

Summary of the German Government's 2003 Report on Military Equipment Exports

With reference to Section V of the “Political Principles of the Government of the Federal Republic of Germany for the Export of War Weapons and Other Military Equipment”¹ as amended on 19 January 2000, the German government is pleased to submit herewith its fifth Report on Military Equipment Exports covering the year 2003.²

During the reporting year, effective war weapon exports³ totaled €1,332 million; this was more than four times higher than the 2002 level, in particular owing to the export of four corvettes to Malaysia and South Africa. The share of exports going to the EU, NATO, and the group of countries with NATO-equivalent status amounted to approximately 46%. Classic developing countries⁴ accounted for roughly 21% in 2003 as the result of the export of two corvettes to South Africa (without the corvette exports the figure is 1.3%).

As regards the overall range encompassing all articles of military equipment, such as are displayed on the internationally largely harmonized, so-called Common List of Military Equipment that - in addition to war weapons - also shows diverse armaments and equipment such as pistols and hunting and sporting weapons, statistics are presently available on applications for export licenses but not on actual exports. The reason for this are the differences in the systematic approaches taken by the EU's export list ("Common List") and the Eurostat list of goods; in contrast to the procedure applied in the case of war weapons, companies are not required to report the export of other military equipment. Experience shows that figures for the military equipment actually exported normally fall short of those compiled from the export licenses.

In the year under report, the total value of individual export licenses for military equipment amounted to roughly €4.9 billion (2002: approximately €3.3 billion); this was a 49% increase over the previous year. Of this amount, 67% was accounted for by countries from the EU and

¹ Cf. Annex I

² The Military Equipment Export Reports submitted thus far have been published as Bundestag offprints (cf. BT-Drucksache 14/4179 for the year 1999, BT-Drucksache 14/7657 for the year 2000, BT-Drucksache 15/230 for the year 2001, and BT-Drucksache 15/2257 for the year 2002) and may be found on the Internet at: <http://www.bmwa.bund.de> (click onto "Außenwirtschaft und Europa," then "Finanzierung und Recht," and finally "Exportkontrolle/Embargos"). For the English versions, select "English," and then "Publications."

³ Exports of military equipment from Germany to other Member States of the European Union are designated as “consignments” (cf. Section 7(1) in conjunction with Section 4c(2) of the Foreign Trade and Payments Ordinance). In the interest of simplification, however, “consignments” are also referred to as “exports” in this Report.

⁴ Developing countries and developing territories pursuant to Part 1 of the List of the OECD's Development Assistance Committee for 2003 without the countries featuring high and upper medium incomes (which also include NATO partner Turkey, Slovenia, Malaysia, and Saudi Arabia).

NATO and countries with NATO-equivalent status, and 33% by third countries (2002: 77% and 23% respectively). Classic developing countries accounted for 12% of the total value of all individual export licenses issued in the year on report (2002: 5.6%). The increase both in the total value of licenses and of the licenses issued third countries and developing countries is principally the result of the export licenses for corvettes to South Africa and Malaysia. Without these licenses, which are untypical in the light of the expensive nature of such vessels (unit price approximately €130 to €170 million), the increase would have been far less. The licenses for the corvettes account for roughly 45% of the total value of licenses for third countries. The value of the collective export licenses for exports in connection with defense industry cooperation between EU and NATO partners amounted to some €1.3 billion during the reporting year.

A new feature of the present Report is a break down of the share of war weapons in license values for overall military equipment. Also new is Section III. 2. a), which provides an overview of all countries to which war weapons were consigned (along with export values) during the year under report.