

Letter of 11 November 2013 from the Minister for Foreign Trade and Development Cooperation and the Minister of Foreign Affairs to the House of Representatives on the report, 'The Netherlands arms export policy in 2012'

Following the "Note on greater transparency with respect to reporting on the export of military goods" offered earlier of February 27, 1998 (House of Representatives, 1997-1998, 22 054, No. 30), we do hereby submit a report, with a number of Appendices, on the Dutch arms export policy in 2012.

This report (which will also will be published as an English-language publication) of the Ministry of Foreign Affairs, discusses the instruments, procedures and underlying principles of Dutch arms export policy. Attention is also paid to the character of the Dutch defence and security-related industries. Finally a number of international developments. As agreed with the House of Representatives, this time the report includes a section on developments related to export controls on dual-use goods.

The Dutch arms export policy is based on recognition of that in the interests of the international rule of law and the promotion of peace and security that limits should be imposed on the export activities of the national defense and security-related industries. Within those limits, the Dutch industry may in the opinion of the government, meet the legitimate needs of other countries for defense equipment.

To make it possible to assess whether an export transaction is permissible or risk infringing the limits set by our arms export policy, the export of military goods without a licence is prohibited. Licence applications are assessed on a case-by-case basis against the eight criteria of the arms export policy, with due consideration for the nature of the goods, their country of final destination and the end-user. These eight criteria were first defined by the European Councils of Luxembourg (1991) and Lisbon (1992) and have since been incorporated in their entirety into Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment.

The Appendices to this report contain overviews of the value of the export licences issued in 2012 for each category of goods and for each country of final destination, as well as overviews of the transit licences issued and of the disposal of surplus military equipment in 2012.

As mentioned in the introduction to the statistical overviews, the total value of the licences issued in 2012 (rounded off to two decimal places) was €941.03 million. That is an increase of somewhat more than 30% on 2011, when the total value was €715.04 million. It is closer to the total value in 2010, which was €1,046.96 million.

The figure of €941.03 for 2012 requires explanation, since almost 37% of this total relates to a licence that the Ministry of Defence requested for exports to Germany. These consisted of substantial

quantities of ammunition (small- and large-calibre), munition components, explosive charges, anti-tank missiles, anti-tank mines as well as missile and mine components to be demilitarised with the assistance of the NATO Support Agency, either by destruction or by dismantlement into component base materials. The inventory provided by the Ministry of Defence reported the book value of each individual component. The cumulative total exceeded €342 million, and that was reported as the total value on the licence. However, that figure should by no means be regarded as realisable value. In fact, the Ministry incurs a loss on this extensive demilitarisation operation.

Finally, in drawing up the report it was discovered that three retrospective licences were issued in 2012 for exports to Bahrein, contrary to the policy of putting export licences for that country on hold. This is the unfortunate consequence of the fact that the implementing agency (the Central Import and Export Office, CDIU) works on the basis of a procedural framework that provides that the CDIU may handle certain applications independently, whereas the temporary suspension of exports to Bahrein and Yemen should have overridden that procedure. Yet on three occasions the CDIU failed to note that the suspension overrode the normal procedure. It has been called to account for its error, and following discussions between the Minister for Foreign Trade and Development Cooperation, the State Secretary for Finance and the General Director of Customs, its internal protocols have been tightened up.

In the meantime the decision has been made to cautiously resume assessments of individual licence applications for arms exports to Bahrein and Yemen as from 9 September 2013 on the basis of the EU Common Position's eight criteria, as the situation in these countries has become clearer and case-by-case assessments are thus now possible.

**Annual report on
The Netherlands arms export policy
2012**

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Report on the Netherlands arms export policy in 2012

Table of contents

Chapter	<u>page</u>
1 Introduction	5
2 The Dutch defence and security-related industry	5
3 Instruments and procedures of the arms export policy	7
4 Principles of the arms export policy	6
5 Transparency in the arms export policy	7
6 Adjustments to the arms export policy in 2012	8
7 Dutch arms exports in 2012	10
8 EU co-operation	10
9 The Wassenaar Arrangement	12
10 Arms control	13

Appendices

- 1 *Overview of the value of licences issued in 2012 for the permanent export of military goods by category of goods and by country of final destination (first half, second half, year total)*
- 2 *Graph showing trend of Dutch arms exports from 2003 to 2012*
- 3 *Value of licences issued in 2012 for the transit of military goods by country of final destination*
- 4 *License application denials reported in the framework of Common Position 2008/944/CFSP in 2012*
- 5 *Overview of surplus defence equipment sold by the Netherlands to foreign parties in 2012*

1. Introduction

The present report on the Dutch arms export policy in 2012 is the sixteenth annual report drawn up in accordance with the policy memorandum on greater transparency in the reporting procedure on exports of military goods of 27 February 1998 (Parliamentary Papers, 22 054 no. 30). The report comprises:

- a profile of the Dutch defence and security-related industry;
- an overview of the principles and procedures of the Dutch arms control policy;
- a description of developments relating to transparency;
- a description of developments within the EU relevant to Dutch arms export policy;
- a summary of the role and significance of the Wassenaar Arrangement;
- a description of developments relating to dual-use goods;
- a description of efforts in the field of arms control, with specific reference to the problem of small arms and light weapons.

Annexe 1 to the report lists the values of export licences issued in 2013 by category of military goods and by country of final destination. *Annexe 2* shows the trend in Dutch arms exports for the period 2004-2013. *Annexe 3* contains an overview of licences issued for the transit of military goods to third countries. *Annexe 4* lists the denial notifications issued by the Netherlands to EU partners. These notifications are shared among partners in accordance with Article 4 of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, formerly the EU Code of Conduct on Arms Exports. Lastly, *Annexe 5* provides an overview of the sale of surplus defence equipment in 2012.

2. The Dutch defence and security-related industry

With very few exceptions, the Dutch defence and security-related industry consists above all of civil enterprises and research organisations with divisions specialising in military production. This sector - with over 14,000 fte positions and 451 highly committed firms, almost 300 of which effectively operate within the sector – features high-tech production, frequent innovation and highly skilled personnel, a combination that assures high-quality products which are also appreciated abroad. Exports account for no less than 70% of turnover, while 32% of the positions in this industry can be classified as R&D, and over 60% of the workforce employed in the Dutch defence and security-related industry are qualified at HBO (higher professional education) level or above. Consequently the sector is of great economic importance and stands out by its innovative capability. The defence and security-related industry not only makes a direct contribution in the form of equipment for the Dutch army while at the same time, through its close co-operation with the other branches of the armed forces, it supports the operational capabilities of the Netherlands military as a whole and thereby prestige and effectiveness of the nation's contribution to international peacekeeping missions.

Within the bounds of a responsible foreign and security policy, the Government's policy is aimed at retaining this technologically valuable capability for the Netherlands. To this end, Dutch companies are involved in national military tenders, either directly or indirectly through offset orders. Because the national market is clearly too small to maintain the available expertise independently, the Dutch defence-related industry is also encouraged to take part in international joint ventures and

co-operation in the field of defence equipment. This has led to the establishment of commercial relations with above all German, American, British and Belgian enterprises, also involving joint commitments relating to systems maintenance and subsequent components delivery. Joint ventures also play an important role where supplies to third countries are concerned. Accordingly, the scope for Dutch companies to enter into long-term international joint ventures and co-operation arrangements depends in part on the transparency and the consistency of the Netherlands arms export policy.

The export effort of this sector is recognised as an essential condition for the continuity of the existing technological base. Equally, it is recognised that, in the interests of the international legal order and the safeguarding of peace and security, limits must be imposed on the export activities of the defence and security-related industry. Subject to those limits, in the Government's judgement the Dutch industry should be able to meet other countries' legitimate needs for defence equipment. Bearing in mind the above-mentioned circumstances, the Dutch defence-related industry has pursued a policy of increasing specialisation. Those companies with the largest export share in their military production manufacture principally advanced components and sub-systems. The maritime sector still has the capability to undertake all the production stages from drawing-board to launching-slip and thereby to contribute to Dutch exports of complete weapons systems. The most recent quantitative data on the defence-related industry were made available on a voluntary basis by the firms concerned in the context of a study which was performed by Triarii on behalf of the Ministry of Economic Affairs, Agriculture & Innovation and communicated to Parliament by letter of 4 June 2012.¹ The key figures are as follows:

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

Number of companies	451
Defence and security-related turnover in 2010	€3.1 billion
Defence and security-related turnover as a percentage of total turnover	7%
Value of defence and security-related exports	€2.18 billion
Number of jobs in the defence and security-related industry	14,242
Number of those jobs in the field of R&D	4,554

Source: Triarii 2012

The figures relate to output (civil/military), exports (as share of total sales), manpower etc. For a number of years there have been around 450 firms - mostly small and medium scale businesses - in the Netherlands either engaged or with plans to engage in military production. In that respect it should be noted that military production is defined as production in response to domestic and foreign defence and security orders, not as production of goods which are classified as military goods in accordance with the Strategic Goods Import and Export Decree. That explains the possible disparity between the export value stated here and the total value of licences issued for exports of military goods as stated elsewhere in this report.

¹ Parliamentary Proceedings 2011-20012, 31 125, appendix to No.11.

Military production accounts for on average an estimated total Dutch turnover of € 3.10 billion on an annual basis. This represents an average share of about 7% of the total turnover of the companies and organisations concerned, most of which therefore perform mainly civil work. There are only a few firms that concentrate virtually completely on the defence market. Of the total exports by these companies and organisations, approximately € 2.18 billion is classified as military exports. The development of advanced technology associated with military production enables these companies and organisations to accomplish product innovations and is moreover an important source of military spin-offs and civil spill-overs. The aerospace sector is the most frequently reported sector of industrial activity, followed by the maritime sector, the command, control and communication sector and the information technology sector. The number of defence-related positions amounts to just over 14,000 fte. A considerable proportion of this is attributable to R&D activities: over 4,500 positions, or over 32% of total defence and security-related jobs.

3. Instruments and procedures of the arms export policy

Licences for the export of military goods are issued on the basis of the General Customs Act (Algemene Douanewet) and the export control instruments governed thereby. Companies or persons intending to export goods and technology appearing on the EU list of military goods², apply to the Central Import and Export Office (Centrale Dienst Voor In- en Uitvoer, CDIU) for an export licence. The CDIU forms part of the Groningen branch of the Tax and Customs Administration (Belastingdienst/Douane Noord) Department of the Ministry of Finance and, with regard to arms export policy aspects, receives its instructions from the Ministry of Foreign Affairs. Licences are issued on behalf of the Minister for Trade and Development Co-operation. Applications for the export of military goods to NATO and EU member states and equated-status countries (Australia, Japan, New Zealand and Switzerland) are in principle dealt with by the CDIU in accordance with an instruction drafted by the Ministry of Foreign Affairs. During the year under review an exception to this rule applied for Cyprus and Turkey. Applications for exports to these as well as all other countries are submitted to the Ministry for advice. The latter's advice plays an essential role in the decision-taking process on the issue of an export licence. If no objections are found to exist with regard to the intended export, an export licence will be issued by the Ministry of Economic Affairs, Innovation and Agriculture.

In the case of applications for exports to developing countries appearing on the DAC list of ODA recipients, the Minister of Foreign Affairs will first consult with the Minister for Development Co-operation and then advise the Secretary of State for Economic Affairs, Innovation and Agriculture on the basis of that consultation.³

² Official Journal of the European Union No. C85, 22-03-2012 (direct link: : <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2012:085:0001:0036:NL:PDF>).

³ The OECD DAC list is a list of countries receiving international financial aid, drawn up by the Organisation for Economic Co-operation and Development (OECD).

In the case of exports of military goods being disposed of by the Dutch armed forces, Parliament will receive prior notification (if appropriate on a confidential basis) from the State Secretary of Defence. Disposals of this nature are subject to the regular licensing procedure and – just like commercial export transactions – such transactions are assessed by the Ministry of Foreign Affairs against the criteria of the arms export policy.

An amendment to the Import and Export Act in 2001 created the possibility for the classification and assessment system of the arms export policy to be extended in certain cases to the transit of strategic goods across Netherlands territory. Since then the transit control procedure has undergone a number of modifications but with effect from August 2008 a generic mandatory licence has applied in principle, to which a number of exceptions have been defined in accordance with section 6 of the Strategic Goods Decree. The principal exception relates to transit consignments which are subject to the effective export control of a friendly (partner) country or an ally or which are destined for any of the following countries: EU member states, NATO allies, Switzerland, Australia, New Zealand and Japan (EU/NATO+ for short). Such transit consignments were nevertheless subject to mandatory notification in the year under review.

4. Principles of the arms export policy

License applications for the export of military equipment are assessed on a case-by-case basis against the eight criteria of the arms export policy with due consideration for the nature of the product, its country of final destination and end user. These eight criteria were defined by the European Councils of Luxembourg (1991) and Lisbon (1992) and have meanwhile been incorporated in their entirety in the Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment. The criteria read 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 respect by that country of international humanitarian law.
3. 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 to 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.

On 8 December 2008 the Council of the European Union adopted the decision to transform the EU Code of Conduct on Arms Exports as established ten years previously into a Common Position⁴. The above-mentioned criteria, along with the mechanism for information sharing, notification and consultation that applies when a country is considering an export licence application for a destination for which another member state has previously denied a similar application, continue to form the basis of Common Position 2008/944/CFSP. However, the transformation of the Code of Conduct into the Common Position has also broadened its scope. Brokering, transit, intangible forms of technology transfer and production licences have been brought within the ambit of the Common Position in cases where they are subject to mandatory licensing in a member state.

Bosnia-Herzegovina, Canada, Croatia, Iceland, Montenegro and Norway have officially endorsed the criteria and principles of the Common Position. Furthermore, Norway exchanges information with the EU relating to licence denials.

The Netherlands as a matter of course observes in full the arms embargoes instituted within UN, OSCE and EU frameworks. The following website offers access to relevant national measures implementing UN and EU sanctions including arms embargoes:

<http://www.rijksoverheid.nl/onderwerpen/internationale-vrede-en-veiligheid/sancties>.

In view of the availability of current information via that site it has been decided to discontinue inclusion in the Annual Report of an appendix in the form of a table listing operational arms embargoes. In addition to the information provided on the above website, it should be noted that a non-binding UN embargo has been in force for Armenia and Azerbaijan since 1993 (UN Security Council resolution 853). Likewise an OSCE embargo on arms and ammunition is applicable to the warring factions in Nagorno-Karabakh (decree of the Senior Committee - predecessor of Permanent Council – of 28 February 1992). It may also be noted that sanctions no longer in force can be viewed at the website www.wetten.nl.

5. Transparency in the arms export policy

It may be clear from the outset that the Netherlands observes a high degree of transparency. The government furnishes information on licences issued, in the form of annual reports, six-monthly reports and monthly returns; other countries merely issue annual statements, frequently more general in nature. In accordance with a pledge made by the Minister of Foreign Affairs in the course of a debate in December 1997 on the Foreign Affairs budget, the Government in February 1998 submitted a policy paper on greater transparency in the reporting procedure on exports of military goods (Parliamentary Proceedings 22 054, No. 30). The present report on 2012 is the

⁴ Official Journal of the European Union No. L 335/99, 13-12-2008 from page 99 onwards (direct link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:335:0099:0103:nl:PDF>)

sixteenth non-confidential report which has been issued since then. It is based on the value of the licences issued by category of military goods and by country of final destination. In order to further enhance the transparency of the figures, the tables stating the country of final destination also specify the relevant goods categories. For the purpose of clarifying the overall trend, it has been decided to present both the consolidated figures for 2012 as a whole and the figures for first-half and second-half 2012 separately. Furthermore, information is included on Netherlands licence denials notified to the EU partners in the context of the Common Position 2008/944/CFSP (see Appendix 4).

Apart from the present report on Netherlands exports of military goods in 2012, other non-confidential sources of information are otherwise available on the arms export policy. For example, on www.rijksoverheid.nl/exportcontrole the Central Import en Export Office (Centrale Dienst voor In- en Uitvoer, CDIU) publishes the *"User Guide on Strategic Goods and Services"* (Handboek Strategische Goederen), which is intended for persons, companies and organisations with professional interests in procedures governing imports and exports of strategic goods. The User Guide provides users with information on policy objectives and relevant legislative measures and procedures, besides containing a wealth of practical information. Moreover the User Guide is regularly updated in the light of national and international developments in this area, and altogether it has become a valuable instrument for increasing user awareness of this specific area of policy.

In addition, the above-mentioned website also presents a range of other information on the export and transit of strategic goods, including the present annual report as well as key data on all licences issued for the export of military goods as well as monthly summaries stating core data on the transit of military goods across Netherlands territory. These data are taken from the mandatory notifications of such movements supplied to the CDIU. With this additional information reported on the export controls website, that website now contains monthly summaries of all licences issued for military goods, all licences issued for dual-use goods, and all notifications received for transit of military goods. In common with the practice in recent years, the data on transit licences issued are included in the present Annual Report (Appendix 3). More and more countries are starting to produce non-confidential annual reports, but as regards the provision of data on licence application denials and in the form of monthly summaries the Netherlands leads the world in transparency.

A new departure in 2012 was the honouring of a pledge made the year before. Licences for the definitive export of complete systems representing a value in excess of € 2 million and intended for countries other than Australia, Japan, New Zealand, Switzerland or an EU or NATO member country are to be notified to Parliament confidentially or otherwise.

6. Dutch arms exports in 2012

The total value of licences issued in 2012, rounded-off to two decimal places, amounted to €941.03 million. That represents an increase of just over 30% relative to the preceding year, when the total value amounted to € 715.04 million, and is nearer to the total value of € 1,046.94 million

recorded in 2010. The figure of € 941.03 million for 2012 requires explanation, since almost 37% of that value relates to an export licence to Germany applied for and received by the Ministry of Defence. That licence was intended to enable substantial quantities of ammunition (small- and large-calibre), munition components, explosive charges, anti-tank missiles, anti-tank mines as well as missile and mine components to be demilitarised with the assistance of the NATO Support Agency, either by destruction or by dismantlement into component base materials. The inventory provided by the Ministry of Defence reported the book value of each individual component. The cumulative total exceeded € 342 million, and that was reported as total value on the licence. However, that figure should by no means be regarded as realisable value. In fact, the Ministry even incurs a loss on this massive demilitarisation operation. Because the effective yield consisted of 1066 different materials, it was not differentiated into munitions and parts and components for "arms and munitions", but it was decided to report the full value in the reporting category parts and components for "Arms and munitions", category A10 (see: Annex 1, Second-half 2012, table 1).

The above-mentioned licence to the Ministry of Defence means that Germany, with a total value in excess of € 375 million, takes first place by far of the top five destinations in the year under review. The second largest destination is "Other NATO" with a total value in excess of € 209 million, normally made up of the general licences for joint equipment supply programmes, such as the NH-90 helicopter and Evolved Sea Sparrow Missile. In third place comes the United States, accounting for a value of over € 78 million, consisting as in previous years mainly of licences for the supply of combat aircraft components as well as licences to supply parts for air-defence missile launch systems. In fourth place comes Qatar with a value of over € 40 million, consisting almost entirely of a licence for the supply of parts of radar and C3 systems for the Qatari Navy. In fifth place comes Algeria with a value of just over € 34 million, attributable almost entirely to a licence to supply electronic boxes to a German manufacturer for installation in armoured vehicles for the Algerian army. For the sake of consistency, for reporting purposes it is occasionally necessary to make a not immediately obvious choice. Accordingly, Afghanistan also appears as a country of final destination in the table for second-half 2012 and hence also in that for total 2012. The licence concerned related to military communication equipment for Italian forces based in that country.

The value of licences for the export of military goods came to less than 0.22% of the total value of Dutch goods exports in 2012 (€ 431.4 billion). For international comparison of this percentage, it is important to know that in the Netherlands not only are exports by Dutch industry subject to mandatory licensing but that the Government itself is also required to apply for licences to export military goods. Only the equipment of Netherlands military units accompanying those goods on exercises or international operations abroad is exempt from mandatory export licensing. Unlike in certain other countries, disposals of Dutch defence equipment to third countries are therefore included in the figures.

7. EU co-operation

EU co-operation concerning export controls on conventional arms is co-ordinated *inter alia* within COARM, the Council Working Party on Conventional Arms Exports. On behalf of the Netherlands,

COARM meetings are attended by representatives of the Ministry of Foreign Affairs. Within COARM and in the framework of the Common Foreign and Security Policy (CFSP), EU member states exchange information on their arms export policies and seek to improve mutual co-ordination of those policies and the relevant procedures. This approach assures co-ordination of EU policy and helps to level the playing field. The basis for this is the EU Common Position (CP), which was agreed by the Council on 8 December 2008.

The best practice guidelines for implementation of the individual criteria of the EU-CP were completed in 2007 and incorporated into the User's Guide to the CP. Common interpretation of the criteria helps to harmonise the arms export policy as applied by individual EU member states. Furthermore, the guidelines are proving to be a useful instrument for the purpose of outreach activities to non-EU countries. The User's Guide⁵, which is currently under revision, also contains practical guidelines on the information and consultation procedure regarding export denials as included in the Common Position.

In addition, since January 2004 the central database of national denials, which is maintained by the European External Action Service (EAAS), has become operational. EU member states are expected to consult this database in order to check whether a denial has been issued by other EU member states in similar cases. If that is so, consultation should take place among the member states concerned. In the comparatively exceptional case that the prior denial is not observed the reasons must be stated, for instance the fact that the envisaged transaction relates to different goods. In 2013, work is to continue on automating the database denial procedure.

On 14 December 2012 the fourteenth EU annual report⁶ on matters discussed within COARM was published. The report additionally contains detailed statistical information on exports of military equipment by EU member states in 2011. The data are classified by exporting country, number of licences issued, value of licences issued, as well as licence denials. The data are also classified by category of the military list. In addition, this information is presented both on a regional and a worldwide basis. In view of the fact that exports relating to international (UN) missions in embargoed countries regularly attract questions, the EU annual report also includes separate tables listing supplies relating to international missions. Lastly, the report states numbers of brokering licences granted and denied as well as numbers of consultations conducted by EU partners.

The EU annual report shows that in 2011 member states notified a total of 402 licence denials in the EU context, virtually identical to the number reported in 2010 (in 2010: 400, in 2009: 406, in 2008: 329, in 2007: 425 and 2006: 360). The number of consultations conducted was 107, again broadly corresponding with preceding years with the exception of 2006, when the number of consultations was significantly lower. In 2011 the Netherlands was involved in altogether seven

⁵ The User's Guide is published via the Export Control website of the European Union: (direct link: http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=1484&lang=nl&mode=g).

⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2012:386:0001:0431:EN:PDF>

consultations. Three consultations were initiated by the Netherlands, while on four occasions this country was consulted by other member states.

COARM meetings in 2012 concentrated largely on preparations for the concluding negotiations on the UN Arms Trade Treaty and on implementing the Common Position Review. Through COARM, the Netherlands furthermore seeks to ensure a level playing field as well as uniform and harmonised assessment of export applications.

In 2012, COARM carried out a thorough review of the EU Common Position on arms exports. Parties concerned, such as a number of member state NGOs, were involved in this process. As the EU Annual Report and also the Council's conclusions of 19 November 2012 states, the 2012 Review confirmed that the Common Position continues to serve satisfactorily as the basis for member states' arms export policy. Nevertheless it was concluded that implementation of the EU Common Position is capable of further harmonisation. The Netherlands addressed the application of criterion 8 in COARM and supplied input which received plenary treatment. On the basis of that discussion certain modifications were made to the user guide, with the result that for example the question of corruption now plays a role in the test against criterion 8. It was further agreed that henceforth testing against criterion 8 is to be discussed among member states on an annual basis. Future digitisation of the denials database is also intended to contribute to further harmonisation of the arms export policy.

8. The Wassenaar Arrangement

On the multilateral level, developments surrounding 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 altogether 41 countries, including the United States, Russia and all EU member states with the exception of Cyprus⁷, participated in this forum, which owes its name to the town where, under the presidency of the Netherlands, the negotiations were conducted on the founding of the Arrangement. These countries together are estimated to account for over 90% of total world exports of military goods.

The goal of the WA (as stated in the Initial Elements⁸) is to contribute towards regional and international security and stability. This goal is pursued by means of regular information exchange concerning exports to third parties of arms and of goods capable of use for military purposes. The intention is to promote greater knowledge and sense of responsibility in the national assessments of applications for licences for exports of such goods. Clearly, more information will enable participating states to assess more accurately whether the arms build-up of certain countries or regions exceeds their legitimate needs for defence equipment. Where that is the case, this should result in participating states becoming more cautious in their licence issuing policy towards such countries of final destination.

⁷ In 2012 only Cyprus was not yet a partner owing to Turkish objections.

⁸ The Initial Elements can be viewed on the website of the Wassenaar Arrangement: www.wassenaar.org

In addition to a list of (conventional) dual-use goods that is applicable to the Netherlands via the EU Dual-Use Regulation, the Wassenaar Arrangement has a list of military goods which are deemed to be subject to export controls. Any revision of the WA list results in an amendment to the Import and Export Order. Where Netherlands export controls on military goods are concerned, the Strategic Goods Implementing Order refers directly to the latest EU list of military goods.

In 2012 the Wassenaar Arrangement welcomed Mexico as its 41st member country. This was the first occasion since 2005 that agreement could be reached on enlarging the Wassenaar Arrangement with a new member country. Following the fourth evaluation of the principles of the Wassenaar Arrangement in 2011, in 2012 discussions on the outstanding best practice guidelines were continued, in common with those on emerging technologies and new challenges in the field of arms control.

In the year under review the Netherlands continued its active co-operation on WA matters. For instance, the Netherlands - as customary - provided information in all openness on its supplies to both WA partners and non-WA partners, while certain WA partners prefer to restrict that exchange of information to supplies made to non-WA partners. The Netherlands consistently focuses on maximising transparency. Ultimately, our goal is to discover where we as a group of 41 partners can agree joint conclusions as to how best to define and implement export controls. In addition, the Netherlands has also exchanged information on its own regulations and practices in response to questionnaires drawn up by WA partners concerning *inter alia* exports of dual-use goods, provision of brokerage services, and man-portable air-defence systems (MANPADS). That focus also emerges from the fact that 2012 was the second successive year that the Netherlands held the Chairmanship of the Licensing and Enforcement Officers Meeting (LEOM).

Further information on the best practice guidelines, principles, goals and current developments of the WA, in addition to the texts of the non-confidential documents, is available at www.wassenaar.org.

9. Export controls and dual-use goods

In the course of the General Consultation on dual-use goods, the House of Representatives indicated that it wished to receive more information on the export control policy and developments in the field of dual-use goods. This section deals briefly with the principles and key developments in the relevant export control regimes and in the EU Council Working Party on Dual-Use Goods.

Council Working Group on Dual-Use Goods

On 7 November 2012 the European Commission issued a proposal to alter a number of provisions in the Dual-use Regulation⁹ such as henceforth to enable amendments to lists of goods in the Annex by means of a delegated action. At present this is effected by means of the – very time-consuming - normal legislative procedure. The individual export control regimes are responsible for maintenance of their own lists of goods, so it would seem logical to consolidate the individual lists into Annex I of the Dual-Use Regulation by means of a delegated action. In 2012, this proposal

⁹ Council Regulation (EC) No. 428/2009:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2009R0428:20120615:NL:PDF>

was discussed repeatedly in the Council Working Group on dual-use goods. At the present moment, the proposal is in the trilogue stage between the European Commission, the European Parliament and the Chairman representing the Council Working Group. It is expected that the proposal will result in definitive amendment of the Regulation in the autumn of 2013.

On 7 January 2012 Regulation 1232/2011 came into force. This Regulation introduces five new European General Licences, thereby simplifying the export of these goods, provided the exporter satisfies specific conditions.

UAV EU 001 – Export to Australia, Canada, Japan, New Zealand, Norway, Switzerland, including Liechtenstein, and the United States

Exempted goods: all products mentioned in Annex 4, 0C001, 0C002, 0D001, 0E001, 1A102, 1C351, 1C352, 1C353, 1C354, 7E104, 9A009a, 9A117.

Destinations: Australia, Canada, Japan, New Zealand, Norway, Switzerland including Liechtenstein, United States (equipment matching existing CAV EU-001. Only Liechtenstein is explicitly added to the scope).

UAV EU 002 - Regulation 1232/2011 Export of specified goods to specified destinations

Goods: 1A001, 1A003, 1A004, 1C003b-c, 1C004, 1C005, 1C006, 1C008, 1C009, 2B008, 3A001a3, 3A001a6-12, 3A002c-f, 3C001, 3C002, 3C003, 3C004, 3C005, 3C006.

Destinations: Argentina, Croatia, Iceland, South Africa, South Korea, Turkey.

UAV EU 003 – Export following repair/replacement

Exempted goods: all products mentioned in Annex IIg, all products in sections D and E of Annex 1; 1A002a, 1C012a, 1C227, 1C228, 1C229, 1C230, 1C231, 1C236, 1C237, 1C240, 1C350, 1C450, 5A001b5, 5A002a2 up to and including 5A002a9, 5B002, 6A001a2a1, 6A001a2a5, 6A002a1c, 6A008I3, 8A001b, 8A001d, 9A011.

Destinations: Albania, Argentina, Bosnia and Herzegovina, Brazil, Chile, China (including Hongkong and Macau), Croatia, Former Yugoslav Republic of Macedonia, French Overseas Departments, Iceland, India, Kazakhstan, Mexico, Montenegro, Morocco, Russia, Serbia, Singapore, South Africa, South Korea, Tunisia, Turkey, Ukraine, United Arab Emirates.

UAV EU 004 – Temporary export for exhibition or trade fair

Exempted goods: all goods mentioned in IIg, all goods in sections D and E of Annex 1; 1A002a, 1C002.b.4, 1C010, 1C012.a, 1C227, 1C228, 1C229, 1C230, 1C231, 1C236, 1C237, 1C240, 1C350, 1C450, 5A001b5, 5A002a2 to 5A002a9, 5B002, 6A001a2a1, 6A001a2a5, 6A008I3, 8A001b, 8A001d, 9A011.

Destinations: Albania, Argentina, Bosnia and Herzegovina, Brazil, Chile, China (including Hongkong and Macau), Croatia, Former Yugoslav Republic of Macedonia, French Overseas Departments, Iceland, India, Kazakhstan, Mexico, Montenegro, Morocco, Russia, Serbia, Singapore, South Africa, South Korea, Tunisia, Turkey, Ukraine, United Arab Emirates.

UAV EU 005 - Telecommunications

Goods: 5A001b2, 5A001c and d, 5B001, 5D001, 5E001a.

Destinations: Argentina, China (including Hong Kong and Macau), Croatia, India, Russia, South Korea, Turkey, Ukraine.

UAV EU 006 – Chemicals

Goods: 1C350-01 to 03, 05 to 22, 24 to 28, 30 to 63; 1C450a-04 to 07; 1C450b-01 to 06, 08.
Destinations: Argentina, Croatia, Iceland, South Korea, Turkey, Ukraine.

Nuclear Suppliers Group (NSG)

At the plenary meeting of the NSG in Christchurch (July 2010), the NSG resolved to initiate a thorough revision of the control lists. Both NSG control lists had scarcely been revised since their inception in 1975 and 1991, while in the meantime numerous technical developments, also relating to nuclear applications, have taken place. The dedicated meeting of technical experts (DMTE) is chaired by the Netherlands. The first results of the DMTE were ratified in June 2012 at Seattle.

Australia Group (AG)

The Australia Group, an export-control arrangement aimed above all at countering the spread of chemical and biological weapons, meets once every years in Paris. In 2012 the AG agenda was dominated by concerns about Syria's chemical weapons programme. This resulted in the compilation of a list of banned goods and chemicals which, on the basis of the relevant sanctions order requires either a European ban or mandatory export licence for exports to Syria. On 1 April 2013 the Netherlands, via the Ministerial Order on dual-use goods for Syria, imposed the compulsory licensing requirement on an additional list of chemicals. That list was subsequently expanded. On 23 July 2013 the list was incorporated in the Sanctions Regulation relating to Syria.

Missile Technology Control Regime (MTCR)

The MTCR is an export control regime for monitoring delivery systems (ballistic missiles) for weapons of mass destruction. Its chairmanship rotates among the member countries, with Germany succeeding Argentina in 2012. At the plenary meeting in Berlin minor modifications to the list of goods were agreed. The Iranian and North Korean missile programmes are and remain a cause for concern.

Subjects which have been on the agenda in each regime are brokering and transit. In accordance with Resolution 1540 of the UN Security Council, countries are also required to have effective export controls, among other things on transit and brokering. European member states had implemented these requirements by modifying the dual-use regulation in 2009.

Within the various regimes the possible accession of new members is also under discussion. The Wassenaar Arrangement and the NSG admitted Mexico as a member in 2012.

10. Arms control

In the area of arms control a number of topics are relevant to the arms export policy. They include activities relating to small arms and light weapons, the UN Arms Trade Treaty and the UN Register of Conventional Arms.

Cluster munitions

On 23 February 2011 the Netherlands ratified the Convention on Cluster Munitions and accordingly on 1 August 2011 it entered into force for this country. Effective June 2013, there are 83 States Party to the Convention (12 more than in June 2012) and 29 other countries had signed but not yet ratified the Convention. Since 1 January 2013 direct investments in cluster munitions by financial institutions have been banned.

The Secretary-General of the United Nations (UNSG) and the President of the International Committee of the Red Cross have described the Convention as a new standard in the international humanitarian law. The Dutch government endorses this view. The Netherlands has advocated universal recognition of this Convention in the appropriate multilateral fora, for instance the UN General Assembly. The Netherlands was also represented from 11 to 14 September 2012 at the third meeting of States Parties held in Oslo last year, where it was announced *inter alia* that destruction of its own cluster munitions stocks had meanwhile been completed.

Landmines

The Netherlands attended the meeting of States Parties to the Anti-Personnel Mine Ban Convention (Ottawa Convention), which was held in December 2012 in Geneva. On that occasion the Netherlands was appointed Chairman of the Mine Clearance Committee, so that in 2013 this country will *inter alia* chair Committee meetings to discuss requests by States Parties for extension of clearance deadlines. In 2012 the Netherlands, as in preceding years, appropriated approximately € 15 million to landmine clearance projects worldwide, making this country one of the major donors in this field.

Small arms and light weapons (SALW)

The Netherlands government consistently pursues a policy aimed at curbing the uncontrolled proliferation of SALW and their ammunition. The objective of the Netherlands policy is to reduce the numbers of victims of armed violence, armed conflicts and gun crime and thereby contribute towards security and stability, as a condition for sustainable development and attainment of the Poverty Reduction Objectives.

In the field of arms control, policy on the SALW problem is an important subject. Recent years have been dominated by multilateral developments on the one hand and, on the other, by support for projects relating to secure storage, arms destruction, stockpile management and allied technical subjects. Numerous international and regional agreements have arisen from these international efforts, such as the UN Programme of Action on SALW (2001) and the Geneva Declaration on Armed Violence and Development (2006). The Netherlands continued to play an active role in 2012 aimed at further elaborating and firming up these agreements. This was done in close co-operation with (local) NGO and research organisations in i.a. Burundi, Central America and Somalia.

-UN Programme of Action

The UN Programme of Action requires states to pursue active policies at the national, regional and international level in the field of SALW, including development and implementation of arms legislation, destruction and secure storage of (surplus) arms and ammunition, improved co-operation among states - inter alia in the marking and tracing of illegal weapons - and assistance and support for activities in countries and regions possessing insufficient capability themselves to implement the measures as set out in the UN Programme of Action.

At the Second Ministerial Review Conference held in New York in 2012, the revised UN Programme of Action was adopted by consensus. The Netherlands called attention to embedment of demand-led programmes attuned to the needs of recipient countries. In addition to the importance of technical agreements and information sharing, the Netherlands stressed the role of regional organisations, NGOs and technology institutes. In addition, the Netherlands drew attention to the position of women in situations of armed violence as well as the importance of active participation by women in disarmament matters.

-Geneva Declaration on Armed Violence and Development

In becoming a signatory to the Geneva Declaration in 2006, the Netherlands demonstrated its awareness of the fact that armed violence represents a major barrier to development. The Netherlands is closely involved in further developing the principles of this declaration. The importance of the link between countering armed violence and meeting development targets – and hence the Millennium Development Objectives¹⁰ as well – is internationally recognised, and more than 100 nations are now signatory. The Netherlands has continued in 2012 to pursue a policy (at various forums and via supported research organisations) aimed at defining the correlations, impacts and costs of armed violence worldwide.

-EU Small Arms

EU Member States report annually on their national activities for implementation of the Council's Joint Action (2002/589/CFSP) relating to the EU's contribution towards combating the destabilising accumulation and proliferation of SALW. The national reports and EU activities are to be combined in the Joint Annual Report¹¹, to which the Netherlands makes an annual contribution. In the course of 2012 the Netherlands stressed the importance of European co-operation in countering the uncontrolled spread of SALW, and this co-operation has contributed to the Revised UN Programme of Action.

-OSCE Small Arms

The Netherlands supports the strategy of the Organisation for Security and Co-operation in Europe for countering the spread and accumulation of illegal small arms and light weapons. The Netherlands is committed to the exchange of information on SALW via the FSCFSC.FSC.DEC/2/10 Plan of Action.

¹⁰ These are international agreements on eight specific development goals that must have been achieved by 2015

¹¹ Reports are published via the Export Controls website of the European Union: (direct link http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=1484&lang=nl&mode=q)

-UN Arms Trade Treaty

The first diplomatic conference on a UN Arms Trade Treaty (ATT) took place in New York in July 2012, following a preparatory process that had begun in 2006. No broad consensus on a draft Treaty text proved attainable at this early stage, but nevertheless the foundation was laid for a robust draft Treaty text. The Netherlands played an active role during the negotiations, for example as Chairman of one of the two sub-committees charged with producing the draft Treaty text. In addition, regular liaison took place with NGOs and the Dutch trade and industry community regarding the Dutch focus during these negotiations.

Meanwhile the Treaty text (following a second diplomatic conference in March 2013) has been adopted by the UNGA and laid open for signature. The ATT regulates the international arms trade and defines assessment criteria for arms export purposes. The ATT assessment criteria correspond with a number of criteria already applicable under the European Common Position: international embargoes, no co-operation regarding violations of international law of war, human rights criterion, diversion risk.

The Treaty makes a significant contribution to international security and stability. On 3 June 2013 this important Treaty was signed by the Netherlands together with 66 other UN Member States. The Netherlands also contributes – via a special UN fund – towards implementation of the ATT in developing countries. Further information as to content and finalisation of the Treaty may be found in Letter to Parliament 22 054 No. 220 dated 24 April 2013.

-Netherlands action on Transparency in Armaments

Twice every three years the Netherlands moves the UNGA resolution *Transparency in Armaments*, which traditionally can count on the support of a large majority of UN member states. This resolution ensures that a group of government experts meets once every three years in order to evaluate and further develop the UN Register of Conventional Arms. In 2011 the resolution was carried by 56 votes, with 23 abstentions.

-UN transparency in legislation

The Netherlands has moved the UNGA resolution *National legislation on transfer of arms, military equipment and dual-use technology* each year since 2002, and since 2005 it has done so every other year. With this resolution, which was adopted in 2011 again without a vote, UN member states are urged to exchange information on their national legislation governing arms exports. In the framework of this resolution, an electronic UN database has also been created for the exchanged law texts and other information to be stored and made universally accessible. Meanwhile this database contains contributions from 54 countries, including the Netherlands. In 2010 Jordan, Macedonia and Tunisia were among Member States filing their return for the first time.

-Transparency in armaments and the UN Register of Conventional Arms

The UN Register of Conventional Arms, established in 1992 partly on a Netherlands initiative, provides information on an annual basis on the source country of military goods exports, (the transit country if any) and the importing country, together with the size of the goods flows classified in the following categories: I. combat tanks, II. armoured combat vehicles, III. heavy

artillery systems, IV. combat aircraft, V. combat helicopters, VI. warships, and VII. missiles and missile launch systems.

Since the Register was started, 173 countries including the Netherlands have at some time made a report to the Register, including all major arms manufacturing, importing and exporting countries. It remains the ambition to achieve universal and consistent participation. The UN Arms Register is an instrument that promotes transparency and hence counteracts the stockpiling of conventional arms. Clearly, arms stockpiling can easily lead to the destabilisation of countries and regions.

The United Nations Office for Disarmament Affairs (UNODA) is responsible for compilation of the data supplied by Member States. In 2012 UNODA received 51 national returns, including 25 nil reports. The total of 51 is 21 fewer than in 2010, the lowest number of returns received since the UN Arms Register was introduced in 1991. This tendency gives cause for concern. The effectiveness of the Register stands or falls with worldwide participation. That is why the Netherlands considers it to be so important for each country to submit its return, even if it is a nil report at the time when there may indeed have been no import or export to report in any of the given categories.

At the same time, the effectiveness of the Register should be reviewed in the light of the UN Arms Trade Treaty. Also the ATT creates the obligation to report on arms exports under the categories of the registry, plus small arms and light weapons. It is important for the Register to be maintained for those countries that will not yet (immediately) join the ATT. It should also be noted that duplicate reporting for countries must be prevented.

Twice in three years the resolution Transparency in Armaments has been submitted by the Netherlands to the UN General Assembly which traditionally can count on the support of a large majority of UN member states.

This resolution ensures that a group of government experts meets once every three years in order to evaluate and further develop the UN Register of Conventional Arms. In 2012 the Netherlands moved a procedural resolution in the UN General Assembly to the effect that the meeting of government experts be deferred until after the closing conference on the ATT. The Netherlands' membership was terminated from 2013 on in accordance with the rotation principle.

Report on Small arms and light weapons (SALW)

Each year since 2002, the Netherlands has submitted to the UN General Assembly the resolution *National legislation on transfer of arms, military equipment and dual-use technology* and since 2005 that it has done so every other year. With this resolution, which was adopted in 2011 again without a vote, UN member states are urged to exchange information on their national legislation governing arms exports. In the framework of this resolution an electronic UN database has also been created for the exchanged law texts and other information to be stored and made universally accessible. Meanwhile this database contains input from 54 countries, including the Netherlands. It may be possible for this register to be adapted to comply with ATT reporting demands concerning member countries' national legislation on arms exports.

Appendix 1: Overview of the value of licences issued in 2013 for the permanent export of military goods by category of goods and by country of final destination.

Introduction

The total value of licences issued in 2012, rounded-off to two decimal places, amounted to € 941.03 million. That represents an increase of just over 30% relative to the preceding year, when the total value amounted to € 715.04 million, and is nearer to the total value of € 1,046.94 million recorded in 2010. The total value, rounded-off to two decimal places, of licences issued in 2012 amounted to € 941.03 million. That represents an increase of just over 30% relative to the preceding year, when the total value reported came to € 715.04 million, and closer to the total value of € 1,046.96 million in 2010. The figure of € 941.03 for 2012 requires explanation, since almost 37% of that value relates to an export licence to Germany applied for and received by the Ministry of Defence. That licence was intended to enable substantial quantities of ammunition (small- and large-calibre), munition components, explosive charges, anti-tank missiles, anti-tank mines as well as missile and mine components to be demilitarised by intervention of the NATO Support Agency, either by means of destruction or by separation into component base materials. The inventory supplied by the Ministry of Defence stated the administrative accounting value for each component. The cumulative total exceeded € 342 million, which was reported as the total licence value. However, that figure should by no means be considered as realisable value. In fact, the Ministry even makes a loss on this massive demilitarisation operation. Because the effective yield consisted of 1066 different substances, it was not differentiated into munitions and parts and components for "arms and munitions", but it was decided to report the entire value as "parts and components" for "Arms and munitions", category A10 (see: Second-half 2012, table 1).

Methodology

The values reported below are based on the value of the licences for permanent export of military goods issued in the period under review. The licence value indicates the maximum export value, although at the time of publication that value need not necessarily correspond with the exports actually realised. Licences for temporary export have been disregarded in the figures, in view of the fact that such licences are subject to a requirement to re-import. These cases normally relate to consignments for demonstration or exhibition purposes. On the other hand, licences for trial or sample consignments are included in the figures because no re-import obligation is attached to these exports in view of their nature. Licences for goods returned following repair in the Netherland are similarly not included in the reported figures. However, in such cases the goods must have formed part of prior deliveries from the Netherland, the value of which will therefore have been included in a previous report. Inclusion of such "return following repair" licences would clearly lead to duplication of the figures. For the same reason, the value of licences for which the term of validity has been extended does not appear in the figures. Lastly, the same applies to licences that are replaced in connection, for example, with the recipient's change of address. If an extension or replacement licence with a higher value than the original licence is issued, the added value will of course be reported.

For the purpose of classifying the licence value for individual transactions in the table showing the value by category of military goods, it was in many cases necessary to include co-supplied spare parts and components and installation costs as part of the value of complete systems. The value of licences for the initial delivery of a system is frequently based on the contract value, which often includes installation and a number of spares. The value of licences for subsequent delivery of spares is included in categories A10 or B10. In conclusion, to compile the table showing the value of licences issued by category of military goods a choice had to be made as to the classification of sub-systems. It was decided to apply a differentiation based on the criterion of the extent to which a subsystem can be regarded as standalone or multifunctional. This has a bearing in particular on the classification of licences for exports of military electronics. If such a product is suitable solely for a marine application, for example, the associated subsystems and their components are classed in category A10, as components for category A6, "Warships". If such a product is not manifestly connected to one of the first seven sub-categories of main category A, it will be classed in sub-category B4 or in sub-category B10.

2012 (first-half year)

Table 1: Value of licenses for of military goods issued in the first half year of 2012
by category ¹

Main category A, "Arms & Munitions"	2012 (1) in € millions
1. Tanks	-
2. Armoured vehicles	-
3. Large-calibre weapons (>12.7 mm)	0.05
4. Combat aircraft	-
5. Combat helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.20
9. Munitions and explosives	3.82
10. Parts and components for "Arms & Munitions" ²	241.89
Total Cat. A	245.96

Main category B "Other military goods"	2012 (1) in € millions
1. Other military vehicles	-
2. Other military aircraft and helicopters	-
3. Other military vessels	-
4. Military electronics	11.70
5. ABC substances for military use	-
6. Military exercise equipment	1.49
7. Armour-plating and protective products	0.07
8. Military auxiliary and production equipment	0.18
9. Military technology and software	3.54
10. Parts and components for "Other military goods" ³	44.08
Total Cat. B	61.06
Total Cat. A + B	307.02

2012 (first-half year)

*Table 2: Value of licenses for of military goods issued in the first half year of 2012
by country of final destination*

2012 (first half year) in € millions					
Country of final destination	Cat. A	Specification	Cat. B	Specification	TOTAL
Argentina	0.08	A10	-	-	0.08
Australia	6.77	A8, A9, A10	0.05	B9, B10	6.82
Austria	0.20	A8, A10	-	-	0.20
Bangladesh	0.29	A10	-	-	0.29
Bonaire	0.01	A8, A10			0.01
Botswana	-	-	0.08	B7	0.08
Brazil	-	-	0.01	B10	0.01
Bulgaria	-	-	0.02	B10	0.02
Canada	9.64	A10	-	-	9.64
Chile	0.10	A10	0.21	B10	0.31
Czech Republic	0.18	A8, A9	-	-	0.18
Denmark	0.51	A8, A10	0.25	B4, B9	0.76
France	2.29	A3, A8, A9, A10	0.59	B4, B9, B10	2.88
Germany	9.84	A8, A9, A10	4.08	B6, B8, B9, B10	13.92
Greece	-	-	0.47	B10	0.47
Hungary	-	-	0.13	B4	0.13
India	0.32	A10	0.31	B9, B10	0.63
Italy	0.07	A8, A10	0.05	B9	0.12

Japan	0.37	A10	-	-	0.37
Jordan	0.03	A10	-	-	0.03
Kosovo	0.01	A9	-	-	0.01
Malaysia	-	-	0.12	B9, B10	0.12
Mexico	-	-	0.32	B8, B9	0.32
Norway	2.19	A9, A10	0.29	B10	2.48
Oman	-	-	0.07	B9, B10	0.07
Pakistan	0.24	A10	-	-	0.24
Poland	1.92	A8, A9, A10	-	-	1.92
Portugal	0.03	A10	0.50	B6	0.53
Qatar	0.12	A10	0.10	B10	0.22
Russia	-	-	0.15	B4	0.15
Singapore	0.01	A10	0.50	B9, B10	0.51
South Africa	-	-	0.01	B10	0.01
South Korea	0.78	A10	0.13	B9, B10	0.91
Spain	0.07	A8, A10	0.01	B10	0.08
Sweden	1.12	A8, A9, A10	4.10	B4, B9, B10	5.22
Switzerland	0.45	A8, A9, A10	0.12	B10	0.57
Taiwan	0.02	A10	-	-	0.02
Thailand	10.39	A10	-	-	10.39
Tunisia	0.12	A10	-	-	0.12

Turkey	1.57	A9, A10	0.39	B4, B9, B10	1.96
UAE	-	-	0.25	B9, B10	0.25
USA	39.69	A9, A10	13.16	B4, B9, B10	52.85
United Kingdom	0.19	A8, A9, A10	3.49	B4, B10	3.68
Vietnam	-	-	2.00	B9	2.00
Other NATO ⁴	156.33	A10	29.10	B4, B10	185.43
Countries accounting for export values below € 10,000: ⁵					
Curaçao, Finland, Lithuania, Slovakia	0,01	A8	-	-	0.01
Total	245.96		61.06		307.02

Footnotes for Tables 1 and 2, first half year 2012

¹ Rounding-off to two decimal places means both in Table 1 and Table 2 that sub-categories where the value remains below € 10,000 are not reported separately.

² The sub-category A10 (Parts and components for "Arms & Munitions") relates as usual largely to deliveries of combat aircraft and combat helicopter components to the manufacturers of such systems in the United States and deliveries of components for tanks and other military combat vehicles to the German manufacturer of such systems. In this period, however, a licence to the value of € 18.7 million was issued for the supply of parts and accessories for operational maintenance on the two Taiwanese Sea Dragon class submarines. These parts and accessories also come into sub-category A10.

³ The sub-category B10, Parts and components for "Other military goods" in this period again consists of multiple small-scale deliveries of parts for military electronic systems and parts for military aircraft and vehicles.

⁴ The item "other NATO" generally relates to export licences for components in sub-category A10, for the purpose of which a number of NATO countries (excluding Turkey) are licensed final destinations. In practice, this type of licence is used for the sub-supply of components to manufacturers wishing to have the capability to make supplies out of stock to the NATO customers listed as end-users on the licence.

⁵ In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.

2012 (second half year)

*Table 1: Value of licenses for of military goods issued in the second half year of 2012
by category¹*

Main category A, "Arms & Munitions"	2012 (1) in € millions
1. Tanks	-
2. Armoured vehicles	-
3. Large-calibre weapons (>12.7 mm)	-
4. Combat aircraft	0.01
5. Combat helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0.26
9. Munitions and explosives	1.09
10. Parts and components for "Arms & Munitions" ²	493.57
Total Cat. A	493.93

Main category B "Other military goods"	2012 (2) in € million
1. Other military vehicles	0.10
2. Other military aircraft en helicopters	-
3. Other military vessels	-
4. Military electronics	66.09
5. ABC substances for military use	-
6. Military exercise equipment	0.26
7. Armour-plating and protective products	0.49
8. Military auxiliary and production equipment	0.43
9. Military technology and software	19.14
10. Parts and components for "Other military goods" ³	52.57
Total Cat. B	139.08
Total Cat. A + B	307.02

2012 (second half year)

Table 2: Value of licenses for of military goods issued in the second half year of 2012 by country of final destination

2012 (2nd half) value in € million s					
Country of final destination	Cat. A	Specification	Cat. B	Specification	TOTAL
Afghanistan	-	-	0.02	B4	0.02
Algeria	34.08	A10	-	-	34.08
Bahrain	-	-	0.23	B10	0.23
Bonaire	0.02	A8, A9	-	-	0.02
Brazil	0.55	A10	1.79	B9	2.34
Canada	2.21	A4, A8, A10	0.23	B9, B10	2.44
Chile	0.36	A10	0.10	B10	0.46
Denmark	0.05	A8, A10	0.04	B10	0.09
Egypt	8.53	A10	0.80	B10	9.33
France	4.15	A8, A9, A10	0.20	B9, B10	4.35
Germany	359.18	A4, A8, A9, A10	2.15	B7, B9, B10	361.33
Greece	0.13	A10	-	-	0.13
India	0.17	A10	0.77	B8, B9, B10	0.94
Indonesia	0.14	A9	12.69	B10	12.83
Israel	-	-	0.90	B9	0.90
Italy	2.09	A8, A10	2.02	B9	4.11
Japan	1.30	A10	-	-	1.30
Jordan	-	-	0.01	B10	0.01

Kenya	-	-	0.04	B4	0.04
Kuwait	-	-	0.36	B4	0.36
Malaysia	-	-	6.06	B9, B10	6.06
Mexico	-	-	0.28	B4, B8	0.28
Morocco	10.00	A10	-	-	10.00
Norway	5.98	A8, A10	0.07	B4, B7, B10	6.05
Oman	1.40	A10	-	-	1.40
Pakistan	-	-	0.91	B10	0.91
Poland	0.15	A8, A9, A10	0.74	B10	0.89
Qatar	-	-	40.08	B4, B9	40.08
Russia	1.53	A10	-	-	1.53
Saudi Arabia	0.07	A10	6.54	B10	6.61
Singapore	0.67	A10	1.01	B10	1.68
South Africa	-	-	0.57	B4, B10	0.57
South Korea	10.67	A10	0.51	B10	11.18
Spain	0.41	A10	0.85	B6, B9	1.26
Sweden	0.32	A8, A9, A10	2.26	B4, B10	2.58
Switzerland	1.01	A8, A9, A10	2.29	B10	3.30
Taiwan	7.06	A10	0.08	B9	7.14
Thailand	1.05	A10	0.21	B10	1.26
Turkey	1.65	A8, A10	0.83	B4, B7, B10	2.48

Turkmenistan	-	-	19.25	B4	19.25
UAE	0.32	A10	2.93	B4, B8, B9	3.25
United Kingdom	0.30	A8, A9, A10	21.33	B4, B6, B10	21.63
Uruguay	-	-	0.10	B10	0.10
USA	19.42	A9, A10	5.90	B4, B9, B10	25.32
Other NATO ⁴	20.01	A10	3.85	B9, B10	23.86
Countries accounting for export values below € 10,000: ⁵					
Argentina, Aruba, Austria, Czech Republic, Finland, Portugal, Rumania, Slovakia, Slovenia	0.03	A8, A9, A10	-	-	0.03
Total	494.93		139.08		634.01

Footnotes for Tables 1 and 2, 2012 total

¹ Rounding-off to two decimal places means both in Table 1 and Table 2 that sub-categories where the value remains below € 10,000 are not reported separately.

² Category A10 (parts and components for "arms and ammunition"), relates as usual especially deliveries of combat aircraft and attack helicopters to the manufacturers of such systems in the United States and deliveries of spare parts for tanks and other military fighting vehicles to the German manufacturer of such systems. However, also in this subcategory deliveries of (parts of) radar accommodated if this equipment so that they are integrated into ships as part of. Of interest for this reporting period is a license for the Department of Defense for export to Germany of significant quantities of ammunition (small and large caliber), components of ammunition, explosives, anti-tank missiles, anti-tank mines and parts of rockets and mines. This equipment that was demilitarized in Germany for more than € 342 million in the books of Defense and that is the value of the license is given.

³ The sub-category B10, Parts and components for "Other military goods" in this period again consists of multiple small-scale deliveries of parts for military electronic systems and parts for military aircraft and vehicles.

⁴ The item "other NATO" generally relates to export licences for components in sub-category A10, for the purpose of which a number of NATO countries (excluding Turkey) are licensed final destinations. In practice, this type of licence is used for the sub-supply of components to manufacturers wishing to have the capability to make supplies out of stock to the NATO customers listed as end-users on the licence.

⁵ In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.

⁵ In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final

destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.

2012 (Total)

*Table 1: Value of licences issued for military goods in the year 2012
by category¹*

Main category A-Arms and munition	2012 in € millions
1. Tanks	-
2. Armoured vehicles	-
3. Large-calibre weapons (>12.7 mm)	0,05
4. Combat aircraft	0,01
5. Combat helicopters	-
6. Warships	-
7. Guided missiles	-
8. Small-calibre weapons (<=12.7 mm)	0,46
9. Munitions and explosives	4.91
10. Parts and components for "Arms & Munitions" ²	735,46
Totaal Cat. A	740,89

Main Category B-Other military goods	2012 in € millions
1. Other military vehicles	0,10
2. Other military aircraft en helicopters	-
3. Other military vessels	-
4. Military electronics	77,79
5. ABC substances for military use	-
6. Military exercise equipment	1,75
7. Armour-plating and protective products	0,56
8. Military auxiliary and production equipment	0,61
9. Military technology and software	22,68
10. Parts and components for "Other military goods" ³	96,65
	200,14
Totaal Cat. A + B	941,03

*Table 2: Value of licences issued for military goods in the year 2012
by country of final destination*

2012 (Total) in € millions					
Country of final destination	Cat. A	Specifications	Cat. B	Specification	Total
Afghanistan	-	-	0,02	B4	0,02
Algeria	34,08	A10	-	-	34,08
Argentina	0,08	A10	-	-	0,08
Australia	6,77	A8, A9, A10	0,05	B9, B10	6,82
Bahrain	-	-	0,23	B10	0,23
Bangladesh	0,29	A10	-	-	0,29
Bonaire	0,03	A8, A9, A10	-	-	0,03
Botswana	-	-	0,08	B7	0,08
Brazil	0,55	A10	1,80	B9, B10	2,35
Bulgaria	-	-	0,02	B10	0,02
Canada	11,85	A4, A8, A10	0,23	B9, B10	12,08
Chile	0,46	A10	0,31	B10	0,77
Czech Republic	0,18	A8, A9	-	-	0,18
Denmark	0,56	A8, A10	0,29	B10	0,85
Germany	369,02	A4, A8, A9, A10	6,23	B6, B7, B8, B9, B10	375,25
Egypt	8,53	A10	0,80	B10	9,33
France	6,44	A3, A8, A9, A10	0,79	B9, B10	7,23
Greece	0,13	A10	0,47	-	0,60

Hungary	-	-	0,13	B4	0,13
India	0,49	A10	1,08	B8, B9, B10	1,57
Indonesia	0,14	A9	12,69	B10	12,83
Israël	-	-	0,90	B9	0,90
Italy	2,16	A8, A10	2,07	B9	4,23
Japan	1,67	A10	-	-	1,67
Jordan	0,03	A10	0,01	B10	0,04
Kenya	-	-	0,04	B4	0,04
Kuwait	-	-	0,36	B4	0,36
Kosovo	0,01	A9	-	-	0,01
Malaysia	-	-	6,18	B9, B10	6,18
Morocco	10,00	A10	-	-	10,00
Mexico	-	-	0,60	B4, B8, B9	0,60
Norway	8,17	A8, A9, A10	0,36	B4, B7, B10	8,53
Oman	1,40	A10	0,07	B9, B10	1,47
Austria	0,20	A8, A10	-	-	0,20
Pakistan	0,24	A10	0,91	B10	1,15
Poland	2,07	A8, A9, A10	0,74	B10	2,81
Portugal	0,03	A10	0,50	B6	0,53
Qatar	0,12	A10	40,18	B4, B9	40,30
Russia	1,53	A10	0,15	B4	1,68

Saudi Arabia	0,07	A10	6,54	B10	6,61
Singapore	0,68	A10	1,51	B10	2,19
Spain	0,48	A8, A10	0,86	B6, B9, B10	1,34
Taiwan	7,08	A10	0,08	B9	7,16
Thailand	11,44	A10	0,21	B10	11,65
Tunisia	0,12	A10	-	-	0,12
Turkey	3,22	A8, A9, A10	1,22	B4, B7, B9, B10	4,44
Turkmenistan	-	-	19,25	B4	19,25
Uruguay	-	-	0,10	B10	0,10
USA	59,11	A9, A10	19,06	B4, B9, B10	78,17
VAE	0,32	A10	3,18	B4, B8, B9, B10	3,50
United Kingdom	0,49	A8, A9, A10	24,82	B4, B6, B10	25,31
Vietnam	-	-	2,00	B9	2,00
South Africa	-	-	0,58	B4, B10	0,58
South Korea	11,45	A10	0,64	B10	12,09
Sweden	1,44	A8, A9, A10	6,36	B4, B10	7,80
Swiss	1,46	A8, A9, A10	2,41	B10	3,87
Other NATO ⁴	176,34	A10	32,95	B4, B9, B10	209,29
Countries accounting for export values below € 10.000 : ⁵					
Aruba, Curaçao, Finland, Lithuania Rumania, Slovakia Slovenia	0,04	A8, A9, A10	-	-	0,04
Total	740,89		200,14		941,03

Footnotes for Tables 1 and 2, 2012 total

¹ Rounding-off to two decimal places means both in Table 1 and Table 2 that sub-categories where the value remains below € 10,000 are not reported separately.

^{2, 3} For information on key shipments falling under subcategories A10 and B10 during the year under review, see the explanatory notes accompanying the tables concerning the first and second halves of 2012.

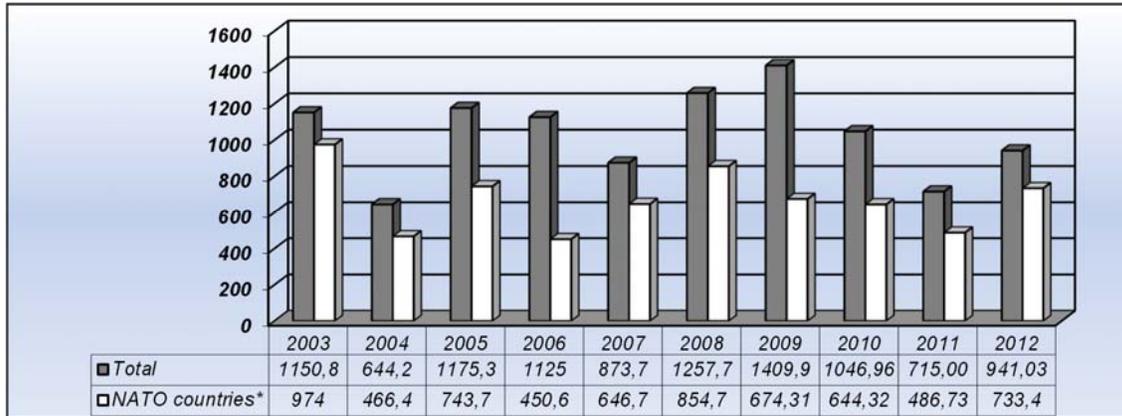
⁴ The item "other NATO" generally relates to export licences for components in sub-category A10, for the purpose of which a number of NATO countries (excluding Turkey) are licensed final destinations. In practice, this type of licence is used for the sub-supply of components to manufacturers wishing to have the capability to make supplies out of stock to the NATO customers listed as end-users on the licence.

⁵ In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.

⁵ In the Netherlands, an export licence is also required for the export of pistols or rifles for sporting or hunting purposes. If such firearms are to remain abroad for an extended period, even though they accompany the owner, a licence for definitive export must be applied for. A proportion of the exports to the countries of final destination shown in the table as accounting for total export licence values not exceeding € 10,000 relates to export transactions of this nature.

Appendix 2: Trend of Dutch arms exports 2003-2012

(value of licences issued, in € millions)



* In 2012 the following 28 countries were members of NATO:

Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxemburg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom and United States of America.

Appendix 3: Value of licences issued in 2012 for the transit of military goods ¹
by country of final destination, in in € millions

Country of destination	Cat.A	Specification	Cat.B	Specification	Toaal
Chile	0,06	A10	0,09	B4	0,96
Ecuador			0,05	B10	0,05
France	0,30	A9	7,87	B2	8,17
Indonesia	0,07	A10	0,31	B5	0,38
Israël	0,11	A10	0,03	B4	0,14
Jordan	0,51	A9			0,51
Kuwait	0,09	A9			0,09
Mexico	1,04	A9			1,04
Norway	0,01	A10			0,01
Oman	2,77	A8,A9, A10	1,88	B5,B10	4,65
Panama	0,14	A8			0,14
Paraguay	0,44	A8			0,44
Qatar	0,08	A8			0,08
Russia	0,16	A10			0,16
Saudi Arabia			0,35	B9	0,35
Spain	0,03	A8			0,03
Tanzania	0,01	A8			0,01
UAE	10,01	A8,A9			10,01
Ukraine	0,01	A10			0,01
USA	36,37	A9			36,37
Vietnam	2,99	A8,A10			2,99
South Africa	2,53	A7			2,53
Countries with values under 10.000 Euro					
Afghanistan, China			0,01	B7	
Total	57,73		11,40		69,13

¹ For transit without transshipment, which allies (EU / NATO +) are involved, a reporting requirement applies. Information on those notifications is available on the website www.rijksoverheid.nl/exportcontrole. More information about the transit permits issued which stated the value here is in Annex 3 can also be found on that website, but not in the transit declaration, but the monthly reports military.

**Appendix 4: Licence application denials reported in the framework of Common Position
2008/944/CFSP in 2012**

Date of notification	Country of final destination ¹	Brief description ²	Recipient	End user	Reason for denial
27-01-2012	Israel	6 Pistols H&K including 41 magazines	Meir Roth Ltd, Sapir, Israël	idem	Criteria 2,3,6 and 7
06-02-2012	Israel	Thermic camera, type E40	ASIO Vision Ltd, Tel Aviv Israël	Elta Systems Ltd, Ashod, Israël	Criterion 2
28-03-2012	Saudi Arabia	Visors for 90 mm guns	CMI Defence SA, Seraing	Saudi Armed Forces	Criterion 7
10-05-2012	Thailand (transit)	Bulletcartridges , kal. 5,56x45mm en 7,62x51min	Ministry of Interior, Royal Thai Army and Navy	idem	Criteria 2 and 3
06-07-2012	Cuba (transit)	Parts of tanks	State Enterprise Technoimport	Ministry of Defense , Cuba	Criteria 3 and 5
06-07-2012	Cuba (transit)	Jet engine	State Enterprise Technoimport	Ministry of Defense , Cuba	Criteria 3 and 5
06-07-2012	Cuba (transit)	Rocket engines	State Enterprise Technoimport	Ministry of Defense , Cuba	Criteria 3 and 5
28-09-2012	Myanmar (transit)	Parts of MI-17 helicopters	Ministry of Defence, Myanmar	Ibid	Criteria 1, 2 and 3.
15-10-2012	Vietnam	Nightvision goggles	Dong Ginag Vietnam R&D J.S.C., Hanoi, Vietnam	Ministry of Public Security, Vietnam	Criterion 2
31-10-2012	Russian Federation	Image intensifier tubes ¹	Jupiter Plan Novgorod Region, Valday Rusland	Police and safety agency Russia	Criteria 2 and 3
13-11-2012	Lebanon	Gas masks and filter canisters therefore	Prince Orient Establishment, Beiroet, Libanon.	Ibid	Criterion 1
14-11-2012	Israel	Parts of training simulator howitzer	Bagira Systems Ltd, Holon, Israël	Ministry of Defense , Israel	Criteria 2, 3, 4 and 6

Footnote for Appendix 4

¹ If dual-use goods intended for military, police or security services of the intended final destination country, then the rejected requests of the Netherlands are also notified in the EU context.

Appendix 5:
Overview of surplus defence equipment sold by the Netherlands to foreign parties in 2012 ¹

Type of equipment	To/via ²	Country of final destination	End user
Parts for a Lynx helicopter	UK firm Air & Ground Aviation Ltd	United Kingdom	unknown ²
LN93 INU units	US firm Blue Aerospace	United States	unknown ²
Combat boots and flak jackets	n.a.	Botswana	Ministry of Defence
Parts for Leopard tank	n.a.	Canada	Ministry of Defence
Parts for ex NL frigate	n.a.	Chili	Ministry of Defence
Parts for trucks (various types) and YPR	n.a.	Chili	Ministry of Defence
Parts for Lynx helicopter	n.a.	Denmark	Ministry of Defence
Munition	German firm Krauss-Maffei Wegmann	Germany	For testing purposes
Test equipment HP	German firm PRT Service GmbH	Germany	n.a.
Parts for Leopard tank	n.a.	Germany	Ministry of Defence
Unmanned Aerial vehicle Aladin in parts	German firm EMT Ingenieurgesellschaft (OEM)	unknown	unknown ²
Parts for a Lynx helicopter	n.a.	Germany	Ministry of Defence
Trucks (various types)	n.a.	Estonia	Ministry of Defence
Parts for a Patria (amendment)	n.a.	Estonia	Ministry of Defence
120 mm tank ammunition	n.a.	Greece	Ministry of Defence
Parts and munition for a F-16 plane (amendment)	n.a.	Jordan	Ministry of Defence
Trucks(various types), shelters, generators	n.a.	Lituania	Ministry of Defence
Starfighter (demilitarised)	n.a.	Canada	Museum
Trucks and watertrucks	n.a.	Rwanda	National Police
Trucks (various types)	n.a.	Uruguay	Ministry of Defence
Various sales in Afghanistan	n.a.	United Kingdom, Canada, Finland	Ministry of Defence
Parts for a Lynx helicopter	n.a.	Zuid-Korea	Ministry of Defence

Parts for a Lynx helicopter	Korea Airlines	South-Korea	Ministry of Defence
Workstation (test equipment) for Leopard tank	Swiss firma RUAG Defence Land Systems	Switzerland	n.a.
Total values of the contracts			ca € 25 million

Footnotes for Appendix 5:

¹ The amount is based on the value of the contracts signed in 2012. Actual delivery of the goods has not taken place in 2012 in all cases.

² The sale of surplus defense goods is occasionally sold to the original producer. Sometimes sale of surplus defense goods also possible via a private company for the purpose of selling to known and agreed end user, or to a private company for its own use. Another possibility is selling to a private company in another EU / NATO + country where the exact final destination and end-user of the equipment is not yet known. In that case, an International Import Certificate to confirm that (re-) export under the control of the relevant EU / NATO + country.