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INTRODUCTION

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MISSILE TECHNOLOGY CONTROL REGIME

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The Missile Technology Control Regime is an informal and voluntary association of countries which share the goals of non-proliferation of unmanned delivery systems capable of delivering weapons of mass destruction, and which seek to coordinate national export licensing efforts aimed at preventing their proliferation. The MTCR was originally established in 1987 by Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. **SLIDE 4** Now, in its 20th year **CLICK**, the number of MTCR partners has increased to a total of thirty-four countries, all of which have equal standing within the Regime. In addition, there are a number of non-Partners that have agreed to apply the MTCR guidelines and Annex to their exports.

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The MTCR functions are based upon adherence to common export policy guidelines (the MTCR Guidelines) applied to an integral common list of controlled items (the MTCR Equipment, Software and Technology Annex). All MTCR decisions are taken by consensus, and MTCR partners regularly exchange information about relevant national export licensing issues.

The MTCR Technical Annex of controlled items is divided into two categories:

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Category I restricts the transfer of “missiles” – basically encompassing rocket systems (e.g. ballistic missiles, space launch vehicles) and unmanned aerial vehicle (UAV) systems (including cruise missiles, target drones, and reconnaissance drones) capable of delivering weapons of mass destruction (WMD). This also includes their related equipment and technology. The Regime places particular focus on delivery systems capable of delivering a payload of at least 500 kg to a distance of at least 300 km, so called “Category I” or “MTCR-class” systems. Exports of Category I items are subject to a strong presumption of denial.

Category II includes other “missiles” below the thresholds of 500kg payload but with a range of 300km. This also includes propulsion and propellant components, launch and ground

support equipment, various other missile-related components, and related technology. Exports of Cat II items are subject to restraint but partners have greater degree of flexibility in the treatment of Category II transfer applications.

The Guidelines are open to all nations to implement, whether or not they are MTCR Partners and we encourage all governments unilaterally to adhere to the Guidelines. To date, Israel has incorporated both the Guidelines and the Annex in its domestic legislation. China has adopted legislation to control the exports of missile technology, and so too have India and Pakistan. All have aligned themselves with the MTCR's Guidelines. The MTCR sees this as a very important long-term trend.

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Both the 2005 and 2006 Plenary meetings, held in Madrid and Copenhagen respectively, took place in a context of increased multilateral attention to non-proliferation and export controls.

Denmark are now the Chair of the MTCR and at the 2006 Copenhagen Plenary, held between the 2nd to 6th of October Seoul, MTCR Partners acknowledged the growing risk of proliferation of weapons of mass destruction and their means of delivery. In particular, they expressed concern over missile proliferation in Northeast Asia, South Asia and the Middle East and reaffirmed their determination to strengthen export controls and discourage missile programmes and activities of proliferation concern.

The Partners noted what were then the most recent U.N. Security Council Resolutions 1695 and 1696 and their direct relevance to MTCR export controls and expressed their determination to implement the calls in these resolutions to exercise vigilance and prevent the transfer of any items, materials, goods and technology that could contribute to ballistic missile programmes of proliferation concern, in accordance with their national legislation and consistent with international law.

In a broader context, the Plenary reiterated its support for UN Security Council Resolution 1540 declaring proliferation of weapons of mass destruction and their means of delivery a threat to international peace and security and obliging all U.N. Member States to exercise effective export controls over such weapons and related materials. It confirmed the willingness of Partners in a position to do so to assist non-member States as foreseen in the Resolution and mandated the Chair to pursue contact with the 1540 Committee. In fact, the Chair, accompanied by a number of experts, will be meeting the 1540 Committee next week.

Subsequent to this, of course, the UN Security Council has adopted a further two Resolutions and I will touch on these at the end of the presentation.

The MTCR has also noted that in the face of rapid advances in technology, export controls need continually to evolve if they are to remain effective in combating missile proliferation. Partners have, therefore, undertaken to consider how best to tackle the threats posed by intangible transfers, transshipment and brokering and agreed to exchange information via a survey of their current transit, transshipment and brokering controls and the steps needed to apply them to MTCR controlled goods.

In its efforts to promote the benefits of effective export controls, the MTCR Chair and Partners undertake outreach activities to non-partners in order to keep them informed about the Regime's activities and to provide practical assistance in preventing the proliferation of WMD delivery systems. On behalf of the MTCR, the Chair also pursues a range of contacts with non-partners, including MTCR-sponsored workshops, seminars and intensified dialogue concerning the MTCR goals and activities, with a focus on such topics as export controls, legislation and enforcement.

The Chair's focus until the next Plenary is to maintain these contacts with non-members and is in the process of planning visits that will be focused on Asia and the Middle East.

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NUCLEAR SUPPLIERS GROUP

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Following the admission of Croatia in 2005, the Nuclear Suppliers Group (NSG) now has 45 Members contributing to the non-proliferation of nuclear weapons through implementation of guidelines for control of nuclear and nuclear-related exports – The European Commission are observers to the Group. **SLIDE 10** The aim of the NSG, which was formed in the 1970's following events that demonstrated nuclear technology transferred for peaceful purposes could be misused, is to prevent the proliferation of nuclear weapons through export controls of nuclear and nuclear-related material, equipment, software and technology, without hindering international cooperation on peaceful uses of nuclear energy.

Members pursue the aims of the NSG through voluntary adherence to the Guidelines (first published in 1978 as an IAEA Document INFCIRC 254) and through exchanges of information on developments of nuclear proliferation concern.

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The NSG Guidelines contain two parts. Part 1 governs exports of nuclear materials and equipment which require the application of International Atomic Energy Agency (IAEA)

safeguards at the recipient facility. The Part 1 nuclear control list is called the "Trigger List" because the export of such items "triggers" the requirement for IAEA safeguards.

The second set of NSG Guidelines (Part 2) governs exports of nuclear-related dual-use equipment and materials. The NSG Guidelines also control technology related to both nuclear and nuclear-related dual-use exports. Both Parts 1 and 2 of the NSG Guidelines aim to ensure that nuclear trade for peaceful purposes does not contribute to the proliferation of nuclear weapons or explosive devices while not hindering such trade.

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Meetings of the NSG comprise the following:

The Plenary which works on the basis of consensus where Participating Governments meet once a year. The Plenary can decide to set up working groups, with recommendations by the Consultative Group, on matters such as the review of the NSG Guidelines, the Annexes, the procedural arrangements, information sharing and transparency activities (there are no Working Groups at present). The Plenary can also mandate the Chair to conduct outreach activities with specific countries.

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The Consultative Group is the NSG's standing intersessional working body, tasked to hold consultations on issues associated with the Guidelines on nuclear supply and the technical annexes. The CG takes its decisions by consensus. It can meet more than once a year and holds a session immediately in advance of the Plenary.

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The Information Exchange Meeting immediately precedes the NSG Plenary and provides another opportunity for Participating Governments to share information and developments of relevance to the objectives and content of the NSG Guidelines.

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Over the last couple of years the NSG has, in order to strengthen further the Participating Governments' national export controls, adopted a number of measures including:

- A "catch-all" mechanism in the NSG Guidelines, to provide a national legal basis to control the export of nuclear related items that are not on the control lists, when such

items are or may be intended for use in connection with a nuclear weapons programme.

- Strengthened information exchange.
- Reinforcing the NSG's contacts with non-partners through activities with states outside of the NSG.
- Strengthening the relationship between the NSG and the IAEA, including the provision of briefings to the IAEA Director General.

Brazil are currently the Chair of the NSG and the sixteenth Plenary Meeting of the Nuclear Suppliers Group took place in Brasilia, Brazil on the 1st to 2nd June 2006.

Over the past 12 months the Nuclear Suppliers Group has concerned it-self with, the situation regarding Iran's nuclear programme; strengthening the NSG Guidelines; the relationship between the NSG and India; the DPRK Nuclear test, and; transparency and outreach activities.

NSG Participating Governments have justified concerns about the nuclear programme in Iran. In October 2005 an Extraordinary Plenary was held in Vienna to discuss this issue. Again at the Brasilia Plenary in June 2006, PGs expressed their full support for the continuing work of the IAEA in fulfilling its mandate in Iran, and called on Iran to cooperate fully with the Agency in this regard. NSG PGs continue to fully support the processes underway in various fora to find a diplomatic solution to the Iran nuclear issue and they are currently looking at how best to fully implement the measures contained in UNSCR 1737.

The NSG Guidelines are under constant review – in order to increase their effectiveness against current, and emerging, proliferation threats.

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At Brasilia the NSG agreed to, inter alia:

1. Revised Guidelines for information sharing within the NSG
2. An amendment to the Part 1 Guidelines to include especially designed or prepared valves for use in enrichment plants
3. To incorporate the outcomes of the NSG Workshop on sensitive technologies into outreach activities.

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The NSG continues to discuss, amongst other things: making the Additional Protocol a Condition of Supply; the issue of Non-Member adherence to NSG Guidelines; seeking to ensure wider implementation of comprehensive and effective control; the further strengthening the NSG Guidelines by potentially adopting further criteria for enrichment and reprocessing technology transfers, and; contacting non-participating Governments in the framework of NSG outreach.

On October 12 2006 the NSG Chairman issued a statement in which he, while recalling UNSCR 1695, expressed deep regret and grave concern over the DPRK's nuclear test, expressed support for the early resumption of the Six-Party talks and called for "all states to exercise extreme vigilance to ensure that none of their exports of goods and technologies contribute to North Korea's nuclear weapons effort

The NSG continues to direct the NSG Chair and Troika to engage with targeted Non-NSG Members and international organisations in order to assist non-members in setting up or improving their national controls, with an eye to increased membership of the NSG and seeking the universal adoption and implementation of the NSG Guidelines

As an aid to transparency the NSG continues to direct the NSG Chair to engage with Non-Member adherents, and those countries in the process of adopting the NSG Guidelines, so that they are kept apprised of the work in the NSG, helping their adherence remain current.

South Africa will take over the Chair in April when they host the 2007 Plenary in Cape Town.

Ladies and Gentlemen, that concludes my summary of the MTCR and NSG's activities over the last two years since the Stockholm Export Control Conference. But there is one very important aspect that I would like to touch on – the impact of UN sanctions against Iran and the DPRK and the relationship of those sanctions to the MTCR and the NSG.

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I'm sure you all know that, in 2006, the UN Security Council adopted Resolution 1718 on North Korea and Resolution 1737 on Iran, as direct responses to the nuclear and missile-related proliferation concerns in those countries. As part of the many measures contained in those Resolutions, there are two UN lists of technology: UN Document S/2006/814 is the same as the NSG lists and Document S/2006/815 is the same as the MTCR's Technical Annex.

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Here's a small extract from UNSCR 1737 where I've highlighted in yellow the reference to these UN documents.

This raises some interesting points:

First – All UN Member States are required to (I quote) ***“take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology which could contribute to Iran’s enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems, namely”*** it's here we then see the references to controlled goods and this means applying export controls to ban the supply of items defined by the NSG and MTCR. Similar provisions apply to Resolution 1718.

This shows the technical advantage and skill that the regimes can bring to bear, and how the UN Security Council has been able to draw on the immense experience of the export control regimes (which also includes the Australia Group as I'm sure Peter Sawczak will mention later). It is also worth noting, however, that in the context of the MTCR, the UN has also required that Member States use the MTCR Guidelines (albeit not specifically under that name) when considering a request for exports of items under limited exceptions – the first time that such Guidelines have been an obligation placed on all states.

I hesitate to expand too much in to the work of the UNSCR 1540 Committee but the engagement of the 1540 Committee with the various export control regimes is also likely to show how this experience in the definition of controlled goods relevant to the purposes of the UN is a valuable resource on which the UN and all Member States can draw.

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Thank you.