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"The Wassenaar Arrangement's Role for Effective Defence Technology Security and Export Control"

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Introduction

Thank you to the Defence Acquisition Programme Administration (DAPA) of the Republic of Korea for inviting me to speak at this sixth annual conference in a series which is making an important contribution to promoting international cooperation in defence technology security. This year's theme – "Effective Defence Technology Security and Export Control in the Era of the 4th Industrial Revolution" - captures well the increasing focus on emerging technologies in our work.

It is an honour to be invited once again to give a key-note speech at this year's event.

The Republic of Korea is a founding member of the Wassenaar Arrangement (WA) and contributes actively to its work at all levels.

Background

The currently 42 Participating States of the WA cooperate to promote transparency and responsibility in transfers of conventional arms and sensitive dual-use goods and technologies. Their common purpose is to address threats to regional and international security and stability posed by destabilising accumulations of these items, and to prevent their acquisition by terrorists. They work together to develop common understandings of the risks associated with these transfers, and of the scope for coordinating national control policies in response.

They do this by collectively agreeing on the goods and technologies that form the backbone of national export control lists; by exchanging information and views on transfer risks and trends as well as regular reporting of national transfer decisions; and by developing "best practices" standards and guidelines covering all aspects of export control implementation.

Multilateral cooperation is an important means by which governments can ensure and enhance the effectiveness of their national export controls in preventing strategically sensitive items from contributing to military capabilities of serious concern, and from being diverted to support such capabilities.

The WA represents a political undertaking by each Participating State to apply fully effective export controls at the national level, and to contribute to the WA's collective purposes. It

relies on and seeks to build mutual trust and confidence among states from different continents and with diverse national interests, but which share the objective of promoting discipline and cooperation in the rules governing this trade.

Given increasing proliferation and diversion risks, this international cooperation is more important than ever.

Apart from conventional military threats, which have not gone away, other potential risks have arisen through rapid technological advances and increasingly sophisticated methods of proliferation and diversion, including through intangible transfers of technology. Beyond the traditional domains of land, sea and air, WA Participating States are increasingly reviewing export controls relevant to activities in outer space as well as cyberspace, at the same time adjusting or eliminating controls made redundant due to the pace of technological advance or changes in the global marketplace.

Working by consensus, they need constantly to find a balance between different national perspectives of security and proliferation risk and legitimate trade and commercial interests.

Consensus means that all parties have a stake in the outcomes of the WA's work, but also that they can take longer to achieve and be applied. There is nothing, however, to stop any WA Participating State from implementing additional export control measures at the national level going beyond what is agreed in the WA. Individual Participating States can thus act more quickly when necessary to address particular national circumstances or needs. A "catch-all" provision agreed in 2003 also provides for export control of non-listed items in specified circumstances.

As I see it, the WA's role is to set the standard against which its Participating States compare and seek to further develop the effectiveness of their national export control systems. Participating in the WA gives them access to the benefit of world-leading technical expertise and experience in this process.

The WA's guiding principles make clear that it is not directed against any state or group of states, and that it will not impede *bona fide* civil transactions.

The WA Participating States currently include 17 of the world's 20 largest producers and exporters of conventional arms, while a number of other countries voluntarily apply the WA Control Lists and best practices. The WA is open to the admission of new members who meet the agreed criteria and whose admission is approved by the Plenary. It also operates a structured outreach programme to encourage non-member countries to follow its standards. Currently some 46 countries are regular outreach partners. Along with other relevant international contacts, the WA is pursuing informal technical dialogues at experts level with the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group (NSG) on specific control list issues of concern to more than one regime.

WA Control Lists

At the core of the WA's work are the two complementary Control Lists - the *Munitions List* with close to 300 entries in 22 categories, and the more extensive *Dual-Use List* with over 1,000 entries in 9 categories, covering items ranging from special materials and related equipment to electronics, computers, telecommunications, information security, etc.. "Technology" and "software" are specifically defined in both lists.

To remain relevant and reliable, export control lists need to be constantly updated to try to keep up with technological advances, changes in the international security situation and market trends. This is a major investment and an ongoing priority challenge for the WA Participating States.

Whereas technology with military applications used to be developed mostly by the defence industry, innovation is now increasingly driven by the civilian sector, making it more challenging for governments to try to identify dual-use technologies of concern in a timely way.

The WA provides a diplomatic forum in which partners can share particular security as well as commercial assessments and experience, and in which differences of perception can be explored and if possible resolved, allowing export controls to be calibrated to capture items of specific concern, while not impeding commercial applications and legitimate trade and investment flows. This work also helps to ensure a level playing field for international trade in these items, which is of key importance for exporters.

The intensive WA List review process is continuing in 2019 based on some 102 national proposals and non-papers. The typical annual resolution rate is around 80%, although in the case of complex emerging technologies, proposals may take more than one year to reach consensus, while previously agreed understandings may need to be later refined in the light of further technological advances, changes in market availability or implementation experience.

Among important Control List topics addressed in recent years are those related to electronic forensics, cyber threats and cyber warfare, lawful interception equipment, UAV jamming systems, additive manufacturing or 3-D printing, and spacecraft.

Last year, new export controls were agreed related to quantum-resistant cryptography algorithms, electromagnetic pulse (EMP)-resistant software, air-launch platforms for spacecraft and explosives.

Some existing controls were further clarified, while other controls were relaxed, such as for civil applications of the Internet-of-Things.

Many of the technologies being addressed can be thought of in the context of the Fourth Industrial Revolution, and the combination of digital and physical innovation which it represents.

Looking ahead, the WA Lists review process can be expected to consider further technologies such as quantum computing, robotics, additive manufacturing and sub-orbital vehicles. As the scope of these examples shows, its Participating States increasingly see the WA as the appropriate forum in which to reach common understandings on emerging trade and security issues arising from rapid technological advances.

Transparency Measures - Information Exchange
The WA also supports cooperation in defence technology security through information-sharing and standard-setting.

Apart from general information and risk assessments, Participating States share regular national reporting on at least a six-monthly basis of transfers of conventional arms and certain dual-use goods and technologies, as well as denials of dual-use exports, to destinations outside the WA. Reporting of transfer denials is an important and timely warning mechanism that supports consistency by helping to avoid inadvertent undercuts.

These exchanges add to the pool of knowledge available to WA Participating States in their national export license decision-making.

In addition, licensing and enforcement experts from WA Participating States meet once a year and network intersessionally to share national experiences, including case studies and lessons learned.

Standard-Setting
In terms of their normative or standard-setting work, WA Participating States collaborate in developing practical export control guidance based on their shared expertise and experience. Over the years the WA has built a comprehensive library of some 25 non-binding best practices, elements and procedures to guide effective export control implementation.

These cover topics such as transfers of small arms and light weapons (SALW), "catch-all", Intangible Transfer of Technology controls (ITT), Internal Compliance Programmes (ICPs) for industry and the research sector, recognising the importance of this partnership, re-export controls, and end-user/end use assurances. Given increasing complexities and challenges in implementing effective export controls in such areas, the WA has introduced a procedure for the regular review and where appropriate updating of all existing guidance documents.

The Republic of Korea has been active in sharing experience with its national outreach to the export sector, including in relation to its tiered system for ICPs and self-classification tools through the "Yes Trade" system.

All key WA documents, including the Control Lists and the best practice guidelines, are publicly available on the WA website for any interested country or company to consult.

Conclusion
In closing, the WA is working in a challenging but critical area of the international trade and security agenda. It strives to meet these challenges, inter alia, by:

- Preserving the international consensus that is essential to its effective operation;
- Facilitating information-sharing among its Participating States in a timely manner;
- Identifying and responding as quickly as possible to new technological developments or applications with security implications – in order to minimise vulnerabilities arising both before new controls can be agreed multilaterally, and before they are implemented in national practice;
- Maintaining an appropriate balance between the security concerns and commercial interests of its Participating States;
- Setting standards for effective export control procedure and practice; and
- Promoting the widest possible application of equivalent standards through active outreach to non-WA countries and partners.

I believe that the trust and collaboration built up through the WA's work have been a stabilising factor in the international trade and security environment over the last nearly twenty-three years. Without the WA, and other relevant international instruments, proliferation security efforts, including by major technology-holders, would be more fragmented, uneven and weaker.

That is not to say that any-one can afford to be complacent or less vigilant.

Its Participating States recognise that to remain relevant the WA needs to continue to be able to respond as rapidly and coherently as possible to the changing international landscape, including emerging technologies of concern, without impeding legitimate trade.

Despite the many challenges, the WA can be expected to continue to seek to play a leadership role in the international community's search for strengthened defence technology security through effective export controls. Its work is increasingly widely recognised and followed by other countries as a reference or standard-setter in this area, including in the context of the Arms Trade Treaty (ATT).

The Republic of Korea, including through this conference, is making an important contribution to this collective endeavour in support of international and regional security and stability.

Thank you for your attention.