

4 October 2024

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Requesters name redacted for proactive
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Thank you for your email of 23 August 2024 in which you request 14 pieces of information under the Official Information Act 1982 (OIA).

Your questions are answered in turn below.

On 20 September 2024, the timeframes for responding to your request were extended by an additional 15 working days because responding to your request necessitated the review of a large quantity of information, and due to the consultations necessary to make a decision on your request (section 15A(1) of the OIA refers).

1. *Has the Secretary/MFAT received any export permit applications from New Zealand Company Rakon between 1 January 2021 and 15 August 2024?*

If so for each application please provide details of:

- *the date the application was made;*
- *the goods for which the application was made;*
- *the intended recipient of the goods;*
- *the destination country for the goods;*
- *the outcome of the application.*

Between the dates of your request the Ministry of Foreign Affairs and Trade (the Ministry) did not receive any export permit applications from Rakon.

2. *Has the Secretary granted any export permits to New Zealand Company Rakon between 1 January 2021 and 15 August 2024?*

If so for each export permit please provide details of:

- *the date the export permit was granted;*
- *the controlled goods covered by the permit;*
- *the intended recipient of the controlled goods;*
- *the destination country for the controlled goods;*
- *the type of export permit granted (eg a multiple permit);*
- *the considerations taken into account when assessing whether to grant the permit;*
- *whether an End User Certificate (EUC) is associated with the export permit. If an EUC is associated with the export permit, please provide a copy of the EUC.*

Between the dates of your request the Ministry did not grant any export permit applications to Rakon.

3. *Has New Zealand Company Rakon been granted a general consent export permit between 1 January 2021 and 15 August 2024? If so please provide the information provided by Rakon to MFAT pursuant to the six-monthly reporting requirements.*

Between the dates of your request the Ministry did not grant any general consent export permit to Rakon.

4. *If New Zealand Company Rakon has been granted a general consent export permit between 1 January 2021 and 15 August 2024 and the reporting requirement was waived, please provide:*
 - *Confirmation that the reporting requirement was waived; and*
 - *Any records provided to MFAT on the types and amounts of goods exported, and the end-users who have received items under the general consent.*

Please see our response to question 3.

5. *Has there been consideration of goods to be or being exported by NZ Company Rakon between 1 January 2021 and 15 August 2024 where the goods were deemed not to fall within the scope of the Strategic Goods list? If so please provide details about the basis on which this decision/these decisions were made, the intended recipient, the intended destination country/ies, the nature of the goods concerned and the dates on which the decision/s were made.*

In May 2024, MFAT contacted Rakon to confirm there had been no changes to their product specifications that would now place them on the New Zealand Strategic Goods List. In response, Rakon confirmed their products did not meet the specifications of the New Zealand Strategic Goods List.

6. *Has there been considered of goods to be or being exported by NZ Company Rakon between 1 January 2021 and 15 August 2024 where the goods were deemed not to fall within the scope of the Catch Alls? If so please provide details about the basis on which this decision/these decisions were made, the intended recipient, the nature of the goods concerned, the intended destination country/ies, and the dates on which the decision/s were made.*

All goods exported from New Zealand to a military end user are captured by catch all controls, unless an exemption applies. Please refer to Section 3 of the Catch All Gazette Notice for a full list of exemptions:

<https://www.mfat.govt.nz/assets/Trade-General/Brokering-weapons-AND-Trading-weapons-and-controlled-chemicals/Catch-all-Gazette-Notice.pdf>

In May 2024, the Ministry confirmed with Rakon their full awareness of the requirements detailed in the Catch-all Gazette Notice & Explanatory Notice when exporting to a military end user. This awareness included exemptions and re-exports. For more information relating to export controls please visit:

<https://www.mfat.govt.nz/en/trade/export-controls/which-exports-are-controlled>

7. *Has there been consideration of goods to be or being exported by NZ Company Rakon between 1 January 2021 and 15 August 2024 where an exemption was applied (relating to either the strategic goods list or the catch alls), resulting in an export permit not being required. If so please provide details about the basis on which this decision/these decisions were made, the intended recipient, the nature of the goods concerned, the intended destination country/ies and the dates on which the decision/s were made.*

We refer you to the answer for question 6.

8. *Has there been consideration of goods to be or being exported by NZ Company Rakon between 1 January 2021 and 15 August 2024 where a decision was made that the company was not required to supply a EUC. If so please provide details about the basis on which this decision/these decisions were made, the intended recipient, the nature of the goods concerned, the intended destination country/ies and the dates on which the decision/s were made.*

During this period, the Ministry did not receive any export permit applications from Rakon. Therefore it did not consider any goods for export by Rakon not to require an EUC.

9. *Please provide a copy of all correspondence between MFAT's Export Controls team (or predecessor team at MFAT handling export controls) and NZ Company Rakon between 1 January 2021 and 15 August 2024.*

Please refer to pages 1-5 of the collated documents.

10. *Please provide a copy of all correspondence (including emails and text messages, notes of meetings etc) between MFAT officials and NZ Company Rakon between 1 January 2021 and 15 August 2024.*

The below is a recollection of the 16 May 2024 meeting (section 16(1)(e) of the OIA refers):

Discussed new (2021) SGL and requested Rakon check their product against this. Explained catch all controls, including being reasonably aware if a 'white list'* country plans to re-export. Rakon explained their product is ideally suited to telecommunications equipment and has always been manufactured in New Zealand. Emailed SGL, Gazette, and Gazette explanatory notes.

* The term 'white list' is Export Controls shorthand for 'consigned for use in Australia, Canada, Iceland, Japan, Norway, South Korea, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America or a member state of the European Union' per Section 3 a. of the Catch All Gazette Notice.

Please also refer to pages 6-7 of the collated documents for notes relating to the 21 May 2024 meeting.

11. *Please provide copies of all notes and/or reports prepared by MFAT officials concerning Rakon and the export of Rakon products.*

Please also refer to page 8 of the collated documents.

The extracts below are also captured in your request (section 16(1)(e) of the OIA refers). The remainder of these documents are out of scope and therefore are not included.

Excerpt 1

Document Title: *FADTC [Foreign Affairs, Defence and Trade] briefing for DS EMA [Deputy Secretary Europe, Middle East and Australia Group] on the Israel-Hamas conflict, 20 June 2024*

[If raised – Rakon *[withheld under section 9(2)(g)(i) of the OIA]*]: The government is aware of recent allegations that New Zealand company, Rakon, may be exporting goods to Israel via a third party for military use.

MFAT is looking into this, and we understand that Rakon has issued a public statement on the allegations and offered to meet a civil society organisation that is concerned over this matter.

Excerpt 2

SitRep [situation report] 90- 24 May 2024, SitRep 91- 31 May 2024 and SitRep 92- 7 June 2024

[withheld under section 9(2)(g)(i) of the OIA] MFAT has not approved the export of strategic goods for use by the Israel Defence Force since the electronic Export Controls database was established in 2006.

Excerpt 3

SitRep 90, 24 May 2024

An individual associated with the Palestinian Solidarity Network Aotearoa (PSNA) has gone on hunger strike in response to the conflict. William Alexander, a former Shortland Street actor, began a zero-calorie strike on 19 May and issued three demands of the New Zealand Government: to “resume and then double humanitarian funding for UNRWA,” to “stop NZ company Rakon from supplying components for weapons used by Israel”, and to “withdraw NZ troops from the Red Sea.” *[withheld under section 9(2)(g)(i) of the OIA]*. Two officials from the Office of the Minister of Foreign Affairs and one senior MFAT official met with the protester on 23 May to discuss his demands.

Excerpt 4

Estimates briefing for MFA, May 2024

[If raised – Rakon *[withheld under section 9(2)(g)(i) of the OIA]*]: The government is aware of recent allegations that a New Zealand company may be exporting goods to Israel via a third party for military use. MFAT is looking into this, and we understand that the company has offered to meet a civil society organisation that is concerned over this matter.

Excerpt 5

Contingency TPs [Talking Points] sent to OMFA

[withheld under section 9(2)(g)(i) of the OIA] MFAT has not approved the export of strategic goods for use by the Israel Defence Force since the electronic Export Controls database was established in 2006.

12. Please provide a list of all permits granted to Rakon, or other New Zealand-based companies, to export crystal oscillators, falling either under the Strategic Goods List or the Catch Alls in the period 1 January 2021 and 15 August 2024 including:
- the names of the company or individual exporting;
 - the intended recipient;
 - the intended destination country;
 - the considerations taken into account when assessing whether to grant the permit/s;
 - any exemptions made in relation to requiring the applicant to provide information, including EUC's.
 - a copy of any EUC's submitted in association with the permit

- *the date relevant permits were granted.*

This part of your request is refused under section 18(e) of the OIA: the information requested does not exist.

13. *Have there been any exemptions to the Secretary's/MFAT's guidelines applied to Rakon in relation to goods that fall under the Strategic Goods List or the Catch Alls? If so please provide details as to:*

- *the date an exemption was made;*
- *what was considered in terms of granting an exemption;*
- *the nature of the goods being exported*
- *the human rights considerations taken into account in determining whether to grant an exemption.*
- *details of the recipient company or entity.*

There have been no exemptions to the Secretary's or the Ministry's guidelines applied to Rakon in relation to goods that fall under the Strategic Goods List or the Catch Alls. Please refer to Section 3 of the Catch All Gazette Notice (linked above) for a full list of exemptions to catch all controls but note these are general exemptions for all exporters and not discretionarily granted/approved by the Secretary or Ministry.

14. *Please provide a copy of all advice given by MFAT to government ministers about Rakon's export of goods.*

Please refer to excerpts 1-5 outlined above in our answer to your question 11. Also in scope of this request is one further extract provided below.

Excerpt 6

<i>FW: Hunger Strike TPs dated 20 May 2024</i>
Export of Controlled Items [out of scope of request] <ul style="list-style-type: none">- The Ministry is aware of recent allegations that a New Zealand company may be exporting to Israel via a third party. Investigations into these allegations are on-going.

The remaining information relevant to your request is attached. We have withheld some information under the following sections of the OIA:

- 9(2)(a): to protect individuals' privacy;
- 9(2)(ba)(i): to protect the supply of confidential information by another party;
- 9(2)(g)(i): to protect the free and frank expression of opinions by departments; and
- 9(2)(g)(ii): to protect officers and employees from improper pressure or harassment.

Where the information has been withheld under section 9 of the OIA, we have identified no public interest in releasing the information that would override the reasons for withholding it.

Please note that it is our policy to proactively release our responses to official information requests where possible. Therefore, our response to your request (with your personal information removed) may be published on the Ministry website: www.mfat.govt.nz/en/about-us/contact-us/official-information-act-responses/

If you have any questions about this decision, you can contact us by email at:
DM-ESD@mfat.govt.nz.

You have the right to seek an investigation and review by the Ombudsman of this decision by contacting www.ombudsman.parliament.nz or freephone 0800 802 602.

Nāku noa, nā

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Owen Thornber
for Secretary of Foreign Affairs and Trade

From: s9(2)(g)(ii)
To: s9(2)(a)
Cc: s9(2)(g)(ii)
Subject: RE: Rakon / MFAT discussion
Date: Tuesday, 21 May 2024 10:07:00 am
Attachments: [image001.png](#)

Thanks s9(2)(a)

That's sounds ideal. I'll send you another Teams invite for 2pm.

s9(2)(g)
(ii)

From: s9(2)(a)
Sent: Tuesday, 21 May 2024 10:05 am
To: s9(2)(g)(ii) s9(2)(a)
Cc: s9(2)(g)(ii)
Subject: Re: Rakon / MFAT discussion

Morena s9(2)(g)
(ii)

We could do another follow up call this afternoon - I am currently in a meeting through until 1.00pm .

I can update you on Strategic Goods List review also.

Do you have another time this afternoon - say 2.00pm?

Regards

s9(2)(a)

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From: s9(2)(g)(ii)
Sent: Tuesday, May 21, 2024 9:31:23 AM
To: s9(2)(a)

Cc: s9(2)(g)(ii)
Subject: RE: Rakon / MFAT discussion

[UNCLASSIFIED]

Good morning s9(2)(a)

Did you have chance to re-evaluate Rakon's products against the updated (2021) Strategic Goods List? Could you please confirm whether Rakon's products are captured by this?

s9(2)(g)(ii) and I were hoping for a quick follow up phone call this afternoon if you have time? It should only take 15 minutes and we are available any time after 12:30.

Thanks again for your cooperation,

s9(2)(g)
(ii)

From: s9(2)(g)(ii)

Sent: Monday, 20 May 2024 1:29 pm

To: s9(2)(a)

Cc: s9(2)(g)(ii)

Subject: RE: Rakon / MFAT discussion links

Hi s9(2)(a)

That's great – thank you for providing that at short notice. We will be in touch if we need any further clarification.

Thanks,

s9(2)(g)
(ii)

From: s9(2)(a)

Sent: Monday, 20 May 2024 12:09 pm

To: s9(2)(g)(ii)

s9(2)(a)

Cc: s9(2)(g)(ii)

Subject: RE: Rakon / MFAT discussion links

Hello s9(2)(g)
(ii) ,

Please find below a general statement from Rakon regarding products and markets.

I hope this summarizes the conversation we had last week.

Regards,

s9(2)
(a)

Rakon designs and manufactures high-performance frequency control products, with exceptional precision and reliable timekeeping capabilities, which are utilised world-wide by global customers in the Telecommunications, Positioning and Space & defence markets. For customers in the defence sector applications include communications, radar and navigation.

Almost all electronic devices require some form of frequency control and the most common way to achieve this is by using a crystal oscillator. Crystal oscillators are very common commercial electronic components (approximately two billion are manufactured globally every year).

Rakon's technology leadership allows it to focus on producing high specification components providing precision and accurate time-keeping ability for electronic

communications that require exceptionally stable frequency of oscillation over time and environmental variations.

Rakon's customers, typically, manufacture a PCB product (printed circuit board), incorporating Rakon's commercial crystal oscillators and other electronic components. These PCBs are then incorporated by the customers or their customers into subsystems for their particular technical applications.

s9(2)(a)

Rakon Limited, New Zealand

s9(2)(a)

From: s9(2)(g)(ii)

Sent: Thursday, 16 May 2024 1:26 PM

To: s9(2)(a)

Cc: s9(2)(g)(ii)

Subject: RE: Rakon / MFAT discussion links

[UNCLASSIFIED]

Thanks s9(2)(a)

s9(2)(ba)(i)

I was also hoping to get a nicely worded sentence from you stating something along the lines of "Rakon produce crystal oscillators which are ideally suited for use in communications equipment due to their precision and accurate timekeeping ability."

I think you had the perfect wording during the meeting, but I was unable to take notes.

A generic statement on customers would be ideal. Perhaps something like "Due to Rakon's crystal oscillators being ideally suited for use in communications equipment, this forms the majority of our consumer market".

This is in case we are asked for talking points by the Secretary of Foreign Affairs and Trade or Minister's office. s9(2)(ba)(i)

I will leave the final wording to you.

Thanks,

s9(2)(g)
(ii)

From: s9(2)(a)

Sent: Thursday, 16 May 2024 11:50 am

To: s9(2)(g)(ii)

s9(2)(a)

Cc: s9(2)(g)(ii)

Subject: RE: Rakon / MFAT discussion links

Hello s9(2)(g)(ii) ,

The "partners" listed on our web site are sales agents or sales partners that are authorised to sell our product.

Our actual customer list is confidential s9(2)(ba)(i)

Does this help?

Rgds,

s9(2)(a)

Ps. Thanks for the links. We will review these again

s9(2)(a)

Rakon Limited, New Zealand

s9(2)(a)

From: s9(2)(g)(ii)

Sent: Thursday, 16 May 2024 11:27 AM

To: s9(2)(a)

Cc: s9(2)(g)(ii)

Subject: Rakon / MFAT discussion links

[UNCLASSIFIED]

Good Morning s9(2)(a)

Thank you for your time and openness in our conversation.

As discussed, here are the links to the [New Zealand Strategic Goods List](#) and [Catch All Controls Gazette notice](#). Explanatory notes for the notice are available [here](#).

If you could please provide some lines on the specific use of Rakon crystal oscillators, including their appropriateness for communications technology, we would be very grateful.

Also, are there any specific US defence companies other than those listed on the [Partners](#) section of your website?

Thanks again and please reach out if you have any further questions.

s9(2)(g)
(ii)

s9(2)(g)(ii)

International Security and Disarmament Division

s9(2)(a)

[New Zealand Ministry of Foreign Affairs & Trade](#) | Manatū Aorere



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MFAT attendees: ^{s9(2)(g)(ii)}

Rakon attendees: ^{s9(2)(a)}

MFAT (^{s9(2)(g)(ii)}): Are Rakon's products captured by the SGL?

Rakon (^{s9(2)(a)}): *No.*

Rakon (^{s9(2)(a)}): *This has been confirmed four times already, most recently at MFAT's request in May 2024.*

MFAT (^{s9(2)(g)(ii)}): Are you aware of claims made by the Palestinian Solidarity Network – Aotearoa that specifically name Rakon's crystal oscillators being used in munitions supplied to Israel by the US?

Rakon (^{s9(2)(a)}): *Yes*

Rakon (^{s9(2)(a)}): *We have not been shown any evidence to back up these claims.*

MFAT (^{s9(2)(g)(ii)}): Do you intend to issue a public statement addressing the alleged use of crystal oscillators in US bombs supplied to Israel?

Rakon (^{s9(2)(a)}): *Yes. We have already been approached by media and have provided a response. We may put something similar on the website.*

MFAT (^{s9(2)(g)(ii)}): ^{s9(2)(g)(i)}

MFAT (^{s9(2)(g)(ii)}): Can you share any information on the customer/distributor due diligence you undertake before supplying Rakon products? No need to answer rights now but if asked, it would be useful for us to be able to provide this as it shows you are complying with the Catch-all Gazette Notice and doing due diligence.

Rakon (^{s9(2)(a)}): *Potentially. We can't share right now over Teams, but this is something we could go away and look at.*

Rakon (^{s9(2)(a)}): *We have a direct presence in with our customers. We don't broadly sell to just anyone. We ask questions about the end use via direct account managers.*

MFAT (^{s9(2)(g)(ii)}): Can you share any further information about the specific end use or end users of your products? Again, this is quite a direct question so no need to commit to an answer right now.

Rakon (^{s9(2)(a)}): *There is a huge range.*

MFAT (^{s9(2)(g)(ii)}): Have you considered the physical safety and security at your premises in light of protests outside MFAT offices and protests outside Rakon in 2009? It is our due diligence to ask.

Rakon (^{s9(2)(a)}): *Yes. We are aware.*

MFAT (^{s9(2)(g)(ii)}): ^{s9(2)(g)(i)}

Comment: ^{s9(2)(g)(i)}

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About Rakon

[Rakon](#) are an international company with [head offices](#) in Auckland. They manufacture frequency control and timing products which are versatile and used in 5G networks, satellites, emergency beacons, and autonomous vehicles.

About crystal oscillators

Rakon's frequency control products include [crystal oscillators](#). These enable high speed 5G networks, precision positioning for autonomous vehicles, and synchronisation for cloud computing. Crystal oscillators have telecommunications, space, defence, automotive, and global navigation satellite system applications and are ideal for positioning and telecommunications applications. Rakon have [confirmed](#) that their crystal oscillators are not captured on the Strategic Goods List.

Summary of comments from Rakon:

Rakon designs and manufactures high-performance frequency control products with exceptional precision and reliable timekeeping capabilities. These are utilised world-wide by customers in the telecommunications, positioning, space, and defence markets. Defence sector uses include communications, radar, and navigation.

Rakon produces highly precise oscillators with accurate time-keeping ability. These are ideally suited to electronic communications which require exceptionally stable frequency of oscillation over time and environmental variations.

The [partners](#) listed on Rakon's website are agents or partners authorised to sell Rakon products internationally. Rakon's specific customer list is confidential^{s9(2)(ba)(i)}

Catch-all controls and outreach

- Goods not listed on the [Strategic Goods List](#) but sent to a military end user still require an export permit and are captured under [Catch-all Controls](#).
- The exemption¹ to this is goods being sent to a military end user in countries with similar Export Control regimes (US, Australia, Canada, the EU, Switzerland, Norway etc²).
- If an exporter is aware, or should reasonably be aware, that the final destination of their product will not be one of the exempt countries **and** the goods are for a military end user, then this exemption no longer applies, and the exporter needs a permit.
- Rakon were advised of this in writing in August 2020 before the Gazette notice came into force in October 2020.
- "[Reasonably aware](#)" means an exporter should take proactive steps to ascertain if the goods are intended for military use. To the extent possible, they should 'know their customer'.
- Following the recent allegations and Ministerial correspondence, MFAT has conducted outreach with Rakon via MS Teams (16 and 21 May 2024) and reminded them of their obligations under the Customs and Excise Act and Catch-all Controls Gazette Notice.

¹ Goods being used in the development, production, or deployment of nuclear explosive devices, biological weapons, and/or chemical weapons and their means of delivery are not exempt.

² Full list is: Australia, Canada, Iceland, Japan, Norway, South Korea, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America, or a member state of the European Union.