



**INFORMATION ON LICENCES ISSUED  
FOR BROKERING OF ARMS,  
MILITARY EQUIPMENT  
AND DUAL-USE PRODUCTS IN 2008**



Bosnia and Herzegovina  
MINISTRY OF FOREIGN TRADE  
AND ECONOMIC RELATIONS  
Foreign Trade and Investment Division

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FOR BROKERING OF ARMS,  
MILITARY EQUIPMENT  
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Sarajevo, May 2009



## SECTION I

# Legislative and legal framework for brokering of arms, military equipment and dual-use products

The adoption of the Law on Export and Import of Arms and Military Equipment and Control of Export and Import of Dual-Use Products ("Official Gazette of Bosnia and Herzegovina" no. 05/03, 33/03 and 14/05) and its implementation established unified state principles related to the issuance of licenses for import, export, brokering and transit of arms and military equipment. The process of harmonization of regulations in this area with EU legislation has been completed, together with the promulgation of an updated Common List of Military Equipment covered by the EU Code of Conduct on Arms Export ("Official Gazette of Bosnia and Herzegovina" no. 75/05). A control system over dual-use goods has been established and their diversion to illegal military and terrorist hands prevented, in compliance with EU Regulations 1334/2000 and 149/2003, whereby our control over export/import of all goods is harmonized with international standards, and with the EU in particular, thus making significant progress with respect to state export control. Furthermore, the List of Dual-Use Products and Technologies has also been promulgated ("Official Gazette of Bosnia and Herzegovina" no. 75/05).

The Law on Implementation of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction ("Official Gazette of Bosnia and Herzegovina" no. 15/06) and the by-laws promulgated in the Official Gazette of Bosnia and Herzegovina no. 11/08 closely regulate the control of chemicals listed in the Convention on Prohibition of Chemical Weapons.

The purpose of the above mentioned regulations is to ensure that in Bosnia and Herzegovina, export, import, transit or brokering licences are only issued to those legal entities and individuals registered with the Ministry of Foreign Trade and Economic Relations of BiH, while requiring for each licence the prior consent of the Ministry of Foreign Affairs of BiH, the Ministry of Security of BiH and the Ministry of Defence of BiH, and for the chemicals listed in the Convention the consent of the Ministry of Civil Affairs of BiH.

When issuing their approvals, the Ministry of Foreign Affairs takes into account the following:

- UN Security Council embargos and sanctions,
- International commitments,
- Foreign policy interests and other specific BiH interests with respect to strategic foreign policy partners,
- EU Code of Conduct on Arms Exports and the principle of combating the proliferation of weapons of mass destruction.

The approval issued by the Ministry of Security of BiH guarantees that the issuance of a licence will not endanger public security inside BiH.

The approval issued by the Ministry of Defence of BiH confirms that the issuance of a licence will not endanger BiH's defence capabilities.

The approval issued by the Ministry of Civil Affairs of BiH that the issuance of a licence will not endanger the lives and health of people, environment or material assets.

In order to ensure more efficient control, the Ministry of Foreign Trade and Economic Relations shall, after the licence has been issued, and in compliance with the Amendment 25 of the Instructions to the Parties, inform JC EUFOR about the licence issued, since EUFOR's prior consent is required for the transport of this type of goods.

We wish to emphasize that, in the framework of arms, military equipment and dual-use products import and export control activities, the institutions of the BiH State Border Service and BiH Indirect Taxation Directorate (customs authorities) have been actively enforcing laws and regulations.

Pursuant to the obligations prescribed in the Law on Export and Import of Arms and Military Equipment and Control of Export and Import of Dual-Use Products ("Official Gazette of Bosnia and Herzegovina" no. 05/03, 09/03 and 14/05), the Ministry of Foreign Trade and Economic Relations of BiH is establishing a database on all licences issued and will submit a report to the Parliamentary Assembly of Bosnia and Herzegovina thereon, which ensures continuous reporting to the competent state bodies and institutions. In this way transparency has been ensured in performing these transactions, which contributes to the increased international reputation of Bosnia and Herzegovina and enables more extensive international cooperation in the field.

Assistance in drafting the annual report (Information on issued permits for trade in arms, military equipment and dual-use products for 2008) in compliance with EU requirements, i.e. the EU Code of Conduct, has been obtained through SEESAC (South-eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons) and UNDP, in terms of software support to the Ministry of Foreign Trade and Economic Relations of BiH in the process of drafting the report. Reporting in this format is one of the activities and conditions to be met by BiH before it can sign a Stabilization Agreement with EU.

The Ministry of Foreign Trade and Economic Relations of BiH produced a new draft which regulates the control of export, import and transit of arms, military equipment and dual-use products and products for special purposes, entitled: "the Law on Control of Foreign Trade of Goods and Services of Strategic Importance to the Safety of Bosnia and Herzegovina". After harmonization with the institutions and entities of BiH, the Draft Law was sent to the Council of Ministries of BiH and adopted at the 71<sup>st</sup> session, and subsequently sent to the Parliamentary Assembly of BiH with the suggestion that

it should be considered according to the basic legislative procedure.

The organizations BAFA (Federal Office of Economics and Export Control) and SIPRI (Stockholm International Peace Research Institute) provided assistance in harmonizing the Draft Law with EU legislation by engaging EU experts for export control.

The assistance of international organizations BAFA, SIPRI, UNDP and EXBS (Export Control and Related Border Security Assistance) was manifested through organization of workshops and training on the transfer control of these goods, which were attended by officials of BiH institutions and entities involved in these activities, and the representatives of industry.



## SECTION II

### Overview of licences issued for transfers of arms, military equipment and dual-use products

In compliance with the obligations prescribed under the Law on Export and Import of Arms and Military Equipment and Control of Export and Import of Dual-Use Products ("Official Gazette of BiH" No. 05/03, 09/03, 14/03, 33/03, 14/05, 56/05 i 75/05 ), the Common List of Military Equipment included in the EU Code of Conduct on arms import ("Official Gazette of BiH" No. 09/03), and implementing by-laws ("Official Gazette of BiH" No. 56/05), all entities involved in transfers of arms and military equipment have to be registered in the special Register kept by the BiH Ministry of Trade and Economic Relations.

In 2008, **48** legal and natural persons were registered for foreign-trade transfers of arms and military equipment, with **13** permanent and **35** temporary registrations.

During 2008, a total of 382 licences were issued, of which:

- 161 arms and military equipment export licences,
- 5 denied arms and military equipment export licence applications,
- 141 arms and military equipment import licences,
- 7 arms and military equipment temporary export licences,
- 11 arms and military equipment temporary import licences,
- 27 dual-use products export licences,
- 32 dual-use products import licences,
- 3 dual-use products temporary import licences,

The total value of goods transferred against licences issued for arms, military equipment and dual-use goods export, import, temporary import and export, based on pro-forma invoices attached to the licence applications, amounted to **81,777,611 EURO**.

It is not possible to offer a realistic overview of the number of issued import and export licences until the moment of expiry of the issued licences (licences are issued for a period of one-year).



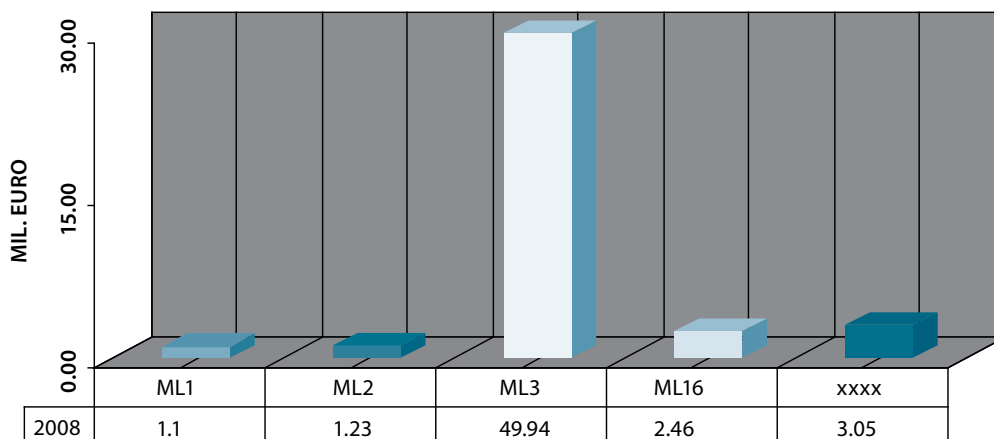
## Arms and military equipment export

The total value of exports, according to licences issued in 2008, and on the basis of pro-forma invoices attached to licence applications was **57,782,445 EURO (Annex A)**.

**161** export licences for 39 countries were issued:

Afghanistan	Great Britain	Pakistan
Albania	Greece	Philippines
Austria	Germany	Romania
Bangladesh	Hungary	Serbia
Belgium	Italy	Slovak Republic
Bulgaria	Israel	Slovenia
Cameroon	Kuwait	Spain
Canada	Jordan	Sweden
Chile	Lebanon	Switzerland
Czech Republic	Lithuania	Thailand
Croatia	Macedonia	Turkey
Egypt	Malaysia	Ukraine
France	Montenegro	USA

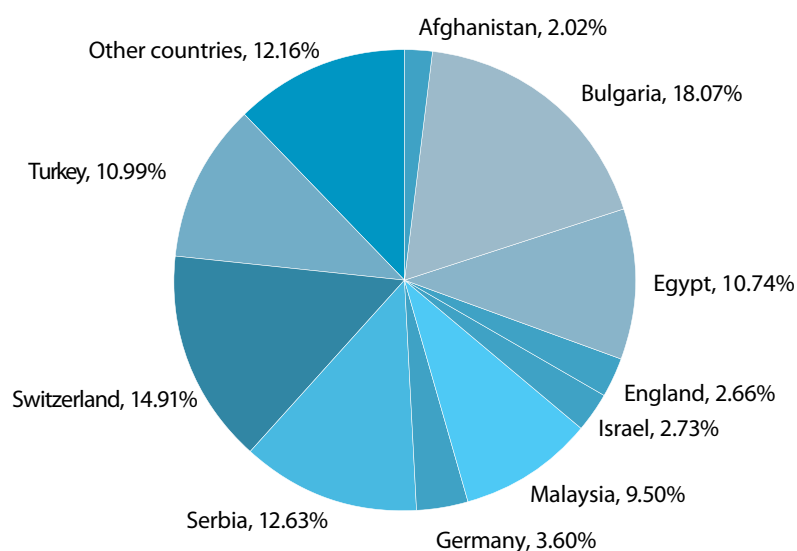
**Structure of exports of goods from BiH according to classification of the EU Common List of Military Equipment**



The structure of exported goods included products under 9 control numbers of the EU Common List of Military Equipment

ML 1	Smooth-bore weapons with a calibre smaller than 20 mm, other weapons and automatic weapons with 12.7 mm calibre or smaller
ML 2	Smooth-bore weapons with 20 mm calibre or more, other weapons or armament with a calibre over 12.7 mm
ML 3	Ammunition and fuse setting devices and specially designed components thereof
ML16	Technologies
xxxx	Other items from the EU Common List of Military Equipment (M L4 , ML5, ML6, ML10, ML 11)

### Export of Arms and Military Equipment in 2008



According to the value of all licences issued for goods exported to the above-mentioned countries, 85% of the value thereof has been exported to the following countries:

Country	Export value (EUR)
Afghanistan	1,169,124
Bulgaria	10,439,534
Egypt	6,203,312
England	1,538,464
Israel	1,577,938
Malaysia	5,488,340
Germany	1,577,938
Serbia	7,296,559
Switzerland	8,613,297
Turkey	6,351,214

The total value of temporary export of arms and military equipment in 2008, on the basis of pro-forma invoices submitted with licence applications, was **113,586 EURO** (**Annex C**).

7 licences were issued for temporary export into seven countries: France, Italy, Canada, South Africa, Malaysia, Germany and Serbia.

5 licence applications for arms and military equipment into Georgia were denied. The reason for denying to issue the licence to export to Georgia was the application of the EU Code of Conduct on arms exports.

## Arms and military equipment import

The total value of temporary import of arms and military equipment according to the licences issued in 2008, and on the basis of pro-forma invoices submitted with licence applications, was **8,744,586 EURO (Annex B)**.

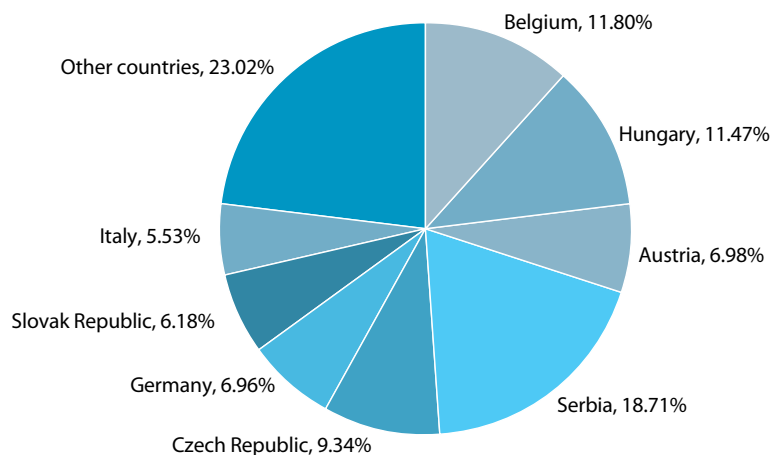
**141** import licences for 22 countries were issued, namely:

Austria	Greece	Germany
Belgium	Croatia	USA
British Virgin Islands	Italy	Slovenia
Bulgaria	Israel	Serbia
Montenegro	Canada	Spain
The Czech Republic	Cyprus	Switzerland
France	Hungary	Turkey

According to the value of all import licences, about 85% of the value of the goods was imported from the following eight countries:

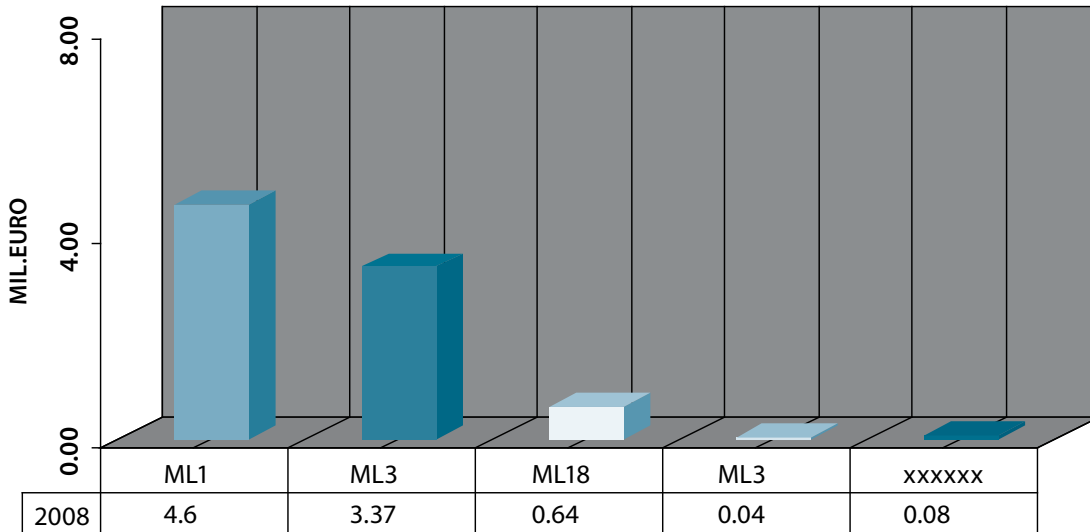
Serbia	1,636,089
Belgium	1,032,212
Hungary	1,003,260
The Czech Republic	817,147
Austria	610,363
Germany	608,505
Slovakia	540,000
Italy	483,617

### Import of Arms and Military Equipment in 2008



The structure of imported goods included products from 8 control references of the EU Common Military List.

**Structure of import goods in BiH according to classification of the EU Common List of Military Equipment**



ML 1	Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with 12.7 mm calibre or less
ML 3	Ammunition and fuse setting devices and specially designed components thereof
ML 18	Equipment for producing products listed in the EU Common Military List
ML 13	Armoured or protective equipment, constructions and components
xxxx	Other goods from the EU Common Military List ( ML5, ML7, ML8, ML10)

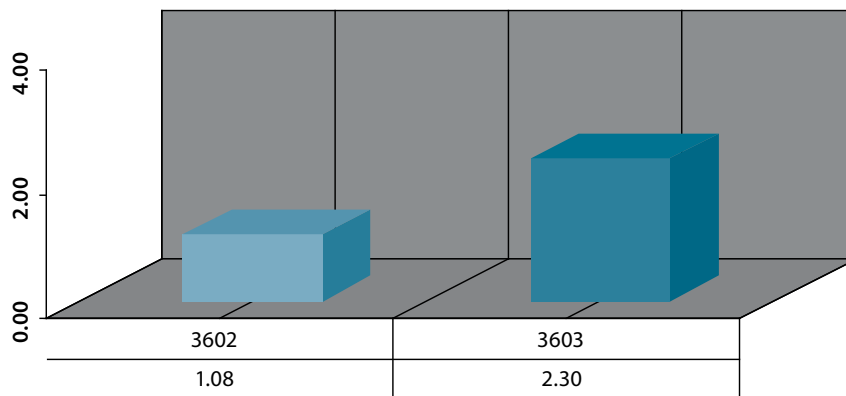
11 temporary import licences from six countries were granted, namely: Kuwait, Serbia, Montenegro, Switzerland, Turkey and the USA. The total value of arms and military equipment temporary imports in 2008, and on the basis of the pro-forma invoices submitted with the licence applications, was **608,848 EURO (Annex D)**.

## Dual-use products export

The total value of exports as per dual-use export licences issued in 2008, and on the basis of pro-forma invoices submitted with licence applications, was **3,973,426 EURO (Annex F)**. 27 export licences for 5 countries (Croatia, Serbia, Montenegro the Czech Republic and Turkey) were issued, while the structure of exports included products from 6 tariff numbers.

2 temporary export licences were issued (Germany and Serbia), with a declared value, based on the pro-forma invoice submitted with the licence application, of **9,650 EURO (Annex H)**.

**Structure of export of dual-use products as per tariff numbers**



3602 Prepared explosives, other than propellant powders

3603 Safety fuses; detonating fuses; percussion or detonating caps; igniters; electric detonators

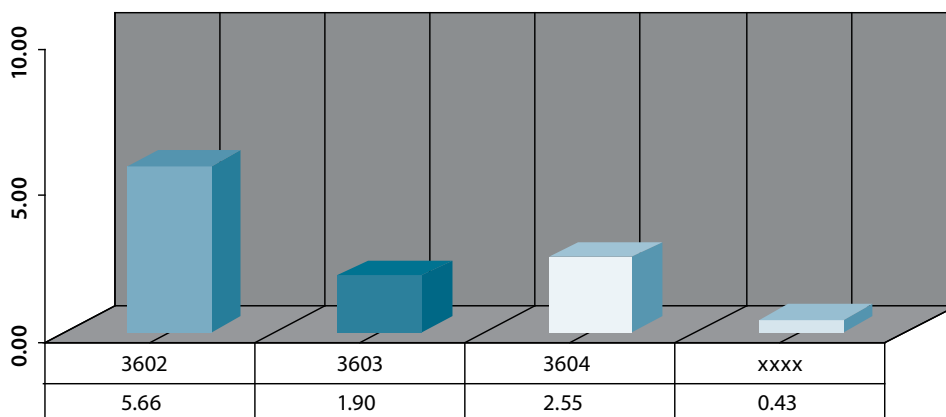
## Dual-use products import

The total import value as per dual-use import licences issued in 2008, and on the basis of pro-forma invoices submitted with licence applications, was **10,549,299 EURO (Annex G)**.

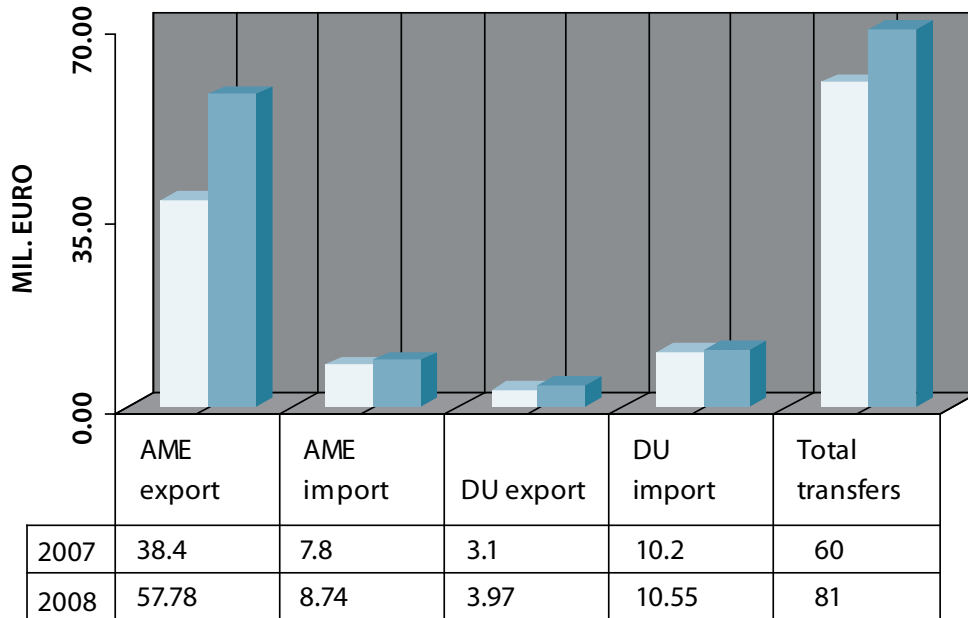
32 import licences were issued for 12 countries (Austria, Montenegro, Switzerland, Serbia, Slovenia, Hungary, Germany, Greece, Slovak Republic, Czech Republic, Republic of Croatia and the PR China), while the structure of imported goods (95.86%) corresponded to 3 tariff numbers:

- 3602 Prepared explosives, other than propellant powders
- 3603 Safety fuses; detonating fuses; percussion or detonating caps; igniters; electric detonators
- 3604 Pyrotechnic substances used in fireworks, signal flares, hail rockets
- Xxxx Other tariff numbers

**Structure of import of dual-use products as per tariff numbers**



3 temporary export licences were issued (Serbia), and on the basis of pro-forma invoices submitted with the licence application, their value was **5,421 EURO (Annex I)**.



Taking into account the total value of transfers broken down by licences issued, based on pro-forma invoices submitted, one may conclude that there have been no major changes in arms and military transfers compared to the previous year.

**MINISTER**

Mladen Zirojević





## Annex A

### ISSUED LICENCES FOR EXPORT OF PRODUCTS FROM THE MILITARY LIST

END-USER COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
	1	ML2	1,105,104
Afghanistan	2	ML3	64,020
Total	3		1,169,124
Albania	1	ML4	172,660
Total	1		172,660
Austria	4	ML3	140,190
Total	4		140,190
Bangladesh	1	ML3	579,973
Total	1		579,973
Belgium	1	ML3	101,483
Total	1		101,483
	1	ML5	10,784
Bulgaria	4	ML3	10,428,750
Total	5		10,439,534
	1	ML1	2,370
Montenegro	3	ML3	84,828
Total	4		87,198
The Czech Republic	2	ML3	186,530
Total	2		186,530
Chile	2	ML3	131,081
Total	2		131,081
Cameroon	1	ML3	242,400
Total	1		242,400
Canada	1	ML3	83,831
Total	1		83,831

END-USER COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
	3	ML1	15,015
	1	ML2	2,109
Croatia	6	ML3	162,114
Total	10		179,238
Egypt	6	ML3	6,203,312
Total	6		6,203,312
France	1	ML3	54,501
Total	1		54,501
Germany	9	ML3	2,078,242
Total	9		2,078,242
Greece	4	ML3	115,619
Total	4		115,619
Hungary	1	ML3	423,055
Total	1		423,055
Israel	9	ML3	1,577,938
Total	9		1,577,938
Italy	1	ML3	92,943
Total	1		92,943
Jordan	1	ML3	59,713
Total	1		59,713
	1	ML3	780,774
Kuwait	1	ML6	20,622
Total	2		801,396
Lebanon	1	ML3	12,323
Total	1		12,323
Lithuania	3	ML3	532,173
Total	3		532,173

END-USER COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
	1	ML5	2,799
Macedonia	4	ML3	160,346
Total	5		163,145
	5	ML3	5,471,996
Malaysia	1	ML6	16,344
Total	6		5,488,340
	1	ML3	52,271
	2	ML4	18,764
Pakistan	1	ML5	13,464
Total	4		84,499
Philippines	1	ML4	581,936
Total	1		581,936
Romania	3	ML3	309,250
Total	3		309,250
	1	ML2	119,870
	1	ML4	218
	1	ML5	34,850
	4	ML11	461,536
	1	ML16	2,460,000
	11	ML3	3,481,590
Serbia	4	ML6	738,495
Total	23		7,296,559
Slovak Republic	2	ML3	22,260
Total	2		22,260
	1	ML1	7,919
Slovenia	3	ML3	89,761
Total	4		97,680
Spain	6	ML3	80,775
Total	6		80,775
Sweden	1	ML3	141,900
Total	1		141,900

END-USER COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
Switzerland	9	ML3	8,613,297
Total	9		8,613,297
Thailand	2	ML3	233,987
Total	2		233,987
	4	ML3	6,341,714
	1	ML4	1,000
Turkey	1	ML5	8,500
Total	6		6,351,214
Ukraine	4	ML3	163,938
Total	4		163,938
	2	ML10	976,948
Great Britain	5	ML3	561,516
Total	7		1,538,464
the USA	1	ML3	81,175
	4	ML1	1,069,569
Total	5		1,150,744
<b>TOTAL</b>	<b>161</b>		<b>57,782,445</b>

## Annex B

### ISSUED LICENCES FOR IMPORT OF PRODUCTS FROM THE MILITARY LIST

EXPORTING COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
Austria	17	ML1	610,363
Total	17		610,363
Belgium	2	ML1	49,012
	1	ML18	647,200
	1	ML3	336,000
Total	4		1,032,212
British Virgin Islands	2	ML3	29,683
Total	2		29,683
Bulgaria	1	ML1	1,679
	1	ML3	11,974
Total	2		13,653
Canada	1	ML3	1,184
Total	1		1,184
Croatia	10	ML1	469,729
	2	ML3	52,085
Total	12		521,814
Cyprus	3	ML1	425,314
Total	3		425,314
The Czech Republic	3	ML1	815,720
	1	ML3	1,427
Total	4		817,147
France	1	ML1	523
Total	1		523
Germany	10	ML1	608,505
Total	10		608,505
Greece	1	ML1	65,640
Total	1		65,640

EXPORTING COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
Hungary	3	ML3	1,003,260
Total	3		1,003,260
Israel	1	ML1	78,028
Total	1		78,028
Italy	10	ML1	483,617
Total	10		483,617
Montenegro	1	ML1	850
	1	ML3	8,350
Total	2		9,200
Serbia	6	ML1	575,509
	1	ML13	14,200
	10	ML3	1,058,105
	2	ML8	2,475
Total	19		1,650,289
Slovak Republic	1	ML3	540,000
Slovenia	7	ML1	20,714
	1	ML7	12,336
Total	8		33,050
Spain	1	ML1	29,500
	1	ML3	10,000
Total	2		39,500
Switzerland	18	ML1	185,584
	3	ML3	74,681
	1	ML5	28,092
	1	ML7	3,000
Total	23		291,357
Turkey	1	ML1	0,00
	1	ML3	247,500
	1	ML8	20,000
Total	3		267,500

EXPORTING COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
	9	ML1	185,337
	1	ML10	14,062
The USA	3	ML13	23,348
Total	13		222,747
<b>TOTAL</b>	<b>142</b>		<b>8,744,58</b>



## Annex C

### ISSUED LICENCES FOR TEMPORARY EXPORT OF PRODUCTS FROM THE MILITARY LIST

TEMPORARY IMPORTING COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
Canada	1	ML5	10,270
Total	1		10,270
France	1	ML3	1,845
Total	1		1,845
Germany	1	ML11	32,210
Total	1		32,210
Italy	1	ML10	1,500
Total	1		1,500
Malaysia	1	ML4	1,836
Total	1		1,836
Serbia	1	ML3	64,635
Total	1		64,635
South Africa	1	ML3	1,290
Total	1		1,290
<b>TOTAL</b>	<b>7</b>		<b>113,586</b>

## Annex D

### ISSUED LICENCES FOR TEMPORARY IMPORT OF PRODUCTS FROM THE MILITARY LIST

TEMPORARY EXPORTING COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	VALUE (EUR)
Montenegro	1	ML10	155,000
Total	1		155,000
Serbia	1	ML11	1,100
	2	ML13	326,703
	2	ML6	40,521
Total	5		368,324
Switzerland	3	ML1	83,835
Total	3		83,835
Turkey	1	ML2	1,689
Total	1		1,689
the USA	1	ML11	24,337
Total	1		24,337
<b>TOTAL</b>	<b>11</b>		<b>633,185</b>

## Annex E

## DENIED LICENCES FOR EXPORT OF PRODUCTS FROM THE MILITARY LIST

END-USER COUNTRY	NUMBER OF LICENCES	EU ML CATEGORY	DESCRIPTION	VALUE (EUR)	CAUSE FOR REFUSAL
Georgia	2	ML2	60 i 120 mm Mortars	480,000	EU Code of Conduct on Arms Export
	2	ML3	40mm ammunition	1,714,000	EU Code of Conduct on Arms Export
	1	ML4	Mortar bombs	1,386,000	EU Code of Conduct on Arms Export
<b>TOTAL</b>	<b>5</b>			<b>3,580,000</b>	

## Aneks F

### ISSUED LICENCES FOR IMPORT OF DUAL-USE PRODUCTS

END-USER COUNTRY	NUMBER OF LICENCES	TARIFF mark	EU CATEGORY	VALUE (EUR)
Croatia	3	3602		1,008,000
	1	3603		95,900
	1	3604		3,740
Total	5			1,107,640
The Czech Republic	1	3603		18,080
Total	1			18,080
Montenegro	1	3602		45,000
	8	3603		423,695
Total	9			468,695
Serbia		2904		48,000
	1	3602		25,275
	8	3603		865,250
	2	8529	6A008	150,486
Total	11			1,089,011
Turkey		3603		890,000
	1	9306		400,000
Total	1			1,290,000
<b>TOTAL</b>	<b>27</b>			<b>3,973,426</b>

## Aneks G

### ISSUED LICENCES FOR IMPORT OF DUAL-USE PRODUCTS

EXPORTING COUNTRY	NUMBER OF LICENCES	TARIFF MARK	EU CATEGORY	VALUE (EUR)
Austria	1	3602		635,260
Total	1			635,260
China	2	3604		331,346
Total	2			331,346
Croatia	2	2922	3B17	5,119
	3	3602		612,750
	1	3603		1,521,020
	2	3604		1,698,861
Total	8			3,837,750
The Czech Republic	1	3602		1,870,910
	1	3603		33,000
Total	2			1,903,910
Germany	1	9027		19,040
Total	1			19,040
Greece	1	8470	4A001	39,797
		8471	4A001	13,313
	1	8473	4A001	100
		8517	5A001; 4A003	24,276
		8523	4D001; 4A001	15,614
		8544	4A001	180
Total	2			93,280
Hungary	1	2844		10,240.00
	1	3602		358,000.00
		3603		165,450.00
	1	9302		78,000
Total	2			611,690
Montenegro	1	3604		160,776
Total	1			160,776

EXPORTING COUNTRY	NUMBER OF LICENCES	TARIFF MARK	EU CATEGORY	VALUE (EUR)
	5	3602		1,143,400
		3603		95,850
		3604		159,250
Serbia	1	3620		135,000
Total	6			1,533,500
Slovak Republic	1	3602		387,300
Total	1			387,300
	1	3602		518,000
	1	3603		81,900
Slovenia	2	3604		205,147
Total	4			805,047
	1	6302		96,000
Switzerland	1	3602		134,400
Total	2			230,000
<b>TOTAL</b>	<b>32</b>			<b>10,549,299.00</b>

**Annex H****ISSUED LICENCES FOR TEMPORARY EXPORT OF DUAL-USE PRODUCTS**

<b>TEMPORARY IMPORTING COUNTRY</b>	<b>NUMBER OF LICENCES</b>	<b>TARIFF MARK</b>	<b>EU CATEGORY</b>	<b>VALUE (EUR)</b>
Serbia	1	8529	6A008	4,650
Germany	1	9027		5,000
<b>Total</b>	<b>2</b>			<b>9,650</b>

## Annex I

### ISSUED LICENCES FOR TEMPORARY IMPORT OF DUAL-USE PRODUCTS

TEMPORARY EXPORTING COUNTRY	NUMBER OF LICENCES	TARIFF MARK	EU CATEGORY	VALUE (EUR)
Serbia	2	8529	6A008	2,220
		8415		1,236
		9025		1,665
	1	9030		300
Total	3			5,421





**INFORMATION ON LICENCES ISSUED  
FOR BROKERING OF ARMS,  
MILITARY EQUIPMENT  
AND DUAL-USE PRODUCTS IN 2008**

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Bosnia and Herzegovina  
MINISTRY OF FOREIGN TRADE AND  
ECONOMIC RELATIONS  
Foreign Trade and Investment Division

