

Annual Report According to the EU Code of Conduct on Arms Exports

NATIONAL REPORT OF FINLAND FOR 2004

1. REPORTING PERIOD AND SCOPE

Reporting period is the year 2004, 1.1.-31.12.2004. This report covers commercial exports by the Finnish defence industry authorised under the Act on the Export and Transit of Defence Materiel (*defence materiel*).

2. LEGAL BASIS AND NATIONAL LICENSING GUIDELINES

The basic principles, policies and national practices on the export, transit and arms brokering of conventional arms and related technology are outlined in the relevant Finnish legislation. The export of defence materiel and its transit is allowed only if authorisation (an export licence) has been granted. Provisions on controlling arms brokering are incorporated into the Act on the Export and Transit of Defence Materiel. The guiding principle is simple; the same controls apply to brokering as apply to export and transit of defence materiel. Authorisation for export, transit or arms brokering will not be granted if it jeopardises Finland's security or is in contradiction with Finland's foreign policy.

These basic principles contained in the Act on the Export and Transit of Defence Materiel are supplemented by clarifying rules outlined in the national Guidelines. All applications are examined on a case-by-case basis based on an overall assessment. The following factors shall be taken into account in the overall assessment of licence applications:

- foreign and security policy aspects, including the relevant UN, OSCE, EU and other international obligations be they decisions on arms embargoes, multilateral restraints, criteria, principles or guidelines of multilateral export control regimes
- an analysis of the situation prevailing in the recipient country, especially with regard to human rights, including attitudes of other States vis-à-vis the recipient country
- the characteristics, intended use and military significance of the item to be exported
- the significance of the item and export in relation to the materiel preparedness of Finnish national defence and to the development of domestic defence industry.

The EU Code of Conduct on Arms Exports is incorporated into the Finnish legislation as an annex to the national Guidelines. In ambiguous cases, a restrictive approach is preferred. If the export of the item in question, by virtue of its characteristics and significance, will not lead to, or in all likelihood will not to be used in violations of human rights, offensive armed action or other comparable unacceptable purposes inside or outside the recipient country, the granting of a licence may be recommended if the overall assessment on all other accounts is favourable and if the formal licensing requirements have been met. There are specific rules for the export licensing of components and sub-systems of any defence equipment.

Legislation on arms brokering came into force in Finland on December 1st, 2002. Provisions on controlling arms brokering were incorporated into the Act on the Export and Transit of Defence Materiel. Finnish legislation is in full compliance with the Common Position on arms brokering adopted by Council of the European Union in June 2003. The provisions on arms brokering also implement the provisions of the UN Firearms Protocol and the OSCE Document on Small Arms and Light Weapons as well as the norms set out in the UN Programme of Action on Small Arms and Light Weapons.

The Ministry of Defence (MoD) maintains a database of all licences granted. The licences are public documents in Finland and available for reading or photocopying at the MoD registry. The MoD publishes detailed statistics of all licences granted on an annual basis.

The relevant Finnish legislation is as follows:

Act on the Export and Transit of Defence Materiel (242/1990)

- a concise framework law stipulating the authorisation and procedure as well as sanctions in case of violations
- establishes the following responsibilities for various authorities:
 1. Ministry of Defence (MoD): licensing authority
 2. Council of State (Council of Ministers): grants licences for all major exports; affirms the guidelines
 3. Ministry for Foreign Affairs (MFA): advises on foreign and security policy considerations
 4. Customs: enforcement

General Guidelines for the Export and Transit of Defence Materiel (1000/2002)

- Provides more detailed guidelines for the application of the Act by giving clarifying rules of foreign and security policy substances as well as of procedural substance
- Provides more detailed guidelines for the implementation of the international agreements and obligations adhered to by Finland in the field of export of defence equipment
- incorporates the international norms into the domestic legislation by explicit references to the OSCE Principles on arms transfers, the EU Code of Conduct on Arms Exports, decisions on arms embargoes by the UNSC or the EU etc. and integrates these sets to the Guidelines as its annexes.

Decree on the Export and Transit of Defence Materiel (108/1997)

- establishes the coverage of controls by defining the list of defence materiel, by main headings, classified into four item categories (based on characteristics, intended use and military significance of the items)
- the coverage also includes “related technology”. Authorisation is, hence, needed for yielding control or transfer abroad of any:
 - know-how and licence to manufacture materiel
 - machine tools and equipment especially designed for manufacturing materiel
 - computer software relating to the manufacture or use of materiel
 - the export of technology shall require an export licence even if such technology is intended for development, production or use of an item which is not defined as defence materiel
- authorisation is not required for the exports of technology which is necessary for the installation, use, maintenance, inspection, or repair of an already licensed item
- nor is authorisation required for the export of technology which is widely available internationally or related to basic scientific research.

Decree of the Ministry of Defence (192/1997)

- implements the the EU Common List of Military Equipment as well as the Munitions’ List of the Wassenaar Arrangement.

3. EXPORT LICENCES OF DEFENCE MATERIAL IN 2004¹

Country of destination	ML ² Category	Number of licences	Total amount (pcs/kg)	Unit	Total value of licences granted by destination (EUR)
Afganistan*	13d	1	75 pcs		38 723
Australia	3a	1	350000 pcs		452 000
Austria	3a	1	300000 pcs		
	8	2	72030 + 4880 pcs + kg		576 174
Bahrain	1a	1	1 pcs		3 775
Belgium	3a	1	300000 pcs		339 000
Brazil	3a	1	6000 pcs		5 880
Canada	1a, 1d	4	150 + 36 pcs		
	3a	1	300000 pcs		
	13b	3	129 pcs		3 043 338
Chile	7e1	1	120 pcs		8 297
Congo (Democratic Republic Of)*	13d	2	43 pcs		22 765
Cyprus	3a	1	5000 pcs		3 600
Czech Republic	1a	1	53 pcs		
	3a	2	300001 pcs		346 201
Denmark	1a	1	10 + 100 pcs + kg		
	3a	3	315120 pcs		
	13d	1	100 pcs		547 050
Egypt	2a	1	1 pcs		
	13d	2	41 pcs		
	15c	2	43 pcs		175 627
Eritrea*	13d	1	5 pcs		3 215
Estonia	3a	1	100000 pcs		
	7e1	2	1520 pcs		
	13c, 13d	3	6 + 668 pcs		
	15c	1	8 pcs		427 488
Ethiopia*	13d	1	21 pcs		11 076
France	1a, 1d	2	180 + 6 pcs		
	3a	1	600000 pcs		905 158
Germany	1a	1	300 + 900 pcs + kg		
	3a, 3b	4	1301660 + 12 pcs		
	7e1	2	120 pcs		
	10c2	2	5 pcs		
	21d	2	2 pcs		7 292 205
Greece	3a	1	100000 pcs		113 000
Haiti*	13d	2	30 pcs		19 290

1 N.B. Figures given under this item only include export licences granted in 2004 for commercial exports by the Finnish defence industry. Figures above do not include uncommercial exports for the Finnish Defence Forces' purposes, temporary export licences, transit licences nor responses to prior enquiries.

2 See pp. 11-12 for brief descriptions of EU Common Military List categories.

Hungary	3a	1	100000 pcs	113 000
Iceland	1a	1	60 + 200 pcs + kg	
	3a	1	100000 pcs	211 000
Ireland	1a	1	30 + 90 pcs + kg	
	3a	1	200000 pcs	325 500
Italy	3a	1	400000 pcs	
	6a	1	1 pcs	
	13d	5	14343 pcs	10 320 267
Japan	3a	2	430000 pcs	
	7e1	1	100 pcs	
	13d	1	100 pcs	481 349
Jordan	13d	2	22 pcs	7 382
Kenya*	13d	1	10 pcs	6 430
Latvia	3a	1	15000 pcs	
	13d	2	1350 pcs	424 200
Liberia*	13c, 13 d	1	10 + 10 pcs	9 970
Lithuania	1a	1	10 pcs	
	3a	1	32000 pcs	97 323
Luxembourg	3a	1	400000 pcs	452 000
Malaysia	7e1	1	5000 pcs	
	15c	1	5 pcs	396 800
Monaco	13d	1	12 pcs	12 012
Namibia	1a	1	20 pcs	25 000
Netherlands	1a	1	1 pcs	
	3a	1	150000 pcs	
	7e1	2	2148 pcs	249 194
New Zealand	1a	1	30 pcs	
	3a	2	492000 pcs	533 882
Norway	3a	4	402500 pcs	
	8	1	10200 kg	
	13c	1	1740 pcs	973 601
Poland	1a	2	131 pcs	
	3a	1	300000 pcs	
	6a	1	690 pcs	
	8	1	4000 kg	271 005 715
Portugal	3a	1	48800 pcs	
	7e1	1	2601 pcs	118 073
Romania	1a	1	20 pcs	
	3a	1	100 pcs	26 100
Saudi Arabia	7e1	3	14940 pcs	481 638
Singapore	3a	1	15000 pcs	10 500
Slovakia	3a	1	200000 pcs	
	7e1	2	2835 pcs	452 800
Slovenia	3a	1	100000 pcs	
	7e1	1	50 pcs	116 250
South Africa	6a	1	1 pcs	
	13d	1	10 pcs	52 100
Spain	3a	4	322900 pcs	199 076

Sri Lanka*	13d	2	54 pcs	34 722
Sudan*	13d	2	67 pcs	62 138
Sweden	1a, 1d	3	100 + 23 pcs	
	3a	5	716050 pcs	
	4b	1	8000 pcs	
	6a	2	19 pcs	
	8	2	9800 kg	14 878 233
Switzerland	1a	3	250 pcs	
	3a	2	200500 pcs	
	10a	2	57 pcs	
	13d	1	15 pcs	1 898 056
Turkey	13d	1	6 pcs	3 200
Uganda*	13c, 13 d	2	10 + 28 pcs	21 304
United Arab Emirates	3a	2	2040951 pcs	
	6a	1	1 pcs	2 117 109
United Kingdom	1a, 1d	8	600 + 102 pcs	
	3a	1	850000 pcs	
	4	1	1 pcs	
	7e1	1	10000 pcs	
	11	1	1 pcs	
	13d	2	20 pcs	5 479 562
Unites States	1a	1	500 + 100 pcs + kg	
	3a	1	1400000 pcs	2 242 000
TOTAL		174		328 171 348

*For United Nations purposes

4. ACTUAL EXPORTS OF DEFENCE MATERIAL IN 2004

Country of destination	ML Category, definition of material	Value / category by destination (EUR)	Total value of arms exports by destination (EUR)	Share of total exports, %
Afghanistan*	13d Protectice equipment	39 230	39 230	0,09
Argentina	1a Sniper rifles and accessories	8 400	8 400	0,02
Australia	1a Sniper rifles and accessories	25 600		
	3a Ammunition, shots etc. and components therefor	3 931	29 531	0,07
Austria	1a Sniper rifles and accessories	57 141		
	3a Ammunition, shots etc. and components therefor	1 610		
	8a "Energetic materials" and related substances	232 952	291 703	0,70

Bahrain	1a	Sniper rifles and accessories	1 600			
	3a	Ammunition, shots etc. and components therefor	150		1 750	0,00
Brazil	3a	Ammunition, shots etc. and components therefor	5 880		5 880	0,01
Belgium	1a	Sniper rifles and accessories	4 010			
	3a	Ammunition, shots etc. and components therefor	7 992		12 002	0,03
Canada	1a	Sniper rifles and accessories	34 170			
	1d	Silencers and accessories	8 031			
	3a	Ammunition, shots etc. and components therefor	20 083		62 284	0,15
Chile	7e1	Protective equipment	7 491		7 491	0,02
Cyprus	3a	Ammunition, shots etc. and components therefor	3 600		3 600	0,01
Czech Republic	1a	Sniper rifles and accessories	84 000			
	3b	Fire-control equipment	1			
	3a	Ammunition, shots etc. and components therefor	1 954		85 955	0,21
Congo (Republic of the)*	13d	Protective equipment	43 768		43 768	0,11
Denmark	1a	Sniper rifles and accessories	31 370			
	3a	Ammunition, shots etc. and components therefor	75 250			
	13d	Protective equipment	106 750		213 370	0,51
Egypt	2a	Smooth-bore weapons and components therefor	92 723			
	13c, 13d	Protective equipment	19 400			
	13d	Protective equipment	469			
	15c	Military electronics and components therefor	76 400		188 992	0,45
Eritrea*	13d	Protective equipment	3 215		3 215	0,01
Estonia	1a	Sniper rifles and accessories	4 890			
	7e1	Protective equipment	59 688			
	13d	Protective equipment	139 451			
	15c	Military electronics and components therefor	35 920		239 949	0,58
Ethiopia*	13d	Protective equipment	10 745		10 745	0,03
France	1a	Sniper rifles and accessories	16 430			
	1d	Silencers and accessories	1 158			
	3a	Ammunition, shots etc. and components therefor	6 376			

	7e1	Protective equipment	6 720		
	10a	Combat aircraft and components therefor	796 000	826 684	1,99
Germany	1a	Sniper rifles and accessories	47 072		
	3a	Ammunition, shots etc. and components therefor	25 323		
	10c	Unmanned Aircraft and equipment therefor	706 900		
	21	Software for military purposes	1 881 000	2 660 295	6,40
Greece	3a	Ammunition, shots etc. and components therefor	1 296		
	10c	"Unmanned Aircraft" and equipment therefor	5 600	6 896	0,02
Haiti*	13d	Protective equipment	19 290	19 290	0,05
Iceland	1a	Sniper rifles and accessories	9 800	9 800	0,02
Italy	1a	Sniper rifles and accessories	332 020		
	3a	Ammunition, shots etc. and components therefor	17 124		
	13d	Protective equipment	1 827 348	2 176 492	5,23
Japan	3a	Ammunition, shots etc. and components therefor	1 499		
	3a	Ammunition, shots etc. and components therefor	8 550		
	7e1	Protective equipment	7 055		
	13d	Protective equipment	13 800	30 904	0,07
Jordan	13d	Protective equipment	7 409	7 409	0,02
Kenya*	13d	Protective equipment	6 430	6 430	0,02
Latvia	3a	Ammunition, shots etc. and components therefor	8 700		
	13d	Protective equipment	420 087	428 787	1,03
Liberia*	13c, 13d	Protective equipment	10 800	10 800	0,03
Lithuania	3a	Ammunition, shots etc. and components therefor	13 120		
	7e1	Protective equipment	40 000		
	7e2	Protective equipment	354 450	407 570	0,98
Luxembourg	1a	Sniper rifles and accessories	17 780		
	3a	Ammunition, shots etc. and components therefor	2 694	20 474	0,05
Malaysia	7e1	Protective equipment	375 000		
	15c	Military electronics and components therefor	21 790	396 790	
Monaco	13d	Protective equipment	12 012	12 012	0,03
Netherlands	1a	Sniper rifles and accessories	2 850		
	3a	Ammunition, shots etc. and components therefor	1 177		
	7e1	Protective equipment	21 746		

	7e2	Protective equipment	2 580	28 353	0,07
New Zealand	1a	Sniper rifles and accessories	1 280		
	3a	Ammunition, shots etc. and components therefor	103 382	104 662	0,25
Norway	1a	Sniper rifles and accessories	5 800		
	3a	Ammunition, shots etc. and components therefor	148 342		
	13c	Protective equipment	337 560		
	13d	Protective equipment	10 132	501 834	1,21
Poland	1a	Sniper rifles and accessories	202 200		
	3a	Ammunition, shots etc. and components therefor	3 764		
	6a	Military vehicles	7 447 011	7 652 975	18,40
Portugal	3a	Ammunition, shots etc. and components therefor	29 768		
	7e1	Protective equipment	69 273	99 041	0,24
Republic of Korea	3a	Ammunition, shots etc. and components therefor	32 395	32 395	0,08
Saudi-Arabia	7e1	Protective equipment	508 353	508 353	1,22
Singapore	3a	Ammunition, shots etc. and components therefor	10 500	10 500	0,03
Slovakia	1a	Sniper rifles and accessories	1 580		
	3a	Ammunition, shots etc. and components therefor	3 114		
	7e1	Protective equipment	226 800	231 494	0,56
Slovenia	7e1	Protective equipment	3 250	3 250	0,01
South Africa	1a	Sniper rifles and accessories	5 200		
	13d	Protective equipment	5 290	10 490	0,03
Spain	1a	Sniper rifles and accessories	39 020		
	3a	Ammunition, shots etc. and components therefor	24 756		
	13d	Protective equipment	102 045	165 821	0,40
Sri Lanka*	13d	Protective equipment	34 722	34 722	0,08
Sudan *	13d	Protective equipment	36 133	36 133	0,09
Sweden	1a	Sniper rifles and accessories	10 618		
	1d	Silencers and accessories	5 533		
	3a	Ammunition, shots etc. and components therefor	920 811		
	3b	Fire-control equipment	200 000		
	4a, 4b	Components for air-defence-system, missile engines	485 853		
	6a	Military vehicles	16 032 556		

	8a	Energetic materials and related substances	118 851		
	10a	Aircraft components	299 250		
	13d	Protective equipment	80 622	18 154 094	43,65
Switzerland	1a	Sniper rifles and accessories	1 353 607		
	3a	Ammunition, shots etc. and components therefor	1 242		
	10a	Aircraft components	41 616		
	13d	Protective equipment	12 458		
	15c	Military electronics and components therefor	25 000	1 433 923	3,45
Turkey	13d	Protective equipment	3 290	3 290	0,01
Uganda*	13c, 13d	Protective equipment	21 304	21 304	0,05
United Arab Emirates	3a	Ammunition, shots etc. and components therefor	2 294 314		
	6a	Military vehicles	185 000	2 479 314	5,96
United Kingdom	1a	Sniper rifles and accessories	115 795		
	1d	Silencers and other components for firearms	23 092		
	3a	Ammunition, shots etc. and components therefor	22 737		
	7e2	Protective equipment	250 850		
	10a	Aircraft components	729 361		
	11	Military electronics	5 220		
	13d	Protective equipment	17 200	1 164 255	2,80
United States	1a	Sniper rifles and accessories	288 815		
	3a	Ammunition, shots etc. and components therefor	10 703		
	7e1	Protective equipment	343 982	643 500	1,55
TOTAL (EUR)			41 588 201	41 588 201	100,00

* For United nations purposes

5. DEFENCE MATERIAL EXPORTS IN 2004 BY REGIONS

Region	Number of export licences	Value of licences (EUR)	Value of actual exports (EUR)	Share of total actual exports %
North Africa	0	0	0	0,00
Sub-Saharan Africa	13	213 998	142 885	0,34
North America	10	5 285 338	705 784	1,70
Central America and the Caribbean	2	19 290	19 290	0,05
South America	2	14 177	21 771	0,05
Central Asia	0	0	0	0,00
North East Asia	4	481 349	63 299	0,15
South East Asia	3	407 300	407 290	0,98

South Asia	3	73 445	73 952	0,18
European Union	99	314 781 069	34 873 060	83,85
Other European Countries	20	3 123 969	1 960 859	4,71
Middle East	14	2 785 531	3 185 818	7,66
Oceania	4	985 882	134 193	0,32
TOTAL	174	328 171 348	41 588 201	100,00

6. DEFENCE MATERIAL EXPORTS IN 2004 BY PRODUCT CATEGORIES

ML category	Number of licences	Value of licences (EUR)	Value of actual exports (EUR)	Share of total actual exports %
1	34	3 988 405	2 738 862	6,59
2	1	79 800	92 723	0,22
3	55	15 967 964	4 012 138	9,65
4	2	5 700 000	485 853	1,17
5	0	0	0	0,00
6	7	282 185 200	23 664 567	56,90
7	17	1 515 524	2 277 238	5,48
8	6	677 515	351 803	0,85
9	0	0	0	0,00
10	4	868 132	2 578 727	6,20
11	1	5 220	5 220	0,01
12	0	0	0	0,00
13	41	12 596 418	3 340 960	8,03
14	0	0	0	0,00
15	4	177 170	159 110	0,38
16	0	0	0	0,00
17	0	0	0	0,00
18	0	0	0	0,00
19	0	0	0	0,00
20	0	0	0	0,00
21	2	4 410 000	1 881 000	4,52
22	0	0	0	0,00
TOTAL	174	328 171 348	41 588 201	100,00

7. BRIEF DESCRIPTIONS OF EU COMMON MILITARY LIST CATEGORIES³

ML1 Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic

³ For the full Common Military List of the European Union, see Official Journal of the European Union C 127 of 25 May 2005

weapons with a calibre of 12,7 mm (calibre 0,50 inches) or less and accessories, and specially designed components therefor.

ML2 Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12,7 mm (calibre 0,50 inches), projectors and accessories, and specially designed components therefor.

ML3 Ammunition and fuze setting devices, and specially designed components therefor.

ML4 Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, specially designed for military use, and specially designed components therefor.

ML5 Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.

ML6 Ground vehicles and components.

ML7 Chemical or biological toxic agents, "tear gases", radioactive materials, related equipment, components, materials and "technology."

ML8 "Energetic materials", and related substances.

ML9 Vessels of war, special naval equipment and accessories, and components therefor, specially designed for military use.

ML10 "Aircraft", unmanned airborne vehicles, aero-engines and "aircraft" equipment, related equipment and components, specially designed or modified for military use.

ML11 Electronic equipment, not controlled elsewhere on the EU Common Military List, specially designed for military use and specially designed components therefor.

ML12 High velocity kinetic energy weapon systems and related equipment, and specially designed components therefor.

ML13 Armoured or protective equipment and constructions and components.

ML14 Specialised equipment for military training or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon controlled by ML1 or ML2, and specially designed components and accessories therefor.

ML15 Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor.

ML16 Forgings, castings and other unfinished products the use of which in a controlled product is identifiable by material composition, geometry or function, and which are specially designed for any products controlled by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19.

ML17 Miscellaneous equipment, materials and libraries, and specially designed components therefor.

ML18 Equipment for the production of products referred to in the EU Common Military List.

ML19 Directed energy weapon systems (DEW), related or countermeasure equipment and test models, and specially designed components therefor.

ML20 Cryogenic and "superconductive" equipment, and specially designed components and accessories therefor.

ML21 "Software" specially designed or modified for the "development", "production" "use" of equipment or materials controlled by the EU Common Military List.

ML22 "Technology" for the "development", "production" or "use" of items controlled in the EU Common Military List, other than that "technology" controlled in ML7.