

## **The importance of regional co-operation**

Ladies and Gentlemen!

Only a couple of days after the second anniversary of the terrorists attacks against the World Trade Centre and the government buildings in Washington, one cannot help repeating the phrase which has become so common by now: we have been living in a different world since 11 of September 2001.

The events of that day made clear even to the most ignorant layman how terrible the consequences could have been if weapons of mass destruction had got into the hands of people with evil purposes.

The international community has made great strides in combating the proliferation of weapons of mass destruction and their delivery means in recent years. Information exchange in the multilateral and regional regimes as well as the bilateral contacts between members and outreach activities with non-members has increased.

The Oxford process itself is no exemption. Transfers of sensitive technology and know-how as well as certain types of conventional weapons, such as MANPADS and UAV's are increasingly looked at in the light of new threats posed by international terrorism. Efficient export controls based upon international co-operation of like-minded countries therefore prove to be more important than ever.

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Issues related to export controls are so numerous that any comprehensive approach to tackling the challenges that may occur, inevitably cut across the traditional administrative structures and national borders. They touch upon portfolios of policy makers, licensing and enforcement officers. It is difficult to discuss certain problems around licensing or enforcement with no regard to the broader context. That is the society and culture in which laws, regulations and international commitments are meant to be implemented. For example, diversion or trafficking in weapons of mass destruction almost certainly involves common crimes as bribery and corruption. Inconsistencies or gaps in national laws relating to bribery hinder law enforcement and places with less stringent export controls create transshipment hubs that can be exploited by individual terrorists, their organisations or states that support them. Consequently there are many items on the agendas of the various multilateral non-proliferation regimes that overlap and cut across national borders.

There is no co-operation without information sharing. Or shall we say, information sharing is the first step, the simplest form of co-operation. Information, however, is a particular commodity. Information exchange between governments can be just as difficult as within them. Yet, it is plain to see that to a certain degree, the effectiveness of export control officers depends on the existence of well-maintained channels, a network

of points of contact and the speed and quality of information received through them. These channels and networks are especially indispensable for officers of neighbouring countries, of regions with similar traditions and working culture.

Notwithstanding the abundance of publicly available information, national export control systems often use classified information from intelligence sources. This combination of open and classified sources creates complications between, or within governments. They say, information is power. Therefore there is often a tension between the need for deeper and quicker information exchange among national export control systems and the responsibility to protect information. The use of channels I mentioned earlier can also successfully diminish this kind of a tension.

Let me focus my remarks to information exchange at the regional and multilateral level. There is already a broad spectrum of information exchanges. It includes voluntary submission of information on various aspects of trade to international organisations, bilateral consultations, or even the creation of common databases. The depth and quality of information exchanged depends on the level of trust and confidence between the parties involved. On the other hand, an effective enforcement action that resulted from information shared with a partner has a beneficial impact not only on export controls, but also on the wider relationship between two countries.

While transparency and fairness are desirable in general, mutual interests often make bilateral contacts preferable when sensitive intelligence is involved. End-users of concern are likely to fall in this category. Despite of the obvious advantages of a regional analytical centre that would provide information and export control resources to all states in the region, none of this kind has been created yet.

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On 1<sup>st</sup> May 2004, three out of Hungary's seven neighbours will be EU members. Therefore, the Hungarian government is particularly strongly committed to participate in efforts that may support the preparedness of the whole region to fulfil the membership criteria in the field of export controls, too. As a recent example, it is to this end that Hungarian experts have been involved in the Southeast European outreach activities of MTCR, conducted by the current Polish chair.

This commitment to regional co-operation has also played a role in the common decision that an export control seminar for Southeast European licensing and enforcement officers was jointly organised by the governments of the United States and Hungary in June 2003. Representatives of Albania, Bulgaria, Bosnia-Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Romania and Serbia-Montenegro participated in the event. Experts from Greece, under double hats representing a country that has close contacts with the region and also representing the EU Presidency, as well as from Austria, Canada, Germany and Slovakia were present and made various contributions to the conference. Ambassador Sune Danielsson, Head of Secretariat of the Wassenaar Arrangement, who is with us today, addressed the meeting, too.

The purpose of the seminar was to provide assistance for countries in the region to further develop their export control systems and to give them an opportunity to establish personal contacts and share experiences of transformation of their national systems. We also hoped to foster co-operation between national licensing authorities at a sub-regional level by facilitating this meeting.

In order to achieve this, speakers from Hungary, the US and the EU presented through concrete examples the legal and administrative structure of their respective export control systems. Specific issues related to controls were discussed in small groups of experts with similar background. Discussions on the possibilities (or even feasibility, given the quality of technology currently available) of controlling intangible technology and the activities of brokers took up the greatest amount of time. Since expectations to perform in these areas are high in the multilateral regimes and in the EU, coupled with a political will and resolve to show progress in integration, these issues pose a major challenge for experts in the region.

Another problem that is generally shared is the control of transit shipments. You may recall Dr. Nagy's slides on the major transit routs crossing Hungary yesterday. Co-operation among countries in the region is of paramount importance, if we want to successfully tackle problems related to transit. Therefore country-specific problems related to transit were also discussed in detail in breakout groups.

Participants from different countries advised each other on how they investigate and penalise entities that tried to circumvent export controls. The importance of having access to technical expertise for licensing and in particular for enforcement officers was underlined many times. Discrepancies in that field are very visible in South Eastern Europe nowadays.

The importance of information sharing was one of the most frequently used phrases during that two-day conference. In fact, it was the first time that a Hungarian intelligence officer spoke to such an audience about what in their assessment were the main problems relating to export controls in the region and how they tried to tackle them.

In our assessment this seminar was a valuable contribution to the development of export controls of countries in the region. It has also helped deepen contacts between officials and experts in this field. Therefore we have been thinking about possible follow-ups to this seminar – like organising joint training for law enforcement officers – and will discuss these ideas with partners.

To sum up, I can assure you Ladies and Gentlemen that Hungary remains committed to working together with partners to find common ground on the issue of export controls. We see this as one of the key areas of our security policy where we can contribute a great deal to making this world a safer place to live.