



Norwegian Ministry
of Foreign Affairs

Summary in English

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Norwegian exports of defence- related products in 2019, export control and international non-proliferation cooperation

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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 25th in the series. This white paper provides figures for 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 2019. 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 is seeking to provide greater insight into this aspect of Norwegian defence and security policy by promoting the highest possible level of transparency. Since 1996, the white papers have helped to increase transparency regarding Norway's export control system by providing a thorough account of the Government's export control policy, 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 of the exports themselves.

The defence industry and export control are integral parts of Norway's defence and security policy. One of the aims is to ensure that the Norwegian defence industry is viable and thus contributes 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 has positive spin-off effects on technology development and employment in the civilian sector.

Defence industry companies are dependent on being able to export their goods and participate in international cooperation on defence-related development and production. The Government will 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, such as policy development and participation in multilateral cooperation on export control, processing of export licence applications, follow-up of reporting by companies on exports, (the figures are presented in the annual white papers), and extensive information activities targeting the business and technology sectors.

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. 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 or for the purposes of terrorism.

To ensure that Norway's export control system is effective and efficient, it is essential that the Police Security Service, Norwegian Customs, the Norwegian Intelligence Service, the Norwegian Defence Research Establishment and the Norwegian Radiation and Nuclear Safety Authority take part in the multilateral export control regimes, where extensive information is shared on topics such as proliferation trends, attempts to procure defence-related products, and covert arms programmes.

Norway's export control system was fully digitalised in 2015, when the Ministry of Foreign Affairs introduced the e-licensing system for applications, requests and quarterly reports concerning 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 user-friendliness. This is a priority for the Ministry.

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, as well as effective administration of the export control system.

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 the white paper is based on the exporters' reports of the goods, technology and services actually exported under the licences that have been issued.

Transparency on defence-related exports

The white paper ensures a high degree of transparency on exports of defence-related products and dual-use items for military use from Norway, and on export licence denials. It describes the export control legislation and how the Foreign Ministry's guidelines for dealing with applications concerning the export of defence-related products are applied in practice. This enhances insight into the export control system, and helps to create 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 2019, Norway's annual report to the Arms Trade Treaty (ATT) and an English summary of the white paper will be published in 2020.

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.

Exports in 2019

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.

These reports are quality assured by the Ministry of Foreign Affairs, and form the basis for the figures for actual exports of defence-related products and dual-use items for military use presented in the annual white paper. Quality assurance involves comparing the reports to the issued licences and is a comprehensive process. This means that the actual figures can only be produced retrospectively. The annual trade statistics published by Statistics Norway, on

the other hand, are based on the exporters' own export declarations, and use product categories that are not identical to those in the strategic export control lists. These statistics are therefore different and cannot be directly compared to the figures in the white paper.

In 2019, the total value of exports of defence-related products and services, technology and dual-use items for military use from Norway was just under NOK 5.6 billion, of which, defence-related products accounted for just over NOK 4.4 billion. Exports of category A products (primarily arms and ammunition) accounted for NOK 3.2 billion, and exports of category B products (other types of military equipment) accounted for about NOK 1.2 billion.

Compared to 2018, there was a 19 % decrease in the value of exports of category A products in 2019, and a 41 % increase in the value of exports of category B products. The value of exports of dual-use items for military use was approximately NOK 379 million, a decrease of 34 % from 2018 to 2019. The value of exports of defence-related services, repairs, production rights and brokering services totalled approximately NOK 745 million in 2019, an increase of 44 % from 2018.

The overall value of defence-related exports was 6 % lower in 2019 than in 2018.

The total value of exports of category A and B products was almost NOK 320 million lower in 2019 than in 2018. There was a noticeable decline in exports to the following countries: Oman (NOK 479 million), Poland (NOK 294 million) and Thailand (NOK 101 million).

There was an increase in the value of exports to certain other countries in 2019, in particular to the US (NOK 473 million), Sweden (NOK 130 million) and Belgium (NOK 129 million).

In 2019, some 93 % of exports of category A products and 88 % of exports of category B products from Norway went to other NATO countries, Sweden, Finland, and other European countries. In 2018, 81 % of exports of category A products and 63 % of exports of category B products from Norway went to these countries.

Defence industry contracts often extend over several years. Deliveries may be unevenly distributed over the contract period, and the export value will therefore vary from year to year.

In 2019, 1 203 export licences were issued for products on List I (defence-related products). In addition, there were a number of other enquiries requiring consideration at expert level. Altogether, 4 200 export-control related matters were dealt with in 2019.

In 2019, the Ministry of Foreign Affairs denied 29 licence applications for the export of defence-related products and dual-use items for military use included in List I and List II, Annex I and II respectively of the Export Control Regulations.

Legislation and guidelines

The Act of 18 December 1987 relating to control of the export of strategic goods, services, technology, etc. (Export Control Act) provides the legal authority for export control. The Regulations of 19 June 2013 No. 718 relating to the export of defence-related products, dual-use items, technology and services (the Export Control Regulations) provide the operational legal framework for the Ministry's export control and licensing tasks. The Ministry is currently working on a clearer definition of intangible technology transfer, including knowledge transfer, and is assessing the need for further clarification in the Regulations.

'Strategic goods' is a collective term for defence-related products and dual-use items, and is defined in the Export Control Act as 'goods and technology that may be of significance for other countries' development, production or utilisation of products for military use or that may