2013 STRATEGIC EXPORT CONTROL CONFERENCE

"Towards an export control policy review:

ensuring security and competitiveness in a changing world"

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The "2013 Strategic Export Control Conference", organised jointly by the European Commission and the Irish Presidency, brought together 260 representatives of key industry associations and major companies, civil society and academia, Member States' authorities and European Institutions in Brussels on 26 June 2013. Following the adoption of the 2013 Commission Staff Working Document (SWD (2013)7), the conference marked a further milestone in the export control policy review, and provided a forum to discuss topical export control issues and options for adjusting the EU export control system to rapidly changing technological, economic and political circumstances.

Commissioner De Gucht outlined the Commission's approach to striking the right balance between security and competitiveness and called on business, academia and Member States to engage constructively with a view to supporting the Commission in the preparation of a communication setting out priorities for the review of the EU export control system.

Participants discussed the evolution of the international and EU political and legal framework forming the 'global counter-proliferation context' for the operation of export controls and other security-related trade instruments such as sanctions.

Participants examined the scope of controls and its continued relevance in light of evolving threats, shifting security and foreign policy considerations and rapid scientific and technological developments. They discussed the implications of the increasing complexity of both legal and illegal trading patterns involving an increasing range of items, activities and actors other than the traditional 'exporter'. Participants recognised the wide sector ramifications of export controls and their critical importance for high-tech industries and the EU's innovation capacity. Industry associations from a range of sectors (semiconductors, chemicals, nuclear, aerospace etc) reported on the impact of controls – including extra-territorial controls - on EU companies in the context of increasingly globalised and complex supply chains and integrated research and development, demonstrated that export controls represent an important competitive factor, and pressed for a global level-playing field and minimum distortions to the Single Market.

Participants assessed the strengths and benefits of the EU current export control system, identified areas and formulated options for adjustments to some of its parameters with a view to developing a more risk-based, targeted and effective EU system, such as:

- a review of the underlying principles and notions of export controls in light of broader policy, human rights and security considerations e.g. relating to the use of telecommunication and cyber-tools in violation of human rights;

- the further approximation of common control criteria and their application e.g. through expanded information-exchange, risk assessment, guidelines etc;

- upgrades to the EU licensing system and further harmonisation of licensing processes to facilitate legitimate trade while maintaining security and preserving flexibility;

- the importance of timely updating of the EU Control List to ensure adaptation to technological advances and market trends as well as foreign availability of items, and minimise distortions of competition;

- actions to enhance the transparency and effectiveness of catch-all controls within the EU, avoid distortions of competition and adverse security effects;

- clarification of the application of controls of intangible technology transfers, including cloud computing, dual-use research etc, as well as brokering and transit controls;

- critical re-evaluation of intra-EU transfer controls to facilitate free movement of dual-use goods and technology within the Single Market while ensuring continued fulfilment of international commitments and security of most sensitive items;

- development of an EU export control network based on expanded infrastructure commonalities, including enhanced information-sharing and consultation mechanisms, mutualisation and pooling of technical expertise;

- coordinated enforcement involving key actors (e.g. customs, prosecutors, industry), and development of differentiated approach for targeting of illicit trade and proliferation networks that systematically attempt to evade official controls;

- increased outreach to EU industry and development of a structured dialogue with the private sector – industry and academia - in order to forge a 'partnership" to counter proliferation, including development of a "competence framework" against which training would be delivered to a similar standard across the EU, in order to enhance the "professionalization" of the compliance function.