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Occasional Paper No. 4

# Shining a Light on Small Arms Exports: The Record of State Transparency

by Maria Haug, Martin Langvandslien, Lora Lumpe and Nicholas Marsh

January 2002



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A joint publication  
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## The Small Arms Survey

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## Norwegian Initiative on Small Arms Transfers

Formed in December 1997, NISAT is a coalition of Norwegian Church Aid, Norwegian Red Cross, and the International Peace Research Institute, Oslo. The coalition combines the resources and networks of its partner organisations to help block the spread of small arms to areas where they are likely to contribute to conflict, violence, and human rights abuse. It does so through support of government conferences, facilitating meetings and efforts of civil society in affected areas, campaign-oriented work, production of publications, videos, and an Internet-based database of small arms production, export laws and policies, and data on actual arms transfers. Recent publications from 1999-2000 include *Running Guns: The Global Black Market in Small Arms*, *The Making of the West African Moratorium*, and *The Arms Fixers: Gaining Control of the Brokers and Shippers*. NISAT's work is funded by contributions from the partner organizations and the Norwegian government. The internet database and work on this report are also supported by the Ford Foundation, John D. and Catherine T. MacArthur Foundation, and the Ploughshares Fund.

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## Summary

The proliferation of small arms and light weapons directly enables a horrifying number of deaths and injuries around the world each year, and it poses a grave threat to the stability and development of many countries, as well as to the success of UN-mandated peace operations. One of the most meaningful and straightforward initiatives concerned governments could undertake is to provide full unilateral transparency around the small arms shipments they are authorizing for import or export.

While several states began to provide some information about their weapons imports and exports during the 1990s, none provide full, accurate, comprehensible, and timely reports on their small arms shipments abroad and on the transfers they licensed for export in the preceding year. Only two countries provide some limited public and parliamentary awareness *before* the weapons are shipped.

This report assesses the case for, and arguments against, transparency by states in their small arms exports. It examines regional and global export transparency mechanisms and evaluates their implementation and impact in mitigating dangerous aspects of small arms proliferation. The study analyses customs data and national export reports being produced, to determine strengths and weaknesses of each model. It looks at export decision-making criteria and policies, and the final section draws overall conclusions about the merit of a transparency agenda by states concerned with the humanitarian impact of the proliferation of guns and grenades. It makes recommendations for better provision of information via customs data, parliamentary committees, and annual arms export reports – and provides a model for a transparent export report.



*Associated Press / Peter Andrews*

Officials watch as military equipment is unloaded from a commercial airplane at Sarajevo airport.



## I. Introduction – A Transparent Agenda for Small Arms?

*An estimated 50 to 60 per cent of the world's trade in small arms is legal – but legally exported weapons often find their way into the illicit market. The task of effective proliferation control is made far harder than it needs to be because of irresponsible behaviour on the part of some states and lack of capacity by others, together with the shroud of secrecy that veils much of the arms trade. Member States must act to increase transparency in arms transfers if we are to make any progress.*

—UN Secretary General Kofi Annan, 2000<sup>1</sup>

The proliferation of small arms and light weapons directly enables a horrifying number of deaths and injuries around the world each year and poses a grave threat to the stability and economic development of many countries, as well as to the success and safety of UN-mandated peace operations and international aid operations.<sup>2</sup>

One of the most effective and straightforward initiatives governments concerned about the humanitarian and criminal impact of small arms proliferation could undertake is to provide full transparency around the small arms shipments they are authorising for export or import. The basis for this claim is twofold.

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First, many – if not most – weapons that are misused in criminal acts originate as legally manufactured and legally exported weapons. These weapons are often exported to countries with lax regulations, where they “disappear” and are illegally shipped on to conflict zones, often with the assistance of government officials.<sup>3</sup> Transparency in authorised arms exports would discourage such corruption by allowing for easier tracking of where weapons are going and where they disappear. Such information might also lead to the implementation of tighter arms control measures to prevent diversion.

Second, state-authorised weapons shipments can and do exacerbate conflict, leading to humanitarian crises just as readily as do “illegal” weapons. In fact, the international community currently does not have enough information to know whether the state-authorised or the illegal trade is a bigger part of the problem – in terms of contributing to the outbreak and sustainment of conflict and violations of humanitarian law and human rights. Transparency would allow the media, public, and parliaments to help governments safeguard against exporting weapons into war zones or places where human rights are being violated.

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<sup>1</sup> Annan, Kofi A. *We the Peoples: The Role of the United Nations in the 21<sup>st</sup> Century*. (New York: UN, 2000). p. 52

<sup>2</sup> The General Assembly endorsed this view by directing that the United Nations hold its first ever global conference on the topic during 9–20 July 2001. See *Small Arms Survey 2001*, chapter 6 on the social and economic effects of small armed violence in various contexts around the world.

<sup>3</sup> See Johnson-Thomas, Brian. “Anatomy of a Shady Deal”. in Lumpe, Lora, ed. *Running Guns: The Global Black Market in Small Arms*. (London: Zed Books, 2000); US Bureau of Alcohol, Tobacco and Firearms, Office of Law Enforcement. *International Traffic in Arms (ITAR): Report to Congress*. 1991.

### Defining transparency

Transparency is the opposite of secrecy – that is, openness or deliberately revealing one's actions. What does transparency mean in the context of the small arms trade? At a minimum, it would mean states producing full, accurate, comprehensible, and timely reports on their small arms shipments abroad and on the transfers they have licensed for export or import in the preceding year (or half year or quarter). Periodic reports are of limited value, however, if they appear after the fact. A better standard of openness would be public and parliamentary awareness before weapons are shipped, including parliamentary scrutiny of arms licensing and buying decisions.

If practised by most small arms supplier states, transparency might help protect business investments, development projects, aid workers, tourists, and local citizens from armed conflagration by providing early warning of potential escalation or imminent outbreak – as indicated by the influx of a large number of guns and other infantry weapons. In addition, transparency about exports and imports of small arms would provide a baseline for disarmament efforts that might be undertaken, for instance as part of a UN peace enforcement operation. More generally, unilateral openness about government decisions to export or import small arms and light weapons would be a hallmark of a functioning democracy.<sup>4</sup>

At the same time, calls for greater openness challenge business interests – both legitimate and illegitimate – that prefer to operate in secrecy. Transparency runs directly counter to the powerful force of corruption, and the arms trade is one of the most corrupt and bribery-laden endeavours in the world.<sup>5</sup> Transparency also encounters a good deal of resistance from governmental bureaucracies forced to compile data (a time- and money-consuming task) and to open up their decision-making processes to scrutiny. The latter is particularly true for governments that do not have a culture or practice of accountability to their public.

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### Emerging norm of openness

Iraq's invasion of Kuwait in 1990 was largely enabled through purchases Iraq had made in the international arms market during the preceding decade. Following the war against Iraq, the UN General Assembly passed a resolution establishing an annual UN Register of Conventional Arms.<sup>6</sup> In this ongoing initiative, all UN member states are asked to provide information on annual imports and exports of seven categories of major conventional weaponry. While this registry does not ask for information on shipments of small arms and light weapons, it has contributed greatly to the legitimisation of the idea that sharing information on arms transfers contributes to the maintenance of peace and stability.<sup>7</sup>

Seven years later, in 1998, the European Union passed a Code of Conduct on Arms Transfers, which called on each of the 15 member states to provide certain information about its arms exports on an annual basis.<sup>8</sup> In addition, post-Cold War trends in democratisation, humanitarian campaigning,

<sup>4</sup> "A fundamental norm of democracy is, after all, the consent of the governed, and consent is meaningless unless it is informed." (Florini, 52)

<sup>5</sup> See Rober, Joe. *The Hidden Market: Corruption in the International Arms Trade*. (New York: The New Press, 2001). 224 pages.

<sup>6</sup> United Nations. General Assembly Resolution 46/36L. 6 December 1991.

<sup>7</sup> For an assessment following five years of operation of the UN Register, see Chalmers, Donowaki and Greene, eds.

*Developing Arms Transparency: The future of the UN Register*. (Bradford: Dept of Peace Studies, University of Bradford, 1997).

<sup>8</sup> For the full text of the EU Code of Conduct on Arms Exports see [europa.eu.int/comm/development/prevention/codecondarmsexp.htm](http://europa.eu.int/comm/development/prevention/codecondarmsexp.htm)

and globalisation have all contributed to greater expectation of – and in some cases willingness by – governments to present some public information about their arms exports and imports.

As a result, more governments now report openly on the monetary value of weapons shipments they are authorising or delivering, usually on a country-by-country basis. However, if a report does not contain detailed information on types of weaponry, quantity, and recipient, export reports are largely useless in providing early warning, permitting democratic accountability, preventing diversion of weapons to the black market, or curbing corruption associated with the arms trade.

At least 95 countries are believed to have industries currently manufacturing small arms or ammunition, and many more are engaged in brokering, re-exporting, trans-shipping, and financing small arms.<sup>9</sup> *The Small Arms Survey 2001* estimated that the value of the state-authorized trade in light weapons is approximately USD 4–6 billion.

For the most part, this large-scale trade in small arms is still conducted in complete darkness. Only 22 countries produce national reports on their arms exports. Of these, only a handful provide any meaningful information on their small arms exports (see Part 4). There is even less openness on the decision-making process with regard to licensing arms exports, and only two states allow prior parliamentary scrutiny of export licenses (see Part 5).

### Taking responsibility

In recent years more and more governments are considering initiatives to limit small arms transfers. A group of states that have backed a number of initiatives have emerged as global leaders on this issue. Among these states are Mali, Japan, Norway, Canada, Switzerland, South Africa, and Belgium.<sup>10</sup>

While most of these leaders are not significant arms exporters, surprisingly few are very informative about the small arms and light weapons they are exporting or importing. Two of these states, Japan and Mali, do not report on arms transfers at all, and only Canada divulges the dollar volume of small arms and ammunition it has exported by country. None of these states provides information on the model or quantity of weapons shipped to importers.

Of the five permanent members of the UN Security Council, Russia and China do not provide any detailed information on their small arms exports, which are thought to be extensive. France now provides an annual export report, that covers quantities and types of weapons exported and licensed for export, but not their monetary value. Britain provides extensive information, including the number of weapons it has licensed for export. Only the United States produces a highly detailed annual report, breaking down its exports by destination and weapon type and also providing information on quantity and value of exports.

The data that is available suggests that some of the same states expressing concern about the negative impact of the illicit trade on civilians, businesses, and aid workers continue to authorise the export of weapons into conflict zones.

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<sup>9</sup> *Small Arms Survey 2001*, p. 7.

<sup>10</sup> Brem, Stefan and Ken Rutherford. "Walking Together or Divided Agenda? Comparing Landmines and Small-Arms Campaigns". *Security Dialogue*. (London: Sage Publishers, 2001), vol. 32, no. 2 (June 2001).

### About this report

This report assesses the case for, and arguments against, transparency by states in their small arms exports and, to a lesser extent, in small arms imports and holdings. It examines regional and global export transparency mechanisms and evaluates their implementation and impact. The study then evaluates national export reports being produced by states, to determine strengths and weaknesses of each model. Part 5 looks at various state's export decision-making criteria and policies, and the final section draws overall conclusions about the merit of a transparency agenda by states concerned with the humanitarian impact of the proliferation of guns and grenades. It also makes recommendations for a model national export report – in terms of substance, presentation, and availability.

Regarding definitions of small arms and light weapons, this paper uses the guidelines set out by the 1997 Report of the Panel of Governmental Experts on Small Arms.<sup>11</sup> In general the UN definition of small arms and light weapons means anything that can be carried up a hill by two adults, or transported on the back of a jeep, and specifically includes the following categories of weapons:

small arms – revolvers and self-loading pistols, rifles and carbines, assault rifles, sub-machine guns, and light machine guns;

and light weapons – heavy machine guns, hand-held under barrel and mounted grenade launchers, portable anti-tank and anti-aircraft guns, recoilless rifles, portable launchers of anti-tank and anti-aircraft systems, and mortars of less than 100mm calibre.

This paper uses the terms “small arms” and “small arms and light weapons” interchangeably. Unless noted, no distinction is made between weapons designed for military or civilian use.

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<sup>11</sup> United Nations. “Report of the Panel of Governmental Experts on Small Arms.” UN document A/52/298. 27 August 1997, pp. 11–12.

## II. The Case for Transparency

Transparency in the small arms trade remains a controversial topic amongst many of the world's gun supplying and gun buying governments. The consensus Programme of Action agreed by states at the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (July 2001) barely referenced the concept. It explicitly refrained from calling on individual states to make information about their small arms transfers (or production or holdings) open to the world community, and it only mildly called on regional and sub-regional organisations to "develop, where appropriate and on a voluntary basis, measures to enhance transparency with a view to combating the illicit trade in small arms and light weapons in all its aspects."<sup>12</sup>

Why is transparency in this area so controversial?

With the spread of democratic norms in the past decade, pressure for transparency and "freedom of information" has grown around many issues, including most prominently environment, trade, military acquisition and expenditure, banking, and bribery. Some societies – mainly liberal democracies – see openness in these and other realms of government activity as a public good, one that holds government, military, and corporate sectors accountable before parliaments, the public, and the media. However, this understanding is by no means universal in regard to small arms transfers, and even among the world's liberal democracies, only about two dozen governments currently provide any public information on their small arms transfers. No illiberal governments have been open in this area.<sup>13</sup> Moreover, in the immediate aftermath of the terror attacks of September 2001, governments of all types are reassessing and/or rolling back their commitment to public information.

Proponents of transparency around small arms shipments generally do not view it as an end in itself, but rather a tool for achieving one or more goals. Among these goals – many of which have been prioritised by the international community in recent years – are:

- enhancing good governance by curbing corruption associated with the weapons trade;
- diminishing the diversion of legally supplied arms into the black market;
- persuading governments to refrain from making transfers that contribute to human rights abuse;
- curbing the outbreak and escalation of armed conflict; and
- providing some baseline of information for disarmament.

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<sup>12</sup>United Nations. "Report of the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects". (New York: UN, 2001). document A/CONF.192/15, part 2, para. 31. Part 2, para. 9 calls on states "to ensure that comprehensive and accurate records are kept for as long as possible on the manufacture, holding, and transfer of small arms and light weapons under their jurisdiction. Those records should be organised and maintained in such a way as to ensure that accurate information can be promptly retrieved and collated by competent national authorities."

<sup>13</sup>Indian scholar Jasjit Singh points out that, "It would be unrealistic to expect a state which does not practise even a modicum of transparency in its public affairs, to introduce transparency in arms acquisition policies and practices [such as small arms transfers]. States with well established democratic polities are, by definition, committed to greater transparency in public affairs and may be expected to support transparency measures in military affairs, too." (Singh, Jasjit. "The UN Register: Transparency and the Promotion of Conflict Prevention and Restraint," in Chalmers, Donwaki, and Greene, pp. 130–131)

Some states are suspicious of these goals and/or oppose them. Others cite the costs and difficulty of gathering information on small arms transfers, the negative impact on national or internal security of revealing such data, or the primacy of the business interest in keeping weapons sales information private.

This chapter briefly explores each of the above rationales in support of and against openness in the small arms trade.

### Challenging corruption

The international arms trade is rife with corruption, a point made increasingly by the global anti-corruption group Transparency International (TI). The illicit trade depends upon the complicity of state employees, such as customs officials and policemen, whose silence is bought with bribes. In the legal trade, arms contracts are frequently facilitated with “commission payments” and kickbacks to military personnel and government employees.<sup>14</sup>

TI has identified the trade in small arms as a particularly corrupt endeavour. Speaking at the release of the group’s 2001 “Corruption Index”, TI Vice President Frank Vogl said, “We estimate that a very high proportion of small arms deals in the world are the results of bribes.”<sup>15</sup> Among the examples he cited were the long-running investigation into gun-running by former Argentine President Carlos Menem to Ecuador during its 1995 war with Peru, and the pending prosecution of former Peruvian spymaster Vladimiro Montesinos for his role in an arms supply operation to guerrillas in neighbouring Colombia.

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In addition, a recent sting operation by Indian media exposed Indian Defence Ministry officials taking bribes to determine weapons procurement. This scandal resulted in calls for greater openness about the defence procurement process in that country. As a result, the Defence Minister has said that details of future weapons acquisition would be posted on the Ministry of Defence website.<sup>16</sup>

Just as transparency is a key strategy for eliminating corruption, fraud, and money laundering in the field of financial services, sunlight on the weapons trade would combat corruption in weapons purchases. Such corruption distorts markets and reinforces a culture where ordinary citizens are unable to obtain basic services without resorting to bribery.

According to TI’s index of corruption, demands for bribery are much more prevalent and extensive in under-developed economies. Transparency in arms procurement and import will not take root as long as government officials are making a good deal of money off of corruption and kickbacks around the arms trade. However, the global anti-corruption movement is gaining in strength. And, as the examples in India, Peru, and Argentina indicate, government officials are susceptible to public shaming and pressure for reform in this area.

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<sup>14</sup> Rober, Joe. *The Hidden Market: Corruption in the International Arms Trade*. (New York: The New Press, 2001). 224 pages.

<sup>15</sup> Lobe, Jim. “A Crisis of Corruption.” *World Press Review*. October 2001.

<sup>16</sup> Chari, P.R. “Transparency in arms purchases.” *The Hindu*. 28 September 2001.

At the same time, it is perhaps more reasonable to expect transparency on the part of the supplier governments, many of them in the Western Europe and North America, where corruption is apparently less endemic.<sup>17</sup> Openness on the part of these countries would go a long way in helping to undermine and root out corruption in the customer countries – at least so far as it relates to small arms purchases.

### Protecting against diversion

The two areas where an international consensus appears to have developed around the issue of small arms and light weapons is in opposition to the “excessive and destabilizing accumulation and transfer” of such weapons and a general agreement that the illicit trade – or trade outside of states’ control – is a problem.<sup>18</sup> At the UN Conference on the Illicit Trade in Small Arms, many government and non-governmental activists argued in support of the notion that transparency on the part of governments about their small arms imports and exports would hinder both phenomena.

For example, speaking on behalf of the European Union at the opening plenary of the conference, a Belgian official noted that “transparency regarding legal movements of small arms and light weapons can be of considerable help in detecting and combating illicit flows. Countries should therefore be encouraged to make available information on their exports and imports, be it in a regional context or on a global level.”<sup>19</sup>

Reporting state-authorized transfers of small arms would make it easier to track the movement of weapons into the black market. By establishing a paper trail describing the chain of custody from manufacturer to end-user, governments would be better able to ensure that weapons they are authorising for export actually end up at the correct destination. The more such information were made public, the more it would allow the non-governmental community, as well as national legislatures, to aid governments’ efforts to curb diversion of arms. They could do so by providing oversight through research, questioning, and reporting that would help identify the point at which weapons were diverted from their intended end-user.

Such help is needed now more than ever. Globalisation – the relaxation of obstacles to the free flow of goods across borders – has rendered arms smuggling easier than during the Cold War era. Maintaining adequate checks at the world’s customs and border posts, airstrips, and ports is impossible under the weight of vastly expanded trade.<sup>20</sup> Improved government coordination is needed to counter the increased ease and possibility of gunrunning. Transparency in the arms exports that are being authorised would be an important component of any such effort.

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<sup>17</sup> In 2002, Transparency International planned to publish “Bribe Payers Index” to shine the spotlight on the western firms (and governments) that use bribes to gain sales in the developing world. (Transparency International Press Release. “New index highlights worldwide corruption crisis”. Paris, 27 June 2001, see <<http://www.transparency.org/documents/cpi/2001/cpi2001.html>>

<sup>18</sup> United Nations. “Report of the Panel of Governmental Experts on Small Arms.” document A/52/298. 27 August 1997, p.7 and “Report of the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects.” document A/CONF.192/15. July 2001.

<sup>19</sup> Michel, Louis. Deputy Prime Minister and Minister of Foreign Affairs of Belgium. On behalf of the EU, at opening of the UN Conference on the Illicit Trade of Small Arms and Light Weapons in All Its Aspects, New York, 9 July 2001 via Small Arms Survey database of government statements, <<http://www.smallarmssurvey.org>>

<sup>20</sup> Flynn, Stephen E. “Beyond Border Control.” *Foreign Affairs*. November/December 2000.

More generally, fuller information about the magnitude and destination of current and future small arms shipments is a necessary prerequisite for the development of sound policies to better regulate and reduce global small arms transfers. As it stands, governments do not have enough information about the sources of supply (in either the state-authorized or illicit markets) to know which policy prescriptions would best curb the negative effects of small arms proliferation they are seeking to diminish. Transparency by supplier states and importers would help clarify which policies the international community should embrace most urgently.

Greater governmental transparency would also help evaluate the real impact of small arms on people and societies. Although widely assumed to be a significant factor, there has been no scientific investigation of the impact of small arms supply in terms of outbreak, sustainment, or escalation of civil warfare. The dearth of data on arms transfers currently prevents researchers from being able to conduct empirical studies.

### Self regulating

Transparency has a well-established track record in helping regulate negative or damaging behaviour, and “regulation by revelation” appears to be on the rise.<sup>21</sup> Disclosure is the essential element in some of the most important US domestic regulatory regimes. The Securities and Exchange Act, for example, requires disclosure of certain business facts to alert investors of potential pitfalls of investment. (The details and truth of the disclosure are policed by the Securities Exchange Commission, a body created to implement these laws.)

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Self-disclosure around small arms shipments should lead to a diminution in dangerous gun sales. The availability of official information on small arms transfers would be likely to generate pressure on states for their arms sales to conform with norms of responsible behaviour and with their own declaratory policies.

Transparency can cause some embarrassment when it reveals failed promises. For example, in 1998 then Secretary of State Madeleine Albright made a speech to the UN Security Council on small arms, in which she stated that:

All of us whose nations sell such weapons, or through whose nations the traffic flows, bear some responsibility for turning a blind eye to the destruction they cause. And all of us have it in our power to do something in response.

Together, we should move now to curb arms transfers to zones of conflict in Africa. We should begin by committing to full and timely disclosure of all arms shipments into those regions. And we should seek to build international support, over the next six months, for a voluntary moratorium on arms sales that could fuel these interconnected conflicts.<sup>22</sup>

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<sup>21</sup> Florini, Ann. “The End of Secrecy”. *Foreign Policy*. Summer 1998, p. 51.

<sup>22</sup> Albright, Madeleine K. US Secretary of State. Statement at UN Security Council Ministerial Meeting on Africa, New York, 24 September 1998. see <[http://www.nisat.org/export\\_laws-regs%20linked/usa/albright\\_UNSC.htm](http://www.nisat.org/export_laws-regs%20linked/usa/albright_UNSC.htm)>.



Despite this call, US export reports show that the United States authorised export licenses and/or actually delivered small arms to 130 countries in 1999, 19 of which were in Africa and five of which were engaged in armed conflict during 1999 (Algeria, Angola, Namibia, Senegal, and Zimbabwe).<sup>23</sup> Similarly, in 1997 then Foreign Secretary Robin Cook stated that from that point onward, the UK government, when considering arms export licenses,

(a) will take into account respect for human rights and fundamental freedoms in the recipient country; and (b) will not issue an export licence if there is a clearly identifiable risk that the proposed export might be used for internal repression.<sup>24</sup>

When questioned then several years later as to why the United Kingdom had exported various small arms to Bahrain – a state, according to Human Rights Watch, where “restrictions on freedom of association and expression continued to be severe, and Human Rights Watch continued to receive reports of torture and ill-treatment by security forces, arbitrary arrests and detention, and unfair trial”<sup>25</sup> – UK Foreign Minister Peter Hain gave an explanation that was less than reassuring:

All export licence applications for Bahrain for ML1 equipment [small arms] this year have been for private/recreational use by the ruling family, for national defence by the Bahrain Defence Force, who are not involved in internal security, or for the training unit of the Bahrain National Guard.<sup>26</sup>

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Governments can, and do, make questionable small arms export decisions. Transparency would be likely to restrict their willingness to authorise export licenses to destinations afflicted by conflict, state repression, and high levels of gang violence. As an example, French, Russian, South African, and Egyptian exports of small arms into Rwanda prior to the 1994 genocide (while the country was embroiled in a civil war) probably would not have withstood parliamentary, press, and public scrutiny.<sup>27</sup>

Those governments that provide information risk being shown to be out of compliance with their own laws and stated policies. And while they should be questioned, held accountable for export decisions, and helped to see the impact of injudicious transfers, it must be recognized that such states are acting with greater responsibility and accountability than are those states that are unwilling to make public their actions. For those states, only the work of investigative journalists, human rights activists, and/or government inquiries will reveal the arms shipments that they are unwilling to acknowledge.

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<sup>23</sup> Wallensteen, Peter and Margareta Sollenberg. “Armed Conflict, 1989–2000”. *Journal of Peace Research*. vol. 38, no. 5; and NISAT database of small arms transfers, see <<http://www.nisat.org>>

<sup>24</sup> Cook, Robin. Response to Parliamentary Question number 11461. *Hansard*. 28 July 1997.

<sup>25</sup> Human Rights Watch. *Human Rights Watch World Report 2000*, see <<http://www.humanrightswatch.org/wr2k/index.htm>>

<sup>26</sup> Hain, Peter. Response to Parliamentary Question Number 9505. *Hansard*. 31 January 2000, as quoted in Eleventh, Seventh, Seventh, Eleventh Report. The Defence, Foreign Affairs, International Development and Trade and Industry Committees. Strategic Export Controls: Further Report And Parliamentary Prior Scrutiny. 17 July 2000.

<sup>27</sup> For more information, see *Small Arms Survey 2001*, p. 206.

### Early warning and armed conflict

The international community has embraced the norm of transparency in the trade of major conventional weapons to a much greater degree than it has done thus far for small arms. The main rationale given for the UN Register of Conventional Weapons and associated measures is that such openness is a confidence-building measure that will reduce mistrust and miscalculations between rival states or potential adversaries. Related goals are to prevent the accumulation of destabilizing amounts of major combat equipment, improve understanding, and reduce misperceptions, and in these ways help prevent the outbreak of armed conflict.

These arguments do not necessarily hold sway with regard to the trade in small arms and light weapons. Small arms are not strategic and destabilizing in an inter-state context to the same degree as are heavy weapons. However, when one seeks to identify arms acquisition patterns that are highly indicative of impending *internal* warfare (which accounted for the vast majority of major armed conflict during 2000<sup>28</sup>), a large influx of small arms would be a very prominent indicator.

Thus, transparency in small arms exports might – if practised widely by the leading exporter nations – provide early warning of impending conflict. Transparency around planned arms shipments (that is, timely information about license approvals granted) would be the most useful in providing early warning of potential violence and instability. While individual states might not be granting unusually large numbers of export licenses to a particular destination, when placed side by side with other suppliers' export approvals, disturbing trends might become apparent.

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Transparency in small arms exports could provide important knowledge that might be used to alert aid and relief workers present in a region where a sudden influx of guns has occurred or is anticipated. Such information might also be of great interest to the business community in helping investors protect their assets in a country experiencing a dramatic increase in small arms inflows. Finally, such information would greatly facilitate disarmament, whether through an international peacekeeping or national initiative, by providing some baseline information about arms supply in the state or region.

### Difficulty and cost

The process of constructing transparency measures is not simple or cost free, and states that undertake such initiatives must make choices about what kinds of information to gather and publish based on a determination about who needs to know what, and why (that is, what the value of providing certain information is as opposed to providing other information).

The costs of establishing and running a light weapons register would fall into two areas: those incurred to establish and run the register, and those to each participating country associated with the collection of data for the register. Overall costs would be dependent upon several factors, including:

- the scope of the register and whether it is global or regional;
- whether or not there is a compliance monitoring mechanism, and what form it will take; and
- the functions of the central secretariat and number of meetings required.

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<sup>28</sup> See chapter 1, *SIPRI Yearbook 2001*. (Oxford: Oxford University Press, 2001).

Annual costs for running the UN Register of Conventional Arms have been well below USD 250,000 per year and have required less than two full-time staff to amass and disseminate the data. The costs of national data compilation are much more difficult to gauge.<sup>29</sup>

A guiding principle of the UN Register of Conventional Arms is simplicity, as states' willingness to comply with it is believed to be directly related to their ease in doing so. As Japanese Ambassador Mitsuro Donowaki has pointed out, "Larger conventional weapons are easily identifiable, and their numbers can be counted and registered easily. Compared to them, small arms and light weapons are vastly more numerous and extremely difficult to be traced and registered."<sup>30</sup>

Developing the capacity to track and report on small arms and light weapons transfers is a challenge even to developed countries. To help states in the developing world record and better regulate this trade would require capacity building cooperation and assistance. Such cooperation might include regional seminars, customs training, computer equipment, and financial assistance.

Offsetting these costs, however, is the fact that transparency would provide information that the participating states would otherwise have to assemble with their own resources, often at high or prohibitive cost. In this case, if a norm of self-disclosure about small arms transfers takes hold, then states' intelligence agencies might be freed from the obligation of trying to gather information on small arms flows to or from particular countries or regions. As another example, governmental or private risk insurance agencies (like the US government's Overseas Private Investment Corporation) would have an easier time gathering information about the risk of armed conflict occurring in countries where they are underwriting investments.

#### Confidential business interests

Opponents of transparency in the small arms trade claim that it might compromise business interests of a firm trying to make a sale if the buyer wants the deal to remain cloaked in secrecy. Arms exporters also seek to protect their commercial advantage by keeping markets and prices secret from competitors.

The experience of the United States, which licensed nearly USD 2 billion of small arms and light weapons for export during 1996–1999, would appear to demonstrate that transparency in this realm does not unduly harm business opportunities.<sup>31</sup> The US government reports publicly on the quantity of weapons it has licensed for export or actually shipped under government contract, as well as the price. It does not report on the entity licensed to make the sale or on the recipient.

The business interests of an arms selling firm must be weighed against other interests of the exporting state. First, it is a basic norm of democracy that people have a right to know what their government is doing in their name – including as relates to the provision of such politically powerful tools as guns and grenades. Second, a government needs to take into account the potential impact of a secret gun export on its development policy, business investments, citizens living abroad, etc. The sale of arms is a commercial transaction that can have profound political and humanitarian consequences.

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<sup>29</sup> Canada. "An International Register of Small Arms and Light Weapons: Issues and Model". October 1998. pp. 20–21.

<sup>30</sup> Donowaki, Mitsuro. "Addressing Light Weapons and Small Arms Proliferation." in Chalmers, Donowaki, and Greene, p. 207.

<sup>31</sup> Search of NISAT on-line database, all small arms and light weapons licensed from the USA during 1996–1999,

<[http://www.nisat.org/default.asp?page=/database\\_info/advanced\\_search.asp?Type=2](http://www.nisat.org/default.asp?page=/database_info/advanced_search.asp?Type=2)>

Moreover, the need on the part of a buyer for secrecy should be carefully examined, as it might indicate a lack of democratic accountability or illegitimacy around the transaction.

#### National security secrets

A 1996 government White Paper in South Africa stated that, "The principle of openness and transparency relating to arms trade shall apply. This will be limited only by national security interests."<sup>32</sup>

Many states trump transparency with claims that knowledge about small arms shipments will tip the strategic balance unfavourably, either with neighbouring or internal forces. Others maintain secrecy over the fear that publication of arms transfers may harm general relations with another government – especially those importers that lack democratic practices in their country. Finally, some claim that transparency in this area is an intrusion on national sovereignty of the supplier or importer.

Regarding the trade in major weapons systems, confidentiality is often related to a policy of deterrence based on ambiguity in information about holdings and capabilities. For strong states, transparency adds to their deterrent strength; however, for weak ones it might undermine the creative ambiguity upon which they rely. While this argument may be true for major and strategic weapons systems, it would not appear credible for low-tech infantry weapons. Rather, underlying arguments about the strategic imperative for secrecy in this case appear to rest on an assumption that anything to do with the military needs to remain secret.

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### III. Overview of Regional and Global Transparency Mechanisms

Increased transparency on small arms transfers is possible at the global, regional, and/or national levels. The United Nations and regional security organisations can help facilitate the former two, but such initiatives are predicated on willingness by national governments to engage in greater openness.

What are the best mechanisms for establishing greater openness in the small arms trade? Policy analysts often promote expansion of the UN Register of Conventional Arms to include small arms and light weapons as a desirable goal, but several expert panels reviewing the register have decided against doing so. Meanwhile, with no elaboration, former US Secretary of State Madeleine Albright called in 1998 for the creation of an "international centre" for exchange of information on small arms transfers.<sup>33</sup> No follow up was publicly reported by governments.

As mentioned in the preceding chapter, governments did not choose to implement any formalized transparency or information exchange mechanism regarding small arms shipments as part of the Programme of Action issued at the end of the UN Conference on the Illicit Trade in Small Arms and Light

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<sup>32</sup> Government of South Africa. "White Paper on South African Defence Related Industries". 1996. chapter 8, para. 12.

<sup>33</sup> Albright, Madeleine K. US Secretary of State. Statement at UN Security Council Ministerial Meeting on Africa, New York, 24 September 1998. see <[http://www.nisat.org/export\\_laws-regs%20linked/usa/albright\\_UNSC.htm](http://www.nisat.org/export_laws-regs%20linked/usa/albright_UNSC.htm)>

Weapons in July 2001.<sup>34</sup> Nor did the Firearms Protocol to the Transnational Crime Convention, concluded in March 2001, include provisions calling for the public exchange of information about small arms licensed for export.<sup>35</sup>

However, during the past decade the European Union, Organisation of American States, Economic Community of West African States, Organisation for Security and Cooperation in Europe, and Wassenaar Arrangement, among others, have established consultative and transparency measures related to arms transfers. Some of these measures focus only on major weapons systems, and do not include explicit reference to guns and infantry weapons; others focus entirely on the trade in small arms and light weaponry.

This chapter examines the various global and regional export transparency mechanisms that have recently come into being and evaluates their implementation and impact (or potential) in shining meaningful light on aspects of the small arms trade. It also examines in some detail the international customs data system operated by the United Nations.

### UN Register

The UN General Assembly passed a resolution in 1991 establishing an annual UN Register of Conventional Arms. All UN member states are requested to provide information on their imports and exports of seven categories of major conventional weaponry, including battle tanks, armoured combat vehicles, large calibre artillery, missiles/missile launchers, combat aircraft, attack helicopters, and warships.<sup>36</sup> While these weapons are acquired and used frequently by the world's major and mid-level military powers, many – if not the majority – of the world's nations rarely import or export these types of arms. Almost since its inception, policy analysts have promoted expansion of this register to include small arms and light weapons, both to make it more relevant for many nations (and therefore increase participation in it) and also to capture the weapons that are believed to be responsible for the majority of war-related deaths.

Now in its tenth year, the register – while not without its shortcomings – has proven tremendously effective in that it has encouraged many states that heretofore had not done so to provide official public information on arms exports or acquisition. For many people around the world the UN Register is the only source of information about how their government is spending public funds, or about to whom their government is selling or giving arms. The fact that the report contains official information does not always mean that it is accurate, but it initiates and enables a discussion between citizens and diplomats about the veracity and fullness of the data. And the exercise of collecting and publishing this information has undoubtedly resulted in a greater degree of monitoring and control over weapons transfers than previously existed.

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<sup>34</sup> The Programme of Action calls on regional blocs and groups to “develop, where appropriate and on a voluntary basis, measures to enhance transparency with a view to combating the illicit trade in small arms and light weapons in all its aspects.” (part 2, para. 31)

<sup>35</sup> The Protocol strengthens legal controls regarding the export of firearms, mainly by ensuring proper checking and coordination between licensing authorities in exporting and importing states, and it requires that firearms be marked with symbols showing their origin. The Protocol contained some clauses regarding the sharing of information particular to ongoing cases. However, the agreement does not provide for a general regime of information exchange on arms transfers; and clause five of Article 12 actually mitigates against transparency by calling upon states to guarantee the confidentiality of any commercially sensitive information received from other governments.

<sup>36</sup> UN Resolution 46/36L, 6 December 1991.

In 1994, 1997, and 2000, a group of government experts reviewed the UN Register to consider expanding it in various ways, including but not limited to the inclusion of small arms transfers. Writing in anticipation of the middle review, Natalie Goldring outlined four options regarding a registry of the small arms trade in relation to the UN Register of Conventional Arms. In sum, these proposals were:

- 1) *Include detailed information on light weapons transfers in the global UN Register.*

The main problem she identified with this proposal was the question of how to do it. If the information were provided in one lump category, it would not be terribly meaningful. If the data was broken down, it would be burdensome on both states and the UN bureaucracy to process, and complexity would hinder rather than encourage participation in the register. In addition, including small arms would incur a financial cost on states and the United Nations.

- 2) *Develop sub-regional or regional registers with common forms that are then compiled into and published as a global register under UN auspices.*

She identified as a possible downside the perception by regions that the United Nations is not taking their concerns into full or equal consideration.

- 3) *Create separate regional or sub-regional registers, not under UN auspices.*

These could be tailored to specific context and needs; however, they risk losing the legitimacy of being a UN exercise.

- 4) *Suggest the voluntary provision of information within the global register.*

This approach has the benefit of simplicity, and on at least two occasions states have provided background information on their small arms holdings or imports. In its 1995 submission, the Jamaican government submitted background data on arms and ammunition imported into Jamaica during January to December 1994, and in 2001 the Government of Togo volunteered information on its general military holdings of small arms and light weapons.

A downside that she identified is that this proposal does not allow for comparability of data or cross-checking transfers across a region.<sup>37</sup>

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<sup>37</sup> Goldring, Natalie. "Developing Transparency and Associated Control Measures for Light Weapons." in Chalmers, Donowaki, and Greene, pp. 217–223.

Others writing around the same time felt that inclusion of small arms would overburden the fragile register and divert it from its primary focus on preventing destabilizing arms build-ups.<sup>38</sup>

Ultimately, the 1997 review panel looking into changes in the UN Register did not choose to include small arms and light weapons.<sup>39</sup> Mitsuro Donowaki noted that small arms holdings or transfers are much harder to trace and register than are heavy conventional weapons. “The manufacturing nations themselves encounter great difficulty in keeping track of all their products. Those two reasons in themselves convinced the Group of Governmental Experts on the Register that it would be impractical to include small arms and light weapons in the Register.”<sup>40</sup>

A study undertaken by the Government of Canada in 1998 provides a model and detailed analysis of the steps necessary to establish a separate, detailed global register of small arms and light weapons transfers. However, the report also notes that vested commercial and political interests associated with the gun trade call into question the level of international support for such a register.<sup>41</sup>

### Regional registers

The unwillingness of states to incorporate small arms into the UN Register has stimulated greater interest in the possibility of establishing regional registers. Then UN Secretary General Boutros Boutros-Ghali said in January 1994, “Regional registers of conventional arms should now be the next step. They have the advantage of allowing the categories of weapons to be registered to reflect the security concerns felt in the region.”<sup>42</sup>

While this statement is true, and while regional registers would undoubtedly be a valuable complement to the UN Register, regional groupings are perhaps even less able than is the UN – politically, financially, and technologically – to undertake the complex task of establishing a useful register of all authorised small arms imports and exports in their area of operation.

Establishing a register on weapons flows would require close consultations among the military and police officials of the sub-region, including border guards and customs officials. It would also require the establishment of data collection programs within each country and a computerized database and secretariat within the region.

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<sup>38</sup> Jasjit Singh wrote that, “Transparency (and accountability) will play a crucial role in control of proliferation and diffusion of small arms and light weapons, and should form the core principle of all efforts to deal with them.” At the same time, “Transparency and restraint in transfers of small arms requires a significantly different approach than that for major categories of weapons covered by the UN Register. ... [I]t is clear that the issue of small arms and light weapons should not be juxtaposed onto the current Register without the risk of jeopardising the purpose and the progress of the Register.” Singh, Jasjit. ‘The UN Register: Transparency and the Promotion of Conflict Prevention and Restraint.’ in Chalmers, Donowaki, and Greene, p. 135.

<sup>39</sup> United Nations. “Report on the Continuing Operation of the UN Register of Conventional Arms and Its Further Development”. document A/52/316. 29 August 1997. The subsequent review in 2000 did not embrace the inclusion of small arms and light weapons, either.

<sup>40</sup> Donowaki, Mitsuro. “Developing Associated Transparency Measures for Light Weapons and Small Arms.” *Disarmament*. p. 121.

<sup>41</sup> Canada. “An International Register of Small Arms and Light Weapons: Issues and Model”. October 1998. pp. 23–24.

<sup>42</sup> Speech to Advisory Board on Disarmament as cited by Donowaki in Chalmers, Donowaki, and Greene, p. 204.

Table 1. Togo small arms and light weapons holdings as of 31 December 2000

	Categories	Number of items	Comments
LIGHT WEAPONS	Rocket launchers	140	40mm and 89mm
	Heavy machine guns	70	12.7 (United States of America)
			12.7 (Asian)
	Light machine-guns	360	AA 52 – FM (Korean)
			FM 24/29 – FM (Chinese)
			ML (Asian)
			HK 21 – MAG
	Mortars	76	Mo 60 – Mo 81
			Mo 82 (Chinese)
			Mo 82 (Korean)
SMALL ARMS			Mo 100
	Submachine-guns	1700	Sterling
			Uzi
			MAT 49
			Star
	Semi-automatic pistols	1184	MAC 50
			Herstal
			Korean
			Chinese
			Belgium
			Beretta
			Star
	Rifles	9320	G3 A3 – G3A4
		FAC – MAS 36	
		FSA – FAL	
		Pump action gun	

Source: UN Register of Conventional Arms Database 1992–2000 at <[http://www.disarmament.un.org/UN\\_REGISTER.ns](http://www.disarmament.un.org/UN_REGISTER.ns)>

Although there are no currently functioning regional transparency regimes, there have been steps in this direction – in Africa, the Americas, and Europe. Regional declarations have started the process of states cooperating and sharing information, and this process may lead to functioning regional transparency regimes in the near future. A West African register has been most often discussed, with the proposal being that the actual numbers of small arms and light weapons already in existence in the subregion be reported.<sup>43</sup>

#### African initiatives

In October 1998 the 16 heads of states belonging to the Economic Community of West African States (ECOWAS) signed a Moratorium on the Exportation, Importation, and Manufacture of Light Weapons. The entire declaration is contained in one paragraph, with the operational part as follows: “[the heads of state of ECOWAS] declare a moratorium on the importation, exportation and manufacture of light weapons in ECOWAS member states which shall take effect... for a renewable period of three years”.<sup>44</sup> Governments of the region extended the moratorium agreement in July 2001, meaning that it will be in effect through 2004.<sup>45</sup>

<sup>43</sup> Donowaki, Mitsuro. *Disarmament*, p. 120.

<sup>44</sup> The text of the moratorium agreement, a related chronology, news and analysis are available on the NISAT website <<http://www.nisat.org/west%20africa/african.htm>>.

<sup>45</sup> ECOWAS now comprises 15 member states, as Mauritius withdrew from the group in 2001.



A Programme for Co-ordination and Assistance on Security and Development (PCASED) was elaborated in March 1999 to implement the politically binding moratorium agreement. This programme, supported financially by external donor states, is intended to operationalise and reinforce the moratorium by building internal capacity among states to sustain efforts against arms trafficking. Among other things, it promotes arms collection efforts and the development of legal and regulatory measures relating to weapons possession and transfer. PCASED organised several conferences on various aspects of regional security sector reform, including a September 1999 workshop on the establishment of a regional arms register.<sup>46</sup>

In 2000 a prototype of the arms register and database was presented to, and approved by, the Council of ECOWAS.<sup>47</sup> Seven categories of weaponry were identified for inclusion in the register, with sub-categories also specified:<sup>48</sup>

- Pistols
  - Revolver
  - Semi-automatic
- Shotgun
  - Single/bolt/pump
  - Semi-automatic
- Rifle (non-military)
- Rifle (military)
  - Single/bolt/pump
  - Semi-automatic
  - Automatic
  - Special
- Sub-machine gun
- Machine gun
  - Light weight
  - General purpose
  - Heavy
  - Auto cannons
- Anti-tank mortars, howitzer
  - Portable, one man
  - Portable, one crew
  - Automatic, crew
- Landmines

The registry will be first located in the PCASED office in Bamako, Mali and will later transfer to the ECOWAS secretariat in Abuja, Nigeria. The effort requires financial support from the donor community, and at the end of 2001, the Canadian government expressed interest in supporting the initiative.<sup>49</sup>

Meanwhile, foreign ministers from ten East and Central African governments met in Nairobi in March 2000 and signed the Nairobi Declaration on the Problem of the Proliferation of Illicit Small Arms and Light Weapons in the Great Lakes Region and the Horn of Africa. The focus of the Nairobi Declaration is a call for states to strengthen their laws and regulations concerning the transfer and brokering of small arms. The document calls upon states to monitor and control all transactions regarding small arms; however, there is no clause calling upon states to publicize the transfers that they are monitoring.

<sup>46</sup> UN News Centre. "Workshop on Arms Register in Africa Opens in Accra." Press Release AFR/175 DC/2661, 23 September 1999, see <<http://www.un.org/News/Press/docs/1999/19990922.afr174.doc.html>>

<sup>47</sup> Fung, Ivor. "Programme for Coordination and Assistance for Security and Development (PCASED): Report of the Director". Third advisory group meeting, 26–27 June 2000.

<sup>48</sup> Economic Community of West African States. "Implementing the Small Arms Moratorium: The Next Steps". February 2000, p. 9.

<sup>49</sup> Personal communication with PCASED staff, November 2001.

And all 53 member states of the Organisation of African Unity signed the Bamako Declaration on an African Common Position on the Illicit Proliferation, Circulation, and Trafficking of Small Arms and Light Weapons in December 2000. Despite explicitly referencing the need for transparency in the first clause of the agreement, the Bamako Declaration does not contain any specific requirement that states publish details on the small arms transfers they have authorised for import or export. Clauses of the declaration concerning regional action do call for information sharing; however, their scope is vague and their remit does not extend beyond the circulation of information between governments.

#### Latin American/Caribbean initiatives

In November 1997, members of the Organisation of American States (OAS) signed the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials. As of the end of 2001, ten states have ratified the legally binding treaty, which establishes controls and cooperation around firearms export and import procedures in the Western hemisphere.<sup>50</sup> While the treaty contains provisions for the exchange of various categories of information between states party to it, it does not require the exchange or publication of information on transfers of small arms licensed for import or export.<sup>51</sup>

At the OAS General Assembly session held in Guatemala in June 1999, the Inter-American Convention on Transparency in Conventional Weapons Acquisitions was opened for signature. Twenty-four states signed the convention, which stipulates an obligation to report annually on exports and acquisitions of conventional weapons in the region and to report, within a period of 90 days, any acquisition of conventional weapons, whether imported or produced domestically. The reports must be transmitted to the Secretary General of the OAS for distribution to the other states parties. The conventional weapons covered by this convention are the same seven categories of major weapons enumerated in the UN Register of Conventional Arms.<sup>52</sup>

In addition, in April 1998 the presidents of the Mercosur member states (Argentina, Brazil, Paraguay, and Uruguay) and associated states (Bolivia and Chile) agreed during a summit in Santiago de Chile to create a joint registration mechanism of buyers and sellers of firearms, ammunition, explosives, and other related materials.<sup>53</sup> Utilizing the model regulations put forward by a commission of the OAS, these countries established national data processing centres.

Two years later, the Presidents of the Mercosur countries again highlighted the importance of pursuing efforts and initiatives to achieve transparency in armaments. In particular, they stressed the usefulness of mechanisms for exchanging relevant information in the area of conventional arms transfers, such as the UN Register of Conventional Arms. The heads of state also reiterated their commitment to confidence-building measures of this kind, and issued a call for universal participation in the registry.<sup>54</sup>

<sup>50</sup> These states are Bahamas, Belize, Bolivia, Brazil, Ecuador, El Salvador, Mexico, Nicaragua, Panama, and Peru.

<sup>51</sup> OAS. "Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Material", see <<http://www.oas.org/juridico/english/wepon.html>>

<sup>52</sup> OAS. "Inter-American Convention on Transparency in Conventional Weapons Acquisitions", see <<http://www.summit-americas.org/Hemispheric%20Security/ArmsTransp-Convention.htm>>

<sup>53</sup> United Nations. "Report of the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects". document A/Conf.192/15, p. 18.

<sup>54</sup> "Joint Communique of the Presidents of the Mercosur countries". June 2000, see <<http://usinfo.state.gov/topical/pol/arms/csbn/jointcomm.htm>>

## European Union

In 1998 the 15 member states of the European Union agreed to a politically binding Code of Conduct on Arms Transfers. The preamble of this agreement says that these states are:

DETERMINED to set high common standards which should be regarded as the minimum for the management of, and restraint in, conventional arms transfers by all EU Member States, and to strengthen the exchange of relevant information with a view to achieving greater transparency.<sup>55</sup>

The implementation of the Code of Conduct has promoted greater transparency between states and vis-à-vis civil society, and it might lead to the gradual development of harmonised export policies and practices. The agreement has resulted in a dramatic increase in reporting on arms exports from European governments.

However, the Code contains no provision for parliamentary or public scrutiny over arms exports from the EU and thus does little to foster greater transparency and accountability over the arms trade across Europe as a whole. Moreover, according to the Code, member states should submit the national reports for circulation amongst themselves and discuss them in confidence. The text also states that a consolidated report is to be produced and submitted to the Council of Ministers.

The annual report on the application of the Code of Conduct is drawn up on the basis of the member states' reports. However, the statistics that states transmit are difficult to compare due to differing formats and levels of detail. These differences make the task of summarising the information complex. In order to improve transparency and to increase the informative value of the annual report, the EU member states should, as far as possible, endeavour to define a harmonised framework for national export reports, particularly regarding statistics.

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Supplementing the Code of Conduct, in December 2000 the European Union and the United States signed a joint declaration on the responsibilities of states and on transparency regarding arms exports. This agreement committed both to circulate public information at the national level on authorised arms transfers and to support expanded transparency in arms exports in the relevant international fora, including the UN Register of Conventional Arms, the OSCE, and the Wassenaar Arrangement.<sup>56</sup>

## OSCE

The 55 member Organisation for Security and Co-operation in Europe (OSCE) issued a document on small arms and light weapons in November 2000. In this document, participating states agreed to properly mark small arms, keep and sustain accurate records, have in place solid export control criteria, and be transparent about their transfers – both commercial and non-commercial imports and exports of small arms – through effective national documentation procedures.<sup>57</sup>

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<sup>55</sup> For the full text of the EU Code of Conduct on Arms Exports see

<<http://europa.eu.int/comm/development/prevention/codecondarmsexp.htm>>

<sup>56</sup> "Declaration by the European Union and the United States on the responsibilities of States and on transparency regarding arms exports". 18 December 2000, see <[http://europa.eu.int/comm/external\\_relations/us/summit12\\_00/arms\\_exports.htm](http://europa.eu.int/comm/external_relations/us/summit12_00/arms_exports.htm)>

<sup>57</sup> OSCE. "Document on Small Arms and Light Weapons". document FSC.DOC/1/00. 24 November 2000, see

<<http://www.osce.org/austria2000/documents/others/fscew231.pdf>>

The participating states planned, as a first step, to conduct an information exchange among themselves on an annual basis, beginning not later than 30 June 2002, about their small arms exports to, and imports from, other OSCE member states during the previous calendar year. The format for this exchange is set out in the annex to the small arms document, and participating states also agreed to study further ways to improve information exchange on transfers of small arms. It was also agreed that the information exchanged would be provided to the OSCE Conflict Prevention Centre.

In addition, also beginning by 30 June 2002, states will exchange information on the category, sub-category, and quantity of small arms that have been identified as surplus and/or seized and destroyed on their territory during the previous calendar year.

### Wassenaar Arrangement

Meeting in Wassenaar, Netherlands in December 1995, governments from 28 arms manufacturing states agreed to the formation of a new export regime called the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies. Membership has grown to 33, including all of the world's major arms exporting countries, with the exception of China. In terms of second-tier exporters, missing from this grouping are Brazil, India, Israel, Pakistan, South Africa, and South Korea.<sup>58</sup> Criteria for membership include:

- being a producer/exporter of arms or related industrial equipment;
- having solid non-proliferation policies, including adherence to the major export control regimes; and
- adhering to effective national export controls.<sup>59</sup>

Participating states agree to share information on a semi-annual basis about exports they have licensed of major military equipment and significant dual-use items to any nation not a member of the Wassenaar club. The categories of weapons covered are the same as those included in the UN Register of Conventional Arms. The information provided includes the name of the recipient state, the quantity of weapons, and details of model and type.<sup>60</sup> These governments also agree to notify the other participants of export requests they have denied. By agreement, these exchanges are not made public.<sup>61</sup>

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<sup>58</sup> Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Slovak Republic, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, and United States.

<sup>59</sup> Appendix 4, "Participation Criteria". Appended to the "Initial Elements" of the Wassenaar Arrangement. See <<http://www.wassenaar.org/docs/IE96.html>>

<sup>60</sup> Article 6 of the Initial Elements, on "Procedures for the Exchange of Information on Arms".

<sup>61</sup> Article 9 of the Initial Elements, on "Confidentiality" says: "Information exchanged will remain confidential and be treated as privileged diplomatic communications. This confidentiality will extend to any use made of the information and any discussion among Participating States."

The decision about whether to approve or deny any item for export is at the discretion of each participating state, in accordance with its national legislation and policies. Notification of a denial does not impose an obligation on other participating states to deny similar transfers. However, participants are to notify all other participating states no later than 60 days after they approve a license for an essentially identical transaction that has been denied during the preceding three years by another participating state.

Members meet annually in plenary and more often in working groups. At these sessions, and in between, participating states are encouraged to exchange any information that will enhance transparency or will lead to discussions on arms transfers or weapons programmes of concern. The information exchange can include any matters that individual states wish to bring to the attention of others, including notifications of arms exports that go beyond those seven categories agreed upon. For example, as part of such an information exchange, in December 1996 all of the participating states said that, as a matter of national policy, they did not transfer arms to any parties in the conflict in Afghanistan.<sup>62</sup>

Participating states agreed to work expeditiously on further guidelines and procedures, as warranted by events, and they agreed in particular to review the scope of arms to be covered, with a view to extending beyond the seven categories of major weaponry. Small arms and light weapons have been discussed in this context since at least 1998, but at the end of 2001, a consensus had not emerged in support of expanding the information exchange to these types of arms.

If opposition by some members can be overcome, the Wassenaar Arrangement might prove a particularly valuable forum for regular (half-yearly or perhaps quarterly) information exchange by its members on small arms shipments licensed for export. The value would be enhanced if this notification came prior to the actual delivery of the arms. Such prenotification would allow states to identify locations where many of them might be licensing large shipments of guns in a short time-span. Such import bubbles might indicate some serious cause for concern about the imminent outbreak of armed hostilities. This information would be of greater use if it were made public; however, even a confidential exchange of license approvals would provide governments with important insight that they might act upon.

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<sup>62</sup> The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, Press Statement, 13 December 1996.

### Customs data: The COMTRADE Database

At the end of 2001, the majority of states appeared unwilling to support development of a global register on small arms similar to the UN Register of Conventional Arms, and most countries do not publish national arms export reports (see Part 4). Nevertheless, there is one source of data on small arms transfers that already exists for many countries, which is readily obtainable – albeit at a cost. This information is customs data.

Using customs data to track small arms transfers has advantages as well as disadvantages. Among the advantages are:

- Customs classifications for small arms are already universally defined as part of the international Harmonized Tariff Code.<sup>63</sup>
- Customs data on small arms is already compiled by the UN Statistics Division (in the COMTRADE database system) and is publicly available.
- Many countries that do not publish arms export reports provide customs data on their arms exports.
- Some countries provide very detailed information in their customs data, including, importing country, quantity of weapons, value of weapons, a detailed description of weapons and importing agent.
- Customs data covers imports as well as exports.

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At the same time, there are several drawbacks to using this data:

- Many transfers (possibly a majority) of small arms never pass through customs, especially government-to-government transfers that are transported through military or other channels.
- Certain customs categories are too broad to be very helpful when tracking small arms (for example, category 9301 – “military weapons” – includes howitzers and mortars that are larger than the UN definition for light weapons; and category 9306 includes bombs and torpedoes, as well as small arms ammunition).<sup>64</sup>

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<sup>63</sup> These classifications are:

9301 – Military weapons, other than revolvers, pistols and the arms of heading 9307

9302 – Revolvers and pistols other than those of heading 9303 or 9304

9303 – Other firearms and similar devices which operate by the firing of an explosive charge (e.g. sporting shotguns and rifles, muzzle-loading firearms, etc.)

9304 – Other arms (for example, spring, air or gas guns and pistols)

9305 – Parts and accessories of articles of headings 9301 to 9304

9306 – Bombs, grenades, torpedoes, mines, missiles and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads.

9307 – Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths therefor.

<sup>64</sup> While the 9301 category is broken down in most national customs data into individual weapons systems, such as “military rifles”, “machine guns” and “self-propelled military weapons” (the latter not a small arm according to the UN definition), COMTRADE data does not break down this category.

- Customs data sometimes does not reflect whether arms are “in transit” or are being imported for “domestic use”.
- Not all countries make their customs data open to the public, and not all countries submit their customs data to the UN Statistics Division. Many countries also charge high prices for customs data, making it inaccessible.<sup>65</sup>
- While some countries report exports and imports for all customs categories that cover small arms, the majority only submit data for “non-military” weapons (customs codes 9302 and 9303).
- While the UN Statistics Division reports values of exports and imports in US dollars, a more meaningful figure is the quantity of weapons. Only some countries submit this figure, while most submit weight in tons, a fairly meaningless statistic. Some countries only submit the value of exports shipped.
- The UN Statistics Division only reports the total annual value of exports by country and the total annual value of imports by country; only certain national customs data lists exports by importing country.
- The UN Statistics Division only records total exports and imports for a country above USD 50,000 for a five-year period.
- Free-trade agreements between many countries (for example, among European Union members) mean that fewer and fewer small arms pass through customs.
- Despite the international Harmonized Tariff Code, countries may classify weapons differently based on the individual training and experience of the customs officials filling out the reports.

A number of countries that could be characterized as ambivalent with respect to transparency in arms exports report their data to the UN Statistics Division. For example, China reported its customs data on arms exports for the first time in 1998. (By the same token, Austria ceased reporting to the UN Statistics Division in 1995 when it joined the EU.)

During 1995–99, the most recent period for which COMTRADE data is available, 29 countries reported exports of military weapons and pistols and revolvers (categories 9301 and 9302) at least once.<sup>66</sup> More countries reported exports for categories of small arms falling under firearms for hunting and sport. For example, 35 countries reported exports of sporting shotguns (category 930320) and

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<sup>65</sup> Similarly, a CD-ROM copy of the COMTRADE Database costs USD 900.

<sup>66</sup> Countries reporting for these two categories, however, were not the same; for 9301 they were, in order of total value of exports for the five-year period: USA, Netherlands, United Kingdom, Switzerland, Canada, Poland, China, Romania, South Africa, Australia, Spain, Turkey, Croatia, Czech Republic, Portugal, Latvia, Denmark, Chile, Finland, Senegal, Malaysia, Republic of Korea, Slovakia, Nicaragua, Norway, New Zealand, Indonesia, Japan, and Argentina. For category 9302, the reporting countries, in order of total value of small arms exports over the five year period were Germany, USA, Italy, Czech Republic, Spain, Canada, Switzerland, Portugal, United Kingdom, Argentina, Republic of Korea, Turkey, Poland, China, Denmark, Thailand, Indonesia, South Africa, Croatia, Sweden, Slovakia, Finland, India, Chile, Malaysia, Netherlands, New Zealand, Philippines, and Mexico.

sporting rifles (category 930330).<sup>67</sup> Under these two latter categories, the Russian Federation, Brazil, Belgium, and Israel submitted data, while they did not submit data under 9301 and 9302. This lack of reporting is despite the fact that the three countries are known exporters of military firearms, pistols, and revolvers.

Few countries supply data every year. Of the 29 countries reporting exports of military weapons, only ten provided data for all five years. China and South Africa provided data for only one of the five years. Inconsistent reporting practices obviously diminish the reliability and utility of customs data.

Regarding importers, according to US customs data, major recipients of US small arms were Israel, Kuwait, and the United Arab Emirates; however, these countries did not report these imports to the UN Statistics Division. Egypt was also a major importer of US small arms; it reported its imports of pistols and revolvers to the UN Statistics division, but not its imports of military weapons.

In addition, customs data does not reflect perfectly the reality of the small arms trade. Besides omitting government-to-government shipments, customs data sometimes counts weapons that are crossing borders when they are being returned temporarily to the factory for refitting or maintenance. In other cases, weapons may be in transit. The latter could explain why the Netherlands appears to be the largest importer and the second largest exporter of small arms according to customs data compiled by the United Nations, when in reality the country is not awash in small arms.

With respect to national customs data, some countries are quite transparent. Customs data for Chile, Thailand, and the United States – including exports of small arms – is available freely on the Internet.<sup>68</sup> Other countries, such as Uruguay and Paraguay, sell their customs data. While still others, such as Australia, classify data from customs categories pertaining to weapons as a state secret.<sup>69</sup> In other cases, the usefulness of customs data when it comes to transparency in arms exports is clearly recognized. For example, the United Kingdom bases the small arms portion of its annual arms export report on national customs data, including its classification of weapons. Similarly, Slovakia's national arms export report is based entirely on its customs data.

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<sup>67</sup> Again, the countries reporting for these two categories are not the same;

for 930320 they were, in order of total value of exports for the five-year period: Italy, USA, United Kingdom, Japan, Belgium, Germany, Spain, Russian Federation, Czech Republic, Portugal, France, Brazil, Turkey, China, Canada, Austria, Switzerland, Greece, Sweden, Denmark, Ireland, Slovakia, Singapore, Australia, Finland, South Africa, Philippines, Yugoslavia, Republic of Korea, Norway, Argentina, Malaysia, Netherlands, and Venezuela.

For category 930330, the reporting countries, in order of total value of small arms exports over the five-year period were: Brazil, Germany, Japan, USA, Italy, Portugal, Czech Republic, Austria, Finland, Belgium, Canada, United Kingdom, China, Switzerland, France, Sweden, Philippines, Russian Federation, Yugoslavia, Republic of Korea, Spain, Denmark, Turkey, Hungary, Norway, Argentina, Netherlands, New Zealand, Greece, South Africa, India, Indonesia, Australia, Israel, and Slovakia. For customs purposes, exports from Luxembourg are listed under Belgium, and exports from Liechtenstein are listed under Switzerland.

<sup>68</sup> Chile's data is: <<http://www.exportmall.cl/>>, Thailand's data is: <<http://www.customs.go.th/eng/index.htm>> and US data is: <<http://www.govinfo.kerr.orst.edu/impexp.html>>

<sup>69</sup> Personal communication from the Australian Customs Service, 14 July 2000.



## IV. Analysis of National Export Reports

Despite the absence of a global or regional imperative, many governments have decided to provide public information on their firearms and light weapons exports (and in some cases imports) on a unilateral basis. Sweden set a precedent in 1985 by reporting on its arms exports. Since then over 20 countries have followed suit, with the majority producing their first export reports in the late 1990s. Among the states publishing regular reports are some of the world's most significant exporters of small arms, including the United States, United Kingdom, Germany, Belgium, Italy, and France.

As more and more states adopt a regime of unilateral transparency, they help establish an international norm – a standard by which all states increasingly will be measured.<sup>70</sup> This norm was strengthened greatly in 1998 with the adoption of the EU Code of Conduct on Arms Transfers, which requires increased transparency in arms exporting by the 15 European Union states and encourages openness by associated states.

Because of their small size and ubiquity, transfers of small arms are very difficult to identify or verify independently – especially when compared to exports of major conventional weapons, such as warships, tanks, or aircraft. Orders for new fighter aircraft generally attract press interest, not least in the business press. Transfers of small arms shipments are much more frequent but usually ignored. Interest in investigating small arms shipments generally only emerges after guns turn up in the hands of terrorists or embargoed forces, or in the commission of atrocities. Even then, journalists and non-governmental research organisations do not have the resources to trace the whereabouts or movement of many of the tens of thousands of shipments of small arms moved each year.

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Government data, therefore, represents a crucial source of information, and the only practical method by which people (media, policymakers, concerned citizens) can currently find out to whom governments are sending guns and grenades. There are two important caveats, however, that must be taken into account in regard to unilateral transparency. First, if states develop their own reporting formats in isolation from others, the level of detail, quantity of data, and definitions of terms will vary considerably. This variability hinders comparability and cross-checking of exports and imports.<sup>71</sup>

Second, if states have decided to produce annual export reports as a consequence of external pressure, and not because of a commitment to the principle of transparency, then it is likely that they may try to publish reports that, when examined, actually contain very little meaningful information. Such deliberate efforts to create the impression of being more open than is actually the case undermine transparency.

Herbert Wulf has identified several ways that transparency initiatives can be undermined, even when a state is apparently participating. These include the provision of irrelevant data, inaccurate or false data, or low quality data, and/or unreported weapons.<sup>72</sup> Unfortunately, all of these strategies can be found in the various annual export reports countries have put forward. These reports are summarized in Appendix A, with a particular emphasis on what information can be gleaned from them about states' exports of small arms and light weapons.

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<sup>70</sup> See Gillard, Emanuella. "What's Legal? What's Not?" in Lumpe ed. *Running Guns*.

<sup>71</sup> The NISAT on-line database project is seeking to create a picture of the global legal (or state-authorised) trade in small arms. Fitting the various data sets that states produce into one template, to allow for comparability, is a major challenge of this effort. See <[http://www.nisat.org/default.asp?page=database\\_info/search.asp](http://www.nisat.org/default.asp?page=database_info/search.asp)>

<sup>72</sup> Wulf, Herbert. "The Register as an Instrument for Promoting Restraint and Preventing Conflict." in Chalmers, Donowaki, and Greene, pp. 145–148.

### Reporting on the reports

The number of governments producing annual reports on strategic exports – including small arms and light weapons – has grown from a handful in 1996 to 22 during 1999. As the production of annual arms export reports appears to be becoming an international norm, more countries are expected to take up this practice in coming years.

Despite this welcome trend, not all reports are equal; some provide much more information than others. Moreover, the production of such a report does not automatically render a state's export licensing regime transparent. This section highlights the range and disparities in reporting practices across the globe.

To provide real transparency, an annual report must present a full and accurate picture of a state's arms exports. This requirement means that it is easy to discern which arms are being exported to particular countries, and what criteria the government is using when it authorises an export. The first attribute allows readers to track the flow of small arms across the globe; the second is a vital prerequisite for ensuring democratic accountability.

While annual export reports purport to inform a state's citizens and the world about that state's arms sales or shipments, there is no internationally agreed standard for providing information. This reality means that it is necessary to delve into the minutiae of every report in order to discover exactly what a state is exporting – or to discover that the report does not really give you the full picture. Many reports do not include certain information that would be particularly pertinent to small arms. For example, Finland, France, and South Africa do not include exports of firearms deemed to be "civilian weapons" in their export reports.

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Further confounding understanding, several states produce statistics without providing any accompanying notes on what the figures refer to. In the Australian export report, for example, data is provided – among other categories – for the number and value of "shipments" of "non-military lethal goods." Nowhere is it explained what those two categories mean. Readers are left with the knowledge that, for instance, in 1999 an unknown quantity of something lethal was exported to Indonesia at a value of AUD 768,316 (USD 500,000). The lack of information on methodology renders the data in such a report practically useless.

In yet other cases, states appear to be providing more information than they actually are. A case in point is the Canadian export report, which omits entirely all exports to the United States – its largest customer.

When profiling and comparing states' export reports, the authors adopted the following methodology. First, only information contained in official reports was considered. These reports are usually produced on an annual basis. (Several countries provide some information on their arms exports in the form of reports to the government and/or public, but in a less formal and regular manner than an annual report. Some of these reports are also briefly reviewed in Appendix A.) This decision was based on a determination that true transparency requires that information be easily accessible. Information that can only be gleaned from reading through hundreds of pages of customs data, parliamentary reports, or general export regulations cannot be described as easily accessible or highly transparent.

Second, in order to be as fair and consistent as possible, this study assesses reports from one year, 1999, since by the end of 2001, some states had not yet released reports covering their exports in 2000. The exceptions are the reports for South Korea (1997 is the most recent year for which data is available), Switzerland (which gave detailed data for the first time early 2001, reporting exports in 2000) and

India, Australia, and the United States (which report in fiscal periods that run from mid-year to mid-year). As states have frequently changed – and improved – the quality of their reports, it was necessary to cover one year in order to get a snapshot of where various state efforts stood at a given point in time. If a state improved its reporting significantly in 2000, this development is noted in the text profile in Appendix A. The relative strengths and weaknesses of the various reports are highlighted in Table 2.

### Comparing states' records

The most widespread distinction in various states' reports is between displaying information on export authorisations (which comes from the licensing authority) and on deliveries of goods across national borders (which is usually obtained from customs data or returns filled in by exporting companies). This distinction is very important for a number of reasons.

First, the value and quantity of goods authorised for export is often very different from the actual trade. While companies are not usually allowed to exceed amounts stated on an export license, it is generally permissible to export less than specified. As exports are generally licensed when the goods are ordered, the delay between ordering and delivery (which can be several years if the company has a long order book) means that contracts may be renegotiated or even cancelled. Therefore, depending upon states' licensing systems, the quantities of arms authorised for export are likely to be much greater than those actually delivered. This reality is due to companies initially seeking to obtain licenses for all the arms that the purchaser *might* be persuaded to buy under one contract, and because existing orders may be cut or reduced by the purchaser over the course of the contract.

Furthermore, arms exports often involve complex financing arrangements, including barter, credit terms, and/or transactions in numerous currencies. Therefore, the actual "value" of a given contract is likely to change over the course of a deal, even if the quantity of arms ordered has not.

Second, statistics on actual deliveries will neither contain any information on license applications that have been refused by governments, nor on exports that have been licensed but have not been delivered. Therefore significant decisions taken by national governments can be clouded by only publishing data on deliveries. Information on licenses granted and refused allows fuller analysis and praise or criticism of a government's decisions, while data on the actual deliveries permit the tracking of small arms transfers to importing states. Therefore, to be fully transparent, a state needs to publish information on both license authorisations and refusals, and on actual deliveries. Unfortunately, most export reports publish either one or the other. Notable exceptions are Belgium, Finland, Italy, the United Kingdom, and the United States, whose reports contain information on both categories.

Disaggregation of data is key to enabling meaningful comprehension and oversight of small arms flows. A total for all arms exported to the whole world, without any detail on how many weapons are going where, would do nothing to help protect against diversion or provide accountability. Rather, to enable proper scrutiny, annual reports need to show the quantity, value, and type of particular weapons being transferred to each country.

States that provide reasonably disaggregated data are Belgium, Canada, Finland, Ireland, Switzerland, the United Kingdom, and the United States. The latter is of particular note. The US export report for 1999 lists out in great specificity some USD 470 million of small arms and ammunition that the State Department authorised manufacturers to export to foreign countries. It is possible from the report to

quantify the value of licenses granted for ammunition and ammunition manufacturing equipment, carbines, grenades and grenade launchers, machine guns, M16 assault rifles, other rifles, etc. to each recipient country.

Inclusiveness is also vital. Some states omit certain categories of weapons from their export reports completely or exempt certain types of exports. For instance, Finland, France, Ireland, the Netherlands, Norway, South Africa, and Sweden do not report on exports of “civilian” or “police” weapons. This distinction is especially important for small arms, as many rifles, pistols and revolvers are routinely classified as *not* being “military weapons”. These weapons are, nevertheless, frequently used by insurgents, terrorists, and repressive governments. In other cases, countries such as Finland, Norway, South Africa, and Sweden report only on commercial exports and fail to mention arms transferred by the government (such as the sale of surplus military or police weapons). In yet other cases (such as in the UK and US reports), government transfers are listed, but in a different format to commercial exports, thus hampering the development of an overall picture of arms exports.

Table 2 compares the record of state transparency practised by 18 states that publish export reports.<sup>73</sup> It includes 47 different fields, indicating how much meaningful information is available in each state’s reports. These information fields are broken down into four different categories:

- *General information about the export report* (Is it easily obtained? Is it available in English, thereby allowing for comprehension by much of the world’s diplomatic and journalistic community?<sup>74</sup> Does the report use a standard definition of small arms and light weapons, including such arms for export to civilians?);
- *Information on licenses granted or authorised* (Does the report provide information on the number of licenses granted, the value of licenses granted, and the quantity of weapons licensed for export?);
- *Information on exports actually delivered* (Does the report provide information on the quantity and value of weapons exported?); and
- *Information on exports refused.*

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<sup>73</sup> A number of headings in the table require explanation:

**Information covers government as well as industry-negotiated transactions**

Some states only report on commercial (or industry-negotiated) exports and omit information on government-to-government transfers.

**Methodology included:**

If a report does not explain what the published figures refer to and how they are derived, the data is of little value.

**All small arms and light weapons included:**

Some reports do not include exports of “civilian” or “police” weapons, such as pistols.

**Small arms and light weapons definition follows an international standard:**

It is impossible to compare like with like if each state uses its own definition of what constitutes a small arm.

**Weapon description provided:** Such as “9mm pistol” or “sub-machine gun”.

**Names end-user:** Such as police force, sporting club, army, etc.

<sup>74</sup> A number of countries, including Austria, Finland, the Netherlands, Norway, and Sweden have translated their export reports into English in order to make them available to the international community.

## Best practices

The most striking conclusion from Table 2 is that individual governments have already demonstrated that all but two of the listed criteria are feasible (that is, one or more states have enacted all but two of the criteria listed on the table). For example, the Italian arms report shows that states can publish information on the value and quantity of weapons delivered to each country. However, no single annual report has yet come close to including *all* of the elements of a fully transparent report.

France's most recent report, released in December 2001, shows a marked improvement in transparency in small arms exported and licensed for export. It is one of the most transparent national reports to date. The challenge to states is to take the following examples of best practice and incorporate them all into their export reports.

Governments could easily improve their reporting practices by publishing information that they already hold and by producing more timely reports. For example, EU states commonly distribute information on license denials to each other but do not release this information to their citizens. The government of Austria, for example, produces a confidential report, with more detail than is included in its public report, which it only distributes to other EU governments. The Irish government, by publishing monthly updates on the Internet, is the only state that can truly be said to provide information in a timely manner. The value of public and media scrutiny is lessened if states are reporting only on transfers that left the country already a year or more ago.

While it would be impossible to devise a ranking system, it is possible to highlight examples of best practice from among the different states' export reports.

**Netherlands:** The Dutch report includes information on the reason why an export license application was refused, stating the importing country, description of the goods, prospective purchaser, reason for refusal, refusal reference number, and date of refusal. In its public report, the Netherlands actually reproduces the communication it provides under the EU Common Code to other EU states.

**Ireland:** The Irish government produces monthly updates on arms export licenses it has granted and publishes them on the Internet.<sup>75</sup>

**Portugal:** The export report of Portugal names the applicant for arms export licenses.

**UK:** The British arms export report provides detailed information on licenses awarded to each importing country, including the types of weapons covered by the licenses.

**USA:** The United States' annual export report contains the highest level of disaggregation of data and the most detail. It includes recipient country, quantity of weapons, price, and detailed description of weapons. Such information is provided on deliveries of government-to-government exports and on authorisations of commercially-negotiated weapons sales.

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<sup>75</sup> See <<http://www.entemp.ie/export/military.htm>>

Table 2. Comparison of national export reports

Country	Australia	Austria	Belgium	Canada	Denmark	EU	Finland	France	Germany	Ireland	Italy	Netherlands	Norway	South Africa	Sweden	Switzerland	UK	US
<b>GENERAL INFORMATION</b>																		
Available on the Web	X		X	X	X	X	X	X	X	X		X	X	X	X	X	X	X
Available in English	X	X		X		X	X			X		X	P	X	X		X	X
Information covers government as well as industry-negotiated transactions	X	X	X	X	X	P		X	X		X	X					X	X
Methodology included	P	X	X	X	P		P	X	X		X	X	X		X		X	X
Does the report include all small arms and light weapon exports	X	P	X	X	X			X	X		X					P	X	X
Summaries of export laws and regulations included	X		X		X		X	X	X		X		X	X	X		X	
International commitments included	X	X	X	X	X		P	X	X	X	X	X	X	X	X		X	
Small arms and light weapons definition follows an international standard		P					X			X						P		
<b>INFORMATION ON LICENSES</b>																		
Total number of licenses issued	X		X		X	P	X	X	X	X	X		P				X	X
Total value of licenses issued		P	X						X		X	X			X			X
<b>Disaggregated by country:</b>																		
Number of licenses/			X		X		X	X	X	X	X	X					X	X
Value of licenses/			X						X		X	X					X	X
Quantity of weapons								X										P
<b>Disaggregated by weapon type:</b>																		
Number of licenses/	X	X					X	P	X	X								
Value of licenses/									X		X	X						
Quantity of weapons		P						X										
<b>Disaggregated by weapon type and country:</b>																		
Number of licenses/			X				X	P	P	X							X	X
Value of licenses/								X	P									P
Quantity of weapons								X										
Weapon description for license provided									P	X	X						X	X
Distinction made between government and industry-negotiated transactions								X	X		X						X	X
Data refers to industry-negotiated transactions		X	X		X	X	X	X	X		X	X			X		X	X



## Missing in Action

While a small – but growing – number of countries provide limited – but growing – amounts of information on their arms exports, the majority of countries that export small arms provide no data at all.

Of the presumed top five major small arms exporters – the United States, Germany, Russia, Italy, and Brazil – only three (the United States, Germany, and Italy) are transparent with respect to their small arms exports. In 2000, Russia and Brazil exported USD 177 million and USD 70 million respectively in small arms; however, neither country provides any meaningful report on the destination of these weapons.<sup>76</sup> The Russian government occasionally reports small arms transfers to the press, but it has done so on an *ad hoc* basis and little detailed information is actually provided. (The reports are generally giving praise to the international competitiveness of Russian arms manufacturers). The non-governmental group Viva Rio obtained Brazilian customs data and provided a detailed analysis of Brazilian small arms exports.

The official press agencies of Ukraine and Pakistan have reported some official figures for total annual small arms exports, but no information on recipient countries is given. Additionally, data on Israel's small arms exports is available in the form of company data for Israeli Military Industries (IMI), Israel's largest small arms exporter. However, no data is available for other Israeli small arms manufacturers, and no official government report is available.

Other countries are so secretive about their small arms exports that it is impossible to estimate whether or not they are major exporters. Bulgaria is believed to be a significant exporter of small arms, yet the government provides no information to verify or disconfirm this belief. China makes its customs data on small arms exports public through the COMTRADE database (see Part 4), but the figures reported appear to be too low to reflect total Chinese small arms exports.

If a half dozen presumed significant exporters of small arms – including China, Bulgaria, Israel, Russia, Ukraine, Brazil, and Pakistan – were to publish detailed data on their small arms exports, a gaping hole would be filled in terms of the picture of the global small arms trade.

## V. Transparent Decision-making

There can be few decisions of greater potential impact on the conduct of foreign relations, and on the lives of many people overseas, than decisions as to whether to permit weapons made in this country to be put into the hands of overseas governments and their forces. The nation as a whole feels an exceptional degree of engagement with such decisions. There is understandable anger when it is found that British-made weapons have been used to oppress or terrorise people, or to endanger the lives of our service men and women or civilians.

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<sup>76</sup> CAST. "Russian Small Arms". Background Paper prepared for Small Arms Survey. August 2001; Viva Rio.

"Brazil's Small Arms Exports". Research commissioned by NISAT and Small Arms Survey. November 2001.



If Government is to be judged on the exercise of its powers, this can best be done on a continuous basis rather than months or years after the event. We are convinced that accountability demands that Parliament is engaged in scrutiny of arms export licences before as well as after their grant. Prior scrutiny should be designed to ensure that Parliament has a voice in matters of such crucial importance before final decisions are taken. Issues of such importance warrant democratic involvement.

—Report of the “Quadripartite” Committee of the British Parliament, 17 July 2000

Public reporting, as described in the preceding chapters, is a first step in a system of national accountability over arms shipments. However, export information in annual reports, to the COMTRADE customs database, or through proposed regional or global registers provides only post facto transparency about transfers that may have occurred a year or more prior. Such reporting does not provide interested parties with any possibility of preventing, or even questioning, the benefits of small arms shipments before the weapons have been authorised for export or delivered. Also required is transparent decision-making.

Small arms export decisions can have profound political consequences on an exporting state’s foreign relations and on armed conflict, human rights abuse, or violent crime in the importing state. Prior scrutiny of export license decisions by responsible groups in the national legislature would require responsible government officials to justify their intention to authorise a potentially controversial or problematic small arms transfer. Parliamentary prior scrutiny of export licenses, along with more general transparency in the arms export licensing process, would further help ensure accountability and responsibility in firearms exporting.

### Parliamentary scrutiny of export licenses

Most governments assess arms export license applications in secret. If the legislature is consulted at all, it is usually for retrospective approval of licenses already decided upon. In most states, the level of *prior* parliamentary scrutiny has been limited to the tabling of questions or *ad hoc* debates on controversial exports that have for some reason attracted attention.<sup>77</sup>

There are very few operational examples of states’ requiring (or permitting) effective parliamentary pre-scrutiny of arms export licenses. Such a system would involve a rigorous, systematic, and open debate on the merits of potentially any problematic license application.

National legislatures exist to make laws, debate government policies, and hold government executives accountable for their decisions and actions. While not yet as widespread as the provision of annual arms export reports, there are some precedents for prior parliamentary scrutiny of export licenses – including at least some small arms and light weapons exports.

At present two states – Sweden and the United States – have permanent parliamentary committees that engage in the prior scrutiny of export licenses. Their practices are highlighted below, along with a brief description of the limited provision that has been made by the Netherlands and an account of the debate in the United Kingdom about the introduction of prior scrutiny.

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<sup>77</sup>An example is the debate in 1998 within the “Enlarged Foreign Affairs Committee” of the Norwegian Parliament on the sale of components for naval missiles to Turkey. While parliamentary scrutiny of arms exports is not routine in Norway, the sale was considered controversial because of Turkey’s human rights record.

A system of parliamentary prior notification would likely reduce the number of arms sales to controversial customers or states that require secrecy. However, it would not affect sales to responsible, open states and would provide the added benefit of strengthening the democratic process in states in which it was introduced.

## Sweden

The National Inspectorate of Strategic Products (ISP) is the authority responsible for assessing and authorising arms exports from Sweden. The ISP consults with the Ministry of Foreign Affairs and the Ministry of Defence.

In 1984, the Parliament decided to set up the Advisory Board on the Export of Military Equipment. In 1996 the board was reorganized and became the Export Control Council (ECC). The ECC is made up of representatives from all of the political parties in the Parliament and is consulted in all arms export and dual-use material licensing decisions that might be controversial or of particular importance, such as license application for exports to new recipients or to a recipient which, because of internal or external factors, requires a new evaluation.

The director of the ISP, the Inspector-General of Military Equipment, decides which license decisions warrant debate by the ECC. In addition, the Council is informed of all license decisions made (approximately 2000 a year).<sup>78</sup>

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The Export Control Council can object to the granting of a license, but its objections are not legally binding. However, the government has never issued an arms export license without a majority behind it in the Export Control Council.

The discussions and decisions of the Export Control Council are confidential, and this confidentiality has been criticized for enabling the granting of arms export licenses that would have been refused if the public had knowledge about how the political parties represented in the council had voted. Through this confidential process, members of the committee are more likely to fall under influence from the government and outside pressure, such as from the defence industry. This confidentiality also prevents the Export Control Council from fully realising its intended function as an open discussion forum, where the public – through elected representatives – can influence the debate about arms export licenses.

Another problem, which is not unique to Sweden, might be the parliamentarians' lack of detailed knowledge on technical weapons questions and the foreign policy implications of potential transfers. This lack of expertise might lead to the council's members being put under pressure to agree with the government representatives' recommendations.

Despite these shortcomings, the Swedish system for issuing weapon export licenses is one of the world's most transparent in that it provides members of the parliament with a regular opportunity to involve themselves in the arms export licensing decisions.

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<sup>78</sup>ISP website: <<http://www.isp.se>>

## The United States

The Arms Export Control Act is the primary law establishing procedures on sales of military equipment and related services. This law establishes a process by which the executive branch must give Congress advance notice of major sales valued at USD 14 million or more, whether the sale is negotiated by the government or directly by the arms industry or a broker.

The Arms Export Control Act is implemented by the International Traffic in Arms Regulations (ITAR), both of which are overseen by the Office of Defense Trade Controls, in the Bureau of Political-Military Affairs at the State Department. The ITAR contain a listing of all categories of equipment considered “munitions”.<sup>79</sup> Included in the list are all firearms except for non-military shot-guns. Manufacturers or brokers wishing to export such arms must be registered with the Office of Defense Trade Controls, and they must obtain an individual export license from the State Department before making any arms shipment.

Through the Foreign Military Sales (FMS) program, the US government (represented by the Defense Department) negotiates weapons sales directly with foreign militaries. FMS may cover sales of new equipment (procured by the Pentagon from US weapons manufacturers), co-production of weapons overseas, or sales from surplus Pentagon stocks.

By law, the administration must notify Congress 15–30 days before offering a sales contract to a foreign customer. This requirement is triggered when the proposed sale is valued at USD 14 million or more, if the equipment is considered “major defense equipment”, and USD 50 million or more if the weapons are considered only “significant defense equipment”.<sup>80</sup> These notifications are submitted to the standing committees on foreign affairs.

Examples of notices sent to Congress of planned small arms and light weapons sales include:

- July 1997, the Pentagon disclosed plans to sell the Thai military 37,500 FN [made in the USA] M16A2 assault rifles, 4,700 M4 carbines, 2,600 M203 grenade launchers, spare parts, and ammunition at a cost of some USD 40 million.
- In the same month, the Department of Defense informed Congress of its planned sale of 130 M2 .50 calibre machine guns to Saudi Arabia, as part of a larger (USD 1.075 billion) sale of light armoured vehicles.
- June 1997, the Pentagon announced the proposed sale of 1,065 Stinger anti-aircraft missiles and 213 gripstock missile launchers to Taiwan as part of a larger USD 307 million deal.

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<sup>79</sup>The US Munitions List: <[http://www.pmdtc.org/docs/ITAR/ITAR\\_121.txt](http://www.pmdtc.org/docs/ITAR/ITAR_121.txt)>

<sup>80</sup>Fifteen days pre-notification is required for NATO allies and “major non-NATO allies” such as Israel, Egypt, Jordan, Argentina, Australia, New Zealand, Japan, and South Korea. For all other countries, Congress has 30 days to review proposed sales. See Section 120.8 of the International Traffic in Arms Regulations <[http://www.pmdtc.org/docs/ITAR/ITAR\\_120.txt](http://www.pmdtc.org/docs/ITAR/ITAR_120.txt)> for definitions of “significant” and “major” military equipment. Most small arms are listed as “significant”.

In order to block or amend a proposed arms transfer, members of both the House and Senate must introduce a Joint Resolution of Disapproval. The resolutions are then referred to the House and Senate foreign affairs committees, which must pass them. The full House and Senate must then pass the resolution with enough votes to override a Presidential veto (two-thirds majority in each chamber).

Congress must do all of this within the 15 or 30 day time period prescribed, which poses a very high hurdle. In fact, it is so high that Congress has never made it over; the legislature has never blocked an arms sale in this manner, and the last serious attempt by Congress to do so occurred in 1986. In that instance, President Reagan proposed to sell Saudi Arabia 1,700 "Sidewinder" air-to-air missiles, 100 "Harpoon" anti-ship missiles, and 200 "Stinger" shoulder-launched anti-aircraft missile launchers with 600 missiles. Congress mustered veto-proof majorities in both chambers and stalled the sale, but eventually House and Senate leaders cut a deal with President Reagan that allowed some of the missiles to be sold. This episode demonstrates that even when the political will exists in Congress to block a sale, the administration and arms industry maintain a great deal of leverage with which to twist arms and turn votes.

The congressional review procedure has been underutilized for several reasons. First, the systemic difficulty of assembling the large number of votes necessary in the short time period allotted poses a daunting challenge. The near impossibility of successfully blocking a sale has no doubt dissuaded some members of Congress from even trying. Compounding this difficulty is the fact that only a very small percentage of lawmakers (and their staff) are aware of pending arms sales. The notifications are referred to the House International Relations Committee (with 48 members) and the Senate Foreign Relations Committee (with 18 members). The other 469 Representatives and Senators are generally completely in the dark. And even the relevant members and their overburdened staff are lax in reviewing the sales proposals. According to a former director of the House International Relations Committee staff, only a few personnel routinely bother to read the classified background information provided to the committee on these sales.<sup>81</sup>

Second, notice to Congress of proposed arms sales comes very late in the process. The deal will have been in the works with the customer government for months or years by the time Congress is let in on it. A refusal at this point, the administration often argues, would damage bilateral relations, national security, and/or the prestige of the office of the President.

Finally, it is important to note that most small arms deals occur each year without any public or congressional scrutiny. Sales of small arms generally fall below the dollar threshold for congressional notification. In addition, although most transfers, which require congressional notification, are made public, some sales are classified, either because the weapon system itself is classified, or to protect US foreign policy interests. Certain aspects of other sales are kept secret to protect confidential business information. Finally, US intelligence agencies, such as the Central Intelligence Agency, may transfer arms secretly, under section 40(h) of the Arms Export Control Act. Only members of the intelligence oversight committees are informed of covert arms supply operations.

All of this is not to say that congressional review is without value. Because Congress and the press are told of pending sales, a national debate in the media or a backroom dialogue between the administration and Congress can and does occur. Moreover, the *possibility* that Capitol Hill will block a sale – or even attempt to do so – probably does moderate administration sales activity.

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<sup>81</sup> House Foreign Affairs Committee. Personal communication, 1994.

Due to a law passed in 1996, notifications to Congress of proposed FMS are printed in the *Federal Register*, the daily bulletin of the executive branch of the US government. The notices are usually published within two weeks of transmittal to Congress, and the *Federal Register* is available via the Internet, meaning that information on some government-negotiated small/light arms sales is widely available to the public prior to finalization of the sales contract.<sup>82</sup>

#### The Netherlands

The Netherlands has a very limited system of prior parliamentary notification of weapons transfers. Dutch regulations stipulate that:

In the case of exports of weapons systems being disposed of by the Netherlands armed forces, Parliament receives prior confidential notification from the Secretary of State of Defence. If commercial interests and the interests of the country of final destination so permit, Parliament can also be informed of the intended transactions on a non-confidential basis.<sup>83</sup>

Commercial exports of Dutch military equipment are not covered by this practice.

#### The United Kingdom

Parliamentary committee heads in the United Kingdom have been pressing for years to be allowed to scrutinize individual export license applications, rather than decisions already made. The special “Quadripartite” Parliamentary Committee on defence exports (comprised of 40 members of Parliament from the Defence, Foreign Affairs, Trade and Industry, and International Development Committees) has produced a succession of reports calling for prior parliamentary scrutiny of export licenses, in line with practice in the United States and Sweden.

In committee hearings, ministers of government, including Foreign Secretary Robin Cook, have justified their opposition to prior scrutiny by Parliament of export licenses on three main lines of argument:

- opposition to Parliament straying into the role of the executive branch of government;
- fear that parliamentary review of all, or many, of the approximately 12,000 licenses issued each year would result in unacceptable delays; and

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<sup>82</sup> The Federal Register is on-line through the Government Printing Office homepage:

<[http://www.access.gpo.gov/su\\_docs/aces/aces140.html](http://www.access.gpo.gov/su_docs/aces/aces140.html)>

<sup>83</sup> Netherlands Ministry of Economic Affairs. “The Netherlands Arms Export policy in 1999”. 1999.

- warnings from the Defence Manufacturers Association that any prior parliamentary scrutiny would threaten its ability to engage in legitimate weapons exports to many major markets around the world.<sup>84</sup>

In addition to demands by MPs, non-governmental organizations and the press have put considerable pressure on the government following a number of highly controversial exports of UK arms and defence goods. Robin Cook's statement, soon after he took office in 1997, that he would introduce an "ethical dimension" to UK foreign policy has often been repeated by critics of the government, and has made justifying refusals to implement a regime of parliamentary scrutiny very difficult.

In its third report, published in March 2001, the "Quadripartite" committee formally stated that it would no longer seek to scrutinize export license decisions to NATO members, other "close allies", or for dual-use goods. This concession significantly cut the number of licenses that the committee could potentially examine. Furthermore, the committee clarified its view of the process of prior scrutiny:

- recommendations from the committee would merely constitute "advice to ministers" and would not be legally binding;
- the government would be able to decide the level of secrecy surrounding the committee's deliberations and conclusions; and
- ministers would be allowed to grant an export license before advice was given by the committee if there were pressing security or commercial reasons for doing so.

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Testifying before the "Quadripartite" Committee in April 2001, Trade and Industry minister Stephen Byers appeared to consent, saying, "I think the proposals that came from the Joint Committee on 14 March seek to address many of the concerns that have been raised. Indeed, I have spoken informally to your Chairman about these particular matters. ... [I]t would be foolish of any Government to ignore the unanimous views of 40 Members of Parliament from across the political spectrum."<sup>85</sup>

#### Accountable government decision-making

Even where a system of prior scrutiny has been introduced, a parliamentary committee will not be capable of examining all of the many thousands (or in some cases, tens of thousands) of export licenses that are granted each year.

There are various ways in which the export licensing process is influenced by private or governmental vested interests. Considerable pressure is often put on governments to support and promote arms exports.

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<sup>84</sup> For instance see Appendix 1, Letter from Defense Manufacturers Association to the Chairman of the Quadripartite Committee in the "Quadripartite" committee report 2001. See:

<<http://www.parliament.the-stationery-office.co.uk/pa/cm200001/cmselect/cmdfence/212/212apd02.htm>>

<sup>85</sup> From evidence presented to the "Quadrapartite" Committee, 25 April 2001. See:

<<http://www.parliament.the-stationery-office.co.uk/pa/cm200001/cmselect/cmtrdind/445/10425p10.htm>>

The arms industry is unique in that its customers are usually government departments to which it has close ties. Moreover, the export of military equipment frequently has profound political and security implications that extend far beyond what is written in a contract. Therefore a large degree of political manoeuvring by exporting companies and their governments is commonplace. Historically, firms and governments have preferred to manoeuvre in secret.

While full disclosure of every individual license application would be impracticable, the decision-making process should be open to public scrutiny in order to help offset these pressures. Secrecy is an ideal environment for rule bending, incompetence, and corruption. In order for governments to be held to account for their actions, they must be open about the way that decisions are made.

The laws guiding the licensing of weapons and defence material are normally decided by national parliaments. However, the regulations and guidelines governing the implementation of those laws are made by sitting governments, and they are usually subject to revisions that may not be notified to the public.<sup>86</sup> The most important decisions are often the most obscure. Among the key issues that affect the licensing process, and which should be open to public scrutiny, are:

1) *Does a country have a “black” or “white” list, and which countries are on those lists?*

A number of governments produce lists of states (in addition to international arms embargoes), which define those states that will not be granted arms export licenses, or those states that are considered to be “safe” importers of arms. However, these lists may not be made public. For example, the Norwegian guidelines on arms exports state that:

In order to facilitate the processing of license applications, the following groups of countries are to be used:

**Group 1** comprises the Nordic countries and member countries of NATO. The group also includes other countries that may be approved by the Ministry as recipients of weapons.

**Group 2** comprises countries located in an area where there is a war or the threat of war, countries where there is a civil war, countries to which, on the basis of a careful assessment of the foreign and the domestic policy situation in the area, it is inadvisable to export arms and military equipment, or countries affected by a boycott adopted by the UN Security Council.

**Group 3** comprises countries that do not belong to group 1 or 2 to which Norway does not sell weapons and ammunition, but which may receive other equipment that is designed or modified for military purposes.<sup>87</sup>

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<sup>86</sup> For example, the 1996 Scott Report into British arms exports to Iraq prior to the 1990–91 Gulf War revealed that government ministers had secretly relaxed restrictions on exports to Iraq without informing Parliament.

<sup>87</sup> Norwegian Foreign Ministry. “St meld nr 43 (1997–98): Eksport av forsvarsmateriell frå Noreg 1997”. 1998.

The Norwegian government has not published the members of these groups. Without definitions, a proper evaluation of implementation is impossible.

*2) Are the criteria that govern the suitability of a purchasing country public, clear, and sufficiently detailed?*

In order for bureaucrats to make consistent decisions that are in line with ministerial policy decisions, all governments making frequent export license authorisations require criteria that importing countries must be judged against before an export license is granted. If states do not have “black” or “white” lists, and all license decisions are made on a case-by-case basis, then these criteria are the crucial benchmarks by which license decisions are made. If states do not publish these criteria, it is impossible to hold them to account.

Many states publish the broad principles of their criteria, but do not go into sufficient detail. For example, all Finnish export licenses are considered on a case-by-case basis, and (in addition to complying with Finland’s international obligations) concerning the general assessment of license applications the guidelines state:

If the item to be exported, by virtue of its characteristics and significance, will not lead to, or will, in all likelihood not be used in, violations of human rights, in offensive armed action or other comparable, unacceptable purposes in or outside the recipient country, granting of a license may be recommended if the overall assessment is otherwise favourable and if the formal licensing requirements have been met.<sup>88</sup>

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However, there is a very wide degree of latitude in defining exactly what constitutes “violations of human rights” or “offensive armed action”, not to mention “other comparable, unacceptable purposes”. Broad terms like these result in broad subjective determinations that can be practically meaningless.

*3) Are the policy objectives for exporting arms clearly stated?*

There are a number of motivations for states to promote and authorise arms exports. The three main motives are:

- economic and commercial interests – to increase the profitability of, and employment in, national arms producing companies;
- support for national defence forces – to maintain production capacity in national arms industries in order to secure the supply of equipment to the military forces; and
- support for foreign policy and security objectives.

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<sup>88</sup> Decision of the Council of State on the General Guidelines for the Export and Transit of Defense Material (474/1995).



In order to be transparent, governments should publish their policy objectives in connection with arms exports. Doing so would enable arms exports to be discussed in a wider context and allow scrutiny of the broad scope of government policy, as well as individual license decisions. A number of states have published this information in their annual export reports. For example, in its 1999 report, France laid out many economic and national security factors it took into considerations in support of its arms exports. Among these:

National security considerations:

The Charter of the United Nations recognizes the natural right of self-defence, individual or collective, held by any Member State. In this spirit, France intends to take into account situations of “defensive weakness” in countries requesting arms, in order to enable them to meet their need for self-defence within the meaning of Article 51 of the UN Charter;

Arms exports are often a significant part of bilateral relations between states, particularly as they concern national security. Holding common armaments is a significant step toward establishing a solid partnership between states as it requires, and testifies to, a reciprocal trust in each other. Arms exports are a significant element of France’s international presence, and contribute toward her international reputation;

Arms exports contribute to national sovereignty in defence by contributing to the consolidation of France’s defence technological and industrial base (DTIB). Sharing production and development costs with foreign customers helps to reduce the financial burden. Furthermore, exports reinforce France’s share of the European-wide DTIB.

Economic considerations:

Exports of armament can have a positive impact on the defence budget by reducing the costs of procuring and maintaining military systems held by the armed forces through:

A reduction of unit costs through the sharing of fixed maintenance costs during all stages of a system’s operation, industry self-financing, and the stimulation of the DTIB by international competition;

More generally, exports can contribute to develop or perpetuate employment, in particular industrial employment, by supporting or supplementing activity in high technology sectors (where the competitiveness of an industrialized country such as France is more assured). Where in order to be viable it is necessary to be a major exporter (up to 70–80 per cent of activity) in order to reach, or preserve, a critical mass; in areas of high unemployment where the disappearance of industries would have a high social cost.<sup>89</sup> [NISAT translation]

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<sup>89</sup>French ministry of Defence. *Rapport au Parlement sur les exportations d’armement de la France en 1999*. 2000.

4) *To what extent are governments also engaged in promoting arms exports?*

Many governments invest considerable resources in marketing their weapons industries' products and their own surplus equipment abroad. This practice creates the potential for a conflict of interest, especially if the same ministries – such as defence or trade – are engaged in both marketing (promoting) and licensing (controlling) exports.

The UK government has defined as a national interest “the protection of the UK’s essential strategic industrial base”. To this end, the United Kingdom has three agencies tasked with promoting or aiding arms sales abroad:

- Export Credits Guarantee Department (ECGD), which provides government backed finance;
- Disposal Services Agency (DSA), which sells surplus equipment belonging to the Ministry of Defence; and
- Defence Export Services Organisation (DESO).

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DESO is the largest organization. In financial year 1997–98, it employed some 680 staff, and the gross expenditure was GBP 55.8 million.<sup>90</sup> Aside from an estimate of the total value of sales assisted by DESO<sup>91</sup>, the UK Government has not published details on the many thousands of individual arms transfers that have received DESO assistance. The level of government promotion of exports of small arms and light weapons is therefore unquantifiable.

#### Toward transparent and accountable decisions

Governments often state that all arms export licenses are decided on a case-by-case basis, which implies that the criteria used to inform licensing decisions can be trumped by commercial or strategic interests. Incentives to sell arms are often driven by economic interests and may also be politically motivated. This creates the risk that governments will seek to define criteria such as human rights abuses as narrowly as possible (or as narrowly as they feel that they can get away with) in order to smooth the passage of an arms transfer.

A system of prior parliamentary scrutiny and openness regarding the export licensing process is the only way that the public interest can monitor and influence decisions before they are made – and before the arms are delivered.

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<sup>90</sup> UK Parliamentary Question No. 66038, 26 January 1999, Hansard 1999.

<sup>91</sup> Such as listing those countries with which the United Kingdom has Defence Agreements and multinational industry collaborations.

## V. Conclusions and Recommendations

Both citizens of arms-exporting states and those in importing states would benefit from a regime of transparency around the international trade in small arms and light weapons. Benefits of such a regime would include:

- helping minimize diversion of state-authorized exports into the black market;
- encouraging restraint in arms transfers to actors that use them in the commission of human rights violations and armed conflict;
- enhancing good governance by curbing corruption and increasing democratic accountability;
- promoting the norm of transparency to states that do not yet provide meaningful information about their arms shipments; and
- enabling better understanding of the small arms trade, including the relationship between arms transfers and armed violence.

Although it lags behind transparency in transfers of major conventional weapons, openness in the small arms trade is becoming more widespread. A growing number of states are producing national reports on their weapons exports, reporting relevant data to the UN Register, and/or publishing customs information on small arms transfers. All of these efforts enshrine the notion that transparency in firearms exports is a normal part of a responsible state's behaviour.

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Transparency is predicated on the willingness of national governments. The United Nations and regional security organisations can help facilitate transparency regimes, but such initiatives are dependent on states gathering and releasing useful information. While more states are releasing some specific information on their gun exports, the information is being provided in an *ad hoc* and varying manner. A standardised format, based on the best practices identified in this report, would increase the value of all government data by allowing comparability and cross-referencing.

A truly transparent export licensing system would require not only full and accurate reports on past arms export licenses and weapons shipments, but also prior parliamentary scrutiny of license approvals and an open licensing procedure by governments. The following template for transparency – which includes recommendation at the international and national levels – is proposed as the most effective and, hopefully, politically acceptable way forward.

At the international level

### **The UN Register**

Panels of governmental experts reviewed the UN Register in 1994, 1997, and 2000. These efforts showed that there is insufficient political will in the international community to extend the remit of the register to cover small arms transfers. Some questions remain about the benefit of this approach relative to difficulty and costs. For similar reasons, it also appears unlikely that states are ready to support the establishment of an independent register of small arms and light weapons transfers.<sup>92</sup> At the end of 2001, states concerned about the humanitarian and criminal impact of small arms and light weapons misuse should have provided voluntary submissions on holdings and imports/exports of small arms and light weapons to the UN Register. Doing so will help strengthen support for the development of a global register effort.

### **COMTRADE database**

Customs data could be an extremely useful tool in increasing transparency in the small arms trade, and it would be much quicker and easier to implement a transparency instrument building on customs data than to negotiate a register analogous to the UN Register on Conventional Arms. Almost all countries already compile customs data in one form or another, so it would not be an insurmountable task for most countries to track their small arms imports and exports.

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Increasing the utility of customs data for tracking small arms exports and imports would require the following steps:

- Governments process all small arms exports and imports through customs, including government-to-government transfers.
- Governments make customs data on small arms public and easily accessible and submit this data to the UN Statistics Division.
- Governments discriminate between “domestic” imports and exports (that is, imports for domestic use and exports that are produced domestically) and those goods that are “in transit” or are under a temporary import or export license.
- UN Statistics Division request data on small arms exports and imports by quantities (not weights) of weapons exported, and by dollar values.
- UN or other international agency create a central depository of national customs data reports on small arms that is accessible to the public free of charge and/or on the Internet.
- Countries in free trade zones, such as the EU, find a way to report imports and exports of small arms through customs.

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<sup>92</sup> See Canada. “An international register of small arms and light weapons: issues and model”. October 1998.

### **The Wassenaar Arrangement**

The Wassenaar Arrangement could be a particularly valuable forum for regular information exchange by its 33 members on small arms they have licensed for export. The value of this exercise would be enhanced if this notification came prior to the actual delivery of the arms. Such prenotification might create a grid of all of the major supplier states in Wassenaar and all of the recipient states to which they are exporting guns. This grid would be useful in identifying cases where many exporters are licensing large shipments of arms in a short time-span to a single destination. Such import bubbles might indicate some serious cause for concern about the outbreak of imminent armed hostilities. This information would be of greater use if it were made public; however, even a confidential exchange of license approvals would provide governments with important insight that they might act upon to limit the outbreak of armed violence.

### National export reports

An important obstacle to throwing more light on the international trade in small arms is the haphazard way in which governments have released information thus far. As long as there are no international standards for reporting arms transfers, the available information will be difficult to understand and compare. Some states that are ambivalent about transparency in this regard will continue to provide as little information as possible.

In the absence of global export reporting regimes on small arms, states' national export reports have been the primary source of information. As highlighted in Part 4 and Table 2, several states have pioneered extremely good practices. These states have demonstrated that these best practices are feasible and are not accompanied by adverse consequences. This report presents the following template for an annual export report that would combine the best practices found across the world.

Ideally, the report should be available in both the state's national language(s) and in English, and be accessible via the Internet. Before providing statistics on arms exports, reports should include:

- summaries of national export laws and regulations;
- lists of the international arms control obligations and treaties to which the state is a party;
- summaries of the report's statistics, such as total value of small arms exports or the total number of licenses issued; and
- the report methodology.

It should then contain the following information on **each importing state**:

Licenses issued: The total number of licenses issued, and the total value of each license.  
For each license issued:

Weapon category  
Description  
License Type  
License Duration  
Purchaser details  
End-user  
Government/Industry transaction  
Vendor name  
Quantity  
Value

Licenses refused: The total number of licenses refused, the total value of licenses refused.  
For each license refusal:

Weapon category  
Description  
Prospective purchaser  
Prospective end-user  
Government/Industry transaction  
Prospective Vendor  
Quantity  
Value  
Date of refusal  
Refusal reason

Actual Deliveries: The total value of actual deliveries.  
For arms deliveries associated with each license issued, or government transfer:

Weapon category  
Description  
Date license issued or transfer authorized  
Purchaser details  
End-user  
Government/Industry transaction  
Vendor name  
Quantity  
Value

Nearly all these features are currently a part of one or more states' annual arms export reports. There would appear to be no fundamental reason why more states cannot adopt this model, an example of which is shown in Appendix B.

### Parliamentary Scrutiny

Prior parliamentary scrutiny of arms export license applications would be a great step toward greater transparency and accountability for the majority of the arms exporting states. This system would go beyond providing retrospective information in annual export reports, and it would enable ministers to be held to account for individual decisions before they have been finalised. However, this step will not be complete if a parliamentary committee's remit is restricted by the government, or if its deliberations are held in secret.

In order to reflect national legislation and practices, systems involving prior parliamentary scrutiny of arms export licenses would necessarily differ from country to country. However, certain basic principles, which form the minimum criteria for fully transparent prior scrutiny, cut across national boundaries. The following principles would need to be enacted to ensure that governments can be fully accountable for their actions.

#### *The committee's proceedings should not be secret.*

This requirement should apply to the committee's findings, deliberations, and evidence. Open hearings would allow the public to be informed on government policy, enabling debate and examination of the issues outside, as well as inside, parliament. Interested parties would then be able to influence public opinion – and the committee – before a decision was made. In rare cases where there is good reason to keep evidence submitted to the committee secret, then the committee should have competence to make this decision.

#### *The parliamentary committee should be permanent.*

Permanence would allow individual parliamentarians to build up expertise on the issue. Furthermore, the committee should be adequately provided with support staff.

#### *A wide range of political opinion should be represented.*

Committee members should be drawn from a number of political parties and reflect the broad political spectrum in the parliament. It is also important that membership of the committee should not be dominated by trade interests. This requirement would ensure that governments would be subject to some challenge within the committee, and that the public would become aware of the record of each political party's representative(s).

#### *The committee should decide which licenses to examine.*

The committee should be informed of all potential transfers of defence goods to other countries and then be free to examine any of them in detail. While it may well establish ground rules, such as ignoring transfers to allied states, the existence of pre-defined thresholds (such as in the US) create the potential for rule bending, or the risk that the committee will simply not be informed of important transfers.

*A large number of outside organisations should be consulted.*

The committee should be able to consult non-political expert groups, such as the defence establishment, manufacturers, and human rights organizations for information and advice.

*The committee should have adequate time to reach its decision.*

While it would be expected that the committee should take into account commercial sensitivities, the committee should decide the amount of time required for each case.

While it could be argued that the committee should have the power to block any license application it objects to, the ability of the committee to make decisions is not a prerequisite of transparency per se. The primary role of a committee is to make ministers accountable for their decisions, rather than to take that responsibility from them.

Toward a standard of transparency

The more governments adopt transparency as a means of curbing the dangerous proliferation of small arms, the more effective transparency becomes. First, governments and their citizens have access to a growing source of data on small arms transfers, which facilitates greater understanding of the trade; second, greater pressure for transparency is placed upon states that are yet to be open about their exports.

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By adopting some or all of these recommendations, governments can make a real and direct contribution to addressing the humanitarian and criminal damage enabled by the flood of small arms into many regions of the world today. The cost of implementing these recommendations will undoubtedly be overshadowed by the humanitarian and financial costs of failing to address the problem of small arms.



## Appendix A: Summary of National Export Reports

Following are descriptive summaries of each of the regular arms export reports of which the authors are aware.<sup>1</sup> The summaries highlight what can be known from each export report about small arms, light weapons, and related ammunition exports. Excerpts from the reports are reproduced to provide a graphic demonstration of the type of information available and the format in which it is presented.

### Australia

The Industry and Procurement Division of the Australian Department of Defence first produced an *Annual Report-Exports of Defence and Strategic Goods from Australia* in 1998. The reports cover a fiscal year from 1 July to 30 June. The first report covered previous deliveries in the periods 1994–95, 1995–96 and 1996–97; subsequent reports have been published annually and cover similar 12 month periods.

The presentation of information improved in the second publication, and since then the format of the reports has not changed. The reports are published in English and are available on the Internet.<sup>2</sup>

The Australian report starts with a description of the context of Australian strategic exports, and includes:

- a brief statement on the government’s rationale for export licensing;
- a list of Australian legislation governing defence exports;
- a description of the export licensing procedure;
- a detailed account of Australia’s membership in international export control regimes and treaty obligations;
- information on enforcement of current legislation, which includes the number of a telephone hotline operating 24 hours a day for people to tip off the customs service about suspected export law violations.

The 1998–99 report published the following information on exports of defence goods:

- the value of deliveries and number of “shipments”, disaggregated by importing country, for “military goods”, “non-military lethal goods”, “all defence and related goods”, and “dual-use goods”;

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<sup>1</sup> The authors would welcome any further information, comments, queries, or clarifications in care of Nicholas Marsh (email [nic@prio.no](mailto:nic@prio.no)).

<sup>2</sup> <[http://www.dmo.defence.gov.au/DMO/function.cfm?function\\_id=60#group47](http://www.dmo.defence.gov.au/DMO/function.cfm?function_id=60#group47)>

- regional summaries of the number of “shipments”, and total value of deliveries, of dual-use and all defence and related goods to ASEAN, Europe, New Zealand, North America and “others”;
- the highest, lowest, average and mean “shipment” values for all defence and related goods and dual-use goods;
- the number of “shipments” of goods disaggregated by value range for all defence and related goods and dual-use goods;
- the number of “shipments” and value of shipments of dual-use goods disaggregated by license type;
- the total number of export license applications for all defence and related goods approved and refused.

To illustrate the level of information provided, Table 3 presents a snapshot from the Australian report.

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**Table 3. Excerpt from the Australian arms export report, 1998–99**

	<b>Country</b>	<b>Shipments</b>	<b>Value (AUD)</b>
<b>NON-MILITARY LETHAL GOODS</b>	Belgium	1	\$ 160,975
	China	1	\$ 629
	Fiji	1	\$ 189,052
	Germany	1	\$ 3,080
	Hong Kong	2	\$ 6,408
	Iceland	2	\$ 18,199
	India	1	\$ 692
	Indonesia	4	\$ 786,316
	Japan	11	\$ 636,169
	Netherlands	1	\$ 5,190
	New Caledonia	7	\$ 21,331
	New Zealand	29	\$ 724,477
	Papua New Guinea	52	\$ 850,525
	Philippines	24	\$ 1,257,850
	Ships' Stores	1	\$ 234
	South Africa	3	\$ 228,693
	South Korea	1	\$ 68,647
	Switzerland	1	\$ 950
	United Kingdom	9	\$ 143,214
	United States	19	\$ 241,190
	<b>Total</b>	<b>171</b>	<b>\$ 5,343,821</b>

The reports do not contain any information on the types of weapons exported. Furthermore, the report methodology does not define what constitute “military goods”, “non-military lethal goods”, “defence and related goods” or “dual-use goods”. This omission is an especially important

issue for the small arms trade, as items such as rifles could easily be counted as military goods or non-military lethal goods, making it impossible to ascertain what equipment is being exported where.

The category “shipments” is equally vague. The report merely states that the values of exports and numbers of shipments are “based upon Australian Customs Service data provided to the Department of Defence”. As the shipments ranged in value from AUD 1 to AUD 2,046,737 [USD 1.3 million], the number of goods constituting a “shipment” would appear to be an arbitrary decision of the exporter.

## Austria

In accordance with the 1977 Federal Law on the export of war material, the Ministries of the Interior and Economic Affairs have put out a combined annual report on authorised Austrian arms export licenses.<sup>3</sup> The report is available in both English and German, but it is difficult to obtain.<sup>4</sup> The Stockholm International Peace Research Institute (SIPRI) has obtained annual reports covering export licenses for 1997, 1998 and 1999. The report is not available on the Internet.

The section of the report dealing with licenses by the Ministry for Economic Affairs provides only the number of licenses granted and the total value of all licenses (in EUR). In 1998 there were 1,313 licenses granted worth EUR 208,741,703 [USD 243.6 million]. The majority of these licenses (three quarters) were for pistols, hunting rifles and their ammunition. The reports obtained through official channels did not include a breakdown of the destinations of these licensed exports, but such a table does exist and has been distributed confidentially to EU member states. In 1999, the Ministry of Economic Affairs approved 1,294 licenses worth EUR 395,453,327 [USD 3.97 million].

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In 1998 the Ministry of the Interior approved 292 individual applications for final exports of weapons. The following year it granted 219 licenses for export, and 51 licenses were issued for weapons import and subsequent re-export. The Interior Ministry also provides a table with the quantity of weapons exported by weapons category, and the recipient geographical region, although not by specific country. The weapons categories are ambiguous (including, for example, “weapons” and “military devices”). It is likely that the “weapons” category covers small arms and light weapons.

The Austrian report does not include exports of “war material” by the Ministry of Defence, the Ministry of Interior (police), the Ministry of Justice (prison guards) or the Ministry of Finance (customs). The report states that in practice these ministries export for repair, modification, or maintenance to the manufacturer or for training or participation in military sporting events. Such uses are not considered subject to reporting under the EU Code of Conduct on Arms Transfers.

<sup>3</sup> *Report on the Export of Arms by the Republic of Austria for the year 1999, pursuant to paragraph 8 of the operative provisions of the EU code of Conduct for Arms Exports.* Austria's Federal Law Gazette (No. 624/77 of 22 November 1977) stipulates that the Ministry of the Interior must agree with the Ministry of Foreign Affairs and the Ministry of Defence, as well as consult with the Federal Chancellery on the granting of all licenses to export ‘war material’. The Foreign Trade Act of 9 March 1995 (Federal Law Gazette No. 172/1995) directs that the Federal Ministry for Economic Affairs is the licensing authority for weapons other than war material.

<sup>4</sup> Certain research institutions have been told that the report is classified and not available to the public. See Mariani, Bernardo and Angus Urquhart, “Transparency and accountability in European arms export controls: Towards commons standards and best practice”, Saferworld, December 2000.

The Austrian government's 1998 export report stated that 13 licenses were denied (eight to Croatia, two to Bosnia-Herzegovina, two to Northern Cyprus, and one to Syria). The 1999 report stated that 15 licenses were denied to a total of six states, unnamed. The Ministry of Economic Affairs lists the total value of licenses denied, while the Ministry of the Interior provides the number of licenses denied, but not the value. In 1998 the Interior Ministry denied one license – to Egypt for rifle ammunition. The 1999 report stated that the 1998 denial to Egypt was appealed and overturned by the High Administrative Court. However, despite the subsequent granting of the license, the exporter withdrew its application. In 1999 the Ministry of the Interior did not issue any denials.

There are some comparative advantages to the Austrian report – mainly that the Ministry of Interior reports the quantity of weapons exported, albeit according to ill-defined categories. While destination countries are not named, regions are. As a result, one can see that in 1999 licenses for over 15,000 weapons were approved for export to North America, and over one million rounds of ammunition to the Middle East.

However, no information is provided on the actual deliveries, and the 1999 report states that “experience shows that actual exports are far less than the amounts licensed”. Moreover, the difficulty of obtaining the Austrian report is its greatest weakness in terms of promoting transparency and accountability in Austrian arms exports.

## Belgium

Belgium has published reports on its arms exports since 1994, with the report covering exports during the preceding year. The reports are published in accordance with a Belgian law passed in August 1991.<sup>5</sup> The 1999 report is available in French and Flemish on the internet.<sup>6</sup>

The 1999 report contains the following:

- information on Belgian arms export licenses, reported in a fair amount of detail;
- the value of arms exported, by importing region and by weapon category;
- the value of Belgian arms imports and number and value of import licenses granted;
- international initiatives to control transfers of conventional arms;
- information on how it combats the illegal traffic in arms to and from Belgium, providing a description of national legal instruments; and
- information on the global trade in arms, including export values from EU countries.

<sup>5</sup> Mariani and Urquhart, Saferworld, 2000.

<sup>6</sup> <[http://www.diplobel.org/Politics/policy\\_wapenuitvoer\\_NL.htm](http://www.diplobel.org/Politics/policy_wapenuitvoer_NL.htm)> (Flemish)

or <[http://www.diplobel.org/Politics/policy\\_exportation\\_d'armes\\_FR.htm](http://www.diplobel.org/Politics/policy_exportation_d'armes_FR.htm)> (French)

With respect to licenses granted, Belgium is one of the more transparent countries. It lists the number of export licenses granted and the value of those licenses. The licenses are then broken down by quantity and value into three categories: licenses granted to exporters from the Flemish region of Belgium, the Walloon region, and the Belgian armed forces.

License refusals are reported in the same manner, by number and by value. In addition, licenses for transit of military goods are reported, as well as for refusals.

The 1999 report showed an increase in the level of transparency over previous years in that it provided a detailed table of the number of export licenses by country, broken down into specific weapons categories.<sup>7</sup> A total value of all export licenses granted, broken down by importing countries, is also provided.

When it comes to actual exports, total value is provided in Belgian francs for the previous five years, broken down by geographical region. For the current year, the value of total arms exports is listed by importing country. Total exports of arms by weapons category are also provided for the previous five years.<sup>8</sup>

The Belgian reports have become increasingly transparent over the years, most notably in information on licenses. The report lacks actual quantities of weapons exported or licensed for export. The report also contains information on Belgian arms imports.

An extract of the 1999 Belgian arms export report with respect to licenses granted for the sale of small arms is provided in Table 4.

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<sup>7</sup> Under the heading of "public sector" are the subcategories:

- 1) small arms, their munitions, parts and accessories;
- 2) light weapons;
- 3) heavy weapons; and
- 4) other.

Under the heading of "private sector" are the subcategories:

- 1) industry, that is all products that do not constitute a finished product;
- 2) personal usage, that is all hunting firearms and firearms for personal protection or collections, and
- 3) other.

<sup>8</sup> The following categories are listed:

- 1) Military vehicles, armed or not and their parts,
- 2) Military weapons other than revolvers, pistols and swords,
- 3) Pistols and revolvers less than 9mm,
- 4) Pistols and revolvers greater than 9mm,
- 5) Parts and accessories for pistols and revolvers,
- 6) Parts and accessories for military weapons other than revolvers, pistols and swords,
- 7) cartridges and their parts for pistols, revolvers and machine pistols,
- 8) cartridges and their parts for military weapons,
- 9) munitions and projectiles other than those covered above,
- 10) swords, bayonets and similar weapons.

**Table 4. Excerpt from the Belgian annual export report, 1999**  
Showing the total value (in Belgian Francs) of exports of various small arms below 9mm calibre

Revolvers et pistolets,	1995	230,753
autres qu'armes à feu, utilisant	1996	202,795
la déflagration de la poudre	1997	120,414
ou armes à ressort, à air comprimé	1998	207,952
ou au gaz, calibre > 9mm	1999	139,657

## Canada

The Export and Import Controls Bureau of the Canadian Department for Foreign Affairs and International Trade first produced an annual arms export report in 1997, which covered exports during 1996. Reports have been published every subsequent year. The content and format of the reports has remained unchanged, except for improved descriptions of the type of goods exported. In 1999, Canada reported exports of firearms, ammunition and their parts worth some USD 2.48 million (this figure excluded exports to the USA). The reports are published in English and French, and are available on the Internet.<sup>9</sup>

The report is introduced with a statement on the Canadian government's support of arms control and its belief that greater transparency, witnessed by its annual report, is a key element in promoting global security. It then goes on to report:

- Canada's international efforts to promote arms control and transparency;
- Canadian membership in international export control regimes and treaty obligations;
- Canada's integration of the Wassenaar Arrangement's International Munitions List into its domestic Export Control List of military goods;
- a brief description of Canadian procedures for assessing export license applications;
- the special procedures for assessing export licenses for firearms;
- where to find more information on Canadian export controls;
- information on the data sources used; and
- a brief note on the report methodology.

<sup>9</sup> <[http://www.dfait-maeci.gc.ca/-eicb/export/milit\\_tech-e.htm](http://www.dfait-maeci.gc.ca/-eicb/export/milit_tech-e.htm)> (English version)

The 1999 report contained the following information on exports of defence equipment:

- the total value of strategic export deliveries to different income groups of importing countries (High, Middle and Low), members of NATO, and the Automatic Firearms Country Control List (AFCCL);
- the total value of deliveries to each importing country;
- the total value of deliveries of each weapon type on the Export Control List;
- for each importing country, the value of deliveries of the types of goods covered by the Export Control List, accompanied by a description of the good, for example “firearms parts”. The goods were further divided into Weapon Systems and Munitions, Support Systems, and Parts (see Table 5); and
- descriptions of the Export Control List categories.

Under a reciprocal arrangement, Canada and the United States do not report on arms exports to each other (principally because each state has not required an export license for arms exports to the other).

Destination ECL Number	Weapons Systems & Munitions	Support Systems	Parts	Comments
<b>Hong Kong</b>				
2001	12 344			firearms
<b>Indonesia</b>				
2010			50 000	aircraft parts
2014		21 714 175		simulator
<b>Ireland</b>				
2011			37 421	radar parts
<b>Israel</b>				
2006			50 346	vehicle parts
2007			6 150	gas mask components
2009			126 604	naval electronic components
2010			314 583	aircraft parts
2015			180 000	scanner parts

There are three other deficiencies in the report. First is a complete lack of any information on export licenses issued and refused. Second is the lack of any information on the number of weapons delivered to each importing country. Third is the lack of further description of the types of weapons exported. Small arms are designated as “firearms”, whether they be machine guns or target pistols, an issue which is particularly important given the lack of any information on the end-user of the purchased weapons.

#### Czech Republic

In 2001, the Czech Foreign Ministry published *The Czech Republic and Small Arms and Light Weapons*. While the report is not an annual report of Czech arms exports, it provides some information on small arms exports from the Czech Republic. The report gives the value of annual exports of small arms and light weapons as a percentage of total arms exports from 1996 to 2000. It lists the producers of small arms and light weapons in the Czech Republic, as well as numbers of civilian weapons permit holders, number and type of registered weapons in the country, and quantity of “non-commercial” weapons exported. While the report is not very transparent when it comes to small arms exports (for example, importing countries are not listed), there is a good deal of information on other aspects of small arms and light weapons in the Czech Republic. The licensing process are detailed and interestingly examples of markings used by Czech military on arms is provided. The report is published in English and is available from the Czech Foreign Ministry.

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#### Denmark

Danish government issued its first public annual report on exports of weapons and dual-use products in December 2000, covering exports made in 1999. The report is not translated into English, but the Danish version can be found on the Internet.<sup>10</sup> The report includes:

- an outline of the rules and regulations governing exports of arms and dual-use products from Denmark;
- information on the authorities responsible for assessing and granting arms export licenses;
- information on international agreements on arms transfers and embargo regimes to which Denmark adheres;
- a list of countries under weapon embargoes by the EU, UN and OSCE;
- data on exports of major conventional weapons, as reported to the Wassenaar Arrangement;
- data on dual-use export licenses granted and refused; and
- statistical data on the total number of licenses issued in 1999, broken down by importing countries.

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<sup>10</sup> <<http://www.um.dk/upload/vaabeneksport.doc>>



The overall level of information provided in the report is poor, and Denmark is the only EU member state that did not report on the total value of its 1999 arms exports. Statistics are provided only on the total number of licenses granted for exports of defence material to each importing country. This data is given in three tables, one dealing with export licenses to EU member states, another covering exports to other NATO member states and partners and the third for exports to “other countries”. This information is largely useless since the data is not broken down into weapons categories. Moreover, each license can be for an unknown quantity of weapons (see Table 6). No information is provided on actual exports or on which companies were awarded export licenses. As a result of these deficiencies, it is impossible to draw any conclusions about Danish weapons export in general, and export of small arms and light weapons in particular.

The report states that “Transparency in the export of weapons is crucial both for the debate regarding responsible weapons export and for the country’s possibility of assessing licenses for export to particular countries and regions. On the other hand, it is important to consider the producers’ need for business confidentiality [NISAT translation].” The government has explained that part of the reason for the secrecy around arms transfers has been that the government had previously never tried to obtain export information from weapons exporters. Since 1 July 2000, exporting companies have been obliged to provide the government with all relevant information on arms exports.

Importing Country	Total number of licences	Number for “defence” material	Number for “various” weapons	Number for “police weapons”
Belgium	2	2		
The Netherlands	11	9	1	1
Germany	41	26	8	7

<sup>11</sup> Notes on Table 6: “Various weapons” are mostly small arms and small arms ammunition. It includes both hunting and sporting firearms and exported surplus material from the defence and police forces. “Police weapons” refers to weapons exported by the police forces for repair, technical examination and police missions abroad.

## Finland

Finland issued its first annual report on arms transfers in 1998, covering licenses granted and transfers made in 1997. *The Second Annual Report According to the EU Code of Conduct on Arms Exports: National Report of Finland for 1999* and export statistics for 2000 are translated into English and are easily accessible on the Internet.<sup>12</sup>

The report issued in 2000 covering exports in 1999 includes:

- an overview of the legal basis for, and guidelines governing, export licenses for military material;
- information about the licensing authorities;
- the number of license denials issued in accordance with the operative provision 3 of the EU Code of Conduct;
- a table with data on licenses granted in 1999;
- a table showing the total value of exports in 1999, divided by weapons categories; and
- a table showing the value of exports in 1999, divided by weapons categories and countries of destination.

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The report provides data on export licenses issued the previous year, broken down into total number of licenses granted, importing country, and what kind of weapon category the license was for.

Country	CL category
Belgium	3, 1, 1
Italy	3, 1, 3
Hong Kong (China)	3

The information provided for actual exports is much more detailed. The information is based on data submitted to the Ministry of Defence by exporters. The statistical tables display the total value of actual exports divided into weapon categories, such as “light weapons and accessories thereof”, and sub-categories, such as “sniper rifles and accessories” (see Table 7.2). The values of the exports of these weapons categories are also given for all the importing countries (see Table 7.3).

<sup>12</sup> <<http://www.vn.fi/plm/ekvas.htm>>

<sup>13</sup> Notes on Table 7.1: CL = Common list of military equipment covered by the European Union Code of Conduct on Arms Transfers. See <[http://www.nisat.org/export\\_laws-regs%20linked/Finland/common%20list%20military%20equipment.pdf](http://www.nisat.org/export_laws-regs%20linked/Finland/common%20list%20military%20equipment.pdf)>

**Table 7.2. Excerpt from the Finnish arms export report, 1999**  
Showing overall value of certain small arms exports from Finland in 1999

LIGHT WEAPONS AND ACCESSORIES THEREOF	
	Value in 1000 FIM
Sniper rifles and accessories	2,667.7
Weapons and accessories, museum pieces	1,004.5
<b>Total</b>	<b>3,672.2</b>

The report does not inform about the quantities of weapons being shipped or the name of the exporting companies. In addition, export of civilian firearms is excluded, and the information given on license denials is non-specific.

On Finnish exports of small arms, light weapons, and ammunition in 1999, one can read the following from the government report:

- The total number of arms export licenses granted divided into weapon categories based on the EU Common List of Military Equipment, broken down by importing country (see Table 7.1).
- The total value of the exports of weapon categories “Light weapons and accessories therefor”, “Guns, mortars, etc.”, “Ammunition, shots, etc. and their components”, and “Military powder and related material”. All these categories are broken down into detailed sub-categories such as “Accessories for mortars” and “Bullets” (see Table 7.2).
- The value of the exports to each importing country, broken down into weapon categories and sub-categories (see Table 7.3).

**Table 7.3. Excerpt from the Finnish arms export report, 1999**  
Showing the value of specific small arms exports from Finland to Belgium in 1999

Weapons category	Sub-categories	Value (in 1000 FIM)
Light weapons and accessories thereof	Sniper rifles and accessories	20.4
Ammunition, shots etc. and their components	Bullets	8.1
Total of these categories for Belgium		28.5

## France

The French Ministry of Defence submitted its first *Rapport au Parlement sur les exportations d'armement de la France en 1999* [Report to Parliament on exports of armaments from France in 1999], covering the year 1998, in March 2000. Its second annual report, covering 1999, was published in December 2000. The second report has a number of improvements, most notable being the inclusion of statistics on small arms transfers. There is no French legislation requiring the production of an annual export report. Instead, it is the result of a policy decision by the current administration following years of sustained pressure by activists to introduce greater transparency and parliamentary accountability into French arms trading. The report is published in French only and is available on the Internet.<sup>14</sup>

The French report opens with a very comprehensive commentary on the domestic, legislative, and international context of French arms exports. It includes information on:

- French export laws;
- the export licensing process;
- the criteria used to inform the licensing decision-making process;
- France's strategic export control treaty obligations and international commitments;
- a list of countries subject to arms embargoes;
- French efforts to control the proliferation of small arms and light weapons;
- economic and commercial issues associated with arms exports, including the benefits they accrue to France and an analysis of the world arms market; and
- diplomatic and other international links derived from defence exports.

The report contains statistical information on French exports, including:

- the value of export orders for French military goods for each year from 1991 to 1999, disaggregated by region (namely Sub-Saharan Africa, North Africa and the Middle East, Eastern Europe, Asia and Oceania, Latin America and the Caribbean, Western Europe and North America, various, and international organizations);

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<sup>14</sup> <<http://www.defense.gouv.fr/actualites/dossier/d82/index.html>>

The report of December 2001 was released by France as this report was going to press.

- the value of the turnover of French defence industries devoted to domestic procurement and exports;
- the percentage of the value of export orders for equipment, and for deliveries, in the categories “land”, “sea”, and “air” equipment;
- the percentage of the value of deliveries of French military goods in 1999 and in 1998, and the total for the period 1991–99, disaggregated by region;
- the number of license applications made each year in the period 1996–99, in the categories “sales”, “negotiations”, and “temporary exports”;
- the number of license refusals notified to EU governments within the framework of the European Code of Conduct;
- the number of licenses refused under each criteria of the EU Code of Conduct; and
- the number of countries subject to export license refusal in each region of the world.

This information is supplemented by appendices that contain:

- the value of government negotiated sales by country, disaggregated by the categories: “small arms and light weapons”, “other military goods”, and “civil material”;
- countries receiving free transfers of equipment in the following categories: “small arms and light weapons”, “other military material”, and “civil material”;
- the number of export authorizations in 1999 and in 1998, disaggregated by country; and
- the number of preliminary export authorizations for small arms and light weapons in 1999 for each importing country, disaggregated into ten sub-categories of small arms (for an illustration of how the report presents this information, see Table 8).

**Table 8. Excerpt from the French arms export report, 1999**  
 Showing the number of licenses granted during 1999<sup>15</sup>

Destinataires	Nombre total de CIEEMG 1999	CIEEMG ALPC											
		Sous-Total CIEEMG ALPC	Ventilation par catégories										
			a1	a2	a3	a4	a5	b1	b2	b3	b4	b5	
Allemagne	155	2				2							
Arabie Saoudite	62	1										1	
Argentine	69	1			1								
Belgique	110	3	2		1								
Brésil	68	3						1				1	1
Brunei Darussalam	9	1									1		
Burkina Faso	4	1		1									
Cameroun	16	2			1			1					
Canada	31	0											
Chili	58	2								1		1	
Chypre	36	1										1	
Émirats Arabes Unis	157	1				1							
Équateur	32	1			1								
États-Unis d'Amérique	176	2				1					1		
Grèce	73	2			1						1		
Indonésie	27	1									1		

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The French annual export report is an extensive document, notable in its provision of commentary and additional explanation on almost every piece of statistical data. Furthermore, the report includes information on orders for French military goods, as opposed to licenses issued or exports delivered to the purchaser. This provision is unusual and goes beyond the transparency model suggested in this paper. It is useful in that it allows the reader to predict future French arms exports. Further useful features are the provision of information, for each of the years 1991–99, on orders and deliveries for importing countries. This information facilitates an easy comprehension of the long-term trends of French arms exports.

However, some important information is still lacking. For instance, the report does not provide any information on dual-use exports, nor on industry-negotiated exports of goods intended for internal security or police use (figures for government sponsored deals are shown). The latter category could include small arms exports.

As the report concentrates on the value of transfers, no information is presented on the numbers of weapons exported. Therefore, it is impossible to gauge the significance of the transfer, especially for small arms, where the value weapons is comparatively low.

<sup>15</sup> Notes on Table 8: CIEEMG is the licensing authority. ALPC denotes the category "small arms and light weapons", and a1 to b5 refer to different categories of small arms.

The report divides military goods into the categories “land”, “sea” and “air”. It provides no further detail on what type of military systems have been exported. Furthermore, the information appears in an appendix, without sufficient explanation of what each category contains. For instance, it is unclear whether a man-portable surface to air missile is counted as an air or land weapon. Moreover it is impossible to discern small arms exports from all the other “land” weapons exported.

The specific information on small arms and light weapons only refers to the numbers of export licenses. It does not present any information on the numbers of weapons exported or the value of the transfer. The information on licenses of other types of weapons is even more vague. The report only states the numbers of licenses issued to each country, without stating what they cover.

Regarding license refusals, the French report does not publish any information on license refusals to specific countries, making it difficult to scrutinize the government’s decisions.

### India

The Indian government provides data on the exports of its Ordnance Factories Organization (OFO), which produces military small arms and ammunition under the Indian Department of Defence. Data is available on the web in English.<sup>16</sup> In addition to small arms and ammunition, the Ordnance Factories produce larger weapons systems, vehicles, clothing, equipment, and optical instruments. The value of total sales, per annual fiscal period, are listed in Rupees in Crore (ten million rupees), starting with 1996–97, up to 1999–2000. These sales are then broken down into two categories: 1) sales to the Indian armed forces and other defence departments, and 2) sales to paramilitary forces and exports. In 1999–2000 the Ordnance Factories sold 511 Rs in Cr. (USD 1 billion) of defence goods abroad and to paramilitary forces in India. It is not possible from the data presented to determine how much of the sales go to paramilitary forces within India and how much is exported abroad, nor is any information provided on the quantity of weapons sold internally or abroad. There is no information provided about which states are buying Indian arms, or which types of arms they are purchasing. Again, it should be stressed that this figure of USD 1 billion covers a large array of defence items and not just small arms.

**Table 9. Excerpt from India’s report on exports from its Ordnance Factories**  
*Ordnance Factories Sales*

Year	Armed Forces & other defence departments	Paramilitary Forces (MHA) Trade & Exports	Total	
	Amount (Rs in Cr)	Amount (Rs in Cr)	Amount (Rs in Cr)	% increase over previous year
1996–1997	1897	411	2308	16.19
1997–1998	2215	382	2597	12.53
1998–1999	2653	418	3071	18.25
1999–2000	4827	511	5338	33.05

<sup>16</sup> see <<http://www.mod.nic.in/product&supp/welcome.html>>

## Ireland

The Export Licensing Unit of the Department of Enterprise, Trade, and Employment produces statistics and public reports on military export licenses issued by Ireland. The statistics can be found on the web.<sup>17</sup> Annual data is available back to 1998, when the first report was produced. Ireland is unique in that the Export Licensing Unit provides monthly updates on the web of all military and dual-use licenses issued, by weapons category and country of destination.

The information on the website includes:

- the number of military licenses issued by category and country of destination, updated monthly;
- the text of the Control of Exports Order, 2000 (dated 1 October 2000), which defines goods that may not be exported without a license; and
- obligations under the EU and UN.

A major drawback of the Irish data is that there is no information on monetary values or quantities of weapons per license – that is, it is possible that some licenses could be for one weapon while others could be for hundreds. The codes (weapons categories) follow the Wassenaar Arrangement's munitions list. As a result, it is clear which licenses are issued for small arms exports. However, the data only cover licenses issued and do not cover actual exports or licenses refused.

A selected example of the arms export license data provided by Ireland follows.

**Table 10. Excerpt from the Irish arms export report, 1999**  
Showing the number of licenses granted during 1999<sup>18</sup>

ML1a	United States	17
ML1a	Yugoslavia	4
ML1a	Zambia	1
ML3	France	1
ML3	United Kingdom	100
	Northern Ireland	
ML3	Yugoslavia	2

<sup>17</sup> <<http://www.entemp.ie/export/military.htm>>

<sup>18</sup> *Notes on Table 10:* ML1a is defined as "rifles, carbines, revolvers, shotguns, crossbows, pistols, machine pistols and machine guns."

ML3 is defined as "ammunition and specially designed components therefor, for the weapons specified in paragraphs 1.,2. or 12" This category covers small arms (paragraph 1) as well as large calibre weapons (paragraph 2) and kinetic energy weapons (paragraph 12)



## Italy

Italy has provided an annual report to parliament on import, export, and transit of weapons and military equipment (both authorisations and deliveries) in accordance with Law Number 185, enacted in 1990.<sup>19</sup> The report is available (in Italian only) to the public from the Chamber of Deputies' Stationary Office.

The report is extremely detailed and voluminous, averaging around 300 pages each year, which could be a reason why it has not yet been placed on the Internet. The data provided is arguably the most profuse and detailed of any country with the possible exception of that provided by the United States. It provides information on quantity and value of arms exported or authorised for export by manufacturer. However, information on the recipient of the weapons is not provided. In some cases, the destination can be guessed, as the currency of the transaction is provided. For instance in 1999, Beretta Fabbrica D'Armi S.P.A. exported 140 machine gun barrels worth 562,800 Belgian francs [USD 14,000].<sup>20</sup> One could guess that the arms were purchased by Belgium, but there is no proof that this is in fact the case. In addition, the majority of transactions are listed in Italian lire or US dollars, which give no indication of the destination of the arms.

The reports originally listed the country of destination for each weapons system exported or authorised for export, a level of transparency rarely seen. However, in response to pressure from industry, which claimed that such disclosures were detrimental to the Italian defence industry's competitiveness abroad, the reporting of the destination of arms by category ceased in 1993.<sup>21</sup> In 2001, only the quantity of all defence export authorisations and deliveries for the year, and a monetary value of their total were listed by country of destination.

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As a result one can clearly see, for example, how many pistols Beretta exported in a certain year and the value of those exports, but the destination of the pistols remains unknown. The Italian report's data, while commendable for its transparency on some levels, is in general so vast that it is overwhelming, and at times confusing due to its profusion. In addition, in 1999, the Italian government admitted that there was an error in its report on 1997 export data – a discrepancy that overvalued exports to the tune of ITL 578 million [USD 328,500].<sup>22</sup> Nevertheless, Italy has been able to provide much greater detail on its arms exports than other countries that are under similar pressure from industry to keep disclosure to a minimum.

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<sup>19</sup>Mariani and Urquhart, Saferworld, 2000; *Relazione sulle operazioni autorizzate e svolte per il controllo dell'esportazione, importazione e transito dei materiali di armamento nonché dell'esportazione e del transito dei prodotti ad alta tecnologia, Anno 1999*, Camera dei Deputati, Government of Italy [hereafter cited as Italian Report, 1999].

<sup>20</sup>Italian Report, 1999.

<sup>21</sup>Mariani and Urquhart, Saferworld, 2000.

<sup>22</sup>Wezeman, Pieter, "Measuring international transfers of small arms and light weapons", Background paper, Small Arms Survey, Summer 2000.

## Germany

In January 2000, the German Government adopted new export guidelines, which included a commitment to produce an annual report on arms exports to be submitted to parliament. The *Bericht der Bundesregierung über ihre Exportpolitik für konventionelle Rüstungsgüter im Jahr 1999* [Report of the Federal Government on export policy for conventional armaments in the year 1999] was published in September 2000 by the Federal Ministry of Economics and Technology. The report is available in German only. It can be found on the Internet.<sup>23</sup>

Publication of the 1999 report was a great improvement on Germany's record on transparency. Previously, the only information available was an aggregated overview of all German arms exported in one year and answers to parliamentary questions.

The first part of the new report presents the German arms export control system, and includes:

- an overview of German export laws and regulations;
- an overview of the export licensing process;
- the criteria used to inform licensing decision-makers; and
- detailed commentary on the international export control regimes and treaties to which Germany is a member.

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A section on Germany's arms exports follows, listing:

- the total number of export license applications, and the total value of these requests;
- the total number of export license refusals, and the total value of licenses refused;
- a list of the 15 main recipients of German arms exports, showing:
  - the total value of export licenses to that state,
  - a description of the major exports, such as submarines and sections for warships, and
  - for each major export, its designation in the export control list and its percentage of the total value of exports to that country;
- the number of licenses issued, and the total value of licenses, for each category of arms in the export control list;

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<sup>23</sup> <<http://www.bmwi.de/Homepage/download/aussenwirtschaftspolitik/Ruestungsexportbericht19991.pdf>>

- the proportion of arms as a percentage of total German exports;
- the value of transfers to the ten most important recipient countries of commercial exports; and
- commentary on the German entry to the UN Register of Conventional Arms Transfers.

Five appendices form the bulk of the report. These show:

- the political principles governing German arms exports, including a detailed description of the of the EU Code of Conduct;
- detailed descriptions of the categories in the export control list;
- a list of current arms embargoes to which Germany adheres;
- tables of arms exports to EU and NATO states, containing the following information for each importing state:
  - the total number of licenses issued,
  - export control list numbers of arms licensed for export, and
  - the total value of export licenses;
- a table of arms exports to all non-EU and NATO states, containing the following information for each importing state:
  - the total number of licenses issued,
  - export control list number of the exports,
  - the total value of export licenses,
  - a description of the major exports,
  - for each major export, its export control list number and its percentage of the total value of exports to that country,
  - the number of license refusals,
  - export control list numbers of arms refused licenses for export,
  - the value of licenses refused, and
  - if the refusal was made under the auspices of the EU Common Code, the EU criteria used to justify the refusal, followed by the export control list numbers referring to the categories of arms refused under those criteria; and
- a copy of the German entry in the UN Register of Conventional Arms.

**Table 11. Excerpt from the German arms export report, 1999**  
Showing exports to states outside the EU and Nato

Land (Country)	Anzahl der Genehm. (Number of licenses)	AL.-Pos. (ECL no.)	Wert in Mio. DM (Value of exports)	Bemerkungen (Remarks: Description/ECL no./proportion of total exports)	Ablehnungen endgültige Ausfuhren (No. of refusals)	AL.-Pos. (ECL no.)	Wert in Mio. DM (Value of refusals)	Anzahl der Denials/Gründe/ AL-Position (EU Code denials: number/criteria/ECL)
		0018						
Bulgarien	61	0001 0003 0010 0011 0017	3,5	Revolver, Pistolen, Jagd.- und Sportwaffn (0001/79,8%) Funknavigationsgeräte (0011/15,3%)	2	0001	0,08	2  Kriterium 7/0001
Burkina Faso	2	0001 0003	0,009	Munition für Revolver und Pistolen (0003/57,9%) Jagd.- und Sportwaffen (0001/42,1%)				

As the preceding lists make clear, the German report contains a great deal of very useful information. The report contains detailed commentary on the process of export licensing, including legislation and international obligations. Of particular note is its inclusion of so much detail on license refusals – printing for each country the type of weapons refused and grounds for refusal. The level of detail provided on licenses is extensive, particularly for countries outside the EU and NATO.

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However, there are a number of important areas in which the report is deficient. The first is that it includes no information on the actual deliveries of arms. Second, while the report does contain considerable information on licenses issued, information in this category is also incomplete. The most important gap is that the report does not present any information on the number of weapons authorised for export by each license. In addition, the report does not include weapons descriptions, the value of the transfer or information on license refusals for exports licensed to EU and NATO states. These licenses will therefore be subject to a lower degree of democratic scrutiny than exports to the rest of the world.

Another problem is that the “description” section of the table on exports to non-EU and NATO states does not provide specific information for all export categories. For example, the entry for Egypt indicates that 53 licenses, valued at DEM 32.3 million [USD 17.6 million], were issued covering ten categories of weapons on the export control list. However, further information is only provided for two of those categories, ammunition and training devices. More than ten per cent (some DEM 3 million) of the exports are not specified, including those licensed under category 001 (hand-held and automatic weapons with calibre of 12.7mm or smaller). By providing some descriptions of the weapons being exported, the report conveys the misleading impression that it is providing fuller information than it actually does.

## Netherlands

The Netherlands issued its first annual report on arms exports in 1998, presenting data from 1997. It was in accordance with a Netherlands government policy paper.<sup>24</sup> The government has since produced reports for 1998 and 1999. All three reports are available on the web, in both Dutch and English.<sup>25</sup>

The Dutch report includes the following information:

- the value of export licenses, by weapons category;
- the value of export licenses, by importing country, broken down into two categories: A (arms and munitions) and B (other military goods);
- a very detailed account of license refusals;
- commitments with respect to the UN Register of Conventional Arms, the Wassenaar Arrangement and the EU; and
- an overview of the Dutch weapons industry, including workforce and annual turnover (in NLG).

The report has evolved over the years, expanding in scope and information. The 1999 report is the first to include data on license denials, and it is one of the most transparent reports in this respect. It lists the following information on license denials: destination country, proposed consignee, proposed end-user, reason for refusal, date of denial, denial number, and short description of equipment, including quantity and, where appropriate, technical specifications.

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The value of export licenses authorised, by weapons type, is given in Dutch guilders. Small arms and light weapons are licensed under the sub-categories “small-calibre weapons (< 12.7mm)” and “large-calibre weapons (>12.7mm)”, and ammunition is covered under the sub-category “ammunition and explosives” (see Table 12). These three sub-categories fall under Category A, as opposed to Category B. The value of export licenses is given on a country-by-country basis, broken down into the two categories (A and B), but not into the detailed weapons sub-categories.

There is no distinction made in the report between exports by the government or by industry, as the Netherlands government (i.e., the Department of Defence) must obtain licenses for arms export in the exact same manner as industry.

The 1999 report provides only minimal data on actual exports, providing only a five-year total from 1994–98 (inclusive) of NLG 3 billion [USD 1.6 billion ] of goods attributable to “military production”.

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<sup>24</sup> Policy paper on greater transparency in the reporting procedure on exports of military goods, *Parliamentary Proceedings* 22 054, No. 30.

<sup>25</sup> <<http://www.minez.nl>> (search for “arms export”).

One distinguishing feature of the Dutch report is that it issues semi-annual reports on the value of export licenses by categories and the value of licenses by country of destination. The report from the first half of 2000 is available on the web. The yearly reports are usually published in July.

**Table 12. Excerpt from the Netherlands arms export report, 1999**  
Showing the total values of exports of certain categories of military equipment

Main category A, "Arms and Munitions"		NLG million
1	Tanks	-
2	Armoured vehicles	0.8
3	Large-calibre weapons (>12.7mm)	0.1
4	Combat aircraft	-
5	Combat helicopters	-
6	Warships	-
7	Guided missiles	-
8	Small-calibre weapons ( $\leq$ 12.7mm)	1.5
9	Ammunition and explosives	101.6
10	Parts and components for "Arms and Munitions" <sup>2</sup>	226.2

## Norway

The Ministry of Foreign Affairs issued the first Norwegian annual report on export of weapons and related material from Norway in 1997, covering information on the previous year's exports. A full text of the Norwegian report, *Eksport av forsvarsmateriell fra Noreg i 1999* [Exports of Defence Material from Norway in 1999] can be found on the Internet.<sup>26</sup> The Foreign Ministry has prepared a summary of the report in English. Even though the Ministry has promised more transparency, and the government is advocating transparency in international forums, the reports have not changed significantly since the first one was issued five years ago.

The report for 1999, issued in June 2000, includes the following information:

- an explanation of the rules and regulations governing exports from Norway of military material;
- information on the Ministry of Foreign Affairs' procedures when deciding on export licenses;
- a short description of Norwegian arms manufacturers' cooperation with foreign partners;
- an outline of the international export control agreements Norway is party to;
- information on Norway's policy on small arms;
- a list of companies that exported military material in 1999;

<sup>26</sup> <<http://odin.dep.no/ud/norsk/publ/stmeld/032001-040006/index-hov007-b-n-a.html>>

- a summary of weapons exports from Norway, including a description of the methodology used for gathering and presenting statistical data; and
- tables showing values and recipients of actual exports of weapons material, technology and services from Norway in 1999.

The data in the report are based on quarterly reports from exporters on their deliveries abroad. The report provides values of actual exports of military equipment, divided into broad weapon categories such as “small arms” and “artillery, etc.”. The report for 1999 does not include a full explanation of the control list included under each of these categories. That list – Control List 1 – can be found in earlier reports, but it should be included in each iteration of the export report in order to facilitate comprehension and use by readers.

The report also presents information on which type of weapons were exported to which countries and on the total value of deliveries to each country (see Table 13.1). However, the report does not provide information on the value or quantity of exports of particular weapons categories to each country. Nor does the report name end-users or provide any information on licenses refused. It gives only an estimate of the total number of licenses granted – 800.

**Table 13.1. Excerpt from the Norwegian arms export report, 1999**  
Showing destinations of Norwegian arms exports by category during 1999<sup>27</sup>

Varegruppe		Mottakarland
1	Handvåpen m. v. for militært eller anna føremål	Canada, Danmark, Finland, Italia, Latvia, Sambandsstatene, Storbritannia, Sverige, Tyskland
2	Artilleri m. v.	Ingen.
3	Missilsystem, bomber, rakettar, torpedoar, land- og sjøminer, handgranatar	Ingen.
4	Eldleingsutstyr, søkjarutstyr, utstyr for handsaming m. v. av utstyr i gruppe 1-3	Australia, Canada, Frankrike, Sverige
5	ABC-våpen m. v.	Ingen.
6	Ammunisjon, sprengstoff m. v.	Australia, Belgia, Brasil, Canada, Chile, Danmark, Den tsyekkiske republikk, Finland, Frankrike, Hellas, Irland, Italia, Nederland, New Zealand, Portugal, Sambandstatene, Singapore, Spania, Storbritannia, Sveits, Sverige, Sør-Korea, Thailand, Tyskland

<sup>27</sup> Notes for Table 13.1: *Handvåpen*... covers small arms for military and other purposes which are defined in Control List I as “revolvers, pistols, rifles, except small-bore rifles and antique hand-held guns from before 1890; machine guns, sub-machine guns, harpoon guns, whaling guns, other firearms or similar equipment which release an explosive charge; bayonets”; and *Ammunisjon, Sprengstoff*... covers all types of ammunition and explosives.

Table 13.2 and highlights the information that is available in the report as regards the value of Norwegian exports of arms and dual use goods.

Land	Kategori A	Kategori B	Totalt
Australia	36 891	17 875	54 766
Belgia	421	1 665	2 086
Brasil	196	0	196
Canada	31 714	235	31 949
Chile	465	476	941
Den tsjekkiske republikk	1 209	249	1 458
Danmark	3 436	3 932	7 368
Finland	2 241	6 964	9 205
Frankrike	55 012	20 964	75 976
Hellas	22 530	393	22 923
Irland	110	69	179
Italia	27 137	2 214	29 351

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### Portugal

Since 1998, Portugal has produced an annual report on arms exports through its Ministry of Defence and its Directorate General for Armament and Defence Equipment. Prior to 1998, some statistics on arms exports were available in the Statistical Annual of the National Defence, which has been produced annually since 1993.<sup>29</sup> The annual report can be obtained on request from the Ministry of Defence. The report is fairly transparent and details the value of exports by country, broken down by weapon type. Descriptions of small arms categories are fairly detailed, (for example “9mm pistols” and “ammunition < 12.7mm”). The name of the exporting company or agency is also provided for each entry. This information makes the Portuguese report one of the more transparent ones with respect to information on the type of weapons exported, their value, destination, and exporting company. Similarly, Portugal provides analogous data on its arms imports, including fairly transparent information on the end-user within Portugal.

However, there are significant gaps in the data provided in the Portuguese report. First, no information is provided as far as licenses granted for arms exports. Second, since the report is based on data from the Directorate General for Armament and Defence Equipment, it does not include exports of security equipment for private citizens, nor equipment that is dual-use. Finally, the report is available only in Portuguese and is not available on the Internet.

<sup>28</sup> Notes for Table 13.2: Category A material = weapons and ammunition;

Category B material = other military material. Figures represent thousands of Norwegian Kroner.

<sup>29</sup> Mariani and Urquhart, Saferworld, 2000.



### Slovak Republic

The Slovak Republic has compiled data on its arms exports since its establishment as an independent republic in 1997. The data is available upon request from the Slovak Ministry of Economy and is produced in accordance with the Slovak legislation on “Arms, Ammunition, Explosives, Military, and Security Equipment”. The report, which is available in English, lists the value of exports by various customs codes and also lists the total value of arms exports from Slovakia to each importing country. (An appendix to the report includes a description of the commodities covered under each customs code.) It does not disaggregate the data to provide information on the value of particular weapons types exported to particular countries. Nor does it provide any information about the quantity of weapons shipped. There is also no explanation of the methodology of the report. As it is a compilation of customs data on arms exports, it is most likely that any Slovak arms exports that do not pass through customs, such as government sales, are not covered in the report.

### South Africa

In 1995 the new government of South Africa decided to make data on arms exports public, and in 1996 the Directorate Conventional Arms Control published the first report on arms transfers. The latest statistics, which include data on transfers made during 1997–99, can be found in English on the Internet.<sup>30</sup> The report published in March 2000 for exports made in 1999 includes the following:

- an overview of the authorities responsible for assessing and granting arms export licenses;
- a list of the international arms control regimes that South Africa has acceded to;
- the rationale and principles governing South African arms exports;
- a summary of the laws and procedures governing production and export of weapons;
- an explanation of the six different weapons categories referred to in the export statistics; and
- arms export statistics for the period 1997–99.

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<sup>30</sup> <<http://www.mil.za/SecretaryforDefence/ConventionalArmsControl/NCACC1999/ncacc.htm>>

The data presented in the report are broken down by the value of exports (actual deliveries) for six broad weapons categories, by importing country (see Table 14). The weapons categories are:

- sensitive major significant equipment;
- sensitive significant equipment (which covers small arms);
- non-sensitive equipment;
- non-lethal equipment;
- not for sale; and
- general services.

The export data refer to industry-negotiated transfers. However, finding this fact out from the report is difficult due to insufficient explanations on how the Directorate Conventional Arms Control collects the data from the exporters and derives the report. Moreover, the report does not name the arms-exporting producers or include any information on licenses granted or end-users. Furthermore, the broad categories into which weapons are broken down make any detailed analysis of South African arms exports impossible.

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Table 14. Excerpt from the South African arms export report, 1999 Showing the value of particular categories of weapons exported to countries over three years <sup>31</sup>				
		1997	1998	1999
Guatemala	B			950,000
India	A	572,225,000	7,324,000	205,047,000
	C	28,293,000	5,978,000	
Indonesia	C		2,597,000	
Ireland	A	4,487,000	2,334,000	13,449,000
	B	74,000	33,000	
	C	329,000		241,000
	D		1,036,000	
Israel	A	1,207,000	414,000	909,000
	B	22,796,000	2,106,000	534,000
	C	2,160,000	3,297,000	8,660,000

<sup>31</sup> Notes for Table 14: Category A = sensitive major significant equipment;  
category B = sensitive significant equipment;  
category C = non-sensitive equipment;  
category D = general services. Figures are rounded to the nearest 1,000 Rand; and cover 1997, 1998, and 1999 respectively.

On exports of small arms, light weapons and ammunition, one can determine from the statistics the value of South African exports of weapon category B – described as all types of infantry hand-held and portable assault weapons and associated ammunition for calibres smaller than 12.7mm to each importing country. This data does not include civilian firearms, which are not licensed for export by the Directorate Conventional Arms Control, but rather by the police.

### South Korea

South Korea made statistics on its weapons exports public only one time, in its Defence White Paper of 1998. Data for the years 1990–97 (inclusive) is provided. The report lists the value of exports in US dollars by weapons category, although definitions of the categories are not provided. (See Table 15 for the breakdown of weapons categories.) One category, “guns”, would logically cover small arms and light weapons; however, it is likely that this category also contains larger weapons systems. Likewise, the category “ammunition” could cover ammunition for small arms as well as for larger systems. Total military exports are also broken down by geographical region – Southeast Asia, Middle East, Americas, Europe and Africa. The data is contained in an appendix to the White Paper, and there is no explanation or interpretation of the data.

As there has been no publication of export data since 1998, South Korea cannot be classified as setting an example when it comes to transparency. However, it is the only country in East Asia that has provided any data of this kind. The Defence White Paper is available in English on the Internet.<sup>32</sup>

Sector \ Year	1990	1991	1992	1993	1994	1995	1996	1997
<b>Total in US\$ million</b>	<b>78.0</b>	<b>91.0</b>	<b>26.5</b>	<b>58.9</b>	<b>59.9</b>	<b>76.9</b>	<b>31.9</b>	<b>69.4</b>
Guns	7.7	5.7	4.7	5.9	4.5	12.2	5.5	5.3
Ammunition	12.4	26.7	15.6	25.3	25.6	13.9	21.3	38.3
Mobile equipment	22.5	38.6	0.1	24.7	15.7	46.4	2.0	1.2
Communication/Electronics	-	-	2.0	-	3.4	2.1	1.3	-
Vessels	12.8	2.9	-	-	-	1.4	1.5	22.8
Parts for aircraft	0.8	0.2	1.1	0.08	0.2	0.5	0.02	1.4
Equipment/service	12.1	1.7	1.3	3.0	10.5	0.4	0.3	0.4
Other	9.7	15.2	1.7	-	-	-	-	-

<sup>32</sup> see <<http://www.mnd.go.kr>> (the South Korean Ministry of Defense)

## Spain

Spain's Ministry of Economy has produced an annual report on arms exports – in Spanish – since 1998 that is available on request from the Ministry. The Spanish Congress urged the government to make the data public in response to an NGO campaign to increase transparency and parliamentary control of the arms trade.<sup>33</sup> The reports list the value (in ESP and EUR) of total exports to each importing country. It also lists the total value of arms exports by category, for each of six categories – “war weapons and munitions”, “small arms and their ammunition”, “tanks and armored vehicles”, “warships”, “military aircraft”, and “other defense material”. A table of this data is provided for the first six months of the year, then for the year in total.

A number of shortcomings with the Spanish report have been identified by Spanish NGOs. One researcher found that the report did not include some ESP 1 billion (USD 6 million) worth of ammunition exported by Spain in 1999. Further, Spanish NGOs claim that some companies are able to export small arms using an incorrect tariff code.<sup>34</sup> In addition, there is no reporting of export licenses granted. While there is no parliamentary scrutiny of licenses, there is a parliamentary debate of the annual arms export report when it is issued.

## Sweden

Sweden was one of the first countries to provide public access to information on its arms exports. The government issued its first publicly available annual report in 1985. Since 1993 the reports have contained information on the value of arms transfers. The reports covering the years 1995–99 are easily accessible on the web and are translated into English.<sup>35</sup> The report issued in March 2000 for exports in 1999 includes:

- a summary of the export of military equipment in 1999;
- a fairly detailed explanation of the rules and regulations governing export of military equipment and dual-use products from Sweden;
- an outline of the authorities in charge of assessing and granting weapon export licenses;
- a description of government policy towards issues such as transparency, small arms and international arms embargoes;
- an outline of the domestic and international defence industry;
- information on international export control mechanisms with which Sweden has aligned itself;
- a list of the 29 biggest Swedish weapons manufacturers receiving export licenses in 1999;

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<sup>33</sup> Mariani and Urquhart, Saferworld, 2000.

<sup>34</sup> Ibid.

<sup>35</sup> see <<http://www.utrikes.regeringen.se/inenglish/pressinfo/information/publ.htm#swarms>>

- tables showing the values and destinations of shipments of military equipment; and
- tables showing the total value of export permits granted in the period 1991–99.

The report provides some data on export licenses granted the previous year by giving the total value broken down into MEC (“military equipment for combat purposes”) and OME (“other military equipment”). The main part of the statistical data is on actual deliveries. This data is based on legally mandated reporting from the producers, requiring invoiced values of delivered equipment. The value is given for the export of military equipment divided into broad weapons categories, such as “small-calibre barrel weapons” and “missiles, rockets, torpedoes, bombs” (see Table 16.1). The report also informs readers about the total value of goods exported to each country, broken down into MEC and OME (see Table 16.2).

**Table 16.1. Excerpt from the Swedish arms export report, 1999**  
Showing the total value of Swedish exports, 1998 and 1999 respectively, in millions of Swedish Kroner

		1998	1999
MEC1	Small-calibre barrel weapons	0	0
MEC2	Cannons, anti-tank guns	248	405
MEC3	Ammunition	258	426
MEC4	Missiles, rockets, torpedoes, bombs	260	186

The report lacks any information on export licenses denied, and it does not name the end-users. The report for 1999 does not offer any data on which type of weapons go where (except in its breakdown of values into MEC and OME; see Table 16.2).

**Table 16.2. Excerpt from the Swedish arms export report, 1999**  
Showing the total values of exports of military equipment by broad category and by country, 1997–99

	1997			1998			1999		
	MEC	OME	Total	MEC	OME	Total	MEC	OME	Total
Australia	2.9	50.5	53.4	57.9	59.4	117.3	21.0	31.4	52.4
Austria	114.2	35.4	149.6	114.7	45.9	160.5	79.1	84.4	163.5
Bahrain	-	0.0	0.0	-	0.8	0.8	0.0	0.1	0.1
Bangladesh	16.5	2.7	19.2	-	-	-	-	-	-
Belgium	1.0	9.6	10.6	-	11.5	11.5	0.1	17.6	17.6
Brazil	17.4	46.8	64.2	166.4	98.4	264.8	201.1	161.3	362.4
Canada	23.1	20.9	44.1	8.0	9.2	17.1	25.6	31.6	57.2
Chile	16.0	-	16.0	0.2	0.1	0.4	-	-	-
Czech Rep.	-	-	-	-	-	-	1.5	0.8	2.3

However, a latter report (issued in April 2001, for exports in 2000) includes two new statistical tables. The first lists what kinds of equipment were licensed for export to particular countries. The table also indicates the number of licenses granted for export to each country, but it does not provide the value of the exports. The second new table reports on which types of equipment were exported to which countries in 2000, but it does not give the value of the shipments.

## Switzerland

In January 2001 Switzerland published its most transparent report on arms exports to date. The data covers arms exports in the year 2000. The report – available in German and French – is available on the State Secretariat for Economic Affairs (SECO) website.<sup>36</sup> Swiss arms export laws and regulations are also published on the SECO website.

The report lists the value in Swiss Francs of arms exports by category and by importing country – a level of specificity matched by few countries. The report also contains graphics listing the percentage of exports by weapons category<sup>37</sup> and by importing continent. For example, in the year 2000 handguns (category KM1) accounted for six per cent of Swiss arms exports. Small arms and light weapons other than handguns (KM2) accounted for nearly a quarter of Swiss arms exports, and ammunition (KM3) accounted for another 22 per cent. By continent, six-tenths of Swiss arms exports went to Europe, a quarter to America, 13 per cent to Asia and one per cent to Africa. The report also lists the value of total Swiss arms exports to each importing country.

In terms of deficiencies, there is no report of licenses granted for arms export, meaning that there is little public oversight of Swiss arms exports until after the exports have already taken place. In addition, the report only covers commercial exports by private companies licensed to export through SECO. Exports by the Swiss Defence Ministry and other government institutions are not covered.

**Table 17. Excerpt from the Swiss arms export report, 2000**  
Showing values of small arms exported to specific countries during 2000<sup>38</sup>  
(Values are indicated in CHF)

Kontinent/Continent	Land/Pays	Total	KM1	KM2	KM3
Amerika/Amérique	Argentinien/Argentine	12'507'115	19'320	319'078	-
	Barbados/Barbade	90'628	90'628	-	-
	Belize/Belize	10'585	10'585	-	-
	Brasilien/Brésil	198'347	-	-	198'347
	Chile/Chili	443'605	198'867	-	-
	Ecuador/Équateur	6'114	6'114	-	-
	Honduras/Honduras	765	765	-	-
	Kanada/Canada	16'630'319	62'375	10'000	13'540'297
	Salvador/Salvador	17'390	17'390	-	-
	USA/États-Unis	22'108'119	2'941'579	11'794	241'010
	Venezuela/Vénézuéla	76'913	76'913	-	-
	<b>Total</b>		<b>52'089'900</b>		

<sup>36</sup> <<http://www.seco-admin.ch>>; first go to “news – current events”, then to “press releases”, and then to the press release of 6 February 2001; or go directly to:

<[http://www.seco-admin.ch/seco/pm.nsf/ZeigePM\\_IDString/ESWH\\_KMAT\\_Ausfuhr2000?OpenDocument&l=en](http://www.seco-admin.ch/seco/pm.nsf/ZeigePM_IDString/ESWH_KMAT_Ausfuhr2000?OpenDocument&l=en)>

<sup>37</sup> Categories are in accordance with the Swiss law on arms exports and partially coincide with the Wassenaar Arrangement's weapons classifications.

<sup>38</sup> *Notes for Table 17:* KM1 = handguns; KM2 = small arms and light weapons other than handguns; KM3 = ammunition. The total includes other weapons categories than those listed here.

The report is a vast improvement in transparency compared to previous Swiss reports, which only listed the value of total arms exports by importing country. A selected portion of the Swiss report from 2000 is presented in Table 17.

#### United Kingdom

The Ministry of Defence, Ministry of Trade and Industry, and the Foreign and Commonwealth Office published Britain's first *Annual Report on Strategic Exports* in March 1999. This report covered exports during 1997. Reports covering subsequent years have since been produced. The format of the reports has improved, with the report on exports during 1999 including more information on government-to-government transfers and improvements in the presentation of information. The reports are in English and are available on the Internet.<sup>39</sup>

The first part of the 1999 report covers:

- wide-ranging commentary on UK export control legislation;
- information on international export control regimes and treaty obligations to which the UK adheres; and
- the methodology used in collating the report.

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This information is followed by considerable detail on export licenses issued during 1999. For each importing country the report states:

- the total number of Standard Individual Export Licenses (SIELs)<sup>40</sup> issued and refused for military and dual-use goods;
- numbers of licenses issued and refused for each type of weapon;
- the total value of SIELs, rounded up to the nearest GBP 250,000;
- a detailed list of goods for which SIELs were granted; and
- the Open Individual Export Licenses (OIELs)<sup>41</sup> granted, detailing the weapon type (or a reference code for dual-use goods).

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<sup>39</sup> <<http://www.fco.gov.uk/directory/dynpage.asp?Page=363>>

<sup>40</sup> Standard Individual Export Licenses generally allow shipments of a specified quantity of goods to a specified destination; they are usually valid for two years.

<sup>41</sup> Open Individual Export Licenses are specific to an individual exporter and cover multiple shipments of specified goods to specified destinations and/or, consignees. OIELs covering military goods or technology are valid for two years.

The report also contains a number of summaries of information covering all importing countries, including:

- the number of SIEL refusals or revocations covering eight criteria (such as “risk of use for internal repression”) that roughly correspond to the UK government’s licensing criteria; and
- a list of Open General Licenses<sup>42</sup>, stating when the license was granted, when it came into force, and when any revocation occurred.

Numerical data on arms exports is presented in three tables:

- The quantity of exports of “other weapons including small arms”, and the total value of all arms exports, disaggregated by country.
- Information from the United Kingdoms’ submission to the UN Register of Conventional Arms, detailing exports major military systems to each importing country, accompanied by a description of the equipment and the quantity exported.
- Government-to-government transfers to each country, including a description of the equipment and the quantity exported.

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At nearly 350 pages in length, the 1999 UK annual report provides the reader with a considerable quantity of information. The strength of the report lies in the extensive detail on export licenses. For example, for each importing country the report states the number of licenses issued for specific categories of military goods (such as ML1, which covers weapons with a calibre of 12.7mm or less) and descriptions of the goods licensed for export (such as “shotgun”).

As an illustration, the entry for Sri Lanka includes the following information.

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<sup>42</sup> Open General Licenses provide for, with certain restrictions, the export of controlled goods by any company to a particular country. They remove the need for a company to apply for an individual license. In general they cover dual-use goods, and the repair, or replacement, of goods already licensed, however, two categories on the list are “sporting firearms” and “sporting guns”.



**Table 18.1. Excerpt from the UK arms export report, 1999**  
 Showing licenses issued for export to Sri Lanka during 1999 (*Standard Individual Export Licenses*)

<b>Total Value of SIEL applications for which a license was issued:</b>					<b>GBP 1.5 m</b>			
Number of SIELs issued covering:								
Goods on the Military List					42			
Other goods					7			
Military List and other goods					0			
<b>Total number of SIELs issued</b>					<b>49</b>			
<b>Rating</b>	<b>ML1</b>	<b>ML2</b>	<b>ML3</b>	<b>ML4</b>	<b>ML5</b>	<b>ML6</b>	<b>ML7</b>	<b>ML10</b>
Number of SIELs covering goods with this rating	5	5	7	10	2	3	1	1
<b>Rating</b>	<b>ML11</b>	<b>ML15</b>	<b>ML21</b>	<b>ML22</b>	<b>PL5001</b>	<b>PL5006</b>	<b>PL5017</b>	<b>1C010</b>
Number of SIELs covering goods with this rating	4	4	1	2	1	1	8	1
<b>Rating</b>	<b>1C350</b>	<b>1C950</b>	<b>S1P1</b>					
Number of SIELs covering goods with this rating	5	1	1					
The SIELs issued were granted for the following goods on the Military List (for permanent export except where specified): aircraft pressurised breathing equipment, anti-riot/ballistic shield, communication equipment (T), components for armoured fighting vehicle (T), components for armoured fighting vehicle, components for armoured personnel carriers, components for communication equipment, components for general purpose machine gun, components for heavy machine gun, components for light gun, components for naval light gun, components for small arms ammunition, cryptographic equipment (T), CS grenades, decoy flares, equipment for the use of communication equipment (T), equipment for the use of military vehicles (T), equipment for the use of general purpose machine gun (T), equipment for the use of heavy machine gun, equipment for the use of night vision goggles, signal flares, general military vehicle components (T), gun-mounting, light gun ammunition, military detonator/initiator/primer, military image intensifier equipment (T), military image intensifier equipment, NBC respirator, night vision goggles (T), night vision goggles, range-finding systems (T), shotgun, signal/smoke grenades, small arms ammunition, software for the use of communication equipment (T), sporting gun ammunition, support equipment for naval light gun, tear gas/irritant ammunition, technology for the use of night vision goggles, technology for the use of weapon night sight (T), test equipment for military vehicles (T), thunderflashes, weapon cleaning equipment, weapon night sight (T), weapon sight.								
Number of SIELs refused covering:								
Goods on the Military List					2			
Other goods					0			
Military List and other goods					0			
<b>Total number of SIELs refused</b>					<b>2</b>			
<b>Rating</b>	<b>ML1</b>	<b>ML3</b>	<b>ML4</b>					
Number of SIELs covering goods with this rating	1	1	1					

Unfortunately, despite this level of detail, it is still not possible to ascertain the quantity and/or value of arms being licensed for export or delivered. (A later UK report covering exports in 2000 has included the numbers of small arms licensed for export.) Nor is information provided on the end-users of goods licensed for export. Furthermore, though the number of license refusals for each country is listed, the report does not state the individual grounds for refusal. Less information is provided on government-to-government transfers than is given for industry-negotiated deals. Most importantly, no indication of the value of the transfer is shown.

In terms of assessing exports of small arms and light weapons, the data provided on actual deliveries is vague and lacks useful detail. For example, a table that purports to show the value and quantity of arms deliveries to each country states:

A close examination of the report reveals that for goods delivered to other EU member states (middle column) on the numbers of small arms exported only covers revolvers and pistols. For all other states the numbers show revolvers and pistols plus military weapons, including artillery weapons, continuous rapid-fire weapons, rifles and carbines and other projectile weapons. The later category covers a very wide range, from a sub-machine gun to naval cannon, or artillery pieces weighing several thousands of kilograms. It does not cover grenades, ammunition, or light anti-tank weapons. The right-hand column shows the value of all UK arms exports. Thus, contrary to the heading, the figures in this column do not provide an interested party with any way of accurately assessing the quantity or value of UK small arms and light weapons exports.

Table 18.2. Excerpt from the UK arms export report, 1999

Country	Numbers of weapons and small arms exported identified against the Tariff Codes as set out in Part I of Appendix C	Total value of exports (£M) identified against the Tariff Codes as set out in Parts I and II of Appendix C
Argentina	1	0.01
Australia	4	19.43
Austria	0	0.24
Bahamas	0	0.01

## United States

Proving that transparency is not bad for business – and that transparency does not necessarily equate with restraint, the United States resumed production of a highly detailed and highly disaggregated annual export report in 1997. The phonebook-thick document – known as the “Section 655” report for the portion of the Foreign Assistance Act which requires that the State and Defense Departments prepare it – includes a breakdown of weapons each country imported from the United States through the government-negotiated Foreign Military Sales (FMS) program, as well as a highly specific listing of the quantity and dollar value of weapons that the State Department Office of Defense Trade Controls authorised manufacturers to export directly.

The copy of the report covering US fiscal year 1999 (1 October 1998–30 September 1999) was released in October 2000. Previously this report was very difficult to obtain; however, due to an act of Congress in 1999, this report is now available on the Internet.<sup>43</sup>

The report is broken down into four discrete data sets:

- a country-by-country listing indicating the quantity and value of licenses granted by the State Department through its direct commercial sales program, sorted according to many specific weapons types and models (see Table 19);
- a country-by-country listing indicating the quantity and value of weapons deliveries negotiated by the Department of Defense, sorted according to many specific weapons types and models;
- a country-by-country listing indicating the quantity and original value of surplus weapons that the US military is giving away through the Excess Defense Articles program; and
- a listing of weapons imported into the United States in the preceding year.

Prior to the publication of this report, it was generally possible only to obtain aggregate dollar totals for arms sales or gifts to foreign countries. Identifying specific weapons systems that had been shipped or cleared for export was time consuming at best, and usually not possible. The report for 1999 lists out in great specificity some USD 470 million of small arms and ammunition that the State Department authorized manufacturers to export to foreign countries. It is possible to quantify the value of licenses granted for ammunition and ammunition manufacturing equipment, carbines, grenades/grenade launchers, machine guns, submachine guns, pistols, M16 rifles, other rifles, etc. to each recipient country.

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<sup>43</sup> see <[http://www.pmdtc.org/docs/rpt655\\_9\\_99.pdf](http://www.pmdtc.org/docs/rpt655_9_99.pdf)>; more general information on US arms export policy and regulations, including embargoed destinations, a listing of US exporters who have been debarred due to export law violations and registration forms to license as an exporter can be obtained at [www.pmdtc.org/reference.htm](http://www.pmdtc.org/reference.htm)

**Table 19. Excerpt from the US arms export report, 1999**  
 Showing details of small arms exports during 1999  
 (Values are indicated in USD)

Country Name	Commodity		Quantity	License Value
	Chemical agents and herbicides		0	57,500
	Explosives		0	13,461
	Night vision goggles		2	12,499
	Pistols & Revolvers		14,849	4,245,505
	Pistols & Revolvers spare parts		0	2,417
	Propellants		0	23,423
	Rifle (non-military, all types)		1,592	449,105
	Rifle M-16 (all models)		6	5,350
	Submachine guns		400	136,820
	Technical data cat VI		0	
		<i>Country total</i>		<b>\$8,275,097</b>
Estonia	Antennas (radio & communications types)		3	5,292
	Pistols & Revolvers		70	26,928
	Pistols & Revolvers spare parts		0	69
		<i>Country total</i>		<b>\$32,289</b>
Ethiopia	Protective equip components parts		0	1,650
		<i>Country total</i>		<b>\$1,650</b>

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The total amount of weapons and military articles licensed for export by the State Department in 1999 was USD 18.5 billion, and the total licenses for manufacturing and technical assistance agreements was USD 28.4 billion – for a total of nearly USD 50 billion. This amount comes on top of the USD 16.4 billion in weapons deliveries that the Pentagon made through its Foreign Military Sales program.

It is important to note that the State Department only reports on licenses for exports, rather than actual contracts or weapons deliveries (unlike the Pentagon, which reports on *deliveries*). These licenses are good for four years, meaning that the exact weapons systems or defence services listed in this report were not necessarily exported in 1999.

Licenses allow companies to proceed with a sale, but many deals fall through or are signed for a lower amount. There is also an element of double counting between the defence articles and the manufacturing licensing agreements, as many licensing agreements include spare parts or other articles for which the exporting company needs to seek an additional, overlapping license. All in all, the actual amount of arms and services delivered is estimated by the State Department to be than half of what is licensed in a given year. It is not possible to know the exact quantity, however.

A law passed in 2000 requires that future iterations of this report include information on the actual deliveries of articles and services approved under the State Department's direct sales program.

The State Department report also shows a high rate of licenses for the export of small arms and light weapons, despite the Department's commitment to reducing illicit trafficking of this type of weaponry. For example, small arms, ammunition, and ammunition manufacturing materials were licensed for export to all but two countries in Latin America and the Caribbean (Cuba and Suriname), a region where high crime rates, drug trafficking, and political instability would seem to call for particular restraint.

Appendix B: Model National Export Reports

**Licenses issued for export of controlled goods to Country X during 2000**

Number of licenses issued – 2

Total value – USD 35,000

Weapon category	Description	License type	Date license issued	License duration	Purchaser details	end-user	Government/ Industry transaction	Vendor name	Quantity	Value
Firearms	9mm pistols	Single issue	23 June 2000	2 years	Ministry of Justice	Ministry of Justice	Industry	ABC Guns Inc.	200	\$10,000
Firearms	Sport rifles	Single issue	18 December 2000	2 years	Real Guns Inc.	Private individuals	Industry	ABC Guns Inc.	500	\$25,000

**Export license applications to Country X refused during 2000**

Number of licenses refused – 1

Value of licenses refused – USD 1,000

Weapon category	Description	Prospective purchaser	Prospective end-user	Government/Industry transaction	Prospective vendor	Quantity	Value	Date of refusal	Refusal reason
Ammunition	7.62mm Ammunition	Arms Brokers Ltd.	Private individuals	Industry	XYZ Ammunition Inc.	20,000 rounds	\$1,000	11 May 2000	Risk of the arms being re-exported or diverted

**Deliveries of controlled goods to Country X during 2000**

Total value – USD 8,000

Weapon category	Description	Date license issued, or transfer authorized	Purchaser details	end-user	Government/ Industry transaction	Vendor name	Quantity	Value
Firearms	9mm pistols	23 June 2000	Ministry of Justice	Ministry of Justice	Industry	ABC Guns Inc.	150	\$8,000

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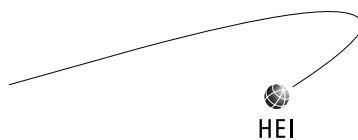
## Small Arms Survey

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