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Matthias Höpfner, Deputy Director-General for Economic Affairs  
Federal Foreign Office

### **WMD, the Terrorist Threat and Export Controls**

Ladies and gentlemen,

I consider it a great honour to have this opportunity to talk to you at the Fifth International Conference on Export Controls on the topic of "Weapons of Mass Destruction, the Terrorist Threat and Export Controls". The fact that this conference is taking place in Budapest is a tribute to the commitment which the Hungarian Government has consistently shown in export control issues and as a member of all existing export control regimes. With Hungary's accession to the European Union, which we are looking forward to next spring, our host country will play an even more important role in the field of export control policy. This is partly because Hungary's borders will become the Union's external border and, as you know, the European Union has developed common export control legislation in the form of the EC Dual-Use Regulation - which, incidentally, we believe has proven its worth in the last few years.

That we are meeting in this large group, which includes Western, Central and Eastern European states, as well as friendly states from all over the world, to consider what improvements can be made to export controls, is thanks not least to a historic achievement of our host country. I am talking of the courageous Hungarian commitment to overcoming the Iron Curtain, into which Hungarian wire cutters tore the first holes in 1989 in order to allow German holiday-makers from the then GDR to pass into the West. This heralded the imminent end of the Cold War. Since then, we have been seeking security with one another, as at today's conference, and not from one another.

Hungary is hosting this conference together with the United States of America, which is thus underscoring once more its worldwide commitment to the issues of non-proliferation and export control. There can be no doubt about the urgency and relevance of this commitment. We will do everything we can to support our American friends and partners in this endeavour.

Today, cooperation on issues of non-proliferation is one of the main pillars of transatlantic relations.

Ladies and gentlemen, during the last few years the proliferation of weapons of mass destruction has become a focus of political attention like never before in the history of mankind. Weapons of mass destruction or their possible development have been the source of recent major crises, as shown for example by the nuclear programmes being developed by North Korea and Iran, as well as by the Iraq conflict. The G8, in common with the European Council in Thessaloniki and subsequently the US-European summit held in Washington at the end of June, stated that "the proliferation of weapons of mass destruction and means of delivery such as ballistic missiles is a growing threat to international peace and security". At the same time, it was emphasized that the risk of terrorists getting their hands on chemical, biological, radiological or nuclear material lends the threat posed by weapons of mass destruction a new dimension. And taken together, weapons of mass destruction and terrorism represent without doubt the greatest danger to international security today.

Consequently, ladies and gentlemen, this of course means that today non-proliferation must be at the heart of both foreign and security policy. Export control measures and export control regimes, all of which have made non-proliferation their main goal, will continue to be of great importance. Export controls, and everything we do or set in motion here today, are a major contribution to everyone's security.

Ladies and gentlemen,

Before I examine the link between terrorism and weapons of mass destruction as an unprecedented threat scenario, allow me to say something about the likewise very real danger posed by the combination of terrorism and conventional weapons. Export control can and must make an active contribution towards curbing this threat too. This issue has been a key concern of the Wassenaar Arrangement for the last two years. Since then, on a German initiative, intelligence experts from the participating states have been meeting regularly to analyse the terrorists' weapons of choice and how they are procured. This will subsequently enable governments to take the necessary export control measures where needed. The both prominent and tragic role which, for example, portable and thus highly mobile air defence systems (MANPADS), as well as other small arms and light weapons or explosives, in the hands of terrorists can play, not only as a threat to civil aviation, underlines that this is a key element in the overall strategy on combating terrorism.

As far as the link between weapons of mass destruction and terrorism is concerned, ladies and gentlemen, this is not mere theory but, rather, living practice. The facts are well-known. The Aum Shinrikyo sect experimented repeatedly with highly developed agents to inflict mass casualties. In March 1995, the sect released sarin in the Tokyo underground with fatal, although on the whole limited, results. Their attempts to release anthrax failed not least due to the fact that instead of the biological agent itself, they mistakenly used an anthrax antidote (vaccine). This indicates, as do numerous other examples, that, thankfully, the use of highly developed agents as lethal weapons presents difficulties time and again which can only be overcome with financial and technical resources that are often - at least for the time being - beyond the means of terrorists. Fortunately, this applies in particular to the radiological and nuclear field.

In the wake of Enduring Freedom, it was proven that al Qaida had experimented with various BCWs. The group itself proudly publicized its crude experiments on animals and recorded them for us on video. It is well-known that Osama bin Laden had declared the acquisition of non-conventional weapons to be a religious duty. Experiments were carried out in Afghan camps with potassium cyanide, hydrocyanic acid and chlorine, with botox and ricin. Fortunately however, I am not aware of any conclusive evidence that, despite all the recipes from the devil's kitchen, some of them freely available on the Internet, al Qaida so far succeeded in developing BCWs which could be used for military purposes as munition.

Ladies and gentlemen, I would now like to turn to the actual central issue of my talk: what is the significance of export controls and what contribution can they make to preventing the fatal link between weapons of mass destruction and terrorism from building in the first place?

*Prima vista* the contribution seems to be small. Experience has shown that, as a rule, terrorists tend to concentrate in the field of non-conventional agents on household and low-level agents which they acquire in small amounts. They procure them locally and process them with little sophistication. The cliché of terrorists working away in a darkened backyard kitchen using household equipment, for example home brew beermaking kits, in order to "cook" small amounts of ricin, is still pretty close to the truth.

The Australia Group's export control lists include dual-use goods with which BCWs can be produced on a large industrial and commercial scale. Because everybody initially focused on states of concern in connection with BCWs and did not want to burden national export control authorities unduly, smaller laboratory items, not to mention household goods, were not included in the export control lists.

If terrorist experiments normally involve small amounts, just a few grams or kilos, which the terrorists buy or produce themselves in the country of the planned attack, this also means that, in general, state borders and border authorities play no role. If they do, and this cannot be completely ruled out given that terrorists are active on an international scale, goods required somewhere else can be easily smuggled out due to their small amount without any state export control ever being involved. In other words, export controls would seem to be ineffective when it comes to terrorists interested in weapons of mass destruction because there is no export - at best smuggling.

If that is the case, what role can export controls and control regimes play in the fight against terrorism? All export control regimes concerning weapons of mass destruction - the Nuclear Suppliers Group, the Australia Group, as well as the MTCR - have formally declared since 11 September 2001 that they intend to do everything in their power to prevent terrorists from gaining access to goods controlled by them. What, beyond the declaratory value of such pronouncements, can export control measures actually achieve?

In brief - *and I intend to stop speaking before you stop listening* - I believe the following six points should be mentioned:

1. It cannot be denied that states of concern with a BCW programme could indeed cultivate close contacts with terrorist groups and possibly even use these groups for their own means. Afghanistan under the Taliban was one example of a failed state in which a terrorist organization had in fact usurped state authority. In other cases, relations between states and terrorist organizations may be much more concealed and thus actually more dangerous. At any rate, to the extent that our export controls are effective vis-à-vis states of concern they can eliminate the starting-points for terrorist BCW experiments.
2. Al Qaida has turned out to be an international network with considerable financial resources. It cannot be ruled out once and for all that this or a similar terrorist network with substantial financial means could try and acquire high-quality BCWs and technology on the international market, thus saving itself the bother of carrying out its own research and experiments and enabling it to carry out the planned attacks with an even more devastating impact. It would be foolish not to consider such a possibility. No-one can guarantee that terrorists will be content with primitive backyard kitchens. Here, too, export control is the first line of defence.

3. In the case of many of the additions being made at present to lists under the auspices of export control regimes, the question of whether the goods being added, for example chemical or biological agents, could be *weapons of choice* for terrorists plays a key role. That makes good sense. Including an item in the export control lists not only means setting up a practical obstacle to its export. It also means heightened awareness on the part of all companies and institutions involved in its export. Transactions with listed goods are, of course, examined more closely by respectable companies before they are agreed upon. Incidentally, there is some evidence that the awareness raising resulting from the control regimes also has an impact on sales within a country. The listing of a good is an alarm signal which alters the way in which it is handled. Such awareness-building can make an important contribution towards the fight against terrorism.
  
4. The authorities entrusted with issuing licences for the export of sensitive goods to certain countries are increasingly asking themselves not only whether there is a possible connection with a state BCW programme in the receiving country. On the basis of all the information available to them, they also examine whether the receiving company in question has any connections with a terrorist organization. The reputation of the receiving country and its state organs is one examining criterion, and so is the credibility of the private receiver. This, too, underscores the protective mechanism of export control measures. And it stresses - let me emphasize this as one of the central messages - how crucial it is, particularly today, that the greatest possible number of states adopt the restrictive export controls of the control regimes - the Nuclear Suppliers Group, the Australia Group and the MTCR. That states adopt them for their own benefit even if they themselves are not *or not yet* participating states in the regimes.
  
5. By no means all goods and equipment of interest to terrorists belong on export control lists. Of course states with established export control systems have a considerable amount of expertise on substances and equipment of relevance to WMDs, precisely because they examine them so closely. They are therefore more easily able to compile lists of goods which may not be included in the export control regimes but which, nevertheless, could be used to produce BCWs.  
Just think of the famous beer-brewing kits or chemical agents in small amounts, of all the ingredients and items of equipment which can be used to produce ricin. Such lists can be very valuable to a country's own law-enforcement agencies, enabling them to

keep terrorist activities under surveillance. Friendly states can exchange and mutually enlarge such lists, which are certainly not intended for publication. Export control regimes can thus make an indirect contribution towards the national fight against terrorism beyond their international impact.

6. There is a sixth and final point which I believe to be important and which, at the same time, I would expressly like to state to be my own personal opinion. In examining sensitive applications for exports to states of concern, it is established practice to closely examine whether the intelligence services have provided any evidence suggesting that there is a proliferation danger. As a rule, the good is supplied if the result of this examination is negative, i.e. there is no indication that it could be used for proliferation. The question which I would like to ask is whether this "negative security" measure is enough. Can we further reduce the residual risk that goods might be diverted?

I personally believe that we can and that we should. A first element of "positive security" can, for example, be placing supplier companies under an obligation to service the good delivered at its end-use location for a number of years. This would give the company a chance to regularly examine whether the good is still in its intended destination and to a certain extent also whether it is fulfilling the intended - and *no other* use. A tougher measure which should be considered are governmental post-shipment controls in which either a country's own embassy on the ground or, better still, its own officially seconded experts regularly ensure that the good is being used as stipulated in the contract. As a rule, a memorandum of understanding with the country of destination would be necessary in the latter case.

I believe it would be helpful if as many states as possible could carry out such controls and their use could be harmonized internationally. Of course post-shipment controls are no panacea, they are only feasible in certain cases, mainly in cases involving the delivery of equipment and machinery. Under no circumstances should post-shipment controls be used as an excuse for loosening up on export control standards.

Post-shipment controls should be enhanced by an extensive, systematic exchange of intelligence - which is of course another important factor to reduce the residual risk that goods might be diverted. It goes without saying that post-shipment as an export control measure is not only an instrument against state WMD programmes but can and should also be a tool against the diversion of goods into terrorist hands.

Ladies and gentlemen,

I am sure that we all agree that we will be unable to resolve the problem of terrorism with export controls alone. The fight against terrorism remains first and foremost a task for the police and intelligence services, not for customs officials. However, export controls can, as I have endeavoured to show, make a contribution. The recently adopted Proliferation Security Initiative underscores once more that we are serious about fighting the proliferation of WMDs. Especially when it comes to preventing weapons of mass destruction from falling into the hands of terrorists, we must use every single meaningful instrument at our disposal. And the contribution of export controls remains here what it is on an international scale - indispensable.

Ladies and gentlemen,

Thank you for your attention.