

Swedish Agency for Non-Proliferation and Export Controls

Annual Report  
**2013**





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# A word from the DG

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AFTER SEEING A FALL in the amount of income from the export of defence materiel from Sweden the previous year, the income from exports in 2013 increased by 22 per cent. It was the sale of JAS 39 Gripen to Thailand, the maritime command and control systems as well as weapons systems to USA, Combat Vehicle 90 to Norway and the Erieye airborne surveillance system to Saudi Arabia, among other things, during the year that had an impact on the statistics.

Part of the increase, approximately SEK 1 billion, can also be attributed to the increased export controls in relation to armour plating as well as technical aid, which was introduced during the summer of 2012.

## Key trends within Swedish export controls

Individual export deals have historically had a big impact on particular years, but we can also see that leasing is becoming increasingly common and how an amended control list also affects the export volume.

This year, in the section with the heading "Key trends", we have chosen to concentrate on describing a few of the more significant trends. The section also raises the issue that the view on security policy in Europe has changed\* which, among other things, has meant that the EU states are reducing their national defences, at the same

time as other regions, such as the Middle East and Asia, are increasing their defence efforts. It looks at how the defence industry is adapting its marketing activities in line with this change.

## Review of legislation

The government appointed a parliamentary committee in 2012, with the task to prepare a proposal for new military equipment legislation, with the aim of increasing the export controls with regard to non-democratic states, for which the inquiry should be complete in December 2014. An important assignment for the ISP during the year has been to assist in the inquiry by providing supporting material concerning the development of procedures and statistics, for example.

## Increased area of responsibility

Through an expansion of the law on military equipment based on an EU directive, the ISP was given an increased area of responsibility regarding the control of certain firearms and ammunition outside the EU as well as certain import and transit operations. As a result, the ISP now assesses the export of all military weapons to the entire world and assesses the export of civilian weapons outside the EU.

At the beginning of the year, the EU's Council of Ministers also decided on the further strengthening of sanctions against Syria. Bans were introduced on the export of, for example, special equipment for Internet surveillance and the monitoring of telecommunications as well as special equipment within the oil and gas industry, and the ISP was consequently given increased responsibility for the implementation of these sanctions.

### Arms Trade Treaty

A very important step was taken in April when, after many years of work, the UN General Assembly voted to adopt the Arms Trade Treaty (ATT). Sweden signed the treaty in June when it was formally opened for signature and this represents a welcome step forward in the work to strengthen the controls over the global arms trade.

### OPCW receives the Nobel Peace Prize

As the national authority for the Chemical Weapons Convention, 2013 has proved to be a highly eventful year, where the work within the convention has focused on the continued destruction of chemical weapons and the main organisation OPCW's future issues. During the spring, OPCW's Director-General, Ahmet Üzümcü, also visited

Sweden in order to meet part of the political management team, among other things, but also managed to visit us here at the ISP.

At the end of the year, OPCW was awarded the Nobel Peace Prize for its work in destroying chemical weapons in Syria, among other things, meaning that more attention was paid to the organisation's work and issues concerning weapons of mass destruction than usual.

Christer Ahlström  
Director-General



Photo: Catharina Biesert

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\*The developments in Ukraine in 2014 were not taken into account when this was written.

# ISP in short

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The ISP is a government authority with assignments within Swedish foreign and security policy. The focus is on control and compliance of strategic products, the management of targeted sanctions, responsibility as a national authority for the Chemical Weapons Convention and international cooperation, assistance and support in these areas.

The mission of the ISP is based on close, active cooperation with several authorities as well as with European and multilateral cooperation bodies, while maintaining a constant dialogue with Swedish industrial and technology companies and organisations.

The ISP works according to the laws passed by the Swedish Parliament, EU regulations and the commitments associated with international cooperation.

## Control and compliance

Sweden has an advanced defence industry and several high-tech companies that are world leaders in many respects. The ISP controls certain production and exports of products within these industries.

Moreover, the ISP visits companies that are subject to compliance. During these visits, the ISP checks that the company is aware of current regulations, which products are subject to export controls and that such knowledge is incorporated in the company's work process.

## Defence materiel

Defence materiel (DM) or defence equipment, refers to products such as weapons,

ammunition, surveillance and monitoring equipment as well as security equipment or other products developed for military use.

The ISP is responsible for processing applications for purposes such as the manufacture and export of defence materiel. The ISP also assesses technical aid, military training and various cooperation agreements.

## Civilian firearms

Civilian firearms, parts and ammunitions are under export control, which means that whoever wishes to export them to a country outside the EU, as well as conduct certain import and transit operations, must apply for a licence from the ISP.

## Dual-use items

Dual-use items (DUs) are products that have an established civilian application. Machine tools, heat exchangers, encryption equipment, IR cameras, microorganisms and chemicals are examples of such products. It is crucial that such products do not fall into the wrong hands where they can be used for internal repression, or for the manufacture or use of weapons of mass

destruction (WMD) by terrorists or by states or individual players.

The principal rule for DUs is that exports should be permitted unless there are specific reasons suggesting otherwise, and it is the task of the ISP to determine whether to allow products to be exported.

### Targeted sanctions

Certain countries, companies and individuals have limited opportunities to trade in strategic products due to sanctions and arms embargoes. For example, the restrictions might ban the export of certain products or financial transactions to companies or individuals in those countries.

The purpose of such sanctions is to influence a country to stop certain behaviours or implement certain reforms. The UN, EU and OSCE decide on sanctions. The ISP works

with sanctions against Belarus, Burma, Guinea, Iran, Lebanon, Liberia, Libya, North Korea, Somalia and Syria as well as with embargoes against a number of countries.

Targeted sanctions involve licence examination for the export of controlled products, the determination of whether frozen assets can be released and the management of financial transactions.

### National authority for the Chemical Weapons Convention

The ISP is the national authority for the Chemical Weapons Convention. Under this convention, comprehensive work is carried out around the world to destroy those chemical weapons that remain and at the same time to ensure that no new chemical weapons are produced. Companies must declare their activities to the ISP, which also assists the



Convention's main organisation OPCW with inspections in Sweden. Another important part of the ISP's work with the Convention is to serve as a hub for the Swedish chemical industry and the relevant authorities.

### International cooperation, support and assistance

One way to ensure that international export controls work is to have well-developed cooperation in place, both within the EU and the Nordic countries, with other partner countries and through various export control regimes.

Another important area is to educate and inform countries as to which export controls are not as developed. The goal is to strengthen export controls and non-proliferation, thereby helping to improve global security.

### ISP councils

Three councils are linked to the ISP, the ECC, the TCS and the SCC.

#### Export Control Council (ECC)

The ECC is an advisory body consisting of twelve members appointed by the government. The Moderate and Social Democratic parties have three members each, while the other parties each have one member. ECC members are subject to the same confidentiality provisions as the ISP administrators.

All export matters are reported to the Council, as are cases in which the ISP needs advice prior to taking positions concerning new recipient countries or countries where developments require a new assessment.

The Council meets approximately ten times per year and the chairperson of the Council is the ISP Director-General.

Representatives of the Swedish Ministry for Foreign Affairs and the Ministry of Defence also participate at council meetings.

#### Technical Scientific Council (TSC)

The TSC consists of senior management from various academies and technical authorities and assists the ISP in decisions of fundamental significance regarding the classification of products and materiel.

The Council meets quarterly and the ISP Director-General appoints its members.

#### Strategic Cooperation Council (SCC)

The SCC consists of representatives from the ISP, the Swedish Defence Research Agency, the Swedish National Defence Radio Establishment, the Swedish Military Intelligence Agency, the Swedish Security Service and the Swedish Customs. The purpose of the Council is to coordinate and allocate non-proliferation resources at the management level.

The Council meets two times per year and the ISP Director-General appoints its members.

### Facts about ISP

Number of employees: 24  
Number of men/women: 12/12  
Average age: 44 years  
Number of cases: approx. 6,000 per year  
Budget: approx. SEK 29 million per year

Specific expertise:  
Engineers, political scientists and legal advisers

The authority was founded in 1996 and falls under the responsibility of the Swedish Ministry for Foreign Affairs.



# Key trends

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This section presents a comprehensive description of some of the key trends within Swedish and international export controls.

## Impact on the statistics

The value of the defence materiel exports during the year amounted to SEK 11.9 billion, maintaining an export volume of over SEK 10 billion per year since 2006. Individual export deals have historically had a big impact on particular years. In 1958, the income from exports doubled with the delivery of two Halland class destroyers to Colombia. At the beginning of the 1970s, the income from exports doubled with the deliveries of Draken fighter aircraft to Denmark and Finland. From 1979–1980, the income from exports significantly rose with the deliveries of four patrol boats to Malaysia and 40 mm guns to the former Yugoslavia and Singapore.

A related example is presented in Appendices, Table I. With the order from India for Haubits 77, the income from exports rose considerably at the end of the 1980s to a level equivalent to that of today, recalculated at 2013's price level.

For the majority of the 1990s, there were few deliveries of large systems. Delive-

ries of Combat Vehicle 90 to Norway were drawn out. A major deal concerning e.g. Viggen combat aircraft was never realised, and this had affected the statistics.

The sustained increase that has occurred over the past eleven years can be explained by the fact that a number of large systems (JAS Gripen to South Africa and Thailand, Erieye to Pakistan, the United Arab Emirates and Saudi Arabia and Combat Vehicle 90 to Switzerland, Finland, the Netherlands and Denmark) have been delivered in parallel. Delivery of all of these systems has now been completed.

The large systems make up 42 % of the actual income from exports between 2003–2013 and this is presented in Appendices, Table II.

TREND: Deliveries of new and upgraded Combat Vehicle 90s as well as the aftermarkets for the aforementioned systems will continue to contribute to a high export volume in the near future. As time goes on, an expected order from Switzerland and an order from Brazil for JAS 39

Gripen will largely dominate future export figures concerning deliveries from about 2018 and, what is more, new deals for current large systems cannot be ruled out.

### Amended control list affects the export volume

Export statistics are affected by the introduction of an amended list of controlled products.

In 1993, an expanded control list was introduced that was divided into military equipment for combat and other military equipment, where the control of other military equipment, above all, was increased. Thus, maritime command and control systems had not previously been subjected to controls. In the government's report on the

export of military equipment in 1993, it was judged that the income from exports had increased by approximately SEK 1 billion (approx. SEK 1.2 billion, recalculated at 2013's price level). In June 2012, the EU's military list was adopted as the control list, meaning that 2013 is the first year where the ISP can draw conclusions from the increased controls that have been introduced, such as relating to technical aid and armour plating. The ISP can observe an increased export volume of technical aid and armour plating of approximately SEK 1 billion for 2013. The increase in the second half of 2012 was approximately SEK 130 million.

TREND: An order from Switzerland and one from Brazil for JAS Gripen will also include technical aid for development in the



near future, involving considerable sums. This generally applies to all development projects where there is the transfer of technology. To what extent this can happen with retained Swedish expertise is also a strategic issue.

### Leasing – an increasingly significant business concept

With the restructuring of national defences with a focus on smaller volumes, qualified defence materiel has been "freed up" in terms of quantity. In connection with the operations in Iraq and Afghanistan, primarily Great Britain and the USA have leased Swedish radar equipment for immediate operational needs, where they themselves did not have access to the equivalent capabilities. The surplus of JAS 39 Gripen and the recipient countries' desire to acquire these aircraft has also led to the state entering as a seller through the Swedish Defence and Security Export Agency (FXM) with leasing agreements with the Czech Republic, which are under renegotiation, and Hungary, which have been renegotiated up until 2026, and sales to Thailand.

TREND: The ISP can observe in the marketing reports that a number of leasing opportunities are to be discussed and negotiated in the near future for JAS 39 Gripen. Since this type of export has not yet been reported in the export control statistics, then the statistics are "misleading" as the agreements in question are in the multi-billion SEK bracket.

### A changed customer base for the defence industry

The changed view on security policy in Europe has meant that the EU states are reducing their national defences\*. At the

same time, the view on security policy from a global perspective means that some regions (Middle East, Asia) are increasing their defence efforts. In Sub-Saharan Africa, a positive democratic development is in progress. This development can be deduced from the Swedish export control statistics of the past few years and is presented in Appendices, Table III.

TREND: The number of consultations in the Export Control Council will increase in the near future with the defence industry's modified marketing activities. At the same time, the ISP observes that the results of the ongoing inquiry into the export of military equipment (KEX) may affect this.

### A continuation of developed export controls within the EU (EES)

In 2009, Directive 2009/43/EC simplifying terms and conditions of transfers of defence-related products within the Community was drawn up. The directive was incorporated within national legislation on 30 June 2012.

The directive includes an aligned structure for transfer licences for defence materiel (general, global and individual licences), an opportunity for defence materiel companies to become certified as recipients (of components via other member states' general licences) and means that the EU's Common Military List provides the basis for controlled products and technical aid.

The European Commission has indicated that the practical implementation does not seem to follow what is intended in the directive. For example, until now, only 22 companies in nine countries, of which one company is located in Sweden, have been certified. Compare this to the approximately 2,000

companies in "The AeroSpace and Defence Industries Association of Europe" (ASD).

Defence issues within the EU, among other things, were discussed at the Heads of State and Government meeting in December 2013, where one of the outcomes was to secure the implementation of the transfer directive and the procurement directive. The European Commission has ordered an analysis of how successful the adoption of the directive has been, with delivery of the analysis planned for May/June 2014. The European Commission shall also return to the European Parliament and member states by 30 June 2016 at the latest with proposals for the possible change of legislation.

Work is also in progress within the LOI circle to harmonise permitted products on the general licences, where recipients are national defences etcetera and certified companies.

**TREND:** Since the adoption of the transfer directive does not seem to meet "expectations", new proposals on legislation cannot be ruled out. The defence industry also does not appear to see the benefits of certification, for example, in the current situation. The ongoing work of the LOI countries can hopefully lead to product lists that are better harmonised, which facilitates the industry's transfer between EES countries and the degree of utilisation of the general licences.

### **Simplified US export controls with challenges**

In 2009, the Obama administration presented a review of the US export control system, which in spring 2010, was defined in four "singularities": a control list, an IT system, an enforcement agency and a joint licensing

agency. Two of these are incorporated (an IT system and an enforcement agency), while a joint licensing agency appears remote.

Regarding a control list, comprehensive work has been initiated to rewrite the military list to create a "positive" list and to transfer the control of less sensitive products and components to the list of dual-use products. The first parts of the revised control lists have come into force in 2013 and at the beginning of 2014.

The US authorities have also announced increased controls at foreign companies concerning products and components that have been exported from the USA with the new simplified regulations. The Swedish defence industry also continues to be dependent on imports from the USA with regard to high technology.

**TREND:** The increased US control of Swedish companies, including the import of technology, also demands that the Swedish export control system is reliable, robust and transparent.

### **Commission focus – updating the DU list**

The EU's work on the export control of dual-use products has encountered problems with the updating of the "DU list" for several years, i.e. List 1 in Regulation No. 428/2009, where products and technologies that are subject to export controls are described. The list shall reflect the changes that have been negotiated within the international export control regimes: The Nuclear Suppliers Group, The Australia Group, The Missile Technology Control Regime and The Wassenaar Arrangement, in which the majority of EU member states also participate. Due to a lengthy procedure in order to effect changes



in a regulation, i.e. in this case, an appendix to the regulation, the EU has always lagged behind with the updating of the DU list, something that has disadvantaged the companies that operate on a global export market. A change in the procedure through the adoption of a "delegated act" that gave the Commission the right to introduce changes to the list quicker was proposed in 2012, but was subsequently blocked by the European Parliament for political reasons. In December 2013, a solution was found and the DU list will now be updated in 2014. Since this is comprehensive work, involving the updating of more than two years of decisions in the export control regimes, it will use up the majority of the Commission's and the member states' resources in 2014 and is first estimated to be complete at the end of the year.

This means that the process for the review of the EU's entire export control system in Regulation No. 428/2009 that was initiated in 2011 on the initiatives of the Commission will have limited resources in 2014. In this process, it has so far emerged that a large number of complicated issues from a political and legal standpoint have been brought up by different member states or the Commission as well as various interest groups, where clearly different positions exist, and it will be a challenge to negotiate and implement changes in the regulation.

TREND: In 2014, the Commission is expected to have less capacity for work concerning the review of the dual-use regulatory framework, i.e. Regulation No. 428/2009.

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\*The developments in Ukraine in 2014 were not taken into account when this was written.

# Communication activities

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To increase knowledge about export controls and non-proliferation, the ISP informs affected businesses, government agencies and the general public about its activities by organising seminars, as speakers and through the website.

## Important channel for information

One of the ISP's most important communication channels for providing service, sharing knowledge and making operations more transparent and accessible is the website. There is, for example, information about how the ISP works, rules and regulations, news, statistics and practical handbooks. There is also the opportunity there to subscribe to current news through the RSS flow.

## The Customer Web

The Customer Web is a web-based tool, developed for the simple, efficient and electronic handling of cases for the companies that have a variety of cases at the ISP.

Among other things there are simple forms with support for filling out information, a communication function, secure encrypted transfer to and from the ISP and the company has all of its affairs together in one place.

## ISP in the media

Export control issues are occasionally addressed in the media and the ISP's activities occasionally attract great journalistic interest. Over the course of the year, the ISP has received a number of different queries from companies, an interested public and journalists who want to find out more about export legislation, the work of the ECC, exports to certain destinations, but also queries concerning decisions and statistics, among other things.

## International symposium in Georgia

As part of the EU's common work concerning foreign and security policy issues, seminars and training courses are continuously being organised with a view to improving export controls and non-proliferation initiatives in the immediate vicinity of the EU and in other prioritised countries. Hence, an international symposium was organised in Georgia at the end of Sep-



tember. The proposal for a new regulatory framework with regard to export controls that Georgia had worked on for a considerable amount of time was discussed at the symposium. The proposal relates to both dual-use products and defence materiel, and a decision is expected within a few months. In order for the common work to ultimately be considered successful, it is also required that Georgia continues the democratic and economic process that is in progress, with a view to getting closer to the EU.

The work on this symposium has been led by the EU with the support of the US, where the German export control agency

BAFA has assumed a coordination function. The ISP has participated in the work as regional adviser together with experts from Austria, Poland, Germany, Estonia and Latvia.

#### **Popular speakers**

ISP employees are in demand as speakers. They participate at both national and international seminars, conferences and debates, such as Defence Export 2013, Customs Day 2013, Defence Companies Days 2013, Swedish Weapons Exports and Human Rights, International Export Controls Seminar in Malaysia and Defence Policy Arena.

# Statistical data

Below is a sample of statistical data regarding the export of defence materiel and dual-use items in 2013. All sums are in SEK million if nothing else is stated.

## Export of defence materiel

In 2013, the Swedish defence industry exported defence materiel worth SEK 11.9 billion, an increase of 22 % compared to 2012.

In recent years, the Swedish export of defence materiel has been dominated by a number of major deals that have had a large impact on the statistics, such as the export of JAS 39 Gripen, Erieye airborne surveillance system and Combat Vehicle 90. Part of the increase, approximately SEK 1 billion, can also be attributed to the increased export controls in relation to armour plating as well as technical aid, which was introduced during the summer of 2012.

Approximately 54 % of the Swedish exports went to EU countries and traditional partner countries such as Canada, South Africa and the USA. As for the rest, 46 % of the total export value went to some 20 countries, of which India, Saudi Arabia and Thailand were the three largest export destinations.

Distribution of exports in 2013		
Area	SEK	Percent
EU + Norway and Switzerland	3,864	32
Partner countries outside the EU (Australia, Canada, Japan, Republic of China, Singapore, South Africa, the USA)	2,633	22
Rest of the world (Of which India, Saudi Arabia and Thailand are the largest recipients)	5,445	46

Exports to the Nordic countries Denmark, Finland and Norway amounted to approximately SEK 1.6 billion.

## Largest export destinations

In 2013, the five largest export destinations for Swedish defence materiel were Thailand, the USA, Norway, Saudi Arabia and India.

For many years, India has been receiving follow-on deliveries of spare parts, components and ammunition for previously supplied army materiel systems. During 2013, follow-on deliveries of Erieye have been exported to Saudi Arabia.



10 largest export destinations 2011–2013						
#	2011		2012		2013	
1	Thailand	3,017	India	1,438	Thailand	3,319
2	Saudi Arabia	2,869	Saudi Arabia	922	USA	1,206
3	India	1,049	France	899	Norway	962
4	Pakistan	862	Pakistan	615	Saudi Arabia	750
5	Great Britain	753	Thailand	600	India	709
6	USA	753	Finland	535	Great Britain	605
7	Netherlands	563	Canada	457	Germany	533
8	UAE	526	Singapore	445	France	492
9	South Africa	518	Great Britain	428	Australia	473
10	Canada	428	South Africa	403	Finland	395

Exports of large systems 2000–2013			
	Erieye	JAS 39 Gripen	CV 90
Denmark			2007–2009
Finland			2003–2007
UAE	2010–2012		
Greece	2000–2008		
Netherlands			2006–2011
Norway			2013--
Pakistan	2006–2012		
Saudi Arabia	2011--		
Switzerland			2002–2005
South Africa		2002--	
Thailand	2010–2012	2011–2013	

Exports to the Middle East and North Africa	
<b>Middle East</b>	<b>SEK</b>
Bahrain	24
Egypt	16
United Arab Emirates	271
Israel	0,2
Kuwait	4
Oman	2
Saudiarabien	750
<b>North Africa</b>	<b>SEK</b>
Algeria	161
Tunisia	2

Exports to South East Asia and South Asia	
<b>South East Asia</b>	<b>SEK</b>
Brunei	16
Indonesia	9
Malaysia	8
Singapore	155
Thailand	3,319
<b>South Asia</b>	<b>SEK</b>
Bangladesh	0,3
India	709
Pakistan	1

## Exports to the Middle East and North Africa

With the exception of exports to Saudi Arabia (SEK 750 million) and the United Arab Emirates (SEK 271 million), Swedish exports of defence materiel to the Middle East and North Africa were limited. Only armour plating has been exported to Egypt (SEK 16 million) and Israel (SEK 0.2 million). In addition, Bahrain, Kuwait and Oman have received minor follow-on deliveries. Follow-on deliveries of maritime command and control systems and camouflage systems have been exported to Algeria (SEK 161 million). In addition, Tunisia has received follow-on deliveries of RBS 70

(SEK 2 million). Otherwise no exports occurred in the region.

Exports to Southeast Asia and South Asia In Southeast Asia, Thailand (SEK 3.3 billion) was the largest recipient of defence materiel, where JAS Gripen and maritime command and control systems have been exported during the year. In South Asia, India (SEK 709 million) was the largest recipient, where follow-on deliveries of previously delivered army materiel systems have been exported.

## Export trend

The proportion of exports of military equipment for combat (MEC) in 2013 was

Light weapons	
Type of weapon	Export
Heavy machine guns (12.7 mm)	Ammunition to Norway.
Hand-held barrel and mounted grenade launchers (40 mm)	Ammunition to Australia as well as components to Germany and Austria.
Portable anti-tank guns	No exports
Recoilless rifles	Anti-tank systems have been exported to the USA and Austria. Spare parts, training equipment, components and ammunition have been exported to Australia, India, Ireland, Japan, Canada, Latvia, Luxembourg, Norway, New Zealand, Poland, the Slovak Republic, the Czech Republic, the USA and Austria.
Portable anti-tank weapons	Anti-tank weapons have been exported to Brazil, Chile, Denmark, France, Latvia, Luxembourg and the USA. Spare parts, training weapons and components have been exported to Brazil, France, Norway, Great Britain, the USA and Austria.
Mortars < 75 mm calibre	No exports
Other	No exports

Small arms	
Type of weapon	Export
Revolvers and self-loading pistols	No exports
Rifles and carbines	No exports
Sub-machine guns	No exports
Assault rifles	No exports
Light machine guns	Export of machine guns to Norway.
Other	Small calibre ammunition to Australia, Denmark, Estonia, Finland, Italy, Canada, the Netherlands, Norway, New Zealand, Switzerland, Singapore, the Slovak Republic, Great Britain, South Africa, Germany and the USA. Manufacturing equipment for ammunition has been exported to Finland and the USA.

Export trend 2009–2013					
	2009	2010	2011	2012	2013
SEK	13,561	13,745	13,913	9,760	11,942
OME	6,273 (46 %)	6,998 (51 %)	8,074 (58 %)	6,014 (62 %)	6,388 (53 %)
MEC	7,288 (54 %)	6,447 (49 %)	5,839 (42 %)	3,746 (38 %)	5,554 (47 %)

10 biggest exporters 2013		
#	Exporter	SEK
1	FMV, Swedish Defence Material Administration	3,074
2	BAE Systems Hägglunds AB	1,403
3	Saab AB, Electronic Defence Systems	1,215
4	Saab Dynamics AB	1,119
5	Saab AB, Surveillance Systems	784
6	BAE Systems Bofors AB	755
7	Saab AB, Security and Defence Solutions	622
8	FFV Ordnance AB	579
9	Nammo Vänäsverken AB	470
10	Saab AB, Aeronautics	384
<b>Total</b>		<b>10,405</b>

47 % and the proportion of other military equipment (OME) was 53 %.

#### Hunting and sports ammunition

Hunting and sports ammunition has been exported to 12 countries for a value of approximately SEK 14.4 million.

#### Small arms and light weapons

Some small arms were exported in 2013. Light weapons of about SEK 1.7 billion were exported.

#### Largest exporters

The ten largest exporters have exported defence materiel for a value of SEK 10.4

billion, which constitutes approximately 87 % of the total export.

#### Total exports

Swedish exports go to approximately 60 countries and the next page shows the value of total exports by region and country.

#### Increased control

Last year, control was increased to also cover technical aid and a number of products that were previously not subject to control, for example, armour plating and military bridges. This year, almost SEK 1 billion can be attributed to the increased export controls.

## 2013 exports by region and country

Region	Country	SEK	Region	Country	SEK
EU			South America		
	Belgium	26		Brazil	106
	Bulgaria	1		Chile	3
	Denmark	211		Total	109
	Estonia	2	North East Asia		
	Finland	395		Japan	147
	France	492		Republic of Korea	152
	Greece	4		Total	299
	Ireland*	9	Central Asien		
	Italy	214		Kazakhstan*	1
	Croatia	1		Total	1
	Latvia	4	South East Asia		
	Lithuania*	1		Brunei	16
	Luxembourg	31		Indonesia	9
	Netherlands	200		Malaysia	8
	New Caledonia*	0.3		Singapore	155
	Poland	37		Thailand	3,319
	Portugal*	1		Total	3,508
	Romania*	0.4	South Asia		
	Slovak Republic	2		Bangladesh	0.3
	Slovenia	1		India	709
	Spain	31.5		Pakistan	1
	Great Britain	605		Total	710
	Czech Republic	4	Middle East		
	Germany	533.5		Bahrain	24
	Hungary	3		Egypt**	16
	Austria	24		United Arab Emirates	271
	Total	2,835		Israel**	0.2
Rest of Europe				Kuwait	4
	Andorra*	0.2		Oman	2
	Iceland	0.3		Saudi Arabia	750
	Montenegro**	0.06		Total	1067
	Norway	961.5	North Africa		
	Russia	13		Algeria	161
	Switzerland	67		Tunisia	2
	Turkey	21		Total	163
	Ukraine*	0.5	Sub-Saharan Africa		
	Total	1,064		Botswana*	0.1
North America				Namibia*	0.3
	Canada	349		South Africa	151
	USA	1,206		Tanzania*	0.5
	Total	1,555		Zambia*	0.1
Central America				Total	152
	Mexico	4	Oceania		
	Total	4		Australia	473
				New Zealand	2
				Total	475
			Total exports		11,942

\* Only hunting and sports ammunition has been exported to these countries.

\*\* Only armour plating has been exported to these countries. The obligation to hold a licence for armour plating became valid on 30 June 2012.

## Exports of dual-use items

A full account of exports of dual-use items similar to the report provided for defence materiel is not possible because the area is based on free trade, with control only when justified.

A licence is not usually required for trade in these products within the EU, but it is required for exports to other countries.

When reasonable suspicion exists that

a product may be used for the wrong purposes, exports are prohibited. The ISP evaluates the situation and considers the product itself as well as the end use and end user of the product.

This section presents a comprehensive view of the number of cases and the countries and type of products for which licences have been granted.

Civil end-use Number of licences by 10 most frequent countries		
Country	Product	Num.
Brazil	Telecom, filtration equipment, heat exchanger sheet, UAV valves, IR cameras etc.	30
People's Republic of China	Telecom, B-filter, isostatic press, IR camera, pumps, information security, carbon fibre weave, UAV etc.	138
India	Telecom, filtration equipment, carbon fibre weave, IR cameras, pumps, fermenter etc.	27
Indonesia	Telecom, spare parts for heat exchanger, IR cameras, filtration equipment etc.	21
Iran	Spare parts for dairy equipment, heat exchanger, pumps	84
Israel	Telecom, heat exchanger incl. sheet, filtration equipment, pumps, IR cameras etc.	42
Mexico	Telecom, heat exchanger, IR cameras, fermenter etc.	30
Russian Federation	Information security, IR cameras, heat exchanger, CNC software, fermenter, pumps etc.	79
Taiwan	Telecom, heat exchanger, protective clothing, fermenter, filtration card etc.	29
Thailand	Telecom, heat exchanger, pumps, IR cameras, filtration equipment, navigation equipment for UAV etc.	29

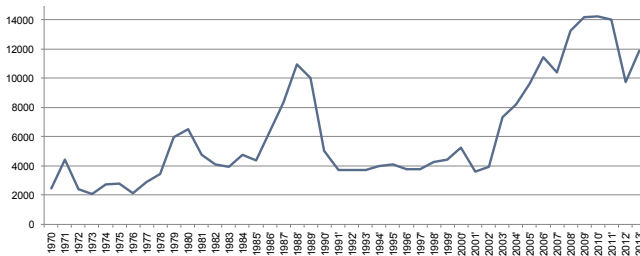
Military end-use Total number of licences by country		
Country	Product	Num.
Jordan	Telecom, IR cameras	6
Saudi Arabia	Telecom, IR cameras	5
Qatar	Telecom	2
Republic of Korea	Control unit, components	2
United Arab Emirates	Telecom, heat exchanger sheet	2
People's Republic of China	IR cameras	2
Bahrain	Telecom, components	2
Montenegro	Telecom	1
Morocco	Telecom	1
Malaysia	Protective clothing	1
Kuwait	Protective clothing	1
Colombia	IR cameras	1

Closed cases 2009–2013					
Case type	2009	2010	2011	2012	2013
Product enquiries	166	170	180	201	180
Export licence	788	1 029	1 165	1 101	1097
Transfer of assets and financial services	-	226	646	279	362

# Appendices

**Table I: Export value 2013**

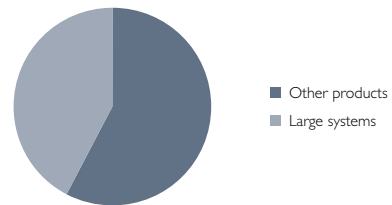
With the order from India for Haubits 77, the income from exports rose considerably at the end of the 1980s to a level equivalent to that of today, recalculated at 2013's price level\*.



\* The cost trends concerning material systems vary and follow different price indexes. In this table, the ISP has chosen to only do a simple calculation with the help of SCB's price calculator for the purpose of giving a general idea and the opportunity to compare with 2013's price level.

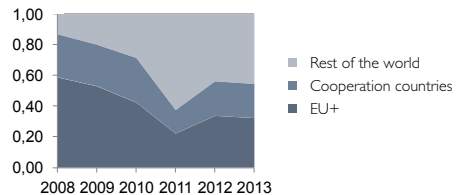
**Table II: Proportion of systems 2003–2013**

The increase in the export value over the past eleven years can be explained by the fact that a number of large systems, such as JAS Gripen to South Africa and Thailand, Erieye to Pakistan, the United Arab Emirates and Saudi Arabia and Combat Vehicle 90 to Switzerland, Finland, the Netherlands and Denmark, have been exported. Delivery of all of these systems has now been completed. The large systems make up 42 % of the actual income from exports between 2003–2013.



**Table III: Export distribution (%)**

The view on security policy has changed globally, which, among other things, means that regions such as the Middle East and Asia are increasing their defence efforts.









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