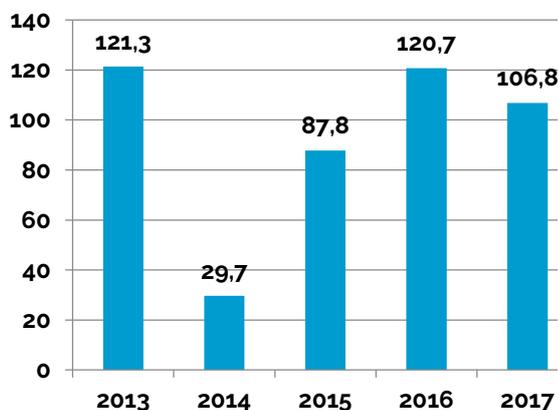


# The Flemish foreign arms trade in 2017

## Flemish arms exports in 2017

In 2017 the licensed value of Flemish arms exports amounted to **€106,8 million** (Figure 1). In total, the Flemish government issued **126 individual licences** for exports or transfers of defence-related goods. These numbers are in line with previous years.

Figure 1: Licensed value of Flemish arms exports, 2013–2017 (in millions of euros)



necessary. A general licence is published by the government and allows all competent companies to transfer a specified list of goods without the prior approval of the competent authority.

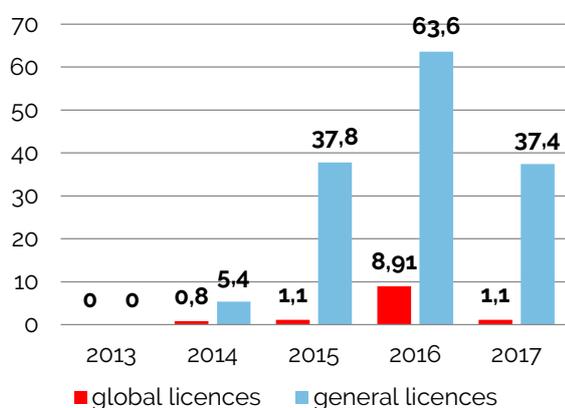
Flemish companies use both types of licences to transfer military goods to other EU Member States (Figure 2). In 2017, 13 transfers of military goods occurred under valid **global licences**, representing an effective value of **€1,1 million**. Global licences thus do not represent a substantial part of the Flemish arms trade.

Since the implementation of EU Directive 2009/43 on the facilitation of the intra-EU trade in military goods in the Flemish export control system in 2012, Flemish companies can also use **global and general licences** to transfer military goods within the EU. A global licence authorises a supplier to transfer an unspecified quantity of particular defence-related goods to specified recipients in various EU countries. Prior approval of the licence remains

### 2017: FACTS

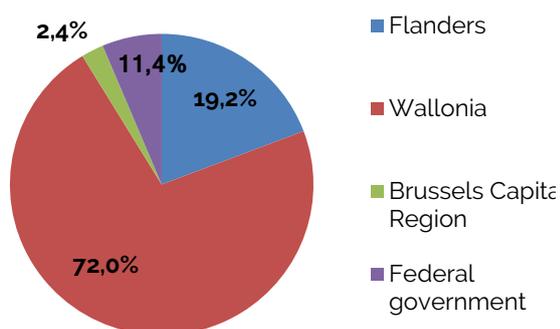
- Licensed arms transfers amounted to €107 million, which makes Flanders a **minor arms exporting region** compared to Wallonia and other EU Member States.
- Transfers under **global and general licences** represent a substantial part of the total Flemish arms trade.
- Flanders is a supplier of high-tech components to the **EU and US defence industries**.
- The risk of **human rights and international humanitarian law violations** is most often used to deny export licences.

**Figure 2: Actual use of global and general licences, 2013–2017 (in millions of euros)**



transfers to the defence industries in France, Germany and Spain. These transfers probably consisted of goods used in the production of the Airbus A400M military transport aircraft, in which the Belgian government is a partner and several Flemish companies are involved in the supply chain. As in previous years, the general licence for transfers to **certified companies** was not used, mirroring the low popularity of this type of general licence in the EU. Despite this general licence being the main instrument with which the European Commission aimed to

**Figure 3: Proportion of arms exports of the competent governments (in % of total Belgian arms exports) in 2016**



The size of the Flemish foreign arms trade remains limited compared to that of the Walloon Region and neighbouring countries such as Germany, the United Kingdom, France and the Netherlands. According to the most recent data (2016), Flemish arms exports represent about 20% of the total value of licensed arms exports from Belgium (see Figure 3). Exports of defence-related goods mainly take place from **Wallonia, representing about 70% of Belgium's arms exports**. Exports from the Brussels Capital Region (2,4%) remain a marginal phenomenon. Exports dealt with by the federal government (11,4%) consist of exports of surplus military equipment by the Belgian armed forces.

**General licences**, in contrast, are more popular among Flemish companies: transfers with a combined value of **€37,4 million** were reported in 2017. Transfers under two of these general licences represent almost this entire value. Firstly, Flemish companies used the general licence for transfers to **EU armed forces**. Two transfers, each worth approximately €5 million, of bulletproof vests to the UK and Italian armed forces represented almost this entire value.

Secondly, the general licence for transfers in the context of **intergovernmental cooperation programmes** was used to transfer components for military aircraft and amounted to a total of €24,4 million worth of transfers to the defence industries in France, Germany and Spain. These transfers probably consisted of goods used in the production of the Airbus A400M military transport aircraft, in which the Belgian government is a partner and several Flemish companies are involved in the supply chain. As in previous years, the general licence for transfers to **certified companies** was not used, mirroring the low popularity of this type of general licence in the EU. Despite this general licence being the main instrument with which the European Commission aimed to facilitate the intra-EU arms trade, very few companies have applied to be certified because of its apparent lack of significant added value.

**In general**, a large proportion of arms exports from Flanders are transferred under global and general licences, which are more flexible. The nature of the Flemish defence industry as a high-tech component supplier to systems integrators in other (European) countries may explain the use of these licences. It is difficult, however, to assess how this compares to other EU Member States, because Flanders is one of the few governments to publish disaggregated data on arms transfers under global and general licences.

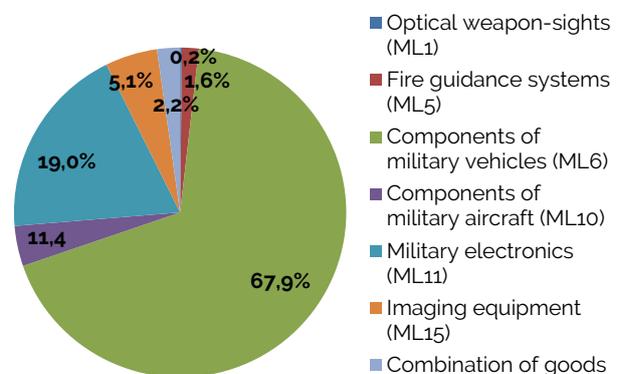
## Exporting high-tech components to defence industries in European and North American countries

The Flemish defence-related industry mainly produces and exports **components of military goods and other high-tech products**. In 2017 Flemish exports of defence-related goods under individual licences consisted mainly of components of military vehicles (ML6) with a licensed value of €72,5 million. Besides these goods, military electronics (ML11) worth €20,3 million, imaging equipment (ML15) worth €5,4 million, military aircraft components (ML10) worth €4,2 million and fire guidance systems (ML5) worth €1,8 million were exported from Flanders in 2017 (see Figure 4 for these exports as a percentage of total Flemish exports).

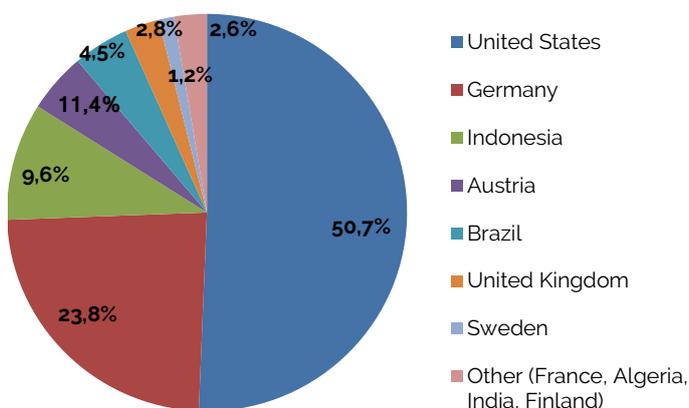
As a result, primarily the **defence industries in European and North American countries receive Flemish military goods** (Figure 5). In 2017, **50%** of Flemish arms exports were destined for defence-related industrial companies in the **United States**. Defence companies in Germany (24%), Austria (4,5%), the United Kingdom (2,8%), Sweden (1%) and France also received Flemish military goods in 2017.

Besides these countries, Indonesia (9,6%) and Brazil (4,5%) were the main

**Figure 4: Type of military goods exported from Flanders in 2017 by individual licences (in % of total exports)**



**Figure 5: Countries of end use of Flemish military goods in 2017 (in %)**



importers of Flemish military goods in 2017.

No licences were issued for arms exports to countries in the Middle East in 2017. This reflects a general trend among Flemish companies of traditionally exporting limited quantities of military goods to this region.

This contrasts strongly with arms exports from the **Walloon Region**, which are strongly characterized by exports of firearms (and ammunition) and armoured vehicles to countries in the Middle East in general and Saudi Arabia in particular.

## The continued importance of violations of human rights and international humanitarian law in Flemish licensing

In addition to the traditionally limited value of arms exports to the Middle East, the Flemish government has denied all (temporary and definitive) trade in arms (and components) that could be used by countries involved in the Yemen conflict because of the reported violations of international humanitarian law (IHL) in that country. The Flemish government assesses that all transfers to armed forces involved in the conflict in Yemen pose a clear risk of human rights and IHL violations. As a result, licences for transfers to Germany with Kuwait as the end user, temporary exports to Qatar and temporary imports from the United Arab Emirates (for repairs) were denied because of the assessment that there was a clear risk that the goods could be used for IHL violations (criterion 2 of Common Position 2008/944) and could be used in regional conflicts (criterion 4). Licences for **temporary exports** to the police and armed forces in **Kenya and Rwanda** were refused based on the assessment of a clear risk that the goods could be used to commit human rights violations or would be illegally diverted.

**Table 1: Licences for arms exports or transfers denied by the Flemish government in 2017**

Transaction type	Destination	Country of end use	End user	Description of goods	Value (in euros)	Common Position 2008/944 criteria
Temporary export	Rwanda	Rwanda	Government (police)	Fire guidance systems	249,000	2, 7
Temporary export	Kenya	Kenya	Armed forces	Optical weapon sights, fire guidance systems and imaging equipment	533,000	2, 7
Temporary export	Kenya	Kenya	Government (police)	Optical weapon sights, fire guidance systems and imaging equipment	533,000	2, 7
Temporary export	Qatar	Qatar	Armed forces	Optical weapon sights, fire guidance systems and imaging equipment	845,500	2, 4, 6, 7
Temporary import	Belgium	United Arab Emirates	Armed forces	Fire guidance systems	60,000	2, 4, 6, 7
Definitive transfer	Germany	Kuwait	Armed forces	Components of armoured vehicles (ML6)	14,000	2, 4, 6
Definitive transfer	Germany	Kuwait	Armed forces		62,991	2, 4, 6
Definitive transfer	Spain	Egypt	Armed forces	Components of military vehicles (ML6)	4,549	2, 3, 4, 6, 7
Transit	Turkey	South Africa		Ammunition for firearms (ML3)	65,000	7