

Introduction

This Report is the first Annual Report on Strategic Export Controls. It explains the United Kingdom's policy on arms exports and the thinking behind our policy. It gives details - by destination - both of physical exports and of what equipment has been licensed for export.

It is part of fulfilling our commitment to transparent and responsible arms exports.

The government is determined that there should be a fundamental change in the UK's approach to arms exports, whilst maintaining our commitment to a strong defence industry. In February 1997, we made eight Policy Pledges for a Responsible Arms Trade. We have made real progress on them since coming to power. Our pledges were:

- **we would not issue export licences for the sale of arms to regimes that might use them for internal repression or international aggression, nor where they might intensify or prolong existing armed conflicts or where they might be used to abuse human rights.** On 28 July 1997, we announced new criteria for dealing with export licence applications in line with these policy guidelines;
- **we would increase transparency and would publish an annual report setting out the state of our export controls and their application.** This Report is the fulfilment of that pledge;
- **we would press for a European Conventional Arms Register to provide at a European level the information that the UK makes available in its Annual Report.** With the publication of this report and agreement on the EU Code of Conduct on Arms Exports, we are now in a position to take forward this commitment;
- **we would work to strengthen the UN Conventional Arms Register encouraging greater disclosure of information.** The UK was represented on the UN Panel of Governmental Experts which considered the operation of the Register in 1997. We were disappointed that the Panel was not able to reach consensus on extending the categories of weapons transfers to be reported to the UN, despite our support for such a move. But we will continue to work to strengthen the Register;
- **we would work for the introduction of a Code of Conduct on arms exports among our EU partners.** The Code, a joint UK-French initiative, was formally adopted by all EU members on 8 June 1998. It marks a significant step in the harmonisation of arms exports policies among our EU partners;
- **we would prevent British companies from manufacturing, selling or procuring torture equipment, such as electric shock batons, and we would press for a global ban.** On 28 July 1997, we announced a ban on the export and transshipment through the UK of equipment used for torture or other cruel, inhumane or degrading treatment or punishment. An amendment to the Export of Goods (Control) Order came into force on 15 December 1997 which brought some of the equipment covered by the ban under control for the first time;
- **we would ban the import, export, transfer and manufacture all forms of anti-personnel landmines.** We implemented this pledge in July 1998 through the Landmines Act, ratifying the Ottawa Convention and unilaterally renouncing the use of anti-personnel landmines. The Convention entered into force on 1 March 1999;

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- **we would strengthen monitoring of the end-use of defence exports to prevent diversion to third countries and to ensure that exported equipment is used only on the conditions under which the export licence has been granted.** We have taken steps to monitor the end-use of UK-supplied equipment where appropriate. The best way of preventing diversion however is to refuse an export licence if evidence of significant concerns exist. We are therefore looking at various measures to strengthen the process of risk assessment at the licensing stage and the circulation to like-minded countries of information on end-users of concern.

In Part I of this Report we set out in more detail the progress we have made in meeting these pledges. We explain our recent White Paper on Strategic Export Controls. We set out our international obligations, and the steps we are taking to prevent the proliferation of nuclear, chemical and biological weapons as well and of missiles capable of delivering them. We also describe the measures the UK is taking to help prevent the accumulation of destabilising numbers of small arms.

In Part II we give details of export licensing decisions between 2 May 1997 and 31 December 1997.

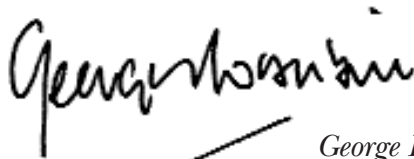
In Part III we give details of physical exports of military equipment from the UK covering the period 1 January to 31 December 1997.



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