

## **Strategic Goods Commission Activity Report Year 2004**

Pursuant to the Strategic Goods Act, Article 48 the Strategic Goods Commission submits an activity report to the Government at least once a year. On 10 February 2005, the Minister of Foreign Affairs as the Chairman of the Commission presented an overview of activities, general developments, statistics on issued documents and on supervisory control in 2004.

The most significant event of international cooperation was the accession to the European Union, which brought about a change in the rules and also in the direction of the Estonian strategic goods control. In the conditions of the European Common Market the emphasis is on export control, especially in regards to dual-use goods, which generally can move into and within the EU without restrictions. They are regulated by Article 2.a of Council Regulation 1334/2000/EC setting up a Community regime for the control of exports of dual-use items and technology.

Pursuant to the Declaration adopted by the European Union in Thessaloniki in 2003 and the EU Strategy against Proliferation of Weapons of Mass Destruction, EU Member States carried out a Peer Review during 2004 resulting in the recommendations to further improve the strategic goods control systems in Member States. The representatives of the Netherlands, Sweden and the European Commission, when visiting Estonia, did not find any shortcomings.

EU membership brought along an increased information exchange with other Member States and strengthened the international Estonian position. The united support of the EU was most visible when acceding to international export control regimes.

Pursuant to the order Nr 927-k by the Government of Estonia on 25 August 1999 negotiations were started for Estonia's accession to four export control regimes – the Australia Group (control regime on chemicals, biological agents, and dual-use chemical and biological manufacturing facilities and equipment), the Nuclear Suppliers Group, the Missile Technology Control Regime and the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies. Last year, Estonia acceded to two of these control regimes - The Australia Group and the Nuclear Suppliers Group.

During the year 2005, Estonia will continue efforts to accede to the Missile Technology Control Regime and the Wassenaar Arrangement.

### **Statistics on the activities of the Strategic Goods Commission.**

#### **1. Total number of issued licences, certificates and end-use control documents.**

In 2004, the Commission issued 73 documents, including 43 special authorisations and 30 end-use control documents. On the basis of licences, goods in the amount of 40 million kroons were imported to, exported from and transited via Estonia.

The Strategic Goods Commission issued special authorisations and end-use control documents for strategic goods as follows:

- Export Licences for dual-use goods – 6;
- Import Licences for military goods – 12;
- Export Licences for military goods – 18 (out of which 1 licence was cancelled when the transaction did not take place);
- Transit Permissions – 7;

- International Import Certificates – 19;
- End-Use Certificates – 9;
- Delivery Verification Certificates – 2.

## 2. Amount and value of goods imported, exported or transited on the basis of licences; countries of origin of the goods and countries of destination.

Transaction type	Definition of goods	Origin of goods	Country of destination	Value of goods
<b>Export:</b> Dual-use goods	1C350	EE; KZ	RU; KZ; BY	3,006,565.- EEK
<b>Export:</b> Military goods	ML1/EST2	DE; RU; IT; AT; DK; SE; CZ.	DE; FI; SE; LV.	2,363,290.- EEK
	ML4.b.	EE	FI	4,134.- EEK
	ML6.b.	RU	FI	70,044.- EEK
	ML7.e.	EE	DE	658,025.- EEK
	ML10	UA; PL; CZ; RU	PL; UA; KE; DE; US; RU.	5,146,625.- EEK
<b>Import:</b> Military goods	ML1	FI	EE	23,400.- EEK
	ML3	US; LV	EE	26,268.- EEK
	ML4	SE	EE	159,000.- EEK
	ML7.e.	FI; DE	EE	102,960.- EEK
	ML10	LV; UA; PL; RU; SE	EE	5,109,251.- EEK
<b>Transit:</b> Dual-use goods	1C350	KZ; CN	LV; BY	956,800.- EEK
<b>Transit:</b> Military goods	ML1/EST2	CZ	LV	273,968.- EEK
	ML6	FI	FI	13,104,000.- EEK
	ML10	RU	RU	260,117.- EEK
	ML15.d.	DE	DE	7,332,000.- EEK

## 3. Issued end-use control documents

End-use control document type	Definition of goods	Origin of goods	Value of goods
<b>End-use certificate (EUC)</b>	ML3	US; BR	942,881.50 USD
	ML5.b.	CZ	4,425,150.- EEK
	ML7.f.	CZ; US	59,290.- USD
	ML11	US	99,000.- USD
	ML13	FI	140,330.- EUR
	ML15	FI	1,239,732.- EEK
<b>International Import Certificate (IIC)</b>	ML1/EST2	DE; CZ; RU; LT	147,447.- EUR

	ML2	CH	4,540.- CHF
	ML3/EST3	CZ; LT;	46,069.- EUR
	ML7.e.	FI	6,600.- EUR
	ML10	UA; LT; CZ; UZ	534,798.- USD
<b>Delivery Verification Certificate (DVC)</b>	ML10	UA	69,930.- USD

#### **4. Brokers entered in the state register as brokers of military goods.**

Two legal entities together with four individuals providing services have been entered in the state register of brokers of military goods (an individual licence shall be applied for each brokering transaction):

**1) MUSKET OÜ** (Reg. Nr. 10281833)

Brokering provider: **Mr. Raivo Susi.**

Entry in the Registry EE/04/MLREG0001 is made on 1 October 2004, pursuant to the decision Nr. 6-15/2004 of the Strategic Goods Commission.

**2) DOLFIN AERO OÜ** (Reg. Nr. 10057685)

Brokering providers: **Mr. Valentin Golovljov, Mr. Aleksandr Jevdokimov, Mr. Juri Batassov.**

Entry in the Registry EE/04/MLREG0002 is made on 12 November 2004, pursuant to the decision Nr. 6-18/2004 of the Strategic Goods Commission.

#### **5. Total number of licences, certificates and end-use control documents that were refused to be issued or refused to be entered in the registry.**

In one case, for security considerations, the Commission refused to make an entry in the state register of brokers of military goods.

#### **6. End-use control and post-licensing inspections.**

The Commission conducted 2 end-use checks concerning military aircraft and rocket components, which gave no grounds for legal action.

#### **7. Offences against international sanctions and violations against Strategic goods act.**

To the Commission's knowledge 4 offences were registered during the year 2004 (export of night vision equipment without a licence in two cases, export of fighter aircraft components without a licence and the transit of military aircraft engines without authorisation).