Control of exports, brokering, technical assistance, transit and transfer of dual-use items

2016/0295(COD) - 14/12/2018 - Document attached to the procedure

The Commission presented a report on the implementation of Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items.

The report, prepared by the Commission with input from Member States' in the Dual-Use Coordination Group (DUCG), provides information on the implementation of the Regulation in 2017, and includes aggregated export control data for 2016.

Export control policy review

Further to the adoption on 28 September 2016 of a Commission proposal for a modernisation of EU export controls, the legislative process has started in 2017 as the European Parliament and the Council examined the proposal.

INTA adopted a report on the legislative proposal on 21 November 2017, including 101 amendments demonstrating the Parliament's broad support for more harmonised and effective controls, adapting the EU export control system to new threats associated with cybersurveillance items and taking into consideration human rights.

For its part, the Commission conducted a series of targeted consultations and outreach to key industry and civil society stakeholders in the course of 2017.

Activities of the Dual-Use Coordination Group (DUCG)

During the reporting period, TDAG held six meetings, providing a forum for consultations on a number of emerging issues related to the application of the regulations. In particular, TDAG organised:

- general information exchanges in support of the modernisation of EU export controls, in particular on the implementation of catch-all and transit controls and the validity of licences;

- general exchanges of information on the implementation of national measures;

- a collection of 2016 licensing data;

- an exchange of information on the application of controls over cyber-surveillance technologies.

DUCG also:

- supported the preparation of updates to the EU control list;

- held exchanges of technical information on specific implementation issues;

- decided to establish a Technical Expert Group (TEG) to develop guidelines to ensure industry compliance;

- continued to support the further development of the online Dual-Use Goods System (DUeS), a secure and encrypted electronic system hosted by the Commission, in order to facilitate a better exchange of information between export control authorities and the Commission;

- exchanged information on specific attempts to circumvent controls;

- contributed to the organisation of a forum on export control on 19 December 2017 in Brussels and prepared documentation to facilitate the application of the regulations by exporters.

Export control

In 2017, the Regulation primarily applied to the export of about 1841 dual-use ‘items’ listed in Annex I (the "EU Control List") and classified in 10 categories. These dual-use items relate to circa 1000 customs commodities, including chemicals, metals and non-metallic mineral products, computers, electronic and optical products, electrical equipment, machinery, vehicles and transport equipment.

Statistical estimates of the relative importance of dual-use trade indicate that dual-use exports represent about 2.6% of EU total exports (intra and extra-EU), within a broad ‘dual-use export domain’ of customs commodities. The main dual-use export destinations and indicate that a large part of these exports are directed towards 'EU001 countries' benefiting from Union general export authorisations (EUGEAs).

Authorised dual-use trade amounted to EUR 33.1 billion, representing 1.9% of total extra-EU exports, with a majority of transactions authorised under individual licenses (approx. 25 000 single licenses issued in 2016) and global licenses (by their value). Only a small portion of exports were actually denied: approx. 690 denials were issued in 2016, representing about 1.1% of the value of controlled dual-use exports in that year, and 0.03% of total extra-EU exports.