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The Rt Hon Sir John Stanley MP
Chair of the Committee on Arms Export Controls
House of Commons
London SW1A 0AA

10 September 2013

Dear Sir John,

EXPORT CONTROLS: EGYPT, SYRIA AND DSEI

I was writing to bring you up to date with the actions of the Government in respect of export controls for Syria and Egypt when I received your letter today. I will come back to you on the detailed points you have raised but in the meantime wanted to give you a quick readout of what's been happening. I also want to let you know the steps we have taken to ensure that Clarion, the organisers of the Defence and Security Equipment International, comply with their obligations under UK export and trade control legislation.

Export licences for chemicals for Syria

I wrote to you on the 6 September last year about two licences to export dual use chemicals to Syria issued on the 17 and 18 January 2012. You will recall that the licences were for sodium fluoride (1000kg) and potassium fluoride (1000kg) and that they were subsequently revoked in July 2012 following the imposition of EU sanctions. HMRC has confirmed that the licences were not used before revocation. The chemicals are not listed by the Chemical Weapons Convention but are subject to export controls by virtue of our membership of the Australia Group and are listed in Annex I of Council Regulation 428/2009.

I stand by what I wrote last year that the two licence applications in question were subject to proper assessment against the Consolidated EU and National Arms Export Licensing Criteria and were determined to be for legitimate commercial use. There was therefore no clear basis on which to refuse licences as this predated EU sanctions. Although the chemicals in question can be used as precursors for chemical weapons they also have a large number of commercial applications and the volumes licensed are consistent with commercial use.

In the light of the recent and shocking use of chemical weapons by the Assad regime in Syria I asked my officials to determine whether any other licences for chemicals had been granted for Syria over the last ten years. They identified five other licences, all for sodium fluoride, issued in July 2004, September 2005, March 2007, February 2009 and May 2010 (for, respectively, 50kg, 2000kg, 50kg, 2000kg and 50kg). These licences all pre-date the conflict in Syria. They were issued to two UK exporters for despatch to two Syrian companies. I am confident that each application was properly assessed to determine end use and that the exports were for legitimate commercial purposes, namely cosmetics and healthcare products. The volumes of sodium fluoride covered by these licences are consistent with commercial use.

I want to assure you there is no evidence that exports of chemicals from the UK have been deployed in Syrian weapons programmes and I have determined that there has been no breach of controls or international obligations. The Government remains confident that UK export controls continue to be among the most stringent in the world.

Suspension of export licensing for Egypt

At the Foreign Affairs Council on the 21 August EU Member States agreed to suspend export licensing for any equipment which might be used for internal repression and to reassess export licences of equipment covered by Common Position 2008/944/CFSP.

Following advice from the FCO we moved quickly to suspend 48 extant licences (the initial figure was 49 but one was reinstated following further investigation). These licences cover a wide range of equipment, including spares for helicopters and other aircraft, specialist software and communications equipment. This followed a decision in July to revoke five licences for crowd control equipment. In addition we have republished a number of Open General Export Licences to exclude Egyptian end users.

The suspension applies to new licence applications as well as extant ones and will continue until further notice. This has been communicated directly to the licence holders affected by the suspension and there have been wider communications through a BIS press statement and an ECO Notice to Exporters.

We are now assessing whether any of the suspended licences should be permanently revoked. I expect advice on this in the near future.

The application of the licensing suspension is wide and all activities of the Egyptian Army, Air Force and Internal Security Forces or Ministry of the Interior are being interpreted as ones which might, at this time, involve internal repression. This reflects the decision of the FAC to apply suspension to all licences “which might be used for internal repression” – which you will appreciate is a lower threshold than that set out in Criterion 2.

HMRC is keeping a watch for any attempts to export to these entities. The FCO will continue to monitor the situation in Egypt very closely to determine how long the suspension should remain in place.

I feel sure that, in the light of recent and continuing violence in Egypt, you will support these measures.

Defence and Security Equipment International (DSEi)

You will be aware that DSEi is taking place this week at the ExCel exhibition centre. While Clarion Defence and Security Ltd - in association with the Defence Trade Associations – organises the exhibition and is responsible for inviting UK and international companies to exhibit at the exhibition, we have agreed a Memorandum of Understanding with Clarion, to address compliance with UK export and trade controls. Clarion has committed to work with ECO and compliance agencies to ensure that all exhibitors comply with UK, EU and international laws and regulations related to the export of defence, security and dual use equipment. ECO, along with HMRC, Border Force and the Metropolitan Police will maintain a presence at the ExCel throughout the exhibition and will not hesitate to take action in the event of non-compliance.

I hope you find this information useful. I will write to you again in the next few days on the detailed points raise in your letter of the 9 September.

I am copying this letter to the Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for Defence.

A handwritten signature in dark ink, appearing to read 'Vince Cable', with a small mark above the 'e'.

VINCE CABLE

Secretary of State for Business, Innovation and Skills