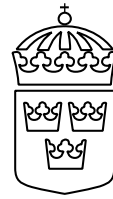


Government Communication

2023/24:114



Strategic Export Control in 2023 – Military Equipment and Dual-Use Items

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The Government submits this Communication to the Riksdag.

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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 2023. 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 2023, 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 civilian 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. Under Section 1, second paragraph of 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 enables individual governments to meet their international obligations with respect to non-proliferation. Export control of dual-use items is also necessary to reduce the undesirable and destabilising development of conventional military capabilities. By ensuring that dual-use items are not exported to unfit recipients according to Sweden, our country'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 fortieth 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 been 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, like last year's, also include a special list of donations of military equipment to Ukraine from the Swedish state.

The Inspectorate of Strategic Products (ISP) and the Swedish Radiation Safety Authority (SSM) contribute statistical data to 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 regimes.

Significant events during the year

In 2023, a major impact on strategic export control has continued to be the deteriorating international security situation. 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 also during 2023, and has had considerable consequences in the area of export control as well.

In response to the Russian invasion of Ukraine on 24 February 2022, the EU imposed sweeping and unprecedented sanctions on Russia during 2022, with additional sanctions packages in 2023. The sanctions packages imposed during 2022 and 2023 included dual-use items, advanced technologies and civilian firearms. The sanctions have been tightened during the year under the 10th, 11th and 12th sanctions packages. 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.

In 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 November 2023, the Government appointed an Inquiry titled *En modern exportkontroll av krigsmateriel i ljuset av ett svenskt Natomedlemskap* (Updated export control of military equipment in light of a Swedish NATO membership) (ToR 2023:161). The Inquiry is being chaired by former parliamentary speaker Per Westerberg and will review the guidelines for exports and other foreign cooperation in light of a Swedish NATO membership, as well as international military equipment cooperation and the regulation of subcontractors to the Swedish defence industry.

During 2023, meetings in the multilateral export control regimes continued at the same pace as in 2022 and prior to the pandemic.

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During the year, the accelerating pace of development in emerging technologies such as artificial intelligence, quantum computing and biotechnology has made work with export control all the more urgent, nationally as well as in the multilateral export control regimes.

During the year, the ISP was given an additional commission when it was appointed as the review authority for foreign direct investments. The Foreign Direct Investment Screening Act (2023:560) entered into force on 1 December 2023. This Act strengthened the central role of the ISP in the control of critical and strategic technologies and products. Besides being the licensing authority in export control cases, and the review authority for foreign direct investments, the ISP is also the competent authority in relation to sanctions, including the sweeping sanctions packages that the EU has imposed against Russia.

Summary of the statistical data

Comprehensive statistics on licence approval and on Sweden's 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 2023.

Exports and other activity related to military equipment in 2023 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 2023, 382 companies, government authorities and private individuals held licences for manufacturing or supplying military equipment. Since 2018, the number of licence holders has more than doubled. The increase relates principally to subcontractors of system manufacturers of military equipment.

In total 62 countries received deliveries of military equipment from Sweden in 2023. The value of military equipment exports in 2023 was just over SEK 18 billion. The value of exports thus increased by around 18% compared to the previous year.

More than 80% of exports went to the 39 countries designated by the Government as established partner countries in the defence and security area. As in 2022, the United States and Brazil were the most significant recipient countries. Exports to the United States included a large number of different types of military equipment, including ground combat systems, naval artillery systems and tracked vehicles. Deliveries to Brazil continued to consist mainly of the fighter aircraft system JAS Gripen.

Besides the established circles of cooperation, Pakistan and India were the most significant recipient countries in terms of the value of exports. A supplemental delivery of a previously exported airborne radar system was made to Pakistan, while the majority of exports to India concerned ground combat systems.

In the case of Ukraine, a total of 21 export licences were granted for donations from the Swedish state in 2023, while 16 licences were issued

for sales from the Swedish defence industry. In addition, in the past two years the ISP has also granted 62 permits for further transfers of military equipment manufactured in Sweden from other countries. Most of the donated and transferred military equipment has consisted of ground combat and rocket systems.

The total value of exports to countries in the Middle East amounted to just over SEK 330 million. The majority of the exports were spare parts for previously delivered radar and control systems in the United Arab Emirates (UAE) and Saudi Arabia, along with a naval system delivered to a close partner country for integration and ultimate delivery to Saudi Arabia.

Four export licences for sales to Türkiye were granted with a total value of just over SEK 5 million. The actual exports amounted to a value of just over SEK 4 million.

In 2023, as in 2022, licences were granted for follow-on deliveries of other military equipment to private companies in Israel for components which, at the time of the original export, did not constitute military equipment.

The licensing of dual-use items is presented in Annex 2. Unlike in cases of exports of military equipment, the companies involved do not submit any delivery declarations. There is consequently a lack of data on actual exports. As a rule, transfer of dual-use items within the EU does not require a licence. In addition, extensive EU general licences make exports to certain partner countries outside the EU possible without requiring a licence in the individual case. This means that recipient countries that are the object 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 the 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. Under Section 1, second paragraph of 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 also must 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). Comm. 2023/24:114

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 when necessary. 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 a strict licence application assessment in countering diversion of military equipment to non-intended recipients, i.e. the exported equipment ends 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. In practice, these are five types of 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 accordance with the 2030 Agenda 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 above in this section, a unique aspect of the Swedish guidelines is that the democratic status of the recipient country is to 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 allowed to be 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 5 600 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 2023.

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Export control and gender equality

The Government attaches great importance to working to promote gender equality in development cooperation as well as in foreign and security policy. 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 women's influence and meaningful participation in political processes and peace- and state-building at all levels of society. These are key objectives in the recently adopted Sweden's 2024–2028 National Action Plan for the implementation of UN Security

Council Resolution 1325 on women, peace and security. 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 and women. 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 in many cases are ensured through contractual obligations.

Sweden's security policy ultimately aims to safeguard our national security interests. Sweden's vital national security interest is to assert our country's autonomy, sovereignty and territorial integrity. As far as possible, challenges and threats to our security will be met in cooperation with other countries and organisations. Sweden is best defended within NATO. A Swedish NATO membership increases security for both Sweden and NATO as a whole.

Sweden's security increases when it contributes to a safer world, a stable neighbourhood and predictable intergovernmental relations. Sweden's foreign and 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 situation that is structural and long range. This has extensive and far-reaching consequences for Sweden.

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 Government bills, 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.

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.

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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. In 2023, five additional support packages were provided. A total of fourteen military support packages have been provided since 2022. The support packages include weapons, ammunition, air defence systems, off-road passenger vehicles and protective equipment, but 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, a number of decisions have been made on the provision of large-scale humanitarian aid efforts, civilian crisis management support, reform support and reconstruction support to Ukraine. The total military and civilian support provided amounts to approximately SEK 30 billion since 2022.

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. 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. In November 2023, the Government appointed the Inquiry titled *Updated export controls of military equipment in light of a Swedish NATO membership* to review Sweden's regulatory framework in light of a Swedish NATO membership and a changed security policy situation. The Inquiry is being chaired by former parliamentary speaker Per Westerberg and will review the guidelines for exports and other foreign cooperation, as well as international military equipment cooperation and the regulation of subcontractors to the Swedish defence industry. A report on the task is to be presented by 30 November 2024 at the latest.

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

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 Member States' exports of military equipment is published in an annual EU report.

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 of bringing this about is to increase transparency between the Member States. In 2023, the initial work on a review of the Common Position began. The work will result in Council Decisions in the second half of 2024.

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 2023 with Canada 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 116 denial notifications from other Member States and Norway in 2023.

Sweden submitted six denial notifications. The denials concerned Saudi Arabia, Taiwan and Vietnam. All were submitted 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 does 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 two consultation enquiries from other EU

Member States in 2023. No consultations were initiated by Sweden during the year.

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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 2023.

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 2023, 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 civilian 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 2023, 245 cases were received by the ISP and 232 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, North Korea and Syria. 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 2023, 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.

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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

The UN General Assembly adopted a resolution on transparency in the arms trade in 1991. 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 reports are concerned with 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 2023 that Sweden will submit to the UN on the seven categories of equipment will list exports of fighter aircraft to Brazil; combat vehicles to Norway; tracked vehicles to the United States; anti-tank systems to Brazil, France, Lithuania and the United States; recoilless rifles to Hungary and the United States, and portable air defence systems to Australia, Brazil and Lithuania. There are no exports from Sweden to report for 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 will entail. The anticipated long-term effects of this treaty are:

- countries that regularly produce and export military equipment taking greater responsibility,
- 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 2023, 113 states had ratified the Treaty and a further 28 had signed it.

In 2023, the ninth Conference of States Parties was held. Three working groups have been set up for Treaty work between the Conferences. They discuss 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 trade.

The Government attaches great importance to the widespread accession to and effective implementation of the Arms Trade Treaty. This is 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 2023, Sweden participated in the meetings of the working groups. 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 2023, Sweden also provided grants to civil society organisations working to strengthen the implementation of and broader adherence to ATT, such as the Parliamentary Forum on Small Arms and Light Weapons.

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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, recoilless rifles 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’s 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 2023, Sweden participated in the ninth 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.

During the year, Sweden reported exports of small arms and light weapons to the UN arms trade register as well as to the OSCE Register of Conventional Arms.

During 2023, 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.

In the LoI Export Control Informal Working Group (LoI ECIWG), a physical meeting was held at director level in 2023. 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 civilian use that may also be used in the production of weapons of mass destruction or military equipment. Dual-use items may 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 mean that the export of that item is prohibited, only that the good is deemed to be sensitive and its export is therefore subject to control. The export control measures required in the EU must be well-demarked in consideration of the risk of proliferation and not unnecessarily disrupt the internal market or the competitiveness of European companies.

Much of the work in the EU and in the international export control regimes consists in an extensive exchange of information, as well as outreach directed at domestic industry and at other countries on the need for export control and the development of export control systems.

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It is difficult to provide an overall picture of the industries that work with dual-use items in Sweden, since a considerable proportion of products are sold in the EU market or 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 goods and technologies, including those that can be used to manufacture weapons of mass destruction.

Export control itself 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's case, export control of dual-use items is governed primarily by the EU's Dual-Use Regulation and Sweden's Dual-Use Items and Technical Assistance Control Act. 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.

The Dual-Use Regulation

For countries in the EU, there is a common regulatory framework in 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). The Dual-Use Regulation is directly applicable in all EU Member States.

Annex I to the Dual-Use Regulation

In the EU, the control lists that are continuously updated in the international export control regimes (see section 3.5 on the export control regimes) are added 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. The EU control list thus constitutes a compilation of the control lists of the international export control regimes. In this way, the EU contributes to codifying control of military equipment and dual-use items in accordance with the international standards that apply in the major producer countries in the world. Even countries outside the EU and the export control regimes have chosen to

include the EU's Annex I in their export control legislation as it is comprehensive and clear.

Other control options

Article 4(1) of the Dual-Use Regulation establishes that Member States may make use of a mechanism that permits products not included in Annex I of the Dual-Use Regulation to be subject to authorisation (catch-all mechanism). The mechanism can be used if the exporter has been informed by the Swedish authorities that the items in question are or may be intended, in their entirety or in part, for use in the production, etc. of weapons of mass destruction. The mechanism can also be applied in other cases, such as where the items are intended for military end-use if the purchasing country or country of destination is subject to a legally binding arms embargo.

For the mechanism 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 referred to in Articles 4(1) of the EU Regulation, they are required to report this to the Swedish authorities. The competent authority will then determine whether a licence is required for the export.

Article 4(3) provides that a Member State may enact or maintain national legislation imposing a licence requirement on the export of dual-use items not listed in Annex I if the exporter has grounds for suspecting that those items are or may be intended, in their entirety or in part, for any of the uses referred to in Article 4(1). Sweden has made use of this and has introduced requirements for exporters to inform the competent authority if the exporter has reason to suspect that a dual-use item not listed in Annex I to the Dual-Use Regulation which it intends to export is, or may be, intended for one of the uses referred to in Article 4(1) of that Regulation.

This mechanism is known as the catch-all mechanism, and is also common practice within the international export control regimes. By enabling broader control than just the listed dual-use items, this mechanism is important for the effectiveness of export control.

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 natural persons by monitoring, extracting, collecting or analysing data from information and telecommunication systems.

According to Article 9 of the Dual-Use Regulation, a Member State may prohibit or impose a licence requirement on the export of dual-use items not listed in Annex I for reasons of public security, including the prevention of acts of terrorism, or for human rights considerations. To date, Sweden has not utilised this opportunity for broader national control.

An additional opportunity for control is found in Article 10, whereby a Member State may impose a licensing requirement for the export of items

not listed in Annex I on the basis of a national control list of items adopted by another Member State pursuant to Article 9, and if the competent authority has informed the exporter that the items in question may be intended for uses of concern with respect to public security, including the prevention of acts of terrorism, or to human rights considerations. The purpose of the mechanism in Article 10 is to enable Member States to coordinate their actions quickly when new risks are identified, for example due to emerging technologies.

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General licences

The principal rule in the EU is that no licence is required for transfer to another EU Member State. The EU general licence EU001 covers exports of all products listed in Annex I to the Dual-Use Regulation, with certain exceptions, to Australia, Canada, Iceland, Japan, Norway, New Zealand, Switzerland including Liechtenstein, the United States and the United Kingdom (England, Scotland, Wales). There are also an additional seven EU general licences (EU002–EU008).

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. As a result of the revision of the Dual-Use Regulation in 2021, a number of amendments were made to the Act, which 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 supplies controlled products subject to supervision by the ISP. This includes sales within and outside Sweden.

Where an exporter ought to be aware of 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 should 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.

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

3.3.1 The relationship between sanctions and export control

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 by a legally binding decision of the EU, the UN or an individual state. The primary aim is that the person or entity targeted by the sanctions should change their behaviours such as internal repression or flagrant violations of international law. The sanctions cover various types of restrictive measures and often include prohibitions on exports and imports of dual-use items and military equipment, but not necessarily. The reason that 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. The sanctions are thus a tool for putting foreign policy objectives into effect such as reducing human suffering, putting pressure on an authoritarian leader to implement democratic reforms, or prevail upon a state to cease its military aggression towards a neighbouring country.

Unlike sanctions, export control of dual-use items is based mainly on the security policy interests of the exporting country in relation to the intended recipient. How significant the export is 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 deficiencies in human rights and armed conflicts, which shows that widespread violations of human rights have a security policy dimension. Unlike export control of dual-use items, sanctions are decided within the framework of the EU Common Foreign and Security Policy.

3.3.2 Country-specific sanctions

In 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 spring 2018, the United States announced that it intended to leave the JCPoA and unilaterally re-introduce the sanctions previously lifted as a result of the agreement. The United States sanctions were subsequently reinstated in several stages in 2018 and have since been expanded. The EU's obligations under the plan remain in place for the time being. Licensing procedures now apply to 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).

The embargo on trade in dual-use items is in accordance with a UN decision and has been implemented and expanded by the EU to encompass

North Korea. 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. Comm. 2023/24:114

In accordance with EU decisions, exports of certain dual-use items are also prohibited or covered by a licence requirement in relation to Syria.

In light of Belarus' support for Russia's full-scale invasion of Ukraine, the EU has extended the restrictive measures against Belarus related to the export of dual-use items. In 2023, the EU expanded its sanctions against the country due to the regime's continued support for Russia's aggression.

3.4 Expanded dual-use items-related sanctions against Russia in 2023

The EU's restrictive measures (sanctions) against Russia are of such a comprehensive nature and importance that they deserve their own section. The sanctions already decided in 2014 as a result of Russia's illegal annexation of Crimea and Russia's aggression towards Ukraine have been greatly expanded during the year in connection with Russia's continued aggression.

Since 2022, selling or exporting dual-use items to Russia or for use in Russia, directly or indirectly, has been prohibited. The provision of technical or financial assistance, brokering services or other services related to such exports are also covered by prohibitions.

The ban on dual-use items applies to all items listed in Annex I to the EU's Dual-Use Regulation. During the year, the EU has continually expanded and tightened the sanctions as part of the 10th, 11th and 12th sanctions packages. The 12th sanctions package was adopted on 18 December and included additional restrictive measures in view of Russia's continued aggression which is destabilising the situation in Ukraine.

In order to prevent circumvention of the restrictive measures, the 12th sanctions package included an expanded prohibition on the transit of certain goods and technologies through Russia, as well as a requirement for European companies to prohibit, in the case of third-country exports of certain items, re-export to Russia by agreement. In addition, the package extended the list of individuals and entities subject to stricter export restrictions due to their support for Russia's military-industrial complex, as well as the list of items and technologies that contribute to Russia's military and technical capabilities or to the development of its security and defence sector.

There is a limited possibility of exemptions from the prohibition concerning exports for non-military use and for a non-military end-user, and where 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 regimes' non-proliferation objectives.

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 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.

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. Comm. 2023/24:114
The control lists for this regime were updated in 2023 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 controls 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 2023 plenary meeting was held in Rio de Janeiro, Brazil.

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 2023 plenary meeting took place in Buenos Aires under Argentina's Chairship. Brazil was elected as the new Chair for the period 2023–2024.

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 items 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. During the 2023 plenary meeting, further listing proposals could be approved.

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. The annual meeting was held on 29 November 2023.

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 and Disarmament (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.

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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 controls that are harmonised for all EU Member States, based on the regimes' control lists, guidelines for export controls 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 each country's export control systems. 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.

The Working Party on Dual-Use Goods

The activities of the Working Party on Dual-Use Goods (WPDU) were led by the Swedish Presidency of the Council of the EU during the first half of 2023. One result during the Swedish Presidency was the adoption of a mandate for the WPDU that clarifies its work. Under its presidency, Sweden focused on the implementation of the Dual-Use Regulation through effective exchanges of best practices between the Member States. With the aim to enhance knowledge, Sweden also initiated a standing agenda item that placed export control in a broader context, with external presentations from both industry and academia on emerging technologies and geopolitics. During the Swedish Presidency, the WPDU also contributed to the work of the Export Controls Cooperation working group within the framework of the EU-US Trade and Technology Council (TTC). As in the previous year, the work in the WPDU was marked by the many additional restrictive measures (sanctions) against Russia in response to its full-scale invasion of Ukraine. In addition, the exchange of export control-related information and statistics between Member States and the Commission continued.

In the second half of 2023, discussions began on the Joint Communication to the European Parliament, the European Council and the

Council on “European Economic Security Strategy” of 20 June 2023. The Commission justified the strategy with reference to rapid technological developments and geopolitical tensions that have increased the risks associated with the military potential of the technologies and vulnerabilities in value chains. The Commission identified ten critical technologies including advanced semiconductors, quantum computing, artificial intelligence and biotechnology as particularly important and for which risk assessments in terms of technology security and technology leakage are required. In its Joint Communication, the Commission announced that it intended to table a proposal in 2024 to ensure the effectiveness and efficiency of the EU’s Regulation on dual-use export controls.

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, the group provided support to work on updating the EU-wide control list, prepared statistical data for the Commission’s annual report on export control, compiled a list of EU Member States’ national control lists, shared experience and information on the national implementation of the dual-use regulatory framework, in particular in light of the rapid developments in technology.

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 competent authorities that represented Sweden in the latter group of experts. One result of the expert group’s work was an open consultation conducted in 2023 on the draft of the aforementioned guidelines.

In 2022, the DUCG set up three new technical expert groups, with the first dedicated to supporting information sharing and direct cooperation between the Member States’ competent dual use and enforcement authorities (the Enforcement Coordination Mechanism). The second expert group is dedicated to supporting a Union regime to build licensing and enforcement capacity and the third to develop guidelines for Member States on methods for collecting and processing data for the preparation of the annual report. During the year, Sweden was represented in the first of these new technical expert groups by Swedish Customs and in the third by the ISP.

3.7 UN Security Council Resolution 1540 and the Proliferation Security Initiative

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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 requires that all States establish effective national controls on export, transit, transshipment and re-export of such items. 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 November 2022, the mandate for the 1540 Committee was extended until November 2032.

An international initiative that shares several points with Security Council Resolution 1540 and partly overlaps with it is the Proliferation Security Initiative, to which over 100 countries have acceded. 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. Russia ended its participation in the cooperation at the end of 2022 and claims to be not bound by the initiative's commitments.

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 goods.

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 exit and 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 2023, 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.

On 13 September 2023, the Riksdag enacted the Foreign Direct Investment Screening Act (2023:560). The Act entered into force on 1 December 2023 and the ISP was appointed as the responsible review authority.

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 and transfer 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 2023, the ISP carried out 22 compliance visits at companies operating in the dual-use items and military equipment areas, of which 15 were site visits. These included operations 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.

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 2023.

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 10 March 2023, after being appointed by the Government. 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 decisions concerning exports, and preliminary decisions concerning dual-use items to the ECC area. 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, unique 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 concluded. 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. Six ECC meetings were held in 2023. The Council dealt with seven matters for consultation. All of these concerned military equipment.

In 2023, the members of the Export Control Council were:

- Johan Andersson, Member of the Riksdag (Social Democrats)
- Emma Berginger, Member of the Riksdag (Green Party)
- Camilla Brunsberg, Member of the Riksdag (Moderate Party)
- Torsten Elofsson, Member of the Riksdag (Christian Democrats)
- Yasmine Eriksson, Member of the Riksdag (Sweden Democrats)
- Kenneth G. Forslund, Member of the Riksdag (Social Democrats)
- Marie Granlund, former Member of the Riksdag (Social Democrats)
- Hanna Gustafsson, Member of the Riksdag (Left Party)
- Kerstin Lundgren, Member of the Riksdag (Centre Party)
- Lars Püss, Member of the Riksdag (Moderate Party)
- Björn Söder, Member of the Riksdag (Sweden Democrats)
- Anna Starbrink, Member of the Riksdag (Liberal Party)

Deputy members of the Export Control Council:

- Gudrun Brunegård, Member of the Riksdag (Christian Democrats)
- Joar Forssell, Member of the Riksdag (Liberal Party)
- Rasmus Giertz, Member of the Riksdag (Sweden Democrats)
- Ann-Charlotte Hammar Johnsson, Member of the Riksdag (Moderate Party)
- Mikael Larsson, Member of the Riksdag (Centre Party)
- Jacob Risberg, Member of the Riksdag (Green Party)
- Håkan Svenneling, Member of the Riksdag (Left Party)
- Alexandra Völker, Member of the Riksdag (Social Democrats)

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

Technical-Scientific Council

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 one meeting in 2023.

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 Activities 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

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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 used 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.

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 2023, the SSM dealt with 108 applications received concerning exports or transfers within the EU, and decided on export licences in 99 cases. Details of the export licences granted by the SSM in 2023 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. Four supervisions were carried out in 2023.

5 Statistical report

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 the work to create 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.

In connection with the Government's Communication Strategic Export Control 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. Comm. 2023/24:114

Swedish exports of military equipment in 2023 are presented in Annex 1 and exports of dual-use items in Annex 2.

Exports of Military Equipment

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. Section A in the 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 has been 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.

Category	Equipment
ML6	Ground vehicles and components.
ML7	Chemical agents, “biological 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 in this Annex.
ML12	High velocity kinetic energy weapon systems and related equipment, and components specially designed for these weapons.
ML13	Armoured or protective equipment, constructions, components and accessories therefor.
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 therefor.
ML15	Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.
ML16	Forgings, castings and other unfinished products specially designed for equipment specified for equipment categories ML1–4, ML6, ML9, ML10, ML12 or ML19.
ML17	Miscellaneous equipment, materials and “libraries”, and components specially designed therefor.
ML18	Production equipment and components, and specially designed environmental test facilities.
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.

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 2023, manufacturing or supplier licences were held by 382 Swedish companies, authorities and private individuals. The number of licence holders has more than 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, 79 exported military equipment or technical assistance, while 176 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 2019–2023 (SEK million)¹

	2019	2020	2021	2022	2023
Total value	30,408	30,531	35,346	29,407	35,518

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 2023 (SEK)²

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Annex 1

Companies	Value	Principal area of equipment
Saab AB	13,216,327,747 SEK	Combat aircraft, radar systems, etc.
Saab Dynamics AB	SEK 4,246,235,161	Missile and ground combat systems
BAE Systems Hägglunds AB	SEK 3,242,491,635	Tracked vehicles and armoured vehicles
Swedish Defence Materiel Administration (FMV)	SEK 2,439,027,120	Leasing of combat aircraft
BAE Systems Bofors AB	SEK 1,670,776,871	Artillery systems
Nammo Sweden AB	SEK 1,370,997,352	Ammunition
EURENCO Bofors AB	SEK 1,000,623,423	Gunpowder and explosives
Saab Kockums AB	SEK 861,712,142	Surface and submarine craft
H-B Development AB	SEK 784,731,999	Combat vehicles and artillery systems
FFV Ordnance AB	SEK 699,778,515	Ground combat systems
Norma Precision AB	SEK 691,340,918	Hunting and sport shooting ammunition
GKN Aerospace Sweden AB	SEK 620,579,701	Maintenance of aero-engines
Saab Barracuda AB	SEK 317,536,149	Camouflage products
SSAB EMEA AB	SEK 317,202,852	Armour plates
Aimpoint AB	SEK 297,706,453	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.

Activities related to other countries

The licensing process for exporting military equipment is made up of several parts. This compilation of statistics 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 in most cases are the final recipient countries for the military equipment stated. The ISP endeavours as far as possible to extend export controls – to follow 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 2019–2023

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Type of case	2019	2020	2021	2022	2023
Preliminary decisions	36	25	18	18	24

In 2023, a total of 24 preliminary decisions were issued for 13 countries outside the established circle of recipient countries. Of these, 20 were positive and four 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. If the ISP has no objection to the submission of the tender, no action is taken. 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 contract transactions 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. In 2023, given the regular turnover in such general exemptions, the ISP reduced the value ceiling to SEK 250 million to improve the control of medium-sized transactions. 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 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 2019–2023

Type of case	2019	2020	2021	2022	2023
Tender notification	309	250	255	346	440
General exemption	23	22	26	25	19
Total	332	272	281	371	459

In 2023, the ISP was notified of 440 tenders to a party abroad. A total of 419 tender cases were decided during the year and in 391 of these cases the notification was submitted without any action being taken. These cases concerned a total of 64 countries and one international organisation. A prohibition on submitting a tender was issued in four cases for a total of three countries. All the other decisions were decisions not to proceed with the case.

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. Global licences permit export to multiple recipients in multiple countries of an unspecified quantity of military equipment. 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.

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 2019–2023

Type of licence	2019	2020	2021	2022	2023
Individual	672	570	589	602	659
Global	381	458	449	492	606
Transit	49	58	47	73	46
Total	1,102	1,086	1,085	1,167	1,311

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 2019–2023 (SEK million)

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Category of equipment	2019	2020	2021	2022	2023
Military equipment for combat purposes	7,047 (+60)	7,165 (+1.7)	3,735 (- 48)	16,454 (+340)	19,512 (+19)
Other military equipment	6,459 (+59)	7,781 (+20)	10,925 (+40)	5,462 (- 50)	8,864 (+62)
Total	13,505 (+60)	14,946 (+11)	14,660 (- 1.9)	21,915 (+49)	28,376 (+29)

Table 8 shows the individual and global export licences issued in 2023 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 2023

Country	Number of licences	Categories of military equipment	MEC/OME	Value of licences
EU				
Belgium	9	3,8,14,22	MEC, OME	21,643,430
Bulgaria	4	3,4,5,8,18,21,22	MEC, OME	1,298,316,000
Cyprus	1	22	OME	0
Denmark	36	1,2,3,5,6,7,10,11,13,14,15,17,21,22	MEC, OME	161,879,808
Estonia	12	1,2,3,6,17,21,22	MEC, OME	420,927,517
Finland	38	1,2,3,4,5,6,8,10,11,14,15,17,18,21,22	MEC, OME	1,026,124,003
France	51	1,2,3,5,6,8,11,13,14,17,21,22	MEC, OME	618,673,131
Greece	7	8,11,14,17,21,22	MEC, OME	8,726,036
Ireland	10	3,6,11,13,14,21,22	OME	37,753,478
Italy	37	1,3,4,5,6,8,13,14,17,21,22	MEC, OME	252,160,363

Country	Number of licences	Categories of military equipment	MEC/OME	Value of licences
Croatia	3	1,2,3,8	MEC, OME	1,751,000
Latvia	10	1,2,3,4,5,11,18,21,22	MEC, OME	281,738,463
Lithuania	7	1,3,4,5,14,21,22	MEC, OME	988,413,234
Netherlands	23	5,6,11,13,17,22	MEC, OME	124,234,736
Poland	17	1,3,4,5,6,8,10,11,13,14,15,16,17,21,22	MEC, OME	869,728,360
Portugal	6	1,3,11,22	MEC, OME	38,770,400
Romania	3	3,13,22	MEC, OME	1,140,000
Slovakia	7	1,3,5,8,17,22	MEC, OME	120,014,561
Slovenia	5	1,3,11,17,22	MEC, OME	76,829,000
Spain	21	1,2,3,4,6,8,11,13,21,22	MEC, OME	82,991,580
Sweden	7	3,4,5,6,17,21,22	OME	68,369,535
Czech Republic	13	1,2,3,4,5,8,21,22	MEC, OME	12,215,605
Germany	73	1,3,4,5,6,8,10,11,13,14,17,21,22	MEC, OME	1,049,608,313
Hungary	17	1,3,4,14,17,22	MEC, OME	25,877,410
Austria	13	1,2,3,4,8,10,17,21,22	MEC, OME	6,273,248
Total	430			7,594,159,211
REST OF EUROPE				
Iceland	3	3,17	MEC, OME	1,432,366
Norway	62	1,2,3,4,5,6,8,9,10,11,13,15,17,21,22	MEC, OME	921,596,513
Switzerland	14	1,2,3,4,5,6,7,8,10,11,13,14,15,17,18,21,22	MEC, OME	25,722,433
United Kingdom	73	2,3,4,5,6,8,10,13,14,15,16,17,18,21,22	MEC, OME	1,892,919,640
Türkiye	4	5,10,13	OME	5,180,000

Country	Number of licences	Categories of military equipment	MEC/OME	Value of licences
Ukraine	16	2,3,4,5,13,15,17,21,22	MEC, OME	807,251,833
Total	172			3,654,102,785
NORTH AMERICA				
Canada	10	2,3,5,11,15,17,18,21,22	MEC, OME	73,664,700
USA	88	1,2,3,4,5,6,8,10,11,14,15,17,18,21,22	MEC, OME	1,792,112,275
Total	98			1,865,776,975
CENTRAL AMERICA				
Mexico	2	2,3,18,21,22	OME	1,210,000
Total	2			1,210,000
SOUTH AMERICA				
Brazil	6	2,3,4,5,14,21,22	OME	2,160,600
Chile	1	14	OME	350,000
Total	7			2,510,600
NORTH EAST ASIA				
Japan	13	2,3,4,5,14,17,21,22	MEC, OME	249,733,498
South Korea	19	4,5,8,9,14,18,22	MEC, OME	234,138,828
Total	32			483,872,326
SOUTH EAST ASIA				
Indonesia	5	2,11,18,21,22	OME	440,000
Malaysia	2	2,6,14,18,21,22	MEC, OME	55,420,000
Singapore	12	4,5,8,9,11,17,21,22	MEC, OME	521,528,320
Thailand	4	4,5,9,22	OME	1,033,300
Total	23			578,421,620
SOUTH ASIA				
India	10	2,3,5,21,22	MEC, OME	1,285,488,945

Country	Number of licences	Categories of military equipment	MEC/O ME	Value of licences
Pakistan	5	4,5,10,11,15,16,17,21,22	OME	165,000,000
Total	15			1,450,488,945
MIDDLE EAST				
United Arab Emirates	4	4,5,10,11,15,16,17,18,21,22	OME	1,385,000
Israel	10 ³	5	OME	53,340,000
Kuwait	1	4,22	OME	0
Oman	1	4,22	OME	0
Qatar	3	4,17,22	OME	2,042,000
Saudi Arabia	2	2,5,18,21,22	MEC, OME	0
Total	21			56,767,000
REST OF AFRICA				
Kenya	1	17	OME	210,000
Nigeria	1	11	OME	130,000
South Africa	10	4,5,8,10,11,14,15,21,22	MEC, OME	22,654,960
Total	12			22,994,960
OCEANIA				
Australia	16	2,3,4,5,8,10,11,14,17,21,22	MEC, OME	971,527,212
New Zealand	4	3,17,22	OME	1,589,938
Total	20			973,117,150
INTERNATIONAL ORGANISATIONS				
EU	2	13	OME	420,000
Total	2			420,000

³ All licences relate to follow-on deliveries to private companies of components which, at the time of the original export, did not constitute military equipment. No licence was issued after 10 October.

Country	Number of licences	Categories of military equipment	MEC/OME	Value of licences
OTHER				
Recipient country ⁴	2	2,3,4,5,18,21,22	MEC, OME	11,692,135,925
TOTAL	836			28,375,977, 497

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On donations of military equipment to Ukraine in particular

Tables 6–8 show export licences for the sale of military equipment. Additionally during 2023, 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 equipment covered by the licences at aggregated level.

Table 9 **Granted licences for donation of military equipment to Ukraine 2023**

Country	Number	Categories of equipment
Ukraine	21	ML1/MEC, ML1/OME, ML2/MEC, ML2/OME, ML3/MEC, ML3/OME, ML4/MEC, ML4/OME, ML5/MEC, ML5/OME, ML6/MEC, ML6/OME, ML11/OME, ML13/OME, ML15/OME, ML16/OME, ML17/OME, ML21/OME, ML22/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.

⁴For two of the export licences, which country the licence relates to is subject to foreign affairs secrecy rules. The licences relate to sales to a state recipient in an established partner country in the West.

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 Control 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 2023

Country	Total number of licences granted	Of which follow-on deliveries	Of which international cooperation	Categories of equipment – new deals
Chile	1	1	0	
UAE	4	4	0	
India	10	7	0	ML5/OME
Indonesia	5	5	0	
Israel	10	10 ⁵	0	-
Kenya	1	0	0	ML17/OME
Kuwait	1	1	0	
Malaysia	2	2	0	

⁵ All licences relate to follow-on deliveries to private companies of components which, at the time of the original export, did not constitute military equipment. No licence was issued after 10 October.

Country	Total number of licences granted	Of which follow-on deliveries	Of which international cooperation	Categories of equipment – new deals
Mexico	2	2	0	-
Nigeria	1	0	0	ML11/OME
Oman	1	1	0	
Pakistan	5	5	0	-
Qatar	3	3	0	-
Saudi Arabia	2	2	0	
Singapore	12	10	0	ML22/OME
Thailand	4	4	0	-
Türkiye	4	3	0	ML10/OME
Ukraine	16	5	1	ML2/OME, ML3/MEC, ML4/MEC, ML4/OME, ML5/MEC, ML5/OME, ML13/OME, ML15/OME, ML17/OME, ML21/OME, ML22/OME
Total	84	55	1	

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 2023.

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 2023.

Table 12 Notification of use of general licences concerning export of military equipment in 2023

	TFS 2012:7	TFS 2012:8	TFS 2021:2
Number of notifications	0	0	2

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	26

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.

During 2023, the ISP decided on a total of 4 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 2023

Country	Number of licences denied
Vietnam	2
Saudi Arabia	1
Taiwan	1
Total	4

Table 15 shows the number of denial decisions per country divided by five-year periods since 2006.

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

2006–2010	Number	2011–2015	Number	2016–2020	Number	2021–2023	Number
Argentina	2	Saudi Arabia	8	Türkiye	23	Bahrain	2
Libya	2	UAE	7	UAE	8	Qatar	2
Russia	2	Egypt	6	Saudi Arabia	8	Saudi Arabia	2
Algeria	1	Colombia	4	Qatar	7	Taiwan	2
Azerbaijan	1	Pakistan	4	Philippines	6	Vietnam	2
Bangladesh	1	Vietnam	4	Taiwan	5	Bangladesh	1
UAE	1	Bahrain	3	Bangladesh	4	Bosnia and Herzegovina	1
Israel	1	India	3	Jordan	4	Egypt	1
Jordan	1	Israel	3	Thailand	4	Philippines	1
Macedonia	1	Tunisia	3	Egypt	3	Guinea Bissau	1
Mauritius	1	Türkiye	3	Ukraine	3	Israel	1
Serbia	1	Indonesia	2	India	2	Kazakhstan	1
Syria	1	Kazakhstan	2	Morocco	2	Pakistan	1
Ukraine	1	China	2	Pakistan	2	South Africa	1
Total	17	Lebanon	2	Serbia	2	Tunisia	1
		Russia	2	Armenia	1	Turkmenistan	1
		Serbia	2	Bahrain	1	Total	21
		Thailand	2	Bosnia and Herzegovina	1		
		Algeria	1	Ecuador	1		
		Armenia	1	Israel	1		
		Azerbaijan	1	China	1		
		Equatorial Guinea	1	Kuwait	1		

2006–2010	Number	2011–2015	Number	2016–2020	Number	2021–2023	Number
		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 as a rule are the part of the report 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 2023. 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 in 2023.

Table 16 Value of actual exports of military equipment by country in 2023 (SEK)

Country	Categories of military equipment	Value of MEC	Value of OME	Total
EU				
Belgium	1,2,3,8,13,14	26,357,850	8,913,576	35,271,426
Bulgaria	1,3,5,14,17,21,22	131,319,382	13,875,379	145,194,761

Country	Categories of military equipment	Value of MEC	Value of OME	Total
Denmark	1,2,3,5,6,7,8,1 0,11,13,14,17, 22	73,524,810	135,665,677	209,190,487
Estonia	1,2,3,5,6,7,13, 15,17,22	64,559,706	39,316,712	103,876,418
Finland	1,2,3,4,5,6,8,1 0,11,13,14,15, 17,21,22	100,789,200	202,477,495	303,266,695
France	1,2,3,4,5,6,8,1 1,13,14,17,22	150,894,903	380,781,533	531,676,436
Greece	8,11,13,14,17	2,929,458	1,226,917	4,156,375
Ireland	1,2,4,5,6,11,14	3,714,503	24,030,445	27,744,948
Italy	1,3,4,5,6,8,9,1 3,14,17,22	41,469,540	95,922,344	137,391,884
Croatia	3	34,514	1,751,241	1,785,755
Latvia	1,2,3,5,11,13,1 8	75,300,000	54,132,999	129,432,999
Lithuania	1,2,3,4,17	141,892,285	30,707,120	172,599,405
Luxembourg	4	0	195,750	195,750
Netherlands	1,2,5,6,7,11,13 ,14,17	14,296,806	314,516,197	328,813,003
Poland	1,3,5,6,8,10,11 ,13,14,17,22	6,478,265	135,319,236	141,797,501
Portugal	1,3,11,17	0	2,102,352	2,102,352
Romania	3,11,13	0	5,325,296	5,325,296
Slovakia	1,3,5,8,13,17,2 2	17,627,878	7,155,001	24,782,879
Slovenia	1,3,5,11,17	9,024	9,355,414	9,364,438
Spain	1,2,3,4,5,8,11, 13	18,331,685	43,527,351	61,859,036
Czech Republic	1,2,3,4,5,8,10, 13,14,17,21,22	7,956,454	480,168,174	488,124,628
Germany	1,2,3,4,5,6,8,1 1,13,14,17,21, 22	108,071,914	843,067,266	951,139,180
Hungary	1,2,3,4,5,14,17 ,22	89,370,094	856,992,236	946,362,330
Austria	1,2,3,5,8,10,14 ,17	530,777	16,208,129	16,738,906
Total		1,075,459,048	3,702,733, 840	4,778,192,888
REST OF EUROPE				
Andorra	3	0	1,089,200	1,089,200

Country	Categories of military equipment	Value of MEC	Value of OME	Total
Iceland	3,8,10,17	13,628	1,997,257	2,010,885
Norway	1,2,3,4,5,6,7,8,9,10,11,13,14,15,17,21,22	448,219,240	186,162,746	634,381,986
Switzerland	1,2,3,4,5,6,8,10,13,14,17,22	94,500,661	231,495,640	325,996,301
United Kingdom	1,2,3,4,5,8,13,14,15,16,17,21,22	1,088,045,457	419,310,392	1,507,355,849
Türkiye	5.13	0	4,298,281	4,298,281
Ukraine	2,3,4,5,13,15,17,22	248,738,363	52,158,411	300,896,774
Total		1,879,517,349	896,511,927	2,776,029,276

NORTH AMERICA

Canada	2,3,5,8,11,13,15,17,21,22	92,074,789	168,671,805	260,746,594
USA	1,2,3,4,5,6,8,10,11,13,14,15,17,18,21,22	2,396,605,011	1,070,788,300	3,467,393,311
Total		2,488,679,800	1,239,460,105	3,728,139,905

CENTRAL AMERICA

Mexico	2,3,13	0	7,953,306	7,953,306
Total		0	7,953,306	7,953,306

SOUTH AMERICA

Argentina	22	0	27,952,443	27,952,443
Brazil	2,3,4,5,10,11,13,14,15,17,18,21,22	754,368,955	2,044,057,947	2,798,426,902
Chile	3.14	0	624,898	624,898
Peru	1	0	19,676	19,676
Uruguay	3	0	140,517	140,517
Total		754,368,955	2,072,795,481	2,827,164,436

NORTH EAST ASIA

Japan	2,3,4,5,8,14,17	200,096	26,719,258	26,919,354
South Korea	4,5,8,13,14,18,22	1,059,578	222,855,884	223,915,462

Country	Categories of military equipment	Value of MEC	Value of OME	Total
Total		1,259,674	249,575,142	250,834,816

SOUTH EAST ASIA

Brunei	2.22	0	7,139,588	7,139,588
Indonesia	2.11	0	1,072,480	1,072,480
Malaysia	2,5,11,21	0	2,307,975	2,307,975
Singapore	4,5,8,9,11,13,17,18,22	582,050	197,115,817	197,697,867
Thailand	4,5,10	21,459,013	290,416,200	311,875,213
Total		22,041,063	498,052,060	520,093,123

SOUTH ASIA

India	2,3,5,9,13,18,21,22	483,740,787	220,391,363	704,132,150
Pakistan	5,10,21,22	0	1,573,122,352	1,573,122,352
Total		483,740,787	1,793,513,715	2,277,254,502

MIDDLE EAST

United Arab Emirates	5,10,11,18,21,22	0	218,646,196	218,646,196
Israel ⁶	5	0	17,601,984	17,601,984
Jordan	4.7	0	216,566	216,566
Kuwait	4	0	298,800	298,800
Qatar	4.17	0	2,218,657	2,218,657
Saudi Arabia	2.22	46,000,000	48,757,693	94,757,693
Total		46,000,000	287,739,896	333,739,896

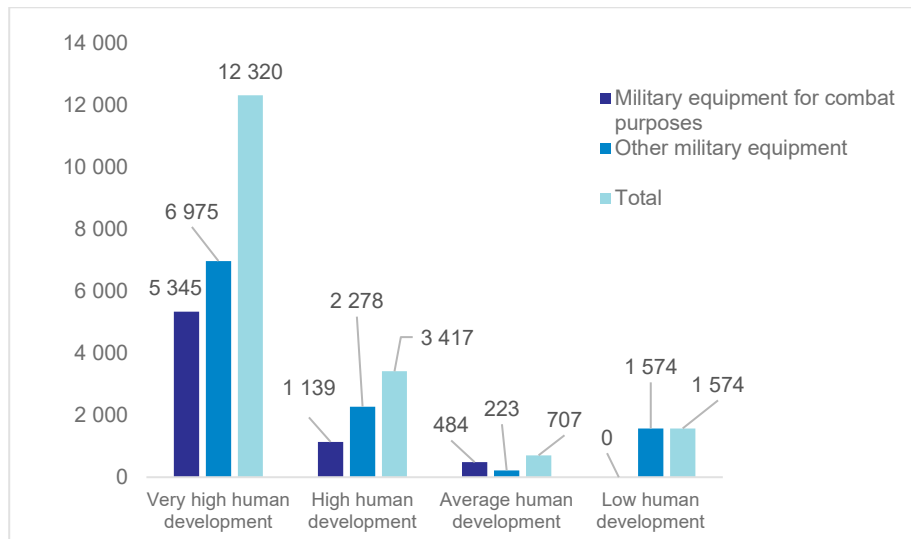
REST OF AFRICA

Botswana	3	0	834,543	834,543
Namibia	1.3	0	1,126,747	1,126,747
Nigeria	11	0	56,573	56,573
South Africa	1,3,4,5,8,10,11,13,22	4,559,050	158,435,480	162,994,530
Tanzania	3	0	184,069	184,069
Zambia	3	0	582,809	582,809

⁶ The exports relate to follow-on deliveries to private companies of components which, at the time of the original export, did not constitute military equipment.

Country	Categories of military equipment	Value of MEC	Value of OME	Total
Total		4,559,050	161,220,221	165,779,271
OCEANIA				
Australia	2,3,4,5,8,10,11,13,14,17,21,22	207,297,084	130,145,612	337,442,696
New Zealand	2,3,14,17	4,615,720	9,125,925	13,741,645
Total		211,912,804	139,271,537	351,184,341
TOTAL		6,967,538,530	11,048,827,230	18,016,365,760

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).

Table 17 shows exports in 2023 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 2023 by region

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Region	Percentage
EU	26.6
North America	20.7
South America	15.7
Rest of Europe	15.4
South Asia	12.6
South East Asia	2.9
Oceania	1.9
Middle East	1.9
North East Asia	1.4
Rest of Africa	0.9
Central America and the Caribbean	< 0.1%

Table 18 shows actual exports in 2023 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 2023 by category of equipment (SEK)

Category of equipment	Value of MEC	Value of OME
ML1	117,807	34,149,545
ML2	1,650,838,796	125,946,179
ML3	2,466,907,967	1,086,225,027
ML4	506,054,441	144,651,476
ML5	642,305,820	1,120,479,341
ML6	192,535,308	966,192,456
ML7	0	7,153,805
ML8	736,033,087	6,207,651
ML9	62,745,304	4,017,726
ML10	710,000,000	2,701,496,212
ML11	-	184,775,242
ML12	0	0
ML13	-	315,406,888
ML14	-	200,649,854
ML15	-	44,398,596
ML16	-	39,014

Category of equipment	Value of MEC	Value of OME
ML17	-	242,195,367
ML18	-	80,358,566
ML19	0	0
ML20	-	0
ML21	-	491,594,000
ML22	-	3,292,890,285

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 2023 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, Estonia, Finland, France, Germany, Italy, Lithuania, New Zealand, Norway, Spain and the 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	Recoilless rifles were exported to Hungary and the United States. In addition, spare parts, training equipment, components and ammunition for recoilless rifles were exported to Australia, Austria, Canada, Czech Republic, Estonia, Hungary, Ireland, Japan, Latvia, New Zealand, Norway, Portugal, the United Kingdom and the United States.
5. Portable anti-tank missile launchers and rocket systems	Anti-tank missile launchers were exported to Brazil, France, Lithuania and the United States.

	In addition, spare parts, training weapons and components for anti-tank systems were exported to Denmark, Finland, France, Ireland, Luxembourg, Norway, Switzerland and the United States.
6. Mortars of calibres less than 75 mm	No exports
7. Additional information	No exports
MANPADS (Man-Portable Air Defence Systems)	
	MANPADS have been delivered to Ireland and the Czech Republic. Spare parts, training equipment and components for MANPADS have been exported to Australia, Brazil, the Czech Republic, Ireland and Thailand.

Actual exports over time

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

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 2019–2023 (SEK million)

Category of equipment	2019	2020	2021	2022	2023
Military equipment for combat purposes	2,984 (-40)	3,459 (+16)	3,821 (+10)	6,533 (+71)	6,968 (+7)
Other military equipment	13,290 (+108)	12,870 (-3)	16,267 (+26)	8,722 (-46)	11,049 (+27)
Total	16,274 (+43)	16,328 (0.3)	20,089 (+23)	15,254 (-24)	18,016 (+18)

Table 21 shows the share of exports of military equipment in total Swedish 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 2019–2023 (SEK million)

Type of export	2019	2020	2021	2022	2023
Military equipment exports	16,274	16,328	20,089	15,254	18,016
Total exports of goods	1,518,400	1,427,100	1,626,500	1,999,300	2,100,100
Share	1.07%	1.14%	1.23%	0.76%	0.86%

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 1973–2023 (SEK million)

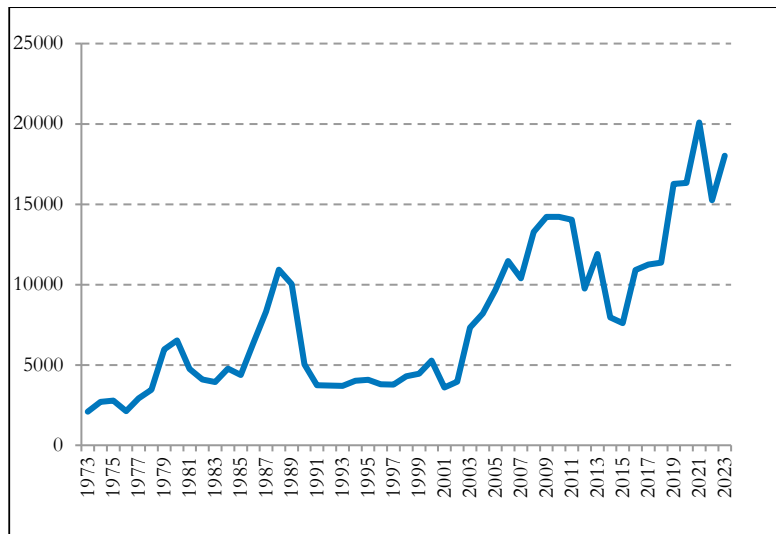


Table 22 shows the value of exports by country over the past three years..

Table 22 The value of actual exports of military equipment by country 2021–2023 (SEK million)

Country	2021	2022	2023
EU			
Belgium	42	30	35
Bulgaria	2.6	2.2	145
Denmark	161	133	209
Estonia	249	222	104
Finland	244	146	303

Country	2021	2022	2023
France	376	292	532
Greece	1.0	0.7	4.2
Ireland	51	117	28
Italy	69	96	137
Croatia	0.5	1.3	1.8
Latvia	143	188	129
Lithuania	25	63	173
Luxembourg	-	0.1	0.2
Malta	0.05	0.02	-
Netherlands	445	363	329
Poland	31	34	142
Portugal	2.1	4.5	2.1
Romania	2.2	10	5.3
Slovakia	8	9.1	25
Slovenia	36	2.8	9.4
Spain	50	64	62
Czech Republic	688	720	488
Germany	1,150	1,322	951
Hungary	957	880	946
Austria	49	16	17
Total	4,783	4,718	4,778

REST OF EUROPE

Albania	-	0.1	-
Andorra	0.08	0.2	1.1
Iceland	1.0	1.0	2.0
Norway	551	668	634
Switzerland	178	340	326
United Kingdom	230	423	1,507
Türkiye	-	-	4.3
Ukraine	-	4.3	300.1
Total	960	1,436	2,776

NORTH AMERICA

Canada	131	101	261
USA	2,915	2,554	3,467
Total	3,045	2,655	3,728

CENTRAL AMERICA

Mexico	6.8	1.8	8.0
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Country	2021	2022	2023
Total	6.8	1.8	8.0
SOUTH AMERICA			
Argentina		18	28
Brazil	2,178	3,033	2,798
Chile	0.7	-	0.6
Ecuador	-	0.03	-
Peru	49	7.0	0.02
Uruguay	0.2	0.2	0.1
Total	2,228	3,059	2,827
NORTH EAST ASIA			
Japan	172	165	27
South Korea	176	80	224
Total	347	245	251
SOUTH EAST ASIA			
Brunei	0.08	0.8	7.1
Philippines	1.1	0.6	-
Indonesia	0.07	259	1.1
Malaysia	5.2	9.9	2.3
Singapore	35	48	198
Thailand	504	430	312
Total	545	748	520
SOUTH ASIA			
India	14	1,251	704
Pakistan	21	38	1,573
Total	35	1,289	2,277
MIDDLE EAST			
Bahrain	1.6	-	-
UAE	7,458	712	219
Israel ⁷	-	4.7	18
Jordan	-	0.3	-
Kuwait	6.3	28	0.2
Oman	4.5	-	0.3
Qatar	50	5.2	2.2

⁷ The exports relate to follow-on deliveries to private companies of components which, at the time of the original export, did not constitute military equipment.

Country	2021	2022	2023
Saudi Arabia	1.2	13	95
Total	7,521	763	334
NORTH AFRICA			
Algeria	0.4	-	-
Tunisia	78	-	-
Total	78	-	-
REST OF AFRICA			
Botswana	-	0.1	0.8
Namibia	0.6	0.5	1.1
Nigeria	-	-	0.6
South Africa	25	50	163
Tanzania	-	-	0.2
Zambia	0.3	0.5	0.6
Total	26	51	166
OCEANIA			
Australia	506	276	337
New Zealand	5.9	8.4	14
Total	512	285	351
INTERNATIONAL ORGANISATIONS			
EU	-	4.2	-
Total	-	4.2	-
TOTAL	20,088	15,254	18,016

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 1993–2023 (SEK million)

Place	Country	Total
1.	USA	30,136
2.	Brazil	24,051
3.	Norway	19,002
4.	UAE	15,776
5.	Germany	14,695

Place	Country	Total
6.	India	14,473
7.	Netherlands	14,230
8.	South Africa	13,167
9.	Pakistan	12,749
10.	United Kingdom	12,268
11.	Czech Republic*	11,851
12.	Thailand	11,653
13.	Hungary*	11,138
14.	France	10,381
15.	Finland	10,268
16.	Singapore	9,163
17.	Switzerland	7,974
18.	Denmark	7,717
19.	Australia	6,666
20.	Saudi Arabia	5,613
21.	Canada	5,350
22.	South Korea	3,611
23.	Austria	3,154
24.	Italy	2,801
25.	Greece	2,732
26.	Japan	2,168
27.	Estonia	1,695
28.	Mexico	1,595
29.	Latvia	1,215
30.	Malaysia	1,173

* Including lease payments

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

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

Place	2005– 2009	Value	2010– 2014	Value	2015– 2019	Value	2020– 2023	Value
1.	South Africa	8,051	Thailand	7,967	Brazil	12,308	UAE	11,649
2.	Netherlands	7,037	Saudi Arabia	5,125	Norway	6,431	USA	11,383
3.	Pakistan	4,161	USA	4,881	USA	4,469	Brazil	9,949
4.	USA	4,016	India	4,361	India	3,774	Germany	4,077

Place	2005– 2009	Value	2010– 2014	Value	2015– 2019	Value	2020– 2023	Value	Comm. 2023/24:114 Annex 1
5.	Czech Republic*	3,443	United Kingdom	3,741	Hungary*	2,896	Hungary*	3,639	
6.	Denmark	3,283	Netherlands	3,195	Pakistan	2,722	United Kingdom	2,579	
7.	Finland	3,183	Norway	3,022	Czech Republic*	2,688	Pakistan	2,557	
8.	Germany	2,854	Czech Republic*	2,915	Germany	2,529	Czech Republic*	2,546	
9.	France	2,749	Pakistan	2,832	Netherlands	1,913	India	2,527	
10.	Hungary*	2,431	France	2,481	UAE	1,771	Norway	2,314	
11.	Singapore	2,342	South Africa	2,318	United Kingdom	1,629	Netherlands	1,785	
12.	India	2,296	Canada	2,050	Finland	1,589	Thailand	1,581	
13.	Greece	2,259	Germany	2,016	France	1,526	France	1,495	
14.	United Kingdom	2,127	Hungary*	2,001	South Korea	1,476	Australia	1,342	
15.	Switzerland	1,584	UAE	1,943	Thailand	1,198	Switzerland	1,192	
16.	Norway	1,389	Finland	1,846	Canada	1,171	Finland	1,035	
17.	Australia	1,363	Australia	1,639	South Africa	1,008	South Korea	728	
18.	Italy	1,009	Singapore	1,555	Singapore	933	Estonia	687	
19.	Canada	709	Denmark	1,256	Denmark	874	Denmark	685	
20.	South Korea	610	South Korea	761	Austria	760	Latvia	675	
21.	Spain	407	Algeria	738	Australia	696	Canada	581	
22.	Japan	290	Italy	614	Estonia	646	Singapore	554	
23.	Malaysia	195	Japan	271	Switzerland	576	Japan	479	
24.	UAE	182	Estonia	266	Italy	536	Italy	376	
25.	Thailand	140	Brazil	253	Türkiye	535	Lithuania	370	
26.	Austria	128	Switzerland	239	Japan	488	South Africa	322	
27.	Poland	112	Brunei	221	Poland	422	Ireland	263	
28.	Ireland	100	Austria	166	Mexico	321	Indonesia	260	
29.	Mexico	91	Poland	141	Saudi Arabia	236	Poland	243	
30.	Saudi Arabia	89	Spain	130	Latvia	219	Spain	209	

* 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 equipment or to jointly manufacture military equipment.

In 2023, the ISP approved 23 licences for Swedish companies to enter into agreements involving the granting or transfer of manufacturing rights to parties outside Sweden and 51 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 (EDF) 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 2023**

Country	Licence agreements	Cooperation agreements
Australia	-	3
Denmark	1	-
Estonia	-	1
EU cooperation: EDF/EDIDP	-	19
EU cooperation: other	-	3
Finland	1	2
France	-	1
United Arab Emirates	1	1
India	1	-
Canada	-	2
Netherlands	6	2

Country	Licence agreements	Cooperation agreements
Australia	-	3
Denmark	1	-
Estonia	-	1
EU cooperation: EDF/EDIDP	-	19
EU cooperation: other	-	3
Finland	1	2
France	-	1
United Arab Emirates	1	1
Norway	2	3
Poland	-	1
Saudi Arabia	-	1
Switzerland	1	2
Singapore	-	1
Slovakia	3	2
United Kingdom	1	3
Czech Republic	3	3
Germany	-	2
USA	3	2

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 2023, 17 companies and one government agency reported a total of 96 licence production agreements. At the same time, 28 companies and four government agencies reported 225 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	12
Brazil	6	11
Bulgaria	1	-
Denmark	6	2
Estonia	-	5
EU cooperation: EDF/EDIDP	-	45
EU cooperation: other	-	13

Country	Licence agreements	Cooperation agreements
Finland	4	9
France	4	12
United Arab Emirates	1	3
Greece	1	1
India	5	1
Indonesia	-	1
Italy	-	7
Japan	6	2
Canada	3	9
Latvia	1	-
Netherlands	8	11
Norway	4	17
New Zealand	-	1
Peru	2	1
Poland	1	3
Romania	1	-
Saudi Arabia	-	2
Switzerland	6	6
Singapore	-	3
Slovakia	3	3
Spain	1	5
United Kingdom	6	29
South Africa	1	2
South Korea	-	3
Czech Republic	15	4
Germany	1	19
USA	9	24
Austria	-	2

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.

In 2023, 15 companies reported ownership in 87 foreign legal entities in a total of 32 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

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Country	Number of Swedish-owned legal entities
Australia	2
Belgium	1
Brazil	3
Chile	1
Colombia	1
Denmark	3
Finland	4
France	4
United Arab Emirates	2
India	5
Italy	2
Canada	1
Kenya	1
Latvia	1
Malaysia	3
Mauritius	1
Netherlands	6
Norway	6
Pakistan	1
Poland	2
Saudi Arabia	1
Switzerland	4
Singapore	2
Spain	1
United Kingdom	6
South Africa	2
South Korea	1
Thailand	2
Czech Republic	2
Germany	7
Hungary	1
USA	6
Austria	2
Total	87

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 2023. The licences concerned the training of citizens of the Latvia and Ukraine.

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. Approval of such further transfer is conditional on it being possible for an end-user certificate from the new user to be shown. Table 28 shows the licences issued in 2023 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 2023 broken down by country and type of equipment**

From	To	Number	Categories of equipment
Australia	Finland	1	ML4/OEM
Estonia	USA	1	ML22/OME
Norway	Bulgaria	1	ML5/MEC
Norway	Estonia	1	ML6/OME
Norway	Netherlands	1	ML8/MEC
United Kingdom	Ireland	4	ML1/OME
United Kingdom	Netherlands	1	ML5/OME
South Korea	Indonesia	1	ML9/OME
Germany	Namibia	1	ML3/OME
Germany	Poland	1	ML21/OME
Germany	United Kingdom	1	ML8/MEC
Germany	USA	1	ML3/OME
Germany	Czech Republic	1	ML8/MEC
USA	USA	1	ML22/OME
Austria	Austria	1	ML3/MEC

From	To	Number	Categories of equipment
	Ukraine ⁸	25	ML1/MEC, ML2/MEC, ML2/OME, ML3/MEC, ML4/MEC, ML4/OME, ML5/OME, ML6/OME, ML17/OME, ML22/OME
Total		43	

Individual suppliance

Swedish authorities, Swedish companies and anyone resident or permanently domiciled in Sweden intending to supply military equipment that 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 2023 for supplying military equipment between two parties abroad.

Table 29 Individual supplier licences granted in 2023 broken down by country and category of equipment

From	To	Number of approvals	Categories of equipment
Belgium	Denmark	1	ML6/OME, ML17/OME
Belgium	Finland	1	ML6/OME, ML17/OME
Belgium	France	2	ML6/OME, ML17/OME
Belgium	Ireland	1	ML6/OME, ML17/OME
Belgium	Luxembourg	1	ML6/OME
Belgium	Netherlands	2	ML6/OME, ML17/OME
Belgium	Norway	1	ML6/OME
Belgium	Poland	1	ML6/OME
Belgium	Germany	1	ML6/OME, ML17/OME
Brazil	Brazil	2	ML5/MEC, ML5/OME, ML10/OME, ML11/OME, ML15/OME, ML18/OME
Denmark	Bulgaria	1	ML11/OME
Denmark	Denmark	2	ML3/MEC, ML17/OME
Denmark	Finland	1	ML11/OME
Denmark	Netherlands	3	ML13/OME, ML2/OME
Estonia	Denmark	2	ML6/OME
Estonia	Ireland	1	ML6/OME
Estonia	Netherlands	3	ML6/OME
Estonia	Poland	1	ML6/OME

⁸ Due to foreign affairs secrecy rules, the country of origin is not stated in respect of the further transfer of military equipment to Ukraine.

From	To	Number of approvals	Categories of equipment
Finland	Finland	1	ML5/OME
France	France	1	ML6/OME
France	Japan	1	ML2/OME
France	Netherlands	1	ML6/OME
France	Norway	1	ML5/OME
France	Czech Republic	1	ML5/OME, ML22/OME
France	USA	1	ML10/OME
Israel	Finland	2	ML11/OME
Canada	Denmark	2	ML1/OME, ML3/OME
Latvia	Denmark	1	ML17/OME
Latvia	Greece	1	ML17/OME
Latvia	India	1	ML17/OME
Latvia	Netherlands	1	ML17/OME
Latvia	Singapore	1	ML17/OME
Latvia	Hungary	1	ML17/OME
Latvia	USA	1	ML17/OME
Netherlands	Denmark	3	ML6/OME
Netherlands	Finland	3	ML6/OME
Netherlands	Ireland	2	ML6/OME
Netherlands	Netherlands	11	ML2/MEC, ML2/OME, ML6/OME, ML13/OME
Netherlands	Poland	1	ML6/OME
Norway	Finland	1	ML9/OME
Norway	Norway	3	ML6/OME, ML13/OME, ML22/OME
Switzerland	Netherlands	1	ML13/OME
Switzerland	United Kingdom	1	ML4/MEC
Switzerland	USA	1	ML10/OME
United Kingdom	Australia	1	ML5/OME
United Kingdom	Belgium	1	ML5/OME
United Kingdom	Finland	1	ML4/MEC
United Kingdom	Netherlands	2	ML6/OME
United Kingdom	United Kingdom	9	ML4/MEC, ML4/OME, ML5/OME, ML10/OME, ML17/OME
South Africa	Bulgaria	1	ML11/OME
South Africa	Finland	1	ML11/OME

From	To	Number of approvals	Categories of equipment
South Africa	South Africa	1	ML11/OME
Czech Republic	Latvia	1	ML14/OME, ML22/OME
Türkiye	Türkiye	1	ML22/OME
Germany	Netherlands	2	ML6/OME
Germany	USA	1	ML10/OME
USA	Switzerland	1	ML10/OME
USA	United Kingdom	3	ML4/OEM
USA	Germany	1	ML10/OME
USA	USA	15	ML10/OME, ML18/OME
Austria	Ireland	1	ML6/OME
Total		115	

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.

Table 30 Value of actual deliveries of military equipment based on individual supply licences in 2023 broken down by country and category of equipment (SEK)

From	To	Categories of equipment	Value
Estonia	Denmark	ML6/OME	65,586
Estonia	Ireland	ML6/OME	131,172
Estonia	Netherlands	ML6/OME	8,919,696
Estonia	Poland	ML6/OME	896,342
France	Netherlands	ML6/OME	323,593,760
France	Norway	ML4/OEM	1,048,251
France	Czech Republic	ML5/OME	21,204,400
Latvia	Denmark	ML17/OME	321,104
Latvia	France	ML17/OME	301,490
Latvia	Greece	ML17/OME	20,602
Latvia	Netherlands	ML17/OME	1,362,232
Latvia	India	ML17/OME	935,359
Netherlands	Denmark	ML6/OME	29,000,000
Netherlands	Finland	ML6/OME	14,300,000

From	To	Categories of equipment	Value
Netherlands	France	ML6/OME	2,325,000
Netherlands	Ireland	ML6/OME	50,000,000
Netherlands	Netherlands	ML6/OME	1,233,041,680
Netherlands	Poland	ML6/OME	125,600,000
Netherlands	Germany	ML6/OME	39,000,000
Switzerland	Switzerland	ML6/MEC	507,636,000
United Kingdom	Australia	ML5/OME	272,895
United Kingdom	Belgium	ML5/OME	465,750
United Kingdom	Netherlands	ML6/OME	496,390
United Kingdom	Switzerland	ML4/MEC	555,210,247
Czech Republic	Latvia	ML14/OME	14,000,000
Germany	Netherlands	ML6/OME	39,937,603
USA	USA	ML18/OME	2,273,054
Total			2,972,358,613

Civilian firearms

Licences from the ISP are required for exports of civilian 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 civilian firearms 2019–2023

	2019	2020	2021	2022	2023
Export applications	242	213	236	211	245

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.

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Table 32 Number of licences granted concerning exports of civilian firearms 2021–2023 per country

Destination	2021	2022	2023
EUROPE			
Andorra	2	3	2
Faroe Islands	1	2	-
Greenland	2	-	-
Iceland	4	3	3
Montenegro	1	-	-
Norway	96	110	130
Switzerland	15	18	15
United Kingdom	14	10	11
Ukraine	2	1	-
Total	137	147	161
NORTH AMERICA			
Canada	5	2	10
USA	36	18	25
Total	41	20	35
SOUTH AMERICA			
Brazil	1	-	-
Chile	-	1	1
Peru	2	2	-
Uruguay	2	2	-
Total	5	5	1
NORTH EAST ASIA			
Japan	3	4	4
Total	3	4	4
MIDDLE EAST			
UAE	1	-	-
Lebanon	2	-	1
Total	3	-	1
REST OF AFRICA			
Botswana	2	-	2
Namibia	5	1	3

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Destination	2021	2022	2023
South Africa	11	7	11
Tanzania	-	-	1
Zambia	1	3	1
Total	19	11	18
OCEANIA			
Australia	4	3	7
New Zealand	13	4	5
Total	17	7	12
TOTAL	225	194	232

Transfers within the EU

Licences for the 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 Regulation (EU) 2021/821 of the European Parliament and of the Council. 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 from Sweden of dual-use items can take place without a licence. This applies when the export relates to other EU countries.

Table 33 shows the number of applications for transfer licences to other EU Member States during 2023, divided up by granted and denied applications for licences.

Table 33 Number of processed applications for transfer licences to another EU Member State in 2023

Granted	Denials	Total
0	0	0

Exports supported by the 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 2023 went to Australia, Canada, Iceland, Japan, Liechtenstein, Norway, New Zealand, Switzerland, the United Kingdom and the United States. There is a 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 2023 and the total number of notifications since its introduction in 2009.

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

Licences	Notifications in 2023	Notifications since introduction in 2009
EU001	29	313

Exports under other general licences

There are seven general licences, which are not particularly extensive in terms of number of products, 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 2023 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 use of the general licences EU002–EU006

Licences	Notifications in 2023	Notifications since introduction in 2012
EU002	2	9
EU003	2	14
EU004	0	9
EU005	0	2
EU006	0	1

Council Regulation 2021/821 has added two 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 general licences EU007–EU008 during 2023, and the total number of notifications since their introduction.

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

Licences	Notifications in 2023	Notifications since introduction in 2021
EU007	0	5
EU008	4	5

Exports supported by individual and global export licences

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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 Regulation 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 2023 concerning dual-use items, broken down by control regime

Control regime	Granted	Denials
Australia Group (AG)	256	3
Missile Technology Control Regime (MTCR)	21	1
Nuclear Suppliers Group (NSG)	39	0
Wassenaar Arrangement (WA)	364	17
Total	680	21

Table 38 shows applications for export licences concerning products not covered by control through application of Article 4 of Council Regulation 2021/821, the ‘catch-all’ clause. Application of this clause means that products not listed in Annex 1 to Council Regulation 2021/821 are to be covered by licence requirements under a decision in the individual case by the ISP. 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 2023 concerning dual-use items covered by licence requirements under Article 4 (catch-all) of Council Regulation 2021/821

Granted	Denials	Total
5	2	7

Table 39 shows the number of granted and denied applications for export licences under 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 2023 under Council Regulation 267/2012 concerning restrictive measures against Iran

Granted	Denials	Total
146	0	146

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) or Article 2a.(4) 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 (2023) under Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

Granted	Denials	Total
3	2	5

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 (2023) pursuant to Council Regulation No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

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Notifications in 2023

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Table 42 shows the number of granted applications for export licences broken down into nine product categories in Annex 1 to Council Regulation 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 2023 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>	44	4	48
Category 2 <i>Materials processing</i>	300	8	308
Category 3 <i>Electronics</i>	68	5	73
Category 4 <i>Computers</i>	3	0	3
Category 5 <i>Telecommunications and information security</i>	140	37	177
Category 6 <i>Sensors and lasers</i>	71	3	74
Category 7 <i>Navigation and avionics</i>	3	2	5
Category 8 <i>Naval</i>	2	0	2
Category 9 <i>Aerospace and propulsion</i>	8	2	10

Table 43 shows the number of licences granted per country in 2023. 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 for

exports to Australia, Canada, Iceland, Japan, Liechtenstein, Norway, New Zealand, Switzerland, the United Kingdom and the United States.

Table 43 Countries covered by the greatest number of granted export licences for dual-use items in 2023

Country	Number of licences
China	163
India	91
South Korea	69
Brazil	48
Israel	44
Singapore	43
Taiwan	42
Malaysia	33
Chile	30
United Arab Emirates	27
South Africa	27
Türkiye	26
Qatar	24
Mexico	23
Saudi Arabia	22
Thailand	22
Ukraine	22

Table 44 shows the number of denied applications for individual and global licences in 2023 per country. As a general rule, these licences are not required for transfers to countries within the EU or for exports 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 2023

Country	Number of licences denied
China	11
Haiti	4
Kazakhstan	3
Mexico	3
Singapore	3
Egypt	2
Israel	2
Saudi Arabia	2

Vietnam	2
El Salvador	2
Georgia	2
Indonesia	2
Peru	2
Tunisia	2
Belarus	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 2023

Country	Global export licences	Individual export licences	Final use
Brazil	1	-	Telecommunications
Egypt ⁹	-	1	Area protection
United Arab Emirates	-	1	For use in electronic systems
Georgia	-	1	Border surveillance
India	-	3	For naval use, software
Israel ¹⁰	-	1	Area protection
Malaysia	-	5	Software, telecommunications
Oman	1	1	Border surveillance, telecommunications
Pakistan	-	2	For use in electronic systems
Panama	-	1	Telecommunications
Saudi Arabia	1	-	For use in electronic systems
South Korea	-	5	For naval use, coastal surveillance, area protection
Singapore	1	1	For naval use, telecommunications

⁹ The application concerns an export to an international peacekeeping operation.

¹⁰ The application concerns an export to an international peacekeeping operation.

Country	Global export licences	Individual export licences	Final use
United Kingdom	-	1	Materials processing
Ukraine	-	6	Software, telecommunications, etc.
Qatar	1	-	Telecommunications
Total	5	30	

Table 46 **Number of denied applications for export licences concerning dual-use items for military end-users in 2023**

Country	Denials of global export licences	Denials individual export licences	Final use
Saudi Arabia	-	1	For naval use
Vietnam	-	1	Software
Total	-	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 2023 concerning exports of items controlled in Annex I to Council Regulation 2021/821

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Positive preliminary decisions	Negative preliminary decisions	Total
18	9	27

Table 48 shows resolved enquiries regarding whether export licences are required for non-controlled items – the catch-all clause. 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 2023 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
India	-	-	1	1
Iraq	-	1	-	1
Kazakhstan	1	-	-	1
China	-	2	1	3
Pakistan	-	2	-	2
United Kingdom	2	-	-	2
Taiwan	-	-	1	1
Türkiye	-	-	1	1

Ukraine	1	-	-	1
Total	4	5	4	13

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
Australia	0	1	0C001
Belgium	1	0	0D001, 0E001
Bulgaria	0	2	0A001d, 0A001f, 0A001h
Denmark	2	0	0D001, 0E001
Finland	2	7	0A001c, 0A001d, 0A001f, 0A001h, 0D001, 0E001
France	3*	4	0A001f, 0A001g, 0A001h, 0D001, 0E001
Italy	1	0	0D001, 0E001
Japan	0	2	0A001f, 0C002
Canada	1	1	0A001f, 0A001h, 0D001, 0E001
Croatia	1	1	0E001
Netherlands	1	0	0E001
Norway	0	12	0C001
Switzerland	1	0	0D001, 0E001
Slovakia	2	0	0D001, 0E001
Spain	2	7	0A001d, 0A001f, 0A001h, 0D001, 0E001
United Kingdom	1	4	0A001d, 0A001f, 0A001h, 0C001, 0C002, 0D001, 0E001
Czech Republic	2	2	0A001d, 0A001f, 0A001h, 0D001, 0E001
Germany	7*	1	0D001, 0E001
Hungary	1	0	0D001, 0E001
USA	14	7	0A001d, 0A001f, 0A001h, 0C001, 0C002, 0D001, 0E001
Austria	1	0	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 2023

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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	-
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	-	-	-
South Korea	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

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

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

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Developments internationally and their impact on export control regimes

Russia's full-scale war of aggression against Ukraine continued in 2023 and the build-up of military forces that is occurring around the world, combined with greater Swedish participation in international defence cooperation, led among other things to a large increase in export cases for military equipment.

The Government has stated that Sweden's 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. In 2023, the Inspectorate of Strategic Products (ISP) continued its work to establish a common practice that is consistent with the changing defence, security and foreign policy conditions. In 2023, the Government decided to task an inquiry chair with reviewing the guidelines for export and other foreign cooperation in the area of military equipment in light of a Swedish membership of NATO. A report on the task is to be presented by 30 November 2024 at the latest.

On 1 December 2023, Sweden introduced a screening system for foreign direct investments in activities in need of protection, in order to protect Swedish security interests. The Government appointed the ISP as the responsible authority. In some ways, the screening system supplements the export control regime.

On 20 June 2023, the EU presented a European Economic Security Strategy. It is based on the principles of protecting, promoting and partnering with like-minded countries. Both export control and the screening of foreign direct investment are important pillars of the EU's strategy. The strategy proposes measures to further enhance protection and to explore the possibility of introducing a control regime for outbound investments in certain activities in need of protection from EU Member States to non-EU countries.

A troubled international environment and a deteriorating security policy situation have meant that export control has become increasingly important in preventing the proliferation of components and technology that are fundamentally civilian but can be used militarily. In particular in the context of the far-reaching sanctions that the EU has imposed against Russia, export controls, in the form of trade restrictions, have played an important part in trying to prevent the Russian defence industry from supplying the Russian military with equipment. The task of preventing the diversion of strategic products to Russia and the circumvention of sanctions permeates all licence application procedures at the ISP, regardless of the end-user country.

International sanctions against Russia

As a consequence of Russia's full-scale invasion of Ukraine, since February 2022 the EU has partnered with other countries in introducing a series of far-reaching sanctions packages against Russia. The sanctions include a prohibition on the export of certain dual-use items to Russia or for use in Russia. The prohibitions also cover 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. There are only very limited possibilities for exemptions from these export prohibitions. The Government has appointed the ISP as the competent authority for the aforementioned sanctions.

The extensive trade-related sanctions that the EU and its partner countries have imposed on Russia in stages are an important part of the political and economic pressure being maintained on 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. The twelve sanctions packages introduced by the EU in 2022 and 2023 have meant that the lists of products covered by ISP's responsibility have gradually expanded.

Military support to Ukraine

In 2022 and 2023 and following approval from the Riksdag, the Government decided to provide considerable military support to Ukraine. Most of this support has required the ISP's authorisation under the Military Equipment Act. In total in 2023, the ISP granted 21 export licences concerning donations of military equipment from Sweden to Ukraine

Furthermore, the ISP granted 16 export licences for direct sales of military equipment from the Swedish defence industry to Ukraine during 2023. Additionally on 25 occasions during the year, the ISP has granted other countries that possess military equipment manufactured in Sweden the right 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 scope of export control in Sweden

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 70 billion per year. Export control covers 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.

Swedish industry is advanced and often at the forefront of technology. This applies to the defence industry, which develops, manufactures and sells military equipment, as well to industries that manufacture, develop and sell items and technologies covered by the dual-use items regulatory framework. Dual-use items and technology produced by this industry are highly sought after, not only for civilian use but also for military use.

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

The purpose of export control

The main and overall purpose of export control is often expressed as the non-proliferation of certain products or technologies to undesirable recipients. An undesirable recipient could be either an end-user country or, for example, a terrorist organisation. Another important purpose of export control is that – particularly during times of crisis – a country will not want to export products that it might 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.

In the ISP's assessment, put simply there are two main reasons why a country that manufactures military equipment or dual-use items would not want the equipment or items to proliferate to undesirable recipients. The first is that the exports would pose a threat to the security of the exporting country, or that of its allied or close partner countries. The second is that the exports would run counter to 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 in many countries around the world. The world's total military expenditure now stands at a level equivalent to what existed during the Cold War.

During 2023, the Swedish defence industry received extensive orders, from within Sweden as well as from countries abroad. In 2023, the ISP granted export licences to a value of just under SEK 28 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 2024.

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

The arms build-up is placing heavy 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 placed 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 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 entails risks of technology regarded as sensitive in terms of the defence capabilities of Sweden, its allies and close partner countries being proliferated in a way previously unimaginable. Business models where a country with which the Swedish defence industry partners or in which it undertakes research and development wishes to sell a system containing Swedish technology to a recipient that Sweden deems undesirable 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 a subcontractor to a partner country that is responsible for the system in relation to the end customer.

With the aim of avoiding – or in any case mitigating – tensions arising from 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 product assembled in the country that manufactures the system, the subcontractor country will not block an 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 agreement between France and Germany, three of the six countries which are parties to the six-nation agreement are also parties to the specific agreement on export control and third-country exports.

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, e.g. 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 on 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 supplies controlled products subject to supervision by the ISP. This includes sales within and outside Sweden. A declaration must also be made by those who produce, prepare, consume, import or export chemical precursors (starting substances) that can be used for the manufacture of chemical warfare agents.

Where an exporter ought to be aware of or has 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 the production, etc. of weapons of mass destruction; for a military end-use in a country under a weapons embargo; or for use as parts or components of military equipment that has been exported from a Member State's territory without a licence or in breach of 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 should 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

From the above it follows that a licence may be required under Article 4 of the Dual-Use Regulation 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 intended, in its entirety or in part, for use 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 has reason to suspect that an item is intended, in its entirety or in part, for uses regulated in Articles 4(1) of the EU Regulation, they are required to report this to the Swedish authorities. The ISP will then determine whether a licence is required for the export.

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

Abbreviations

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Annex 5

AG	Australia Group
ATT	Arms Trade Treaty
BTWC	The Biological and Toxin Weapons Convention
CWC	Chemical Weapons Convention
COARM	Working Party on Non-Proliferation and Arms Exports Sub-Working Group on Conventional Arms Exports
CoCom	Coordinating Committee on Multilateral Exports Controls
CONOP	Working Party on Non-Proliferation and Arms Exports Sub-Working Group on Non-Proliferation and Disarmament
DUCG	Dual-Use Coordination Group
EDF	European Defence Fund
EKR	Export Control Council
EU	European Union
FMV	Swedish Defence Materiel Administration
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
MEC	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	Treaty on the Non-Proliferation of Nuclear Weapons
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
OME	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/>
International Atomic Energy Agency: www.iaea.org
Inspectorate of Strategic Products: www.isp.se
Missile Technology Control Regime: www.mtrc.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