

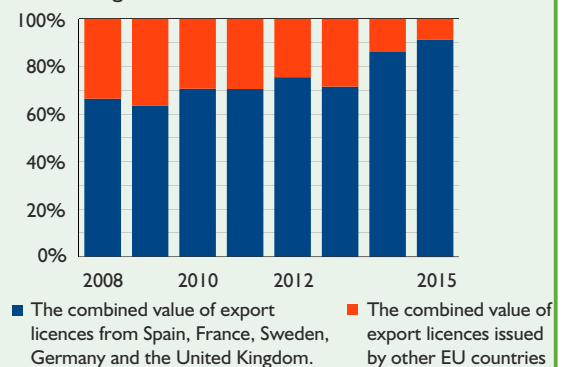
European Union Arms Exports, Long-term Growth and Political Challenges

The Five Countries Analyzed

European Union arms exports for 2016 have been analyzed here through the exports of the five significant exporters in 2016: Spain, Sweden, France, Germany and the United Kingdom. These five countries were selected both because of the significance of their arms exports and because their arms export reporting is readily available for study.

The Euro amounts of the export licences are not Euro amounts for actual arms exports, as the export licences may be only partially used or not at all. Instead, the export licences can tell where and how much a country is willing to export weapons. The export licences also give a good indication of the demand for weapons internationally.

The proportion of the value of EU's total export licences from Spain, France, Sweden, Germany and the United Kingdom.

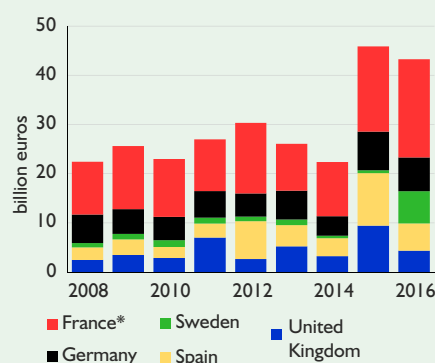


Did EU Arms Exports Decrease in 2016?

Using the value of export licences issued by the five countries in the study as an indicator, the EU's arms exports decreased from 2015 to 2016 by 4.4%, from 180 billion euros to 172 billion euros. The analysis of the amounts is complicated by a change in the French licencing system made in 2014. Currently, France grants the export licences in the beginning of the sales process resulting in a dramatic rise between 2013 and 2014. It is unlikely that the actual French exports would have increased respectively.

If the total amount in French export licences is replaced for 2014-2016 with a calculated value based on the proportion of actual exports made from the export licenses granted for 2004-2013, the decrease of arms exports is even more pronounced, 5.7%.

Arms export licences of 5 EU countries 2008-2016.



The Long Term Average Shows That Exports Have Increased

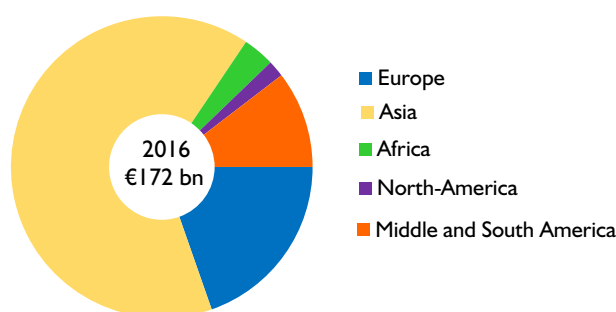
Arms exports often have large annual fluctuations as individual sales may be very large. A longer time period, usually five years, is used to analyse trends in arms exports and to mitigate the impact of annual fluctuations. The time period used here covers nine years beginning in 2008. Based on the figures, the average of arms exports in the last four years is 34% higher than it was in the previous 5-year period.

Long term average

	2008-2012	2013-2016	Change
United Kingdom	€3.69 bn	€5.56 bn	+50.8%
Spain	€3.70 bn	€6.06 bn	+63.5%
Sweden	€1.10 bn	€2.19 bn	+98.6%
Germany	€5.14 bn	€6.13 bn	+19.4%
France*	€12.03 bn	€14.46 bn	+20.2%
Total	€25.65 bn	€34.39 bn	+34.1%

* The value of French export licences from 2014 to 2016 has been replaced with a calculated value to be comparable with the previous time period

Asia including the Middle-East and Egypt is the Largest Export Destination



The Most Significant Destination Countries for EU Arms Export in 2016

Destination country	Combined Value of Exports Licences Issued by the Five EU Countries
United Arab Emirates	€27.13 bn
Saudi Arabia	€20.64 bn
India	€18.07 bn
Egypt	€14.64 bn
Brasilia	€5.51 bn
Singapore	€5.40 bn
Peru	€5.08 bn
Norway	€5.01 bn
Sweden	€3.90 bn

Denied Export Licences to Saudi Arabia

Country	Number of Denials	Export Categories	Criteria of the EU's Common Position
Sweden	2	Not known	Not known
Germany	3	ML I – Small arms ML 5 – Fire control equipment ML 18 – Equipment designed for production and testing of military material	2: Respect for human rights and international humanitarian law by the recipient country

Denied Export Licences to Turkey

Country	Number of Denials	Export Categories	Criteria of the EU's Common Position
Sweden	5	Not known	Not known
Germany	1	ML I – Small arms ML 3 – Ammunition	3: Internal situation in the recipient country in relation to tensions and armed conflicts
United Kingdom	1	ML 10 – Aircrafts, Unmanned Aerial Vehicles (UAVs) and their components for military use	1: EU member states' respect for the international obligations and commitments, particularly sanctions or 7: Risk of diversion towards an unauthorised end-user or end-use

Problematic Countries

In 2016, two countries, Saudi Arabia and Turkey, were especially subject to foreign policy consideration. European Union arms exports are governed by the common position on arms exports, which defines eight criteria to be taken into consideration when granting export licences.

Exports to Saudi Arabia were criticised by the national parliaments of Germany and the United Kingdom. The criticism was based on both Saudi Arabia's own human rights situation and the human rights violations in Yemen. In September 2017, the European Parliament created a resolution on the implementation of the common position wherein exports to Saudi Arabia "clearly violate the Common Position and thus highlighting the necessity for better scrutiny and transparency".¹ The Parliament also reiterated the request it had made in 2016 to stop arms exports to Saudi Arabia.

With Turkey, the concerns have been mainly about the human rights situation within the country after the coup attempt in summer 2016.

Three of the countries analysed denied several export licences to Turkey and Saudi Arabia in 2016. Almost a quarter of the denied arms export licences in Sweden were to Turkey. Denied licences are relatively rare. More often exporters abstain from applying for a licence if it seems that the licence is unlikely to be granted.

¹ European Parliament resolution of 13 September 2017 on arms export: implementation of Common Position 2008/944/CFSP, Article G.