

Importance of Export Control & Japan's Export Control

March 2014

Ministry of Economy, Trade and Industry

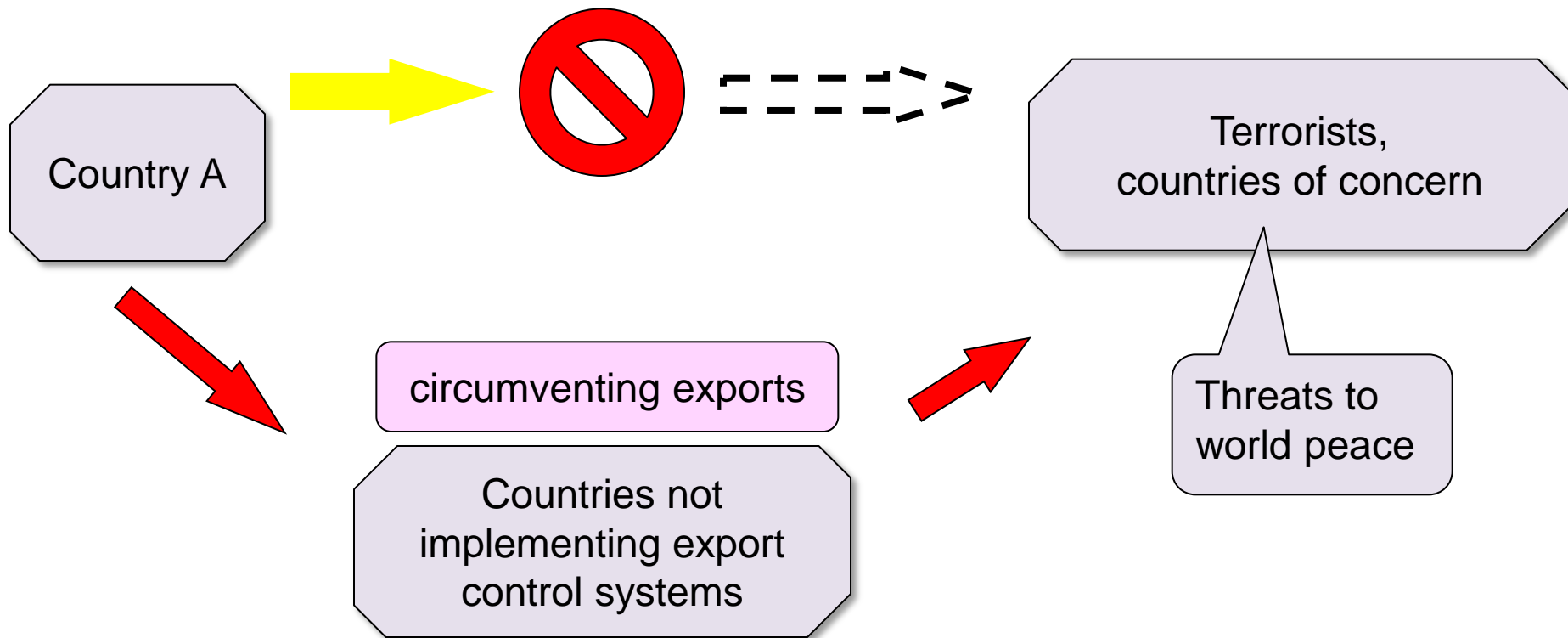
- 1. Importance of Export Control**
- 2. International Export Control Regimes**
- 3. Japan's Export Control**

1. Importance of Export Control

- Sarin gas attack on the Tokyo subway (March 1995)
- 9/11 attacks (September 2001)
- Bali bombings (October 2002, October 2005)
- Madrid train bombings (March 2004)
- London bombings (July 2005)
- 2008 Mumbai attacks (November 2008)
- Moscow bombings (February 2010, January 2011)

- A.Q. Khan Network (2004)
- North Korean missile tests (July 2006, April and July 2009)
- North Korean announcement on nuclear tests
(October 2006, May 2009, February 2013)
- Iranian issues
- Syrian development of chemical weapons

Terrorists or countries of concern can procure items through countries that do not implement export control systems.



United Nations awaken international tackling with WMDs and also adapted some resolutions

UNSCR 1540

- ◆ Proliferation of WMD and their means of delivery poses a threat to international peace and security
- ◆ Attempts to prevent WMD and related materials from falling into the hands of **non-state actors** that are of concern with regard to proliferation
- ◆ All States are to establish relevant domestic controls

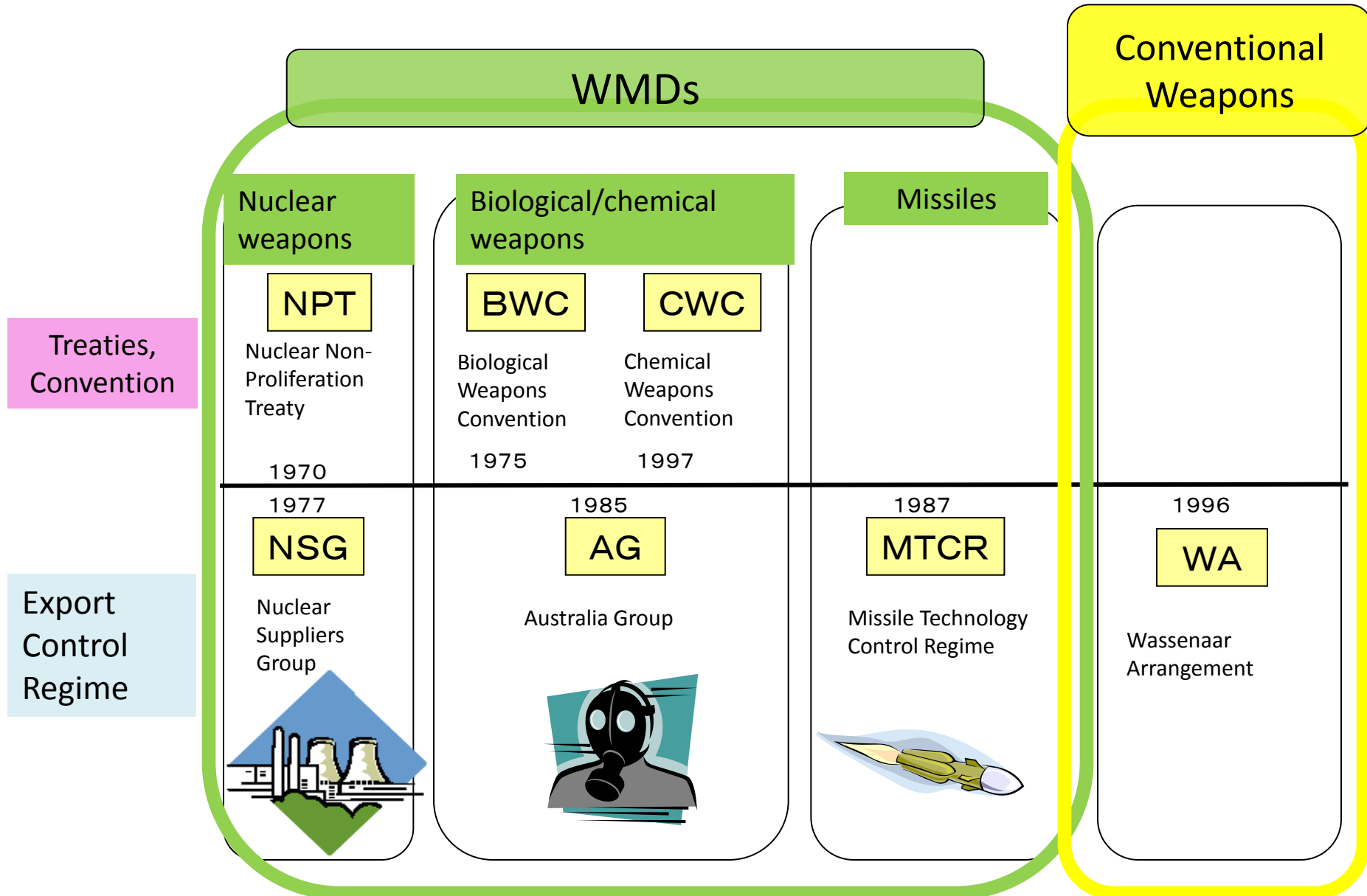
Why countries introduce export control?

- Keep international peace and regional stability
- More trade & foreign direct investment







Effective export control can contribute to prosperity of the nation's economy

2. International Export Control Regimes



Some exporting goods can be used for military purposes and are called “dual use” items.

		Military Use	Civilian Use
Titanium alloy		Gas centrifuge for uranium enrichment	Watches, eyeglass frames
Carbon fiber		Missile components	Golf club shafts, fishing rods
Tri-ethanolamine		Chemical weapons	Shampoo
Freeze-drying equipment		Biological weapons	Instant coffee

3. Japan's Export Control

(1) Law

Foreign Exchange and Foreign Trade Act

- Basic framework

(2) Cabinet Orders

Export Control Order

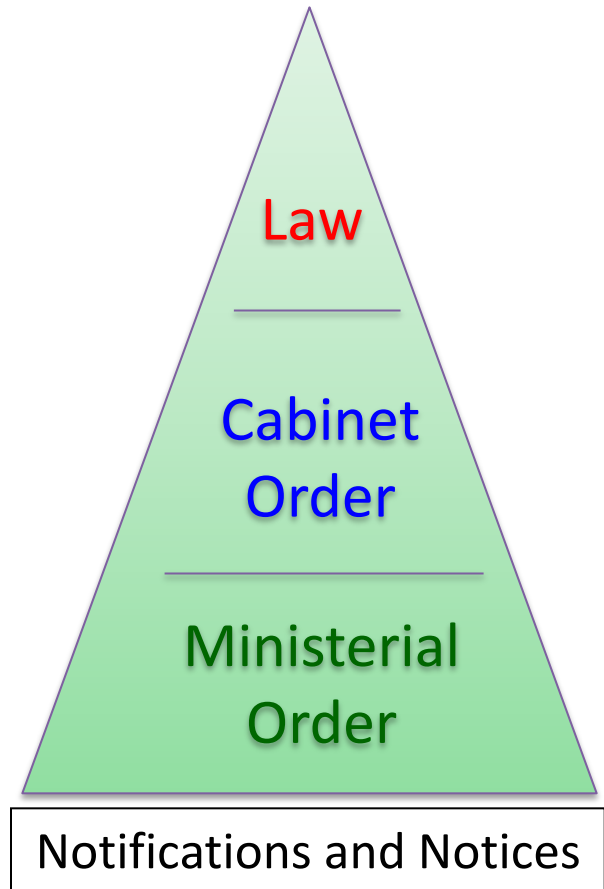
- List of goods

Foreign Exchange Order

- List of technologies

(3) Ministerial Orders

- Details(specifications and interpretations of listed items)



Foreign Exchange and Foreign Trade Act	Cabinet Order	List Control	Catch-all control of WMD	Catch-all control of Conventional Weapons
Art. 48	Export Control Order	Item 1-15 <div>List of Goods</div>	Item 16 <div>List of Goods</div>	
Art. 25	Foreign Exchange Order	Item 1-15 <div>List of Technologies</div>	Item 16 <div>List of Technologies</div>	
		<u>Regulated Items</u> •weapons •listed dual use items related to WMD and conventional weapons	<u>Regulated Items</u> All items or technologies that could contribute to WMD related or military end-use activities	
		<u>Regulated Destination</u> All countries	<u>Regulated Destination</u> All countries except for White countries	

White Countries :
27 countries which have strict export control systems (Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Czech republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, South Korea, Luxemburg, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, UK, USA)

UN arms embargo countries:
Afghanistan, Democratic Republic of Congo, Eritrea, Cote d’Ivoire, Iraq, Lebanon, Liberia, North Korea, Sierra Leone, Somalia, Sudan

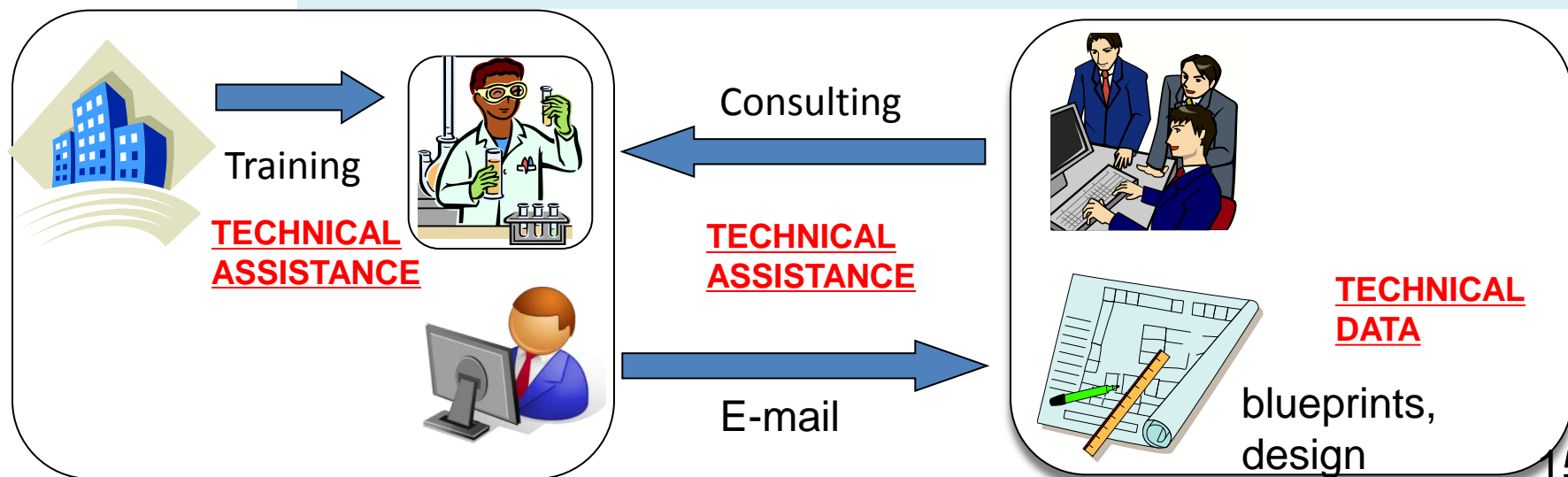
The information takes form of technical data or technical assistance

Technical Data

- blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals and instructions
- written or recorded on other media or devices (disks etc.)
- Including software

Technical Assistance

- Providing instruction, training, working knowledge, consulting service
- Including transfer of 'technical data'



“Technology”

specific technologies for the "development", "production" or "use" of listed products

Development

➤ related to all stages prior to serial production

design, design research, design analyses, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, layouts

production

➤ all production stages

product engineering, manufacture, integration, assembly (mounting), inspection, testing, quality assurance

use

Operation, installation (including on-site installation), maintenance (checking), repair, overhaul and refurbishing

List Control

- Exporters should obtain a license when they export the listed items.

Catch-all Control

- Exporters should obtain a license when they are aware;
 - the item may contribute to WMD-related or military end-use activities
 - the end-user is/was involved in WMD-related program
- or
- METI informs exporters that the exporting items may be intended for the use of WMD-related or military activities

An export license from METI is required for the export of listed items

- A wide range of items are listed based on international export control regimes.
- Items and their control conditions are specified in cabinet orders and ministerial orders.
- Exporters must determine whether their exporting items are the one specified in cabinet/ministerial orders.
- An export license is required even if items are exported for own company/factory in foreign country.

Correlation between Japan's Export Control and Export Control Regime

Japan's Export Control

Export Control Regimes

Section No	Category	Export Control Regime	Items
1	Weapons	WA	Items in WA Munitions List
2	Nuclear	NSG	Nuclear related Items
3	Chemical Weapons	AG	Chemical weapon related Items
3/2	Biological Weapons		Biological weapon related Items
4	Missiles	MTCR	Missile related Items
5	Special Materials	WA	Category 1 Special Materials and Related Equipment
6	Materials Processing		Category 2 Materials Processing
7	Electronics		Category 3 Electronics
8	Computers		Category 4 Computers
9	Telecommunications		Category 5 Telecommunications & information Security
10	Sensors		Category 6 Sensors and Lasers
11	Navigation		Category 7 Navigation and Avionics
12	Marine		Category 8 Marine
13	Propulsion		Category 9 Aerospace and Propulsion
14	Others		Munition Items other than Section No1
15	Very Sensitive Items		VSL Items in WA's control list
16	Non-Listed Items		Catch-all control Items

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List control

Catch-all control

In case there are concerns that the item or technology in question could contribute to WMD proliferation program, exporters have to apply for export license.

Region

All region except for white countries

Items

Any Items which are not on the list (except for food, wood)

The Commodity Watch List [40 +12* items]

(*only for Syria, as of 15 Oct.)

Conditions

(1) Exporter's Initiative = The “Know” Condition

- In case exporters have come to know that the items will be used for the development, manufacture, use, storage etc. of WMD
- In case exporters have come to know that the end user is/was involved in WMD-related program through relevant documents such as Foreign End User List, except for the case the item in question will be apparently used for a purpose other than the WMD-related activities

(2) METI's Initiative = The “Informed” Condition

- The “inform” is given when METI considers that the items in question are/may be intended for the use of WMD-related activities.

Catch-all Control of Conventional Arms

In case there are concerns that the item or technology in question could contribute to military end-use, exporters have to apply for an export license.

As of 15 Oct. 2013

Region	Countries under UN arms embargo	Non-white Countries except for UN Arms embargo countries
Items	Any Items which are not on the list (except for food, wood) <div data-bbox="736 701 1580 779" style="border: 2px dotted red; padding: 5px; display: inline-block;"> The Commodity Watch List [34 items] </div>	
Conditions	<p>(1) <u>Exporter's Initiative</u> = The "Know" Condition In case exporters have come to know that the items will be used for the development, manufacture or use of conventional arms in UN embargo countries</p>	

(2) METI's Initiative = The "Informed" Condition

- The "inform" is given when METI considers that the items in question are/may be intended for a military end-use.

Foreign End-user List (extraction)

No.	国名、地域名 Country or Region	企業名、組織名 Company or Organization	別名 Also Known As	懸念区分 Type of WMD
1	アフガニスタン Islamic Republic of Afghanistan	Al Qa'ida/Islamic Army	<ul style="list-style-type: none"> • The Base • Al Qaeda • Islamic Salvation Foundation • The Group for the Preservation of the Holy Sites • The Islamic Army for the Liberation of Holy Places • The World Islamic Front for Jihad against Jews and Crusaders • Usama Bin Laden Network • Usama Bin Laden Organisation 	化学 C
2	アフガニスタン Islamic Republic of Afghanistan	Safa Nicu	<ul style="list-style-type: none"> • Safa Nicu Sepahan • Safancoo Company • Safa Nicu Afghanistan Company • Safa Al-Noor Company • Safa Nicu Ltd Company 	核 N
450	パキスタン Islamic Republic of Pakistan	Unique Technical Promoters		核 N
451	パキスタン Islamic Republic of Pakistan	Victor Star (Pvt) Ltd.		化学、核 C,N
452	香港 Hong Kong	Leader (Hong Kong) International	<ul style="list-style-type: none"> • Leader (Hong Kong) International Trading Limited • Leader International Trading Limited 	生物、化学、ミサイル、核 B,C,M,N

Country	Number
India	1 0
Afghanistan	3
Iran	2 4 7
Pakistan	3 3
North Korea	1 2 0
China	1 7
Israel	2
Syria	1 3
Taiwan	2
U A E	4
Hong Kong	1
Total	4 5 2

Thank you