Arrangement
WPDU	Working Party on Dual-Use Goods
ZC	Zangger Committee
OM	Other military equipment

Guide to other sources

Australia Group: www.australiagroup.net
European Parliament: www.europarl.europa.eu
Council of the European Union: www.consilium.eu
European Union: www.europa.eu
Export Control Council: www.isp.se/om-isp/vara-rad/exportkontrollradet
United Nations: www.un.org
Action plan for business and human rights:
<https://www.regeringen.se/informationsmaterial/2015/08/handlingsplan-for-foretagande-och-manskliga-rattigheter/>
Human Development Report 2021/2022: www.hdr.undp.org
International Atomic Energy Agency: www.iaea.org
Inspectorate of Strategic Products: www.isp.se
Missile Technology Control Regime: www.mtcr.info
Nuclear Suppliers Group: www.nuclearsuppliersgroup.org
Organisation for the Prohibition of Chemical Weapons: www.opcw.org
Organisation for Security and Cooperation in Europe: www.osce.org
Stockholm International Peace Research Institute: www.sipri.org
Swedish Radiation Safety Authority: www.ssm.se
Swedish Export Control Society: www.exportkontrollforeningen.se
Swedish Ministry for Foreign Affairs: www.ud.se
Wassenaar Arrangement: www.wassenaar.org
Zangger Committee: www.zanggercommittee.org

Ministry for Foreign Affairs

Extract from the minutes of the Government meeting of den 13 April 2023

Present: Prime Minister Kristersson, chair, and ministers Busch, Billström, Ankarberg Johansson, Edholm, J Pehrson, Waltersson Grönvall, Strömmer, Roswall, Forssmed, Tenje, Slottnér, M Persson, Wykman, Malmer Stenergard, Liljestrand, Brandberg, Bohlin, Carlson, Pourmokhtari

Report submitted by: Minister Billström

The Government adopts this Communication Strategisk exportkontroll 2022 – krigsmateriel och produkter med dubbla användningsområden