



# Annual Report on Exports and Imports of Military Goods and Technologies

2012



ESSES SOMOS DO OCIDENTE

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## INTRODUCTION

The General Directorate for Armaments and Defence Infrastructures (DGAIED) of the Ministry of Defence (MoD) is the licencing and enforcement authority for the circulation and transmission of defence-related products. According to Decree 122/2011 of 29 December, articulated with Regulatory Decree 5/2012, of 5 January, and under Laws 49/2009 of 5 August and 37/2011 of 22 June, its attributions in this domain are:

- To analyze the applications for operations of transmission and circulation of defence-related products, namely import, export, transit and brokering of military goods, technologies and services in its tangible or intangible forms;
- To control and supervise the activities of trade and industry of defence-related products;
- To issue certificates of authorization for the operations of transmission and circulation of defence-related products;
- To supervise economic operators authorized to perform activities of trade and industry of defence-related products;
- To represent the MOD in national and international working groups and international organizations meetings, related with arms and defence-related products export controls.

This report deals with the activities of DGAIED during the year 2012 and it is published in alignment with Article 8 of the Council Common Position 2008/944/CFSP of 8 December, defining common rules governing control of exports of military technology and equipment.

The defence-related products controlled under the Decree 153/2012 of 16 July, do not include all products used by the Armed Forces and Security Services, but only those included on the Common Military List of the European Union. For this reason, although dual use products are commonly used by Armed Forces and Security Services, there is no reference in this report to their transmission and circulation. Dual use goods are controlled by the Portuguese Tax and Customs Authority under Ministry of Finance.

Concerning the transmission and circulation of Small Arms and Light Weapons (SALW), this report only deals with the arms, munitions, parts and accessories, whose end users are Armed Forces and Security Services. For this reason, SALW, including munitions, parts and accessories, for personal defence, sporting or hunting purposes, are not included in this report. The control of such SALW is an attribution of the National Security Police (Policia de Seguranca Pública), in the framework of Law 12/2011 of 27 April.

During the 1<sup>st</sup> Semester of 2012 it was considered an import, the temporary or definitive entry in national territory of defence-related products, with Portugal as declared final destination, independently of the origin of these products were in EU Member States or in third countries to this organization. It was also considered an export the temporary or definitive exit of national territory of defence-related products, with destination to third countries.

During the 2<sup>nd</sup> Semester of 2012, with the application of the new procedures simplifying terms and conditions of transfers of defence-related products within the EU, under Law 37/2011 of 22 June, which transposed Directive 2009/43/EC of the European Parliament and of the Council of 6 May, temporary or definitive transfers of defence-related products within the EU was then designated intra-Community transfer. The concept of import and export, respectively, continued to be applied but only transfers of defence-related products



with origin or destination in third countries to the EU.

### Concepts:

#### Intra-Community transfer (No. 2 of Article 3 of Directive 2009/43/EC of the European Parliament and of the Council of 6 May)

Any transmission or movement of a defence-related product from a supplier to a recipient in another Member State.

#### Import (paragraph a), of No. 3 of Article 2 of Law 49/2009 of 5 August)

Entry into national territory, temporary or definitive, of defence-related products with Portugal as declared final destination.

#### Export (paragraph b), of No. 3 of Article 2 of Law 49/2009 of 5 August)

Exit from Portugal, temporary or definitive, of defence-related products with third countries as declared final destination.

*Note: For the purposes of this report, the intra-Community transfers from or to Portugal are pooled in the exports and imports value, respectively.*

The values of imports and exports presented on this report correspond to the values previously authorized and later used. They include also the values of transactions made under General and Global Licences, which use was communicated on a semester basis. The value of temporary exports and imports are not included in this report.

The exports and imports reported in this report were previously declared by DGAIED to the EU, UN, OSCE, Wassenaar Arrangement, through the Ministry of Foreign Affairs and also via Wassenaar Arrangement Information System (WAIS).



## LEGAL FRAMEWORK IN 2012

The authorization and control of exports, imports, transit and brokering of defence-related products are attributions of the MoD, through DGAIED. Its main objectives are to safeguard the strategic interests of Portugal, and to promote the respect for its international obligations and for the Council Common Position 2008/944/CFSP of 8 December, defining common rules governing control of exports of military technology and equipment.

**Legislation regulating the transmission and circulations of defence-related products is:**

**Law 49/2009 of 5 August** - Regulates the provisions requested to perform the activity of trade and industry of goods and military technologies (defence-related products) and the control of arms brokering. This law establishes that the activities of trade and industry of military goods and technology are performed in strict subordination and safeguard of the national defence and economic interests, public safety, internal and external security and in the respect for Portugal's international commitments.

**Law 37/2011 of 22 June** - Establishes the procedures for transfer and circulation of defense-related products, transposing the Directive 2009/43/CE of the European Parliament and of the Council of 6 May.

**Decree 153/2012 of 16 July** - Transposes to national law the updated version of the Common Military List of the European Union, making the first amending to the Law 37/2011 of 22 June .

**Ordinance from the Ministry of Defence 290/2011 of 4 November** - Approves and publishes the General Licences in accordance with Article 7 of the Law 37/2011 of 22 June.

**Ordinance from the Ministry of Defence 109/2012 of 26 April** - Approves and publishes forms for the entire licensing system.

Applications for the export, transit and brokering of military technology and equipment are assessed on a case-by-case basis against the eight criteria established by Council Common Position 2008/944/CFSP of 8 December, defining common rules governing control of exports of military technology and equipment.

Furthermore Portugal fully respects and complies with the embargoes imposed by the UN, EU and OSCE.



## INTERNACIONAL REGIMES AND CONVENTIONS

DGAIED participates in different working groups at both national and international levels in the area of arms control, due to the fact that it is the national licencing authority.

In the field of international arrangements, regimes and conventions related with arms control and disarmament, DGAIED gives technical support and counseling to the MFA in the area of technology and procedures related with the control of transfers of defence-related products.

Below are most participated fora:

### COARM COUNCIL WORKING GROUP ON CONVENTIONAL ARMS

Regular meeting of officials from EU Member-States to exchange of views on export policies to certain destinations and discuss the interpretation and implementation of the common rules governing control of exports of military technology and equipment.

### WASSENAAR ARRANGEMENT

The Wassenaar Arrangement has been established in order to contribute to regional and international security and stability, by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations.

Participating States seek, through their national policies, to ensure that transfers of these items do not contribute to the development or enhancement of military capabilities which undermine these goals, and are not diverted to support such capabilities.

### MTCR MISSILE TECHNOLOGY CONTROL REGIME

The Missile Technology Control Regime is an informal and voluntary association of countries which share the goals of non-proliferation of unmanned delivery systems capable of delivering weapons of mass destruction, seeking to coordinate national export licensing efforts aimed at preventing their proliferation.

The MTCR was originally established in 1987 and Portugal became partner of this regime in 1992.

### OPCW

#### ORGANISATION FOR THE PROHIBITION OF CHEMICAL WEAPONS

The history of the serious efforts to achieve chemical disarmament that culminated in the conclusion of the Chemical Weapons Convention (CWC) on 3 September 1992 began more than a century ago.

Portugal ratified the CWC through the Republic Assembly Resolution 25-A/96, of 23 July.

### UN - APMBC ANTI-PERSONNEL MINE BAN CONVENTION

The Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction was adopted on 18 September 1997.

Portugal approved the Convention for ratification, through the Resolution of the National Assembly 5/99 of 23 October 1998 and ratified it on 28 January 1999 by the Regulation of The Republic President 64/99.

### *UN - CCM* *CONVENTION ON CLUSTER MUNITIONS*

The Convention on Cluster Munitions was adopted on 30 May 2008 in Dublin, and signed on 3-4 December 2008 in Oslo.

Portugal approved the Convention for ratification, through the Resolution of the National Assembly 141/2010 of 22 October and ratified it on 29 December 2010 by the Regulation of the Republic President 143/2010.

### *UN - CCW* *CONVENTION ON CERTAIN CONVENTIONAL WEAPONS*

The original Convention with three annexed Protocols was adopted on 10 October 1980 and opened for signature for one year from 10 April 1981. Portugal ratified the CCW on 13 January 1997.

The CCW counts with five Protocols, which are Protocol I on Non-Detectable Fragments, Protocol II on Prohibitions or Restrictions on the Use of Mines, Booby Traps and Other Devices, Protocol III on Prohibitions or Restrictions on the Use of Incendiary Weapons, Protocol IV on Blinding Laser Weapons and Protocol V on Explosive Remnants of War.

### *OSCE* *ORGANISATION FOR SECURITY AND CO-OPERATION IN EUROPE*

The Forum meets weekly in Vienna and provides a unique platform for the 57 OSCE participating States to discuss topical security challenges on an equal footing.

The agenda of the FSC Meetings always includes “Security dialogue”, allowing participating States to raise and discuss security concerns and challenges. These discussions regularly lead to initiatives and measures to strengthen politico-military security, including confidence and security building measures (CSBMs).

### *UNODA*

#### *UNITED NATIONS OFFICE FOR DISARMAMENT AFFAIRS*

UNODA was established in January 1998 as the Department for Disarmament Affairs which was part of the Secretary-General’s programme for reform in accordance with his report to the General Assembly (A/51/950). It was originally established in 1982 upon the recommendation of the General Assembly’s second special session on disarmament (SSOD II). In 1992, its name was changed to Centre for Disarmament Affairs, under the Department of Political Affairs. At the end of 1997, it was renamed Department for Disarmament Affairs and in 2007, it became the United Nations Office for Disarmament Affairs.

The Office promotes nuclear disarmament and non-proliferation, strengthening of disarmaments regimes in respect to other weapons of mass destruction, and disarmaments efforts in the area of conventional weapons.

## GENERAL ACTIVITY IN 2012

### EXPORT AUTHORIZATIONS

During the first semester of 2012 DGAIED received applications for export operations, which gave place to the issuing of International Export Certificates (IEC) and, during the second semester, with the application of the new procedures simplifying terms and conditions of transfers of defence-related products within the EU, applications for export operations, which gave place to the issuing of Individual Licences. Additionally, economic operators also used General Licences during the second semester, and communicated the exports made under it.

#### Export Authorizations

##### 177 Definitive Exports

(Selling of goods and services to third countries and re-export of repaired, maintained or overhauled (MRO) products)

##### 239 Temporary Exports

(Products for MRO purposes, demonstrations and logistic support to National Deployed Forces)

##### 77 Export Authorizations not used

During the first semester, each application for export authorization of defence-related products to third countries comprise a control procedure which included: the IEC issued by the Portuguese Licencing Authority; the End User Certificate (EUC), when requested, and post-export control, by the copy "B" of the IEC and a prove of reception of the goods and technologies in the destination country, when requested.

During the second semester, under the new procedures, each application for export authorization of defence-related products to third countries, in the situations where it was not possible to use General or Global Licences, comprised a control procedure which included: the Individual Licence issued by the Portuguese Licencing

Authority; the End User Certificate (EUC), when requested; and post-export control, which comprised a prove of reception of the defence-related products in the destination country, when requested.

### IMPORT AUTHORIZATIONS

During the first semester, each application for import authorization of defence-related products from third countries comprised a control procedure which included the International Import Certificate (IIC) issued by the Portuguese Licencing Authority, EUC, when requested by the Licencing Authorities of the Origin Country, and post-import control, by the issuing of the Delivery Certificate, and additional documents proving the delivery of the products to the End User.

During the second semester, under the new procedures, each application for import authorization of defence-related products from non EU Member-States, comprised a control procedure which included the issuing of IIC by the Portuguese Licencing Authority, of an EUC, when requested by the Licencing Authorities of the Origin Country, and post-import control by the issuing of the Delivery Certificate and additional documents proving the delivery of the products to the End User. In the situations where the products were transferred from a EU Member-State, it gave place to the issuing of Individual Licences. For intra-Community transfers from EU Member States, economic operators also used General Licences, having reported the transactions made at the end of the semester. Additionally, it was also issued Global Licences, and the operations made were also reported at the end of the semester.

#### Import Authorizations

##### 723 Definitive imports

(Acquisitions of defence-related products abroad)

##### 103 Temporary imports

(Products for MRO purposes and demonstrations)

##### 57 Import authorizations not used



### GLOBAL LICENCES

During 2012 it was issued one Global Licence. Its use requires that the transactions made were communicated at the end of the respective semester, as well as its non-use, pursuant the Article 9 of Law 37/2011 of 22 June.

### GENERAL LICENCES

The use of General Licences requires that the economic operator inform the Licencing Authority of that intention, pursuant the Article 7 of Law 37/2011 of 22 June. During 2012, 21 notifications of intent were registered and transactions made were communicated at the end of the respective semester, as well as its non-use.

### SUSPENSION OF IMPORT DUTIES ON CERTAIN WEAPONS AND MILITARY EQUIPMENT

The requests for suspension of import duties on certain weapons and military equipments imported by or in behalf of the Portuguese armed forces, made accordingly with Council Regulation (EC) 150/2003 of 21 January, gave place to the issuing of 530 Certificates for Military Equipment.

### END USER CERTIFICATES

During 2012, the DGAIED analysed and issued 49 End User Certificates.

### TRANSIT LICENCES

During 2012, the DGAIED analysed and issued six transit licences, under Article 11 of Law 37/2011 of 22 June.

### CERTIFICATION OF RECIPIENTS

During 2012, pursuant Article 16 of Law 37/2011 of 22 June, the DGAIED issued a certificate of recipient to OGMA - Indústria Aeronáutica de Portugal, S.A., and promoted its registry at CERTIDER.

**TOTAL NUMBER OF CERTIFICATES ANALYSED  
AND ISSUED BY DGAIED DURING 2012  
1963**

### AUTHORIZATIONS TO PRACTICE THE ACTIVITIES OF TRADE AND INDUSTRY OF DEFENCE-RELATED PRODUCTS

The procedures related with the authorization to companies to perform activities of trade and industry of goods and military technologies, under Law 49/2009 of 5 August, where the following:

|                                  |    |
|----------------------------------|----|
| – Number of companies candidates | 11 |
| – Authorizations granted         | 7  |
| – Requests denied                | 0  |

**Total number of companies authorized to perform activities of trade and industry of goods and military technologies on 31Dec12: 103**

### PARTICIPATION IN WORKING GROUPS (WG)

At the national level in 2012 the DGAIED participated in several working groups: on the working meetings of the National Authority for the Prohibition of Chemical Weapons; on the working meetings of the Ministry of Foreign Affairs (MFA); on the working group on the “*Proliferation Security Initiative*” (PSI); and on the working group on the Arms Law Revision, promoted by the National Police.

The statute on the functioning of the Commission on Strategic Products Trade, under regulation of the MoD 11896/2012 of 22 august, pursuant the Article 28 of Law 37/2011 of 22 June. The DGAIED promoted the first meeting of this Commission, with the following agenda:

1. Coordination on the application of Laws controlling small arms and light weapons, its components and munitions;
2. Control of the circulation of night vision technology of 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> generation;
3. Inclusion of additional anti-riot products on the control list;
4. Biological and toxin control - Institution of the National Authority for Security and Biological Defence.

At the international level the DGAIED, in coordination with the MFA, participated in the following meetings and initiatives:

- Meetings of the EU Council Working Party on Conventional Arms Exports (COARM);
- Meetings of interested members of COARM and CODUN on Arms Trade Treaty;
- Participation on the outreach seminar in Nairobi, in support of the Arms Trade Treaty negotiations;
- Participation on the outreach seminar in Beirut, in support of the Arms Trade Treaty negotiations;
- Meeting at the Council of the EU preparing the United Nations Conference on the Arms Trade Treaty;
- Participation at the United Nations Conference on the Arms Trade Treaty.

Due to budget constraints it was not possible to participate on the technical meetings of the Wassenaar Arrangement, the MTCR and the CCW. These meetings were followed documentally.

#### **ELABORATION AND REVISION OF LAWS AND REGULATIONS**

2012 was dedicated to the work of adopting the laws, regulations and administrative provisions to comply with the following directive:

- Directive 2012/10/EU of 22 March amending Directive 2009/43/EC of the European Parliament and of the Council as regards the list of defence-related products.

The result was the publishing of the Decree 153/2012 of 16 July, which transposes to national law the updated version of the Common Military List of the European Union, making the first amending to the Law 37/2011 of 22 June.

#### **SUPERVISION AND INSPECTION OF ECONOMIC OPERATORS**

The DGAIED pursuant its attribution to supervise the economic operators authorized to execute activities of trade and industry of defence-related products that performed operations of transmission and circulations, carried out several inspections, audits and controls. The cycle of management of the operations of circulation and transmission of defence-related products ends with the supervision and inspection. In this context the DGAIED performed inspections on the premises of four economic operators and 72 actions of control.

#### **NATIONAL OUTREACH ACTIVITIES PROMOTING AND RAISING AWARENESS ON THE NEW PROCEDURES**

With the application of the new procedures related with the transmission and circulation of defence-related products, DGAIED carried out several outreach sessions promoting and raising awareness among the economic operators authorized to perform activities of trade and industry of defence-related products and its national potential clients. This outreach effort closed the cycle of transposition of Directive 2009/43/EC of the European Parliament and of the Council of 6 May, and of the definition of new rules and procedures simplifying the control of international trade of defence-related products. Six outreach sessions were held, reaching Armed Forces, security services, as well as 53 companies, with the total of 153 persons attending.

#### **BROKERING ACTIVITIES**

On the framework of Law 49/2009, of 5 August, there were no applications for brokering activities during 2012.

## EXPORTS DURING 2012

During 2012 the export commercial operations (selling of defence-related products and MRO services) reach the total of € 29.433.303,95.

Some export operations included were authorized in 2011, but only performed in 2012, due to its expiration date of six months.

When compared to 2011, with exports value of € 24.633.332,11, there was an increase of 19,5% on the total value of exports, as showed in graphic 1.

On table 1 are listed the exports made during 2012 by region, country and value and in table 2 the exports by military list article number.

Several exports of non commercial nature of defence-related products were also registered and made for support of national deployed forces.

This report does not include the temporary export for demonstration and for MRO purposes, since these products were further re-imported.

### INFORMATION PROVIDED TO THE EU

Portugal provided information for the EU Annual Report on the implementation of the Common Position as stipulated in the No. 1 of Article 8 of Council Common Position 2008/944/CFSP of 8 December defining common rules governing control of exports of military technology and equipment.

Table 1 - Exports value by country of destination

| EXPORTS 2012          |              |                       |
|-----------------------|--------------|-----------------------|
| Region                |              |                       |
| Country of Origin     | ML           | Value                 |
| <b>European Union</b> |              |                       |
| France                | ML 10        | 4.294,63 €            |
|                       | <b>Total</b> | <b>4.294,63 €</b>     |
| Germany               | ML 10        | 4.539.729,08 €        |
|                       | ML 11        | 228.780,00 €          |
|                       | <b>Total</b> | <b>4.768.509,08 €</b> |

|                           |              |                        |
|---------------------------|--------------|------------------------|
| Netherlands               | ML 10        | 478.676,69 €           |
|                           | ML 11        | 766.647,40 €           |
|                           | <b>Total</b> | <b>1.245.324,09 €</b>  |
| Spain                     | ML 10        | 5.040.700,00 €         |
|                           | ML 11        | 343.319,00 €           |
|                           | <b>Total</b> | <b>5.384.019,00 €</b>  |
| United Kingdom            | ML 10        | 3.926.454,34 €         |
|                           | <b>Total</b> | <b>3.926.454,34 €</b>  |
| <b>Total</b>              |              | <b>15.328.601,14 €</b> |
| <b>North America</b>      |              |                        |
| United States of America  | ML 9         | 17.012,78 €            |
|                           | ML 10        | 2.851.555,73 €         |
|                           | <b>Total</b> | <b>2.868.568,51 €</b>  |
| <b>Total</b>              |              | <b>2.868.568,51 €</b>  |
| <b>South America</b>      |              |                        |
| Brazil                    | ML 10        | 17.979,91 €            |
|                           | ML 11        | 1.428.977,82 €         |
|                           | <b>Total</b> | <b>1.446.957,73 €</b>  |
| Chile                     | ML 10        | 271.198,72 €           |
|                           | <b>Total</b> | <b>271.198,72 €</b>    |
| <b>Total</b>              |              | <b>1.718.156,45 €</b>  |
| <b>North Africa</b>       |              |                        |
| Marocco                   | ML 9         | 110.243,14 €           |
|                           | <b>Total</b> | <b>110.243,14 €</b>    |
| <b>Total</b>              |              | <b>110.243,14 €</b>    |
| <b>Sub-Saharan Africa</b> |              |                        |
| Angola                    | ML 10        | 30.611,93 €            |
|                           | <b>Total</b> | <b>30.611,93 €</b>     |
| Cameroon                  | ML 10        | 6.350,00 €             |
|                           | <b>Total</b> | <b>6.350,00 €</b>      |
| Central African Republic  | ML 10        | 79.191,55 €            |
|                           | <b>Total</b> | <b>79.191,55 €</b>     |
| Equatorial Guinea         | ML 10        | 100.000,00 €           |
|                           | <b>Total</b> | <b>100.000,00 €</b>    |
| Gabon                     | ML 10        | 2.120.641,68 €         |
|                           | <b>Total</b> | <b>2.120.641,68 €</b>  |
| Niger                     | ML 10        | 32.179,03 €            |
|                           | <b>Total</b> | <b>32.179,03 €</b>     |
| Nigeria                   | ML 10        | 46.886,81 €            |
|                           | <b>Total</b> | <b>46.886,81 €</b>     |
| Tchade                    | ML 10        | 1.675.259,65 €         |
|                           | <b>Total</b> | <b>1.675.259,65 €</b>  |
| <b>Total</b>              |              | <b>4.091.120,65 €</b>  |
| <b>Middle East</b>        |              |                        |
| Saudi Arabia              | ML 10        | 12.269,47 €            |
|                           | <b>Total</b> | <b>12.269,47 €</b>     |
| United Arab Emirates      | ML 10        | 160.171,16 €           |
|                           | <b>Total</b> | <b>160.171,16 €</b>    |
| <b>Total</b>              |              | <b>172.440,63 €</b>    |
| <b>North East Asia</b>    |              |                        |
| Korea (Republic of)       | ML 10        | 7.960,82 €             |
|                           | <b>Total</b> | <b>7.960,82 €</b>      |
| <b>Total</b>              |              | <b>7.960,82 €</b>      |
| <b>South East Asia</b>    |              |                        |
| Indonesia                 | ML 11        | 91.448,30 €            |

|                             |              |                        |
|-----------------------------|--------------|------------------------|
|                             | <b>Total</b> | <b>91.448,30 €</b>     |
|                             | ML 11        | 4.438.079,39 €         |
| Malaysia                    | <b>Total</b> | <b>4.438.079,39 €</b>  |
|                             | <b>Total</b> | <b>4.529.527,69 €</b>  |
| <b>South Asia</b>           |              |                        |
|                             | ML 10        | 333.884,38 €           |
|                             | ML 11        | 272.800,54 €           |
| Bangladesh                  | <b>Total</b> | <b>606.684,92 €</b>    |
|                             | <b>Total</b> | <b>606.684,92 €</b>    |
| <b>Global Exports Value</b> |              | <b>29.433.303,95 €</b> |

Analysing the exports by Military List article, it can be observed that ML 10 represents 73 % of total exports of defence-related products in the form of products and MRO services, followed by ML 11, which represents 25% of total exports, and with a marginal export of ML 9, and a total absence of the rest of ML groups.

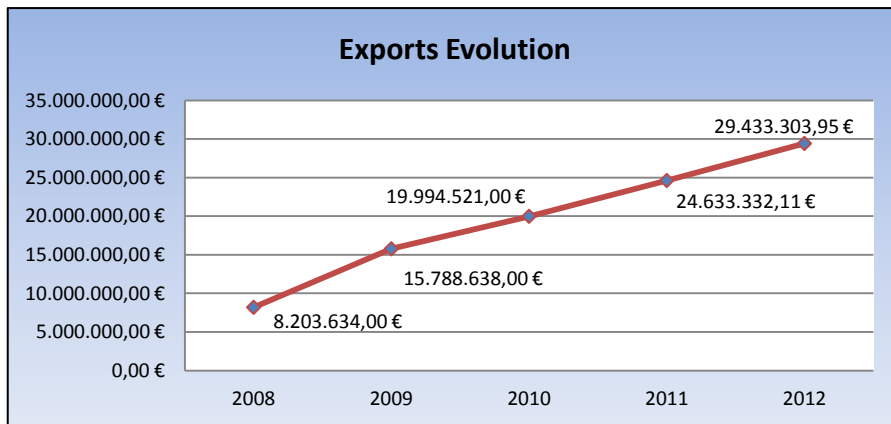
**EXPORTS BY ML**

During 2012 the products and technologies exported were part of the following common military list categories: ML 9, ML 10 and ML 11.

**Table 2 - Export value by ML**

| ML Article   | Value                  | %          |
|--------------|------------------------|------------|
| ML 9         | 127.255,92 €           | 0,4        |
| ML10         | 21.735.995,58 €        | 73,8       |
| ML 11        | 7.570.052,45 €         | 25,7       |
| <b>Total</b> | <b>29.433.303,95 €</b> | <b>100</b> |

**Graphic 1 - Exports Evolution, in Euros, from 2008 to 2012**



## IMPORTS DURING 2012

Imports of defence-related products were registered in the total value of € 77.332.223,06 (€ 69.028.487,46 in 2011). The total value concerns all defence-related products imported directly to Portugal, or incorporated in MRO operations abroad, having as end-user the Portuguese Armed Forces or security services.

When compared with 2011, a decrease of issues of IIC and Individual Licences of definitive nature was registered, mainly explained with the application of the new procedures, since a part of the transactions were made under General and Global Licences.

The products mentioned are only those which are subject to previous authorization under Law 37/2011 of 22 June and Decree 153/2012 of 16 July.

DGAIED authorizes the import of defence-related products which have as end users the Armed Forces, Security Forces, the Judiciary Police, General Directorate of the Prison Service and the Presidency of the Ministers Council.

The imports for demonstration or testing are not included, since these products have to be re-exported afterwards to the origin country.

Table 3 displays the top five countries of origin of Portuguese imports, which together represented 92% of all imports registered in 2012.

**Table 3 - Top five countries of origin**

| Country of Origin        | Value                 |
|--------------------------|-----------------------|
| United States of America | 20.658.030,57€        |
| Italy                    | 19.312.144,48 €       |
| United Kingdom           | 15.508.456,09 €       |
| Spain                    | 6.713.055,53 €        |
| France                   | 5.906.799,05 €        |
| <b>Total</b>             | <b>68.098.485,72€</b> |

Table 4 shows the imports registered during 2012 by country of origin and Military List article.

Graphic 2 demonstrates the evolution of imports during the last 5 years.

Comparing the value of 2012 transactions with the values of 2011, imports increased by 10,7%, mainly explained by the import of ML 10 articles (increased from € 25.003.610,80 to € 66.147.981,53, which corresponds to an increased of 164,5%), as shown in table 5.

**Table 4 - Imports Value by country of origin**

| IMPORTS 2012          |                       |                       |
|-----------------------|-----------------------|-----------------------|
| Region                |                       |                       |
| Country of Origin     | ML                    | Value                 |
| <b>European Union</b> |                       |                       |
| Austria               | ML 1                  | 13.070,59 €           |
|                       | ML 6                  | 412.939,26 €          |
|                       | ML 10                 | 20,58 €               |
|                       | <b>Total</b>          | <b>426.030,43 €</b>   |
| Belgium               | ML 3                  | 88.142,56 €           |
|                       | ML 10                 | 93.381,70 €           |
|                       | <b>Total</b>          | <b>181.524,26 €</b>   |
| Denmark               | ML 10                 | 485.900,00 €          |
|                       | <b>Total</b>          | <b>485.900,00 €</b>   |
| Czech Republic        | ML 3                  | 47.996,00 €           |
|                       | <b>Total</b>          | <b>47.996,00 €</b>    |
| France                | ML 4                  | 113.610,00 €          |
|                       | ML 7                  | 240.817,00 €          |
|                       | ML 10                 | 5.552.372,05 €        |
|                       | <b>Total</b>          | <b>5.906.799,05 €</b> |
| Finland               | ML 7                  | 178.950,00 €          |
|                       | <b>Total</b>          | <b>178.950,00 €</b>   |
| Germany               | ML 1                  | 65.232,00 €           |
|                       | ML 3                  | 1.236.425,89 €        |
|                       | ML 5                  | 86.043,96 €           |
|                       | ML 6                  | 610.591,53 €          |
|                       | ML 7                  | 205,20 €              |
|                       | ML 9                  | 315.724,00 €          |
|                       | ML 10                 | 665.164,41 €          |
| <b>Total</b>          | <b>2.979.386,99 €</b> |                       |
| Italy                 | ML 1                  | 6.978,00 €            |
|                       | ML 3                  | 891.000,00 €          |
|                       | ML 6                  | 83.598,00 €           |
|                       | ML 10                 | 18.163.568,48 €       |
|                       | ML 11                 | 167.000,00 €          |



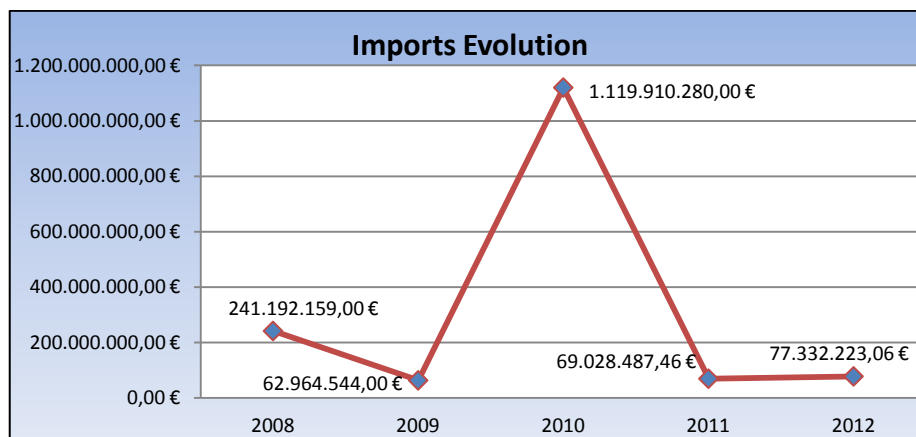
|                                 |              |                        |
|---------------------------------|--------------|------------------------|
|                                 | <b>Total</b> | <b>19.312.144,48 €</b> |
| <b>Luxemburg</b>                | ML 3         | 460.873,71 €           |
|                                 | ML 10        | 4.870,00 €             |
|                                 | <b>Total</b> | <b>465.743,71 €</b>    |
| <b>Netherland</b>               | ML 10        | 869.590,34 €           |
|                                 | <b>Total</b> | <b>869.590,34 €</b>    |
| <b>Poland</b>                   | ML 13        | 47.665,74 €            |
|                                 | <b>Total</b> | <b>47.665,74 €</b>     |
| <b>Spain</b>                    | ML 3         | 7.433,00 €             |
|                                 | ML 10        | 6.705.622,53 €         |
|                                 | <b>Total</b> | <b>6.713.055,53 €</b>  |
| <b>Swedan</b>                   | ML 3         | 2.736,00 €             |
|                                 | ML 13        | 5.960,00 €             |
|                                 | <b>Total</b> | <b>8.696,00 €</b>      |
| <b>United Kingdom</b>           | ML 1         | 950,00 €               |
|                                 | ML 4         | 48.744,14 €            |
|                                 | ML 8         | 247,66 €               |
|                                 | ML 10        | 14.542.420,53 €        |
|                                 | ML 13        | 916.093,76 €           |
|                                 | <b>Total</b> | <b>15.508.456,09 €</b> |
| <b>Total</b>                    |              | <b>53.131.938,62 €</b> |
| <b>Other European Countries</b> |              |                        |
| <b>Croatia</b>                  | ML 13        | 73.200,00 €            |
|                                 | <b>Total</b> | <b>73.200,00 €</b>     |
| <b>Iceland</b>                  | ML9          | 15.618,53 €            |
|                                 | <b>Total</b> | <b>15.618,53 €</b>     |
| <b>Norway</b>                   | ML 9         | 1.000,00 €             |
|                                 | ML 10        | 1.500,00 €             |
|                                 | ML 14        | 128.912,00 €           |
|                                 | <b>Total</b> | <b>131.412,00 €</b>    |
| <b>Switzerland</b>              | ML 1         | 200,00 €               |
|                                 | ML 3         | 9.503,00 €             |
|                                 | ML 7         | 38.403,00 €            |
|                                 | ML 10        | 109.926,14 €           |
|                                 | <b>Total</b> | <b>158.032,14 €</b>    |
| <b>Total</b>                    |              | <b>378.262,67 €</b>    |
| <b>North America</b>            |              |                        |
|                                 | ML 3         | 23.449,00 €            |
|                                 | ML 7         | 9.496,00 €             |
|                                 | ML 9         | 4.479,22 €             |
|                                 | ML 10        | 11.329,28 €            |
|                                 | ML 11        | 173.773,02 €           |
|                                 | ML 13        | 9.515,66 €             |
|                                 | <b>Total</b> |                        |

|                                |              |                        |
|--------------------------------|--------------|------------------------|
| <b>Canada</b>                  | <b>Total</b> | <b>232.042,18 €</b>    |
|                                | ML 3         | 42.946,07 €            |
|                                | ML 4         | 469.515,86 €           |
|                                | ML 6         | 153.833,54 €           |
|                                | ML 9         | 804.508,75 €           |
|                                | ML 10        | 17.634.476,52 €        |
|                                | ML 11        | 1.223.410,36 €         |
|                                | ML 13        | 4.222,52 €             |
|                                | ML 15        | 325.116,95 €           |
| <b>United Sates of America</b> | <b>Total</b> | <b>20.658.030,57 €</b> |
| <b>Total</b>                   |              | <b>20.890.072,75 €</b> |
| <b>South America</b>           |              |                        |
| <b>Brazil</b>                  | ML 9         | 612.447,93 €           |
|                                | <b>Total</b> | <b>612.447,93 €</b>    |
| <b>Total</b>                   |              | <b>612.447,93 €</b>    |
| <b>Sub-Saharan Africa</b>      |              |                        |
| <b>South Africa</b>            | ML 10        | 4.510,00 €             |
|                                | ML 13        | 5.114,55 €             |
|                                | <b>Total</b> | <b>9.624,55 €</b>      |
| <b>Total</b>                   |              | <b>9.624,55 €</b>      |
| <b>Middle East</b>             |              |                        |
| <b>Israel</b>                  | ML 10        | 1.298.130,07 €         |
|                                | ML 11        | 365.260,00 €           |
|                                | <b>Total</b> | <b>1.663.390,07 €</b>  |
| <b>United Arab Emirates</b>    | ML 10        | 368,57 €               |
|                                | <b>Total</b> | <b>368,57 €</b>        |
| <b>Total</b>                   |              | <b>1.663.758,64 €</b>  |
| <b>North East Asia</b>         |              |                        |
| <b>China</b>                   | ML 11        | 3.140,18 €             |
|                                | ML 13        | 742,23 €               |
|                                | <b>Total</b> | <b>3.882,41 €</b>      |
| <b>Taiwan</b>                  | ML 10        | 4.830,33 €             |
|                                | <b>Total</b> | <b>4.830,33 €</b>      |
| <b>Total</b>                   |              | <b>8.712,74 €</b>      |
| <b>South Asia</b>              |              |                        |
| <b>India</b>                   | ML 13        | 541.323,68 €           |
|                                | <b>Total</b> | <b>541.323,68 €</b>    |
| <b>Total</b>                   |              | <b>541.323,68 €</b>    |
| <b>Oceania</b>                 |              |                        |
| <b>Australia</b>               | ML 9         | 96.081,48 €            |
| <b>Total</b>                   |              | <b>96.081,48 €</b>     |
| <b>Total</b>                   |              | <b>96.081,48 €</b>     |
| <b>Global Imports Value</b>    |              | <b>77.332.223,06 €</b> |

Table 5 - Imports variations between 2011 and 2012 by ML

| ML          | Value (€)       |                 | Variation (%) |
|-------------|-----------------|-----------------|---------------|
|             | 2011            | 2012            |               |
| ML 1        | 2.114.245,08 €  | 86.430,59 €     | -2346,2       |
| ML 2        | 2.433.803,50 €  | 0,00 €          | -             |
| ML 3        | 3.273.012,01 €  | 2.810.505,23 €  | -16,5         |
| ML 4        | 27.240.138,24 € | 631.870,00 €    | -4211,0       |
| ML 5        | 260.945,50 €    | 86.043,96 €     | -203,3        |
| ML 6        | 4.763.144,95 €  | 1.260.962,33 €  | -277,7        |
| ML 7        | 593.999,47 €    | 467.871,20 €    | -27,0         |
| ML 8        | 0,00 €          | 247,66 €        | -             |
| ML 9        | 512.056,14 €    | 1.849.859,91 €  | 261,3         |
| ML 10       | 25.003.610,80 € | 66.147.981,53 € | 164,6         |
| ML 11       | 635.220,50 €    | 1.932.583,56 €  | 204,2         |
| ML 13       | 2.167.391,63 €  | 1.603.838,14 €  | -35,1         |
| ML 14       | 0,00 €          | 128.912,00 €    | -             |
| ML 15       | 30.912,60 €     | 325.116,95 €    | 951,7         |
| Valor Total | 69.028.480,42   | 77.332.223,06 € | 10,7          |

Graphic 2 - Imports Evolution in Euros, from 2008 to 2012





## CATEGORIES OF THE COMMON MILITARY LIST OF THE EUROPEAN UNION

- ML1 Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12,7 mm (calibre 0,50 inches) or less and accessories, and specially designed components.
- ML2 Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12,7 mm (calibre 0,50 inches), projectors and accessories, and specially designed components.
- ML3 Ammunition and fuse setting devices and specially designed components.
- ML4 Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, and specially designed components.
- ML5 Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment specially designed for military use, and specially designed components and accessories.
- ML6 Ground vehicles and components.
- ML7 Chemical or biological toxic agents, "riot control agents", radioactive materials, related equipment, components and materials.
- ML8 "Energetic materials", and related substances.
- ML9 Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels.
- ML10 "Aircraft", "lighter-than-air vehicles", Unmanned Aerial Vehicles ("UAVs"), aero-engines and "aircraft" equipment, related equipment, and components, specially designed or Modified for military use.
- ML11 Electronic equipment, not specified elsewhere on the EU Common Military List, and specially designed components.
- ML12 High velocity kinetic energy weapon systems and related equipment, and specially designed components.
- ML13 Armoured or protective equipment, constructions and components.
- ML14 'Specialised equipment for military training' or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or ML2, and specially designed components and accessories.
- ML15 Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories.
- ML16 Forgings, castings and other unfinished products, specially designed for items specified by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19.
- ML17 Miscellaneous equipment, materials and 'libraries', as follows, and specially designed components.
- ML18 Production equipment and components.
- ML19 Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test MoDels, and specially designed components.
- ML20 Cryogenic and "superconductive" equipment, and specially designed components and accessories.
- ML21 "Software".
- ML22 "Technology".





## ACRONYMS

|               |  |
|---------------|--|
| <b>ATT</b>    | Arms Trade Treaty  |
| <b>CCW</b>    | Convention on Certain Conventional Weapons   |
| <b>COARM</b>  | Council Working Group on Conventional Arms   |
| <b>DGAIED</b> | Direção-Geral de Armamento e Infraestruturas de Defesa (General Directorate for Armaments and Defence Infrastructures) |
| <b>EUC</b>    | End User Certificate   |
| <b>IEC</b>    | International Export Certificate   |
| <b>IIC</b>    | International Import Certificate   |
| <b>MoD</b>    | Ministry of Defence  |
| <b>MFA</b>    | Ministry of Foreign Affairs  |
| <b>ML</b>     | Military List  |
| <b>MRO</b>    | Maintenance, Repair and Overhaul   |
| <b>MTCR</b>   | Missile Technology Control Regime  |
| <b>OPCW</b>   | Organisation for the Prohibition of Chemical Weapons   |
| <b>OSCE</b>   | Organization for Security and Co-operation in Europe   |
| <b>PSI</b>    | Proliferation Security Initiative  |
| <b>WAIS</b>   | Wassenaar Arrangement Information System   |



## **Annual Report on Exports and Imports of Military Goods and Technologies**

Direção-Geral de Armamento e Infraestruturas de Defesa

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