

# **Dutch Export Policy on Strategic Goods in 2020**

Report by the Minister of Foreign Affairs on the issuing of export licences for  
military, dual-use and torture goods

**September 2021**

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## 1. Introduction

The present report on Dutch export policy on strategic goods in 2020 is the 24th annual report drawn up in accordance with the policy memorandum of 27 February 1998 on greater transparency in the reporting procedure on exports of military goods (Parliamentary Paper 22 054, no. 30). This year's edition of the report has a new title which emphasises that the report is no longer, as in the first few years, concerned solely with the export of military goods, but also deals with the export of dual-use goods and goods that can be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment. Previous editions of the report had already been devoting more attention to such goods.

The report comprises:

### *Introduction and background*

2. a [profile](#) of the Dutch defence- and security-related industry;
3. an overview of the [principles](#) of Dutch export policy on strategic goods;
4. an overview of the [transparency](#) that the Netherlands observes with regard to exporting strategic goods;

### *Export statistics for 2020*

5. a [quantitative overview](#) of the Netherlands' arms exports in 2020;
6. a [quantitative overview](#) of the Netherlands' export of dual-use goods in 2020;
7. a [quantitative overview](#) of the Netherlands' exports in 2020 of goods that fall under the Anti-torture Regulation;

### *Relevant developments*

8. [Relevant developments in the EU](#) with regard to the export of military and dual-use goods;
9. [Relevant developments outside the EU](#) with regard to the export of military and dual-use goods, as covered by the Arms Trade Treaty, the Wassenaar Arrangement and other export control regimes (for dual-use goods);

The report has eight annexes:

[Annexe 1](#) lists the values of export licences issued in 2020 by category of military goods and by country of final destination.

[Annexe 2](#) shows the trends in Dutch arms export.

[Annexe 3](#) contains an overview of the reported use of general licences NL003-NL009 for military goods.

[Annexe 4](#) contains an overview of licences issued for the transit of military goods to third countries.

[Annexe 5](#) contains an overview of brokering licences issued for military goods.

[Annexe 6](#) lists the applications for the export, transit and sondage of military goods denied by the Netherlands.

[Annexe 7](#) provides an overview of the sale of surplus defence equipment in 2020.

## 2. Profile of the Dutch defence and security industry

The Dutch defence- and security-related industry is characterised by high-value production, frequent innovation and a highly educated workforce.

The companies and knowledge institutions in this sector serve both the defence market and the civilian market with products and/or services. In addition, there are companies that specialise, in part, in the production of military goods and related services, thus filling a niche in the defence market. Because of the limited size of the Netherlands' domestic market, the sector is highly export-oriented. No less than 71% of revenue comes from exports.<sup>1</sup>

The most recent study to present quantitative data on the defence- and security-related sectors was conducted by Triarii at the request of the Ministry of Economic Affairs and released in 2020.<sup>2</sup> This data, which relates to the year 2017, is voluntarily provided by the companies in question.

Table 1 provides an overview of the most recent key data from this study.

*Table 1, The Dutch defence- and security-related industry in figures*

	<b>2010</b>	<b>2014</b>	<b>2017</b>
Number of companies	286	354	342
Defence- and security-related turnover	€3.10 billion	€4.54 billion	€5.01 billion
Defence- and security-related turnover as a percentage of total turnover of defence- and security-related companies	7%	15%	12%
Defence- and security-related exports	€2,18 billion	€3.09 billion	€3.58 billion
Number of jobs in the defence- and security-related industry	14,420	24,800	19,247
Number of those jobs related to R&D	4,554 (32%)	7,995 (32%)	7,364 (38%)

*Source: Triarii (2020)*

The Dutch defence and security industry comprises 342 companies. In 2017 these companies accounted for approximately 110,000 jobs, across the whole range of their activities (for both the civilian and military market). Of these jobs, 19,247 were specifically related to activities in the field of defence and security.

In 2017 the Dutch defence and security industry generated €5.01 billion in sales. This represents 0.69% of Dutch GDP. Defence- and security-related turnover represents an average share of approximately 12% of the total turnover of the companies and organisations concerned, most of which engage primarily in civilian activities. Only a few companies concentrate almost exclusively on the defence market.

<sup>1</sup> Triarii (2019) 'Nederlandse Defensie- en Veiligheidsgerelateerde industrie 2019'.

<sup>2</sup> <https://zoek.officielebekendmakingen.nl/blg-918227>

Much of the sector consists of small and medium-sized enterprises, knowledge institutions and startups. In global terms and in comparison to the broader European sector, the Dutch industry distinguishes itself through its focus on niche markets.<sup>3</sup>

**Highlighted topic: Leading players in the Dutch defence industry<sup>1</sup>**

Dialogic (2021) offers a profile of the leading players in the Dutch defence industry. The report shows that the Dutch industry consists mainly of highly specialised SMEs and a number of major players that operate in niche markets. A number of large companies like Damen and Thales that function as original equipment manufacturers operate in the maritime cluster. In the aircraft construction industry (which includes companies like GKN Fokker), firms specialise in landing gear and high-tech material, lightweight structures, maintenance concepts and composite components. Dutch firms provide logistical services, spare parts and maintenance parts and services for F-35 aircraft within Europe, and together with Norway they are part of the international value chain in this area. In the land domain, Dutch companies produce battlefield management systems, among other products. There are only a limited number of companies that produce complete end products. Thales is a global player when it comes to sensor and radar systems, combat management systems, and command, control, communications, computers and intelligence (C4I) systems.

<sup>1</sup> Source: Dialogic (2021) 'Het Nederlandse investeringsklimaat'; <https://www.rijksoverheid.nl/documenten/publicaties/2021/06/01/het-nederlandse-investeringsklimaat>.

The sector is highly innovative. The R&D intensity of the sector is 38%, compared to 2.7% for all jobs in the Netherlands. Around 55% of staff have attended university or an institution of higher professional education. The corresponding figure for the Netherlands as a whole is 30%. The high level of knowledge development and product innovation often gives rise to new economic activity in both the military and civilian sectors. According to the study, in 75% of the companies surveyed, knowledge development has led to new products for the defence and security market, and in 70% of the companies it has resulted in new products for the civilian market.

Approximately €3.58 billion's worth of all exports of the Netherlands' defence- and security-related industry (i.e. all goods and services, whether or not subject to a licence requirement) is classified as military exports. The most important markets are the Netherlands, Germany, the UK and the US. The main emerging market is Asia.

By working closely with the various branches of the armed forces, the sector contributes directly to the operational deployability of the Dutch armed forces and, by extension, to the standing and effectiveness of the Netherlands' contributions to international missions.

<sup>3</sup> 'Defensie Industrie Strategie' (2018); <https://www.defensie.nl/downloads/beleidsnota-s/2018/11/15/defensie-industrie-strategie>.

According to the Triarii study (2020), the Ministry of Defence was, as of 2017, the biggest customer of the Dutch defence and security sector, as it had been in 2010 and 2014.

Government policy is aimed at positioning the Netherlands' defence- and security-related industry and knowledge institutions in such a way that they are able to make a high-quality contribution to Dutch security. To this end, Dutch companies are involved in national military tenders either directly or, where possible, indirectly through industrial participation. This will also enhance their competitiveness in the European and international markets and within supply chains. This policy is described in the Defence Industry Strategy (DIS) that was presented to the House of Representatives in November 2018.<sup>4</sup> This DIS deals explicitly with the more active export policy and the promotion of trade. The government supports Dutch companies – including SMEs and startups – for example by supporting their participation in international trade fairs for the defence and security industry. The diplomatic network is also being deployed more actively to promote trade. This is also important in relation to European initiatives (the European Defence Fund, the European Defence Action Plan (EDAP) and Permanent Structural Cooperation (PESCO)). Obviously, Dutch export policy will remain in full effect and an advance assessment will always be made for every transaction requiring a licence, to determine whether there is a risk that a potential trading partner will use equipment or knowledge in an undesirable way, for example to violate human rights or heighten domestic or regional instability.

Because the domestic market is too small to support the available expertise, the government also encourages international cooperation in the field of defence equipment. This has led to the establishment of commercial relationships with enterprises from various other countries, mainly Germany, the US, the UK and Belgium. This also involves joint commitments relating to systems maintenance and subsequent delivery of components.

The inset below, which is taken from the 2018 Defence Industry Strategy, shows the sectors for which the Netherlands focuses on its own development, production and knowledge retention and those for which the emphasis is on international cooperation or market-based procurement.

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<sup>4</sup> Defence Industry Strategy (2018); <https://www.defensie.nl/downloads/beleidsnota-s/2018/11/15/defensie-industrie-strategie>.

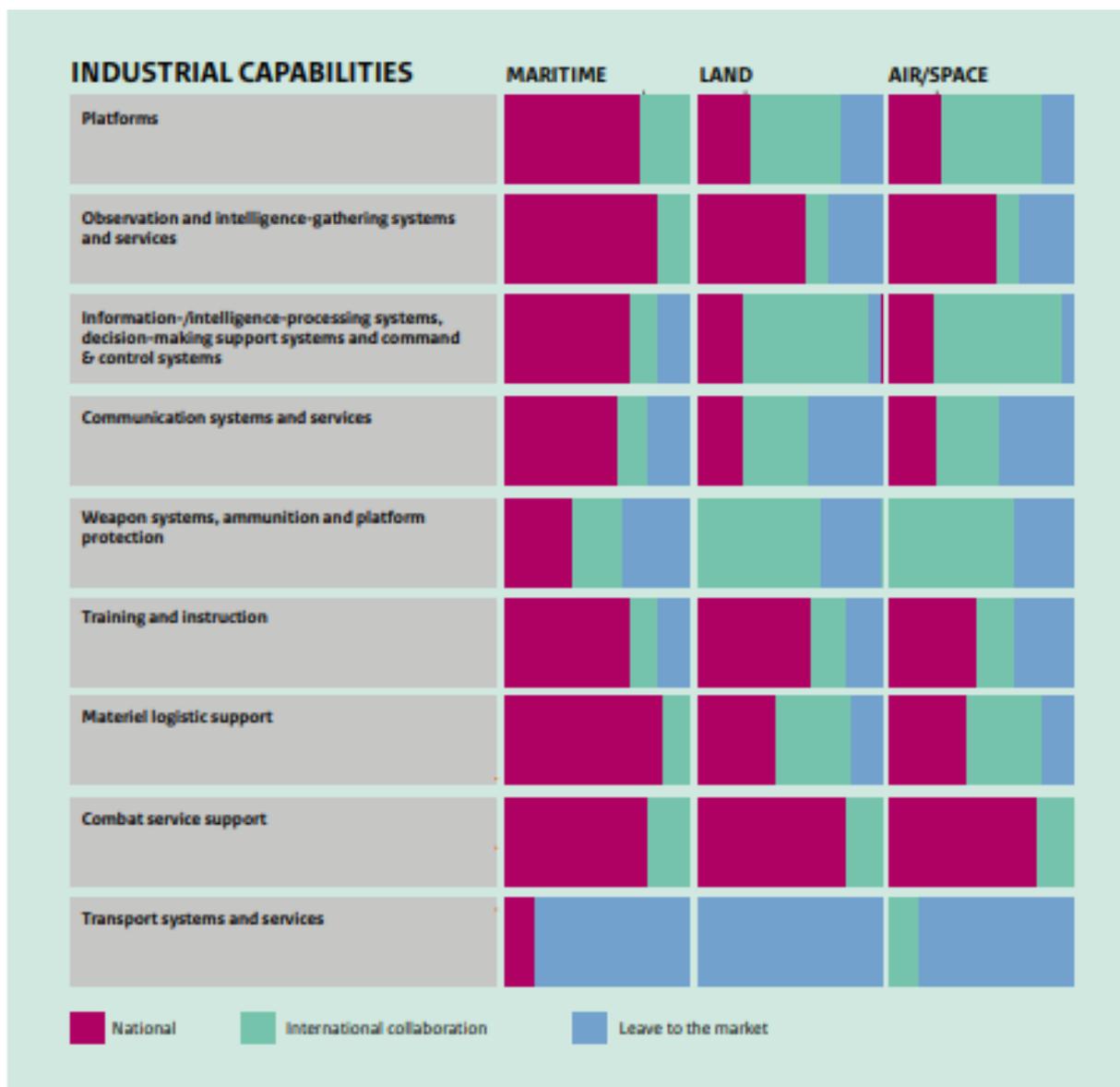


Figure 1, Industrial capabilities and the Netherlands' ambitions, as discussed in the Defence Industry Strategy (p. 23)

The government regards the export activities of this sector as a prerequisite for preserving the Netherlands' knowledge base in this area. This does not alter the fact that limits must be imposed on these activities of the defence and security-related industry, with a view to preventing the undesirable use of military and dual-use goods, in the interests of strengthening the international legal order and promoting peace and security. The government believes that, within these limits, the sector should be allowed to meet other countries' legitimate requirements for defence equipment.

## 3. Procedures and principles

### 3.1 Procedures

#### **General**

Export licences for strategic goods (i.e. military and dual-use goods) are issued on the basis of the General Customs Act (*Algemene Douanewet*) and the associated export control regulations.<sup>5</sup>

Companies or persons wishing to export goods or technology that appear on the Common Military List of the European Union<sup>6</sup> or Annex 1 of the EU Regulation on dual-use items<sup>7</sup> must apply to the Central Import and Export Office (CDIU) for an export licence. The CDIU, which is a subdivision of the Customs Administration, issues export licences under the policy supervision of the Ministry of Foreign Affairs. In 2020 licences were issued on behalf of the Minister for Foreign Trade and Development Cooperation.<sup>8</sup>

#### **Military goods**

In principle, licence applications for the export of military goods to NATO and EU member states and countries with a similar status (Australia, Japan, New Zealand and Switzerland) are processed by the CDIU, on the basis of a procedure formulated by the Ministry of Foreign Affairs. Because the Netherlands' export policy makes no distinction between EU and NATO allies, the policy for the UK will remain unchanged after Brexit. The exceptions to this rule are Cyprus and Turkey. Applications for exports to these two countries – and all other countries – are submitted to the Ministry of Foreign Affairs for decision. In assessing licence applications against the eight criteria of the EU's Common Position on Arms Exports,<sup>9</sup> the Minister for Foreign Trade and Development Cooperation seeks foreign policy guidance from the Minister of Foreign Affairs. This guidance plays a key role in the final decision on whether or not to issue an export licence.<sup>10</sup>

The normal licensing procedure applies to the disposal of surplus equipment by the Ministry of Defence. As with export transactions on the part of the business community, the Ministry of Foreign Affairs assesses such transactions against the criteria set out in the arms export policy. Prior to signing a sales contract for surplus Dutch weapon systems, the Minister of Defence will notify the House of Representatives. If this is not possible for commercial reasons, the Minister of Defence will notify the House of Representatives immediately after the contract is signed.<sup>11</sup>

#### **Dual-use goods**

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<sup>5</sup> The complete legislative framework (in Dutch) can be found on the central government website: <https://www.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/wetten-en-regels-export-strategische-goederen>.

<sup>6</sup> [https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52020XG0313\(07\)&from=EN](https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52020XG0313(07)&from=EN).

<sup>7</sup> <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:02009R0428-20210101&qid=1620295548979&from=en>

<sup>8</sup> With the departure of former foreign minister Stef Blok to the Ministry of Economic Affairs and the installation of Sigrid Kaag as Minister of Foreign Affairs, the latter has been relieved of her duties as Minister for Foreign Trade and Development Cooperation as of May 2021. Since then, licences have been issued on behalf of the Minister of Foreign Affairs.

<sup>9</sup> <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:02008E0944-20190917&from=EN>

<sup>10</sup> With the departure of former foreign minister Stef Blok to the Ministry of Economic Affairs and the installation of Sigrid Kaag as Minister of Foreign Affairs, the latter has been relieved of her duties as Minister for Foreign Trade and Development Cooperation as of May 2021. Since then, licences have been issued on behalf of the Minister of Foreign Affairs.

<sup>11</sup> <https://www.rijksoverheid.nl/documenten/kamerstukken/2007/10/16/verkoop-overtolig-defensiematerieel>.

Various procedures are also in place for dual-use applications, depending on the country of final destination. For countries that belong to the export control regime that covers the good in question, individual and global licence applications are in principle assessed by the CDIU, in line with the applicable work instruction. These countries subscribe to the same principles as the Netherlands with regard to trade in these sensitive goods. For some goods in combination with certain destinations, it is possible to use a general Union or national export licence. In such cases there is no review at transaction level, though there is a registration and archiving requirement. For example, there is a general licence for the export of virtually all dual-use goods to Australia, Canada, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States.

Applications for politically sensitive destinations, countries subject to sanctions and other countries are submitted to the Ministry of Foreign Affairs for a decision. This also applies to exemption applications for the Chemical Weapons Convention, licence applications for the NSG 'Trigger List', Wassenaar Sensitive/Very Sensitive and Annex IV goods,<sup>12</sup> licences related to sanctions and licences in the framework of the EU Anti-torture Regulation (2019/125).

### ***Goods listed in the Anti-torture Regulation***

Torture devices are not permitted to be imported to, exported to or transhipped to non-EU countries. If no prohibition applies, goods and services that fall under the Anti-torture Regulation require a licence. Licence applications for goods and services listed in the Anti-torture Regulation for destinations where capital punishment is still imposed or carried out are always submitted to the Ministry of Foreign Affairs by the CDIU. At present more than two-thirds of the world's countries have abolished the death penalty. The licence applications for destinations where the death penalty has been abolished are dealt with independently by the CDIU.

## **3.2 Assessment framework for military goods**

### ***EU criteria***

Licence applications for the export of military equipment are assessed on a case-by-case basis against the eight arms export policy criteria, with due regard for the nature of the product, the country of final destination, the end user and the intended end use. These eight criteria were initially defined by the European Councils of Luxembourg (1991) and Lisbon (1992) and were subsequently incorporated in the EU Code of Conduct on Arms Exports (1998). On 8 December 2008 the Council of the European Union decided to transform the 10-year-old Code of Conduct into Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment.<sup>13</sup> The eight criteria are summarised in the inset below:

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<sup>12</sup> Trigger List items are goods in category 0 of Annex 1 of the Dual-Use Regulation. The Wassenaar Arrangement makes a distinction with regard to the applicability of goods in military contexts; see [www.wassenaar.org](http://www.wassenaar.org) for more information. Annex IV of the Dual-Use Regulation lists goods that also require a licence for intra-EU transactions.

<sup>13</sup> <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:02008E0944-20190917&from=EN>

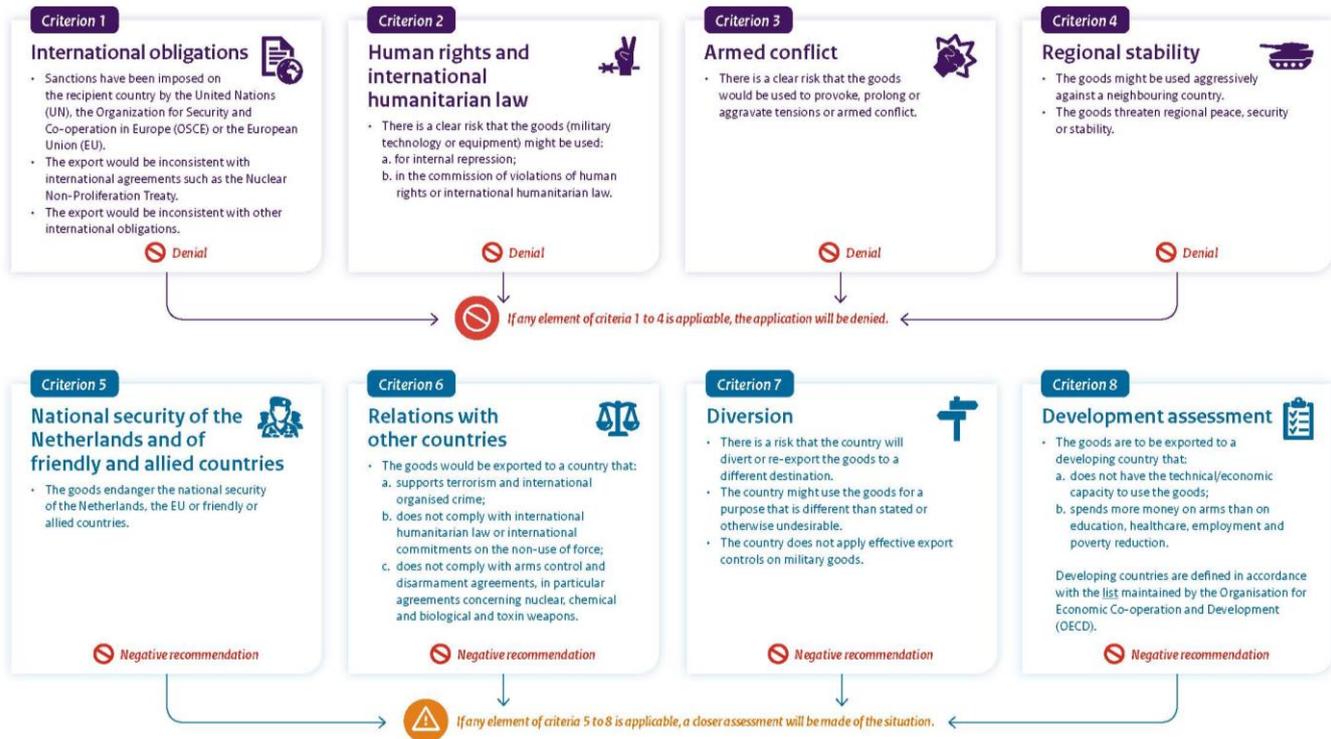


Figure 2, Eight criteria of the Common Position 2008/944/CFSP.

The eight criteria<sup>14</sup> read as follows, in summary:

1. Respect for the international obligations and commitments of member states, in particular the sanctions adopted by the UN Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations.
2. Respect for human rights in the country of final destination as well as compliance by that country with international humanitarian law.
3. The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.
4. Preservation of regional peace, security and stability.
5. National security of the member states and of territories whose external relations are the responsibility of a member state, as well as that of friendly and allied countries.
6. Behaviour of the buyer country with regard to the international community, as regards in particular its attitude to terrorism, the nature of its alliances and respect for international law.
7. Existence of a risk that the military technology or equipment will be diverted within the buyer country or re-exported under undesirable conditions.
8. Compatibility of the exports of the military technology or equipment with the technical and economic capacity of the recipient country, taking into account the desirability that states should meet their legitimate security and defence needs with the least diversion of human and economic resources for armaments.

<sup>14</sup> <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:02008E0944-20190917&from=EN>

In essence the EU's Common Position on Arms Exports consists of assessment against the eight above-mentioned criteria and a mechanism for sharing information. This mechanism consists of (1) an obligation to notify all other member states when a member state denies a licence application and (2) an obligation to hold bilateral consultations when a member state proceeds to consider an application that is essentially identical to another application that has previously been denied by another member state. The Common Position on Arms Exports also contains agreements between the member states on brokering, transit, intangible forms of technology transfer and production licences.

Albania, Bosnia and Herzegovina, Canada, Georgia, Iceland, Montenegro, North Macedonia and Norway have endorsed the criteria and principles of the Common Position. In 2017 Norway became part of the COARM online denial database, making it a participant in information exchanges between EU member states about denied licence applications and the consultations that are conducted through this system.

The Netherlands fully observes all arms embargoes imposed by the UN, the Organization for Security and Co-operation in Europe (OSCE) and the EU. An up-to-date overview of national measures implementing UN and EU sanctions, including arms embargoes, is available on the

***Highlighted topic: Relations with the UK in regard to export controls on military goods following Brexit***

As of 1 January 2021 the UK is no longer bound by the EU Common Position, nor is it part of the COARM online system any longer. This means that the UK no longer shares information about the licence applications it has denied. There is, however, bilateral coordination on arms export policy and, if relevant, on specific transactions. The UK is also a state party to the Arms Control Treaty, which requires a similar level of export control to the Common Position.

There have been no major changes affecting Dutch exporters of military goods to the UK. In its procedures the Netherlands makes a distinction between EU/NATO+ countries and other countries (see section 3.1). As a NATO country, the UK is in the same category as EU member states. That said, the general export and transit licences NL003-NL006 will have to be modified in order to clarify that they can be used for the UK. Until this change has been implemented, the currently valid licences can be used for export to the UK.

Dutch government's internet portal.<sup>15</sup> The EU has a similar overview available online.<sup>16</sup> In addition to the information that appears on these websites, it should be noted that an OSCE embargo against 'forces engaged in combat in the Nagorno-Karabakh area' has been in force since 1992, in accordance with a decision by the Committee of Senior Officials – a predecessor of the Permanent Council – of 28 February 1992.

<sup>15</sup> <https://www.rijksoverheid.nl/onderwerpen/internationale-sancties/beleid-voor-internationale-sancties>

<sup>16</sup> [http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures\\_en.pdf](http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures_en.pdf)

### ***Additional national policy***

EU member states are also free to adopt national policy in addition to the Common Position. Below is a description of additional policy that is currently in force and the changes that were made to it in 2020.

#### ***Yemen***

For a number of years now Dutch export control policy has included a presumption of denial for both Saudi Arabia and the United Arab Emirates. This policy remained in force in 2020.

'Presumption of denial' means that licence applications for the export of military goods and dual-use goods with military end use will be denied for these end users unless it can be incontrovertibly demonstrated that these goods will not be used in the conflict in Yemen. This more restrictive policy was prompted by the conclusion of the Group of Independent Eminent International and Regional Experts on Yemen that the armed forces of Saudi Arabia and the UAE can be held responsible for the violations of international humanitarian law in the Yemen conflict.<sup>17</sup>

At the Foreign Affairs Council of 15 May 2020, the Minister of Foreign Affairs called on other EU member states to adopt an arms export policy towards countries involved in the conflict in Yemen that was as restrictive as that of the Netherlands, in line with the motion submitted by MP Bram van Ojik et al. of 17 October 2018 (Parliamentary Papers 21 501-20, no. 1368).

#### ***Turkey***

On 11 October 2019, in response to the Turkish operation in northern Syria, the Dutch government decided to tighten its arms export policy with respect to Turkey. Until further notice, all new licence applications for the export of military goods with Turkey as the final destination will be put on hold, and no new licences will be issued. Turkey has also been removed from the list of final destinations for which a global licence can be used. The latter are licences that cover multiple transactions and thus various end users or final destinations. For shipments arising from previously delivered goods (e.g. items related to maintenance, replacement and repairs), a presumption of denial will apply (Parliamentary Papers 22 054, no. 316). If it can be incontrovertibly demonstrated that these goods will not be used in Syria, the licences for such shipments will be assessed, in the usual way, against the eight criteria of the EU Common Position. The stricter policy for Turkey applies only to military goods and dual-use goods with military end use.

In October 2020 tighter supervision was also introduced for the transit of goods to and from Turkey (Parliamentary Papers 22 054, no. 334). As of 27 October 2020 it is no longer permitted to make use of the Ministerial Order for General Transit Licence NL007 and the Ministerial Order for General Transit Licence NL008 for the transit of military goods originating from or destined for Turkey. A transporter can use these general licences for the transit of less sensitive military goods from an EU/NATO+ country to a third country (NL007), or from a third country to a EU/NATO+ country (NL008). In the case of a general licence, individual assessments are not made, and the company in question will only report the use of that licence after the fact. Turkey is now no longer an eligible final destination for general licences NL007 and NL008. As of October 2020, such

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<sup>17</sup> <https://www.ohchr.org/EN/HRBodies/HRC/YemenGEE/Pages/Index.aspx>.

transits require an individual licence, with an assessment in advance. This represents a further tightening of the supervision of the transit of goods through Turkey.

This stricter policy is regularly monitored, partly in the light of developments on the ground. If developments should warrant it, the policy will be re-examined. The Netherlands will work closely with its EU partners to coordinate the policy.

At the Foreign Affairs Council of November 2020 the Minister of Foreign Affairs urged the adoption of a moratorium on the supply to Turkey of arms that could be deployed in Syria, Libya or Nagorno-Karabakh, in line with the motion submitted by MP Joël Voordewind et al. (Parliamentary Papers 35 570, no. 45). The Minister also pressed for strict compliance by all regional actors with the arms embargo against parties involved in the conflict in Nagorno-Karabakh.

### **Hong Kong**

Following the Council Conclusions of the Foreign Affairs Council on 28 July 2020, in response to the introduction of the national security law in Hong Kong, the Dutch government decided to tighten its arms export policy for Hong Kong (Parliamentary Papers 22 054, no. 332). As of 9 October 2020 all licence application for the export of military goods to Hong Kong will be assessed in the same way as applications for the rest of the People's Republic of China. The EU arms embargo currently in place for China will also be applied by the Netherlands to exports to Hong Kong.

### **3.3 Assessment framework for dual-use goods**

The assessment of licence applications for dual-use goods does not take place on the basis of the eight criteria listed in the EU Common Position, but rather those of the EU Dual-Use Regulation.<sup>18</sup> For each application, a risk assessment is made with regard to the likelihood of undesirable end use, on the basis of factors like the nature of the goods in question, the plausibility of the stated end use, the end user and the country of destination. In making this assessment the relevant parties also consider UN and EU decisions related to the destination in question, such as sanctions and embargoes. With the help of an assessment framework, this assessment leads to a decision about whether to grant or deny the licence application. An exception to this are dual-use goods that have a conventional military end use; these are still assessed on the basis of the Common Position.

Denials of dual-use licence applications are recorded in an EU database. Under article 13 of the Dual-Use Regulation, if other member states receive similar applications, they are obliged to consult each other, with a view to ensuring that they do not undermine each other's decisions.

If there is doubt as to whether a transaction involving a particular good requires a licence, a classification application can be submitted. On the basis of the information provided, specialists from the Customs Administration and the Ministry of Foreign Affairs will determine whether the transaction falls under dual-use legislation.

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<sup>18</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02009R0428-20210101&from=en>

Exporters can also submit sondages (preliminary applications) for transactions for which the contract negotiations with the end user have not yet been completed or started. This way it is possible for a company to explore at an early stage whether an export licence can be obtained for the transaction in question.

If the occasion arises, it is also possible to impose an ad hoc licence requirement (a 'catch-all order') pursuant to the EU Dual-Use Regulation. If information is available that indicates that non-controlled goods will be used, following their export, in the development or production of weapons of mass destruction or that they will be deployed for military end use in a country subject to an arms embargo, the shipment in question can be made subject to controls by means of an individual order. This should not be seen as a ban on the transaction; rather, it is an extension of the licence requirement for this specific non-controlled good going to this particular final destination. Under certain conditions the authorities may still ultimately decide to issue an export licence if, for example, there are safeguards in place that will minimise the risk of undesirable end use.

Licences are not required for the transit of dual-use goods.

### 3.4 Assessment framework for goods listed in the Anti-torture Regulation

Besides dual-use goods, the Ministry of Foreign Affairs also assesses licence applications for torture goods. Within the EU, trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment has been subject to regulation since 2006. In that year rules were introduced for export licences, intended to ensure that certain goods are not used for these purposes.

Measures regulating trade in these goods with third countries are laid down in the Anti-torture Regulation. This regulation was last amended substantively in 2018, and as a result of the many changes, it was re-codified for reasons of clarity and replaced by Regulation (EU) 2019/125. This codification does not amount to any substantive change to the Regulation.

The Anti-torture Regulation makes a distinction between two categories: goods the trade in which is largely prohibited (Annex II) and goods that require a licence (Annex III and Annex IV). It is largely prohibited to trade in goods which have no practical use other than for the purpose of capital punishment or for the purpose of torture and other cruel, inhuman or degrading treatment or punishment. Examples of such goods are guillotines, thumb screws and shields with metal spikes. The trade in goods and services listed in Annexes III and IV, including the provision of technical assistance and brokering services, that can also be used for legitimate purposes, such as law enforcement, is subject to a licence requirement.

Annex III lists goods that can be used for torture. Examples include certain devices that administer electric shocks and pepper spray. A licence will not be issued if there are reasonable grounds to assume that the goods in question could be used in a third country by a law enforcement agency or a natural or legal person for torture or other cruel, inhuman or

degrading treatment or punishment, including judicial corporal punishment. In making an assessment, the competent authority takes into account:

- a) available international court judgments;
- b) findings of the competent bodies of the UN, the Council of Europe and the EU, and reports of the Council of Europe's European Committee for the Prevention of Torture and Inhuman or Degrading Treatment and Punishment and of the UN Special Rapporteur on Torture and other cruel, inhuman or degrading treatment or punishment.

Other relevant information, including available national court judgments, reports or other information prepared by civil society organisations and information on restrictions on exports of goods listed in Annexes II and III applied by the country of destination, may be taken into account.

Annex IV contains goods that have medical applications, but which could also be used for the purpose of capital punishment. These include, for example, certain anaesthetic agents such as pentobarbital and thiopenthal. No licence will be issued if there are reasonable grounds to assume that the goods listed in Annex IV could be used for the purpose of capital punishment in a third country.

## 4. Transparency

The Netherlands is an international leader when it comes to transparency about the export and transit of strategic goods. In addition to its annual reporting obligations, which are fulfilled by way of this report, the Netherlands publishes monthly overviews with key information about all export licences issued for military and dual-use goods, and key information about the transit of military goods across Dutch territory. The latter data is derived from notifications submitted to the Central Import and Export Office (CDIU) under the reporting requirement for such transit shipments. The government has put links to all the various national and international reports drawn up by the Netherlands on this subject on its web portal.<sup>19</sup>

The present report for 2020 is the 24th annual report since the policy memorandum of February 1998 on greater transparency in the reporting procedure on exports of military goods (Parliamentary Papers, 22 054, no. 30). It is based on the value of the licences issued by category of military goods and by country of final destination. To further enhance the transparency of the figures, the categories of goods are specified for each country of destination. This report also contains information about instances where the Netherlands has denied a licence or sondage (see annexe 6). It also includes details about licences issued for transit (annexe 4) and brokering services annexe 5).

Since the 1990s a growing number of countries have published national annual reports on arms exports.<sup>20</sup> The Netherlands still ranks among the most transparent of these countries. For example, in the 2020 edition of the *Small Arms Trade Transparency Barometer*, the Netherlands is in joint second place with Germany, after Switzerland.<sup>21</sup> In addition, for a number of years the Netherlands has supported the Arms Trade Treaty (ATT) Monitor, which surveys how many countries fulfil their reporting obligations with regard to arms exports.<sup>22</sup> At the UN the Netherlands also seeks to draw attention to transparency and openness in this area (see also section 8.2).

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<sup>19</sup> <https://www.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/rapportages-dual-use-en-militaire-goederen>

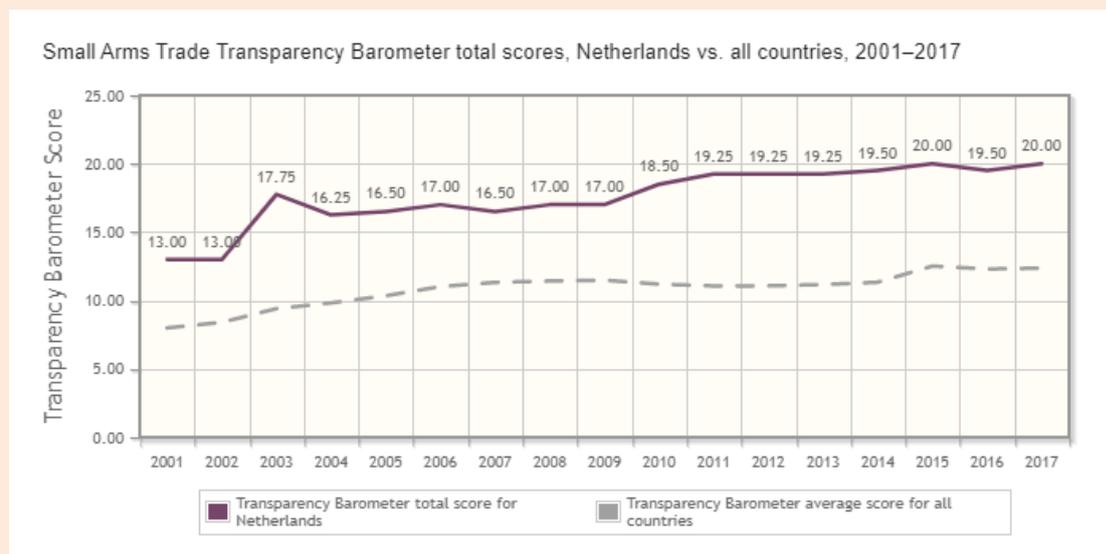
<sup>20</sup> <https://www.sipri.org/databases/national-reports>

<sup>21</sup> <http://www.smallarmssurvey.org/fileadmin/docs/S-Trade-Update/SAS-Trade-Update-2020.pdf>

<sup>22</sup> <https://attmonitor.org/>.

### Highlighted topic: Small Arms Trade Transparency Barometer 2020

Every year the Small Arms Survey issues an overview of the countries that are most and least transparent with regard to trade in military goods, with a special focus on small arms and light weapons. The 2020 Barometer relates to transparency in 2017.



The Netherlands is in the same position as last year: joint second place with Germany in the transparency rankings (after Switzerland). Serbia and the UK round out the top 5. The least transparent countries are Iran, North Korea, Saudi Arabia, Israel and the UAE.

In this edition of the report there is a particular focus on non-reported exports of small arms and light weapons, based on two case studies: China and Ukraine. Both countries are regularly ranked among the 10 least transparent countries in the world. The case studies endorse the importance of transparency and of reporting exports of military goods. For example, the value reported by China of its ammunition exports to Africa is only 0-3% of the value of the imports reported in Africa. This means that many exports are left out of the official numbers. This practice contributes to the proliferation of conventional weapons in the region and impedes effective arms control.

In recent years the Netherlands has been increasingly open about the issuing of licences for dual-use goods. Beginning this year, a separate chapter has been added to this annual report to provide information on the licences issued for dual-use goods (chapter 6). The report also spotlights both European (chapter 7) and international (chapter 8) developments regarding export controls for dual-use goods.

### **Accelerated parliamentary notification**

Since 2012, the government has notified the House of Representatives about new licences for the permanent export of complete (military) systems worth over €2 million to countries other than Australia, Japan, New Zealand, Switzerland and EU or NATO member states within two weeks of deciding to issue them. These notifications, which may or may not be confidential, are accompanied by an explanatory note.<sup>23</sup> There were three transactions in the 2020 reporting year that qualified for accelerated parliamentary notification.<sup>24</sup>

*Table 2, Overview of letters under the accelerated parliamentary notification procedure*

Parliamentary Dossier	Number	Date	Country
22 054	333	27 October 2020	Pakistan via Turkey
22 054	328	10 July 2020	Egypt
22 054	327	12 June 2020	Indonesia

## 4.1 Informing stakeholders

In addition to the present report on Dutch exports of military and dual-use goods in 2020, information on Dutch export policy is also available through other sources. For instance, the Ministry of Foreign Affairs publishes a User Guide on Strategic Goods and Services online at [www.rijksoverheid.nl/exportcontrole](http://www.rijksoverheid.nl/exportcontrole). This user guide is designed for individuals, companies and organisations with a professional interest in the procedures governing the import and export of strategic goods. It contains information on the relevant policy objectives and statutory provisions and procedures, as well as a wealth of practical information. It is regularly updated in the light of both national and international developments. The website [www.rijksoverheid.nl/](http://www.rijksoverheid.nl/) also contains a section on strategic goods which includes various fact sheets on specific topics, such as export controls of cloud-based exports, cryptography, sanctions against Russia and doing business with Iran. Information about recent changes to policy, such as the presumption of denial and the stricter policy on Turkey and Hong Kong can also be found there.

<sup>23</sup> The accelerated reporting procedure is based on the letter to the House of Representatives of 10 June 2011 announcing a stricter arms export policy (Parliamentary Papers, 2010-2011, 22 054, no. 165) and the motion submitted by MP Arjan El Fassed et al. on 22 December 2011 on lowering to €2 million the threshold triggering the accelerated parliamentary notification procedure for certain arms export licence applications (Parliamentary Papers, 2011-2012, 22 054, no. 181).

<sup>24</sup> In 2020 the House of Representatives was also informed about a licence that was issued in 2019 for communication systems bound for Qatar (Parliamentary Papers 22 054, no. 326). This was included in the annual report on 2019.

## 5. The Netherlands' exports of military goods in 2020

### 5.1 Licences issued

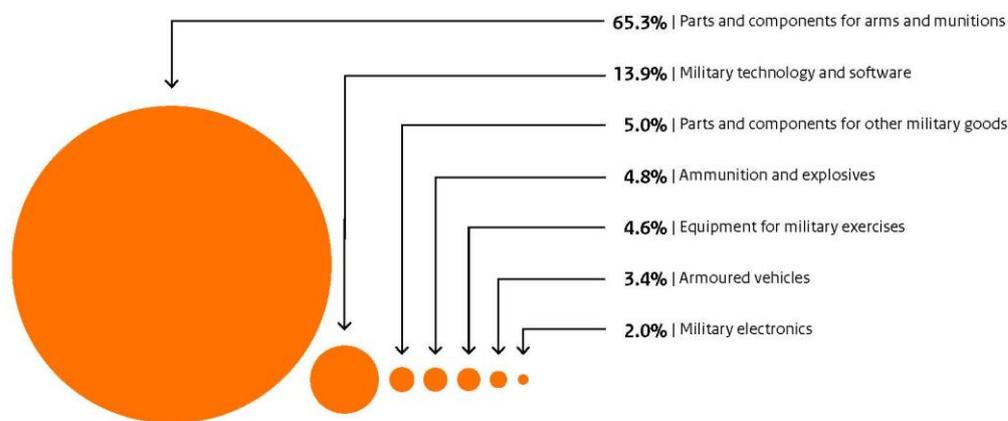
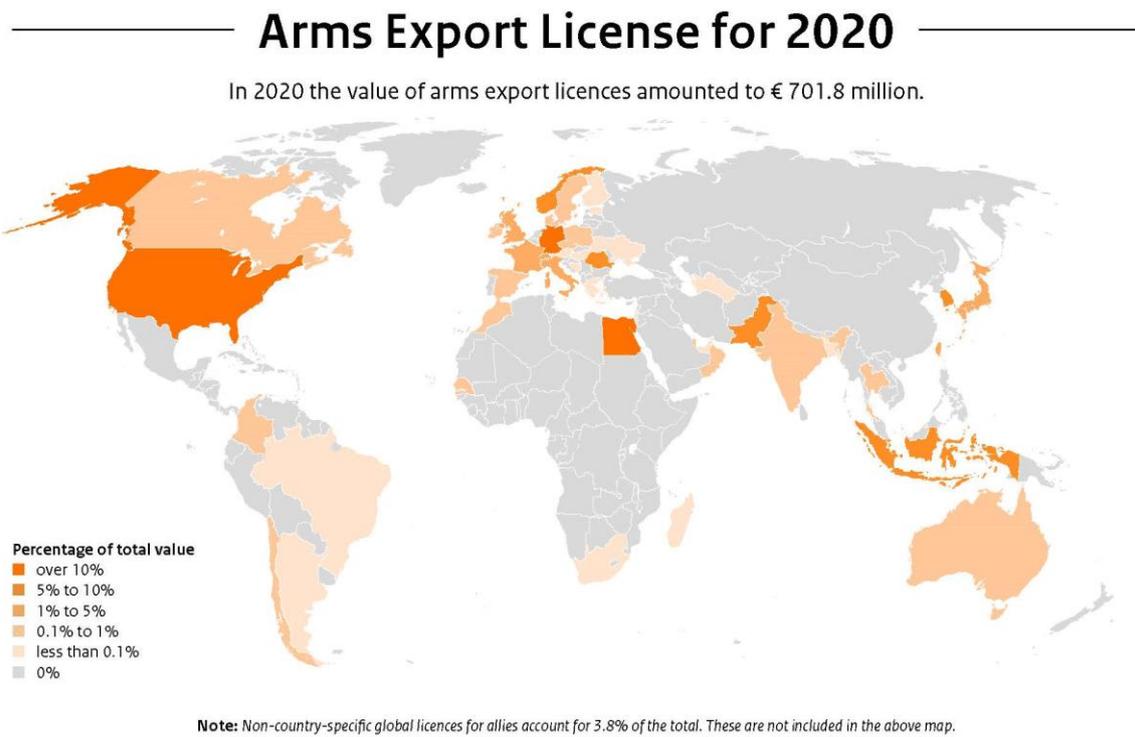


Figure 4, Overview of licences issued, broken down by final destination and type of good

The total value of licences issued in 2020 was €701.8 million (rounded to two decimal places). That is a clear drop of 24% from the €923 million export figure for last year. There has also been a regional shift in the orientation of the trade. The value of licences issued for North America and Sub-Saharan Africa has fallen significantly. By contrast, the share of licences for Europe (both the EU and other European countries) and Asia has clearly risen.

The following table provides a regional breakdown of licences issued in 2020. The geographic regions used in this table are the same as in the EU's annual reports on arms export control, which can be found on the EU website.<sup>25</sup>

*Table 3, Regional breakdown of licences issued*

Region	Value of licences issued (in millions of €)	Share of total (%)
North Africa	2.51	0%
Sub-Saharan Africa	1.34	0%
North America	77.64	11%
Central America and the Caribbean	0.02	0%
South America	2.80	0%
Central Asia	0.14	0%
Northeast Asia	72.11	10%
Southeast Asia	43.36	6%
South Asia	49.52	7%
European Union	196.83	28%
Other European countries	82.86	12%
Middle East	117.76	17%
Oceania	29.04	4%
Global licences	0.30	0%
Other EU/NATO+	25.50	4%
< €10,000	0.02	0%
<b>Total</b>	<b>701.76</b>	

Among the top-five countries of final destination in terms of total export licence values, Egypt ranks first, with a value of €115 million. This is largely attributable to a transaction involving radar and C3 systems valued at €114 million. The House of Representatives was previously informed about this (Parliamentary Papers 22 054, no. 328).

Germany ranks second, with a value of €107 million. Much of this is made up of deliveries of parts and components for German producers of military vehicles.

<sup>25</sup> [https://eeas.europa.eu/headquarters/headquarters-homepage/8472/arms-export-control\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/8472/arms-export-control_en)

The US ranks third (€76 million); most of these licences relate to deliveries to military aircraft manufacturers. The value of the licences for deliveries to the US has fallen sharply by 72% compared with 2019 (€271 million).

In fourth place is Norway (€48 million). This is due largely to a licence to export missiles and missile parts belonging to the Ministry of Defence for the purpose of being demilitarised in Norway (€30 million).

Pakistan rounds out the top 5 at €48 million. This amount is almost entirely attributable to a major order for radar systems (€46.7 million). The House of Representatives was previously informed about this transaction (Parliamentary Papers 22 054, no. 333).

In 2020, 87% of the Netherlands' exports of military goods consisted of components.

In 2020 licences were issued for system deliveries to non-allied countries of final destination: radar and C3 systems to Pakistan via Turkey, radar and C3 systems to Egypt, and radar and C3 systems to Indonesia.

When comparing this data with international figures, it is important to note that both the Dutch private sector and Dutch government bodies are subject to mandatory licensing for the export of military goods. Only the equipment of Dutch military units that is sent abroad for exercises or international operations is exempt from mandatory export licensing. Unlike in some other countries, the sale of surplus defence equipment to third countries is thus included in the figures for the Netherlands. In 2020 no surplus defence equipment was delivered to non-allies.

### Spotlight on international trends

On 15 March 2021 the Stockholm International Peace Research Initiative (SIPRI) released a report on trends in global arms exports between 2016 and 2020.

The report concludes that the global arms trade during the 2016-2020 period is equal to that of the 2011-2015 period. The volume of the trade is still at a historically high level.

An increase was noted in exports from the US, France and Germany, while that same period saw a decrease in exports from Russia and China. The biggest importers of military goods were in Asia and Oceania. The largest growth in imports was observed in the Middle East.

During the period in question, as in the previous survey, the Netherlands was the 11th largest arms exporter in the world (with 1.9% of global exports) and ranked 26th in arms imports (1.0% of global imports).

Source: Sipri (2021) [https://www.sipri.org/sites/default/files/2021-03/fs\\_2103\\_at\\_2020\\_v2.pdf](https://www.sipri.org/sites/default/files/2021-03/fs_2103_at_2020_v2.pdf)

## 5.2 Licence application denials

In 2020 a total of 15 applications for export licences for military goods were denied. See Annexe 5 for a complete list of licence application denials. The graphs below show the distribution of application denials, based on the reason for the denial and on the country of final destination.<sup>26</sup>

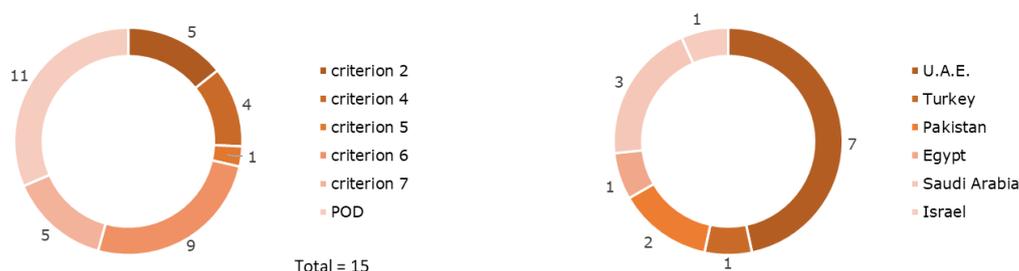


Figure 5, Licence application denials for 2020, on the basis of the reason for the denial and the final destination.

In 2020 the criterion invoked most frequently to deny a licence application was criterion 6 (behaviour of the country of final destination with regard to the international community), followed by criterion 2 (respect for human rights in the country of final destination as well as compliance by that country with international humanitarian law) and criterion 7 (risk of diversion). A large number of the application denials were for countries that are subject to stricter export controls, such as Turkey, Saudi Arabia and the UAE.

The other applications related to Pakistan, Egypt and Israel. The geographic spread of the denials since 2004 is depicted in the graphic below. The data for 2020 alone is not

<sup>26</sup> NB: a licence application can be denied on multiple grounds; consequently, the sum of the criteria will not be equal to the total.

significantly different from what is shown here. Three of the denied licence applications related to transshipments and four to sondages.<sup>27</sup>

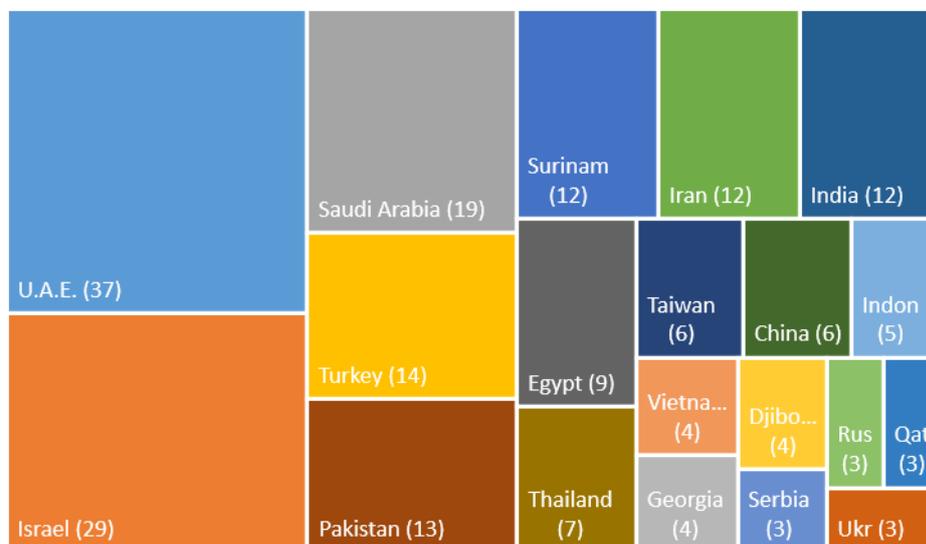


Figure 6, Top-25 licence application denials for 2004-2020 based on country of destination

The number of licence application denials in 2020 (15) was similar to the corresponding figure for previous years (2019 (20); 2018 (19); 2017 (15); 2016 (28); 2015 (15)). The graph below illustrates, for reference purposes, the percentage of licence application denials versus the total number of applications for the 2005-2020 period.<sup>28</sup>

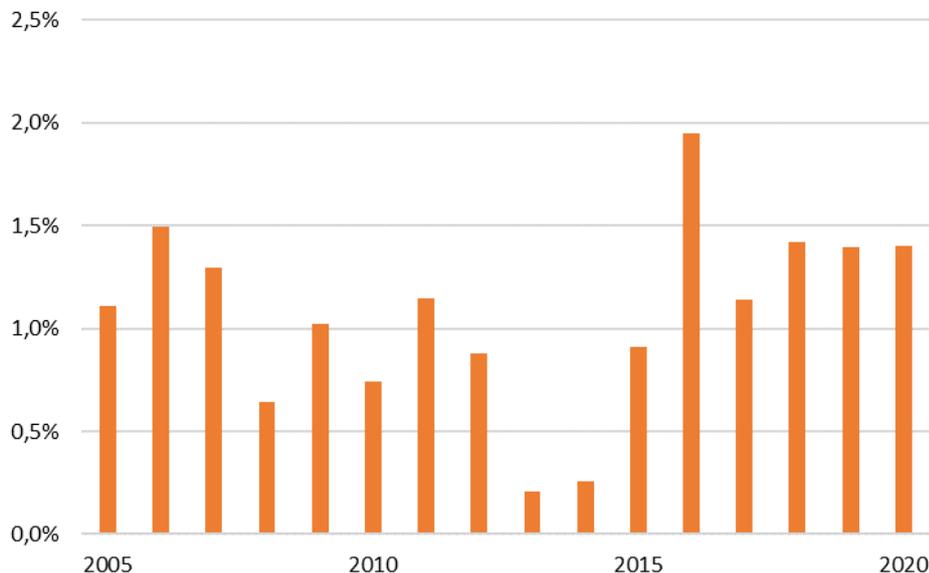


Figure 7, Denial rate, 2005-2020

<sup>27</sup> Sondages give companies an indication in an early stage of contract negotiations whether the planned transaction will be eligible for an export licence. The assessments for a sondage proceed in the same way as those for a regular export licence. When it comes to the actual transaction (i.e. for delivery), a regular licence will still have to be applied for.

<sup>28</sup> The number of application denials is expressed as a percentage of the total number of licence applications. This includes licences requested for EU/NATO+ countries. These applications are handled independently by the CDIU (see section 3.1). Applications listing EU/NATO+ countries as the final destination form around 79% of the overall number.

## 6. The Netherlands' exports of dual-use goods in 2020

### 6.1 Dual-use goods with civil end use

Despite the major impact that the COVID-19 pandemic had on world trade in 2020, the number of dual-use licences issued in the Netherlands actually increased slightly, from 736 to 793. The corresponding value of the licences issued also increased, from over €8 billion to over €11 billion. The number of licence application denials was the same as last year (i.e. 21). In 2020 no licences worth over €2 million were issued for dual-use goods intended for military end use.

The table below distinguishes between four kinds of export licences for dual-use goods: Individual licences for a single transaction in which controlled goods are to be shipped to a destination outside the EU; individual licences for a single transaction in which controlled goods are to be shipped to a destination within the EU (intra-EU), and 'catch all' licences for non-controlled goods on which the Dutch authorities have imposed an ad hoc licence requirement. Finally, there is the category of global licences. These are licences for multiple transactions for destinations outside the EU in which the exporters themselves review the transaction for possible undesirable end use, on the basis of an Internal Compliance Programme (ICP) approved by the government. Given that such a permit can cover many transactions for many destinations, the corresponding value for this type of licence is much higher than that of individual licences. In addition to the licences listed in the table below, there are also general licences at national and Union level which can be used on the basis of a one-off registration.

*Table 4, The number and value of licences issued and denied for dual-use goods in 2020*

	<b>Number of licences issued</b>	<b>Value (in € millions)</b>	<b>Number of licences denied</b>	<b>Value (in € millions)</b>
Individual	406	124.6	16	4.95
Global	311	10,832.8	1	unknown
Within the EU	47	85.8	0	0.0
Catch all	29	7.3	4	1.58
Total	793	11,050.4	21	€6.52

For the first time, this year's report includes a map of the world showing the destinations for which licences were issued. However, because a large proportion of dual-use licences are global licences for which it is not possible to divide up the value on the basis of final destination, this map includes only the individual licences issued. Although it represents only a part of the total number of licences issued, the map nevertheless gives a sense of the final destination of dual-use goods exported from the Netherlands. That said, when viewing the map, the reader should bear in mind that the listed values of goods do not lend themselves to straightforward comparisons. For example, one licence for highly sophisticated technical equipment may be of a similar value to a large number of licences for certain less expensive raw materials.

A total overview of all applications that were granted, including their value, destination and product category, is published every month on the website. No details are published on licence application denials because this could result in the disclosure of information on the Dutch government's intelligence position with regard to acquisition attempts.

## Dual-use export licences 2020

In 2020 the value of dual-use export licences amounted to over €11 billion.  
(and €1,16 billion to specific destinations as shown below)

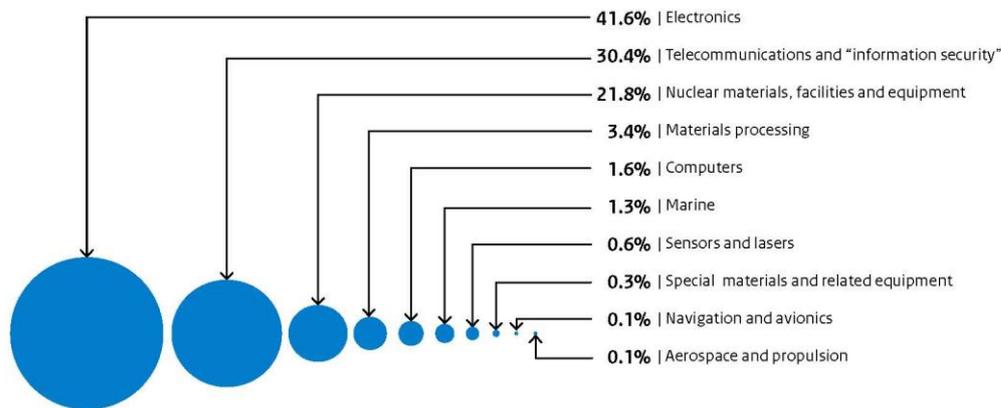
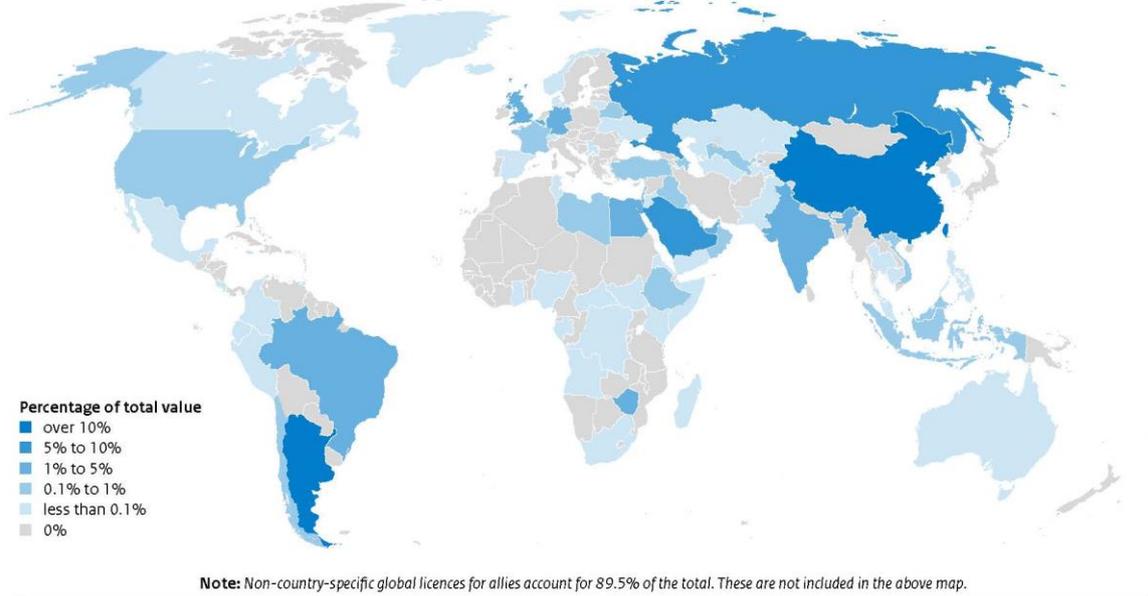


Figure 8, Overview of individual licences issued, broken down by final destination and type of good

The EU Dual-Use Regulation makes a distinction between various categories of goods. The largest share of the total value of the individual licences issued in the Netherlands in 2020 was formed by licences for transactions of goods in the categories of electronics, telecommunication and information security, and nuclear goods.

The list of the top-10 destinations of completed exports also factored in the data for global and general licences. For this reason this list differs from the map of the world above, which only includes the individual licences issued.

Table 5, Value of export licences for dual-use goods in millions of euros in 2020 (including general licences) for the top-10 countries of final destination outside the EU

Country of destination	Value (in millions of euros)
------------------------	------------------------------

1	Taiwan	2,386.45
2	South Korea	1,177.16
3	United States of America	388.79
4	Russia	98.97
5	China	63.16
6	Brazil	50.30
7	Saudi Arabia	43.36
8	United Arab Emirates	39.46
9	Egypt	29.75
10	Turkey	19.50

The above list is very similar to the top 10 for 2019. As in last year Taiwan is number 1, South Korea number 2 and the US number 3.

### ***Brexit***

In 2020 it was decided to include the United Kingdom in general licence EU001 after Brexit. The government's assessment of the European Commission's proposals in this area was sent to the House of Representatives on 27 November 2020 (Parliamentary Papers 22 112, 2996). Consequently, it is not necessary to request individual licences for most shipments of dual-use goods to the UK. Exporters can submit a one-off registration for this general licence, thereby causing a minimum amount of disruption to trade in dual-use goods with the UK.

### ***New sensitive technologies***

More and more, the Netherlands is being confronted with cases in which sophisticated technologies and the associated knowledge and protection measures in relation to national security play a role. It has been observed – for example, in the government's position paper on European competitiveness (Parliamentary Papers 30 821 no. 73) – that Western countries are in danger of falling behind in the area of new key technologies and that technology is increasingly intertwined with our national and economic security. This state of affairs also has repercussions on export control policy. Internationally, the relevant parties are already informally exploring what steps need to be taken for enhancing the oversight of the export of new sensitive technologies (some of which are dual-use, but often as yet non-controlled). In addition, the Netherlands actively takes part in discussions on this issue within the EU and NATO forums and in other multilateral consultative bodies.

### ***Knowledge security***

With a view to promoting knowledge security and limiting the risk of undesirable knowledge transfer, a number of developments took place in 2020. For example, the government has sought to raise awareness and foster self-regulation among knowledge institutions by establishing a knowledge security dialogue, in which central government and knowledge institutions discuss possible courses of action. This dialogue – together with other measures

designed to enhance knowledge security, such as an expertise and advice centre – will be continued in 2021.

In the context of the EU, a technical working group, the Internal Compliance Programme (ICP) has compiled information and guidelines for scientific institutions for research projects with a dual-use character. In the autumn of 2020 an informational meeting with research institutions was held in the Netherlands on this subject.

## 6.2 Anti-torture Regulation

Under the Anti-torture Regulation the trade in goods and services listed in Annexes III and IV, including the provision of technical assistance and brokering services, that can be used for legitimate purposes, such as law enforcement, is subject to a licence requirement. Annex III lists goods that can be used for torture. Examples include certain devices that administer electric shocks and pepper spray. Annex IV lists goods that can be used for the purpose of capital punishment. These include, for example, certain anaesthetic agents such as pentobarbital and thiopental.

*Table 6, Value of licences issued for the export of goods listed in the Anti-torture Regulation (per category)*

<b>Total for 2020 [euros]</b>			
	<b>Breakdown</b>	<b>Number issued</b>	<b>Value</b>
<b>Annex III goods</b>	Article 11	6	53,473
<b>Annex IV goods</b>	Article 16	22	283,266

This is similar to 2019, when a total of 27 such licences were issued.

## 7. Relevant developments in the European Union

### 7.1 Council Working Party on Conventional Arms Exports (COARM)

EU cooperation on export controls for conventional weapons takes place mainly in the Council Working Party on Conventional Arms Exports (COARM). Representatives of the Ministry of Foreign Affairs participate in COARM meetings on behalf of the Netherlands. In COARM, member states share information on their arms export policies in the framework of the EU's Common Security and Defence Policy (CSDP) and seek to better coordinate those policies and the relevant procedures. In so doing, they promote policy harmonisation and strive to ensure a level playing field. The above-mentioned activities are based on Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, which was adopted by the Council on 8 December 2008.<sup>29</sup>

#### **Consequences of COVID-19**

In 2020 the work of COARM was limited by the COVID-19 pandemic. For example, it was necessary to cancel a number of COARM meetings. The monthly meetings were subsequently resumed in a remote format. As a result, there were no formal meetings because the remote format did not guarantee the necessary level of security for confidential discussions. Decisions were made via written rounds.

The confidential exchange of information *is* possible through the COARM online system. This system demonstrated its value during the pandemic. In the COARM online system, national policy can be shared and questions can be posed to the group about specific sensitive destinations or subjects. Member states can also use this system to confer about export licence denials. This means that in 2020 a great deal of the Netherlands' efforts to bring about a more uniform EU arms export policy took place via this COARM online system.

As in previous years, the Netherlands put a number of specific destinations on the agenda of the COARM online system, such as Taiwan, Jordan, countries involved in the Yemen conflict, Turkey and Chile. In addition the Netherlands brought up a number of technical issues, such as the definition of the term 'military end use', an exchange of thoughts on a hierarchy within the eight criteria, and reporting practices with regard to global licences. Within COARM itself the Netherlands raised the issue of the enforcement of the strict arms export policy for Turkey and of the arms embargoes against Libya and Nagorno-Karabakh. Another issue raised by the Netherlands was the changes in policy with respect to Hong Kong, Turkey and Ukraine (see section 3.2 for a further explanation of these changes).

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<sup>29</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32008E0944&from=EN>

**Highlighted topic: The Netherlands' input on of arms exports at the Foreign Affairs Council in 2020**

In 2020 there were also a number of discussions at the Foreign Affairs Council on export restrictions for military goods in relation to crisis areas or conflict zones. In this forum the Netherlands consistently advocates strict adherence to the EU framework for arms export control and a common response to existing conflicts.

- At the Foreign Affairs Council of 15 May 2020 (Parliamentary Papers 21 501-02, no. 2159), the Netherlands pressed for strict EU compliance with arms export restrictions for parties involved in the Yemen conflict.
- At the Foreign Affairs Council of 19 November 2020 (Parliamentary Papers 21501-02, no. 2244), foreign minister Blok carried out the parliamentary motion asking him to call on the EU to introduce a moratorium on the delivery of arms to Turkey that would or could be used in the armed conflicts in Nagorno-Karabakh, Libya or Syria. Mr Blok also took that opportunity to urge the strict enforcement of the OSCE embargo prohibiting the delivery of military goods to the forces engaged in combat in Nagorno-Karabakh.
- In response to the Council conclusions on Hong Kong that were adopted at the Foreign Affairs Council of 24 July 2020, the Netherlands reviewed and amended its arms export policy. In this regard the Netherlands is in line with like-minded

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**ment of the Common Position**

After the review of the EU Common Position on arms exports was completed in 2019, in 2020 COARM embarked on the follow-up steps that were formulated during this review and set down in the accompanying Council conclusions.<sup>30</sup> For example, in October 2020 COARM launched an online database that compiles statistics on issued licences and completed exports of the EU member states and presents them in a user-friendly way (see also the inset in the next chapter).<sup>31</sup> The Netherlands supported the creation of this database and welcomed it as an important step in the direction of greater transparency in the EU. The Netherlands will continue to press for more comprehensive, harmonised and timely reporting in an EU context.

Another issue that was discussed in 2020 is a joint approach to end-user statements for small arms and light weapons and associated ammunition. This approach was set down in a Council Decision which was adopted in January 2021 and will take effect on 31 December.<sup>32</sup> This decision will make a modest contribution to a further convergence of arms export policy in the EU.

**EU outreach activities**

<sup>30</sup> <https://www.consilium.europa.eu/media/40660/st12195-en19.pdf>

<sup>31</sup> <https://webgate.ec.europa.eu/easqap/sense/app/75fd8e6e-68ac-42dd-a078-f616633118bb/sheet/ccf79d7b-1f25-4976-bad8-da886dba3654/state/analysis>

<sup>32</sup> <https://eur-lex.europa.eu/legal-content/NL/TXT/HTML/?uri=CELEX:32021D0038&from=EN>

COARM also regularly discusses various joint outreach activities through the EU, which seek to help develop knowledge and shape policy, legislation and institutions in the area of export control in partner countries. In 2020 it was decided to continue the COARM outreach programme aimed at raising awareness of the EU Common Position in European Neighbourhood Policy countries (Council Decision (CFSP) 2020/1464). Experts from the Precursors, Origin, Strategic Goods and Sanctions Legislation (POSS) team of the Dutch Customs Administration regularly contribute to EU outreach programmes. The EU has a similar outreach programme for the Arms Trade Treaty (ATT). This programme focuses on countries that need assistance in implementing the ATT. It was renewed in 2020 by Council Decision (CFSP) 2020/794 in connection with a delay caused by COVID-19, which prevented certain activities, such as workshops, from being held.

### **EU coordination with stakeholders**

Finally, COARM regularly consults with stakeholders. In October 2020 an exchange took place with the European trade association ASD and a group of European NGOs. In addition, various consultations were held over the course of 2020 between COARM and the president of the Arms Trade Treaty, the US and representatives from the European Parliament.

## **7.2 EU annual report for 2020 on the export of military goods**

On 11 December 2020 the Council adopted the EU's 22nd Annual Report On Arms Exports,<sup>33</sup> which provides an overview of the subjects discussed in COARM. The report also contains detailed statistical data on exports of military equipment by EU member states in 2019.<sup>34</sup>

For each country of destination, the report provides information on the exporting member state, the number and value of licences issued, and licence denials. The information is arranged according to the categories of the Common Military List and is also broken down by regional and worldwide totals. The EU's annual report also includes separate tables summarising exports to international missions (UN missions). Finally, it lists the number of brokering licences issued and denied and the number of consultations initiated and received by EU partners.

In 2019 the total value of export licences issued by EU member states was **€138 billion**. France issued the number of licences with the greatest value at €97.7 billion. It should be noted, however, that France changed its licensing system in 2014, as a result of which licences for *potential* orders are now also included in the total. Consequently, this figure is most likely an overestimate. The true contract value (i.e. the actual figure for which licences were issued) is surely lower.

The Netherlands was in 10th place in the EU in 2019. This is one place higher than in 2018, when the value of the licences issued in the Netherlands amounted to €642 million. The following table lists the total value of licences issued in 2019 by country and each country's share of the total.

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<sup>27</sup> [http://publications.europa.eu/resource/cellar/493c2031-3b7d-11eb-b27b-01aa75ed71a1.0016.03/DOC\\_1](http://publications.europa.eu/resource/cellar/493c2031-3b7d-11eb-b27b-01aa75ed71a1.0016.03/DOC_1)

<sup>34</sup> Unlike this report, the EU report does not cover 2020.

Table 7, European arms exports in 2019

Country	Value of licences issued	Share of total (%)
France	€97,701,365,109	70.80%
Spain	€10,090,462,578	7.31%
Germany	€8,014,598,102	5.81%
United Kingdom	€5,816,378,862	4.22%
Italy	€4,085,827,962	2.96%
Belgium	€2,864,738,952	2.08%
Poland	€1,923,157,097	1.39%
Austria	€1,727,541,691	1.25%
Sweden	€1,275,209,758	0.92%
<b>The Netherlands</b>	<b>€923,002,350</b>	<b>0.67%</b>
Bulgaria	€857,134,905	0.62%
Hungary	€569,808,659	0.41%
Czech Republic	€552,751,518	0.40%
Croatia	€535,710,372	0.39%
Slovakia	€188,307,332	0.14%
Portugal	€174,366,373	0.13%
Denmark	€155,854,979	0.11%
Romania	€153,530,796	0.11%
Finland	€105,136,762	0.08%
Greece	€100,728,687	0.07%
Slovenia	€49,594,772	0.04%
Lithuania	€48,827,361	0.04%
Ireland	€42,321,952	0.03%
Latvia	€13,321,609	0.01%
Estonia	€10,519,611	0.01%
Luxembourg	€7,248,995	0.01%
Cyprus	€236,870	0.00%
Malta	€150,124	0.00%
<b>Total</b>	<b>€137,987,834,138</b>	<b>100.00%</b>

The EU's annual report further indicates that member states issued a total of 38,910 licences and that 216 licence applications were denied and given notice of. This number of denied applications is slightly lower than in 2016 (318), 2017 (314) and 2018 (301). Figure 9 shows the denial rate reported by various EU member states. Not all EU members denied licence applications or release the percentage of applications that have been denied. In 2019 Malta had the highest percentage of denials: that year, it rejected nine applications, while granting 28 (a denial rate of 24%). Greece was next highest, with a denial percentage of 5.5%. The Netherlands' denial rate for 2019 was 0.6%. This is a decline in relation to 2018 (2%).

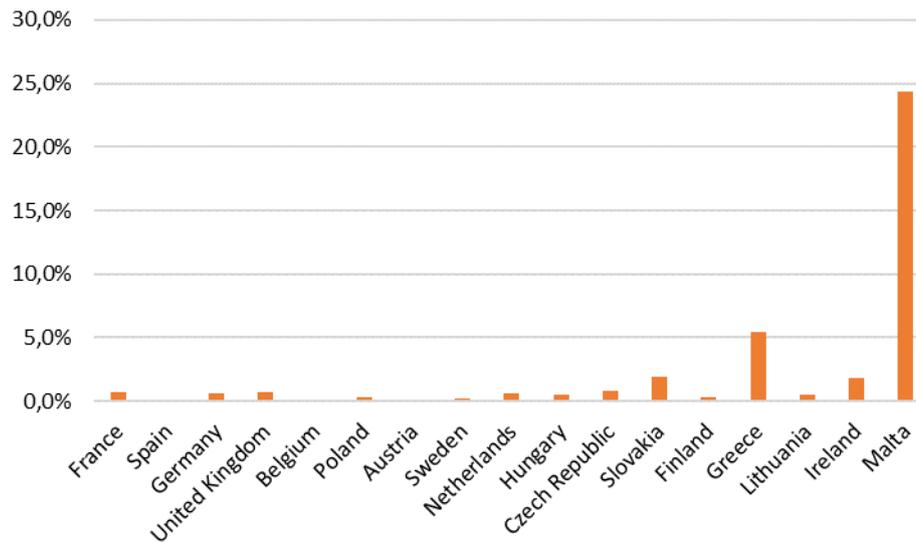
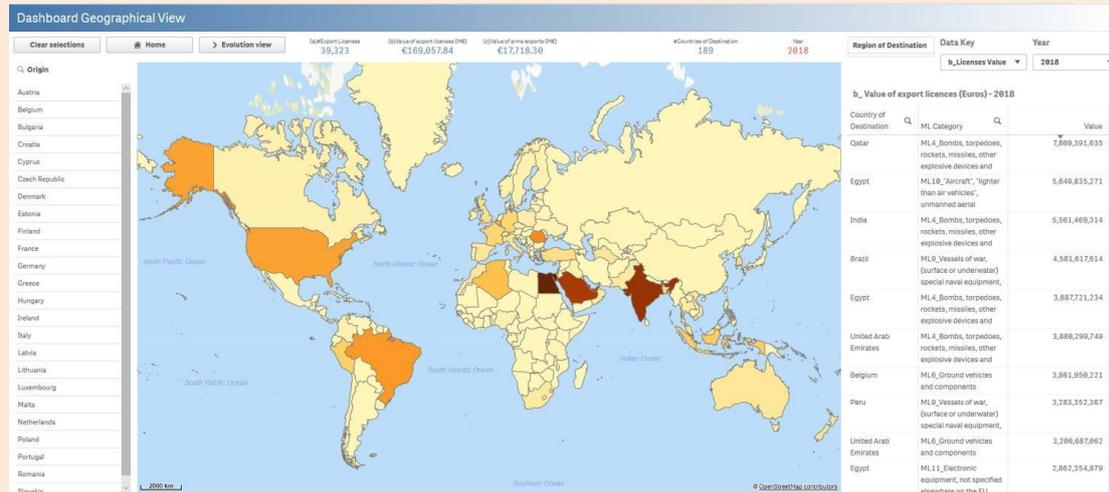


Figure 9, Denial rate in various EU countries in 2019.

There were a total of 119 consultations between EU member states regarding licence denials. This is an increase from the previous year (100). In 2019 the Netherlands was involved in a total of 17 consultations. Nine of these were initiated by the Netherlands, and on eight occasions the Netherlands was consulted by other member states. In 2020 the Netherlands was involved in 12 consultations, nine of which on its own initiative and three on the initiative of another member state.

**Highlighted topic: COARM online database**

In 2020 the European External Action Service launched the COARM online database.<sup>i</sup> This was the result of a decision set down in the Council conclusions that emerged from the review of the Common Position in 2019.<sup>ii</sup> The database includes information from all EU annual reports since 2013. This makes it possible to consult and compare data from all 27 member states in an accessible and user-friendly way.



The database offers insight into developments over time and allows users to apply various filters, such as 'country of origin', 'final destination', 'military list category' (i.e. the type of good), etc.



This represents a major shift towards greater transparency on the issuing of export licences and actual exports of military goods in Europe. The database is updated once a year.

<sup>i</sup> <https://webgate.ec.europa.eu/easgapp/sense/app/75fd8e6e-68ac-42dd-a078-f616633118bb/sheet/24ca368f-a36e-4cdd-94c6-00596b50c5ba/state/analysis>  
<sup>ii</sup> <https://www.consilium.europa.eu/media/40660/st12195-en19.pdf>

### 7.3 Council Working Party on Dual-Use Goods

In December 2020 the modifications to the control lists of the various export control regimes from 2019 were incorporated by the EU into the annual update of the Dual-Use Regulation. This was also done with the decisions taken in the framework of the Wassenaar Arrangement (WA) with respect to a number of specific cybersurveillance technologies.

During the German EU Presidency in the second half of 2020, negotiators from the European Parliament and the Council came to a political agreement about a new EU Dual-Use Regulation. This was approved by the Council, and it was signed by the European Parliament on 19 May 2021 and published on 11 June 2021. The revised/new Dual-Use Regulation will enter into force for the EU as a whole on 9 September 2021. Dutch legislation will be amended accordingly.

The most notable change to the regulation is the introduction of the concept of 'cybersurveillance technology' and the possibility for EU member states to subject such technology to export controls if it entails a risk of human rights violations. This is an important change which various parties, including the Netherlands in particular, have been advocating for several years. Due in part to the rapidity of technological developments in the field of cybersurveillance, much is still unclear about the exact definition of the concept. In light of new developments in this field (such as facial recognition software), the Dutch government commissioned a study on the nature of and applications for these kinds of technologies. This study also focuses on the risk that these technologies could contribute to human rights violations and on how they could be subjected to export controls, using established parameters. The results of this study and an initial evaluation will be shared with the House of Representatives after the summer of 2021.

With the new regulation further changes have been made to the EU export control system in the light of changing technological, economic and political circumstances. Another purpose of the new regulation is to simplify and enhance the current rules imposed by the Dual-Use Regulation.

Finally, the revised regulation seeks to further optimise the EU licensing structure, specifically through:

- further harmonisation of the licensing procedure, by way of introducing a number of new general EU export licences;
- further transparency on the part of EU member states in reports to the European Commission on national activities in regard to export controls;
- harmonisation of controls governing the provision of technical assistance;
- an expansion of the level playing field within the EU by making the end-user statement and an internal compliance programme mandatory for certain licences.

#### 7.4 EU annual report for 2019 on dual-use exports

Every year on the basis of article 23 of the Dual-Use Regulation, the European Commission submits a report<sup>35</sup> to the European Parliament containing a report of the activities of the dual-use coordination group. In February 2021 the report on 2019 was published. According to the published data EU dual-use exports account for 3% of the total EU exports. In 2019 the Netherlands accounted for a quarter of all EU dual-use exports.

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<sup>35</sup> [https://trade.ec.europa.eu/doclib/docs/2021/february/tradoc\\_159415.pdf](https://trade.ec.europa.eu/doclib/docs/2021/february/tradoc_159415.pdf)

## 8. Other relevant international developments

There are also various developments outside the EU that are relevant to arms export policy.

### 8.1 UN Arms Trade Treaty

A crucial element of the UN Arms Trade Treaty is that it obliges states parties to set up national export control systems for conventional arms, thereby nudging the world in the direction of a more responsible international arms trade system. The Treaty's assessment criteria are similar to several criteria that already apply under the EU's Common Position on Arms Exports: compliance with international embargoes, no cooperation in violations of international humanitarian law or human rights and mitigation of the risk of diversion of conventional arms to the illicit market or for unauthorised use.

In 2020 the ATT welcomed five new states parties: Namibia, China, Afghanistan, São Tomé and Príncipe, and Niue.<sup>36</sup> Thirty-one other countries have signed the Treaty but not yet ratified it.<sup>37</sup> This brings the total number of states parties to the ATT to 110. The Netherlands and the EU will continue to encourage more countries to accede to the ATT.

Because of the COVID-19 pandemic, the sixth Conference of States Parties (CSP) of the ATT took place via a written procedure between 17 and 21 August 2020. Seventeen decisions were submitted to the states parties, a large number of which were adopted. The most important decision is the establishment of the Diversion Information Exchange Forum, which is intended to enable countries to exchange information confidentially about cases where goods have been diverted to an undesirable final destination or end user. An example of this would be a situation where, despite prior export controls, goods are diverted to a country subject to an arms embargo. The Netherlands welcomed the establishment of this forum, indicating its willingness to actively contribute to such exchanges in the belief that they will lead to more exchanges, coordination and transparency concerning the way in which states parties enforce the ATT. In its statement at the sixth CSP the Netherlands called for an inclusive, concrete and transparent dialogue about arms exports at ATT meetings.<sup>38</sup> In that statement the Netherlands underscored that a dialogue about sensitive topics, such as arms deliveries to parties involved in the Yemen conflict or deliveries that violate existing arms embargoes, should not be avoided.

In addition, the Netherlands once more made a financial contribution to the ATT's Sponsorship Program, which enables developing countries to send their own experts to the multilateral ATT meetings. The Netherlands believes that it is vital for experts from the individual countries to be present at working group meetings on both the implementation of

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<sup>36</sup> <https://www.thearmstradetreaty.org/treaty-status.html?templateId=209883>.

<sup>37</sup> <https://www.thearmstradetreaty.org/treaty-status.html?templateId=209883>.

<sup>38</sup> [https://www.thearmstradetreaty.org/hyper-images/file/Netherlands\\_CSP6\\_14082020\\_General\\_Debate%20\(final%20version\)/Netherlands\\_CSP6\\_14082020\\_General\\_Debate%20\(final%20version\).pdf](https://www.thearmstradetreaty.org/hyper-images/file/Netherlands_CSP6_14082020_General_Debate%20(final%20version)/Netherlands_CSP6_14082020_General_Debate%20(final%20version).pdf)

the Treaty and on the Treaty's reporting obligations. In addition, the Netherlands made a multi-year financial contribution to the ATT monitor,<sup>39</sup> which charts the implementation of the Treaty, especially as regards transparency and reporting practices. The Netherlands is committed to ensuring that all countries comply with their obligations related to transparency. The Netherlands' annual ATT reports are public.<sup>40</sup> In 2020 the Netherlands also supported developing countries in acceding to and implementing the Treaty, via a multi-year contribution to the ATT Voluntary Trust Fund.<sup>41</sup>

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<sup>39</sup> <http://controlarms.org/en/att-monitor/>.

<sup>40</sup> <https://thearmstradetreaty.org/annual-reports.html?templateId=209826>.

<sup>41</sup> <https://www.thearmstradetreaty.org/voluntary.html>.

**Highlighted topic: Gender-based violence and export controls**

In the fourth national action plan on Women, Peace and Security of 15 December 2020 the Netherlands explicitly included the implementation of article 7.4 of the ATT as a sub-goal in the pursuit of the Women, Peace and Security (WPS) agenda.

Under article 7.4 of the ATT, when assessing licence applications for the export of military goods, states parties – including the Netherlands – are obligated to take into account the risk that a good could be used, directly or indirectly, to commit or facilitate serious acts of gender-based violence or serious acts of violence against women and children. In keeping with the undertaking given in the written consultation of 3 November 2020 (Parliamentary Papers 22 054, no. 334), this report will say more about the way in which gender-related risks are factored into the assessment of licence applications for arms exports.

Gender-related risks are an integral part of the assessment of applications on the basis of criterion 2 of the Common Position. Criterion 2 embraces every possible type of violation of human rights and international humanitarian law, including gender-based violence (GBV). The risk of GBV was an explicit element of various assessments in 2020, though it was not a decisive factor in rejecting any one application.

The Netherlands will expressly mention GBV when it is a reason for denying a licence. This has not yet happened. One reason for this is that when weapons are used to commit GBV, they tend to be small firearms. This makes the link between the export of a small firearm and GBV relatively simple and clear. The link between the deployment of a radar system on a naval ship and GBV is much less obvious. The Netherlands does not manufacture small firearms and mainly exports maritime goods and components. The connection between these types of goods and GBV is not as self-evident.

A further assessment was made of which countries merit special attention with respect to GBV. Among other things, this assessment drew on the annual report of the UN Secretary-General on conflict-related sexual violence.<sup>i</sup> It emerged that there were already arms export restrictions or arms embargoes in place for many countries of concern, while other such countries were not export destinations for the Netherlands.

The Netherlands contributes to international thinking on GBV. In 2020 it contributed to various studies and reports on this subject, such as the chapter on GBV that appeared in the ATT Monitor<sup>ii</sup> (co-financed by the Netherlands), a study by the Stimson Center in collaboration with Harvard University<sup>iii</sup> and a study by the Centre for Feminist Foreign Policy.<sup>iv</sup>

<sup>i</sup> <https://www.un.org/sexualviolenceinconflict/digital-library/reports/sg-reports/>

<sup>ii</sup> [https://attmonitor.org/wp-content/uploads/2020/07/EN\\_ATT\\_Monitor-Report-2019\\_Online.pdf](https://attmonitor.org/wp-content/uploads/2020/07/EN_ATT_Monitor-Report-2019_Online.pdf)

<sup>iii</sup> <https://www.stimson.org/wp-content/uploads/2021/03/GBV-Report-WEB-final1-1.pdf>

<sup>iv</sup> <https://centreforfeministforeignpolicy.org/exporting-violence-and-inequality-report>

## 8.2 UN Register of Conventional Arms and legislative transparency

### ***UN Register of Conventional Arms***<sup>42</sup>

Every year, the UN Register of Conventional Arms, which was established in 1991 at the initiative of the Netherlands and several other countries, provides information on the countries of export, transit (where relevant) and import of military goods, as well as on the volume of the flow of goods, which are divided into the following categories: I. battle tanks; II. armoured combat vehicles; III. large-calibre artillery systems; IV. combat aircraft and unmanned combat aerial vehicles (UCAV); V. attack helicopters; VI. warships; VII. missiles and missile launchers and finally VIII. small and light weapons.

The Register also contains information on 'military holdings' (where countries indicate, per category, how many of each weapon they possess) and 'procurement through national production' (where countries indicate how many they have produced of each category of weapon for their own use).

Since its inception, more than 170 countries have at some time submitted reports to the Register. This includes all the major arms-producing, -exporting and -importing countries. In this way the Register sheds light on much of the global arms trade. The UN Register of Conventional Arms is a confidence-building measure: it promotes transparency about not only arms trade flows but also military holdings and national tendering processes, thereby fostering greater insight into stocks of weapons and making it possible to combat the development of excessive stocks of conventional arms. If the Register is to be effective, universal participation is essential. The United Nations Office for Disarmament Affairs (UNODA) is responsible for compiling the data submitted by the member states. In the past two decades the Register captured around 90% of the global arms trade. Not all countries report every year, and the total number of countries submitting reports is also on the decline. Whereas in 2005 115 countries submitted reports, by 2020 that number had fallen to 37.

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<sup>42</sup> <https://www.un.org/disarmament/convarms/register/>

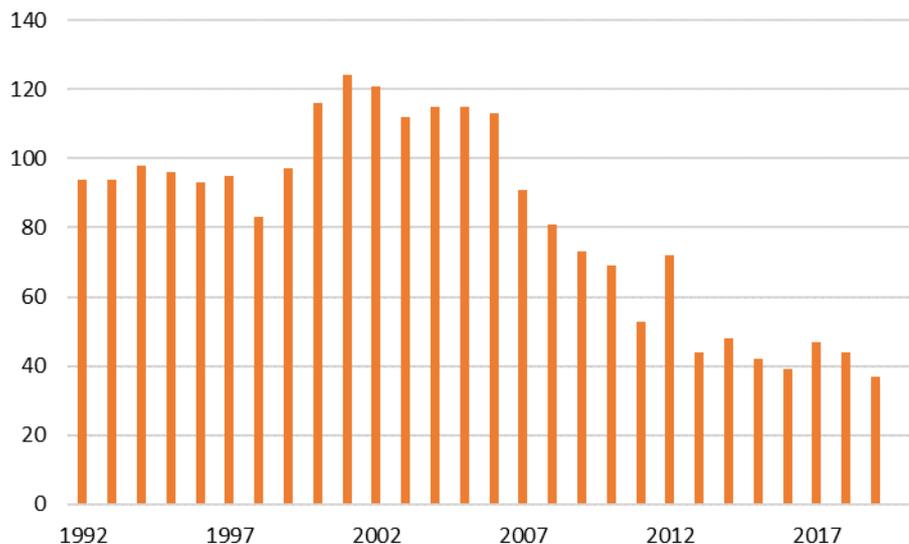


Figure 10, Number of countries that have submitted reports to UNROCA since 1992

The number of reports submitted in 2020 was the lowest since the Register was established. It is plausible that COVID-19 played a role in this because countries had other priorities in 2020.<sup>43</sup> For its part the Netherlands submits a report every year and presses for universal and consistent participation in the submission of reports. The Netherlands considers it crucial that countries submit their annual reports, even if these take the form of 'nil reports' because they did not import or export any goods in one or more of the above-mentioned categories during the year in question. The Netherlands is also in favour of keeping the scope of the Register up to date, so that all the main import and export flows for the arms trade are recorded in the Register.

### **UN General Assembly resolution on legislative transparency**

Beginning in 2002, the Netherlands submitted a resolution on national legislation on transfer of arms, military equipment and dual-use goods and technology during each annual UN General Assembly. Between 2005 and 2013 (the year when the ATT was adopted by the UN General Assembly) this was done every other year. In 2013 the decision was made to submit the resolution once every three years. In line with this schedule, the Netherlands last submitted the resolution in 2019. The resolution urges UN member states to share information on their national legislation in the field of arms exports.

Under the terms of the resolution an electronic UN database has been established to store and provide easy access to legislative texts and other information shared by the participating states. It currently contains contributions from 66 countries, including the Netherlands. Since the ATT entered into force, a reporting obligation has applied to all ATT member states, which must however report to the ATT Secretariat instead of the UNODA database. As more countries become party to the ATT, the importance of the UNODA database will decline, and

<sup>43</sup> <https://www.unroca.org/participation>. The figures for 2020 are still provisional, however; there is always a certain lag in the data.

the practice of reporting to the UNODA database is expected to become less common. The Netherlands works to ensure that UNODA and ATT reports are linked, in order to prevent overlap and duplication and facilitate compliance with international reporting obligations.

### 8.3 Wassenaar Arrangement

At the broader multilateral level, developments in the field of arms exports are discussed in the framework of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (WA). In the year under review, 42 countries, including the United States, Russia and all EU member states with the exception of Cyprus, participated in this forum, which owes its name to the town where the negotiations to establish the Arrangement were conducted in 1995, under the chairmanship of the Netherlands.<sup>44</sup> It is estimated that these countries jointly account for over 90% of global military exports.

The aim of the WA, as stated in the 'Initial Elements',<sup>45</sup> is to contribute to regional and international security and stability. This is achieved through regular information sharing on the export to third countries of arms and goods that can be used for military ends. The ultimate goal is to promote greater knowledge and a stronger sense of responsibility in the national assessment of licence applications for the export of such goods. After all, more information will enable the participating states to assess more accurately whether the build-up of military resources is having a destabilising effect in certain countries or regions. If so, they should exercise greater caution when considering licence applications for these destinations.

The Wassenaar Arrangement maintains both a list of dual-use goods that applies to the Netherlands on the basis of the EU Dual-Use Regulation and a list of military goods that are to be subject to export controls. Any revision of the WA list results in the amendment of the EU Common Military List and the control list of the EU Dual-Use Regulation. The most recent change took place in late 2020 on the basis of the amendment of the control list in the context of the Wassenaar Arrangement (WA) in late 2019. The changes in question involved the addition of a number of specific cybersurveillance technologies that were subject to export controls. One aspect of this is the addition of the monitoring centres that can surveil and analyse communications by computer and telecom networks in order to follow individuals and groups.

As regards Dutch export controls on military goods, the Strategic Goods Implementing Regulations refer directly to the most recent EU Common Military List. The same applies to export controls on dual-use goods.

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<sup>44</sup> In 2020 only Cyprus was not yet a member due to Turkish objections.

<sup>45</sup>The Initial Elements can be consulted on the website of the Wassenaar Arrangement: [www.wassenaar.org](http://www.wassenaar.org).

## **Amendments**

As a result of the corona pandemic the meetings of the Experts Group and the General Working Group and the concluding Plenary Meeting were cancelled in 2020. The Experts Group is did meet twice digitally, however.

### **8.4 Developments in the other export control regimes**

This section briefly examines the key developments in the relevant export control regimes for dual-use goods.

The Netherlands is party to the various international export control regimes, and has played an active role in them for years. In the area of non-proliferation, these are the Nuclear Suppliers Group (NSG) for nuclear weapons, the Australia Group (AG) for biological/chemical weapons, and the Missile Technology Control Regime (MTCR), which focuses on the means of delivery for such weapons (ballistic missiles and unmanned aerial vehicles). Countries which participate in these regimes make agreements on export control policy and exchange information on programmes for weapons of mass destruction and their means of delivery in states of concern. The countries also share their experiences and information with regard to enforcement. The countries participating in the respective regimes have also drawn up control lists for components, production technologies, materials, software and technology for which an export licence is mandatory. These lists are regularly updated to keep pace with technological developments. All three regimes have addressed the issues of brokering and transit. Under *inter alia* UN Security Council resolution 1540, which introduced a ban on the provision of support to non-state actors (e.g. terrorist organisations) that attempt to develop, acquire, manufacture, possess, transport, transfer or use nuclear, chemical or biological weapons, states must operate effective export controls, including controls on transit and brokering. EU member states implemented these requirements by way of the Dual-Use Regulation of 2009. The regimes are also discussing the possible accession of new members and unilateral compliance with guidance documents and goods lists by non-partner countries.

#### **8.4.1 Nuclear Suppliers Group (NSG)**

The NSG is an export control regime consisting of 48 nuclear supplier states, which all can potentially export goods and technology that can be used in the production chain for nuclear weapons. The group seeks to curb the proliferation of nuclear weapons by controlling the export of goods and technology related to nuclear applications without needlessly hindering non-military applications of such goods and technology and their further development.

As a result of the COVID-19 pandemic, the NSG was not able to hold any in-person meetings in 2020; there were, however, various informal online meetings. During these informal meetings, preparations were made for the plenary session in Brussels, which will be held in June 2021.

### 8.4.2 Australia Group (AG)

The Australia Group is an international export control regime aimed at ensuring that the legitimate trade in dual-use goods and technology is not used for the production of chemical or biological weapons. This is done through coordinated export controls, the exchange of information and outreach. In 2020 there were also a number of online meetings of the AG in addition to a single physical meeting. In February the group came together in Bratislava for the inter-session meeting. In addition to discussions of new scientific developments in chemistry and biology, a decision was made – following the lead of the OPCW – to add Novichok precursor chemicals to the control list.

At a series of three digital meetings participants also shared their experiences with enforcement issues, new technological developments and list negotiations.

As a result of the COVID-19 pandemic no plenary meeting was held in 2020, and consequently no press statement was issued.

### 8.4.3 Missile Technology Control Regime (MTCR)

The Missile Technology Control Regime (MTCR)<sup>46</sup> combats the proliferation of delivery systems for weapons of mass destruction, such as ballistic missiles, unmanned aerial vehicles (UAVs) and cruise missiles. Its members pursue a common policy and maintain a jointly agreed control list of goods that are subject to export controls. The list, which is also known as the Annex, is reviewed regularly, most recently in October 2020.

The MTCR Annex is the global standard for export controls for missile technology, and it is applied not only by the countries that are party to the Regime but also by international organisations like the UN. Whereas previously the MTCR focused almost exclusively on state missile programmes, in recent years it has begun turning its attention to the growing threat posed by terrorist organisations like ISIS.

The regime, which was established in 1987 by the then G7 (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States), in order to combat the proliferation of missile technology at a time when various countries in the Middle and Far East and in South Asia were attempting to acquire their own missile capabilities. In this connection the MTCR initially focused on ballistic missiles as a delivery system for nuclear weapons. This formed the basis for the limits for range (300 km) and payload (500 kg), which remain the accepted standard. Since 1992 all unmanned delivery systems for all types of weapons of mass destruction have fallen within the scope of the MTCR. The Netherlands plays an active role within the MTCR, both at the level of policy and within the regime's expert groups.

Since September 2020, Austria has served as the MTCR chair. Because of COVID-19 it was not possible for Austria to host a plenary meeting during its chairmanship. The lack of a

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<sup>46</sup> [www.mtcr.info](http://www.mtcr.info).

plenary meeting caused delays in decision-making relating to the regime. Russia will take over the chairmanship in September 2021, and in October of this year it will organise the next plenary meeting.

## Annexe 1: Licences issued for the export of military goods

Overview of the value of licences issued in 2020 for the permanent export of military goods by category of goods and by country of final destination.

### Methodology

The values reported below are based on the value of the licences for the permanent export of military goods issued during the period under review. The licence value represents the maximum export value, although this may not necessarily correspond to the value of the exports actually completed at the time of publication. Licences for temporary export have been disregarded in these figures, on the grounds that they are subject to a requirement to reimport. These usually concern shipments for demonstration or exhibition purposes. On the other hand, licences for trial or sample shipments are included in the figures because they are not subject to this requirement due to the nature of the exported goods. Licences for goods that are returned abroad following repair in the Netherlands are similarly not included in the reported figures. In such cases, however, the goods must have been part of a prior shipment from the Netherlands, whose value will therefore have been reflected in a previous report. Without these precautions, the inclusion of such 'return following repair' licences would lead to duplication. Licences whose validity has been extended do not appear in the figures for the same reason. This also applies to licences that are replaced for reasons such as a recipient's change of address. However, if the value of the extension or replacement licence is higher than that of the original licence, the surplus will obviously be reported.

For the purpose of classifying licence values for individual transactions by category of military goods, it was necessary in many cases to record included spare parts and installation costs as part of the value of the complete system. Licence values for the initial delivery of a system are often based on the value of the contract, which may also cover such elements as installation and a number of spare parts. The value of licences for the subsequent delivery of components is included in categories A10 and B10. Finally, for the purpose of classifying licence values by category of military goods, a choice had to be made regarding the classification of subsystems. It was decided to differentiate according to the extent to which a subsystem could be regarded as being stand-alone or multifunctional. This has a particular bearing on the classification of export licences for military electronics. If such a product is suitable solely for maritime applications, for example, the associated subsystems and their components appear in category A10, as components for category A6 (warships). However, if such a product is not obviously connected to one of the first seven subcategories of main category A, the associated subsystems and their components appear in subcategory B4 or B10.

### Transition to EU ML goods categories

Starting with the 2021 edition of the annual report (which will appear in 2022), we will adopt the categorisation used by the EU (ML1-ML22) in its list of military goods.<sup>47</sup> These categories better reflect international usage and make the figures in question easier to compare to those of other member states. The figures will also be reported to the EU using these categories.

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<sup>47</sup> <https://eur-lex.europa.eu/legal-content/NL/TXT/HTML/?uri=CELEX%3A52020XG0313%2807%29&from=EN>

The statistics for previous years can also be viewed in the online COARM database.<sup>48</sup> In order to ease readers into this transition, the 2020 annual report will use both classification systems, on this one occasion.

A difference between the classification systems is that in the A/B system, a licence that is issued for parts and technology is assigned to the highest sub-regime. In the ML methodology such a licence is spread out over multiple categories. For example: under the A/B system a licence issued for parts and technology for F-16 aircraft (ML10 and ML22) with a value of 100 would be classified as A10 for that entire amount. Under the ML system 50 would be classified as ML10 and 50 as ML22. That difference is visible in the category 'technology', for example (ML22 and B9).

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<sup>48</sup> <https://webgate.ec.europa.eu/easqap/sense/app/75fd8e6e-68ac-42dd-a078-f616633118bb/sheet/ccf79d7b-1f25-4976-bad8-da886dba3654/state/analysis>

Table 8A, Value of licences issued for the permanent export of military goods in 2020 (broken down in accordance with the ML system)<sup>49</sup>

ML category	Description	Value (in € millions)
<b>ML1</b>	Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12.7 mm (calibre 0.50 inches) or less and accessories and specially designed components therefor	4.10
<b>ML2</b>	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 specially designed or modified for military use and accessories and specially designed components therefor	2.81
<b>ML3</b>	Ammunition and fuze setting devices and specially designed components therefor	13:31
<b>ML4</b>	Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories and specially designed components therefor	89.27
<b>ML5</b>	Fire control, surveillance and warning equipment, and related systems, test and alignment and countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor	94.86
<b>ML6</b>	Ground vehicles and components	36.61
<b>ML7</b>	Chemical agents, 'biological agents', 'riot control agents', radioactive materials, related equipment, components and materials	0.16
<b>ML8</b>	'Energetic materials' and related substances	0.17
<b>ML9</b>	Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels	61.16
<b>ML10</b>	'Aircraft', 'lighter-than-air vehicles', 'Unmanned Aerial Vehicles' ('UAVs'), aero-engines and 'aircraft' equipment, related equipment, and components, specially designed or modified for military use	42.43
<b>ML11</b>	Electronic equipment, 'spacecraft' and components, not specified elsewhere on the EU Common Military List	2.18
<b>ML12</b>	High velocity kinetic energy weapon systems and related equipment and specially designed components therefor	-
<b>ML13</b>	Armoured or protective equipment, constructions and components	0.29
<b>ML14</b>	'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	1.96
<b>ML15</b>	Imaging or countermeasure equipment specially designed for military use, and specially designed components and accessories therefor	5.07
<b>ML16</b>	Forgings, castings and other unfinished products, specially designed for items specified by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19	1.79
<b>ML17</b>	Miscellaneous equipment, materials and 'libraries' and specially designed components therefor	0.18
<b>ML18</b>	'Production' equipment, environmental test facilities and components	8.77
<b>ML19</b>	Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test models and specially designed components therefor	0.03

<sup>49</sup> For more information see the EU Common Military List: [https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52020XG0313\(07\)&from=EN](https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52020XG0313(07)&from=EN)

<b>ML category</b>	<b>Description</b>	<b>Value (in € millions)</b>
<b>ML20</b>	Cryogenic and 'superconductive' equipment and specially designed components and accessories therefor	-
<b>ML21</b>	Software	96.10
<b>ML22</b>	Technology	240.49
	<b>Total (ML categories)</b>	<b>701.76</b>

Table 8B, Value of licences issued for the permanent export of military goods in 2020 (broken down in accordance with the A/B system)

<b>Category A: 'Arms and munitions'</b>	<b>Value (in € millions)</b>
1. Tanks	-
2. Armoured vehicles	23.70
3. Large-calibre weapons (> 12.7 mm)	0.46
4. Fighter aircraft	-
5. Attack helicopters	-
6. Warships	-
7. Guided missiles	2.00
8. Small-calibre arms (≤ 12.7 mm)	1.38
9. Ammunition and explosives	33.33
10. Parts and components for 'Arms and munitions'	458.46
<b>Total Cat. A</b>	<b>519.32</b>

<b>Category B 'Other military goods'</b>	<b>Value (in € millions)</b>
1. Other military vehicles	0.99
2. Other military aircraft and helicopters	-
3. Other military vessels	0.13
4. Military electronics	14.16
5. ABC substances for military use	0.00
6. Equipment for military exercises	32.55
7. Armour-plating and protective products	0.12
8. Military auxiliary and production equipment	2.27
9. Military technology and software	97.34
10. Parts and components for 'Other military goods' <sup>50</sup>	34.89
<b>Total Cat. B</b>	<b>182.44</b>
<b>Total Cat. A + B</b>	<b>701.76</b>

<sup>50</sup> During the period under review, subcategory B10 (Parts and components for 'Other military goods') once again encompasses a large number of smaller shipments of electronic parts for military systems and parts for military aircraft and vehicles.

Table 9A, Value of licences issued for the permanent export of military goods by country of destination (broken down in accordance with the ML system)

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
<b>Algeria</b>	<b>0.03</b>
ML9	0.03
<b>Argentina</b>	<b>0.49</b>
ML21	0.16
ML22	0.16
ML5	0.16
<b>Aruba</b>	<b>0.00</b>
ML3	0.00
<b>Australia</b>	<b>29.04</b>
ML22	16.71
ML3	0.00
ML6	12.16
ML7 0.14 ML9	0.01
<b>Austria</b>	<b>0.54</b>
ML1	0.04
ML3	0.00
ML6	0.50
<b>Bangladesh</b>	<b>0.39</b>
ML21	0.13
ML22	0.13
ML5	0.13
<b>Belgium</b>	<b>0.04</b>
ML4	0.00
ML6	0.04
<b>BES islands</b>	<b>0.02</b>
ML3	0.02
<b>Brazil</b>	<b>0.19</b>
ML1	0.01
ML10	0.07
ML11	0.11
<b>Brunei</b>	<b>0.75</b>
ML21	0.25
ML22	0.25
ML5	0.25
<b>Bulgaria</b>	<b>0.00</b>
ML1	0.00
<b>Canada</b>	<b>1.82</b>
ML1	0.00
ML21	0.03
ML22	0.29
ML5	0.03

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML9	1.46
<b>Chile</b>	<b>0.91</b>
ML2	0.77
ML6	0.10
ML9	0.04
<b>Colombia</b>	<b>1.21</b>
ML21	0.40
ML22	0.40
ML5	0.40
<b>Croatia</b>	<b>0.00</b>
ML1	0.00
<b>Czech Republic</b>	<b>0.83</b>
ML1	0.42
ML10	0.20
ML6	0.21
<b>Denmark</b>	<b>1.58</b>
ML1	0.05
ML11	0.13
ML2	0.65
ML22	0.21
ML3	0.01
ML4	0.23
ML6	0.30
ML9	0.00
<b>Egypt</b>	<b>114.67</b>
ML21	38.07
ML22	38.01
ML5	38.01
ML9	0.58
<b>Estonia</b>	<b>0.27</b>
ML1	0.02
ML11	0.15
ML17	0.05
ML6	0.05
<b>EU/NATO+</b>	<b>25.50</b>
ML1	0.02
ML10	5.93
ML11	0.05
ML14	0.05
ML15	0.05
ML16	0.08
ML18	5.81

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML19	0.02
ML2	0.02
ML22	12.53
ML4	0.02
ML5	0.05
ML6	0.87
<b>Finland</b>	<b>0.44</b>
ML1	0.00
ML22	0.00
ML3	0.00
ML6	0.43
<b>France</b>	<b>14.19</b>
ML1	0.05
ML10	6.15
ML15	0.71
ML17	0.02
ML22	1.09
ML3	0.05
ML4	4.64
ML5	0.00
ML6	0.01
ML7	0.01
ML9	1.44
<b>Germany</b>	<b>106.51</b>
ML1	1.95
ML10	0.32
ML11	0.35
ML14	0.34
ML15	0.40
ML16	0.26
ML17	0.03
ML18	0.43
ML2	0.12
ML21	0.01
ML22	64.05
ML3	0.51
ML4	26.22
ML5	2.81
ML6	7.06
ML9	1.67
<b>Greece</b>	<b>0.32</b>
ML1	0.00

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML10	0.01
ML22	0.08
ML6	0.23
ML9	0.01
<b>Hungary</b>	<b>0.62</b>
ML1	0.00
ML2	0.57
ML22	0.00
ML6	0.05
<b>India</b>	<b>1.27</b>
ML10	0.12
ML11	0.00
ML15	0.37
ML22	0.27
ML5	0.51
<b>Indonesia</b>	<b>38.89</b>
ML10	0.18
ML14	0.00
ML21	11.40
ML22	15.90
ML5	11.40
<b>Ireland</b>	<b>1.51</b>
ML1	0.00
ML10	0.01
ML5	0.75
ML6	0.75
<b>Israel</b>	<b>0.10</b>
ML5	0.10
<b>Italy</b>	<b>22.19</b>
ML1	0.00
ML10	0.02
ML14	0.19
ML21	3.18
ML22	4.35
ML3	1.71
ML4	9.25
ML5	3.18
ML9	0.30
<b>Japan</b>	<b>9.63</b>
ML14	0.00
ML21	3.03
ML22	3.03

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML4	0.00
ML5	3.03
ML7	0.00
ML9	0.53
<b>Kuwait</b>	<b>0.05</b>
ML14	0.05
<b>Latvia</b>	<b>0.01</b>
ML1	0.00
ML13	0.00
<b>Lithuania</b>	<b>0.02</b>
ML1	0.00
ML6	0.02
<b>Luxembourg</b>	<b>0.67</b>
ML2	0.01
ML6	0.65
<b>Madagascar</b>	<b>0.18</b>
ML22	0.18
<b>Mali</b>	<b>0.05</b>
ML13	0.05
<b>Malta</b>	<b>0.04</b>
ML1	0.03
ML17	0.00
<b>Montenegro</b>	<b>0.30</b>
ML4	0.30
<b>Morocco</b>	<b>2.47</b>
ML22	1.13
ML6	0.06
ML9	1.28
<b>New Zealand</b>	<b>0.00</b>
ML22	0.00
<b>Norway</b>	<b>48.29</b>
ML1	0.00
ML10	0.03
ML11	1.07
ML17	0.00
ML2	0.00
ML21	0.98
ML22	1.22
ML3	0.00
ML4	44.31
ML6	0.09
ML8	0.17

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML9	0.41
<b>Oman</b>	<b>1.36</b>
ML10	1.31
ML17	0.02
ML18	0.02
ML22	0.02
<b>Pakistan</b>	<b>47.86</b>
ML10	1.00
ML14	0.00
ML21	15.62
ML22	15.62
ML5	15.62
<b>Poland</b>	<b>1.77</b>
ML1	0.06
ML10	0.68
ML11	0.05
ML2	0.00
ML22	0.68
ML3	0.00
ML6	0.26
ML9	0.04
<b>Portugal</b>	<b>0.01</b>
ML1	0.01
<b>Qatar</b>	<b>0.95</b>
ML11	0.10
ML14	0.00
ML22	0.34
ML5	0.17
ML9	0.34
<b>Romania</b>	<b>41.43</b>
ML1	0.00
ML10	0.02
ML22	23.55
ML9	17.87
<b>Saudi Arabia</b>	<b>0.02</b>
ML14	0.02
<b>Senegal</b>	<b>0.88</b>
ML9	0.88
<b>Singapore</b>	<b>1.08</b>
ML15	0.01
ML21	0.25
ML22	0.29

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML5	0.25
ML6	0.11
ML9	0.18
<b>Slovakia</b>	<b>0.01</b>
ML1	0.01
<b>Slovenia</b>	<b>0.06</b>
ML1	0.06
<b>South Africa</b>	<b>0.23</b>
ML10	0.21
ML4	0.01
ML6	0.02
<b>South Korea</b>	<b>44.26</b>
ML11	0.03
ML15	0.24
ML21	15.04
ML22	14.61
ML5	14.26
ML9	0.08
<b>Spain</b>	<b>1.78</b>
ML1	0.01
ML10	0.46
ML11	0.03
ML17	0.00
ML2	0.13
ML22	0.23
ML5	0.08
ML6	0.82
ML9	0.02
<b>St Maarten</b>	<b>0.00</b>
ML1	0.00
<b>Sweden</b>	<b>2.00</b>
ML1	0.07
ML22	1.50
ML3	0.07
ML4	0.32
ML6	0.04
<b>Switzerland</b>	<b>4.07</b>
ML1	0.39
ML13	0.21
ML17	0.00
ML2	0.01
ML22	0.73

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML3	1.10
ML5	0.09
ML6	1.53
<b>Taiwan</b>	<b>18.22</b>
ML9	18.22
<b>Thailand</b>	<b>2.65</b>
ML21	1.64
ML22	0.00
ML5	0.82
ML9	0.18
<b>Turkey</b>	<b>0.05</b>
ML11	0.05
<b>Turkmenistan</b>	<b>0.14</b>
ML11	0.02
ML5	0.12
<b>Ukraine</b>	<b>0.08</b>
ML6	0.08
ML7	0.00
<b>United Arab Emirates</b>	<b>0.60</b>
ML14	0.60
<b>United Kingdom</b>	<b>30.06</b>
ML1	0.46
ML10	0.02
ML11	0.02
ML14	0.26
ML15	1.05
ML19	0.01
ML2	0.01
ML22	11.40
ML3	0.08
ML4	0.92
ML5	0.06
ML6	3.66
ML7	0.00
ML9	12.11
<b>United States</b>	<b>75.82</b>
ML1	0.40
ML10	25.69
ML13	0.02
ML14	0.43
ML15	2.25
ML16	1.46

<b>Total for 2020 [€ millions]</b>	
<b>Country of final destination</b>	<b>Total</b>
ML17	0.06
ML18	2.52
ML2	0.50
ML21	5.90
ML22	11.22
ML3	9.74
ML4	3.04
ML5	2.57
ML6	6.53
ML9	3.47
<b>Various</b>	<b>0.30</b>
ML22	0.30
<b>Total</b>	<b>701.76</b>

Table 9B, Value of licences issued for the permanent export of military goods by country of destination (broken down in accordance with the A/B system)

<b>Total for 2020 [€ millions]</b>					
<b>Country of final destination</b>	<b>Cat. A</b>	<b>Breakdown</b>	<b>Cat. B</b>	<b>Breakdown</b>	<b>Total</b>
<b>Algeria</b>	0.03	A10	-	-	0.03
<b>Argentina</b>	0.49	A10	-	-	0.49
<b>Australia</b>	23.73	A2; A10	5.31	B6; B7; B9; B10	29.04
<b>Austria</b>	0.04	A8; A10	0.50	B10	0.54
<b>Bangladesh</b>	0.39	A10	-	-	0.39
<b>Belgium</b>	0.04	A10	0.00	B6	0.04
<b>BES islands</b>	0.02	A9	-	-	0.02
<b>Brazil</b>	0.01	A8; A10	0.18	B10	0.19
<b>Brunei</b>	0.75	A10	-	-	0.75
<b>Canada</b>	0.01	A8; A10	1.81	B9; B10	1.82
<b>Chile</b>	0.91	A10	-	-	0.91
<b>Colombia</b>	1.21	A10	-	-	1.21
<b>Czech Republic</b>	0.45	A8; A9; A10	0.38	B6; B10	0.83
<b>Denmark</b>	1.45	A8; A9; A10	0.13	B4	1.58
<b>Egypt</b>	114.61	A10	0.06	B9	114.61
<b>Estonia</b>	0.02	A8	0.25	B1; B10	0.27
<b>EU/NATO+</b>	17.73	A10	7.77	B9; B10	25.50
<b>Finland</b>	0.44	A8; A9; A10	0.00	B9	0.44
<b>France</b>	4.78	A8; A9; A10	9.40	B4; B6; B7; B8; B9; B10	14.19
<b>Germany</b>	39.01	A2; A3; A8; A9; A10	67.50	B4; B6; B8; B9; B10	106.51
<b>Greece</b>	0.20	A8; A10	0.12	B9; B10	0.32
<b>Hungary</b>	0.62	A8; A10	0.00	B9	0.62
<b>India</b>	0.30	A10	0.98	B4; B9; B10	1.27
<b>Indonesia</b>	34.38	A10	4.51	B9; B10	38.89
<b>Ireland</b>	1.50	A8; A10	0.01	B10	1.51
<b>Israel</b>	-	-	0.10	B10	0.10
<b>Italy</b>	10.96	A9; A10	11.23	B4; B9; B10	22.19
<b>Japan</b>	9.06	A10	0.57	B7; B10	9.63
<b>Kuwait</b>	-	-	0.05	B10	0.05
<b>Lithuania</b>	0.02	A10	-	-	0.02
<b>Luxembourg</b>	0.67	A10	-	-	0.67
<b>Madagascar</b>	-	-	0.18	B9	0.18
<b>Mali</b>	-	-	0.05	B7	0.05
<b>Malta</b>	0.03	A8	0.00	B8	0.04
<b>Montenegro</b>	0.30	A10	-	-	0.30
<b>Morocco</b>	2.32	A10	0.15	B10	2.47
<b>Norway</b>	17.35	A7; A8; A9; A10	30.95	B1; B4; B6; B8; B9; B10	48.30

<b>Total for 2020 [€ millions]</b>					
<b>Country of final destination</b>	<b>Cat. A</b>	<b>Breakdown</b>	<b>Cat. B</b>	<b>Breakdown</b>	<b>Total</b>
<b>Oman</b>	0.15	A10	1.21	B10	1.36
<b>Pakistan</b>	47.86	A10	0.00	B10	47.86
<b>Poland</b>	1.62	A8; A10	0.15	B4; B6	1.77
<b>Portugal</b>	0.01	A8; A10	-	-	0.01
<b>Qatar</b>	0.68	A10	0.28	B4; B10	0.95
<b>Romania</b>	28.91	A8; A10	12.53	B9; B10	41.43
<b>Saudi Arabia</b>	-	-	0.02	B10	0.02
<b>Senegal</b>	0.88	A10			0.88
<b>Singapore</b>	0.11	A10	0.97	B3; B4; B9; B10	1.08
<b>Slovakia</b>	0.01	A10	-	-	0.01
<b>Slovenia</b>	0.06	A8; A10	-	-	0.06
<b>South Africa</b>	0.23	A9; A10	-	-	0.23
<b>South Korea</b>	42.88	A10	1.39	B4; B9; B10	44.26
<b>Spain</b>	1.44	A8; A10	0.34	B4; B8; B9; B10	1.78
<b>Sweden</b>	0.50	A2; A8; A9; A10	1.50	B9	2.00
<b>Switzerland</b>	2.60	A8; A9; A10	1.47	B1; B4; B6; B9; B10	4.07
<b>Taiwan</b>	18.22	A10	-	-	18.22
<b>Thailand</b>	2.47	A10	0.18	B9; B10	2.65
<b>Turkey</b>	-	-	0.05	B4	0.05
<b>Turkmenistan</b>	-	-	0.14	B4; B10	0.14
<b>Ukraine</b>	0.08	A10	0.00	B7	0.08
<b>United Arab Emirates</b>	-	-	0.60	B10	0.60
<b>United Kingdom</b>	27.61	A8; A9; A10	2.45	B6; B7; B9; B10	30.06
<b>United States</b>	58.87	A3; A8; A9; A10	16.95	B4; B6; B7; B8; B9; B10	75.82
<b>Various</b>	-	-	0.30	B9	0.30
<b>Countries with a total value under €10,000</b>					
<b>Aruba, Bulgaria, Croatia, Latvia, St Maarten, New Zealand</b>	0.01	A8; A9; A10	0.01	B7; B9	0.02
<b>Total</b>	<b>519.04</b>		<b>182.72</b>		<b>701.76</b>

Note: Due to rounding, the rows and columns do not add up to the exact totals. A value of '0' indicates that licences were issued with a value of under €5,000. A dash indicates that no licences were issued for the category in question.

## Annexe 2 The value of licences issued for export of military goods from the Netherlands since 1996

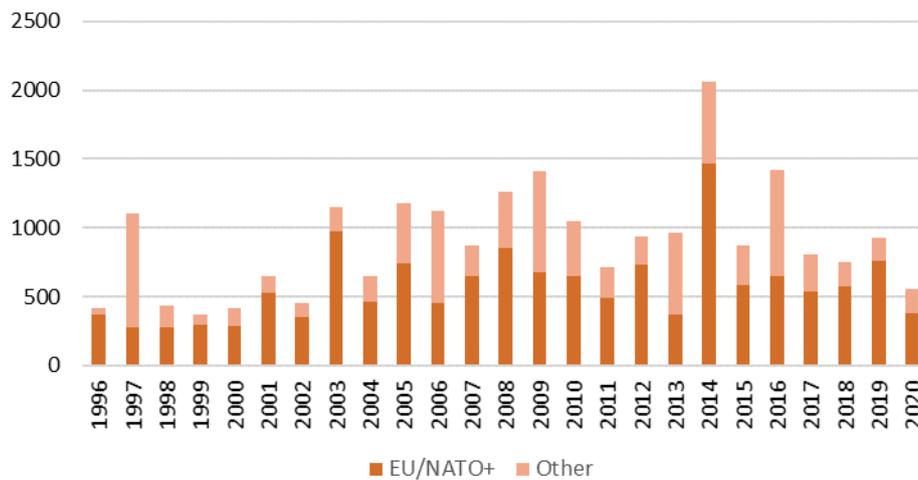


Figure 11, Value of licences issued, in € millions per year

\* From the 2015 report onwards, in the table giving the value of licences issued for the permanent export of military goods by country of destination, the heading 'NATO other' has been replaced by the heading 'EU/NATO+' for the purpose of showing the value of global licences. In 2020 the following 29 countries were members of NATO: Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom and United States. From 2015 on, this heading also includes the values for Australia, Finland, Ireland, Japan, New Zealand, Sweden and Switzerland.

### Annexe 3 Use of general licences (military)

Overview of the use of general licences

NL003: Export (transfer) to armed forces of EU member states

NL004: Export (transfer) to certified recipients within the meaning of article 9 of Directive 2009/43/EC.

NL005: Export (transfer) for the purpose of demonstration, evaluation or exhibition

NL006: Export (transfer) for the purpose of repair, maintenance and servicing

NL007: Transit, originating from an allied country

NL008: Transit, with an allied country as final destination

NL009: Export to parties participating in the F-35 Lightning II programme

*Table 10, Value of reported uses of general transfer licences for the permanent export of military goods in 2020 under NL003 (armed forces) by country of destination*

Country of destination	Value (€ millions)	Breakdown
<b>Austria</b>	0.03	ML 10
<b>Germany</b>	9.41	ML 5, 6, 10, 11, 21, 22
<b>Denmark</b>	8.76	ML 5, 10, 11, 21
<b>France</b>	3.92	ML 5, 11, 22
<b>United Kingdom</b>	2.65	ML 5, 21
<b>Greece</b>	0.55	ML 5, 22
<b>Croatia</b>	0.30	ML 10
<b>Italy</b>	0.06	ML 5
<b>Luxembourg</b>	0.38	ML 6, 11
<b>Norway</b>	0.01	ML 7
<b>Poland</b>	3.56	ML 5, 10
<b>Portugal</b>	0.40	ML 5
<b>Total</b>	<b>30.04</b>	

*Table 11, Value of reported uses of general transfer licences for the permanent export of military goods in 2020 under NL004 (certified recipients) by country of destination*

Country of destination	Value (€ millions)	Breakdown
<b>Belgium</b>	3.37	ML 5, 6
<b>Denmark</b>	0.09	ML 2, 4
<b>France</b>	1.49	ML 6, 10, 15
<b>Germany</b>	16.46	ML 5, 6, 15, 22
<b>Norway</b>	0.09	ML 7
<b>Total</b>	<b>21.49</b>	

Table 12, Value of reported uses of general transfer licences for the permanent export of military goods in 2020 under NL005 (demonstration, evaluation or exhibition) by country of destination

Country of destination	Value (€ millions)	Breakdown
Belgium	0.03	ML 5
Bulgaria	0.00	ML 13
Germany	6.43	ML 5, 11, 13, 15
Denmark	0.18	ML 5, 11, 13
Spain	0.05	ML 5
Finland	0.15	ML 5, 13, 15
France	0.28	ML 11, 13, 15, 22
United Kingdom	0.20	ML 5, 7, 11, 15
Italy	1.01	ML 5, 6, 11, 13
Norway	0.04	ML 5, 11
Poland	0.00	ML 13
Sweden	0.16	ML 5, 11, 13, 15
Czech Republic	0.00	ML 11
<b>Total</b>	<b>8.53</b>	

Table 13, Value of reported uses of general transfer licences for the permanent export of military goods in 2020 under NL006 (repair, maintenance and servicing) by country of destination

Country of destination	Value (€ millions)	Breakdown
Austria	0.19	ML 5, 6
Belgium	0.16	ML 5, 6, 11
Germany	21.40	ML 5, 6, 9, 10, 11, 15, 18
Denmark	0.85	ML 5, 6, 10, 11, 15
Spain	0.02	ML 5, 10, 11
Finland	0.55	ML 6
France	7.09	ML 5, 9, 10, 11, 15, 22
United Kingdom	4.21	ML 5, 6, 9, 10, 11, 15
Greece	1.21	ML 4, 5
Hungary	0.04	ML 11, 15
Italy	0.72	ML 5, 6, 15, 18
Norway	0.18	ML 5, 6
Poland	0.19	ML 5, 6, 10
Portugal	0.30	ML 5, 10, 11
Sweden	0.36	ML 5, 6, 11, 15
Slovenia	0.02	ML 6
Croatia	0.01	ML 11
Slovakia	0.00	ML 5
United States	0.02	ML 11
<b>Total</b>	<b>37.52</b>	

Table 14, Value of reported uses of general transfer licences for the permanent transit of military goods in 2020 under NL007 (originating from an allied country) by country of destination

Country of destination	Value (€ millions)	Breakdown
South Africa	1.04	ML 5, 10
Brazil	25.33	ML 4, 5, 7, 10, 13, 14
Chile	4.62	ML 4, 5, 10, 11, 21
Colombia	0.23	ML 5, 11
Czech Republic	0.07	ML 11
Indonesia	0.03	ML 5, 6
Italy	0.11	ML 10
Japan	0.01	ML 13
South Korea	0.35	ML 6, 9
Malaysia	2.76	ML 5, 11, 14
Nigeria	0.00	ML 14
Philippines	0.01	ML 11
Pakistan	2.10	ML 4, 10
Singapore	0.36	ML 10, 11, 13
United States	0.14	ML 10, 11
Armenia	2.13	ML 11
Australia	0.02	ML 11
Kenya	0.10	ML 14
Uganda	0.16	ML 10
Peru	0.13	ML 5, 11, 22
Rwanda	0.01	ML 14
Thailand	0.06	ML 11
<b>Total</b>	<b>39.78</b>	

Table 15, Value of reported uses of general transfer licences for the permanent transit of military goods in 2020 under NL008 (allied country as final destination) by country of destination

Country of destination	Value (€ millions)	Breakdown
South Africa	0.04	ML 10
Austria	0.13	ML 1, 7, 10, 17
Belgium	6.83	ML 1, 3, 4, 6, 8, 10, 13
Brazil	1.77	ML 1, 5, 10
Canada	7.61	ML 1, 2, 5, 6, 9, 10, 14
Switzerland	0.33	ML 1, 10, 11
Chile	0.64	ML 1, 10
Curaçao	0.00	ML 18
Czech Republic	0.00	ML 13
Germany	2.88	ML 1, 5, 9, 10, 13, 14
Denmark	1.38	ML 3, 7, 10, 13, 15
Estonia	0.00	ML 13
Spain	2.26	ML 5, 6, 7, 10, 17
France	3.31	ML 1, 5, 10, 14, 15
United Kingdom	1.92	ML 3, 4, 6, 7, 9, 10, 13, 14, 17
Indonesia	0.37	ML 1, 5
Ireland	0.99	ML 3, 4
Italy	3.20	ML 1, 4, 5, 10, 11, 13
Japan	0.45	ML 3, 10, 14
South Korea	0.01	ML 4
Luxembourg	0.20	ML 5, 10
Latvia	3.20	ML 3
Malaysia	0.31	ML 10
Nigeria	0.04	ML 10
Norway	14.08	ML 1, 2, 5, 6, 10, 13, 14, 16, 21
Portugal	2.87	ML 10
Sweden	22.50	ML 4, 5, 6, 10, 11, 13
Singapore	0.45	ML 4, 15
United States	118.98	ML 1, 2, 4, 5, 6, 7, 8, 10, 13, 14, 15, 16
Finland	0.36	ML 6, 10
Croatia	1.08	ML 10
Lithuania	0.88	ML 3, 4
Poland	0.04	ML 13
Slovenia	0.47	ML 5, 13
Thailand	0.02	ML 11
<b>Total</b>	<b>199.58</b>	

Table 16, Value of reported uses of general transfer licences for the permanent export of military goods in 2020 under NL009 (F-35 Lightning II) by country of destination

Country of destination	Value (€ millions)	Breakdown
Canada	0.32	ML10
United Kingdom	6.44	ML10
Italy	17.10	ML10
Japan	3.09	ML10
Turkey	0.98	ML10
United States	212.50	ML5, 10, 11, 14
Israel	0.08	ML10
<b>Total</b>	<b>240.51</b>	

Table 17, Value of reported uses of general transfer licences for the permanent transit of military goods in 2020 under NL009 (F-35 Lightning II) by country of destination

Country of destination	Value (€ millions)	Breakdown
United Kingdom	0.39	ML 10
Israel	0.01	ML 10
Italy	0.02	ML 10
Norway	0.06	ML 10
Turkey	1.77	ML 10
United States	202.31	ML 10
Denmark	0.02	ML 10
<b>Total</b>	<b>204.59</b>	

## Annexe 4: Transit of military goods

Table 18, Value of licences issued in 2020 for the transit of military goods

Country of destination	Cat. A (€ millions)	Breakdown	Cat. B (€ millions)	Breakdown	Total (€ millions)
Chile	0.44	A8; A9	-	-	0.44
Honduras	0.18	A3	-	-	0.18
Iceland	0.01	A8	-	-	0.01
Morocco	0.17	A9	-	-	0.17
Pakistan	0.00	A9	-	-	0.00
	<b>0.80</b>	<b>A3; A8; A9; A10</b>			<b>0.80</b>

## Annexe 5: Brokering services for military goods

As of this year, this report will also include an overview of the licences issued for brokering services. The overview indicates the type of good the brokering services related to, plus the good's country of origin and country of final destination. The value of the brokering service is not always known because the services are sometimes part of a larger contract, which also covers the delivery of goods and technology. In the coming months companies will be asked to specify the value of the brokering services to the best of their ability in the licence application.

*Table 19, Value of licences issued in 2020 for brokering services with regard to military goods*

Country of final destination	Country of origin	ML	CAT	Goods for which brokering services were provided	Value
<b>United States</b>	United States	ML11a	B4	IPOZ Conveyor LN200 IMU	0.01
<b>Portugal</b>	Brazil	ML10a	B10	Maintenance of KC-390 transport aircraft	Unknown
<b>United States</b>	United States	ML11a	B4	Electronic equipment	0.04
<b>EU/NATO+</b>	United States	ML 2a, 2c, 4, 5, 9, 10, 11, 16, 17, 21a, 22a	B9	Military goods, software and technology	Unknown
<b>Saudi Arabia</b>	Italy	ML10a	B2	AW 139 helicopters	Unknown

## Annexe 6: Licence application denials for military goods

Licence application denials are also shared with EU partners pursuant to article 4 of Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, previously the EU Code of Conduct on Arms Exports, and on the basis of supplemental national policy, such as the presumption of denial (POD) that currently applies to countries involved in the conflict in Yemen or the stricter rules for Turkey (see chapter 3.2).

Table 20, part A, licence application denials for the export of military goods in 2020

Country of final destination	Brief description	Number of items	Recipient	End user	Date of denial	Reason for denial
<b>UAE via Brazil</b>	Holders and clips for 5.56mm ammunition	245,700	Companhia Brasileira de Cartuchos	Presidential Guard	17-02-2020	2, 7, POD
<b>Turkey</b>	Armoured vehicle parts	2,000	FNSS Savunma Sistemleri A.S.	Turkish Army	13-03-2020	4, POD
<b>Saudi Arabia via UAE</b>	Information-security software	2	Fourth Dimension Systems	Saudi Royal Guard	24-03-2020	6, POD
<b>Saudi Arabia</b>	Information-security equipment and software	30	Integrated Computer Systems	UAE Air Force	18-03-2020	2,6, POD
<b>UAE</b>	Information-security equipment	3	Aptec Gulf Ltd.	Ministry of Defence	17-07-2020	6, POD
<b>Pakistan via Turkey</b>	GPS navigation for submarines	2	Elektro Deniz Dis Tic. Ltd. Sti.	Pakistan Navy	19-06-2020	4, 5
<b>Pakistan via Belgium</b>	Jet engine part of a F-16 fighter aircraft	1	Patria Belgium Engine Center sprl	Pakistan Air Force	28-09-2020	2, 4
<b>UAE</b>	Information-security equipment	1	Global Security Networks (GSN)	UAE Air Force	20-10-2020	6, 7, POD

Table 20, part B, licence application denials for the transit of military goods in 2020

Country of final destination	Brief description	Number of items	Recipient	End user	Date of denial	Reason for denial
<b>UAE via Brazil</b>	12,7mm calibre rounds and en 5,56mm calibre rounds	2,344,005	DROO - Defense Equipments	Presidential Guard	01-09-2020	4, 6, 7, POD
<b>UAE via US</b>	Parts of fire-control systems	91	Raytheon Missile Systems	UAE Navy	10/11/2020	6, POD
<b>UAE</b>	Military training equipment for anti-aircraft training	520		UAE armed forces	15-12-2020	6,7, POD

Table 20, part C, sondage application denials for military goods in 2020

Country of final destination	Brief description	Number of items	Recipient	End user	Date of denial	Reason for denial
<b>Israel</b>	Carbon tape	1,500	Elbit Systems UAS Division		18-06-2020	7
<b>UAE</b>	Driving simulators for military vehicles	14	UAE Infantry School	UAE Infantry School	17-02-2020	2, POD
<b>Saudi Arabia via various countries</b>	Parts for a Gunlock system	45		Saudi Royal Guard	06-08-2020	6, POD
<b>Egypt via US</b>	Parts for F-16 aircraft engines	15	Derco Repair Services Inc.	Egyptian air force	23-11-2020	2, 6

## Annexe 7: Surplus defence equipment

Table 21, Overview of licences for surplus defence equipment sold by the Netherlands to foreign parties in 2020

Type of equipment	To/via <sup>51</sup>	Country of final destination	End user
Spare parts for air systems	AeroXS	US	AeroXS
Spare parts for air systems	Air & Ground (US)	US	Air & Ground
CAD/PAD F-16	Belgium (G2G)	Belgium	Ministry of Defence
Environmental chamber	Belgium (G2G)	Belgium	Ministry of Defence
Spare parts for F-16 fighter aircraft	Denmark (G2G)	Denmark	Ministry of Defence
Spare parts for radar	Denmark (G2G)	Denmark	Ministry of Defence
Various vehicles	Estonia (G2G)	Estonia	Ministry of Defence
Spare parts for Leopard 1 main battle tanks	Finland (G2G)	Finland	Ministry of Defence
Spare parts for air systems	Germany (G2G)	Germany	Ministry of Defence
Spare parts for maritime systems	Germany (G2G)	Germany	Ministry of Defence
76/62mm ammunition	Greece (G2G)	Greece	Ministry of Defence
Spare parts for air systems	Hayward and Green Defence (UK)	UK	Hayward and Green Defence
Spare parts for air systems	Hayward and Green Defence (US)	US	Hayward and Green Defence Ltd
Spare parts for air systems	IN3 Aviation	US	IN3 Aviation
Fennek spare parts	Krauss-Maffei Wegmann	Germany	KMW
Patriot missile launchers	MBDA Deutschland GmbH	Germany	MBDA
F-16 spare parts	Norway (G2G)	Norway	Ministry of Defence
Spare parts for a communication system	Norway (G2G)	Norway	Ministry of Defence

<sup>51</sup> Surplus defence equipment is occasionally sold to the original manufacturer. In some cases, it can also be sold through a private company to an end user who is known and approved at the time of sale, or to a private company for its own use. A further option involves selling to a private company in another EU/NATO+ country without yet knowing the specific final destination and end user of the equipment. In such cases, an International Import Certificate is used to ensure that any attempt to export or re-export the equipment in question will be subject to controls by the EU/NATO+ country concerned.

Type of equipment	To/via <sup>51</sup>	Country of final destination	End user
Spare parts for F-16 fighter aircraft	Portugal (G2G)	Portugal	Ministry of Defence
Leopard 2 spare parts + Leopard vehicles	RUAG	Switzerland	RUAG
CH-47F transport helicopters + spare engines	Unical	US	Unical
CH-47 spare parts	UK (G2G)	UK	Ministry of Defence
<b>Total value of the contracts €34.8 million</b>			