



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

OCT 2024

Export Controls Annual Report 2023



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Foreword from the Secretary of Foreign Affairs and Trade

This is the second Export Controls annual report by the Ministry of Foreign Affairs and Trade (MFAT). It covers the work of the Ministry, across the 2023 calendar year, in assessing and issuing permits for the export of strategic goods and the export and import of chemicals controlled by the Customs and Excise Act 2018 and the Chemical Weapons (Prohibition) Act 1996 respectively.

In June 2023, MFAT released its *Strategic Foreign Policy Assessment – Navigating a Shifting World*. This document outlined a more uncertain and complex international environment for New Zealand and explained that we need to navigate a wider array of global threats and increased risks.

New Zealand's export controls system continues to be an essential element of a multi-layered framework to prevent the unwanted proliferation of military and dual use technology. A strong export controls regime is essential to our national interests, facilitates trade, and helps to uphold our international commitments to prevent military and dual use technology being shared with malign actors.

2023 saw a significant number of permit applications processed. As this is our second annual report, we have also been able to provide some trend analysis compared to the previous year. Of note, 2023 saw an overall 20% increase in permit applications. The regional focus of applications in 2023 was for Australia and the Pacific (49%), the Americas (14%), Asia (13%) and Europe (13%).

In recent years MFAT has strengthened its export control team and associated systems to uphold our obligations and interests as a responsible exporting country and to provide expert advice to exporters. Looking ahead to 2024, we envisage further work to strengthen New Zealand's export control regime, to ensure our controls remain fit for purpose in a changing and increasingly challenging international environment.

A handwritten signature in black ink that reads "Beede Corry". The signature is written in a cursive, slightly slanted style.

BEDE CORRY
SECRETARY OF FOREIGN AFFAIRS AND TRADE
TE HEKERETARI O MANATŪ AORERE

The purpose of Export Controls

The purpose of New Zealand's Export Controls regime is to regulate the export of goods which may be intended for use that could, directly or indirectly, be to the detriment of New Zealand's security or national interests or contribute to human rights abuse or the contravention of international humanitarian law. These comprise strategic goods; and also, certain other goods intended for export to military and police end-users.

In achieving this purpose, the Export Controls regime fulfils New Zealand's domestic and international obligations, commitments and policies in relation to controlling the export of these goods, as well as giving effect to our commitment to being a responsible exporter of such goods.

What is controlled?

The export and import of all controlled chemicals, the export of strategic goods, and exports that are covered by catch-all provisions, are all prohibited under the Customs and Excise Act 2018, unless a permit has been obtained from the Secretary of Foreign Affairs and Trade.



Controlled chemicals:

Chemicals that could be used as weapons or weapons precursors, and chemicals related to other military purposes.



Strategic goods:

Goods listed on the New Zealand Strategic Goods List (NZSGL). These include firearms, military goods and technologies, organisms, dual-use goods and technologies, and goods and technologies that can be used in the production, development, or delivery of nuclear, chemical or biological weapons and their means of delivery.



Catch-all provisions:

Since 2020, all exports of goods and technology not listed on the NZSGL to any armed force, paramilitary force, police force or militia were brought under New Zealand's Export Controls regime. Some countries and goods are exempt from these catch-all provisions.

Overview of application processing

1,045 permit applications were processed in 2023. The majority of these applications related to the export of strategic goods and required completion of a standard assessment for approval.

However, 25 required full assessments. A permit application undergoes a full assessment when the goods or technology being exported, the destination, or the end-user of the export pose some risk. A full assessment is based on six published criteria and involves the Export Controls team seeking information from a range of sources including open-source reporting, relevant MFAT regional divisions and posts, and sometimes international partners. For each full assessment a legal assessment is undertaken. Of the 25 full assessments completed in 2023, 22 were approved, two were declined and one was withdrawn.

Permits can be withdrawn by applicants for a number of reasons, most commonly when the timing for the export falls outside the permit time period and the permit issued is not to be used. At the end of the 2023 calendar year 25 permits originally approved in 2023 were withdrawn. These 25 permits are not counted in the 'Approve' total in the table below.

Permits can be revoked by the Secretary of Foreign Affairs and Trade if conditions have changed, or new information has come to light since the permit was issued that mean the permit is no longer appropriate. One permit was revoked in 2023.

Amending permits (extending their expiry dates, adding or removing items, or modifying the end user) also counts towards approvals. For this reason, total numbers of approvals granted as it appears in this table may be higher than elsewhere in this report.

Table 1: Overview of application processing

Permit Decision	Category of export/import	Standard Assessments	Full Assessments	Total
Approve	Goods Export	924	22	946
	Chemicals Export	4	-	4
	Chemicals Import	68	-	68
		996	22	1,018
Decline	Goods Export	-	2	2
	Chemicals Export	-	-	-
	Chemicals Import	-	-	-
		-	2	2
Withdraw	Goods Export	20	1	21
	Chemicals Export	-	-	-
	Chemicals Import	4	-	4
		24	1	25
		1,020	25	1,045

Source: Permit Control Database

Types of permits issued

There are five different types of export permits issued under the Export Controls regime:



Single Permit

Single export permits are issued for the permanent export of a fixed quantity of specified items in a single shipment. The permit is valid for a three-month window from the date it is issued.



Multiple Permit

Multiple export permits are issued for the export of a fixed quantity of controlled items that will be exported in several shipments over an extended period up to 18 months in duration.

Exporters may be required, as a condition of their permit, to provide information to MFAT on the amounts of goods exported under the multiple permit, according to a set six-monthly reporting timetable.



Single Temporary Permit

Temporary export permits are issued for a fixed quantity of specified items temporarily leaving New Zealand with the intention of return to the owner e.g. for a trade exhibition.

Generally, the export item will be in the care of the owner (sales representative, firearm owner etc), although items may be exported temporarily to a third party e.g. for the purposes of trial or repair by a third party.

The permit is valid for a three-month window from the date it is issued.

A condition of a temporary permit is that MFAT Export Controls is notified when the goods have been returned to New Zealand.



Single Transit Permit

Single transit permits are issued for goods that enter New Zealand, but are not offloaded, and continue onward to their destination.



General Consent




An exporter may apply for a general consent to export specific listed items to a destination or destinations. This gives approval to the exporter to export any volume of the specified products to any end-user in the approved countries over a period of up to 24 months.

Applications are usually approved for exporters with a business case that justifies the use of a general consent i.e. a sufficient volume of goods.

Normally, general consents are only granted for other export control member countries, although applications are considered for other countries. In these cases, each end user must be specified.

Most permits issued in 2023 were single permits for the export of strategic goods and catch-all exports.

Table 2: Permits issued by permit type

	Number of permits issued					
	Single	Single Temporary	Single Transit	Multiple	General Consent	Grand Total
Strategic Goods & Catch-all Exports 	797	47	1	45	56	946
Chemicals Export 	4	N/A	N/A	N/A	N/A	4
Chemicals Import 	68	N/A	N/A	N/A	N/A	68
Grand Total	869	47	1	45	56	1,018

Source: Permit Control Database

Timeliness

The Export Controls team aims to process applications requiring only standard assessments within ten working days. In 2023, standard assessments took on average 1.2 calendar days for strategic goods and catch-all exports, 1.1 calendar days for chemical exports and 1.1 calendar days for chemical imports.

The full assessment process necessarily takes longer, as the process is more in-depth (see the 'Overview of application processing' section in this report for information on what occurs). Full assessments for approved multiple export permits took the longest to approve, at an average of 24.3 calendar days to process.

For both full and standard assessments the 'average days to process' figures below exclude delays if further information needed to be sought from the exporter. The time taken for post-permit amendments are also excluded: 64 permits had amendments made post permit issuance and were excluded from the timeliness calculations below. Permits can be amended more than once if there are shipping delays.

Table 3: Time taken to process standard assessments

Permit applied for	Number of permits (all approved)	Average days to process*
Strategic Goods & Catch-all Exports		
Single	751	1.1
Single Temporary	41	1.0
Single Transit	1	1.0
Multiple	33	2.0
General Consent	47	1.6
All strategic goods & catch-all exports	873	1.2
Chemical exports		
Single	4	3.3
All chemical exports	4	3.3
Chemical imports		
Single	68	1.1
All chemical imports	68	1.1

Source: Permit Control Database

*Average days to process' is calculated in elapsed calendar time, including public holidays and weekends as well as working days.

Table 4: Time taken to process full assessments

Permit applied for	Approvals		Denials	
	Number of approved permits	Average days to process*	Number of declined permits	Average days to process*
Strategic Goods & Catch-all Exports				
Single	9	27.3	2	178.5
Single Temporary	-	N/A	-	N/A
Single Transit	-	N/A	-	N/A
Multiple	4	33.3	-	N/A
General Consent	3	3	-	N/A
All strategic goods & catch-all exports	16	24.3	-	N/A
Chemical exports				
Single	-	N/A	-	N/A
All chemical exports	-	N/A	-	N/A
Chemical imports				
Single	-	N/A	-	N/A
All chemical imports	-	N/A	-	N/A

Source: Permit Control Database

*Average days to process' is calculated in elapsed calendar time, including public holidays and weekends as well as working days.

Application approvals by region

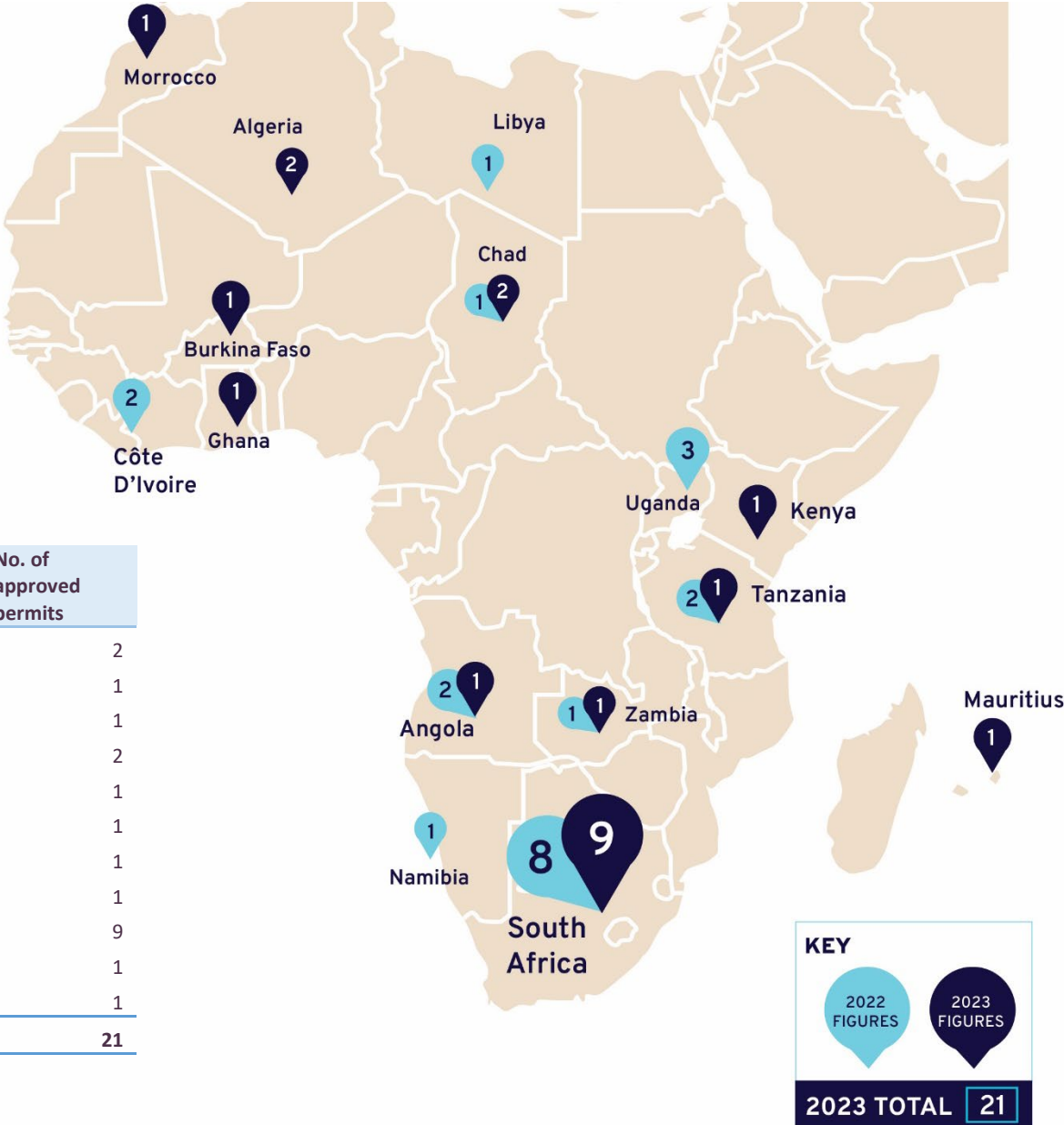
When reading this section and comparing it to totals elsewhere in this report please note that some permits (general consents) can cover multiple destinations, and hence these permits are counted for more than one destination in this section.

*Regional mapping of destinations is based on data sources such as United Nations geoschemes and “Our World in Data”.

Africa

For the Africa region in 2023, there were **21 applications for permits approved** for the export of strategic goods and catch-all exports. There were no decisions made for controlled chemical exports to Africa in 2023. These figures are identical to the 2022 reporting period.

Figure 1: Application approvals for the export of strategic goods and catch-all exports to Africa in 2023



Americas

For the Americas region in 2023, there were **144 applications for permits approved** for the export of strategic goods and catch-all exports. This is a decrease of three permits compared to the 2022 reporting year, when 147 applications were approved. There were no decisions made for controlled chemical exports to the Americas in 2023.

Figure 2: Application approvals for the export of strategic goods and catch-all exports to the Americas in 2023



Asia

For the Asia region in 2023, there were **136 applications for permits approved** for the export of strategic goods and catch-all exports. This is a decrease of 54 permits compared to the 2022 reporting year, when 190 applications were approved. There were no decisions made for controlled chemical exports to Asia in 2023.

Figure 3: Application approvals for the export of strategic goods and catch-all exports to Asia in 2023

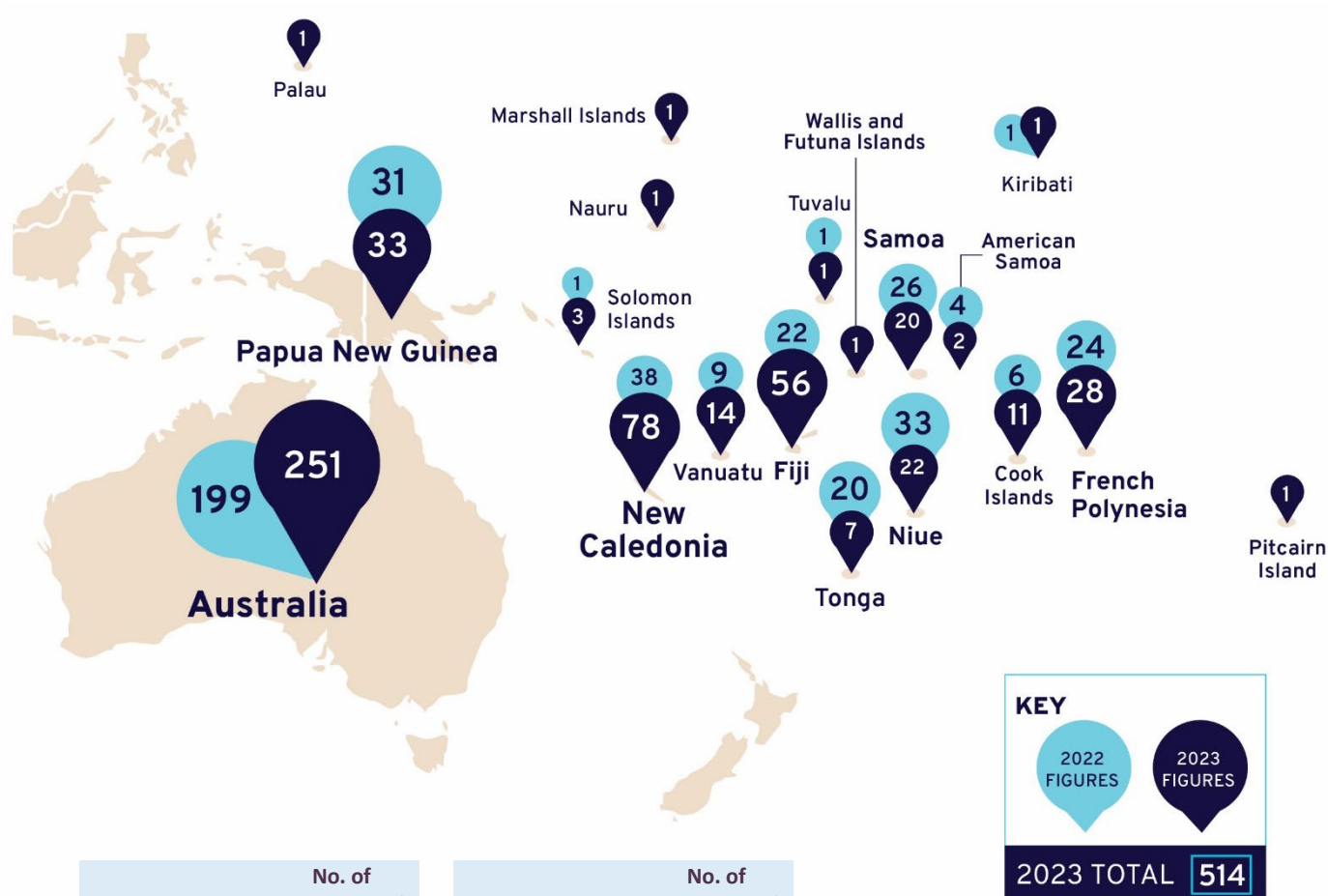


Australia and Pacific

For the Australia and Pacific region in 2023, there were **514 applications for permits approved** for the export of strategic goods and catch-all exports. This is an increase of 104 permits compared to the 2022 reporting year when 410 applications were approved.

There was **one application** for the export of controlled chemicals approved to this region in 2023, compared to four in 2022. There were **68 applications** for the import of controlled chemicals into New Zealand approved in 2023 compared to 89 in 2022.

Figure 4: Application approvals for the export of strategic goods and catch-all exports to the Australia and Pacific region in 2023



Source: Permit Control Database

Destination	No. of approved permits	Destination	No. of approved permits
American Samoa	2	Palau	1
Australia	251	Papua New Guinea	33
Cook Islands	11	Pitcairn Island	1
Fiji	56	Samoa	20
French Polynesia	28	Solomon Islands	3
Kiribati	1	Tonga	7
Marshall Islands	1	Tuvalu	1
Nauru	1	Vanuatu	14
New Caledonia	78	Wallis And Futuna Is	1
Niue	22	Grand Total	514

Europe

For Europe in 2023, there were **132 applications for permits approved** for the export of strategic goods and catch-all exports. This is a decrease of 111 permits compared to the 2022 reporting year, when 243 applications were approved. There was one approved application for controlled chemical exports to Europe in 2023 compared to no applications in 2022.

Figure 5: Application approvals for the export of strategic goods and catch-all exports to Europe in 2023



Middle East

For the Middle East in 2023, there were **43 applications for permits approved** for the export of strategic goods and catch-all exports. This is an increase of 15 permits compared to the 2022 reporting year, when 28 applications were approved. There were no decisions made for controlled chemical exports to the Middle East in 2023.

Figure 6: Application approvals for the export of strategic goods and catch-all exports to the Middle East in 2023



Source: Permit Control Database

Other

There were **four other applications for permits** for the export of strategic goods and catch-all exports, one into outer space and three to Antarctica.

*Regional mapping of destinations is based on data sources such as United Nations geoschemes and “Our World in Data”.

Submissions to Ministers and Cabinet

MFAT made the following submissions to Ministers and Cabinet in relation to Export Controls across the 2023 calendar year. These submissions cover the full scope of the Export Controls team’s work, including processing diplomatic clearances for state / military aircraft and vessels. The name of one submission has been redacted.

Table 5: Submissions to Ministers and Cabinet

Date Submitted	Submitted to	Title of Submission
19/04/2023	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by British Naval Vessel – HMS SPEY
11/05/2023	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by United States F-35C Multirole Combat Aircraft (This visit was cancelled.)
30/06/2023	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for visit by French Naval Vessel - D'ENTRECASTEUX
25/07/2023	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for visit by Indian Navy Ships KOLKATA and SAHYADRI and embarked helicopters
24/08/2023	Minister of Foreign Affairs	Title redacted under Section 9(2)(f)(iv) of the OIA Act – maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
01/12/2023	Minister of Foreign Affairs / Prime Minister	Foreign Military Aircraft Annual Clearance for 2024
05/12/2023	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for visit by French Naval Vessel - D'ENTRECASTEUX
19/12/2023	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Request for visit by United States Coast Guard Cutter - POLAR STAR

Other activities undertaken by Export Controls team

Outreach

Members of the Export Controls team made 20 outreach visits to exporters and held 15 virtual outreach meetings in 2023.

Informal Advice

The Export Controls team provides informal advice to exporters (including businesses and individuals). Currently metrics are not kept on the work performed providing informal advice.

Exemptions for private individuals to export certain firearms

MFAT was notified of 342 exports by private individuals of exempted firearms in 2023. Exports of firearms are required to be notified to MFAT to enable New Zealand's Arms Trade Treaty reporting obligations. Source: Exempted Firearm Export Figures Spreadsheet.

Find New Zealand's Arms Trade Treaty reports at:

<https://thearmstradetreaty.org/annual-reports.html?templateId=209826>

Official Information Act requests

The Export Controls team were involved in responding to 10 Official Information Act requests made to MFAT in 2023.

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ISBN 3021-3274



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New Zealand Government