Foreign &
Commonwealth
Office

Export Licensing Assessments

Export Control Joint Unit - FCO

Local Knowledge, National Interest, Global Reach

Foreign & Commonwealth Office

To protect our country, our people and our interests;
to project our influence and values; and to promote our prosperity overseas.

Our Department's Strategic Objectives

Protect our people

Safeguard our national security by countering terrorism, extremism, weapons proliferation, and other state and non-state threats in co-operation with allies and partners. Assist British people living, travelling and working around the world when they are most in need.

Project our global influence

Protect and promote the values and influence of Global Britain, strengthening our partnerships and the rules-based international system. Support good governance, democracy, rule of law and human rights; prevent and resolve conflict; and build stability overseas.

Promote our prosperity

Promote our prosperity by opening markets, driving economic reform, championing British business, and supporting free trade and sustainable global growth.

Our Department's Priority Outcomes. In 2018/19 we will succeed by

PO1 Security Threats

> Reducing threats to the UK and its interests overseas from Daesh, extremism and terrorism; weapons proliferation, focused on DPRK and Iran; and illegal migration and Serious and Organised Crime.

> Raising the cost of malicious cyber activity and defending a free, open, peaceful and secure cyberspace.

PO2 Consular and Crisis Response

> Providing high quality, accessible consular services globally, focused on those most in need.

> Reducing preventable incidents affecting British people overseas through collaboration with partners and governments.

> Responding rapidly to all overseas crises, leading cross-government action.

PO3 Euro-Atlantic Security

> Ensuring a strengthened, more cohesive NATO with increased defence contributions from European Allies and an effective Western response to Russian security challenges.

> Supporting a more resilient European neighbourhood, including through hosting a Western Balkans summit in July 2018.

> Building a distinct UK voice and strategy on wider Euro-Atlantic policy through a new security partnership with the EU, deepened bilateral/small group links with other Europeans, and a renewed dialogue with the US.

PO4 Conflict and Stability

> Strengthening the rules based international system, including more credible UN action to resolve conflict, working with the UNSG on reform.

> Focusing UK effort on NSC priority countries, advancing political processes in Afghanistan, Syria, Libya, Yemen; supporting security, stability and good governance in the Middle East and Africa; and working to resolve the Rohingya humanitarian crisis.

PO5 Promoting UK Interests and Values

> Championing democracy, human rights and the rule of law and addressing global challenges, including through campaigns on preventing sexual violence in conflict; reducing modern slavery and promoting female education.

> Promoting human and environmental security through the London Illegal Wildlife Trade Conference in 2018, reducing threats to endangered species.

> Deepening relationships between states and peoples, including through the Commonwealth Summit in April 2018 which agrees action to help build more prosperous, secure, sustainable and fair societies.

PO6 Europe

> Bolstering bilateral relationships and people-to-people links with partners across Europe.

> Supporting DExEU to achieve its negotiating objectives for Exit.

> Delivering results on FCO-led EU Exit issues such as sanctions legislation, Overseas Territories (including Gibraltar), Kimberley Process and Third Country Agreements.

PO7 Economic Diplomacy

> Showcasing global leadership of free trade and economic diplomacy, supported by a fully developed trade profession.

> Reinforcing the WTO's role in global trade and deepening dialogues with future FTA partners.

> Achieving, with DIT, the UK government's strategic vision to support UK exports and inward and outward investment.

> Promoting economic development and security, clean and sustainable growth and better business environments in key markets.

PO8 Overseas Territories

> Building resilient OTs with good governance, increasingly diversified economies and prosperous communities, able to better prepare for and recover from crisis.

Due Diligence

Helps you manage the risks

Can save you time and money

End user information helps us to help you

The Consolidated Criteria

Criterion 1

International Commitments

Will not issue an export licence if approval would be inconsistent with: UN, OSCE, EU and national arms embargoes and non-proliferation agreements.

EU and UN Sanctions Map, Feb 2018
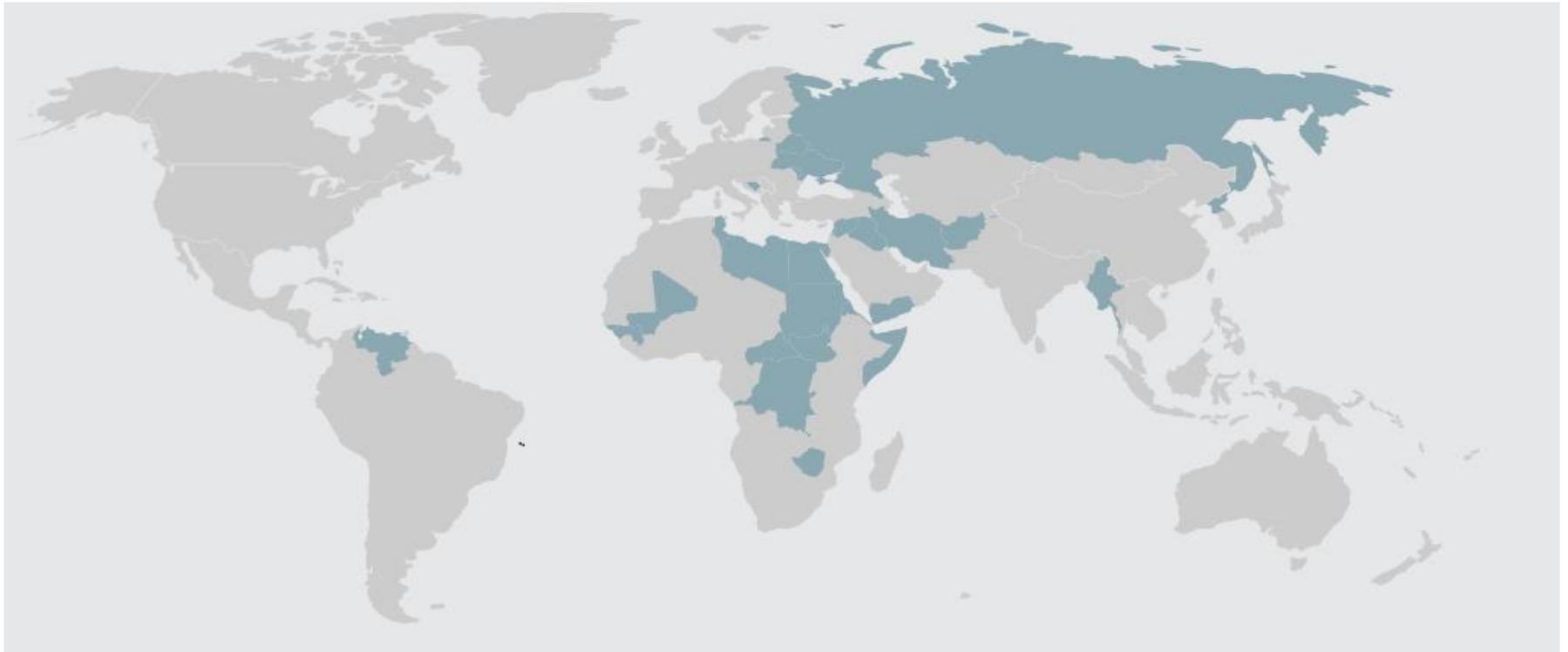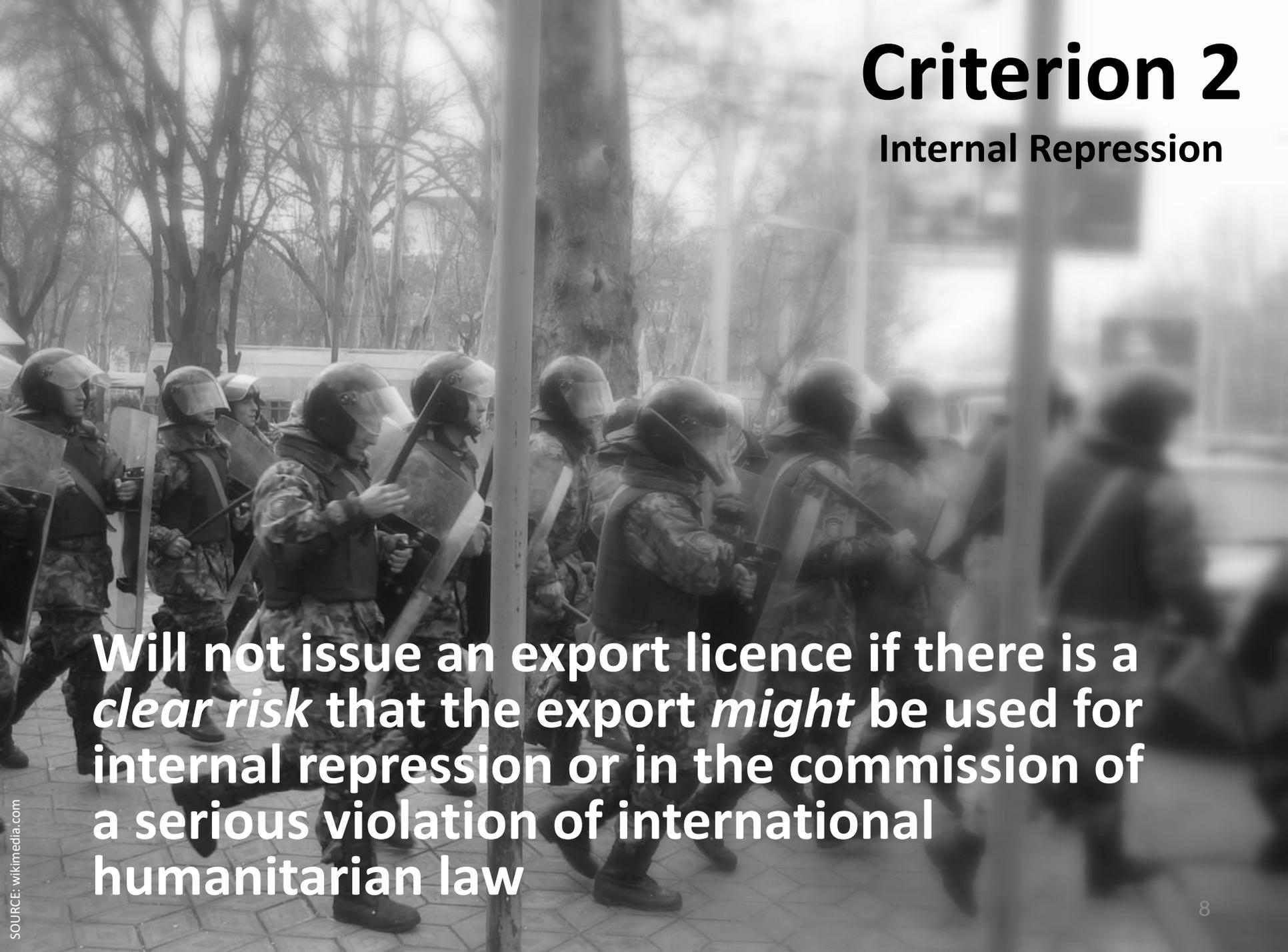
Internal Repression

Will not issue an export licence if there is a *clear risk* that the export *might* be used for internal repression or in the commission of a serious violation of international humanitarian law

Criterion 3

Internal Conflict

Will not issue licences for exports which would provoke or prolong armed conflicts or aggravate existing tensions or conflicts in the country of final destination.

Criterion 4

Regional Stability

Will not issue an export licence if there is a clear risk that the recipient would use the proposed export aggressively against another country or to assert by force a territorial claim.

Criterion 5

National Security

Will take into account:

(i) the risk of the goods concerned being used against UK forces or those of our allies

(ii) the need to protect UK military classified information and capabilities.

Will <u>take into account</u> the behaviour of the buyer country with regard to the international community, as regards in particular to its attitude to terrorism, the nature of its alliances and respect for international law.

Diversion

Will assess the existence of a risk that the equipment will be diverted within the buyer country, re-exported under undesirable conditions or reverse engineering

Criterion 8

Economic Sustainability

Will take into account whether the proposed export would seriously undermine the economy or seriously hamper the sustainable development of the recipient country.

Data for Standard Individual Export Licences (SIELs) granted in 2016

Top 10 Destinations

Number of licences issued for Permanent and Incorporation SIELs in 2016

Country	Number
India	868
United States of America	861
China	821
Turkey	576
South Korea	569
France	547
United Arab Emirates	445
Russia	425
Italy	414
Germany	383
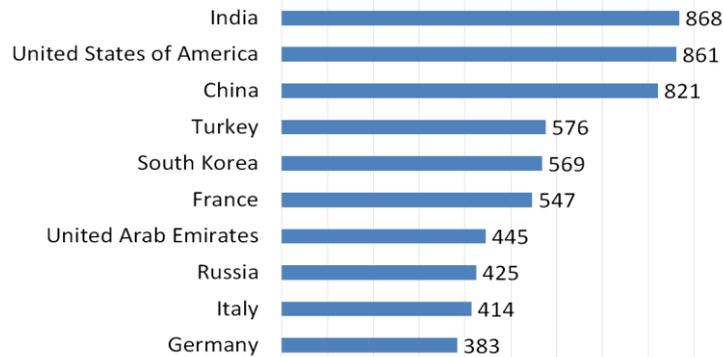
Value of issued Permanent and Incorporation SIELs in 2016, £ millions

Country	Value (£m)
United States of America	1,660
Saudi Arabia	610
South Korea	590
Norway	540
France	370
Australia	240
China	210
United Arab Emirates	170
Italy	160
Russia	140
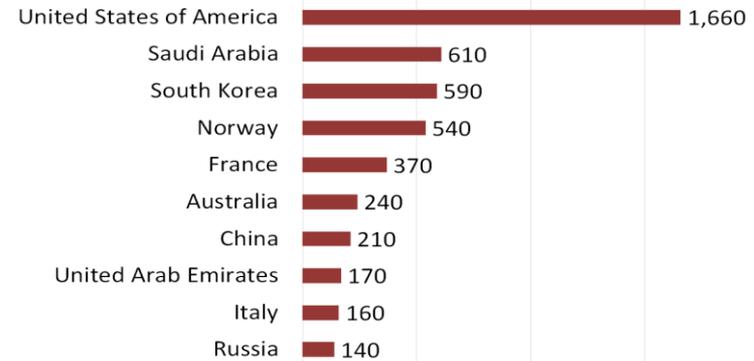
Number of licences by value

Value of licence	No. of Licences
£10k or less	6,324
More than £10k	6,557
More than £100k	2,237
More than £1m	499
More than £10m	68
More than £100m	10

No. of applications per applicant

No. of applications	No. of companies	%
1	806	40.7
2-5	603	30.5
6-10	208	10.5
11-20	172	8.7
21-50	131	6.6
51+	59	3.0

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What do we license the most?

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Top 4 types of military and non-military goods exported

Military	No. of Licences	Non Military	No. of Licences
Aircraft, components and related equipment	2,263	Equipment and software with "information security" capability	1,501
Firearms	866	Chemical processing equipment (pumps, valves, etc)	472
Electronics (eg, navigation, communications)	771	Imaging cameras	411
Bombs, missiles and related equip.	689	Sanctioned goods to Russia consisting solely of oil and gas industry equipment/materials	289

Refusals & revocations of SIEL/SITCL applications by Criteria (2017)
346 in total

Reason – Criterion No.	Number
1 – UK's international obligations and commitments under non-proliferation treaties and conventions	162
1 – UK's commitments and obligations to observe UN, EU or OSCE arms embargoes	62
1 – Existence of national embargoes or policy commitments	7
1 – UK's obligations under the Ottawa Convention and the 1998 Land Mines Act	0
SUBTOTAL CRITERION 1	**231**
2 – Risk of use for internal repression	15
3 – Risk of contributing to internal tensions or conflict in the recipient country	3
4 – Preservation of regional stability	2
5 – National security of the UK, of allies, EU member states and other friendly countries	47
6 – Behaviour of the buyer country with regard to the international community	0
7 - Risk of diversion or re-export to undesirable end-users	107
8 – Compatibility of the arms exports with the technical and economic capacity of the recipient country	0
TOTAL * Can be higher as multiple criteria for refusal are used (346 were refused/revoked)	**405**

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