



## Defence Committee

Eleventh Report

## Foreign Affairs Committee

Seventh Report

## International Development Committee

Seventh Report

## Trade and Industry Committee

Eleventh Report

Session 1999–2000

### **Strategic Export Controls: Further Report and Parliamentary Prior Scrutiny**

Response of the Secretaries of State for  
Defence, Foreign and Commonwealth Affairs,  
and Trade and Industry

*Presented to Parliament  
by the Secretaries of State for  
Defence, Foreign and Commonwealth Affairs,  
and Trade and Industry  
by Command of Her Majesty  
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**REPORTS FROM THE DEFENCE, FOREIGN AFFAIRS, INTERNATIONAL  
DEVELOPMENT, AND TRADE AND INDUSTRY COMMITTEES**

**SESSION 1999-2000**

**STRATEGIC EXPORT CONTROLS: FURTHER REPORT AND PARLIAMENTARY  
PRIOR SCRUTINY**

**RESPONSE OF THE SECRETARIES OF STATE FOR DEFENCE, FOREIGN AND  
COMMONWEALTH AFFAIRS AND TRADE AND INDUSTRY**

*Zimbabwe*

**1. Although there was no formal or even informal arms embargo on Zimbabwe after August 1998, it is our understanding that there was a policy, not announced to Parliament, or apparently to exporters, of operating a more restrictive regime than hitherto towards arms exports to that country (paragraph 14).**

The Government rejects the suggestion that there was an unannounced change of policy on exports to Zimbabwe after August 1998. The Government continued to assess all export licence applications to Zimbabwe after this date on a case by case basis against the national criteria and those in the EU Code of Conduct on Arms Exports. Had specific additional restrictions been introduced, the Government would have announced these in the usual way.

Material changes in a country's internal situation or behaviour will naturally have an effect on how licence applications are judged against the publicly announced criteria. Zimbabwe's intervention in the conflict in the Democratic Republic of the Congo (DRC) in August 1998 meant that the Government paid increased attention to the criteria relating to international aggression and regional stability. This approach anticipated the EU Presidency Declaration of 18 June 1999 on the Arms Trade to and within the Great Lakes region, which called inter alia for the criteria in the Code of Conduct to be applied rigorously. The fact that after August 1998 the Government received very few applications for licences to export military equipment to Zimbabwe that could have had a possible application in an external conflict suggests that exporters judged for themselves that the Government's policy of managing arms transfers responsibly meant that licences were unlikely to be granted for many military exports to Zimbabwe.

**2. We conclude that it was an error of judgement to have granted several Military List OIELs in late 1998 and early 1999 covering Zimbabwe, and that it would have been wiser to suggest to the exporters that they submit individual licence applications for these goods (paragraph 15).**

**3. It is our conclusion that the February 2000 decision to remove Zimbabwe from Military List and some other OIELs could and should have been taken in August 1998, or at the latest in June 1999 (paragraph 19).**

**4. For all the period during which Government examined the question of the Hawk spares licences, Hawk spares could have been freely delivered to Zimbabwe under Open Licences given in recent years to several companies. We recommend that the Government re-examine the system for inter-departmental scrutiny of applications for OIELs for sensitive destinations, to ensure that ministers are fully aware of the significance of existing licences when examining applications for new licences (paragraph 28).**

The Government does not accept that the inclusion of Zimbabwe as a permitted destination on a small number of Military List OIELs issued in late 1998 and early 1999 represented an error of judgement. The OIELs issued during this period generally covered equipment which the

Government was satisfied would not be used in the conflict in the DRC, such as components for civil radar, sporting rifles or shotguns for game parks. Accordingly, the Government was content that in these cases OIELs offered an appropriate level of scrutiny and control. Of the seven OIELs for permanent exports issued between August 1998 and February 2000 which included Zimbabwe as a permitted destination, three were to named end-users in Zimbabwe.

OIEL applications, which by nature cover multiple shipments of specified goods to specified destinations or consignees, are given careful and detailed scrutiny by advisory departments. Arrangements are already in place in Departments to ensure that OIEL applications, as with other licence applications, are considered in a consistent manner against the UK national criteria and those in the EU Code of Conduct. In situations like the inter-departmental review leading to the Government's announcement of 9 February 2000, the Government will take account of extant OIELs and SIELs in reaching decisions on pending licence applications.

**5. We recommend that at the next annual review of the EU Code of Conduct the Government raise with our partners the issue of how best to deal with national embargoes in terms of denial notifications (paragraph 25).**

The Government agrees that this issue is an important one in the context of the operation of the Code of Conduct, and will raise it with EU partners during the second annual review of the Code this autumn.

The Government continues to have reservations about the circulation of denial notifications (DNs) which result from national embargoes or restrictions against particular destinations. There is no provision for this in the Code. In addition, DNs which are not based on agreed EU criteria or policies are more likely to be undercut. By making undercutting increasingly common, therefore, the circulation of such DNs would devalue the information exchange and consultation mechanism and thus undermine one of the main elements of the Code.

The Government believes that if one Member State wishes to encourage others to follow restrictive policies towards a particular destination, this is best pursued through general diplomatic pressure, as the UK has done in the case of Zimbabwe. Relying solely on the information exchange and consultation mechanism of the Code is unlikely to achieve the desired pressure on other Member States to restrict their defence exports. Once the restrictions have become well-established, exporters in the Member State concerned are unlikely to submit licence applications which they know will be refused. Where the existence of national embargoes or restrictions illustrate substantive differences in Member States' interpretations of the Code, these can also be addressed through in-depth discussions in the relevant CFSP working groups, with a view to promoting policy convergence in line with Operative Provision 7 of the Code.

**6. In August 1998 the armed forces of Zimbabwe intervened in the civil war in the Democratic Republic of the Congo. The UK Government seems to have operated thereafter a tighter policy on licensing the export of arms which might be used in the conflict, but without the clarity of a formal embargo or even a public policy statement. After the breakdown of negotiations between the parties in mid-1999, the Government, together with the Dutch Government, took the initiative in sponsoring an EU Declaration calling for rigorous enforcement of the terms of the EU Code of Conduct. Following a newspaper leak of internal discussions on seven licence applications for Hawk spares, the Prime Minister announced in February 2000 a tighter regime on arms exports to Zimbabwe. Two weeks later seven licences were given for spares for Zimbabwe's Hawk aircraft. Described by the Minister of State in evidence to us as "a very isolated exception", this decision both undermined the force of the June 1999 EU Resolution which the UK had co-sponsored and seems to have constituted a breach of the UK's national criteria on arms exports. Three months later these and other licences were revoked as a result of the serious deterioration in Zimbabwe's internal situations, unconnected to the material to be supplied. We recognise the real dilemma faced by**

**Ministers in balancing the contractual obligations of a company and the reputation of the UK as a supplier of defence material against its desire to ensure that UK arms are not used in “international aggression” or to “affect adversely regional stability in any significant way”, as the UK’s arms export criteria state. The episode reveals nonetheless a disturbing degree of muddle and confusion arising from these conflicting objectives (paragraph 29).**

The Government acknowledges that the handling of export licence applications and extant licences for countries intervening in the DRC conflict raised a number of difficult and complex questions about the application of strategic export controls. The Government has set out its policy on export licence applications for spare parts in its response (Cm 4799) to the Committees’ Report of 11 February (HC225).

### *Pakistan*

**7. We welcome the fact that decisions have at last been taken on many of the outstanding applications for licences for export of goods to Pakistan. We question whether it need have taken quite so many months to reach these decisions. We are also minded to believe that the interest we have shown in this issue may have had a stimulating effect. We can only speculate as to whether there may be other as yet unrevealed areas where similar scrutiny might have similarly beneficial effects (paragraph 36).**

**8. A number of licence applications for dual-use goods, including safety equipment for personnel engaged in mine clearance, equipment for disposal of impaired explosive devices and firefighting equipment, have been awaiting clearance for many months. We conclude that the fact that they were held up for so long strongly implies that an informal and indiscriminate moratorium was indeed in force. Ministers have referred to the policy as one of strict examination on a case-by-case basis of applications for licences to export to Pakistan. The policy of strict examination on a case-by-case basis applies, or should apply, to all destinations. Ministers have rejected the description of the policy as an informal embargo, freeze or moratorium. The fact that a number of licences have now been granted or refused does not alter our conclusion that there has been in operation an informal moratorium on strategic export licences for Pakistan (paragraphs 38 and 39).**

No informal embargo, freeze or moratorium on exports of arms and military equipment to Pakistan was ever in force.

Following last summer’s Kargil incursion at the Line of Control and October’s military coup the situation in Pakistan was fluid and dangerous. Any overly hasty decisions on pending export licence applications could have had serious consequences. The Government believes that these circumstances justify the time taken to assess the emerging evidence and come to decisions on the applications in question.

The fact that decisions on licence applications for dual-use goods and safety or protective equipment were also delayed pending a careful assessment of the situation in Pakistan does not mean that an indiscriminate moratorium was in place. All of the goods concerned are subject to export controls because of their potential strategic importance; all have the potential to be misused in contravention of our national criteria and those in the EU Code of Conduct. The Government therefore believes it was correct to proceed cautiously on such applications.

**9. The refusals of licences [for Pakistan] announced on 5 July should be the subject of denial notifications to our EU partners under the terms of the EU Code of Conduct (paragraph 37).**

The Government agrees. It has circulated details of the refusals to EU partners under the Code of Conduct.

## *China*

**10. While there is no suggestion that there has been any case of the export from the UK of lethal military equipment to China since the 1989 EU embargo, the details we procured of the Military List licences granted in 1998 do give some indication of the fine line that has to be drawn between lethal and non-lethal equipment in interpreting the scope of the EU embargo (paragraph 43).**

**11. We are concerned that differences of interpretation of the EU embargo on China may well lead to misunderstandings between Member States. The current embargo on the export of arms to China runs the risk of giving misleading messages to exporters and to the Chinese authorities. UK companies are marketing and selling non-lethal Military List goods for export to China, as they are quite entitled to do under present arrangements. Other EU Member States may be pursuing a different policy. In view of the varying opinions on the human rights situation in China and the risk of regional conflict, we recommend that the Government take active steps within the framework of the CFSP to reach a Common Position on the EU embargo on China, and that active consideration be given to introducing a stricter interpretation of the 1989 embargo than that currently operated by the UK (paragraphs 44 and 48).**

The EU arms embargo on China was, as the Committees note, adopted in June 1989 by means of a Declaration of the European Council. It is not and has never been a full scope embargo. Individual EU members implement the embargo on the basis of their national interpretation of its scope.

UK arms exports to China are considered on a case by case basis against the UK's national criteria for the export of conventional arms, the EU Code of Conduct on Arms Exports and the UK's national interpretation of the EU arms embargo on China. This national interpretation of the EU arms embargo was carefully reviewed in 1998 and the resulting criteria were set out in a reply to parliament by the then FCO Minister of State, Mr Derek Fatchett MP, on 3 June 1998. We are satisfied that the application of these criteria are fully effective in preventing the export of any lethal or other defence equipment which might be used for internal repression in China.

The Government notes the Committees' concern that differences of interpretation of the embargo may lead to misunderstandings between Member States. Although several previous attempts to reach a common interpretation of the embargo have been unsuccessful, the Government will pursue any opportunity to establish a common interpretation.

## *Hong Kong SAR*

**12. We welcome the minister's reassurances that exports to Hong Kong are subject to follow-up checks to prevent diversion or re-exportation, and recommend that such checks are maintained. We recommend that similar precautions are taken with respect to Macao (paragraph 50).**

The Government continues to believe that Hong Kong's import and export controls meet the highest standards and that there is minimal risk of diversion to mainland China. This assessment has been reinforced by regular visits to Hong Kong by officials from MoD, FCO, DTI and HM Customs and Excise. The purpose of these visits is to examine the effectiveness of the Hong Kong SAR's import and export controls, in particular the measures taken to prevent diversion or unauthorised re-export of goods imported from the UK. We will continue to undertake these visits on a regular basis; the most recent such visit was on 21-22 September 2000.

The Government's policy on strategic exports to Macau, as announced to Parliament on 2 May 2000, is that "we shall consider applications for licensing strategic exports to the MSAR on a case by case basis. We will not, however, issue licences for strategic exports to the MSAR for goods which we do not licence for export to mainland China." Because this is a stricter policy than that

applied to exports to the Hong Kong SAR, we do not consider it necessary to scrutinise Macau's re-export controls in the same way as we do those of Hong Kong.

### *Human Rights*

**13. The responses highlight the extent to which different considerations are applied to different branches of a country's armed services and police forces. Licences for small arms may thus be granted to one element of a country's forces but not another. We shall return to this issue when we have seen the Government's legislative proposals (paragraphs 53 and 54).**

The Government believes that in some cases it is both practical and desirable to distinguish between different end-users in the same country. The risk that one end-user in that country might misuse certain equipment should not necessarily rule out the export of similar equipment to a different end-user, provided that the latter had a legitimate requirement for the equipment and a record which suggested that the risk of misuse was low. In such cases, however, the Government would assess with particular care the risk of the equipment being diverted between the two end-users before deciding whether to issue an export licence.

### *Police Equipment*

**14. We recommend that it should be normal practice for technical advice to be sought from the Home Office on the export of unusual equipment for police use (paragraph 55).**

The Government accepts the recommendation. The FCO will be responsible for seeking expert advice from the Home Office on cases where it is unclear, due to the nature or quantity of the equipment, that the proposed export is suitable for police use.

### *Appeals*

**15. We are disturbed that this large sample of those companies with recent experience of appeals against refusals of a licence should have had such uniformly bad experiences of the operations of a Government department. Appeals against refusals are taking too long to settle. There is no reason why an improved appeals system cannot be introduced on a non-statutory basis prior to the passage of legislation. We recommend that the appeal procedure which it is proposed to bring on a statutory basis be introduced as soon as possible. Given the relatively small number of appeals against refusal, we also recommend that further consideration be given to ways of ensuring that an appellant company can participate in the appeal procedure, and be given a more detailed account of the reasons for the original refusal and for the eventual decision on an appeal (paragraph 58).**

The committee notes that only 1 out of 15 appeals was successful. This statistic confirms that, in 14 out of 15 appeal cases, there were good reasons, in line with the Government's commitment to manage all transfers responsibly, for the original decision to refuse.

Appellants should bear in mind that only a very small proportion (on average roughly 1%) of export licence applications are refused, and that decisions to refuse are not taken lightly. All applications recommended for refusal are considered by senior management in the Export Control Organisation (ECO) and only in those cases where refusal is clearly justified is a final decision taken to refuse. In this context, appeals against refusal will often raise difficult and complex issues. This, and the need to consider all relevant information provided by the applicant, the fact that appeals are considered independently of and at a more senior level than those advisers and officials who were involved in the original applications, all mean that consideration of appeals can be lengthy.

Nevertheless, the Government recognises the need to process appeals more quickly and has taken a number of steps to improve its performance in this area. Furthermore, the ECO continues to review its procedures with a view to minimising the burden on, and increasing transparency for, exporters. Rather than give more detailed reasons for the original refusal in response to an appeal, the ECO aim to set out the reasons at the time of the original refusal. However, when a licence is refused, the Government has to weigh the need for openness against the risk of compromising sources of sensitive information. In recognition of the need for greater transparency, as well as informing all applicants who are refused a licence of their right to appeal, the ECO now gives them, in the refusal letter, full details of the appeals procedure.

The ECO has also now introduced procedures to allow appellants to present in person any new information and arguments in relation to their application which were not available to the ECO and its advisers at the time of the original decision to refuse and which they consider could materially affect that decision.

### *ECO*

**16. We seek some reassurance that efforts are being made to enhance the performance of the Export Control Organisation and that the lessons are learned from the sorts of errors to which we have drawn attention (paragraph 60).**

As the Committee has noted, even the best systems are susceptible to human error and oversight, but the DTI's Export Control Organisation (ECO) regrets, and is concerned by, the errors that have been identified. The ECO is continuing to review its internal procedures, with the aim of minimising the risk of such errors occurring in the future. The ECO has increased the numbers of senior managers with oversight of the licensing process. The ECO introduced a new computerised database in 1999 which has improved the quality of data held by the ECO. Further enhancements to the IT system are planned over the next two years. More generally, the ECO works in partnership with other departments involved in the licensing process to improve its overall effectiveness.

### *Brokering and Trafficking*

**17. We reiterate our conviction that a more stringent national policy and a clear statutory framework to control brokering and trafficking of arms would command general consent and act as a spur to international action (paragraph 64).**

The Government notes the Committees' reiterated support for tighter controls on trafficking and brokering and agrees that such controls would be a useful basis on which to contribute towards international action in this area. The Committees will be aware that the Secretary of State for Trade and Industry announced on 28 September that the Government has decided to introduce a system of licensing for arms trafficking and brokering which will go significantly further than the proposals contained in the White Paper on Strategic Export Controls (Cm 3989). The full details of the new proposals on trafficking and brokering will be set out when the Government announces its conclusions on the review of all the proposals contained in the White Paper.

### *Licensed production overseas*

**18. We welcome the signs that the issue of licensed production overseas is being given the higher priority we sought and look forward to the production of legislative proposals at an early date (paragraph 67).**

As indicated in the Government's response to the Committees' report on the 1997 and 1998 Annual Reports on Strategic Export Controls, we are considering the issue of controls on licensed production overseas as part of the review of the White Paper proposals, and will announce our conclusions as soon as the review is complete.

**19. We conclude that recent events bear out the importance of full, accurate and open reporting to Parliament of arms transfers by the Government and its agencies, whether or not judged by the Government to be “major”. We shall return to this issue (paragraph 69).**

The Government notes the Committees’ views about the need to provide full and accurate and open reporting to Parliament of Government arms transfers exempt from the licensing regime. The Government believes however that the Committees may have underestimated the extent of information already made available.

Government transfers of equipment fall generally under three categories: those in support of collaboration with our allies on equipment procurement programmes, those relating to sales of equipment no longer required by the Armed Forces and those relating to sales of new equipment under Government to Government arrangements. We do not collate information on the first category on de minimis grounds, although in some instances it would not in any case be in the national interest to publish details of these transfers because they may relate to sensitive defence research or security issues. Exports of surplus MOD equipment (whether major or minor) are covered by details of licensing decisions in Part II of the Annual Report because, although not mandatory, it is usual MOD practice to ask the recipient government to apply for an export licence. Other disposal sales are made through UK contractors, which are required to apply for export licenses in the normal way. This information is supplemented by a separate table in Part III that gives the actual exports of surplus major equipments. Details of Government to Government new equipment programmes are given in the text of Part III of the Annual Report, consistent with any confidentiality agreements that apply. The Annual Report therefore contains information on the vast majority of Government transfers or disposal sales.

Where exemptions to the licensing regime apply, transfers (other than those carried out in support of MOD equipment research and equipment procurement projects, where relevant export issues are considered at the initial stage of the project) are considered on a case by case basis against the same criteria used to assess export licence applications. The Land Rover Defenders mentioned by the Committees were exempt from the licensing regime not on the grounds of Crown Immunity but because the vehicles were civil in nature and therefore not subject to export control.

*EU Code of Conduct: applicant status*

**20. We welcome the Government’s reminder that adoption of the aquis by applicant states includes the Common Foreign and Security Policy, and record our conclusion that that in turn covers the EU Code of Conduct (paragraph 70).**

The Government agrees with the Committees’ conclusion. In negotiations on the CFSP chapter, the EU took into account applicant countries’ compliance with their international obligations and commitments on arms exports, including respect for the principles and criteria of the EU Code of Conduct, and will continue to monitor developments closely as applicant countries progress towards accession.

*EU Code of Conduct: USA*

**21. Harmonisation of the policies pursued by the USA and Europe on arms export controls should not present insuperable problems. A visibly co-ordinated approach between the USA and Europe would present a powerful message to those arms exporting nations not within a consensus. We remain of the opinion that there would be value in an internationally harmonised system of conventional arms export policies to be followed by the major arms exporters (paragraph 73).**

As noted in the Government's response (Cm 4799) to the Committee's earlier report (HC 225), the US Government has made clear that it wishes to work with the EU to develop an international code of conduct on arms transfers. The UK looks forward to playing an active and constructive role in this work.

As shown by its work on the EU Code of Conduct and in the Wassenaar Arrangement, the Government firmly believes in promoting responsibility in arms transfers through the adoption of multilaterally-agreed standards. It is essential however that such standards should be embraced by all major arms exporting countries, and not just those which are already following relatively like-minded policies.

### *Prior scrutiny*

**22. In our view, the authority to export arms is of a different degree of sensitivity to the other types of Ministerial casework. There can be few decisions of greater potential impact on the conduct of foreign relations, and on the lives of many people overseas, than decisions as to whether to permit weapons made in this country to be put into the hands of overseas governments and their forces. The nation as a whole feels an exceptional degree of engagement with such decisions. There is understandable anger when it is found that British-made weapons have been used to oppress or terrorise people, or to endanger the lives of our service men and women or civilians (paragraph 80).**

**23. The case for some "real-time" prior scrutiny of licensing of arms exports is significantly reinforced by our examination of the Zimbabwe licences. If Government is to be judged on the exercise of its powers, this can best be done on a continuous basis rather than months or years after the event. We are convinced that accountability demands that Parliament is engaged in scrutiny of arms export licences before as well as after their grant. Prior scrutiny should be designed to ensure that Parliament has a voice in matters of such crucial importance before final decisions are taken. Issues of such importance warrant democratic involvement (paragraphs 27 and 81).**

**24. The four Select Committees that make up the Quadripartite Committee have concluded that strategic exports by their very nature justify the establishment of a system of prior parliamentary scrutiny, and that such a system should be put in place forthwith. We have made a detailed examination of the systems in place in the only two countries who, to our knowledge, currently operate them, Sweden and the USA. The prior scrutiny system we have proposed will, we believe, contain a much stronger element of prior scrutiny than the Swedish system and will be more comprehensive, more streamlined and more transparent than the US one. Our proposed system poses no threat to either the commercial confidentiality or the competitiveness of British companies. It would introduce no delay of any significance in the granting of export licences. It would not impede in any way the immediate granting of export licences when these are needed in times of crisis or to meet imperative national security requirements. Furthermore, it can be operated by the existing Select Committees making up the Quadripartite Committee, and can be brought into being without either Resolutions of the House or changes to the Standing Orders. We recommend acceptance of our proposals by the four Secretaries of State in time for the new system of parliamentary prior scrutiny of strategic exports set out in this Report to commence as from the beginning of the next Session of Parliament.**

The Government has given careful consideration to the Committees' recommendations on prior Parliamentary scrutiny of all the 12,000 or so individual export licence applications for military and dual use goods received each year. The Government has concluded that they could not be made to work without causing significant damage to the competitiveness of UK exports and without having a materially adverse impact on the efficiency and effectiveness of the export licensing process. The Government stands by its conclusion in the 1998 White Paper on Strategic Export Controls that such scrutiny would not be right and would moreover cause delays and risk breaching the confidentiality of UK exporters and their legitimate overseas customers.

Involvement of the Committees in the taking of decisions under the existing legislative powers is in any event problematic, in that an extra element would be introduced into the process. This might generate doubt as to whether the decision had been taken properly in accordance with the powers conferred by Parliament.

The Government has taken steps to enhance the effectiveness of retrospective scrutiny of licensing decisions in line with our overall desire to improve transparency and accountability in this field.

The Government does not agree with the Committees' view that their proposed system of prior scrutiny would not introduce significant delays in the granting of export licences. About 57% of SIEL applications were processed within the 20 day target period in 1999, and considerable effort is being devoted to improving performance. Where Stage 2 notification was required, the Committees' system would add at least 10 days, ie half as long again when compared to the 20 day target. The Government would clearly need to consider the Committees' views carefully, and dialogue between the Committees and Government might in some cases be desirable. The additional delays might therefore be considerable. The Government is anxious not to undermine the competitiveness of UK industry in overseas markets, and believes that exporters would consider any additional delay to be significant.

The Government is confident that the Committees are able to protect information given to them in confidence. However the Committees have said that they would expect Stage 2 notifications to be made in unclassified form and that they would want to issue a Special Report, for possible debate, on some Stage 2 notifications. Exporters are advised not to enter into contracts before obtaining an export licence so any publicity before a licence is issued could alert potential competitors, either in the UK or overseas, and thereby risk the loss of the contract. The Government shares the concern of exporters that publicly releasing information on applications could encourage competing suppliers to intervene. Another confidentiality concern is that premature publicity of an overseas Government's requirements may harm their legitimate security interests. Finally, there is a real risk that a detailed debate about the merits of exporting particular goods to a particular destination might damage bilateral relations with the country in question.

The Government would reiterate the need to protect the confidentiality of material such as advice given to Ministers and the details of interdepartmental discussion, as stated in its response to the Committees' previous report. While the Committees did not specifically ask for access to such material, the Committees are likely to find it difficult to take an informed view on the merits of particular applications without access to sensitive and technical advice on the nature of the material covered by an application, or the detailed advice available to ministers on, for example, the proposed destination or end user.

The Government is committed to transparency primarily through the publication of the Annual Reports on Strategic Export Controls. The Government will also continue to provide the Committees with additional information on request, and is pleased that the Committees have found this information useful.

The Government would also like to offer the Committees confidential briefings on general policy considerations, for example on small arms policy. This would give the Committees greater understanding of and input to the thinking on policy which informs the licensing process.

The Government would also like to point out that when new primary export control legislation is introduced, as proposed in the 1998 White Paper, this will provide Parliament with the opportunity to debate the whole field of export controls and licensing powers including delegation of powers and the form of Parliamentary scrutiny. The Government's view remains that there is no role for advance scrutiny of individual casework decisions, which are quintessentially matters for ministerial decision in accordance with delegated powers conferred by Parliament.



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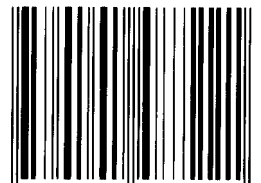
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