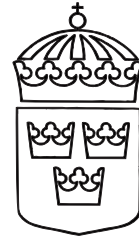


Government Communication

2012/13:114

Strategic Export Control in 2012 –
Military Equipment and Dual-Use Products



Skr.
2012/13:114

The Government hereby presents this Communication to the Riksdag.

Stockholm, 21 March 2013

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Brief Summary of the Communication

In this Communication, the Swedish Government reports on Sweden's export control policy with respect to military equipment and dual-use products in 2012. The Communication also contains a presentation of actual exports of military equipment in 2012. In addition, it describes the co-operation in the EU and other international forums on matters relating to strategic export controls on both military equipment and dual-use products.

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1 The Government Communication on Strategic Export Control

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In this Communication the Government presents its policy regarding strategic export control in 2012, i.e. the export control of *military equipment* and *dual-use products*. Export control 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's Common Position on Arms Exports.

The multilateral agreements and instruments relating to disarmament and non-proliferation are important manifestations of the international community's efforts towards preventing the proliferation of and uncontrolled trade in dual-use products (DUPs) 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 control to achieve the declared goals. 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 twenty-eighth year that the Government is reporting on Sweden's export control policy in a Communication to the Riksdag. The first Communication was presented in 1985. Sweden was at that time one of the first countries in Europe to present transparent reports on the preceding year's activities in the export control sector. The aim has always been to provide a basis for wider discussion of issues related to export controls and non-proliferation of military equipment and dual-use products.

Over the years, a great deal has happened with regard to the contents and design of the Communication. Previously, the Communication was a brief summary of Sweden's exports of military equipment. The annexed tables gave a general picture of the latest statistics, but they did not contain any detailed explanations. Today, the Communication is a relatively detailed report on Swedish export control policy as a whole. More statistics are available today thanks to an increasingly transparent policy and more effective information processing systems. The Government seeks ever greater transparency in the area of export control.

The Communication consists of three principal parts and a set of annexes. The first principal part contains an account of Swedish export control of military equipment (section 2). The second deals with Swedish export control of dual-use products (section 3). The third describes responsible authorities in the area (section 4). There then follows a section which includes statistics on Swedish exports of military equipment and exports of dual-use products. At the Government's

Skr. 2012/13:114 request, the Swedish Agency for Non-Proliferation and Export Controls (ISP) and the Swedish Radiation Safety Authority (SSM) supply data for the Communication. The ISP's own 'trend annex' is not included in this year's communication, but equivalent information is available in the ISP publication "Activities in 2012".

Significant events during the year

The review of the Council's Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment (in accordance with Article 15 of the position) began during 2012.

The Swedish provisions in the Military Equipment Act transposing Directive 2009/43/EC of the European Parliament and of the Council (the ICT Directive, Intra-Community Transfer Directive) simplifying terms and conditions of transfers of defence-related products within the Community entered into force on 30 June 2012. As a result of the amended provisions in the Military Equipment Act, the EU military list became a new applicable control list of what constitutes military equipment and technical assistance under Swedish law.

The negotiations on an international Arms Trade Treaty (ATT) reached a climax in July 2012, but could not be completed due to lack of time. Concluding negotiations will be held in March 2013.

In 2012 the Swedish Government appointed a parliamentary committee in which all parliamentary parties are represented. This committee has been charged with reporting back to the Government with proposals for a new Military Equipment Act, one of the aims of which is to tighten up export controls in relation to non-democratic countries.

Annex 1 to Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use products was updated in 2012. Annex I lists the products deemed by the Member States of the export control regimes to be sensitive from the point of view of non-proliferation. Annex II was also amended during the year, with the introduction of five new general export licences.

The reviews of the control lists continued in the military export control regimes during the year. Membership issues and outreach activities were also discussed.

Summary of the statistical data

The account of Swedish military equipment exports in 2012 is attached 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 the communication is based on statutory annual reporting from the military equipment-exporting companies and authorities for 2012 compiled by the ISP.

A total of 61 countries received deliveries of Swedish military equipment in 2012. Seven of these countries received only hunting and sport shooting ammunition.

The value of the actual export deliveries of military equipment in 2012 was around SEK 9.8 billion. Total exports have thus fallen by around 30% since 2011 (around SEK 13.9 billion). The largest individual recipient countries for Swedish military equipment in 2012 were India (SEK 1.4 billion), followed by Saudi Arabia (SEK 922 million), France (SEK 899 million), Pakistan (SEK 615 million) and Thailand (SEK 600 million). Exports to India were dominated by follow-up deliveries to previously exported army equipment, mainly ammunition but also supplementary orders for spare parts and components. With regard to Pakistan and Saudi Arabia, exports largely consisted of continued deliveries of the Erieye system. Regarding Thailand, exports mostly consisted of continued deliveries of previously supplied systems (JAS 39 Gripen aircraft, Rb 15 missiles and Erieye). With regard to traditional partner countries, it can be noted that there were also extensive exports to France, Finland, Canada and the United Kingdom. Exports to South Africa, where final deliveries of JAS 39 Gripen aircraft have now been made, have decreased.

The value of the granted export licences in 2012 was SEK 7.9 billion, a decrease of around 27% compared with 2011 (around SEK 10.9 billion).

The statistical account also contains a description of Swedish exports of dual-use products (DUPs).

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. 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 have to be considered in accordance with the Swedish guidelines on exports of military equipment, as well as the criteria in the EU's Common Position on Arms Exports.

According to the Military Equipment Act (1992:1300), export controls cover the manufacture, supply and export of military equipment, as well as certain agreements on rights to manufacture military equipment, etc. Under the same Act, a licence is required to carry out training with a military purpose. The Act applies both to equipment designed for military use and constituting military equipment under government regulations and technical support regarding military equipment that under the government regulations constitutes technical assistance.

For defence, security and foreign policy reasons, Sweden has decided to permit exports of military equipment to a certain extent.

The Swedish regulatory framework consists of the Military Equipment Act (1992:1300), the Military Equipment Ordinance (1992:1303), and the Swedish Government's guidelines on exports of military equipment, which have been approved by the Riksdag. In addition, the EU Common

Skr. 2012/13:114 Position on Arms Exports has to be applied in national consideration of applications for licences. As an independent authority, the ISP is tasked with considering applications for export licences in accordance with these rules.

Parliamentary committee of review of export control of military equipment

In the Parliamentary Committee on Foreign Affairs report 2010/11:UU3, the Riksdag expressed the opinion that the Government should submit a proposal to the Riksdag for new military equipment legislation aimed at tightening export controls in relation to non-democratic states.

On 1 June 2012 the Government made a decision to appoint a parliamentary committee to review the export control of military equipment. This committee, consisting of representatives of all the political parties in the Riksdag, is tasked with conducting inquiry on future Swedish exports of military equipment and the framework of rules governing such exports. The main purpose of the inquiry is to present proposals for new legislation on military equipment with the aim of tightening export controls in relation to non-democratic states (Terms of Reference 2012:50).

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

Hans Wallmark, Member of Parliament and a member of the Parliamentary Committee on Defence and the Defence Commission, and since November 2012 chairman of the Committee on Foreign Affairs, has been appointed chairman.

The committee is to, inter alia:

- examine future Swedish export controls of military equipment and the framework for these controls,
- propose appropriate considerations in order to establish whether a country is a non-democracy and to form the basis for the assessment of applications for licences for exports of military equipment from Sweden, as well as analysing how these considerations can be put into practice in Swedish export control of military equipment,
- examine how the export control of military equipment is to be tightened in relation to non-democracies,
- examine what should be considered in the future as follow-on deliveries and what rules should apply to these, in view of the overarching purpose of the inquiry,
- study and analyse export control systems in other partner countries such as the Nordic countries, the Netherlands, Germany, the United Kingdom and the United States, and in particular their export control of military equipment in relation to non-democratic countries, and
- examine the consequences of export control of military equipment being tightened in relation to non-democratic

The committee is due to report on its remit by 15 December 2014.

Export controls and Global Development Policy

Sweden's Global Development Policy (Govt. Bill 2002/03:122, A common responsibility: Sweden's Global Development Policy), gives all the Government's policy areas a remit, in the framework of their own area-specific objectives, to formulate and implement policy in a way that takes account of effects on developing countries and strengthens the Swedish contribution to equitable and sustainable global development.

In its reports on Swedish export controls, the Parliamentary Committee on Foreign Affairs has in recent years addressed the issue of consistency between various policy areas and the global development policy objective of equitable and sustainable global development. (Report 2007/08:UU7, Report 2008/09:UU14 and Report 2009/10:UU12).

The Government Communication on Global Development Policy in 2012 (Government Communication 2011/12:167) addresses conflicts of aims and interest between Swedish export promotion and global development policy. Export control of military equipment is mentioned as an example. The parliamentary committee appointed by the Government to conduct an inquiry into the framework for future export control of military equipment will report on how global development policy in this area has been put into practice and on changes over time. The Government's endeavour is to prevent effects of Swedish military equipment exports that are detrimental to efforts to contribute to equitable and sustainable global development, manifested for example in the Government Communication on Global Development Policy in 2008 (Government Communication 2007/08:89). Certain aspects regarding global development policy are weighed into assessments of Swedish exports of military equipment, for example through the implementation of the EU's Common Position on Arms Exports, the eighth criterion which highlights the technical and economic capacity of recipient countries and the need to consider whether there is a risk of sustainable development being seriously hampered. The Common Position also includes a User Guide stating in more detail how the criteria in the position should be applied. The Government aims to ensure that Swedish exports of military equipment take account of the objective of equitable and sustainable global development in Swedish Global Development Policy.

Combating corruption in the international arms trade

The Government emphatically rejects corruption in any form in international business transactions. Both giving and accepting bribes has long been a criminal offence in Swedish legislation. The reform of bribery legislation that came into effect on 1 July 2012 additionally introduced a provision making financing of bribery through negligence a criminal offence. This provision is targeted for example at cases in which

a parent company in Sweden through negligence creates the conditions for bribery to be committed in the activity of a subsidiary abroad. In various international forums, Sweden actively promotes the effective application of conventions prohibiting bribery in international business transactions. Among other things, 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.

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 sector organisation, 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 (Global Principles of Business Ethics for the Aerospace and Defence Industry). The largest Swedish industry organisation, the Swedish Security and Defence Industry (SOFF), which represents more than 95% of companies in the defence industry in Sweden, also requires prospective members to sign and comply with a Code of Conduct on Business Ethics.

2.2 The role of exports from a security policy perspective

The Swedish defence industry developed to its present size and competence during the Cold War. Sweden's neutrality policy, as formulated after the Second World War, required strong armed forces, which in turn required a strong national defence industry. The ambition was maximum independence from foreign suppliers. The defence industry became an important part of Swedish security policy. As civil-military collaboration increases and new technologies are made available for military applications, both IT companies and companies with a high-tech orientation in other areas are joining the defence industry sector.

Sweden's security is built in co-operation with that of others and is strengthened through confidence-building measures, joint crisis management and active and credible contributions to Nordic, European and global security. Such collaboration takes place with both civil and military resources. The new security and defence-policy realities also signify needs for collaboration in the area of military equipment supply. The previous desire to be self-sufficient with regard to military equipment for the Swedish armed forces has been replaced by a growing need for co-operation with like-minded countries and neighbours. In many cases, it is more important that Sweden has equipment that is interoperable with that of its partner countries and that this equipment is technically mature, reliable and available, than that the equipment offers top technical performance. The procurement of military equipment is

governed by the principles set forth in the Government Bill *A Functional Defence* (Govt Bill 2008/09:140).

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It is in the Swedish security policy interest to safeguard long-term and continuous co-operation with traditional partner countries. This mutual co-operation is based on both exports and imports of military equipment.

Among the foreign and security policy interests are Sweden's opportunities to contribute to international peace and security through involvement in international peace-promoting activity, where general identical nature of technical systems with our leading partners improves the operational effect.

The supply of military equipment, both in Sweden and in other countries, is now based in part on contractual obligations and joint dependency. The co-operating countries are mutually dependent on supplies of components, subsystems and finished systems, as well as products manufactured in each country. An internationally competitive level of technology contributes to Sweden continuing to be an attractive country for international co-operation. According to the principles for supplying equipment for Swedish defence that the Government set forth in the Bill "*A Functional Defence*", maintenance and upgrading of existing equipment is to be prioritised over new procurement if it is financially justifiable and operational requirements can be achieved. Where new procurement is necessary, this is to primarily involve fully developed and tested equipment already available in the market. Development efforts should only be undertaken where needs cannot be met using existing equipment or equipment available in the market. In accordance with the Budget Bill for 2013 (Govt. Bill 2012/13:1), participation in international co-operation that serves to identify common solutions for maintenance and to jointly procure available and tested military equipment in the market which is operationally justified can be used as a means of improving efficiency in the supply of military equipment. Cooperation in multilateral European frameworks can additionally create the necessary conditions for more effective build-up and use of resources, and cost-effective supply of military equipment. Participation in international partnerships aimed at developing new military equipment should continue to be restrictive. An internationally competitive level of technology also means better opportunities than otherwise for Sweden in international competition to influence international co-operation on export control. This applies principally in the EU, but also in a broader international context.

Sweden participates in various co-operative projects conducted by the European Defence Agency (EDA). The Government's fundamental position is that Sweden should assist in and influence the processes that are being launched to go further in European cooperation, which also relates to the work at the European Defence Agency. Co-operation with the EDA has brought an improvement in capability for the Swedish armed forces, as well as improved prospects for more effective supply of military equipment.

By participating in the Six-Nation Initiative between the six largest defence industry nations in Europe (Framework Agreement/Letter of Intent, FA/LoI), Sweden influences the development of defence industry and defence export policies in Europe. This will have a major impact on

the emerging EU common defence and security policy, both directly and indirectly. The preparations for the European Council discussion on defence issues in December 2013 were initiated in 2012.

Co-operation on multilateral frameworks generates returns in terms of resource utilisation in a European perspective and in improving and further enhancing European and trans-Atlantic capacity for coordination. In this context, the EDA and the NATO/Partnership for Peace are fundamental alongside the FA/LoI and Nordic collaboration.

Areas of activity

The most important military product areas in Swedish defence and security companies today are:

- combat aircraft: manned and unmanned,
- surface vessels and submarines built with stealth technology,
- combat vehicles, all terrain vehicles,
- short and long-range weapons systems: land, sea and air-based,
- small-bore and big-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, marine and air applications,
- systems for exercise and training,
- signature adaptation (e.g. camouflage systems and radar),
- public infrastructure security systems,
- aircraft engines,
- gunpowder and other pyrotechnical material,
- services and consultancy operations and
- support systems for operation and maintenance

2.3 Co-operation in the EU on export control of military equipment

EU Common Position on Arms Exports

Under Article 346(1) of the Treaty on the Functioning of the European Union (TFEU), any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and military equipment. On the basis of this article, the EU Member States have adopted national rules for export of military equipment. However, the Member States have to some extent preferred to co-ordinate their export control policies. The Code of Conduct on Arms Exports, adopted in 1998, specified common criteria for export of military equipment that are to be applied in connection with national assessments of export applications. Member States can have their own,

stricter guidelines. The Code of Conduct was reinforced in 2005, and was adopted as a common position in 2008 (2008/944/CFSP). In 2012, a review of the EU's Common Position on Arms Exports (in accordance with Article 15 of the Position on Arms Exports) was started.

The following countries that are not Member States of the EU have also now officially acceded to the criteria and principles of the EU's Common Position on Arms Exports: Bosnia and Herzegovina, Canada, Croatia, the Former Yugoslav Republic of Macedonia, Iceland, Montenegro and Norway.

The first part of the Common Position contains eight criteria that are all to be considered before taking a decision 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 international obligations of the exporting country and the recipient country.

With respect 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, a risk of weapons being diverted or re-exported and whether the export would seriously hamper the sustainable development of the recipient country. The situation in the region refers to stability in the area and the risk of the recipient being able to use the weapons in a regional conflict. Finally, international undertakings of the exporting country and the recipient country are to be taken into account. For example, arms embargoes must be respected, the national security of Member States must be considered and the behaviour of the recipient country in the international community 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 Common Position also includes a list of the products that it covers (EU's common list of military equipment), and a User's guide that provides more details on implementation of the agreements in the Common Position on the exchange of information and consultations and on how these criteria for export control are to be applied.

Exchange of information on denials

Under the Operative Provisions of the Common Position, Member States are to exchange details of denied export licence applications. If another Member State is considering granting a licence for an essentially identical transaction, consultations are to take place before the licence can be granted. The consulting Member State must also inform the notifying state of its decision. The exchange of denial notifications and consultations on the notifications make the EU's export policy more transparent and uniform. The consultations lead to greater consensus on the various export destinations. The fact that the Member States notify each other of the export transactions they deny reduces the risk of

another Member State approving the export. The idea behind the system is thus that once other Member States have been informed of the denial of a certain export, the same export should not be approved by another Member State. The ISP is responsible for issuing details of Swedish denials and arranging consultations.

In 2012, Sweden received 406 denial notifications from other member states. Sweden issued seven notifications of denials. These related to Bahrain, Colombia, Indonesia, Pakistan, Tunisia and the United Arab Emirates (2). 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 controls do not apply a system of country lists, i.e. predetermined lists of countries that are either approved or not approved as recipients. Each export application is considered on a case-by-case basis in accordance with the guidelines adopted by the Government for exports of military equipment and the EU Common Position on Arms Exports.

User's Guide

To complement the Common Position, there is, as mentioned above, a User's Guide available to assist the licensing authorities in the Member States.

The User's Guide contains more detailed guidelines for application of the Common Position criteria for export controls. The Guide specifies procedures to improve the system for information on denials and consultation, and clarifies the responsibility of Member States in these respects. The User's Guide is updated regularly.

Work in COARM

The Council Working Group on Conventional Arms Exports (COARM) is a forum in which the Member States of the EU regularly discuss the application of the Common Position on Arms Exports and exchange views on export destinations. An account of this work, detailing agreements reached and statistics on the Member States' exports of military equipment, is published in an annual EU report.

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

During the year, the group's work was focused in particular on the review of the Common Position on Arms Exports (in accordance with Article 15 of the Common Position).

The Member States have also decided to systematise their outreach on export control issues to non-EU countries. This work continued in 2012. The purpose is to encourage other countries to develop export control systems in line with the EU's Common Position. To approach these activities systematically, COARM has identified countries where visits and seminars are suitable, contacted them and set up a database for these activities, whether they are undertaken jointly by several EU Member States or on a bilateral basis between a single EU Member State and a

non-EU country. The aim is to make outreach activities more effective and to provide opportunities for the EU to speak with one voice on export control and the values guiding EU co-operation.

In December 2012, the annual meeting was held between the EU's COARM delegates and European non-governmental organisations (NGOs). The meeting consisted of discussions on current issues, including the ongoing review of the Common Position on Arms Exports and efforts towards an international Arms Trade Treaty.

Controls of arms brokering

To tackle the problem of uncontrolled arms brokering and avoid circumvention of arms embargoes, in 2003 the Council adopted a Common Position (2003/468/CFSP) on control of arms brokering. According to this, the Member States agree to take necessary measures to control arms brokering within their territory. Control of arms brokering in Sweden was already good due to the provisions of the Military Equipment Act. Within COARM, an appropriate mechanism for exchange of information between states on registered arms brokers is being produced. In Sweden, some 30 companies are registered as brokers of products classified as military equipment.

The ICT Directive

In 2009 an agreement was reached in the EU on a Directive to simplify and harmonise licensing for transfers of defence-related products within the European Union (Directive 2009/43/EC of the European Parliament and of the Council (the ICT Directive)). The Directive has been transposed into Swedish law. The amendments came into effect on 30 June 2012.

The implementation of the ICT Directive has meant, for example, that the provision of technical assistance has been made subject to control, that the Swedish list of military equipment is based on the EU military list and that specific types of export licence have been introduced (Govt. Bill 2010/11:112, Report 2010/11:UU3, Riksdag Communication 2010/11:261 on Implementation of Directive on transfer of military equipment). Further information on the implementation of the ICT Directive is provided by the ISP.

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 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 was adopted on 14 March 2012.

The Regulation is to be applied with effect from 30 September 2013. Exports in the Regulation mean exports from the EU. Transfers within the EU are thus not affected. The Regulation covers firearms etc. for civil

use; in addition to firearms etc. specially designed for military use, fully automatic weapons also fall outside its scope.

Arms embargoes etc.

Under the Common Foreign and Security Policy (CFSP), the EU implements embargoes adopted by the UN on trade in arms and dual-use products. The EU can also decide unanimously on certain embargoes extending beyond those decided upon by the UN Security Council. These EU decisions may be regarded as an expression of the Member States' resolve to adopt common responses to various security policy issues. An arms embargo imposed by the EU is implemented in accordance with each Member State's national export control rules. EU arms embargoes normally also include a prohibition against export of technical and financial services relating to military equipment. These prohibitions are governed by Council regulations under Union/EU law. Embargoes on trade in dual-use products is governed by both Council decisions and EU Regulations. These too normally also include a prohibition of exports of technical and financial services relating to the products.

A decision by the UN Security Council, the EU or the Organisation for Security and Co-operation in Europe (OSCE) on an arms embargo represents an unconditional obstacle to Swedish exports according to 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 exist for Iran, North Korea and Libya.

There are currently formal EU decisions, either independent or based on UN resolutions, that arms embargoes apply to Afghanistan, Myanmar (Burma), the Ivory Coast, Eritrea, Guinea, Iraq, Iran, the Democratic Republic of Congo, Lebanon, Liberia, Libya, North Korea, Somalia, Sudan, South Sudan, Syria, Belarus and Zimbabwe. The embargoes vary somewhat in orientation and scope. There is also an individually targeted arms embargo on persons on the UN terrorist list. The EU also applies an arms embargo against China based on a Council Declaration introduced as a result of the events in Tiananmen Square in 1989. Sweden does not permit the export of any military equipment to China. Under OSCE decisions there are also arms embargoes on Armenia and Azerbaijan.

The Ministry for Foreign Affairs has collated information on what restrictive measures (sanctions) against other countries exist in the EU and therefore apply to Sweden on the website www.regeringen.se/sanktioner. It is possible to read there on a country-by-country basis about the arms embargoes or embargoes on dual-use products that are in force. This website also contains links to EU legal acts about sanctions and, where applicable, the UN decisions that have preceded the EU measures. This '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 products can be found on the website of the European External Action Service.

Transparency in conventional arms trade

The UN General Assembly adopted a resolution on transparency in arms trade in 1991. The resolution urges Member States to voluntarily on a yearly basis report both their imports and exports of major conventional weapon systems to a register administered by the UN Institute for Disarmament Research (UNIDIR). Trade in the following seven categories of weapons is reported: tanks, armoured combat vehicles, heavy artillery, combat aircraft, attack helicopters, warships and missiles/missile launchers. After a review by the United Nations, most recently in 2006, the definitions of the categories have been broadened to include more weapon systems, and it has also been made possible to report trade with small arms and light weapons (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 the weapons of the categories in question held by states and procurements from their own arms industry. In consultation with the Ministry of Defence and the ISP, the Ministry for Foreign Affairs compiles annual information which is submitted to the UN in accordance with the above-mentioned resolution.

Since reports have been made 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 weapon systems continues to be modest. The report that Sweden will make to the UN Register for 2012 will include exports of S10 armoured all terrain vehicles to France, Robot 70 missiles to Pakistan, (one) submarine to Singapore and Robot 15 missiles to Thailand.

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

The 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 sub-groups, 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 to include further information on a voluntary basis. The purpose of this agreement is to bring destabilising accumulations of weapons to the notice of the Member States at an early stage. Exports of dual-use products and technology are also reported twice yearly.

An international Arms Trade Treaty (ATT)

In July 2012 a diplomatic conference was held under UN auspices to negotiate a legally binding universal treaty on the international trade in conventional weapons (Arms Trade Treaty, ATT). This conference

marked the climax of six years of work in the UN during which very broad support for ATT emerged among various groups of countries. After four weeks of intensive, technically and politically complex negotiations, a draft treaty text existed which most governments could support. A few governments said that they needed more time to study the text, and the conference therefore concluded without any definite final result.

On 24 December 2012 the UN General Assembly adopted a resolution under which a brief continuation conference is to be held over nine working days in March 2013 to conclude the negotiating work on the basis of the text produced at the end of the diplomatic conference in July 2012. The same procedural rules are to apply to the continuation conference. A successful final result cannot be taken for granted as there is still a lack of consensus on the scope and content of the Treaty.

The EU Member States are continuing to coordinate their action on the issue in a special sub-group of the Council working group COARM. Significant efforts are also being made to hold informal consultations with other important countries and regional groups to lay the foundation for successful negotiations in March 2013. The EU Council of Ministers has granted funding for two further seminars on the ATT issue. A continued ATT dialogue is also being conducted with civil society and representatives of industry, both at EU level and at national level in Sweden.

The Government attaches great importance to a successful conclusion to the process. The Government's assessment is that a universal, legally binding treaty that globally strengthens control of the conventional arms trade is the most effective way of dealing with the cross-border illicit arms trade which in many parts of the world sustains armed conflicts and instability at regional or national level, causes extensive humanitarian suffering and hampers or obstructs economic development.

Small arms and light weapons (SALW)

The expression small arms and light weapons (SALW) basically refers to firearms which are intended to be carried and used by one person, and weapons intended to be carried and used by several persons. Examples of the former category include pistols and automatic carbines. Examples of the latter include machine guns, recoilless grenade systems and portable anti-aircraft rockets. Work is in progress in various international forums, such as the UN, the EU and OSCE, with a view to preventing and combating destabilising accumulations and uncontrolled proliferation of small arms and light weapons. No other types of weapons cause more deaths and suffering than these, which are used every day in local and regional conflicts, 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 purpose of the UN's work is to raise awareness about the destabilising effect of small arms and light weapons in conflict regions. Non-proliferation is also important in combating criminality and, not least, terrorism. The EU made an active contribution to enabling the 2012 review conference for the UN action plan on SALW to agree on a final document confirming

that the commitments contained in the action plan are fixed. If the work towards an international Arms Trade Treaty (ATT) reaches a successful conclusion, it will be possible for the work on the UN action plan to be based on better control of the legal trade and to focus on measures to combat the illicit trade in small arms and light weapons. During the year, Sweden submitted a national report on implementation of the UN action plan and reported exports of SALW to the UN register of conventional arms.

Most recently in 2002, the EU revised its Joint Action on combating destabilising accumulation and illegal spread of small arms and light weapons. The EU strategy with an action plan to combat illicit accumulation and trafficking of small arms and light weapons, which was adopted by the European Council in 2005, continued to be implemented during the year, as did the Council's conclusions from 2008 concerning the introduction of a special SALW clause in international agreements between the EU and third countries. The Council publishes status reports twice a year on the EU strategy and its progress.

In 2012, an evaluation was made of the OSCE's action plan for SALW from 2010. The main conclusions concerned deficiencies in reporting on exports and imports of SALW, but also difficulties in funding SALW projects. Sweden reported exports of SALW to the OSCE register of conventional arms trade during the year. There is also a reporting obligation for trade in these arms in the Wassenaar Arrangement (WA). Sweden presses for each country to establish and implement a responsible export policy with comprehensive laws and regulations. The aim is for all countries to have effective systems that control manufacturers, sellers, buyers, agents and brokers of small arms of light weapons.

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

In 2000, the six large defence industry nations in Europe (France, Italy, Spain, the United Kingdom, Sweden and Germany) signed an important defence industry co-operation agreement at government level, the Framework Agreement. This agreement was negotiated as a result of the declaration of intent adopted by the countries' defence ministers in 1998, the Six-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, and it focuses mainly on the supply side, i.e. the states delivering the products. Six working groups have subsequently worked to put the principles of the framework agreement into practice. The areas covered are security of supply, export controls, security, defence-related research and technology, treatment of technical information, harmonisation of military requirements and protection of commercially sensitive information. In 2012, under French chairmanship, the working group for export control issues principally addressed issues concerning the implementation of the ICT Directive. Continued dialogue has also been conducted with United States export control authorities concerning developments in export control mechanisms in the United States, within the LoI circle and in the EU.

3 Dual-Use Products

3.1 Background and regulatory framework

The issue of non-proliferation of weapons of mass destruction has long been high on the international agenda. The focus has been in particular on preventing further governments from acquiring weapons of mass destruction, but since 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 referred to nuclear, 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 proliferation of weapons of mass destruction have, in particular, been expressed through a number of international conventions and multilateral export control regimes.

Dual-use products (DUP) are items that are produced for legitimate civil uses, but can also be used for military purposes, for example for the production of weapons of mass destruction or military equipment. The international community has in recent decades developed various co-operation arrangements for the purpose of limiting the proliferation of these products. The actual export control is always exercised nationally. However, extensive co-ordinating work is done in the multilateral export control regimes and in the EU.

The EU strategy against proliferation of weapons of mass destruction from 2003 contains a commitment to strengthen the effectiveness of export control of DUPs in Europe. A basic reason for the requirement to improve export control 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 to the risk of proliferation and not unnecessarily disturb the internal market or the competitiveness of European companies.

Within the multilateral export control regimes, control lists have been developed establishing which products are to be subject to licensing. A basic reason for the requirement of such controls is that some countries have developed weapons of mass destruction programmes despite having signed international agreements prohibiting such activities. Such countries have often acquired the necessary capacity by importing civilian products that can be used for military purposes. History shows that countries that acquire military capacity in this way have imported those products from companies that were not aware that they were contributing 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 co-operation 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 product in a control list does not automatically mean that exports of that product are prohibited. Rather, the listing indicates that the product is sensitive. In the EU, the control lists adopted by the various regimes are incorporated into the Annex 1 to 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 outside the lists to be made subject to control in the event of it coming to the knowledge of the exporter or the licensing authorities that the product is or may be intended for use in connection with the production etc. of weapons of mass destruction or for military purposes. This is known as a catch-all mechanism, and it can also be found in the multilateral export control regimes.

Much of the work within the EU and the regimes consists of extensive information exchange activities, 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.

Export controls of DUPs (dual-use products) and of technical assistance in connection with these products are governed nationally by the Act (2000:1064) concerning Control of Dual-Use Products and of Technical Assistance. The most recent amendments entered into force on 1 August 2010. The Act contains supplementary provisions to the Council Regulation (EC) No. 428/2009, setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use products.

It is difficult to provide an overall picture of industries that work with DUPs 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 transfer to another EU Member State. The general authorisation 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 2012 another five general authorisations were introduced (EU002–006) concerning certain products for 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 authorisations 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 Act, no basic licences under the export control legislation are required for companies that produce or trade with DUPs. Nor are these companies obliged to make a declaration of delivery. However, a company is obliged to make a fee declaration if it has manufactured or sold

Skr. 2012/13:114 controlled products subject to supervision by the ISP. This includes sales within and outside Sweden.

In the event that a company is aware that a DUP, 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 accordingly. The ISP, in accordance with the licence application process, can deny the granting of a licence for export (catch-all).

The majority of the DUPs exported with a licence from the ISP are telecommunications equipment, primarily encryption and thermal imagers that are controlled in the Wassenaar Arrangement (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 or separation equipment for satellites are not so large in terms of volume but can still be very resource-intensive in considering licence applications.

Embargoes concerning trading of DUPs are regulated under UN decisions implemented and extended by the EU concerning Iran and North Korea. These embargoes are in principle complete as a result of the EU decisions i.e. in principle they cover all products in the Regulation (EC) No 428/2009 list, with individual exceptions in the case of Iran. Certain similar products are also subject to embargo or licence requirements. Exports of certain DUP according to EU decisions are also prohibited or subject to licence requirements in relation to Syria.

3.2 Co-operation in the multilateral export control regimes

International agreements

Among the international agreements, particular importance is given 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 their destruction (CWC). Sweden is a party to all three conventions (see Swedish Treaty Series 1970:12, 1976:18 and 1993:28).

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

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 the parties are never to transfer directly or indirectly, chemical weapons to any other state.

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

The multilateral export control regimes

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

The purpose of the regimes is to identify products and technologies that can be used in connection with weapons of mass destruction and to enhance the uniformity of the participating countries' export controls for these products and technologies. To support these efforts, each regime has a list of products subject to controls. The lists are revised on a regular basis. Efforts also include the exchange of information on proliferation risks and contacts with third countries in order to promote the regimes' non-proliferation objectives.

The basis for the co-operation in the multilateral export control regimes is a common political will to prevent the proliferation of weapons of mass destruction. This is achieved through national legislation enabling export controls of products and technologies identified as strategic. Participation in these regimes makes it easier to meet international legal obligations, enshrined in the above-mentioned international conventions, 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 issues of export control related to the Nuclear Non-Proliferation Treaty (NPT). The Committee defines the meaning of equipment or material especially designed for the production of special fissionable material. The NPT stipulates that export of such equipment and material, as well as fissionable material, to a non-nuclear 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 follow technological developments. The list can be found in the IAEA's Information Circular No 209 (INFCIRC/209/Rev.2).

The Nuclear Suppliers Group

The Nuclear Suppliers Group (NSG) has its origins in the “London Club”, which was established in the mid-1970s. The work of the NSG involves export controls for products listed in Part 1 and Part 2 of NSG’s Guidelines, including products for nuclear applications and DUPs 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.11/Part 1 and INFCIRC/254/Rev.8/Part 2).

In 2012, the work continued with a review of the NSG’s list. During the year, Mexico was admitted as a member of the regime, and at the end of 2012 the regime had 47 member states.

Discussions of the issue of nuclear co-operation with India, including the undertakings by India for co-operation to be possible, continued during the year. The European Commission is an observer in the regime. The NSG was chaired in 2011-2012 by the Netherlands, and the United States holds the chair in 2012-2013.

The Australia Group

The Australia Group (AG) was formed in 1985 on the initiative of Australia. Its aim is to harmonise member countries’ export control to prevent the proliferation of chemical and biological weapons (CBW). Originally, it only included chemicals and chemical production equipment. However, the members of the AG decided in 1990 to extend its control lists to include microorganisms, toxins and certain manufacturing equipment for biological weapons

The AG continued its work on outreach to governments that are not members of the regime in 2012. One of the working groups within the AG is NETTEM, consisting of technical experts whose task is to monitor technological development and continuously review the AG’s various lists. For example, in 2012 NETTEM worked on ‘factors for consideration’, which establish what criteria a product should fulfil to be relevant for the AG’s control lists.

The Missile Technology Control Regime

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

In 2012, work continued in MTCR on reviewing the contents of the lists of controlled products, exchanging information on sensitive proliferation of missile equipment, technological development, national programmes, procurement strategies and engaging in outreach activity targeting a number of countries. Several EU countries are still not members of the MTCR regime. Their membership continued to be

blocked in 2012 for political reasons. The MTCR was chaired by Argentina in 2011–2012. Germany took over the chairmanship in October 2012. At the plenary meeting in 2011, Sweden was elected vice-chair of the Technical Experts Meeting and will take over chairmanship of that group in 2013.

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The Wassenaar Arrangement

The Wassenaar Arrangement (WA) was created in 1996 as a successor to the multilateral export control co-operation that had previously taken place within the framework of the Coordinating Committee on Multilateral Export Controls (COCOM). The Arrangement's sphere of activity involves controls of conventional weapons, as well as DUP goods and technologies not covered 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 for weapons of mass destruction.

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 dual-use products, 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 Goods and Technologies, which covers products and technologies with both civilian and military uses that are not included in the control lists of the other control regimes. In practice, the two Wassenaar lists guide the contents of the EU's corresponding control lists. The Wassenaar Arrangement holds annual plenary meetings in the late autumn (the December 2012 meeting was chaired by Germany). These plenary meetings address matters of principle for the continued development of the co-operation. On the basis of the ongoing technical work during the year, formal decisions are also made regarding updates of the control lists to take into account technological developments in conventional arms and weapons of mass destruction. During the plenary meeting in December 2012, new consensus recommendations describing various aspects of good export control practice were adopted.

Consular vigilance

One element in the work of limiting the risks of proliferation of nuclear weapons and other weapons of mass destruction is what is known as consular vigilance. Sweden has both legally binding undertakings, in the form of sanctions adopted by the UN and the EU, and political undertakings, in the framework of the export control regimes, aimed at limiting the spread of sensitive information and technology. One such way of spreading sensitive information is through knowledge transfer. The issue becomes relevant in the consideration of applications for residence permits for studies relating to such sensitive information and

technology. The co-operation between affected authorities, aimed for instance at increased awareness of proliferation risks with regard to sensitive university education programmes, was strengthened under the existing regulatory framework in 2012.

3.3 Co-operation in the EU on dual-use products

The export control regimes and the EU

The EU's work on export controls of dual-use products (DUPs) is closely connected with the international work of the export control regimes. The work carried out in Brussels is coordinated, in particular, by two working groups – CONOP (Council Working Party on Non-proliferation), which deals with non-proliferation issues in general, and the WPDU (Working Party on Dual-use Goods), which focuses on policy issues and updates the control list of DUPs under Council Regulation (EC) No 428/2009. The following section addresses the work of the WPDU.

Under the EU's strategy against proliferation of weapons of mass destruction, the Member States have to work towards becoming a leading partner in co-operation with regard to the export control regimes, among other things by co-ordinating EU positions in the regimes.

The EU has for a long time taken the view that all EU Member States should be invited to join all the export control regimes. The main reason is the endeavour to maintain harmonised and effective national export control for all EU countries based on the regimes' control lists, guidelines for export control and exchange of information on proliferation risks. The EU area is a common market for the great majority of dual-use products. A similar situation is emerging in the area of the defence industry through the ever closer co-operation in the EU. Trade within the EU is not export. However, transfer of goods and technology to a third country is export. The EU Member States are therefore dependent on one another's export control systems. This is an additional reason why the question of membership in the export control regimes has an important dimension.

By a decision of the Nuclear Suppliers Group (NSG) and the Australia Group (AG), all EU countries are now members of these regimes. Equivalent decisions have not yet been made in the Missile Technology Control Regime (MTCR) with regard to Cyprus, Estonia, Latvia, Lithuania, Malta, Slovakia, Slovenia and Romania. The same applies to Cyprus with regard to the Wassenaar Arrangement (WA).

The year's work on the control lists

The changes to the regimes' control lists during the year have been introduced into Annex I of the above-mentioned EU Regulation, thus becoming legally binding in all EU Member States. Changes to the regime lists up to the end of 2009 have been introduced into the EU's control list by Regulation (EC) No 428/2009. An updated list was adopted in 2012 through Regulation (EC) 388/2012 (which came into effect on 15 June 2012).

Activity in the WPDU in 2012 comprised co-ordination between the Member States with regard to managing the control of DUPs outside the control list. This primarily relates to the formulation of deeper co-operation to prevent proliferation of nuclear products and missile products to Iran.

The discussion of the Commission proposals dating from 2011 on amendment of the regulation regarding dual-use products continued. Under the proposal, authority is delegated to the Commission partly to amend Annex I to the DUP Regulation in accordance with the changes continuously made to the control lists in the multilateral export control regimens and partly to adopt acts to rapidly remove destinations and/or products from the scope of the EU's general export licences. The European Parliament presented proposed for substantial amendments to the Commission's proposals in 2012. A discussion of the European Parliament's proposals is in progress within the WPDU.

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

In April 2004 the United Nations Security Council adopted Resolution 1540. Under Chapter VII of the UN Charter, the Resolution, which is binding on UN Member States, seeks to prevent non-state actors (terrorists) from gaining access to weapons of mass destruction and their means of delivery, as well as products related to such weapons. It is determined that all states are to establish effective national controls of exports, brokering, transit and trans-shipments. The Resolution also contains provisions on assistance to other countries in implementing the measures for which it imposes an obligation.

It was also decided through Resolution 1540 to set up a committee with the task of reporting to the Security Council on implementation of the resolution. The Member States of the United Nations are urged to report to the Committee on steps that they have taken to implement the Resolution. The 1540 Committee's mandate was extended in April 2011, and the new mandate period runs to April 2021.

An international initiative which has a number of Points of Contact with, and also partly overlaps with, Resolution 1540 is the Proliferation Security Initiative (PSI). The EU and Sweden support this initiative, which aims at preventing transport of weapons of mass destruction and components for these to unauthorised recipients within the framework of international and national law. The Swedish authorities concerned are coordinating their work in this area and in 2012 held a seminar to develop their capacity to collaborate.

4 Responsible authorities

4.1 The Swedish Agency for Non-Proliferation and Export Controls

The Swedish Agency for Non-Proliferation and Export Controls (ISP) is the central administrative authority for matters and supervision under the Military Equipment Act (1992:1300) and the Dual-use Products and Technical Assistance Act (2000:1064) unless, in the latter instance, another authority has this task. The Swedish Radiation Safety Authority (SSM) is responsible for corresponding issues relating to particularly sensitive nuclear products. The Swedish Defence Research Agency (FOI) and the National Defence Radio Establishment (FRA) assist the ISP with specialist technical expertise, among other things. The Military Intelligence and Security Service (Must), the Swedish Security Service (Säpo) and FRA also supply ISP with information. The ISP also has established cooperation with Swedish Customs. Some of the ISP's inspections are carried out as joint inspections with Swedish Customs. The ISP and Swedish Customs also exchange information on export licences. By Government decisions, the ISP has also been appointed as a competent authority to fulfil certain specified tasks under Council regulations on sanctions adopted by the European Union. The ISP additionally has supervisory tasks in relation to special prohibiting regulations issued by the Government under the Act (1996:95) on Certain International Sanctions.

In addition, the ISP is the competent national authority responsible for performing the tasks provided for in the Act (1994:118) concerning Inspections in accordance with the United Nations Convention on the Prohibition of Chemical Weapons and the associated ordinance. These ISP operations are not dealt with in more detail in this document.

The authority's responsibilities are presented in the instructions for ISP (SFS 2010:1101).

Contacts with companies

The ISP maintains regular contacts with the companies whose exports are subject to control. The companies' obligations are governed by the Military Equipment 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. In conjunction with this dialogue the ISP has issued positive or negative 'advance notifications' to the companies concerning sensitive or previously not-tested destinations. In addition to processing applications for licences, the ISP reviews the notifications that companies are required to submit at least four weeks before submitting tenders or signing contracts for export of military equipment or other co-operation with foreign partners in this field. It is possible for the ISP at this stage to notify prohibitions on the pre-notified measure being implemented. Finally, exporters of military equipment must notify the deliveries of

military equipment that are made under the export licences issued to them. In its supervisory role, ISP carries out compliance visits to companies to monitor their internal export control organisation.

In contrast to the case with military equipment, no licence is required to manufacture dual-use products (DUPs). 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 products, The control lists that are drawn up pursuant to Council Regulation (EC) No 428/2009 on dual-use items state which product categories are subject to licence for export outside the EU. In terms of determining whether a product should be considered a DUP or not, it is primarily the companies that classify their products. When a company is unsure whether its product belongs to the controlled products category, the company can submit a product enquiry to ISP. Given this background, ISP's contacts with these companies are different than is the case with military equipment. With the exception of a few companies, ISP meetings with DUP companies occur more on an ad hoc basis.

In its supervisory role, ISP carries out compliance visits to companies to monitor their internal export control organisation. In 2012, ISP carried out 12 compliance visits.

Funding

Rules regarding the funding of ISP are detailed in the Government Ordinance (2008:889) on the financing of the operations of the Swedish Agency for Non-Proliferation and Export Controls (ISP). A large part of the authority's activity is funded by fees. The Ordinance stipulates that the fee structure is broken down into three categories: military equipment, dual-use products and the Act Concerning Inspections in Accordance with the United Nations (UN) Convention on the Prohibition of Chemical Weapons. Parts of the ISP's international operations and work related to international sanctions are funded by grants through the Ministry for Foreign Affairs.

International sanctions

In July 2007, the Government extended ISP's remit to include licensing in connection with decisions on international sanctions and releasing frozen economic resources (Council Regulation (EC) No 423/2007 concerning restrictive measures against Iran). Over the period from 2010 to 2012 the EU has adopted further sanctions against Iran, and in this connection ISP has been given expanded remits, relating for example to transfers of funds between Iran and the EU. The Council Regulation from 2007 was superseded in 2010 by Regulation (EU) No 961/2010 on restrictive measures against Iran, which in turn was superseded in 2012 by Regulation (EU) No 267/2012. The older regulations were repealed at the same time. ISP has also been given similar tasks under a number of other sanctions regimes.

The Export Control Council (ECC)

In 1984, on the grounds of Bill (1984/85:82) proposing greater transparency and consultation in matters relating to exports of military equipment, the Riksdag established an Advisory Board on Exports of Military Equipment. The Government reorganised the Board into the Export Control Council (ECC) in connection with the establishment of the ISP in 1996. The rules on the composition and activities of the ECC are included in the instructions for ISP. All parliamentary parties are represented on the ECC. Its chairman is the Director-General of the ISP. A list of the Council members in 2012 appears below.

The Director-General of the ISP is responsible for selecting applications that are to be the object of 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 consideration under the Military Equipment Act or the Act on Control of Dual-Use Products and Technical Assistance.

At meetings of the Export Control Council, the Ministry for Foreign Affairs presents assessments of the relevant purchasing countries and the Ministry of Defence contributes assessments of the defence policy aspects of the applications. The Director-General can also request other experts to attend. The Council seeks to interpret the guidelines and the EU's Common Position on Arms Exports in specific cases, in order to provide further guidelines for 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 notifications decided upon not previously reported in the Export Control Council and applications decided upon in accordance with guideline practice (tender notifications and co-operation agreements). From 2005, the ISP has also reported all preparatory proceedings for dual-use products in the ECC.

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

The purpose of the Swedish system, which is unique in international terms, in that representatives of the political parties can discuss potential export transactions in advance, is to build broad consensus on export control policy and promote continuity in the conduct of that policy. In contrast with many other countries, the Export Control Council deals with cases at an early stage, before a specific transaction is considered. Since it would harm the export companies commercially if their plans were made known before they had concluded a deal, discussions within the Export Control Council are not 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. Eight meetings of the Export Control Council were held in 2012.

On 3 March 2011, the Government decided to appoint the following persons to the Export Control Council. These appointments apply until further notice, although not beyond 31 December 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 Technical-Scientific Council (TVR)

In connection with matters concerning the classification of military equipment and dual-use products, the Director-General at the Swedish Agency for Non-Proliferation and Export Controls is assisted by a Technical-Scientific Council attached to the Agency. This comprises representatives of several institutions with expertise in technological applications for both civilian and military uses.

4.2 The Swedish Radiation Safety Authority

The Swedish Radiation Safety Authority (SSM) is the central government authority for issues relating to protection of human health and the environment against the harmful effect of ionising and non-ionising radiation, issues of security and physical protection in nuclear technology and other activity involving radiation and issues of nuclear non-proliferation.

The SSM's remit in non-proliferation in connection with exports of nuclear material and nuclear technology products is stated in the Ordinance (2000:1217) on Control of Dual-Use Products and Technical Assistance. It is stated there that the SSM decides on licences for export to a country outside the EU or for transfer within the EU of nuclear material and nuclear technology products, except in certain special or fundamental cases in which the Government is the decision-making body. The products are specified in Annex I, Category 0 of Council Regulation (EC) No. 428/2009. SSM is also a 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 on restrictive measures against Iran. SSM's remit is also stated

in the Ordinance (2008:452) containing Instructions for the Swedish Radiation Safety Authority.

In the area of nuclear non-proliferation, SSM is, in accordance with the Act (1984:3) on Nuclear Activities, the national supervisory authority ensuring that Swedish activities are in accordance with Sweden's agreements and obligations with the aim of preventing the proliferation of nuclear weapons. SSM is also the national contact point for the IAEA's database of illicit trade in and other non-permitted handling of nuclear and radioactive materials.

SSM co-operates with other authorities on export control issues, in particular the Swedish Agency for Non-Proliferation and Export Controls (ISP) and Swedish Customs. SSM also receives technological assistance from the Swedish Defence Research Agency (FOI), but also possesses its own high level of special nuclear technological expertise.

Control of nuclear exports

Nuclear materials (uranium, plutonium and thorium) and nuclear technology products are classified as dual-use products, and exports are therefore governed by Regulation (EC) No 428/2009. Exports to countries outside the EU require licences, but EU general export licences do not apply to these products. Licences are also required for transfers within the EU for several products, including particularly sensitive nuclear materials and nuclear equipment.

In the case of an application for a licence to export nuclear fuel, SSM concurrently examines the issue of any eventual transfer of the nuclear material under the Act (1984:3) and Ordinance (1984:14) on Nuclear Activities. In the case of spent nuclear fuel, SSM also examines the issue of how the material is to be finally disposed of. With regard to spent nuclear fuel originating from nuclear technology activity in Sweden, the application has to contain an assurance that whosoever exports the material will take the material back if it cannot be disposed of in the intended manner. SSM additionally decides on the transportation of nuclear material with the aim of preventing radiological accidents and to ensure that there is adequate physical protection.

The conditions set in decisions on export licences are based on the guidelines agreed in the Nuclear Suppliers Group (NSG). These include obtaining certain specified assurance from the government of the recipient country before an export license can be granted. The SSM has been commissioned by the Government to obtain assurances from the recipient country's government for nuclear exports, and to design and provide the Swedish Government's assurance to the government of the exporting country on import of such material. The assurance relates to the products being for peaceful use, the IAEA having full right of inspection in the country and that nuclear material in the country has adequate physical protection. In addition, it is to be guaranteed that re-export does not take place without corresponding assurances. The SSM does so in the event of repeated transactions with a country. In the case of a first transaction, however, the Ministry for Foreign Affairs obtains an assurance in the case of export or submits an assurance in the case of import.

All EU Member States have acceded to the Treaty establishing the European Atomic Energy Community (the Euratom Treaty), one purpose of which is to establish a common market for special material and equipment in the field of nuclear energy and to guarantee that nuclear material is not used for any other than the intended purposes. All the EU Member States have also acceded to the Non-Proliferation Treaty (NPT) and has concluded inspection agreements with the IAEA with associated additional protocols. The Government is of the opinion that the existing licensing procedure for trade within the EU, according to Council Regulation (EC) No 428/2009, and the commitments of the Member States within the framework of Euratom normally provide sufficient security in transfers of nuclear material and nuclear equipment between EU Member States and are in accordance with the NSG Guidelines.

The EU has the right under the Euratom Treaty 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. In 2012 the EU entered into a corresponding agreement with South Africa, which is expected to enter into force in 2013.

All EU Member States have undertaken to report all exports of nuclear material and nuclear equipment to the IAEA, under the Additional Protocol to the control agreement with IAEA, in the case of Sweden INFCIRC/193/Add.8. For Sweden, this means that the European Commission, through its security control under the Euratom Treaty, reports all exports of nuclear material to the IAEA and that the SSM reports all exports of nuclear equipment to the IAEA. Unlike other DUPs, notification to SSM is required for this reporting on exports of nuclear products listed in Annex 1, Category 0 of Council Regulation (EC) No 428/2009.

The interest in nuclear energy has increased internationally in recent years in several countries, and research in the area of nuclear technology has also increased. It has not been possible to discern any trend in the number of applications for export licences for this reason, nor any effect from the nuclear accidents in Japan in 2011.

The number of applications for export licences has been relatively constant in recent years, while the number of companies applying for licences has increased. The proportion of applications relating to technical documentation and software was twice as high in 2012 as in 2011. This is mainly explained by many of these licences running for two years and several of the applications relating to renewal of licences expiring during the year.

SSM handled around fifty applications for export licences in 2012. A fundamental case handed over by SSM for a Government decision in 2011 related to exporting of around 3 kg of plutonium to the United States under the American Global Threat Reduction Initiative (GTRI) initiative. The material was of Swedish origin but was transferred to the United States for final disposal in 2012.

A table containing details of SSM's granted export licences can be found in the statistical report.

5 Statistics and concepts

The Swedish Agency for Non-Proliferation and Export Controls continuously monitors the marketing and export of military equipment and dual-use products, and supplies the Government with the statistical data for the reporting of exports of Swedish military equipment and dual-use products. Some comments follow below on the tables on categories of military equipment, export licences, actual deliveries, leasing, manufacturing rights, co-operation and training with a military orientation.

Companies licensed to manufacture and supply military equipment – currently 150, of which around 40 are active exporters – are required to submit reports on various aspects to the ISP.

The account of Swedish military equipment exports in 2012 can be found in Annex. 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 the communication is based on statutory annual reporting from the military equipment-exporting companies and authorities for 2012 compiled by the ISP.

SSM monitors development in nuclear technology in Sweden and contributes statistical data to the Government on exports of nuclear dual-use products. A report on this is contained in Annex.

Categories of military equipment

As a result of implementation of Directive 2009/43/EC (the ICT Directive) the Swedish list of military equipment is identical to the EU military list from 2012 on, with two national additions. The EU military list does not differentiate between military equipment for combat purposes (MEC) and other military equipment (OME). The Swedish list of military equipment is therefore supplemented by a division into MEC and OME. This communication presents the breakdown into MEC and OME as well as the list of 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 tables state that export licences have been granted or that exports have been made within a particular category, this refers to one or more products in that category or components thereof. However, this does not mean that export licences have been granted for or that exports have been made from each category of equipment.

It should also be noted that as the EU's military list contains some categories which have not previously been subject to control, therefore annual statistics are not entirely comparable.

Actual deliveries

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

Changes in the statistics reported from one year to another do not, in themselves, constitute a basis for longer-term trend assessments. As mentioned previously, an individual 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 based on the data submitted by Swedish Customs to Statistics Sweden (SCB). However, the statistics from SCB differ from those reported by ISP. SCB's statistics under the heading of "Arms and ammunition" include products classified as both military equipment and civilian products. Military aircraft, vehicles and vessels are reported under other headings. Furthermore, SCB's statistics include products crossing the border to be repaired in Sweden or abroad. In the ISP statistics, these are not reported as exports for sale. Consequently, SCB's figures are not comparable with the ISP statistics and are hence not included in this communication

Follow-on deliveries

It is occasionally of interest to study in greater detail what proportion of export licences for sales to a particular country involve follow-on deliveries. The statistical analysis provides such an account for countries outside the EU/OECD. This also includes the type of equipment covered by new licences.

Leasing

In recent years, the Swedish defence industry and the Defence Materiel Administration (FMV), from 2011 the Swedish Defence and Security Export Agency (FXM), have entered into various forms of leasing agreements with foreign customers. The background to this can be sought in international trends in recent years 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 as a consequence of organisational downscaling and a changed threat scenario lacking immediate threats against Sweden. One example was the leasing to the United Kingdom, Canada and Italy of artillery localisation radar.

In 2005, 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 2012 the Swedish Defence and Security Export Agency initiated final negotiations with the Czech Republic aimed at extending this agreement. The negotiations are expected to be completed in the first quarter of 2013.

In 2007, the Defence Materiel Administration completed its delivery of fourteen JAS 39 Gripen to Hungary. The leasing agreement with

Skr. 2012/13:114 Hungary on JAS 39 Gripen aircraft was re-negotiated in January 2012 with an extension to 2026, when the agreement will convert to purchase.

In addition, Saab Electronic Defence System obtained a licence to lease GIRAFFE AMB reconnaissance radar equipment to the United Kingdom and Australia.

No licences for leasing were granted in 2012.

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

Transfers of manufacturing rights, co-operation etc.

In 2012, three licences were granted for the transfer of manufacturing rights to countries outside Sweden. The countries concerned were Norway (two licences) and the United States (one licence).

Furthermore, 24 co-operation agreements were examined and authorised for joint development or production in 2012. In assessments of cases involving the transfer of manufacturing rights or co-operation with foreign partners, the stricter criteria applied to exports of military equipment for combat purposes are applied irrespective of the type of equipment, because this kind of co-operation normally results in a more long-term commitment than in the case of 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 co-operation agreement with a foreign partner to report on an annual basis whether the agreement is still in force, whether production or other co-operation under such an agreement still takes place and how such co-operation is conducted. In 2012, eight companies reported ownership in 65 legal entities in 33 countries. A total of 219 licence and co-operation agreements in 26 countries were reported by 21 companies and one authority.

Military training

According to the Swedish Military Equipment Act, 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 2012.

Exports of military equipment

Table 1. Number of applications etc. received for export licences relating to exports of military equipment

Type of application	2010	2011	2012
Advance notification	22	15	19
Tenders	222	264	275
Export licences	1 177	1 306	1 444

Table 2. Value of export licences granted in 2008–2012, broken down into military equipment for combat purposes (MEC) and other military equipment (OME) (SEK m)

Year	Value in current prices, SEK million			Change in per cent		
	Total	MEC	OME	Total	MEC	OME
2008	9 604	6 095	3 508	+40	+66	+11
2009	11 103	4 252	6 851	+16	-30	+95
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

Table 3. Value of export licences, broken down into military equipment for combat purposes (MEC) and other military equipment (OME), 2008-2012 (SEK m)

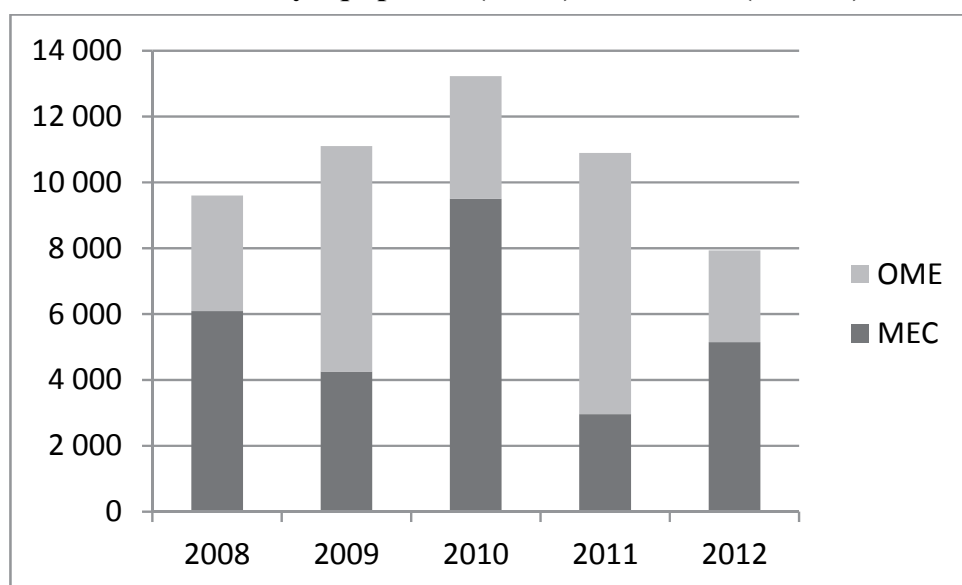


Table 4. Actual exports of military equipment in 2008-2012 compared with total exports of goods

Year	Sweden's total exports of goods (current prices) SEK million	Exports of military equipment						
		Share of total exports of goods %	Current prices, in SEK million			Change in per cent		
			Total	MEC	OME	Total	MEC	OME
2008	1 195 300	1.06	12698	6326	6372	+32	+75	+6
2009	998 100	1.36	13561	7288	6273	+7	+15	- 2
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	1 168 600	0.84	9760	3746	6014	-30	-35	-25

Table 5. Actual exports of military equipment in 2008-2012 (SEK m)

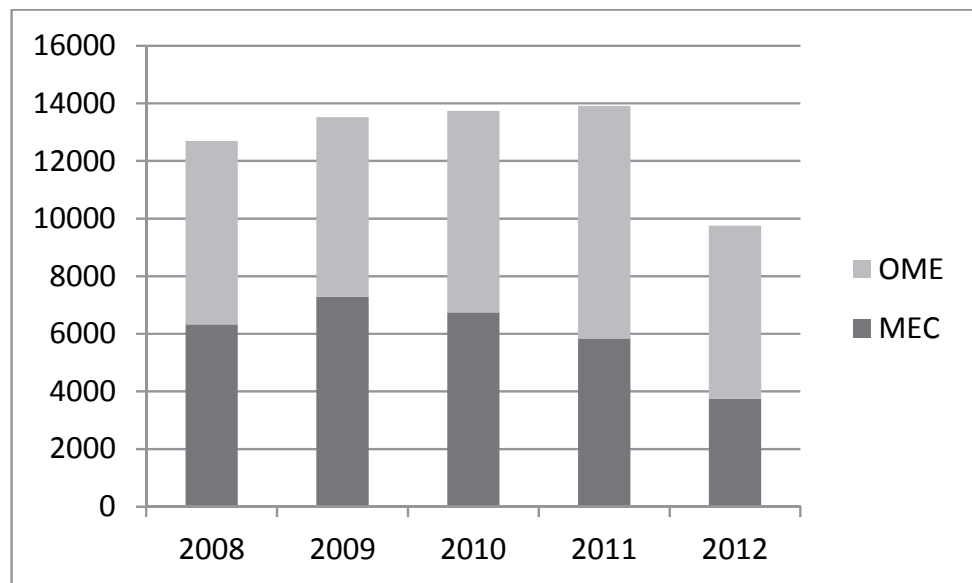


Table 6. Categories of defence-related products

EU ML	Products classed as MEC (others are OME)	General scope of weapon category
1	ML 1 a except for revolvers and pistols and weapons used for hunting and sporting purposes Breeches, barrels, jackets and boxes 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 sporting purposes 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 substances.

EU ML	Products classed as MEC (others are OME)	General scope of weapon category
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 airborne vehicles, aero-engines and “aircraft” equipment, related equipment and components, specially designed or modified for military use.
EU ML	MEC classified products (others are OME)	General scope of weapon category
11		Electronic equipment, not specified elsewhere on the EU Common Military List, as follows, and specially designed components therefor.
12	ML 12 a)	High velocity kinetic energy weapon systems and related equipment, as follows, and specially designed components therefor.
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/Other equipment, materials and “libraries”, as follows, and specially designed

EU ML	Products classed as MEC (others are OME)	General scope of weapon category
		components therefor.
18		Production equipment and components, as follows.
19	ML 19 a), b), c) and f)	Directed energy weapon systems (DEW), 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 2012, broken down by recipient country and product category (SEK m)

Region/country	Export licences granted			Actual exports	
	Number of licences granted	Principal category of licensed equipment (EU military list)	Value of licences in SEK m	Principal category of exported equipment (EU military list)	Value of exports in SEK m
EU					
Belgium	12	1, 5, 8, 13	29	1, 3, 5, 8, 13	27
Bulgaria	3	3, 13, 14	3	3, 14	1.5
Denmark	24	2, 3, 4, 5, 6, 8, 10, 13	181	2, 3, 4, 5, 6, 8, 10, 13, 14, 17, 18, 21, 22	246
Estonia	5	5, 13	0.5	3, 5	0.3
Finland	44	1, 2, 3, 5, 6, 8, 10, 13, 14, 15, 17, 18, 21, 22	710	1, 2, 3, 4, 5, 6, 8, 10, 11, 13, 14, 17, 21, 22	535
France	37	1, 2, 3, 5, 6, 8, 10, 11, 13, 14, 18, 21, 22	191	1, 2, 3, 5, 6, 8, 10, 11, 13, 14, 22	899
Greece	1	13	∞		
Ireland	3	3, 13, 22	43	2, 3, 10	36
Italy	25	1, 2, 3, 5, 11, 13, 14, 17, 18, 21, 22	514	1, 2, 3, 5, 6, 8, 11, 13, 17	109
Latvia	7	1, 4, 5, 13, 14, 15, 22	5	3, 4, 5, 18	5
Lithuania	1	13	∞	3	1
Luxembourg	4	13, 14	9	6, 13, 14	26
Malta	1	13	∞		
Netherlands	13	1, 5, 6, 13, 17	8	1, 5, 6, 11, 13, 17	148
New Caledonia, Fr			-	3	0.2
Poland	10	2, 3, 5, 8, 13	35	2, 3, 5, 8, 13	12.5
Portugal	4	1, 3, 13, 17, 22	9	1, 3, 17	1
Romania	2	3, 13	2	3	0.5
Slovakia	1	13	∞	3, 13	1
Slovenia	4	1, 5, 13	0.04	3, 5, 13, 14	0.6
Spain	14	3, 5, 8, 9, 11, 13, 22	89	3, 5, 6, 7, 8, 11, 13	16

Region/country	Export licences granted			Actual exports	
	Number of licences granted	Principal category of licensed equipment (EU military list)	Value of licences in SEK m	Principal category of exported equipment (EU military list)	Value of exports in SEK m
United Kingdom	33	1, 3, 4, 5, 7, 8, 10, 11, 13, 14, 15, 17, 18, 22	140	1, 2, 3, 4, 5, 6, 8, 10, 11, 13, 14, 15, 18, 21, 22	428
Czech Republic	7	4, 5, 8, 13, 17, 22	4	3, 4, 5, 8, 13, 17	12
Germany	70	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 13, 14, 17, 18, 21, 22	212	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 17, 18, 21	394
Hungary	3	8, 13	0.02	3, 5, 8	3
Austria	3	3, 13, 14	0.3	2, 3, 4, 8, 10, 13	8
Total	331	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 21, 22	2 184	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 21, 22	2 911

Europe, other					
Andorra			-	3	0.1
Bosnia and Herzegovina	1	13	0.1		
Iceland	1	13	∞	3, 8	0.3
Croatia	2	13	∞	3, 6	3
Liechtenstein	1	13	∞		
Norway	54	1, 3, 4, 5, 6, 8, 10, 11, 13, 17, 18	1 311	1, 2, 3, 4, 5, 6, 8, 10, 13, 14, 17, 18	335
Russia			-	3	15
Switzerland	22	3, 5, 7, 8, 13, 17	4	3, 5, 6, 7, 8, 13, 17	44.5
Turkey	3	6, 13, 22	10	6, 13, 21, 22	13
Ukraine			-	3	1.5
Total	84	1, 3, 4, 5, 6, 7, 8, 10, 11, 13, 17, 18, 22	1 325	1, 2, 3, 4, 5, 6, 7, 8, 10, 13, 14, 17, 18, 21, 22	412

	Export licences granted			Actual exports	
Region/country	Number of licences granted	Principal category of licensed equipment (EU military list)	Value of licences in SEK m	Principal category of exported equipment (EU military list)	Value of exports in SEK m
North America					
Canada	15	3, 6, 8, 13, 14, 17, 22	167	1, 2, 3, 5, 6, 8, 13, 14, 17, 18, 21, 22	457
United States	64	1, 2, 3, 5, 7, 8, 13, 14, 17, 18, 21, 22	1 856	1, 2, 3, 5, 7, 8, 10, 11, 13, 14, 15, 17, 18, 22	340
Total	79	1, 2, 3, 5, 6, 7, 8, 13, 14, 17, 18, 21, 22	2 023	1, 2, 3, 5, 6, 7, 8, 10, 11, 13, 14, 15, 17, 18, 21, 22	797

Central America and the Caribbean					
Mexico	4	1, 5, 9, 13	30.5	1, 5, 9	39.5
Total	4	1, 5, 9, 13	30.5	1, 5, 9	39.5

South America					
Argentina	2	3, 13	0.6	3	0
Brazil	11	1, 2, 3, 5, 8, 11, 13, 14, 22	10	1, 2, 3, 5, 6, 8, 15	20
Chile	6	2, 8, 13, 14	8	2, 3, 8, 14	15
Ecuador	2	3, 13	0.5		
Peru	1	13	∞		
Uruguay	1	13	∞		
Total	23	1, 2, 3, 5, 8, 11, 13, 14, 22	19	1, 2, 3, 5, 6, 8, 14, 15	35
North-East Asia					
Japan	23	2, 3, 4, 8, 13, 20, 22	137	2, 3, 4, 8	23
Republic of Korea	11	2, 5, 8, 9, 10, 13, 21	38	2, 5, 8, 9, 10	169
Total	34	2, 3, 4, 5, 8, 9, 10, 13, 20, 21, 22	175	2, 3, 4, 5, 8, 9, 10	192

	Export licences granted			Actual exports	
Region/country	Number of licences granted	Principal category of licensed equipment (EU military list)	Value of licences in SEK m	Principal category of exported equipment (EU military list)	Value of exports in SEK m
Central Asia					
Kazakhstan	-		-	3	0.3
Total				3	0.3

South-East Asia					
Brunei	5	2, 22	22	2	0.4
Malaysia	2	2, 13	20	2	3
Singapore	10	4, 5, 6, 8, 13	69	4, 5, 6, 8, 9, 13, 15	445
Thailand	12	2, 4, 5, 11, 13, 21, 22	223	2, 3, 4, 5, 10, 13, 14, 15, 21, 22	600
Total	29	2, 4, 5, 6, 8, 11, 13, 21, 22	334	2, 3, 4, 5, 6, 8, 9, 10, 13, 14, 15, 21, 22	1 048

South Asia					
India	8	2, 5, 8, 9, 13, 22	291	2, 3, 5, 9, 13, 18, 22	1 438
Pakistan	5	4, 5, 18, 21, 22	19	4, 5, 10, 18, 21, 22	615
Total	13	2, 4, 5, 8, 9, 13, 18, 21, 22	310	2, 3, 4, 5, 9, 10, 13, 18, 21, 22	2 053

Middle East					
Bahrain	2	5, 14	59	5, 22	41
Egypt	1	13	8	13	9
United Arab Emirates	6	5, 13, 15, 21, 22	13	5, 9, 10, 13, 15	302
Israel	1	13	∞	13	0.3
Jordan	1	13	∞	13	0.06
Kuwait	1	13	∞	1.5	46
Oman	1	13	∞	5	1
Qatar	1	13	∞		
Saudi Arabia	4	3, 14, 15, 21	40	3, 5, 10, 11	922
Total	17	3, 5, 13, 14, 15, 21, 22	120	1, 3, 5, 9, 10, 11, 13, 15, 22	1 321

Region/country	Export licences granted		Actual exports		
	Number of licences granted	Principal category of licensed equipment (EU military list)	Value of licences in SEK m	Principal category of exported equipment (EU military list)	Value of exports in SEK m
North Africa					
Algeria	2	5, 13, 21, 22	515	17	172
Tunisia	-			4	0.3
Total	2	5, 13, 21, 22	515	4, 17	172

Sub-Saharan Africa					
Botswana	1	13	∞		
Namibia	1	13	∞	3	0.3
South Africa	8	1, 2, 3, 5, 10, 11, 13, 15, 17, 18, 21, 22	12.5	1, 2, 3, 10, 11, 13, 17, 21	403
Zambia	2	1, 3	0.5	3	0.01
Total	12	1, 2, 3, 5, 10, 11, 13, 15, 17, 18, 21, 22	13	1, 2, 3, 10, 11, 13, 17, 21	403

Oceania					
Australia	9	3, 5, 11, 13, 14, 21, 22	864	2, 3, 4, 5, 11, 14, 15, 18, 22	363
New Zealand	3	3, 13	23	2, 3	13
Total	12	3, 5, 11, 13, 14, 21, 22	887	2, 3, 4, 5, 11, 14, 15, 18, 22	376
TOTAL	640	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 20, 21, 22	7 936	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 21, 22	9 760

**Table 8a. Exports of military equipment 2010–2012
broken down by country and region and divided
between MEC and OME (SEK m)**

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Annex 1

Values in SEK million

Region/country	2010			2011			2012		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
EU	3 511	2071	5 582	1 409	1 363	2 772	931	1 980	2 911
Belgium	3	3	6	19	5.1	24.2	24	3	27
Bulgaria	-	0.6	0.6	-	0.3	0.3	-	1.5	1.5
Denmark	106	385	491	0.8	167.6	168.4	28	218	246
Estonia	5	248	253	0.05	3.1	3.2	0.03	0.3	0.3
Finland	280	153	433	92.7	129.8	222.6	320	215	535
France	15	209	224	93.8	319	412.8	264	635	899
Greece	0.1	2	2	0.2	-	0.2	-	-	-
Ireland	15	10	25	-	3.9	3.9	-	36	36
Italy	21	109	130	2.5	61.7	64.2	5	104	109
Latvia	9	0.3	9	0.005	20.8	20.8	0.02	5	5
Lithuania	0.3	2	2	0.04	0.9	0.9	0.005	1	1
Luxembourg	8	4	12	-	5.8	5.8	-	26	26
Malta				-	0.006	0.006	-	-	-
Netherlands	1917	190	2107	543.7	20	563.8	-	148	148
New Caledonia, Fr	-	-	-	-	0.2	0.2	-	0.2	0.2
Poland	13	21	34	10.8	19.6	30.4	8.5	4	12.5
Portugal	-	0.7	0.7	0.02	1.8	1.9	-	1	1
Romania	-	0.3	0.3	-	0.5	0.5	-	0.5	0.5
Slovakia	3	1	4	0.2	0.9	1.1	-	1	1
Slovenia	0.01	0.7	0.7	0.005	0.7	0.7	0.003	0.6	0.6
Spain	2	41	43	0.5	10.7	11.2	2	14	16
United Kingdom	1004	423	1427	560.5	193.3	753.8	189	239	428
Czech Republic	34	2	36	1	4.9	5.9	9	3	12
Germany	13	252	265	39.4	382.5	421.9	80.5	314	394
Hungary	0.4	2	2	0.5	3.4	3.9	0.6	2	3
Austria	63	12	75	43	6.6	49.6	0.2	8	8
Europe, other	123	135	258	141.7	184	325.7	261	151	412
Andorra	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1
Iceland	0.02	0.3	0.3	0.01	0.2	0.2	0.04	0.2	0.3
Croatia	0.06	2	2	0.003	0.4	0.4	0.0005	3	3
Norway	123	92	215	137.7	104.1	241.8	261	74	335

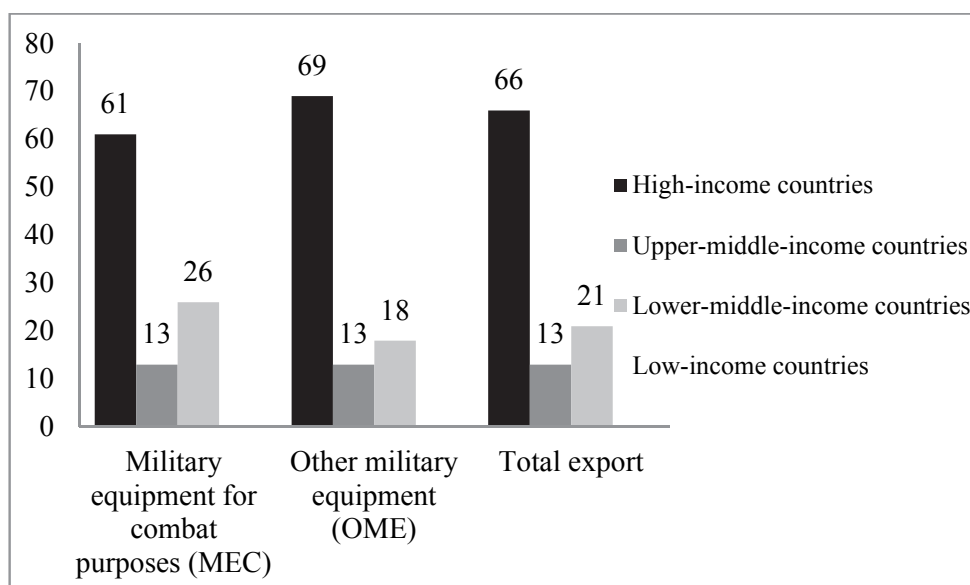
Region/country	2010			2011			2012		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
Russia	-	16	16	-	8.9	8.9	-	15	15
Switzerland	0.02	23	23	0.3	69.7	70	0.4	44	44.5
Turkey	-	0.2	0.2	3.7	0.3	4	-	13	13
Ukraine	-	1	1	-	0.4	0.4	-	1.5	1.5
North America	1 033	700	1733	701.4	480.2	1181.6	389	408	797
United States	872	392	1264	517.5	235.9	753.4	174	166	340
Canada	161	308	469	183.9	244.3	428.2	215	242	457
Central America and the Caribbean	7	2	9	-	51.6	51.6	-	39.5	39.5
Mexico	7	2	9	-	51.6	51.6	-	39.5	39.5
Trinidad and Tobago	-	0.3	0.3	-	-	-	-	-	-
South America	30	33	63	28.2	5.9	34.1	10	25	35
Argentina	1	1	2	-	-	-	-	-	-
Brazil	7	29	36	7	5	12	6	14	20
Chile	22	2	24	21.2	0.03	21.3	4	11	15
Ecuador	-	1	1	-	0.5	0.5	-	-	-
Peru	-	-	-	-	0.4	0.4	-	-	-
North-East Asia	254	69	323	14.8	28.8	43.6	13	179	192
Hong Kong, China	-	-	-	-	0.3	0.3	-	-	-
Japan	16	14	30	14	16.9	30.9	10	13.5	23
Republic of Korea	238	55	293	0.8	11.6	12.4	3	166	169
Central Asia	-	1	1	-	-	-	-	0.3	0.3
Kazakhstan	-	1	1	-	-	-	-	0.3	0.3
South-East Asia	416	856	1 272	2799.5	451.6	3251	504	544	1 048
Brunei	156	1	157	26.5	6.3	32.8	-	0.4	0.4

Region/country	2010			2011			2012		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
Malaysia	-	6	6	-	14.5	14.5	-	3	3
Singapore	260	351	611	144.9	41	186	383	62	445
Thailand	-	498	498	2628	389.7	3017.7	121	479	600
South Asia	27	2 009	2 036	1.5	1911.9	1913.3	971	1 082	2 053
Bangladesh	-	-	-	1.4	-	1.4	-	-	-
India	0.2	696	696	0.01	1049.5	1049.5	805	633	1438
Pakistan	27	1313	1340	-	862.3	862.3	166	449	615
Middle East	208	904	1 112	141.9	3264.3	3406.2	39	1 282	1 321
Bahrain	23	8	31	-	4.4	4.4	35	5.5	41
Egypt	-	0.2	0.2	-	-	-	-	9	9
United Arab Emirates	-	804	804	-	526.2	526.2	-	302	302
Iraq	-	-	-	-	4.3	4.3	-	-	-
Israel	-	-	-	-	-	-	-	0.3	0.3
Jordan	-	0.2	0.2	-	-	-	-	0.06	0.06
Kuwait	-	0.1	0.1	0.2	0.8	1	-	46	46
Oman	-	30	30	-	1.1	1.1	-	1	1
Saudi Arabia	185	61	246	141.7	2727.5	2869.2	4	918	922
North Africa	-	17	17	-	198.5	198.5	-	172	172
Algeria	-	16	16	-	197	197	-	172	172
Tunisia	-	0.8	0.8	-	1.5	1.5	-	0.3	0.3
Sub-Saharan Africa	1 066	13	1 079	511.1	7.2	518.4	362	41	403
Namibia	-	0.3	0.3	-	0.2	0.2	-	0.2	0.3
South Africa	1066	13	1079	511.1	7	518.2	362	41	403
Tanzania	-	0.1	0.1	-	-	-	-	-	-
Zambia	-	-	-	-	-	-	-	0.1	0.1
Oceania	74	186	260	90.6	127.2	217.8	266	110	376
Australia	71	184	255	87.7	123.3	211	258	105	363
New Zealand	3	2	5	2.9	3.9	6.8	8	5	13
TOTAL	6 747	6 998	13745	5 840	8 074	13 914	3 746	6 014	9 760

Table 8b. Exports of military equipment. broken down by region in per cent of the value in 2012

Region	Proportion of exports (%)
EU	29.8%
South Asia	21.0%
Middle East	13.5%
South-East Asia	10.7%
North America	8.2%
Europe, other	4.2%
Sub-Saharan Africa	4.1%
Oceania	3.8%
North-East Asia	2.0%
North Africa	1.8%
Central America and the Caribbean	0.4%
South America	0.4%
Central Asia	0.0%

Table 8c. Export of military equipment for combat purposes (MEC), other military equipment (OME) and total exports in 2012, broken down by country, according to income



Country groupings are based on the World Bank's country classification by economic status. A complete list of country groupings can be found at the website www.worldbank.org. The countries that Sweden exports military equipment to or granted an export licence to in 2012 follow the classification:
High-income countries: Andorra, Australia, Bahrain, Belgium, Brunei, Denmark, Estonia, Finland, France, United Arab Emirates, Ireland, Iceland, Israel, Italy, Japan, Canada, Croatia, Kuwait, Luxembourg, Netherlands, Norway, New Caledonia (FR), New Zealand, Oman, Poland, Portugal, Republic of Korea, Saudi Arabia, Switzerland, Singapore, Slovakia, Slovenia, Spain, United Kingdom, Czech Republic, Germany, Hungary, United States, Austria.

Upper-middle-income countries: Algeria, Brazil, Bulgaria, Chile, Jordan, Kazakhstan, Latvia, Lithuania, Malaysia, Mexico, Namibia, Romania, Russia, South Africa, Thailand, Tunisia, Turkey.

Lower-middle-income countries: Egypt, India, Pakistan, Ukraine, Zambia.

Low-income countries: No countries.

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Table 9. Follow-on deliveries in 2012

Country	Number of licences	Of which licences for follow-up deliveries	Of which new licences	Equipment
Algeria	2	1	1	Radar systems
Argentina	2	2		
Bahrain	2	2		
Bosnia and Herzegovina	1	1		
Botswana	1			
Brazil	11	9	2	Electronic equipment, equipment for aircraft
Brunei	5	5		
Bulgaria	3	2	1	Simulator equipment
Ecuador	2	2		
Egypt	1	1		
United Arab Emirates	5	3	2	Components for ships
India	8	7	1	Ship equipment
Israel	1	1		
Jordan	1	1		
Croatia	2	1	1	Protective/Safety equipment
Kuwait	1	1		
Latvia	7	7		
Liechtenstein	1	1		
Lithuania	1	1		
Malaysia	2	2		
Malta	1			
Namibia	1	1		
Oman	1	1		
Pakistan	5	5		
Peru	1	1		
Qatar	1	1		
Romania	2	2		
Saudi Arabia	3	2	1	Exercise/Training equipment for aircraft
Singapore	10	10		
South Africa	8	3	5	Ammunition, hand-guns, components for vehicles
Thailand	12	10	2	Electronic equipment for command and control systems
Uruguay	1	1		
Zambia	2	1	1	Handguns

Table 10. Agreements on manufacturing rights and co-operation

In 2012 ISP granted three licences for Swedish companies to enter into agreements that entail concession or transfer of manufacturing rights to someone outside Sweden. The licences related to the following countries: United States (1 licence) and Norway (2 licences).

In 2012 ISP granted 24 licences to Swedish authorities and Swedish companies to enter into co-operation agreements with someone outside the country, to jointly with this person/entity or on his/its behalf, provide technical assistance to someone abroad, develop military equipment or methods for the production of such equipment or to jointly produce military equipment. The licences related to the following countries and organisations; Australia (2 licences), European Defence Agency, EDA (3 licences, in which the following countries take part: Belgium (1 licence), Finland (1 licence), France (3 licences), Italy (3 licences), Netherlands (2 licences), Norway (2 licences), Poland (1 licence), Spain (1 licence), United Kingdom (1 licence), Germany (3 licences) and Austria (2 licences), Finland (1 licence), United Arab Emirates (1 licence) India (2 licences), Canada (1 licence), Netherlands (1 licence), Norway (2 licences), Singapore (3 licences), United Kingdom (4 licences), South Korea (3 licences) and United States (2 licences).

Table 11. Swedish exports of small arms and light weapons in 2012 (as defined in the UN Register of Conventional Arms ¹)

Category in accordance with the UN Register of Conventional Arms	
Small arms	
1. Revolvers and automatic pistols	No exports
2. Rifles and carbines	No exports
3. Sub-machine guns	No exports
4. Automatic carbines	No exports
5. Light machine guns	No exports
6. Other	Small-calibre ammunition has been exported to Finland, Italy, Japan, Canada, Norway, the United Kingdom, South Africa, Thailand, Germany, the United States and Austria.
Light weapons	
1. Heavy machine guns (12.7 mm)	Exports of ammunition to Norway
2. Grenade attachment for mounting on weapons (40 mm)	Exports of components to Italy and ammunition to Denmark and Germany.

¹ This account does not include reports of hunting and sport-shooting arms and ammunition.

3. Portable anti-tank grenade launchers	No exports
4. Non-recoiling weapons (rifle systems)	Grenade rifle systems have been exported to Brazil, Chile, Canada, Poland and the United States. In addition, spare parts, components and ammunition for recoilless grenade systems have been exported to Australia, Denmark, India, Ireland, Japan, Canada, New Zealand, Poland, the United States and Austria.
5. Portable anti-tank weapons	Anti-tank weapons have been exported to France. In addition, spare parts, training equipment and components have been exported to Denmark, France, Ireland, Luxembourg, Norway, the United Kingdom, the United States and Austria.
6. Grenade launchers with a calibre of less than 75 mm	No exports
7. Other	No exports

Table 12. Swedish exports of MANPADS (Man-Portable Air Defence Systems) in 2012, as defined in the UN Register of Conventional Arms

MANPADS sights have been exported to Pakistan and missiles, spare parts, training equipment etc. to Australia, Finland, Latvia, Pakistan, Singapore, Thailand, Tunisia and the Czech Republic to a total value of SEK 342 877 000.

Table 13. Decisions on approved re-export in 2012

Application from	Equipment	Destination
Lithuania	Transfer of military equipment within Lithuanian government agencies	Lithuania
Norway	Carl Gustaf grenade rifle (ML 2)	Estonia
United States	Explosives (ML 8)	United States
Norway	Tracked vehicles (ML 10)	Finland
Norway	Grenades (ML 3)	Sweden
Singapore	Small-calibre ammunition (ML 3)	Estonia
Norway	Truck (ML 10)	Sweden

Table 14. Exporting companies and authorities in 2012

Companies and authorities with exports of more than SEK 10 million (SEK m)

Company	MEC	OME	Total
Saab AB, Surveillance Systems	0	1 354 420 936	1 354 420 936
FFV Ordnance AB	805 000 000	502 640 186	1 307 640 186
Saab AB, Electronic Defence Systems	424 737 212	821 831 378	1 246 568 590
BAE Systems Hägglunds AB	149 491 891	885 579 259	1 035 071 150
Saab Dynamics AB	583 954 040	303 703 329	887 657 369
Saab AB, Aeronautics	500 413 843	66 312 439	566 726 282
Swedish Defence Materiel Administration (FMV)	120 000 000	422 513 704	542 513 704
Saab AB, Security and Defence Solutions	230 222 984	236 149 706	466 372 690
BAE Systems Bofors AB	119 039 751	298 863 419	417 903 170
Kockums AB	276 400 000	111 300 000	387 700 000
Nammo Vanäsverken AB	262 569 322	5 195 618	267 764 940
Saab Barracuda AB	0	246 954 357	246 954 357
EURENCO Bofors AB	182 003 576	172 451	182 176 027
Norma Precision AB	12 063 156	159 825 663	171 888 819
Swede Ship Marine AB	0	166 807 060	166 807 060
SSAB EMEA AB	0	91 563 736	91 563 736
Saab AB, Training & Simulation	0	61 440 898	61 440 898
FLIR Systems AB	52 986 650	4 490 678	57 477 328
Nammo LIAB AB	14 410 149	41 734 132	56 144 281
Scania CV AB	0	41 856 106	41 856 106
Åkers Krutbruk Protection AB	0	39 287 229	39 287 229
Saab AB, Support and Service	1 178 000	32 014 954	33 192 954
Polyamp AB	0	20 427 478	20 427 478
GKN Aerospace Sweden AB	0	19 007 700	19 007 700
N. Sundin Dockstarvet AB	0	12 401 107	12 401 107

The following companies and authorities made exports valued at between SEK 1 million and SEK 10 million in 2012: Skr. 2012/13:114
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BAE Systems SWS Defence AB, Deform AB, MSE Weibull AB, the Swedish Defence and Security Export Agency (FXM) , Comtri AB, Aimpoint AB, Airsafe Sweden AB, Schill Reglerteknik AB, PartnerTech Karlskoga AB, GKN Aerospace Applied Composites AB, Taiga AB, Nammo Vingåkersverken AB, Befyraem Technologies AB (B4M), Saab Underwater Systems AB, Saab Training Systems AB (Saab AB, Training & Simulation), Ekenäs Mekaniska AB.

A number of companies and authorities made exports valued at less than SEK 1 million in 2012:

SSPA Sweden AB, Waltreco AB, Exensor Technology AB, Saab Bofors Test Center AB, Mats Vallrud trading as Vallrud Vision Sweden, New Pac Safety AB, Loxitec AB, Stalons Svarv & Svets AB, Hackås Precisionsgjuteri AB, Filtrator Värme & Vent AB, AimSport Sweden AB, Cross Control AB, Spuhr i Dalby AB, Bössmakaren Hans Englund AB, CNC Process i Hova AB, FMLog Resmat, S. Stoltz Sweden AB, Arrow Nordic Components AB.

Table 15. Private brokering licences' granted in 2012

Number	Value	ML categories ²	Countries
16	Not possible to indicate as value is not always asked for by ISP	1, 2, 3, 4, 5, 10, 11, 15.	Albania Algeria United States of America Australia Belgium Denmark Estonia Finland France Greece Ireland Italy Canada Latvia Lithuania Netherlands Norway Poland Portugal Switzerland Singapore Slovenia

² The equipment concerned is mainly sub-components, chiefly for subcontractors in cooperation projects.

			Spain United Kingdom Czech Republic Germany Hungary Austria
--	--	--	--

Companies with licences to supply military equipment in 2012

ACR Aviation Capacity Resources International AB, BAE Systems SWS Defence AB, BB Avionic System AB, Centric Labs AB, Countermine Technologies AB, Defendor AB, Ex & Plose AB, FFV Ordnance AB, Gripen International AB, Grontmij Installationspartner AB, MP-SEC International AB, MvP Enterprises, Naverviken Logistic AB, Neptunus Hav och Land, Promoteq i Sandviken AB, Rockwell Collins Sweden AB, Saab Underwater Systems AB, Sako Oy Finland Filial, Swedish Security Technology & Innovation (SSTI), Södermanlands regementes museiförening, Thales Sverige AB, Trelleborg Protective Products AB, W.L. Gore & Associates Scandinavia AB, Venatio AB, Volvo Defence AB.

Table 16. Implementation of Directive 2009/43/EC simplifying terms and conditions of transfers of defence-related products within the Community

The legislative amendment concerning the Military Equipment Act pursuant to Directive 2009/43/EC (the ICT Directive) came into effect on 30 June 2012. An account of the practical consequences this had in 2012 is presented below.

Introduction of general authorisations/licences

The ISP has decided on five general authorisations, which have been published in the Swedish Customs Code of Statutes (TFS) and also on the ISP website www.isp.se. There is an annex for each general authorisation stating what military equipment and technical assistance is covered.

TFS	Scope
2012:7	Exporting of military equipment and provision of technical assistance to armed forces or a contracting authority in a country within the European Economic Area (EEA)
2012:8	Exporting of military equipment and provision of technical assistance to a certified recipient in a country within the European Economic Area (EEA)
2012:9	Exporting of military equipment and supply of technical assistance to a country within the European Economic Area (EEA) for demonstration, evaluation and exhibition

TFS	Scope
2012:10	Exporting of military equipment and supply of technical assistance to a country within the European Economic Area (EEA) for maintenance or repair
2012:11	Exporting of military equipment and supply of technical assistance to a country within the European Economic Area (EEA) after maintenance, repair or demonstration

Utilisation of the licences is conditional on the company concerned notifying utilisation no later than 30 days prior to first utilisation.

Nine companies notified the following utilisation in 2012:

TFS 2012:7	TFS 2012:8	TFS 2012:9	TFS 2012:10	TFS 2012:11
4	1	8	5	6

The following invoiced and delivered military equipment has been declared for delivery relating to 2012:

TFS	Category	Product:	Value (SEK 000)	Recipient country
2012:7	ML 14 (OME)	Simulator systems	40 046	Denmark Norway Slovenia United Kingdom Germany

Certification as recipient of military equipment and technical assistance

A company can apply for certification as a recipient of military equipment and technical assistance and consequently receive components through general authorisations/licenses issued in any EEA Member State.

In 2012 ISP received such an application from FLIR Systems AB. ISP decided on certification on 06.11.2012, which was published in Post och Inrikes Tidningar (the Official Swedish Gazette). In 2012 a total of nine companies in five countries were certified. Relevant information can be found on the European Commission website <http://ec.europa.eu/enterprise/sectors/defence/certider>

Proportion of global and individual licences to EEA member states

When the ICT Directive was introduced global and individual licences were introduced in addition to general authorisations. Against the background of the purpose behind the ICT Directive in primarily making use of general and global licences, the current situation may be of interest.

In the second half of 2012 after the ICT Directive entered into force, ISP granted a total of 362 export licences to EEA member states, of which 20% were global licences and 80% were individual licences.

A conclusion to be drawn from the above and also from the number of companies making use of general authorisations/licenses and the number of certified companies is that the practical implementation of the ICT Directive is still at an early stage.

Exports of dual-use products

Table 1. Number of export cases etc. relating to dual-use products (DUPs) in 2010–2012

Export cases	2010	2011	2012
Total	1 046	1 150	1 089
export licences, global and individual, of which:			
The Wassenaar Arrangement	476	602	583
The Missile Technology Control Regime	4	6	10
The Nuclear Suppliers Group (Part 2)	21	20	19
The Australia Group	344	342	325
Sanctions	193	180	152
Non-controlled products	8	0	0
Iran sanctions – financial cases	2010	2011	2012
Total	228	649	249
cases relating to transfer of assets and financial services			
Notifications	77	194	80
Licences	151	455	169

Table 2. Number of advance notifications and enquiries issued and non-controlled products relating to DUPs 2008–2012

	2008	2009	2010	2011	2012
Total number of issued advance notifications	81	89	205	222	141
Of which number of enquiries on non-controlled products	93	57	173	164	109

Table 3. Number of decided cases relating to request for advance notification – controlled and non-controlled products in 2012

Country	Non-controlled products			Controlled products		Total
	No reason to apply catch all	“Catch all” negative	“Catch all”	Listed product, positive	Listed product, rejected	
Algeria	1			1		2
Syrian Arab Republic	2					2
Brunei				1		1
Egypt	1					1
People’s Republic of China	6					6
United Arab Emirates	2					2
Georgia					1	1
Hong Kong, China	1			3		4
India	2	1		2		5
Indonesia				1		1
Iraq	1					1
Iran	78	3	2			83
Israel				1		1
Kazakhstan				1		1
Kenya				1		1
Kuwait	1					1
Morocco	1					1
Mozambique				1		1
Myanmar (Burma)				1		1
Oman				1		1
Pakistan	2			1	1	4
Russian Federation (Russia)	1			4	1	6
Saudi Arabia				1	1	2
Serbia				2		2
Sudan	1					1
Taiwan					1	1
Thailand	1					1
Turkey	2					2
Turkmenistan				1		1
Uzbekistan					1	1
Venezuela				1		1
Vietnam				2		2

Table 4. General authorisations/licenses

In 2012 the EU introduced further general authorisations under Regulation (EU) No 1232/2011 of the European Parliament and of the Council.

Relevant companies are obliged to notify this to ISP no later than 30 days after first use.

The following numbers of companies notified such use in 2012. In the case of EU 001 notifications in previous years are also reported, since the duty of notification was introduced in 2009.

YEAR	EU 001	EU 002	EU 003	EU 004	EU 005	EU 006
2012	21	0	1	1	0	0
2011	18	-	-	-	-	-
2010	14	-	-	-	-	-
2009	17	-	-	-	-	-

Table 5. Export licences granted for dual-use products (DUP), included in NSG's List 1, from companies in Sweden (source SSM).

Recipient country	2010 Exporting companies ³ , number of licences	2011 Exporting companies, number of licences	2012 Exporting companies, number of licences
EU	Westinghouse, 1		Westinghouse, 1
Argentina			Westinghouse, 1
Finland	Westinghouse, 2	Westinghouse, 1	Westinghouse, 3
France		Westinghouse, 2	
Iceland	Svenska Tanso, 1	Svenska Tanso, 1	
Japan	Sandvik, 2 Studsvik, 1 Westinghouse, 2	Westinghouse, 5	Westinghouse, 1
Canada	Westinghouse, 1		
Kazakhstan	Westinghouse, 1		Westinghouse, 1
People's Republic of China	Sandvik, 1	Svenska Tanso, 2 Sandvik, 1	Sandvik, 1
Republic of Korea	KWD Nuclear Instruments AB, 2 Vattenfall Nuclear Fuel AB, 1	Westinghouse, 1	
Malaysia		Svenska Tanso, 1	

³ Wedholm Medical changed its name to KWD Nuclear Instruments on 9 September 2010.

Recipient country	2010 Exporting companies³, number of licences	2011 Exporting companies, number of licences	2012 Exporting companies, number of licences
Norway	Wedholm Medical, 3, Westinghouse, 1	Westinghouse, 1 KWD Nuclear Instruments, 2	Westinghouse, 4 Studsvik, 2 KWD Nuclear Instruments, 1
Poland			Sandvik, 1
Russia	Vattenfall Nuclear Fuel AB, 1		
Switzerland	Westinghouse, 3	Westinghouse, 1	Westinghouse, 4 KWD Nuclear Instruments, 1
Spain	Sandvik 1, Westinghouse, 1	Westinghouse, 1 Sandvik, 2	Westinghouse, 1 Sandvik, 1
South Africa		Westinghouse, 1	Westinghouse, 2
Taiwan			Westinghouse, 1
Germany	Areva NP Uddcomb, 1 Westinghouse, 4 KWD Nuclear Instruments AB, 1	Westinghouse, 1 KWD Nuclear Instruments, 1 Ringhals AB, 2	KWD Nuclear Instruments, 1
Ukraine	Westinghouse, 1	Westinghouse, 1	Westinghouse, 1
USA	Westinghouse, 17	Westinghouse, 7 Sandvik, 2 Areva NP Uddcomb, 1	Westinghouse, 16 Studsvik, 1 Vattenfall Nuclear Fuel, 1
Vietnam			KWD Nuclear Instruments, 1

Activities at the Swedish Radiation Safety Authority (SSM)

In the nuclear area, a large part of trade is to EU Member States and all trade outside the EU is subject to licence. The relevant products and technologies are listed in Annex IV Part 2 of Council Regulation (EC) No. 428/2009. General authorisations may not be used for these products.

SSM 52 applications for export licences were received in 2012 (38 cases in 2011, 55 cases in 2010). 40 applications led to granting of licence, the remainder are under consideration. In one case SSM obtained Government guarantees. No applications were submitted to the Government. SSM provided guarantees on behalf of the Government in three cases of importing of nuclear engineering products.

Table 6. Membership of multilateral export control regimes in 2012

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
Netherlands	x	x	x	x	x
Norway	x	x	x	x	x
New Zealand	-	x	x	x	x
Poland	x	x	x	x	x
Portugal	x	x	x	x	x
Romania	x	x	x	-	x
Russia	x	x	-	x	x
Switzerland	x	x	x	x	x
Slovakia	x	x	x	-	x
Slovenia	x	x	x	-	x
Spain	x	x	x	x	x
United Kingdom	x	x	x	x	x
Sweden	x	x	x	x	x
South Africa	x	x	-	x	x
Czech Republic	x	x	x	x	x
Turkey	x	x	x	x	x
Germany	x	x	x	x	x
Ukraine	x	x	x	x	x
Hungary	x	x	x	x	x
United States	x	x	x	x	x
Belarus	x	x	-	-	-
Austria	x	x	x	x	x
TOTAL	38	47	40	34	41

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

Table 7. Global licences granted for export in 2012

Region/country	Civil end-use					
	Number of licences	Product category	Product:	TFEU	Regime	
All countries with exception of countries subject to embargoes/sanctions sanction countries	30	5A002, 5D002, 5B002, 3A001, 3A002, 2B352	Telecommunications products, electronic products, information security, filters	428/2009	AG, WA	
Several countries with exception of countries subject to embargoes/sanctions	6	5A002, 5D002, 6A003	Telecommunications products, thermal imagers	428/2009	WA	
Bosnia and Herzegovina	1	5A002, 5D002	Telecommunications products	428/2009	WA	
Brazil	2	3A001, 3A002, 5A001, 5A002	Electronic components, information security	428/2009	WA	
Ivory Coast	1	5A002, 5D002	Telecommunications products	428/2009	WA	
People's Republic of China	16	2B350, 3A001, 3A002, 5A001, 5A002, 5D002, 7A002	Telecommunications products, information security, heat exchangers (plates), IR cameras	428/2009	AG, WA	
India	3	3A001, 3A002, 5A001, 5A002	Electronic components, information security	428/2009	WA	
Iraq	1	5D002	Telecommunications products	428/2009	WA	
Kosovo	1	5A002, 5D002	Telecommunications products	428/2009	WA	

Region/country	Civil end-use					
	Number of licences	Product category	Product:	TFEU	Regime	
Croatia	1	2A101	Manufacturing equipment	428/2009	MTCR	
Liberia	1	5A002, 5D002	Telecommunications products	428/2009	WA	
Libya	1	5A002, 5D002	Telecommunications products	428/2009	WA	
Malaysia	6	3A001, 3A002, 5A001, 5A002	Electronic components, information security	428/2009	WA	
Mexico	2	3A001, 3A002, 5A001, 5A002	Electronic components, information security	428/2009	WA	
Republic of Korea	4	2B350, 3E001,	Heat exchangers (plates), technology	428/2009	AG, WA	
Rwanda	1	5A002, 5D002	Telecommunications products	428/2009	WA	
Russian Federation (Russia)	1	9E003	Technology	428/2009	WA	
Singapore	2	5D002, 3A001, 3A002, 5A001, 5A002	Electronic components, information security	428/2009	WA	
South Africa	1	5D002	Information security	428/2009	WA	
South Sudan	2	5A002, 5D002	Telecommunications products	428/2009	WA	

Table 8. Individual licences granted for export in 2012

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
Afghanistan	1	5A002,5D002	Telecommunications products	428/2009	WA					
Angola	2	2B350,6A003	Heat exchanger plates, camera systems	428/2009	AG, WA					
Arab Republic of Syria	3	5A002,5D002, 1A004	Telecommunications products, protection masks	428/2009	WA					
Argentina	9	5A002,5D002, 5E002,2B352	Telecommunications products, B-filters, information security	428/2009	AG, WA					
Armenia	1	5A002,5D002	Telecommunications products	428/2009	WA					
Azerbaijan	9	5A002,5D002, 2B350	Telecommunications products, heat exchanger plates	428/2009	WA, AG					
Bahrain						3	5A002,	Telecom- munications	428/ 2009	WA, AG

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
Bangladesh	1	2B352	B-filters	428/2009	AG					
Bosnia and Herzegovina	4	5A002,5D002	Telecommunications products, information security	428/2009	WA					
Brazil	50	5A002,5D002, 1C010,1C240, 2B350,6A003, 9A012	Pumps, valves, heat exchanger plates, telecommunications products, B-filters, carbon fibre fabrics, cell reactors	428/2009	AG, NSG, WA					
Chile	6	1C010,1C350, 2B350,2B351, 6A003	Analysis systems, hydrofluoric acid, carbon fibre fabrics, thermal imagers, valves	428/2009	AG, WA					
Colombia	4	5A002,5D002	Telecommunications products	428/2009	WA					

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
Costa Rica	1	2B350	Spare parts for dairy equipment	428/2009	AG					
Democratic Republic of Congo	3	5A002,5D002, 6A003	Telecommunications products, thermal imager	428/2009	WA					
Dominican Republic	1	5A002	Computer networks	428/2009	WA					
Ecuador	2	5A002, 5D002	Telecommunications products, control systems	428/2009	WA					
Egypt	11	2B352,6A003, 9A012,9D004, 5D002,6A003	Thermal imagers, B-filters, information security	428/2009	AG, WA	3	5A002, 5D002	Telecommu- nications products	428/2009	WA
Ivory Coast	1	5A002	Telecommunications products	428/2009	WA					
Philippines	3	3A001,2B350, 5A002		428/2009	AG, WA					
People's Republic of China	116	1C010,2B104, 2B230,2B350, 2B352, 3A002,	Telecommunications products, B-filters, Isostatic presses	428/2009	AG, NSG, WA	2	6A003	Thermal imagers	428/2009	WA

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
		5A002, 6A003	Thermal imagers, pumps, information security, carbon fibre fabrics, valves, nickel powder, measuring equipment, heat exchanger plates							
United Arab Emirates	7	2B350, 2B352, 5A002, 6A003	Telecommunications products, heat exchanger plates	428/2009	AG, WA	1	5D002	Telecommunications products	428/2009	WA
Ghana	1	5A002	Computer/telecommunications products	428/2009	WA					
Guatemala	1	2B104	Food press	428/2009	MTCR					
Hong Kong, China	11	2B350, 3A001, 5A002, 5D002, 6A003		428/2009	AG, WA					
India	49	1C240, 2B350, 2B352, 3C005, 5A002, 5D002, 6A003, 5D002	Heat exchangers (plates), B-filters, thermal imagers	428/2009	AG, NSG, WA	1	5A002, 5D002	Telecommunications products	428/2009	WA
Indonesia	21	2B231, 2B350,	Valves, heat	428/2009	AG,					

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product: information security	TFEU	Regime	Num- ber of licen- ces	Product category	Product: communications products Thermal imager	TFEU	Regime
		3B350,5D002	exchangers, information security		NSG, WA					
Iraq	7	Catch-all, 1A004,2B352, 5A002,5D002	Telecommunications products, thermal imagers, pumps, measuring equipment	428/2009	AG, WA					
Iran	139	III.A1.003, III.A2.009, III.A2.010, III.A1.003	Spare parts for dairy equipment, pumps, measuring systems	267/2012	Sanc tions					
Iran	3	5A002,5D002	Telecommunications products	428/2009	WA					
Israel	36	2B350,2B352, 3A001,3A002, 5A002,6A002	Telecommunications products, thermal imagers, B-filters, heat exchanger plates	428/2009	AG, WA					
Jordan						5	5A002, 5D002, 6A003	Telecommu- nications products Thermal imager	428/ 2009	WA

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product: for dairy equipment	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
Kenya	6	2B350, 5A002, 5D002	Telecommunications products, spare parts for dairy equipment	428/2009	AG, WA					
Kosovo	4	5A002, 5D002	Telecommunications products	428/2009	WA					
Croatia	3	2A001, 2B350, 5A002, 5D002	Spare parts for dairy equipment, telecommunications products	428/2009	WA					
Kuwait						1	5A002, 5D002	Telecommu- nications products	428/ 2009	WA
Lebanon	8	2B350, 5A002, 5D002	Telecommunications products, plates for heat exchangers	428/2009	AG, WA					
Libya	3	5A002, 5D002	Telecommunications products	428/2009	WA					
Malaysia	26	2B350, 3A001, 5A002, 5D002	Telecommunications products, electronic products, information security, pumps	428/2009	AG, WA					

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
Maldives	1	2B350	Heat exchanger plates	428/2009	AG:					
Morocco	1	6A008	Systems for sea and land mapping	428/2009	WA					
Mexico	14	2B204,2B352, 5A002,5D002, 6A003	Food presses, telecommunications products, Thermal imagers	428/2009	AG, NSG, WA					
Mozambique	1	5A002, 5D002	Telecommunications products	428/2009	WA					
Montenegro						1	5A002, 5D002	Telecommu- nications products	428/ 2009	WA
Netherlands Antilles	2	5A002, 5D002	Computer/telecom- munications products	428/2009	WA					
Nigeria	2	2B350	Heat exchanger plates	428/2009	AG					
Oman	3	1C010,2B350	Spare parts, carbon fibre fabrics, heat exchangers	428/2009	AG, WA	1	5A002, 5D002	Telecommu- nications products	428/ 2009	WA
Pakistan	8	1C010,5A002,	Telecommunications	428/2009	WA	1	5A002	Telecom-	428/ 2009	WA

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
		5D002	products, carbon fibre fabrics					munications products	2009	
Peru	1	6A003	Thermal imager	428/2009	WA					
Qatar	13	2B350, 5A002, 5D002	Telecommunications products, heat exchangers (plates)	428/2009	WA	1	5A002, 5D002	Telecommu- nications products	428/ 2009	WA
Republic of Korea	33	2B350, 2B352, 5A002, 5D002, 6A003, 9A012	Heat exchangers, membrane pumps, telecommunications products IR cameras	428/2009	WA	7	5A002, 5D002, 6A003, 6A008	Telecommu- nications products Thermal imagers, magnetrons	428/ 2009	WA
Rwanda	2	5A002	Telecommunications products	428/2009	WA					
Russian Federation (Russia)	44	1C011, 1B001, 2B001, 2B204, 2B350, 2B352, 3A001, 5A002, 5D002, 6A002, 6A003, 9A012, 9A117	Telecommunications products, information security heat exchanger plates, titanium powder, camera systems	428/2009	AG, NSG, WA					
Saudi Arabia	9	2B350, 5A002	Heat exchanger	428/2009	AG,	5	5A002,	Telecommu-	428/ 2009	WA

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
			plates, titanium powder, thermal imagers, telecommunications products		WA		5D002	communications products	2009	
Serbia	6	2B001, 5A002, 5D002	Manufacturing equipment., telecommunications products	428/2009	WA					
Sierra Leone	3	5A002, 5D002	Telecommunications products	428/2009	WA					
Singapore	21	2B350,5A002, 5D002,6A008, 7A002,9D004	Telecommunications products, heat exchanger plates, B-filters, evaluation equipment	428/2009	AG, WA					
Sudan	6	5A002, 5D002	Telecommunications products	428/2009	WA					
South Africa	17	2B350,3A001, 6A003,5A002, 5D002	Telecommunications products, information security, valves, camera systems,	428/2009	AG, WA					

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product:	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
South Sudan	2	5A002	pumps, electronic components Telecommunications products	428/2009	WA					
Taiwan	34	1C010,2B350, 2B352,2B104, 3A001,5A002	Food presses, membrane pumps, heat exchangers, carbon fibre fabrics, telecommunications products	428/2009	AG, MTCR					
Thailand	25	2B230,2B350, 3A001,5A002, 5D002	Heat exchanger products, telecommunications products	428/2009	AG, NSG, WA	4	5A002, 5D002	Telecommu- nications products	428/ 2009	WA
Turkey	21	2D002,2B350, 2B001,1C010, 3A001,5A002, 5D002, 6A003	Software, carbon fibre fabrics, plate heat exchanger plates, telecommunications products, IR cameras	428/2009	AG, WA					
Turkmenistan	1	2B350	Pumps	428/2009	AG:					
Uganda	1	5A002	Computer/telecom-	428/2009	WA					

Region/ country	Civil end-use				Military end-use					
	Num- ber of licen- ces	Product category	Product: munications products	TFEU	Regime	Num- ber of licen- ces	Product category	Product:	TFEU	Regime
Ukraine	8	2B350,5A002, 5D002	Heat exchanger plates, computer/telecom- munications products	428/2009	AG/WA					
Uzbekistan	2	2B350, 5A002, 5D002	Heat exchanger products, telecommunications products	428/2009	AG, WA					
Venezuela	2	5A002	Telecommunications products	428/2009	WA					
Vietnam	4	2B350,2B352, 5A002	Heat exchanger plates B-filters, telecommunications products	428/2009	AG, WA					
Zambia	1	5A002	Measuring systems	428/2009	WA					
Zimbabwe	1	5A002	Telecommunications products	428/2009	WA					

Regulatory framework

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 effect on 1 January 1993.

The Military Equipment Act stipulates that military equipment may not be produced without a licence. International co-operation denotes export sales or other provision of military equipment or services (including transfers and brokering). The concept also covers concessions or transfers of production rights, agreements with foreign parties to jointly, or at that party's expense, develop military equipment or methods for the production of such equipment or to jointly produce military equipment. Finally, with certain exceptions, a licence is required to carry out training with a military purpose.

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 not included in the concept of military equipment but associated with exported military equipment.

Swedish guidelines for exports of military equipment and other foreign co-operation

Under Section 1, second paragraph, of the Military Equipment Act (1992:1300), licences for exports of military equipment are only 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 have been established through Government practice and are detailed in the Government Guidelines for the Exportation of Military Equipment and Other Forms of Collaboration Abroad, approved by Parliament (cf. Government Bill 1991/92:174 p. 41 f., Bill 1995/96:31 p. 23 f. and report 1992/93:UU1). The complete text of the Guidelines is provided below.

Overriding and assessment criteria

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

The EU Common Position on arms exports is implemented in parallel with the Swedish guidelines.

The Guidelines contain two overriding criteria for granting licences under the law, namely that collaboration with other countries is considered necessary to fulfil the Swedish Armed Forces' equipment or know-how needs or is otherwise desirable for reasons of national security, and that collaboration is not in conflict with the principles and aims of Swedish foreign policy. These overriding criteria may be considered as an expression 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 collaboration with persons or companies abroad relating to the development or manufacture of military equipment.

The guidelines emphasise in particular the importance that should be attached to respect for human rights in the recipient country when assessing export applications from a foreign policy point of view. 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 kinds of unconditional obstacles that, if present, are considered to make exports impossible. These three are: resolutions of the UN Security Council, international agreements to which Sweden is a party (e.g. EU sanctions) and export hindrances imposed by the stipulations of international law regarding exports from neutral states to those in a state of war.

Military equipment for combat purposes and other military equipment

In 1993, the concept of military equipment was broadened to also include certain equipment with civilian or partly civilian uses. The broadening of the concept resulted in exports that were previously uncontrolled being made subject to political assessment and included in statistics on exports of military equipment. The broadening was accompanied by the separation of 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 state is involved in armed conflict with another state, or in an international conflict that may lead to armed conflict, or if internal armed disturbances are taking place. A licence should be withdrawn if the recipient state enters an armed conflict or internal armed unrest should arise. However, the withdrawal of a licence can be facilitated if supported by international law and the objectives and principles of Sweden's foreign policy. Nor should licences be granted for exports to a state in which extensive and serious violations of human rights occur. These are the same requirements that were applied before 1993, with the exception that previously, violations of human rights only needed to be taken into consideration if the equipment itself could be used to violate human rights. In the case of other military equipment (OME), which consists largely of products not subject to control prior to 1993 (reconnaissance radar or training simulators, for example), an export licence should be granted to countries not engaged in armed conflict with another state, not subject to internal armed disturbances and where there are no extensive and serious violations of human rights. Thus, the risk of armed conflict is a criterion not applied in 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”

Regarding follow-on deliveries it is stated in the guidelines that “licences should be granted for exports of spare parts pertaining to equipment exported previously with the requisite permission, unless an unconditional obstacle exists. The same applies to other deliveries, for example of ammunition, linked to previous exports of equipment, or otherwise in cases where it would be unreasonable to refuse a licence”.

In the case of collaboration with parties abroad, exports to third countries should be assessed in accordance with the Swedish guidelines if the product has a predominantly Swedish identity. If the product has a predominantly foreign identity, or if Sweden has a strong defence policy interest in co-operation, the export rules of the cooperating country may be applied.

Full text of the Swedish guidelines

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

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

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

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

Licences may only be granted to governments, central government agencies or government-authorized 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-exportation of Swedish military equipment shall not in principle be eligible as a recipient of such equipment from Sweden as long as these circumstances persist.

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

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

Licences for exports of military equipment for combat purposes or for other co-operation arrangements with foreign partners involving military equipment for combat purposes or other military equipment should not be granted where the state in question is involved in an armed conflict with another state, regardless of whether the war has been declared, is involved in an international conflict that may lead to an armed conflict or is the scene of internal armed disturbances.

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

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

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

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

As regards equipment with a predominantly foreign identity, exports from the cooperating country to third countries should be considered in accordance with the export rules of the cooperating country. If Sweden has a strong defence policy interest in cooperating with a certain country and that country conditions the co-operation on being able to export certain products, then depending on the circumstances, permission for exports to a third country can be granted within the framework of the co-operation country's export rules.

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

Council Regulation (EC) No 428/2009 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 (revision). The Regulation came into force on 27 August 2009, replacing the EU regulation from 2000, Council Regulation (EC) No 1334/2000. Unlike the multilateral 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 the various national systems for control of exports to third countries are strengthened and harmonised.

The Regulation unites member states' undertakings within the framework of the multilateral 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 product lists included in the Regulation. The annexes to the Regulation are determined within the framework of first pillar co-operation 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 licensing cases by including common criteria that member states shall take into account in their consideration. However, licences are granted at the national level. 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 a single licence can be cited 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 Act (2000:1064) concerning Control of Dual-Use Products and of Technical Assistance and the Ordinance (2000:1217) on Control of Dual-Use Products and of Technical Assistance. Both statutes came into effect on 1 January 2001.

Compared to what applies in legislation on military equipment, where export licences represent exceptions from a general prohibition on exports, the reverse is true in the regulations on controls of dual-use products. Here, the starting point is that export licences shall be granted unless this would conflict with foreign policy or security considerations as described in the EU Regulation.

Exports, transfers and brokering of dual-use products are subject to licensing with ISP as the licensing authority. With regard to nuclear materials, etc. included in category 0 in Annex I of the EU Regulation, however, the Swedish Radiation Safety Authority (SSM) provides licensing.

Like its predecessor, the Act concerning Control of Dual-Use Products and of Technical Assistance lacks specific rules regarding opportunities to

receive advance notifications regarding whether or not an export licence will be provided for the possible export of dual-use products to a specific destination. In practice, however, the trend has entailed ISP giving companies advance notifications.

Skr. 2012/13:114

Annex 3

The catch-all clause

Under Article 4 of Council Regulation (EC) 428/2009 a licence may also be required for exports of items that are not specified in the annexes to the Regulation ('non-listed products') if the exporter has been informed by the Swedish authorities that the item is or may be intended to be used in connection with the production of weapons of mass destruction or missiles that are capable of 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 technological developments, the lists of products are seldom all-inclusive.

For the catch-all clause to be applicable, the exporter must have been informed of the products area of use by Swedish authorities. However, if aware that a product is entirely or partly intended for uses regulated in Articles 4(1) to 4(3) of the EU Regulation, the exporter is required to report this to the Swedish authorities. ISP or SSM then has to 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 or for exports of non-listed products that are or could be intended for military end use in a country subject to a UN, EU or OSCE embargo and for non-listed products 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 by an individual or entity for a licence to export military equipment of dual-use products to a certain country. A member of a multilateral export control regime is expected to inform other members of a negative decision. According to 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 objective of the multilateral 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 contacts with countries that do not belong to the regimes.

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

Non-proliferation Measures that are taken in various international (multilateral) forums in order to prevent the proliferation of weapons of mass destruction. The main results of these measures are a number of international agreements and co-operation 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 multilateral export control regimes are expected to consult the state that has issued this denial before deciding whether to grant the export licence for an equivalent transaction. The purpose of this is to make sure that the refused buyer does not try to find a supplier in another country and that countries' export controls do not lead to competitive distortions. According to 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. Information activities and support to states, authorities, companies, etc. in export control contexts.

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Annex 4

Export licenses Under 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 other statute. A company applies for an export licence for the amount agreed by 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
CDI	Commitment to Development Index
CFSP	EU Common Foreign and Security Policy
COARM	Council Working Group on Conventional Arms Export
COCOM	Coordinating Committee on Multilateral exports Controls
CONOP	Council Working Group on Non-Proliferation
CWC	Chemical Weapons Convention
DUP	Dual-use products
EDA	European Defence Agency
EC	European Community
ECC	Export Control Council
EU	European Union
FA	Framework Agreement
FMV	Swedish Defence Materiel Administration
FOI	Swedish Defence Research Agency
FRA	National Defence Radio Establishment
GTRI	Global Threat Reduction Initiative
IAEA	International Atomic Energy Agency
ICT	Intra-Community Transfer Directive
ISP	Swedish Agency for Non-Proliferation and Export Controls
LoI	Letter of Intent
MANPADS	Man-Portable Air Defence Systems
MEC	Military equipment for combat purposes
ML	Military list
Must	Military intelligence and security service
NATO	North Atlantic Treaty Organisation
NETTEM	New and Evolving Technologies Technical Experts Meeting
NGO	Non-governmental organisation
NL	National additions where applicable
NPT	Non-proliferation treaty
NSG	Nuclear Suppliers Group
OECD	Organisation for Economic Co-operation and Development
OME	Other military equipment
OSCE	Organisation for Security and Cooperation in Europe
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
SSM	Swedish Radiation Safety Authority
Säpo	Swedish Security Police
SIA	Sweden's international agreements
TI	Transparency International

TFEU	Treaty on the Functioning of the European Union
TSC	Technical-Scientific Council
UN	United Nations
UNIDIR	United Nations Institute for Disarmament Research
WA	Wassenaar Arrangement
WPDU	Working Party on Dual-Use Goods
ZC	Zangger Committee

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Annex 5

Guide to other sources

Source reference in alphabetical order

Australia Group: www.australiagroup.net

The European Parliament: www.europarl.europa.eu

Council of the European Union: www.consilium.eu

The European Union: www.europa.eu

Export Control Council: www.isp.se/ekr

United Nations: www.un.org

International Atomic Energy Agency: www.iaea.org

Swedish Agency for Non-Proliferation and Export Controls www.isp.se

Missile Technology Control Regime; www.mtcr.info

Nuclear Suppliers Group: www.nuclearsuppliersgroup.org

Organisation for the Prohibition of Chemical Weapons: www.opcw.org

Organisation for Security and Co-operation in Europe: www.osce.org

Stockholm International Peace Research Institute: www.sipri.org

Swedish Radiation Safety Authority: www.ssm.se

Swedish Export Control Society: www.chamber.se/exportcontrol

Ministry for Foreign Affairs www.ud.se

Wassenaar Arrangement: www.wassenaar.org

Zangger Committee www.zanggercommittee.org

Ministry for Foreign Affairs

Excerpt from the minutes of the Cabinet meeting held on 21 March 2013

Present: Prime Minister Reinfeldt, Chairman, and the following Cabinet ministers: Björklund, Bildt, Ask, Larsson, Erlandsson, Hägglund, Carlsson, Borg, Billström, Adelsohn Liljeroth, Björling, Norman, Attefall, Kristersson, Elmsäter-Svärd, Hatt, Ek, Löf, Enström, Arnholm

Agenda items presented by: Björling, Minister

The Government decides to present to Parliament the Government Communication 2012/13:114: Strategic Export Control in 2012 – Military Equipment and Dual-Use Products