

Dutch Export Policy on Strategic Goods in 2021

Report by the Minister of Foreign Affairs and the Minister for Foreign Trade and Development Cooperation on the issuing of export licences for military, dual-use and goods listed in the Anti-torture Regulation

July 2022

Contents

1. Introduction.....	3
2. Profile of the Dutch defence and security industry	4
3. Procedures and principles	9
3.1 Procedures	9
3.2 Assessment framework for military goods	11
3.3 Assessment framework for dual-use goods.....	14
3.4 Assessment framework for goods listed in the Anti-torture Regulation.....	15
4. Transparency	17
4.1 Providing information to stakeholders	19
5. The Netherlands' exports of military goods in 2021	20
5.1 Licences issued.....	20
5.2 Licence application denials	24
6. The Netherlands' exports of dual-use goods in 2021	27
6.1 Council Working Party on Dual-Use Goods.....	27
6.2 Anti-torture Regulation.....	30
7. Relevant developments in the European Union	31
7.1 Council Working Party on Conventional Arms Exports (COARM).....	31
7.2 EU annual report for 2020 on the export of military goods	36
7.3 Council Working Party on Dual-Use Goods.....	39
7.4 EU annual report for 2020 on dual-use exports	40
8. Other relevant international developments.....	41
8.1 UN Arms Trade Treaty.....	41
8.2 UN Register of Conventional Arms and legislative transparency	42
8.3 Wassenaar Arrangement	43
8.4 Developments in in the other export-control regimes.....	44
8.4.1 Nuclear Suppliers Group (NSG).....	44
8.4.2 Australia Group (AG).....	45
8.4.3 Missile Technology Control Regime (MTCR).....	45
Annexe 1 Licences issued for the export of military goods.....	46
Annexe 2: Evolution of the value of licences issued for export of military goods from the Netherlands since 1996	52

Annexe 3: Use of general licences (military)	53
Annexe 4: Transit of military goods	58
Annexe 5: Brokering services for military goods	59
Annexe 6: Licence application denials for military goods	60
Annexe 7: Surplus defence equipment	63

1. Introduction

The present report on Dutch export policy on strategic goods in 2021 is the 25th 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).

The report comprises:

Introduction and background

2. a [profile](#) of the Dutch defence- and security-related industry;
3. an overview of the [procedures and principles](#) associated with 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 2021

5. a [quantitative overview](#) of Dutch arms exports in 2021;
6. a [quantitative overview](#) of the Netherlands' export of dual-use goods in 2021;
7. a [quantitative overview](#) of the Netherlands' exports in 2021 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 seven annexes:

[Annexe 1](#) lists the values of export licences issued in 2021 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 and sondages (preliminary applications) for the export and transit of military goods denied by the Netherlands.

[Annexe 7](#) provides an overview of the sale of surplus defence equipment in 2021.

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 are partly specialised in the production of classified 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. Over half (54%) of its revenue comes from exports.

The most recent study to present quantitative data on the defence and security sectors was conducted by Berenschot at the request of the Ministry of Economic Affairs. Its findings were released in 2022. In comparison with a previous study (Triarii, 2020), which used data from 2017, a greater number of companies were identified by Berenschot as belonging to the Netherlands' defence and security-related technological industrial base (NLDTIB). 174 of these companies were asked to provide data for 2021.

Table 1 provides an overview of the key data from these studies.

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

	2017	2021
Number of companies	342	1,000
Defence- and security-related turnover	€5.0 billion	€4.7 billion
Defence- and security-related turnover as a percentage of total turnover of defence- and security-related companies	12%	10.6%
Defence- and security-related exports	€3.58 billion	€2.54 billion
Number of jobs in the defence- and security-related industry	19,247	18,651
Number of those jobs related to R&D	7,364 (38%)	4,121 (22%)

Source: Triarii (2020) and Berenschot (2022)

The Dutch defence and security industry comprises around 1,000 companies. In 2021 these companies accounted for approximately 150,000 jobs, across the whole range of their activities (for both the civilian and military markets). Of these jobs, 18,651 were specifically related to activities in the field of defence and security.

In 2021 the Dutch defence and security industry generated €4.7 billion in sales. Defence- and security-related turnover represents an average share of approximately 10.6% 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.

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.¹

Highlighted topic: Leading players in the Dutch defence industry¹

Dialogic (2021) offers a profile of several 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. 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.

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

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The sector is highly innovative. The R&D intensity of the sector is 14%, compared to 1.6% 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 earlier study by Triarii, 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 €2.54 billion's worth of all exports of the Netherlands' defence and security 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.

Government policy is aimed at positioning the Netherlands' defence and security 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 also enhances 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 2018.² This DIS focuses explicitly on more active

¹ Defence Industry Strategy (2018); <https://www.defensie.nl/downloads/beleidsnota-s/2018/11/15/defensie-industrie-strategie>.

² Defence Industry Strategy (2018); <https://www.defensie.nl/downloads/beleidsnota-s/2018/11/15/defensie-industrie-strategie>.

export policy and trade promotion. 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 table 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.

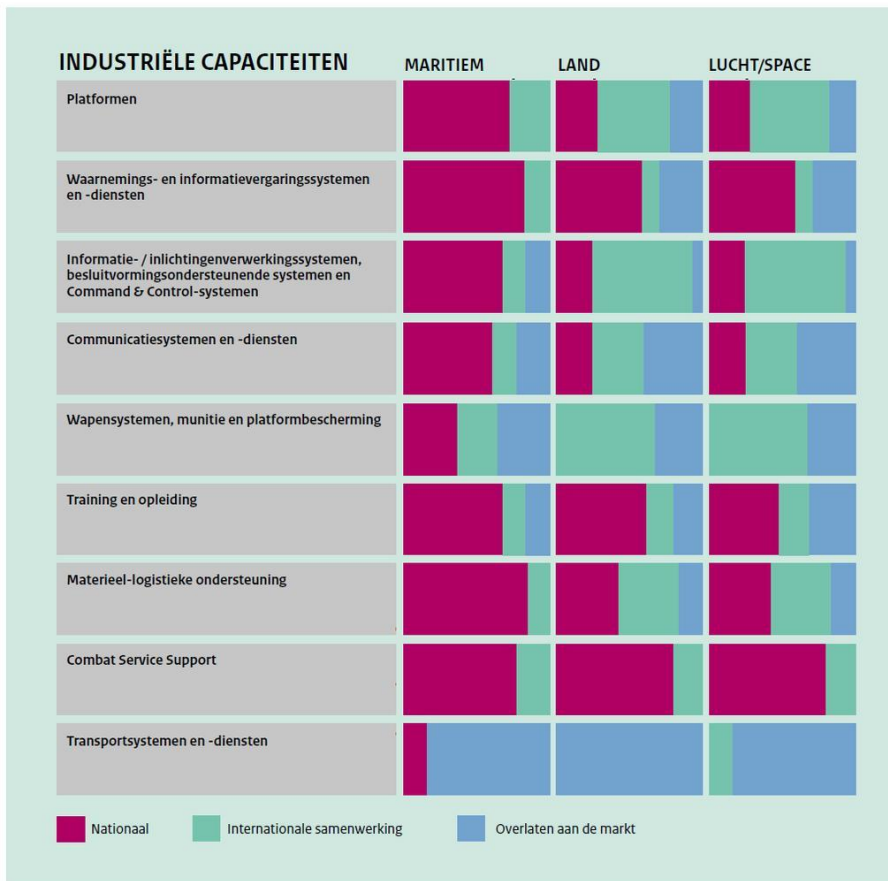


Figure 1, Industrial capabilities and the Netherlands' ambitions, as set out in the Defence Industry Strategy (p. 23)

[Graphic: Industry Capabilities Maritime Land Aerospace

Platforms

Observation and information-gathering systems and services

Information and intelligence processing systems, decision-making support systems and command-and-control systems

Communication systems and services

Weapon systems, ammunition and platform protection

Training and instruction

Materiel logistics support

Combat service support

Transport systems and services

National International cooperation Market-based]

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 such activities, 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.³

Companies or persons wishing to export goods or technology that appear on the Common Military List of the European Union⁴ or Annex 1 of the EU Regulation on dual-use items⁵ 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. Licences are issued on behalf of the Minister for Foreign Trade and Development Cooperation.⁶

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, the United Kingdom and Switzerland) are processed by the CDIU, on the basis of a procedure formulated by the Ministry of Foreign Affairs. The exceptions to this rule are Cyprus and Türkiye. Applications for exports to these two countries – and all other countries – are submitted to the Ministry of Foreign Affairs for a decision. In assessing licence applications against the eight criteria of the EU's Common Position on Arms Exports,⁷ 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.

The disposal of surplus equipment by the Ministry of Defence is governed by the normal licensing procedure. 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 weapons 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.⁸

³ 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>.

⁴ [https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52022XG0301\(01\)](https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:52022XG0301(01))

⁵ <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:02009R0428-20211007&from=EN>

⁶ In the period from May 2021 to 10 January 2022 such licences were issued on behalf of the Minister of Foreign Affairs (Royal Decree No. 2022000150).

⁷ <https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=CELEX:02008E0944-20190917&from=EN>

⁸ <https://zoek.officielebekendmakingen.nl/kst-22054-129.htm>

Highlighted topic: Supply of military goods to Ukraine

While this annual report was being drafted, Russia launched a war against Ukraine which has had an enormous impact on geopolitical relations and which has led, among other things, to significant Western arms deliveries aimed at boosting Ukraine's ability to defend itself. These deliveries will be discussed in greater detail in the 2022 annual report. Below is a brief summary of the context in which they have taken place.

In the night of 23/24 February 2022 Russia launched a military invasion of Ukraine. This invasion is a violation of Ukraine's territorial integrity and of international law. Under Article 51 of the UN Charter Ukraine has the right to defend itself against this armed attack. In that context Ukraine has asked the international community for support, including military goods. The Netherlands has made its own contributions in this regard.

Like any other military goods, the export of military goods to Ukraine requires a licence. All deliveries are carefully assessed in light of the EU Common Position on Arms Exports. Given the security situation in Ukraine and the urgent need for military goods, an accelerated procedure is used.

For reasons of operational security, the government does not comment publicly on the supply of military goods to Ukraine. The House of Representatives is kept informed on a regular basis by means of a confidential appendix. Monthly public reports on the export of military goods, which are posted on the central government website, also indicate when licences have been issued.

Dual-use goods

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 regarding the Chemical Weapons Convention, licence applications for the Nuclear Suppliers Group's 'Trigger List', Wassenaar Sensitive/Very Sensitive and Annex IV goods,⁹ licences related to sanctions and licences in the framework of the EU Anti-torture Regulation (2019/125).

Torture goods

Torture goods may not be imported to, exported to or transshipped 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

⁹ 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 for more information. Annex IV of the Dual-Use Regulation lists goods that also require a licence for intra-EU transactions.

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. 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 criteria of EU arms export policy, 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 EU Code of Conduct from 1998 into Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment. The eight criteria are summarised in the diagram below **[Noot AVT: graag EN figuur invoegen]**:



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

The eight criteria, in summary, are as follows:

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.

In essence the EU's Common Position on Arms Exports comprises the above eight criteria and a mechanism for sharing information. This mechanism consists of (1) an obligation to notify all other member states when a member state rejects 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 Dutch government's internet portal.¹⁰ The EU has a

¹⁰ <https://www.rijksoverheid.nl/onderwerpen/internationale-sancties/beleid-voor-internationale-sancties>

similar overview available online.¹¹ 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.

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 currently in force and the changes made to it in 2021.

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 2021. '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 the 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.¹²

Following the release of the report by the UN Group of Eminent International and Regional Experts on Yemen,¹³ the Netherlands urged the Council Working Group COARM in October 2021 to adopt a similar policy in the EU for this destination. At the meeting of the First Committee of the UN General Assembly in October 2021, the Netherlands called on all parties to the conflict in Yemen to comply with their international obligations and urged exporting countries to strictly and carefully assess licence applications for the export of military goods to these destinations.

Türkiye

On 11 October 2019 the Dutch government, acting in response to the Turkish operation in northern Syria, decided to tighten its export policy on military and dual-use goods with respect to Türkiye. This policy was amended as of 15 October 2021. As of that date, applications for Türkiye are assessed on the basis of a 'presumption of denial': in other words, a licence will be issued only if the applicant can incontrovertibly demonstrate that the goods will not be used in northeastern Syria. In addition, licence applications must meet the eight criteria of the EU's Common Position on Arms Exports.

An exception has been made for applications that are necessary in order for the Netherlands to comply with its international obligations with respect to the EU, NATO and other intergovernmental organisations. Such licences applications are very rare and will be strictly assessed on the basis of the eight criteria of the Common Standpoint.

¹¹ <https://www.sanctionsmap.eu/#/main>

¹² <https://www.ohchr.org/EN/HRBodies/HRC/YemenGEE/Pages/Index.aspx>

¹³ <https://www.ohchr.org/en/press-releases/2021/09/un-group-eminent-international-and-regional-experts-yemen-presents-its>

The stricter policy on the transit of goods to Türkiye remains in force (Parliamentary Paper 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 Türkiye. This type of transit requires an individual licence.

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.

3.3 Assessment framework for dual-use goods

Licence applications for dual-use goods are assessed on the basis of the criteria listed in the EU Dual-Use Regulation.¹⁴ 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. Dual-use goods that have a conventional military end use are, like military goods, assessed on the basis of the Common Position.

Denials of dual-use licence applications are recorded in an EU database. Under article 16 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 any 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. 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 enables 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. For example, if information is available indicating 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

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02009R0428-20211007>

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 2005. 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 prohibited to trade in goods which have no practical use other than for the purpose of capital punishment or for the purpose of torture or other cruel, inhuman or degrading treatment or punishment. Examples of such goods include guillotines, thumb screws and shields with metal spikes. An exception may be made if it can be demonstrated that such goods will be used for a museum exhibition in the country of final destination. Trade in the goods and services listed in annexes III and IV is subject to a licensing requirement. These goods and services, including the provision of technical assistance and brokering services, could also be used for legitimate purposes, such as law enforcement.

For example, annex III lists goods that could be used for riot control, but also 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 judicial decisions, reports or other information from civil society organisations, may also 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 thiopental. 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 containing 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.¹⁵

The present report on Dutch arms export policy in 2021 is the 25th annual report since the policy memorandum of February 1998 on greater transparency in the reporting procedure on exports of military goods (Parliamentary Paper, 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.¹⁶ The Netherlands still ranks among the most transparent of these countries. For example, in the 2021 edition of the *Small Arms Trade Transparency Barometer*, the Netherlands is in second place, after Switzerland.¹⁷ 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.¹⁸ At the UN the Netherlands also seeks to draw attention to transparency and openness in this area (see also section 8.2).

In recent years the Netherlands has been increasingly open about the licences it issues for dual-use goods. Since 2020, this annual report has included a separate chapter 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 the decision on their issue. These notifications, which may or may not be

¹⁵ <https://www.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/rapportages-dual-use-en-militaire-goederen>

¹⁶ <https://www.sipri.org/databases/national-reports>

¹⁷ <https://www.smallarmssurvey.org/resource/2021-small-arms-trade-transparency-barometer>

¹⁸ <https://attmonitor.org/>

confidential, are accompanied by an explanatory note.¹⁹ In the 2021 reporting year there were five transactions that qualified for accelerated parliamentary notification.

Table 3, Overview of letters sent to the House of Representatives under the accelerated parliamentary notification procedure for system deliveries to non-EU/NATO+ countries worth more than €2 million

Parliamentary Dossier	Number	Date	Country	Goods	Value (in € millions)
22054	337	4 February 2021	Thailand	Communication systems, including software, components, training and accessories	3.27
22054	340	15 April 2021	Brazil	Radar and C3 systems including components, software, technology and technical support	20
22054	345	11 October 2021	Egypt	Communication systems, including software, documentation, training, spare parts and maintenance	2.36
22054	354	29 November 2021	Indonesia	Supply system	2.42
22054	355	16 December 2021	India	Unmanned mine-sweeping vessels, components and operating equipment	5.55

¹⁹ 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 Paper, 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 Paper, 2011-2012, 22 054, no. 181).

4.1 Providing information to stakeholders

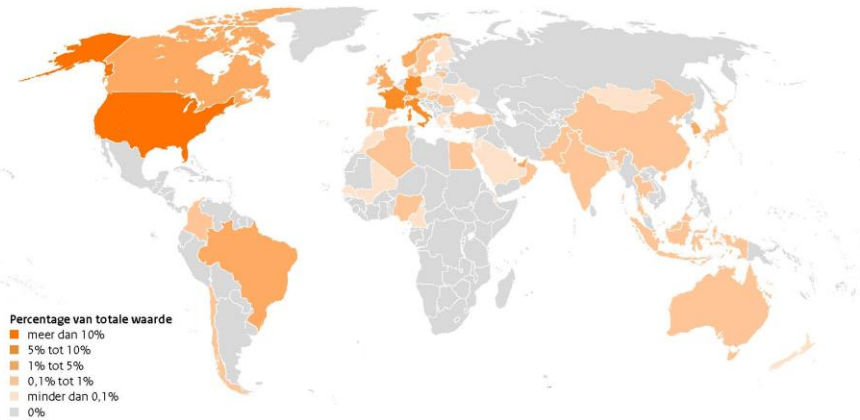
In addition to producing the present report on Dutch exports of military and dual-use goods in 2021, the government also provides other information on Dutch export policy. For instance, the Ministry of Foreign Affairs publishes a User Guide on Strategic Goods and Services online at www.rijksoverheid.nl/exportcontrole. 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.government.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 policy changes, such as the presumption of denial for Saudi Arabia, the United Arab Emirates and Türkiye, can also be found there.

5. The Netherlands' exports of military goods in 2021

5.1 Licences issued

Vergunningen wapenexport 2021

In 2021 werd voor € 928,46 miljoen aan wapenexportvergunningen afgegeven.



N.B.: Niet-landspecifieke, globale vergunningen voor bondgenoten besloegen 22,7% van het totaal. Deze zijn niet in bovenstaande kaart opgenomen.

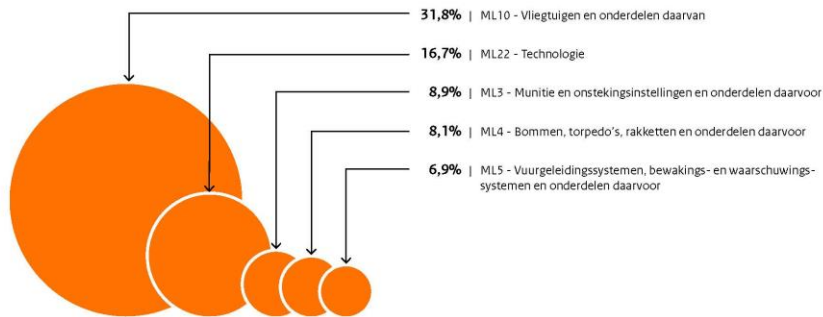


Figure 3, Overview of licences issued, broken down by final destination and top 5 ML categories²⁰

[Graph:

Licences issued for arms exports in 2021

In 2021, licences for a total value of €928.46 million were issued for arms exports.

Percentage of total value

More than 10%

5% to 10%

1% to 5%

0.1%-1%

Less than 0.1%

²⁰ The description of the various ML categories has been shortened. The complete version can be found in annex 1.

0%

NB. Non-country-specific global licences for allied countries accounted for 22.7% of the total. These are not included in the above map.

31.8% | ML10 – Aircraft and components therefor

16.7% | ML22 – Technology

8.9% | ML3 – Ammunition and fuse setting devices and components therefor

8.1% | ML4 – Bombs, torpedoes, rockets, missiles and components therefor

6.9% | ML5 – Fire control, and related alerting and warning equipment and systems, test and components therefor:]

The total value of licences issued in 2021 was €928.46 million (rounded to two decimal places).²¹ This is an increase over 2020 (€701.76 million) and is comparable to the figure for 2019 (€923.00 million). The shares for North America and for Europe have clearly risen since last year, while those for the Middle East and northeast Asia have fallen.

²¹ A total overview of all licences **[Noot AVT: moet meervoud zijn in NL versie]** issued is published on this website (in Dutch): <https://www.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/rapportages-dual-use-en-militaire-goederen>

The following table provides a regional breakdown of licences issued in 2021. The breakdown into regions in this table is the same as in the EU's annual reports on arms export control, which can be found on the EU website.²²

Table 4, Regional breakdown of licences issued

Region	Value of licences issued (in millions of €)	Share of total (%)
North Africa	1.6	0%
Sub-Saharan Africa	5.86	1%
North America	303.38	33%
Central America and the Caribbean	0.12	0%
South America	28.86	3%
Central Asia	-	-
Northeast Asia	58.99	6%
Southeast Asia	11.96	1%
South Asia	13.56	1%
European Union	197.37	21%
Other European countries	48.71	5%
Middle East	45.60	5%
Oceania	1.67	0%
Global basis	0.01	0%
Other EU/NATO+	210.77	23%
Total	928.46	100%

Among the top-five countries of final destination in terms of total export licence values, the US ranks first, with a value of €292.98 million, relating primarily to licences for deliveries to producers of military aircraft (ML10).

In second place is the EU/NATO+ (€210.77 million). This includes global licences which allow the supply of components for – mainly – military aircraft and military vehicles to several allied countries, in particular EU member states, NATO Allies, Australia, Japan, New Zealand and Switzerland.

It is followed, in third place, by Germany, with a value of €66.57 million. Much of this is made up of deliveries of parts and components for German producers of military vehicles (ML10).

²² https://eeas.europa.eu/headquarters/headquarters-homepage/8472/arms-export-control_en.

In fourth place is Italy (€55.65 million). Most of this amount relates to surplus defence equipment in the category ML4 (detonators, explosives and smoke grenades) sent to Italy to be destroyed. The value listed is the value of the destruction and not that of the goods themselves.

France is the final member of the top 5 (€48.04 million). This amount mainly relates to the delivery of radar systems (ML5).

In 2021 licences were also issued for system deliveries to non-allied countries of final destination. These included a licence to export four unmanned mine-sweeping vessels to India, a supply system for the Indonesian navy, a communication system for the Egyptian navy, radar and C3 systems for the Brazilian navy and communication systems for the Thai navy. The House of Representatives was notified about these deliveries under the accelerated procedure, in accordance with existing agreements (see table 2).

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. Annexe 7 provides a complete overview of all surplus Dutch defence equipment sold to other countries. A total of €84.5 million worth of surplus defence equipment was exported in 2021. This represents 9.1% of the total value of the licences issued in 2021.

Table 5, Overview of reports of exported surplus defence equipment (weapon systems)

Parliamentary Dossier	Number	Date	Country
22054	341	28 May 2021	Lithuania
22054	342	18 June 2021	Pakistan
22054	344	29 June 2021	US
22054	347	27 October 2021	Denmark

Spotlight on international trends

In March 2022 the Stockholm International Peace Research Initiative (SIPRI) published a report on trends in global arms exports between 2017 and 2021.

The report concluded that the global arms trade during the 2017-2021 period had decreased by 4.6 per cent compared with the 2012-2016 period. The biggest exporters of military goods were the US, Russia, France, China and Germany, while the biggest importers were India, Saudi Arabia, Egypt, Australia and China.

During that period, as in the previous survey, the Netherlands was the 11th-largest arms exporter in the world (with 1.9% of global exports) and ranked 38th for arms imports (1.3% of global imports). A clear increase was noted in arms imports into the Netherlands, which is largely attributable to Dutch participation in the F-35 programme.

Source: Sipri (2022) https://sipri.org/sites/default/files/2022-03/fs_2203_at_2021.pdf

8.1 5.2 Licence application denials

In 2021 a total of 32 licence applications (or preliminary applications (sondages)) for the export or transit of 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 denial and on the country of final destination.²³

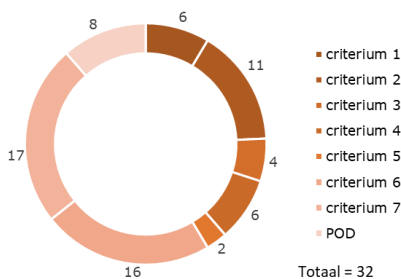


Figure 4, Licence application denials for 2021, on the basis of reason for denial

[Graphic: Criterion 1 (enz.) Presumption of denial (POD) Total]

In 2021 the most frequently invoked reason for denying a licence application was criterion 7 (risk of diversion), followed by criterion 6 (behaviour of the country of final destination with regard to the international community) and criterion 2 (respect for human rights in the country of final destination as well as compliance by that country with international humanitarian law). The number of countries with a rejected application [Noot AVT: dit

²³ NB: a licence application can be denied on multiple grounds; consequently, the sum of the criteria will not be equal to the total.

moet enkelvoud zijn in NL versie] in 2021 was clearly higher than in previous years. Almost a third of the denials related to a sondage.²⁴

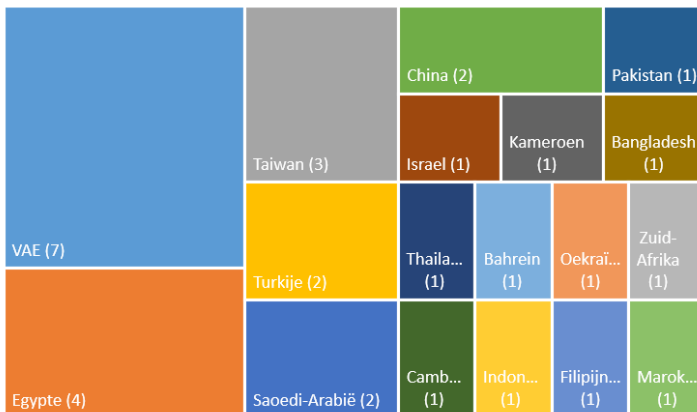


Figure 5, Licence application denials for 2021, on the basis of final destination.

[Graphic: UAE, Egypt, Taiwan, Türkiye, Saudi Arabia, China, Israel, Cameroon, Thailand, Bahrain, Cambodia, Indonesia, Ukraine, the Philippines, Pakistan, Bangladesh, South Africa, Morocco]

The geographic spread of denials was greater than normal in 2021. As in previous years, most denials related to countries to which a stricter policy applies (UAE, Saudi Arabia and Türkiye).

The number of denials for 2021 (32) is considerably higher than the corresponding figure for 2020 (15). The graph below illustrates, for reference purposes, the percentage of licence application denials versus the total number of applications for the 2005-2021 period.²⁵

²⁴ Sondages give companies an indication at an early stage of contract negotiations whether the planned transaction will be eligible for an export licence. The assessment of a sondage is the same as that concerning a regular export licence. For the actual transaction (i.e. for delivery), a regular licence will still have to be applied for.

²⁵ 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 as final destination. These applications are handled independently by the CDIU (see section 3.1). Applications listing EU/NAVO+ countries as final destination account for around 79% of the overall total.

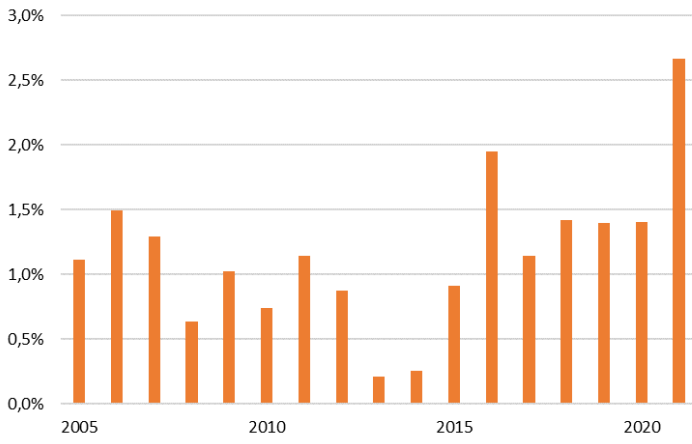


Figure 6, Denial rate, 2005-2021

[Graphic: 2.5%, 2.0%, enz.]

7. The Netherlands' exports of dual-use goods in 2021

6.1 Council Working Party on Dual-Use Goods

The number of dual-use licences issued in 2021 decreased slightly in 2021, compared with the previous year (from 793 to 765). However, the corresponding value of the licences issued actually increased, from over €11 billion to almost €13 billion. The number of licence application denials was higher this year (27) than last (21).

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 6, Number and value of licences issued and denied for dual-use goods in 2021

	Number of licences issued	Value (in € millions)	Number of licences denied	Value (in € millions)
Individual basis	446	153.48	24	0.37
Global basis	254	12,519.32	0	0
Within the EU	39	29.66	0	0.0
Catch-all	26	14.29	3	7
Total	765	12,716.75	27	7.37

This year's report also 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.

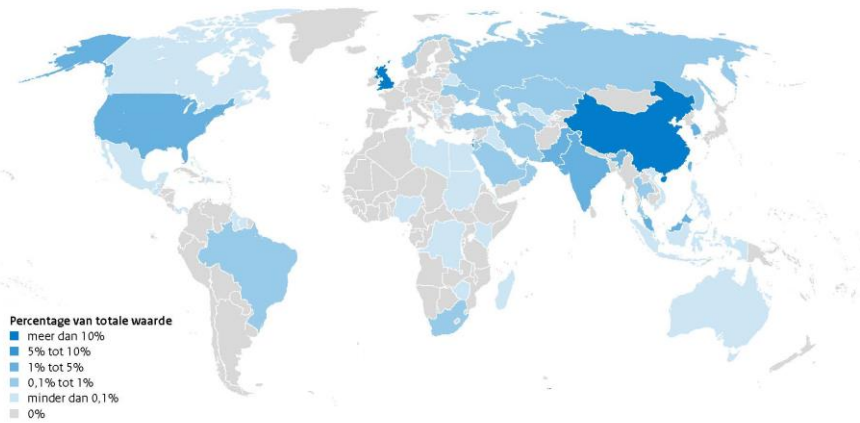
A total overview of all applications granted, including their value, destination and product category, is published every month on the website.²⁶ No details are published on licence

²⁶ <https://www.rijksoverheid.nl/onderwerpen/exportcontrole-strategische-goederen/documenten/rapporten/2016/10/01/overzicht-dual-use-vergunningen>

application denials because this could result in the disclosure of information regarding the Dutch government's intelligence position with regard to acquisition attempts.

Vergunningen dual-use goederen 2021

In 2021 werd voor meer dan € 12 miljard aan vergunningen voor de export van dual-use goederen afgegeven.



N.B.: Niet-landspecifieke, globale vergunningen voor bondgenoten besloegen 89,5% van het totaal. Deze zijn niet in bovenstaande kaart opgenomen.

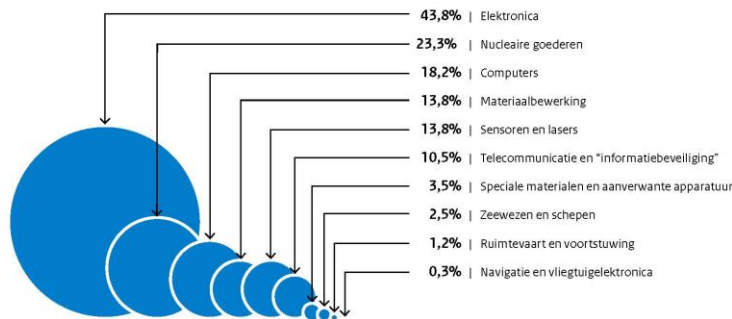


Figure 7, Overview of individual licences issued, broken down by final destination and category of good

Graph:

Licences issued for dual-use goods in 2021

In 2021, licences for a total value of over €12 billion were issued for dual-use goods.

- More than 10%
- 5% to 10%
- 1% to 5%
- 0.1%-1%
- Less than 0.1%
- 0%

NB. Non-country-specific global licences for allied countries accounted for 89.5% of the total. These are not included in the above map.

- 43.8% | Electronics
- 23.3% | Nuclear goods
- 18.2% | Computers
- 13.8% | Materials processing
- 13.8% | Sensors and lasers
- 10.5% | Telecommunications and ‘information security’
- 3.5% | Special materials and related equipment
- 2.5% | Marine
- 1.2% | Aerospace and propulsion
- 0.3% | Navigation and avionics]

The EU Dual-Use Regulation distinguishes between various categories of goods. The largest share of the total value of the individual licences issued in the Netherlands in 2021 consisted of licences for transactions of goods in the categories of electronics, telecommunications and information security.

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 individual licences issued.

Table 7, Value of exports of dual-use goods in millions of euros in 2021 (including general licences) for the top-10 countries of final destination outside the EU

	Country of destination	Value (in millions of euros)
1	Taiwan	4,140.88
2	South Korea	3,080.90
3	United States	1,367.63
4	United Kingdom	995.22
5	Switzerland	208.06
6	Russia	166.73
7	China	116.19
8	Saudi Arabia	104.10
9	Türkiye	93.39
10	Israel	87.76

The above list is very similar to the top 10 for 2021. **[Vraag AVT: Wordt hier 2020 bedoeld? (Bovenstaande lijst is 2021).]** As with last year, Taiwan is number 1, South Korea number 2 and the US number 3.

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 Paper 30 821 no. 73) – that Western countries are in danger of falling behind in the area of new key technologies, and that technology is becoming increasingly intertwined with our national and economic security. This state of affairs also has repercussions for export-control policy. Internationally, the relevant parties are already informally exploring what steps need to be taken to enhance oversight of the export of new sensitive technologies (some of which are dual-use, but often as yet non-controlled). In addition, the Netherlands is actively participating in discussions on this issue within the EU and NATO 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 new steps were again taken in 2021. 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. In 2021 the government also worked hard to set up a knowledge security centre, which will support knowledge institutions in their efforts to maintain knowledge security.

6.2 Anti-torture Regulation

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

Table 8, Value of licences issued for the export of goods listed in the Anti-torture Regulation (per category)

Total for 2021 [euros]			
	Breakdown	Number of licences	Value
Annex III goods	Article 11	10	60,122
Annex IV goods	Article 16	33	654,234

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.

In 2021, as in previous years, the Netherlands put several specific destinations on the COARM agenda, in the hope of agreeing a common EU line. In addition, COARM discussed various implementation issues related to the arms embargo on Russia, the EDF, the European Peace Facility (EPF) and post-shipment inspections, and representatives of the European Parliament explained their initiative concerning the establishment of an EU regulation on arms export controls.

Bilateral dialogues with allies are held in the framework of the Council Working Party. In 2021 discussions on export-control policy were held with Norway and the United States. COARM regularly consults with relevant stakeholders, such as the European trade association ASD, international think tanks, the international Red Cross, the European Parliament and European NGOs, including Saferworld and Conflict Armament Research.

Highlighted topic: Toward EU harmonisation and a level playing field

Government's efforts to promote a harmonised EU approach and a level playing field within the EU

Achieving a level playing field and harmonised application of the eight criteria across the EU is one of the government's long-term goals, as expressed in a number of letters to parliament, including Parliamentary Papers 34 103, no. 3 and 22 054, no. 331. To that end the Netherlands is pursuing the following tracks:

1. The Netherlands regularly calls on other EU countries at political level – partly on the basis of various parliamentary motions – to maintain a similar arms export policy. At the European Council of 18 October 2018, the prime minister urged other member states to adopt a similar policy on the conflict in Yemen to the Netherlands'. The Minister of Foreign Affairs did the same at the Foreign Affairs Councils of 18 March 2019 and 15 May 2020. He also made a similar statement at the UN Security Council in November 2018. With regard to Egypt, the Minister of Foreign Affairs called, in the Foreign Affairs Council of 25 January 2021, for equal and strict compliance with EU arms export criteria. With regard to Türkiye, the Netherlands worked intensively to promote a common EU line, which was adopted on 14 October 2019 in the Council Conclusions of the Foreign Affairs Council. In November 2020 the Minister of Foreign Affairs pressed for a moratorium on supplying arms to Türkiye that could be deployed in Syria, Libya or Nagorno-Karabakh.

2. The Netherlands works hard to promote exchanges with other EU member states within COARM about the policy on sensitive destinations and other aspects of the implementation of the Common Position. The Netherlands does so by way of round-table discussions in which EU member states explain their policy on a given issue. A total of 31 round tables were held between 2020 and 2022. Fourteen of these were initiated by the Netherlands. They related to Morocco, Jordan, Taiwan, Türkiye, the UAE, Chile, South Africa, Kazakhstan and Ukraine, among others. In these discussions the Netherlands also stressed the importance of a level playing field within the EU when it comes to sensitive destinations. These round-table discussions have recently been stepped up by giving regional experts of the European External Action Service (EEAS) a role to play. In COARM they brief the member states on the most recent developments in the region that are relevant to the assessment of export licence applications.

3. The Netherlands consults closely with other member states about similar applications for export licences. For example, in 2020 the Netherlands engaged in 12 consultations, 9 of which came about at the Netherlands' own initiative. The Netherlands' aim in this connection is to foster a 'no undercutting' policy, i.e. to prevent a situation in which one EU member grants a licence application that another member state had previously denied.

Follow-up to the review of the Common Position

The EU Common Position on Arms Exports was last reviewed in 2019. In 2021 COARM continued to work on follow-up steps formulated in the Council Decision associated with this review:²⁷

1. In 2020 the new COARM online database was introduced.²⁸ This database makes it easy to see which member states have issued licences (and the final destinations for which those licences were issued), and it contains information on the exports that were actually carried out for each final destination. Currently, proposals are being drafted for a more uniform reporting procedure for exports that have occurred in an EU framework. Greater transparency about the issuing of licences and the export process generates information for the substantive debate within the EU about the way different countries apply the Common Standpoint in practice and increases the scope for democratic scrutiny.
2. In January 2021 member states agreed a common approach to end-user statements for small and light arms. This helps foster a more uniform implementation practice across the EU for these highly sensitive exports.
3. In May 2022 the European External Action Service (EEAS) launched a shared database to aid in risk analysis for licence applications for military goods. The database contains reports from bodies like the UN, EU, OSCE and from NGOs about the human rights situation, regional developments and respect for the international legal order by countries of destination. The database is not public and is only accessible to parties involved in assessing licence applications for military or dual-use goods with a military end use. This joint database is intended to provide a shared basis for implementation practice in the member states, thereby fostering greater convergence at EU level.
4. On 9 June 2021 the first meeting of EU enforcement and licensing officers took place, in conjunction with the Working Party on Dual-Use Goods, in which member states share enforcement-related information, including at operational level. This initiative also aims to contribute to a more uniform implementation of the Common Position.

The next review of the EU Common Standpoint should be completed by 2024. At the time of writing, the first preparatory steps are being taken.

²⁷ <https://www.consilium.europa.eu/media/40660/st12195-en19.pdf>

²⁸ <https://webgate.ec.europa.eu/easqap/sense/app/75fd8e6e-68ac-42dd-a078-f616633118bb/sheet/ccf79d7b-1f25-4976-bad8-da886fdb3654/state/analysis>

Highlighted topic: Looking ahead to the 2024 review of the Common Position

The next review of the EU Common Standpoint must be completed by 2024. The first steps in this process are currently being taken. The Netherlands is contributing in the following ways:

1. The establishment of the European Defence Fund (EDF) – which aims to foster European defence cooperation by encouraging R&D and promoting the competitiveness and innovation of the European defence and industrial base – can be a key catalyst for further cooperation and harmonisation of EU export policy. The government is committed to these aims and will use the general licence model to facilitate export controls on goods that were developed or produced jointly by member states. With a general licence, parties will no longer have to apply for a separate licence that will need to be assessed in advance for each individual transaction. Companies will only have to register once as general licence users. If the registration is approved, companies can notify the authorities retroactively about the use of the licence. Monitoring takes place after the fact. There is no individual assessment per transaction on the front end. The process works on the basis of trusting in the export-control system of the partner country to which the goods in question are being exported. The Netherlands has used this type of general licence before, for the joint F-35 programme.
2. The Netherlands is also working to find a common approach at EU level for facilitating jointly produced or developed military goods. Since November 2021, the Netherlands and France have co-chaired a focus group within the framework of COARM which explores ways in which export-control policy could facilitate industry-wide cooperation in the defence sector, for example under the aegis of the EDF. For the Netherlands it is essential that such facilitation efforts do not trigger a race to the bottom.
3. The Netherlands also wants to work to develop a more collective approach to export control, on the basis of shared values and a common risk assessment. In other words, the Dutch authorities favour a greater degree of harmonisation in the implementation of the Common Position. To this end the Netherlands, together with other like-minded countries, is exploring ways of enshrining certain elements of export control, such as a common risk assessment, in an EU regulation.

EU Outreach

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 2021 it was decided to continue the Arms Trade Treaty (ATT) outreach programme, aimed at raising awareness of the ATT in partner countries (Council Decision (CFSP) 2021/2309). 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 Common Position, which endeavours to raise awareness of the EU Common Position in European Neighbourhood Policy countries. It was renewed in 2021 by Council Decision (CFSP) 2021/814 in connection with a delay caused by COVID-19, which prevented certain activities, such as workshops, from being held. Finally, via Council Decision (CFSP) 2021/649 COARM agreed to provide financial support to the ATT secretariat for the purpose of promoting the implementation of the treaty.

European Peace Facility

On 22 March 2021 the European Peace Facility (EPF) was founded. The EPF is a new financial instrument that funds activities in the framework of the Common Foreign and Security Policy that have implications for the defence or military sphere. Its aim is to help the EU prevent conflicts, build peace and strengthen international security. The House of Representatives was informed about this in writing (Parliamentary Paper 21 501-02, no. 2468). In 2021 no goods on the military list were supplied in connection with an EPF operational action.

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

On 21 December 2021 the Council adopted the EU's 23rd Annual Report On Arms Exports,²⁹ which provides an overview of the subjects discussed in COARM. The report also contains detailed statistical data on exports of military equipment by the EU member states in 2020.³⁰

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 held by EU partners.

In 2020 the total value of arms export licences issued by EU member states was **€167 billion**. France issued the highest value of licences at €118 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) will be lower. In 2020, as in the previous year, the Netherlands was in 10th place in the EU. The following table lists the total value of licences issued in 2020 by country and each country's share of the total.

²⁹ [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021XG1221\(01\)&qid=1640074393160](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021XG1221(01)&qid=1640074393160)

³⁰ Unlike the present report, the EU report covers 2020, not 2021.

Table 9, European arms exports in 2020

Country	Value of licences issued	Share of total (%)
France ³¹	118,233,148,951	70.8%
Spain	26,551,885,603	15.9%
Germany	6,226,391,582	3.7%
Italy	3,927,988,409	2.4%
Belgium	2,971,817,580	1.8%
Sweden	1,423,876,982	0.9%
Poland	1,415,079,632	0.8%
Austria	1,387,369,060	0.8%
Bulgaria	1,086,600,412	0.7%
The Netherlands	701,757,721	0.4%
Hungary	512,198,640	0.3%
Croatia	483,242,857	0.3%
Finland	305,727,851	0.2%
Czech Republic	296,939,129	0.2%
Slovenia	284,671,126	0.2%
Slovakia	266,465,342	0.2%
Greece	195,816,634	0.1%
Romania	175,209,680	0.1%
Denmark	146,375,447	0.1%
Ireland	108,479,411	0.1%
Portugal	105,064,106	0.1%
Estonia	70,439,905	0.0%
Lithuania	33,982,115	0.0%
Luxembourg	8,166,818	0.0%
Latvia	3,377,628	0.0%
Cyprus	413,287	0.0%
Malta	16,900	0.0%
Total	166,922,502,808	100.0%

Besides EU member states and NATO Allies, the main destinations for the EU were the United Arab Emirates, Saudi Arabia and Egypt. The break-down by final destination is illustrated in the figure below:

³¹ The figures for France are not comparable due to a different reporting system.



Figure 7, Value of EU export licence on the basis of final destination in 2020.³²

The EU's annual report further indicates that member states issued a total of 30,604 licences and that 185 licence applications were denied and reported. The number of denied applications was slightly lower than in previous years. Figure 10 shows the denial rate reported by various EU member states. Not all EU members denied licence applications or disclose the percentage of applications that have been denied. In 2020 Malta had the highest percentage of denials (20%), followed by Ireland (6.5%) and Finland (2.4%). The Netherlands' denial rate for 2020 was, at 1.4%, higher than the corresponding figure for 2019 (0,6%) and lower than that of 2018 (2%).

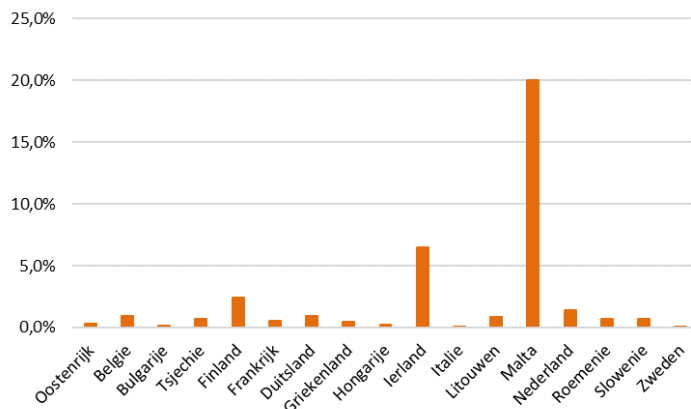


Figure 8, Denial rate in various EU countries in 2020

[Graphic: 30.0%, 25.0%, enz. Austria, Belgium, Bulgaria, Czech Republic, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Malta, The Netherlands, Romania, Slovenia, Sweden]

³² Source: COARM Public online database: <https://webgate.ec.europa.eu/easngan/sense/app/75fd8e6e-68ac-42dd-a078-f616633118bb/sheet/24ca368f-a36e-4cdb-94c6-00596b50c5ba/state/analysis>

In 2020 there were a total of 56 consultations between EU member states regarding licence denials. This is a decrease from the previous year (119). In 2020 the Netherlands was involved in nine consultations, six of which at its own initiative and three at the initiative of another member state.

7.3 Council Working Party on Dual-Use Goods

In December 2021 the modifications to the control lists of the various export-control regimes from 2020 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 cyber-surveillance 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 entered into force on 9 September 2021. The relevant Dutch legislation has been amended accordingly. To this end a bill implementing the regulation was sent to the House of Representatives in September 2021.³³ It provides for amendments to the Strategic Services Act (WSD) and the Strategic Goods Decree (BSG) and a number of regulations and ministerial orders.³⁴ In response to questions from the Permanent Parliamentary Committee on Foreign Trade and Development Cooperation, a memorandum was sent to the House (Parliamentary Paper 35 904, no. 6). The bill was passed by the House on 22 March 2022. On 21 June 2022 the Senate also passed the Act as a formality. The most notable amendment to the regulation is the introduction of the concept of 'cyber-surveillance 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 amendment, which various parties – and the Netherlands in particular – have been advocating for several years. In the motion submitted by MPs Roelof Bisschop and Gert-Jan Segers (Parliamentary Paper 35 719, no. 6) the House also requested more information about the process of subjecting certain surveillance technology (including cyber-surveillance technology) to the export-control regime. Due in part to the rapidity of technological developments in the field of cyber surveillance, much is still unclear about the exact definition of the concept.

³³ 35 904 Amendment to the Strategic Services Act implementing Regulation (EU) 2021/821 of the European Parliament and of the Council of 20 May 2021 setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items (recast) (OJEU 2021, L 206) (Act implementing the amended Dual-Use Regulation).

³⁴ The Strategic Services Implementing Regulations (USD), the Ministerial Order on Dual-Use Goods (RGTG), the Ministerial Order on the Export of Dual-Use Goods to Iraq (RGTI), the Strategic Goods Implementing Regulations 2012 (USG12) and the national general export licences NL002 and NL010.

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. The study was conducted by the University of Amsterdam's Institute for Information Law (IViR).³⁵ 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 the study and an initial assessment were shared with the House of Representatives on 6 October 2021 (Parliamentary Paper 22 112, no. 3210).

The new regulation has also made further changes 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 by:

- further harmonising the licensing procedure, by way of introducing a number of new general EU export licences;
- increasing transparency on the part of EU member states in reports to the European Commission on national activities in regard to export controls;
- harmonising controls governing the provision of technical assistance;
- expanding the level playing field within the EU by making the end-user statement and an internal compliance programme mandatory for certain licences;
- lowering the threshold for member states to adopt each other's ad hoc licence requirements in connection with public safety and human rights considerations;
- simplifying low-risk transactions for companies by means of general licences and by giving member states the opportunity to renew certain licences.

In these respects the Regulation seeks to make a positive impact in terms of enhancing security, preventing human rights violations, reducing disruptions to competitiveness within the EU single market, and improving the level playing field.

7.4 EU annual report for 2020 on dual-use exports

Every year, on the basis of article 23 of the Dual-Use Regulation, the European Commission submits a report³⁶ to the European Parliament detailing the activities of the dual-use coordination group. In November 2021 the report on 2020 was published.

According to the published data, EU dual-use exports account for 2.3% of total EU exports.

³⁵ University of Amsterdam, IViR, 'The new rules for export control of cyber-surveillance items in the EU', June 2021.

³⁶ European Commission, Report on **[Noot AVT typfout in NL: 2x 'on']** the implementation of Regulation (EU) 2021/821 setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items. COM (2021) 716, 23 November 2021.

8. Other relevant international developments

There have also been 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 consistent with several of the 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.

The ATT has 111 states parties, the newest of which is the Philippines, which joined on 22 June 2022. Thirty other countries have signed the Treaty but not yet ratified it. The Netherlands and Europe will continue to encourage more countries to accede to the ATT.

Because of the COVID-19 pandemic, the seventh Conference of States Parties (CSP) of the ATT took place in a virtual setting and an abbreviated form, between 30 August and 3 September 2021. At the initiative of conference chair Sierra Leone, the conference paid particular attention to small arms and light weapons and stockpile management. Another item on the agenda was inadequate compliance with reporting requirements under the treaty and the treaty's precarious financial situation given that many states parties have not been paying their contribution. Since November 2021 the Netherlands has been co-chair of the ATT working group on transparency and reporting practices.

In addition, the Netherlands again made a financial contribution to the ATT's Sponsorship Programme, which enables developing countries to send their own experts to multilateral ATT meetings. The Netherlands believes it is vital for experts from the individual countries to be present at working party meetings on both the implementation of the Treaty and on the Treaty's reporting obligations. In addition, the Netherlands made a multi-year financial contribution to the ATT monitor,³⁷ 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 transparency obligations. The Netherlands' annual ATT reports are public documents.³⁸ In 2021 the Netherlands also supported developing countries in acceding to and implementing the Treaty, via a multi-year contribution to the ATT Voluntary Trust Fund.³⁹

³⁷ <http://controlarms.org/en/att-monitor/>.

³⁸ <https://thearmstradetreaty.org/annual-reports.html?templateId=209826>.

³⁹ <https://www.thearmstradetreaty.org/voluntary.html>.

8.2 UN Register of Conventional Arms and legislative transparency

UN Register of Conventional Arms⁴⁰

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 **[Noot AVT: 'onbemande vliegtuigen' ontbreekt in NL versie. Zie: <https://www.unroca.org/about>** and unmanned combat aerial vehicles (UCAV); V. attack helicopters; VI. warships; VII. missiles and missile launchers and VIII. small arms and light weapons. The Register also contains information on 'military holdings' (where countries indicate, per category, how many of each weapon category they possess) and 'procurement through national production' (where countries indicate how much they have produced of each category of weapon for their own use).

Since its inception, more than 170 countries have at one 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. In 2005 115 countries submitted reports, but by 2020 that number had fallen to 39. For its part the Netherlands submits a report every year and continues to press 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 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

In 2002, the Netherlands began submitting a resolution on national legislation on the 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

⁴⁰ <https://www.un.org/disarmament/convarms/register/>.

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.

An electronic UN database was created in the framework of the resolution 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 now must 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 the practice of reporting to the UNODA database is expected to become less common. The Netherlands pressed for **[Noot AVT: typfout in NL versie 'heeft zich ervoor in']** the UNODA and ATT reports to be linked, in order to prevent overlap and duplication and facilitate compliance with international reporting obligations. This link was achieved in 2021.

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 takes its name from the town where the negotiations to establish the Arrangement were conducted in 1995, under the chairmanship of the Netherlands.⁴¹ 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',⁴² 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 restraint 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 deemed 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.

⁴¹ In 2021 only Cyprus was not yet a member, due to Turkish objections.

⁴²The Initial Elements can be consulted on the website of the Wassenaar Arrangement: www.wassenaar.org

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.

Amendments

As in 2020, the closing Plenary Meeting was cancelled in 2021 due to the COVID-19 pandemic. The topics submitted to the Plenary Meeting by the General Working Group were therefore approved by way of a silence procedure. These topics included outreach, the working programme for 2022 and the selection process for a new Head of Secretariat. In light of the global COVID-19 situation, there were few in-person WA Expert Group meetings. In the end only a few minor changes were made in late 2021 on the basis of the amendment of the control list in the context of the Wassenaar Arrangement (WA) in late 2020.

8.4 Developments in 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 four 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 could 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.

In June 2021 the NSG held a plenary session in Brussels, its first in-person meeting since 2019. Because of the pandemic, little progress was made in the past year on the various issues. Consequently, the focus of the meeting was on re-starting the various processes and working groups. In addition to the physical meeting, there were also various informal online sessions.

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.

Because of the COVID-19 pandemic there was no plenary meeting in 2021, only digital meetings. During the three digital meetings, participants shared their experiences with real-world examples of enforcement, new technological developments and list negotiations.

8.4.3 Missile Technology Control Regime (MTCR)

The Missile Technology Control Regime (MTCR)⁴³ 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 2021.

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. The Netherlands plays an active role within the MTCR, both at the level of policy and within the regime's expert groups.

Since September 2021 the MTCR has been chaired by Russia, which organised the plenary meeting of the regime in Sochi in October, preceded by meetings of the expert groups. Owing to the COVID-19 pandemic, not all countries that are part of the regime were represented at the meeting. Topics discussed at the meeting included outreach and new memberships.

⁴³ www.mtcr.info.

Annexe 1 Licences issued for the export of military goods

Overview of the value of licences issued in 2021 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 the reimport requirement given 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.

Transition to EU ML goods categories

Starting with the 2021 edition of the annual report, we have adopted the categorisation used by the EU (ML1-ML22) in its list of military goods. 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. The statistics for previous years can also be viewed in the online COARM database.

ML category	Description	Value (in € millions)
ML1	Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12.7 mm (calibre 0.50 inches) or less and accessories and specially designed components therefor	31.24
ML2	Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12.7 mm (calibre 0.50 inches), projectors specially designed or modified for military use and accessories and specially designed components therefor	15.42
ML3	Ammunition and fuze setting devices and specially designed components therefor	82.75
ML4	Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories and specially designed components therefor	75.31
ML5	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	64.01
ML6	Ground vehicles and components	42.67
ML7	Chemical agents, 'biological agents', 'riot control agents', radioactive materials, related equipment, components and materials	0.51
ML8	'Energetic materials' and related substances	0.00
ML9	Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels	35.64
ML10	'Aircraft', 'lighter-than-air vehicles', 'Unmanned Aerial Vehicles' ('UAVs'), aero-engines and 'aircraft' equipment, related equipment, and components, specially designed or modified for military use	295.49
ML11	Electronic equipment, 'spacecraft' and components, not specified elsewhere on the EU Common Military List	11.49
ML12	High velocity kinetic energy weapon systems and related equipment and specially designed components therefor	-
ML13	Armoured or protective equipment, constructions and components	17:27
ML14	'Specialised equipment for military training' or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or ML2, and specially designed components and accessories therefor	4.65

Table
10A
Value
of

ML category	Description	Value (in € millions)
ML15	Imaging or countermeasure equipment specially designed for military use, and specially designed components and accessories therefor	6.45
ML16	Forgings, castings and other unfinished products, specially designed for items specified by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19	3.03
ML17	Miscellaneous equipment, materials and 'libraries' and specially designed components therefor	3.53
ML18	'Production' equipment, environmental test facilities and components	37.78
ML19	Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test models and specially designed components therefor	-
ML20	Cryogenic and 'superconductive' equipment and specially designed components and accessories therefor	0.61
ML21	Software	45.17
ML22	Technology	155.45
	Total (ML categories)	928.46

Table
10A
Value of

[Table 10A. Value of licences issued for the permanent export of military goods in 2021 \(broken down in accordance with the ML system\)⁴⁴](#)

⁴⁴ For more information see the EU Common Military List:

Table 10B, Value of licences issued for the permanent export of military goods by country of destination
(broken down by ML category)

Total for 2021 [€ millions]																							
	ML1	ML2	ML3	ML4	ML5	ML6	ML7	ML8	ML9	ML10	ML11	ML12	ML13	ML14	ML15	ML16	ML17	ML18	ML19	ML20	ML21	ML22	Total
Algeria											0.58										0.07	0.58	1.23
Australia						0.40			0.21	0.00					0.01						0.00	0.75	1.37
Austria	0.33					0.49							0.14										0.97
Bahrain					0.12																		0.12
Bangladesh					0.13																0.21	0.21	0.55
Belgium						0.08																	0.08
BES islands	0.01		0.03										0.06										0.10
Brazil	0.03				6.67					0.02	0.05										6.67	6.67	20.10
Brunei Darussalam					0.19																0.19	0.19	0.57
Cameroon						0.10																	0.10
Canada		0.50		0.00		0.07			0.67	0.04	0.08										3.33	5.71	10.40
Central African Rep.													0.03										0.03
Chile					0.97					1.35	0.97				0.97						0.97	2.32	7.55
China									1.50														1.50
Colombia					0.40																0.40	0.40	1.21
Croatia	0.01																						0.01
Curaçao	0.00		0.02																				0.02
Czech Republic	0.16					0.13				0.04													0.33
Denmark	0.03		0.01	1.04		2.18																1.03	4.28
Djibouti									0.09													0.09	0.18
Egypt									1.60		2.75			0.20							0.85	0.98	6.38
Estonia						0.85																	0.85
EU/NATO+	1.36	0.63	0.61	0.61	9.11	1.59			0.61	180.07	3.58		0.47	0.61	1.61	1.00	0.02			0.61	0.92	7.37	210.77

Total for 2021 [€ millions]																							
	ML1	ML2	ML3	ML4	ML5	ML6	ML7	ML8	ML9	ML10	ML11	ML12	ML13	ML14	ML15	ML16	ML17	ML18	ML19	ML20	ML21	ML22	Total
Finland	0.00	0.00	0.00		0.04	0.40				0.00											0.04	0.49	
France	0.02		0.01		12.55	7.59		0.00	1.04	0.13					0.47		0.00				12.55	13.70	48.04
Germany	0.82	7.55	0.78	1.21	1.13	13.53			0.82	0.58			16.18	1.67	1.17	0.09	0.00	0.21			0.20	20.62	66.57
Greece						0.28				0.06												0.00	0.34
Hungary	0.01	4.04				0.01				0.02								0.23				0.00	4.29
Iceland	0.00																						0.00
India					1.67	0.21			4.22													3.10	9.20
Indonesia					0.16				1.26												0.16	1.42	2.99
Ireland					0.75	0.75				0.33													1.83
Israel					0.15		0.00		0.30									0.02				0.08	0.55
Italy		0.32	3.74	49.60		0.02			0.31	0.23			0.00	0.55								0.87	55.65
Japan					0.90																0.90	0.90	2.70
Jordan						0.36																	0.36
Lithuania	2.36					2.59									0.01								4.95
Luxembourg						0.02																	0.02
Malaysia				0.11	0.64																0.62	0.62	1.99
Mali		0.21		0.21																			0.42
Malta	0.07																						0.07
Mongolia						0.12																	0.12
Morocco																						0.37	0.37
New Zealand	0.01								0.30														0.31
Nigeria		1.93				0.06			0.38	0.38	0.38		0.38		0.38							0.38	4.24
Norway	0.00	0.02		14.19		2.73			0.01	0.00	0.00				0.01			0.07					17.03
Oman										3.19													3.19
Pakistan					1.34					0.01	0.01										1.23	1.23	3.81
Poland	0.07	0.01	0.01	0.00		0.04									0.01								0.14

Total for 2021 [€ millions]																								
	ML1	ML2	ML3	ML4	ML5	ML6	ML7	ML8	ML9	ML10	ML11	ML12	ML13	ML14	ML15	ML16	ML17	ML18	ML19	ML20	ML21	ML22	Total	
Portugal	0.00			3.22						0.14													3.36	
Qatar					1.54					7.50	0.21										1.00	8.50	18.75	
Romania	0.00								1.03	0.03													1.07	
Saudi Arabia							0.05																0.05	
Senegal									0.88														0.88	
Singapore					0.00	0.90								0.02		0.02						0.00	0.07	1.01
Slovakia	0.00																						0.00	
Slovenia	0.03																						0.03	
Slovakia	0.00																						0.00	
South Africa	0.00								0.00													0.00	0.00	
South Korea					15.75	0.09	0.45		0.27								3.38				9.53	16.27	45.75	
Spain	0.01				0.27	0.00			0.01	0.63				0.22	0.01		0.00					0.80	1.95	
Sweden	0.05	0.06	0.02			0.42			0.57								0.03				0.32	0.57	2.05	
Switzerland	0.02		0.08		0.07	1.08										0.59	0.01					0.08	1.92	
Taiwan					0.23				8.67													0.02	0.02	8.93
Thailand					0.71						1.64											0.71	2.34	5.39
Türkiye					0.10				1.64	0.21												0.01	1.65	3.62
Ukraine				0.00											0.05								0.05	
Various												0.01										0.01	0.01	
United Arab Emirates				3.98	2.80				0.26												2.60	6.58	16.21	
United Kingdom	0.13	0.03	0.01	0.99	1.13	5.19	0.00		5.37	10.30	1.00			0.00	0.65	0.50	0.08				0.00	0.69	26.09	
United States	25.72	0.12	77.43	0.15	4.50	0.38	0.00		3.62	90.43	0.03			1.37	1.09	0.84		37.26			1.74	48.27	292.98	
	31.24	15.42	82.75	75.31	64.01	42.67	0.51	0.00	35.64	295.49	11.49	0.00	17.27	4.65	6.45	3.03	3.53	37.78	0.00	0.61	45.17	155.45	928.46	

Annexe 2: Evolution of the value of licences issued for export of military goods from the Netherlands since 1996

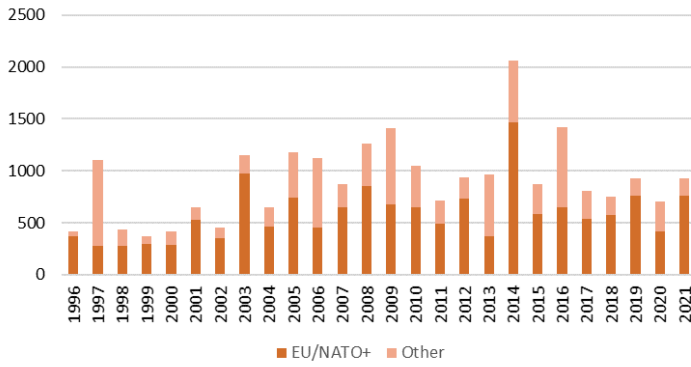


Figure 9, Value of licences issued, in € millions per year

* 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 2021 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, Türkiye, 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 11, Value of reported uses of general transfer licences for the permanent export of military goods in 2021 under NL003 (armed forces) by country of destination

Country of destination	Value (€ millions)	Breakdown
Austria	0.0	ML 10
Croatia	0.2	ML 10
Denmark	4.5	ML 5, 10, 11, 21, 22
France	10.2	ML 5, 21
Germany	6.2	ML 5, 6, 10, 11, 22
Greece	2.9	ML 5, 21
Italy	0.5	ML 5, 11, 21, 22
Norway	0.2	ML 7
Poland	0.0	ML 21
Spain	0.0	ML 11
Sweden	0.0	ML 11, 21
United Kingdom	1.6	ML 5, 6, 21
Total	26.3	

Table 12, Value of reported uses of general transfer licences for the permanent export of military goods in 2021 under NL004 (certified recipients) per country of destination

Country of destination	Value (€ millions)	Breakdown
Belgium	1.0	ML 5, 6
Denmark	0.0	ML 4
France	16.8	ML 5, 6, 10, 22
Germany	8.3	ML 5, 6, 9, 11, 15, 22
Sweden	0.4	ML 6, 15
Total	26.5	

Table 13, Value of reported uses of general transfer licences for the permanent export of military goods in 2021 under NL005 (demonstration, evaluation or exhibition) by country of destination

Country of destination	Value (€ millions)	Breakdown
Belgium	0.0	ML 11
Bulgaria	0.0	ML 13
Denmark	0.2	ML 5, 13, 15, 21
Finland	0.0	ML 11, 13
France	3.2	ML 4, 5, 6, 11, 13, 15
Germany	4.0	ML 5, 11, 13, 15, 21
Greece	0.1	ML 5, 13
Hungary	0.0	ML 13
Italy	0.3	ML 5, 6, 13, 15
Norway	0.0	ML 13
Poland	0.0	ML 5, 13
Spain	0.0	ML 5, 11, 13
Sweden	0.0	ML 13
United Kingdom	9.3	ML 5, 6, 9, 11, 13
Total	17.2	

Table 14, Value of reported uses of general transfer licences for the permanent export of military goods in 2021 under NL006 (repair, maintenance and servicing) by country of destination

Country of destination	Value (€ millions)	Breakdown
Austria	0.4	ML 6
Belgium	0.2	ML 5, 10
Czech Republic	0.0	ML 6, 10, 11
Denmark	1.2	ML 5, 6, 10, 11
Finland	0.4	ML 6
France	5.6	ML 5, 6, 9, 10, 11, 15, 21
Germany	36.5	ML 5, 6, 10, 11, 15
Greece	1.6	ML 5
Ireland	0.0	ML 5
Italy	12.6	ML 4, 5, 11, 15
Norway	0.2	ML 6, 15
Poland	0.4	ML 5, 10
Portugal	0.5	ML 5, 10
Romania	0.0	ML 5
Slovenia	0.0	ML 6
Spain	0.1	ML 5, 11
Sweden	0.8	ML 5, 6, 11, 15
Switzerland	0.0	ML 11
United Kingdom	12.6	ML 5, 6, 9, 10, 11, 15
Total	73.0	

Table 15. Value of reported uses of general transfer licences for the permanent transit of military goods in 2021 under NL007 (originating from an allied country) by country of destination

Country of destination	Value (€ millions)	Breakdown
Brazil	3.2	ML 10
Chile	1.0	ML 5, 10, 11, 13
Indonesia	0.0	ML 11
Italy	0.0	ML 11
Malaysia	0.0	ML 11
Pakistan	0.0	ML 10, 11
Peru	0.5	ML 10, 11
Philippines	0.0	ML 11
South Africa	2.1	ML 10
Spain	0.6	ML 11
Taiwan	0.0	ML 11
Thailand	0.0	ML 11
Ukraine	0.0	ML 11
United Arab Emirates	0.0	ML 11
United States	0.0	ML 6
Total	7.6	

Table 16. Value of reported uses of general transfer licences for the permanent transit of military goods in 2021 under NL008 (allied country as final destination) by country of destination

Country of origin	Value (€ millions)	Breakdown
Australia	0.0	ML 1
Austria	0.9	ML 4, 7, 17
Belgium	1.5	ML 1, 3, 10, 13
Canada	2.2	ML 1, 6, 10
Czech Republic	0.0	ML 13
Denmark	0.1	ML 10, 13
Estonia	0.5	ML 3, 6
Finland	0.0	ML 6, 13
France	0.1	ML 3, 7, 10, 17
Germany	24.8	ML 2, 3, 4, 6, 9, 10, 11, 13
Greece	0.0	ML 11
Iceland	0.0	ML 3
Ireland	2.2	ML 3, 4
Italy	0.4	ML 7, 10, 11, 17
Latvia	2.8	ML 3
Lithuania	0.1	ML 3
Luxembourg	0.0	ML 1, 11
Norway	0.8	ML 10, 13
Poland	0.1	ML 13
Portugal	0.1	ML 10, 11
Romania	0.0	ML 11
Slovakia	0.0	ML 13
Slovenia	0.0	ML 13
Slovakia	0.0	ML 13
Spain	0.0	ML 7, 10, 17
Sweden	17.8	ML 10
Switzerland	0.1	ML 3, 10
United Kingdom	4.4	ML 3, 6, 7, 10, 13, 17
United States	49.8	ML 1, 3, 6, 9, 10, 11, 17, 18
Total	108.6	

[Noot AVT: In de NLse tekst is bovenstaande tabel niet in A/Z-volgorde, noch op basis van de Nederlandse landsnaam noch op basis van de Engelse]

Table 17, Value of reported uses of general transfer licences for the permanent export of military goods in 2021 under NL009 (F-35 Lightning II) by country of destination

Country of destination	Value (€ millions)	Breakdown
Austria	0.7	ML 10
Canada	0.5	ML 10
Guam (US)	0.1	ML 10
Israel	0.6	ML 10, 11, 19
Italy	10.1	ML 10
Japan	2.6	ML 5, 10, 17
Norway	0.1	ML 10, 11
Singapore	0.1	ML 10
South Korea	0.0	ML 10
Türkiye	0.7	ML 10
United Kingdom	4.7	ML 10, 17
United States	204.9	ML 5, 10, 11, 12, 14, 17, 19, 22
Total	225.1	

Table 18, Value of reported uses of general transfer licences for the permanent transit of military goods in 2021 under NL009 (F-35 Lightning II) by country of destination

Destination	Value (€ millions)	Breakdown
Austria	0.0	18
Denmark	0.0	10
Hungary	0.1	10, 18
Israel	0.1	10
Italy	0.2	10
Norway	0.3	10
Türkiye	0.4	10
United Kingdom	0.3	10
United States	234.9	10, 17, 18
Total	236.3	

Annexe 4: Transit of military goods

Table 19, Value of licences issued in 2021 for the transit of military goods

	ML1	ML2	ML3	ML4	ML5	ML6	ML9	ML11	ML13	Total (€ millio ns)
Armenia									0.01	0.01
Brazil					0.11					0.11
Chile	0.02							0.88		0.89
Israel		1.25	1.86							3.11
Jordan			0.32	0.90						1.21
Kosovo				0.01						0.01
Paraguay			0.38							0.38
Philippines									0.02	0.02
South Africa	0.00		0.26							0.26
South Korea							22.97			22.97
United Arab Emirates						0.35			0.00	0.35
Total	0.02	1.25	2.81	0.90	0.11	0.35	22.97	0.88	0.03	29.31

Annexe 5: Brokering services for military goods

This annexe contains 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 supply of goods and technology. Companies are asked to specify the value of the brokering services to the best of their ability in the licence application.

Table 20, Value of licences issued in 2021 for the transit of military goods

Country of final destination	Country of origin	ML	Brokering services in relation to value in euros	
Djibouti	South Africa	ML9	Patrol vessels	Unknown
Taiwan	United States	ML11	Inspection equipment for tubes	39,000
United States	United States	ML11	Electronic equipment	39,000
EU/NATO+	United States	ML2; ML9; ML11; ML13; ML16; ML21; ML22; ML4; ML5; ML10	Brokering services for military goods, software and technology	Unknown
United States	United States		Electronic equipment	56,000
United States	United States		Electronic equipment	24,000

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 to Türkiye (see chapter 3.2).

Table 21, part A, licence application denials for the export of military goods in 2021

Country of final destination	Brief description	Number of items	Recipient	End user	Date of denial	Reason for denial
Cameroon via Portugal	Tires for C-130 aircraft	10	Scope	Cameroonian Air Force	12-01-2021	2, 3, 6
Taiwan via US	Shock absorbers for radar systems	2	DRS Laurel Technologies	Taiwanese Ministry of Defence	14-01-2021	1
Bangladesh	Handguns	2	Moin Firearms	Moin Firearms	18-01-2021	7
Türkiye	Components for radar and C3 systems and associated software, technology and technological assistance	n/a	Aselsan Elektronik Sanayi ve Ticaret A.S.	Turkish Navy	04-02-2021	4, 5, 6, 7
UAE via France	Ammunition lifts and associated technology	2	Naval Group Lorient	UAE Navy	09-02-2021	POD, 2, 6
Taiwan	Vision systems for vehicles	1	National Chung-Shan Institute of Science and Technology		09-02-2021	1
Israel	Thermal visors	4	Aroma Arms Tactical Ltd		24-03-2021	7
UAE via Estonia	Diesel engine tank for ship	1	DK Logistics Ltd	MCF Shipping DMCC	31-03-2021	7
Saudi Arabia	Video conferencing software	6	Technology Investment Trading Company	General Investigation Department (GID)	16-04-2021	POD, 2, 6
Thailand	Components for radar systems	1	Datagate Co. Ltd	Thai Army	19-04-2021	2, 6
UAE	Aircraft parts	26	UAE Air Force	UAE Air Force	20-04-2021	POD, 2
UAE	Launch installations for guided projectiles	56	Abu Dhabi Shipbuilding	UAE Navy	18-06-2021	POD, 6, 7
Egypt	Shock absorbers	100	Shyft group Spartan RV Chassis	Egypt Armed Forces	23-06-2021	7
Cambodia	Mobile telecommunication systems	1		National police force	12-07-2021	2, 3, 6

Country of final destination	Brief description	Number of items	Recipient	End user	Date of denial	Reason for denial
Egypt	Information-security equipment and software	4	Aptec Egypt	Ministry of the Interior	16-08-2021	2, 6, 7
Egypt	Dual-use detection equipment for biological weapons	8		Egyptian Ministry of Defence Chemical Corps Department	19-08-2021	1, 6, 7
Türkiye	Parts, software and technology for radar and C3 systems	1	Turkish Ministry of Defence	Turkish Navy	02-11-2021	4, 5, 6, 7
Bahrain via UAE	Dual-use equipment for information security and data storage	15	Aptec Gulf Ltd	National Intelligence Agency, Bahrain	10-11-2021	2, 6, 7
Saudi Arabia	Dual-use software and equipment for video conferencing	5	MDS for Computer Systems Co.	Ministry of Defence and Aviation	16-12-2021	POD

Table 21, part B, licence application denials for the transit of military goods in 2021

Country of final destination	Brief description	Number of items	Recipient	End user	Date of denial	Reason for denial
UAE via France	Ammunition	17,800	Abu Dhabi Proof House Tawazun Facilities Com LLC		31-03-2021	POD, 7
Ukraine	Cartridges (various calibres)	1,685,000	Feniks LLC	Feniks LLC	18-04-2021	7
South Africa	Bullet-proof windscreens	13	SG AGITILY PTY LTD	SG AGITILY PTY LTD	21-04-2021	7

Table 21, part C, sondage application denials for military goods in 2021

Country of final destination	Brief description	Number of items	Recipient	End user	Date of denial	Reason for denial
Indonesia via Brazil	Plastic clips for packaging and transporting 5.56 mm bullets	5,000,000	Companhia Brasileira de Cartuchos	Indonesian Army	27-01-2021	3
UAE	Provisioning system	1	Trust International Group LLC	UAE Navy	02-02-2021	POD, 2, 6
China	Wind tunnel test data	1	AVIC First Aircraft Institute		18-02-2021	4, 6, 7
Taiwan	Technology for ship development	1	Ship and Ocean Industries R&D Center SOIC	Taiwanese Coastguard	13-04-2021	1
China	Technology for patrol vessels	1	Plenty Shipbuilding Industry Co. Ltd	Malaysian Coastal Guard	14-04-2021	1, 7
Philippines via Türkiye	Target-detection systems	6	FNSS Savunma Sistemleri A.Ş.	Filipino Army	15-04-2021	2, 3, 6
Morocco	Non-armoured vehicles	400	Administration de la Défense Nationale	Moroccan Ministry of Defence	17-04-2021	4
UAE	Test results for aircraft	1	Calidus LLC		18-06-2021	POD, 2, 4, 6, 7
Egypt	Military detection equipment for chemical weapons	9			19-08-2021	1, 6, 7
Pakistan	Parts for F-16 aircraft engines	n/a	MK Brothers Pakistan	Pakistani Air Force	02-12-2021	4

Annexe 7: Surplus defence equipment

Table 22, Overview of licences for surplus defence equipment sold by the Netherlands to foreign parties in 2021

Type of equipment	To/via ⁴⁵	Country of final destination	End user
Spare parts for air systems	Air & Ground (US)	US	Air & Ground (US)
F-16 Air frame for instructional purposes	Belgium (G2G)	Belgium	Ministry of Defence
F-16-related materiel	Daedalus	Chile	Ministry of Defence
Spare parts for air systems	Denmark (G2G)	Denmark	Ministry of Defence
Spare parts for radar	Denmark (G2G)	Denmark	Ministry of Defence
F-16 aircraft	Draken International	US	Draken International
Spare parts for air systems	Germany (G2G)	Germany	Ministry of Defence
Ammunition	Germany (G2G)	Germany	Ministry of Defence
Spare parts for maritime systems	Germany (G2G)	Germany	Ministry of Defence
Ambulances (non-strategic)	Estonia (G2G)	Estonia	Ministry of Defence
Spare parts for C-130	Hayward and Green Defence Ltd	Malaysia	Ministry of Defence
Spare parts for Lynx	Hayward and Green Defence Ltd	UK	Hayward and Green Defence Ltd
Spare parts for Lynx	Hayward and Green Defence Ltd	US	SOI Aviation
Parts for on-board gun	Leonardo Company	Italy	Leonardo Company
Land-based materiel and small-calibre arms	Lithuania (G2G)	Lithuania	Ministry of Defence

⁴⁵ 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 ⁴⁵	Country of final destination	End user
Spare parts for air systems	Norway (G2G)	Norway	Ministry of Defence
KDC-10-related equipment	Omega Air	US	Omega Air
Mine hunters (AMBV's)	Pakistan (G2G)	Pakistan	Ministry of Defence
Spare parts for air systems	Portugal (G2G)	Portugal	Ministry of Defence
Total value of contracts		€84.49 million	