

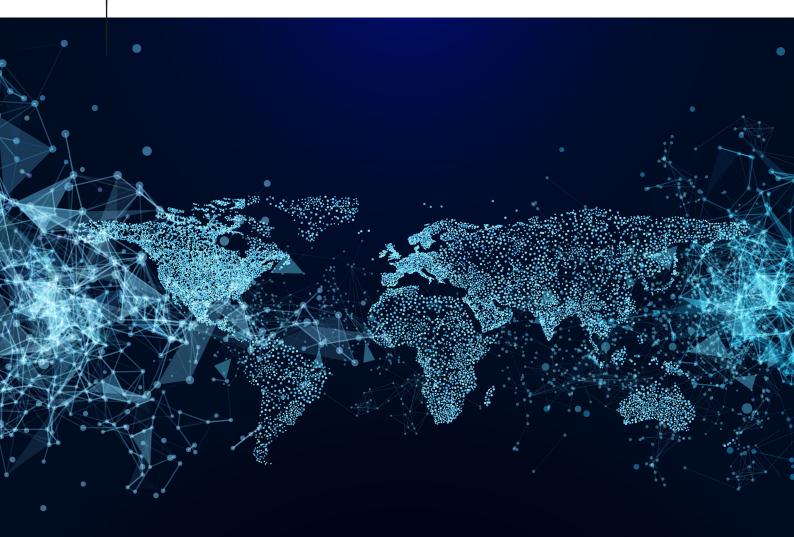
Norwegian Ministry of Foreign Affairs

Summary in English

Meld. St. 35 (2020-2021) Report to the Storting (white paper)

# Norwegian exports of defencerelated products in 2020, export control and international non-proliferation cooperation

Recommendation of 11 June 2021 from the Ministry of Foreign Affairs, approved in the Council of State the same day.



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### 1 Background and summary

The Government has published an annual white paper on exports of defence-related products since 1996, making this the 26th in the series. This white paper provides figures for Norwegian exports of arms, ammunition and other military equipment and components, related technology and services for military use (shortened to 'defence-related products' in the rest of this document) in 2020. It also contains information about exports of dual-use items for military use abroad.

Transparency relating to exports of defence-related products has been significantly increased since 1996. The Government publishes an annual white paper to provide greater insight into export control as an integral part of Norway's defence and security policy, and into the practical application of the export control legislation and the guidelines used by the Ministry of Foreign Affairs when dealing with applications concerning the export of defence-related products, as well as information about the exports themselves.

The Government's aim is to ensure that the Norwegian defence industry remains viable and can contribute to security of supply both for Norway's armed forces and for those of allied countries. The Norwegian defence industry is a world leader in certain areas of defence-related technology, and this promotes technology development and creates jobs all over Norway, in the civilian sector as well.

The defence industry is dependent on being able to export goods and participate in international cooperation on defence-related development and production. The Government will therefore continue to provide a clear and predictable framework for the export activities of defence industry companies. However, this must be done in accordance with a restrictive export control system.

The Ministry of Foreign Affairs is the authority responsible for export control in Norway. It has both administrative and policy-related responsibilities. These include policy development, the development of legislation, and participation in multilateral export control regimes, where much of the framework for export control is negotiated. The Ministry's administrative tasks entail the processing of export licence applications and monitoring compliance with licence conditions. In addition, the Ministry carries out extensive information activities on export control targeted towards the business and technology sectors, and research and education institutions.

The Office of the Auditor General presented its investigation of the authorities' work in the area of strategic export control in February 2021. The Ministry has already implemented a number of measures to follow up the report, including carrying out a review of past country approvals, improving documentation procedures in connection with the processing of licence applications, and taking steps to procure a new elicensing system. Importance is also attached to enhancing the exchange of information between relevant actors at the national level.

Export control in Norway is carried out through close cooperation between the Ministry of Foreign Affairs and a number of other national agencies. The Police

Security Service and Norwegian Customs have statutory responsibilities relating to control of goods and enforcement of the export control legislation, including prevention and investigation of breaches of the legislation. Under the new act relating to the Norwegian Intelligence Service (*etterretningstjenesteloven*), the Norwegian Intelligence Service also has statutory responsibilities related to export control and non-proliferation. The expertise of the Norwegian Radiation and Nuclear Safety Authority (DSA) and the Norwegian Defence Research Establishment (FFI) can be drawn on in connection with specific export control matters.

Cooperation at national level is vital for ensuring that the export control system is effective and for preventing the spread of products and technology that could be used to develop weapons of mass destruction (WMDs) or for the purposes of terrorism. To ensure that Norway's export control system is effective and efficient, it is essential that the relevant national agencies participate in the multilateral export control regimes, where extensive information is shared on proliferation trends, attempts to procure defence-related products and covert arms and WMD programmes. The Government attaches importance to further developing the already close cooperation at national level in the area of export control.

Norway's export control system was digitalised in 2015, when the Ministry of Foreign Affairs introduced the e-licensing system for applications, requests and industry reports on exports of strategic goods. The e-licensing system makes it possible to safeguard substantial amounts of commercially sensitive information and undertake quality assurance of the large amount of data on actual exports of defence-related products from Norway, and ensures traceability. The e-licensing system needs to be further developed to accommodate an increasing number of export licence applications, more complex cases and new export control tasks, and to improve userfriendliness. In 2020, the Ministry initiated a procurement process to acquire a new elicensing system. This is a priority for the Ministry.

While efforts to prevent the export of goods and technology that can lead to proliferation of WMDs are based on the multilateral export control regimes, Norway's export control rules are determined by national policy decisions. All decisions to permit the export of defence-related products are made at the national level.

Licence applications for the export of defence-related products are carefully assessed in line with the Ministry's guidelines for dealing with applications concerning the export of defence-related products, technology and services for military purposes. These guidelines are based on decisions made by the Storting (Norwegian parliament) and its subsequent clarifications, and include a consolidated list of criteria. This helps to ensure the highest possible degree of transparency and predictability in the assessments that are made.

All export licences issued for defence-related products and dual-use items for military use require exporters to provide quarterly reports on actual exports under each licence. The overview of exports in Chapter 3 is based on the exporters' reports of the goods, technology and services actually exported under the licences that have been issued.

#### 1.1 Transparency on defence-related exports

Information about Norwegian exports of defence-related products and dual-use items for military use and about export licence denials, etc. is set out in Chapter 3. The white paper also describes the export control legislation and how the Foreign Ministry's guidelines for dealing with applications concerning the export of defencerelated products are applied in practice. This enhances insight into the export control system and creates a sound knowledge base for public debate about this aspect of Norwegian security policy.

The annual white paper is considered each year by the Storting. This process provides public and parliamentary access to information about the practical application of the Ministry's guidelines. The Government will continue its practice of consulting the Storting in special cases.

As in 2020, Norway's annual report to the Arms Trade Treaty (ATT) and an English summary of the white paper will be published in 2021.

While the Government is seeking to ensure as much transparency as possible on exports of defence-related products from Norway, access to information in this area is subject to the restrictions that follow from the stringent provisions on the duty of secrecy in section 2 of the Export Control Act. Under the Export Control Act, the Ministry has broad powers to require access to commercially sensitive information, and compliance with the duty of secrecy is therefore essential.

#### 1.2 Exports in 2020

One condition of all licences for exports of defence-related products is that exporters must provide quarterly reports on actual exports under each licence, see section 17 of the Export Control Regulations. The Ministry carries out detailed quality assurance of these reports, comparing them to the issued licences. This means that the actual figures for exports of defence-related products can only be made available retrospectively.

In 2020, the total value of exports of defence-related products and dual-use items for military use was close to NOK 6.7 billion, compared to NOK 4.9 billion in 2019. This represents an increase of 35 % from 2019. Exports of category A products accounted for approximately NOK 5 billion and exports of category B products accounted for around NOK 1.2 billion in 2020, an increase of 49 % and 1 % respectively in relation to 2019. The, total value of exports of category A and category B products was approximately NOK 6.2 billion in 2020. The value of exports of dual-use items for military use was approximately NOK 460 million, an increase of 21 % compared to 2019. In addition, the total value of exports of defence-related services, repairs,