

SWEDISH ARMS EXPORTS IN 1995  
A Government Report

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Ministry for Foreign Affairs  
Strategic Export Control Division  
Stockholm, May 1996

**SWEDISH GOVERNMENT REPORT TO PARLIAMENT**  
**1995/96:204**

Swedish Exports of Military Equipment in 1995

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The Government hereby submits this report to Parliament

Stockholm, 30 May 1996

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**Principal contents of this report:**

In this report the Swedish Government presents Swedish exports of military equipment in 1995.

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## **Swedish Exports of Military Equipment in 1995**

### **Preface**

Production, sales and exports of military equipment are controlled by the Government of Sweden.

Since 1985, the Government has submitted annual reports to the Swedish Parliament on exports of military equipment.

### **1 The Military Equipment Act**

The Military Equipment Act (1992:1300) and the corresponding Ordinance (1992:1303) regulate the manufacture and export of military equipment. Both the Act and the Ordinance entered into force on 1 January 1993, replacing the Act concerning Control over the Manufacture of Military Equipment, etc (1983:1034), the Act concerning the Prohibition of the Exportation of Military Equipment, etc (1988:558) and the appurtenant ordinances.

In Bill 1991/92:174, the Government proposed new legislation based on a comprehensive review of military equipment exports. Parliament subsequently approved the Bill (Report 1992/93:UU1, Parliamentary Notification 1992/93:61).

In all essentials, the new Act is based on previous legislation and on previous practice. However, the new Act contains some simplification, clarification and modernization of the provisions which apply to the overall control of the manufacture and supply of military equipment.

In Bill 1995/96:31, the Government proposed to establish a new authority to monitor military equipment and other strategically sensitive products, known as dual-use products. The Swedish Parliament gave its assent to the Government proposal (Report 1995/96:UU3, Parliamentary Notification 1995/96:93). The new body, the Inspectorate for Strategic Products (ISP) began operations on 1 February 1996. ISP replaces the Inspectorate-General of Military Equipment (KMI) and has responsibility for matters concerning the export of military equipment and other strategically sensitive goods, known as dual-use products.

Under the Military Equipment Act, military equipment may not be manufactured without a permit from the ISP. Further, an ISP licence is also required for all defence industry cooperation with other countries. Such cooperation is defined as the export or other forms of supply of military equipment, the allocation or transfer of manufacturing rights, agreements with another party on the development of military equipment or methods of producing such

equipment jointly with or on behalf of such a party, or the joint manufacture with a party from abroad of military equipment. In considering whether a permit should be granted for such cooperation, Swedish defence policy requirements are taken into account. Finally, with certain exceptions, a government permit is required to provide training with a military orientation.

Military equipment is divided into two categories under the new Act. Weapons and service ammunition are classified as "military equipment for combat purposes" and non-destructive matériel is classified as "other types of military equipment". Provisions concerning the type of matériel which is included in the two categories are contained in the Military Equipment Ordinance.

## **2 The Inspectorate-General of Military Equipment and the National Inspectorate of Strategic Products**

Previously, the Inspectorate-General of Military Equipment (KMI) exercised control over the manufacture of military equipment. As of 1 February 1996, the National Inspectorate of Strategic Products (ISP) has this function. KMI was established in 1935 and was part of the Trade Department of the Ministry for Foreign Affairs. KMI was also the government drafting body in matters concerning the export of military equipment.

As from 1 February 1996, the ISP will decide in matters concerning export permits. The ISP works in close consultation with the Strategic Export Control Division (ESEK) of the Ministry for Foreign Affairs, the Ministry's Political Department and the Ministry of Defence. Until 30 June 1996, ESEK was the government drafting body in matters concerning military equipment and other strategically sensitive products known as dual-use products. As from 1 July 1996, following the reorganization of the Ministry for Foreign Affairs, this drafting function has been transferred to the Ministry's Division for European Integration.

Apart from licensing questions, ISP also handles the notifications which manufacturers of military equipment are obliged to submit to the government not less than four weeks before making a tender or concluding an agreement that involves the export or some other form of cooperation with other countries as regards military equipment. Manufacturers must also submit quarterly reports to the ISP on their marketing activities in other countries. Finally, companies exporting military equipment must report on actual deliveries made to other countries. The ISP is in continuous contact with companies on these matters.

### 3 Government Guidelines for Arms Exports

Government guidelines are applied to all forms of joint action with other countries which is regulated in the Military Equipment Act (1992:1300). This comprises both exports and cooperation as well as the examination, *inter alia*, of deliveries related to earlier exports.

The overriding purpose of the guidelines is to provide a stable and general base for examining permit applications. Each export transaction is, however, examined individually.

When assessing individual export transactions from a foreign policy point of view, the guidelines emphasize the importance which should be attached to respect for human rights in the recipient country. The human rights criterion must always be taken into consideration, even in cases involving the export of military equipment which cannot itself be used to violate human rights.

As already mentioned, the extension of the military equipment concept was accompanied by classifying military equipment into two categories. Guidelines which differ in certain respects have been drawn up for the export of such equipment, depending on whether it is of a destructive or non-destructive nature. On the whole, the earlier guidelines continue to apply for *military equipment for combat purposes*, i.e., the Government should not issue an export permit to a state which is involved in armed conflict with another state, a state involved in an international conflict which is feared may lead to armed conflict, a state in which internal armed disturbances are taking place or a state in which extensive and serious violations of human rights occur.

In cases of export of *other military equipment*, which largely consists of new products not subject to control prior to 1993, an export permit should be granted to countries not engaged in armed conflict with another state, not subject to internal armed disturbances or where there are no extensive and serious violations of human rights.

The different guidelines for military equipment for combat purposes and other military equipment mean that a greater number of countries can be considered as potential recipients of other military equipment, i.e. non-destructive matériel. By broadening the concept of military equipment, legitimate exports are reported and made visible which were previously unregulated. These exports are now also subject to political review.

### 4 Advisory Board on Exports of Military Equipment and the Export Control Council

In accordance with Chapter 10, Section 6 of the Instrument of Government, the Government must, where possible, consult the Advisory Council on Foreign Affairs in a matter of major importance concerning foreign affairs before taking a decision. Some cases involving the export of military equipment are of a kind that call for consultation between the Government and the Council. It was considered desirable to achieve a broader basis for examining other individual export transactions of principal importance. In approving the Bill concerning greater insight and consultation in questions involving the export of military equipment (1984/85:82), Parliament decided that an Advisory Board on Exports of Military Equipment should be set up. With the establishment of the ISP, the Board was reconstructed and became the Export Control Council on 1 February 1996.

The Advisory Board consisted of six members representing the major parliamentary political parties, and was responsible for advising on specific questions concerning military equipment exports. The Board met on eight occasions between August and December 1995. As was the case with the Board, the ten members (with one vacancy) of the Export Control Council are convened by the head of ISP, the Inspector-General of Military Equipment, who also chairs the meetings. The Political Department of the Ministry for Foreign Affairs participates in the Council's meetings, presenting assessments of the recipient countries from the point of view of the guidelines. The Ministry of Defence also participates with assessments of matters from a defence policy point of view. A representative from ESEK also attends the meetings. Following the Council's recommendations, the Inspector makes his decisions on the cases dealt with. However, cases which are of principal significance or are otherwise specially important must be submitted to Government scrutiny.

All matters of principle are subject to consultation in the Council's monthly meeting. Further, members receive continuous reports on all decisions taken on exports, giving them complete insight into the way in which the Government deals with questions concerning the export of military equipment. This procedure ensures that the Swedish Parliament has insight into the work of the ISP.

It is natural in some individual cases that completely open reports are not possible when affected by restrictions involving the safety of the realm or industrial secrecy. However, this Annual Report was instituted following a parliamentary decision in order to provide as much open information as possible on military equipment exports. The Government's guidelines for the export of military equipment are another element in the endeavour to provide as complete an insight as possible in this area.

The Export Control Council has not replaced the Advisory

Council in matters on which the Government must consult the Advisory Council in accordance with the Instrument of Government.

## **5 The Technical-Scientific Council**

A special Technical-Scientific Council was set up in 1984, with representatives from several institutions with expertise in the application of technology in the civilian and military spheres, to assist the Inspector-General in preparing for the classification of military equipment. This Council met on four occasions in 1995 and held one consultation by correspondence. With the establishment of the ISP, the Council's field of work has been extended to include dual-use products.

## **6 Information concerning the Arms Export Policy**

The handbook compiled by the Inspectorate-General (KMI) provides guidance for the defence industry and government authorities concerned with the manufacture and export of military equipment. The handbook describes current legislation, the regulatory structure and procedures employed in issuing permits. The new Inspectorate (ISP) intends to publish a revised edition of the handbook in 1996. It also plans to hold seminars and information meetings about its activities and field of work in 1996.

A summary of Swedish policy on arms exports (Sweden's Policy on Arms Exports, Ministry for Foreign Affairs Information 1993:4) describes the part played by arms exports in Swedish security policy, the Swedish defence industry, the guidelines for exports of military equipment and international cooperation for the control of arms exports. This publication has also been issued in English, French and German in order to improve information in other countries about Swedish policy in this field.

## **7 Military Equipment Exports in 1995**

Since 1985, the Government has submitted an annual report to Parliament concerning Swedish exports of military equipment. This gives Parliament comprehensive information about such exports and also provides a basis for broader public discussion. ISP has prepared a report covering 1995, based on reports submitted by manufacturers of military equipment (see Appendix).

Exports of military equipment in 1995 increased by 4.1 per cent or from SEK 3,181 million in 1994 to SEK 3,313 million in 1995. At the same time, total exports increased by 19.7 per cent. Exports of "military equipment for combat



purposes" decreased by 14.8 per cent, from SEK 1,347 million in 1994 to SEK 1,148 million in 1995. An 18 per cent increase was noted in exports of "other military equipment", which is equivalent to an increase from SEK 1,834 million in 1994 to SEK 2,165 million in 1995. Calculated in fixed prices, exports rose by 1 per cent in 1995 compared with 1994. The corresponding figures for "military equipment for combat purposes" and "other military equipment" decreased by 17.2 and increased by 14.3 per cent respectively. One single transaction with Singapore represented 17.5 per cent of the total export of military equipment. From a global point of view, Swedish exports of military equipment represented less than 0.5 per cent of the total foreign trade with military equipment between 1990-1994.

In 1995, the Government granted export permits for the sale of military equipment to a value of SEK 8,083 million, of which SEK 3,248 million represented "military equipment for combat purposes" and SEK 4,835 million "other military equipment". Several of the permits were for deliveries over several years. The value of export permits granted rose by 76.1 per cent in 1995 compared with 1994, which is chiefly due to two major orders from Norway and the USA. In 1995, the increase in "military equipment for combat purposes" amounted to 56.8 per cent, and 92.1 per cent for "other military equipment" compared with 1994. Calculated in fixed prices, the value of export permits granted rose by 71 per cent in 1995. The corresponding value for "military equipment for combat purposes" rose by 52 per cent while an 86 per cent increase was noted for "other military equipment".

## **8 International Transparency concerning Arms Transfers**

In December 1991, the United Nations General Assembly adopted a resolution urging member states to report both their imports and exports of certain categories of heavy conventional weapons. In accordance with certain definitions, trade in the following seven categories of weapons is to be reported: tanks, armoured combat vehicles, heavy artillery, combat aircraft, attack helicopters, warships and missiles/missile launchers.

This reporting should result in a substantial improvement in transparency as regards international transfers of weapons. In consultation with the Swedish defence authorities and the National Inspectorate of Strategic Products (ISP), the Strategic Export Control Division of the Ministry for Foreign Affairs (ESEK) compiles current information which is submitted to the UN in accordance with the above-mentioned resolution.

The third year of the UN register was 1994, and by February

1996, 93 of the 185 UN member countries (and Switzerland with observer status) had submitted information on their exports and imports of these seven categories of heavy weapons.

Sweden only participates to a minor extent in world trade in the relevant types of heavy weaponry.

In 1995, Sweden reported imports from Germany of 232 armoured personnel carriers. No Swedish exports of the above-mentioned seven categories of military equipment took place in 1995.

Sweden is working in various ways for increased reporting to the United Nations Register of Conventional Weapons and greater transparency in weapon transfers. The 53 participating members of the Organization for Security and Cooperation in Europe (OSCE) have agreed in the Security Forum to observe certain principles in the transfer of weapons, including reporting annually to the UN register. Consultations have taken place since 1995 with other members of the EU on reporting to the UN register. So that the register may become more usable, the EU has sent a letter to the UN General Secretary urging other members of the UN to provide information on their weapon holding as well as on their own production of military equipment covered by the register. The United Nations is planning a review of the register in 1997.

As part of Sweden's endeavours to achieve greater transparency in this area, the Government has since 1990 submitted an English translation of its annual report to Parliament on exports of military equipment to the United Nations. Perhaps few other countries report their arms exports with a corresponding degree of openness and detail.

## **9 Anti-personnel Landmines**

In the autumn of 1995 and spring of 1996, Sweden chaired the review conference concerning the 1980 Convention on the Prohibition or Restriction of the Use of Certain Conventional Weapons which may be deemed to be Excessively Injurious, the main purpose of which was to revise the Landmines Protocol. Already at the preparatory meeting in August 1994, Sweden proposed the introduction of a total ban on anti-personnel landmines into this protocol. The review conference ended in May 1996 and succeeded in achieving a number of bans and restrictions on the use of landmines generally but not the total ban on their use which many countries were seeking.

The revised Landmines Protocol also introduces certain limitations on the export and transfer of landmines. Consequently, the signatory countries of the convention are forbidden to transfer landmines whose use is forbidden in

the Protocol, mainly non-detectable and non-self-destructing anti-personnel mines. Further, a ban was imposed on all transfers of mines to a recipient who is not a country. Finally, the convention's signatory countries undertake to be moderate when trading in mines which, *inter alia*, requires that a recipient country that is not a signatory to the convention must undertake to follow its provisions.

Sweden has not exported any mines of this type since the early 1970s, the last occasion being to another West European country.

In the United Nations General Assembly, Sweden co-sponsored a resolution welcoming certain states' unilateral moratoria on exports of anti-personnel landmines, and urging other states to declare similar moratoria as soon as possible.

## **Appendix**

### **Swedish Exports of Military Equipment in 1995**

#### **1 General Background**

The Inspectorate-General of Military Equipment (KMI) and, from 1 February 1996, the National Inspectorate of Strategic Products (ISP) continuously monitor the marketing and export of military equipment from Sweden. Companies which are licensed to conduct activities in the military equipment area - at present about 190, of which some 35 are active - are obliged to submit reports to ISP in various contexts. These reports, together with information obtained by the Inspectorate in other ways, are analysed and compiled by ISP.

In the Bill concerning greater insight and consultation in questions involving the export of military equipment (1984/85:82), the Government declared its intention of submitting an annual report to Parliament on Swedish exports of military equipment. The following report concerns Swedish exports of military equipment in 1995.

#### **2 Export Permits**

In recent years, the number of applications for permits has varied from 1,500 to 2,300. Most of the applications have concerned exports for purposes other than sale, such as exports prior to or following repair, for demonstration purposes or for testing. In 1993, which was the first year in which the new Military Equipment Act was in force, a considerable number of applications were initially received for export permits for sales of "other military equipment" for which permits had not previously been required. Many of these permits related to deliveries spread over several calendar years.

Until 31 January 1996, decisions about export permits were taken only by the Government. In cases which did not involve major exports or were not particularly significant in other respects, decisions about permits were taken by the Minister responsible for matters relating to the export of military equipment. As indicated in Table 1, Government decisions in 1995 on exports represented 98 per cent of the total value of permits granted for sales of military equipment.

**Table 1. Export Permits Granted for Sales of Military Equipment in the Period 1988-1995 and the Number of Government Decisions and the Proportion of These in Relation to the Total Value of Export Permits**

Year No.	Total value at current prices SEK M	Of which Government decisions	
		SEK M	% of value
1988 380	6,405	6,333	99
1989 312	7,247	7,100	98
1990 328	2,980	2,912	98
1991 350	2,559	2,511	98
1992 241	3,360	3,287	98
1993 368	6,105	5,916	97
1994 260	4,589	4,415	96
1995 401	8,083	7,935	98

Table 2 below indicates the total value of export permits granted, calculated in fixed prices.

**Table 2. Export Permits Granted for Sales of Military Equipment in the Period 1988-1995 at Current and at 1968 Prices<sup>1</sup>, and the Percentage Change in Volume**

with year	current prices fixed prices		Year Total value at Total value at Vol. change compared previous per cent
	SEK M	SEK M	
1988	6,405	1,366	+14
1989	7,247	1,455	+ 6
1990	2,980	578	-60

1991	2,559			478			-17		
1992	3,360			628			+31		
	<b>Total</b>	MEC	OME	<b>Total</b>	MEC	OME	<b>Total</b>	MEC	
OME									
1993	6,105	1,942	4,162	1,030	328	702	-	-	-
1994	4,589	2,072	2,517	749	338	411	-41	-27	+3
1995	8,083	3,248	4,835	1,279	514	765	+71	+ 52	+86
	(+76.1%)	(+56.8%)	(+92.1%)						

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⌈ Statistics Sweden's export price index for fabricated metal products, machinery and equipment has been used for conversion purposes.

### 3 Actual Deliveries

ISP export statistics are based on information supplied by the exporting companies regarding the value of equipment delivered.

Table 3 shows the value of Swedish exports of military equipment over the past ten years at current and 1968 prices. The table also indicates the proportion of military equipment in Sweden's total exports of manufactured goods.

In 1995, "military equipment for combat purposes" to a value of SEK 1,148 million and "other military equipment" to a value of SEK 2,165 million were exported, i.e. with a total value of SEK 3,313 million. Compared with 1994, exports of military equipment increased in 1995 by 4.1 per cent. The corresponding figure for "military equipment for combat purposes" was -14.8 per cent and for "other military equipment" +18.0 per cent. Calculated in fixed prices, total exports of military equipment rose by 1.0 per cent.

**Table 3 Value of Exports of Swedish Military Equipment in the Period 1986-1995 at Current and 1968 Prices<sup>2</sup>, etc.**

Year		Sweden's total exports of goods		Exports of military equipment	
				(current prices)	
				Current	Share
				prices	Change
				exports	of total
					prices
					fixed
					in
					fixed
SEK million	SEK M	%		prices	
				SEK M	%
					1986
				265,100	3,243
				1.22	746
				+ 46.0	
1987	281,433	4,427		1.57	981
				+ 31.5	
1988	304,782	6,155		2.02	1,313
				+ 34.0	
1989	332,580	6,005		1.81	1,206-
				8.1	
1990	339,850	3,327		0.98	645-
				46.5	
1991	332,779	2,705		0.81	505-
				21.7	

1992		326,031	2,753		0.84		514
					+ 1.8		
		<u>Total</u>	<u>MEC</u>	<u>OME</u>			
1993	388,290	2,863	1,216	1,647	0.74	483	-
1994	471,602 <sup>3</sup>	3,181	1,347	1,834	0.68	519	+ 7.5
1995	564,330 <sup>4</sup>	3,313	1,148	2,165	0.59	524	+ 1.0
		(+4.1%)	(-14.8%)	(+18.0%)			

<sup>2</sup> Statistics Sweden's export price index for fabricated metal products, machinery and equipment was used for conversion purposes.

<sup>3</sup> Data for Sweden's total exports of goods for 1994 have been corrected in this year's report, compared with the corresponding information in Government Report 1994/95:183 on military equipment exports in 1994. The correction does not involve any change in the information for the proportion represented by exports of military equipment.

<sup>4</sup> Preliminary information for exports of goods in 1995.



Exports of military equipment in 1994 amounted to 0.68 per cent of Sweden's total exports of manufactured goods. The corresponding proportion for "military equipment for combat purposes" was 0.29 per cent and for "other military equipment" 0.39 per cent. This proportion declined to 0.59 per cent in 1995, of which 0.20 per cent represented "military equipment for combat purposes" and 0.38 per cent was "other military equipment".

These export statistics, which are based on manufacturers' delivery notifications to ISP, are the only figures which are directly linked to legislation on military equipment. Apart from certain narrowly defined areas, Swedish general foreign trade statistics, based on information supplied by the customs authorities to Statistics Sweden, do not distinguish between military equipment and civilian products.

Changes from one year to the next do not provide a basis for long-term assessment of development trends. A marked fall in exports occurred, however, both in terms of current and fixed prices in the period 1990-93, while a slight increase occurred in 1994 and 1995.

A comparison between Tables 1, 2 and 3 shows that the total value of the export permits granted may differ substantially from the value of actual deliveries in the same year. This is because permits often apply for exports over several calendar years, and also the fact that permits are not fully utilized in some cases. The rise in the number of export permits recorded for 1995 should thus be reflected in export statistics for future years.

**Table 4. Value of Swedish Exports of Military Equipment in the Period 1994-1995 in SEK million, in Accordance with the Main Areas Covered by the Military Equipment Classification**

		1994	1995
<i>Military Equipment for Combat Purposes</i>			
MEC1	Small-calibre barrel weapons	0	0
MEC2	Cannons, anti-tank guns	61	80
MEC3	Ammunition	12	95
MEC4	Missiles, rockets, torpedoes, bombs	38	2172
MEC5	Firing control equipment	11	9113
MEC6	ABC weapons	0	0
MEC7	Gunpowder and explosives	7	678
MEC8	Warships	58	1580
MEC9	Combat aircraft	0	0
MEC10	Combat vehicles	0	60
MEC11	Directed energy weapon systems	0	0
		TOTAL	
		1,34	71,148
<i>Other Military Equipment</i>			
OME21	Small-calibre barrel weapons, parts, etc	1	2
OME22	Cannons, anti-tank guns, parts, etc	6	997
OME23	Ammunition for training purposes, etc	15	7237
OME24	Training rockets, sweeping equipment, etc	5	230
OME25	Reconnaissance and measurement equipment	68	0658
OME26	Protective equipment, etc.	8	2
OME27	Gunpowder and explosives components	1	0
OME28	Surveillance vessels, etc.	27	146
OME29	Aircraft designed for military use, etc	15	1133
OME30	Vehicles designed for military use, etc	32	8161
OME31	Directed energy weapon systems	0	0
OME32	Fortifications	0	0
OME33	Electronic equipment for military use	33	146
OME34	Photographic and electro-optical equipment	5	0
OME35	Training equipment	24	5541
OME36	Manufacturing equipment	6	911
OME37	Software	7	2
		TOTAL	
		2,165	1,834

#### 4 Geographical Distribution

The total extent of military equipment exports and their distribution into principal categories described in the previous table is supplemented in the following tables which show the distribution of exports by region and country.

The regional summary indicates that the proportion of Swedish military equipment exports to the Nordic countries and other Western European countries had a tendency to decline. While amounting to 66 per cent in 1993, it fell to 42 per cent in 1994 and 36 per cent in 1995. At the same time, Asia increased its share from 14 per cent in 1993 to 38 per cent in 1994 and to 36 per cent in 1995. The North American share rose from 13 per cent in 1994 to 22 per cent in 1995.

**Table 5. Exports of Military Equipment by Region, Percentage of Value in the Period 1993-1995**

			1993			1994			1995		
			Total	MEC	OME	Total	MEC	OME	Total	MEC	OME
OME											
Nordic countries			35	34	36	18	10	24	15	14	15
Other West European countries			31	44	21	24	23	25	21	16	24
Central and Eastern Europe			0	0	0	0	0	0	0	1	1
North America			9	6	11	13	13	12	22	7	30
Latin America			1	3	0	1	1	1	1	2	0
Australia and New Zealand			9	12	7	6	2	9	4	5	4
Asia			14	0	24	38	51	28	36	55	26
Africa			0	0	1	1	1	1	0	1	0
Total no. countries			44			46			45		

The following table shows the proportion of exports of

military equipment to recipient countries. Table 6 includes all countries where exports of military equipment have exceeded SEK 1.0 million in any year in the period 1993-1995. Exports of military equipment of Swedish manufacture were supplied to 45 countries in 1995. In 15 cases the value of exports was under SEK 1 million. Permits have also been granted for the export of firearms for hunting and sporting purposes to 21 countries including, Australia, Austria, Canada, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Italy, Japan, Luxembourg, Norway, New Zealand, Poland, Portugal, Slovakia, Switzerland, the United Kingdom, and the USA.

To summarize, it can be noted that the predominant recipients of Swedish military equipment are still the OECD countries, i.e., chiefly the Nordic countries, other West European countries, North America, New Zealand and Australia, representing about 62 per cent of exports in 1995 compared with 61 per cent in 1994. At the same time, the proportion of exports to Asia fell from 38 per cent in 1994 to 36 per cent in 1995. However, a considerable change has taken place compared with 1993 when the OECD countries received as much as 84 per cent of Swedish exports compared with 14 per cent in Asia. This changed in 1994 in that the OECD countries reduced their share to 61 per cent at the same time as Asia's share rose to 38 per cent.

In 1995 Singapore was the largest recipient country for Swedish military equipment, valued at SEK 674.8 million, followed by the USA, SEK 518.1 million, the United Kingdom SEK 292.1 million, Norway SEK 255.6 million, Thailand SEK 239.9 million, Canada SEK 211.9 million and Germany SEK 184.0 million.

Exports of military equipment valued at under SEK 50,000 are indicated in Table 6 with SEK 0.0 million.

**Table 6. Exports of Military Equipment by Country 1993-95  
in SEK million**

	1993			1994			1995	
	MEC	OME	Total	MEC	OME	Total	MEC	OME
<b>Total</b>								
Australia	143.1	117.8	260.9	23.0	165.8	188.8	58.8	80.6
139.4								
Austria	243.4	35.2	278.5	226.9	84.7	311.6	85.0	49.9
134.8								
Bahrain	-	3.1	3.1	-	3.0	3.0	-	--
Bangladesh	-	-	-	-	0.3	0.3	-	1.71.7
Belgium	160.2	5.4	165.5	38.6	4.3	42.9	0.0	5.85.8
Brazil	23.3	4.4	27.6	6.8	4.8	11.6	21.9	8.8
30.6								
Canada	37.9	63.7	101.6	87.6	77.2	164.8	22.0	189.9
211.9								
China	-	4.2	4.2	-	-	-	-	2.42.4
Denmark	32.9	71.2	104.1	11.5	45.7	57.2	54.9	51.8
106.7								
Finland	52.0	111.8	163.8	2.8	58.3	61.1	1.8	120.1
122.0								
France	1.6	24.6	26.2	0.6	42.6	43.2	0.3	21.3
21.6								
Germany	51.9	48.5	100.4	4.5	72.2	76.7	59.6	124.4
184.0								
India	-	42.2	42.2	-	158.4	158.4	-	117.3
117.3								
Indonesia	-	0.6	0.6	11.7	0.8	12.5	-	--
Ireland	-	2.7	2.7	-	0.5	0.5	2.5	0.12.6
Italy	9.9	5.1	15.1	1.6	2.6	4.2	0.8	2.53.3
Japan	0.4	15.3	15.7	-	18.7	18.7	-	27.8
27.8								
Republic of								
Korea	-	1.7	1.7	-	5.4	5.4	-	7.97.9
Kuwait	-	31.9	31.9	-	8.0	8.0	-	--
Malaysia	-	48.1	48.1	33.3	90.5	123.8	16.4	70.2
86.6								
Mexico	-	1.5	1.5	-	2.0	2.0	-	--
Netherlands	0.1	32.7	32.8	1.3	12.0	13.3	28.4	8.6
37.0								
New Zealand	-	0.6	0.6	0.0	6.7	6.7	0.3	1.72.0
Norway	334.9	409.3	744.3	113.5	349.0	462.5	98.4	157.2
255.6								
Oman	-	1.7	1.7	-	2.2	2.2	-	--
Pakistan	-	28.8	28.8	57.1	0.9	58.0	35.9	-
35.9								
Poland	0.3	-	0.3	-	0.0	0.0	7.0	1.28.1
Russia	-	3.5	3.5	-	-	-	-	--
Singapore	3.7	139.1	142.8	580.6	155.2	735.8	582.0	92.7
674.8								
Spain	-	3.9	3.9	0.0	2.5	2.5	0.4	2.52.9
Switzerland	67.4	70.0	137.5	40.0	15.0	55.1	4.1	14.9
19.0								
Thailand	-	75.6	75.6	-	53.8	53.8	1.9	238.0
239.9								
Tunisia	-	9.6	9.6	8.9	11.0	19.9	9.3	4.4
13.7								
United Arab								
Emirates	-	0.2	0.2	-	15.5	15.5	-	0.10.1

United Kingdom	6.8	116.9	123.7	2.1	226.1	228.2	0.7	291.4
292.1								
United Nations	-	-	-	-	0.7	0.7	-	5.25.2
USA	37.9	114.2	152.1	94.5	134.1	228.6	56.2	461.9
518.1						Uruguay	8.6	-
	8.6	-	2.0	2.0	-	-	-	
Other countries	-	1.6 <sup>5</sup>	1.6	-	1.3 <sup>6</sup>	1.3	-	2.8 <sup>7</sup> 2.8
<b>TOTAL</b>	<b>1,216</b>	<b>1,647</b>	<b>2,863</b>	<b>1,347</b>	<b>1,834</b>	<b>3,181</b>	<b>1,148</b>	<b>2,165</b>
<b>3,313</b>								

<sup>5</sup> Andorra, Botswana, Ghana, Hungary, Iceland, Portugal, Saudi Arabia and Turkey.

<sup>6</sup> Andorra, Argentina, Estonia, Greece, Hungary, Iceland, Mauritius, Namibia, New Caledonia and Saudi Arabia.

<sup>7</sup> Andorra, Argentina, Chile, Czech Republic, Estonia, Greece, Hong Kong, Hungary, Israel, Mauritius, Namibia, Portugal, Venezuela and Zimbabwe.

## **5. Transfer of Manufacturing Rights, Cooperation, etc.**

No permits were granted in 1995 for the transfer of manufacturing rights abroad. Six cooperation agreements were examined and approved for joint development or production with the following countries: the United States, France (two permits), the United Kingdom and Germany (two permits).

In assessing cases involving the transfer of manufacturing rights and cooperation with foreign partners, the stricter criteria applied to exports of military equipment for combat purposes are employed, irrespective of the type of export, because this kind of cooperation normally results in lengthier commitment than with regular exports. The extent of such agreements, their duration, re-export clauses, etc. are examined in detail in this context.

Under the Military Equipment Act, the Government has prescribed that those who transfer manufacturing rights for military equipment to a party in a foreign country, or have entered into a cooperation agreement with a party in a foreign country, have an obligation to report annually on whether the agreement is still in force, whether manufacture or other cooperation in accordance with such an agreement still continues and how such cooperation is pursued.

In 1995, 15 companies reported a total of 166 transfers of licences and cooperation agreements in 23 countries. Of these, 14 companies had 90 licence agreements in 20 countries and 7 companies 76 cooperation agreements in 18 countries.

## **6. Training for Military Purposes**

Under the Military Equipment Act, with certain exceptions, foreign subjects may not be given training which has a military orientation within or outside Sweden without the consent of the Government.

No such permission has been granted in 1995.

## **7. Reporting Ownership in a Foreign Legal Entity**

Under the Military Equipment Act, companies which have received permission to manufacture or supply military equipment must report annually regarding ownership of foreign legal entities which pursue the development, manufacture, marketing or sales of military equipment.

In 1995, six companies have reported ownership in 24 foreign legal entities in 12 countries.

## **8. Export Companies**

Some 190 companies are licensed to manufacture military equipment. Of these, 35 exported such equipment in 1995.

The following were the largest exporters of military equipment in 1995: Karlskronavarvet AB, Bofors AB and Saab Training Systems AB. The three companies were each responsible for exports in excess of SEK 500 million but less than SEK 700 million. In addition, four companies exported to a value exceeding SEK 100 million, viz. Ericsson Microwave Systems AB, CelsiusTech Systems AB, Hägglunds Vehicle AB and CelsiusTech Electronics AB.

Four companies each exported to a value of between SEK 50 and 100 million, namely Bofors Explosives AB, Kockums Submarine AB, Norma Precision AB and Volvo Aero AB.

Six companies exported for between SEK 10 and 50 million. They were Bofors Carl Gustaf AB, Bofors Underwater Systems AB, FMV, Saab AB, Saab Dynamics AB and Scania CV AB.

Other companies with exports in excess of SEK 1 million included Bofors LIAB AB, Bofors SA Marine AB, FFV Aerotech AB, Flodins Filter AB, Mipro AB, Varberger Precision AB and Åkers Krutburk Protection AB.

In all, the above-mentioned 24 companies represented almost 100 per cent of Swedish exports of military equipment in 1995.



**Ministry for Foreign Affairs**

Extract from the minutes of the Cabinet Meeting held on 30 May 1996.

Those present: the Prime Minister, Göran Persson, chairman, and the following Cabinet Ministers,  
Hjelm-Wallén, Peterson, Freivalds, Wallström, Tham, Åsbrink, Blomberg, Andersson, Ulvskog, Sundström, Lindh, Johansson, von Sydow, Klingvall, Pagrotsky, Messing.

Items on the agenda presented by: Leif Pagrotsky, Cabinet Minister

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The Government decides to present to Parliament Report 1995/96:204, Swedish Exports of Military Equipment in 1995.