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**ADAPTING NATIONAL CONTROLS AND ENFORCEMENT TO FIGHT  
WMD TERRORISM**

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I am pleased to be able to speak to you today on the subject of adapting national controls and enforcement to fight the threat posed by WMD proliferation to terrorist groups. My comments will focus on what is currently being done by the export control regimes to prevent terrorists from acquiring WMD, particularly the Australia Group, and suggest possible directions for further consideration.

The spectre of terrorists acquiring WMD presents the most urgent and difficult security challenge facing the international community. There are several reasons for this.

Unlike states of concern, the new generation of terrorist is not open to negotiation, nor can its ranks be coerced by the threat of military action. Al-Qaida and other groups of its ilk are driven by a maniacal intolerance and are committed to using all means at their disposal to tear down the structures of liberal democratic society. To this end, they have amply demonstrated a spectacular disregard for innocent lives, as well as a willingness to amplify their attacks. Osama bin-Laden has openly declared his intention to acquire – and to use – chemical, biological and radiological weapons. Aum Shinrikyo's indiscriminate use of sarin in the Tokyo underground and experimentation with anthrax in the mid-1990s – and the recent discoveries of ricin in the United Kingdom and radioactive materials in Thailand – have alerted us to the very real danger of such materials falling into terrorist hands.

These facts clearly indicate that the only means of ensuring that terrorist attacks, such as those of 11 September 2001 in New York and of 12 October 2002 in Bali, do not become even more horrific as a result of use of WMD is to deny terrorist groups access to such weapons – that is, to close off all routes of supply. Given the high stakes involved, no effort should be spared towards this end.

One of the most effective tools for stemming the supply of materials and technology suitable for the development of WMD and their delivery systems are export controls. Many states parties to international arms control treaties – the Nuclear Non-Proliferation Treaty (NPT), the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC) apply national export controls as a means of implementing their obligations under these conventions.

Some of these countries – and most of those participating in this conference – also seek to harmonise their export licensing arrangements through participation in the major export control regimes: the Nuclear Suppliers Group (NSG), the Australia Group (in the field of chemical and biological weapons), the Wassenaar Arrangement

(in the field of conventional weapons and dual-use technologies) and the Missile Technology Control Regime (MTCR). Australia strongly supports these arrangements as part of a comprehensive, multi-layered approach to non-proliferation, including in its role as Chair of the Australia Group.

Given the global nature of the WMD threat – and the global reach of proliferators' procurement networks – the success of export control measures depends on the combined commitment of as large a number of countries as possible. Of no small concern in this respect is the fact that the number of countries from which WMD-relevant items can now be sourced has expanded considerably over the past two decades. Such countries include a significant number outside the export control regimes, some of which are being targeted by terrorist groups to source WMD-related items.

For this reason, outreach and practical assistance to countries outside the export control regimes must be accorded a high priority. All members of the export control regimes should work to encourage non-members to adopt control lists and implementation and enforcement measures that mirror those of the NSG, Australia Group, MTCR and Wassenaar Arrangement. To this end, at its most recent plenary meeting, the Australia Group endorsed a plan for targeted outreach activity in the Asia-Pacific region, on which my colleague, Ambassador Leo Cruise, will comment later in this conference.

Encouragingly, a growing number of countries outside the export control regimes are introducing national export licensing measures based on the benchmarks set by these regimes. They, like member countries, recognise the clear security benefits that such controls bring, without hampering legitimate trade. Such developments will help blunt criticisms by some countries that export controls discriminate against technology transfers to non-members.

Of course, export controls are only as effective as their implementation and enforcement are thorough. Crucial in this respect is the ability to monitor the entire journey of shipped goods from supplier right through to end user. We know in this respect that proliferators actively use transshipment as a means of disguising end users or suppliers.

This is of particular concern in relation to non-state actors, given well-documented links between international terrorist organisations, such as Al-Qaida and Jemaah Islamiya. Given that these groups are active in regions that host major transshipment hubs, we need to engage relevant countries on the importance of effective transshipment controls. The US Container Security Initiative provides a good example of practical engagement in this regard.

However diligently they may be implemented, export controls are nevertheless of limited use in some instances. In the case of chemical and biological dual-use items, terrorists may seek to source items domestically in countries where they plan to carry out attacks. Aum Shinrikyo (Aleph), for instance, made and used sarin in Japan, where the sect is based. Further, the anthrax distributed in letters in the United States in 2001 most likely came from a domestic source.

The Australia Group has sought to address this difficulty in various ways that draw directly on members' experiences in implementing export control measures. The Group is currently considering awareness-raising guidance for industry that alerts manufacturers to ways of identifying WMD-related procurement activity – including suspicious domestic as well as international orders for chemical and biological materials and equipment. Worth noting in this respect is that outreach associated with CWC and Australia Group implementation also offers a useful means for raising industry awareness in relation to terrorism. Australia makes use of these opportunities and also requires security statements and incident reporting from its CWC-regulated chemical importers and facilities.

Australia Group members also recently discussed the possibility of providing enforcement officers – at each member's national prerogative – with watch lists that might cover items suitable for making crude chemical and biological weapons. Such lists would usefully be tailored to the manufacturing base of the given country, rather than applied as a common list for all Group members. To be effective, watch lists would need to be classified – to guard against becoming shopping lists for terrorists – and would be used as a supplement to Australia Group common control lists.

To maintain their effectiveness into the future, the export control regimes will need to ensure that their control lists keep pace with advances in technology with WMD applications and the increasing availability of such technology. They will also need to consider additional measures for complementing control lists. These will necessarily draw on the national experience of members, especially in commodity identification, regulation and tracking, risk management, interagency coordination, information sharing arrangements with cooperating countries and resource allocation to enforcement. To this end, more discretion may also need to be exercised by enforcement agencies to monitor domestic procurement of dual-use items, especially in the chemical and biological area.

In the broader scheme of things, export controls remain only a subset – albeit a crucial one – of the larger universal set of national controls. These comprise, in the first instance, obligations of states parties under the NPT, BWC and CWC to implement national measures for preventing the proliferation of WMD-relevant items. Such measures were discussed in relation to biological materials and technology at the recent experts meeting held under BWC auspices and will be further considered at the Annual Meeting of States Parties to the BWC to take place in Geneva in November. It is imperative that individual states realise that tighter domestic regulation of WMD-relevant items and technology is squarely in their national and regional security interests, in addition to the interests of global security.

The unfortunate fact remains, of course, that compliance with these obligations by a large number of states parties is at best patchy, while a number of countries – several of which are known to have WMD programs – remains outside these treaties. For this reason, export controls will continue to play an important supply-side role in stemming the spread of WMD in fulfilment of the non-proliferation provisions of existing multilateral arms control arrangements. We will need, nonetheless, to continue to strengthen and adapt such controls if they are to remain an effective non-proliferation tool in fighting terrorism.