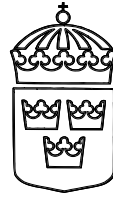


# Government Communication

## 2014/15:114



### Strategic Export Control in 2014 – Military Equipment and Dual-Use Items

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Comm.  
2014/15:114

The Government hereby submits this communication to the Riksdag.

Stockholm on 12 March 2015

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## Main contents 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 2014. The Communication also contains a report detailing exports of military equipment during 2014. In addition, it describes the cooperation in the EU and other international forums on matters relating to strategic export controls on both military equipment and dual-use items.

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# 1 Government Communication on Strategic Export Control

In this Communication the Government provides an account of its policy regarding strategic export control in 2014, i.e. the export control of *military equipment* and *dual-use items*. Controlling exports of military equipment is necessary in order to meet both our national objectives and our international obligations, by ensuring that the products exported from Sweden go to approved recipient countries in accordance with established guidelines. Military equipment may only be exported if there are security and defence policy reasons for doing so, and provided there is no conflict with Sweden's foreign policy. Applications for licences are considered in accordance with both the Swedish guidelines on exports on military equipment and the criteria in the EU Common Position on Arms Exports. As of June 2014, export applications are also examined under the criteria in the United Nations (UN) Arms Trade Treaty (ATT).

The multilateral agreements and instruments relating to disarmament and non-proliferation are important manifestations of the international community's efforts to prevent the proliferation of and uncontrolled trade in dual-use items (DUIs) that can be used to produce weapons of mass destruction. The objectives behind these efforts are fully shared by Sweden. However, there is also a need for the agreements to be supplemented by strict and effective national export controls to achieve the declared objectives. Export controls are therefore a key instrument for individual governments when it comes to meeting their international obligations with respect to non-proliferation.

This is the thirty-first time that the Government has reported on Sweden's export control policy in a Communication to the Riksdag. The first Communication was presented in 1985. Sweden was at that time one of the first countries in Europe to provide a transparent account of the preceding year's export control activities. In addition to informing the Riksdag of Sweden's export control policy, the communication is intended to provide a basis for wider discussion of issues related to export controls on military equipment and Dual-Use items.

Over the years, the Communication has been developed from a brief compilation of Swedish exports of military equipment without extensive explanations, to a relatively 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. The Government continually strives to increase transparency in the area of export control.

This Communication consists of three parts and a section on statistics. The first part contains an account of Swedish export controls of military equipment. The second part deals with Swedish export controls of dual-

Comm. 2014/15:114 use items. In the third part, the Government presents the authorities responsible for this area. There then follows a section containing statistics covering Swedish exports of military equipment and dual-use items. At the Government's request, the Inspectorate of Strategic Products (ISP) and the Swedish Radiation Safety Authority (SSM) supply data for this Communication. The statistics in this Communication supplement the information available in these authorities' own publications.

### **Significant events during the year**

Following parliamentary reading of Govt. Bill 2013/14:190 on Sweden's accession to the UN Arms Trade Treaty, Sweden ratified the treaty on 10 June 2014. The Government decided at the same time that Sweden would begin to apply the core provisions of the treaty immediately. Once 50 ratifications had been achieved during the course of the autumn, the treaty entered officially into force on 24 December 2014. Preparations for the first conference of the states parties, planned for the late summer of 2015, were also begun during 2014. Sweden has taken active part in these efforts and has also proposed a Swedish candidate for head of the secretariat to be agreed on at the first states parties' conference and instituted following it.

As a result of the Arms Trade Treaty's entry into force, work also continued on updating Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment.

In December the Supervisory committee for military equipment exports (Krigsmaterielexportöversynskommittén, or KEX, in Swedish) presented an interim report that included a proposal for the introduction of so-called pecuniary sanctions for violations of the regulatory frameworks for export control. The Government has extended the committee's deadline for presenting its final report until 15 April 2015.

The next step was taken in 2014 in the ongoing review of the EU common regulatory framework, with the presentation by the Commission of a communication and the adoption by the Council of Council conclusions to serve as guidance in the continued work on the review. The Commission's working document *Strategic export controls: ensuring security and competitiveness in a changing world* summarises the results of a wide-ranging public consultation that has taken place.

### **Summary of the statistical data**

The account of Swedish exports of military equipment in 2014 is appended to this Communication. Statistics from the last few years are also shown, as individual sales and deliveries of major systems may cause wide fluctuations in the annual statistics. The information in this Communication is based on the statutory annual reports for 2014 made by the military equipment-exporting companies and the relevant authorities, as compiled by the ISP.

54 countries, as well as UN bodies, received deliveries of Swedish military equipment in 2014. Additionally, seven countries outside of the EU received hunting and sport shooting ammunition exclusively

The value of the exports of military equipment actually delivered over the course of 2014 was approximately SEK 8 billion. Total exports have thus decreased by about 33 per cent compared with 2013. It should be noted, however, that of the actual exports in 2014, just over SEK 600 million consists of equipment (technical assistance and armour plate) that was not subject to export controls in Sweden prior to 30 June 2012. In 2014 the share of deliveries of bigger systems has decreased, which has a considerable statistical effect. The largest individual recipients of Swedish military equipment in 2014 were the United States of America (SEK 1 318 million), Norway (SEK 1 269 million), Thailand (SEK 532 million), the United Kingdom (SEK 527 million) and India (SEK 468 million). Exports to the USA were mainly of ammunition and naval subsystems (weapons and command and control systems). Deliveries of Combat Vehicle 90 to Norway continued. Exports to Thailand were mainly to do with maintenance of delivered airborne systems, and ammunition. Deliveries to the UK were mainly of spare parts for vehicles, and ammunition. With regard to traditional partner countries, it may be noted that exports to France, Germany, Australia and Canada were also considerable.

The value of the export licences granted in 2014 amounted to SEK 4.5 billion, which is a reduction by 54 per cent on 2013 (c. SEK 9.8 billion).

The statistical report also contains an account of Swedish exports of dual-use items (DUIs). Unlike the situation with exports of military equipment, the companies involved do not submit any delivery declarations. The number of cases involving DUIs and sanctions has continued to increase in 2014. The share of cases concerning financial transactions that affect sanctions increased by about 150 per cent in 2014 (see Table 1 in Appendix 2).

## 2 Military Equipment

### 2.1 Background and regulatory framework

Controls on exports of military equipment are necessary to ensure that the products exported from Sweden go to approved recipient countries. The regulatory framework for Swedish export controls consists of the Military Equipment Act (1992:1300) and the Military Equipment Ordinance (1992:1303), as well as the Government's guidelines on exports of military equipment, as approved by the Riksdag. Military equipment may only be exported if there are security and defence policy reasons for doing so, and provided this does not conflict with Sweden's foreign policy. In addition, the EU's Common Position on Arms Exports (2008/944/CFSP) must be applied when assessing licence applications nationally, as must, since June 2014, the UN Arms Trade Treaty. As an

Comm. 2014/15:114 independent authority, the ISP is tasked with assessing licence applications in accordance with the regulatory framework.

Under the Military Equipment Act, export controls cover the manufacture, supply and export of military equipment, as well as certain agreements on rights to manufacture military equipment etc. In accordance with the same Act, a licence is required to carry out training with a military purpose. The Act applies both to equipment designed for military use and that constitutes military equipment under government regulations and to technical support regarding military equipment that, according to the government regulations, constitutes technical assistance. The list of military equipment and technical assistance in the appendix to the Military Equipment Ordinance 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.

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 has primarily been implemented in Swedish law by means of the Military Equipment Ordinance.

### **Parliamentary inquiry to review exports controls on military equipment**

The Government is due to put forward a proposal to the Riksdag for new military equipment legislation aimed at tightening export controls vis-à-vis non-democratic states.

In the Parliamentary Committee on Foreign Affairs' report 2010/11:UU3, the Riksdag expressed its opinion that the Government would have to come back to the Riksdag with a proposal for new military equipment legislation aimed at tightening controls on exports to non-democratic states.

On 1 June 2012 the then Government decided to appoint a parliamentary inquiry to review export controls on military equipment. This inquiry, consisting of representatives of all eight political parties in the Riksdag, is tasked with conducting an inquiry into future Swedish export controls on military equipment and the regulatory framework surrounding these. The main purpose of the inquiry is to submit proposals for new military equipment legislation with the aim of tightening controls on exports to non-democratic countries (T.o.R. 2012:50). Hans Wallmark, Member of Parliament, a member of the Parliamentary Committee on Defence and the Defence Commission, and a deputy member of the Committee on Foreign Affairs, was appointed chairman. In December 2014 former Minister for Foreign Affairs and Deputy Prime Minister Lena Hjelm-Wallén was appointed deputy chairman.

The Terms of Reference are based on the principles underpinning Swedish foreign, defence and security policy and Sweden's international undertakings in the areas of export controls and human rights.

The inquiry's task is made up of two main parts. One concerns the overarching issue of tightened export controls for military equipment to non-democratic states, and related corollary issues. The other part

concerns the issue of a more effective system of sanctions in the Military Equipment Act and the Act on the control of dual-use items and of technical assistance (the DUI Act).

In an interim report on 12 December 2014, the inquiry presented its proposal for how the sanctions system might be improved. Among other things, the inquiry found that the present system of sanctions in the Military Equipment Act and the DUI Act is not effective in preventing some of the violations that occur. The sanctions system should therefore be changed so that it becomes more readily applicable against less serious violations. The inquiry proposed that a sanction switch be made in the Military Equipment Act and the DUI Act. This would involve replacing or supplementing penal sanctions with administrative sanctions. The inquiry's assessment was that the proposed change would lead to improved confidence in and observance of export control legislation. It also proposed certain other change regarding supervision.

The Government decided on 27 November 2014 to extend the inquiry's deadline (Dir. 2014:148). The inquiry is now due to present its final report by 15 April 2015.

### **Export controls and the Policy for Global Development**

The Government would like to see a restart of the shared policy for equitable and sustainable global development. Sweden's Policy for Global Development (PGD) (Govt. Bill 2002/03:122), gives all of the Government's policy areas a remit to formulate and implement policy in a way that strengthens the Swedish contribution to equitable and sustainable global development. PGD is based on the idea that global development challenges require shared solutions in which all parties assume their responsibility. Policy must be characterised by a rights perspective and by poor people's perspectives on development.

A restart for the PGD involves making the policy central to the Government's work, and this work is framed by the implementation of new global sustainability goals after 2015. Coherence regarding the three dimensions of sustainable development (social, economic and environmental) is essential. The Government will also continue to strengthen efforts to manage what are referred to as conflicts of interest and goal conflicts within PGD.

The Government's desire is to avoid any effects of Swedish exports of military equipment that negatively affect efforts to contribute to equitable and sustainable global development. Certain aspects of the PGD are taken into account in assessments of Swedish exports of military equipment, for example 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 there is a risk of seriously hampering sustainable development. The Common Position also has a User's Guide that provides more details about how the criteria in the Common Position should be applied. The Government works to ensure that Swedish exports of military equipment take into account the PGD's objective of equitable and sustainable global development. The Supervisory

Comm. 2014/15:114 committee for military equipment exports will also take into account the PGD and Swedish export controls. The committee will investigate how this area has been transformed in practice and how changes have taken place over time.

### **Combating corruption in the international arms trade**

Both the giving and accepting of bribes have long been criminal offences under Swedish law. In addition, the reform of bribery legislation in 2012 introduced a provision making the funding of bribery through negligence a criminal offence. This provision is targeted, for example, at cases in which a parent company in Sweden creates, through negligence, the conditions under which bribery is committed within the scope of a subsidiary's operations abroad.

The Government takes strong exception to all forms of corruption in international business transactions. In various international forums, Sweden actively promotes the effective application of conventions prohibiting bribery in international business transactions. For example, this applies to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions from 1997 and the UN Convention against Corruption from 2005. Sweden was audited in a 2013 peer review within the framework of the UN Convention against Corruption. The final report noted, among other things, that Sweden has a robust institutional framework in place to combat corruption. Sweden was also audited under the OECD Convention in June 2014. This audit highlighted the progress Sweden had made in the area.

The Government urges companies to follow the principles of the UN Global Compact, which addresses human rights, labour law, the environment and efforts to combat corruption, and to apply the OECD's guidelines for multinational companies.

The Government welcomes initiatives taken by manufacturers of military equipment – initially on a European basis through the European trade association, the AeroSpace and Defence Industries Association of Europe (ASD), and then jointly with its American counterpart – to develop and apply an international code of conduct, including zero tolerance of corruption. The largest Swedish trade association, the Swedish Security and Defence Industry Association (SOFF), which represents more than 95 per cent of companies in the defence industry in Sweden, also requires prospective members to sign and comply with its Code of Conduct on Business Ethics as a condition of membership. The Swedish Defence and Security Export Agency (FXM) and SOFF have also produced a web-based anti-corruption training programme.

## **2.2 The role of exports from a security policy perspective**

The foundations of today's Swedish defence industries were laid during the Cold War. Sweden's policy of neutrality, as it was drawn up



following the Second World War, relied on a strong defence force and a strong national defence industry. The ambition was that Sweden would be independent of foreign suppliers. The defence industry thus became an important part of Swedish security policy.

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. Sweden and its partner countries are mutually dependent on contractual obligations and supplies of components, subsystems and finished systems, as well as products manufactured in each country.

In its report *Sweden's Defence: a stronger defence for insecure times* (Ds 2014:20), the Defence Commission maintains that Sweden's security is built up together in solidarity with others and that threats to peace and security are best averted together and in collaboration with other countries and organisations. It is in Sweden's security interest to safeguard long-term and continuous cooperation on equipment issues with traditional partner countries. This mutual cooperation is based on both exports and imports of military equipment.

It is likewise in Sweden's foreign policy and security interest to be able to contribute to international peace and security through active participation in international peace support operations. Sweden's capability to act effectively in such operations is dependent on our equipment being interoperable with that of our cooperation partners, as well as on the equipment being technically mature, reliable and accessible. In many cases this is more important than the equipment being of the highest level of technical performance.

In the Budget Bill for 2015 (Govt. Bill 2014/15:1), the Government emphasises that the armed forces are a national concern, and that the choice of security arrangements made by EU member states is reflected in equipment supply, e.g. regarding the view of security of supply and the maintenance of strategic competence for military capacities. The continued work on industry and market issues within the EU should therefore consider the distinctive nature of the military equipment market, and the need to meet the security interests of the member states within the framework of the common market. The possibility of maintaining the transatlantic link should also be considered in this context.

The Government further believes that participation in bilateral and multilateral equipment cooperation should constitute a clear and cost-effective contribution to the Swedish Armed Forces' operative capability.

As civilian-military collaboration increases and new technologies are made available for military applications, growing numbers of IT companies and other high-technology companies deliver products and services to the defence sector. An internationally competitive level of technological development contributes to Sweden continuing to be an attractive country for international cooperation. This also implies greater opportunities for Sweden to influence international cooperation on export control as part of an international partnership than would otherwise be the case. While this applies principally within the EU, it can also be applied in a broader international context.

Comm. 2014/15:114 An important issue in the coming years will be the follow-up to the European Council's discussion in December 2013 about the common defence and security policy, and its significance for equipment supply, to be held at the European Council's meeting in the summer of 2015.

Sweden participates in various cooperation projects conducted by the European Defence Agency (EDA). The Government's fundamental position is that Sweden should participate in and influence the processes that are getting underway to deepen European cooperation, which also relates to the work as part of the European Defence Agency. Cooperation as part of the EDA has led to better opportunities for the Swedish Armed Forces to function effectively, and has also improved prospects for a more effective supply of military equipment.

By participating in the Six-Nation Initiative between the six countries in Europe with the largest defence sectors (Framework Agreement/Letter of Intent, FA/LoI), Sweden can influence the development of defence industrial policy and defence export policy in Europe. This will have a major impact on the EU's emerging common defence and security policy, both directly and indirectly.

Cooperation in multilateral frameworks pays dividends in terms of resource utilisation from a European perspective and increasingly harmonising and improving European and transatlantic cooperative capability. In this context, the EDA and NATO/the Partnership for Peace, together with the FA/LoI and Nordic Defence Cooperation (NORDEFECO), are vital.

### **Areas of activity**

Currently, the most important military product areas for Swedish defence and security companies are:

- combat aircraft, manned and unmanned,
- surface vessels and submarines
- combat vehicles, tracked vehicles,
- short and long-range weapons systems: land and sea-based and airborne,
- small and large-bore ammunition,
- smart artillery ammunition,
- land and sea-based and airborne radar and IR systems,
- electronic warfare systems: passive and active,
- telecommunications systems, including electronic countermeasures,
- command and control systems for land, sea and air applications,
- systems for exercises and training,
- signature adaptation (e.g. camouflage systems and radar),
- systems for civil protection,
- decryption equipment,
- torpedoes,
- maintenance of aircraft engines,
- gunpowder and other pyrotechnic materials,
- services and consultancy
- support systems for operation and maintenance.

## 2.3 Cooperation within the EU on export control of military equipment Comm. 2014/15:114

### **EU Common Position on Arms Exports**

The EU member states have national rules concerning the export of military equipment. However, the member states have to some extent chosen to coordinate their export control policies. The Code of Conduct on Arms Exports, adopted in 1998, specified common criteria for exports of military equipment, to be applied in conjunction with national assessments of export applications. Member states may still have their own, stricter guidelines. The Code of Conduct was made stricter in 2005, and was adopted as a Common Position in 2008 (2008/944/CFSP).

The Common Position is applied by all EU member states. Some countries that are not members of the EU have also officially adopted the criteria and principles of the Position, including Bosnia and Herzegovina, Canada, the Former Yugoslav Republic of Macedonia, Iceland, Montenegro and Norway.

The first part of the Common Position contains eight criteria that must all be taken into consideration before deciding whether to approve arms exports to a given country. These criteria concern

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

With regard to the situation in the recipient country, human rights and international humanitarian law must be taken into account, as well as whether there are tensions or armed conflicts in the country, risks of the weapons being diverted or re-exported and whether the export would seriously hamper the sustainable development of the recipient country. The situation in the region refers to stability in the area and the risk of the recipient being able to use the weapons in a regional conflict. Finally, the exporting country and the recipient country's international undertakings are to be considered. For example, arms embargoes must be respected, the national security of member states must be considered and the behaviour of the recipient country in the international community is to be taken into account. The latter relates, among other things, to the country's attitude towards terrorism, the nature of its alliances and its respect for international law. The Common Position's seventh criterion addresses the risk of diversion to an unintended recipient. The eighth criterion prescribes that the exported military technology or equipment must be compatible with the recipient country's technological and economic capacity. The Common Position also includes a list of the products it covers (the EU Common Military List), and a User's Guide 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.

In accordance with the rules for implementing the Common Position, member states must exchange details of export licence applications that have been denied. If another member state is considering granting a licence for an essentially identical transaction, consultations are to take place before the licence can be granted. The consulting member state must also inform the notifying state of its decision. The exchange of denial notifications and consultations on the notifications make export policy more transparent and uniform throughout the EU. The consultations lead to greater consensus on different export destinations. Member states notifying each other about the export transactions that are refused reduces the risk of another member state approving the export. Accordingly, the idea behind the system is that once other member states have been informed of the denial of a certain export, the same export will not be approved by another member state. The ISP is responsible for issuing details of Swedish denials and arranging consultations.

In 2014, Sweden received 397 denial notifications from other member states and Norway. Sweden issued 23 denial notifications. These applied to Algeria, Bahrain, Colombia, Egypt, India, Indonesia, Iran, Israel, Ivory Coast, Kazakhstan, Kuwait, Lebanon, Myanmar (Burma), Paraguay, Russia, Saudi Arabia (2), Serbia, Thailand, Tunisia, Turkey, Ukraine and United Arab Emirates.

As part of the review of the Common Position, EU member states agreed in 2013 to share denial notification in more situations than was previously the case. Consequently, the current number of notifications is not entirely comparable with figures from previous years.

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 in other cases. Swedish export control does not use a system involving lists of countries, i.e. predetermined lists of countries that are either approved or not approved as recipients. Each export application is considered on a case-by-case basis in accordance with the guidelines adopted by the Government for exports of military equipment, the EU Common Position on Arms Exports and the UN Arms Trade Treaty

### **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 and exchange views on 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. The latest report was published in the EU's Official Journal (C18) on 21 January 2014.

Since the criteria in the Common Position span a number of different policy areas, the goal is to achieve and increased and clear coherence between these areas. Sweden works actively to ensure member states adopt a common approach.

Within the framework of the COARM dialogue there is also a continuous exchange of information between EU member states

regarding existing international cooperation in the area. The ambition is to find common ground that can strengthen the member states' actions in other forums. An example of this is the considerable coordination of the member states' participation in the 2010-2013 negotiations in the UN about the Arms Trade Treaty. Over the course of the year, the group's work has focused on updating the Common Position's User's Guide in order to adapt it to the entry into force of the Arms Trade Treaty. The Guide will be updated with the adoption of the Council conclusions when the review has been formally concluded.

The member states have also continued talks on the possibility of increased disclosure, in certain particularly sensitive situations, of export control practice between member states. These talks have not yet led to a completed proposal.

### **Work on EU Directive 2009/43/EC on intra-community transfers of defence-related products**

During the Swedish presidency in 2009, the EU adopted a directive (2009/43/EC) with the aim of facilitating transfers of military equipment within Europe, a.k.a. the ICT Directive. The intention was to allow for more competitive groups of defence companies and defence cooperation at the European level. The Commission is in charge of implementation of the directive with the assistance of a committee of member state representatives, the ICT Committee. This committee held two meetings in 2014. It also carried out a workshop on experiences of the directive with EU member states and defence industry representatives. The purpose of the workshop was to prepare the review of the directive that the Commission intends to carry out in 2015, prior to reporting to the European Parliament and the Council in June 2016.

### **Control of arms brokering**

To tackle the problem of uncontrolled arms brokering and avoid the circumvention of arms embargoes, the Council adopted a Common Position (2003/468/CFSP) on the control of arms brokering in 2003. In accordance with this, the member states agree to adopt the measures necessary to control arms brokering within their territory. Control of arms brokering in Sweden was already good due to the provisions of the Military Equipment Act. Work to produce appropriate mechanisms for the exchange of information about registered arms brokers between member states is taking place as part of COARM. In Sweden, some 25 companies are registered as brokers of products classified as military equipment.

### **Article 10 of the UN Firearms Protocol**

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 United Nations Convention against Transnational Organized Crime (UN Firearms Protocol), and establishing export authorisation, and import and transit

Comm. 2014/15:114 measures for firearms, their parts and components and ammunition was adopted on 14 March 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; as far as Sweden is concerned, this means, on the one hand, exports from Sweden to third countries and, on the other, exports from another member state to a third country in cases where the supplier is established in Sweden.

The Regulation covers firearms etc. for civilian use. It does not apply to firearms etc. specially designed for military use, or to fully automatic weapons. Furthermore, bilateral transactions, firearms etc. destined for the armed forces, the police or the public authorities of the member states, collectors and bodies concerned with the cultural and historical aspects of firearms etc., deactivated firearms and antique firearms and their replicas 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 covered by the Common Position must be taken into consideration when assessing licence applications.

The Regulation is valid in Sweden immediately and is applied effective from 30 September 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 2014 it received 277 applications and issued 268 export licences.

### **Arms embargoes etc.**

Within the scope of its Common Foreign and Security Policy (CFSP), the EU implements embargoes 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 European Union may be regarded as an expression of the member states' desire to act collectively on various security policy issues. An arms embargo adopted by the EU is implemented in accordance with each member state's national export control regulations. EU arms embargoes normally also include a prohibition on the provision of technical and financial services relating to military equipment. These prohibitions are governed by Council Regulations under EU law. Embargoes on trade in dual-use items are governed by both Council decisions and EU Regulations. These are normally also accompanied by a prohibition on the provision of technical and financial services relating to these items.

A decision by the UN Security Council, the EU or the Organisation for Security and Cooperation in Europe (OSCE) to impose an arms embargo represents an unconditional obstacle to Swedish exports in accordance with the Swedish guidelines for exports of military equipment. If an arms embargo also applies to imports, special regulations on the prohibition are issued in Sweden. Such regulations have previously been issued for

Iran, Libya and North Korea. As a result of EU sanctions against the Russian Federation, the Government decided in December 2014 to impose an arms embargo on Russia.

There are currently formal EU decisions, either independent or based on UN decisions, that arms embargoes apply to Afghanistan, Belarus, the Central African Republic, the Democratic Republic of Congo, Eritrea, Guinea, Iraq, Iran, Ivory Coast, Lebanon, Liberia, Libya, Myanmar (Burma), North Korea, the Russian Federation, Somalia, South Sudan, Sudan and Zimbabwe. The embargoes vary somewhat in their focus and scope. There are also individually targeted arms embargoes against individuals and entities currently named on the UN terrorist lists. 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. Sweden does not permit the export of any military equipment to China. In accordance with OSCE decisions, there are also arms embargoes against Armenia and Azerbaijan.

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

A list of all applicable EU legal acts concerning sanctions, including those relating to arms embargoes and embargoes on dual-use items can be found on the website of the European External Action Service.

## 2.4 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 UN Institute for Disarmament Research (UNIDIR).

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/missile launchers. Following reviews by the UN, most recently in 2006, the definitions of the categories have been expanded to include more weapons systems and it is now also possible to report trade in small arms and light weapons (SALW). Particular importance is now attached to man-portable air defence systems (MANPADS), which have been included in the category of missiles/missile launchers since 2003. The voluntary reporting also includes information on countries' stockpiles of the weapons in question and procurements from their own defence industries. In consultation with the Ministry of Defence and the ISP, the Ministry for Foreign Affairs

Comm. 2014/15:114 compiles annual data, which is submitted to the UN in accordance with the resolution.

As reports have been submitted by all of the large exporters and most large importers, it is estimated that most of the world's trade in heavy conventional weapon systems is covered by the Register.

Sweden's share of world trade in heavy weapons systems continues to be limited. The report that Sweden will make to the UN register for 2014 will include exports to Germany (Leopard 2 tank), Norway (Combat Vehicle 90), Finland (BV 308 tracked vehicle and Advanced Mortar System, AMOS), Brazil (RBS 70 MANPADS) and to Singapore (RBS 70 MANPADS)..

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

The Wassenaar Arrangement's (WA) reporting mechanism 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 (SALW) 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 dual-use items and technology are also reported twice yearly.

### **The UN Arms Trade Treaty (ATT)**

The UN General Assembly voted to adopt the Arms Trade Treaty on 2 April 2013, with 154 votes in favour, 3 against and 23 abstentions. 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.

Sweden and the other EU countries signed the treaty when it was opened to signatories on 3 June 2013. By the end of 2014, 130 countries had signed and 61 had also ratified the treaty. The treaty came into force on 24 December 2014, 90 days after the 50th ratification instrument had been deposited with the UN Secretary-General.

During the spring of 2014 the Government presented a bill for the incorporation of the UN Arms Trade Treaty. With the approval of the Riksdag, Sweden ratified the ATT on 10 June 2014. In connection with this, the Government also decided that the treaty's articles 6 and 7 would be applied immediately by Sweden, even if the treaty at that point had not yet come into force.

EU member states continued in 2014 to coordinate their actions concerning the ATT using a special subgroup of COARM. Significant efforts are being made to promote the universal adoption of the treaty, through dialogue with other countries and regional groupings. The Council of the European Union has also allocated funding for a three-year programme to support other countries' implementation of the ATT and thus their opportunity to adopt the treaty. This support for implementation began in the second half of 2014. A fund has also been



set up within the UN for cooperation on arms regulation (UNSCAR), which includes funding to projects that support the implementation of the ATT. Sweden is one of around 10 countries that have contributed to this fund.

With the entry into force of the ATT, work has begun on implementing it. The treaty stipulates that the first meeting of the states parties is to be held within a year of the entry into force. Intensive preparations are underway to lay the groundwork for this meeting. An international secretariat for the treaty is to be established. A continued dialogue on these and other issues is taking place with civil society and representatives from the industry – internationally, at the EU level and in Sweden.

The Government attaches great importance to a widespread adoption and effective implementation of the ATT. Sweden has actively contributed to the genesis of the ATT and will continue to support it. The Government's assessment is that a universal, legally binding treaty that strengthens global control of the conventional arms trade is an effective way of dealing with the cross-border illicit arms trade which, in many parts of the world, sustains violence, armed conflicts and instability at regional or national levels, causes extensive humanitarian suffering, and hampers or thwarts economic development.

### **Small arms and light weapons (SALW)**

The expression 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 several persons. Examples of the former category include pistols and assault rifles. Examples of the latter include machine guns, rocket-propelled grenades and portable surface-to-air 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.

In 2001, the United Nations adopted a programme of action to combat the illegal trade in small arms and light weapons. The aim of the UN's work is to raise awareness about the destabilising effect small arms and light weapons have on regions suffering from conflict. Non-proliferation is also important in combating criminality and, not least, terrorism. As a result of the entry into force of the ATT, and as the number of states parties to it grows, efforts under the UN programme of action will be able to benefit from greater control of legal trade and focus on other measures to combat the illegal spread of SALW.

The EU last revised its Joint Action on combating the destabilising accumulation and illegal spread of small arms and light weapons in 2002. Implementation of the EU strategy with an action plan to combat the illegal spread of small arms and light weapons, which was adopted by the European Council in 2005, has continued over the course of the year. The Council publishes status reports on the EU strategy and its progress twice a year.

Comm. 2014/15:114 The Council's conclusions from 2008 concerning the introduction of a special SALW clause in international agreements between the EU and third countries was revised in 2014, on Sweden's initiative, to also reflect the entry into force of the ATT, with respect to the regulation of legal arms trading.

During the year Sweden has reported exports of SALW to the UN arms trade register as well as to the OSCE register of trade in conventional weapons. The Wassenaar Arrangement (WA) also includes an obligation to report trade in these arms, among others. Sweden is working towards a situation where every country establishes and implements 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.

### **The Six-nation Initiative – Letter of Intent (LoI)**

In 2000, the six nations in Europe with the largest defence industries (France, Italy, Spain, the United Kingdom, Sweden and Germany) signed an important defence industry cooperation agreement at the governmental level, known as the Framework Agreement. This agreement was negotiated as a result of the declaration of intent adopted by the countries' defence ministers in 1998, the Six-nation Initiative or Letter of Intent (LoI). The purpose of the agreement is to promote the rationalisation, restructuring and operation of the European defence industry. Efforts under the Six-nation initiative and in its working groups have covered delivery security, export controls, security, defence-related research and technology, treatment of technical information, harmonisation of military requirements and protection of commercially sensitive information. In 2014, the informal working group for export control issues (ECIWG), chaired of France, addressed issues concerning the implementation and application of the ICT Directive. This included discussing the possibility of harmonising general licences with the European Commission, prior to its review of the ICT Directive in 2016. An ongoing dialogue has also been conducted with the American export control authorities concerning developments in export control mechanisms in the United States, within the LoI group and in the EU.

## **3 Dual-use items**

### **3.1 Background and regulatory framework**

The issue of non-proliferation of weapons of mass destruction has long been high on the international agenda. In particular, the focus has been on preventing additional countries from acquiring weapons of mass destruction, but since the terrorist attacks of 11 September 2001 there has also been a strong focus on non-governmental actors.

There is no legal definition of what is meant by weapons of mass destruction. However, the term is commonly used to indicate nuclear

weapons and chemical and biological warfare agents. In modern terminology, radiological weapons are also sometimes considered to be covered by the term. In efforts to prevent the proliferation of weapons of mass destruction, certain delivery systems, such as long-range ballistic missiles and cruise missiles, are also included.

Multilateral measures to prevent the proliferation of weapons of mass destruction have primarily been expressed through a number of international conventions and cooperation within a number of export control regimes, in which many of the major producer countries cooperate to make non-proliferation work more effective.

Dual-use items (DUIs) are items that are produced for legitimate civil uses, but which may also be used for military purposes, for example in the production of weapons of mass destruction or military equipment. Certain other products of particular strategic importance, including decryption systems, are also classified as DUIs. In recent decades, the international community has developed a range of cooperation arrangements to limit the proliferation of these products. EU countries have a common regulatory framework in Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (the DU Regulation). Export control itself is always exercised nationally, but extensive coordination also takes place through international export control regimes and within the EU.

EU strategy against the proliferation of weapons of mass destruction from 2003 contains a commitment to strengthen the effectiveness of export control of DUIs in Europe. One fundamental reason is that various sensitive products that could be misused in connection with weapons of mass destruction are manufactured in the EU. The export control measures required in the EU must, at the same time, be proportionate with regard to the risk of proliferation and not unnecessarily disrupt the internal market or the competitiveness of European companies.

Within the international export control regimes, control lists have been drawn up establishing which products are to be subject to licensing. This is justified by the fact that some countries run programmes for the development of weapons of mass destruction despite having signed international agreements prohibiting or regulating such activities, or because they remain outside of the agreements that prohibit or regulate such activities. Such countries have often reinforced their capacity by importing civilian products that are then used for military purposes. History has shown that countries which have acquired military capacity in this way have imported those products from companies that were not aware of their contribution to the development of, for example, weapons of mass destruction. Often the same purchase request is sent to companies in different countries. Previously, one country could refuse an export licence while another country granted it. Consequently, there was an obvious need for closer cooperation and information sharing between exporting countries. This need prompted the establishment of the export control regimes. The need for control has been underscored in recent years by the threat of terrorism.

The inclusion of a DUI on a control list does not automatically mean that exports of that item are prohibited. Rather, the listing indicates that

Comm. 2014/15:114 the item is sensitive. In the EU, the control lists adopted by the various regimes are incorporated into Annex 1 of Council Regulation (EC) No 428/2009 and constitute the basis for decisions for granting or denial of export licences.

It follows from the EU Regulation that the member states can use a mechanism that enables products not on the lists to be made subject to controls in the event that the exporter or the licensing authorities become aware that the product is or may be intended for use in connection with the production etc. of weapons of mass destruction or for other military purposes. This is known as a catch-all mechanism, and is also common practice within the international export control regimes.

Much of the work within the EU and the regimes consists of the extensive exchange of information, both internal and in the form of external outreach activities – directed at domestic industry and at other countries – on the need for export control and the development of export control systems.

The export control of DUIs and of technical assistance in connection with these products is governed nationally by the dual-use Items and Technical Assistance Control Act (2000:1064). The most recent amendments came into force on 1 August 2010. The Act contains provisions that complement Council Regulation (EC) No. 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items.

It is difficult to provide an overall picture of the industries that work with DUIs 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. The principal rule is that no licence is required for transfers to other EU member states. The general licence EU001 applies, with some exceptions, to all products in Annex I to Council Regulation (EC) No 428/2009 regarding export to Australia, Japan, Canada, New Zealand, Norway, Switzerland and the United States.

In addition, another five general licences were introduced (EU002–006) concerning certain products going to certain destinations, export after repair/replacement, temporary export to exhibitions and trade fairs, certain chemicals and telecommunications. The number of countries covered by licences EU002–006 ranges from six countries in EU002 and EU006 to 24 countries in EU003 and EU004. The purpose of the general licences is to make it easier for the companies, which only need to report to the licensing authority 30 days after the first export has taken place.

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

In the event that a company is aware that a DUI, which the company concerned intends to export and which is not listed in Annex I of the EU Regulation, is intended to be used in connection with weapons of mass destruction, it is required to inform the ISP. The ISP can, following the

customary assessment of the licence application, decide not to grant a licence for export (catch-all). Comm. 2014/15:114

The majority of the DUIs exported with a licence from the ISP are telecommunications equipment, primarily encryption and thermal imaging devices that are controlled in the Wassenaar Arrangement's export regime (WA). Carbon fibre also accounts for a significant share. Another major product in terms of volumes is heat exchangers. These are controlled within the Australia Group (AG). Other products, such as isostatic presses, chemicals, UAVs (unmanned aerial vehicles) and equipment related to UAVs, represent a smaller share of DUIs but can require extensive resources in the assessment of licence applications.

The embargoes on trade in DUIs are in accordance with decisions by the UN and have been implemented and expanded by the EU to encompass Iran and North Korea. Through the decisions of the EU, these embargoes are fundamentally comprehensive, i.e. they cover all items on the EU control list, with some individual exceptions in the case of Iran. Certain other items are also covered by an embargo or licence requirement. Against the background of Russia's actions in Ukraine, the EU has furthermore adopted certain restrictive measures (sanctions) against Russia. Export restrictions cover the entire EU control list for DUIs, when intended for military end use or for military end users. Exceptions are made for certain products/technologies intended for the aerospace industry for non-military use and non-military end users. In accordance with EU decisions, exports of certain DUIs are also prohibited or covered by a licence requirement in relation to Syria.

## 3.2 Cooperation within international export regimes

### **International agreements**

With regard to the international agreements, specific reference should be made to the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (Non-Proliferation Treaty, NPT), the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (BTWC) and the 1993 Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (CWC). Sweden is a party to all three conventions (see SÖ 1970:12, 1976:18 and 1993:28).

Under the NPT, non-nuclear-weapon states undertake not to receive or manufacture nuclear weapons, while the five nuclear-weapon states (China, France, Russia, the United Kingdom and the USA) commit themselves to disarmament. Furthermore, the parties undertake not to transfer source or special fissionable material, or equipment or material especially designed or prepared for the processing, use or production of special fissionable material to any non-nuclear-weapon state, unless the source or special fissionable material or equipment is subject to the International Atomic Energy Agency's (IAEA) safeguards.

Comm. 2014/15:114 In the BTWC, the parties undertake not to transfer, either directly or indirectly, equipment that can be used for the production of biological weapons.

Similarly, the CWC stipulates that its parties are not to transfer, either directly or indirectly, chemical weapons to any other state.

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

### **The international export control regimes**

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

The purpose of the regimes is to identify goods and technologies that can be used in connection with weapons of mass destruction 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 on a regular basis. 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. 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 Zangger Committee**

The Zangger Committee, which was established in 1974, deals with export control issues related to the Non-Proliferation Treaty (NPT). The Committee defines the meaning of equipment or material especially designed or prepared for the production of special fissionable material. Consequently, its responsibilities overlap to some extent with those of the Nuclear Suppliers Group (NSG), of which more below. The NPT stipulates that export of such equipment and material, as well as fissionable material, to a non-nuclear-weapon state is only allowed if the fissionable material is subject to IAEA safeguards. The equipment and materials are specified in the Committee's control list, which is updated to keep pace with technological developments. The list can be found in the IAEA's Information Circular No 209 (INFCIRC/209/Rev.3). In 2014,

### **The Nuclear Suppliers Group**

The Nuclear Suppliers Group (NSG) has its origins in the "London Club", established in the mid-1970s. The work of the NSG is concerned with the export control of products listed in Part 1 and Part 2 of the NSG Guidelines, including products with nuclear applications and DUIs that can be used in connection with the development or production of nuclear weapons. These products are listed in the IAEA's Information Circular No. 254, which includes two control lists for each group of items (INFCIRC/254/Rev.12/Part 1 and INFCIRC/254/Rev.9/Part 2).

In 2014 the Technical Working Group (TEG), chaired by Sweden, continued its work on technical proposals and on updating the content of the control lists. A major outreach meeting was held in April, as well as an informal meeting of technical experts from the Wassenaar Arrangement. The annual plenary meeting was held in Buenos Aires with an Argentinian chair. It included continued discussions of how the NSG can promote adherence to the regime's guidelines and control lists among countries who are not regime members. It was agreed that guidance regarding brokering and transit would be published on the regime's website.

### **The Australia Group**

The Australia Group (AG) was formed in 1985 on the initiative of Australia. Its aim is to harmonise member countries' 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. In 2014 the AG continued its outreach work with countries that are not members of the regime. A series of proposals aimed at strengthening the regime's work were adopted at the 2014 plenary meeting, including to encourage increased adherence to the regime's guidelines and control lists, and to raise awareness of proliferation risks in industry and academia. The plenary meeting also agreed to begin a review of the regime's guidelines.

### **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 missiles, and also smaller unmanned aerial vehicles designed to be able to spread aerosols.

Comm. 2014/15:114 In 2014 the work within the MTCR included continuing the review of the content of the lists of controlled items, exchanging information on the sensitive spread of rocket equipment, technological development, national weapons programme and procurement strategies and conducting outreach activities with a range of countries. The 2014 plenary meeting was held in Oslo under a Norwegian chair, with much attention devoted to the challenges related to Intangible Technology Transfers (ITT). The issue of membership was also discussed. A number of EU countries remain outside the regime.

Sweden continues to co-chair the technical working group.

### **The Wassenaar Arrangement**

The Wassenaar Arrangement (WA) was formed in 1996 as a successor to the international export control cooperation that had previously taken place within the framework of 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 regime'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 DUIs, 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.

The Wassenaar Arrangement's broader product focus may be seen in the two control lists attached to the regime's basic document: the Munitions List, which covers conventional military equipment, and the List of dual-use items and Technologies, which covers products and technologies with both civilian and military uses that are not included in the other regimes' control lists. In practice, the two Wassenaar lists guide the contents of the EU's corresponding control lists.

The Wassenaar Arrangement's annual plenary meetings are held in the winter. 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 on updating the control lists to reflect the technological development of conventional arms and weapons of mass destruction.

The 2014 plenary meeting was held in December, chaired by Estonia. New consensus recommendations describing various aspects of good export control practice were adopted. A decision was made regarding additions to the control lists to cover a range of new areas. At the same time, control requirements on certain types of equipment were eased, including for information security and network maintenance

### **Consular vigilance**

One element of the work to limit the danger of the proliferation of nuclear weapons and other weapons of mass destruction is what is known



as consular vigilance. Sweden has both legally binding commitments, in the form of sanctions adopted by the UN and the EU, and political commitments, within the scope of the export control regimes, aimed at limiting the spread of sensitive information and technologies. One way of spreading sensitive information is through knowledge transfer. This issue becomes relevant when assessing applications for admission or residence permits for studies relating to such sensitive information and technologies. Cooperation between the authorities concerned, which aims, for example, to increase awareness of proliferation risks with regard to sensitive university study programmes or research partnerships, continued in 2014.

### 3.3 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 (DUIs) is closely associated with the international work that takes place as part of the export control regimes. Work within the EU is coordinated most closely by two working groups – CONOP (Council Working Group on Non-Proliferation), which deals with non-proliferation issues in general, and the WPDU (Working Party on dual-use Goods), which focuses on policy issues and updates the control list of DUIs that are covered by Council Regulation (EC) No 428/2009 (the DU Regulation). The following section addresses the work of the WPDU.

In accordance with the EU's strategy against the proliferation of weapons of mass destruction, the member states have to work towards becoming leading cooperative partners in the export control regimes by, for example, coordinating the EU positions within the 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 desire to ensure that all EU countries maintain harmonised and effective national export controls based on the regimes' control lists, guidelines for export control and exchange of information on proliferation risks. The EU constitutes a common market for the vast majority of dual-use items. Trade within the EU is not regarded as export in this context. However, transfer of goods and technologies to a third country does constitute export. EU member states are thus dependent on one another'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 countries are members of the Nuclear Suppliers Group (NSG) and the Australia Group (AG). This is not the case for the Missile Technology Control Regime (MTCR), where Cyprus, Croatia, Estonia, Latvia, Lithuania, Malta, Slovakia, Slovenia and Romania still remain outside the regime. The same applies to Cyprus with regard to the Wassenaar Arrangement (WA).

#### **Work on the control lists in 2014**

The changes made to the regimes' control lists over the course of the year are detailed in Annex I of the Council Regulation referred to above and

Comm. 2014/15:114 thus become legally binding for EU member states. In accordance with the powers delegated to it (Regulation [EU] No 599/2014), the Commission decided on 22 October 2014 to update Annex I to reflect the changes determined within the export control regimes (C [2014] 7567). These changes became effective at the end of the year.

### **The WPDU's work**

In 2014 work within the WPDU was dominated by the ongoing review of the EU's regulatory framework for DUI export control. In April the Commission presented a communication (COM [2014] 244) with various options for how the system might be developed and strengthened in order to meet new threats and proliferation risks, technical developments and changing patterns of trade, and to increase harmonisation within the EU as well as guarantee the EU's external competitiveness. On 21 November the Council adopted Council conclusions aimed at providing overall guidance for the continued work (15926/14). The Commission intends to present concrete legislative proposals and proposals for other measures during 2016.

### **Work in the Article 23 Coordination Group**

The aim of the Coordination Group is to coordinate the application of the Regulation. A new subgroup was established during the year to study surveillance technologies specifically and analyse the need for new controls.

## **3.4 UN Security Council Resolution 1540 and the Proliferation Security Initiative (PSI)**

The United Nations Security Council adopted Resolution 1540 in April 2004. The Resolution, supported by Chapter VII of the UN Charter, obliges, through binding decisions, 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 set out, among other things, that all states are to establish effective national controls on exports, brokering, transit and shipments. The Resolution also contains provisions on assisting other countries with the implementation of the obligatory measures.

It was also decided through Resolution 1540 to establish a committee tasked with reporting to the Security Council on the Resolution's implementation. The UN's member states are urged to report to this committee on the steps that they have taken to implement the Resolution. The 1540 Committee's mandate was extended in April 2011, with the new mandate period running until April 2021.

Work on updating Sweden's reporting of the implementation of Resolution 1540 began during the year.

An international initiative that shares several points with Resolution 1540 and partly overlaps with it is the Proliferation Security Initiative (PSI). This initiative, support by the EU and Sweden, aims to prevent the

transport of weapons of mass destruction and their components to unauthorised recipients within the framework of international and national law. National efforts to maintain the necessary preparedness and to act in an emergency are divided between the authorities concerned according to established remit principles.

## 4 Responsible Authorities

### 4.1 The Inspectorate of Strategic Products

The Inspectorate of Strategic Products (ISP) is the central administrative authority for cases and supervision pursuant to the Military Equipment Act (1992:1300) and the dual-use items and Technical Assistance Control Act (2000:1064), provided that, in the latter instance, no other authority has this task. The Swedish Radiation Safety Authority (SSM) has the same responsibility with reference to particularly sensitive nuclear technology products.

The Swedish Defence Research Agency (FOI) and the Swedish National Defence Radio Establishment (FRA) assist the ISP by providing specialist technical expertise and organisation including the Swedish Military Intelligence and Security Directorate (Must), the Swedish Security Service (Säpo) and FRA supply the ISP with information. The ISP also has an established partnership with Swedish Customs. Some of the ISP's supervisory inspections are carried out jointly with Swedish Customs and the authorities also exchange information on export licences.

The Government has appointed the ISP as what is known as the competent authority, responsible for executing certain duties stipulated by Council resolutions concerning sanctions decided by the European Union. 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.

In addition, 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 CWC. This aspect of the ISP's activities is not dealt with in the present Communication.

As of 30 September 2013, the ISP is the licensing authority for cases in accordance with Regulation No 258/2012 of the European Parliament and of the Council of 14 March 2013, regulating licences to export civilian firearms, their parts and components and ammunition outside of the EU and certain import and transit measures.

The authority's responsibilities are set out in the Ordinance (2010:1101) with instructions for the Inspection of strategic products. These instructions were altered in 2014 as a result of Sweden's accession to the UN Arms Trade Treaty.

The ISP maintains regular contact with the companies whose exports are subject to control. The companies' obligations are governed by the Military Equipment Act and the Military Equipment Ordinance. With regard to military equipment, 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 advance decisions to the companies concerning destinations that are sensitive or have not yet been assessed.

In addition to processing export licence applications, the ISP reviews the notifications that manufacturers of military equipment are obliged to submit at least four weeks prior 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 provide notification that the measure they were informed of in advance is prohibited. Finally, exporters of military equipment must report the deliveries of military equipment that are made under the export licences issued to them. In its supervisory role, the ISP carries out compliance visits to companies to monitor their internal export control organisations.

Unlike military equipment, no licence is required to manufacture dual-use items (DUIs). Furthermore, as a general rule licences are not required for sales within the EU (a licence is only required for what are referred to as Annex IV items). The control lists that are drawn up in accordance with Council Regulation (EC) No 428/2009 (the DU Regulation) state which categories of items require licences to be exported outside the EU. When classifying whether a product is to be considered a DUI or not, it is primarily the companies that classify their own items. When a company is unsure whether its item belongs to the controlled items category, the company can submit an enquiry to the ISP. In light of this, the ISP's contacts with DUI companies are different than is the case with regard to military equipment. With the exception of a few companies, the ISP meets with DUI companies on more an ad hoc basis.

In its supervisory role, the ISP carries out compliance visits to companies to monitor their internal export control organisations. In 2014 the ISP carried out 15 compliance visits.

### **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 activities are funded by fees. 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.

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 and work related to international sanctions are funded by appropriations through the Ministry for Foreign Affairs.

The ISP's exports of services should primarily be funded by parties other than the ISP.

### **The Export Control Council (ECC)**

In 1984, on the basis of Govt. Bill 1984/85:82, proposing greater transparency and consultation on matters relating to exports of military equipment, the Riksdag decided to establish an advisory board concerned with exports of military equipment. 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. It is chaired by the Director-General of the ISP. A list of the Council's members in 2014 appears below.

The Director-General of the ISP is responsible for selecting those cases that will be subjected to consultation with the Export Control Council. Consultation often takes place before a company is informed of an advance notification. In addition, the Director-General has to consult the Council before the ISP submits an application to the Government for 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 purchasing countries and the Ministry of Defence provides assessments of the defence policy aspects of the applications. The Director-General may also summon other experts. One task of the Council is to present opinions on proposed exports based on the Swedish guidelines, the EU Common Position on Arms Exports and the UN 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 all export licence decisions continuously, as well as advance decisions that have been ruled on, but not previously reported to the Export Control Council and applications decided upon in accordance with guideline practice (tender notifications and cooperation agreements). Effective from 2005, the ISP has also reported all preparatory proceedings for dual-use items to the ECC.

All in all, this system ensures parliamentary insight into the application of the export control regulations.

The intention of the Swedish system, uniquely in international terms in that representatives of the political parties can discuss potential export transactions in advance, is to build a broad consensus on export control policy and promote continuity in the conduct of that policy. Unlike in many other countries, the Export Control Council deals with cases at an early stage, before a specific transaction comes up. 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

Comm. 2014/15:114 discussions are not made public. Apart from this, 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. The Export Control Council met eight times in 2014.

In 2011 the Government decided to appoint the following present and former members of Parliament to the Export Control Council. The appointments expired at the end of 2014.

Torbjörn Björlund, Member of Parliament (Left Party)

Carina Adolfsson Elgestam, Member of Parliament (Social Democratic Party)

Annicka Engblom, Member of Parliament (Moderate Party)

Mikael Jansson, Member of Parliament (Sweden Democrats)

Lars Johansson, Member of Parliament (Social Democratic Party)

Ann-Charlotte Hammar Johnsson, Member of Parliament (Moderate Party)

Kerstin Lundgren, Member of Parliament (Centre Party)

Valter Mutt, Member of Parliament (Swedish Green Party)

Caroline Szyber, Member of Parliament (Christian Democrats)

Göran Lennmarker, former Member of Parliament (Moderate Party)

Lennart Rohdin, former Member of Parliament (Liberal Party)

Tone Tingsgård, former Member of Parliament (Social Democratic Party)

### **The Strategic Cooperation Council (SCC)**

The Strategic Cooperation Council is a forum attached to the ISP for cooperation on issues related to non-proliferation. It consists of a Director-General and members from the cooperating authorities appointed by the ISP. The SCC did not meet in 2014.

### **The Technical-Scientific Council (TSC)**

In connection with matters concerning the classification of military equipment and dual-use items, the Director-General of the ISP is assisted by a Technical-Scientific Council attached to the Agency. This consists of representatives of institutions with expertise in the technology's civilian and military applications. The TSC held one meeting in 2014.

## **4.2 The 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. Comm. 2014/15:114

The SSM's non-proliferation remit in connection with exports of nuclear material and nuclear technology products is stated in this Ordinance and in the Dual-use Items and Technical Assistance Control Ordinance (2000:1217). This states that the SSM decides whether or not to authorise exports to a country outside the EU or for transfers within the EU of nuclear material and nuclear technology products, except in certain specific cases, defined in the Ordinance, for which the Government is the decision-making body. The items are specified in Annex I, Category 0 and in Annex IV of Regulation (EC) No 428/2009. SSM is also the national supervisory authority with regard to compliance with these provisions.

On 19 April 2012 the Government gave the SSM expanded tasks regarding consideration of applications linked to Council Regulation (EU) No 267/2012 concerning restrictive measures against Iran and Council Regulation (EC) No 329/2007 concerning restrictive measures against North Korea.

In the field of nuclear non-proliferation, the SSM, in accordance with the Act (1984:3) on Nuclear Activities, is the national supervisory authority ensuring that Swedish nuclear activities are 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 IAEA 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 Inspectorate of Strategic Products (ISP) and Swedish Customs. The SSM is also supported by the specialist technical expertise of the Swedish Defence Research Agency (FOI), but does itself have a high level of specialist expertise in the field of nuclear technology.

### **Control of nuclear exports**

Nuclear materials (uranium, plutonium and thorium) and nuclear technology products are classified as DUIs; consequently, their export is governed by Regulation (EC) No 428/2009. Exports to countries outside of the EU require licences, but the EU's general export licences do not apply to these items. In addition, transfers within the EU involving several products, including particularly sensitive nuclear materials and nuclear equipment, also require licences.

When an application for a licence to export nuclear fuel is submitted, the SSM assesses, in parallel, the issue of the possible transfer of the nuclear material in accordance with the Act (1984:3) and Ordinance (1984:14) on Nuclear Activities. In the case of spent nuclear fuel, the SSM also investigates the issue of the materials 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

Comm. 2014/15:114 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 in the Nuclear Suppliers Group (NSG). These include obtaining certain specified assurances from the government of the recipient country before an export licence can be granted. These assurances will state that the items are for peaceful use, that the IAEA have full safeguarding rights in the country and that nuclear material has adequate physical protection in the country. In addition, there must be a guarantee that re-exportation will not take place without corresponding assurances. The SSM does this in the event of repeated transactions with one country. 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 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 have ratified the treaty establishing the European Atomic Energy Community (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 Non-Proliferation Treaty (NPT) and have concluded safeguards 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 Council Regulation (EC) No 428/2009 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.

Within the scope of the Euratom Treaty, the EU has the right to enter into agreements with third countries. Bilateral agreements on the peaceful use of nuclear energy have been entered into between the EU and the United States, Canada, Australia, Japan, Ukraine and Uzbekistan. An equivalent agreement between the EU and South Africa is expected to come into force in 2015.

All EU member states have undertaken to report all 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 all exports of nuclear material to the IAEA and that the SSM reports all exports of nuclear technologies to the IAEA. As opposed to the case with other DUIs, the SSM must be notified of exports of nuclear technologies listed in Annex 1, Category 0 of Council Regulation (EC) No 428/2009 for this reporting to take place.

SSM handled 43 applications for export licences in 2014. About a quarter of these were for nuclear material and about half for zirconium components, control rods and other products for use in nuclear reactors.



Details of the export licences granted by the SSM are found in Table 5 of Appendix 2. Comm. 2014/15:114

The SSM makes contact with the companies affected by its safeguarding activities when necessary. In its supervisory role, the SSM carries out visits to 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 DUIs. Two such visits took place in 2014.

## 5 Statistics and Terminology

Inspectorate of Strategic Products (ISP) continuously monitors the marketing and export of military equipment and dual-use items, supplying the Government with the statistical data for the report on Swedish exports of military equipment and dual-use items.

Companies licensed to manufacture and supply military equipment – currently c.130, of which 54 carried out exports in 2014 – are required to submit reports concerning various aspects to the ISP.

The report on Swedish exports of military equipment in 2014 can be found in Annex 1. Statistics from the last few years are also shown, as individual sales and deliveries of major systems may cause wide fluctuations in the annual statistics. The information in this Communication is based on statutory annual reporting from the military equipment-exporting companies and authorities for 2014 compiled by the ISP.

The SSM monitors the development of nuclear technology in Sweden and provides statistical data to the Government concerning exports of dual-use nuclear technologies. This report is in Annex 2.

### **Categories of military equipment**

Following the implementation of Directive 2009/43/EC simplifying terms and conditions of transfers of defence-related products within the Community the Swedish list of military equipment is now identical to the EU Common Military List, with three national supplements (nuclear explosive devices, fortification facilities and certain chemical weapons). The EU Common Military List does not differentiate between military equipment for combat purposes (MEC) and other military equipment (OME). The Swedish military list is therefore complemented with a division into MEC and OME. This Communication presents the breakdown into MEC and OME, as well as the military list designations (ML) and national additions (NL), where applicable. The MEC category includes equipment with a destructive impact including sights for such equipment and fire control equipment. The OME category includes parts and components for MEC, as well as equipment that does not have a directly destructive impact in a combat situation.

Where a table states that export licences have been granted or that exports have been made within a particular category, this refers to one or

Comm. 2014/15:114 more items in that category or components thereof. However, this does not mean that export licences have been granted for or that there have been exports of every one of the items in each category.

It should also be noted that the EU Common Military List contains a number of categories which have not previously been subject to control. The statistics are therefore not entirely comparable from year to year.

### **Actual deliveries**

Export statistics from the ISP are based on the export companies' and authorities' statutory reports of the invoiced value of the equipment and technical assistance delivered.

Changes in the statistics reported from year to year do not, in themselves, constitute the basis for a more long-term assessment of any trends. As mentioned previously, a single major delivery in one year can have a considerable impact on the statistics.

Swedish exports of military equipment are also reported in the general statistics on foreign trade, which are based on the data submitted to Statistics Sweden by Swedish Customs. However, the statistics from Statistics Sweden differ from those reported by ISP. Statistics Sweden's statistics under the heading of Arms and Ammunition include items classified as both military equipment and civilian products. Military aircraft, vehicles and vessels are reported under other headings. Furthermore, Statistics Sweden's statistics include items that crossed the border to be repaired in Sweden or abroad. In the ISP statistics, these are not reported as exports for sale. Consequently, Statistics Sweden's figures are not comparable with the ISP statistics and, accordingly, are not reported in this Communication.

### **Follow-on deliveries**

It can sometimes be interesting to study in greater detail what proportion of export licences for sales to a particular country involve follow-on deliveries. The statistical report provides such an account for countries outside the EU/OECD. This also indicates the type of equipment covered by new licences.

### **Leasing**

In recent years, the Swedish defence industry, the Defence Materiel Administration (FMV) and the Swedish Defence and Security Export Agency (FXM) have increasingly been entering into various forms of leasing agreements with foreign customers. The background to this can be sought in international developments whereby international operations frequently entail immediate operational needs for equipment where normal forms of procurement are inadequate in terms of the time frame.

Modern equipment manufactured for the Swedish Armed Forces has also become available to other countries as a consequence of organisational downscaling and a changed threat scenario involving no immediate threats against Sweden. One example was the leasing to the United Kingdom, Canada and Italy of artillery localisation radar.

In 2005 the FMV delivered fourteen JAS 39 Gripen aircraft to the Czech Republic as a consequence of the leasing agreement for 2005–2015 signed between Sweden and the Czech Republic in 2004. In May 2014 the FXM renegotiated and extended this agreement until 2027.

In 2007 the FMV completed its delivery of fourteen JAS 39 Gripen to Hungary. The leasing agreement with Hungary as regards the JAS Gripen was renegotiated in January 2012, extending it until 2026, when the agreement becomes a purchase.

No applications were received and no licences granted in 2014.

Leasing agreements with foreign customers are not currently included in the export statistics data.

### **Transfers of manufacturing rights, cooperation etc.**

Four licences for the transfer of manufacturing rights to countries outside Sweden were granted in 2014.

Furthermore, 29 cooperation agreements on the provision of technical assistance, joint development or production were assessed and approved over the course of the year. The stricter criteria applied to exports of military equipment for combat purposes are applied to assessments of cases involving the transfer of manufacturing rights or cooperation with foreign partners, irrespective of the type of equipment. This is because this type of cooperation normally results in more long-term ties than is the case with regular exports. The scope of such agreements, their duration, re-export clauses etc. are examined in detail in such cases.

Under the Military Equipment Act (1992:1300), the Government requires entities having transferred manufacturing rights for military equipment to a party in a foreign country or having entered into a cooperation agreement with a foreign partner to report on an annual basis whether the agreement is still in force, whether production or other cooperation under such an agreement still takes place and how such cooperation is conducted. In 2014 seven companies reported ownership in 76 legal entities in 35 countries. Nine companies reported 67 transferred manufacturing rights in 35 countries. Four licences were granted on 2014, to four countries. Twelve companies and one government authority reported a total of 78 cooperation agreements with 19 countries and three organisations. 29 licences were granted to fourteen countries and two organisations in 2014.

### **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 associated with sales of military equipment for which export licences have been granted.

No permit for military training was issued in 2014.

## Exports of Military Equipment

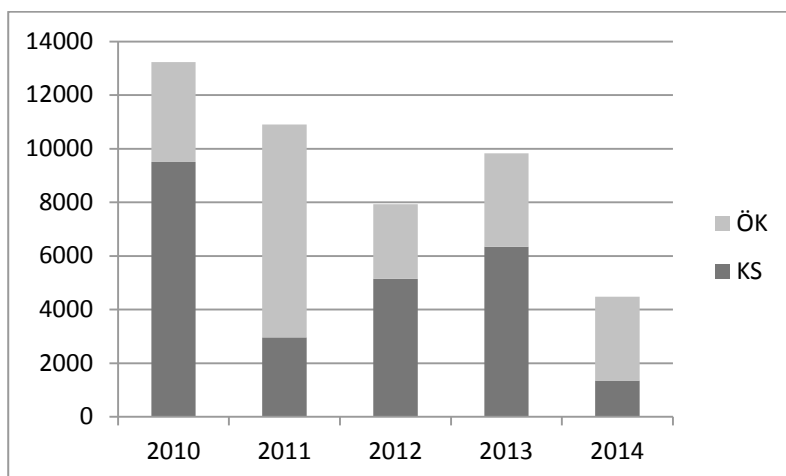
**Table 1. Number of applications etc. received concerning the export of military equipment**

Type of case	2012	2013	2014
Advance notification	19	19	39
Tender	275	313	254
Export licence	1 244	1 247	1 043

**Table 2. Value of export licences granted in 2010–2014, divided up into military equipment for combat purposes (MEC) and other military equipment (OME)**

Year	Value at current prices (SEK million)			Change in per cent		
	Total	MEC	OME	Total	MEC	OME
2010	13 228	9 501	3 727	+19	+123	-46
2011	10 898	2 960	7 937	-18	-69	+113
2012	7 936	5 147	2 789	-27	+74	-65
2013	9 829	6 339	3 490	+24	+23	+25
2014	4 481	1 349	3 132	-54	-78	-10

**Table 3. Value of export licences, divided up into military equipment for combat purposes (MEC) and other military equipment (OME) 2010–2014 (SEK million)**

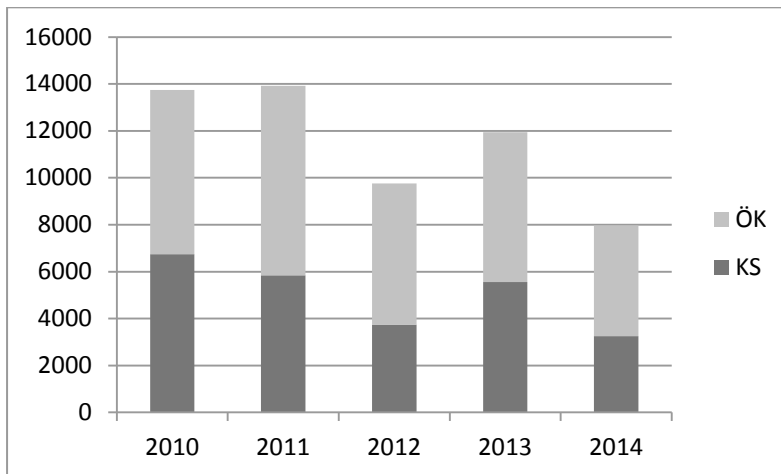


**Table 4. Actual exports of military equipment 2010–2014 compared with total exports of goods**

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	Sweden's total exports of goods (current prices) SEK million	Military equipment exports						
		Proportion of exports of goods %	Current prices (SEK million)			Change in per cent		
			Total	MEC	OME	Total	MEC	OME
2010	1 138 900	1,21	13745	6747	6998	+1	-7	+12
2011	1 212 600	1,15	13914	5840	8074	+1	-13	+15
2012	1 170 100	0,83	9760	3746	6014	-30	-35	-25
2013	1 090 500	1,10	11942	5554	6388	+22	+48	+6
2014	1 129 900	0,70	7958	3258	4700	-33	-41	-26

**Table 5. Actual exports of military equipment 2010–2014 (SEK million)**



**Table 6. Categories of defence-related products**

<b>EU ML</b>	<b>Products classed as MEC (others are OME)</b>	<b>General scope of weapon category</b>
1	ML 1 a except for revolvers and pistols and weapons designed for hunting and sport shooting.  Breeches, barrels, jackets and magazines.  ML 1c	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, as follows, and specially designed components therefor.
2	ML 2 a except for signature reduction devices.  Barrels, mechanisms, ground plates and recoil mechanisms.  ML 2d	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, as follows, and specially designed components therefor.
3	ML 3 a except for smoke, flare and training ammunition and expanding bullet ammunition of a type employed for hunting or sport shooting.  Projectiles, shell bodies, homing devices and warheads.	Ammunition and fuse setting devices, as follows, and specially designed components therefor.
4	ML 4 a except for smoke pots, cartridges and simulators.  Homing devices, warheads, fuses, proximity fuses, motors, control systems, barrels and carriages.  ML 4 b. Only activating, firing, laying, detonating and discharge of MEC defined equipment.	Bombs, torpedoes, rockets, missiles, other devices and charges with explosive effect and associated equipment and accessories, as follows, and specially designed components therefor.
5	ML 5 a)  ML 5 b only target capture, target designation and target tracking systems.	Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, as follows, specially designed for military use, and specially designed components and accessories therefor.
6	ML 6 with restriction to note 1 a) and b)	Ground vehicles and components.
7	ML 7 a), b) and e)	Chemical or biological toxic agents, "riot control agents", radioactive materials, related equipment, components and materials.
8	ML 8 a), b) and c)	"Energetic materials" and related

EU ML	Products classed as MEC (others are OME)	General scope of weapon category
		substances.
9	ML 9 a) 1, 2a) and b)	Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels.
10	ML 10 a) combat aircraft and c) armed UAVs	"Aircraft", "lighter-than-air vehicles", Unmanned Aerial Vehicles ("UAVs"), aero-engines and "aircraft" equipment, related equipment, and components, as follows, specially designed or modified for military use.
11		Electronic equipment, "spacecraft" and components, not specified elsewhere on the EU Common Military List.
12	ML 12 a)	High velocity kinetic energy weapon systems and related equipment, and components specially designed for these.
13		Armoured or protective equipment, constructions and components.
14		'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.
15		Imaging or countermeasure equipment, as follows, specially designed for military use, and specially designed components and accessories therefor.
16		Forgings, castings and other unfinished products, the use of which in a specified product is identifiable by material composition, geometry or function, and which are specially designed for any products specified by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19.
17		Miscellaneous equipment, materials and 'libraries', as follows, and specially designed components therefor.
18		Production equipment and

<b>EU ML</b>	<b>Products classed as MEC (others are OME)</b>	<b>General scope of weapon category</b>
		components, as follows.
19	ML 19 a), b), c) and f)	Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test models, as follows, and specially designed components therefor.
20		Cryogenic and "superconductive" equipment, as follows, and specially designed components and accessories therefor.
21		"Software".
22		"Technology".



**Table 7. Export licences and actual exports in 2014, broken down by recipient country and product category (SEK million)**

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Appendix 1

Actual exports of ammunition (OME) for civilian firearms, to recipients outside of the EU are shown in Table 17.

Region/ Country	Export licences granted			Actual exports	
	Number of licences granted	Main category of the licensed equipment (EU Common Military List)	Value of the licence (SEK million)	Main category of the licensed equipment (EU Common Military List)	Value of the exports (SEK million)
<b>EU</b>					
Belgium	14	1,2,3,5,8,13	36	1,2,3,5,8	22
Bulgaria	2	3,13	3	3	0,7
Denmark	12	1,3,5,6,8,13	49	1,3,5,6,8,17,21,22	140
Cyprus	1	13	∞	-	-
Estonia	7	3,5,8,13,17	11	3,5,17	8
Finland	35	2,3,5,6,8,13,17	295	2,3,4,5,6,8,10,13,14,17,18	260
France	22	1,2,3,6,8,10,11,13	118	1,2,3,5,6,8,10,11,15,22	453
Greece	1	13	∞	13,22	49
Ireland	2	4,5,13,14	42	-	-
Italy	9	1,3,4,5,6,11,13,14	62	3,5,6,8,11,14,17,22	97
Croatia	3	3,5,13	3	3,22	0,3
Latvia	2	3,13	4	3	1
Lithuania	5	2,3,4,13,18,22	74	2,3,6	4
Luxembourg	1	13	0,2	6,13	0,4
Malta	2	1,13	0,05	-	-
Netherlands	8	1,3,5,6,7,13,17	1,3	1,3,5,6,7,17,22	176
New Caledonia Fr	-	-	-	-	-
Poland	9	2,3,5,8,13,22	52	2,3,4,5,8,10	27
Portugal	5	2,3,9,10,13	12	2,3,10	11
Romania	2	3,13	2	3	0,2
Slovakia	2	3,13	8	3	1
Slovenia	2	3,13	2	3,14	0,3
Spain	15	3,5,6,8,10,11,13	102	3,5,6,8,10,11	28
United Kingdom	27	1,3,5,6,7,8,10,13,17,18	227	1,3,4,5,6,7,8,10,11,14,17,18,21,22	527
Czech Republic	10	3,4,8,13,14	82	3,4,5,8,14	7

Region/ Country	Export licences granted			Actual exports	
	Number of licences granted	Main category of the licensed equipment (EU Common Military List)	Value of the licence (SEK million)	Main category of the licensed equipment (EU Common Military List)	Value of the exports (SEK million)
Germany	54	3,4,5,6,7,8,13,14,17,22	367	2,3,4,5,6,7,8,10,11,13,14,17,21,22	402
Hungary	4	3,8,13,17	13,5	3,8	3
Austria	5	3,6,8,13	17	2,3,6,8,10	9
<b>Total</b>	<b>288</b>	<b>1,2,3,4,5,6,7,8,9,10,11,13,14,17,18,22</b>	<b>1583,05</b>	<b>1,2,3,4,5,6,7,8,10,11,13,14,15,17,18,21,22</b>	<b>2 227</b>
<b>Rest of Europe</b>					
Andorra	-	-	-	-	-
Bosnia-Herzegovina	-	-	-	-	-
Georgia	-	-	-	-	-
Iceland	3	3,8,13	0,65	3,8	0,06
Liechtenstein	1	13	∞	-	-
Montenegro	1	7	0,1	7	0,1
Norway	56	1,3,5,6,7,8,13,17	164	1,2,3,4,5,6,7,8,10,14,15,17,21	1269
Russia	-	-	-	-	-
Switzerland	16	1,2,3,5,7,8,13,14,17	2	1,3,5,6,7,8,10,17	34
Turkey	5	8,13,17	0,5	8,17	0,5
Ukraine	-	-	-	-	-
<b>Total</b>	<b>49</b>	<b>1,2,3,5,6,7,8,13,14,17</b>	<b>167,2</b>	<b>1,2,3,4,5,6,7,8,10,14,15,17,21</b>	<b>1 304</b>
<b>North America</b>					
Canada	6	2,3,5,13,17	64	2,3,5,8,17,21,22	347
United States	49	1,2,3,5,8,11,13,14,17,18	662	1,2,3,5,8,10,11,14,17,21,22	1318
<b>Total</b>	<b>55</b>	<b>1,2,3,5,8,11,13,14,17,18</b>	<b>726</b>	<b>1,2,3,5,8,10,11,14,17,21,22</b>	<b>1 665</b>
<b>Central America/ Caribbean</b>					
Guatemala	-	-	-	-	-
Mexico	4	1,2,9	249	1,2,9,22	25
<b>Total</b>	<b>4</b>	<b>1,2,9</b>	<b>249</b>	<b>102,9,22</b>	<b>25</b>
<b>South America</b>					
Argentina	3	5,13,14,21	1,6	2,5,14,21	10
Brazil	12	1,2,3,4,5,13,14,	472	1,2,4,5,14,21,22	79

Region/ Country	Export licences granted			Actual exports	
	Number of licences granted	Main category of the licensed equipment (EU Common Military List)	Value of the licence (SEK million)	Main category of the licensed equipment (EU Common Military List)	Value of the exports (SEK million)
		18,21,22			
Chile	3	2,3,13	8	3	7
Ecuador	-	-	-	-	-
Paraguay	-	-	-	-	-
Peru	1	8	0.3	-	-
Uruguay	1	13	∞	-	-
<b>Total</b>	<b>19</b>	<b>1,2,3,4,5,8,13,14,18,21,22</b>	<b>481,9</b>	<b>1,2,3,4,5,14,21,22</b>	<b>96</b>
<b>North-East Asia</b>					
Japan	13	2,3,4,5,8,13	33	2,3,4,5,8,9,14	40
Republic of Korea	14	4,5,8,10,13,21	555	5,8,21,22	135
<b>Total</b>	<b>27</b>	<b>2,3,4,5,8,10,13,21</b>	<b>588</b>	<b>2,3,4,5,8,9,14,21,22</b>	<b>175</b>
<b>Central Asia</b>					
Kazakhstan	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>South-East Asia</b>					
Brunei	2	2,3	14	2,3,22	15
Philippines	-	-	-	-	-
Indonesia	1	4	∞	2	0,3
Malaysia	1	5	2,5	2,5	9
Singapore	10	4,5,7,8,9,13,17,22	238	4,5,8,9,13,22	158
Thailand	7	2,3,21	36	2,3,5,10,14,21,22	532
Vietnam	-	-	-	-	-
<b>Total</b>	<b>22</b>	<b>2,3,4,5,7,8,9,13,17,21,22</b>	<b>290,5</b>	<b>2,3,4,5,8,9,10,13,14,21,22</b>	<b>714</b>
<b>South Asia</b>					
Bangladesh	-	-	-	-	-
India	16	2,5,9,13,22	12	2,3,5,22	468
Pakistan	1	4	8,5	4,5,21	14
<b>Total</b>	<b>17</b>	<b>2,4,5,9,13,22</b>	<b>20,5</b>	<b>2,3,4,5,21,22</b>	<b>483</b>
<b>Middle East</b>					
Bahrain	-	-	-	18	0,6
Egypt	-	-	-	-	-
United Arab Emirates	17	5,6,10,13,15,21,22	180	5,6,13,15,21,22	40

Region/ Country	Export licences granted			Actual exports	
	Num- ber of licences granted	Main category of the licensed equipment (EU Common Military List)	Value of the licence (SEK million)	Main category of the licensed equipment (EU Common Military List)	Value of the exports (SEK million)
Israel	-	-	-	-	-
Jordanien	-	-	-	-	-
Kuwait	-	-	-	-	-
Oman	1	17	1	5,17	2
Qatar	1	14	0,2	14	0,2
Saudi Arabia	2	5,21,22	6	3,5,10,11,21,22	338
<b>Total</b>	<b>21</b>	<b>5,6,10,13,14,15 ,17,21,22</b>	<b>187,2</b>	<b>3,5,6,10,11,13,14, 15,17,18,21,22</b>	<b>381</b>
<b>North Africa</b>					
Algeria	2	5,9,22	15,5	5,17,21,22	192
Morocco	-	-	-	-	-
Tunisia	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>5,9,22</b>	<b>15,5</b>	<b>5,17,21,22</b>	<b>192</b>
<b>Sub-Saharan Africa</b>					
Botswana	-	-	-	-	-
Kenya	-	-	-	-	-
Namibia	-	-	-	-	-
Nigeria	-	-	-	-	-
South Africa	16	3,5,10,13,14,17 ,21	44	1,5,8,10,13,14,17, 21,22	167
Tanzania	-	-	-	-	-
Zambia	2	3	1	3	0,01
<b>Total</b>	<b>18</b>	<b>3,5,10,13,14,17 ,21</b>	<b>45</b>	<b>1,3,5,8,10,13,14,1 7,21,22</b>	<b>167</b>
<b>Oceania</b>					
Australia	15	1,3,4,5,8,9,11, 13,17,21	56	1,2,3,4,5,9,11,15, 17,22	348
New Zealand	10	1,2,3,13,14,21	71	2,3	3
<b>Total</b>	<b>25</b>	<b>1,2,3,4,5,8,9,11 ,13,14,17,21</b>	<b>127</b>	<b>1,2,3,4,5,9,11,15, 17,22</b>	<b>351</b>
<b>UN</b>					
UN, United Nations	-	-	-	7,13	0,06
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,13</b>	<b>0,06</b>
<b>TOTAL</b>	<b>548</b>	<b>1,2,3,4,5,6,7,8, 9,10,11,13,14, 15,17,18,21,22</b>	<b>4480,9</b>	<b>1,2,3,4,5,6,7,8,9, 10,11,13,14,15,17, 18,21,22</b>	<b>7 779</b>

**Table 8a. Exports of military equipment 2012–2014 distributed by country and region and divided up into MEC and OME (SEK million)**

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Value (SEK million)

Region/ Country	2012			2013			2014		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
<b>EU</b>	<b>931</b>	<b>1 980</b>	<b>2 911</b>	<b>843</b>	<b>1992</b>	<b>2835</b>	<b>607</b>	<b>1620</b>	<b>2227</b>
Belgium	24	3	27	23	3	26	20	2	22
Bulgaria	-	1,5	1,5	-	1	1	0	0,7	0,7
Denmark	28	218	246	108	103	211	20	120	140
Estonia	0,03	0,3	0,3	0,06	2	2	1,5	6,5	8
Finland	320	215	535	81	314	395	108	152	260
France	264	635	899	135	357	492	132	321	453
Greece	-	-	-	0,3	4	4	0	49	49
Ireland	-	36	36	-	9	9	-	-	-
Italy	5	104	109	124	90	214	14	83	97
Croatia	See rest of Europe	See rest of Europe	See rest of Europe	-	1	1	0	0,3	0,3
Latvia	0,02	5	5	0,5	3,5	4	0,004	1	1
Lithuania	0,005	1	1	-	1	1	0,007	4	4
Luxembourg	-	26	26	30	1	31	0	0,4	0,4
Malta	-	-	-	-	-	-	-	-	-
Netherlands	-	148	148	0,3	200	200	0,5	176	176
New Caledonia, Fr	-	0,2	0,2	-	0,3	0,3	-	-	-
Poland	8,5	4	12,5	22	15	37	4	23	27
Portugal	-	1	1	-	1	1	9	2	11
Romania	-	0,5	0,5	-	0,4	0,4	0	0,2	0,2
Slovakia	-	1	1	1	1	2	0	1	1
Slovenia	0,003	0,6	0,6	-	1	1	0,003	0,3	0,3
Spain	2	14	16	4	27,5	31,5	9	19	28
United Kingdom	189	239	428	217	388	605	233	294	527
Czech Republic	9	3	12	2	2	4	4	3	7
Germany	80,5	314	394	82,5	451	533,5	50	352	402
Hungary	0,6	2	3	0,5	2,5	3	0,3	3	3
Austria	0,2	8	8	12	12	24	0,08	9	9
<b>Rest of Europe</b>	<b>261</b>	<b>151</b>	<b>412</b>	<b>900</b>	<b>164</b>	<b>1064</b>	<b>1250</b>	<b>54</b>	<b>1304</b>
Andorra	-	0,1	0,1	-	0,2	0,2	-	-	-
Iceland	0,04	0,2	0,3	-	0,3	0,3	0,06	0	0,06

Region/ Country	2012			2013			2014		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
Croatia	0,0005	3	3	See EU	See EU	See EU	See EU	See EU	See EU
Montenegro	-	-	-	-	0,06	0,06	0	0,1	0,1
Norway	261	74	335	900	61,5	961,5	1246	23	1269
Russia	-	15	15	-	13	13	-	-	-
Switzerland	0,4	44	44,5	-	67	67	4	30	34
Turkey	-	13	13	1	20	21	0,2	0,3	0,5
Ukraine	-	1,5	1,5	-	0,5	0,5	-	-	-
<b>North America</b>	<b>389</b>	<b>408</b>	<b>797</b>	<b>779</b>	<b>776</b>	<b>1555</b>	<b>1092</b>	<b>573</b>	<b>1665</b>
United States	174	166	340	653	553	1206	982	336	1318
Canada	215	242	457	126	223	349	109	238	347
<b>Central America/ the Caribbean</b>	<b>-</b>	<b>39,5</b>	<b>39,5</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>25</b>	<b>25</b>
Mexico	-	39,5	39,5	-	4	4	0	25	25
Trinidad and Tobago	-	-	-	-	-	-	-	-	-
<b>South America</b>	<b>10</b>	<b>25</b>	<b>35</b>	<b>6</b>	<b>103</b>	<b>109</b>	<b>29</b>	<b>67</b>	<b>96</b>
Argentina	-	-	-	-	-	-	6	4	10
Brazil	6	14	20	4	102	106	16	63	79
Chile	4	11	15	2	1	3	7	0	7
Ecuador	-	-	-	-	-	-	-	-	-
Peru	-	-	-	-	-	-	-	-	-
<b>North-East Asia</b>	<b>13</b>	<b>179</b>	<b>192</b>	<b>137</b>	<b>162</b>	<b>299</b>	<b>17</b>	<b>158</b>	<b>175</b>
Hong Kong, China	-	-	-	-	-	-	-	-	-
Japan	10	13,5	23	134	13	147	14	26	40
Republic of Korea	3	166	169	3	149	152	3	132	135
<b>Central Asia</b>	<b>-</b>	<b>0,3</b>	<b>0,3</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
Kazakhstan	-	0,3	0,3	-	1	1	-	-	-
<b>South-East Asia</b>	<b>504</b>	<b>544</b>	<b>1 048</b>	<b>2563</b>	<b>945</b>	<b>3508</b>	<b>43</b>	<b>671</b>	<b>714</b>
Brunei	-	0,4	0,4	-	16	16	3	12	15

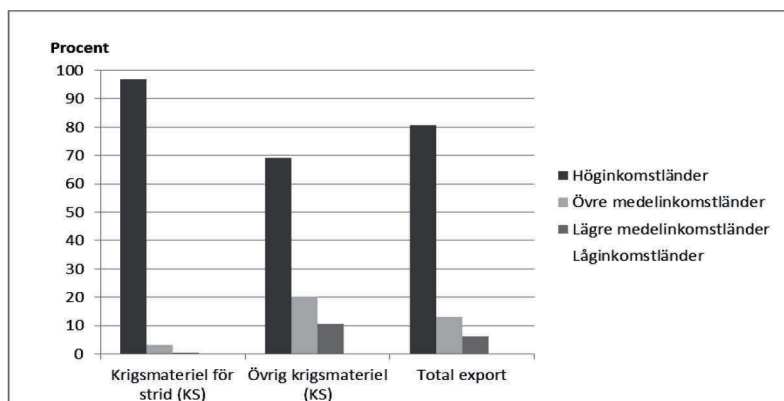
Region/ Country	2012			2013			2014		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
Indonesia	-	-	-	9	-	9	0	0,3	0,3
Malaysia	-	3	3	-	8	8	0	9	9
Singapore	383	62	445	2	153	155	21	137	158
Thailand	121	479	600	2552	767	3319	19	513	532
<b>South Asia</b>	<b>971</b>	<b>1 082</b>	<b>2 053</b>	<b>24</b>	<b>686</b>	<b>710</b>	<b>7</b>	<b>476</b>	<b>483</b>
Bangladesh	-	-	-	-	0,3	0,3	-	-	-
India	805	633	1 438	24	685	709	7	461	468
Pakistan	166	449	615	-	1	1	0	14	14
<b>Middle East</b>	<b>39</b>	<b>1 282</b>	<b>1 321</b>	<b>59</b>	<b>1008</b>	<b>1067</b>	<b>36</b>	<b>345</b>	<b>381</b>
Bahrain	35	5,5	41	24	0	24	0	0,6	0,6
Egypt	-	9	9	-	16	16	-	-	-
United Arab Emirates	-	302	302	-	271	271	0	40	40
Iraq	-	-	-	-	-	-	-	-	-
Israel	-	0,3	0,3	-	0,2	0,2	-	-	-
Jordan	-	0,06	0,06	-	-	-	-	-	-
Kuwait	-	46	46	-	4	4	-	-	-
Oman	-	1	1	-	2	2	1	1	2
Saudi Arabia	4	918	922	35	715	750	34	304	338
Qatar	-	-	-	-	-	-	0	0,2	0,2
<b>North Africa</b>	<b>-</b>	<b>172</b>	<b>172</b>	<b>-</b>	<b>163</b>	<b>163</b>	<b>58</b>	<b>134</b>	<b>192</b>
Algeria	-	172	172	-	161	161	58	134	192
Tunisia	-	0,3	0,3	-	2	2	-	-	-
<b>Sub-Saharan Africa</b>	<b>362</b>	<b>41</b>	<b>403</b>	<b>-</b>	<b>151</b>	<b>152</b>	<b>0,01</b>	<b>167</b>	<b>167</b>
Botswana	-	-	-	-	0,1	0,1	-	-	-
Namibia	-	0,2	0,3	-	0,3	0,3	-	-	-
South Africa	362	41	403	-	151	151	0	167	167
Tanzania	-	-	-	-	0,5	0,5	-	-	-
Zambia	-	0,1	0,1	-	0,1	0,1	0,01	0	0,01
<b>Oceania</b>	<b>266</b>	<b>110</b>	<b>376</b>	<b>242</b>	<b>233</b>	<b>475</b>	<b>119</b>	<b>232</b>	<b>351</b>
Australia	258	105	363	241	232	473	117	231	348
New Zealand	8	5	13	1	1	2	2,5	0,5	3

Region/ Country	2012			2013			2014		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
UN United Nations	-	-	-	-	0,4	0,4	0	0,06	0,06
<b>TOTAL</b>	<b>3 746</b>	<b>6 014</b>	<b>9 760</b>	<b>5554</b>	<b>6388</b>	<b>11942</b>	<b>3258</b>	<b>4521</b>	<b>7779</b>

**Table 8b. Exports of military equipment, distributed by region in per cent of the total value in 2014**

Region	Proportion of exports (%)
EU	28,6
South Asia	6,2
Middle East	4,9
South-East Asia	9,2
North America	21,4
Rest of Europe	16,8
Sub-Saharan Africa	2,1
Oceania	4,5
North-East Asia	2,2
North Africa	2,5
Central America and the Caribbean	0,3
South America	1,2
Central Asia	0,0
UN, United Nations	0,0

**Table 8c. Exports of military equipment for combat purposes (MEC), other military equipment (OME) and total exports in 2014, distributed by countries grouped according to income**



The country groupings are based on the World Bank's synthesis of countries' economic status. A complete list of the country groupings can be found on the website [www.worldbank.org](http://www.worldbank.org). The countries Sweden exports military equipment to or has granted export licences to in 2014 are grouped as follows: **High-income**



**countries:** Australia, Austria, Bahrain, Belgium, Brunei, Canada, Chile, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Oman, Poland, Portugal, Qatar, Republic of Korea, Saudi Arabia, Singapore, Slovakia, Slovenia, Spain, Switzerland, United Arab Emirates, United Kingdom, USA. **Upper-middle-income countries:** Algeria, Argentina, Brazil, Bulgaria, Hungary, Malaysia, Mexico, Montenegro, Romania, South Africa, Thailand, Turkey. **Lower-middle-income countries:** India, Indonesia, Pakistan, Zambia. **Low-income-countries:** -

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**Table 9. Follow-on deliveries in 2014**

Country	Number of licences	Of which follow-on licences	Of which new licences	Equipment
Algeria	2	1	1	Ship components
Argentina	3	2	1	Naval measurement system
Brazil	12	11	1	Robot 70
Brunei	2	2		
United Arab Emirates	17	17		
India	16	11	5	Technical assistance ships, Submarine components, protective equipment
Indonesia	1	1		
Liechtenstein	1	1		
Malaysia	1		1	Measurement system
Montenegro	1	1		
Oman	1		1	Masking system
Pakistan	1	1		
Peru	1		1	Explosives
Qatar	1	1		
Saudi Arabia	2	2		
Singapore	10	8	2	Technical assistance Submarines, Ship components
South Africa	16	16		
Thailand	7	7		
Uruguay	1	1		
Zambia	2	2		

**Table 10. Agreements concerning manufacturing rights and cooperation**

In 2014 the ISP approved four (4) licences for Swedish companies to enter into agreements involving the granting or transfer of manufacturing rights to parties outside Sweden (Section 7 of the Military Equipment Act). These licences were in reference to the following countries: Denmark, Greece, Mexico and the United Kingdom.

In 2014 the ISP approved 29 licences for Swedish government agencies and Swedish companies to enter into cooperation agreements with parties outside the country to jointly with said parties or on their

behalf provide technical assistance to parties abroad, develop military equipment or methods for the manufacture of such material or to jointly manufacture military equipment (Section 8 of the Military Equipment Act). These licences were in reference to the following countries and organisations: Austria, Brazil, Canada, the European Commission (the Research Executive Agency, REA), the European Defence Agency (EDA), Finland, France, Germany, India, Italy, the Netherlands, Norway, the Republic of Korea, Singapore, Switzerland, Thailand and the United States.

In 2014 the ISP approved 10 licences for Swedish government agencies and Swedish companies to enter into agreements regarding additions or changes to such agreements as require licences under Section 7 or 8 of the Act referred to (Section 9 of the Military Equipment Act). These licences were in reference to the following countries: Canada, Estonia, Finland, India, the Netherlands, the Republic of Korea, Singapore and the United Kingdom.

**Table 11. Swedish exports of small arms and light weapons in 2014 (as defined in the UN Register of Conventional Arms <sup>1</sup>)**

<b>Categorised in accordance with the UN Register of Conventional Arms</b>	
<b>Small arms</b>	
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. Other	Small-bore ammunition was exported to Belgium, Denmark, Estonia, Finland, Germany, Italy, the Netherlands, Spain, the United Kingdom and the USA. Equipment for manufacturing ammunition was exported to Finland.
<b>Light weapons</b>	
1. Heavy machine guns (12.7 mm)	Export of ammunition to Norway
2. Hand-held underbarrel and mounted grenade launchers (40 mm)	No exports
3. Portable anti-tank guns	No exports
4. Recoilless rifles (rocket-propelled)	Rocket-propelled grenades

<sup>1</sup> This report does not include an account of hunting and sport shooting weapons and ammunition for these.

grenades)	were exported to Japan, Poland and the USA. Spare parts, training equipment, components and ammunition were exported to Australia, Austria, Canada, the Czech Republic, Denmark, Estonia, India, Japan, Lithuania, New Zealand, Norway, Poland, Portugal, Thailand and the USA.
5. Portable anti-tank missile launchers and rocket systems	Anti-tank missile launchers were exported to Argentina. Spare parts, training weapons and components were exported to Argentina, Denmark, Finland, Indonesia, Norway and the USA.
6. Mortars of calibres less than 75 mm	No exports
7. Other	No exports

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**Table 12. Swedish exports of MANPADS (man-portable air defence systems) in 2014 in accordance with the definition in the UN Register of Conventional Weapons**

Sights were exported to Brazil and Singapore. Missiles, spare parts, training equipment etc. for a value totalling SEK 44 725 000 were exported to Argentina, Australia, Brazil, the Czech Republic Finland and Singapore.

Singapore reported in 2014 that it had carried out destruction of missiles in 2013.

**Table 13. Approved re-exports in 2014**

Application from	Equipment concerned	Destination
Netherlands	Spare parts Ivakan, ML 2	Jordan
Norway	Combat Boat 90, ML 9	Sweden
Norway	Truck, ML 6	Latvia
Norway	Truck, ML 6	Norway/auction
Germany	Missile component, ML 4	South Korea
Norway	Rocket-propelled grenades (RPGs), ML 2	Latvia
Norway	Increased no. of RPGs, ML 2	Latvia
Thailand	Temporary transfer, documentation of command	USA

	system	
Thailand	Temporary transfer, documentation of data link	USA
Netherlands	Spare parts Ivakan, ML 2	Jordan
Norway	Combat Boat 90, ML 9	Sweden

**Table 14. Exporting companies and authorities in 2014**

Companies and governmental authorities involved in exports worth over SEK 10 million.

<b>Company</b>	<b>MEC</b>	<b>OME</b>	<b>Total</b>
BAE Systems Hägglunds AB	1119	558	1680
Saab Dynamics AB	1011	365	1376
Saab AB, Electronic Defence Systems	85	1092	1177
BAE Systems Bofors AB	215	352	567
Saab AB, Security and Defence Solutions	204	322	526
FFV Ordnance AB	7	427	434
FMV, Swedish Defence Materiel Administration	0	377	377
Saab AB, Aeronautics	123	244	367
Norma Precision AB	19	261	280
EURENCO Bofors AB	203	3	206
Nammo Vanäsverken AB	185	0	185
SSAB EMEA AB	0	125	125
Saab Barracuda AB	0	113	113
Åkers Krutbruk Protection AB	0	74	74
GKN Aerospace Sweden AB	0	60	60
FLIR Systems AB	50	3	53
Exensor Technology AB	0	52	52
Nammo LIAB AB	26	22	48
FOI, Swedish Defence Research Agency	0	46	46
Saab Kockums AB	0	33	33
Scania CV AB	0	27	27
Saab AB, Training & Simulation	0	26	26
N. Sundin Dockstavarvet AB	0	24	24
ThyssenKrupp Marine Systems AB	0	19	19
Saab Underwater Systems AB	0	17	17
BAE Systems SWS Defence AB	0	12	12
Deform AB	0	12	12

**The following companies and authorities exports were valued at between SEK 1 million and SEK 10 million in 2014:**

Polyamp AB, Taiga AB, SSPA Sweden AB, Saab AB, Support and Services, FXM Swedish Defence and Security Export Agency, Sepson AB, GKN Aerospace Applied Composites AB, Aimpoint AB, Airsafe AB, Nammo Vingåkersverken AB, Schill Reglerteknik AB, aimSport Sweden AB.

New Pac Safety AB, Comtri AB, MY-konsult System AB, Ekenäs Mekaniska AB, MSE Engineering AB, Hilleberg the Tentmaker AB, Exova Materials Technology AB, Amlab Elektronik AB, Waltreco AB, ECAPS AB, Spuhr i Dalby AB, Hackås Precisionsgjuteri AB, Befyraem Technologies AB (B4M), S.Stoltz Sweden AB.

**Table 15. Private brokerage licences granted in 2014**

The number of private brokerage licences increased considerably in relation to previous years. This is due to the fact that distribution of armour plate, above all, is done via intermediate storage abroad to end users that are often in the same country.

Number	ML categories <sup>2</sup>	Country to country	Within the same country
90	ML13a, ML8, ML5, ML5b, ML10a, ML3, ML14, ML1a,	France-Norway Denmark-Thailand Germany-Thailand USA-Canada UK-Thailand Australia-Thailand USA-Thailand Germany-Belgium Netherlands-South Africa Germany-Italy Thailand-Indonesia South Africa-UAE Germany-Poland USA-Afghanistan USA-Iraq	South Africa UK Canada Germany USA Singapore

**Companies licensed to supply military equipment in 2014**

MP- SEC International AB, Grontmij, Ex & Plose AB, Venatio AB, Defendor AB, Sako Oy Finland (filial), FFV Ordnance AB, Naverviken Logistic AB, BAE Systems SWS Defence AB, Saab Underwater Systems, Promoteq i Sandviken, Thales Sverige AB, Volvo Defense AB, Exova AB, Gripen International KB, Gripen International AB, BB Avionic System AB, W. L Gore & Associates Scandinavia, Scandinavian Risk Solutions AB, Hilleberg the Tentmaker, Tempest Security AB, Milmac Sweden AB, Patria Helicopters AB, Vesper Group AB and Neptunus Hav och Land AB.

<sup>2</sup> The equipment in question is mainly component parts, primarily for subcontractors in collaborative projects.

**Table 16. The implementation of Directive 2009/43/EC on the intra-community transfer of military material**

A change in the Military Equipment Act came into force on 30 June 2012 as a result of Directive 2009/43/EC (the ICT Directive). Below is an account of the practical consequences of this in 2014.

**Introduction of general licences**

The ISP has determined five categories of general licences, which are published in the Swedish Customs' statute book (TFS) and also on the ISP website [www.isp.se](http://www.isp.se). Each category has an appendix describing the military equipment and technical assistance it covers.

TFS	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)
2012:9	The transfer of military equipment and the provision of technical assistance to a country within the European Economic Area (EEA) for demonstration, evaluation and exhibition
2012:10	The transfer of military equipment and the provision of technical assistance to a country within the European Economic Area (EEA) for maintenance or repair
2012:11	The transfer of military equipment and the provision of technical assistance to a country within the European Economic Area (EEA) following maintenance, repair or demonstration

One condition for the use of these general licences is that the company in question register that they plan to make use of them at least 30 days before their first use.

Ten companies registered for use of the following general licences in 2014:

TFS 2012:7	TFS 2012:8	TFS 2012:9	TFS 2012:10	TFS 2012:11
4	3	6	2	1

The companies in question only need to register once. Below is the accumulated number of registrations for each licence category since 2012.

TFS 2012:7	TFS 2012:8	TFS 2012:9	TFS 2012:10	TFS 2012:11
11	5	16	10	10

Delivery of the following invoiced and delivered military equipment was declared for 2014.

TFS	Category	Item	Value (SEK thousand)	Recipient country
2012:7	ML 5	Target acquisition equipment	16390	Germany
2012:7	ML 6	Vehicle components	80076	Denmark Luxembourg Lithuania Finland Italy Netherlands Spain UK
2012:7	ML 10	Aerial drop components	2487	Finland Norway Austria
2012:7	ML 14	Training equipment	284	Finland Norway Germany UK Slovenia
2012:7	ML 15	Night vision equipment	998	France
2012:8	ML 13	Ballistic protection	8040	Finland
2012:11	ML 5	Countermeasure equipment	364	Germany UK
2012:11	ML 6	Vehicles	195	UK
2012:11	ML 14	Training equipment	245	Italy

### **Certification as a recipient of military equipment and technical assistance**

A company can apply for certification as a recipient of military equipment and technical assistance and thus receive components sent from an EEA country via general licences.

No Swedish companies were certified in 2014. Up to and including 2014, 36 companies in 12 EU countries had been certified as follows:

- 2012 7 companies
- 2013 11 companies
- 2014 18 companies

Up-to-date information is available on the European Commission's website: <http://ec.europa.eu/enterprise/sectors/defence/certider>.

The advent of the ICT Directive meant the introduction, in addition to general licences, of global and individual licences. Given that the tone of the ICT Directive indicates that general and global licences should be given precedence, the current situation may be of interest.

In the second half of 2012, after the ICT Directive came into force, the ISP granted a total of 362 transfer licences to EES countries, of which 20 per cent were global and 80 per cent individual.

In 2013 the ISP granted a total of 642 transfer licences, of which 15 per cent were global and 85 per cent individual.

In 2014 the ISP granted a total of 552 transfer licences, of which 20 per cent were global and 80 per cent individual. One conclusion that can be drawn from the above is that companies in 2014 began to use the general licences to a greater extent, while the number of certified companies did not increase. As the use of general licences and certification are low across the EU, the European Commission carried out a study in 2014 of the causes of this, which will be followed up by an in-depth analysis in 2015.

**Table 17. Licences under EU Regulation 258/2012 (Article 10 of the UN Register of Conventional Weapons)**

Ordinance (2013:707) assigns to the ISP the role of licensing authority for cases in accordance with Council Regulation (EU) No 258/2012, of 30 September 2013.

The table below is a compilation of the licences granted in accordance with Regulation (EU) No 258/2012 and the Military Equipment Act (1992:1300) (smooth-bored weapons are exempt with reference to the Military Equipment Act). The compilation reflects exports to countries outside the EU, and is divided into granted licences for civilian firearms etc and ammunition (OME), and actual deliveries of ammunition (OME) for civilian firearms (SEK million).

Actual deliveries of ammunition, (MEC) extra EU and (MEC and OME) intra EU, for civilian firearms are shown in Table 7.

Consignment recipient, final recipient (country)	Granted licences Firearms etc		Granted licences Ammunition		Actual deliveries, ammunition
	2014	2013	2014	2013	2014
Andorra			2		0,3
Australia	2		2	1	2,0
Botswana			1		0,08
Chile			2		0,6
Ecuador			1		0,7
UAE	1				0,8



Georgia	1				
Iceland	2		4		0,3
Japan			1		0,7
Canada	2		1		0,3
Kazakhstan			1		0,4
Mongolia	1				
Namibia			1		0,3
Norway	143	11	17		29
New Caledonia			1		0,4
New Zealand	6	1	4		0,6
Republic of Korea			1		0,2
Russian Federation (Russia)	1 (1 denial)		2		3,4
Switzerland	7		8		1,3
South Africa	11	2	4		4,8
Tanzania	1				
Ukraine			1 (1 denial)		
USA	9	4	26		133
Zambia			1		0,1
<b>Total:</b>	<b>187</b>	<b>18</b>	<b>81</b>	<b>1</b>	<b>179</b>

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Appendix 1

**Table 1. Number of export cases etc. received concerning dual-use items (DUIs) 2012–2014**

<b>Export cases</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total</b>	1 089	1123	1324
Export licences, global and individual, of which:			
Wassenaar Arrangement	583	702	766
Missile Technology Control Regime	10	7	11
Nuclear Suppliers Group (Part 2)	19	11	18
Australia Group	325	316	365
Sanctions	152	87	164
<b>Sanctions against Iran – financial applications</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total</b>	249	392	626
Cases concerning the transfer of assets and financial services			
Notifications	80	189	520
Licences	169	185	106

**Table 2. Number of advance decisions, enquiries about non-controlled items relating to DUIs 2010–2014**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Total number of advance decisions issued	205	222	141	115	196
Of which, number of enquiries about non-controlled items	173	164	109	66	126

**Table 3. Number of resolved cases affecting applications for advance decisions – controlled and non-controlled items – 2014**

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Appendix 2

Non-controlled items				Controlled items		
Country	No reason to apply catch-all	Catch-all negative	Catch-all	Listed item, positive	Listed item, denial	Total
Algeria	1					1
USA			1	1		2
Angola				1		1
Syrian Arab Republic	4					4
Australia			1			1
Brazil				1		1
Brunei				1		1
Egypt	1	2			1	4
PRC	2			8		10
UAE					1	1
Hong Kong, Kina				1		1
India	1	1		2	1	5
Indonesia	1					1
Iraq	2		1	1	1	5
Iran	78	3	1	7	1	90
Italy	1					1
Kazakhstan	2			1		3
Libya				1		1
Mozambique				1	1	2
Myanmar (Burma)		3		2	1	6
Republic of Korea			1	2		3
Russian Federation	7	6	2	7	3	25
Switzerland			2			2
Senegal				1		1
Singapore				1		1
South Africa			1			1
Taiwan				1		1
Turkey		1		2		3
Turkmenistan				1		1
Venezuela					1	1
Belarus				3		3

In 2012, the EU introduced further general licences in accordance with Regulation (EU) No 1232/2011 of the European Parliament and of the Council.

The companies in questions are obliged to register with the ISP that they plan to make use of these at least 30 days before their first use.

The number of companies that registered in 2014 is as follows:

EU 001	EU 002	EU 003	EU 004	EU 005	EU 006
18	0	1	1	1	0

The companies in question only need to register once. Below is a report of the accumulated number of registrations since 2009 (EU 001) and 2012 (EU 002–006):

EU 001	EU 002	EU 003	EU 004	EU 005	EU 006
106	1	3	3	1	0

**Table 5. Export licences granted for dual-use items (DUIs), belonging to Category 0 in Annex 1 of Council Regulation (EC) No 428/2009, from companies in Sweden (source: SSM)**

#### Activities at the Swedish Radiation Safety Authority (SSM)

In the nuclear area, licences are obligatory not only for exports outside the EU, but also for a large proportion of trade between EU countries. The products and technologies covered by a licence obligation within the EU are described in Annex IV, Part 2 of Council Regulation (EC) No 428/2009. General licences may not be used for these products. A total of 42 licences were granted for exports or for transfers within the EU in 2014.

Recipient country	2012 Exporting company number of licences	2013 Exporting company Number of licences	2014 Exporting company number of licences
EU	Westinghouse, 1	Areva NP Uddcomb, 1	
Argentina	Westinghouse , 1		
Brazil			Westinghouse, 1
Finland	Westinghouse, 3	Westinghouse, 1	OKG AB, 1
France			Westinghouse, 3
Iceland		Svenska Tanso, 1	LGC Standards, 1
Japan	Westinghouse, 1	Westinghouse, 3 Sandvik, 1	Sandvik, 1 Vattenfall, 1
Canada			

<b>Recipient country</b>	<b>2012 Exporting company number of licences</b>	<b>2013 Exporting company Number of licences</b>	<b>2014 Exporting company number of licences</b>
Kazakhstan	Westinghouse, 1		
PRC	Sandvik, 1		Sandvik, 1 Svenska Tanso, 1
Republic of Korea			
Malaysia		Svenska Tanso, 1	
Norway	Westinghouse, 4 Studsvik, 2 KWD Nuclear Instruments, 1	Westinghouse, 1 Studsvik, 1	LGC Standards, 1 Studsvik, 1 KWD Nuclear Instruments, 1
Poland	Sandvik, 1		
Russia		Westinghouse, 1	
Switzerland	Westinghouse, 4 KWD Nuclear Instruments, 1	Westinghouse, 4	Westinghouse, 2
Spain	Westinghouse, 1 Sandvik, 1	Westinghouse, 1 Sandvik, 1	Westinghouse, 2
UK			Westinghouse, 1
South Africa	Westinghouse, 2	Westinghouse, 1	Westinghouse, 1
Taiwan	Westinghouse, 1		
Czech Republic		Westinghouse, 1	Westinghouse, 1
Germany	KWD Nuclear Instruments, 1	Westinghouse, 2 Areva NP Uddcomb, 1 KWD Nuclear Instruments, 1	Westinghouse, 3 OKG AB, 2
Ukraine	Westinghouse, 1		Westinghouse, 1
USA	Westinghouse, 7 Sandvik, 2 Areva NP Uddcomb, 1	Westinghouse, 16 Studsvik, 1 Vattenfall Nuclear Fuel, 1	
Vietnam		KWD Nuclear Instruments, 1	

Comm. 2014/15:114 **Table 6. Membership of multilateral export control regimes in 2014**  
Appendix 2

Country	ZC	NSG	AG	MTCR	WA
Argentina	x	x	x	x	x
Australia	x	x	x	x	x
Belgium	x	x	x	x	x
Brazil	-	x	-	x	x
Bulgaria	x	x	x	x	x
Cyprus	-	x	x	-	-
Denmark	x	x	x	x	x
Estonia	-	x	x	-	x
Finland	x	x	x	x	x
France	x	x	x	x	x
Greece	x	x	x	x	x
Ireland	x	x	x	x	x
Iceland	-	x	x	x	-
Italy	x	x	x	x	x
Japan	x	x	x	x	x
Canada	x	x	x	x	x
Kazakhstan	x	x	-	-	-
China	x	x	-	-	-
Korea (Rep.)	x	x	x	x	x
Croatia	x	x	x	-	x
Latvia	-	x	x	-	x
Lithuania	-	x	x	-	x
Luxembourg	x	x	x	x	x
Malta	-	x	x	-	x
Mexico	-	x	x	-	x
Netherlands	x	x	x	x	x
Norway	x	x	x	x	x
New Zealand	x	x	x	x	x
Poland	x	x	x	x	x
Portugal	x	x	x	x	x
Romania	x	x	x	-	x
Russia	x	x	-	x	x
Switzerland	x	x	x	x	x
Serbia	-	x	-	-	-
Slovakia	x	x	x	-	x
Slovenia	x	x	x	-	x
Spain	x	x	x	x	x
United Kingdom	x	x	x	x	x
Sweden	x	x	x	x	x
South Africa	x	x	-	x	x
Czech Republic	x	x	x	x	x
Turkey	x	x	x	x	x
Germany	x	x	x	x	x
Ukraine	x	x	x	x	x
Hungary	x	x	x	x	x
USA	x	x	x	x	x
Belarus	x	x	-	-	-
Austria	x	x	x	x	x
TOTAL	39	48	41	34	41

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

**Table 7. Global licences for permanent exports granted in 2014**

Region/Country	Civilian end-use				
	Number of licences	Item category	Item	EU Regulation	Regime
All countries with the exception of embargo countries/sanction countries	22	5A002,5D002,	Telecommunications (information security)	428/2009	WA
Several countries with the exception of embargo countries/sanction countries	12	5A002,5D002,6A003	Telecommunications (information security), IR cameras	428/2009	WA
Algeria	1	5A002,5D002	Telecommunications (information security)	428/2009	WA
USA	1	9A117, 9E102	Separation systems, parts, technology and technical assistance	428/2009	MTCR
Azerbaijan	1	5A002,5D002	Telecommunications (information security)	428/2009	WA
Bangladesh	1	5A002,5D002	Telecommunications (information security)	428/2009	WA
Burundi	1	5A002,5D002	Telecommunications (information security)	428/2009	WA
Democratic Republic of Congo	2	5A002,5D002	Telecommunications (information security)	428/2009	WA

Region/Country	Civilian end-use				
	Number of licences	Item category	Item	EU Regulation	Regime
Ivory Coast	1	5A002,5D002	Telecommunications (information security)	428/2009	WA
UAE	2	5A002,5D002	Telecommunications (information security)	428/2009	WA
Ghana	1	5A002,5D002	Telecommunications (information security)	428/2009	WA
Hong Kong, China	5	5A002,5D002	Telecommunications (information security)	428/2009	WA
India	7	2E003,1E001,9E003,5A002,5D002	Telecommunications (information security), technology	428/2009	WA
Iraq	2	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Japan	1	2B350	Plates for heat exchangers	428/2009	AG
Cameroon	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Kosovo	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Kuwait	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Lebanon	3	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Liberia	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA



Region/Country	Civilian end-use				
	Number of licences	Item category	Item	EU Regulation	Regime
Libya	2	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Malaysia	2	3A001,3A002,5A001,5A002	Electronic components, telecommunications (information security)	428/2009	WA
Morocco	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Myanmar (Burma)	1	5A002	Software (telecommunications)	428/2009	WA
Nepal	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Pakistan	2	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Republic of Korea	2	2B350	Plates for heat exchangers	428/2009	AG
Rwanda	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Russian Federation (Russia)	4	9A117,9E102	Separation systems, parts, technology and technical assistance	428/2009	WA
Saudi Arabia	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Sierra Leone	2	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Singapore	1	5A002,5D002	Telecommunications	428/2009	WA

Region/Country	Civilian end-use				
	Number of licences	Item category	Item	EU Regulation	Regime
			(information systems)		
South Africa	2	5A002,5D002	Telecommunications (information systems)	428/2009	WA
South Sudan	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Thailand	1	5A001	Telecommunications (information systems)	428/2009	WA
Turkey	2	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Uzbekistan	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA
Belarus	1	5A002,5D002	Telecommunications (information systems)	428/2009	WA

**Table 8. Individual licences for permanent exports granted in 2014**

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Algeria	9	2B352,5A002, 5D002	Filters (spare part for dairy equipment), telecommunications	428/2009	AG, WA					
USA	2	2B350,2B230	Heat exchanger plate, pressure transmitters	428/2009	AG, NSG					
Angola	1	2B350	Heat exchanger plate	428/2009	AG					
Argentina	3	5A002,5D002, 2B352	Centrifuge, telecommunications (information security)	428/2009	AG, WA					
Armenia	3	5A002, 5D002	Telecommunications (information security)	428/2009	WA					
Australia	1	2B350	Heat exchanger plate	428/2009	AG					
Azerbaijan	1	2B350	Chemical protection suits, heat exchangers incl plate	428/2009	AG, WA					
Bahrain	3	2B350,5A002, 5D002	Spare parts for heat exchangers, telecommunications	428/2009	AG, WA	3	5A002, 5D002	Telecommunications (information security)	428/2009	WA
Bangladesh	4	2B352,5A002	Flow-through filtration equipment, conference	428/2009	AG, WA					

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
			equipment							
Bosnia Herzegovina	1	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Brazil	31	2B350,1A004, 2B352, 5A002,5D002, 9A012, 1C010,1C240	Heat exchangers incl plate, telecommunications (information security), UAVs, carbon fibre components, manufacturing equipment	428/2009	AG, NSG, WA					
Chile	10	2B350,2B204, 1C010	Heat exchangers (plate), carbon fibre components, isostatic press	428/2009	AG, NSG, WA					
Colombia	3	1A004,6A003, 5A002, 5D002	Chemical protection suits, IR camera, telecommunications (information security)	428/2009	WA	1	6A003	IR camera	428/2009	WA
Curaçao	2	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Democratic Republic of Congo	2	2B350		428/2009	AG					
Ecuador	1	1C010	Carbon fibre fabric	428/2009	WA					
Egypt	8	5A002,5D002	Telecommunications (information security)	428/2009	WA					

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Ivory Coast	3	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Philippines	2	5A002	Telecommunications (information security)	428/2009	WA					
PRC	168	6A003,1A004,2B352,2B350,1C010,6A008,5A002,2B230,5D002,1C002,9A012,3B001	IR cameras, carbon fibre components, flow-through filtration equipment, chemical protection suits, radar systems, telecommunications (information security), UAVs, pressure transmitters, metal alloys, manufacturing equipment ,	428/2009	WA, AG, NSG,	2	6A003	IR cameras	428/2009	WA
UAE	14	1A004,9D004,5A0002,5D002,2B350,6A003	Chemical protection suits, software, telecommunications (information security), IR camera, flow-through filtration equipment	428/2009	WA	4	5A002,9D004,6A003	Telecommunications (information security), IR camera	428/2009	WA
Guinea	2	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Guinea-Bissau	1	5A002,5D002	Telecommunications	428/2009	WA					

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
			(information security)							
Honduras	1	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Hong Kong, China	23	2B350,5A002, 5D002, 6A003,2B352, 1A004	Flow-through filtration equipment, heat exchanger (plate), IR camera, chemical protection suits, telecommunications (information security)	428/2009	AG, WA					
India	46	2B350,2B352, 5A002, 5D002,1C010, 1C240, 6A003,3A001, 1A004	Heat exchanger (plate), flow-through filtration equipment, carbon fibre components, nickel powder, IR cameras, electronic components, chemical protection suits	428/2009	AG, NSG, WA	1	1A004	Gas mask	428/2009	WA
Indonesia	20	6A008,5A002, 5D002, 2B350,2B352	Radar system, telecommunications (information security), heat exchangers (plate), flow-through filtration equipment	428/2009	AG, WA					
Iraq	4	5D002	Software	428/2009	WA					

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Iran	149	III.A1.003, III.A2.010, III.A2.009, III.A2.025, III.A2.0023	Spare parts for dairy equipment	267/2012	Sanctions					
Iceland	9	5D002,2B350, 5A002	Telecommunications (information security), flow-through filtration equipment	428/2009	AG, WA					
Israel	53	2B350,1A004, 2B352, 1C002,2A101, 5A002	Flow-through filtration, chemical protection suits, heat exchanger (plate), metal alloys, storage systems, telecommunications (information security)	428/2009	AG, MTCR, WA					
Japan	1	1A004	Chemical protection suits	428/2009	WA					
Jordan	4	5A002,5D002	Telecommunications (information security)	428/2009	WA	3	5A002, 5D002	Telecommunications (information security)	428/2009	WA
Canada	1	6A008	Radar system?	428/2009	WA					
Kazakhstan	1	5A002,5D002	Telecommunications (information security)	428/2009	WA	3	1A004,5A002,5D002,5E002	Telecommunications (information security), chemical protection	428/2009	WA

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
								suits		
Kenya	2	5A002,5D002,1A004	Telecommunications (information security), chemical protection suits	428/2009	AG, WA	1	1A004	Chemical protection suits	428/2009	WA
Kuwait	2	5A002,2B350,1A004,5D002	Manufacturing equipment, telecommunications (information security), chemical protection suits	428/2009	AG, WA					
Lebanon	6	2B350,5A002,5D002	Manufacturing equipment, telecommunications (information security)	428/2009	AG, WA					
Libya	4	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Macau	1	5A002	Telecommunications	428/2009	WA					
Macedonia	1	5A002	Telecommunications	428/2009	WA					
Malaysia	14	2B350,5A002,5D002,6A003,3A001,2B230,1A004	Manufacturing equipment, telecommunications (information security), electronic components, IR camera, chemical protection suits	428/2009	AG, NSG, WA	1	1A004	Chemical protection suits	428/2009	WA



Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Morocco	1	5A002	Telecommunications	428/2009	WA					
Mexico	30	5A002,5D002,1A004,2B352,2B350,3A001	Telecommunications (information security), chemical protection suits, flow-through filtration equipment, electronic components	428/2009	AG, , WA					
Moldova	1	5D002	Telecommunications (information security)	428/2009	WA					
Montenegro				428/2009		1	5A002,5D002	Telecommunications (information security)	428/2009	WA
Myanmar (Burma)	6	5A002,5D002,9A012,9D004	Telecommunications (information security), UAVs, software	428/2009	WA	1	5A002,5D002	Information security (telecommunications)	428/2009	WA
Nigeria	4	5A002,5D002,2B350	Telecommunications (information security), manufacturing equipment	428/2009	AG, WA					
Norway	3	2B350,9A109	Manufacturing equipment, hybrid rocket engines (components)	428/2009	AG, WA					
Oman	6	1A004,2B350,	Chemical protection suits,	428/2009	AG,	1	5A002,	Telecommunications	428/2009	WA

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
		5A002, 5D002	manufacturing equipment, telecommunications (information security)		WA		5D002	(information security)		
Pakistan	13	5A002,2B350, 6A003	Telecommunications, manufacturing equipment, IR camera	428/2009	AG, WA					
Panama	1	2B350	Heat exchanger	428/2009	AG					
Peru	1	1A004	Chemical protection suits	428/2009	WA					
Poland	1	1C351	Bacterial strain	428/2009	AG		6A008			
Qatar	3	5A002,1A004, 2B350, 6A003,5D002	Telecommunications, chemical protection suits, manufacturing equipment, IR camera	428/2009	AG, WA	9	1A004,6A003, 5A002,5D002	Telecommunications (information security), IR camera, chemical protection suits	428/2009	WA
Republic of Korea	26	2B350,6A008, 1C002, 2B352,1C010, 1C240, 6A003,6D002	Manufacturing equipment, radar system, metal alloys, flow-through filtration equipment, IR camera, software	428/2009	AG, NSG, WA	4	6D002,6A003	Software, IR camera	428/2009	WA
Rwanda	4	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Russian	78	3C005,5D002,	Substrate,	428/2009	AG,					

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Federation (Russia)		5A002, 2D002, 2B104, 2B352, 6A003, 1A004, 3A001, 2B204	telecommunications (information security), software, isostatic press, flow-through filtration equipment, IR camera, chemical protection suits, electronic components		NSG, MTCR, WA					
Saudi Arabia	15	2B350, 6A008, 1C002, 1A004, 5A002	Manufacturing equipment, radar systems, metal alloys, chemical protection suits, telecommunications	428/2009	AG, WA	6	5A002, 5D002	Telecommunications (information security)	428/2009	WA
Switzerland	1	5A002	Telecommunications	428/2009	WA					
Serbia	6	1A004, 2B001	Chemical protection suits, machine tool	428/2009	WA					
Sierra Leone	2	5A002, 5D002	Telecommunications (information security)	428/2009	WA					
Singapore	32	2B350, 5A002, 5D002, 1A004, 3A002, 1C002, 2B352, 3A001	Manufacturing equipment, telecommunications (information security), chemical protection suits, electronic components, metal	428/2009	AG, WA	1	5A002, 5D002	Telecommunications (information security)	428/2009	WA

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
			alloys, flow-through filtration equipment							
Sudan	4	5A002,5D002	Telecommunications (information security)	428/2009	WA					
South Africa	11	6A003,5A002, 5D002, 9A012,9D004, 2B350, 3A001,1A004	IR cameras, telecommunications (information security), UAVs, software, manufacturing equipment, electronic components, chemical protection suits	428/2009	AG, WA					
South Sudan	2	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Taiwan	33	1C010,1A004, 3C005, 2B350,5A002, 5D002, 6A008,9D004, 2B352, 6A003	Carbon fibre components, chemical protection suits, substrate, manufacturing equipment, telecommunications (information security), radar system, software, flow-through filtration equipment, IR camera	428/2009	MTCR AG WA					

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Tanzania	2	5A002,5D002,9A012,9D004	Telecommunications (information security), UAVs, software	428/2009	WA					
Thailand	20	2B350,1A004,5A002,5D002,6A003,3A001	Manufacturing equipment, chemical protection suits, telecommunications (information security), IR camera, electronic components	428/2009	AG, WA	4	5A002,5D002,6A003,2B350,3A001	Telecommunications (information security), IR camera, manufacturing equipment, electronic components	428/2009	WA
Togo	1	5A002,5D002	Network items	428/2009	WA					
Tunisia	4	5A002,5D002,2B350	Telecommunications (information security), manufacturing equipment	428/2009	AG, WA					
Turkey	25	2B204,6A003,9A012,2B350,1C010,5A002,6A003,3A001,1A004,7A002	Isostatic press, IR cameras, UAVs, manufacturing equipment, carbon fibre components, manufacturing equipment, IR cameras, electronic components, chemical protection suits, gyros	428/2009	NSG, AG, WA	2	7A002,6A003	Gyros, IR camera	428/2009	WA

Region/Country	Civilian end-use					Military end-use				
	Number of licences	Item category	Item	EU Regulation	Regime	Number of licences	Item category	Item	EU Regulation	Regime
Uganda	1	6A006	Magnetometers	428/2009	WA					
Ukraine	6	2B350	Manufacturing equipment	428/2009	AG					
Uzbekistan	1	5A002,5D002	Telecommunications (information security)	428/2009	WA					
Vietnam	9	1C010,1A004, 2B350, 2B352	Carbon fibre components, chemical protection suits, manufacturing equipment, flow-through filtration equipment	428/2009	AG, WA					
Belarus	2	2B350	Manufacturing equipment	428/2009	AG					
Zambia	1	2B350	Spare parts for heat exchangers	428/2009	AG					
Zimbabwe	1	5A002,5D002	Telecommunications (information security)	428/2009	WA					
East Timor	1	6A003	IR camera	428/2009	WA					

## **The Military Equipment Act**

The production and export of military equipment are governed by the Military Equipment Act (1992:1300) and the Military Equipment Ordinance (1992:1303). Both statutes came into force on 1 January 1993.

The Military Equipment Act stipulates that military equipment may not be produced without a licence. The term international cooperation denotes export sales or other forms for the provision of military equipment or services (including transfers and brokering). The term also covers the granting or transfer of production rights, agreements with parties outside the country to jointly with said parties or on their behalf provide technical assistance to parties abroad, develop military equipment or methods for the manufacture of such material or to jointly manufacture military equipment. Finally, with certain exceptions, a licence is required to carry out military training.

Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports of dual-use items and technology requires, in certain cases, export licences for products that are not encompassed by the term *military equipment*, but which are associated with exported military equipment.

## **Swedish guidelines for exports of military equipment and other foreign cooperation**

Under Section 1, second paragraph of the Military Equipment Act (1992:1300), licences for exports of military equipment may only be granted if they are justified for security or defence reasons and do not conflict with Sweden's 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 exportation of military equipment and other foreign cooperation, approved by the Riksdag (cf. Govt. Bill 1991/92:174 p. 41 f., Govt. Bill 1995/96:31 p. 23 f. and report 1992/93:UU1). The complete text of these guidelines is provided below.

## **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 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 personnel mines, under the Ottawa Convention.

The guidelines contain two overriding criteria under which licences may legally be granted; partly that the foreign cooperation is required to meet the Swedish Armed Forces' requirements for equipment, expertise

or is otherwise desirable for security policy reasons and partly that the cooperation does not conflict with the principles and objectives of Sweden's foreign policy. These overriding criteria may be regarded as constituting a clarification of Section 1, second paragraph of the Military Equipment Act.

The guidelines also define the factors that should be taken into consideration in the assessment of individual applications. A basic requirement is that all relevant circumstances in a particular case are to be considered, whether or not they are expressly included in the guidelines. These assessment criteria also apply to cooperation with persons or companies abroad relating to the development or manufacture of military equipment.

The guidelines particularly emphasise the importance that must be attached to the respect for human rights in the recipient country when assessing each export application in terms of foreign policy. The human rights situation in the recipient country must always be taken into consideration, even in cases involving equipment that in and of itself cannot be used to violate human rights.

### **Unconditional obstacles to exports**

The guidelines state three types of unconditional obstacle that, if present, are considered to make exports impossible. These three are: decisions of the UN Security Council, international agreements to which Sweden is a party (e.g. EU sanctions) and export bans imposed under international legal rulings concerning exports from neutral states to those in a state of war.

### **Military equipment for combat purposes and other military equipment**

In 1993, the term *military equipment* was broadened to also include certain equipment with civilian or partly civilian uses. The broadening of the term resulted in exports that were previously uncontrolled being made subject to political assessment and to their inclusion in the military equipment export statistics. This broadening was accompanied by the separation of military equipment into two categories with guidelines that differ in certain respects.

For the category of military equipment for combat purposes (MEC), the presumption is that export licences should not be issued if the recipient is a state involved in armed conflict with another state, a state embroiled in an international conflict that is in danger of becoming an armed conflict or a state where there is internal armed unrest. A licence should be withdrawn if the recipient state becomes involved in armed conflict or internal armed unrest. However, the revocation of a licence may be forgone if this is consistent with international law and the objectives and principles of Swedish foreign policy. Furthermore, licences should not be granted for exports to a state in which there are widespread and serious human rights violations. These are the same requirements that were applied prior to 1993; the difference being that, previously, it was only necessary to take human rights violations into



consideration if the equipment itself could be used to violate human rights. For exports of other military equipment (OME), which consists largely of products that were not considered to be military equipment prior to 1993 (e.g. reconnaissance radar or training simulators), an export licence should be granted to countries not engaged in armed conflict with another state, that do not have internal armed unrest and where there are no widespread and serious human rights violations. Accordingly, the risk of armed conflict is not a specific criterion applied when assessing exports of other military equipment.

The different guidelines for military equipment for combat purposes and other military equipment mean that a greater number of countries may be considered as potential recipients of other military, i.e. non-destructive, equipment, than as recipients of military equipment for combat purposes.

### **Follow-on deliveries and “Swedish identity”**

With regard to follow-on deliveries, the guidelines state that “licences should be granted for exports of spare parts for military equipment exported previously with the requisite licence, provided there are no unconditional obstacles. The same should apply to other deliveries, e.g. of ammunition, linked to previous exports, or where it would otherwise be unreasonable to refuse a licence”.

In the case of cooperation with foreign partners, exports to third countries should be assessed in accordance with the Swedish guidelines if the item has a predominantly Swedish identity. If the item has a predominantly foreign identity, or if Sweden has a strong defence policy interest in the partnership, the export rules of the partner country may be applied.

### **Full text of the Swedish guidelines**

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

1. are judged to be necessary to meet the Swedish Armed Forces’ requirements for equipment or expertise or are otherwise desirable for reasons of national security and
2. do not conflict with the principles and objectives of Swedish foreign policy.

When considering a licence application, the ISP will make a complete assessment of all the relevant circumstances, taking into account the basic principles mentioned above.

There are no obstacles in terms of foreign policy to cooperation with, or exports to, the Nordic countries and the traditionally neutral countries of Europe. In principle, cooperation with these countries may be considered consistent with Sweden’s security policy. As cooperation with the other countries in the European Union develops, the same principles regarding cooperation with foreign partners and exports should be applied to these countries.

Licences may only be granted to governments, central government authorities or government-authorised recipients; an end-user certificate or an own production declaration should be presented in connection with exports of military equipment. A state which, despite undertakings given to the Swedish Government, allows, or fails to prevent, unauthorised re-export of Swedish military equipment will not, as a rule, be eligible to receive such equipment from Sweden as long as these circumstances persist.

In accordance with the Military Equipment Act, licences for exports or for other cooperation with foreign partners must not be granted if this would contravene an international agreement to which Sweden is party, a decision of the UN Security Council or international legal rulings concerning exports from neutral states during a war (unconditional obstacles).

Licences for exports of military equipment or for other cooperation with foreign partners concerning military equipment should not be granted where the recipient country is a state where there are widespread and serious human rights violations. Respect for human rights is a key condition of the granting of licences.

Licences for exports of military equipment for combat purposes or for other cooperation with foreign partners concerning military equipment for combat purposes or other military equipment should not be granted if the state in question is involved in an armed conflict with another state, regardless of whether or not war has been declared, is embroiled in an international conflict that is in danger of becoming an armed conflict or is the site of internal armed unrest.

Licences should be granted for exports of equipment classified as other military equipment, provided that the recipient country is not involved in an armed conflict with another state, is not the site of internal armed unrest or widespread and serious human rights violations and that there are no unconditional obstacles.

An export licence that has been granted should be revoked not only if unconditional obstacles to exports arise, but also if the recipient state becomes involved in an armed conflict with another state or becomes the site of internal armed unrest. Exceptionally, revocation of a licence may be foregone in the latter two cases if this is consistent with international law and the principles and objectives of Swedish foreign policy.

Licences should be granted for exports of spare parts for military equipment exported previously with the requisite licence, provided there are no unconditional obstacles. The same should apply to other deliveries, e.g. of ammunition, linked to previous exports, or where it would otherwise be unreasonable to refuse a licence.

With specific reference to agreements with a foreign partners 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. If a cooperation agreement with a foreign partner is dependent on exports from the partner country to third countries, the issue of such exports should, insofar as the end-product in question has a predominantly Swedish

identity, be assessed in accordance with the guidelines for exports from Sweden.

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As regards equipment with a predominantly foreign identity, exports from the partner country to third countries should be considered in accordance with the export rules of the partner country. If Sweden has a strong defence policy interest in cooperation taking place and the partner country's cooperation is conditional on certain exports being allowed to take place from that country, then, depending on the circumstances, exports to a third country within the scope of the partner country's export rules may, in general, also be permitted.

In cases involving more extensive and, for Sweden, more important cooperation with a foreign partner 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.

**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 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, 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 licencing authority under the Ordinance.

**Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items**

**Common EU legislation**

In 2009, the Council adopted Council Regulation (EC) No 428/2009 setting up a Community regime for control of exports, transfer, brokering

and transit of dual-use products (Recast). The Regulation came into force on 27 August 2009, replacing an EU regulation from 2000, Council Regulation (EC) No 1334/2000. Unlike the international export control regimes, the Regulation is legally binding for Sweden and all other EU member states. The purpose is to, as far as possible, establish free movement of controlled products within the internal market while reinforcing and harmonising the various national systems for the control of exports to third countries.

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 regular amendments and updates of the item lists included in the Regulation. The annexes to the Regulation are determined within the framework of first pillar cooperation within the EU, meaning they have a direct effect at the national level. In accordance with the Regulation, the annexes are to be updated annually.

The Regulation facilitates the assessment of licence applications by including common criteria that member states have to take into account in their assessments. However, licences are granted at the national level (see below). In addition, there is a general community licence 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. This has also led to increased consensus in the EU on exports of this kind.

### **Swedish legislation**

In Sweden, the EU Regulation is complemented by the Dual-use Items and Technical Assistance Control Act (2000:1064) and Ordinance (2000:1217). Both statutes came into force on 1 January 2001.

In contrast to the military equipment legislation, where export licences represent exceptions to a general prohibition on exports, the reverse is true under the regulations governing the controls on dual-use items. In this case, the basic premiss is that an export licence will be granted as long as this does not conflict with the interests of foreign or security policy as these are described in the EU Regulation.

Licences are required for exports, transfers and brokering of dual-use items. The ISP is the licensing authority. However, the Swedish Radiation Safety Authority (SSM) provides licences that apply to nuclear materials etc. included in category 0 in Annex I of the EU Regulation.

Like its predecessor, the dual-use Items and Technical Assistance Control Act lacks specific rules regarding opportunities to receive advance decisions regarding whether or not an export licence will be provided for any potential export of dual-use items to a specific destination. However, a practice has been developed that involves the ISP providing companies with advance decisions.

### **The catch-all clause**

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Under Article 4 of Council Regulation (EC) No 428/2009, a licence may also be required for exports of items that are not specified in the annexes to the Regulation (non-listed items) if the exporter has been informed by the Swedish authorities that the item is or may be intended to be used in connection with the production of weapons of mass destruction or missiles that are capable of delivering such weapons. This catch-all clause has been included to prevent the regulations from being circumvented due to the fact that, on account of rapid technological developments, the lists are seldom completely comprehensive.

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

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

## Explanations

**Denial.** A negative decision by an authority regarding an application for a licence to export military equipment or dual-use items to a certain country. A member of a multilateral export control regime is expected to inform the other members of the negative decision. In accordance with Council Regulation (EC) No 428/2009, the relevant authorities in the EU member states have to inform one another and the Commission of denials.

**Export control regimes.** The Zangger Committee (ZC), the Nuclear Suppliers Group (NSG), the Australia Group (AG), the Wassenaar Arrangement and the Missile Technology Control Regime (MTCR). The aim of these international regimes is to identify goods and technologies that should be made subject to export controls, to exchange information about proliferation risks and to promote non-proliferation in their contact with countries that do not belong to the regimes.

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

**Non-proliferation.** Measures that are implemented at both national and international levels to prevent the proliferation of weapons of mass destruction. This has mainly taken the form of a number of international agreements and cooperation in several export control regimes.

**Intangible transfers.** Transfers of software or technology by means of electronic media and from person to person from one country to another.

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

**No-undercut.** When a denial is issued, the other members of the international export control regimes are expected to consult the state that has issued this denial before deciding whether to grant an export licence for an equivalent transaction. The purpose of this is to prevent the buyer that has been denied from finding a supplier in another country and to avoid a situation where different countries' export controls distort competition. In accordance with Council Regulation (EC) No 428/2009, the relevant authorities in the EU member states have to inform one another and the Commission of denials.

**Outreach.** Providing information and support to states, authorities, companies, etc. in export control contexts.

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Appendix 4

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

## Abbreviations

AG	Australia Group
ASD	AeroSpace and Defence Industries Association of Europe
ATT	Arms Trade Treaty
BTWC	Biological and Toxic Weapons Convention
CBW	Chemical and Biological Weapons
COARM	Council Working Group on Conventional Arms Exports
COCOM	Coordinating Committee for Multilateral Export Controls
CONOP	Council Working Group on Non-Proliferation
CWC	Chemical Weapons Convention
EDA	European Defence Agency
EC	European Community
EKR	Export Control Council
EU	European Union
FA	Framework agreement
FMV	Swedish Defence Materiel Administration
UN	United Nations
FOI	Swedish Defence Research Agency
FRA	Swedish National Defence Radio Establishment
FXM	Swedish Defence and Security Export Agency
GTRI	Global Threat Reduction Initiative
CFSP	EU Common Foreign and Security Policy
IAEA	International Atomic Energy Agency
ISP	Inspectorate of Strategic Products
MEC	Military equipment for combat purposes
LoI	Letter of Intent
MANPADS	Man-portable air defence systems
ML	Military List
MTCR	Missile Technology Control Regime
Must	Swedish Military Intelligence and Security Directorate
NATO	North Atlantic Treaty Organization
NETTEM	New and Evolving Technologies Technical Experts Meeting
NL	National additions, where applicable
NPT	Non-Proliferation treaty
NSG	Nuclear Suppliers Group
OECD	Organisation for Economic Cooperation and Development
OSCE	Organisation for Security and Cooperation in Europe
DUIs	Dual-use items
PGD	Policy for Global Development
PSI	Proliferation Security Initiative
SALW	Small arms and light weapons
SCB	Statistics Sweden
SIPRI	Stockholm International Peace Research Institute
SOFF	Swedish Security and Defence Industry Association
SSM	Swedish Radiation Safety Authority



Säpo	Swedish Security Service
SÖ	Swedish Treaty Series
TI	Transparency International
TSC	Technical-Scientific Council
UNIDIR	United Nations Institute for Disarmament Research
WA	Wassenaar Arrangement
WPDU	Working Party on Dual-Use Goods
ZC	Zangger Committee
OME	Other military equipment

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Appendix 5

**Source references in alphabetical order**

- The Australia Group: [www.australiagroup.net](http://www.australiagroup.net)  
The European Parliament: [www.europarl.europa.eu](http://www.europarl.europa.eu)  
Council of the European Union: [www.consilium.eu](http://www.consilium.eu)  
The European Union: [www.europa.eu](http://www.europa.eu)  
The Export Control Council: [www.isp.se/sa/node.asp?node=1057](http://www.isp.se/sa/node.asp?node=1057)  
The United Nations: [www.un.org](http://www.un.org)  
The International Atomic Energy Agency: [www.iaea.org](http://www.iaea.org)  
The Inspectorate of Strategic Products: [www.isp.se](http://www.isp.se)  
The Missile Technology Control Regime: [www.mtcr.info](http://www.mtcr.info)  
The Nuclear Suppliers Group: [www.nuclearsuppliersgroup.org](http://www.nuclearsuppliersgroup.org)  
The Organization for the Prohibition of Chemical Weapons:  
[www.opcw.org](http://www.opcw.org)  
The Organization for Security and Cooperation in Europe: [www.osce.org](http://www.osce.org)  
The Stockholm International Peace Research Institute: [www.sipri.org](http://www.sipri.org)  
The Swedish Radiation Safety Authority: [www.ssm.se](http://www.ssm.se)  
The Swedish Export Control Society: [www.exportkontrollforeningen.se](http://www.exportkontrollforeningen.se)  
The Swedish Ministry for Foreign Affairs: [www.ud.se](http://www.ud.se)  
The Wassenaar Arrangement: [www.wassenaar.org](http://www.wassenaar.org)  
The Zangger Committee: [www.zanggercommittee.org](http://www.zanggercommittee.org)

# Ministry for Foreign Affairs

Excerpt from the minutes of the Cabinet meeting on 12 March 2015.

Present: Prime Minister Löfven, chair, and Ministers Romson, Johansson, Baylan, Bucht, Hultqvist, Hellmark Knutsson, Andersson, Johansson, Bolund, Kaplan, Damberg, Bah Kuhnke, Strandhäll, Shekarabi, Fridolin, Wikström, Hadzialic

Rapporteur: Minister Hultqvist

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The Government approves Communication 2014/15:114 Strategic Export Control in 2014 – Military Equipment and Dual-Use Items