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Asia Strategic Trade Controls: Challenges and Solutions

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Presentation Topics

- **Challenges for Asia strategic trade controls (STCs)**
- **Possible solutions to challenges**
- **Engaging industry and academia**
- **Conclusion**

Asia STC Challenges (1)



- **Challenges stemming from the international level**
 - Gaps in the international legal foundation for regulating trade in “dual-use” items
 - No international “control list”
 - Differing perceptions of and/or perspectives on proliferation threats

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Asia STC Challenges (2)

- **Regional-level challenges in Asia**
 - Volume and speed of foreign trade throughout the region
 - Different levels of STC system development across the region
 - Differences in control lists among the countries and areas that have established STC systems



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Asia STC Challenges (3)

- **Timing of control list updates** (*for demonstrative purposes only, may already be out-of-date*)

| COUNTRY / AREA | LAST UPDATE | MECR LIST CORRESPONDENCE |
|---------------------|----------------|---|
| AUSTRALIA | November 2016 | 2014 MECR lists |
| CHINA | December 2017 | 2017 NSG Dual-Use List; <i>others vary</i> |
| EUROPEAN UNION (EU) | September 2017 | 2016 MECR lists |
| HONG KONG SAR | March 2017 | 2014 MECR lists |
| INDIA | October 2017 | 2016 MECR lists |
| ISRAEL | January 2018 | 2017 <i>WA and MTCR</i> lists |
| JAPAN | January 2018 | 2016 MECR lists |
| KAZAKHSTAN | 2013 | 2012 MECR lists |
| KOREA | February 2017 | 2016 MECR lists |
| MALAYSIA | March 2017 | 2014 MECR lists |
| NEW ZEALAND | October 2017 | 2014 MECR lists |
| PAKISTAN | December 2016 | 2016 or 2015 NSG, MTCR, and AG Bio Lists |
| PHILIPPINES * | <i>TBD</i> | <i>*2015 MECR lists according to current plan</i> |
| SINGAPORE | June 2017 | 2015 MECR lists (2016 WA Munitions List) |
| CHINESE TAIPEI | September 2016 | 2014 MECR lists |
| TURKEY | 2017 (?) | <i>Depends on specific MECR list (?)</i> |
| UAE | 2017 | 2016 MECR lists |
| USA | August 2017 | 2016 MECR lists |

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Asia STC Challenges (4)

- **National-level challenges in Asia**
 - Level of industry awareness of STCs in all systems
 - Emphasis on extra-territorial application of U.S. export controls in more established systems
 - Agencies with technical capability and political capability may not be the same in developing systems
 - Personnel capacity in developing systems
 - Pre-existing regulatory “silos” in developing systems

Notional Asia STC Solutions (1)

- **Coming from the international level:**

- A new UNSCR resolution that makes explicit reference to or incorporation of the control lists of the major MECRs
- Continued work of World Customs Organization (WCO) on correlating Harmonized System (HS) codes with MECR-listed items
- Build upon the Arms Trade Treaty (ATT) and Chemical Weapons Convention (CWC) experiences for other types of strategic items



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Notional Asia STC Solutions (2)

- **Regional level:**

- Continue, if not expand, regional-level engagement on STCs, perhaps in conjunction with regional economic initiatives, and raise awareness about each other's STCs
- Attempt to coordinate a cross-regional control list "catch-up", at least in the Asia Pacific portion, with some systems waiting and others speeding-up with their control list updates
- Build upon the Arms Trade Treaty (ATT) and Chemical Weapons Convention (CWC) experiences for other types of strategic items

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Notional Asia STC Solutions (3)



- **National level:**
 - For systems under development: establish some level of legal-regulatory and bureaucratic STC “inter-connectivity” and consider the potential economic gains
 - For established systems: increase enforcement and public awareness of enforcement
 - For all: place substantial emphasis on industry outreach and compliance and promoting national export control requirements

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Q+A And Discussion



Thank you for your time and attention, I will be glad to answer any questions now, or you may contact me any time at:

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