



25th Asian Export Control Seminar (27 Feb - 1 Mar 2018)

Good afternoon everyone and thank you for the opportunity to share and discuss the important work being undertaken by Missile Technology Control Regime (MTCR) partners.

I would like to start by outlining what the MTCR is and where it fits in the overall structure of International Export Control Regimes.

As you are all acutely aware, the proliferation of WMD and their means of delivery remains an ever-present and growing threat to international peace and security. Given the increasingly interconnected world in which we live, multilateral tools and regimes which can help to raise awareness of and, indeed, prevent such proliferation, assume critical importance. In this regard, the Missile Technology Control Regime (MTCR) constitutes a key instrument of international efforts to prevent missile proliferation.

In essence, the MTCR is an informal political understanding among Participating States, which seeks to limit the spread of missiles and missile technology. It does so by controlling transfers of the most destabilizing delivery systems for weapons of mass destruction.

The MTCR is a dynamic regime which, through the cooperation of its experts, adapts to changing circumstances and challenges. Since its formation in 1987, it has evolved to meet the shifting nature of global proliferation threats. In 1992, the MTCR's original focus on missiles for nuclear weapons delivery was extended to an additional focus on the proliferation of missiles for the delivery of all types of weapons of mass destruction (WMD), i.e., nuclear, chemical and biological weapons.

In 2002, partner countries agreed to expand their mandate to include preventing terrorists from acquiring missile technology.

The MTCR also made a significant contribution to non-proliferation through the Hague Code of Conduct against Ballistic Missile Proliferation. The code was drafted through MTCR plenaries and launched in 2002. The code is a transparency and confidence-building mechanism which complements the MTCR's export controls: subscribing states commit to notifying other states of ballistic missile and space launch vehicles and to submit a declaration of their policies towards launch vehicles annually. And I am pleased that the Chair of the Hague Code of Conduct participated in and addressed the MTCR Plenary last October in Dublin.

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So, how does the MTCR differ from other export control regimes and how does it work?

The regime is unique in the sense that it focuses on **delivery means** rather than the weapons themselves, as many other export control regimes do.

I should also emphasise that the intention of the MTCR is not to impede either technological development or trade, but to limit the risk of these activities contributing to the proliferation of WMDs.

The two pillars of the MTCR are its Guidelines and the Technical Annex. The former provides policy guidelines, and the latter sets out a list of controlled goods, software, and technology.

The Technical Annex divides controlled goods into two categories. 'Category 1' items, which are unmanned delivery systems capable of delivering a payload of at least 500 kg to a distance of at least 300 km; these are subject to an unconditional strong presumption of denial regardless of the purpose of the export. 'Category 2' items include other less-sensitive and dual-use components, and such items are subject to licensing requirements that take into consideration the non-proliferation factors specified in the Guidelines.

In terms of our programme of work, the MTCR's main meeting is the annual policy-level Plenary meeting, which is held to discuss and take decisions on all relevant issues for the regime. All decisions are made by consensus. Three sub-groups hold meetings in conjunction with the annual Plenary; these are the Information Exchange Meeting (IEM), the Licensing and Enforcement Experts Meeting (LEEM), and the Technical Experts Meeting (TEM). It is fair to say that these three groups of experts form the core, if you like the engine room of the MTCR. Additionally, there are intersessional Reinforced Point of Contact (RPOC) and Point of Contact (POC) meetings. While the MTCR has no formal secretariat, France serves as the Regime's Point of Contact (POC). The POC receives and distributes all Regime documents. The POC also participates in outreach activities and hosts intersessional meetings.

Over the course of its 31-year history, the regime has gone from strength to strength; extending our membership from 7 to 35 states. Furthermore, a growing number of non-partners have adhered to our guidelines, which are also included in several UN Security Council resolutions.

The export controls of related items, information sharing, and patterns of cooperation that have been cultivated by MTCR partners have significantly reduced the availability to proliferators of the equipment, technology, and knowledge needed to develop, produce, and acquire Weapons of Mass Destruction (WMD) missile delivery systems, without hindering legitimate trade.

In the years ahead, the Regime will continue to engage non-members in order to promote international efforts to limit the spread of missile systems capable of delivering weapons of mass destruction, as well as the technology and equipment needed to do so.

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I would now like to discuss current activities of our joint Irish-Icelandic Co-Chairmanship of the MTCR.

Despite the best efforts of a hurricane, we held a very successful plenary meeting in Dublin last October!

The main purpose of the meeting was to review and evaluate the MTCR's activities over the last 12 months and to intensify the efforts of Partners to prevent the proliferation of unmanned delivery systems capable of delivering WMD. Partners devoted increased attention to Intangible Technology

Transfer (ITT), Unmanned Aerial Vehicles (UAVs), Catch All Controls, Regional Proliferation and strategic outreach to non-MTCR countries.

Partners conducted extensive discussions on and expressed concern about global missile proliferation activities, in particular ongoing missile programmes in the Middle East, Northeast Asia, and South Asia, which might fuel missile proliferation activities elsewhere. Partners also encouraged relevant regional bodies and institutions to pay attention to the role of export controls in preventing the proliferation of missiles capable of carrying WMD.

Partners reiterated their firm commitment to exercise extreme vigilance when controlling transfers that could contribute to the DPRK's ballistic missile programme, in response to the drastic escalation of ballistic missile launches and significant missile technology development by the DPRK since February 2016. Partners also noted the continued implementation of the Joint Comprehensive Plan of Action with regard to Iran.

The Licensing and Enforcement Experts Meeting (LEEM) and the Information Exchange Meeting (IEM) also had fruitful discussions on a number of issues, including proliferation trends, procurement activities and strategies in support of programmes for WMD delivery means; serious risks and challenges posed by intangible technology transfers (ITT); key technology trends in missile programmes; catch-all controls for non-listed items; and brokering, transit and transshipment issues, and efforts to exploit them to evade export controls. These discussions showed that constant awareness, sharing of information, including best practices, and updating of MTCR countries' export control systems and enforcement efforts are of great importance and have a significant impact on their work which is aimed at curbing proliferation of WMD means of delivery.

We are also continuing to organise outreach visits to non-partner states and organisations to inform them about the work of the MTCR and encourage engagement. Apart from the valuable opportunity which attending this Seminar represents, we will host a Technical Outreach Meeting alongside our Technical Expert Meeting in Reykjavik from 19th – 23rd March. We also propose with the agreement of host countries to conduct outreach visits to Pakistan, Jordan and Israel in 2018.

Ladies and Gentlemen,

For three decades, the MTCR has proved itself as an effective and important mechanism in non-proliferation; we are very proud of the work we have done so far. But we must not be complacent. As always, the regime faces significant challenges, and it is crucial that we continue to weather them.

Intangible technology transfer (ITT) has often been highlighted as posing a significant threat to international non-proliferation and security. The MTCR continues to discuss our approach and challenge the old-fashioned mind-set of traditional export controls that deal exclusively in tangible goods. We must modernise and we must adapt if we are to succeed.

There is also a growing need to expand our engagement with industry and academia in the development of effective export controls. Proliferators are adept at using brokering, transshipment, transit, re-export, and all other conceivable means to conceal the true end-users of their exports. Corporate officers, producers, scientists, professors and anyone else involved in the development or

sale of technology could be vulnerable to proliferators. The innovation of proliferators has grown apace and we must not only keep up but anticipate and innovate.

Finally, we remain concerned about global missile proliferation activities, in particular ongoing missile programmes in the Middle East, Northeast Asia, and South Asia, and the risk that these could lead to proliferation elsewhere.

We are committed to continuing our outreach efforts and to encouraging non-partners to declare their adherence to our guidelines. It is our view that these represent international best practice and that the adherence of as many states as possible to those guidelines will limit the risk of proliferation and represent an important step in maintaining international security.

Thank you ladies and gentlemen and we look forward to engaging with you over the course of the seminar.
